FBIS DAILY REPORT

China

CONTENTS

Vol I No 047 11 March 1986

PRC INTERNATIONAL AFFAIRS

GENERAL

Beijing Russian on PRC Disarmament Stance A 1
Beijing Russian on Snags on U.S.-USSR Summit A 2
PRC Formally Admitted to Asian Development Bank A 3
41 Medical Centers Designated for WHO Liaison A 4
Tian Yinong at G-24 Meeting on Economic Relations A 4
Superpowers Urged To Ban All Nuclear Tests A 5

NORTHEAST ASIA

DPRK Journal Cited on Overcoming Bureaucratism D 1
[RENMIN RIBAO 5 Mar]
Nei Monggol-Mongolia Trade Develops Steadily D 1
Wang Zhen, Kang Keqing Meet Japanese Visitors D 3
Wang Zhen Meets Japanese Economists 11 March D 3

SOUTHEAST ASIA & PACIFIC

New Zealand's Lange on Trade Expansion With PRC E 1
Australia's Hawke Receives PRC Officials E 1
Kang Shien Fetes Australian Businessman 11 Mar E 1
Thai Official Says SRV 'Sowing Discord' in ASEAN E 1
Further Developments in Philippines Noted E 2
Solarz Promises Support E 2
Release of Sison E 2
Resignation of Justices E 2
Marcos' Generals Restricted E 3
Aquino Case May Reopen E 3
Marcos Stay Confirmed E 3
Trade Volume Declines E 4
Japan Invites Aquino E 4

SOUTH ASIA

Further on Li Xiannian's Visit to Bangladesh F 1
Talks With Ershad Successful F 1
Cooperation Pact Signed F 1
Leaders Stress World Peace F 1
Li Holds Return Banquet F 2
Leaves Bangladesh for Sri Lanka F 2
Arrives in Sri Lanka F 2
Nepalese Prime Minister Receives Delegation F 3
Trade Agreements Reached F 3

WESTERN EUROPE

Portuguese Prime Minister Meets Cui Yueli G 1
News Analysis Views New Portuguese President G 1
European Community Delegation Ends Visit G 2
Amsterdam-Rotterdam Bank Opens Beijing Office G 2
New Ambassador to Netherlands Presents Credentials G 2
Zhang Jingfu Meets FRG Benz Corporation Official G 2
FRG Chancellor Kohl on East-West Relations G 3
Envoy in Luxembourg Honored for Service G 3
Britain Turns Down Soviet Nuclear Proposal G 3

MIDDLE EAST & AFRICA

Envoy in Tunis Meets 'Arafat, Voices Support I 1
News Analysis: S. Africa Lifts Restrictions I 1
Deng Liqun Meets Iraqi Visitor 7 March I 3

WESTERN HEMISPHERE

LIAOWANG Comments on U.S. Latin American Policy [3 Mar] J 1
Honduras Not To Help Funnel Aid to Contras J 3

PRC NATIONAL AFFAIRS

CPC Policies Said To Assure Triumph of Justice K 1
[HONGQI 16 Feb]
Zhejiang CPC Bans 'Superstitious' Activities K 2
[GUANGMING RIBAO 1 Mar]
More Expansive Rural Credit Network Urged K 3
Commentator's Article K 4
[RENMIN RIBAO 7 Mar]
Importance of National Grain Production Stressed K 5
[RENMIN RIBAO 5 Mar]
Improved Packaging Industry Standards Encouraged K 7
[RENMIN RIBAO 5 Mar]
RENMIN RIBAO Reviews Xue Muqiao's New Books [28 Feb] K 8
Book About Development Strategy Discussed K 10
[RENMIN RIBAO 28 Feb]
GUANGMING RIBAO on Layout of Productive Forces [22 Feb] K 12
Circular on Education Ideology, Job Placement K 13
Tian Jiyun Speaks on Afforestation Campaign K 15
Tianjin Forum on Economic United Front Work Ends K 17
Difficulties in Small Enterprise Reform Viewed K 17
Deng Liqun, Zhang Jingfu on Enterprise Management K 18
Yang Dezhi on PLA Discipline, Appearance K 19
PLA Regiments, Units Begin Party Rectification K 19
Attention to Women's Leadership Potential Urged K 20
Hu Qiaomu Speaks at Women's Day Meeting K 20
National Court Presidents Conference Ends K 21
Shanghai Court President on Trial of Hu Xiaoyang K 22
Song Ping on Construction of Shanxi Energy Base K 22
Ni Zhifu Attends Beijing Opera in Tianjin K 23
Wang Zhen, Deng Pufang at Benefit Art Show K 23
Huang Hua Returns to Beijing 10 March K 24
Hu Yaobang, Yu Qiuli Write for Pictorial K 24

PRC REGIONAL AFFAIRS

EAST REGION

Huang Huang, Wang Yuzhao at Anhui Cadre Meeting O 1
Party Official Speaks O 2
Jiangsu: Han Peixin on Family Planning Work O 4
Wang Fang Lauds Zhejiang Rural Practice O 5

CENTRAL-SOUTH REGION

Guangzhou People's Congress Elects Mayor P 1
Hainan Conference on Rural Party Rectification P 1
Rural Rectification Problems in Hainan Discussed P 2

NORTH REGION

Hebei Circular on Dealing Blows to Economic Crimes R 1
[HEBEI RIBAO 19 Feb]
Shanxi Governor Speaks at Provincial Work Meeting R 1
Shanxi Leaders Attend Women's Day Gathering R 2

NORTHEAST REGION

Heilongjiang's 1985 Economic Development Results S 1
[HEILONGJIANG RIBAO 9 Feb]

NORTHWEST REGION

Gansu Holds Provincial Economic Work Meeting T 1
Qinghai Meeting Stresses Need To 'Correct Party Style' T 1
Qinghai CPC Committee Holds Enlarged Plenary Session T 2
Qinghai's Yin Kesheng Addresses Party Meeting T 3
SHAANXI RIBAO: Abusers of Power Should Not Be Promoted [10 Mar] T 4

TAIWAN

Vice President Calls PRC Policy 'Hoax, Ploy' V 1
[CHINA POST 5 Mar]
Minister: Taiwan 'Will Never Withdraw' from ADB V 1
Minister on Strategy for 'Political Stability' V 2
Premier Yu Refutes Criticisms of Nonpartisan V 2
[CHINA POST 5 Mar]
CHINA POST Sees Closer Ties With Philippines [4 Mar] V 3
Taipei Radio Comments on Philippine Situation V 4

HONG KONG MEDIA ON CHINA

Xu Jiatun Reportedly Rethinking Umelco Dinner Date W 1
[HONG KONG STANDARD 9 Mar]
Agrees on 'Condition' W 1
[HONG KONG STANDARD 11 Mar]
PRC To Allow Hong Kong ID Cards Validity Past 1997 W 2
[SOUTH CHINA MORNING POST 8 Mar]
Xiamen Joint Venture Bank Breaks State Monopoly W 3
[SOUTH CHINA MORNING POST 10 Mar]
PRC Trade Situation 'Healthier Than Many Think' W 4
[SOUTH CHINA MORNING POST 10 Mar]
PRC Takes Measures To Control Parallel Goods W 7
[TA KUNG PAO 8 Mar]

BEIJING RUSSIAN ON PRC DISARMAMENT STANCE

OW100941 Beijing in Russian to the USSR 1800 GMT 4 Mar 86

["International Peace Year" program: Talk by station commentator (Hung Bo) on PRC position on the disarmament question -- read by announcer]

[Text] In this International Peace Year, the people of our planet are even more concerned about disarmament. This is not only because the question of disarmament is tied to that of peace and safety of the whole world, but also to that of the arms race, especially the nuclear arms race, between the two superpowers, which has placed the planet and human survival on the brink of nuclear catastrophe.

Already 40 years have passed since the end of World War II. The United Nations, which has made disarmament one of its top priority goals, has held countless bilateral and multilateral disarmament conferences, both within and outside the UN framework. These conferences have adopted various resolutions on disarmament, quite a few of which were put forward by the governments of various countries. However, up to the present day, no material progress has been made on this important problem. On the contrary, the arms race between the two superpowers has consistently increased; their arsenals have been growing.

A few years ago it was calculated that the nuclear arms stockpile in the world had 1 million times the power of the atomic bomb exploded over Hiroshima. The nuclear bombs placed on Trident submarines alone are equal in power to all the bombs exploded during World War II. It should be noted that the world's arms stockpile is growing despite the constant pontifications of the two superpowers on disarmament. This cannot but cause strong concern and serious anxiety among the people of the world.

The government and people of China have invariably spoken out, and are speaking out, against the arms race and for the achievement of real disarmament. They have exerted and are exerting active efforts toward solution of the disarmament question. Since the 1960's, the Chinese Government has on many occasions put forward proposals on disarmament and on strengthening international security. China has invariably called for a total ban on and the complete destruction of nuclear weapons. Back in 1964, when China's first successful nuclear test took place, we unilaterally declared that never, under any circumstances, would China be the first to resort to nuclear weapons, and offered to reach agreement with all governments on the nonuse of nuclear weapons.

In 1982, at the second extraordinary session of the UN General Assembly, the Chinese Government proposed an immediate end to the arms race and put forward main measures toward disarmament. In 1984 China presented the United Nations with a draft resolution for the prevention of an arms race in space, calling on all countries, especially those with huge space potential, to take timely and effective steps to stop the arms race in space.

Huang Hua, vice chairman of the NPC Standing Committee, at a recent meeting of the Political Committee of the International Council of Former Heads of Governments, made a proposal on the basic principles for U.S.-USSR talks on disarmament. In his opinion, the following should be included in the basic principles: The two superpowers must be the first to reduce nuclear arms; all types of nuclear arms must be reduced proportionally, including nuclear arms deployed in all parts of Europe and Asia. The reduction of nuclear arms must take place simultaneously with the reduction in conventional arms.

Disarmament must be linked with the elimination of hot spots in all regions of the world. The Chinese Government's position on disarmament is dictated by China's peaceful foreign policy. The main direction of China's foreign policy is as follows: To oppose hegemonism and defend peace in the world in solidarity with all peace-loving countries of the Third World.

Presently, the PRC is building up the rate of its economic construction. In order to achieve in the present century its great goal -- the socialist modernization of the country -- it requires a consistently stable and peaceful international situation and not war. It therefore resolutely speaks out against a new world war. China maintains its weapons solely for self-defense and to withstand foreign aggression. It will never take part in the arms race.

While putting forward its proposals for arms reduction, China has with practical actions demonstrated its sincerity toward disarmament. Recently, at its own initiative, it decided to reduce the size of its army by 1 million men. The implementation of this important step began in the middle of last year; it will be completed in 2 years. This attests to the fact that the government and people of China wish, in pr ctical terms, to make a contribution to the cause of peace in the world.

China's actions have met with good response from various countries of the world and their people. Moreover, in 1985 China did not conduct a single nuclear test. All of its space launches were made exclusively for peaceful purposes, such as for scientific research, radio communications development, and radio and television broadcasting.

Undoubtedly, in today's world, the two superpowers -- the United States and the USSR -- have the largest quantity of weapons. It is they who with great zeal carry on military preparations, posing a great threat to peace in the world. It is, therefore, entirely fair to demand that, before anything else, the United States and the USSR, whose nuclear warheads account for 97 percent of the world's total, stop the arms race and reduce, to a large extent, the quantity of weapons.

Ultimately, the question of disarmament becomes a matter of preventing war and preserving peace. Presently, the forces in defense of peace are growing rapidly. The peaceful situation can be preserved if the people of the world, rallying together, come out against aggression, against hegemony. Simultaneously, the people of the various countries must make tireless efforts to attain a real arms reduction. Recently Gorbachev, leader of the USSR, and U.S. President Reagan have put forward new proposals on the question of arms reductions. We hope that they will welcome the aspirations of the various countries of the world and will reach agreement on real reductions in arms.

BEIJING RUSSIAN ON SNAGS ON U.S.-USSR SUMMIT

OW091418 Beijing in Russian to the USSR 1800 GMT 7 Mar 86

[Washington correspondent's roundup: "Growing Differences Between the United States and the Soviet Union on the Issue of a Second Summit Meeting"]

[Text] Exactly when this year will the second U.S.-Soviet summit meeting be held? The public's attention is now focused on this question. During last year's U.S.-Soviet summit in Geneva an agreement was reached that Gorbachev will visit the United States and meet the U.S. President this year, and that Reagan will visit the Soviet Union and meet Gorbachev in 1987. At first the United States desired a June meeting, but recently suggested July. At that time, the Soviet side hinted that General Secretary Gorbachev would visit the United States in September.

In his report to the 27th CPSU Congress, Gorbachev stated that agreement must be reached on two issues at the second summit meeting: An end to nuclear tests, and destruction of U.S. and Soviet intermediate-range missiles in the European zone. Otherwise the meeting would have no meaning. This shows that no agreement has yet been reached on the terms of the meeting, not to mention its agenda. The differences that arose on terms of the dialogue indiate that each side has its own views about the meeting. At the 27th CPSU Congress General Secretary Gorbachev strongly condemned the United States' lack of sincerity in solving cardinal problems to eliminate the nuclear threat, and announced that if the United States is ready to search for agreement on the issue of destroying intermediate-range missiles in Europe and banning nuclear tests, then the Soviet Union will accept any proposal on terms for a new summit meeting. There is no sense in holding empty talks.

These statements by the general secretary did not make Washington happy. Answering journalists' questions on 3 March, White House spokesman Speakes stated categorically that the United States opposes the attempt to link the second summit to a ban on nuclear tests and destruction of intermediate-range missiles.

Actually, President Reagan in his recent letter to General Secretary Gorbachev already rejected the proposal to ban nuclear tests in any form. As to the issue of destroying intermediate-range nuclear weapons, although the Uniged States at one time was optimistic about it and made a proposal for the destruction of all U.S. and Soviet intermediate-range missiles in Europe and Asia over a period of 3 years, its allies are very indifferent to the subject. They state that even with the elimination of Soviet intermediate-range nuclear weapons deployed in Europe, West European countries will still be under the threat of Soviet short-range missiles deployed in Eastern Europe. Removing U.S. nuclear forces from Europe will considerably increase rather than diminish the Soviet nuclear threat to Western Europe. This is why they do not want the United States to make concessions in reaching an agreement with the Soviet Union. The United States cannot, of course, disregard their concern. Consequently, the year for turning wishes into realities is still very remote, although both the United States and the Soviet Union have expressed the hope of reaching an agreement on intermediate range nuclear weapons.

The White House says that between the United States and the Soviet Union there are wide spheres within the framework of which it is possible to conduct talks. If no agreement on disarmament can be reached immedidately, some progress will still be achieved through talks. In addition, there are also regional, human rights, and bilateral relations issues. Is it necessary to say that reaching a certain kind of agreement on some of these issues will contribute to improving relations between the two sides. On 5 March U.S. President Reagan said that if Soviet leader Gorbachev does not come to the United States for a summit meeting this year, then he himself will not be able to meet Gorbachev in Moscow next year.

Washington thinks that President Reagan wants to press Gorbachev to come to the United States at a fixed time, and if the Soviet side postpones the summit meeting to next year, then Reagan will not be able to visit the Soviet Union and meet Gorbachev [words indistinct] in 1988, the last year of his presidency. It is apparent that this year is precisely when the second U.S.-Soviet summit meeting must be held, and this will also depend on the results of bargaining between the two sides.

PRC FORMALLY ADMITTED TO ASIAN DEVELOPMENT BANK

OW101600 Beijing XINHUA in English 1535 GMT 10 Mar 86

[Text] Manila, March 10 (XINHUA) -- The Asian Development Bank (ABD) Monday announced the admission of China as its 47th member.

Under a decision made by the bank's board of directors, Taiwan will keep its seat as Taipei-China, after the People's Republic of China makes its entry.

With China's participation, the bank will increase its operational area covering 2.5 billion people -- half the world's population, according an ADB news release issued here Monday. The release said that China's membership will become effective on March 10, 1986 "upon completion of all formalities, including payment of the first instalment of its subscription to the bank's capital stocks." The bank said that China subscribed to 114,000 shares of capital stock valued at some 1.3 billion U.S. dollars. 12 percent of the stock has been paid with the rest made available as callable shares, it added.

With the entry of China, the bank's authorized capital stock has been increased from 17.1 billion U.S. dollars to 18.4 billion. The Manila-based financial center currently has 32 regional and 15 non-regional members.

41 MEDICAL CENTERS DESIGNATED FOR WHO LIAISON

OW071124 Beijing XINHUA in English 0749 GMT 7 Mar 86

[Text] Beijing, March 7 (XINHUA) -- Forty-one Chinese medical institutes have been designated centers for collaboration with the World Health Organization (WHO), according to a meeting which closed here Thursday. The three-day meeting was sponsored by the Ministry of Public Health. Directors of the centers, and officials from the Health Ministry and Health Bureaus of Beijing, Shanghai and Guangdong Province attended the meeting.

WHO and China's Ministry of Public Health signed a memorandum on collaboration in October 1978. The 41 collaborating centers cover primary medical care, traditional medicine, cardiovascular diseases, ontology, neurology, mental health, birth control, maternal and child health service, classification of diseases and parasitic diseases. Experts from WHO delivered reports on the plan to ensure good health for the whole population by the year 2000, the collaboration center program, the formulation of the State Medical Research Program and transfer of medical technology. Scientists from the Chinese Academy of Preventive Medicine and Conghua County, Guangdong Province, reported on their experience in international cooperation in medicine.

The meeting commended the Institute of Parasitic Diseases of the Chinese Academy of Preventive Medicine, which was designated as a collaborating center for malaria, snail fever and filariasis in 1980.

The Shanghai-based institute, with support from WHO, has undertaken research projects and sent experts to attend international symposiums and study abroad in recent years.

TIAN YINONG AT G-24 MEETING ON ECONOMIC RELATIONS

OW071940 Beijing XINHUA in English 1919 GMT 7 Mar 86

[Text] Buenos Aires, March 6 (XINHUA) -- Argentine President Raul Alfonsin warned today "If the international economic relations remain dominated by an unjust order, there will be no peace" in the world.

Addressing a meeting of the ministers of the group of 24 (G-24) developing nations, Alfonsin said that developing countries want "progress and happiness" as well as "peace and cooperation." People in those countries have been working hard to eliminate backwardness in their nations.

He added that rising protectionism, high interest rates, nosediving prices of primary commodities and the flow of capital of developing countries to industrialized countries have hindered the economic growth and modernization of the developing countries. These policies pose a threat to democracy and national independence of those countries, Alfonsin stated. On the foreign debt problem facing developing countries, Alfonsin said that fundamentally, debt crisis does not originate from inferior factors, but from the impact of political discrimination and high interest rate policies pursued by most industrialized countries. The president warned that the present crisis cannot be settled, if interest rates and the prices of primary commodities are not restored to reasonable levels. He stressed the importance of cooperation between developed and developing countries in coping with the present economic crisis.

The G-24 ministers' meeting, which opened here today, is a preparatory meeting for a session in Washington in April. The April meeting is being organized by the Interim Committee of the International Monetary Fund (IMF) and the IMF-World Bank Development Committee. The one-day meeting concentrated on the debt problem, the transfer of capital to developing countries and reform of the international monetary system. In order to further unify their positions, the ministers agreed to meet again in Washington between April 6 and 8 before the two committees' meeting opens. Earlier, the G-24 executive committee met while the vice ministers held a preparatory meeting.

Tian Yinong, Chinese vice minister of finance, who attended today's meeting at an invitation from the group, told the participants that China fully supports "reasonable proposals made by developing countries for settling the debt problem." Tian pointed out, "the fundamental solution to the debt problem lies in enhancing the economic vitality and debt-servicing capability as well as easing debt burdens of the debtor countries. "To this end, it is imperative that the debtor and creditor countries should share the responsibility for settling the problem," he added.

SUPERPOWERS URGED TO BAN ALL NUCLEAR TESTS

OW110446 Beijing XINHUA in English 0243 GMT 11 Mar 86

[Text] Athens, March 10 (XINHUA) -- The six signatories to the "five-continent peace initiative" have called on the leaders of the two superpowers to ban all nuclear tests before their next summit, according to the Greek news agency ANA. In a joint statement released here today by the Greek prime minister's Diplomatic Bureau, the leaders of Greece, Mexico, Argentina, India, Tanzania and Sweden, said such a step would signal that the two superpowers are prepared to draw practical conclusions from their joint statement in Geneva last November that "nuclear war cannot be won and must never be fought." The six leaders expressed their willingness to "assist in verifying any halt in nuclear testing, to remove doubts about compliance and possible violations," adding that such assistance could include "on-site inspection as well as monitoring activities both on your territories and in our own countries."

According to ANA, the statement was approved by late Swedish Prime Minister Olof Palme in the morning of February 28, the day he was assassinated. The statement said although Reagan and Gorbachev had expressed their determination in Geneva to achieve early results in the negotiations on space and nuclear disarmament, no concrete measures had so far been agreed to. The six leaders stressed that as long as nuclear weapons existed there could be no security in the world and that people still live with "the awful possibility of extinction in a nuclear holocaust, whether by accident or design."

DPRK JOURNAL CITED ON OVERCOMING BUREAUCRATISM

HK110153 Beijing RENMIN RIBAO in Chinese 5 Mar 86 p 6

[Special dispatch from Pyongyang by reporters Liu Zhengxue and Feng Zhiyuan: "KULLOJA, Organ of the KWP Central Committee, Carries Commentary Calling on Leading Cadres To Go to Grass Roots in Order To Overcome Bureaucratism"]

[Text] Pyongyang, 4 Mar (RENMIN RIBAO) -- KULLOJA No 2, an organ of the Korean Workers' Party [KWP] Central Committee which has just been published, carries an important commentary calling on all leading cadres to go deep down to the grass roots and among the masses, to improve their leadership methods, and to avoid the mistakes of subjectivism, bureaucratism, and formalism.

The article states that leading cadres must frequently go deep down to the grass roots and become one with the masses before they can make new achievements in production and construction. This work method should be stipulated in relevant regulations.

The article says that it is therefore necessary to cut as many meetings as possible and to cancel document "games." Regarding necessary meetings, we must make preparations in advance and try to obtain practical results within the shortest time possible. With the increase of meetings and document "games," the cadres will be bound hand and foot. They will then be busy in their offices and will not be able to go deep down to grass roots as they normally should.

The article points out that when leading cadres go down to the grass roots, they should not merely contact the few functionaries with whom they often meet, and should not just visit a few places in the same way as though they were sightseeing. Nor should they go with the hope of finding faults. All these may lead to mistakes of subjectivism, bureaucratism, and formalism. The article hopes that leading cadres will go deep down to the grass roots, listen extensively to the views of the masses, make concrete analyses on various aspects, correctly discover existing problems in reality, assist and give guidance to the work of the grass roots, arouse the revolutionary enthusiasm of the masses, and promote development in production and construction.

The article also points out that leading cadres must have a good understanding of the party's policies and have extensive mastery of science and technology. Only by fulfilling these two criteria can they do ideological work properly and thoroughly in accordance with the needs of the times, correctly direct modern production, and rationally solve problems in developing production and improving economic management according to socialist economic laws and the need to develop modern science and technology.

WEI MONGGOL-MONGOLIA TRADE DEVELOPS STEADILY

HK110249 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 9, 3 Mar 86 pp 12-13

[Article by He Qi: "For the First Time China and Mongolia Develop Local Trade"]

[Text] Beginning this year, China and the People's Republic of Mongolia have developed local trade for the first time. This is a new step taken in trade between the two countries.

At the invitation of the People's Republic of Mongolia, the New Monggol Autonomous Region border area trade delegation of China made an investigation tour to the People's Republic of Mongolia and discussed matters of trade between border areas of the two countries, from the end of October to the beginning of November 1985.

The delegation not only visited factories, shops, schools, research institutes, farms, pastures, and herdsmen's households in Mongolia, but also signed three documents with the Materials and Technology Supply Committee of the People's Republic of Mongolia: "The 1985-86 Protocol on Border Area Trade Between China and the People's Republic of Mongolia," "The 1986 General Contract on Border Area Trade Between China and Mongolia," and "The Protocol Between the Bank of China and the Mongolian State Bank on Settling Accounts and Procedures for Handling Financial Affairs in Border Area Trade." This was a good start to border area trade between the two countries.

Joint Efforts To Promote Bilateral Trade

According to the contract, the trade volume of the first lot of goods supplied in the first quarter of this year will be 636,000 Swiss francs. In accordance with the needs and capabilities of both sides, the People's Republic of Mongolia will provide Nei Monggol with six kinds of products: white newsprint, machine-made carpets, work boots, antelope horns, children's felt shoes, and used tires, amounting to 318,000 Swiss francs. Nei Monggol will provide the People's Republic of Mongolia with 10 kinds of commodities including sportswear, thermos flasks, volleyballs, paint brushes, and so on, amounting to 318,000 Swiss francs. The two sides have also agreed that talks on the contract for the second lot of goods supplied will be held during the first quarter of this year. The trade volume is expected to be relatively larger than that of the first quarter.

During the visit to the People's Republic of Mongolia, the Nei Monggol border area trade delegation also held a small exhibition for the Mongolian people, displaying over 600 samples of commodities, mostly produced in Nei Monggol, including copper products, musical instruments, garments, knitwear, shoes, hats, toys, foodstuffs, household electrical appliances, and so on. People from all walks of life in Mongolia spoke favorably of the commodities produced by Nei Monggol and said that the local resources and export commodities of Nei Monggol could meet the needs of Mongolia. During the exhibition period, the border area trade delegation of the People's Republic of Mongolia carefully selected more than 80 kinds of commodities in which it was interested, showing a strong desire to energetically develop border area trade with Nei Monggol. For example, in addition to traditional commodities, the Mongolian side expressed its willingness to exchange wheat flour for Nei Monggol's broom corn millet. To this, Nei Monggol will respond positively.

Trade Between the Two Countries Tends To Develop Steadily

The People's Republic of Mongolia was one of the first countries to recognize and establish diplomatic relations with China. Since the two countries signed the "Sino-Mongolian Economic and Cultural Cooperation Agreement" in Beijing in October 1952, trade between the two countries has never been suspended. In particular, since the railway line joining Jining in the Nei Monggol Autonomous Region and Ulan Bator, the capital of Mongolia, was built and put into use in 1955, trade between the two countries has increased rapidly. By 1960, the trade volume had reached 31.29 million rubles, 46 times that in 1951 and accounting for 20 percent of the foreign trade volume of the People's Republic of Mongolia. Trade was at its height during this period. Later, because of the complicated international setting, trade between the two countries fluctuated and was unstable. In the past 5 years, trade between the two countries has tended to develop steadily again. The total trade volume in 1985 was 15 million Swiss francs, 53.3 percent over that in 1984.

In the past 30 years or so, the People's Republic of Mongolia has exported more than 50 kinds of commodities to China and China has exported more than 1,000 kinds of commodities to Mongolia. Chief commodities from Mongolia include livestock products, logs, medicine, and so on. Chief commodities provided by China include cloth, silk products, garments, tobacco, tea, sugar, condiments, and various light industrial products.

WANG ZHEN, KANG KEQING MEET JAPANESE VISITORS

OW101844 Beijing XINHUA in English 1840 GMT 10 Mar 86

[Text] Beijing, March 10 (XINHUA) -- Wang Zhen, honorary president of the China-Japan Friendship Association, and Kang Keqing, chairman of the All-China Women's Federation, met on separte occasions here this evening with a Japan-China friendship delegation for exchanges between women's organizations.

Later, the All-China Women's Federation gave a banquet for the 127-member delegation led by Yasuko Terada, director of the Special Projects Department of the MAINICHI SHIMBUN newspaper and vice-president of the World Association of Women Journalists and Writers. meanwhile, the delegation sponsored a flower arrangement demonstration and an exhibition of cut-out paper patterns here this afternoon.

WANG ZHEN MEETS JAPANESE ECONOMISTS 11 MARCH

OW110841 Beijing XINHUA in English 0826 GMT 11 Mar 86

[Text] Beijing, March 11 (XINHUA) -- Wang Zhen, honorary president of the China-Japan Friendship Association, met with Kaheita Okazaki, permanent adviser to the Japan-China Economic Association, and his party here today.

After the meeting, Wang gave a luncheon in honor of the Japanese visitors who arrived in Beijing yesterday as guests of the China International Travel Service head office.

NEW ZEALAND'S LANGE ON TRADE EXPANSION WITH PRC

OW101242 Beijing XINHUA in English 1229 GMT 10 Mar 86

[Text] Wellington, March 10 (XINHUA) -- Prime Minister David Lange has hoped to expand trade between New Zealand and China, according to the latest issue of THE NEW ZEALAND-CHINA TRADE JOURNAL published here today. In an interview with the journal, Lange said "The government has offered a direct encouragement to the Chinese to further develop their penetration of the New Zealand market by way of the import liberalization measures that have been announced since their assumption of office in July 1984." The measures were good to overcome the present trade imbalance, which is heavily in New Zealand's favor, Lange added.

On joint venture cooperation between the two countries, Lange said, "A joint venture operation is one particularly good mechanism to foster an economic relationship since it allows for the skills, goods and services of one country to be blended with those of another." Lange added, "It is important to note that the trading relationship with China is no longer a straight buyer/seller situation as we look towards counter trade proposals, scientific cooperation, and joint ventures involving technology transfer."

AUSTRALIA'S HAWKE RECEIVES PRC OFFICIALS

OW110802 Beijing XINHUA in English 0750 GMT 11 Mar 86

[Text] Canberra, March 11 (XINHUA) -- Australian Prime Minister Robert Hawke received Hu Jintao, secretary of the Guizhou Provincial Committee of the Chinese Communist Party and Liao Hui, minister of the Overseas Chinese Affairs Office of the State Council, at Parliament House today. Cordial and friendly talks were held between Hawke and the Chinese guests. Hu Jintao told Prime Minister Hawke that the Chinese leaders are expecting his forthcoming visit to China. Hawke said he was earnestly looking forward to his China visit in May. Hu and Liao have come to visit Australia at the invitation of Australian Foreign Minister Bill Hayden.

KANG SHIEN FETES AUSTRALIAN BUSINESSMAN 11 MAR

OW110837 Beijing XINHUA in English 0827 GMT 11 Mar 86

[Text] Beijing, March 11 (XINHUA) -- State Councillor Kang Shien met and feted here today Bryan Kelman, general manager of the Colonial Sugar Refining Company of Australia, and his party.

THAI OFFICIAL SAYS SRV 'SOWING DISCORD' IN ASEAN

OW072016 Beijing XINHUA in English 2008 GMT 7 Mar 86

[Text] Bangkok, March 7 (XINHUA) -- Thailand today refuted Vietnam's allegation that the February 24 statement of the Association of Southeast Asian Nations (ASEAN) in support of Democratic Kampuchea was only the stand of Thailand. Thai Foreign Ministry spokesman Sawanit Kongsiri said at a news conference here today that the ASEAN statement was unanimously adopted by all its six member countries. The Vietnamese allegation was only aimed at sowing discord between Thailand and the other ASEAN members. Vietnam had time and again tried to drive a wedge between Thailand and Indonesia as well as other ASEAN members and it had never succeeded, he added.

There might be differences among the ASEAN countries some times, Sawanit said, but whenever they reach an agreement they would unanimously issue a joint statement.

The Coalition Government of Democratic Kampuchea (CGDK) issued a statement on February 8 saying that the root cause of the Kampuchean problem is the invasion and military occupation of Kampuchea by Vietnam. The CGDK expressed its readiness to enter directly into negotiation or by way of proximity talks with Vietnam to discuss the basic elements of a comprehensive and lasting settlement of the Kampuchean problem.

On February 24 ASEAN issued a statement to support the CGDK position and appeal to Hanoi for positive response to the CGDK. However, a spokesman of the Vietnamese Foreign Ministry asserted on March 3 that the ASEAN statement was only a statement of Thailand. Sawanit said that the CGDK's proposal was reasonable and in accord with the U.N. resolutions on the solution to the Kampuchean problem.

FURTHER DEVELOPMENTS IN PHILIPPINES NOTED

Solarz Promises Support

HK080546 Beijing International Service in Tagalog 1130 GMT 7 Mar 86

[Text] In Manila, a visiting U.S. congressional delegation has declared that the United States will help and support the Philippine Government in its efforts to get back the wealth illegally obtained and hidden abroad by former President Ferdinand Marcos and his cronies. The American delegation is headed by Stephen Solarz, chairman of the U.S. House Subcommittee on Asia and Pacific Affairs. Commenting on the subject of the possibility of a renewed probe of the Aquino assassination, Solarz said the United States will help the Philippine Government pinpoint who was responsible for the murder and bring them to trial. Meanwhile, Solarz and his delegation met with President Corazon Aquino and discussed issues involving relations between the Philippines and the United States.

Release of Sison

HK070655 Beijing International Service in Tagalog 1130 GMT 6 Mar 86

Two prosecutors have also resigned in line with the order of President Corazon Aquino for all justices to submit their resignations. Pamaran said he would not oppose the reopening of the Aquino murder case, but he said it would be best if he was not involved in it. Meanwhile, all nine members of the Commission on Elections also submitted their resignations.

Marcos' Generals Restricted

OW101648 Beijing XINHUA in English 1616 GMT 10 Mar 86

[Text] Manila, March 10 (XINHUA) -- Philippine Defense Minister Juan Ponce Enrile today confirmed reports that three generals loyal to ousted President Ferdinand Marcos had been placed under military restriction, the PHILIPPINE NEWS AGENCY reported. The three Marcos loyalists were former chiefs of major services: Army Commander Major General Josephus Ramas, Air Force Commander Major General Vicente Piccio and Navy Commander Rear Admiral Brillante Ochoco. They were retired recently by President Corazon Aquino.

Enrile said they had been required to write narrations concerning their role during the four-day civilian-backed military uprising last month that forced Marcos to flee the country. "We are trying to solicit from them the narration, including orders from former President Marcos to launch an attack against the rebel forces," Enrile said.

Meanwhile, five brigadier generals considered as Marcos' loyalists were also asked to make their own narrations regarding their involvement during the event, the agency said. According to Chief of Staff General Fidel Ramos, Commodore Alfredo Romualdez, one of Marcos' brother, is still at large.

Aquino Case May Reopen

HK080540 Beijing International Service in Tagalog 1130 GMT 7 Mar 86

[Text] In Manila, the chief prosecutor in the Aquino assassination trial had admitted that the justices involved in the case were pressured by former President Ferdinand Marcos. The Justice Ministry yesterday said the Aquino murder case may be reopened if sufficient evidence is found that the trial, which acquitted the 26 accused men, was stage-managed.

Marcos Stay Confirmed

OW080914 Beijing XINHUA in English 0853 GMT 8 Mar 86

[Text] Washington, March 7 (XINHUA) -- U.S. Envoy Philip Habib said here today that the Reagan administration would allow deposed Philippine President Ferdinand Marcos to remain in the United States for at least six months and maybe longer, before deciding his legal status. Habib, after reporting to President Ronald Reagan on his Philippine mission, told reporters that "I think the question of status will be resolved over time. There's probably going to be a more detailed discussion of some of the technical ques-

State Department Spokesman Bernard Kalb confirmed later today that the administration will give the Philippine Government an inventory of all of the goods that Marcos and his associates brought with them. Kalb also told reporters that the Philippines Government has told the administration it has revoked all passports of the group and the question of whether new passports are issued is "under review."

Trade Volume Declines

OW100820 Beijing XINHUA in English 0732 GMT 10 Mar 86

[Text] Manila, March 10 (XINHUA) -- Trade volume of the Philippines declined by 14 percent last year compared with that in 1984, according to a report of the National Census and Statistics Office (NCSO). The NCSO report quoted by "DAILY EXPRESS" today said that export receipts for the year slid by 14.2 percent to 4.62 billion U.S. dollars from 5.39 billion U.S. dollars in 1984. Value of imports, on the other hand, also dropped at a higher rate of 15.7 percent to 5.11 billion U.S. dollars.

The NCSO report noted, the declines in both export and import figures pulled down the country's trade performance during the year by 14 percent or from 11.46 billion U.S. dollars in 1984 to 9.74 billion U.S. dollars. It added that last year the country suffered a negative trade balance of 486 million U.S. dollars although at a lower 28.4 percent rate compared with the 679 million U.S. dollars of trade deficit in 1984.

The report did not state the factors that caused the deterioration of the country's trade performance, but observers here considered the economic crisis caused by the uncertain political situation which led to erosion of business confidence as the main reason. NCSO data also showed that the country had registered negative trade balances with all its trading partners except the European Economic Community.

Japan Invites Aquino

HK080544 Beijing International Service in Tagalog 1130 GMT 7 Mar 86

[Text] A special representative of Japanese Prime Minister Yasuhiro Nakasone has extended the premier's personal invitation to President Corazon Aquino to visit Tokyo when seven industrialized nations hold their summit conference from 4 to 6 May. According to the PHILIPPINE NEWS AGENCY, (Kusuki Ito), a member of the Japanese House of Representatives, arrived in Manila yesterday as a special envoy for Nakasone so as to personally deliver the premier's letter to President Aquino.

SOUTH ASIA

Talks With Ershad Successful

OW101504 Beijing XINHUA in English 1442 GMT 10 Mar 86

[Text] Dhaka, March 10 (XINHUA) -- Chinese President Li Xiannian today described his talks with Bangladesh President Hussain Mohammad Ershad as "very successful." In an interview with Bangladesh television this afternoon, Li said the two leaders reached a broad consensus of views during the talks which covered bilateral relations and international issues of mutual concern. "Both countries are satisfied with the progress achieved in our relations," the president said. The two nations "will work together to promote Sino-Bangladesh friendly relations and cooperation to a new high," he added.

Touching on the establishment of the South Asian Association for Regional Cooperation (SAARC), of which Bangladesh is the initiator, Li said China hopes that the South Asian countries, guided by the organization's charter, will "live in harmony, engage in friendly cooperation and strive for common progress." "We also hope that the SAARC will make a positive contribution to the maintenance of peace and stability in South Asia and Asia at large," Li said.

Asked about his views on South-South cooperation, Li Xiannian said "to strengthen unity and cooperation with other Third World countries is a cornerstone of China's foreign policy." "We actively support South-South cooperation." The Chinese president pledged that China will maintain its political stability and unity and will continue to pursue the policy of opening up to the outside world while invigorating its domestic economy.

Li Xiannian is here on a three-day state visit, the first by a Chinese head of state to this South Asian nation since its independence in 1971.

Cooperation Pact Signed

OW101633 Beijing XINHUA in English 1619 GMT 10 Mar 86

[Text] Dhaka, March 10 (XINHUA) -- China and Bangladesh signed here this evening an agreement on cooperation in economy and technology. Details of the agreement are not immediately available but it is believed that under the agreement China will provide a substantial amount of loan to Bangladesh for its economic development programs.

According to another document also signed here this evening, China will provide 60,000 sets of children clothing to Bangladesh. China has helped Bangladesh with a number of projects including the construction of a medium-sized chemical fertilizer plant, and a textile mill. The China-Bangladesh Joint Commission, set up in 1983, decided last January to widen cooperation in coal-mining, chemical and light industries, science and technology. Li is here on a three-day visit, the first by a Chinese head of state to this South Asian nation since its independence in 1971.

Leaders Stress World Peace

OW101635 Beijing XINHUA in English 1622 GMT 10 Mar 86

[Text] Dhaka, March 10 (XINHUA) -- Visiting Chinese President Li Xiannian and Bangladesh Deputy Chief Martial Law Administrator Sultan Mahmud today stressed the need for world peace, according to a Chinese Foreign Ministry official travelling with the president. Mahmud, who is also the country's chief of air staff, called on Li Xiannian this afternoon, the official said.

During the meeting, the Chinese president said "China needs peace, Bangladesh needs peace. And every country in South Asia needs peace." Mahmud said that Bangladesh really need peace and stability. The Bangladesh people are proud of having friends like China, he added. The Chinese president said he hopes the two countries will further their economic cooperation in various forms.

Bangladesh Foreign Minister Humayun Rasheed Chowdhury also called on President Li Xiannian this afternoon. The two had "cordial and friendly talks," the official said. Humayun stressed during the talks that a new world economic order could be established only through South-South cooperation. The Chinese president shared the same views and said South-South strengthening cooperation is a must for the South-North dialogue. The Chinese president and his party arrived here last Saturday for a three-day state visit to Bangladesh.

Li Holds Return Banquet

OW101639 Beijing XINHUA in English 1626 GMT 10 Mar 86

[Text] Dhaka, March 10 (XINHUA) -- Chinese president Li Xiannian said here today that his current three-day visit here "has contributed to better mutual understanding and increased friendship" between the two countries. Speaking at a return banquet this evening, he told Bangladesh President Hussain Mohammad Ershad that their "fruitful talks will surely further enhance our mutual trust and friendly relations and cooperation."

In reply, Ershad said that their "wide-ranging exchange of views" in the last three days was "most fruitful," and "has enabled us to identify even more clearly the areas of our cooperation both in bilateral and international fields." President Li arrived here on March 8 as the first Chinese head of state ever to visit Bangladesh since its independence in 1971. Li visited Dhaka first in 1978 as vice premier. Li Xiannian is to leave Dhaka tomorrow morning for Colombo for a three-day visit.

Leaves Bangladesh for Sri Lanka

OW110638 Beijing XINHUA in English 0630 GMT 11 Mar 86

[Text] Dhaka, March 11 (XINHUA) -- Chinese President Li Xiannian and his wife Lin Jiamei today left here for Colombo after winding up a three-day state visit to Bangladesh. President Li was accorded warm welcome anywhere he went. He had formal talks with President Ershad on bilateral and international issues of common interest.

During the visit, China and Bangladesh signed an agreement on cooperation in economy and technology. President Li and his wife were seen off at the Dhaka international airport by President Ershad and his wife. Also present at the airport were cabinet ministers, high ranking civil and Army officials and foreign diplomats here.

Arrives in Sri Lanka

OW110824 Beijing XINHUA in English 0815 GMT 11 Mar 86

[Text] Colombo, March 11 (XINHUA) -- Chinese President Li Xiannian arrived here today at noon for a three-day state visit at the invitation of Sri Lankan President J.R. Jayewardene. He is the first Chinese head of state to visit Sri Lanka since the two countries established diplomatic relations in 1957.

President Li and his wife Lin Jiamei were welcomed at the airport by Lalith Athulathmudali, minister in attendance and also minister of national security, and other Sri Lankan senior officials, as well as Zhou Shanyan, Chinese ambassador to Sri Lanka.

In a written statement issued at the airport, President Li conveyed cordial greetings and best wishes of the Chinese people to the fraternal people of Sri Lanka. He stressed that the purpose of his current visit to Sri Lanka "is to enhance Sino-Sri Lankan friendship, strengthen bilateral cooperation and learn from the people of Sri Lanka."

After signing his name on the "golden book" (distinguished visitors' book), the president and his party drove along colorfully decorated streets to Janadhipathi Mawatha (the president road, opposite from the presidential residence) for the official welcome ceremony. Accompanying the President during his visit here are Chen Muhua, state councillor, Liu Shuqing, vice-foreign minister and Lu Xuejian, vice-minister of foreign economic relations and trade. The Chinese president, who just concluded his visit to Bangladesh, the first leg of his three-week Afro-Asian tour, is expected to exchange views with President Jayewardene on bilateral and international issues of common concern.

NEPALESE PRIME MINISTER RECEIVES DELEGATION

OW101330 Beijing XINHUA in English 1315 GMT 10 Mar 86

[Text] Katmandu, March 10 (XINHUA) -- Prime Minister Lokendra Bahadur Chand said here this afternoon that the friendship between Nepal and China is mature and their economic cooperation successful. Chand said this while receiving a trade delegation from Tibet Autonomous Region of China headed by Jiang Cuo, vice chairman of the people's government of the region.

Chand noted that trade across the border of the two countries has a bright prospect. Jiang expressed the wish that the delegation's visit would help develop the traditional trade relations across the Himalayas. They also dealt with the prospects of the improvement of communications and transportation between Tibet and Nepal. The Tibetan delegation arrived here on March 7 for a week-long visit.

Trade Agreements Reached

OW102001 Beijing XINHUA in English 1948 GMT 10 Mar 86

[Text] Katmandu, March 10 (XINHUA) -- China's Tibet Autonomous Region and Nepal have agreed to boost their trade and tourism cooperation. The agreements were reached in their second round of trade talks which concluded here this evening. Jiang Cuo, vice chairman of the people's government of Tibet Autonomous Region and Damodar Prasad Gautam, secretary of the Ministry of Commerce of Nepal, signed the agreements, and described the talks as "successful" and fruitful". Gautam said Tibet would increase exports of sheep, wool and alt to Nepal, while Nepal would export more industrial products and grains to Tibet.

The two sides also agreed to facilitate travel for tourists between the two regions, and to supply each other with necessary goods for the tourists. Both sides agreed that earlier air links between Lhasa and Katmandu would help tourism development. They also agreed to study the joint efforts in Tibet to collect and process salt for Nepal and the training in Nepal of tourist service and management personnel for Tibet.

PORTUGUESE PRIME MINISTER MEETS CUI YUELI

OW110014 Beijing XINHUA in English 0052 GMT 11 Mar 86

[Text] Lisbon, March 10 (XINHUA) -- Portuguese Prime Minister Cavaco Silva met with Cui Yueli, special envoy of Chinese President Li Xiannian, at the residence of the prime minister this afternoon, to discuss bilateral issues.

Prime minister Silva had a one-hour cordial and friendly talk with Cui, also Chinese health minister, on the further development of the relations between the two countries.

Present onthe occasion were Chinese Vice-Foreign Minister Zhou Nan and Chinese Ambassador Lu Jixin. Cui Yueli came here to attend the inauguration of the new Portuguese President Mario Soares.

NEWS ANALYSIS VIEWS NEW PORTUGUESE PRESIDENT

OW101923 Beijing XINHUA in English 1859 GMT 10 Mar 86

["News Analysis: Portugal's New President Promises Political Stability" -- XINHUA headline]

[Text] Lisbon, March 9 (XINHUA) -- The inauguration today of newly-elected President Mario Soares, Portugal's first civilian president in 60 years, marks the end of the transition from military rule to democracy -- a process which began 12 years ago with the overthrow of Antonio Salazar's fascist regime. The Socialist Party leader's inauguration also marks the beginning of what many believe will be a tortuous trail toward Soares' stated goal of political stability. Indeed, Soares' goal is a lofty one considering that the government has changed hands no less than 15 times in the last 12 years.

In his inauguration speech, Soares promised to cooperate with all political parties and institutions to attain political stability and to promote economic development. Soares has his work cut out for him. His first thorny task will be to smooth over his quarrels with Prime Minister Cavaco Silva, leader of the ruling Social Democratic Party who last June brought down Soares' coalition government which was formed by the Socialists and the Social Democrats. During the recent presidential elections, Silva staunchly supported Conservative presidential candidate Freitas do Amaral against Soares.

Soares' victory means a setback not only for Silva but also for his fragile Social Democratic minority government, which has only 88 of the 250 seats in Parliament. Silva said that Soares' victory would encourage the opposition to paralyze the government. Silva made it clear that he and his party would "not give up the fight to change Portugal."

In his inauguration remarks, the new president said that he would give loyal support and understanding to the present government, but that there are differences between his ideas of changing Portugal and Silva's. The Social Democrats advocate modification of the country's Constitution, labor and agriculture law, and the electoral system. Simply put, the social Democrats want to reprivatize some state industries as well as the agriculture industry, and they want to eventually end the wide-spread use of temporary work contracts, moves which they say are aimed at freeing Portugal's economy from "stifling" state domination. And while Soares, too, is committed to economic reform, he wants to move with more cautious, deliberate steps. Soares is also committed to a social program which will prevent conflicts between employers, workers and government.

These arguments are regarded as the factors which could severely handicap the functioning of the present government. Despite the delicate political situation, the Portuguese Government is seeing some improvements in its beleagured economy. Last year both the current account deficit and the inflation rate dropped. Portugal's entry into the European Economic Community on January 1 will undoubtedly be a boost to its economy. What remains to be seen, then, is how effectively Soares will use the slightly improved economic situation and his popular support to attain his difficult goal of political stability.

EUROPEAN COMMUNITY DELEGATION ENDS VISIT

OW101853 Beijing XINHUA in English 1845 GMT 10 Mar 86

[Text] Beijing, March 10 (XINHUA) -- A delegation from the European Community left here tonight at the end of its visit to China. While in Beijing the delegation attended the first meeting of the joint committee of the agreement of trade and economic cooperation between China and the European Community.

During the meeting the Chinese and European Community delegations expressed satisfaction with the growth of bilateral trade and cooperation in the past year, and agreed to continue their efforts to further expand economic and technological cooperation. They also discussed the expansion of China's exports to the European Community.

AMSTERDAM-ROTTERDAM BANK OPENS BEIJING OFFICE

OW101646 Beijing XINHUA in English 1436 GMT 10 Mar 86

[Text] Beijing March 10 (XINHUA) -- The Amro (Amsterdam-Rotterdam) Bank opens its Beijing representative office here today. The Amro Bank is the first Dutch bank with its own representative office in China.

Speaking at the opening ceremony which took place in the Great Hall of the People, R.K. Nelissen, chairman of the board of managing directors of the Amro Bank, said the office was set up to cope with the expansion of trade and investment between Holland and China. He said, since 1982, import and export trade between the two countries has increased five-fold. So far, about 50 percent of trade payments and documentary credits business between China and the Netherlands are handled by the bank. He hoped the opening of the Amro Bank's Beijing office be a new milestone in the expansion of Chinese and Dutch collaboration in business, investment and banking.

NEW AMBASSADOR TO NETHERLANDS PRESENTS CREDENTIALS

OW110043 Beijing Domestic Service in Mandarin 0300 GMT 6 Mar 86

[Summary] Wang Guixin, China's new ambassador to the Kingdom of the Netherlands, presented credentials to Queen Beatrix, head of state of the Netherlands yesterday. Queen Beatrix had a cordial talk with Ambassador Wang Guixin, hoping that Sino-Dutch relations would further strengthen and develop. Ambassador Wang Guixin arrived in The Hague on 20 February. She paid a call on Hans van den Broek, Netherlands foreign minister, on 4 March.

ZHANG JINGFU MEETS FRG BENZ CORPORATION OFFICIAL

OW051259 Beijing XINHUA in English 1228 GMT 5 Mar 86

[Text] Beijing, March 5 (XINHUA) -- Chinese State Councillor Zhang Jingfu today called for an early agreement on the import of Benz Corporation's heavy-duty truck production technology. At a meeting here with Gerhard Liener, member of the board of management of Benz Corp., Zhang said cooperation between China and the Federal Republic of Germany enjoyed broad prospects.

Liener said progress had already been made in the talks between his corporation and China North Industries Corporation on heavy-duty truck technology.

FRG CHANCELLOR KOHL ON EAST-WEST RELATIONS

OW071314 Beijing XINHUA in English 1127 GMT 7 Mar 86

[Text] Bonn, March 6 (XINHUA) -- Federal German Chancellor Helmut Kohl said today he believes there will be no "new freezing period" in East-West relations following the Soviet Communist Party's congress. Kohl told a press conference the West can draw the conclusion from changes in the Soviet economic and political structure that Moscow is trying to improve relations with Western countries in which it is interested. He expressed his "prudent optimism" about the East-West dialogue and the upcoming U.S.-Soviet summit.

He also predicted that there will be further cooperation between the two Germanys. Kohl indicated that the negotiations between Federal Germany and the United States on an agreement for Federal German participation in the U.S. Strategic Defensive Initiative are going smoothly and will soon be brought to a conclusion.

ENVOY IN LUXEMBOURG HONORED FOR SERVICE

OW101621 Beijing XINHUA in English 1456 GMT 10 Mar 86

[Text] Brussels, March 10 (XINHUA) -- Chinese Charge d'Affaires to Luxembourg Zhou Zhengdong, who left his post for home today, has been awarded the decoration of "grand officer" by the Luxembourg Government in recognition of his good service.

At a ceremony held last Friday, State Secretary for Foreign Affairs and Foreign Trade Robert Goebbels conferred the orders upon Zhou in the name of Grand Duke Jean. The Chinese diplomat expressed thanks for the honor. Before his departure, Zhou called on Leon Bollendorff, president of the Chamber of Deputies of Luxembourg, and Prime Minister Jacques Santer.

BRITAIN TURNS DOWN SOVIET NUCLEAR PROPOSAL

OW110838 Beijing XINHUA in English 0649 GMT 11 Mar 86

[Text] London, March 10 (XINHUA) -- Prime Minister Margaret Thatcher has reportedly rejected a Soviet proposal for a freeze in Britain's nuclear capacity. British press reports said here tonight that Thatcher's reply was delivered in Moscow tonight by Britain's Ambassador Sir Bryan Carledge.

In his plan of January 15, Soviet leader Mikhail Gorbachev proposed a three-phase elimination of all nuclear weapons by the end of the century. In phase one, lasting five to eight years, he called for a 50 percent cut in U.S. and Soviet strategic weapons, the elimination of all medium-range missiles in Europe and a freeze of British and French nuclear deterrents. Britain believes that its nuclear force falls into the strategic weapons category and outside and the medium-range missile negotiations. Therefore, any linkage of Britain's Trident missiles with a medium-range missile agreement was expected to be rejected.

Britain is said to be "prepared" to hold a "dialogue" with the Soviet Union on arms control but not to negotiate directly.

ENVOY IN TUNIS MEETS 'ARAFAT, VOICES SUPPORT

OW110206 Beijing XINHUA in English 0132 GMT 11 Mar 86

[Text] Tunis, March 15 [date as received] (XINHUA) -- Chairman of the Executive Committee of the Palestine Liberation Organisation (PLO) Yasir 'Arafat declared here today that the PLO attaches great importance to close ranks with Jordan and other Arab states in the struggle to regain the Palestine people's rights. 'Arafat said this when he met with Chinese Ambassador to Tunis, Xie Bangding, this afternoon.

'Arafat pointed out the communique issued on Sunday jointly by the PLO and Fatah has reiterated the basic stand of the PLO in realising a just, overall and l[illegible] peace in the Middle East. The PLO has put forward its formulas to attai[illegible] he said. He said, the Palestine people in and outside the occupied lands [illegible]sed their support to the PLO and are determined to fight along with the PLO for [illegible]a-tion of their legitimate national rights. 'Arafat also expressed thanks to the [illegible]e Government and people for their consistant support and genuine friendship to the Palestine people.

The Chinese ambassador paid high tribute to the heroic struggle of the Palestine people led by the PLO for regaining their national rights. he reaffirmed that China has supported and will continue to support the Palestine people and the Arab people as a whole in realising their national goals.

NEWS ANALYSIS: S. AFRICA LIFTS RESTRICTIONS

OW081914 Beijing XINHUA in English 1846 GMT 8 Mar 86

["News Analysis: Lifting Emergency Law Will Not Bring Peace to South Africa" (by Wang Nengbiao) -- XINHUA headline]

[Text] Beijing, March 8 (XINHUA) -- The South African Government Friday lifted a world-wide-condemned 229-day-old emergency law and released 300 people detained without trial under the law. This move, however, will not halt the campaign against apartheid because the real mainstays of racial discrimination have been left untouched.

In a letter to U.N. Secretary-General Javier Perez de Cuellar, South African Foreign Minister Pik Botha said his government intended to introduce legislation to deal with situations of unrest without declaring a state of emergency. Member of Parliament Helen Suzman, a member of the white opposition Progressive Federal Party, said the comment "confirms my fears that new legislation will create a permanent state of emergency in South Africa."

Black leaders contend that the decision to end the emergency was simply a move designed to win political points with South Africa's Western allies which have been shocked by the government's brutal repression of blacks protesting the state of emergency. But even though the emergency law has been lifted, other laws permitting indefinite detention without trial and a ban on open air political meetings remain in force. A number of people freed on Friday immediately renewed their demands for an end to apartheid and political oppression. Ismail Momoniat, a spokesman for 74 freed persons, said that "the lifting of the state of emergency does not resolve the fundamental problems of our country." Jabu Ngwenya, organizer of a consumer boycott in Soweto said "we've been released to a sick society. We won't rest until our country is freed from political bondage."

Reacting to South African President P.W. Botha's announcement last Tuesday that the emergency law would be lifted, the largest alliance against apartheid, the United Democratic Front (UDF), said violence would end only when blacks were given full political rights in the country. In his speech Botha said that "existing legislation will be reviewed and amended to provide the authorities with the statutory powers required to protect lives and property effectively." The UDF called the announcement a victory for the anti-apartheid campaign, but feared that "the government is going to broaden the already draconian provisions of the internal security act. The effect of this is that a de facto state of emergency will exist throughout our country."

Allan Boesak, a leading black campaigner said that he hoped the lifting of the bar means that troops will be withdrawn from the townships, that the indemnity police have from their actions will be ended, and that meetings of the community to discuss issues of concern will no longer be banned.

The unrest sweeping across South Africa broke out in August 1984 when South Africa began to implement a new Constitution adopted in 1983 granting other races, Asian and Coloreds, a limited right for the first time to organize their own parliaments to deal with their administrative affairs such as pensions, housing, health care and education, with the final say on finance, defense and diplomacy still in the hands of whites.

The new Constitution continued to exclude the black majority from a say in state affairs. The move immediately prompted an angry black reaction. Many Coloreds and Asians were also opposed to the new Constitution. During the elections for the new parliaments, hundreds of thousands of people took to the streets to demonstrate and protest rallies against the new Constitution were staged throughout the country. As the waves of protest gained momentum in September, black township authorities decided to increase rents. The decision added fuel to the flames and anti-apartheid activities intensified. Protests spread from Sharpeville to other black townships.

Since then, almost not one day has passed without violent demonstrations, street clashes, strikes and boycotts. Early last November hundreds of thousands of workers struck and students boycotted classes in Johannesburg and in the Vall trilateral area, a vital industrial area to the south. The damage caused by the strikes to the South African economy amounted to several million dollars.

In a vain attempt to clamp down on the racial turmoil South Africa last July imposed the emergency law in 36 districts and extended to police and the Army unlimited power to search, and arrest black leaders and activists and allowed the use of guns to curb violent protests. The law was later extended to eight districts including Cape Town and the largest black township, Soweto.

More than 1,200 people, mostly blacks, have died in the past 18-months of unrest, about 800 have died since the emergency law was imposed, according to police reports. South African Law and Order Minister Louis le Grange said Monday that South Africa police killed 736 people, 201 under the age of 17, and wounded 2,571 others last year. The detainees' parents support committee said Wednesday police jailed 11,000 anti-apartheid activists last year, nearly 10 times as many as the previous year.

However, the emergency law failed to stifle black struggle. Protesting young blacks hurled stones and gasoline bombs at police and police vehicles, burned police cars and houses of police and local officials and killed black policemen and other black officials who were seen as traitors and collaborators. Hundreds of black policemen and local officials have resigned or fled to white areas with their family members. Many black township councils, installed by the government, have been paralized and rendered ineffectual.

According to Law and Order Minsiter Le Grange, "Damage caused to property amounts to more than 43 million dollars" and a total of 920 schools were either destroyed or extensively damaged as well as 33 churches, 17 clinics, 639 shops, 286 liquor stores, 2,528 private homes, 5,054 buses and 5,338 private vehicles. Black students' boycott of classes have been almost non-stop in the past two years. Students demand the scrapping of separate education and the right to elect their own student representative council, and are calling for the end of inferior education conditions for blacks. The continuing school boycotts have almost paralized black education.

Businessmen in South Africa are becoming more and more critical of apartheid. They have called for a speeding up of reforms and dialogue between government and black leaders. The recent political uncertainty has weakened foreign business confidence in South Africa. Foreign banks are increasingly reluctant to extend loans or offer new investment in South Africa. They have cut off lines of credit, withdrawn much of their capital and rejected requests for a rollover of debts.

The emergency law prompted world-wide condemnation. Mass demonstrations and rallies were held in Paris, Bonn, London and Washington. Participants called on their governments to impose sanctions on South Africa. In some Western countries, transport workers refused to load and unload goods from or to South Africa, postal workers refused to handle mail to or from South Africa and shops refused to sell South African goods. More than 20 countries have now imposed sanctions against South Africa. These include the suspension of all trade relations, air links, bans on new loans and investments, oil supplies and exports of computer equipment.

As a result of these economic moves the South African economy is in trouble. The rand has lost much of its value and still the protests continue. The emergency law, which was designed to quell racial unrest, has clearly failed and its lifting, to be replaced with more subtle but nonetheless repressive measures, will not stop black protest. So long as apartheid remains in South Africa, any and all measures to halt the violence will fail.

Opposition leader Helen Suzman said the emergency law had done nothing to calm the anti-apartheid unrest. She warns that "unless an attempt is made to get to the roots of the unrest, we will have an ongoing, endemic state of violence in this country."

DENG LIQUN MEETS IRAQI VISITOR 7 MARCH

OW071040 Beijing XINHUA in English 1030 GMT 7 Mar 86

[Text] Beijing, March 7 (XINHUA) -- Deng Liqun, member of the Secretariat of the Central Committee of the Chinese Communist Party (CPC), met here today with Dr. Elias Farah, a theoretician from the Arab Ba'ath Socialist Party. Farah arrived in China on February 23 as a guest of the International Liaison Department of the CPC Central Committee. He has visited Beijing, Guangzhou, Shenzhen and Shanghai.

LIAOWANG COMMENTS ON U.S. LATIN AMERICAN POLICY

HK070915 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 9, 3 Mar 86 pp 26-27

[Article by Hu Tairan: "The U.S. Latin American Policy as Seen From the Haitian Political Situation"]

[Text] Pounded by the tide of the people's indignant protests, the Duvalier hereditary regime which had ruled Haiti for nearly 29 years collapsed in early February. "President-for-life" Jean-Claude Duvalier fled the black Caribbean island state in panic on board a U.S. Air Force transport plane and is staying temporarily in France. Following the overthrow of the Somoza dynasty in Nicaragua, this was another major incident in the small number of autocratic states in Latin America, indicating the upsurge of the Latin American people's national demoncratic movement.

The fall of the Duvalier dynasty was the outcome of the struggle against violent repression waged by the Haitain people, driven beyond the limits of forbearance under the long dark rule. However, the methods by which Jean-Claude Duvalier fell from power and fled the country were worked out by the United States after long deliberation. The Duvalier dynasty had been notorious for a long time and Haitian resistance movements rose one after another. THE WASHINGTON POST quoted a U.S. Government official as saying that, as far back as at the end of last November, when the Haitian people set off a great upsurge of protests, the Reagan administration began to plot the substitution of the Duvalier dynasty by a "traditional" commission consisting of both military and civilian personnel in order to reduce the danger of "great bloodshed." Before Christmas, the White House had decided to change horses and delivered a clear message to Duvalier. Last January, the Reagan administration "began to clearly distance itself" from the Duvalier regime and, at the same time, contacted opposition parties and possible replacements. At the end of January, during several days of antigovernment demonstrations by tens of thousands of people in Cap Haitien, a seaside resort frequented by American tourists, the United States publicly exerted pressure on Duvalier. It froze the first installment of $26 million in a $67 million aid package. It also issued threats of military intervention in the name of protecting its nationals and urgently called on Duvalier to leave Haiti before the carnival. Intimidated and remonstrated face to face by the U.S. ambassador to Haiti, Duvalier agreed to relinquish power and went to the airport with his family in preparation for a get-away. White House spokesman Larry Speakes hurriedly announced that Duvalier had collapsed, but due to the failure to set up a substitute body acceptable to all parties, armymen who did not want to lose their vested interests fetched Duvalier back to the national palace, where he lingered on until 7 February , the day before the carnival.

Both Haiti and the Dominican Republic are on Hispaniola Island. Situated in the center of the Caribbean Sea and facing Puerto Rico to the east and Cuba to the west, the island occupies an important strategic position. As the CHICAGO TRIBUNE pointed out: "Washington needs a friend at its back door and the free seaway -- particularly a friend who is such a short distance away from Cuba." In the past, the United States occupied Dominican Republic and Haiti for a long time. At the beginning of this century, the United States propped up the Trujillo and the Duvalier dynasties in the two countries, as well as the Somoza regime in Nicaragua, which were called the three "most corrupt and sanguinary modern dynasties" in Central America and the Caribbean Sea. After Rafael Leonidas Trujillo Molina was assassinated in the early 1960's, the United States dispatched troops to Dominican Republic to put down the armed struggle waged by the patriotic soldiers and people. Since Somoza was overthrown in 1979, Ronald Reagan has never forgotten his intention to "remove" the "existing structure" in Nicaragua.

Having drawn lessons from the collapses of the two former autocratic regimes, the U.S. Government was worried about Haiti, which has been reduced to the status of the poorest country in the Western Hemisphere. Annoyed by the fact that most American aid had been embezzled and wasted, it had frozen and suspended economic aid and military aid to Haiti on numerous occasions and forced the Duvaliers to pursue "democratic" policies lest they be overthrown by the masses. Last July, Jean-Claude Duvalier held a "referendum" without any other contestants, revised the Constitution and, under the name of "democratization," legalized his right to become "president-for-life" and to appoint a successor, which aroused the indignation of the masses. Even the U.S. ambassador also publicly expressed his "disappointment" on the same day. As a result, the Reagan administration was determined to give up the dynasty that was hard to prop up, and to replace it with an interim government more suited to U.S. needs, in order to make a "peaceful and democratic transition."

A National Council of Government was set up after Duvalier's departure. Headed by Armed Forces Chief of Staff Henry Namphy, the council promised to hold direct elections to elect a president. The United States immediately expressed its appreciation and support and started talks on providing the interim government with $51 million in aid. Most opposition parties in Haiti, however, are doubtful whether the government can really represent public opinion since it is mostly composed of people related to the Duvalier regime. They have also called on the United States not to interfere in the internal affairs of Haiti. The masses also took to the street to protest against the inclusion of former officials of the autocratic regime in the present government.

The changing political situation in Haiti reflects the evolution of U.S. Latin American policy. The United States has consistently pursued a "carrot and stick" policy toward Latin American countries. Since World War II, with the development of the national democratic revolutionary movements in Latin America, and particularly since the Cuban revolution, the United States has realized that its former policy of propping up pro-American autocratic regimes has not helped, but has put it in the difficult position of being violently opposed by the Latin American people. For this reason, while continually using military means, it has also acted in compliance with the wishes of the Latin American people for democratic reform. It supports Latin American countries in establishing Western-style "representative democracy" and carrying out mild bourgeois reforms in order to mitigate social and class contradictions and thus to stabilize its position in Latin America. From John F. Kennedy's "pursuit of progressive alliance" and Richard Nixon's "new relations of partnership" to Jimmy Carter's "human rights diplomacy" and Ronald Reagan's "promotion of democratic movements,' U.S. Latin American policy "has been perfected." After taking office, Reagan called the "promotion of democratic movements" a "crucial factor in U.S. national security" and stressed that it would be the "basic orientation of U.S. foreign policy in the years ahead." In his view, successfully "promoting democratic movements" in Latin America constitutes the best guarantee for ultimately removing the "factor of a left-wing radical revolution" and the "soil for right-wing autocratic rule" in Latin America. The Reagan administration has even taken Latin America as a testing ground for practicing American-style representative democracy in the Third World, claiming that we can thus "prove that Third World countries can also solve their internal political, economic, and social problems without carrying out drastic social revolution." Now that the military juntas in most Latin American countries, particularly in such countries as Brazil and Argentina, have made a transition to democratic constitutionalism, the Reagan administration is concentrating more on practicing "peaceful and democratic transitions" in a handful of dynastic or military regimes strongly opposed by the masses. It has even publicly lashed out at persons in power and supported opposition factions. This is new trend in U.S. Latin American policy deserving our attention.

U.S. Latin American policy is most conspicuous in its attitude toward the Stroessner Government which has ruled Paraguay for 31 years. In the past 6 months or more, the United States has broken its long-standing silence, maintained since the Carter administration, and repeatedly lashed out at his landlocked Latin American country under autocratic rule. It has pointed out that the country lacks a "pluralistic, democratic, and open political system" and is "out of line" with the other Latin American countries, which are advancing toward democracy. It also refused to restore the military aid suspended since the Carter administration because of its record of human rights violations. Reagan himself has taken the lead in denouncing the existence of a "deep-rooted autocratic regime" in Paraguay.

The United States is also exerting increasing pressure on the Chilean military government. As far back as in September 1984, the U.S. State Department reacted to President Pinochet's remarks that the military government would continue to be in power until 1989 by stressing that the United States "categorically supports the restoration of an elected civilian government in this country as soon as possible." At the end of last August, the State Department publicly supported Chilean Cardinal Fresno in urging all opposition parties to form an alliance and "making efforts for a peaceful transition toward democracy." In turbulent Central America, the United States has even asked the countries under its influence to be more democratic. In the past 21 months, general elections have been held in these countries. As the last country under military rule in Central America, Guatemala has also "returned to parliamentary rule." In Honduras, where the frequency of coups d'etat is second only to Bolivia, a transfer of power between two civilain presidents occurred for the first time in nearly 50 years. The evolution of U.S. Latin American policy shows that the democratization movement in Latin America has turned into an irresistible trend of history.

HONDURAS NOT TO HELP FUNNEL AID TO CONTRAS

OW091627 Beijing XINHUA in English 1534 GMT 9 Mar 86

[Text] Mexico City, March 8 (XINHUA) -- Honduran President Jose Azcona said today that no U.S. aid is allowed to pass through his country to the Nicaraguan anti-government forces. According to reports from Tegucigalpa, while talking with visiting Dutch human rights delegation in Tegucigalpa, the president reiterated the Honduran Government's position on this issue in response to a recent speech by U.S. Defense Secretary Caspar Weinberger.

Weinberger had said that a change was taking place in the position of the Honduran Government on not allowing any U.S. aid to pass through Honduras to the Nicaraguan anti-government forces. Weinberger also said that the Honduran Government would support the U.S. undeclared war against Nicaragua. Azcona denied such allegations, saying that Honduras is negotiating with the United States, but so far they have not yet touched the issue of the Nicaraguan anti-government forces. He made it clear that Honduras does not want a war with Nicaragua.

Earlier, Honduran Foreign Minister Carlos Lopez Contreras said that Honduras hopes that the Central American problem could be solved peacefully through political negotiations. He described the Contadora Group's intermediation as the best alternative for the problem. Leader of the Honduran Congress Carlos Montoya also stressed that Honduras will not let U.S. aid to be sent to Nicaraguan rebels through his country.

CPC POLICIES SAID TO ASSURE TRIUMPH OF JUSTICE

HK100929 Beijing HONGQI in Chinese No 4, 16 Feb 86 p 47

[Article by Hou Gu: "Justice Is Bound To Overwhelm Evil"]

[Text] Among people 30 to 40 years old today, many are likely not to know that when the PRC was first established, certain people doubted our party's ability to sweep away the dregs of the old society. Contrary to these people's estimation, our country, over a short period, was able to completely eradicate this kind of social plague, and, for the sake of the nation and the people, the CPC demonstrated great wisdom and courage, winning people's admiration and respect. The story is a simple one. The dregs of the old society was comprised of rotten influences, supported by a very small handful of die-hard elements. The Communist Party righteously represents society, having the backing of millions of people. Once we have made a decision, the people's forces will congregate under the party's banner. Justice is bound to overwhelm evil. No problem is too difficult to solved. Many subsequent events have repeatedly attested to this point.

In recent years, the party's work style and social atmosphere have turned for the better, but not so ideally well. This is principally because many of our regions, departments, and units have not earnestly devoted great efforts to grasping problems in a down-to-earth manner. Moreover, as a result of the play of other subjective factors, certain people have treated party discipline and state laws as trifles, and crimes have been committed simultaneouslywith the reform. As soon as certain problems were solved, new ones would arise. As time went on, certain comrades considered the problems of the party's work style and social atmosphere as "great old difficulties." Touching on them, they would shake their head and sigh, more or less helplessly.

If we do not merely look at the phenomena but look at the facts, it should be said that the current improper wind, the illegal and undisciplinary acts, serious economic crimes, and all other crimes are evil and rotten things and if we only command our righteous forces to attack them, striking hard and demolishing all the rubbish, it would not be so difficult after all. Let us look: In autumn 1983 we began to concentrate our forces to deal with serious criminal activities and the thieves, robbers, and criminal elements who had run amok for a time very soon took cover, while many criminals were caught in the legal network and duly punished. Not so long ago, the Beijing railway station was plagued by the nefarious activities of ticket scalpers. Passengers were afraid of going to the station to buy tickets. But we acted in a truly earnest manner and in a few days' time the situation changed radically. The feat was greatly acclaimed by the incoming and outgoing passengers. They all agreed that now the railway station was truly like a railway station under a socialist regime. Since the evil-making and law-breaking culprits were the same people and the tactics used were the same kind of tactics, why was it that they had not been successfully dealt with formerly? The problem was that the spiritual stature and the state of the combined strength differed on the two occasions. Given the state of facing law-breaking but not seeing it, or merely uttering vain cries without moving the hands at all, or failing to make any sound or gesture at all, it would not be possible to deal with even a few flies, not to speak of handling gangsters addicted to crimes and to wanton law-breaking.

We have talked much about our superiorities one after another and all of them sounded rather rational. But we seemed not to have talked enough about the fundamental superiority of the socialist system. This is that since this system represents social righteousness and progress and has the backing of the great majority of the populace, it truly wields invincible strength. Is it not true that in the four basic principles there is clearly one called people's democratic dictatorship?

Is not the solution of the serious problem of the violation of laws and discipline precisely one of the irrefutable functions of people's democratic dictatorship? The extreme discontent with the improper wind of the workers, peasants, the intelligentsia, and other citizens of society and their deep hatred of economic crimes and other criminal deeds are precisely wherein lies the enormous strength of the socialist country under our people's democratic dictatorship. Our leadership organs at various levels and leadership cadres need only act in an exemplary manner, earnestly listen to the cries of the populace, and fully display the role of the people's democratic dictatorship and all evil things will be eradicated.

Since the 12th CPC National Congress prescribed the task of seeking the basic improvement of the party style and social atmosphere, 3 full years have passed. At present, the party Central Committee has firmly resolved to put the party style in the right shape and has adopted correct guidelines and made the necessary arrangements. This has greatly stimulated the spirit of the whole party and the whole country. Comrades doing leadership work must review their deeds of the recent years and ask themselves: Have we gone to the front to fight? How many battles have we fought? Did we win or lose? If they can sum up the experiences and lessons from the review, truly respond to the party Central Committee's call, and resolutely, and in a sustained manner, grasp the work to the end, then definitely there will be great hope for the party style and social atmosphere to make a turn for the better.

ZHEJIANG CPC BANS 'SUPERSTITIOUS' ACTIVITIES

KX081046 Beijing GUANGMING RIBAO in Chinese 1 Mar 86 p 1

Report: "The Wenling County CPC Committee Resolutely Bans Superstitious Activities" -- capitalized passage published in boldface]

[Excerpts] The office of the Central Commission for Guiding Party Rectification recently transmitted throughout the country the report and the note of the Zhejiang Provincial CPC Committee's party rectification office on how the Wenling County CPC Committee, in line with party rectification, stepped up ideological and political work and mobilized and relied on the masses in resolutely banning feudal superstitious and patriarchal activities. The office of the Central Commission for Guiding Party Rectification called on all rural areas throughout the country to effectively solve this problem in the course of party rectification, to immediately curb the unhealthy trend of reviving and spreading the pernicious influence of feudalism, and to strengthen the building of socialist spiritual civilization in the rural areas. THE NOTE OF THE ZHEJIANG PROVINCIAL CPC COMMITTEE'S PARTY RECTIFICATION OFFICE IS AS FOLLOWS: IN HIS SPEECH AT THE NATIONAL CONFERENCE OF PARTY DELEGATES, COMRADE DENG XIAOPING SERIOUSLY POINTED OUT: "IN RECENT YEARS PRODUCTION HAS GONE UP, BUT THE PERNICIOUS INFLUENCE OF CAPITALISM AND FEUDALISM HAS NOT BEEN REDUCED TO A MINIMUM. INSTEAD, SOME EVIL THINGS THAT HAD LONG BEEN EXTINCT AFTER LIBERATION HAVE COME TO LIFE AGAIN." THIS ISSUE WARRANTS OUR CLOSE ATTENTION. SOME TIME AGO, DUE TO LAXITIES IN IDEOLOGICAL AND POLITICAL WORK, FEUDAL SUPERSTITIOUS AND PATRIARCHAL ACTIVITIES GAINED GROUND IN SOME LOCALITIES IN OUR PROVINCE, PARTICULARLY IN SOME RURAL AREAS, SERIOUSLY POISONING THE MINDS OF THE MASSES, PARTICULARLY THE YOUNGER GENERATION, AND AFFECTING THE BUILDING OF SOCIALIST SPIRITUAL CIVILIZATION. SOME PARTY MEMBERS AND PARTY CADRES ALSO JOINED IN THE ACTIVITIES. EFFECTIVE MEASURES SHOULD BE TAKEN IN LINE WITH PARTY RECTIFICATION IN ORDER TO RESOLUTELY CURB AND RECTIFY THIS UNHEALTHY TREND. IT SHOULD BE MADE CLEAR THAT THE "NORMAL RELIGIOUS ACTIVITIES" PROTECTED UNDER THE CHINESE CONSTITUTION REFER TO RELIGIOUS CEREMONIES OF BUDDHISM, TAOISM, ISLAM, CATHOLICISM, AND CHRISTIANITY PERFORMED IN RELIGIOUS PLACES IN ACCORDANCE WITH THEIR RESPECTIVE TRADITIONS AND CUSTOMS OR RELIGIOUS ACTIVITIES CONDUCTED BY RELIGIOUS FOLLOWERS IN THEIR OWN HOMES.

THESE INCLUDE PROSTRATING ONESELF BEFORE THE IMAGE OF BUDDHA, RECITING SCRIPTURES, BURNING JOSS STICKS, GOING TO CHURCH, SAYING PRAYERS, EXPOUNDING BUDDHIST SUTRAS, GIVING SERMONS, HEARING MASS, RECEIVING BAPTISM, BEING INITIATED INTO MONKHOOD OR NUNHOOD, FASTING, CELEBRATING RELIGIOUS FESTIVALS, PERFORMING LAST RITES, AND CONDUCTING FUNERAL SERVICES. INDISCRIMINATE CONSTRUCTION OF TEMPLES WITHOUT THE APPROVAL OF THE DEPARTMENT CONCERNED AND FEUDAL SUPERSTITIOUS ACTIVITIES EXCEEDING THE LIMITS PRESCRIBED BY THE RELIGIOUS POLICY MUST BE STOPPED. BUILDING CLAN TEMPLES, DRAWING GENEALOGICAL CHARTS, JOINING PERSONS OF DIFFERENT ANCESTORS TO MAKE THEM BEAR THE SAME FAMILY NAMES, AND PERFORMING RITES IN HONOR OF ANCESTORS ARE FEUDAL, PATRIARCHAL ACTIVITIES IMPERMISSIBLE UNDER OUR SOCIALIST SYSTEM. INVOKING IMMORTALS TO EXORCISE EVIL SPIRITS, PRAYING FOR RAIN, DIVINING BY THE EIGHT DIAGRAMS, TELLING FORTUNES BY ANALYZING THE COMPONENT PARTS OF CHINESE CHARACTERS, AND PRACTICING PHYSIOGNOMY AND GEMONACY ARE FEUDAL SUPERSTITIOUS ACTIVITIES WHICH SHOULD BE RESOLUTELY BANNED. ALL ACTIVITIES THAT SERIOUSLY INFRINGE UPON THE INTERESTS OF THE STATE AND JEOPARDIZE THE LIVES AND PROPERTY OF THE PEOPLE MUST BE RESOLUTELY SUPPRESSED.

In its report to the office of the Central Commission for Guiding Party Rectification, the office of the Zhejiang Provincial CPC Committee's party rectification office pointed out: In recent years, because the Wenling County CPC Committee has relaxed ideological and political work, feudal superstition has rapidly spread in various parts of the county. More than 500 temples were illegally repaired or built throughout the county. Of these, 256 new temples were built after 1984. There were as many as seven temples in Aoli Village, Changyu Township. Some temples were built near schools and some altars were erected on school campuses. An endless stream of worshippers often disrupted the students' normal activities. Some temples were indiscriminately built on cropland, which obstructed the implementation of village or town construction plans. A few witches, sorcerers, and witch doctors also took advantage of the opportunities to defraud people of their money, even causing some people's death. In light of this, on the basis of vigorously conducting publicity and education and extensively mobilizing the masses, the Wenling County CPC Cimmittee recently conducted a general inspection of all unauthorized temples in the county. In less than a month it dismantled more than 400 temples and destroyed large quantities of superstitious products, thus putting a stop to the unhealthy trend. Its basic methods were as follows:

First, carrying out in-depth propaganda and education in materialism, scientific knowledge, and the need to do away with superstition.

Second, teaching and guiding the masses to do away with superstition conscientiously.

Third, stressing a permanent cure and turning bane into boon. To prevent a repetition of the previous phenomenon of "dismantling a temple today but building another tomorrow," on the basis of doing a good job of ideological and political work, all districts, townships, and villages extensively instituted and implemented a system of contracted responsibilities for cadres to prevent the rebuilding of unauthorized temples. Some of the unauthorized temples have been turned into housing for the five-guarantee or poor households, some into collective warehouses, and some into wayside pavilions for people to rest or into recreational places for the masses. In the county seat alone, 16 temples have been transformed and used for other purposes.

MORE EXPANSIVE RURAL CREDIT NETWORK URGED

OW060800 Beijing XINHUA in English 0704 GMT 6 Mar 86

[Text] Beijing, March 6 (XINHUA) -- The rural financial network of credit co-operatives is thriving but cannot yet meet the needs of economic growth in the countryside, said today's PEOPLE'S DAILY.

There are now 420,000 rural credit co-ops -- an average of one for every 1.9 villages -- providing funds for about 80 percent of peasant household businesses, the newspaper reported. According to statistics from the Agricultural Bank of China, the savings deposits of these co-ops at the end of last year amounted to 72.5 billion yuan -- 45.9 billion yuan more than in 1980. Savings by individual peasants totalled 56.5 -- 4.8 times the 1980 figure.

The co-ops issued total loans of 40 billion yuan last year, including 19.4 billion yuan for peasant family businesses -- 12 times the 1980 figure -- and 16.5 billion yuan for rural industrial businesses. The loans issued in the past five years amounted to 201.6 billion yuan. PEOPLE'S DAILY said these loans were equivalent to 62 percent of the money lent by the Agricultural Bank of China. But the credit co-ops could still not meet the needs of the development of commodity production in the countryside, said the paper. Earlier this year, the Communist Party Central Committee and the State Council announced a plan to reduce the amount of deposits which the co-ops must hand over to the Agricultural Bank, to enable them to lend more money to peasants.

Commentator's Article

HK110549 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 7 Mar 86 p 2

[Commentator's article: "Adhere to the Reform Orientation of Credit Cooperatives"]

[Text] The gradual development of the rural commodity economy demands correspondent reforms of the rural financial structure. Both the reorganization of rural productive forces and the formation of new productive forces depend on the role of funds. As the chief credit force in the rural areas, credit cooperatives have attracted the concern and attention of the people.

In the past few years, under the guidance of the spirit of relevant documents issued by the CPC Central Committee and the State Council, reforms of credit cooperatives in various localities have gradually spread from selected points to various areas and have attained substantial results. The nature of credit cooperatives as mass cooperative financial organizations has been restored to a certain extent. Following the expansion of shareholders and the delegation of power, the characteristics of being mass, democratic, and flexible organizations of the credit cooperatives have also been restored and strengthened to a certain extent. However, the reforms of credit cooperatives have just started and are still a far cry from the demand put forward by the CPC Central Committee and the State Council of "really turning credit cooperatives into mass cooperative financial organizations." In many localities, the mass, democratic, and flexible characteristics of the credit cooperatives are only nominal, and the masses of people still cannot exercise their right to supervise and manage the credit cooperatives; the relationship between credit cooperatives and the agricultural banks has not yet been correctly established; and the internal management of credit cooperatives also needs reforming and strengthening.

With the development of the rural commodity economy, the role of funds has become increasingly more prominent. Whether or not rural finance can be enlivened to the greatest extent under the state's macroeconomic control has already had a direct bearing on the development of the commodity economy. The formation of new productive forces and the development of new spheres and items of production in the rural areas are influenced and conditioned by funds. The regulation among various production items cannot be separated from the role of credit either. Practice has proven that where local funds are enlivened, the local economy is invigorated and production develops quickly. Otherwise, commodity production will be lifeless.

Therefore, this year's Central Document No 1 has stressed once more that "various policies toward the credit cooperatives stipulated in last year's Document No 1, and various regulations concerning the reform of the structure of the credit cooperatives put forward by the State Council, should be implemented one by one."

The agricultural banks are responsible for leadership over the credit cooperatives; a great deal of credit work in the rural areas is done by the credit cooperatives. In order to do a good job in reforming credit cooperatives and to give play to their role, agricultural banks must, on the one hand, strengthen and improve their leadership over the credit cooperatives and constantly give them guidance in their work in good time. On the other hand the banks must defend the rights of the credit cooperatives, respect the independence of the credit cooperatives as mass cooperative financial organizations, and genuinely treat them as the peasants' self-service credit organizations. We should discard the past practice of managing credit cooperatives as grass-roots organizations of the agricultural banks. The agricultural banks should proceed from the overall economic situation, together with other departments concerned, and help the credit cooperatives to properly carry out deep-seated reforms; improve management; strengthen guidance, supervision, and inspection of the credit cooperatives; and make things as convenient as possible. The credit cooperatives should also conduct reforms energetically and with initiative; strengthen the viewpoint of serving the masses; strengthen work in improving themselves; give full play to their role in rural financial activities; and make greater contributions to the development of the rural commodity economy.

IMPORTANCE OF NATIONAL GRAIN PRODUCTION STRESSED

HK100721 Beijing RENMIN RIBAO in Chinese 5 Mar 86 p 1

[Commentator's article: "Grasp the Crucial 100 Days"]

[Text] For major grain-producing areas in China, the 100 days between early March and the summer harvest are crucial. During those 100 days, the first 50 in particular, meticulous care should be taken in the management of summer crops, while preparations must be made for the plowing and sowing of autumn crops. All kinds of plans for farming must be arranged and implemented. Work during this period will determine to a large degree the agricultural harvest this year.

All localities suitable for grain production should attach importance to grain production, taking a good and firm grasp of it. The truth that agriculture is the foundation of the national economy has been recognized for many years. As we are now implementing planned commodity economy, a problem of comparing the economic interests of all trades in the rural areas will emerge, with the realm of market regulation expanded; and the peasants have the decision-making power concerning what field to operate in and what not. Leadership at all levels in the agricultural field should soberly understand this new situation, and guide grass-roots units in resolutely implementing the principle of "never relaxing grain production, actively developing diversified management," based on actual local conditions. It is necessary to adopt the policy of subsidizing agriculture with industrial income when possible, to promptly supply production means for agricultural use at rational prices, to make arrangements for chemical fertilizer and necessary agricultural credit as bonuses linked with contracted grain purchase, and to change the irrational practice of retention and apportionment based on the number of farmland units.

In short, it is necessary to adopt all possible economic means and all possible measures to give play to the peasants' enthusiasm. We should not develop a one-sided understanding that the readjustment of the product mix in the rural areas means reducing the acreage planted with grain. We must make a concrete analysis of concrete conditions, suiting measures to local conditions.

On the whole, the acreage planted with grain should be greater than the acreage planted with cash crops within the product mix of farming. Without a stable acreage planted to grain, increasing grain output will be empty words. One of the important factors in our being able to readjust the produce mix in a big way in the rural areas since 1985 is the successive bumper harvests in agriculture in recent years, which have served as a solid foundation. If agriculture, the "foundation," and grain, the "foundation of foundations" should be neglected or weakened, the further rational readjustment of the product mix in the rural areas and the harmony, balance, and continuous development of all trades in the rural economy would be impossible. It is imperative to have an all-round understanding that "without the development of agriculture the whole situation will become unstable; without the development of industry, the country will not prosper; without the development of commerce, the economy will fail to be invigorated." We should correctly handle the relationship of mutual promotion between all trades, and we should never emphasize one thing and neglect another.

The proposal for the Seventh 5-Year Plan points out that agriculture should have an all-round, continuous, and steady development, and the output of grain should reach 450 million tons by 1990. The year 1986 is the first year of the Seventh 5-Year Plan. Doing a good job in 1986 will be a good beginning, which will be of extremely great significance to agriculture in the next 4 years, as well as to the development of the national economy. China's grain output dropped in 1985 because of natural calamities. However, the overall situation will not be affected by the grain output dropping for a year, because the grain in store and in the hands of the peasants in some areas is rather ample, as a result of successive bumper harvests in previous years. This year, we should strive to have a better harvest than in 1986. This is the requirement of the strategy for agricultural development, and an important step toward the target of 450 million tons in grain output by 1990.

So long as we do our work in a down-to-earth manner, it is possible to realize a better harvest this year. Since wheat was sown last winter, the general situation of agricultural production is rather good. This year, the acreage sown with grain throughout the country is estimated to have increased by more than 20 million mu. Although the middle and lower areas of the Chang Jiang were somewhat late in sowing, because of the rain during the sowing season, with the quality of sowing affected, the more than 200 million mu of land planted with wheat in the north has come through the winter safe and sound, and the wheat is sprouting well. Production conditions have been somewhat improved, with the scope of construction of water conservation works last winter greater than usual, and the preparations for funds and seeds are quite ample. At present, the preparations for autumn crop plowing and the spring farming in the north and the south are on the move, some provinces (regional) have issued decisions on grasping spring farming well, a number of cadres have gone to the forefront of production,and a large volume of goods and materials for agricultural use has been sent to rural areas.

The 1986 Central Document No 1 in particular has once again called on people to put agriculture in the right position in the national economy, to rely on science, to increase investment, and to maintain the steady growth of agriculture, which has greatly inspired the peasants. We should make use of these favorable conditions and take a firm grasp of the implementation of all the measures to promote a bumper harvest. It is necessary to review experience, to improve the system of contracted grain purchase, to see to it that the goods and materials and funds for supporting agriculture are delivered to the peasants and used well, to send agricultural technical personages down to the countryside in order to strengthen the guidance in the technical know-how of increasing production, and to work hard to upgrade the quality of second- and third-grade shoots, and to increase the output of middle- and low-yielding farmland. Agricultural, commercial, supply and marketing, credit, and transportation and communications departments should work with concerted efforts and provide high-quality services in order to make contributions to increasing agricultural production.

IMPROVED PACKAGING INDUSTRY STANDARDS ENCOURAGED

HK090744 Beijing RENMIN RIBAO in Chinese 5 Mar 86 p 2

[Commentator's article: "Raise the Level of the Packaging Industry as Quickly As Possible"]

[Text] In recent years, China's packaging industry has developed rather quickly. However, it is still very backward because the industry started rather late and its foundation is weak. Therefore the industry is far from meeting the needs of the developing commodity economy and the expanding foreign trade. The General Office of the State Council has recently relayed the "program for the development of China's packaging industry between 1986 and 2000," which explicitly stipulates the development target of the packaging industry, and is of important guiding signficance for stepping up the development of China's packaging industry.

Packaging is an indispensable link in commodity production. For a long time, the lack of understanding of the nature and role of the socialist commodity economy has affected the development of the packaging industry. With the development of the commodity economy since the 3d Plenary Session of the 11th Central Committee, more and more people have come to realize that packaging is capable of protecting, beautifying, and publicizing commodities, and plays a great role in expanding markets and being more convenient to use. It is one of the important ways to realize commodity and use value.

At present, annual economic loss resulting from poor packaging is still very serious in China. Through great effort in 1985, it is estimated that losses will be reduced by 1 billion yuan; the economic results and social benefits are very obvious. This has demonstrated that changing the backwardness of the packaging industry is of great significance to national economic construction.

In developing the packaging industry, it is imperative to emphasize the quality of packaging. It is necessary to gradually set up a complete set of packaging criteria and to set up and perfect quality-control organs and supervision organs at all levels in order to improve and upgrade the quality of packaging. In order to eliminate losses resulting from poor packaging, departments such as industry, commerce, transportation and communications should plan for improvement, and draw up specific measures to mobilize the whole society in a comprehensive way. In addition, it is necessary to draw up decrees on the control of packaging, so that we may have relevant regulations to follow with the duties of each person or post defined, so that losses may be reduced as quickly as possible.

Problems universally exist in our packaging enterprises, such as outmoded equipment, backward techniques, and shortage of funds. In order to step up the development of the packaging industry, all localities and departments should give their support in qualified people, funds, technical know-how and goods and materials. In policy they should encourage those enterprises so as to strengthen the enterprises capability in self-transformation and self-development. It is necessary to import advanced foreign technology in a planned way, to step up technological development and to train qualified people, transforming old enterprises in order to improve the standards of China's packaging industry.

The packaging industry involves a wide area, it is scattered in various departments and localities, and its managerial system and mode of operation vary. It is imperative to strengthen administration, develop cooperation, and break through the barriers of localities and departments. In implementing the program for the development of China's packaging industry, all localities and departments should draw up their plans and measures based on specific conditions. When developing horizontal combinations, and promoting economic cooperation and technological exchanges, it is necessary to strengthen macroeconomic control and make overall planning.

In this way the packaging industry will be on the road of development with Chinese characteristics and gradually form a new industrial system meeting the demands of growing industrial and agricultural production and being rational in its layout and harmonious in development.

RENMIN RIBAO REVIEWS XUE MUQIAO'S NEW BOOKS

HK070849 Beijing RENMIN RIBAO in Chinese 28 Feb 86 p 5

[Article by Wu Kaitai: "Introducing Two New Books by Xue Muqiao"]

[Text] Comrade Xue Muqiao's new works "Managing the Economy According to Objective Economic Laws" and "A Study of Prices and Currency in Our Country" have been published by the People's Publishing House and the Hongqi Publishing House. The books are two new collections of treatises by the author following the publication of the books "Some Present Economic Issues in Our Country" in 1980 and "The Adjustment and Reform of Our National Economy" in 1982. The book "Managing the Economy According to Objective Economic Laws" collects the author's treatises and speeches in the period between 1983 and 1985. The articles analyze the major issues that existed during that period when our national economy was undergoing major readjustments and reforms, and includes the author's opinions and solving these issues.

The author brilliantly analyzed the process of economic readjustment in those 2 years. He repeatedly emphasized that "the task of readjusting the national economy must be resolutely fulfilled and we must also guard against backpedaling to the old practice of seeking high accumulation and high growth rates when the economic situation is improving." In 1982, when the scale of capital construction again began to swell excessively, the author repeatedly "issued warnings" and called on people concerned to "guard against becoming hotheaded from lack of confidence." When discussing the issue of quadrupling the output value in 20 years' time, the author said that this is a general target for the whole country rather than for every locality and industry, so overall coordination in the whole country is necessary in economic development. We cannot see that every province or even every county is trying to quadruple its output value, and even blindly add to the target. Otherwise, the overall balance of the national economy will be upset. In this collection of treatises, the author also analyzes the reasons for the phenomenon of "low planned targets and high results" and proposes some measures for solving this problem so as to prevent the sentiment of being overanxious for quick development. The author points out: In recent years, production materials have in fact been distributed through two different channels (planned distribution and transactions in markets), while the state's mandatory plans are formulated mainly according to the supply of materials distributed through the planning channel. So, it is inevitable that there is a substantial gap between the planned targets and the results of economic performance. Only when all capital investments inside and outside state plans, and material exchanges outside state plans, are included in the state plans (including guidance plans), can the state work out really comprehensive and realistic plans so as to overcome the abnormal phenomenon of a wide gap between planned targets and actual results. However, as it is not easy to effect this in a short time, the author contends that when formulating plans we should not be anxious for a high growth rate lest we should tumble as a result of going too fast.

The economic structural reform is a central issue the author has studied in recent years. Two-thirds of the treatises in the book are articles dewlling on economic reforms. They cover the basic orientation and main issues of reform in the fields of planning, financial and monetary affairs, commerce, foreign trade, prices, and wages. The author believes that the purpose of reforming the unwieldy economic management system is to bring the entire economic management system into line with objective economic laws. On the one hand, we should grasp the central link of invigorating enterprises.

On the other hand, we should take effective measures to coordinate reforms in various branches of the national economy. All economic branches are closely tied to an integrated whole. Any major reform in a branch will inevitably affect other branches and must be backed by corresponding reform measures in other branches. Therefore, we need to study the general orientation and objectives of the overall reforms and study reform measures in various specific departments. The book includes many valuable opinions on the main issues in reform in various economic branches and on coordinating the reforms in various departments.

The author pays special attention to the change in economic management from relying mainly on administrative means to relying mainly on economic means. So he has more interest in reform of the planning, financial, tax, credit, price, and wage systems. He proposes that state authorities should establish a sound set of economic levers, urgently needed in macroeconomic management, as soon as possible, and should have a good command of economic means in the course of exercising planned management. He not only studies the reform of the planning and financial systems, but also repeatedly studies the reform of the monetary system. He points out that the banks are playing an increasingly important role in exercising macroecnomic control and the banks' role may be even greater than the financial department with the development of the reforms. So, it is a pressing task of the moment to speed reform of the monetary system. He emphasizes that "a modern economy should be supported by a modern monetary system." He then puts forward his own opinions on reforming the monetary system. In recent years, what the author has been most concerned with is the reform of the price and price management systems. We need to expand enterprises' decision-making power and, at the same time, need to guide the enterpises toward developing along the course charted by state plans. The main way to achieve this purpose is to make correct use of economic levers, and prices constitute the most important economic lever. Under present conditions, price readjustment is a crucial link that determines the success or failure of the economic structural reforms as a whole. A number of articles in this book dwell on the issue of price reform. They expound the necessity and great significance of price reform, point out the main issues that should be solved in order to rationalize various price parities, and put forward the author's opinions on the policies, principles, and measures for price reform.

In the spring of 1985, Xue Muqiao found that the ariticle he wrote earlier could not help some comrades overcome their misgivings about price reform. So he decided to write a book entitled "A Study of Prices and Currency in Our Country." This book begins by reviewing historical experiences. Then it explores the objective regularity of price movements and studies some theoretical issues concerning price policies so as to provide a theoretical foundation for the ongoing practice of readjusting prices and reforming the price management system. The first part of this book systematically recalls the price work and experience in regulating prices in the periods of the anti-Japanese war, the liberation war, the early years of the PRC and in the 1960's. Then the book analyzes the task of readjusting prices in the new period since 1979, and some major issues that should be correctly understood in the present price reform. The second part of the book deals with a number of theoretical issues in the study of prices. These are controversial issues in theoretical circles. In order to promote discussion on these issues, the author puts forward his own opinions and also revises some of his previous opinions.

In the book "A Study of Prices and Currency in Our Country," the author particularly emphasizes: First, price reform is a crucial link which has a bearing on the success or failure of the reform of the economic management system. Without rationalizing price parities and establishing a correct price management system, we will not be able to establish an economic management system which is suited to the socialist planned commodity economy. We should not hesitate at reform for fear that the people's livelihood may be affected.

As long as we carry out price reform in a prudent and planned way, we will be able to ensure that price reform can better promote the development of production, and will raise rather than lower the people's living standards. Second, we must be careful in guarding against inflation, because this is a key to success in the reform of the price and price management systems. We must be determined to cut down on the scale of capital construction and suit it to the supply of production materials. At the same time, we should be determined to control the growth rate of the comsumption fund and suit it to the supply of consumption materials. Only thus can we maintain a general balance between currency circulation and currency demand. Taking resolute action to prevent inflation is an important condition for maintaining relative price stability and ensuring the smooth development of price reform.

Because these two books are collections of treatises, it is unavoidable that some parts overlap and repetitions exist in the articles. The correctness of some of the author's opinions has yet to be proved in practice. However, these two books provide useful reference materials for our economic work and economic theoretical economic studies, because they are the results of a combination of theory and practice.

BOOK ABOUT DEVELOPMENT STRATEGY DISCUSSED

HK070854 Beijing RENMIN RIBAO in Chinese 28 Feb 86 p 5

[Article by Tang Fengyi: "Brief Review of 'A Study of China's Industrial Development Strategy'"]

[Text] The study of the strategy for industrial development is an important part of the study of the strategy for social development, and it provides a foundation for forming the guiding principles for industrial development. The study of the strategy for industrial development in our country has some difficult theoretical points. The book "A Study of China's Industrial Development Strategy" by Zhou Shulian and Pei Shuping has made some useful explorations in this field.

First, the study of the developmental strategy is linked with summing up historical experience and with our country's concrete conditions. The scientific insight in the study of the developmental strategy should come from the down-to-earth study of present conditions and historical deta: it will not come from anyone's wishful thinking. This principle penetrates all chapters of this book. It seriously compares and studies the domestic and foreign data and compares different developmental strategies. For example, in the study of the strategy for the development of heavy industry, in order to stress the importance of the comprehensive strategy, the book compares and analyzed various strategies which have been adopted by other countries, such as the strategy of giving priority to the development of key departments and the structure-maintaining strategy. When summing up our country's historical experience, the authors did not take a simplistic approach; instead, they also made historical and scientific analysis.

Second, the study of the overall strategy for industrial development is linked with the study of the developmental strategies for specific industries. This book discusses all questions concerning the overall strategy for industrial development, including strategic tasks, strategic objectives, and major measures for fulfilling the task and achieving the objectives. On the basis of summing up the points concerning the overall development strategy, the book also discussed strategies for some major industries, strategies for local industrial distribution, and the strategy for advancing industrial technology. When dealing with the developmental strategies for specific industries, the authors consider the special characteristics of each of these industries.

For example, when discussing the development strategy for the light industry, the book stresses the influence of market demands on light industrial production; when studying the strategy for developing the energy industry, it points out some measures for the effieient use of energy.

Third, the book deeply analyzes some key issues concerning the industrial development strategy. For example, the book gives prominence to the strategic guideline of focusing all efforts on enhancing economic efficiency and emphasizes that a new road should be opened for industrial development. It especially discusses the dialetrical relationship between the growth rate and economic results of industry. The authors hold that without ensuring a certain growth rate, it is impossible to achieve good economic results; however, "only the growth rate which is achieved on the basis of guaranteeing satisfactory economic results can be regarded as a reliable growth rate." Therefore, speaking more accurately, we should negate the growth rate which does not bring about good economic results and should stress the growth rate which can guarantee good economic results.

As another example, the book attaches importance to the correct handling of the relationship between new industries and traditional industries. It says that the correct handling of the relationship between developing new industries and transforming traditional industries is of immediate and far-reaching significance. The authors point out that some people's opinion that the pressing task of the moment is to develop traditional industries and some other people's viewpoint that the traditional industries in our country have become "setting-sun" industries and still other people's opinion that all new industries should be developed without distinction are all one-sided viewpoints. They hold that the positive and realistic approach should be to "speed the transformation of the traditional industries and to selectively develop some new industries in light of needs and possibilities."

Based on this viewpoint, the authors analyze the conditions and needs for developing new industries in our country and put forward a principle of "giving priority to limited targets" for the development of new industries. They also hold that the development of new industries should serve and promote the transformation of traditional industries; otherwise, traditional industries will not be armed with new technologies and new industries cannot develop smoothly. In addition, the book also discusses the correct handling of the relationship between capital construction and technological transformation. The authors explain the urgency and importance of conducting technological transformation in existing enterprises, point out the necessity of raising the proportion of investment in technological transformation, and use some mathematical models to forcast the supply and demand of investment in technological transformation and to determine a new formula for capital investment in the future.

Fourth, the book attaches importance to the guiding concepts and methodology for the study of developmental strategies. The book makes use of quantitiative analysis, system theory, and mathematical models, which are all new scientific methods, thus breaking through traditional methods of logical reasoning and qualitative analysis.

This book also has some shortcomings. It does not mention developmental strategies for the transport, telecommunications, and information industries. This not only leaves a gap in the study of the industrial development strategy, but also affects the profoundness of the study. Some propositions in this book, such as the concept of "the depth of the product structure" and "the high degree of the departmental structure," are not accurate in expressing the ideas the authors wanted to express. Some viewpoints in the book are too simplistic and general. All this requires further efforts to improve in these areas.

GUANGMING RIBAO ON LAYOUT OF PRODUCTIVE FORCES

HK07[illegible]312 Beijing GUANGMING RIBAO in Chinese 22 Feb 86 p 3

[Article by Chen Dongsheng: "China's Layout of Productive Forces Is Heading for the Year 2000" -- Part Three]

[Text] VIII. Organizing Large Horizontal Economic Areas

1. The three economic zones tend to run from north to south. They not only differ markedly in their economic and technological levels and economic results, but their conditions for development vary. Organizing large horizontal economic areas is favorable for using the potential economic power which is poor at different levels and achieving mutual benefits from the strong points of other areas, so that the technology and funding advantages of coastal areas will be organically combined with natural resource advantages of the west, helping them both.

2. The six large economic areas are to be: 1) the northeast economic area, which will include Heilongjiang, Jilin, Liaoning, and three leagues and a city in the eastern part of Nei Monggol, with Shenyang as its center. It will include the Hada-Binzhou railway and have Dalian and Ingkou as focal points; 2) The Huang He Valley economic area, which will include in the distant future Qinghai, Gansu, Ningxia, Shanxi, Hebei, Beijing, Tianjin, northern Henan, Guanzhong, northern Shaanxi, and the central and western parts of Nei Monggol. Tianjin, Gingdao, and Qinhuangdao will be the port cities, and Erlian and Hohhot will concetrate on land aspects. Consideration may be given to dividing it into four regions in the future. They would be the Beijing-Tianjin-Hebei region, the Shandong region, the Shanxi-Northern Henan-Central Monggol region, and Shaanxi-Gansu-Ningxia-Qinghai-Western Monggol region; 3) the Chang Jiang Valley economic area, which is to include Sichuan, Hubei, Anhui, Jiangsu, Shanghai, southern Shaanxi, southern Henan, northern Jiangxi, central Jiangxi, northern Hunan, central Hunan, and northern Guizhou. Shanghai will be the center and the Chang Jiang will unite the areas. The estuary of the Chang Jiang and the ports of Hangzhou Wan will serve as windows. Consideration may be given in the near future to dividing it into three regions: the upper, middle, and lower areas; 4) the southern economic areas, which inclued Yunnan, Guangxi, Guangdong, Fujian, southern Hunan, southern Jiangxi, and southern Guizhou, with Guangzhou as the center and Guangzhou, Zhanjiang, and Xiamen as windows; 5) the Xizang Autonomous Region; 6) the Xinjiang Autonomous Region.

3. Apart from Xinjiang and Xizang, the four other large economic areas contain developed, less developed, and underdeveloped regions. The four large economic areas are like four tremendous dragons, with the "dragons' heads" lying in the developed regions in the east and the "dragons' bodies" and the "dragons' tails" lying respectively in the less developed and underdeveloped regions. The "dragons' heads" will import advanced technology, operational and managerial experience, market and technologal information, and "foreign goods" imported or produced by themselves, passing them on from the east to the west. The "dragons' bodies and tails" continuously supply the "dragons' heads" with rich natural resources and other resources, as well as primary products which will be processed and increased in value by the "dragons' heads" before entering the international market. In this way, potential economic power may be used and the role of mutual help between the advantaged and disadvantaged areas may be brought into play. The result will be that the twofold task of upgrading old economic bases in the east and developing the interior will be successfully accomplished.

Every large economic area has a major economic center that relies on a big city, along with a number of economic centers at different levels. By focusing on these economic centers, a number of "nucleus" regions will take shape in the form of cities and towns groups of various scopes and realms, which will serve as a basis for bringing along the economic development of the whole area.

IX. Developing Crisscrossed Industrial Zones and City and Town Zones

1. On the basis of the existing transportation network, a transportation network with 10 vertical and 10 horizontal lines will gradually be formed through transformation, construction, and water diversion from the south to the north to ensure the flow of large or small circulation and the link between circulation in inner and outer areas.

The 10 trunk lines that join the north and south are: 1) Manzhouli-Shenyang-Beijing; 2) Qiqihar-Tongliao-Beijing; 3) the 10,000 nautical mile coastal waters nagivation line from Yalu Jiang in the north to Bailongkou [4101 7993 0656] in the south; 4) the Beijing-Hangzhou grand canal; 5) Beijing-Tianjin-Shanghai; 6) Beijing-Fuyang-Jiujiang-Guangzhou; 7) Beijing-Guangzhou; 8) Datong-Taiyuan-Zhicheng-Zhangjiang; 9) Baotou-Xian-Liuzhou; and 10) Baoji-Kunming-Munanquan.

The 10 trunk lines that join the east and west are: 1) Tongliao-Jining-Baotou; 2) Qinhuangdao-Beijing-Lanzhou; 3) Qingdao-Shijiazhuang-Zhongwei; 4) Shijiushuo-Houma-Xian; 5) Lianyungang-Urumqi; 6) the Chang Jiang waterway; 7) Nanjing-Ankang-Lanzhou; 8) Shanghai-Kunming; 9) Xiamen-Kunming; and 10) the Zhu Jiang and Xi Jiang waterways.

Economic development, industry in particular, usually concentrates in one spot. Through expansion like an ink stain, it spreads from a spot to an area. By radiating, the spots turn into zones and finally a network. The appearance of industrial zones and city and town zones is the layout's inevitable trend, resulting in the social productive forces developing to a rather high level. With the development of industry and agriculture, the following vertical industrial zones will take shape: First, the coastal industrial zones: next the industrial zone along the Harbin-Dalian, Tianjin-Pukou, and Beijing-Guangzhou railways; and then the industrial zones along the northern section of the Datong-Puzhou, Taiyuan-Jiaozhuo, and Jiaozhou-Zhicheng railways. The horizontal industrial zones include the Chang Jiang Valley industrial zone, the Zhu Jiang-Xi Jiang valley industrial zone, and the industrial zones along the Lianyungang-Lanzhou, Beijing-Baotou, and Lanzhou-Urumqi railways.

X. Conclusion

The study and discussion of the strategy of China's layout of the productive forces and the prospects of the layout mentioned above can be concisely summed up as follows:

There will be three levels and three major zones. We will gradually carry out the strategy of closing in on the east and moving towards the west. We will suit measures to local conditions, advance advantages, and avoid disadvantages. We will conduct dialogue between the east and the west and strive foward horizontal movement. We will give full play to the role of key cities and priority to "nucleus" regions. We will expand like an ink stain and radiate to build ties. We will make industrial corridors crisscross each other. We will develop from spots to lines, then areas, and eventually form a network, in order to make operations flexible.

CIRCULAR ON EDUCATION IDEOLOGY, JOB PLACEMENT

OW100830 Beijing XINHUA Domestic Service in Chinese 0058 GMT 10 Mar 86

[Text] Beijing, 10 Mar (XINHUA) -- The Propaganda Department of the CPC Central Committee, the State Education Commission, and the CYL Central Committee recently issued a joint circular "on further strengthening the ideological education of graduating students of institutions of higher learning."

The circular calls on concerned departments and institutions of higher learning to take effective measures to do a good job in the ideological education of their graduating students (including postgraduates). The circular stresses: Institutions of higher learning, as important bases for building socialist spiritual civilization, are charged with the major task of training qualified people for socialist modernization. The ideological education of graduating students is an important component of higher education, and conscientiously doing this work well is not only an important guarantee for the successful placement of such graduating students but also a major link in further improving their political quality.

The circular points out: In recent years institutions of higher learning have reformed their methods of assigning jobs to their graduates, achieving better results. The ideological education of graduating students has also been improved or strengthened to some extent. However, the level of work being done in various localities and schools is uneven. Lacking an understanding of the importance of effectively educating graduating students, some localities and schools have failed to exert themselves to do this work, and their ideological and political education of graduating students is particularly weak. Competent authorities and institutions of higher learning in various localities should conscientiously review their work in this regard over the past few years, effectively solve problems, and raise their work level in order to adapt themselves to the requirements of the situation and reform.

The circular holds: Many new changes have taken place among graduating students in the ideological sphere in the new historical period, and the main trend is good. Because of the influence of various ideological trends at home and abroad, however, some graduating students, while selecting jobs, unduly stressed their personal aspirations and interests to the neglect of their careers and state requirements; and others have sought material benefits and better wages and have been reluctant to leave big cities for places with hard conditions. Some graduating students cannot accurately appraise themselves, and some of them even harbor the erroneous idea of "waiting for the right price to sell." Some graduating students' understanding of the purpose and significance of and the measures for reforming the placement of graduates is one-sided or erroneous instead of comprehensive and accurate.

The circular says: New situations and problems will continue to occur with the development of the situation and the deepening of reform. Departments in charge of education among graduating students and institutions of higher learning in various localities should pay attention to studying and proving what is on the minds of graduating students as well as their ideological characteristics. They should fully mobilize positive factors and make full use of favorable conditions to solve emerging ideological problems according to circumstances and to effectively conduct ideological education in a creative way among graduating students in the new situation.

The circular stresses: In accordance with the general objective of training people with ideals, morality, culture, and discipline and the requirements for the placement of graduates, ideological education among the graduating students of institutions of higher learning should have patriotic and communist education as its core; stress educating them on the situation and tasks, ideals, discipline, and the policy and principles for job assignment; and aim at preparing them for working in society.

The circular requires that in conducting ideological education among graduating students, it is necessary to proceed from reality, to step up investigation and study, to thoroughly understand what is on their minds in order to carry out education among them with definite objectives in mine. At the same time, attention should be paid to adopting various appealing, persuasive, and inspiring educational activities which they like. Ideological education of graduating students should also be closely linked with other education and supervision. It is necessary to conscientiously appraise graduating students and give full play to the positive role of this work.

The circular says: Because the work to assign jobs for graduates of institutions of higher learning involves so many aspects and policies, and because time is pressing and the task overwhelming, it is necessary to strengthen leadership and mobilize all sectors to jointly undertake the ideological education of graduates of institutions of higher learning in order to ensure success of such education. Institutions of higher learning must successfully mobilize all sectors including the party, government, trade union, CYL, teachers, parents, and employing units to conduct this education and see that it is implemented organizationally and in actual work so that real results will be achieved.

The circular finally stresses: Strict discipline in job assignment and firmly combating unhealthy tendencies are important guarantees for successful ideological education of and job assignment for graduates. Party committees at all levels and departments concerned must adhere to the job assignment principle, implement the job assignment policy, and strictly observe job assignment discipline in line with the party Central Committee's requirement for improving the party style and in a further effort to implement the Central Discipline Inspection Commission's related regulations. Leading cadres concerned and cadres participating in job assignment work must set a good example for others to follow in carrying out work impartially. Those who interfere with job assignment work and indulge in unhealthy practices in disregard of the party discipline must be unswervingly investigated and punished.

TIAN JIYUN SPEAKS ON AFFORESTATION CAMPAIGN

OW080925 Beijing XINHUA Domestic Service in Chinese 1433 GMT 7 Mar 86

[Speech by Vice Premier Tian Jiyun on 7 March at Beijing meeting to commend advanced units and activists in afforestation and environmental beautification]

[Text] Beijing, 7 Mar (XINHUA) -- Comrades: Now spring has come again and everything looks fresh and gay. With a large-scale afforestation campaign in the offing, the Beijing Municipal People's Government and the Capital Greening Committee are holding this meeting here to commend advanced units and activists in greening and beautifying the capital. This is a matter of great significance. It is bound to arouse further the enthusiasm of the broad masses for playing an active role in planting trees and to push forward the greening and beautification campaign in the capital. Here, on behalf of the party Central Committee and the State Council, I wish to congratulate the great success of the capital's greening and beautification work during the Sixth 5-Year Plan period and to pay high respect and extend cordial regards to the advanced units and activists engaged in this work!

During the Sixth 5-Year Plan period, the capital's people made serious efforts to implement the NPC resolution on developing a nationwide campaign for obligatory tree-planting and achieved remarkable results in going all out to plant trees and grow grass and flowers in an effort to make the capital green and beautiful. The greening and beautification work in the urban area began to proceed in the direction of turning the city into a big garden. Fairly great advances were also made in afforesting the suburbs. The capital's people scored considerable achievements in the nationwide campaign for obligatory tree-planting and made gratifying strides toward building a clean, fine, modernized and civilized city with healthy ecological conditions. However, it should be noted that all these changes are merely incipient, and that the ecological conditions have not yet been radically improved and the work of afforestation to be carried out is still very arduous if we look at the situation of the capital as a whole. We must have a clear and correct understanding of this matter and make unremitting efforts to continually push ahead the great task of afforestation.

A high-quality ecological environment is one of the significant symbols of a modern civilized city. To appraise of modern civilized city, we should not only look at the level of its scientific, technological, economic and cultural development, but should also see its environmental and ecological conditions. Beijing is the capital of our great motherland, a national political and cultural center as well as a center for exchange with foreign countries, and a showcase of our country in opening to the rest of the world. Making a success of the work of greening and beautifying the capital -- that is, making Beijing a top-notch modern civilized city with a fine environment characterized by green trees and brilliant flowers everywhere -- is an earnest hope of the party Central Committee and the State Council and the common aspiration of the people in the capital and throughout the country. It is hoped that the people in the capital will display the same spirit as the foolish old man who removed the mountains, unite and cooperate with one another, and work with perseverance so as to achieve quicker and better results in greening and beautifying our environment and march ahead of all other places of the country in this campaign.

Comrades! Afforesting the motherland is a great long-term task concerning our economic prosperity and social development. For the sake of sustained and steady development of this great undertaking, the state has promulgated a forestry law and issued relevant documents. The law and related principles and policies are all available. Recently Comrade Wan Li delivered an important speech at a plenary meeting of the Central Greening Committee. Here I only set forth a few demands with regard to the capital's future greening and beautification work.

First, it is necessary to further enhance the understanding of the afforestation work, in particular the understanding on the part of cadres at all levels. Every leading cadre should understand that developing the mass campaign to forest the motherland is a significant measure to create a fine ecological environment for the people of all nationalities in the country and is of vital strategic importance to the prosperity of our country, the happiness of our people, and the subsistence and development of our descendants. The fundamental way to change the vicious cycle of the ecosystem to a favorable cycle is to go all out to plant trees and grow grass so as to increase the verdant vegetation on our land. Practice has proven that where the vital importance of afforestation work is understood deeply by the leadership, this work will be grasped firmly and effectively and a quick change will be made in environmental conditions. The deeds of leading cadres being commended today are fully indicative of this fact. To find out whether or not a cadre pays attention to afforestation work, we should not merely depend on what he says. The main criterion is to see how he acts and what effects result from his action. It is my hope that more leading cadres will receive commendations next year.

Second, continued efforts should be made to mobilize the people. Afforestation and environmental beautification is a common project for the whole party, the whole people, and all professions and trades. Everyone has the responsibility to make the motherland green. For this reason, it is necessary to arouse the masses on a wide scale and mobilize all forces in society to develop in depth the nationwide campaign for obligatory tree-planting. The PLA units stationed in Beijing have contributed significantly to afforestation work in the capital. It is hoped that they will continue to shoulder the heavy task, fight the tough battle, and act as a combat team in doing this work. In the meantime, the organs directly under the party Central Committee and the state organs at the central level should take the lead in the obligatory tree-planting campaign and in greening and beautifying the courtyards so as to play an exemplary role in this regard. The broad masses of CYL members and other young people are requested to display actively their role as reinforcements and shock brigades in afforestation. The party, government, Army, mass organizations, and cultural and educational institutions should all join the work and contribute to the greening and beautification of the capital.

Third, it is necessary to work in a down-to-earth way and stress real results. Afforestation work requires the mobilization of the masses, but in no way should there be such formalistic things as "rushing headlong into mass action" and "putting on gestures for show." It is necessary to work out practical afforestation work rules on the basis of the actual situation in various localities. In afforestation, attention should be paid to the quality of work, and every effort should be made to elevate the survival rate and strengthen the management of the trees planted. The state of affairs where trees planted in spring disappear in fall and new trees have to be planted again the next year should never be allowed to occur year after year. To sum up, the task should be properly arranged, the responsibility should be made clear, and stress should be put on implementing the policy, applying scientific methods, and achieving efficient results so that afforestation work can be carried out in a down-to-earth way. With regard to the work of greening and beautifying the capital during the Seventh 5-Year Plan period, the municipal government and the Capital Greening Committee have made arrangements and formulated a plan. What is needed is to carry out the task conscientiously so as to ensure that the targets will be met.

Comrades! A large-scale spring afforestation campaign is going to start. I hope that the broad masses of armymen and civilians will seize the opportunity to take positive action so as to make this year's afforestation and environmental beautification a real success and strive to build Beijing into a top-notch city with a clean, fine environment! I also hope that new and still greater success in afforestation work will be achieved in all localities throughout the country!

TIANJIN FORUM ON ECONOMIC UNITED FRONT WORK ENDS

SK100539 Tianjin City Service in Mandarin 1430 GMT 9 Mar 86

[Text] The forum on the united front work in the economic field, held by the United Front Work Department of the CPC Central Committee in Tianjin, concluded on 9 March, after a 9-day session. Yan Mingfu, head of the United Front Work Department of the CPC Central Committee, attended the forum to hear the opinions of various fields, and delivered a speech. He pointed out: We must further restore and carry forward the fine tradition in which the whole party engages in united front work and mobilize thousands upon thousands of people to build the socialist spiritual and material civilizations. Attending the forum were responsible comrades from the relevant central departments and the united front work departments in 19 provinces and municipalities, as well as responsible persons of various democratic parties and relevant people's groups in the municipality.

DIFFICULTIES IN SMALL ENTERPRISE REFORM VIEWED

OW080457 Beijing XINHUA Domestic Service in Chinese 0040 GMT 6 Mar 86

[By reporter Qiu Yuan]

[XINHUA reporter's letter: "Reform of Small Commercial Enterprises Must Be Consolidated and Improved"]

[Excerpts] Beijing, 6 Mar (XINHUA) -- Since 1984, state-run small-sized commercial enterprises gradually changed to operation by collectives with ownership by the state; operation by collectives with ownership by collectives; and operation by individual businessmen on rental basis in the course of reform.

However, since the second half of last year, the progress of reform has stopped, and most small stores in many places have returned to operation by the state, returning to "everyone eating from the same big pot."

According to an investigation, there are many reasons for the return to state operation. However, the main reason is that measures adopted were not in accord with state policies. The principle of collective economy was not followed in dealing with small stores. Therefore, it is necessary to act according to the guidelines of the State Council; truly follow the policy of collective economy and management methods for collective enterprises; and properly handle relations between the state and small commercial enterprises and between small commercial enterprises and their staff members and workers. After paying eight-grade progressive taxes to the state, they should not have to pay other taxes levied on state commercial enterprises. Moreover, preferential treatment should be given to low-profit repair and service workers in cities, otherwise, the trend of their changing progressions cannot be stopped by administrative intervention.

DENG LIQUN, ZHANG JINGFU ON ENTERPRISE MANAGEMENT

OW071138 Beijing XINHUA Domestic Service in Chinese 1514 GMT 6 Mar 86

[Text] Beijing, 6 Mar (XINHUA) -- In order to keep abreast of economic structural reform and raise economic efficiency, it is necessary to strengthen enterprise management and improve its quality during the Seventh 5-Year Plan period, said Deng Liqun and Zhang Jingfu at an annual meeting of the China enterprise management association today. Deng Liqun urged the enterprise management association to earnestly review experience and make greater contributions to spreading advanced management experience and training workers and staff.

In his speech, Zhang Jingfu said: Strengthening enterprise management is an important guarantee for smoothly completing the Seventh 5-Year Plan. As the plan is crucial to laying the foundations for realizing strategic objectives set by the 12th CPC National Congress, we must accumulate stamina for future advances while continuously improving the people's livelihood on the basis of developing production during these 5 years. To this end, it is necessary to persistently reform, strengthen, and improve enterprise management in all fields in order to fully utilize great potentials hidden inside enterprises. China's enterprises are backward in technology, but are even more so in management. Once the management work of enterprises is improved, their economic efficiency will increase rapidly.

Zhang Jingfu said: Currently China's economic system is undergoing a major reform. State supervision of enterprises will gradually be changed mainly from direct to indirect control. Economic and legal means, as well as administrative means when necessary, will be adopted to control and regulate macroeconomic activities. In view of the reform, we must do away with backward management methods; improve management systems, rules, and regulations incompatible with the development of the forces of production; and set up an enterprise management system in line with the new economic system. Only thus can we invigorate the enterprises and instill vitality into the national economy as a whole.

Zhang Jingfu pointed out: In strengthening enterprise management, it is necessary to follow a clear-cut guiding ideology, that is, it is necessary to keep abreast of economic structural reform by paying close attention to building the "two civilizations," improving the performance of enterprises, especially raising product quality and lowering material consumption, by all means, and achieving a breakthrough in the economic efficiency of enterprises and in their capabilities to export goods and earn foreign exchange.

Zhang Jingfu emphasized that upgrading technology and exercising modern management are two indispensable aspects of economic modernization. Only when integrated with advanced management method can modern technology by transformed into effective forces of production.

Therefore, during the Seventh 5-Year Plan period, we must pay keen attention to both technology and management in order to continuously raise the capabilities of enterprises in improving and developing themselves.

Responsible persons of State Council departments concerned, council members, and representatives of the China enterprise management association, totalling some 1,200, attended the meeting today.

YANG DEZHI ON PLA DISCIPLINE, APPEARANCE

OW080248 Beijing Domestic Service in Mandarin 2230 GMT 7 Mar 86

[Text] According to a JIEFANGJUN BAO report, the General Staff Department held a meeting on 7 March of PLA units in Beijing on improving Army appearance, bearing, and discipline. Yang Dezhi, deputy secretary general of the Military Commission and chief of general staff of PLA, delivered an important speech at the meeting. He said: Further improving management and education and enforcing good Army appearance, bearing, and discipline should begin first with the Military Commission, all general departments, the leading organs of various services and arms, and PLA units in Beijing, following the example of what the central authorities are doing to rectify party style by starting first with the leading organs and Beijing. In this way, we will set a good example for the whole Army to follow. He pointed out: We should affirm that the PLA has made great progress in management and education in recent years. However, there are still many problems, including some serious problems.

Chief of General Staff Yang Dezhi emphatically discussed the question about poor Army appearance, bearing, and discipline. He blamed the poor Army appearance, bearing, and discipline on failure to ensure thorough education, strict management, implementation of rules and regulations, serious training, and effective military police patrols. After emphasizing the significance of improving Army appearance, bearing, and discipline, Yang Dezhi set the following demands on how to make the improvement: It is necessary to strengthen education to enhance the troops' understanding; it is necessary to implement Army regulations and enforce Army rules; it is necessary to carry out rigorous training, particularly basic training; it is necessary to make conscientious improvement by hitting the nail on the head; and it is necessary to organize effective military police patrols.

PLA REGIMENTS, UNITS BEGIN PARTY RECTIFICATION

OW110030 Beijing XINHUA Domestic Service in Chinese 1214 GMT 10 Mar 86

[Text] Beijing, 10 Mar (XINHUA) -- All PLA units at and below the regimental level have successively begun party rectification in accordance with the Central Military Commission's unified arrangements.

The responsible person of the All-Army Party Rectification Office told reporters that these units began party rectification after full preparations had been made. All units had carefully conveyed and studied the Central Military Commission's related documents and Vice Chairman Yang Shangkun's speech delivered at the all-Army discussion meeting on party rectification work. This enabled everybody to understand that party rectification in units at and below the regimental level was a major event closely connected with the fulfillment of party rectification tasks in the PLA, with achieving a fundamental turn for the better in the PLA's party style, and with the building of the basic-level units and all units of our PLA. All units thus understood the significance of party rectification in units at and below the regimental level, keeping in mind the overall situation. Party committees of these units put this task on their agenda of important items and paid utmost attention to it. All units trained backbone workers for party rectification. Some units trained party committee members at the regimental, battalion, and company levels or secretaries of party branches by rotation.

Still other units trained the personnel of investigation-and-study teams and inspection teams taking part in the party rectification task, enabling them to clearly understand the party's policy, principles, methods, and steps. These personnel, on their part, studied the new situation and new characteristics of party rectification in regiments and lower units as well as the major problems that must be solved. They also summed up and exchanged the experience of units selected for party rectification on an experimental basis.

To help regiments and lower units conduct party rectification successfully, all PLA general departments, the National Defense Science, Technology, and Industry Commission, and all large PLA units successively dispatched a large number of party-rectification investigation-and-study teams and inspection teams to basic-level units and help them make party rectification a success. These teams also conducted investigation and study and improved their own work in connection with party rectification, rendering a still better service to the basic-level units. More recently, a number of large PLA units sent work teams to basic-level units to inspect their method of preparation. In the cases of unsatisfactory preparations, party rectification was not allowed to begin hastily.

ATTENTION TO WOMEN'S LEADERSHIP POTENTIAL URGED

OW080728 Beijing XINHUA in English 0710 GMT 8 Mar 86

["Talented Women Must Not Be Held Back" -- XINHUA headline]

[Text] Beijing, March 8 (XINHUA) -- A women's leader today called on Communist Party and government chiefs to give talented women a fairer deal. Zhang Guoying, vice-president of the All-China Women's Federation, was quoted in today's GUANGMING DAILY as saying that women were often passed over for cadre promotion. The fact that they had to have time off work to have children, care for them and do housework was often held against them. Women scientists were also being held back from achieving their full potentials for the same reasons.

Zhang said in the article to mark International Women's Day that women were a vital force in China's modernization, and more were now displaying their skills under the current economic reforms. However, she pointed out: "The proportion of women participating in government and political affairs is very low, and there are even fewer female leaders in policy-making bodies." She called on party committees and officials at various tiers of government to pay serious attention to the training of women and the promotion of those qualified. Zhang added that Chinese women must constantly strive to improve their skills and contribute more to the modernization drive.

HU QIAOMU SPEAKS AT WOMEN'S DAY MEETING

OW090344 Beijing XINHUA Domestic Service in Chinese 1308 GMT 8 Mar 86

[By reporters Chen Yan, Sun Xiaoming]

[Excerpts] Beijing, 8 Mar (XINHUA) -- More than 1,000 women from all circles in Beijing gathered at the Great Hall of the People this morning to commemorate the "8 March" International Working Women's Day. Before the meeting, Comrades Deng Yingchao, Xi Zhongxun, Hu Qiaomu, Deng Liqun, Hao Jianxiu, Bo Yibo, Song Renqiong, and Kang Keqing cordially met with members of the national women's lecture group on ideals as well as with model women workers who have attended the national discussion of model women workers. They were briefed on the advanced deeds of these outstanding women.

Deng Yingchao spoke amid the warm applause of women from all circles in Beijing. She told the female participants at the meeting: All countries in the world recognize that Chinese women have contributed their wisdom and talents to their nation and are on an equal footing with men in all areas. In China, more women have engaged in public activities with the support and assistance from the state and all sectors of society. Of course, not everything proceeds satisfactorily. Therefore, women should continue their struggle. Women's rights are not granted by others, but are the results of their own work.

On behalf of the party Central Committee and the State Council, Hu Qiaomu extended festive greetings and comfort to women of all nationalities from all circles. He said: Chinese women have made profound achievements on all fronts, recognized by people throughout the country. He hoped that women in all circles would remove roadblocks in the path of advance and further develop their wisdom and talents.

NATIONAL COURT PRESIDENTS CONFERENCE ENDS

OW110215 Beijing XINHUA Domestic Service in Chinese 1420 GMT 10 Mar 86

[By reporter Zhang Sutang]

[Text] Beijing, 10 Mar 86 (XINHUA) -- A national conference of court presidents concluded in Beijing today after 5 days in session. The conference proposed that the main tasks for the people's courts this year be to unswervingly continue the crackdown on criminals gravely jeopardizing public order and on serious criminal economic activities, to vigorously strengthen the trial of economic and civil cases, while continuously striving to strengthen the legal system and improve the quality of court cadres.

Zheng Tianxiang, president of the Supreme People's Court, addressed the plenary session of the conference this afternoon. He said: Comrade Deng Xiaoping pointed out that "we should strengthen the legal system while carrying out construction." This is an important summing-up of our experiences, both positive and negative, gained in the 36 years since the founding of the PRC, a concrete integration of the universal truth of Marxism with the practice of building socialism with Chinese characteristics, and an important development of the theory of people's democratic dictatorship under new historical conditions. He said: The people's courts, the judicial organs of the state, constitute an important component of the state apparatus, and it is necessary to promote the improvement of the socialist legal system and the development of socialist democracy through judicial work.

Zheng Tianxiang pointed out: Cadres of the people's courts should be staunch, thoroughly materialist, uphold the principle of seeking truth from facts, base their decisions on facts and on legal criterion; they should ensure that laws are observed, that they are strictly enforced, and that lawbreakers are punished; and they should be impartial and incorruptible and uphold the principle that all are equal before the law. This is the key to bringing about a new situation in the work of a people's court.

Ren Jianxin, vice president of the Supreme People's Court, presented a report to the conference. He said: People's courts throughout the country tried more than 1.5 million civil, criminal, and economic cases last year. More than 226,000 economic cases were accepted, and over 203,000 of them were tried, protecting the legitimate rights and interests of the state, collectives, and individuals. This has played a positive role in maintaining economic order, readjusting economic relations, improving operations and management, and promoting economic reform. He pointed out: Criminal activities that seriously damage the economy are still rampant. Generally speaking, our blows dealt to such activities are not powerful enough.

Therefore, people's courts should regard cracking down on serious criminal economic activities as a major task. While cracking down on criminals gravely jeopardizing public order, we should unswervingly and sternly punish criminals who have seriously damaged the economy. The conference held: In the light of their judicial functions, people's courts should take the initiative in participating in the effort to tackle problems in public order in a comprehensive way, with emphasis on the prevention and reduction of litigation. They should alter the past practice of waiting for cases and handling cases behind closed doors or in an isolated way, make a circuit of the areas under their jurisdiction to hear cases, try cases on the spot, pronounce judgment in public, and solicit suggestions on judicial matters in order to contribute to the strengthening of the legal system and the building of socialist spiritual civilization. It is necessary to strengthen the ranks of court cadres ideologically, professionally, and organizationally, and to reinforce discipline and make them revolutionized, professional, and modernized.

President of various provincial, autonomous regional, and municipal higher people's courts and of intermediate people's courts in Chongqing, Harbin, and other cities attended the conference.

SHANGHAI COURT PRESIDENT ON TRIAL OF HU XIAOYANG

HK101422 Beijing ZHONGGUO XINWEN SHE in Chinese 1336 GMT 7 Mar 86

[Text] Beijing, 7 Mar (ZHONGGUO XINWEN SHE) -- At a special interview with a staff reporter today, Yao Genglin, president of the Shangai Municipal Intermediate People's Court, said: "While trying the cases of Hu Xiaoyang et al, nobody interceded with me for the criminals."

Yao Genglin is now in Beijing, attending a national meeting of court presidents. He said: "The repercussions at home and abroad over the execution of the three children of senior cadres, including Hu Xiaoyang, who were guilty of hooliganism have been unexpectedly widespread. The people are watching us. As judges of a people's court, we must enforce the law strictly. When handling major and important cases, on no account must we be softhearted."

The execution of Hu Xiaoyang et al has become the subject of wide and heated discussions among the residents of Shanghai. Now more and more parents have come to realize the urgency and importance of giving their children a sound education.

President Yao said: With a stern crackdown on various criminal activities, there has been a remarkable turn for the better in Shanghai's social order. In accordance with the principle of striking heavy, swift, and relentless blows at the criminals who gravely endanger public order, this year the people's courts will resolutely crack down on such crimes as robbery, rape, murder, and grand theft. He said: The priority of our work is to handle major and important cases and to eliminate their influence. Once these cases are brought to the courts, the courts will promptly name a panel of judges to seriously handle the cases.

SONG PING ON CONSTRUCTION OF SHANXI ENERGY BASE

OW090723 Beijing XINHUA Domestic Service in Chinese 1637 GMT 8 Mar 86

[Text] Beijing, 8 Mar (XINHUA) -- State Councillor Song Ping addressed the third meeting of members of the State Council's Energy Base Planning Office today, saying that China will continue to develop the energy base which centers on Shanxi, and includes Nei Monggol, Henan, Shaanxi, and Ningxia during the Seventh 5-Year Plan period.

During the Sixth 5-Year Plan, this energy base developed rapidly and made a great contribution to our national economic development. In 5 years, the net increase of crude coal output on this base was more than 120 million metric tons, accounting for more than half of the nation's net increase, the capacity of the newly installed power generators was 2.7 million kilowatts, and power output increased by 14.5 billion kwh; these were higher than the national rates of increase. The base annually shipped 150 million metric tons of coal, topping 1980 by more than 50 percent, and its capacity for shipping coal by road increased by more than 3 times. It was learned that the annual crude coal output, power output, the capacity of shipping out coal by rail, and the output of heavy industrial and chemical products will increase considerably during the Seventh 5-Year Plan period.

Song Ping said: The development and construction of this base will be crucial to invigorating the national economy and fulfilling the grand objectives by the end of the century. Therefore, the construction of this base should be carried out with the overall situation in mind so as to make it serve the whole nation. Song Ping urged the formulation of an overall strategic plan for the construction of this base so as to ensure a relatively coordinated development of all aspects, yield more returns with less investment, and provide the nation with more and better energy resources steadily for a long period of time.

NI ZHIFU ATTENDS BEIJING OPERA IN TIANJIN

OW102319 Beijing XINHUA Domestic Service in Chinese 1242 GMT 10 Mar 86

[By reporter Zhang Shuying]

[Excerpts] Tianjin, 10 Mar (XINHUA) -- Some people currently believe that there is a crisis within the Beijing Opera. In fact, this is not true. The exhibition sponsored by the Zhongguo Theater in Tianjin on the Zhang Junqiu School of Beijing Opera Arts held from 1 to 9 March indicated that the fundamental solution for the Beijing Opera is to train better opera singers and produce better operas.

Zhang Jinqiu himself participated in the premiere by performing the Beijing Opera entitled: "Prosperity Brought by the Dragon and the Phoenix." Attending the opening ceremony were Ni Zhifu, secretary of the Tianjin City CPC Committee; Mayor Li Ruihuan of Tianjin; and Zhang Zaiwang, chairman of the Standing Committee of the city's People's Congress. Vice Minister of Culture Zhou Weizhi also came to Tianjin to see the opera.

In an interview with a XINHUA reporter, Zhang Junqiu said: "Is there a crisis within the Beijing Opera? First of all, this issue involves the quality of the performance of the Beijing Opera. Not to mention the fact that poor Beijing operas, even mediocre Beijing operas, fail to attract an audience." Zhang Junqiu expressed the hope that young Beijing Opera singers will effect reforms while carrying forward old traditions and producing more and better operas. Zhang Siyun, a famous Chinese violinist who had worked with Zhang Junqiu for more than 30 years, said: "Whether the Beijing Opera can flourish or not mainly depends on whether we can train better singers and produce better operas."

WANG ZHEN, DENG PUFANG AT BENEFIT ART SHOW

OW101907 Beijing XINHUA in English 1847 GMT 10 Mar 86

[Text] Beijing, March 10 (XINHUA) -- China's five main religions -- Buddhism, Taoism, Islam, Catholicism and Protestantism -- today joined hands for the first time to help the handicapped.

Leading figures from the five religions together presented 400 paintings and calligraphic works to the China Welfare Fund for the Handicapped at the opening ceremony of an exhibition here today. The exhibition displays all the 400 art works for public viewing. Each religion has a pavilion at the exhibition showing its history and present activities in China. Most of the calligraphic works are quotations from the religious scriptures, well known sayings, maxims and poems. One Buddhist scripture was written by Bainqen Erdini Qoigyi Gyaincain, vice-chairman of the Standing Committee of the National People's Congress. The activity to collect and donate the works started in May 1985 and was joined by religious and non-religious figures in 28 provinces, municipalities and autonomous regions. Some of these works were printed in the form of albums last month by the People's Art Publishing House. Wang Zhen, honorary director-in-chief of the China Welfare Fund for the Handicapped, cut the ribbon at the exhibition's opening ceremony. The show is to last until March 23.

[Beijing XINHUA Domestic Service in Chinese at 0907 GMT on 10 March in its reportage of the above meeting notes that Deng Pufang, director-in-chief of the China Welfare Fund for the Handicapped, spoke at the meeting.]

HUANG HUA RETURNS TO BEIJING 10 MARCH

OW101332 Beijing XINHUA in English 1324 GMT 10 Mar 86

[Text] Beijing, March 10 (XINHUA) -- Huang Hua, vice-chairman of the National People's Congress Standing Committee, returned here today after attending the second meeting of the policy board of the interaction council of former heads of government.

HU YAOBANG, YU QIULI WRITE FOR PICTORIAL

OW080010 Beijing XINHUA Domestic Service in Chinese 1242 GMT 7 Mar 86

[Excerpts] Beijing, 7 Mar (XINHUA) -- A photographic art pictoral and a picture-story book, both entitled "The Motherland Is In My Heart," have been published and will soon be on sale throughout the country. Comrade Hu Yaobang wrote the book title for the photographic art pictorial, and Comrade Yu Qiuli wrote a preface for it. The pictorial and the book, both compiled by Jiefangjun Pictorial, contain vivid pictures and true and interesting stories. The Propaganda Department of the CYL Central Committee recommends them to youth and children throughout China as excellent readers on patriotism and revolutionary heroism.

HUANG HUANG, WANG YUZHAO AT ANHUI CADRE MEETING

OW071157 Hefei Anhui Provincial Service in Mandarin 1100 GMT 5 Mar 86

[Excerpts] The Anhui Provincial CPC Committee yesterday afternoon held a meeting of cadres from departments directly under the provincial authority to further mobilize the vast number of party members and cadres in these departments to improve the party style and general mood of such departments and to set an example for the whole province.

On behalf of the provincial party committee, Zhao Baoxing, member of the Standing Committee and secretary of the Discipline Inspection Commission of the provincial party committee, made a report to the meeting: Departments Directly Under the Provincial Authority Should Set an Example for the Whole Province in rectifying the Party Style.

Zhao Baoxing pointed out: Generally speaking, the main trend of the party style in the departments directly under the provincial authority is good, and so are a large number of party members and cadres in these departments. It should be soberly noted, however, that there are still unhealthy tendencies in departments directly under the provincial authority and some units, as well as among a small number of party members and cadres. The main manifestations of such unhealthy tendencies are: 1) abusing one's power and position to seek personal gain; 2) practicing selfish departmentalism to a serious extent; 3) indiscriminately issuing money and materials; 4) using public funds and materials for banquets and gifts; 5) choosing personnel for jobs and handling affairs not in party spirit or in accordance with principles but on the basis of personal sensibilities and connections; 6) practicing liberalism politically; 7) vying with one another in buying or changing automobiles; 8) indiscriminately sending personnel abroad; 9) the problem of party and government organizations and their cadres engaging in business or running enterprises is not yet thoroughly solved; and 10) loose organization and lax discipline.

He said: The provincial party committee holds that since the departments directly under the provincial authority are leading bodies for the whole province, they should take the lead in rectifying their party style and set an example for the whole province in this regard.

He emphatically pointed out: An important link to be grasped in rectifying the party style is to concentrate our forces on the investigation and handling of major and serious cases. The provincial party committee is determined to thoroughly investigate and deal with a number of major and serious cases. Such cases must be thoroughly investigated and sternly dealt with according to party policy no matter who is involved. Whoever has committed a wrongdoing must be resolutely dealt with no matter what unit he is with or no matter what his position. We must uphold that all are equal before party discipline and the law of the state.

In his speech at the meeting, Huang Huang, secretary of the provincial party committee, said: Central organs have set an example in rectifying the party style, greatly inspiring the entire party and the people across the country. Our departments directly under the provincial authority also should take the lead in rectifying the party style and set an example for the whole province in this regard. This is a requirement set by the party Central Committee and the provincial party committee as well as the wish of the cadres and masses in the province.

He said: At a provincial rural work meeting held last January, the provincial party committee set the requirement for persistently forging ahead and taking the first practical step in the new year.

All localities and departments are carrying out the guidelines laid down by the provincial rural work conference and the situation in various fields is very good. If we can improve the party style in a down-to-earth way, we will be able to further whip up the revolutionary enthusiasm of large numbers of cadres and people. Then, all our undertakings will progress at a faster speed and Anhui's future will become even brighter.

Wang Yuzhao, deputy secretary of the provincial party committee and governor of the province, presided over the meeting.

Party Official Speaks

OW091217 Hefei Anhui Provincial Service in Mandarin 1100 GMT 7 Mar 86

["Excerpts" of speech by Zhao Baoxing, member of the Standing Committee of the Anhui Provincial CPC Committee and secretary of the Anhui Provincial Discipline Inspection Commission, at 4 March cadres meeting of organs directly under provincial jurisdiction]

[Excerpts] The provincial CPC Committee has decided to hold this meeting in order that party members and cadres of the organs directly under provincial jurisdiction will make further efforts to implement the guidelines of the party Central Committee's important documents on improving party style and on central leading comrades' important speeches, and that they will improve party style, correct all unhealthy tendencies, and eliminate all corrupt practices to improve the party style of these organs and make themselves the model for the whole province.

Now, I would like to talk about three points on the basis of the provincial CPC Committee's opinions:

I. The work performance of the organs directly under the provincial jurisdication in improving party style.

Since the beginning of 1985, under the leadership of the provincial CPC Committee, party leading groups and party committees of all organs directly under the provincial jurisdiction launched the campaign to correct new unhealthy tendencies. After one year's efforts, new unhealthy tendencies, about which the masses complained acutely, such as abusing power to do busienss, issuing clothing, bonuses, foodstuffs, and various allowances without authorization, collecting unauthorized donations, issuing lotteries illegitimately, publishing unhealthy books, tabloids, and selling or showing obscene videotapes have been basically stopped. Generally speaking, these organs' work performance in correcting unhealthy tendencies was sound, appropriate, and fruitful.

After receiving the notice issued by the General Offices of the party Central Committee and the State Council on solving some serious problems about office work style at present, in particular, after the CPC Central Committee's Secretariat held a cadres meeting of central organs in early January, leading comrades of the majority of the organs directly under the provincial jurisdiction adopted a correct attitude and responded positively to the call issued by the party Central Committee. However, this was still far from meeting the party Central Committee's requirement and the expectation of the people of the whole province. We must strictly follow the party Central Committee's policy and the arrangements by the provincial CPC Committee, do a real good job in improving the work style in the organs directly under provincial jurisdiction, and make them the model for the whole province.

II. The main problems concerning party style in the organs directly under the provincial jurisdiction.

To solve problems concerning party style in these organs, we must first of all objectively appraise their party style. Generally speaking, the main aspect of party style in these organs is good, and the majority of party members and cadres of these organs are good. However, various unhealthy tendencies still exist in some units of these organs and in a small number of party members and cadres. Some problems are quite serious.

They are:

1. Obtaining personal gain by abusing power and position;

2. Serious departmentalism;

3. Unauthorized handouts of cash or in kind;

4. Throwing banquets, handing out gifts at public expense;

5. Employing people on the basis of personal friendship and relationships, instead of because of party spirit or principle;

6. Political liberalism -- going one's own way and sticking to one's own way of doing things.

7. Scrambling for the opportunity to buy cars or replace old ones, promoting the unhealthy tendency of going for ease and comfort;

8. Sending people abroad without good reason;

9. Some party and government organizations and cadres still doing business or working with enterprises; and

10. Lax discipline and sluggish organization.

In view of all these, we must take drastic measures to improve party style, correct the unhealthy tendencies, and eliminate all corrupt practice.

III. Organs directly under provincial jurisdiction must make further efforts to improve party style.

The central authorities have announced that central organs must make themselves the model for the whole country. This gives us a good example. The provincial CPC Committee holds that organs directly under provincial jurisdiction are the head organs of the whole province and, therefore, they must set an example for the whole province and take the lead in improving party style, correcting unhealthy tendencies, and eliminating corrupt practices. The provincial CPC Committee demands that unhealthy tendencies be basically stopped in the first half of this year and a still better turn in party style achieved within the year.

For this purpose, we must do our work well in the following six aspects:

1. We must effectively strengthen leadership over the work to improve party style.

The provincial CPC Committee has decided to set up a leading group for improving party style in organs directly under provincial jurisdiction and set up an office for this leading group.

2. We must mobilize party members and cadres to carefully study central leading comrades' important instructions on improving party style and the party Central Committee's related documents.

3. We must begin improving party style with leading organs and leading cadres, making them models.

The provincial CPC Committee has determinedly begun with itself in improving party style, with the office compounds of the provincial CPC Committee and the provincial government. Party leading groups and party committees of all units and sections of the organs directly under provincial jurisdiction must also begin with themselves in improving party style.

4. We must concentrate our efforts on investigating and handling major and important cases.

The provincial CPC Committee is determined to firmly pursue some major and important cases and deal with them through to the end. Investigation will be thoroughly conducted regardless of who is involved and cases will be sternly handled according to the party's policy. Whichever level of organizations and cadres are involved will be firmly handled so that all are equal before the party discipline and the law of the land.

5. We must step up education in party spirit to enhance Communist Party members' party spirit.

6. We must have organizational and mass supervision. In improving party style this time, the provincial CPC Committee requires party members, cadres, and the masses throughout the province to proceed from defending the interests of the party and the people and report to it in time any serious dereliction of duty or violations of law or discipline on the part of leading cadres at all levels.

It is the party Central Committee's policy and also the wish of the masses of people to improve party style and correct unhealthy tendencies. It is also the duty of all Communist Party members and all office cadres to do so. Our organs directly under the provincial jurisdiction are politically, economically, and culturally the commanding offices of the whole province. Many cadres are shouldering the heavy duty of leading the whole province in one certain field of work. Therefore, we must take the lead to willingly improve party style, correct unhealthy tendencies, eliminate corrupt practices, and be the model for the whole province. This is of tremendous significance in promoting both material and spiritual civilization throughout the province. The provincial CPC Committee is confident that party members and cadres of the organs directly under the provincial jurisdiction, in particular, leading cadres at all levels, will certainly respond with concrete action and make contributions to achieving a fundamental turn for the better in party style and social order.

JIANGSU: HAN PEIXIN ON FAMILY PLANNING WORK

OW090719 Nanjing Jiangsu Provincial Service in Mandarin 1100 GMT 7 Mar 86

[Excerpt] After attending the national commendation meeting for the advanced collectives and individuals in family planning work, 32 representatives from Jiangsu Province returned to Nanjing by plane this morning.

Han Peixin, secretary of the Jiangsu provincial party committee, and Yang Yongyi, vice provincial governor, met and held discussions with the representatives in the afternoon. Comrade Han Peixin pointed out: Success in family planning work in the province has promoted economic development and the building of the two civilizations. He expressed the hope that the advanced units would assist the less advanced to change their outlook as soon as possible.

WANG FANG LAUDS ZHEJIANG RURAL PRACTICE

OW081021 Beijing XINHUA Domestic Service in Chinese 0013 GMT 7 Mar 86

[By reporter Yu Yunda]

[Text] Hangzhou, 7 Mar (XINHUA) -- Town and village enterprises in various parts of Zhejiang Province use "industrial income to subsidize agriculture." In 1985, the subsidies provided by town and village enterprises to agriculture amounted to 150 million yuan, nearly three times the funds for supporting agriculture allocated from the province's local reserve funds.

In 1985, the town and village enterprises in Zhejiang Province hit an all-time high in total output value, profits, and tax payment. In 1985, the total output value was 23 billion yuan, up 67 percent from 1984, and the profit and tax payment increased by 65 percent and 76 percent respectively, as compared with 1984. Increased income enables the town and village enterprises to provide subsidies to agriculture.

At a recent provincial rural work conference, Wang Fang, secretary of the Zhejiang provincial party committee, summed up the subsidies provided by town and village enterprises to agriculture in Zhejiang Province in three forms: The first is to set aside a portion of town and village enterprises' income for use in running service undertakings or directly subsidizing crop cultivation and livestock or fish breeding. The second is for the town and village enterprises, in places where such enterprises are relatively more developed, to recruit members of big peasant households with certain necessary conditions as enterprise workers. Such workers receive basic wages from the enterprises in addition to contractual agricultural income. The third is for the town and village enterprises of relatively high financial capability to run agricultural and animal husbandry "workshops," manage the workshops in a unified way, and let them keep separate accounts. Wang Fang held that these are good practices, and that the last two practices particularly can keep the actual income of farmers no lower or slightly higher than the average income of workers, and thus help fundamentally arouse the enthusiasm among the commune members doing farming work.

Wang Fang said: Subsidies for agriculture should be provided not only by town and village collective enterprises, but also by industries, commerce, building industries, and transport services run by one household or several households, and by rural personnel working or doing business away from home. Those who use their grain fields as land for growing cash crops or fish ponds should increase their payment to the state under new contract terms. If necessary, the village government may collect a certain amount of grain production compensatory funds from them. The subsidies to agriculture should be used according to local conditions. They should primarily be used in supporting grain production, cultivation of other crops, livestock and fish breeding, farmland capital construction, and technical service. In short, they should be used to help develop grain production, to strengthen agricultural potential, and to promote the specialization and modernization of agriculture and large-scale commodity production in rural areas.

GUANGZHOU PEOPLE'S CONGRESS ELECTS MAYOR

HK101442 Beijing ZHONGGUO XINWEN SHE in Chinese 1357 GMT 10 Mar 86

[Text] Guangzhou, 10 Mar (ZHONGGUO XINWEN SHE) -- Today Zhu Senlin was elected mayor of Guangzhou. At the Fourth Session of the Eighth Guangzhou City People's Congress, 577 deputies voted for Zhu Senlin. Seven votes were either against or abstentions.

Zhu Senlin, 56, is a native of Shanghai's Chuangsha County. Since 1952, when he was transferred to Guangzhou, he has worked in county and city organs and he was once a deputy secretary of the Gaungzhou City CPC Committee. In August of last year, he became acting mayor of Guangzhou.

Today in an interview, Zhu Senlin told reporters that in pursuing the opening-up policy and carrying out reforms, Guangzhou should take further advantage of its geographical proximity to Hong Kong and Macao and its large number of Overseas Chinese. In the past, the more than 1.4 million Overseas Chinese from Guangzhou were very concerned about Guangzhou's construction and had given it much support. So far, Guangzhou has signed 578 contracts with foreign businessmen, Overseas Chinese, and Hong Kong and Macao compatriots on cooperative undertakings. About half of these undertakings have been business or operations. He suggested that since the number of successful joint undertakings is increasing and since the opening-up policy has succeeded in winning the hearts of more and more people, the cooperation between Guangzhou on the one hand and foreigners and Hong Kong and Macao compatriots on the other will become increasingly extensive.

He said that after assuming office, he would make special efforts to speed up Guangzhou's economic development, make the construction of basic facilities a success, facilitate scientific and technological advances, make a success of the exploitation of intellectual resources, strengthen urban administration, and improve the people's livelihood.

HAINAN CONFERENCE ON RURAL PARTY RECTIFICATION

HK101000 Haikou Hainan Island Service in Mandarin 0400 GMT 6 Mar 86

[Excerpts] The 15-day Hainan regional conference on rural party rectification concluded in Haikou on 3 March. Dong Fanyuan, deputy secretary of the Hainan Regional CPC Committee, presided over the final day of the conference. Yao Wenxu, secretary of the regional CPC Committee, gave a summary. Pan Qiongxiong, member of the regional CPC Committee Standing Committee and secretary of the Discipline Inspection Commission, discussed some problems concerning arrangements for rural party rectification in our region.

In his summary, Comrade Yao Wenxu said: After half a month of serious study, comrades attending this conference have learned a great deal. They understand the importance of rural party rectification, of furthering their understanding of the importance, urgency, and need for rural party rectification, of dispelling their ideological misgivings, of strengthening their confidence in doing well in party rectification, of exposing contradictions, and of defining the rectification and correction orientation.

In dealing with the problems of how to start party rectification work at the district level, Comrade Yao Wenxu emphasized: It is necessary to work hard and grasp study well. The study of documents must be an essential aspect of the whole process of party rectification and must constantly deepen our understanding of the spirit of the documents. While studying, we must stress methods and results. The decision of the CPC Central Committee on party rectification and the circular of the Central Commission for Guiding Party Rectification on arrangements for rural party rectification are the main documents for guiding rural party rectification. We must thoroughly study and master them.

Second, in the course of party rectification, we must be bold in linking realities with the presentation of problems. In particular, we must firmly grasp the focal points and present the main problems.

Third, we must simultaneously carry out rectification and correction. Proceeding from the reality of our own places, we must present our own problems. We must regard the line, principles, and policies since the 3d Plenary Session of the 11th CPC Central Committee as our basis and historically and specifically analyze the problems. Those ideas, concepts, and work styles which are not beneficial to rural reform must be changed. Those which are not advantageous to the emancipation of rural productive forces and to the development of the rural economy must be corrected.

The problems which should now be solved in party rectification at the district level are, in a word, those which are in accord with the guidelines of the central authorities on rural party rectification and Hainan's situation. We must solve the following:

1. The problem of keeping our minds on our work. Comrades, ranging from district CPC Committee secretaries and district heads to all cadres in all districts, must keep their mind on their work in their districts and have a long-term plan.

2. The problem of being bold in handling cases. Cadres at all levels must be boldly responsible and bold in adhering to the party's principles in struggling against unhealthy trends.

3. The problem of unity. Leaders at all levels must take the lead in doing well in unity and act as models in unity.

4. The problem of establishing a normal work order and establishing a system of checking on work attendance, putting these on a sound basis, and the problem of implementing the system of personal responsibility. We must also run well the canteens of the various organs at the district level.

In conclusion, Comrade Yao Wenxu stressed: The country CPC Committee secretaries must personally grasp rural party rectification. All departments and fronts must do a good job in party rectification in coordination with one another. The regional CPC Committee secretaries must also personally grasp this work, provide cadres for this work, set up offices, and do well in grasping the routine work of party rectification. While starting rural party rectification work, we must also do a good job with current production, neglecting neither. We must use party rectification to promote rural reform and to promote the thorough development of rural socialist material and spiritual civilization.

RURAL RECTIFICATION PROBLEMS IN HAINAN DISCUSSED

HK090615 Haikou Hainan Island Service in Mandarin 0400 GMT 9 Mar 86

[Station commentary: "Correct Ideological Understanding and Do a Good Job in Rural Party Rectification"]

[Excerpts] Party rectification in rural Hainan is now unfolding in groups and stages in accordance with the CPC Central Committee's decision and arrangements on party rectification. The district and township party organizations and party members are the party's core and backbone force in the rural areas, and the bridge linking the party to the peasant masses. Doing a good job in rectifying these party organizations is of far-reaching significance for bringing about a fundamental turn for the better in party style and social mood, promoting and ensuring the healthy development of rural reforms, making a success of opening up and reforms in Hainan, and stimulating the building of material and spiritual civilization in the rural areas. We must therefore grasp rural party rectification as a great construction project, enhance understanding, summon up resolve, devote great effort, provide careful guidance, and carry out rectification of the district and township party organizations in a planned and measured way in accordance with the four demands put forward by the Central Commission for Guiding Party Rectification.

The majority of rural party members are ideologically prepared for rural party rectification. However, some comrades have only a vague understanding of it, holding that since since the district and township party organizations are engaged in practical work and have no power in formulating policies or in personnel and financial work, there is nothing worth rectifying. This is obviously a one-sided view. There are problems of impurity of ideology, work style, and organization among the rural party organizations and party members in Hainan. These are mainly expressed in the following ways:

1. Some party members have a weak concept of serving the people wholeheartedly. They give little thought to the people's interests but focus on their individual gain and loss. They are not happy doing rural work.

2. Some units have developed the idea of looking for money in everything. They have failed to set right their guiding ideas on work.

3. Some leadership groups have relaxed discipline and have a poor concept of party spirit. As they are disorganized, they cannot act as strong leadership cores.

4. A few party members abuse their powers and vie for profit with the people. They even violate law and discipline to a serious extent and embark on the road of crime.

5. Some party members lack a deep understanding of the party's rural policies for the current stage. Their thinking cannot keep up with the situation, and they have relaxed leadership and control over rural work, causing undesirable consequences.

Although these problems have emerged in the course of carrying out reforms, opening up, and enlivening the economy in the rural areas, and are under-currents in work, they interfere with the implementation of the party's rural policies and affect normal work order. How can the party attract the peasants, lead them to carry out rural reforms in depth, and strive to attain the vast goals proposed by the 12th party congress if the party fails to expose and thoroughly correct these defects?

It is evident from this that the question is not whether or not to rectify the rural party organizations but how to do a good job in rectification and avoid doing the work in a superficial way.

HEBEI CIRCULAR ON DEALING BLOWS TO ECONOMIC CRIMES

SK070652 Shijiazhuang HEBEI RIBAO in Chinese 19 Feb 86 p 1

[Text] Recently the provincial Higher People's Court issued a circular, calling on the courts at various levels throughout the province to attach primary importance to and conscientiously strengthen leadership over the work of dealing blows to serious economic crimes, and to resolutely deal blows to serious economic criminals according to law in order to ensure smooth progress in the four socialist modernizations.

Fighting in coordination with the public security and procuratorial organs, last year the courts at various levels throughout the province punished numbers of serious economic criminals according to law. However, serious economic criminal activities, which are rampant throughout the province, have seriously damaged socialist construction, have disturbed public security and social order, and have polluted social practices. The circular called on the courts at various levels to fully understand the importance and urgency of the work of dealing blows at economic crimes and to attach importance to grasping this work. While focusing on firmly grasping major and appalling cases, we should pay attention to preventing the tendencies of being slack in dealing blows to economic criminals, such as "giving disciplinary punishment instead of legal penalties" and "leniently sentencing a serious criminal." We must mete out severe punishment to serious economic criminals. Whoever offers or accepts bribes must be called to account. It is necessary to strictly deal blows to swindling activities. Those who neglect their duties should be called to account. Efforts should also be made to strictly investigate party and government organs, social organizations, and enterprises and establishments that have engaged in criminal activities. It is necessary to smash the network of personnel relations and layers of protection. Whoever commits economic crimes should resolutely be punished and dealt with according to the law.

The circular called for efforts to integrate the work of dealing blows to economic criminals with precautions against the occurence of economic criminal activities, and to link the handling of cases with education on general legal knowledge so as to promote the progress of the work of comprehensively tackling problems concerning public security. It is necessary to choose typical cases in a planned manner, to extensively conduct public trials, and to overtly pronounce judgments. Propaganda on legality should be carried out by taking typical cases as examples so as to suppress crimes and to educate the masses. Through hearing cases of relevant units and departments having practical and institutional problems, the judicial organs should make timely suggestions to help them plug up loopholes and reduce the occurrence of criminal activities so as to deepen the activities of dealing blows to economic criminals.

SHANXI GOVERNOR SPEAKS AT PROVINCIAL WORK MEETING

OW011726 Beijing XINHUA in English 1501 GMT 1 Mar 86

[Text] Taiyuan, March 1 (XINHUA) -- Shanxi Province, China's leading coal producer, will stress improvement of transport, updating industrial enterprises and training of personnel in the seventh five-year plan, starting this year, according to the provincial governor, Wang Senhao.

Speaking at a recent provincial work conference, Wang said the 12 railway lines and 12 highways being built or upgraded across the province will boost the transport capacity by 200 million tons by rail and 28 million tons by highway upon completion in 1990.

The province produced 210 million tons of coal last year, accounting for one fourth of the country's total. But much of its coal is difficult to ship out due to transport problems.

The province will engage in foreign economic cooperation to update its 58 larger industrial enterprises and develop new industries in the coming five years. More trees and grass will be planted in the next five years to raise the tree coverage from the present 12 percent to 17 percent by 1990 to check soil erosion.

Shanxi will produce 10 million tons of grain by 1990, an increase of 1.8 million tons over 1985. This means that the total industrial and agricultural output value of the province will amount to 41 billion yuan a year by 1990, up 141 percent over 1980.

According to the governor, by 1990, the nine-year compulsory education scheme will be in effect throughout the province. The higher-learning institutes will have a total of 60,000 college graduates and 100,000 adults will be trained in skills in the same period.

SHANXI LEADERS ATTEND WOMEN'S DAY GATHERING

HK080331 Taiyuan Shanxi Provincial Service in Mandarin 2300 GMT 7 Mar 86

[Excerpts] Some 300 women representatives of various circles held a gathering in Taiyuan on 7 March to celebrate Women's Day. The function was attended by leading comrades of the party, government, and Army in the province and city including Li Ligong, Zhang Changzhen, and Hu Xiaoqin. Provincial CPC Committee Secretary Li Ligong made a speech.

HEILONGJIANG'S 1985 ECONOMIC DEVELOPMENT RESULTS

SK280150 Harbin HEILONGJIANG RIBAO in Chinese 9 Feb 86 pp 1, 2

[Text] In 1985, our province scored great progress in reforming the economic structure and a vigorous upward trend emerged in the national economy. According to statistics compiled by the provincial Statistical Bureau, the total social product increased by 7.9 percent over the previous year, total agricultural output value increased by 7.3 percent, and national income increased by 5.4 percent. Most of the major targets set in the "Sixth 5-Year" plan were fulfilled or overfulfilled ahead of schedule.

Agricultural Production Developed in the Course of Readjustment

In the structure of the planting industry, the acreage of grain sown dropped slightly but that of economic crops increased by a large margin. The acreage of grain sown dropped by 2.1 percent from the previous year and that of economic crops increased by 26 percent over the previous year. In grain cultivation, we expanded the acreage of fine grain and soybeans. The sown acreage of paddy rice increased by 39.9 percent, that of wheat, 2.8 percent, and that of soybeans, 18 percent. The area sown to coarse grain and tuber crops dropped by 19.6 percent. The readjustment in the structure of the planting industry indicated that our province's planting industry has begun to move toward the direction of planting more quality and marketable crops of higher economic value.

Last year about 50.6 percent of the province's sown acreage was hit by natural disasters. However, the total grain output is still expected to reach 14 billion kg or more, showing a decline of about 20 percent from the previous year, which is still considered a fairly good harvest in history.

We witnessed new progress in animal husbandry production. The total number of large animals in stock at the end of the year increased by 244,000 head, a growth of 8.6 percent over the previous year. We ended the situation in which the production of hogs dropped for the past 6 years in succession and an upward trend began to emerge. The total number of hogs in stock at the end of the year increased by 23.5 percent, and that of breed sows increased by 26.8 percent over the previous year. Thanks to the development of animal husbandry, the output of pork increased by 7.1 percent, that of beef, 9.96 percent, and milk, 12.5 percent over the previous year.

The initial readjustment in the rural production setup has enabled the proportion of the total output value of five production departments, including the rural agricultural, industrial, communications, transport, building, commercial, catering, and service industries, to that of the total social product to witness new changes. The proportion of agriculture dropped from 80 percent in the previous year to 70.7 percent; that of industry increased from 11.2 percent the previous year to 12.6 percent; that of the communications and transport industry rose from 1.6 percent to 3.4 percent; that of the building industry rose from 5.2 percent to 6.4 percent; and that of the commercial, catering, and service industries rose from 2 percent to 6.9 percent.

Industry Developed in a Steady and Coordinated Manner

The province's total industrial output value is expected to reach 35.7 billion yuan, showing an increase of about 12 percent over the previous year. Last year was a year of the quickest increase in industrial output value during the "Sixth 5-Year" Plan period. The processing industry witnessed the most rapid increase, and produced an additional output value of 1.53 billion yuan, accounting for about 50 percent of the total increased industrial output value.

In the machinery industry, we fulfilled all tasks of producing subsidiary products for key state projects. The annual production plans of the raw materials industry were fulfilled ahead of schedule and the production of the mining and energy industries rose steadily. Owing to the readjustment in the state timber felling plan, the output of timber dropped by 1.1 percent. The light and textile industry continued to maintain an upward trend and the increased output value accounted for about 24 percent of the total increased industrial output value.

The output value of the collective industrial units rose by 19.6 percent over the previous year, exceeding the growth rate of 8.8 percent of the state industrial units. The output value of the individual industrial units reached 300 million yuan, and after achieving a 100-percent increase in the previous year, we achieved another more than 100-percent increase.

After implementing the system of using cities to stimulate counties, the city and county industrial units developed simultaneously. The key role of major cities had been further displayed. The total output value of Harbin, Qiqihar, Mudanjiang, and Jiamusi Cities increased by 15.2 percent over the previous year, of which the output value of city and district industrial units increased by 15.1 percent, and that of the county industrial units, 15.3 percent. The increased output value of the four cities accounted for 66.2 percent of the province's total increased output value.

Last year the labor productivity of state industrial units rose by 7.7 percent over the previous year. The amount of profits and taxes made by the independent accounting industrial enterprises at and above the county level increased by 9.8 percent over the previous year. The profits and taxes realized by the industrial enterprises covered by the local budget rose by 19.9 percent over last year.

The freight volume of the communications and transport departments rose by 5.6 percent over the previous year, exceeding the plan by 7.3 percent. The passenger transport units provided services for some 121 million passengers, showing a small increase over the previous year.

Investment in Fixed Assets Has Been Controlled

The province's capital construction investment reached 4.33 billion yuan, an increase of 13.1 percent over the previous year. The investment in implementing the equipment replacement and technical updating measures reached 1.27 billion yuan, an increase of 5.8 percent over the previous year. Together with investment in other fixed assets, the total investment in fixed assets of the state enterprises and units reached 8.11 billion yuan, an increase of 11.6 percent over the previous year. Through the efforts of various fields, the once existing problem of having a too large a scope of investment in fixed assets had been solved. The growth rate began to drop gradually after July.

The Urban and Rural Markets Were Brisk and Foreign Trade and Exports Increased by a Large Margin

Last year the total retail sales of commodities increased by 3.92 billion yuan, an increase of 7.6 percent, the highest figure ever achieved in a year.

Viewed from the whole market situation, we discovered the following features:

1. High quality and nutritious foodstuffs of various varieties were in great demand. The retail sales of food commodites increased by 21.9 percent over the previous year, accounting for 48.5 percent of the retail sales of consumer goods. Of this, the proportion of staple food dropped from 27 percent in the previous year to 25.2 percent and that of nonstaple food increased from 51 percent to 53 percent.

2. The sales of clothing increased rapidly and the proportion rose. The retail sales of the clothing commodities increased by 26.4 percent over the previous year. If price changes are excluded, the actual increase was 23.5 percent, accounting for 20.5 percent of the retail sales of consumer goods.

3. In daily necessities, the demand for medium-and high-grade new electric commodities countinued to increase. The retail sales of such commodities rose by 24.6 percent over the previous year. If price changes are factored in, the actual increase was 17.3 percent, accounting for 27.8 percent of the retail sales.

4. Exports and foreign trade increased by a large margin. The purchase volume of export commodities increased by 38.2 percent. The total export volume was valued at $450 million, an increase of 32.7 percent. International tourism developed rapidly. The number of foreigners, overseas Chinese, and compatriots from Hong Kong, Macao, and Taiwan who came to visit their relatives in the province and for visits and sightseeing increased by 25 percent over the previous year.

5. The sales of the means of agricultural production slowed down and the sales volume of some major varieties of products dropped. The sales of chemical fertilizer dropped by 10 percent, that of agricultural chemicals, 30 percent, that of tractors, 36.6 percent, that of plastic sheetings for agricultural use, 5 percent, and that of small agricultural implements, 30 percent.

Financial Revenue Increased, Expenditures Were Reduced, and the Situation of Extending Credit Improved

The province's financial revenue covered by the local budget increased 9.3 percent over the previous year and the financial expenditures increased by 4.9 percent. The growth rate of financial revenue greatly exceeded that of expenditures. The sources of credit expanded and the scope of credit was brought under control. The growth of savings deposits exceeded that of credit. Cash revenue increased by 23.2 percent. After cancelling out expenditures from the revenue, the net money in circulation was 830 million yuan, a decline of 29.7 percent from the previous year.

GANSU HOLDS PROVINCIAL ECONOMIC WORK MEETING

HK060433 Lanzhou Gansu Provincial Service in Mandarin 1100 GMT 2 Mar 86

[Text] The provincial economic work meeting ended on the afternoon of 2 March. The meeting pointed out that one of the central tasks for the province's economic work during the Seventh 5-Year Plan is to strengthen business management of enterprises. More than 400 delegates from all prefectures, autonomous prefectures, cities, counties, districts, and some enterprises and units, attended the 11-day meeting.

The participants reviewed the province's economic work in 1985 and the whole Sixth 5-Year Plan period, and arranged tasks for the province's economic work in 1986 and the whole of the Seventh 5-Year Plan period. The meeting stressed that the Seventh 5-Year Plan period is an essential period in which the reform of economic structure focusing on the city will develop continously and steadily and will achieve decisive progress. It is also an essential period for laying down a good foundation for a rapid development of the province's economy. Properly carrying out all work in these 5 years will be of great importance in attaining the target of quadrupling the province's industrial and agricultural output value by the end of this century.

The problems of poor business management and bad economic results are widespread in the province's enterprises. To solve these problems, it is necessary to treat strengthening business management as the focus of economic work during the Seventh 5-Year Plan period and to firmly grasp this problem, just as we grasped straightening out enterprises over the past few years. We must start by deepening our understanding of the work of strengthening enterprise management; formulate plans for improving enterprise management. We must grasp enterprise management in a down-to-earth manner in the areas of establishing and perfecting the system; upgrading the quality of enterprise management; cutting down consumption; and doing ideological and political work.

To ensure the implementation of this work, the provincial CPC Committee and government decided after discussion, to set up the provincial leading group for strengthening enterprise management. All localities and departments must also set up corresponding organs to take charge of the work of strengthening enterprise management.

At the meeting, the provincial economic committee, on behalf of the provincial government, signed economic responsibility agreements for 1986 with 5 central units in Gansu, and 12 provincial departments and bureaus, and 14 prefectures, autonomous prefectures, and cities. It also commended 11 units including the Gansu Provincial Petrochemical Industry Department which did well in executing economic responsibility agreements for 1985; 4 national level advanced enterprises including the Lanzhou Petrochemical Industrial Machinery Plant; 176-good enterprises including the Yumen Petroleum Management Bureau; and 67 advanced units including the Jiuquan Iron and Steel Plant.

Leading Comrades of the provincial CPC Committee and government attended today's meeting, including Li Ziqi, Chen Guangyi, Jia Zhijie, Hou Zongbin, Ge Shiying, He Jianshan, Liu Shu, and Zhang Wule.

They must deal with a number of important and major cases as swiftly as possible, achieve marked results in the first half of this year, and strive for a basic turn for the better in party style by the end of this year. On behalf of the provincial CPC Committee, Huanjue Cailang stressed five demands on provincial organs:

1. Provincial organs must put correcting party style high on their agenda and give prominence to ideological work, strengthen ideological and political work, and carry out education toward the current situation, policies, and anti-corruption.

2. Leading cadres of provincial organs must take the lead in analyzing themselves in correcting party style and mobilize party members and cadres to supervise their work.

3. Provincial organs must seriously investigate and deal with important and major cases. Those who refuse to mend their ways despite repeated admonition must be punished severely.

4. All administrative organs must strengthen organization and discipline in correcting party style and strictly execute all rules and regulations.

5. All units must closely link correcting party style with straightening out the style of administrative organs, so that the style of administrative organs can meet the needs of economic construction.

Yin Kesheng, secretary of the provincial CPC Committee; Song Ruixiang and Liu Feng, deputy secretaries of the provincial CPC Committee; and Zhao Haifeng, chairman of the provincial Advisory Commission, attended the meeting. At the meeting, the provincial heavy industry department, the provincial mechanical industry department, the provincial people's bank, and the provincial public health department introduced their methods and experiences in correcting party style.

QINGHAI CPC COMMITTEE HOLDS ENLARGED PLENARY SESSION

HK080147 Xining Qinghai Provincial Service in Mandarin 2330 GMT 7 Mar 86

[Excerpts] The fifth enlarged plenary session of the sixth Qinghai Provincial CPC Committee concluded in Xining on 7 March after meeting for 7 days. Guided by the spirit

The session held: In accordance with strategic ideas of the provincial CPC Committee, the focal points in work for the province for the coming period are to lay the foundation for eliminating poverty and enriching the people and doing work in a thoroughly sound and practical way. Hence, we must on the one hand further relax the policies, enliven the economy, and develop new sources of wealth, and on the other we must concentrate our limited finances and material on ensuring the key points, taking advantage of our strong points in resources, and increasing our economic strength.

This year we must do a good job in four tasks: economic construction; reform and opening up; disaster relief and assistance for poor areas; and straightening out party style. The leaders at all levels must sum up the experiences and lessons of previous work and firmly embrace the idea that unity is victory.

The participants unanimously held: During the Seventh 5-Year Plan we must grasp material civilization with one hand and spiritual civilization with the other. The cadres at all levels must actively probe and sum up methods and experiences in ideological and political work in the new period. They must learn new skills in doing this work. At present, closely centered on publicizing and implementing the spirit of the National Conference of Party Delegates, we must get a good grasp of conducting education in ideals, the situation and policies, Marxist theory, and the socialist legal system. We must vigorously step up the building of the political work force. In straightening out party style, we must follow the central authorities' principle of acting in a resolute and sustained way and focus on rectifying organ work style, ensuring that leaders take the lead, handling major and important cases, grasping education in party spirit, and doing a good job in grass-roots party rectification.

Provincial CPC Committee Deputy Secretary Huanjuecailang spoke at the conclusion of the session. He demanded that the party organizations at all levels seriously convey and implement the spirit of the session. They should do a good job in drawing up their Seventh 5-Year Plans in light of the reality of the different localities and units, and also do well in arranging this year's work. Comrades Zhang Haifeng, Ma Wanli, Song Lin, and Shen Ling also spoke at the session.

QINGHAI'S YIN KESHENG ADDRESSES PARTY MEETING

HK100415 Xining Qinghai Provincial Service in Mandarin 2330 GMT 9 Mar 86

["Summary" of speech of provincial CPC Committee Secretary Yin Kesheng at Fifth Enlarged Plenary Session of Sixth Qinghai Provincial CPC Committee]

[Excerpts] Yin Kesheng discussed the following three topics: 1) the political and economic situation in the province; 2) the main tasks for 1986; 3) a number of problems in ideological understanding. He said: At present the economic and political situation in Qinghai is one of the best since the founding of the state. The province's rural and pastoral areas have now basically completed the first stage of reforms, and the second stage is now gradually unfolding in depth. Urban reforms have been launched in an all-round way, and initial results are already apparent. New vitality has appeared in the provincial economy under the impetus of the reforms. Growth rate is rising each year.

In party style, we have revived the party's ideological line of seeking truth from facts and brought about the shift of focus in the party's work. In particular, as a result of party rectification in units at and above county-level, the general trend of party style in Qinghai is one of year-by-year improvement. All these represent the main current, and should be fully affirmed.

However, while affirming the excellent situation, we must also clearly see the problems and difficulties on our way ahead. The main ones are: The pace of reform and opening up is not fast; not enough importance is attached to building spiritual civilization; there is a shortage of capital and talent; management standards are backward; economic results are poor; and large tracts of the rural and pastroal areas are in poverty.

On the main tasks for 1986, Comrade Yin Kesheng said: In accordance with the strategic idea put forward by the provincial CPC Committee on reforming, opening up, eliminating poverty and enriching the people, exploiting resources, and being prepared for the switch, the work focus for the province in the coming period is to eliminate poverty, enrich the people, lay the foundation, and carry out practical work in a thoroughly sound way. As Qinghai's economy and culture are backward, we have many tasks to perform. We cannot mange without a sense of urgency. However, things have to be done one by one, and we cannot succeed if we are impatient. We must therefore further relax the policies, invigorate the economy, and open up more sources of wealth on the one hand, and concentrate our limited finances and material to ensure key projects, take advantage of our resources, and increase our economic strength on the other.

We must strive to do a good job in four tasks this year: 1) economic construction; 2) reform and opening up; 3) disaster relief and support for poor areas; 4) straightening out party style. This year the province's industrial and agricultural output value should reach 3.26 billion yuan, grain output should reach 2.1 billion jin, and financial revenue should reach 212 million yuan.

The rural and pastoral areas must seriously implement the central document no 1. The rural areas must continue to get a good grasp of grain production, carry out water conservation construction, and ensure steady annual increases in grain output. The pastoral areas must continue to do a good job in fencing the pastures, establishing fodder bases, building sheds, and other infrastructural work. They must improve livestock strains, promote seasonal animal husbandry, and continue to increase the variety and the commodity rate of livestock.

Industrial production must be centered on improving economic results, with the focus on improving management and promoting technological progress.

SHAANXI RIBAO: ABUSERS OF POWER SHOULD NOT BE PROMOTED

HK100257 Xian Shaanxi Provincial Service in Mandarin 0200 GMT 10 Mar 86

[Text] Today's Shaanxi RIBAO carries a commentator's article entitled "People Who Abuse Power Cannot Be Promoted." The article says: We have promoted a number of middle-aged and young cadres to the leadership groups at all levels in recent years. The great majority of them are good. However it is a fact that, after taking power, a few people abuse their powers in a big way. They seek advantage for themselves in matters such as housing, promotion, upgrading of titles, transfer of relatives, bonus payments, automobile travel, and trips abroad. Although there are only a few such people, they have a very bad effect. We must absolutely not allow them to continue to hold their leadership posts. Those who have violated party discipline and state law must be resolutely investigated and punished.

VICE PRESIDENT CALLS PRC POLICY 'HOAX, PLOY'

OW100647 Taipei CHINA POST in English 5 Mar 86 p 12

[Text] Vice President Lee Teng-hui yesterday pointed out that Peking's "one country, two systems" tactic is only a hoax and a united front ploy aimed at the Republic of China. Moreover, he noted the Communists hope to use the Hong Kong formula to bring international pressure on the PRC government. The vice president made the statement at the International Symposium on Hong Kong being held March 3 through 8 in Taipei. As a guest speaker at the opening ceremony of the symposium yesterday morning, Lee pointed out that "Red China will treat Hong Kong with kid gloves lest it should kill the goose that lays golden eggs." Although Peking promised to let Hong Kong maintain its capitalist system for at least 50 million Hong Kong residents that no Communist regime would "allow a pocket of freedom to exist under the red flag." [as published]

The vice president pointed out that Peking's reaction to the Hong Kong government's recent attempt to introduce a representative form of government in the colony prior to 1997 is additional proof that Communist rulers have no intention to honor their agreement with Britain. Lee noted that Peking also promised the Tibetans to preserve their system and maintain their way of life before their homeland was occupied. What has happened to the Tibetans is now universally known, he added.

Though still with 11 years to go, Peking has already started to make its meddlesome presence in Hong Kong felt through threatening statements and mass infiltration into the territory, said the vice president. By way of conclusion, Lee noted that the real hope for the people of Hong Kong and the Chinese nation as a whole is the return of democracy to the Chinese mainland and the reunification of China under the Three Principles of the People.

Co-sponsored by the Institute of International Relations (IIR) and the Research Unit on Chinese and East Asian Politics of the Saar University in West Germany, the symposium was opened by their respective directors Dr. Shaw Yu-ming and Dr. Jurgen Domes. The ten participants from abroad and over 26 from at home will consider 12 papers on the Hong Kong issue in the symposium.

MINISTER: TAIWAN 'WILL NEVER WITHDRAW' FROM ADB

OW091034 Taipei Domestic Service in Mandarin 2300 GMT 8 Mar 86

[Text] The Foreign Affairs Committee of the Kuomintang Central Policy Coordination Committee passed a resolution at a meeting urging comrades on the foreign affairs front to closely watch the Chinese Communists' united front tactics and to weigh the advantages and disadvantages in deciding issues concerning our country's foreign relations and our membership in the Asian Development Bank [ADB] in order to develop a new trend beneficial to our country and to strengthen our country's foreign relations. The meeting was presided over jointly by Shen Chang-huan, member of the Standing Committee of the Kuomintang Central Committee, and Chao Tzu-chi'i, secretary general of the Central Policy Coordination Committee. It heard a report by Foreign Minister Chu Fu-sung on the current international situation and our country's foreign policy.

Minister Chu pointed out: Our diplomatic goal is to safeguard our national rights and interests and our international standing and to deal blows to the Chinese Communists' united front tactics.

On our country's ADB Memberhsip, Minister Chu said: Our country will never withdraw from the ADB. Instead, we will present our case to the ADB through various channels. To raise our international standing and safeguard our national rights and interests depends on our own efforts. The correct path is to work with strong determination to make the country strong.

MINISTER ON STRATEGY FOR 'POLITICAL STABILITY'

OW071113 Taipei CNA in English 1000 GMT 7 Mar 86

[Text] Taipei, March 7 (CNA) -- Foreign Minister Chu Fu-sung said Friday that the political stability, rapid economic growth and strategic position in the west Pacific area are among the nation's most invaluable advantages to maintain its international status. Minister Chu made the remarks in response to an interpellation by Legislator Chien Han-sheng. Chien suggested that the Government take a more flexible foreign policy in order to crush Communist Chinese conspiracy to isolate the Republic of China from the world community. In reply, Chu stressed that the nation should not try to expand its foreign relations at the expense of national dignity.

The minister also denied that the nation has been isolated by from the free world. "Although the Chinese Communists have intended to sabotage our consensus and unity as well as defeat us," Chu asserted, "They have not succeeded yet." He cited two examples. More than 7,000 international figures visit Taiwan each year at the invitation of the ROC Government. An even greater number of foreign nationals come here at the invitation of local private organizations. Moreover, the Government issues 500,000 copies to 600,000 copies of regular passports and 300,000 copies of tourist passports annually. Chu said that the Government has spared no efforts in the past years to promote bilateral relations with all free nations as a strategy to maintain its status in the world community. On diplomatic strategy, Chu quoted President Chiang Ching-kuo as saying that the Government may change its ways and means in order to cope with changing international situation. But he emphasized that the Government would never change or sacrifice its basic national policy and stands.

PREMIER YU REFUTES CRITICISMS OF NONPARTISAN

OW100641 Taipei CHINA POST in English 5 Mar 86 p 12

[Text] Premier Yu Kuo-hwa yesterday denied nonpartisan legislator Hung Chao-nan's interpellation that the Cabinet has become so unwieldy that even the Legislative Yuan has no way to hold it in check. As part of an open and responsible government, the Cabinet welcomes public criticism and proposals to help make improvement, Yu stressed. He reiterated that the government has never tried to evade problems or pass the buck. It has always accorded great respect to the opinions of lawmakers, he added.

The nonpartisan pointed out that as the Cabinet has turned a deaf ear to the requests of the lawmakers and the public, there is no way to solve some problems. He raised issues like the control of free trade in gold bullion, the purchase of two submarines from Holland, the reduction of gas prices and the approval of the two controversial plans for the fifth naphtha cracket and the fourth nuclear power plant as instances.

Yu replied that all the problem raised by the legislator have been decided through delegation of authority and legal processes.

As a public firm, the revenue of the Chinese Petroleum Corporation (CPC) has contributed greatly to the national treasury, said the Premier, adding that in deciding prices of oil products, the CPC has to take into account the nation's energy policies as well as current commodity prices. Also, the ROC's reduction of oil prices on Feb. 18 was made much earlier than those of Japan and South Korea. As for the investment of the controversial naptha projects, the Premier noted that the screening committee of the projects was free to express its opinions. Concerning free trade in gold bullion, Yu noted that the Economic Renovation Committee made the same proposal last year and the case has been under study by the Ministry of Finance. The government has been discreet in the matter because it wishes to encourage the people to save money and to discourage speculators from reaping any windfall profits, the Premier said.

CHINA POST SEES CLOSER TIES WITH PHILIPPINES

OW070627 Taipei CHINA POST in English 4 Mar 86 p 4

[Editorial: "Closer ROC-Philippine Relations"]

[Text] As Philippine President Corazon Aquino's government began to formulate new policies for the nation, it is the right time to seek means of enhancing our relations with our neighbor to the south. Minister of Foreign Affairs Chu Fu-sung told the Legislative Yuan last Friday that the ROC's cooperation programs with the Philippines should be carried out smoothly as the situation in that country has become stabler. He also pointed out that the overseas Chinese in the Philippines have contributed greatly to economic development and won respect from the government and people. He added that they will continue working for the future of the Philippines.

On the basis of Minister Chu's statement, both nations may promote and pursue rosy prospects of closer ROC-Philippine relations. As both governments had been negotiating last year for an agricultural-technical cooperation agreement prior to the fall of the Ferdinand Marcos government, the negotiations could be revived as the first project of cooperation between our two governments. Other cooperation agreements should be exploited and pursued.

President Corazon Aquino has also indicated in a telegram to legislator Huang Yu-Ming her desire to enhance cooperation between our two countries; such enhancement could be implemented without difficulties. At the same time, her brother headed an unofficial mission of 18 members to the Republic of China which arrived here Jan. 28. They must have reported to her upon their return the stable and prosperous conditions here in the Republic of China. There is much flexibility for increasing our trade relations with the Philippines beyond the present trade volume.

As many key officials of the Philippines government are of Chinese descent, the new government is in the ideal position to change the Marcos policy of flirting and collaborating with the Communist regimes of Moscow and Peking, and rejoin the anti-Communist camp headed by the Republic of China on the anti-Communist bastion of Taiwan, the Pescadores, Kinmen and Matsu. Such a change of policy is the logical way to combat the Communist threat within the Philippines.

The government and people of the Republic of China are willing and ready to assist the new Philippine government and people in reaching the objectives under the courageous leadership of Mrs Aquino, marching toward democracy and economic prosperity with the slogan "we are free again."

TAIPEI RADIO COMMENTS ON PHILIPPINE SITUATION

OW100730 Taipei International Service in English 0200 GMT 10 Mar 86

[Station commentary]

[Text] Ferdinand Marcos is gone from the Philippines, and the United States must be given some of the credit even if the position of President Reagan was not always consistent. At one point, the American chief executive seemed to be siding with Marcos' intention to steal the election and remain as president of the Philippines for another 7 years. Quite probably the United States was unduly influenced by Marcos' claim that he had won the election. After all, he had the National Assembly and the Supreme Court in his pocket, to say nothing of an overwhelming majority of the Armed Forces. In the end, the decision was made by the backing of people for Corazon Aquino and the fact that the United States offered Marcos a line of retreat. If the defeated president had the lack of place to go, he might well have carried out his threat to fight to the death. The United States had the helicopters to fly him and his party from the presidential palace and the planes to take them to Guam and Hawaii.

Although Washington denied asylum to Duvalier of Haiti, it had no hesitation in bidding Marcos welcome. This presumably is based on the fact that Marcos once was an adherent of democracy whereas Duvalier was always a dictator. High American officials have called Marcos a friend despite of the events of the last 20 years. Clearly the Marcos story has been a case of power corruption, and absolute power corrupting absolutely. After so many failures and especially the defeats in Iran and Vietnam, the United States finally stood by the cause of freedom and [words indistinct]. As for the Philippines, the task of restoring democracy and repairing the damages done by Marcos is just the beginning. The road ahead will not be easy. Marcos, who once wiped out some of the Philippine corruption, leads a legacy of cheating and political misdeeds. Many of the bad guys are still there and still hold the places of power. Mrs Aquino has no political experience and is a woman where except for Mrs Marcos no women have ever held state power. The departure of Marcos will not solve the economic problems of the Philippines and make the people rich.

Taiwan's southern neighbor is far behind free China, South Korea, Hong Kong, and Singapore in industrializing. Workmanship and know-how are lacking despite Filipino (?ways) in education. They have not been (?stressed). Foreign investors are aware of Filipino weakness and have not entrusted their funds to a land that is backward and has been unstable. However, where there is a will, there is a way. The Republic of China undoubtedly will extend technical assistance if such is requested. A strong Philippines dedicated to freedom and democracy will enhance the security of free China and provide further Asian bulwark against communism.

XU JIATUN REPORTEDLY RETHINKING UMELCO DINNER DATE

HK090620 Hong Kong HONG KONG STANDARD in English 9 Mar 86 p 1

[By Yau Shing-mu]

[Text] China's chief representative in Hong Kong, Mr Xu Jiatun, is having second thoughts about clinking his glass with Unofficials of the Executive and Legislative Councils. Following the spring festival dinner last Monday hosted by the XINHUA NEWS AGENCY of which Mr Xu is the director, custom would dictate that Umelco hosts a return banquet. Although he told Senior Executive Councillor Sir Sze-yuen Chung that he would accept a reciprocal invitation, Mr Xu is now understood to be a little hesitant. Since Sir Sze-Yuen called for "mutual recognition and respect" of Umelco's role in maintaining stability and prosperity during the transition, a small storm has gathered momentum. China refuses to officially recognise Umelco as a local body, preferring to see it as an instrument of British colonialism. And Mr Xu's response that "respect" did not mean recognition now leaves his top aides with a protocol problem of what to do when Umelco requests the pleasure of his attendance at dinner.

On the one hand, they want to avoid the social gathering being interpreted as a formal recognition of the two councils. On the other, rejection might torpedo efforts to bridge relations between XINHUA and Umelco. But what most disturbed XINHUA was not the requests for recognition, but according to XINHUA sources, the "wishful thinking" that the development of representative government is provided for in the Joint Declaration. Chinese officials dislike Umelco's effort to seek Chinese endorsement of the steps toward representative government currently being installed here by Britain, sources said. They don't want XINHUA's social functions with Umelco linked with recognition of Umelco's position, especially when the recognition appears as an endorsement of the development of representative government.

Meanwhile, Senior Legislative Councillor Lydia Dunn told the HONG KONG STANDARD that Umelco would use its formal title to host the return banquet. She rejected outright any suggestion that the invitation should be extended on a personal basis jointly by Sir Sze-yuen and herself. Miss Dunn said the invitation would probably the discussed at the Umelco in-house meeting this Friday.

Last spring's mutual reception went smoothly. Both parties used their formal title to host banquets, and there was no argument over status and recognition. State Councillor Ji Pengfei snubbed Umelco last December, as did the Basic Law Secretariat secretary-general Mr Lu Ping the next month, when they refused to meet with Umelco as a body during their visits. This has caused unease among Umelco members, and the snub reinforced worries about China's non-commitment and non-recognition of the current development of representative government of which the partially elected Legco is a part.

Agrees on 'Condition'

HK110351 Hong Kong HONG KONG STANDARD in English 11 Mar 86 p 1

[Text] China's chief representative in Hong Kong has agreed to dine with Unofficial Executive and Legislative councillors on the condition that they should neither claim to represent the two councils nor Hong Kong people at large. The senior Executive Councillor Sir Sze-yuan told THE STANDARD yesterday that the director of the local XINHUA NEWS AGENCY, Mr Xu Jiatun, accepted the invitation to a dinner party to reciprocate Mr Xu's earlier reception. Sir Sze-yuen said they would use the title of "Unofficial Members of Executive and Legislative Councils" to host the function.

After a spring feast hosted by the Chinese General Chamber of Commerce last night, Mr Xu also told reporters that he will "certainly attend the reception." He said there is "no special significance" as to who hosts the reception, whether it be individual councillors or Umelco. XINHUA sources told THE STANDARD that Mr Xu's acceptance was conditional. XINHUA would accept the banquet hosted by unofficial members, but not on behalf of the two councils. Moreover, the members should not claim to represent the two councils nor Hong Kong people at large. "They have agreed to the conditions," the sources said.

Sir Sze-yuen did not say if there was any pre-condition for the banquet.

Sources said that XINHUA had adopted a flexible attitude in dealing with Umelco members on this incident. XINHUA will respect the members as public figures serving on the two councils which are parts of Hong Kong Government. But they will stick to their line not to treat the members representing the councils as a whole. Though Mr Xu had second thoughts, his response is in line with China's wish to narrow the gap between Umelco and XINHUA. Chinese officials are expected to have unofficial meetings with Umelco members more frequently. Other unofficial members of the two councils have also been informed that the banquet will be hosted at the Legislative Council Building on April 4.

PRC TO ALLOW HONG KONG ID CARDS VALIDITY PAST 1997

HK080512 Hong Kong SOUTH CHINA MORNING POST in English 8 Mar 86 p 1

[By Michael Chugani]

[Text] China will give formal permission for the Hong Kong Government to issue identify cards which will remain valid after sovereignty changes hands in 1997. This one of the breakthroughs expected when British and Chinese diplomats of the Joint Liaison Group hold four days of talks in Hong Kong next week on matters ranging from passports to to trade. But while Beijing will allow the Hong Kong authorities to issue ID cards valid beyond 1997, it will be made clear such a concession in no way infringes on China's sovereignty over Hong Kong when the British leave.

The Chinese were at first sensitive over a allowing the colonial authorities to issue identity documents which will remain valid after China takes back Hong Kong -- particularly since the new ID cards will state that holders have the right of abode in Hong Kong. Beijing's leaders were at first concerned that this wording would give the impression Britain was continuing to grant the right of abode to people in Hong Kong after 1997, thereby infringing on China's sovereignty. But they were eventually convinced that it would be impossible for the new Hong Kong Special Administrative Region government to instantly issue ID cards to six million people when it takes over in 1997. Sources say it will not be surprising to expect some Hong Kong-issued ID cards remaining valid several years after 1997.

The Hong Kong Government intends to issue the new identify documents carrying the right of abode wording beginning in July next year. At the same time, the British Government will begin issuing the new British Nationality (Overseas) [BNO] passport which will replace the existing British Dependent Territory Citizen passport. Another reason the Chinese have given way on the ID card is because it has a crucial bearing on the acceptability of the new BNO passport. Since BNO passports will remain valid after 1997, the British Government is unable to state the holder's right of abode in Hong Kong in the travel document without infringing on China's sovereignty.

To overcome the problem, the two sides have agreed that the BNO passports should state that holders possess Hong Kong ID cards which carry the right of abode in Hong Kong. British and Chinese Joint Liaison Group members are expected to formally approve the exact wording in the BNO passport which reads: "The holder of this passport has Hong Kong permanent identity card No XYZ which states that the holder has the right of abode in Hong Kong."

By formally striking a deal on the tricky question of future ID cards and passports, and making headway on international trade treaties affecting Hong Kong, diplomats hope to create an upbeat atmosphere to give the impression there is smooth sailing at last in the transfer of power.

XIAMEN JOINT VENTURE BANK BREAKS STATE MONOPOLY

HK100543 Hong Kong SOUTH CHINA MORNING POST in English 10 Mar 86 p 10

[From "South China Beat" column by Ophelia Suen: "Joint Banking Venture Smashes State Monopoly"]

[Text] Banks are not usually at the forefront of revolution. But in banking terms it's the obvious word to describe what has hit China with the opening of the country's first joint venture bank in Xiamen Special Economic Zone [SEZ]. The monopoly enjoyed by state-owned banks has been broken in one major stride by the new Xiamen International Bank [XIB] -- which is hoping to stimulate financial development in the SEZ and trigger reforms in national banks through much-needed competition. There is currently no limit on the loans it can grant and Chairman Mr Zhao Zongxin predicts that the Government might approve more joint venture banks in China after the XIB. He said: "Before there were only state-owned banks. So there was no competition, which was a negative facet of our socialist system."

But that has changed with China now approving the setting up of XIB -- as well as branch offices and representative offices of foreign banks in major cities and special economic zones. He admits it will still be perhaps 10 years before Xiamen reaches international standards of financial development. Mr Zhao said it was not possible for authorities to give concrete financial support to XIB but "administrative support" from both provincial and municipal governments definitely existed. And the bank was included on the agenda of the first mayor's conference after the Lunar New Year holiday.

Mr Zhao said: "The provincial Government has urged enterprises in the province to co-operate with us." The Bank of China was a national bank with full Government backing and high prestige in the world which gave it a great advantage over XIB. But added Mr Zhao: "On the other hand, as a joint venture bank XIB has a lot of opportunities for the Chinese partner to learn international banking from its overseas partner. In turn, the foreign partner also comes to a better understanding of banking in China. In short, XIB can combine banking knowledge and experience of those in China and those in overseas countries. In this respect XIB enjoys an advantageous position -- better than the Bank of China and other foreign banks."

Predicting the setting up of more joint venture banks, Mr Zhao said: "It is possible for the central Government to approve the setting up of more joint venture banks and not just in Xiamen but in other parts of China. But banking in Xiamen can't reach saturation point because the scope of business extends to the whole of China as well as overseas." Commenting further on its lending philosophy, Mr Zhao said there was no ceiling on loans the bank could grant. "As long as projects are approved by the central or municipal Government it is up to XIB board of directors to decide on granting loans."

"There is a limit on the number of projects being approved. But that falls beyond our jurisdiction. Our considerations on approved projects focus naturally on their profitability as well as the credentials of borrowers. The Bank of China can't have a monopoly. XIB can't have a monopoly. All businessmen go to various channels and places depending on their own contacts and experiences," he said. "There are some overseas banks who have agreed to give XIB preferential treatment. In that case, we of course do business with them. But the situation keeps changing and we must be very flexible."

On interest on loans granted to borrowers, Mr Zhao said XIB was entitled to fix its own rates. "We can set rates a little higher or lower than those of the Bank of China." Mr Zhao said over the long term, financial development in Xiamen would surpass that in Shenzhen -- taking into consideration the fact the Xiamen was a warm water port and had a long history of industry and finance. Since it began about three months ago, XIB has helped to promote trade between China, the United States and Japan, as well as other countries.

PRC TRADE SITUATION 'HEALTHIER THAN MANY THINK'

HK100935 Hong SOUTH CHINA MORNING POST (BUSINESS NEWS Supplement) in English 10 Mar 86 p 2

[Article by Robert Wing of China division of international accounting firm KMG Byrne: "The Hidden Facts Veiling China's Trading Picture"]

[Text] Given China's massive trade deficit last year, placed as high as US$13.8 billion, many China observers question whether themost recent official figure of foreign exchange reserves, which shows a significant third quarter recovery from a year-long plunge, is valid. The prevailing view is that the overbalance of imports has drained the country of foreign exchange, seriously impairing China's ability to carry on high levels of trade with the rest of the world. This view is shared by foreign and Chinese traders alike. An examination of the components that make up China's trade balance, and of the sources of foreign reserves, shows the official figures may in fact be accurate, and that the trade picture for China is a lot healthier than many think. The unusual nature of China's international trade has resulted in a deficit that appears more critical than it really is. At the same time, China accumulates and keeps forex in ways that are often hidden.

In the third quarter of 1984, China's reported foreign exchange reserves peaked at about US$16.5 billion. However, during the next nine months, encouraged by its new "open-door" policy, local organisations in China engaged in unrestrained buying from abraod. Reserves fell by a third to $10.9 billion. In the spring of last year administrative clamps were put on imports, and according to the autumn quarter's official forex figures, the drain was successfully reversed. In November, the Bank of China announced China had $12.6 billion in foreign reserves.

The buying spree China enjoyed last year brought on a record trade deficit, according to the ministry of Foreign Economic Relations and Trade (MOFERT), of $7.6 billion. According to the General Administration of Customs (GAC), the deficit was an even higher $13.8 billion. China had accumulated its large store of hard currency through export-orientated trade and careful spending abroad. How, observers have wondered, could the country stabilise its forex reserves and at the same time operate under such a huge trade deficit?

Without going into the differences between MOFERT and GAC accounting procedures, an explanation covers three areas: the unique nature of China's foreign trade; apparent and hidden sources of foreign exchange; and manipulation of hard currency accounts.

China's customs statistics are intended to accound for all goods that enter or leave the country. As such, they include equipment and raw materials that are imported under compensation trade agreements with foreign business partners, to process products for export. Similarly, capital equipment and raw materials are brought in for use by joint ventures and wholly-owned foreign enterprises operating in China. These items figure on the deficit side of China's balance of payments, but cost the country no foreign exchange.

Last year brought China a windfall in foreign investment. No less than $5.9 billion was committed and $1.6 billion worth of capital equipment was bought. Due to the start-up time involved in setting up or renovating production lines, very little export production would have resulted from this inflow by year's end. A number of foreign companies have been willingly or unwillingly "eating" earnings from sales or the proceeds of investment in China. Some reinvest their earnings into other Chinese projects they hope will eventually generate foreign exchange which they can repatriate. Here, too, the trade balance is affected, but not the level of foreign exchange. Half-complete barter transactions, where China has imported goods but the foreign partner has not yet obtained other goods in return, also mount up on the deficit side.

For example, in China's Eastern European trade, which is typically barter, it notched up a $500 million deficit for the first three quarters of last year. China also received $300 million in commodity credits in 1985. A substantial one-way flow of gifts goes into China from relatives living in Hong Kong and abroad: television sets, stereos, food, clothing, etc. Presumably, none of these is paid for, but they are all registered with customs. When the Chinese Government clamped down on spending for imported consumer goods last spring, left stranded were more than $2.5 billion worth of motorcycles, calculators, VCRs and the like in Guangdong and Hainan alone. It is probable that payment was stopped for as many of these items as authorities could manage, although they would initially have been counted as imports by customs officials.

Borrowing has become a major source of hard currency. Last year, China signed [as published] $3.4 billion and received $2.4 billion in foreign loans. Most of this figure reflects long-term loans from other governments and the World Bank.

Service income is another major source of foreign currency largely uncounted in the balance of trade figures.

Income from tourism, banking, insurance, port fees, transport and other services grew significantly over the 1984 level of $1.6 billion. In addition, $1.2 billion worth of overseas labour and engineering contracts were signed last year.

Unrequited money transfers -- foreign aid donations or gifts, mostly from overseas relatives of Chinese citizens -- probably also surpassed the 1984 figure of $440 million. Chinese banking officials have recently opened foreign currency savings accounts in local banks around the country to draw private citizens' foreign savings.

Last year's rise in trade and tourism, together with rises in Chinese Customs' tariff rates, also increased customs receipts. An unspecified portion of the $7 billion worth of customs receipts last year was paid in foreign currencies. To some extent, "squeezing" has been a source of foreign funds into China. Nearly all foreign travellers are asked by local Chinese they encounter for foreign currency or foreign exchange certificates (FEC) -- either in repayment for some goods or service, in exchange for a higher than official rate of local currency, or as an outright gift.

Moreover, a greater number of business travellers are making repeated trips into China, and carrying FEC notes out of the country for future use rather than exchanging them back into foreign currencies when they leave the country.

Accounting manipulation also explains some of China's recovery in official reserves. Traders have noticed that Chinese counterparts began last year to delay payments by as much as six months, a move that has, in effect, pushed back their day of reckoning. Central authorities have reduced regional allocations of forex to increase their control and bolster central reserves. In addition, they have forced Chinese enterprises that had accumulated foreign currency to reduce their deposits in foreign banks by several billion dollars, and put them into the Bank of China. Rumours that China has also engaged in short-term borrowing to create the appearance of higher reserves have not been confirmed. But the use of artifical measures seems relatively slight, and does not hinder the credibility of government figures.

Government action to move forex from enterprises' foreign bank accounts to the Bank of China reflects more than sleight of hand: it gives central authorities greater control of these reserves, and more power to halt the frivolous spending on luxury goods that was epidemic last year. It also helps the government keep better account of reserve levels.

Currency black markets and grey markets have been thriving in China for some time. No one knows how much foreign currency is actually in the country because a lot of it is in private hands, uncounted by the Government. This means China's overall buying power is considerably higher than published numbers imply. These indications suggest the deficit is overstated and the reserve level healthier than feared. They show that China last year experienced increased service income, higher productive investment and stepped up capital borrowing. Interestingly, the IMF consistently estimated Chinese reserves at between $12 and $14 billion for most of last year -- higher than China's own figures.

It is the deficit turned in China's trade rather than the absolute amount of forex that alarms Chinese officials. They fear that another round of uncontrolled buying will drain resources badly needed for modernisation. Having struggled to attain a respectable reserve of hard currency (together with $4 billion in gold reserves, enough to cover nearly half a year's imports), they are determined not to lose it. This is not to say that China has no problems. Despite all the measures taken, consumer imports may still not be under control. China must absorb the capital investment it has brought in and generate export sales from its products. Barter trade cannot operate in perpetual deficit; if partners do not want the products China is trying to trade, it will be forced to trade products that it could otherwise sell for foreign exchange. Higher customs tariffs may generate foreign exchange in the short term, but will hamper trade in the long term.

Given the reality of last year's trade deficit and the perception of endangered forex reserves, China has three roads to take. One road is to produce enough exportable goods and services to restore the overall trade balance. This may not prove easy in the short term as China needs large inflows of foreign technology to modernise industry and develop its infrastructure. It will be especially difficult if the international trade environment sours, as it has for crude oil, China's major export commodity. The second road is to increase long-term borrowing to finance in hard currency China's continued modernisation. The Chinese leadership has been reluctant in the past to engage in large-scale international borrowing, but last year saw in practical if unspoken terms a reversal of this policy. This is the road the World Bank has urged China to follow. The third road is to restrict imports, face much slower growth, and hope foreign investment is not scared away. Retrenchment seems to be the Chinese leadership's instinctive response to problems of trade. This time, however, if trade slows too abruptly and growth comes to a halt, the leadership will face severe discontent from a population that has very quickly got used to a rising standard of living.

PRC TAKES MEASURES TO CONTROL PARALLEL GOODS

HK080748 Hong Kong TA KUNG PAO in Chinese 8 Mar 86 p 3

[Special dispatch: "The Whole Nation Is To Crack Down on Parallel Goods This Year"]

[Text] Shenzhen, 7 Mar -- Fan Kaishi, deputy director of the Hubei Provincial Department of Foreign Economic Relations and Trade, told this reporter today that the State Ministry of Foreign Economic Relations and Trade had recently stipulated that from this year on, the volume of all export goods sold by export trading agencies on a foreign exchange basis to the special economic zones, or the enterprises which officially had foreign exchange without the approval of the general import and export specialized corporation, could not be included in the export quotas of the year.

Fan Kaishi is currently in charge of a sales exhibition of his province's export commodities. When interviewed, he said that in the past, import and export agencies were allowed to carry out business deals in foreign exchange terms with the particular economic zone or the enterprises which officially had foreign exchange in other parts of the country. The volume of their transactions could be included in the export quotas of the year. Moreover, the special economic zones and enterprises were allowed to either export or resell their export goods on the domestic market. In this way they would profit from the foreign exchange rate differences. This practice resulted both in a runaway flow of "parallel goods" and in confusion in the state's foreign exchange control. Last year, the transactions of the goods in this category conducted by Hubei Province alone amounted to tens of millions of yuan.

He said: The regulations issued recently by the Ministry of Foreign Economic Relations and Trade have imposed strict restrictions on this business practice. This will enable foreign trade institutions to really earn foreign exchange. On the other hand, the additional steps taken to stop the export of "parallel goods" will boost the state's ability to conduct export trade through normal channels. In the past, the problem of "parallel goods" made it hard for foreign trade institutions to place orders for export goods with the production departments.

According to the responsible person of a department concerned in Shenzhen City, last year the commercial departments in Shenzhen began to concentrate on selling more and more domestically produced commodities. Most companies engaged in import business suffered losses in their operations because of the restrictions imposed on the use of foreign exchange and the greater disparity between the value of foreign currencies to the renminbi on the market and the state-fixed rate. The ministry's regulations are expected to affect Shenzhen's trade in a brief space of time.

The sales exhibition of Hubei's export commodities opened this morning. It is an exhibition composed of more than 20 companies specialized in foreign trade in Hubei. The main exhibits include textile products, cereals and edible oils, local and livestock products, light industrial items, and handicraft articles. According to the estimates of the sponsoring body of the exhibition, the transactions at the exhibition are expected to reach US$20 million. Fan Kaishi indicated that more than 46 percent of Hubei's exports are shipped to Hong Kong and Macao. Therefore, apart from taking part in the Guangzhou export commodities fairs in spring and autumn, the province will hold its own export commodities fair in Shenzhen once a year. Last year it held similar fair in Macao, with the transactions amounting to US$60 million. This year, with "parallel goods" being effectively curbed, businessmen are more confident about conducting trade negotiations and buying goods than they were in the past. The prices of commodities on display at the exhibition have been mildly increased, averaging about 2 percent. It has been learned that some overseas businessmen have complained about the delayed delivery and unsteady quality of the province's export commodities.

FBIS DAILY REPORT

China

CONTENTS

Vol I No 048 12 March 1986

PRC INTERNATIONAL AFFAIRS

GENERAL

Foreign Ministry Spokesman Holds Weekly Briefing A 1
Dismisses SRV Memorandum A 1
Envoy to Palme's Funeral Named A 1
Danish Prime Minister To Visit A 1
Djibouti Minister To Visit A 1
UN Body Adopts Afghanistan, Cambodia Resolution A 2
Delegate Speaks at UNCTAD Board Meeting A 2
U.S., USSR Urged To Halt Nuclear Tests A 3
Sweden, USSR Resume Border Dispute Talks A 3
Developing Countries Urge Freer Textile Trade A 4

UNITED STATES

Chinese Peace Delegation Leaves for U.S. B 1
Construction Continues on Sino-U.S. Coal Mine B 1
Wang Zhen Fetes U.S. Hotel Chain President B 1
Weinberger on Europe-Based Missiles, ANZUS, Japan B 2

SOVIET UNION

U.S. Demand for UN Staff Reduction Protested C 1
Soviet Envoy Remarks on USSR-U.S. Arms Talks C 1

NORTHEAST ASIA

Cuba's Castro Ends Visit to DPRK 11 Mar D 1
Opposition Parties Demonstrate in Seoul D 1

SOUTHEAST ASIA & PACIFIC

CITIC Official on Acquisition of Ka Wah Bank E 1
Hong Kong Property Group Chairman Prosecuted E 1
Yunnan Governor Heads Provincial Group to Burma E 2
Australian Governor General Meets PRC Officials E 2
Aquino Receives PRC Cultural Delegation E 3
Philippines To Discuss Revolutionary Government E 3

SOUTH ASIA

Further on Li Xiannian's Visit to Sri Lanka F 1
President Hails Good Relations F 1
11 March Banquet Speeches F 1
Media Welcomes Li F 3
Li Pays Courtesy Call F 3
Meets Former Prime Minister F 3
UN Afghanistan Mediator Leaves for Kabul F 4
Xizang's Qamco Leads Trade Delegation to Nepal F 4

WESTERN EUROPE

Zheng Tianxiang Meets French Court Delegation G 1
Italian Industries Allowed To Take Part in SDI G 1
XINHUA Analysis of Spanish Referendum on NATO G 2

EASTERN EUROPE

Polish Assembly Leader Meets PRC Ambassador H 1
PRC-CSSR Sports Exchange Pact Signed in Beijing H 1
Part of Poland's Debt to West Rescheduled H 1

MIDDLE EAST & AFRICA

Kenya Leader Hopes To Increase Contacts I 1
Chinese Handicrafts Exhibit Opens in Tunis I 1
Zhu Liang Hosts Dinner for Rwandan Visitors I 1

PRC NATIONAL AFFAIRS

NPC Standing Committee Begins 15th Meeting K 1
Draft Education Law Discussed K 2
Mineral Resources Law Viewed K 3
Civil Code Examined K 5
Foreign Investment Law Gauged K 6
Science, Technology Development Reviewed K 6
[LIAOWANG 3 Mar]
Tian Jiyun, Wan Li at Urban Economic Meeting K 10
LIAOWANG on Opening Hinterland, Border Areas [3 Mar] K 13
National Family Planning Meeting Ends 4 March K 16
[RENMIN RIBAO 5 Mar]
Aviation Industry Develops in Sixth 5-Year Plan K 17
[CHINA DAILY 8 Mar]
23.7 Billion Yuan in Treasury Bonds Issued K 17
Bank Reports Increased Urban Residents' Deposits K 18
[CHINA DAILY 11 Mar]
Deng Pufang Remarks on Deng Xiaoping's Health K 19
Deng Liqun at Beijing Students Meeting K 19
Officials Attend Sun Yat-sen Death Anniversary K 19
Kang Keqing at Exhibit Honoring Sun Yat-sen K 20
Gu Mu Heads New Tourist Coordinating Group K 20
Deng Xiaoping Writes Title for Fang Zhimin Book K 21
Commission Coordinates Project Construction K 21

PRC REGIONAL AFFAIRS

EAST REGION

Jiangsu's Han Peixin, Other Leaders Plant Trees O 1
Jiangsu Leaders Attend Women's Day Meeting O 1
Wan Shaofen Addresses Forum on Old Base Area O 1
Wan Shaofen Addresses Jiangxi Women's Day Meeting O 2
Shanghai Party Congress Secretary General Named O 3
[WEN HUI BAO 4 Mar]
Namelist of Shanghai Party Congress Presidium O 3
[WEN HUI BAO 4 Mar]
Rui Xingwen Addresses Shanghai Women's Forum O 4
Zhejiang's Wang Fang on Protecting Women's Rights O 4

CENTRAL-SOUTH REGION

Guangdong Discipline Commission Comments on Bribery Case P 1
[YANGCHENG WANBAO 5 Mar]
Guangdong Meeting on Improving Party Work Style P 2
Hainan Meetings Study Central Leaders' Instructions P 2
Henan: Yang Xizong Calls for Popularizing Technology P 3
Hubei Leader Urges Discipline Inspection Committee Meeting P 3
Hunan Leaders Meet Members of Advanced Example Group P 4

NORTHEAST REGION

Heilongjiang Secretary Attends Meeting on Party Style S 1
Heilongjiang's Sun Weiben Speaks at Meeting of Cadres S 1
Heilongjiang's Sun Weiben Speaks at Rally for Women S 2
Jilin Provincial People's Congress Session Opens S 2
Namelist of Personnel Changes S 4
[JILIN RIBAO 22 Feb]
Jilin Secretary Speaks at Greening Committee Meeting S 5
Fourth Session of Fifth Jilin Provincial CPPCC Committee Opens S 5

TAIWAN

Premier Comments on ADB Membership, Shareholding V 1
'Absolutely No Military Interference' in Politics V 1
No 'Crisis of Strong-Man Politics' Seen V 1
CHINA POST Editorial on Hong Kong After 1997 [7 Mar] V 2

HONG KONG MEDIA ON CHINA

PRC Summation of Sixth 5-Year Plan Viewed W 1
[HSIN WAN PAO 7 Mar]
Agreement With French Reactor Builder 'Expected' W 2
[SOUTH CHINA MORNING POST 8 Mar]

FOREIGN MINISTRY SPOKESMAN HOLDS WEEKLY BRIEFING

Dismisses SRV Memorandum

OW120824 Beijing XINHUA in English 0819 GMT 12 Mar 86

[Text] Beijing, March 12 (XINHUA) -- A Chinese Foreign Ministry spokesman today condemned the recent Vietnamese memorandum as attacking China and trying to cover up its acts of aggression against its neighbors.

Speaking at a weekly press briefing here this afternoon, the spokesman said that Vietnam's Foreign Ministry issued a memorandum on Sino-Vietnamese relations on March 10, "wantonly distorting the true state of affairs of Sino-Vietnamese relations". He said that in the memorandum the Vietnamese Foreign Ministry made unwarranted accusations and attacks against China and used hypocritically such terms as "dialogue" and "sincereity" to cover up its persistent acts of aggression and expansion, and hostility in its relations with its neighbors.

He said that the memorandum issued by the Foreign Ministry of China on February 12 this year brought to light with indisputable facts the real situation about the Vietnamese authorities stepping up their aggression against Kampuchea and creating tension along the Sino-Vietnamese border. "The sophistry and fallacy of the Vietnamese authorities can deceive nobody and are not worth refuting," he added.

Envoy To Palme's Funeral Named

OW120820 Beijing XINHUA in English 0815 GMT 12 Mar 86

[Text] Beijing, March 12 (XINHUA) -- Chinese Government's special envoy and Minister of Public Health Cui Yueli will attend the funeral and commemorative activities for the late Swedish Prime Minister Olof Palme scheduled for March 15. This was announced by a Chinese Foreign Ministry spokesman at a weekly news briefing here today. The spokesman said that the Chinese Vice-Minister of Foreign Affairs Zhou Nan and Chinese Ambassador to Sweden Wu Jiagan will also attend the funeral.

Danish Prime Minister To Visit

OW120836 Beijing XINHUA in English 0822 GMT 12 Mar 86

[Text] Beijing, March 12 (XINHUA) -- Prime Minister of the Kingdom of Denmark Poul Schluter will pay an official visit to China from March 23 to 30 at the invitation of Chinese Premier Zhao Ziyang. This was announced by a Chinese Foreign Ministry spokesman at a weekly press briefing here this afternoon.

According to the spokesman, bilateral relations between China and Denmark had developed constantly since the establishment of diplomatic relations between the two countries in 1950. He recalled the visits to China by her majesty Margrethe II, queen of Denmark, and two former Danish prime ministers, and Premier Zhao Ziyang's visit to Denmark. The total volume of trade between the two countries in 1985 registered 170 million U.S. dollars.

Djibouti Minister To Visit

OW120830 Beijing XINHUA in English 0817 GMT 12 Mar 86

[Text] Beijing, March 12 (XINHUA) -- Moumin Bahdon Farah, minister of foreign affairs and cooperation of the Republic of Djibouti, will pay a goodwill visit to China from March 19 to 24, said a spokesman of the Chinese Ministry of Foreign Affairs at a weekly new briefing here today. China and Djibouti established diplomatic relations in January, 1979.

UN BODY ADOPTS AFGHANISTAN, CAMBODIA RESOLUTION

OW111840 Beijing XINHUA in English 1834 GMT 11 Mar 86

[Text] Geneva, March 11 (XINHUA) -- The 42nd session of the United Nations Human Rights Commission adopted resolutions Monday calling for withdrawal of foreign troops from Afghanistan and Kampuchea.

The Afghanistan resolution calls for the immediate withdrawal of foreign troops and a political settlement to problems there. It says that on the basis of full respect for Afghanistan's independence, sovereignty and territorial integrity, the foreign troops should withdraw from the country immediately.

A resolution on Kampuchea reiterates the commission's condemnation of the persistent and flagrant violations of human rights in Kampuchea. It deplores the continued defiance of the fundamental principles of human rights and the U.N. Charter, particularly the repeated military attacks on civilians along the Thai-Kampuchean borders. It emphasizes that the withdrawal of all foreign forces from Kampuchea, the restoration of Kampuchea's independence, sovereignty and territorial integrity, the recognition of the Kampuchean people's right to self-determination and the commitment by all states to non-interference and non-intervention are essential components of a just and durable solution to the Kampuchean problem. The session, which is scheduled to end on March 14, also adopted resolutions concerning Palestine and southern Africa.

DELEGATE SPEAKS AT UNCTAD BOARD MEETING

OW120758 Beijing XINHUA in English 0714 GMT 12 Mar 86

[Text] Geneva, March 11 (XINHUA) -- China said today high interest rates and high exchange rates of the U.S. dollar have resulted in the worsening of the debt problem and increasing trade protectionism on the part of the developed countries have further aggravated the problem.

In his speech on trade and development issues at the 32nd session of the Trade and Development Board of the United Nations Conference on Trade and Development (UNCTAD), Li Zhimin, representative of the Chinese delegation, pointed out that following a relatively speedy world economic recovery in 1984, the momentum of the recovery weakened visibly in 1985, and a situation of slow growth emerged. Li said that failure of keeping their commitment to halt trade protectionism reiterated by the developed countries was responsible for hindering the world trade from developing in the direction towards "liberalization."

Protectionist measures had increased and the world-wide trade war became increasingly fierce, with new development both in breadth and depth, Li noted. "The developing countries were hit particularly hard in the exporting sectors of iron and steel, shoes, textiles and farm products". The Chinese representative appealed to the developed countries to faithfully observe the commitments of "standstill" and "rollback" by reducing or eliminating non-tariff barriers, opening their markets to the developing countries, providing them with more preferential treatment and reviewing their existing anti-dumping and counter-vailing duty legislation so as to free the exports of the developing countries from unreasonable obstructions.

Li pointed out that the external debt of the developing countries increased to 970 billion U.S. dollars in 1985, and debt repayment in 1985 alone cost these countries 140 billion dollars.

Between 1980-1985, the annual growth rate of debt of the developing countries was as high as 9.7 percent, while their economic growth rate was only 3 to 4 percent and the growth rate of their export earnings merely 2.7 percent. Therefore, Li stressed, without an appropriate solution, the debt problem would not only affect the economic development of the developing countries, but also endanger the world economic system as a whole. He said China supported the developing countries' reasonable demand in seeking a solution to the problem. Including lowering interest rates in real terms, improving terms of debt servicing, opening the markets of developed countries to the developing countries, and genuinely checking trade protectionism.

Regarding the question of development of the developing countries, Li Zhimin said that the old irrational international economic order was seriously impeding their development, and therefore needed to be reformed. The international community should create a sound international economic environment for the economic development of the developing countries, and to this end, corresponding reforms should also be effected in the international monetary and trading systems, Li also stressed.

U.S., USSR URGED TO HALT NUCLEAR TESTS

OW111952 Beijing XINHUA in English 1936 GMT 11 Mar 86

[Text] Washington, March 11 (XINHUA) -- Six world leaders have appealed to U.S. President Ronald Reagan and Soviet leader Mikhail Gorbachev to halt further nuclear tests until their next summit meeting. The appeal, made by India, Argentina, Mexico, Tanzania, Greece and Sweden, was made public by U.S. members of Congress yesterday in a news conference.

The Soviet Union responded to the last appeal by the same six countries by sending a letter to the six leaders informing them of its willingness to observe a moratorium on nuclear weapons testing which it implemented last August. However, the U.S. reaction seems to be rather cool. The only U.S. response has been a bland three-paragraph State Department statement saying the proposal was under study but it failed to give any concrete measures halting nuclear testing.

SWEDEN, USSR RESUME BORDER DISPUTE TALKS

OW101920 Beijing XINHUA in English 1908 GMT 10 Mar 86

[Text] Stockholm, March 10 (XINHUA) -- Sweden and the Soviet Union today resumed talks on the dispuced border area on the Baltic Sea after four years of suspension, indicating a thawing in what have been icy relations between the countries. The Swedish delegation attending the talks is headed by Lennart Myrsten, an ambassador-level official, and the Soviet negotiators are led by Yuriy Rybakov, director of the Treaty-Legal Department of the Soviet Foreign Ministry.

Sweden and the Soviet Union have long been at odds over some areas on the Baltic Sea. The Swedish Government has held that the border line there should be drawn between the Gotland Island, which is under its jurisdiction, and the Soviet territories. The Soviets, however, have insisted that the line should go between the Soviet territories and the Swedish mainland. The dispute involves an area of some 3,500 square kilometers east of Gotland Island. To settle the dispute, Sweden and the Soviet Union held several rounds of negotiations in 1969, 1970, 1974 and 1982, but reached no accommodation. The talks were stalled as bilateral relations deteriorated after Sweden discovered a stranded Soviet submarine within its territorial waters, close to the major southern Swedish naval base at Karlskrona, in October 1981.

Before the resumption of the talks, the two countries had made several unofficial contacts. Pierre Schori, state secretary of the Swedish Foreign Ministry, visited the Soviet Union earlier this year and brought back a message that the Soviets were softening their stand on the border dispute. Prior to today' meeting, Soviet

Ambassador to Sweden Boris Pankin told the Swedish news agency that the Soviet side is ready to "seek a genuine compromise solution" to the complicated border dispute on the basis of fairness. Relations between the two nations have been improving since 1985, he added.

DEVELOPING COUNTRIES URGE FREER TEXTILE TRADE

OW081236 Beijing XINHUA in English 1215 GMT 8 Mar 86

[Text] Beijing, March 8 (XINHUA) -- Representatives of the developing textiles and clothing export countries have co-ordinated their positions after 5 days of meeting here. In a press statement released today, they urged developed countries to substantially liberalize textiles and clothing trade and phase out restrictive and discriminatory measures on import of these products from developing countries.

The statement says that the GATT (General Agreement on Tariff and Trade) contracting parties were currently engaged in preparing for a new program of multilateral trade negotiations with a view to liberalizing all sectors of international trade and strengthening the multilateral trading system. In this context the meeting representatives emphasized that the present trade regime in textiles had to be liberalized in the removal of restraints and be phased out over an agreed time frame, under strengthened GATT disciplines. It was agreed that modalities for these objectives will consist of progressively higher growth rates, non-discriminatory treatment for developing countries, reduction of restraints and coverage, removal of ambiguities, effective surveillance, preferential treatment for small suppliers, new entrants, cotton and wool based exporters and most favorable treatment for the least developed countries without prejudice to the trade interests of established developing suppliers and a phase out system.

The press statement continues, it was noted that despite positive trends in key economic indicators some importing countries were both at multilateral and bilateral levels pressing through numerous devices, for a continuation of protective and restrictive rather than a liberalized regime for developing countries' exports of textiles and clothing. It was agreed that any modalities for liberalization and phase out system should ensure equity, non-discrimination, non-reciprocity and other clearly liberal conditions for the developing countries. The developing countries and regions reached understanding on the main elements for negotiation in the process taking place in Geneva between now and the end of July. They resolved to continue to participate in that process on a unified basis.

The meeting closed today. More than 120 representatives from 23 developing countries and regions have since the opening of the meeting on March 4 assessed the developments in world trade in textiles and clothing and the prospects for negotiations on the future of the MFA (Multi-fiber Agreement), and co-ordinated their positions on textiles and clothing trade protectionism as practised by developed countries.

Felipe Jaramillo, vice-chairman of the meeting and chairman of the council of the International Textiles and Clothing Bureau, told XINHUA that the meeting was very successful and the participants have reached agreement on many major questions. However, he added, it is still necessary for developing countries to unite in their struggle and make even greater effort to meet their projected target. The developing textiles and clothing export countries accepted the invitation of the Government of Turkey to host the next meeting in Istanbul in October 1986.

CHINESE PEACE DELEGATION LEAVES FOR U.S.

OW120650 Beijing XINHUA in English 0638 GMT 12 Mar 86

[Text] Beijing, March 12 (XINHUA) -- A six-member delegation from the Chinese People's Association for Peace and Disarmament, left here this morning for the United States. The delegation is to attend the annual meeting of the U.S. organization of "Physicians for Social Responsibility" and also to pay a friendly visit to the country at the invitation of the U.S. peace organizations. Head of the delegation is a noted Chinese surgeon Wu Weiran, who is a member of the executive board of the Chinese Medical Association and honorary director of the Beijing Hospital.

CONSTRUCTION CONTINUES ON SINO-U.S. COAL MINE

OW120842 Beijing XINHUA in English 0832 GMT 12 Mar 86

[Text] Beijing, March 12 (XINHUA) -- Construction continues ahead of schedule at the Northern China Coal Mine jointly developed by China and Occidental Petroleum of the United States, "PEOPLE'S DAILY" reported today. In the last half of 1985, workers moved more than 4.9 million cubic meters of surface soil at the strip mine site in the Pingshuo area of Shanxi Province, topping their goal by 65 percent.

So far Chinese and U.S. investors have spent 465 million yuan on the project -- 40 percent of its expected cost. The mine, the largest Sino-American joint venture involving coal, is expected to open in 1987. Once it opens, the site, with estimated coal reserves of 500 million tons, is expected to produce more than 15 million tons annually.

Other mine facilities, completed or under construction, include 30 kilometers of roads, an 8.25-kilometer river diversion project, water and electricity supply systems, oil depots, office buildings, hotels, dormitories, dining rooms and nurseries.

In preparation for the opening, more than 300 workers have been specially trained in China and abroad. Partners in the venture are the China National Coal Development Corporation, the China International Trust and Investment Corporation, the Occidental Petroleum Corporation of the United States and the Bank of China Trust and Consultancy Company.

WANG ZHEN FETES U.S. HOTEL CHAIN PRESIDENT

OW111322 Beijing XINHUA in English 1302 GMT 11 Mar 86

[Text] Beijing, March 11 (XINHUA) -- Wang Zhen, honorary president of the China Association for International Friendly Contact, met and gave a dinner for Marshall B. Coyne, president of Madison Hotels, Washington D.C., and his party here this evening. Present on the occasion were Huang Hua, vice-chairman of the Standing Committee of the National People's Congress, and Zhang Wenjin, president of the Chinese People's Association for Friendship With Foreign Countries.

PRC INTERNATIONAL AFFAIRS
UNITED STATES

WEINBERGER ON EUROPE-BASED MISSILES, ANZUS, JAPAN

OW110912 Beijing XINHUA in English 0733 GMT 11 Mar 86

[Text] Washington, March 10 (XINHUA) -- U.S. Defense Secretary Caspar Weinberger reiterated today that U.S. Pershing missiles and ground launched cruise missiles deployed in Europe "are essential to restore a deterrent balance in Europe." He spoke at a briefing for foreign correspondents at the foreign press center about his scheduled trip to Europe. Weinberger will attend NATO's nuclear planning group meeting March 20-21, in Wurzburg, Federal Germany.

Weinberger said there are proposals that if the Soviets would take out their intermediate-range missiles, the U.S. could maintain the deterrent balance in other ways in Europe. However, he said, none of these proposals have reached fruition, and none include any satisfactory degree of verification. So, the deployment of the intermediate nuclear forces will continue, he said. "But we are always open," to talks, the secretary said, "and hope to have the kind of arms reduction agreements with complete verifiability that would enable us to make reductions in these forces."

Asked to comment on Federal German Defense Minister Manfred Werner's proposal for a European anti-missile system in addition to the U.S. Strategic Defense Initiative (SDI), Weinberger said this kind of additional defensive system "would have great military strategic advantage." Asked whether he could expect some agreement on research for SDI, known as "star wars," between the U.S. and Japan, Weinberger said there is an indication Japan is interested in particapating in the program. "There are enormous skills and talents and creativity in Japan and we think these would contribute a great deal to the Strategic Defense Initiative. We hope they will want to participate in one way or another." He said during his visit to Japan early in April, he will discuss the possible cooperation in SDI and other defense issues.

On U.S.-New Zealand relations, Weinberger said it is important for New Zealand's defense that the South Pacific nation resume membership in ANZUS (Australia-New Zealand-U.S. Alliance). He said it is a "very unfortunate thing" that New Zealand pulled out of ANZUS. Asked whether the U.S. has any defense obligations with New Zealand, Weinberger said, "We have obligations, depending on what the facts are at any one particular time." However, he added, "It is obviously much more difficult to do this if the reciprocal country appears to have no interest whatever in continuing a relationship that I think has been and is of extreme importance to both countries."

U.S. DEMAND FOR UN STAFF REDUCTION PROTESTED

OW111631 Beijing XINHUA in English 1455 GMT 11 Mar 86

[Text] Moscow, March 11 (XINHUA) -- The Soviet Foreign Ministry today delivered a "resolute protest" against the United States' "illegitimate demand" that the Soviet Union reduce by 40 percent its United Nations staff, the Soviet news agency TASS reported today. The U.S. Government on Friday demanded the Soviet Union cut its U.N. staff from 275 to 170 by April 1, 1988, claiming the current personnel level is unreasonably high and that some Soviets assigned to U.N. offices have been involved in espionage.

"The Soviet side has turned down as utterly far-fetched and unfounded the assertions that the staff of the Permanent Mission of the U.S.S.R. at the United Nations allegedly engage in activities which have no bearing on U.N. work," TASS said, quoting the protest by the Soviet Foreign Ministry. "The Soviet side certainly cannot pass over such unjustified actions of the U.S.A. and will have to draw relevant conclusions for itself," the protest said. "U.S. pretensions to assume a right to fix staff levels of the permanent missions of countries at the United Nations are totally inadmissible."

It went on to say, "The U.S. action is arbitrary, unfounded and constitutes a flagrant violation by the United States of the obligation, assumed by it as the country where the headquarters of U.N. central agencies is located; to ensure the necessary conditions for the normal activities of the U.N. and for unimpeded participation of the U.N. member nations in its work." The protest warned the U.S. Administration, "It should be clear that such acts cannot fail to affect the relations between our countries in different spheres," and "such actions increase distrust of its policy and do not create conditions for a summit." U.S. President Ronald Reagan and Soviet leader Mikhail Gorbachev agreed at their meeting in Geneva in November to hold a second summit this year in Washington.

SOVIET ENVOY REMARKS ON USSR-U.S. ARMS TALKS

OW101943 Beijing XINHUA in English 1936 GMT 10 Mar 86

[Text] Budapest, March 10 (XINHUA) -- Soviet special envoy Viktor Karpov, head of the Soviet delegation to the USSR-U.S.A. negotiations on nuclear and space weapons, said here Sunday that "up till now, it has not been possible to attain any concrete results, to sign any agreement, to even reach any draft conclusion for the moment. Despite all this we think that what we have already done is very important."

Karpov, who came here to brief the deputy foreign ministers of the Warsaw treaty countries on the just-concluded round of the negotiations, said in an interview with Hungarian television Sunday, "the most important issue continues, of course, to be the curbing of the arms race in space. This is the supreme problem for the moment. It has not been possible to come to mutual understanding with the United States." "The U.S. is continuing with its aspirations aimed at realizing its Strategic Defense Initiative, and intends to set up new weapons systems in space," which, Karpov stressed, the Soviet Union is "opposed to." "So for us the question arises as how to avoid the arms race in space in agreement with the United States, and to start reducing nuclear weapons. We are ready to do our utmost for this" he noted.

CUBA'S CASTRO ENDS VISIT TO DPRK 11 MAR

OW111625 Beijing XINHUA in English 1617 GMT 11 Mar 86

[Text] Pyongyang, March 11 (XINHUA) -- Cuban leader Fidel Castro left Pyongyang Tuesday after three rounds of talks with President Kim Il-song of the Democratic People's Republic of Korea (DPRK). The KOREAN CENTRAL NEWS AGENCY (KCNA) said in a dispatch Tuesday that the two leaders "discussed bilateral relations and international issues of common concern in an earnest atmosphere and had fully identical views on all the issues discussed." Details of their discussion, however, are not immediately available.

Speaking to a rally held here Tuesday to welcome the Cuban leader, President Kim Il-song described the world situation as "very complicated and tense." He called on the peace-loving people of the world to promote anti-war and anti-nuclear movements. The Korean leader again accused the United States and South Korea of poisoning the peace efforts of the North and demanded that Washington and Seoul immediately stop their joint military exercises.

In his reply, Castro told the 10,000-strong gathering that his government only recognizes one Korea. Cuba sides with the DPRK in its efforts for the country's peaceful reunification, he said, adding that the Cuban people will try their best to "safeguard the legal rights of the Korean people." The 60-year-old Cuban leader announced again that Cuban troops will remain in Angola as long as the Pretoria government continues its policy of apartheid. "We will start the immediate and complete withdrawal of the Cuban internationalist forces from Angola when the apartheid regime is liquidated in South Africa," he said.

Castro arrived here last Saturday for a three-day visit to the DPRK, the first ever by a Cuban leader. Before his Pyongyang trip, Castro headed a Cuban party and government delegation to attend the Soviet Communist Party congress in Moscow. KCNA said that during the visit, the two countries signed a treaty of friendship and cooperation. The agency, however, gave no information about how long it will last.

OPPOSITION PARTIES DEMONSTRATE IN SEOUL

OW111946 Beijing XINHUA in English 1934 GMT 11 Mar 86

[Text] Pyongyang, March 11 (XINHUA) -- Thousands of opposition party members poured onto the streets of Seoul Tuesday demanding 'constitutional amendment', the KOREAN CENTRAL NEWS AGENCY reported today. The demonstration, led by Yi Min-u and Kim Yong-sam, two opposition leaders of the New Korea Democratic Party, led the crowd in changing anti-government slogans as they marched to their party headquarters in downtown Seoul.

More than 1,500 students on the same day from Seoul National University and Yonsei University held rallies and campus demonstrations. Police moved into the campus and more than 20 students were arrested.

CITIC OFFICIAL ON ACQUISITION OF KA WAH BANK

HK110859 Beijing XINHUA Hong Kong Service in Chinese 1133 GMT 10 Mar 86

[Text] Hong Kong, 10 Mar (XINHUA) -- In a statement made here today, Song Ziming, assistant manager of the China International Trust and Investment Corporation (CITIC), expressed the belief that the reorganized Ka Wah Bank will win renewed confidence and support from customers, and its business will bustle.

In early January this year, CITIC again held consultations with Ka Wah Bank which had met with financial difficulties. Song Ziming made a special trip to Hong Kong from Beijing to confer with the parties concerned. On 9 March, the board of directors of Ka Wah Bank declared that the bank had reached an agreement with CITIC, that the latter would acquire 92 percent [as received] of the former's shareholdings with a capital input of HK$350,000,000.

Song Ziming told newsmen that the announcement made yesterday by Ka Wah Bank was the fruit of concerted efforts by the parties concerned. He also said that the negotiations were carried out smoothly and successfully. Song Ziming pointed out: The capital input by CITIC is aimed at expanding CITIC's financial business abroad, and using the Hong Kong monetary market to promote China's modernization drive and Hong Kong's economic stability and prosperity.

He also said: "With the capital input, CITIC will take over all the business and management of Ka Wah Bank, which will develop its business in an active and steady way. The sound and steady economic development in Hong Kong, and the implementation of China's opening up policy, will provide favorable conditions for the future business development of Ka Wah Bank. Meanwhile, the ever-increasing investment and monetary business of CITIC at home and abroad will also be helpful to the business of the reorganized bank."

He continued: Ka Wah Bank has a history of more than 60 years. With the CITIC capital input, and the support of the Hong Kong Government, the financial and business foundation of the reorganized Ka Wah Bank will be well-laid. In adhering to the principle of attaching prime importance to it's reputation and the interests of it's customers, Ka Wah will spare no efforts in offering high-quality service to all its customers. He believed that the reorganized Ka Wah will win renewed confidence and support from customers and its business will flourish.

Song Ziming also said: Trained people are the most valuable asset in banking and all other undertakings. After taking over the management of Ka Wah, CITIC will make proper use of local, trained persons and give full play to the role of all employees. Those whose work performance is good, will be rewarded. Song Ziming hoped that all the bank employees will stand fast at their posts and keep their minds on their work so as to make new contributions to the reorganized Ka Wah Bank.

HONG KONG PROPERTY GROUP CHAIRMAN PROSECUTED

OW111526 Beijing XINHUA in English 1516 GMT 11 Mar 86

[Text] Hong Kong, March 11 (XINHUA) -- The prosecution leader finished today in the Hong Kong high court his opening of the prosecution in a trial of six men connected with the Carrian Conglomerate, which collapsed in 1983 with debts of about 10 billion Hong Kong dollars (1.3 billion U.S. dollars). The case has for a long time drawn keen attention in media and economic circles not only in Hong Kong but also in some Southeast Asian countries.

The six are former chairman of Carrian George Tan, his deputy Bentley Ho, accountants David Begg and Anthony Lo and businessmen Rogerio Lam and his brother Stephen.

Prosecution leader Lionel Swift accused George Tan of "large scale fraud". He said the Carrian Investment Limited (CIL), the publicly listed arm of the Carrian empire, was never a successful company. He alleged that the value of shares of CIL, once among the most sought-after shares on the Hong Kong stock market, had been boosted by fraudulent means. In 1981, Carrian was a household name and appeared to be a fast growing conglomerate with a bright future. However, Swift alleged that Carrian was merely an illusion as Tan resorted to fictitious business deals involving hundreds of millions of Hong Kong dollars to deceive creditors and shareholders.

The two accountants, David Begg and Anthony Lo, of the international accountancy firm Price Waterhouse, former Carrian's auditor, were accused by the prosecutor of abandoning the stringent professional standards to conspire with George Tan and Bentley Ho to falsify the company's 1981 account. The Lam brothers, former directors of Bylamson and Associates Co., are charged with allowing the publication of a false statement by Carrian that it had received 1.6 billion Hong Kong dollars (205 million U.S. dollars) from the sale of an office building here to Bylamson in 1980.

The trial started in the high court on February 27 with all six defendants pleading not guilty to charges of falsifying Carrian's 1981 account. For the first time in Hong Kong's legal history, there are nine members in a jury -- seven men and two women. Usually, a jury consists of seven members, allowing up to two members to drop out. The trial was expected to last nine months, and Justice Dennis Baker said that the nine were needed to ensure there would be enough people on the jury should any juror drop out.

The criminal investment of the Carrian case had cost about 45 million Hong Kong dollars and a further 27 million HK dollars is expected to be spent on the trial.

The collapse of Carrian, which had interests ranging from property and insurance to shipping, in 1983 had a disastrous domino impact on companies throughout the territory. It has also been linked with scandals in Malaysia. Before the collapse, one of the Carrian's main creditors was the Hong Kong subsidiary of Bank Bumiputera, Malaysia's biggest bank.

YUNNAN GOVERNOR HEADS PROVINCIAL GROUP TO BURMA

OW120742 Beijing XINHUA in English 0655 GMT 12 Mar 86

[Text] Kunming, March 12 (XINHUA) -- A Yunnan provincial government delegation led by Governor He Zhiqiang, left here for Burma today at the invitation of the Burmese Government. The governor hoped the visit would further promote traditional and friendly relations between his province and Burma. During its visit, the delegation will hold talks with Burmese departments concerned on the exchanges and cooperation between Yunnan Province and Burma in the fields of economy, technology, trade and culture.

AUSTRALIAN GOVERNOR GENERAL MEETS PRC OFFICIALS

OW120840 Beijing XINHUA in English 0828 GMT 12 Mar 86

[Text] Canberra, March 12 (XINHUA) -- Sir Ninian Stephen, governor-general of Australia, met with Hu Jintao, secretary of the Guizhou Provincial Committee of the Chinese Communist Party, and Liao Hui, minister of the Overseas Chinese Affairs Office of the Chinese State Council, at the government house here this morning. During the meeting, Sir Ninian Stephen praised the Australians of Chinese origin for their important role in the development of the Australian society. Hu Jintao said that the governor-general's visit to China last year has made contributions to the furthering of the friendship and cooperation between China and Australia.

Yesteday, Mrs. Joan Child, speaker of the Australian House of Representatives and Douglas McClelland, president of the Senate, met and had friendly talks with the Chinese guests at the Federal Parliament House.

Hu and Liao arrived in Australia on March 4 at the invitation of Australian Foreign Minister Bill Hayden. They have visited Queensland, Victoria and the Australian capital territory and are leaving this afternoon for New South Wales on the last leg on their 12-day friendship visit to this country.

AQUINO RECEIVES PRC CULTURAL DELEGATION

OW111348 Beijing XINHUA in English 1337 GMT 11 Mar 86

[Text] Manila, March 11 (XINHUA) -- President Corazon Aquino said Tuesday that it is good for the Philippines and China to have better relations. She said this while receiving visiting Chinese Minister of Culture Zhu Muzhi at the Presidential Palace.

The president, spending her second office day at the Malacanang Palace, said it is also good to have people-to-people exchanges between the two countries. Zhu Muzhi told Mrs. Aquino that Chinese President Li Xiannian and Premier Zhao Ziyang had asked him to convey their personal congratulations to her and Vice-President Laurel. The Chinese culture minister also expressed the wish that the president can visit China at her convenience.

Mrs. Aquino replied with thanks that she perhaps can make the visit when conditions in the Philippines become stabilized. Zhu and his party are scheduled to leave here for Australia this evening after an eleven-day visit to the Philippines.

PHILIPPINES TO DISCUSS REVOLUTIONARY GOVERNMENT

OW111643 Beijing XINHUA in English 1634 GMT 11 Mar 86

[Text] Manila, March 11 (XINHUA) -- The Philippine Cabinet will hold its first meeting here tomorrow to consider the transition to a revolutionary government, Executive Secretary Joker Arroyo said here today. Arroyo said that government officials were "almost unanimous" in supporting a declaration of a revolutionary government by President Corazon Aquino.

Local government Minister Aquilino Pimentel announced on Marh 9 that several cabinet ministers, including himself, opposed the declaration, claiming this would create chaos in the minds of the people. He held that the government should be a "constitutional" one.

Arroyo said today the government is planning on the creation of a 50-man committee to draft a new constitution in 90 days. The draft constitution will be ratified by the people 15 days after its submission, and then the revolutionary government will transit to a constitutional one. Arroyo said the Cabinet will also discuss the creation of a Presidential Commission on Human Rights and the "dismantling of unjust structures" left behind by ousted President Ferdinand Marcos. The proposed commission would be headed by former Senators Lorenzo Tanada and Jose Diokno, former political detainees and respected human rights lawyers. It would investigate cases of disappearances, tortures, and summary execution allegedly committed by the military.

FURTHER ON LI XIANNIAN'S VISIT TO SRI LANKA

President Hails Good Relations

OW111654 Beijing XINHUA in English 1647 GMT 11 Mar 86

[Text] Colombo, March 11 (XINHUA) -- Sri Lankan President Junius Richard Jayewardene said today that the relations between Sri Lanka and China have stood the test of time and will flourish in the future as in the past. In a welcoming speech at a state banquet given in honor of visting Chinese President Li Xiannian, Jayewardene said that Sri Lanka and China are "old friends." Sri Lanka was one of the first countries to recognize the People's Republic of China, he added.

Li is here on a three-day visit, the first by a Chinese head of state to this island country. Jayewardene expressed his thanks for China's support of his country's sovereignty and territorial integrity. On domestic issues, Jayewardene said that despite the recent turmoil, Sri Lanka achieved a national economic growth rate of five percent last year. He attributed the success to the policy of "open economy" that his government has adopted since 1977. The president also paid high tribute to the achievements made by the Chinese people in their economic reforms. "The world is looking forward to the success of your experiment with a new form of economic development in a socialist environment," he said.

11 March Banquet Speeches

OW120341 Beijing XINHUA Domestic Service in Chinese 1733 GMT 11 Mar 86

[Text] Colombo, 11 Mar (XINHUA) -- Sri Lankan President Junius Richard Jayewardene and Mrs Jayewardene hosted a grand banquet at the presidential mansion tonight to warmly welcome PRC President Li Xiannian and his wife Lin Jiamei. In their speeches, the two leaders spoke highly of the traditional friendship and good relations of cooperation between the two countries and hoped that the good relations will develop further.

President Jayewardene spoke first. He extended his warm welcome to President and Mrs Li and other distinguished Chinese guests. He said: Exchanges between Sri Lanka and China can be traced back to many centuries. We take pride that recorded Buddhist ties between us date from the third century when Buddhist monks took scriptures to China.

President Jayewardene pointed out: Sri Lanka was one of the first countries to recognize the People's Republic of China. This fact shows that China and Sri Lanka are "old friends." He also said that the two countries signed an agreement on rubber and rice trade in 1952 when he was minister of finance, and the agreement is "a milestone in the development of friendly bilateral relations." He pointed out: "The cooperation has benefitted both sides."

On China's economic reform in recent years, President Jayewardene said: "The whole world is looking forward to the success of your experiment with a new form of economic development in a socialist environment." In conclusion, he expressed his belief that because of President Li's visit, the friendly Sri Lankan-Chinese relations will continue to flourish in the future as in the past.

Li Xiannian said in his speech: Sri Lanka is a friendly nation that the Chinese people have long admired. The Chinese and Sri Lankan peoples have long maintained friendly exchanges. The establishment of diplomatic relations between the two countries has ushered in a new period of our bilateral relations. The successful visit to China by President Jayewardene in 1984 has made a deep impression on the Chinese people.

President Li expressed his sincere congratulations to the Sri Lankan people on their gratifying success in building their country. He highly praised Sri Lanka for consistently pursuing a foreign policy of independence and nonalignment. He said: Sri Lanka "strictly observes the five principles of peaceful coexistence, stands for peace, disarmament, and development; opposes power politics in all forms, supports the restructuring of the irrational international economic order; promotes North-South dialogue and South-South cooperation; and plays a positive role in international affairs." He also said: "Sri Lanka is the initiator of the Indian Ocean peace zone, and it has been making unremitting efforts for early convocation of a conference on the Indian Ocean peace zone. Sri Lanka has also made valuable contributions to strengthening unity and cooperation among Third World countries, maintaining peace and stability in South Asia, and promoting regional cooperation in South Asia."

On friendly relations between China and South Asian countries, President Li said: "South Asian countries are China's neighbors, and traditional friendship exists between the peoples of South Asia and China. It has always been our firm policy to develop good-neighborly and friendly relations with all South Asian countries on the basis of the five principles of peaceful coexistence." He reiterated that China "resolutely supports the efforts made by Sri Lanka to safeguard its independence, sovereignty, and territorial integrity, to strengthen national unity, and to develop the national economy; it supports the proposal put forward by Sri Lanka for the establishment of the Indian Ocean peace zone." He said that China genuinely desires to see that South Asian countries live in peace and amity and cooperate to their mutual benefit; it sincerely hopes that their regional cooperation will develop daily and contribute to peace, stability, and prosperity in the region.

Then, President Li Xiannian gave an account of China's reform of the economic structure and its policy of opening to the outside world in recent years. He said: "To expand our economic and technological cooperation and exchange with other countries on the basis of equality and mutual benefit is an important aspect of our reform. China's open policy applies to the whole world. In other words, China opens itself to both the developed and the developing countries. We wish to vigorously promote South-South cooperation on the basis of the principles of 'equality in form, and common progress,' and contribute our share to the economic growth and prosperity of the other Third World countries."

On Sino-Sri Lankan relations, President Li pointed out: China and Sri Lanka are very friendly nations. In the last 3 decades, the friendly relations and cooperation between China and Sri Lanka have steadily developed despite the turbulent international situation. He expressed his great satisfaction over the sincer friendship, the relations of mutual trust between the two countries, and the fruitful cooperation between them in economic, trade, and cultural fields. He emphasized that constant consolidation and development of Sino-Sri Lankan friendship conform to the fundamental interests and common aspirations of the peoples of the two countries. He expressed his firm belief that with joint efforts, Sino-Sri Lanka friendly relations and cooperation will surely develop to a new high and yield even richer fruits.

Present at tonight's banquet on the Sri Lankan side were Ranasinghe Premadasa, prime minister; Shahul Hameed, minister of foreign affairs; Devanayagam, minister of home affairs; Athulathmudali, minister of national security; and other high-ranking military and government officials and well-known public figures.

Members of President Li's entourage attended the banquet on invitation. They included State Councillor Chen Muhua, Vice Foreign Minister Liu Shuqing, Vice Minister of Foreign Economic Relations and Trade Lu Xuejian, and Chinese Ambassador to Sri Lanka Zhou Shanyan. The banquet was filled with an atmosphere of warmth and friendship from beginning to end.

Media Welcomes Li

OW111748 Beijing XINHUA in English 1743 GMT 11 Mar 86

[Text] Colombo, March 11 (XINHUA) -- Nearly all Sri Lankan newspapers in English, Sinhalese and Tamil today highlighted the visit of Chinese President Li Xiannian to the island country. President Li arrived here this morning to pay a three-day state visit to Sri Lanka. the second leg of his five-nation Asian-African tour. He is the first Chinese head of state to visit Sri Lanka since the two countries established diplomatic relations in 1957.

"DAILY NEWS" marked President Li's visit as "a historic occasion for Sri Lanka." The newspaper recalled in detail the important events taking place between the two countries, saying that the "president of China was a leader personally involved in building closer ties between the two countries."

"THE ISLAND" pointed out that "China has proved to be a close friend and steadfast ally in the past and Sri Lanka would do well to explore the possibility of forging new economic and trade ties with her." Radio and TV programs in recent days also focused attention on President Li's visit, with special programmes covering Chinese social and cultural heritage.

Li Pays Courtesy Call

OW111950 Beijing XINHUA in English 1943 GMT 11 Mar 86

[Text] Colombo, March 11 (XINHUA) -- Visiting Chinese President Li Xiannian paid a courtesy call on Sri Lankan President J.R. Jayewardene today at the presidential residence. President Li said he was impressed by the warm and welcome reception given by the Sri Lankan president, the government and people.

The two heads of state spoke highly of the smooth development of Sino-Sri Lankan friendly cooperative relations. Both leaders said the friendship between the two countries will be further promoted, and bilateral relations will develop to a new level. Sri Lankan Prime Minister R. Premadasa also called on President Li the same day.

Meets Former Prime Minister

OW120730 Beijing XINHUA in English 0723 GMT 12 Mar 86

[Text] Colombo, March 12 (XINHUA) -- Visiting Chinese President Li Xiannian met former Sri Lankan Prime Minister Serimavo Bandaranaike here this morning.

During the meeting, which took place at the Bandaranaike Memorial International Conference Hall, Li conveyed greetings to Mrs. Bandaranaike from Deng Yingchao as well as Mrs. Bandaranaike's other Chinese friends. Mrs. Bandaranaike extended her warm welcome to Li Xiannian on his visit to Sri Lanka Mrs. Bandaranaike twice visited China in 1962 and 1972 as prime minister.

UN AFGHANISTAN MEDIATOR LEAVES FOR KABUL

OW101843 Beijing XINHUA in English 1830 GMT 10 Mar 86

[Text] Islamabad, March 10 (XINHUA) -- U.N. special envoy on Afghanistan Diego Cordovez left here today for Kabul to continue his shuttle mission to seek a political solution to the six-year old Afghan problem.

During his three-day stay in Pakistan, Cordovez called on Prime Minister Mohammad Khan Junejo. They discussed issues relating to his current visit which has been taken to facilitate progress towards the political solution. Cordovez had four rounds of formal talks with Foreign Minister Sahabzada Yaqub Khan. It was disclosed that the Pakistan side reaffirmed its principled stand on continuing the indirect talks to seek a political solution to the problem based on soviet troops withdrawal and Moscow's respect for the right to self-determination of the Afghan people, including the return of refugees in honor and safety.

The U.N. mediator, who arrived here on March 8 is scheduled to return to Islamabad on March 13 after consulting with the Kabul authorities. The U.N.-sponsored indirect talks on Afghanistan has entered the sixth round in Geneva last December. The talks was landed in an impasse as a result of Kabul's insistence on direct talks to negotiate the Soviet troops withdrawal from Afghanistan. This demand by Kabul has been turned down by the Pakistan Government as it does not recognize the Karmal regime installed by the Soviet troops.

XIZANG'S QAMCO LEADS TRADE DELEGATION TO NEPAL

HK110935 Lhasa Xizang Regional Service in Mandarin 1130 GMT 7 Mar 86

[Text] At the invitation of a friendly neighboring country, the Kingdom of Nepal, the nine member regional economic and trade delegation recently departed the region for the kingdom. The delegation was headed by Qamco, vice chairman of the regional people's government. Its members included responsible people of the region's commercial, economic foreign trade, and tourist departments.

Before its departure, Dan Zeng, deputy secretary of the regional CPC Committee; Puquin, Gyibug Puncog Cedain, Tudao Doje, and Gongdaxi, vice chairmen of the regional people's government; as well as (Pamula Wukeyasi), consul general of the Nepalese Consulate in Lhasa, and his wife, held a party to bid farewell to the delegation.

The head of the delegation, Qamco, said at the party: The main aim of our return visit to the Kingdom of Nepal is to further promote understanding; to strengthen and develop economic and technological cooperation as well as trade between the two countries on the basis of equality, mutual benefit and peaceful co-existence; and to promote the further development of friendship between the two countries. We hope that we can make new contributions in the areas of economics, trade, tourism and cultural exchanges between the two countries.

ZHENG TIANXIANG MEETS FRENCH COURT DELEGATION

OW111622 Beijing XINHUA in English 1530 GMT 11 Mar 86

[Text] Beijing, March 11 (XINHUA) -- China hopes to increase international judicial exchanges so as to serve its domestic economic construction and world peace, Zheng Tianxiang, president of the Supreme People's Court of China, said here this evening. He made these remarks during a meeting with a delegation of the French Supreme Court for Administrative Cases headed by Pierre Nicolay, vice-president of the court.

The four-member delegation arrived in Beijing yesterday and met with Ren Jianxin, vice-president of China's Supreme People's Court, this afternoon. The two sides exchanged views on the role of judicial supervision in handling administrative cases, and other issues. French Ambassador to China Charles Malo was present at the meeting this evening.

ITALIAN INDUSTRIES ALLOWED TO TAKE PART IN SDI

OW090643 Beijing XINHUA in English 0630 GMT 9 Mar 86

[Text] Rome, March 8 (XINHUA) -- Italy has preliminarily decided to allow its industries to participate in the U.S. Strategic Defense Initiative (SDI) program but is still considering whether the government will join the program. This decision was a result of Friday's panel discussion held by a special inter-ministerial committee headed by Prime Minister Bettino Craxi.

According to a statement made by the prime minister's office, an official report will be submitted to Parliament after a further study on whether the participation will benefit Italian industries in science and technology and whether it will accord with the trend of development of the government stand. This implies that it would take a long time for the Italian Government to decide on the official participation in the SDI program, also known as "star wars". The United States invited its allies to take part in its SDI program last spring. Italy has given only technological but not political support to the U.S. anti-missile research program.

Meanwhile, Italy stresses that it supports the program on conditions that the program should not be beyond the research stage, the program should not violate the Salt I treaty reached between the United States and the Soviet Union in 1972 and Washington should not seek military superiority with it. But individual Italian firms and contractors, which show great interest in the program, have sent several delegations to the United States for consultation with SDI organizers or inspection. The U.S. SDI director, James Abrahmson, has also come to Italy to seek support and promote the participation. The green light Italy gives to its firms and contractors for SDI participation will encourage more industrialists in the country to cooperate with the United States. A big delegation including representatives of many large enterprises is scheduled to visit the United States from March 10 to 18.

XINHUA ANALYSIS OF SPANISH REFERENDUM ON NATO

OW111157 Beijing XINHUA in English 1136 GMT 11 Mar 86

["News Analysis: Spotlight on Spain's Referendum on NATO" -- XINHUA headline]

[Text] Madrid, March 11 (XINHUA) -- Spaniards will go to the polls tomorrow to determine whether Spain will remain in the North Atlantic Treaty Organization (NATO). The outcome of the referendum is expected to have great bearing not only on Spain's future, but also on that of other West European countries as well.

Spain became the 16th official member of NATO in 1982 when the Central Democratic Union was in power. But Spain's entry was strongly opposed by the then opposition Socialist Workers' Party which, with the planned general elections late that year in mind, promised in its electoral platform to hold a referendum on the issue. But after being elected into office, the Socialist Democrats switched their position and supported Spain's continued membership in NATO on the conditions that nuclear weapons would not be stationed on Spanish soil and the U.S. troops already in the country would be phased out.

Why this change of mind? For one thing, Spain needs to associate itself with West Europe after the fall of Franco's dictatorial rule, and the Socialist Democrats fear that quitting NATO would isolate Spain again. For another, to remain in NATO would give Spain access to high technologies from its allies to update its relatively backward economy. What is more, after assuming office, the Socialist Democrats made major advances in diplomacy especially over the pending issue of Spain's entry into the European Economic Community and in bringing Britain to the negotiating table to discuss sovereignty over the Strait of Gibralter. If a national consensus is reached on the NATO issue, the Socialist Democrats would consolidate their position for the general elections set for late this year.

The decisive NATO issue has been festering in Spain over the last five years, and it will not be easy for the government to prevail in the forthcoming referendum, however. Pacifist movements, with the Spanish Communist Party as their representative, are strong in the country and they want Spain to remain neutral in the contest between the two superpowers, quit NATO and dismantle U.S. bases. On the other hand, the leader of rightwing forces Manuel Fraga appealed to voters to stay away from the polls to tarnish the image of the Socialist Democrats. The vote, may prove very close and the opponents to the referendum might even emerge victorious.

Even if the government is defeated in the vote, it is still very unlikely that Spain will withdraw from NATO. Spanish law stipulates that any abrogation of accords needs the approval of Parliament which ratified Spain's membership in a vote of 278 to nine last December.

Spain is the first NATO member country going to the polls to determine its NATO membership, and the outcome is expected to have great psychological effects on other West European countries. During his visit to Spain early this year, NATO's secretary-general Lord Carrington warned that Spain's withdrawal would seriously sap NATO. He also warned of a chain reaction in allied countries. Anti-war sentiments are strong in West Europe, giving rise to peace movements in most member countries. During the run-up to the referendum, noted pacifists from Britain, Italy, and Portugal and even NATO's former military leaders travelled to Spain in a show of solidarity with the anti-NATO forces. If the Socialist Democratic Government is defeated in the referendum, it will give great impetus to anti-NATO forces in other countries bringing new life to peace movements in those countries.

POLISH ASSEMBLY LEADER MEETS PRC AMBASSADOR

OW110514 Beijing XINHUA in English 0241 GMT 11 Mar 86

[Text] Warsaw, March 10 (XINHUA) -- Roman Malinowski, marshal of the Polish National Assembly, today called for increased contacts between the national assemblies of China and Poland.

During a meeting with Wang Jinqing, Chinese ambassador to Poland, here today Malinowski said the Polish Government and people have always attached great importance to developing friendly relations with the Peoples Republic of China. Contacts between the national assemblies are important to develop relations between the two countries and will promote developments in other fields, he said.

PRC-CSSR SPORTS EXCHANGE PACT SIGNED IN BEIJING

OW061220 Beijing XINHUA in English 1209 GMT 6 Mar 86

[Text] Beijing, March 6 (XINHUA) -- China will send volleyball, athletics, basketball and table tennis teams to visit Czechoslovakia this year, according to a Sino-Czechoslovak sports exchange protocol signed in the Great Hall of the People here this evening. According to the protocol, Czechoslovakia will, in return, dispatch a cycling team to compete in an international cycling tournament to be held in China in July, and an athletics team for an international meet in September in Beijing. Other teams to visit China are women's gymnastics and volleyball squads.

The document was signed by He Zhenliang, vice-minister of China's State Physical Culture and Sports Commission, and Vladislav Krumer, first vice-president of the Central Committee of the Czechoslovak Association for Physical Culture and Sports. Li Menghua, minister of the Chinese Sports Commission, and Zdenek Cheben, Czechoslovak ambassador to China attended the signing ceremony. The visitors arrived here Tuesday. They will visit Nanjing in east China's Jiangsu Province, and south China city of Guangzhou.

PART OF POLAND'S DEBT TO WEST RESCHEDULED

OW120349 Beijing XINHUA in English 0239 GMT 12 Mar 86

[Text] Warsaw, March 11 (XINHUA) -- Part of Poland's debts owed to the West has been rescheduled or restructured under an agreement approved in Paris last Friday, government spokesman Jerzy Urban announced today. The Paris agreement involves 2.4 billion U.S. dollars of debts that are due this year, Urban said. The agreement "represents another step toward carrying out the policy of orienting Poland's financial ties with its West creditor nations," Urban added.

The agreement was initiated by a Polish finance delegation and representatives of the Group of Ten, also known as the Paris Club, which is composed of Poland's 16 West creditors and Brazil. Poland's debts to these nations amount to 17 billion dollars. The Group of Ten, under the international monetary fund, was formed in November 1961 by the United States, Britain, France, Federal Germany, Italy, Japan, the Netherlands, Canada, Belgium and Sweden. The Polish policy of readjusting financial relations with its West creditors "has laid foundation for mutual cooperation," Urban said. But he also regretted that, apart from a few cases, results from the process of such normalization have not yet been felt. Poland's debts owed to the West total 29.3 billion U.S. dollars.

KENYA LEADER HOPES TO INCREASE CONTACT

OW120240 Beijing XINHUA in English 0226 GMT 12 Mar 86

[Text] Nairobi, March 11 (XINHUA) -- Chairman of the ruling Kenya African National Union Okiki Amayo said here today that Kenya hopes to increase its contacts with China at all levels so as to strengthen the relations between the two countries. Amayo expressed the hope at a meeting with the visiting Chinese trade union delegation this afternoon. The delegation is headed by Wang Xun, secretary of the Secretariat of the All-China Federation of the Trade Unions.

The chairman pointed out the exchange of visits between the two countries has greatly strengthened the Sino-Kenya relations. He encouraged other Kenyan organizations and personnel to visit China. "Some of China's experiences are applicable for Kenya," he said, adding that Kenya should learn from China. Amayo also said at the meeting that the trade unions of the two countries should coordinate and support each other in international affairs. The Chinese delegation arrived here last Saturday and will leave for Zaire tomorrow.

CHINESE HANDICRAFTS EXHIBIT OPENS IN TUNIS

OW090738 Beijing XINHUA in English 0709 GMT 9 Mar 86

[Text] Tunis, March 8 (XINHUA) -- A Chinese handicrafts exhibition opened here today in the congress palace to the presence of about 1,000 people. More than 2,000 items of about 17 varieties including jade carvings, cloisone, papercuts, porcelainware, and cork carvings were on display at the exhibition held jointly by the Tunisian and Chinese People's Friendship Association and the Chinese People's Association for Friendship With Foreign Countries.

All the exhibits will be sold after a week-long display and the money will be donated to Tunisia for the purpose of improving housing conditions for low-income Tunisians.

ZHU LIANG HOSTS DINNER FOR RWANDAN VISITORS

OW071722 Beijing XINHUA in English 1502 GMT 7 Mar 86

[Text] Beijing, March 7 (XINHUA) -- Zhu Liang, head of the International Liaison Department of the Chinese Communist Party Central Committee, met and gave a dinner here today for a delegation from the Rwandan National Revolutionary Movement for Development led by Felicien Kayinamura. Rwandan Ambassador to China Magira Bigirimana Denis was present.

The delegation came to China February 24 and toured south east China's Fuzhou and Xiamen.

NPC STANDING COMMITTEE BEGINS 15TH MEETING

OW111444 Beijing XINHUA Domestic Service in Chinese 1219 GMT 11 Mar 86

[Text] Beijing, 11 Mar (XINHUA) -- The 15th meeting of the Standing Committee of the 6th National People's Congress began in the Great Hall of the People this afternoon. Chairman Peng Zhen presided over this afternoon's plenary meeting.

This meeting is being held before the Sixth National People's Congress convenes its fourth session. At today's meeting, Wang Hanbin, secretary general of the NPC Standing Committee, made an explanation about the draft agenda for this meeting. The deputies present unanimously approved the agenda. According to this agenda, this Standing Committee meeting will discuss the draft law of mineral resources of the PRC, the draft of the general principles of the civil code of the PRC which will be submitted to the Fourth Session of the Sixth National People's Congress for consideration, the draft law on compulsory education for the PRC, and the draft law on enterprises financed by foreign firms. The meeting will also listen to explanation on other related draft laws, prepare a draft agenda for and name list of the Presidium and secretary general of the Fourth Session of the Sixth National People's Congress, and discuss the work report which the NPC Standing Committee will present to the Fourth Session of the Sixth National People's Congress.

The draft of the mineral resources law of the PRC had already been examined at several past Standing Committee sessions. Deputies and the relevant departments had expressed their views on revising the draft law. Great importance was attached to these views. At this Standing Committee meeting, Premier Zhao Ziyang put forward a motion to examine this draft law. The motion said: After conducting extensive investigations, study, and repeated discussions, and after carrying out revisions, the department of geology and mineral resources and the other departments concerned have worked out the draft on mineral resources. This draft law has been endorsed by the State Council after discussions. Now it has been submitted to this meeting for deliberation. Today, Zhu Xun, minister of geology and mineral resources was entrusted by the State Council with making explanations to the participants of this meeting on the draft law.

Wang Hanbin, secretary general of the NPC Standing Committee and director of the committee's Legislative Affairs Commission, explained the revised draft of the general principles of China's civil code at today's meeting. He told the meeting that after the draft was examined by the 6th NPC Standing Committee at its 13th session in November 1985, the NPC Law Committee and the Legislative Affairs Commission solicited opinions from all departments concerned, repeatedly discussing and revising this draft law. He also explained how this draft was revised chapter by chapter. He suggested that the revised law be deliberated on and endorsed by the Standing Committee and submitted to the Fourth Session of the Sixth National People's Congress for consideration.

At today's meeting, Lei Jieqiong and Shen Hong, vice chairmen of the Law Committee of the NPC Standing Committee, separately made reports, on behalf of the Law Committee, on the results of the discussions of the CPC draft law on compulsory education and the PRC draft law on enterprises financed by foreign firms. In their reports they said: After several sessions of deliberations, the Law Committee basically agreed with these two draft laws, and, at the same time, put forward some views to revise the draft laws. After separately explaining the revisions to be made on these two draft laws, they pointed out: The Law Committee suggested that the new versions of these two draft laws be considered and adopted by the NPC Standing Committee and submitted to the Fourth Session of the Sixth National People's Congress for deliberation.

best copy available

Attending today's meeting were deputy chairmen of the NPC Standing Committee Chen Pixian, Geng Biao, Peng Chong, Wang Renzhong, Ngapoi Ngawang Jigme, Seypidin Aze, Zhou Gucheng, Yan Jici, Rong Yiren, Ye Fei, Liao Hansheng, and Huang Hua. State Councillor Zhang Jingfu, Supreme People's Court President Zheng Tianxiang, and Supreme People's Procuratorate Procurator-General Yang Yichen were also present at the meeting as observers.

Draft Education Law Discussed

OW112359 Beijing XINHUA Domestic Service in Chinese 1230 GMT 11 Mar 86

[Text] Beijing, 11 Mar (XINHUA) -- Lei Jieqiong, vice chairman of the NPC Law Committee, addressing the NPC Standing Committee today on the results of discussions made by the Law Committee on the draft compulsory education law, said that the Law Committee basically agrees with the draft law, has put forward its views on making some revisions, and has recommended that the NPC Standing Committee examine and endorse the draft law and submit the revised version of the draft law to the Fourth Session of the Sixth National People's Congress for deliberation.

Lei Jieqiong said: The NPC Law Committee met on 7 and 8 March 1986 to sum up the views of some members of the NPC Standing Committee, the views of the NPC Education, Science, Culture, and Public Health Committee, and the views of the relevant departments in various provinces, autonomous regions, and municipalities directly under the central government and of the State Council and it examined the draft law of the PRC on compulsory education. Attending the meetings as observers were some NPC Standing Committee members and some members of the NPC Education, Science, Cultural, and Public Health Committee. The law committee held that compulsory education constitutes the foundation of China's education; to draw up the law on compulsory education is of great significance; and the formulation of the draft law is conducive to promoting compulsory education in the whole country, protecting the rights of children and young people to receive compulsory education, and developing socialist material and spiritual civilization.

Lei Jieqiong noted: Some members suggested that the need to train a new generation of people with lofty ideals, moral integrity, education, and a sense of discipline and promoting socialism be clearly specified and that emphasis be placed on intellectual education as well as moral education. Therefore -- after the passage "In promoting compulsory education, it is necessary to implement the nation's policy on education, strive to improve educational qualities, and help children and young people achieve overall development in moral character, intellectual education, and physique" -- a passage has been added which reads: "in order to lay the foundation for improving the qualities of the entire nation and training qualified people for socialist construction who have lofty ideals, moral integrity, education, and a sense of discipline."

She remarked: Some of the members pointed out that it is essential to encourage all sectors of society to run schools. However, this must be carried out under the supervision and leadership of the administrative organs in the educational field. The pedagogical contents must tally with the standards. Therefore, the passage in the original draft law "the state encourages enterprises, undertakings, and other economic organizations and social forces to run various types of schools specified by this law" has been revised to read: "The state encourages enterprises, undertakings, and social forces to run various types of schools specified by this law under the unified administration of the local people's government and in accordance with the basic requirements set by the state."

Lei Jieqiong said: Some of the members pointed out that the qualifications of teachers must be clearly specified.

Therefore, after the passage "the state adopts measures to develop teachers' education and to cultivate and train teachrs," a passage has been added which reads: "It is necessary to ensure in a planned manner that primary school teachers receive education at or above the level of a graduate of a secondary normal school and that junior middle school teachers receive education at or above the level of a graduate from a normal school or institute of higher learning."

She noted: Some of the members pointed out that it is necessary to protect teachers' rights and interests and clearly define their duties. Therefore, the following passages have been added in the draft law, which read: "Efforts must be made to protect teachers' legitimate rights and interests", "to encourage teachers to work hard for the cause of education, and to commend outstanding workers in the field of education," and "teachers must cherish socialist education, strive to raise their own ideological, cultural, and professional standards, take good care of students, and be devoted to their duties."

Lei Jieqiong said: According to the views of some of the members, the following passages have been added in the draft law: "The embezzlement" of educational funds and "disturbing order in teaching" "is not allowed," and "it is forbidden to insult and beat up teachers and to give students corporal punishment." Measures to punish offenders have also been specified in the draft law.

Minerals Resources Law Viewed

OW120451 Beijing XINHUA Domestic Service in Chinese 1305 GMT 11 Mar 86

[Text] Beijing, 11 Mar (XINHUA) -- At the 15th Meeting of the 6th NPC Standing Committee, Zhu Xun, minister of geology and mineral resources, today explained the PRC's draft law on mineral resources. He pointed out: Our country's mineral resources have not been fully exploited and utilized for years. Meanwhile, owing to an unsound legal system and poor management, many problems exist in the prospecting and exploitation of mineral resources. Such problems have resulted in waste or damage of mineral resources and have affected the pace and results of prospecting and exploitation. This simply will not meet the requirements for fulfilling the party's general tasks and objectives. It is therefore urgently necessary to formulate a law on mineral resources.

Zhu Xun said: Mineral resources are our country's treasured wealth as well as an important material foundation for socialist modernization. In mineral resources, large-scale geological work in the more than 30 years since the founding of the PRC has provided better conditions for the socialist modernization of our country. More than 150 different kinds of minerals have now been discovered, and deposits of 137 of them have been certified ; the proven deposits of many such minerals rank very high in the world. Mining has also greatly developed over the past 30 years and more. Coal, metallurgical, nonferrous metals, petroleum, chemical industry, building materials, nuclear industry, and other departments have set up mining enterprises in more than 5,600 places, and village and town collectives and individuals are engaged in mining in 120,000 places. The country's ore output has increased from a little over 40 million metric tons in 1949 to more than 1.2 billion metric tons now, an increase of more than 30 times. The development of prospecting and exploitation of mineral resources is of great significance in promoting socialist modernization and increasing national strength. However, for years there has been a lack of unified planning and management in prospecting for mineral resources, and departments have unnecessarily repeated one another's work. Many units have failed to attach importance to comprehensive prospecting, exploitation, and utilization. Mineral recovery rates are not high in the process of mining and ore dressing. After relaxing restrictions on the operation of small mines, some localities have not paid attention to giving guidance to their operators and strengthening their supervision over such mines.

He said: After summing up our experiences in mineral resources over the 30-odd years, the basic ideology guiding legislation in this regard is to embody the constitutional provision that mineral resources are owned by the state, thus ensuring the rational exploitation and utilization of natural resources. We must also embody the general principle of "opening up, invigoration, and good management" with a view to speeding up the exploitation of underground resources as well as the principle of "vigorous support, rational planning, accurate guidance, and improved management" by the state for village and town enterprises. Through guarantees provided by the law, it will be possible to arouse the enthusiasm of state enterprises, collectives, and individuals in prospecting and exploiting mineral resources, to make rational use of them, and to protect them. This will also make it possible to strengthen geological work, to vigorously develop the mining industry, and to meet the immediate and long-term requirements of socialist modernization for mineral resources.

On drafting the law on mineral resources, he said: Under the leadership of the State Economic Commission, an office for drafting the law was set up in September 1979, consisting of personnel from the Ministries of Geology, Metallurgical Industry, Coal Industry, Petroleum Industry, Chemical Industry, and Building Materials and the Second Ministry of Machine Building. The Ministry of Geology took the lead in this regard. After extensively collecting and studying relevant reference materials at home and abroad and soliciting opinions from various quarters, the office drafted the law and submitted it to the State Council for examination and approval in 1981. After soliciting opinions from provincial, autonomous regional, and municipal people's governments, relevant departments under the State Council, and some legal experts, the General Office of the State Council revised the draft law. The 30 October 1984 executive meeting of the State Council discussed the draft law on mineral resources and decided to submit it to the NPC Standing Committee for examination and approval. The 11th and 12th meetings of the 6th NPC Standing Committee conscientiously and carefully discussed the draft law in 1985. After the meetings, the State Council organized concerned departments to comprehensively study and revise the draft law on mineral resources again.

Zhu Xun said: The draft law on mineral resources consists of 7 chapters and 50 articles, such as chapters on general principles, the rules governing mineral prospecting and mining, prospecting of mineral resources, exploitation and utilization, mining by village and town collectives and individuals, and legal responsibility. Its main provisions are: Mineral resources are owned by the state; the state practices unified management of prospecting, exploitation, and utilization of mineral resources. The draft law also provides for procedures to acquire the right to prospect, exploit, and use mineral resources and to fulfill obligations.

Zhu Xun said: In its general principles, the revised draft law explicitly provides that "state mining enterprises are the main organizations for exploiting mineral resources, and the state ensures their consolidation and development and guarantees their legitimate rights and interests and their production order from being violated or sabotaged"; "the state encourages, guides, and helps the development of collectively owned mining enterprises"; "the state, through its administration, guides, helps, and supervises individuals in exploiting mineral resources according to law"; and the state protects the legitimate rights and interests of state mining enterprises as well as collectively and individually owned mining enterprises. Thus, equal legal protection is extended to the state, collectives, and individuals in mining. Meanwhile, a chapter originally entitled "Operation and Management of Small Mines" has been revised to "Mining by Village and Town Collectives and Individuals."

He said: Exploitation of mineral resources by village and town collectives and individuals has played an important supplementary role in the development of our country's mining industry. According to incomplete statistics, village and town collectives and individuals are now engaged in mining in (?more than 120,000 places) across the country.

Take coal mining for example. Village and town collectives and individuals' coal output in 1984 was 210 million metric tons, accounting for one-fourth of the country's total. Besides, their production in metal and nonmetal mining is also a considerable proportion of the country's total output. Thus, they have played a role, which a big mine cannot play, in making full and rational use of scattered resources or bits of mineral resources left over by big mines. They have also played a role in accelerating the development of our country's mining industry, promoting regional economical prosperity, and helping people in poor, hilly areas shake off poverty and become better off.

However, there are many problems in mining by village and town collectives and individuals. It is therefore necessary to strengthen management and implement the central authorities' general principle of "opening up, invigoration, and good management" with a view to accelerating the exploitation of underground resources. Opening up and good management should be implemented at the same time. Opening up without good management will make it difficult to ensure normal order in mining by state mining enterprises and collectively - and individually-owned mining enterprises.

The development of our country's mining industry can be promoted only by acting according to the principles of "vigorous support, rational planning, accurate guidance, and improved management" laid down by the Naitonal Conference of Party Delegates for village and town enterprises. This principle conforms to actual conditions at present.

Zhu Xun said: The draft law on mineral resources does not deal with some important questions, such as doing geological work and setting up mining enterprises with Chinese and foreign investment or through Chinese-foreign cooperation. Such questions will be defined with the deepening of the structural reform, and a separate law will be enacted. Stipulations on some important systems are laid down in principle, such as prospecting and registration of mineral resources, examination and approval of applications for mining, supervision over mines, compensatory exploitation of mineral resources, and compensatory use of the achievements in geological work. Detailed rules and regulations on such subjects will be formulated and implemented after they are examined and approved by the State Council.

Civil Code Examined

OW111148 Beijing XINHUA in English 1127 GMT 11 Mar 86

[Text] Beijing, March 11 (XINHUA)-- A revised draft of the general principles of China's civil code was submitted here today to the 15th session of the Sixth National People's Congress Standing Committee for deliberation. Wang Hanbin, secretary general of the NPC Standing Committee and director of the committee's Legislative Affairs Commission, explained the revised draft to the session which began here this afternoon. Wang told the session that after the draft was examined by the NPC Standing Committee at its 13th session last November, the NPC law committee and the Legislative Affairs Commission invited experts on civil and economic laws, chief judges of local courts and leading members of standing committees of people's congresses from various localities to a forum to discuss the draft. The draft was distributed again to various localities to solicit opinions.

The revised draft provides that the general principles of the civil code are to protect the legitimate civil rights and interests of citizens and legal persons and correctly adjust civil relations to meet the demands of the country's socialist modernization drive. It also says that the civil code adjusts the property and personal relations between citizens, between legal persons and between citizens and legal persons as equal subjects.

The civil code does not concern itself with state control of the economy, economic relations between the state and enterprises, or between enterprises themselves since these are covered by relevant economic laws.

The revised draft will be examined by the Sixth National People's Congress at its fourth plenary session to be convened on March 25.

Foreign Investment Law Gauged

OW111144 Beijing XINHUA in English 1114 GMT 11 Mar 86

[Text] Beijing, March 11 (XINHUA) -- China's revised draft law on enterprises financed by foreign firms was submitted today to the 15th session of the National People's Congress Standing Committed for deliberation.

Delivering a report on the revised draft law, the NPC Law Committee said that the original draft law is basically feasible, considering that it has summed up China's experience in using foreign investment in the past few years and drawn on the experience of foreign countries. The committee also suggested an addition of the stipulation that in accordance with China's regulation on taxation the foreign-invested enterprises should pay taxes and may apply for preferential treatment on tax-reduction and tax-exemption.

The revised draft law said that foreign-invested enterprises should be responsible for any imbalanced payment of foreign currency. If the products of the foreign-invested enterprises are on sale in China's market with the permission of proper authorities, leading to their imbalanced payment of foreign currency, the authorities which gave the permission will be responsible for the solution of the problem.

The Law Committee also suggested that the foreign-invested enterprises should submit their production and management plans to the proper authorities for the records. There should be no interventions in the operations and management activities of the enterprises that are in accordance with the approved rules. Some suggestions were also made on the supervision of accounting and taxation of the foreign-invested enterprises and on other issues.

SCIENCE, TECHNOLOGY DEVELOPMENT REVIEWED

HK110920 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 9, 3 Mar 86 pp 4-5

[Article by Gu Mainan: "Development of China's Science and Technology: Review and Prospects" -- capitalized passages published in boldface]

[Text] Five years are just a brief space of time in the long process of history. However, in the past 5 years, China's science and technology have made considerable progress.

At the beginning of implementation of the Sixth 5-Year Plan, the objective of China's leading scientific and technological department was to promote development of the national economy with scientific and technological progress, organize forces to tackle major technical problems or hurdles in scientific research, resolve crucial problems in the weak links of the national economy, such as energy conservation, energy development communications and transportation, and comprehensive use of resources, and provide advanced science and technology for environmental protection, urban construction, medical and health work, and family planning so as to propel the progress of our society as a whole.

Science and Technology Have Been Turned Into a Productive Force

Five years have now passed. Through the efforts of the nation's scientific and technological workers, great progress has been made in tackling major technical problems and hurdles in 38 projects and in popularizing 40 new technological items. Numerous important achievements have also been made in scientific research and technological development. Some 700 technological items have been given state awards for invention.

In agricultural production, the fine varieties of paddy rice, wheat, corn, cotton, and tobacco and improved breeds of livestock cultivated by various localities have been extensively used or bred on a large scale. As a consequence, their output has increased by a big margin. The technology of moving rubber tree planting farther north, first developed in China, is being constantly popularized.

In industrial production, China has succeed in manufacturing the world's largest low-head generating unit with an installation capacity of 175,000 kilowatts, complete sets of equipment for large-sized opencut mines, and a 500,000-volt transmission transformer. We have also developed new spinning technologies, such as open-end spinning, automatic twisting spinning, and air-jet looms, and solved technical problems in comprehensively using the secondary minerals of Panzhihua, Jinchuan, and Baotou.

As far as new technologies are concerned, electronic information technology has begun to take off. The use of microcomputers is being popularized. Fiber optic communications are being put to practical use. Fiber optic communications trunk systems between different telephone transmission offices have been established in Shanghai, Tianjin, Wuhan, and Nanjing. The biological engineering industries based on fermentation engineering which turn out antitoxins, vitamins, amino acids, organic acids, alcohol, and enzyme preparations have been put into production. China has also manufactured thousands of new kinds of materials.

In space technology, during the 16 years since 1970, China has launched 17 man-made satellites. Nine of them were launched during the Sixth 5-Year Plan period. Moreover, China has succeeded in manufacturing carrier rockets for launching geostationary orbit satellites.

Brilliant achievements have also been scored on the defense science and technology fronts. Many prize-winning projects developed from nothing have filled gaps in the Chinese Army's weaponry, thus reducing the disparity between the level of China's weaponry and the world's advanced levels. Some of our single-item technologies have reached the world's advanced levels. With new achievements in our defense science and technology fronts, China has become one of the countries that has mastered such advanced technologies as strategic nuclear weapons and fixed-point geostationary satellites. We are also a country capable of designing and manufacturing conventional weapons such as fighters, tanks, and warships.

In the last 5 years, China has also made rapid progress in its computer technology. With Chinese-made materials, China's scientists and technicians have succeeded in manufacturing the vector computer, which is capable of doing 10 million calculations per second, and a giant computer which is capable of doing 100 million calculations per second. The successful manufacture of the above computers shows that China's computer technology has reached the world's advanced levels. Complex problems involved in petroleum and geologic prospecting, making long- and medium-term weather forecasts handling satellite diagrams, and building up national defense can be solved by using home-made computers.

China has also had great success in using science and technology to conquer natural disasters and combat diseases. The successful forecasting of disastrous weather on many occasions has enabled the country to avoid huge losses.

Through years of persistent, unremitting efforts, China's specialists in medical science have found effective ways of permanently controlling choriocarcinoma, which gravely endangers women's health and lives. The cure rate of this malignant tumor has increased from 10.8 percent in the past to 89.9 percent presently. Experts have also found the medicines to cure nonlymphatic leukemia, whose mortality is high. Artificial synthetization of the effective ingredients of the cancer-resisting medicine -- Hainan's thick Chinese Torreya -- has attracted the attention of the world medical community. "Xiaozhiling" (an effective remedy for piles), which is manufactured under the guidance of traditional Chinese and Western medical theories, is not only exceptionally effective but also safe in clinically curing advanced internal piles.

Objectives for the Scientific and Technological Development During the Seventh 5-Year Plan Period

The 5 years of the Seventh 5-Year Plan will be extremely important to China in developing its science and technology. Faced with the challenge of a new technological revolution, the urgent task of China's scientific and technological work is to do all one can to catch up with world standards and narrow the gaps between China and the economically developed countries in this regard as quickly as possible. Although great successes have been scored in China's scientific and technological work in the past 5 years, according to experts, China's current scientific and technological levels are 20 to 30 years behind those of economically-developed countries. With continued effort in the 5 years ahead, the gap is expected to narrow to something like 10 to 20 years. In other words, during the Seventh 5-Year Plan period, China will strive to attain in 5 years time the level which can ordinarily be reached in 10 years time. -- It is NECESSARY TO LAY A BETTER FOUNDATION IN THE 5 YEARS AHEAD AND TO WORK HARD TO ACCUMULATE STRENGTH.

The period of the Seventh 5-Year Plan will be 5 crucial years for the laying of a sound foundation. Science and technology should make positive contributions for economic development, accumulate strength for further development in the following 10 years, and create conditions for an economic takeoff. Therefore, the main technological development strategy is to develop a coordinated technology that combines traditional technologies with new technologies in light of China's actual conditions, and to transform existing trades and enterprises with new technologies so they can be operated efficiently on the basis of modern technology and management. As far as new technologies areconcerned, in line with the needs of national economic and social development, priority should be given to the use of new technologies in strategic key projects and their equipment in such areas as agriculture, energy industry, communications, and raw and semifinished materials. Priority should also be given to the development of such high technologies as electronic information technology, biological technology, and new materials technology. It is also necessary to extensively use appropriate and suitable technologies in rejuvenating the rural economy.

To implement this strategy, it is quite necessary that we continue to resolutely implement the policy of opening up to the outside world, strengthen scientific and technological exchanges between states, import new technology from abroad, attach importance to exploitation of intellectual resources and education, and raise the professional competence of the ranks of scientists and technicians. It has been estimated that under the guidance of this technological development strategy, and through the efforts made during the Seventh 5-Year Plan period, China will be more able to use scientific and technological progress in promoting economic development, to further improve its ecological environment, and to raise the people's living standards and nutritional level and the whole nation's cultural and educational levels.

-- IT IS NECESSARY TO BRING ABOUT A NEW GENERATION OF FARM CROPS AND TO ACCELERATE THE DEVELOPMENT OF ENERGY INDUSTRY AND COMMUNICATIONS.

With the development of breeding techniques during the Seventh 5-Year Plan period, by 1990 a new generation of China's major farm crops is expected to have emerged. With the new, highly disease-resistant and top-quality crop varieties, China will be in a better position to boost the output of its grain and industrial crops and to increase the variety of its commodities.

The development of breeding and feeding techniques in the animal husbandry sector will help breed lean-meat pigs with a lean-pork rate of 60 percent and delicious-meat, yellow-feathered poultry. These will enrich our markets.

New technology for accelerating the growth of forest trees and increasing their output and for cultivating young plants and technology for planting forest trees in arid or semi-arid areas will be priority goals in forestry scientific and technological research during the Seventh 5-Year Plan period. With the development of technology to comprehensively use forest trees, the usage rate and processing of remains of timber will increase from the present 10 percent to about 30 percent.

Energy technology is the important topic of scientific and technological development during the Seventh 5-Year Plan period. In the coal industry, main efforts will be concentrated on improving the tunneling and coal mining mechanization levels and shortening well construction periods. With the progress made in studying the burning technology of inferior coal and the technology for rationally using sulphur-rich coal, the amount of inferior coal consumed by 1990 will be equivalent to tens of millions of tons of top-quality coal.

The onshore oil exploitation technology during the Seventh 5-Year Plan period will probably reach the world technological level of the early 1980's. The development of new petroleum prospecting methods and their related new technologies and equipment will enable China to find more petroleum resources.

During the Seventh 5-Year Plan period, with regard to power industry, apart from continuing to develop new thermal power and hydropower technologies, China will make some breakthroughs in its nuclear power technology.

During the Seventh 5-Year Plan period, China will continue to implement the principle of "suiting measures to local conditions, developing diverse energy resources to meet the needs of all sides, and stressing comprehensive use and practical results" and will continue to study rural energy resources and new energy resources. Main efforts will also be concentrated on studying how to open up and plant energy forests and to use biological mass, solar, wind, marine, and geothermal energy resources.

To strengthen China's carrying and delivery capacity in its transportation production, during the Seventh 5-Year Plan period the technological study of railway, road, navigation, and air transportation will be a topic about which the state is very much concerned. The research of many key technological projects in building special railway lines for carrying coal with 10,000-ton heavy-duty trains, automatizing the operation and management of railways, building roads and ports, and manufacturing new-type long-distance passenger buses and planes for civil use will greatly facilitate China's comprehensive transportation technology.

-- SCIENTIFIC RESEARCH SHOULD SERVE THE ECONOMY AND BASIC SCIENCES AND THEIR APPLICATION SHOULD BE EQUALLY STRESSED.

Science and technology must promote both economic and social development. Scientific research in such areas as environmental ecology, labor protection, medical and health work, and family planning occupies an important position in the plan for scientific and technological development during the Seventh 5-Year Plan period.

The study of scientific and technological solutions to air and water pollution and of technology for controlling accidents causing injuries and deaths and harmful industrial pollution is an important topic in environmental and labor protection. Our priorities in medical scientific and technological research are cancer, viral hepatitis, cardiovascular and cerebrovascular diseases, key local diseases, and prevention and cure of snail fever. China will accelerate its efforts to systematize the ancient books on Chinese medicine and pharmacology and to study how to raise the level of using traditional Chinese medicines to prevent and cure diseases with the help of modern science and technology so as to establish a medical theoretical system with Chinese characteristics.

The study of mechanisms of birth control, contraceptives, and the science of improving the mental and physical fitness of the population, as well as scientific nursing methods, will provide a scientific and technological guarantee for China to put its population under effective control.

In basic scientific research, priority will be given to those topics that are potentially of great applicative value -- in particular, to the basic studies of the characteristics of China's natural conditions and resources. However, adequate importance will also be attached to the basic studies that are of great scientific significance. Key research projects in the basic research sector include 43 special topics in such areas as mathematics, chemistry, biotech science, geoscience, engineering science, and software science.

To fulfill the scientific and technological development tasks during the Seventh 5-Year Plan period, we must rely on both reform and qualified personnel. Our reforms should be beneficial in the sense that they commercialize achievements in scientific and technological research and put more scientific and technological commodities on the market. They should bring into play the role of key members of the ranks of our young and middle-aged scientists and technicians and strengthen the ability of our enterprises to use scientific and technological progress more conscientiously and bring economic levers into full play.

In personnel training, efforts will be made to open up new avenues of schooling and to train senior and journeyman professionals of various types, junior technicians, and skilled workers. At the same time, we will stress the training of scientific and technological managerial personnel. Continued education will be given to on-the-job scientific and technological workers by stages and in groups so they can upgrade their knowledge and become more professionally competent.

TIAN JIYUN, WAN LI AT URBAN ECONOMIC MEETING

OW110420 Beijing XINHUA Domestic Service in Chinese 1316 GMT 10 Mar 86

[Text] Beijing, 10 Mar (XINHUA) -- The first national conference on urban economic structural reform, which was organized by the State Council, opened in Beijing today. The conference will review progress in China's urban economic structural reform over the past few years, analyze the new situation, study new problems, map out the tasks of this year's urban reform, exploring ways for promoting lateral economic cooperation.

Wan Li, member of the Political Bureau of the CPC Central Committee and vice premier of the State Council, presided over the meeting today. Tian Jiyun, member of the Political Bureau of the CPC Central Committee and vice premier of the State Council, presented an important report on the situation and tasks of the ongoing economic structural reform.

Tian Jiyun said: China initiated its economic structural reform in the countryside, and has scored remarkable achievements in a short time.

Urban reform, which involves a larger area and can have a greater influence, is more complex and difficult than rural reform. However, under the correct leadership and guidance of the party Central Committee and the State Council and by relying on the enthusiasm and creativity of the broad masses of cadres and people, we have also made much headway in the urban reform. The decision of the 3d Plenary Session of the 12th CPC Central Committee concerning economic structural reform, which contains the blueprints and guiding principles for the comprehensive reform, has guided us to enter, in good time, a new stage in the reform of the national economy focused on the urban economy. In 1985, we made relatively good progress and scored better results than anticipated in the wholesome and smooth development of reform.

Tian Jiyun pointed out: Centering around the task of invigorating enterprises in restructuring the urban economy over the past few years, we have done a tremendous job in carrying out reforms in the fields of production, distribution, and circulation, as well as in the forms and methods of state economic management. The work can be seen mainly in the following six aspects: 1) expansion of economic decision-making powers and preliminary reform in the distribution system have imbued enterprises with dynamism and vitality; 2) initial readjustment and reform have enabled the ownership structure to better adapt to the level of productive forces in China; 3) a rapid development of the socialist commodity market has markedly enhanced the role of the law of value in regulating production and demand; 4) much headway has been made in implementing the policies of opening the country to the outside world and developing an open domestic economy, and in unfolding economic and technical exchanges with foreign countries and promoting lateral economic ties in the country; 5) large- and medium-sized cities have performed their functions as economic centers, and are playing an increasingly important role in stimulating and coordinating social and economic development; and 6) fruitful results have been made in exploring ways for preliminary reform of state economic management and for strengthening and improving macroeconomic control.

Tian Jiyun pointed out: Thanks to the reform, a number of penetrating changes are taking place in the operational mechanism and management system of the Chinese economy: The unitary public ownership system has changed to a multiform ownership structure with public ownership as the main body; the overconcentrated system of making economic policy decisions has changed to one that combines centralized and decentralized policy decisions at various levels; the egalitarian distribution system of unified allocation and collection of receipts has changed to distribution based on work and rational differentiation of rights and interests; the form of economic cooperation has changed from one marked mainly by closed vertical ties through government administration to one characterized mainly by open lateral ties; and the economic management system has changed from one relying mainly on direct administrative means to one relying mainly on economic and legal means. We should say that along with the continuous deepening of the reform, we have seen a clearer picture of socialist economic system with Chinese characteristics as well as a brighter road of reform.

Turning to the new situation and new problems emerging during the transition between China's new and old economic systems, Tian Jiyun pointed out: Due to the coexistence of new and old systems in the course of reform, imbalances, or even contradictions, difficulties, and problems, between microeconomic measures to enliven and macroeconomic measures to control the economy are hardly unavoidable. Correctly understanding the new situation and solving new problems is crucial for continuing to deepen the urban economic structural reform. He said: The economic restructuring is an extensive, penetrating, arduous, and complicated reform, during which it is impossible to avoid even a little twist and turn. It should be noted that compared with the mainstream of reform marked by the growth of economic vitality and emancipation of productive forces, problems and difficulties cropping up in the course of advance are undoubtedly secondary, partial, and temporary phenomena that can be completely overcome. In fact, many problems have been solved, and some are being solved. Only by thoroughly carrying out the reform can all problems be resolved.

Tian Jiyun said: As far as this year's urban economic structural reform is concerned, it is necessary to carry out the principle of "consolidation, assimilation, replenishment, and improvement" in order to consolidate and expand the successes of the reform and, at the same time, prepare for next year's important reform measures. He discussed this year's tasks from the following four aspects:

1. It is necessary to assimilate and replenish reform measures already taken, and consolidate and expand the successes of the reform. In the area of marketing, attention must be focused on continuing to enliven and open up the market and strengthening and improving market management. It is necessary to gradually reorganize retail commercial organizations in central cities. In commodity prices, efforts must be concentrated on consolidating and assimilating the reform measures already taken and striving bo keep commodity prices basically stable. In distribution of income, it is necessary to mainly continue to improve the reform of the wage system for offices and institutions and the reform of wage and reward systems for enterprises.

2. It is necessary to intensify and improve macroeconomic control. While applying necessary administrative means, it is also necessary to more effectively use such economic regulating methods as banking and taxation, as well as legal means, to intensify and improve macroeconomic control in order to gradually ensure not only the control of total volume but also the structural control, thereby facilitating a balance between aggregate supply and aggregate demand and a sustained and steady growth of the national economy.

3. It is necessary to vigorously develop lateral economic ties. Development of lateral economic ties is a new measure in economic structural reform which is of great importance for deepening the economic structural reform and developing the social forces of production. Therefore, it is necessary to encourage them through policy and protect them by law. In further carrying out lateral economic cooperation, it is necessary to adhere to the following principles: The cooperation must be based on further invigoration of enterprises, especially large- and medium-sized enterprises; the cooperation must be voluntary and mutually beneficial and must promote common development; it is necessary to strengthen the guidance so that the cooperation can meet, as much as possible, the needs of state macroeconomic development and can avoid aimless expansion of investment scale on fixed assets and redundant construction projects; the cooperation must not follow just one formula and must be carried out in various forms; and unnecessary administrative interferences in the cooperation must be avoided.

4. It is necessary to do a good job in this year's economic work by continuing to try out reforms at selected units in order to prepare for next year's important reform measures.

In conclusion, Tian Jiyun said: To successfully carry out this year's tasks of reform is of great importance not only to next year's reform but also to all reforms during the Seventh 5-Year Plan period. He called on all localities and departments to actively and prudently promote economic structural reform by continuously summing up experiences and exploring realistic ways for carrying out reform.

Leading comrades of the party Central Committee and the State Council Fang Yi, Wang Zhaoguo, Zhang Jingfu, Wang Bingqian, and Song Ping attended the meeting today. Responsible comrades of all provinces, autonomous regions, and municipalities and responsible persons of the State Planning Commission, the State Economic Commission, the State Commission for Restructuring Economic System, and the Office on Economic Cooperation, as well as responsible persons of central party and state organs, are attending the conference.

LIAOWANG ON OPENING HINTERLAND, BORDER AREAS

HK081058 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 9, 3 Mar 86 pp 6-7

[Article by Lin Chen and Mei Minbui: "New Steps Taken in Opening Up to the Outside World by China's Remote and Interior Provinces and Regions"]

[Text] In recent years, China has further opened its doors to the world. As the applicability of the policy of opening up to the outside world is no longer limited to coastal cities and the special economic zones, the remote border areas and those provinces and regions in the Chinese hinterland are playing a more and more active role in promoting economic and technological cooperation and trade with foreign countries.

The New Pattern of Gradual Opening Up of Coastal Areas, the Hinterland, and Remote Border Provinces and Regions

The Chinese Government decided to set up the Shenzhen, Zhuhai, Shantou, and Xiamen special economic zones after testing the opening-up principle featuring "special policies and flexible measures" in Guangdong and Fujian Provinces in 1979. China further opened 14 coastal cities in May 1984 and the Chang Jiang Delta, Zhu Jiang Delta, and the southern Fujian triangular zone 1 year later. Thus, from the opening up of certain spots to the opening up of vast areas, an open coastal economic belt has emerged. It is in the wake of the constant expansion of the scale of the use of foreign capital and import of advanced technology in coastal areas that the Chinese hinterland and remote border provinces and regions began to open their doors to the outside world. Hence, a new pattern of opening up to the outside world has gradually taken shape in China, from the south to the north, from the east to the west, and from the coast through the hinterland to remote border areas.

In-depth discussions and careful studies of the opening-up process in the Chinese hinterland and remote border provinces and regions have been going on in the Chinese economic circles. In early 1982, some specialists pointed out that the unbalanced economic development has divided China into three sections in terms of their economic and technological force: the coastal, hinterland, and remote border sections, respectively corresponding to advanced, intermediate, and traditional technology. Therefore, in implementing the policy of opening up to the outside world, China should let the advanced coastal areas absorb advanced technology first and then transfer it to those areas with intermediate and traditional technology.

The Chinese hinterland and remote border provinces and regions have a relatively weak economic basis and their scientific and technological level and cultural level are much lower than the country's average level. The nine provinces and regions of Nei Monggol, Xinjiang, Ningxia, Guangxi, Qinghai, Xizang, Gansu, Yunnan, and Guizhou are an example. The gross industrial and agricultural value of all these provinces and regions added together is lower than 10 percent of that of the whole country; their per capita gross industrial and agricultural output value is a little higher than the middle value of the country's average level; the proportion of college graduates to the population is 8.7 percent lower than the country's average level; and the proportion of illiterates and semiliterates among the population above the age of 12 is 27 percent, or 4 percent higher than the country's average level.

All these factors determine that the hinterland and remote border provinces and regions will encounter more difficulties than coastal areas in implementing the policy of opening up.

Undue emphasis on the necessity of importing the most advanced technology into these areas may possibly lead to "indigestion." Therefore, when adopting the general guideline of opening up to the outside world, China has emphasized the strategic principle of pressing on with the process step by step from the coastal areas through the hinterland to remote border areas.

The hinterland and remote border areas have their own favorable conditions. They possess over 95 percent of the country's rare-earth resources, more than 50 percent of the country's proven coal deposits, and most of its rare metal deposits. China's five major natural pasturelands (Xinjiang, Nei Monggol, Xizang, Qinghai, and Gansu) are included in these areas. In addition, the five autonomous regions alone possess 50 percent of the country's water resources, or potential power of about 350 million kilowatts. Various ecological resources distributed in these areas are also of enormous exploitable potential. At the moment it is difficult for us to exploit on a large scale all these resources by solely capitalizing on our own financial and material resources. Practice has proved that it is feasible to exploit the rich energy resources in those underdeveloped areas and make up for the country's deficiencies by properly introducing foreign capital. At present, the coal mining project in Pingshuo, Shanxi Province, is financed with hundreds of millions of dollars provided by Occidental Petroleum and supported with the advanced technology developed by the same company.

When talking about the opening up of the hinterland and remote border areas in August last year, State Councillor Gu Mu, who is in charge of the implementation of the opening-up policy, pointed out: If foreign businessmen intend to run resource exploitation projects or other projects that will bring in advanced technology and will score excellent economic results, their applications will be "processed as special cases" and will be given preferential treatment with the permission of the state departments concerned.

According to the statistics by the departments concerned, the 11 provinces and regions of Nei Monggol, Heilongjiang, Guangxi, Guizhou, Yunnan, Gansu, Ningxia, Xinjiang, Sichuan, Qinghai, and Shanxi last year signed a total of 249 contracts with foreign business firms involving a total investment of $773 million and accounting for 12.2 percent of the total foreign funds introduced into China that year, an increase of several times over 1984. Meanwhile, many provinces and regions held symposiums on economic and technological cooperation with foreign interests in various forms. Gansu and some other provinces and regions even sent delegations to Beijing, bringing along with them some project proposals to call for tenders from potential Chinese and foreign partners for economic and technological cooperation. All these activities showed the substantial progress made in the process of opening up the Chinese hinterland and remote border provinces and regions in 1985.

At present, use of foreign funds and the import of technology have scored results in the hinterland and remote border areas, adding new vitality to the economic development there. In introducing technology, some remote border areas have paid attention to the necessity of introducing applicable technological projects which can help to fully use and exploit rich resources available locally. Some well-operated enterprises which have introduced advanced technology are now playing a leading role in invigorating other related enterprises. In Ju League in Nei Monggol Autonomous Region was economically underdeveloped in the past. The league introduced advanced wool carding and processing technology from Japan a few years ago. As a result, the wool output rate has been raised considerably and has exceeded by far that of Shanghai, where the most advanced wool mills in China are located. Enterprises in the league have also caught up with other enterprises of the same type at home in terms of economic results. The introduction of advanced technology has played an important role in making full use of the locally available wool resources and in invigorating the local economy.

A large number of backbone enterprises have been built in the northwest and some provinces and regions in the hinterland. With a strong technological force, these enterprises have great potential. In the process of opening up to the outside world, they have attached importance to giving full play to their favorable conditions and thus made contributions to the economic development of the remote border areas by making use of their advanced technology. China Jialing machinery plant in Chongqing City, Sichuan Province; a large plant affiliated with the Ministry of Ordnance Industry, has managed to upgrade its products after importing Honda motocycle manufacturing technology from Japan. At present this plant's products are well received on the domestic motorcycle market.

Problems and Solutions

The Chinese hinterland and remote border areas have scored some results in a short time in implementing the policy of opening up to the outside world. However, they have also shown some deficiencies.

Inefficiency in information circulation, backward communications networks, and poor industrial basis are the common problems that these areas are faced with. Some places which did not pay enough attention to these unfavorable factors blindly imported some advanced technology. These projects have proved to be a waste because the imported technology failed to be applied to production. On the other hand, however, some areas have imported primitive technology or technology that was available at home. After all, the most conspicuous problem is the lack of professional personnel specialized in foreign trade and economic and technological exchange.

Officials concerned and specialists of the Ministry of Foreign Economic Relations and Trade and the State Planning Commission hold that the hinterland and remote and border areas must strengthen information gathering in the course of opening up to the outside world and must be more cautious and patient than the coastal areas in taking any action. They should introduce those projects which are advanced in technology, feasible in production, and promising in economic results, in light of their specific economic and social conditions. The specialists have particularly emphasized that these areas must vigorously strengthen personnel training. Recently, many provinces and regions have drawn up long-term plans for the training of foreign trade personnel.

Some areas have begun to pay attention to integrating the use of foreign capital with the exploitation of local resources and the transformation of promising local enterprises. This has become a basic principle to be followed by the hinterland and remote border areas in drawing up their opening-up plans. At present and for a time in the future, in stepping up the process of opening up to the outside world, these areas are to concentrate their attention on the development of the coal, petroleum, power, hydropower, transportation, and nonferrous metallurgical industries, as well as the improvement of pastureland and the development of the fruit processing industry.

The forms of exploitation of resources are varied. The Chinese Government allows foreign businessmen to make direct investment in the exploitation of resources or exchange advanced technology for resources in the form of compensation trade.

At the same time, based on the state's unified policy on preferential treatment regarding introduction of foreign capital, the hinterland and remote border areas are also allowed to adopt preferential measures in accordance with their own conditions. For example, Guizhou Province, which is rich in natural resources, has made it a rule that joint ventures; cooperation enterprises, or sole proprietorship enterprises established in the province by foreigners, Overseas Chinese, Hong Kong and Macao compatriots, or their companies or units are to enjoy preferential treatment.

The province will supply the mineral resources, services, and sites for these enterprises. Apart from enjoying reducing and exemption of taxes according to the state's laws on taxation, the enterprises will also get a 20-40 percent reduction in the local income tax for 10 years and be exempt from the property tax for 1-3 years after they begin operations.

The investment environment is also being improved in these areas. The Chinese Government plans to make more efforts to build the infrastructure. The government has already decided to build a superhighway linking Shanxi with Ginhuangdao.

NATIONAL FAMILY PLANNING MEETING ENDS 4 MARCH

HK110833 Beijing RENMIN RIBAO in Chinese 5 Mar 86 p 3

[Report by Bai Jun: "National Meeting To Commend Advanced Units and Individuals in Family Planning Ends, Calls For Continued Efforts in Family Planning"]

[Text] At the 4 March closing session of the national meeting to commend advanced collectives and individuals in family planning work, all representatives enthusiastically applauded to show their approval of an appeal to leading comrades and comrades engaged in and supporting family planning work on all fronts in various localities.

In order to implement the instructions of the party Central Committee, fulfill the population goals of the Seventh 5-Year Plan, and attain the goal of containing the population of our country to within 1.2 billion at the end of this century, the representative proposed the idea of serving the overall situation and regarding the enhancement of social benefits as the sole principle for family planning work. Under the leadership of party committees and governments at various levels, we should closely cooperate with the departments concerned and continue to resolutely implement the spirit of Document No 7 issued by the CPC Central Committee in 1984. We should regard effective control over population growth, a close relationship between the party and the masses, and promotion of unity and stability as the standards for assessing the social benefits of family planning work.

The appeal proposes that the work of building spiritual civilization permeate the entire process of family planning work. We should lead the masses in further shaking off the influence and trammels of old ideas and gradually fostering a new idea on childbirth so that the masses will more consciously practice family planning. In doing family planning work, we must adhere to the principle of conducting civil affairs with civil methods and guard against and overcome the practice of coercion and giving out orders. We should play an exemplary role in observing laws.

The appeal demands adherence to the principle of seeking truth from facts and the method of proceeding from reality. In formulating plans, implementing policies, carrying out publicity and educational work, and providing medical and technical services, we must suit measures to local conditions. We should give specific guidance according to specific conditions so that family planning work can be done more reasonably. We should spread effective forms and methods for serving the masses, enthusiastically provide the masses with quality services in family planning, publicity in medicine and tools, in techniques, and in eugenics, and should help the masses solve problems. The appeal of the representatives attending the meeting hopes that family planning departments will strive to improve themselves and to make new contributions to the exploration of a new path of family planning with Chinese characteristics.

Wang Wei, minister of the State Family Planning Commission, spoke at the closing session. He spoke highly of the advanced deeds of the advanced collectives and individuals and hoped that they would treasure the honor given them by the party and the people and do their work even better. This commendation meeting opened in Beijing on 1 March.

AVIATION INDUSTRY DEVELOPS IN SIXTH 5-YEAR PLAN

HK080504 Beijing CHINA DAILY in English 8 Mar 86 p 2

[Text] The past five years have been golden ones for China's aviation industry. The development and production of civil airplanes, like military aircraft, have made important breakthroughs during the period, according to an article in the newspaper ECONOMIC INFORMATION. To date, several hundred China-made airplanes are flying in the country's air space. They play a significant role in the country's economic construction. During the Sixth Five Year Plan (1980-85), the country developed the Y-7 and Y-12 civil airplanes, and successfully updated the H-9 Y-7-100, Y-12-2, Y-8 sea plane, and Y-8 helicopter, as well as the superlight planes Bee and Butterfly with foreign co-operation and technology imports. Meanwhile, plane engine development also saw progress. The Turbine-5 and 6 series met the demand in that period.

The quality and performance of the country's airplanes are approaching international levels. Navigation equipment in Y-7-100 and in Y-12-2 passed inspection by US Far23 and Far135 late last year. The State Civil Aviation Administration of China, CAAC, also certified the equipment quality of the two models. Now, the country is mass-producing Y-5, Y-7 Y-8, Y-11, Y-12, H-9 cargo, passenger and special purpose planes and helicopters. Among these planes, the Y-7 is a newcomer to the country's air routes.

Including planes produced in previous five-year plan periods, the country today has several hundred planes of various models working in agriculture, forestry, husbandry, geological prospecting, ocean oil drilling and air transport. The newspaper reported that more than 200 new airplanes will join the current fleet flying in China and to other countries during the Seventh Five-year Plan period starting this year. During this period, emphasis will place on the development of aircraft for feeder passenger lines and farming-forestry-use planes. The country will also plan to develop two new plane models and two new medium and small-sized turbine engines. Meanwhile, Y-7 and Y-12 planes will undergo improvement. Y-7 will be given top priority to enable it to reach international standards. With support from the Caac, 15 China made Y-7 planes will go into domestic passenger service this year, breaking the monopoly of foreign planes in China's passenger transport.

23.7 BILLION YUAN IN TREASURY BONDS ISSUED

OW110001 Beijing XINHUA Domestic Service in Chinese 1136 GMT 10 Mar 86

[By JINGJI RIBAO reporter Zhang Nianqun and XINHUA reporter Tian Chuan]

[Text] At the national conference on treasury bonds held today, Vice Minister of Finance Chen Rulong revealed that as of the end of last year, China had issued treasury bonds for five consecutive years, totaling 23.7 billion yuan. These bonds have played an important role in stabilizing and developing the national economy.

China began to issue treasury bonds in 1981. At that time, the state had raised the purchase prices for 18 varieties of farm and sideline products including grain crops, cotton, and oil-bearing crops, expanded the enterprises' decision-making power, readjusted some workers' wages, implemented the reward system, and begun to help millions of unemployed young people find jobs and handle other problems left over from the "Great Cultural Revolution." As a result, the state had accumulated a fairly large deficit. Chen Rulong said: All of the 4.8 billion yuan in treasury bonds issued in 1981 were used to make up the deficit in 1980.

Chen Rulong said: Changes were made in the use of revenue from treasury bonds issued after 1982. It was basically used to support key construction projects. The issuance of treasury bonds has become a method used by the state to pool idle funds in society for the development of construction projects. The revenue from the issuance of treasury bonds over the past several years has played an active role in developing some key construction projects in energy and transportation, and in balancing the various economic sectors in the country. He said: Let us review the past. If we did not issue these treasury bonds and were short of the 23.7 billion yuan from the treasury bonds, we would be short of construction funds during the Sixth 5-Year Plan period and the speed in construction would also be affected. Chen Rulong said: During the Seventh 5-Year Plan period, the state must be prepared to rejuvenate the economy for the next decade. We need a large amount of funds for economic construction. Right now, the total amount of extra-budgetary funds equals 140 billion yuan, and the amount of savings deposits of urban and rural residents totals 160 billion yuan. Therefore, the continuous issuance of some treasury bonds during the Seventh 5-Year Plan period is not only necessary but also possible.

BANK REPORTS INCREASED URBAN RESIDENTS DEPOSITS

HK110409 Beijing CHINA DAILY in English 11 Mar 86 p 2

[Text] The China Industrial and Commercial Bank, which was established in 1984 to collect the savings of urban residents and enterprises and put them to work in modernizing China, reports that the deposits of individual urban residents rose last year by more than 33 per cent. The Harbin-based ECONOMIC INFORMATION HERALD says such deposits at the end of 1985 totalled 89.5 billion yuan ($28 billion), an increase of 22.4 billion yuan ($7.5 billion). Of the total, 43 per cent was deposited in the country's 41 large and medium-sized cities.

In its two years of existence, the Industrial and Commercial Bank has seen its total deposits, both those of individuals and enterprises, grow by 52 per cent over the amount deposited in its predecessor bank. The two-year increase, amounting to 63.9 billion yuan ($20 billion), was more than half of the total growth of urban savings in the previous 34 years. In 1985, some 65 per cent of the bank's available loan funds had been collected by the bank itself, up from 56 per cent the previous year. The other 35 per cent was supplied by the Bank of China, the nation's central bank.

Last year, the bank tightened up on loans after the easy credit of the previous year had threatened to overheat the economy. At the same time, the bank used advertising and promotion techniques to encourage more individuals and enterprises to make use of its facilities. One result was that at the end of the year it had nearly 400 million yuan ($125 million) of unused loan funds on hand, 44 per cent more than a year earlier. In the past two years, the bank has lent out more than 10 billion yuan ($3.1 billion) to assist 65,000 technical updating projects involving energy, communications, electronics, machinery, textiles and light industry. Of these, 40,000 have gone into production.

DENG PUFANG REMARKS ON DENG XIAOPING'S HEALTH

HK120352 Beijing ZHONGGUO XINWEN SHE in Chinese 1245 GMT 11 Mar 86

[Excerpt] Beijing, 11 Mar (ZHONGGUO XINWEN SHE) -- While answering some foreign reporters' questions today, Deng Pufang, Deng Xiaoping's eldest son, said: "We are with our father every day. I think he is in very good health. For example, since last winter, the members of our family have caught cold one after another, with him being the only exception." Smiling, Deng Pufang told the reporters that whenever his father failed to make a public appearance for just a short time, there would be rumors abroad about his father's health. He said: "I think these rumors are ridiculous. Some people always want to get something out of these rumors, to see something in them, or to file some news so as to attract their readers."

When answering a question from a reporter of the Australian Broadcasting Company about Deng Xiaoping's whereabouts, he made these remarks: "My father is, naturally, where he is supposed to be and does what he is supposed to do." A burst of laughter followed.

DENG LIQUN AT BEIJING STUDENTS MEETING

OW111108 Beijing Domestic Service in Mandarin 2230 GMT 10 Mar 86

[Text] A number of Beijing college students went in five groups to the Dagang oil field, the Laoshan frontline, and other places for study and observation tours during their winter vacation. This activity generated tremendous repercussions in universities and colleges in the capital. At yesterday's report meeting on Beijing college students' study and practice activities during vacation, Deng Liqun, secretary of the CPC Central Committee's Secretariat, expressed the hope that students will continue to engage in such activities.

OFFICIALS ATTEND SUN YAT-SEN DEATH ANNIVERSARY

OW120850 Beijing XINHUA in English 0836 GMT 12 Mar 86

[Text] Beijing, March 12 (XINHUA) -- A ceremony to commemorate the 61st anniversary of the death of Dr. Sun Yat-sen was held here this morning in Zhongshan Park. Among the 200 people present at the ceremony were Zhou Gucheng, vice-chairman of the Standing Committee of the National People's Congress, Yang Jingren, Liu Lantao, Hu Ziang, Qian Changzhao, Fei Xiaotong and Qu Wu, vice-chairmen of the Chinese People's Political Consultative Conference (C.P.P.C.C.) National Committee. Held in the Zhongshan memorial hall, the ceremony was presided over by Qian Changzhao, who is also vice-chairman of the Central Committee of the Chinese Kuomintang Revolutionary Committee.

After the ceremony began, those present stood in silent tribute before the portrait of Dr. Sun for three minutes. Then, baskets of flowers were laid before the portrait by representatives of the C.P.P.C.C. National Committee, the United Front Work Department of the Chinese Communist Party Central Committee, the Central Committee of the Kuomintang Revolutionary Committee, and the Beijing Municipal People's Government. Also present at the ceremony were Standing Committee members of the National People's Congress and the C.P.P.C.C. National Committee, leading members of the Central Committee of the Kuomintang Revolutionary Committee and other departments. Similar ceremonies were also held in Shanghai, Guangzhou, Nanjing and Wuhan.

KANG KEQING AT EXHIBIT HONORING SUN YAT-SEN

OW121228 Beijing XINHUA in English 1214 GMT 12 Mar 86

[Text] Beijing, March 12 (XINHUA) -- A photographic art exhibition honoring Dr Sun Yat-sen, great forerunner of China's democratic revolution, opens today at the China national art gallery. On display are 250 photographs carefully selected from thousands of pictures submitted to the "ode to the motherland" photo contest, which was held last year in Zhongshan City, Guangdong Province, hometown of Dr Sun Yat-sen.

Born in 1866 in Zhongshan, Dr Sun dedicated his life to the struggle against feudalism and for the prosperity of the Chinese people. He led the 1911 revolution, which overthrew the Qing Dynasty, the last monarchy in Chinese history.

The exhibition, co-sponsored by the Chinese Photographers' Association and the photo studio of Zhongshan City to mark the 61st anniversary of Dr Sun's death, mirrors the great changes that have taken place in his hometown and the peaceful life and well-being of the Chinese people. The top-prize winner was "New Generation at the Lamp", taken by Cai Junrong, reporter from the YANGCHENG EVENING NEWS. The photograph presents a vivid scene showing a dozen peasant students buried in their books against the dark curtain of night. The lingering fire of oil lamps reflects the attentive faces of the students. Shi Shaohua, president of the Chinese Photographers' Association, hailed the display as a beneficial and successful experiement conducted by Zhongshan photo studio.

Kang Keqing, vice chairman of the National Committee of the Chinese People's Political Consultative Conference, attended the opening ceremoney and cut the red ribbons. Also present were about 500 photographers and photographic lovers. The exhibition will run until March 25.

GU MU HEADS NEW TOURIST COORDINATING GROUP

OW120631 Beijing XINHUA Domestic Service in Chinese 0250 GMT 11 Mar 86

[Text] Beijing, 11 Mar (XINHUA) -- The State Council has decided to establish the Tourist Coordinating Group and appoint State Councillor Gu Mu to be its head and Wang Shuming and Liu Zhongyi to be its deputy heads. In its circular on establishing the State Council's Tourist Coordinating Group, the State Council General Office points out: China owns what may well be called first-rate world tourist resources. There are bright prospects for developing tourism. The turnover of funds in tourism is fast, and incomes in foreign exchange are big. The development of tourism means more jobs. It can also improve the management of other related trades and spur their development. In addition, it may promote spiritual civilization and friendly contacts with people of all countries in the world.

The State Council General Office's circular emphatically points out: Developing tourism is an important component in China's economic construction. Politically, it is also of great significance. The development of tourism involves many aspects. It is necessary to regard it as a systems engineering project and draw a plan. To coordinate work in all aspects, the State Council has decided to establish the Tourist Coordinating Group. Units in all localities and all departments must actively support and coordinate with the group.

DENG XIAOPING WRITES TITLE FOR FANG ZHIMIN BOOK

OW120510 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 10 Mar 86

[Excerpt] The collected works of Comrade Fang Zhimin, a great proletarian revolutionary and distinguished peasant movement leader, have been published by the People's Publishing House. The first copies of a deluxe edition will be on sale in Nanchang on 12 March. Comrade Dang Xiaoping inscribed the title of the book.

COMMISSION COORDINATES PROJECT CONSTRUCTION

OW111244 Beijing XINHUA Domestic Service in Chinese 1227 GMT 10 Mar 86

[By Central People's Broadcasting Station reporter Li Wenxiang and XINHUA reporter Huang Fengchu]

[Text] Beijing, 10 Mar (XINHUA) -- The State Planning Commission recently decided to experiment on building a "group of related projects" in Jindongnam and Jiaozuo Prefectures during the Seventh 5-Year Plan. This will be an attempt to improve China's capital construction management system and strengthen lateral coordination.

For a long time, China has allocated its capital construction investment for planned projects to localities and departments concerned. As a result, the funds are divided up, builders of related projects are UN coordinated, and efforts are not in concert. Such a situation also exists in the construction in Jindongnan and Jiaozuo Prefectures. The two prefectures have abundant coal resources, with a confirmed reserve of some 70 billion metric tons of anthracite and high-grade coal for power generation. Their aluminium ore reserves rank second in China. In the past, Shanxi and Henan Provinces, Changzhi, Jincheng and Jiaozuo cities, and eight central departments, including the coal, water conservation and electric power, railways, chemical industry, metallurgical, and nonferrous metal industry departments, separately invested in new construction projects in these two prefectures. Lack of coordination among various localities over construction projects made it difficult for the projects to benefit each other and prevented them from yielding maximum economic results and social benefit.

The construction of a "group of related projects" in Jindongnan and Jiaozuo Prefecture will not change the existing planning system of various departments and localities, but it will bring into full play the initiative of both central and local authorities; ensure unified planning, rational arrangement, synchronous construction, and coordinated development; and strive to improve overall results. During the Seventh 5-Year Plan, the state will invest more than 4 billion yuan in 14 large and medium projects of coal, electric power, railroad, and heavy chemical industries in Jindongnan and Jiaozuo Prefectures. The new construction practice will increase the annual raw coal output in the area to over 60 million metric tons by 1990, 22 million metric tons more than in 1985; increase total capacity of thermoelectric generators in the region by more than 200 percent; and enable the area to ship out some 40 million metric tons more than in 1985. The new practice will expedite the completion of the Shanxi chemical fertilizer plant in 6 months. The plant is designed to produce 300,000 metric tons of synthetic ammonia and 900,000 metric tons of nitrophosphate fertilizer with coal as raw material. Henan Province and the China nonferrous metal industrial corporation reached an agreement in 1984 to build the Zhongzhou aluminium plant. However, the project has not been started because of electric power shortage, and the state still has to spend a large amount of foreign exchange on aluminium import. The new construction practice will expedite the Zhongzhou aluminium plant project because electric power and other projects will be built at the same time.

JIANGSU'S HAN PEIXIN, OTHER LEADERS PLANT TREES

OW090328 Nanjing Jiangsu Provincial Service in Mandarin 1100 GMT 8 Mar 86

[Text] On the morning of 8 March, leading comrades of the Jiangsu provincial party committee, the provincial People's Congress Standing Committee, the provincial government and the provincial CPPCC Committee performed voluntary tree-planting service in the greening area of provincial-level organizations at (Shizishan) in Pukou District in Nanjing City.

At 0900, Han Peixin, Shen Daren, Sun Han, Chen Huanyou, Sun Jiazheng, Hu Fuming, Chu Jiang, Li Zhizhong, (Luo Yunlai), and other leading comrades arrived at the (Shizishan) greening area by motor vehicle and started spadework on a small hillside. Because there had been no rainfall here for the past 50 days or so, the soil was quite hard and dry. Han Peixin and other leading comrades exerted all their strength to turn up the soil and plant pine tree saplings. They then watered the saplings and soil. The provincial leaders and comrades of provincial-level organizations spent a whole morning planting more than 2,000 saplings. With the work finished, the provincial leaders held a discussion with local responsible persons and asked about local afforestation and agricultural production.

JIANGSU LEADERS ATTEND WOMEN'S DAY MEETING

OW080500 Nanjing Jiangsu Provincial Service in Mandarin 1100 GMT 6 Mar 86

[Excerpts] This morning, the Jiangsu Provincial Women's Federation held a meeting at the Great Hall of the People in Nanjing to commemorate the 76th anniversary of the 8 March International Women's Day. Responsible members of the party, government and army including Han Peixin, Shen Daren, (Yu Fangcheng), (Lu Ce), He Binghao, Yang Yongyi, Zuo Ai, and (Wang Tailan), along with Wang Yun, former member of the Secretariat of the All-China Women's Federation and member of the CPPCC National Committee, attended the meeting.

Shen Daren, deputy secretary of the Jiangsu Provincial CPC Committee, extended greetings on the occasion and kind regards to the broad masses of women who are working hard on all fronts in this province on behalf of the provincial CPC Committee and the provincial people's government. He also said: Numerous facts have proven that the broad masses of women are important forces in building the two civilizations and wholly capable of assuming their responsibilities. Finally, Shen Daren hoped that the broad masses of women in this province would display the spirit of the foolish old man who moved mountains; strive to raise their own educational, scientific, and technological level; foster the ideals of fighting for revitalizing the Chinese nation; work hard at their posts with self respect and courage; give full play to their wisdom and talents; and quickly become professional people and experts for the building of the four modernizations.

WAN SHAOFEN ADDRESSES FORUM ON OLD BASE AREA

OW090939 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 9 Mar 86

[Excerpts] The provincial Commission for Development of Old Revolutionary Base Areas held a plenary meeting in Nanchang on 4 and 5 March. Special advisers to the commission and responsible persons of departments concerned attended. Wan Shaofen, secretary of the provincial CPC Committee and chairman of the provincial Commission for Development of Old Revolutionary Base Areas, presided over the meeting.

The meeting heard and discussed a report by the provincial Office for Development of Old Revolutionary Base Areas on its work in Jiangxi's old revolutionary base area in 1985 and its suggestions for 1986. It discussed the overall plan on the rational distribution and the use of the development funds. It also decided to hold a provincial conference on the work of developing the old base areas in mid-March.

Xu Qin, Jiang Zhuping, (Liu Zhonghou), Fang Qian, and (Wu Yunsheng), vice chairmen of the commission, spoke at the meeting.

Comrade Wan Shaofen spoke before the meeting's close. She said: Last year, with the cordial concern of the central leading comrades, we seriously implemented the guidelines of the Eighth Jiangxi Provincial CPC Congress and pushed forward the work of developing the old base areas. This year we are going to further implement the guidelines and take a giant step forward in developing the old base area. Besides resolving food and clothing shortages in (Tekui) township, other specific targets should also be set to change the poverty conditions in key counties in the old base area. People in the base area should acquire a development mentality. I hope that some of these counties will catch up with the rest of the province.

WAN SHAOFEN ADDRESSES JIANGXI WOMEN'S DAY MEETING

OW090439 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 7 Mar 86

[Report by station reporters Hu Di and Luo Ya -- portions recorded]

[Excerpts] A grand meeting was held this morning in the Jiangxi Guesthouse by women from all circles of Jiangxi Province and Nanchang City and foreign women scholars staying in the province -- numbering 300 in total -- to mark the 76th anniversary of the 8 March International Working Women's Day. The meeting was presided over by (Yu Yumei), vice chairman of the provincial women's federation.

Among those present at today's celebratory meeting were Wan Shaofen, secretary of the provincial CPC Committee; Bai Dongcai, member of the Central Advisory Commission; Zhu Zhihong, secretary of the provincial Discipline Inspection Commission; Liu Bin, vice chairman of the Standing Committee of the provincial People's Congress; Lu Liang, vice chairman of the provincial CPPCC Committee; (Lei Qingshan), deputy director of the political department of the provincial military district; (Jiang Zhongting), deputy secretary of the Nanchang City CPC Committee; and Wei Xiuying, veteran Red Army fighter; as well as responsible comrades from the provincial departments concerned.

Comrade Wan Shaofen addressed the meeting. [begin recording] Comrades and sisters: On behalf of the provincial CPC Committee, I extend cordial regards and festive greetings to all comrades, sisters, and friends here and to our women comrades and sisters on all fronts and of all walks of life throughout the province. [applause] We are glad to see [recording fades, superimposed by announcer]. In her speech, Wan Shaofen expressed the hope that the broad masses of women and sisters in the province would work together with one mind and play, with vigor and vitality, their role of holding up half the sky in doing a quality and efficient job to fulfill the various tasks in our province for the first year of the Seventh 5-Year Plan. In particular, she said, women in old revolutionary base areas should carry forward the self-reliant spirit and the spirit of the foolish old man who removed the mountains to develop diversified operations and to strive hard in order to eradicate poverty, become better off, and change our backward state. She also hoped that the broad masses of women would enhance their sense of historical responsibility, join and promote the work of reform, discard the sense of inferiority, and, in the course of making reforms, be bold and adept at opening up new and broad opportunities to display their wisdom, strong points, and potential.

She urged them to strive to improve their political and ideological quality, educational level, and knowledge of science and technology; raise their consciousness of self-esteem, self-respect, self-dignity, and self-enhancement; resolutely safeguard the legitimate rights and interests of women and children; and make even greater contributions to bringing about a conspicuous improvement of party style and the standards of social conduct in our province this year. In addition, Comrade Wan Shaofen hoped that the broad masses of women and sisters throughout the province would deal properly with the questions of love, marriage, and family and act as models in promoting socialist spiritual civilizations.

In conclusion, Comrade Wan Shaofen said: [begin recording] Women in Jiangxi, especially those in the old revolutionary base areas, are noted for their spirit of hard struggle and dedication. In the years of the revolutionary war, they made great sacrifices and significant contributions. We women of Jiangxi in the 1980's should inherit and carry forward this glorious tradition, work hard, explore new ways to advance, and make fresh and even greater contributions to winning new victories in 1986 and to the all-round fulfillment of our province's Seventh 5-Year Plan. [applause] [end recording]

SHANGHAI PARTY CONGRESS SECRETARY GENERAL NAMED

OW101343 Shanghai WEN HUI BAO in Chinese 4 Mar 86 p 1

[Text] Name of the secretary general of the fifth Shanghai municipal party congress. (Approved by the plenary preparatory meeting of the Fifth Shanghai Municipal Party Congress on 3 Mar 1986).

Zeng Qinghong.

NAMELIST OF SHANGHAI PARTY CONGRESS PRESIDIUM

OW101341 Shanghai WEN HUI BAO in Chinese 4 Mar 86 p 1

[Text] Namelist of the Presidium of the fifth Shanghai municipal party congress. (Approved by the plenary preparatory meeting of the Fifth Shanghai Municipal Party Congress on 3 March 1986).

(Seventy persons in all, listed in the order of the number of strokes in their surnames.)

Wang Tao, Wang Jian, Wang Yaoshan [3769 1031 1472], Wang Zhizhong, Mao Jingquan, Ping Changxi [1627 2490 0823], Long Yue, Shi Zhusan, Ye Gongqi, Ye Jinming, Xing Zhikang (female), Zhu Erpei, Zhu Zongbao [2612 1350 5508], Liu Zhenyuan, Jiang Rong [3068 2837], Jian Zemin, Xu Wensi, Sun Guizhang [1327 6311 3864], Rui Xingwen, Yang Jiadong [0917 1367 2767], Yang Kai, Yang Di, Yang Shifa, Yang Xinpei, Yang Guangchi [2779 0342 3069], Yang Huaiyuan [2799 2037 6678], Yang Xuanwu, Li Gancheng, Li Guohao, Li Peinan, Li Zhaoji, Wu Bangguo, Di Jingxiang, Zou Shichang [6760 0013 2490], Wang Daohan, Song Richang, Zhang Qi [1728 4388], Zhang Chengzong, Zhang Dinghong, Zhang Ruifang (female), Chen Yi, Chen Zhili (female), Chen Guodong, Chen Tiedi (female), Luo Shiqian [5012 0013 6197], Zhou Bi, Zhao Xingzhi, Zhao Qizheng, Zhao Dingyu [6392 1353 3768], Zhao Hengcan [6392 1854 3503], Hu Lijiao, Ha Baoxin, Zhong Min, Shi Ping, Gu Deng [7357 3597], Gu Yuliang [7357 3768 5328], Gu Chuanxun [7357 0278 6064], Qian Zuezhong, Ni Tianzeng, Huang Ju, Huang Yuejin, Huang Furong, Hui Xiquan (female) [1920 3556 5425], Jiang Zhenzhen (female) [5592 3791 3791], Shu Wen, Zeng Qinghong, Jing Renqiu, Pei Xianbai, Pan Qichang, and Pan Weiming.

RUI XINGWEN ADDRESSES SHANGHAI WOMEN'S FORUM

OW081031 Shanghai City Service in Mandarin 0100 GMT 8 Mar 86

[Excerpt] Some 1,600 women representatives from all walks of life in Shanghai ceremoniously got together yesterday to celebrate the working women's red-letter day. Comrade Rui Xingwen addressed the gathering. He pointed out that women of the new society should play their due role in transforming and revitalizing Shanghai.

On behalf of the Shanghai Municipal CPC Committee, Wu Bangguo extended warm greetings to Shanghai's vast numbers of women, who have made major contributions in all spheres during the period of the Sixth 5-Year Plan. He urged women in Shanghai to work hard to fulfill the tasks put forward by the Fifth Shanghai Municipal CPC Congress and to become heroines of the 1980's.

Xing Zhikang, chairman of the municipal women's federation, asked women in Shanghai to foster lofty ideals, act with self-respect and poise, constantly improve themselves, and try hard to raid their ideological, political, scientific, and educational standards in order to meet Shanghai's needs in its modernization drive.

ZHEJIANG'S WANG FANG ON PROTECTING WOMEN'S RIGHTS

OW091250 Hangzhou Zhejiang Provincial Service in Mandarin 1000 GMT 8 Mar 86

[Secretary of the Zhejiang Provincial CPC Committee Wang Fang's 8 March radio and television speech: "Extensively Publicize and Seriously Implement Zhejiang Province's 'Regulations on Protecting the Legitimate Rights and Interests of Women and Children'" -- recorded]

[Excerpts] Comrades, today is International Working Women's Day. First let me extend on behalf of the Zhejiang Provincial CPC Committee and the provincial government, holiday greetings and cordial concern to women comrades who made positive contributions to the structural reform and socialist modernization on all fronts in our province.

On the eve of Women's Day, the 18th Session of the 6th Zhejiang Provincial People's Congress Standing Committee approved Zhejiang Province's "Regulations on Protecting the Legitimate Rights and Interests of Women and Children." This was a major event in the social life of all people, especially women, in our province. Extensively publicizing and seriously implementing the regualtions should become a major part of the activities celebrating this year's Women's Day.
Cadres at all levels, particularly leading cadres, must serve as models in observing state laws and take the lead in acting in strict accordance with the law. We must not shut our eyes to actions that infringe on the legitimate rights of women and children, regarding them as trivial family matters. I am confident that if all of society acts together to seriously implement the regulations, the legitimate rights and interests of women and children can truly be protected.

GUANGDONG DISCIPLINE COMMISSION COMMENTS ON BRIBERY CASE

HK100602 Guangzhou YANGCHENG WANBAO in Chinese 5 Mar 86 p 1

[Report: "Punish Without Mercy Those Who 'Seek Personal Gain by Means of Loans' -- Provincial Discipline Inspection Commission Comments on Bribery Case Involving Responsible Persons of Changjiang County Agricultural Bank"]

[Text] In the illegal vehicle reselling incident on Hainan Island, in the name of paying service and introduction fees, commissions, percentage of profits, and so on, Chen Baoren, a peasant in Baoping District of Changjiang County in Hainan Island, wantonly offered bribes to corrupt and buy over director Wu Fagui and deputy director Wu Guangde of Changjiang County Agricultural Bank and some other individual leaders of the credit cooperative and office in Baoping District. He succeeded in acquiring a large loan of over 21.4 million. He used the money to speculate in buying and reselling $2.4 million and 124 imported vehicles for a huge profit of over 330,000 yuan. This incurred a loss of as much as 1.36 million yuan to the National Bank and units concerned. During the process, he spent over 200,000 yuan offering bribes. This case has been investigated, tried and concluded by the People's Procuratorate in Chiangjiang County. Criminals like Chen Baoren, Wu Fagui, Wu Guangde, and so on, have been arrested according to law, and a total of over 160,000 yuan of illicit money has been recovered.

On 2 March the Guangdong Provincial CPC Commission for Discipline Inspection commented on this bribery case involving responsible persons of Changjiang County Agricultural Bank who abused their powers and "sought personal gain by means of loans." The full text of the comment is as follows: After accepting gifts and bribes offered by a speculator, the two responsible persons of Changjiang County Agricultural Bank abused their powers and broke the law by granting a large loan of over 20 million yuan to this speculator for him to engage in the illegal buying and reselling of foreign exchange and vehicles for profit. Such grave, unlawful practices as "seeking personal gain by means of loans," accepting bribes, and abusing powers is really astonishing and calls for deep thought!

The majority of the vast numbers of party members and cadres in our province's banking system are good and relatively good. However, there are still a few good persons in local cooperatives, bank offices and county (city) agricultural banks who: Gravely run counter to the state's credit orientation and policies; give up their duty of control and supervision; seek personal gain by abusing their powers in illegally accepting so-called "bonuses," "remunerations" and material objects offered by units applying for loans, and support or even directly participate in "briefcase" companies' speculation and profiteering activities. Regarding these types of grave unhealthy tendencies and unlawful practices, the banking system's CPC committees and discipline inspection commissions must seriously investigate and handle these cases whenever they are brought to light. They should not turn big problems into small problems and make small problems into no problems at all. Nor should they foster evil prospensities by being over lenient. We should investigate and affix the responsibility of leaders for cases of dereliction of duty and serious bureaucratic work style, and punish without mercy, those people who seek personal gain by means of loans, violate the law and discipline, and incur serious losses to the state.

Banking is a hub of currency and fund circulations, linking the national economy and playing the important role of a level in national economic management. The vast numbers of party members, cadres, and workers and staff of the banking system of the whole province, must earnestly draw lessons from this case; conscientiously take a correct attitude toward busines practice; be devoted to their duties; handle business affairs strictly in accordance with state regulations; effectively strengthen supervision work; and resolutely wage struggle against law and discipline offenses, so as to play their active role in the four modernizations drive.

GUANGDONG MEETING ON IMPROVING PARTY WORK STYLE

HK090656 Guangzhou Guangdong Provincial Service in Mandarin 1000 GMT 5 Mar 86

[Text] This morning in Guangzhou, the provincial CPC Committee convened a work meeting on discipline inspection. The meeting was presided over by Lin Ruo, secretary of the provincial CPC Committee; and Wang Ning, deputy secretary of the provincial CPC Committee. (Wang Dongcun), Standing Committee member and Discipline Inspection at the meeting the spirit of the seventh plenum of the Central Discipline Inspection Commission. On behalf of the provincial Discipline Inspection Commission, Luo Jinchen, deputy secretary of the provincial Discipline Inspection Commission, delivered a report on last year's discipline inspection work in the province and on this year's main tasks for the work.

This meeting is a key one convened for the sake of promoting a fundamental turn for better in the province's party work style. The meeting will sum up and exchange the experiences of conducting education on party work style by studying the important instructions of the central authorities and central leaders on correcting party work style. It will also find facts in terms of reality, and formulate effective measures for this year's work of correcting the party work style, so as to promote and encourage the whole party in tackling the matter and make contributions toward achieving within 2 years a fundamental turn for better in the province's party work style.

Today's session was attended by over 600 people, including responsible people of the provincial CPC Committee, the provincial Advisory Commission, the provincial People's Congress Standing Committee, the provincial government and the provincial CPPCC; secretaries of various city and prefectural CPC committees; secretaries of various city, district and county discipline inspection committees; and responsible people of provincial organs.

HAINAN MEETINGS STUDY CENTRAL LEADERS' INSTRUCTIONS

HK090352 Guangzhou Guangdong Provincial Service in Mandarin 1000 GMT 8 Mar 86

[Excerpt] The Hainan Regional CPC Committee and government recently held a meeting of the regional CPC Committee Standing Committee, an enlarged meeting of responsible persons persons of the regional government, and a meeting of leaders of regional organs, to seriously study the series of important instructions delivered by Premier Zhao Ziyang and other leading central comrades during their Spring Festival inspection of Hainan. They resolved to create a new situation in developing the building Hainan.

The participants all held: The extremely important instructions delivered by Premier Zhao and other leading central comrades during their 10-day inspection of Hainan have helped Hainan to further sum up experiences and lessons in implementing the guidelines for building the island and in the automobile incident. This shows the great concern and support of the CPC Central Committee and State Council for development and construction in Hainan.

Regional CPC Committee Secretary Yao Wenwu said: The evaluation of Hainan's achievements in the past 3 years reached by Premier Zhao and other leading central comrades just shows the correctness of the CPC Central Committee's principles and policies for building up Hainan, and encourages us to continue to advance in the correct orientation. It is not an evaluation of the Hainan leadership, nor does it say that we have not made mistakes or that our mistakes were not great. Hence, the leading comrades at all levels must be all the more prudent and cautious and be all the stricter in acting in accordance with the party's policies.

HENAN: YANG XIZONG CALLS FOR POPULARIZING TECHNOLOGY

HK070838 Zhengzhou Henan Provincial Service in Mandarin 2300 GMT 3 Mar 86

[Excerpts] At a recent meeting, after listening to the work report of the provincial scientific and technological committee, the principal leading comrades of the provincial CPC Committee and the provincial government, including Yang Xizong and He Zhukang, pointed out: The present focal point of our scientific and technological work is to do well in applying and popularizing technological achievements by focusing on economic construction.

He Zhukang, deputy secretary of the provincial CPC Committee and governor, said: We must concentrate our major efforts on applying and popularizing advanced technological achievements. This is a shortcut for invigorating the economy. It requires a small investment but can bring about great profits. This suits the local situation of Henan. Once we have done this, we can strive to minimize the developmental gap between the province and advanced provinces and regions.

On the scientific and technological market, Yang Xizong, secretary of the provincial CPC Committee, pointed out: To run a scientific and technological market is one of the important aspects of reforms of the scientific and technological structures. We must continue support its development and further consolidate, assimilate, augment, and perfect it. We must draw distinctions between practices of running a scientific and technological market and offering compensated services, and the practice of party and government organs and cadres running businesses.

Both Yang Xizong and He Zhukang urged all localities to actively do well in establishing extensive scientific and technological links and in forming economic combines engaged in scientific research, education, production, and operations, so as to closely combine the importation, assimilation, development, and innovation of technology. Then we will be able to promptly make scientific and technological achievements and advanced technology turn into productive forces.

HUBEI LEADER URGES DISCIPLINE INSPECTION COMMITTEE MEETING

HK090832 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 6 Mar 86

[Excerpts] The enlarged third plenum of the provincial Discipline Inspection Commission, which was held for 4 days, concluded today in Wuchang. The main aim of the plenum was to convey and act in the spirit of the seventh plenary session of the Central Discipline Inspection Commission; to study the issues of checking unhealthy tendencies, handling cases and correcting party work style; and to work out plans for this year's work of correcting party work style.

During the meeting, Guan Guangfu, secretary of the provincial CPC Committee, attended and held a forum with some of the participants. He listened to their opinions on the work of correcting party work style.

Zhao Fulin, deputy secretary of the provincial CPC Committee and secretary of the provincial Discipline Inspection Commission, made a speech at the plenum. Ding Fengying, Standing Committee member of the provincial CPC Committee and deputy secretary of the provincial Discipline Inspection Commission, gave a work report.

The plenum held: Last year, the province's CPC and discipline inspection committees at various levels seriously acted in the spirit of several central instructions on correcting new unhealthy tendencies. By checking the unhealthy tendencies and handling the cases in connection with reality, they did a lot toward educating party members and cadres on party spirit, party work style and party discipline. After the efforts of various sectors, we have basically checked some new unhealthy tendencies, have brought some under control and have made some people restrain themselves. The main stream of party work style is good. However, there is still a wide gap between our present situation and the requirement of achieving a fundamental turn for the better in party work style. Therefore, the plenum proposed:

First, CPC committees at various levels must adopt effective measures to seriously check several prominent unhealthy tendencies.

Second, we must seriously grasp well education on party spirit, and improve the quality of party members. We must launch widespread education among the party members of resisting liberalism, bureaucratism, individualism and departmental selfishness. We must conduct in-depth education of party spirit, which focuses on ideals and discipline.

Third, we must seriously consolidate discipline. During this year all localities, departments, sectors and units must examine and consolidate their situation in terms of discipline.

The plenum stressed: Leading cadres must take the lead in correcting party work style and checking unhealthy tendencies. In the work, every leading cadre must set examples for the lower level by carrying out practical work. We must further implement the responsibility system in correcting party work style, so as to really promote a situation in which the whole party grasps work style. Whenever a department at a certain level cannot correct serious, unhealthy tendencies, the leadership of that department at that level should be regarded as incompetent and malfeasant, and must be held accountable.

HUNAN LEADERS MEET MEMBERS OF ADVANCED EXAMPLE GROUP

HK081142 Changsha Hunan Provincial Service in Mandarin 1100 GMT 6 Mar 86

[Text] This morning, leading comrades of the provincial CPC Committee cordially met all members of the provincial advanced examples report group, praising them for making remarkable contributions in building the two civilizations and encouraging them to act as glorious messengers in propagating spiritual civilization.

At 0830, Mao Zhiyong, Xiong Qingquan, Liu Zheng, Liu Fusheng, Xia Zhanzhong, and Shen Ruiting went to the conference room of the No 9 guesthouse of the provincial CPC Committee, when they cordially shook hands with members of the report group.

The comrade in charge of the organizational work of the group gave a briefing to the leading comrades of the provincial CPC Committee on every member. After the meeting, the leading comrades and all members of the group had a group photo taken to mark the occasion.

With the encouragement of the leading comrades of the provincial CPC Committee, the group was divided into three sub-groups this afternoon and went to all prefectures and cities to give reports.

HEILONGJIANG SECRETARY ATTENDS MEETING ON PARTY STYLE

SK111509 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 10 Mar 86

[Text] The Heilongjiang Provincial CPC Committee held a conference on the work of correcting party style in Harbin's Beifang Building on the morning of 10 March. Liu Chengguo, deputy secretary of the provincial CPC Committee, presided over the conference. Present at the conference were Sun Weiben, secretary of the provincial CPC Committee; Zhang Lin, vice chairman of the provincial Advisory Commission; and Wang Fei, secretary of the provincial Discipline Inspection Commission.

This conference was of great significance for correcting our province's party style and realizing a fundamental turn for the better in party style. The provincial CPC Committee has attached importance to the conference. The provincial CPC Committee had convened two Standing Committee meetings to discuss the issue concerning correcting party style before this conference. The provincial CPC Committee defined this conference as one to mobilize the entire party to work for the realization of a fundamental turn for the better in party style.

Xie Yong, deputy secretary of the provincial Discipline Inspection Commission, relayed the guidelines of the important speeches and the written instructions concerning correcting party style made by the central leading comrades and the guidelines of the seventh session of the Central Discipline Inspection Commission.

HEILONGJIANG'S SUN WEIBEN SPEAKS AT MEETING OF CADRES

SK080507 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 7 Mar 86

[Text] This morning the provincial CPC Committee held a meeting of leading cadres of the organs directly under the province, urging the organs to achieve a fundamental turn for the better in party style by the end of the year. Sun Weiben, secretary of the provincial CPC Committee, spoke at the meeting. He said: In order to fundamentally improve the party style of the provincial organs within this year, leading persons at all levels should have their responsibilities clearly defined, attend to the two civilizations simultaneously, and achieve good results in both of them. They should have a strong sense of responsibility when attending to the improvement of party style, and use and assign the people who have both political integrity and ability. Being revolutionary is still a major political integrity of cadres.

Sun Weiben stressed that leading cadres at all levels should set and example, and take the lead in improving party style and social conduct.

Zhou Wenhua, deputy secretary of the provincial CPC Committee, spoke on the basic evaluation of the previous work of rectifying party style carried out by provincial organs, and as arrangements for future work. He said: The provincial organs achieved a good beginning in rectifying party style in the previous period. In the next period, the general requirement is to carry out the work through to the end in a steady and solid manner. He said: Leading persons should have firm determination. Through discussions, the Standing Committee of the provincial CPC Committee explicitly demanded that provincial organs, after 1 year of ceaseless efforts, fundamentally improve their party style within this year. Once they are determined, they should match their deeds with their words. Otherwise, they will lose the trust of the masses and affect the improvement of the party style of the CPC committees and all levels throughout the province, and also the progress of reform and construction.

Zhou Wenhua said: There should be strict criteria for rectifying party style, and simultaneous rectification and correction of mistakes should be carried out conscientiously. Departments directly under the province should formulate measures to ensure the fundamental improvement of party style within the year.

Top and second leaders of all departments should personally pay attention to party style, and every level should shoulder its responsibility. Otherwise, they will be considered being negligent of their duties. They should step up investigations and handling of major and appalling cases and, at the same time, strengthen education on party spirit, and consolidate discipline strictly.

Wang Fei, secretary of the provincial Discipline Inspection Commission, relayed to the leading cadres of the provincial organs the guidelines of the seventh plenary session of the Central Discipline Inspection Commission.

HEILONGJIANG'S SUN WEIBEN SPEAKS AT RALLY FOR WOMEN

SK080630 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 7 Mar 86

[Text] This afternoon in Harbin the provincial Women's Federation held a ceremonious commendatory rally to mark the 8 March International Laboring Women's Day. (Hao Diyu), (Ma Jiru), and 28 other persons were conferred the title of advanced woman in building the socialist spiritual civilization. The Women's Federation of (Zhiyi) Town of Mishan County, and other four units won the honorary title of advanced unit in building the socialist spiritual civilization.

The rally was presided over by Liang Weiling, chairman of the provincial Women's Federation. Attending the rally were leading comrades of the provincial CPC Committee, Advisory Commission, People's Congress Standing Committee, government, CPPCC Committee, Discipline Inspection Commission and military district, and leading comrades of the PLA units stationed in the province, including Sun Weiben, Chen Yunlin, Liu Chengguo, Li He, Zhang Xiangling, Wang Zhao, Wang Fei, Lu Guang, Wang Jun, Wang Lianzheng, (Wang Hongbo), and (Zhang Zhenying), and retired cadres of the province, including Zhao Dezun. Also present were representatives of various relevant provincial units, and women representatives of various nationalities from various circles, totaling more than 200.

Provincial leading comrades presented awards to the commended 30 advanced women and 5 advanced units.

Sun Weiben, secretary of the provincial CPC Committee, spoke at the rally. On behalf of the provincial CPC Committee and government, he extended festive greetings to the 30 comrades who won the title of advanced woman in building the socialist spiritual civilization and to the masses of women throughout the province. He urged party organizations at all levels to place women's work high on their agenda and conscientiously help women resolve difficulties. He said: All quarters of society should show concern for women, earnestly implement the various stipulations of the Constitution concerning equality between men and women, and punish according to law all criminal deeds that discriminate against, devastate, and persecute women. The masses of women should respect and love themselves, conduct themselves with dignity, make improvements, diligently study general, scientific and technical, and professional knowledge, and strive to score first rate achievements in their own work.

Comrade Sun Weiben particularly urged the nearly 230,000 women party members throughout the province to build up their party spirit more intensively, set strict demands on themselves, set an example for women with their actual deeds, and act exemplarily in rectifying party style.

JILIN PROVINCIAL PEOPLE'S CONGRESS SESSION OPENS

SK101040 Changchun Jilin Provincial Service in Mandarin 1030 GMT 9 Mar 86

[Excerpts] The fourth session of the Sixth Jilin Provincial People's Congress ceremoniously opened at the auditorium of the provincial guesthouse in Changchun this morning.

Soon after 0800, beaming with satisfaction and shouldering the heavy trust of the 23 million of people of the province, the 518 deputies of various nationalities from various localities, fronts, and circles came successively to the auditorium of the provincial guesthouse. The entire assembly hall was permeated with a warm atmosphere of unity, reform, and struggling for improvements.

The executive chairmen of today's session were the executive members of the congress presidium. Their names were given in the order of the number of strokes in the surmanes: Wang Jiren, Wang Xianjin, Renqinzhamusu, Cheng Shengsan, Liu Cikai, Zhu Jinghang, Wu Duo, Yu Ruihuang, Zhao Xiu, Gao Di, Xu Yuancun, Cui Lin, Dong Su, and Huo Mingguang. Members of the congress presidium sat on the rostrum. Also sitting on the rostrum were leading comrades of the provincial CPC Committee, the provincial Advisory Commission, the provincial government, the provincial CPPCC Committee, and the provincial Discipline Inspection Commission, including Wang Zhongyu, Wang Daren, Liu Jingzhi, Zhang Shiying, Liu Yunzhao, (Du Qingyun), (Li Zemin), Gao Wen, Liu Shulin, Zhang Fengqi, Zhang Dexin, Guan Mengjue, He Yunqing, Geng Yuelun, Luo Yuejia, Xin Cheng, Jin Minghan, and Cai Qiyun. Song Jiehan, member of the Central Discipline Inspection Commission; Li Diping, Yu Lin, Yu Ke, Zhang Kaijing, Mu Lin, Zhao Tianye, Yang Zhantao, Che Minqiao, and Cui Cai, retired veteran cadres of the province; Wang Hongmo, president of the provincial Higher People's Court; and members of provincial CPPCC Committee . , the fourth session of the fifth provincial CPPCC Committee attended today's session as observers.

At 0830 Zhao Xiu, executive chairman of the congress session, declared the opening of the fourth session of the sixth provincial people's congress.

Governor Gao Dezhan delivered a government work report on behalf of the provincial people's government. His report was composed of two parts: 1) on the work of 1986; and 2) on 1986's tasks.

In the first part of his report, Governor Gao Dezhan pointed out: Last year we reaped a fairly good harvest despite the serious disasters of floods and waterlogging. Industrial production developed in a sustained, stable, and coordinated manner and economic results further improved. The output value, taxes, profits, and financial revenue grew simultaneously. Under the guidance of state macroeconomic control, we fulfilled the capital construction plan in a fairly good manner. Educational undertakings received better attention and various social undertakings continued to unceasingly develop in the course of reform. We also made new progress in cultural, artistic, broadcasting, film, television, press, publication, sports, public health, and family planning work. We made new strides forward in scientific and technological reform, rendering better services to economic construction. The financial situation further improved and credit funds were brought under further control. Domestic and foreign trade greatly developed, and the urban and rural markets were brisk and prosperous. Along with the development in production, the livelihood of the people further improved. We strengthened political and legal work and further improved social public security. While grasping material civilization, we also strengthened spiritual civilization. Preparations for the implementation of the Seventh 5-Year Plan were made.

After that, Governor Gao Dezhan pointed out: There are still many difficulties facing us and there are many problems which we must not ignore in our work. Our province's favorable conditions in scientific research have not yet been fully displayed and our agricultural sector's ability to resist natural disasters is fairly weak. All trades and professions are backward in management and the phenomenon of neglecting ideological and political work still generally exists. Under the leadership of the party, we should strengthen our confidence in overcoming difficulties and solving problems in order to achieve new successes and to create a new situation.

In the second part of Governor Gao Dezhan's report, he explicitly pointed out: This year, the nine specific tasks facing the people of various nationalities throughout the province are: 1) Agricultural production should be restored to the level before the disasters and the rural commodity economy should be comprehensively developed; 2) in industry, we should further raise economic results, maintain a proper growth rate, make improvements in raising economic results, create foreign exchange through exports, and in operation and management; 3) in capital construction, we should continue to control the scope of investment in fixed assets and strengthen the construction of key projects; 4) we should strive to develop educational, scientific, technological, and cultural undertakings as well as some other social undertakings; 5) in financial and banking work, we should further strengthen and improve macroeconomic control in order to ensure and promote economic development; 6) we should invigorate the circulation channels, stabilize markets, and expand domestic and foreign trade; 7) we should persist in grasping production and the people's livelihood simultaneously and strive to improve the people's livelihood; 8) we should realistically strengthen political, legal and civil administration work, safeguard social order, and guarantee social stability; and 9) all fronts and all trades, professions and departments should actively pioneer the road of advance and make improvements, work in a down-to-earth manner, and score new achievements.

Attending today's session as observers were the principal responsible comrades of the provincial People's Procuratorate, and the various commissions, offices, departments and bureaus of the provincial government, responsible comrades of some city, autonomous prefectural, county, and district people's congress standing committees, and responsible persons of the Baicheng office.

The fourth session of the Sixth Jilin Provincial People's Congress continued its plenary meeting in the afternoon. The meeting was presided over by Liu Cikai. At the meeting, Li Decheng, chairman of the provincial Planning and Economic Commission, delivered a report on Jilin Province's 1986 economic and social development draft plan. His report was composed of two parts: 1) on the implementation of the plan in 1985; and 2) on the planned tasks and major targets for 1986.

(Ying Jieping), director of the provincial Financial Department, delivered a report on Jilin Province's 1985 final accounts and on 1986 draft budget. His report was composed of three parts: 1) on the 1985 final accounts; 2) on the 1986 draft budget; and 3) on ways to struggle for successively fulfilling the 1986 budget.

The executive chairman of the meeting were Huo Mingguang, Liu Cikai, Wu Duo, Cui Lin, Wang Jiren, Yu Ruihuang, Xu Yuancun, (Wang Li), (Tao Longhao), and (Liu Cunren).

Members of the provincial CPPCC Committee to the fourth session of the Fifth Jilin Provincial CPPCC committee attended the meeting as observers.

Namelist of Personnel Changes

SK070757 Changchun JILIN RIBAO in Chinese 22 Feb 86 p 1

[Namelist of personnel appointments and removals adopted at the 17th Standing Committee meeting of the 6th Jilin Provincial People's Congress -- date not given]

[Text] Xu Yuancun was appointed (concurrent) secretary general of the Jilin Provincial People's Congress Standing Committee; and Wang Yunkun [3769 0061 0981], as director of the Jilin Provincial Engineering and Electronics Industrial Department.

Di Gong was dismissed from the posts of secretary general of the provincial People's Congress Standing Committee and head of the General Office of the provincial People's Congress Standing Committee. Wang Jiatong was dismissed from the post of director of the Jilin Provincial Engineering and Electronics Industrial Department.

JILIN SECRETARY SPEAKS AT GREENING COMMITTEE MEETING

SK070620 Changchun Jilin Provincial Service in Mandarin 2200 GMT 5 Mar 86

[Excerpts] The provincial Greening Committee held the sixth plenary session in Changchun on the afternoon of 5 March.

The session stressed: The key to achieving the afforestation work is to establish and perfect the economic responsibility system on the premise of relying on both policies and science. We must focus this year's afforestation work on cities. Simultaneously, the rural areas should put stress on planting trees around villages and houses along streets and rivers.

Comrade Hui Liangyu, Standing Committee member of the provincial CPC Committee, presided over the session. In his speech to the session, Comrade Gao Di, secretary of the provincial CPC Committee, expounded the great significance of the work of making the country green, the province's current afforestation situation, and the existing problems concerning afforestation.

He stressed: We must rely on first policies and second science, and work out the economic responsibility system by taking into consideration the interests of the state, the collectives, and the individuals in order to achieve the afforestation work. All barren mountainous areas and wastelands should be afforested on a responsibility basis within a specific time. We should focus this year's afforestation work on the cities. Simultaneously, the rural areas should put stress on planting trees around villages and houses and along streets and rivers. Further efforts should be made to enhance the work of designating privately owned hilly areas and the hilly areas contracted for development, and entrusting the mountainous areas to somebody for management. We should try our best to plant more trees.

This year we should organize forces to expand the scale of afforestation and to carry out the afforestation work in a down-to-earth manner with a view to scoring notable achievements in it. The CPC committees at all levels should strengthen their leadership over afforestation work. The governments, the propaganda departments, trade unions, youth federations, and women's federations should closely work together to organize forces to disseminate the afforestation work and to mobilize the people on all fronts to engage in the work. We should oppose formalist practices and integrate the work of making the country green with the five-stress and four-beauty campaign and the work of everybody taking the responsibility for improving environmental sanitation, planting trees, and safeguarding public security so as to promote the realization of a fundamental turn for the better in social order.

Comrade Gao Wen, vice governor of the provincial government, made a speech.

FOURTH SESSION OF FIFTH JILIN PROVINCIAL CPPCC COMMITTEE OPENS

SK091214 Changchun Jilin Provincial Service in Mandarin 1030 GMT 7 Mar 86

[Excerpts] The Fourth Session of the Fifth Jilin Provincial CPPCC Committee opened in the auditorium of the provincial CPPCC Committee in Changchun this morning.

A total of 351 members of the provincial CPPCC Committee from all over the province gathered in high spirits in the newly decorated assembly hall. Among them are responsible persons and members of the various democratic parties, persons from the cultural, scientific and technological, and educational circles, people of minority nationalities, personages from religiou circles, Taiwan compatriots, family members of Taiwan compatriots, returned Overseas Chinese, family members of Overseas Chinese, and persons without party affiliation who have made outstanding contributions to the four modernizations. Members of the National CPCC Committee who are staying in Changchun, responsible comrades of various city, autonomous prefectural, county and district CPPCC committees, and responsible comrades of various prefectural united front work departments attended as observers. Bringing with them the desire for building and revitalizing Jilin harbored by the people of various circles throughout the province, they gathered here and decided to turn this session into one for making explorations and working together.

Attending the opening ceremony were Liu Jingzhi, chairman, and Zhang Fengqi, Zhang Dexin, Guan Mangjue, Geng Yuelun, Luo Yuejia, Xin Cheng, Jin Minghan, and Cai Qiyun, vice chairmen of the provincial CPPCC Committee; Wang Xianjin and Wang Zhongyu, deputy secretaries of the provincial CPC Committee; Wang Daren, chairman of the provincial Advisory Commission; Zhao Xiu, chairman of the provincial People's Congress Standing Committee; Gao Dezhan, provincial governor; and (Li Deming), secretary of the provincial Discipline Inspection Commission; attended to warmly extend congratulations on the opening of the session. Also present at the opening ceremony were (Feng Ximing), director of the United Front Work Department of the provincial CPC Committee and Che Minqiao and other retired comrades.

Liu Jingzhi, chairman of the provincial CPPCC Committee, presided over the opening ceremony.

[Begin recording] [Liu Jingzhi] Vice Chairman Zhang Fengqi will now give us a report on the work of the Standing Committee of the Fifth Jilin Provincial CPPCC Committee. [end recording]

In his report, Zhang Fengqi spoke highly of the great achievements our country has scored in building socialism with Chinese characteristics and fully affirmed the remarkable results our province has achieved since last year in various fields of reforms and in the antiflood and rescue work. He also reviewed the major work performed by the provincial CPPCC Committee the past year.

Jin Minghan, vice chairman of the provincial CPPCC Committee and chairman of the Motions Work Committee, delivered a report on the situation in handling motions since the Third Session of the Fifth Provincial CPPCC Committee. Xin Cheng, vice chairman of the provincial CPPCC Committee, relayed the guidelines of the just concluded national forum on local CPPCC work.

PREMIER COMMENTS ON ADB MEMBERSHIP, SHAREHOLDING

OW120253 Taipei CNA in English 0240 GMT 12 Mar 86

[Text] Taipei, March 11 (CNA) -- The Republic of China subscribed to its shares in the Asian Development Bank [ADB] in accordance with the population in the regions where the government was in full control when it was admitted to the Manila-based regional bank, Premier Yu Kuo-hwa said Tuesday. In response to an intepellation by Legislator Chiang Peng-chien concerning the ROC membership in ADB, the premier said the way the ROC has been calculating its donation to ADB does not necessarily mean that the nation has given up the China mainland which is now occupied by the Chinese Communists. However, the Government also explained to ADB that the nation would revise its subscriptions once the mainland was recovered, indicating clearly that the ROC does not give up the mainland area, he emphasized.

'ABSOLUTELY NO MILITARY INTERFERENCE' IN POLITICS

OW120315 Taipei CNA in English 0254 GMT 12 Mar 86

[Text] Taipei, March 11 (CNA) -- Premier Yu Kuo-hwa solemnly pointed out Tuesday that in the Republic of China there is absolutely no military interference with politics. Such a scenario is also impossible, he added. The nation's armed forces have defended the sovereignty and freedom of this country. They have perfect discipline, high morale and are well-organized, Yu said, replying to an interpellation by legislators Cheng Yu-cheng and Chang Chun-hsiung Tuesday. Over past decades, the dedicated military forces have not only safeguarded national security but also secured the success in the implementation of the democratic constitutional policy in the country, the premier pointed out. Their great contributions have been generally recognized, he added.

He stressed the nation's armed forces have moved in full accordance with the provisions of the Constitution. They have no limitation in personal, regional and factional relations and are absolutely loyal to the nation and benevolent to the citizenry. The Constitution also provides that no factions or individuals are allowed to use the military as a political tool, he said. The military's personnel and financial affairs as well as their educational and training programs, assignments and discharge affairs have also been managed according to the law. Their systematization has made it impossible for the armed forces to operate on the personal orders of a lone individual, Premier Yu said.

NO 'CRISIS OF STRONG-MAN POLITICS' SEEN

OW120259 Taipei CNA in English 0235 GMT 12 Mar 86

[Text] Taipei, March 11 (CNA) -- Premier Yu Kuo-hwa said Tuesday that the Republic of China is a nation of constitutional rule, and therefore, the so-called "crisis of strong-man politics" or the "succession issue" does not exist in this nation. In response to a joint interpellation by six non-partisan legislators led by Cheng Yu-cheng at the Legislative Yuan, Yu stressed that the people in this nation are very grateful for what the late President Chiang Kai-shek and President Chiang Ching-kuo have done for the nation. He said the ROC has never been troubled by the "succession issue" because all ROC presidents have been elected according to the stipulations of the Constitution.

Yu said that President Chiang has stated very clearly that the next ROC president will not be and cannot be a member of his family. "This is sufficient evidence that the so-called "strong-man politics" does not exist in this nation," he said.

He reiterated the government's determination to carry through constitutional rule, saying that although the nation is still in a struggle against the Peiping regime, the government has never slowed down its pace in implementing democratic politics. Any proposal to revise the Constitution must be brought up according to the procedures enunciated in the Constitution, he said. Yu indicated that the temporary provisions effective during the period of communist rebellion is a law worked out by the government according to the Constitution with the aim of safeguarding the constitutional rule and the stability and prosperity on the bastion of national recovery on Taiwan during an extraordinary period.

CHINA POST EDITORIAL ON HONG KONG AFTER 1997

OW111104 Taipei CHINA POST in English 7 Mar 86 p 4

[Editorial: "Hong Kong 1997"]

[Text] The two way trade between Taiwan and Hong Kong last year hit US$2,858 million, an increase of US$400 million from 1984. This trade volume made Hong Kong the third largest trading partner of the Republic of China, next only to the U.S. and Japan. In addition to trade, the ROC maintains close cultural, artistic, athletic and financial relations with the "Pearl in the East." That is one of the reasons why the ROC government and people are concerned about the impact of mainland China's plans to annex the port city in 1997.

Though with 11 years to go, the crucial status of Hong Kong as a reexport center between mainland China and the ROC justified the call to guard against Peking's "one country, two systems" tactics. The inconsistent Communist plan, as some political analysts have said, will not work in Hong Kong, much less in Taiwan.

Though close neighbors separated only by a narrow strip of water, Taiwan and Hong Kong have entirely different historical backgrounds. Since Japan withdrew from Taiwan in 1945 at the end of World War II, the ROC has had an independent and autonomous Government here with strong defense capabilities. Hong Kong, however, was leased "in perpetuity" to the British Empire in 1842 at the end of the Opium War.

Ironically, owing to Peking's unending attempts to lure Taiwan, Hong Kong, as a showpiece, may be able to maintain its capitalist system for a time as Red China has promised. Also, with its foreign exchange reserves running dangerously low, Red China may after all have to keep Hong Kong as a magnet of world trade to earn vital foreign exchange. Thus, as long as the ROC is strong enough to be a deterrent to mainland China, it is safe to say that Hong Kong may remain politically neutral.

This delicate situation may on the one had strengthen the ROC's determination to maintain its one China policy and to achieve its goal of reunifying China under the Three Principles of the people.

On the other hand, as Prof Chiu Hungdan of the University of Maryland has pointed out, the U.S. arms sales to the ROC to help reinforce its self defense capability will help protect U.S. political and economic interests in the British colony. At present, Hong Kong has 14,000 Americans residing there. Every year, half a million U.S. tourists pour into the port city. In 1984, U.S.-Hong Kong bilateral trade reached US$11 billion. The Communist presence looming over the colony must also be worrisome to the U.S.

Though it is not the ROC's wish that Hong Kong should fall into Communist hands, 1977 could be a turning point for the ROC's return to mainland China. For one thing, Taiwan will have to find a replacement for its current transshipment center in Hong Kong, and new markets for its exports too. The heavy tariffs levied by Japan rule out as one alternative. Singapore, a city state that maintains no official relations with either Taipei or Peking, may be an ideal place, but shipping costs would probably prove prohibitive. If transshipment is not feasible after 1997, the ROC may have to upgrade its scientific technology and improve its economic structure so as to attract new buyers and open new markets abroad.

Meanwhile, Peking's takeover of Hong Kong would also provide the means to export the success of the ROC to mainland China. Though the greatest majority of Hong Kong residents are refugees from mainland China, together they have built the British colony into a free-market haven, with an efficient government, high productivity, rapid development and an outstanding financial system. It would be a loss not only to Hong Kong but to the world if all the achievements made by the capitalist port city should be ruined overnight.

However, history has told us that when it comes to choosing between political doctrines and economic gains, Peking will likely decide on communism for Hong Kong in order to maintain its political "legitimacy." Economic gain is not an indispensible factor in Red China's public decision making. When all factors are taken into account, Hong Kong may end up to be the greatest loser after all, as Prof. Jan S. Prybyla of Pennsylvania State University said.

PRC SUMMATION OF SIXTH 5-YEAR PLAN VIEWED

HK110739 Hong Kong HSIN WAN PAO in Chinese 7 Mar 86 p 2

["New Talk" Column: "Simultaneous Flourishing of the Economy and the Civilizations"]

[Text] Beijing has summed up the Sixth 5-Year Plan, between 1980 and 1985, as "the 5 years which have witnessed the most flourishing vitality in economic development." The signs of flourishing vitality are manifested in changes in the following aspects: First, the harmonious proportion between agriculture, light industry, tertiary industry, and heavy industry; the developing rate of heavy industry has been reduced, and the accumulation rate lowered, which is favorable in speeding the development of agriculture and light industry. Second, the commodity economy is in the ascendant; within the 5 years, the total turnover from social retail more than doubled from 21 billion yuan to over 43 billion yuan. Third, the horizontal economy had expanded rapidly, economic and technological cooperation had been developed between all regions, and all trades. And fourth, the simultaneous development of multiple economic forms enabled the individual and collective economies to redevelop during the past 5 years.

The 5 years that witnessed the most flourishing vitality, propelled the development of China's industrial and agricultural production and structural reforms have been conducted, which will better suit the national conditions of China. Along with these, is the improvement by a large margin, in the economic life of the people in both the urban and rural areas throughout the country, compared with a decade and more ago.

The Seventh 5-Year Plan, beginning in 1986, has drawn up considerable long-term and sufficient development targets for light industries such as foodstuffs, garments, consumer durable goods, papermaking, synthetic detergents, plastic products, photosensitive materials, leather, sports and recreational goods, artistic and handicraft articles, and articles for interior decoration. Thus, the appropriate proportions between agriculture and light industry will be all the more harmonious. It is expected that people's needs in improving their life will be further satisfied.

We can say the 5 years which witnessed the most flourishing vitality in economic development were the important years in the four modernizations of China, as well as in building a socialist country with Chinese characteristics. People are still exploring what specific meanings are implied in the expression "Chinese characteristics". However, the changes in the four aspects of modernization during the past 5 years have doubtlessly brought about their embryonic forms.

In the years that witnessed the most vitality in economic development, China has simultaneously focused on the development of socialist democracy and making perfect and complete the socialist legal system. Deng Xiaoping has recently pointed out: "In pursuing the four modernizations, it is imperative to adopt dual tactics; it won't do with a single tactic. Dual tactics means grasping construction on the one hand, and grasping the legal system on the other." In other words, economic construction and building the civilizations should be carried out simultaneously, and they should flourish at the same time.

At the recent national work conference on political science and law, Qiao Shi, secretary of the Central Political and Legal Commission touched upon some problems concerning work on the legal system. According to him, China is to "realize stability and change for the better in social order" during 1986. Social order has turned markedly for the better during the past 2 years, and the incidence of social crime has dropped with each passing year, as economic criminal activities have reduced somewhat. In 1985, the number of criminal case uncovered had dropped from around 800,000 in 1982 to over 500,000, of which, 80 percent were burglaries and thefts.

This shows that the social order trends are good. Some cases of burglaries and thefts were rather serious. However, the majority of them were non-serious cases. No doubt, it is rather easy to eliminate the emergence of such cases.

At present, the incidence of criminal cases throughout the country is dropping, and may continue to drop while Beijing is stressing the crack down on criminal cases and economic criminal cases with action. The turn for the better in the social order and atmosphere and the gradual expansion, perfection, and completion of socialist democracy and the legal system supplement each other.

AGREEMENT WITH FRENCH REACTOR BUILDER 'EXPECTED'

HK080508 Hong Kong SOUTH CHINA MORNING POST in English 8 Mar 86 p 9

[By Albert Chan]

[Text] China is expected to sign letters of intent with the French in the next few days for the construction of the $27 billion Daya Bay project. Framatome, the French nuclear reactor manufacturer is confident about signing the long-awaited document either today or early next week. Another French firm, Electricite de France [EdF], responsible for overall engineering design, is also ready for signing. "The negotiations are over and we are busily checking and correcting the many documents," said an executive with Framatome last night from Shenzhen.

The British industrial giant, General Electric [GEC] on the other hand is lagging behind in the negotiations with the Chinese to sign a letter of intent for the sale of conventional power generating machines to the plant. Top officials at the Guangdong Nuclear Power Joint Venture Co (GNPJVC), the company set up by the Chinese authorities with Hong Kong's China Light and Power Co., yesterday confirmed that discussions with the British on the document have met problems that caused delays in the signing of the letter of intent. "Our talks with the French have been smoother than with the British," said one Chinese official who also disclosed that one thorny problem is about loan arrangements. "The British have to further consult with their head office in the United Kingdom before final decisions on various points can be made and that has caused some delay," the official explained. But he declined to give more details.

According to the original timetable, letters of intent should have been signed between the GNPJVC and the equipment suppliers on March 1 but because of the large volume of paperwork involved, the signing was postponed. Officials have been reluctant to specify any date for signing for fear that it will not be met. But the general expectation is that the letter of intent with GEC will be ready by the end of next week.

About 10 executives and engineers from Framatome's Paris headquarters arrived in Shenzhen late last month to work on the final details of the letter of intent. The group was led by Mr D. Degot, one of the directors of the firm, who will sign the document. "We expect to sign together with EdF," said a Framatome executive yesterday.

The chairman of the GNPJVC, Mr Wang Quanguo, will be coming to Hong Kong this weekend for a week's visit. Chinese officials explained that the general manager of the GNPJVC will be authorised to sign the document and it is not necessary for the company chairman to be present.

After more than five years of tough negotiations, China signed in late December a memoranda of understanding with GEC, Framatome and Electricite de France. Officials explained that much work needed to be done after that before letters of intent would be ready for signing -- the last step before a formal contract.

After the conclusion of the letters of intent, the mammoth document will be submitted to the Chinese, French and British Governments for close scrutiny and approval before the companies involved can sign them. Government approvals are expected to take six months at least which means the contracts probably will not be signed before September.

Since the contract stipulated that the first reactor of the plant has to be ready for full commission six years after the signing of the contracts, the commissioning date is expected to be in September 1992.

Any delay in the commissioning date may mean shortage in power supply to Hong Kong because planned power generating capacity of China Light and Power, which supplies power to the greater part of the territory, will only be able to cope with demand up to the middle of 1992.

FBIS DAILY REPORT

China

CONTENTS

Vol I No 049 13 March 1986

PRC INTERNATIONAL AFFAIRS

GENERAL

Huan Xiang Surveys World Economic Situation [SHIJIE ZHISHI 1 Feb] A 1

NORTHEAST ASIA

U.S. Criticized for Interference in South Korea D 1
DPRK Confers Medals on PRC Radio, TV Delegation D 1
Wan Li, Hu Qili Meet Japanese Visitors 12 March D 1

SOUTHEAST ASIA & PACIFIC

LIAOWANG on 'Peaceful Change' in Philippines [10 Mar] E 1
Burmese Prime Minister on Relations With PRC E 3
PRC-Australian Cultural Exchanges Increase E 3
Aquino Defers Proclaiming Revolutionary Government E 4
Philippines Seeks To Recover Marcos' Assets E 4
Philippine Parliamentarians Ordered Arrested E 5
Australia Offers To Double Aid to Philippines E 5
Correction to Developments in Philippines E 6

SOUTH ASIA

Li Xiannian Continues Asia-Africa Tour F 1
Text of Dhaka Speech [RENMIN RIBAO 10 Mar] F 1
Feted in Sri Lanka F 2
Encourages Parliamentary Exchanges F 3
Meets Maldives Official F 3
Tours Capital F 3
Economic Agreements Signed F 4

WESTERN EUROPE

PRC-Turkey Trade Accord Sees Large Increase G 1
Letters of Intent for Nuclear Power Plant Signed G 1
Cui Yueli Departs Lisbon for Palme Funeral G 1

PRC NATIONAL AFFAIRS

Draft Principles of Civil Code Deliberated K 1
NPC Committee Discusses Draft Mineral Law K 3
Education Commission Holds Working Meeting K 3
Li Peng Speech K 4
National Procurators General Conference Ends K 10
RENMIN RIBAO on Chinese Marxists' Mission [7 Mar] K 11
Rational Use of Borrowed Foreign Capital Urged K 13
[RENMIN RIBAO 6 Mar]
LIAOWANG on Questions in Understanding Reform [17 Feb] K 15
Role of State Commerce in Price Control Viewed K 19
[GUANGMING RIBAO 22 Feb]
Yang Shangkun at PLA Finance Discipline Meeting K 23
Yao Yilin Inspects Shengli Oil Fields, Workers K 23
Central Leaders Meet Liaoning Flood Workers K 24
'Gratifying Trends' in Lateral Economic Ties K 25
Leaders Urged To Solve Spring Farming Problems K 26
New Power Sources To Be Pressed Into Service K 27

PRC REGIONAL AFFAIRS

EAST REGION

New Anhui Government Officials Appointed O 1
[ANHUI RIBAO 2 Mar]
Chen Guangyi Replaces Xiang Nan as Fujian Secretary O 1
Jiangsu's Han Peixin, Others Attend Meeting O 2
Nanjing Military Region Discusses Party Style O 2
Rui Xingwen Interviewed After Shanghai Election O 3
Rui Xingwen, Jiang Zemin Plant Trees in Shanghai O 4
Zhejiang's Wang Fang, Others Plant Trees O 4

CENTRAL-SOUTH REGION

Guangdong Secretary Hears Exemplary Deeds Report P 1
Guangxi Radio Urges Cadres To Set Example P 1
Guangxi Leaders Plant Trees on Arbor Day P 2
Hunan's Mao Zhiyong Meets With Report Group P 2

SOUTHWEST REGION

Sichuan Succeeds in Controlling Population Growth Q 1
[SICHUAN RIBAO 21 Feb]
SICHUAN RIBAO on Grass-roots Party Rectification Q 1
Xizang Discipline Circular on Cadres' Businesses Q 2
Xizang Federation Marks International Women's Day Q 2

NORTH REGION

Shanxi's Li Ligong Speaks to Cadres in Training R 1
Hebei: Commentary on False Accusations R 1
Nei Monggol Calls For Party Style Improvement R 2
Tianjin: Ni Zhifu Attends NPC Deputies' Forum R 3

NORTHEAST REGION

Gao Di Speaks at Jilin Cadres Meeting S 1
Li Guixian at Liaoning Discipline Conference S 2

NORTHWEST REGION

Yin Kesheng at Qinghai Advisory Commission Meeting T 1
Shaanxi Secretary Writes Preface to Book T 1
Inferior Quality of Project in Xinjiang Noted T 2
Xinjiang Leaders at Women's Day Gathering T 2
Correction to Qinghai Enlarged Plenary Session T 3

HONG KONG MEDIA ON CHINA

TA KUNG PAO Comments on 27th CPSU Congress [13 Mar] W 1
Zhu Muzhi's Visit to Manila Considered W 2
[TA KUNG PAO 11 Mar]
TA KUNG PAO Editorial on Opposing Protectionism [10 Mar] W 3
U.S. Seen 'Jumping the Gun' on Textile Talks W 5
[HONG KONG STANDARD 9 Mar]

HUAN XIANG SURVEYS WORLD ECONOMIC SITUATION

HK101231 Beijing SHIJIE ZHISHI in Chinese No 3, 1 Feb 86 pp 2-6

[Article by HUAN XIANG: "The Present Economic Situation in the World"]

[Text] Editor's note: With Comrade Huan Xiang's approval, we publish here excerpts of his speech delivered at a forum. [end editor's note]

At present, the economy of various countries has become increasingly internationalized. The economy of each and every country is closely linked and bound up with the world economy. Therefore, it is now a very important task for us to have a profound understanding of the world economic situation and its development trends so that we can generalize some laws of development and draw on some useful experiences. This will be beneficial to our formulating correct economic policy to ensure smooth implementation of the Seventh 5-Year Plan, and acceleration of the accomplishment of the four modernizations program.

I intend to divide my topic into three parts in the discussion of the world economic situation: 1) economy of the West; 2) the Soviet economy; and 3) common trends in the world economy. I will put Third World economy temporarily under the heading of the capitalist economic system, because the Third World economy is closely and profoundly related to capitalism, and the comparative economic strength of Third World countries is weak.

Western Economy Is at a Stage of Long-term Recession

Let me talk about the Western economy first. I believe that it has not yet freed itself from the stage of depression. Shortly after the war, the Western capitalist economy entered a period of revival (The United States did so a bit earlier), and in the mid-1950's it entered a period of long-term development. This period lasted about 20 years, and ended in 1973. All capitalist countries developed during this period. In Western Europe, the EEC was established in 1958. More than 10 years after that, great changes took place in the economy of Europe. From the late 1950's to the late 1960's, Japan spent 10 years developing. As early as the late 1960's, Japan had already laid a foundation for its development. The so-called "four tigers in Asia," namely Hong Kong, South Korea, Singapore, and our country's Taiwan province, also developed during that period.

The economic crisis, that broke out in 1973 was turning point. Thereafter, Western capitalist economy entered a period of long-term recession, which can also be called a period of long-term depression. This period has lasted more than 10 years, and is not yet over. I believe that this recession might possibly continue until the end of this century. I have expressed the view at home on several occasions. Some economists both at home and abroad do not agree with my view. They say that they accept the view of long-term development, but not the idea on long-term recession.

What I mean by long-term recession is that the Western capitalist economy will not decline continuously, but it will sometimes rise and sometimes fall. When it rises, it will not progress at such a high speed as that of the 1960's. During the 1960's, the annual growth rate of the Japanese GNP was more than 10 percent, that of West Germany was more than 8 percent, and that of the United States was 5-6 percent. When it falls, it will not be as serious as the great depression of the 1930's, because the characteristics of the times are different.

During the 1930's, there was no, or very limited government interference. Today, all governments take steps to intervene. Government interference in Western countries is more effective and drastic than is ours. They use economic levers to interfere with or readjust their economic development, such as adjusting bank interest rates and tax, taking from the fat to pad the lean, taking from those trades which have a surplus and giving to those which have a shortage, and so on. All these are "clever" methods. It is precisely because of these methods that the Western economy has grown from 1975 to the present at alow speed as a whole, although it is in a period of long-term recession. In other words, the annual growth rate is about 3 percent (3-5 percent is regarded a medium speed, whereas more than 5 percent is regardedas high speed). Of course, the economy of a small number of countries is growing at a medium speed. For example, the annual growth rates of Japan and West Germany are 4-5 percent. At some time in the future, let's say, 5 to 10 years, I expect that the economy of the capitalist world will still grow at a low speed. The average growth rate of most countries is 2-3 percent. It is good enough if Japan and West Germany can develop at a speed of 4 percent. The United States can probably develop at a speed of about 3 percent.

Such being the case, why did the U.S. economy develop so rapidly in 1984 (6.6 percent)? I think there are two main reasons for such rapid growth: 1) granting big loans and providing enterprises with loan capital for their own development; 2) a lower savings rate among Americans. The savings rate dropped by 20 percent in 1984. In so doing, some money went to consumption, and demand was thus expanded. On the one hand, production was stimulated by the expansion of demand. On the other hand, investment was attracted and production developed by tightening money supply and increasing the exchange rate of the dollar and bank interest rates. In other words, Keynesian financial policy was combined with a monetary policy based on supply-side economics and monetarism. A few years ago, such U.S. economic theory was effective. Demand expanded without touching off inflation. In the process of expanding demand, the United States did a lot of things. For example, it spent a lot of money on arms expansion. It spent a lot of money without issuing more bank notes. Where did the money come from? The money came from attracting both internal and foreign capital.

Why did foreign capital flow into the United States? Because: 1) The economic scale of the United States was great, its economic strength was powerful, and its economic capacity was big enough. Its foreign trade volume can be as high as $500 - 600 billion a year. A large portion of the commodities produced by capitalist countries are sold in the United States. 2) The United States is politically stable. There is little or no fluctuation in the country. 3) The United States is militarily powerful and the capitalist world has regarded it as an umbrella. Foreign capital trusts the United States because of all this. High exchange rates and high interest rates for the greenback have enabled foreign commodities to enter the U.S. market easily. Foreign capital can make a profit in the United States. "People vie with one another to go to a place where profits can be reaped." In 1983, $100 billion of foreign capital flowed into the United States. In 1984, it increased to $150 billion, and in 1985 it might be as high as $300 billion.

"Things will develop in the opposite direction when they become extreme." The above-mentioned policy of the United States is now on the decline. Because the United States is up to its ears in debt and bearing a heavy burden, it does not dare to incur more debts. Internal capital turns to the moeny market and stock market rather than to industry because of high interest rates. This will adversely affect the healthy development of the economy. The prices of U.S. commodities have increased because of high exchange rates. Foreign goods are cheap, and have entered the United States in large quantities. Americans buy foreign goods rather than American goods, so foreign trade deficits are getting bigger and bigger.

With the passing of time, more and more defects in the U.S. economy have been exposed. It seems that the situation is far from good. In the years to come, it will be difficult for the United States to achieve such rapid economic growth as that of 1984.

The Western Economy Is Facing Four Major Problems

1. The problem of economic readjustment. First, the readjustment of economic policy. Although high exchange rates and high interest rates for the greenback are effective over a period in absorbing foreign capital and stimulating economic development, the United States itself has become a pure debtor nation. Its foreign debts are as high as $1,000 billion, and its internal debts have also greatly increased. Not long ago, the U.S. Congress increased its debt ceiling from $1,000 billion to $1,500 billion. The United States is heavily in debt because of the policy of high exchange rates and high interest rates, and its economy has been greatly affected by all this. It is compelled to readjust this policy. However, in doing so, the United States will encounter many problems. For example, forcing down the exchange rate of the dollar will not work if the margin is too big. However, if the margin is too small, it will not be useful. If drastic steps are taken, financial circles will be unable to cope. If the step is too small, there will be more and more problems. The Western nations have proposed a method of "soft landing," gradually reducing the exchange rate 20 percent over about 5 years. However, there will also be difficulties in employing this method. Great efforts were made by the conference of the financial ministers of the five countries in order to slightly reduce the exchange rate. It increased again not long after that. If the exchange rate is drastically reduced, those holding large amounts of dollars will suffer great losses. Therefore, such a move is not appropriate.

Second, the readjustment of industrial set-ups. Traditional U.S. industries such as iron and steel, shipbuilding, textiles and so on should be cut down. Some of these industries should be transferred to other sections. New industries should be increased. The purpose in working out a strategic defense program is to expand new industries, such as laser, fiberoptics, microcomputers, intelligent robots, and so on. This program has been developing very quickly. It was originally expected that the first phase of the program would be completed in 10 years. It is now estimated that the first phase will be accomplished in 5 to 6 years. It was originally expected that the second phase of the program would be completed in 10 to 15 years. It is now estimated to take less than that. The reason Reagan was quite firm in his stand on the Strategic Defense Initiative [SDI] at last year's U.S.-Soviet summit meeting was that he was sure of success. The readjustment of industrial set-ups will inevitably affect the readjustment of the investment patterns and the structure of supply.

Third, the readjustment of international economic relations. The Strategic Defense Initiative has caused a readjustment in international economic relations. The United States has asked the developed capitalist countries to participate in SDI and wants them to become its contractors. Many countries are dissatisfied with this. After a long struggle and consultation, Britain was the first to state that it was willing to participate in the program. France is still considering the matter. West Germany does not want to clearly state that its government will commit itself to the program, but West German enterprises may make their own decision on whether or not to participate. One of the purposes of the developed capitalist countries in participating in the program is to obtain information on the development of new technologies and industries so that they will not lag behind in the future.

2. The problem of trade protectionism. At present, trade protectionism is increasing. Textile products and light industrial products (such as shoes) are most affected by it. As far as the United States and Western Europe are concerned, trade protectionism has involved agricultural products. The problem of high technology exists between the United States and Japan. Trade protectionism runs counter to the international economic order established by GATT and other organizations set up after the war. Although the United States is talking glibly about free trade, trade protectionist feeling is running high at home. This has been reflected in Congress' approval of the Jenkin's Bill. However, trade protectionism also harms the interests of the United States. It harms the interests of the importers and consumers. If other countries adopt retaliatory measures, the interests of some U.S. exporters will also be affected. There is an acute struggle between those who favor and those who oppose the Jenkin's Bill in the United States. President Reagan has been compelled to veto the bill. I am afraid that Congress will continue to concoct trade protectionist bills similar to the Jenkin's Bill in the future. Can all those bills be defeated? That depends. For example, it depends on whether some unemployed workers will get jobs after the establishment of new industries following the implementation of the strategic defense program. In a word, under conditions where various countries are vying with each othr in encouraging exports and restricting imports, it is difficult to solve the problem of trade protectionism.

3. The problem of debts. It is appropriate to say that this problem has now reached a perilous stage. Developing countries are heavily in debt. Let me give you a casual example. Argentina has to use 90 percent of its revenue from exports to pay its debts. Similar things have also happened to many debtor nations. Under such circumstances, how can they develop themselves? At present, developing countries are considering countermeasures. Some of them propose to unite in refusing to pay the debts. Most debtor nations think that they should pay their debts, but there must be a limit in order to ensure their survival and minimal development. If this principle is followed, the amount of debts the debtor nations can pay will be limited to 10 percent of their export revenue. If this happens, many big U.S. banks will go under. Some 50 big U.S. banks have closed down. Last year more than 140 banks and trust companies went bankrupt. The year before last, more than 80 banks and trust companies closed down. With the interests of creditor nations being jeopardized by the problem of debts, the United States proposed a "Baker Plan," which would earmark $29 billion for new credit to ease the debt crisis. However, compared with colossal debts of $1,000 billion owed by developing countries, such a small amount of new credit means nothing at all. Can it solve the problem significantly? In a word, the problem of debts involves not only the developing nations, but also developed nations. It has become a political problem rather than a mere financial one. I am afraid that his problem cannot be significantly solved in the foreseeable future.

4. The problem of international finance. The fluctuation in the price of the dollar, as an international currency, has bred a crisis in the international monetary market. After the war, the dollar followed a fixed exchange rate system for a long time ($35 was equal to an ounce of gold, and other currencies were also pegged to the dollar). This system could no longer be pursued later due to the devaluation of the dollar. A floating exchange rate system has been in effect since 1972, and the dollar has fluctuated greatly. When people are doing business, they have to consider the change in exchange rates, because it will affect the stability of the economy. In recent years, the exchange rate of the dollar has been artificially raised. It is apparently stable, but actually there is a latent crisis. We do not know when the exchange rate will suddenly drop. Then there could be fierce chaos on the international financial market. In the past, most Arab oil dollars flowed into the United States and were used to buy real estate and bonds.

Now there are signs that they are seeking another way out. This shows that world confidence in the dollar has weakened. To prevent sudden financial disaster, in recent years, people have talked a lot about the establishment of an international monetary standard to counter the defects of the floating exchange rate. The currencies of all countries would be pegged to such a monetary standard so that exchange rates would be fixed. Some people propose the restoration of the gold standard. Some other people suggest that the IMF's special drawing rights be turned into international currency. There are so many contradictory views that it is difficult to decide which is right. Therefore, the best method has yet to be devised.

In the short term the dollar is still the internationally recognized currency for settling accounts and reserves. However, in the long run, the dollar will drop. At present, many countries are taking precautions against such a contingency.

There are some other major issues connected with the above-mentioned problems, such as South-South cooperation, North-South dialogue, assisting developing countries to develop their economies -- an economic problem of a political nature -- establishing a new international economic order, and so on. Besides, there are problems of resources and population, and so on. As time is limited, I will not deal with them here.

There Are Indications That Japan and the United States Are Scrambling for Economic Supremacy

There are changes marking the growth and decline of the economic power of the capitalist countries. The United States is still economically one of the world's most powerful countries. However, it has lost its dominant position, and is no longer the only locomotive pulling along the world economy. The economic power of Japan and West Germany has also developed considerably. Some people call them and the United States the three locomotives. It seems that Japan is striving to compete with the United States in the scramble for economic supremacy.

What changes will take place in the economic power of the United States in the future? Three predictions have been made with regard to the economic future of the United States: 1) There will be a revivial, and growth rates will be restored to 4 percent. 2) There will be a continuous recession, and it will be good enough if a 2 percent growth rate can be achieved. Besides, a big recession might last a fairly long time. 3) The U.S. economy is really at a stage of long-term recession, but growth rates will not be lower than 2 percent. I believe that the third prediction is the more accurate. The United States still has power to sustain its economic development. It has invested less in traditional industries, but more in the new industries. The traditional industries are carrying out technical reform. In the course of reforming the old and establishing the new, industrial investment is stable as a whole. There is no indication that investment funds have turned to the stock market. The unemployment rate in the United States has dropped to 7 percent from the previous 10 percent.

Recently, the U.S. electronics industry has been in a state of depression. But this is only a transient phenomenon. The computer industry is being renewed and updated. New inventions are being produced every 3 or 4 years. Automation is developing in many countries. Computers are still in great demand, and the microelectronics industry is still promising. Other industries are in the ascendant. U.S. industry is mainly based on new industry. Although financial deficits and military spending have increased, the U.S. inflation rate is less than 4 percent. Low inflation is beneficial to economic development. There is a view prevalent in the United States that inflation within 5 percent is rational, but it must be put under control.

Therefore, in the coming 5 years, whether the U.S. economy declines or revives, the scope will be limited, and will not last long. But the cycle might be shortened.

Japan's economy is the most successful in the capitalist world. Japanese commodities have got a firm foothold on the world market. It is expected that its trade surplus in 1985 will be as high as $50 billion. Japanese are good at business -- their policy is aimed at serving consumers. They try to every possible means to serve consumers, constantly improve products and designs, and manufacture new products. This slogan is better than the slogan of "serving producers." Everyone in the world is a consumer. Producers are also consumers. The Japanese have done more outstanding work in taking heed of the interests of consumers. Of course, their purpose in doing so is to make more money. But they do everything possible for the consumers. Should we not learn from them in this regard?

Japan has made a lot money, and its economic power is expanding. At present, it has openly stated its intention of building Tokyo into an international financial center the equal of New York and London. This is quite an aggressive move. Japan has twice made such a proposal. The first time was in 1918, and the second time in 1931. The project did not materialize for various reasons. President conditions differ from those of the past. Now, it has advanced communication equipment and facilities, different kinds of senior and middle ranking technical personnel, a high-level labor force and abundant funds. Its assets abroad rank third in the world, and second only to the United States and the United Kingdom. Last year, it could have ranked second. It will rank first and surpass the United States in 3 years or so. Japan has officially proposed a plan to establish a yen zone with the pan-Pacific region as a supporting point. If such a plan materializes, the U.S. economic position in the pan-Pacific region will decline. Hong Kong, Singapore, and other areas will be greatly affected by this, or even become appendages of a Tokyo financial center. This is a problem that should be studied conscientiously.

The situation in Western Europe has also improved markedly. Politically, Western Europe needs soliarity, and militarily it has restored the West European alliance. It has formulated the Eureka plan for science and technology. Economically, it has reajusted its policy. The unity of Western Europe is developing step by step. All these are good things. Generally speaking, Western Europe is in the ascendant. But it still lags behind Japan.

The Asia and Pacific region, ASEAN, South Korea, and Taiwan province rely on the United States too heavily, and 47-48 percent of their exports depend on the U.S. market. They will catch cold if the United States sneezes. At present, they are seeking another way out. Some of them intend to promote high technology, but do not stand a good chance of success. If the situation in the United Staes is not so good in 1986, those countries in the Asia and Pacific region that rely on the United States will not be in a good way either.

Reform in the Soviet Union Is Restricted by Internal and External Conditions.

Now let me talk about the problem of economic reform in the Soviet Union. There are several characteristics of the new program (draft) of the CPSU which merit our attention:

1. The new program defines the Soviet Union as now at a hisorical stage of "perfect socialism." This formulation is different from those in the past. I do not intend to mention things which happened a long time ago. During Khrushchev's era, it was stated that the Soviet Union was at a "stage of carrying out an all-round construction of a communist society," and that in 1980 the Soviet Union would surpass the United States in GNP.

During the Brezhnev era, it was defined that the Soviet Union was building "developed socialism." Under Andropov, it was stressed that the Soviet Union was at a stage of "all-round developed and perfect socialism." However, in the present new program, the adjective "developed" is dropped.

2. The new program emphasizes the urgency of economic reform. I think that one of reasons compelling the Soviet Union to do this is that is has been stimulated by the U.S. Strategic Defense Initiative. How can the Soviet Union compete with the United States without shaking off the yoke on its back? The achievements of other countries in reform also stimulate the Soviet Union to further efforts.

3. The Soviet Union is reappraising the world situation. It held in the past that capitalism would die out soon, and that it was comparatively easy to win a victory in world revolution. Now the Soviet Union has changed this view, and maintains that capitalist countries are still capable of adapting themselves to the changes taking place day after day. Although capitalism will eventually be replaced by socialism it still has vitality now. Soviet scholars do not negate this.

4. The Soviet Union also holds that it is not necessary to rely on violence to realize socialism. This view merits our attention.

5. The new program expounds the necessity of reform.

The growth rate of the Soviet national economy has declined continuously. The growth rate in 1966 was 7 percent. It dropped again to 3.9 percent in 1980, and 2 percent in 1982. In 1983 when Andropov was in power, he curbed the downward trend. When Chernenko was in power, he kept the growth rate at 2 percent. Under such circumstances, how could the Soviet Union compete with the United States? Lenin pointed out that the superiority of socialism lay in the fact that it could raise labor productivity higher than that of capitalism. Now the Soviet Union has admitted that its labor productivity is only 45 percent that of the United States.

The development of SDI is a challenge to the Soviet Union in terms of science and technology. The Soviet Union has to try hard to catch up. Its present economic system has failed to keep abreast with the demands of the present situation. All this has shown that reform brooks no delay.

How should the reform be carried out? According to the Soviet plan for reform, there are two basic things to be done: 1) Develop science and technology; 2) reform the existing economic system.

With regard to the reform of the economic system, they propose a number of methods. They are making explorations in the course of reform. They are following a collective responsibility system in agriculture. In industry, they are expanding decision-making power of enterprises, changing the functions of government departments and reducing the layers of administration, and implementing mandatory planning. They are also paying attention to the following problems: 1) Making full use of natural resources, such as the consumption of energy raw materials, and so on. 2) Renewing products. The designs of some Soviet products are kept unchanged for many years. This is a very serious problem. Some people abroad say sarcastically: "Soviet satellites can go up, but the shoes they produce cannot touch the ground : Because the styles of their shoes are old, they do not sell well. They are put on the shelves of warehouses, and never touch ground. Therefore, the Soviets should grasp the work of renewing their products. 3) Developing horizontal links of various departments. 4) Readjusting the ratio of agriculture, light industry and heavy industry so that a proportionate development can be achieved. 5) Strengthening and improving management. All this is being carried out. But actual results still remain to be seen.

Judging from the present situation, we know that economic reform in the Soviet Union is still restricted to a certain extent. First, it is restricted by internal conditions. After assuming power, Gorbachev took rapid measures to carry out extensive personnel changes. Whether the new leading body is efficient remains to be proved in practice. Some old leading bodies have not yet been touched. A great number of cadres are influenced by bad customs and habits formed a long time ago, and pursue outmoded ideological and working methods. It is not easy to carry out reform.

Without a great number of cadres who can keep pace with reform, it will be difficult to make achievements. Over the past 20 years, the Soviet Union carried out many reforms, but the results were not great. The Soviets seemed to be going around in circles, without making significant progress. The present reform has strength and impetus, but the results remain to be seen. Besides, reform in the Soviet Union is restricted by international conditions. Confronted with the menacing program of the United States, the Soviet Union is also engaged in its own strategic defense program in order to contend for hegemony. Since its financial capacity, manpower and financial resources are scattered, its reform is restricted. Apart from all these, reform is also restricted by its theories. The theories the Soviet Union is pursuing in reform still negate commodity economy and the role of market mechanism. In the meantime, it has persisted in the management system characterized by the centralization of the power of the central authorities. All these theories cannot but adversely affect the practice of reform.

The Common Trends of the World Economy

Generally speaking, the economy of various countries is now in the course of being readjusted. Although they employ different methods, they share a common characteristic of developing economy by intension, and paying attention to the development of science and technology. In the future, the development of science and technology will become the most important factor determining economic development. In the past, policy determined the development of science and technology. Now the development of science and technology plays a role in promoting the economic and political changes of states. Various countries in the world, sooner or later, will give first priority to the development of science and technology. The so-called science and technology include technology, natural, and social sciences. Social sciences explore and predict some problems; discover social, political and economic laws; and improve the management and administration of enterprises. They are important and indispensable sciences. We should not forget this when we are talking about the role of science and technology.

It is a common trend of the world economy to take science and technology as a lever and develop economy by intension. Of course, this should also be the direction of our economic development.

U.S. CRITICIZED FOR INTERFERENCE IN SOUTH KOREA

OW121826 Beijing XINHUA in English 1543 GMT 12 Mar 86

[Text] Pyongyang, March 12 (XINHUA) -- The Korean paper NODONG SIMMUN in a commentary today urged the United States not to hold back the democratic movement in South Korea. The paper condemned the United States for backing the South Korean authorities in supressing the massive movement for constitutional revision launched by the opposition parties and other democratic groups.

The movement which is gaining momentum in South Korea began February 12 in Seoul. It was initiated by the New Korea Democratic Party and other opposition parties and aimed at changing the indirect presidential election to a direct one, the article added. The commentary urged the United States to halt its interference and do something useful for the realization of democracy in South Korea.

DPRK CONFERS MEDALS ON PRC RADIO, TV DELEGATION

OW130421 Beijing Domestic Service in Mandarin 1200 GMT 11 Mar 86

[Text] According to a XINHUA report from Pyongyang, Yim Chun-chu, vice president of the DPRK, conferred medals on members of a Chinese radio and TV delegation today.

After reading a decree of the Korean Central People's Committee, which was signed by Kim Il-song, Yim Chun-chu conferred a first-class friendship medal on Ai Zhisheng, minister of radio and television and leader of the delegation, and second-class friendship medals and friendship medals on other members of the delegation. Afterwards, Yim Chun-chu had a cordial talk with the delegation.

WAN LI, HU QILI MEET JAPANESE VISITORS 12 MARCH

OW121812 Beijing XINHUA in English 1501 GMT 12 Mar 86

[Text] Beijing, March 12 (XINHUA) -- Chinese Vice-Premier Wan Li and member of the Political Bureau of the Chinese Communist Party Central Committee Hu Qili met Yukio Torii, former director of the Japan's Kobe Port Office, and other advisors here this afternoon.

Invited as a senior advisor to Tianjin Harbor in 1984, Torii has helped the harbor draw up development plans. Both Wan and Hu thanked Torii and his colleagues for their efforts to upgrade Tianjin Harbor.

LIAOWANG ON 'PEACEFUL CHANGE' IN PHILIPPINES

HK121202 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 10, 10 Mar 86 pp 30-32

["Special Dispatch" from Manila by contributing correspondent Chen Jiayong: "A Peaceful Change of Political Power in the Philippines"]

[Text] Confronted with a political storm in the wake of the presidential election, former President Ferdinand Marcos, who had ruled the Philippines for more than 20 years, finally stepped down and left the country. With Mrs Corazon Aquino as president, a peaceful change of political power has been effected.

The downfall of Marcos was an outcome of the growing popular dissatisfaction over his long rule while the assassination of former opposition party leader Benigno Aquino in August 1983 was a turning point in the rapid decline of the Marcos regime. Over the past 2 years, the people have publicly expressed their strong dissatisfaction. They often held mass demonstrations and other protest activities in Manila and other places. The country was in turmoil.

The political crisis also brought an economic crisis in its wake. In 1984 and 1985 the Philippine GNP registered a negative growth rate for 2 consecutive years. With the industrial and agricultural production and foreign trade getting worse year by year, the number of unemployed and under employed increased, the living standards of the people constantly dropped, and the various social contradictions became more acute. Boiling with resentment, the people longed for change. It was under these circumstances that Marcos was forced to announce last November the holding of an early presidential election.

Election Hastens Marcos Demise

Several days after the general election, Marcos held a press conference in the presidential palace. When asked what he considered to be his greatest mistake in the general election, he inadvertently made a sincere remark: "My greatest mistake was holding an early general election." Indeed, he perhaps never dreamed that less than 20 days after the general election he would not only lose the presidency but also have to flee in panic.

By relying on his long control over the country, Marcos could normally have been relatively certain of winning the election and stabilizing the political situation. However, things went contrary to his wishes. The general election not only failed to achieve the objective of stabilizing the political situation but also further intensified the domestic contradictions. On the eve of the election, the opposition parties which had long been rent by disunity, unexpectedly united and put forth a joint ticket of presidential and vice presidential candidates. Although Mrs Aquino hastily decided to run and failed to put forth a clear-cut campaign program, she won popular support during the election campaign lasting nearly 2 months. It was clear with whom popular sympathy lay. Seeing itself in an unfavorable position, the ruling party committed a election fraud seldom seen before. Later, the Batasan under its control forcibly passed the decision that Marcos had been elected. This aroused the indignation of the masses. The Catholic Bishops Conference also issued an open letter strongly denouncing the flagrantly fraudulent election. There was also a strong reaction at home and abroad. Thus, Marcos landed in a predicament of unprecedented isolation at home and abroad, which accelerated the disintegration within the ruling party and the army.

On 22 February, several hours after U.S. presidential envoy Philip Habib left Manila, Philippine Defense Minister Juan Ponce Enrile and Armed Forces Deputy Chief of Staff Fidel Ramos announced their break with the Marcos government and their participation in the opposition camp.

The action taken by the two important officials under Marcos effected a radical change in the situation. The Marcos regime rapidly disintegrated.

People Long for Change

Marcos was driven out of power by peaceful means and without large-scale bloody conflict. This enabled most Filipinos to heave a sign of relief. The people of various strata had really been fairly extensively mobilized in the course of this struggle. Some of the mass meetings held by the opposition party during the election campaign and after the election were attended by as many as 1 million people. It can thus be seen that the election campaign activities fully demonstrated Filipino people's wish for a change.

Not only the opposition party but also the Catholic Church played a role in organizing the masses. The Philippines is the only Catholic state in Asia. Some 85 percent of its population are Catholics. In the numerous antigovernment demonstrations over the past 2 years and more, the clergy was often seen walking in the front ranks of the processions. The "Veritas" broadcasting station, belonging to the church, constantly criticized and exposed the Marcos government. In the course of overthrowing the Marcos rule, it also played an important role as an agitator and an organizer.

After Enrile and Ramos announced their break with the Marcos government, Marcos planned to launch an armed attack to destroy the two neighboring camps at the Defense Ministry and the headquarters of the Philippine Constabulary. On 23 February a number of heavy tanks and armored personnel carriers loaded with soldiers approached the above-mentioned strongholds but they were stopped on the way by tens of thousands of bare-handed people. This crowd included people from all walks of life and even some Catholic nuns. Sitting down on the road on which the tanks were advancing, they would not let the troops pass. This action also moved some government officers and soldiers. At last, they could only give up the attack and withdraw. Thousands upon thousands of people also took turns guarding the military camps 24 hours a day. They delivered drinking water and food to support the troops of both Enrile and Ramos, thus greatly boosting their morale.

It was in those 2 days that a large number of officers and soldiers turned in their guns and went over to the opposition. Officials of many government departments also proclaimed their support for Mrs Aquino. By this time, opposed by the masses, deserted by his followers, and utterly isolated, Marcos was no longer able to reverse the defeat.

United States' Crucial Role

Having a hand from beginning to end in the change of political power in the Philippines, the United States played a very important role. According to a newspaper report, it was U.S. President Reagan who proposed an early election to Marcos. Marcos was reelected in 1981. According to the stipulations of the Philippine Constitution, his term of office would expire in 1987. Although the Philippine opposition faction repeatedly demanded an early general election, it was invariably rejected by Marcos. The caucus of the ruling party also supported Marcos' decision. It was not until President Reagan's special envoy Paul Laxalt visited the Philippines last year that Marcos suddenly announced an early general election.

The two biggest U.S. military bases overseas, namely, Clark Air Base and the Subic Navy Base, are in the Philippines. How to stabilize the Philippine situation and thus preserve the two bases has always been an important link in the U.S. global strategy. The United States held that the turbulent political situation in the Philippines would pose a direct threat to the existence of these two bases. Washington urgently hoped to change the confused situation in the Philippines. It was precisely out of this consideration that the United States approved of an early election.

It was also out of this consideration that the United States was ready to continuously support Marcos after the general election. But the public indignation roused by the election fraud and the constant growth of the antigovernment forces could not but make the United States change its mind and publicly call on Marcos to step down. It was precisely under strong U.S. pressure that Marcos had no alternative but to agree to give up the use of force and to relinquish his power peacefully. At the last moment, the United States dispatched aircraft to fetch him to the United States. In the meantime, the United States was also one of the first to express support for the new Philippine Government. The crucial role of the United States in the Philippine situation can be clearly noticed from the drastic change in the political situation.

New Government Faces Challenges

Mrs Aquino controls the national government and a new cabinet has been formed. The new government has announced a series of measures to reassure the public. It began freeing a large number of political prisoners on 27 February. Next, Mrs Aquino announced the retirement of 23 generals who had passed their service terms. She also pledged to abolish corruption and bribery and to prevent military and government personnel from abusing their power. These measures have presented people with a new appearance.

Internationally, the United States, Japan, and some other countries have expressed their willingness to provide the Philippines with loans in a vigorous effort to help the Philippines to rebuild its economy. The other ASEAN countries have also indicated their readiness to strengthen cooperation with the new Philippine regime. Soon after the formation of the new government, the Philippine stock market and the specific value of the peso against the U.S. dollar picked up.

However, the former regime has left behind an awful mess piled up with problems. Can the devastated economy be rejuvenated? Can all political parties and groups, the government, and the Army preserve their unity? Will the pro-Marcos forces be willing to cooperate with the new government? Can some eager aspirations of the masses be turned to reality? It will be hard to solve all these knotty problems in the near future. To attain the objective of completely stabilizing the political situation, the new Philippine regime obviously has to shoulder heavy responsibilities.

BURMESE PRIME MINISTER ON RELATIONS WITH PRC

OW121854 Beijing XINHUA in English 1643 GMT 12 Mar 86

[Text] Rangoon, March 12 (XINHUA) -- Prime Minister U Maung Maung Kha said here today that the good-neighborliness between Burma and China would be strengthened and the trade between Burma and Yunnan Province of China developed. The prime minister made the remarks when he met the visiting governor of Yunnan Province of China He Zhiqiang this afternoon.

He Zhiqiang led a ten-member delegation of the province and arrived here this afternoon at the invitation of the Burmese Government for an eight-day goodwill visit.

PRC-AUSTRALIAN CULTURAL EXCHANGES INCREASE

OW121658 Beijing XINHUA in English 1446 GMT 12 Mar 86

[Text] Canberra, March 12 (XINHUA) -- Visiting Chinese Cultural Minister Zhu Muzhi and Australian Minister for Arts, Heritage and Environment Barry Cohen reviewed here today the progress of the Sino-Australian cultural relationship with satisfaction. Over the past five years, there were 395 items of cultural exchanges between the two countries.

In Australia, China's entombed warriors (of the Qin Dynasty) exhibition and performances of the acrobatic troupes and Peking Opera were appreciated by the Austrialian people.

In China, Australia's century-old oil paintings exposition, the performances of Sydney dance ensemble and the Queensland Youth Symphony were also welcomed by the Chinese people.

Last year alone, there were 156 items of cultural exchanges between the two countries, nearly double the number in 1984. Cohen, who visited China in 1984, said that he was pleased to see China's remarkable reform and progress in the cultural and art fields. He expressed his wish that China would send an artistic troupe to take part in Australia's bicentenary celebration in 1988.

Zhu Muzhi replied that China would be very glad to send an artistic troupe to join the bicentenary celebration. He noted that the strengthening of the cultural interflow will certainly promote understanding between the two peoples. The five-member Chinese cultural delegation led by Zhu is now on a 12-day visit to this country.

AQUINO DEFERS PROCLAIMING REVOLUTIONARY GOVERNMENT

OW121238 Beijing XINHUA in English 1230 GMT 12 Mar 86

[Text] Manila, March 12 (XINHUA) -- President Corazon Aquino and her cabinet today decided to defer action on the proposal of proclaiming a revolutionary government. Instead, they created a five-man committee to make a further study on the proposal. Today's cabinet meeting is the first since the establishment of the Aquino government with 16 ministers and deputy ministers attending. Heated debate is now going on in the country on whether or not to declare the new government a revolutionary one.

Justice Minister Neptali Gonzales, head of the newly-formed committee, said after the cabinet meeting that the cabinet favors the declaration of a revolutionary government and the committee will study the transition from a revolutionary government to a constitutional one. Pending the outcome of the study of the special committee, the justice minister said, no formal announcement will be made in this regard.

Other members of the special committee are Vice-President and Foreign Minister Salvador Laurel, chairman of the Presidential Commission on Government Reorganization Luis Villafuerte, Political Affairs Minister Antonio Cuenco and Executive Secretary Joker Arroyo.

The cabinet meeting also created another committee to study the holding of local elections. Presidential spokesman Rene Saguisag said in a news briefing that the president had indicated that she favored the disqualification of those appointed as officers-in-charge from aspiring for an elective post in the coming elections.

Saguisag said the cabinet meetings are scheduled every Wednesday.

PHILIPPINES SEEKS TO RECOVER MARCOS ASSETS

OW121320 Beijing XINHUA in English 1257 GMT 12 Mar 86

[Text] Manila, March 12 (XINHUA) -- Chairman of the Presidential Commission on good government Jovito Salonga today left for the United States to talk to state department officials and ask U.S. courts for the return of what he considered illegally acquired wealth of deposed President Marcos.

Press reports here said documents seized from the presidential palace showed that Marcos and his family put away illegally an estimated 10 billion U.S. dollars in cash and property -- equivalent to more than one third of the country's foreign debt.

Salonga will brief U.S. officials concerning the current efforts of President Corazon Aquino's government to secure the reported ill-gotten wealth of Marcos. Salonga will also proceed to New York to ask U.S. courts to recover the wealth. The Philippine Government has filed claims before courts in New York, New Jersey and Honolulu for the recovery of millions of dollars of properties acquired by Marcos there. Salonga said the success of the cases will depend on the U.S. courts.

PHILIPPINE PARLIAMENTARIANS ORDERED ARRESTED

OW111620 Beijing XINHUA in English 1613 GMT 11 Mar 86

[Text] Manila, March 11 (XINHUA) -- Defense Minister Juan Ponce Enrile today ordered to arrest two members of parliament of the majority party, New Society Movement, for investigation, the PHILIPPINE NEWS AGENCY reported. The two were Orlando Dulay of Quirino Province and Arturo Pacificador of Antique Province.

Pacificador was alleged in connection with the killing of former Antique Governor Evelino Javier last month. He was also implicated in the massacre of seven persons and wounding of several others in Antique on the eve of the May 14, 1984 National Assembly elections. Pacificador was said to have wielded substantial political influence during the Marcos administration and tried to leave the country shortly after the downfall of the Marcos regime but was barred. He was reported to have gone into hiding and the military has launched a nationwide hunt.

Dulay was allegedly terrorizing residents of Quirino Province.

Enrile also directed that Dulay be investigated for alleged cases of murder and kidnapping committed by his henchmen in the last election.

AUSTRALIA OFFERS TO DOUBLE AID TO PHILIPPINES

HK130639 Beijing International Service in Tagalog 1130 GMT 12 Mar 86

[Text] Australia will double its aid to the Philippines which will amount to 17.5 million U.S. dollars. A presidential press release said yesterday that visiting Australian Foreign Minister Bill Hayden made the pledge in a meeting with Philippine President Corazon Aquino at Malacanang. Hayden said that Australia will send specialist teams to the Philippines in the near future to look into aid allocation. He also told Mrs Aquino that an international committee is now being formed to monitor the flow of aid to the country for proper coordination.

CORRECTION TO DEVELOPMENTS IN PHILIPPINES

Due to printing error, the following items were omitted from the 11 March China DAILY REPORT, page E 2:

Release of Sison

HK070655 Beijing International Service in Tagalog 1130 GMT 6 Mar 86

[Text] The government of President Corazon Aquino yesterday released the former chairman of the Communist Party of the Philippines Jose Sison and the former Commander in Chief of the New People's Army Bernabe Buscayno and two other political prisoners. Five hundred and seventeen political prisoners in all have been released by President Aquino's government.

According to a presidential spokesman at a press conference, the detainees were released after a meeting of the committee on detainees which was composed of former Senator Jovito Salonga, Defense Minister Juan Ponce Enrile and Armed Forces Chief of Staff Fidel Ramos. Salonga warned however that if the released men return to their former activities, they will be dealt with more severely. After their release, Sison and the three others met with President Corazon Aquino. No details were given about their 30-minute meeting with the president.

Resignation of Justices

HK080542 Beijing International Service in Tagalog 1130 GMT 7 Mar 86

[Text] Anti-graft Court Justice Manuel Pamaran, chief of the justices who tried the Aquino-Galman double murder case, has tendered his resignation, as has Deputy Justice Manuel Herrera.

LI XIANNIAN CONTINUES ASIA-AFRICA TOUR

Text of Dhaka Speech

HK130143 Beijing RENMIN RIBAO in Chinese 10 Mar 86 p 6

[Text] Beijing, 8 March (XINHUA) -- President Li Xiannian delivered a speech this evening at the welcome banquet given in his honor by Bangladesh President Ershad. Full text of his speech follows:

Respected, Honorable President Hussain Mohammad Ershad and Mrs. Ershad; ladies and gentlemen:

I am very happy to have the opportunity to visit -- on the cordial invitation of honorable President Ershad -- Dhaka again after 8 years. I have brought with me the sincere love and good wishes of 1 billion Chinese people for the brotherly people of Bangladesh. Once again I have seen the deep friendship of the Bangladesh people toward China, friendship reflected in the wholehearted welcome accorded to me by the government and people of your country and in your just concluded hearty and warm speech. I would like to avail myself of this president and to the Bangladesh Government and people on behalf of myself, my wife and my colleagues.

China and Bangladesh are friendly neighbors, and there exists a profound traditional friendship between the people of the two countries. Since we established diplomatic relations in 1975, our relations have been smoothly developing on the basis of the five principles of peaceful coexistence. Whether on bilateral relations or international matters, the two countries support each other in all matters and maintain close cooperation. Sino-Bangladesh relations are characterized by such distinctive features as equality, mutual trust, genuine friendship, and mutually beneficial cooperation. I would like to particularly mention here that President Ershad made successful visits to China twice -- in 1982 and in 1985 -- and significantly contributed to the development of Sino-Bangladesh relations. To constantly consolidate and develop these ties of friendship and cooperation is a firm policy of the Chinese Government. The purpose of my current visit is to do my bit to help further Sino-Bangladesh friendship. History 10 years after the establishment of diplomatic relations between the two countries proves that our friendship and cooperation are not only in the interest of the people of China and Bangladesh, they contribute to Asian peace as well. I firmly believe that with joint efforts by the governments and people of the two countries, friendly Sino-Bangladesh relations will surely improve further.

As a close friend of the Bangladesh people, we have always paid attention to the development of this country. The Bangladesh Government attaches importance to agricultural developments and pays attention to industrial advancement by using indigenous resources. As a result, Bangladesh's production has consistently increased and the country is gradually gaining strength. The Bangladesh people and Armed Forces last year worked to overcome the natural calamity with irresistible determination, and proved their commendable spirit of dedication to their country's reconstruction.

Bangladesh has been consistently pursuing a policy of independence and nonalignment on international matters. It has won high acclaim from the international community by unswervingly pursuing a policy of upholding principles and justice and trying hard to develop relations and cooperation with neighboring countries and other Third World countries. The government and people of China have truly attained happiness and inspiration from your successes, and hope for the success of the Third 5-Year Plan of your country. The people of China will always remain trusted and dependable friends of the Bangladesh people in the just cause of protecting the independence and sovereignty of Bangladesh and its national economic progress.

All South Asian countries are China's close neighbors. It is China's sincere hope to develop good-neighborly relations with all countries in South Asia. China also sincerely hopes that these countries will live in amity with each other and engage in friendly cooperation for the attainment of common progress. We are happy to note that the South Asian regional cooperation initiated by Bangladesh has made gratifying progress with the joint efforts of the seven South Asian countries. A summit meeting of seven South Asian countries was held in the Bangladesh capital of Dhaka last December and the South Asian Association of Regional Cooperation [SAARC] was formed.

This is a milestone in the effort to promote regional cooperation and an event of great significance in the history of the relations of South Asian countries. We highly appreciate the foresight and sagacity of Bangladesh in furthering the good-neighborly friendship of South Asian countries and accelerating South Asian regional cooperation, and its unremitting efforts in this regard. We hope that all the South Asian countries, by pursuing a policy of respect for sovereignty, equality, territorial integrity and political independence and noninterference in each other's internal affairs -- as enshrined in the SAARC charter -- will practically contribute to promoting regional cooperation, accelerating economic progress of South Asian nations, and safeguarding the peace and stability of South Asia as well as all of Asia.

Honorable president, the people from all walks of life in China are relentlessly working in a united way to attain the goal of socialist modernization of the country's industry, agriculture, science and technology, and defense system. For this great task, we need a durable, peaceful international atmosphere, and friendship and cooperation among the people of various countries. China is committed to an independent foreign policy of peace. We steadfastly stand by the Third World people and work to strengthen our unity and cooperation with Third World countries. We want to live in amity and engage in mutually beneficial cooperation with all countries around the world on the basis of the five principles of peaceful coexistence. We feel that all countries -- small and large -- have equal rights. We are opposed to the politics of force and hegemony. We support all proposals and efforts for the cause of development. We hope that the United States and the Soviet Union will hold serious negotiations and take practical steps to considerably reduce the number of nuclear weapons and end the arms race in outer space, so as to meet the strong demand of the people of all countries for reducing international tension and safeguarding global peace. The people of China, along with the people of Bangladesh and other countries, want to work to reduce international tension, safeguard global peace, and accelerate common progress in all countries.

In conclusion, I propose a toast wishing continued expansion of friendly and cooperative relations between the people of China and Bangladesh and their two countries, development and progress of the Republic of Bangladesh and the well-being of its people, good health for honorable President Ershad and Mrs Ershad and the good health of all the ladies and gentlemen present here.

Feted in Sri Lanka

OW121438 Beijing XINHUA in English 1430 GMT 12 Mar 86

[Text] Colombo, March 12 (XINHUA) -- Sri Lankan Prime Minister Ranasinghe Premadasa gave a reception this afternoon at Temple Trees, his residence, in honor of visiting Chinese President Li Xiannian. More than two hundred people including diplomatic envoys in Colombo and celebrities of various circles attended.

At the reception, Dr. Hudson de Silva, president of the Sri Lanka Eye Donation Society, announced that his society was giving two corneas to China to commemorate President Li's visit. The corenas, which will be transported to China by air this month, will be given to the Zhongshan Medical College in Guangzhou, China.

Encourages Parliamentary Exchanges

OW121618 Beijing XINHUA in English 1605 GMT 12 Mar 86

["Chinese President Hopes for More Parliamentary Exchanges With Sri Lanka" -- XINHUA headline]

[Text] Colombo, March 12 (XINHUA) -- Chinese President Li Xiannian said today that China looks forward to increased exchange of visits between the Chinese National People's Congress and the Parliament of Sri Lanka. Li made this remark at a tea party given after a welcoming ceremony by Sri Lankan Parliament Speaker E.L. Senanayake at the parliamentary complex, east of Colombo.

China also hopes that the parliaments of the two countries will help promote "the friendship between the Chinese and the Sri Lankan peoples," Li added. He said China's National People's Congress has invited Senanayake to head a parliamentary delegation to visit China. In his welcoming speech, Senanayake recalled his happy meetings with Chinese leaders in 1957 when he received Premier Zhou Enalai as the mayor of Kandy and his 1981 visit to China as the minister of agriculture. He praised the Chinese Government for upholding the five principles of peaceful co-existence. "We are greatly heartened and encouraged by the expression of good will, friendship and support that your excellency has expressed for our country," he said.

Meets Maldives Official

OW121840 Beijing XINHUA in English 1831 GMT 12 Mar 86

[Text] Colombo, March 12 (XINHUA) -- Visiting Chinese President Li Xiannian met here today with Maldive acting high commissioner Ahmed Abdullah. President Li asked him to convey his best regards to Maldive President Maumoon Abdul Gayoom.

Ahmed Abdullah described his meeting with the Chinese president as a symbol of the friendly relations between the Maldives and China. On behalf of the Maldive president, government and people, he paid tribute to President Li, and through him, to the Chinese Government and people.

Tours Capital

OW121955 Beijing XINHUA in English 1945 GMT 12 Mar 86

[Text] Colombo, March 12 (XINHUA) -- Chinese President Li Xiannian visited the centre for the Maliawatte housing scheme today, the Bandaranaike Memorial International Conference Hall and an exhibition of gems, handicrafts and ceremics in the presidential residence in this Sri Lankan capital. Accompanied by Lalith Athulathmudali, minister of national security, President Li and his wife Lin Jaimei visited the centre this morning. The Chinese guests were warmly received by S.W. Alawatuwela, deputy minister of local government, housing and construction of local government, housing and construction and deputy minister of highways.

In the past, Maligawatte was marsh land surrounded by slums. Construction began in May 1967. And now Maligawatte has 85 buildings with a population of 15,000. Hospitals, schools, cinemas, shops have been set up in the area. In Maligawatte, the Chinese president planted and watered a "na" tree -- the national tree of Sri Lanka in commemoration of his visit to Sri Lanka. President Li, in the company of Mrs. Nanayekara, toured conference halls in high spirit and inquired into details about the working conditions of the equipments.

This afternoon, Li and his party viewed a display of Sri Lanka's gems, handicrafts and ceramics. The Chinese guests enjoyed the exquisite products which, Li said, are "wonderful and marvellous". Sri lanka is one of the five largest gem-producing countries in the world and has been famous for its gems for more than 2,000 years. Out of its more than 15 million population, about one million Sri Lankans work in the gem industry. Gems account for much of Sri Lanka's export revenue second only to tea, rubber and coconuts.

Economic Agreements Signed

OW131116 Beijing XINHUA in English 1104 GMT 13 Mar 86

[Text] Colombo, March 13 (XINHUA) -- China and Sri Lanka signed three agreements on economic cooperation and promotion of investment here today. The agreements were signed during President Li Xiannian's state visit to this island country.

Chinese President Li Xiannian and Sri Lankan President J.R. Jayewardene attended the ceremony of signature. On behalf of their respective governments, Chinese State Councillor Chen Muhua and Sri Lankan Foreign Minister A.C. Shahul Hameed, signed three agreements, -- the agreement on economic and technical cooperation, the agreement on reciprocal promotion and protection of investments, and the exchange of notes on presenting 30,000 suits of clothing for Sri-Lankan children by President Li. Present on the Chinese side were Lu Xuejian, vice minister of foreign economic relations and trade and Zhou Shanyan, Chinese ambassador to Sri Lanka. attending the signing ceremony on the Sri Lanka side were Lalith Athulathmudali, minister of national security and K.N. Samarasinghe, Sri Lanka ambassador to China.

PRC-TURKEY TRADE ACCORD SEES LARGE INCREASE

OW121738 Beijing XINHUA in English 1631 GMT 12 Mar 86

[Text] Ankara, March 12 (XINHUA) -- China and Turkey have decided to increase their volume of trade in 1986 to 200 million dollars from 110 million dollars last year. The decision was contained in the agreed minutes of talks signed here today on the conclusion of the fourth meeting of the China-Turkish Joint Economic Committee.

According to the agreed minutes, each side will export to the other side 100 million dollars worth of goods. Turkey will import from China 500,000 tons of crude oil as well as rice, coal, raw silk, cotton and light industrial products. China will import from Turkey 200,000 tons of steel products as well as chrome ore, fertilizers, synthetic fibres and other goods. In strengthening the economic and technical cooperation between the two countries, China will provide technical know-how and equipment in building the Ozkoy power plant in Turkey. Under negotiations between the [illegible] are the establishment of some joint ventures in Turkey and China.

LETTERS OF INTENT FOR NUCLEAR POWER PLANT SIGNED

OW121338 XINHUA in English 1326 GMT 12 Mar 86

[Text] Shenzhen, March 12 (XINHUA) -- Letters of intent were signed here this afternoon on a 3.7 billion U.S. dollar-nuclear power plant by a Chinese-Hong Kong joint venture and two French companies, XINHUA has just learned. The plant is to be built at Daya Bay in China's southern Guangdong Province by the Guangdong Nuclear Power Joint Venture Co. (GNPJVC) between Guangdong Province and Hong Kong's China Light and Power Co. When completed, it will supply electricity to Hong Kong as well as to Guangdong Province.

The letters of intent were signed between GNPJVC and Framatome, a French nuclear reactor manufacturer, and EDF (Electricite de France). According to the document, Framatome will supply the nuclear island (two reactors) and EDF will be responsible for overall engineering design. The formal contracts to this effect are expected to be signed by the companies involved in the middle of this year, upon approval by the Chinese and French Governments.

Negotiations for the signing of letters of intent between GNPJVC and the British firm, General Electric (GEC), are still underway. The latter is expected to supply the conventional island (conventional power generating machines) for the plant. The total cost of the plant -- with an installed capacity of 1.8 million kilowatts -- is estimated at 3.7 billion U.S. dollars. The first reactor will be ready for full commission six years after the signing of the contracts.

CUI YUELI DEPARTS LISBON FOR PALME FUNERAL

OW121758 Beijing XINHUA in English 1535 GMT 12 Mar 86

[Text] Lisbon, March 12 (XINHUA) -- Cui Yueli, special envoy of Chinese President Li Xiannian, left here today for Stockholm to attend the funeral of the late Swedish Prime Minister Olof Palme, who was assassinated on February 28. The funeral, arranged by Palme's Social Democratic Party, will be held on Saturday in the Swedish capital.

Cue Yueli, who is also health minister, came here to attend the inauguration of the new Portuguese President, Mario Soares. During his stay in Lisbon, the Chinese minister met with President Mario Soares, Prime Minister Cavaco Silva and former President Antonio Remalho Eanes and discussed with them bilateral and international issues.

DRAFT PRINCIPLES OF CIVIL CODE DELIBERATED

OW120605 Beijing XINHUA Domestic Service in Chinese 1242 GMT 11 Mar 86

[Text] Beijing, 11 Mar (XINHUA) -- After being examined by the 13th meeting of the 6th NPC Standing Committee, the draft of the general principles of China's civil code was again revised after experts and practical workers concerned repeatedly made suggestions and gave their views. On 11 March, this revised draft was submitted to the 15th meeting of the 6th NPC Standing Committee for further deliberation. Wang Hanbin, director of the Legislative Affairs Commission of the NPC Standing Committeee, explained the revised draft.

Wang Hanbin said: After the draft of the general principles of the civil code was examined by the 13th meeting of the 6th NPC Standing Committee last November, the NPC Law Committee and the Legislative Affairs Commission invited experts on civil law, responsible cadres of civil and economic tribunals of people's courts at all levels, and responsible comrades of departments concerned under the central authorities and all provincial, autonomous region, and municipal people's congress standing comiittees to a forum to discuss the draft. Experts on economic law residing in Beijing were also invited to the forum. In additon, the draft was again printed and distributed to departments concerned under the central authorities; all provincial, autonomous region, and municipal people's congress standing committees, and college teachers and students majoring in civil law to solicit their opinions. Many articles and clauses of the draft were revised and supplemented according to NPC Standing Committee members' suggestions after their initial examination of the draft. The revised draft was also initially examined by the Law Committee.

He said: The civil code mainly readjusts property relations between equal subjects; that is, lateral property and economic relations. The civil code does not concern itself with state control of the economy, economic relations between the state and enterprises, or between enterprises themselves since these are covered by relevant economic laws. Therefore, the original draft which provided that the civil code "readjust the property and personal relations between citizens, between organizations established in accordance with the law, and between citizens and these organizations" has been revised to "readjust the property and personal relations between citizens, between bodies corporate, and between citizens and bodies corporate persons as equal subjects."

Wang Hanbin said: At the suggestion of some comrades, "individual households," as provided by the original draft, has been revised to "individual industrial and commercial households," and "rural contracted specialized households" has been revised to "rural contracted management households." On the question of individual industrial and commercial households and rural contracted management households repaying debts, the draft provided that "households should use their property to repay debts." Some comrades pointed out: Some individual industrial and commercial households are run by individuals industrial and commercial households are run by individuals, while some family members of a rural contracted management household have their own occupations and make a living independently. They should not be held responsible for the debts. Therefore, the provision has been revised as "the debts of individual industrial and commerical households are repaid by the individual's property if he alone runs the household and by the family's property if the family runs the household. The debts of rural contracted management households are repaid by the property of family members living together."

On the stipulation of "body corporate," he said: The original draft provided: "A body corporate of an enterprise should be held responsible in one of the following cases, in addition, it is necessary to investigate and affix the legal representative's responsibility according to law." Some comrades pointed out that this provision is in very general terms and is difficult to implement.

Therefore, it is revised as, in addition to the body corporate that should be held responsible, "disciplinary sanctions may be taken against a legal representative, who may be ordered to pay compensations and fines, and in serious criminal cases, investigated so as to affix his responsibility for the crime according to law."

Wang Hanbin said: Quite a few comrades pointed out that at present, the lateral integration between bodies corporate is developing very fast. The draft should make provisions in this connection. Therefore, a section "joint management" is added, which falls into three categories. First, "by means of joint management between enterprises and between enterprises and institutions, economic entities can be organized to independently shoulder civil responsibility. Those which meet requirements of a body corporate can apply to industrial and commercial administrative and management organizations for approval and registration and thereby obtain body corporate qualifications." Second, "enterprises with joint management and enterprises and institutions with joint management should separately shoulder civil responsibility if they do business with other units independently according to contracts which stipulate their rights and obligations." Third, "enterprises and institutions that operate together without body corporate conditions should shoulder liability in proportion to the capital offered by all parties or according to agreements and by using what each enterprise or institution owns or the property each manages. Those which are held jointly responsible according to the law or agreements should shoulder joint liability."

Wang Hanbin said: On "civil legal action and representation," the invalid civil actions provided by the original draft failed to include all invalid civil actions. We now specifically stipulate the following seven civil actions as invalid: 1) those taken by persons whose capability for civil action is restricted by law, and who have lost the capability of taking civil action; 2) those taken by persons whose capability for civil action is restricted by law, and who have lost the capability for independent civil action; 3) those taken by people against their will after being swindled and coerced; 4) those taken in collusion to damage the interests of the state, collectives, or other people; 5) those violating the law and running counter to the public interest of society; 6) economic contracts running counter to the state directive plan; and 7) sham actions which use legitimate means to hide illegitimate ends.

On revision of the chapter "Civil Liability," Wang Hanbin said: To counter the tendency that some debtors are able to pay but fail to do so, the following stipulation is added at some comrades' suggestion: "Those who are able to pay debts, but refuse to do so, should be forced to pay by verdict of the people's court; those who hide their property and refuse to pay debts may be investigated to affix their criminal responsibility on a charge of fraud." In addition, at some comrades' suggestion, a stipulation is added to the section "civil liability for infringement on a person's rights": Those who violate state regulations on environmental protection and prevention of pollution, create environmental pollution, cause damage to citizens or body corporate; who pile articles or dig pits in public places without setting up a clear warning sign or taking reliable safety measures, thus causing damage to other people's property or physical health; who cause damage to other people's property or physical health when buildings and other installations, or articles lying idle on, or hanging from, buildings, collapse, fall off, or drop because of their inappropriate installation or mismanagement; and who raise animals causing damage should shoulder civil liability according to the law.

Finally, Wang Hanbin said: Please examine this revised draft of the general principles of the civil code to see whether it is suitable. I also suggest that the current Standing Committee discuss the revised draft and submit it to the Fourth Session of the Sixth NPC for deliberation.

NPC COMMITTEE DISCUSSES DRAFT MINERAL LAW

OW130033 Beijing XINHUA Domestic Service in Chinese 1521 GMT 12 Mar 86

[Excerpts] Beijing, 12 Mar (XINHUA) -- In deliberating the draft law on mineral resources today, members of the NPC Standing Committee, attending its 15th meeting, pointed out: The draft law, which has been repeatedly discussed and revised, embodies the spirit of "relaxing control, enlivening the economy, and exercising effective management." conforms with the state's general principle of speeding the development of underground mineral resources, and the policy of "actively supporting, rationally planning, correctly guiding, and stepping up supervision of" village and town enterprises, and is conducive to harnessing the enthusiasm of all individuals and collectives in prospecting and developing resources, as well as to reasonably utilizing and protecting mineral resources. The members have recommended that the current Standing Committee meeting approve the draft law.

Many members noted that the draft of the mineral resources law is better than previous drafts. Member Yand Liqong said: The guiding ideology of the draft is correct. It clearly defines state enterprises as the main developers of mineral resources, as well as formulators of state policy in actively supporting and stepping up supervision over village and town enterprises in the rational development of such resources. It stresses the inviolability of the rights and interests of state mineral resources enterprises, as well as protection of the legitimate rights and interests of collectives and individuals in mining. It conforms with reality and the spirit of the economic structural reform in China.

A few members called for intensified scientific research, planning, and management of the mining industry. Member Wang Ganchang said: In the future, we should pay attention to research into mineral resources, especially that on mining methods. Due to our backward prospecting and mining methods, we were unable to discover certain mineral ores and even wasted some of our resources. Member Rong Gaotang said: Because of outdated mining technology, we have been unable to extract valuable components from mineral ores. Therefore, we should devote more effort to scientific research in mining mineral ores.

EDUCATION COMMISSION HOLDS WORKING MEETING

OW110145 Beijing XINHUA Domestic Service in Chinese 1531 GMT 10 Mar 86

[By reporter Zhao Wei]

[Excerpts] Beijing, 10 Mar (XINHUA) -- The 1986 work conference of the State Education Commission closed in Beijing today. Present at the closing ceremony were Hu Qili, member of the Political Bureau and member of the Secretariat of the CPC Central Committee; and Li Peng, member of the Political Bureau of the CPC Central Committee, vice premier of the State Council and minister of the State Education Commission. They successively spoke at the meeting.

Hu Qili reiterated in his speech that education must be reformed or we will be unable to meet the needs of the four modernizations. He said that the reform of the economic structure, scientific and technological system, and educational system going on in our country is a profound revolution; that it is unavoidable and normal that there will be a new situation and new problems in the course of reform; and that what is important is to keep a clear head, persist in the reforms, and continue to advance. He pointed out that educational reform includes the reform of educational thinking, curriculum, and teaching methods. He urged comrades on the educational front to pay attention to investigation and study, and further educational reform in a down-to-earth and realistic manner.

Hu Qili emphasized in his speech that in order to strengthen ideological and political work, we must not merely rely on full-time political work cadres, and we must mobilize all teachers to teach the students both intellectually and morally. He said that all teachers should include moral education in their teaching, be worthy of the name of teachers, and exert a subtle influence on students' character and thinking. On how to improve student meanagement, Hu Qili said: Strict teachers produce good students. We should, starting from the purpose of caring for the students and training qualified personnel, protect the students' creativity and initiative and set strict demands for them at the same time in order to cultivate personnel who are qualified morally, intellectually, and physically for socialist construction.

The participants in the 7-day conference included directors of departments or bureaus of education of provinces, autonomous regions, municipalities, and some selected cities; comrades in charge of educational work of ministries and commissions under the State Council; and responsible persons of some colleges.

Li Peng Speech

OW121314 Beijing XINHUA Domestic Service in Chinese 1439 GMT 11 Mar 86

["Excerpts" of speech by Li Peng on 10 March at 1986 State Education Commission work meeting: "Persist in Reform of the Educational System; Do More Solid Work for Schools"]

[Text] Beijing, 11 Mar (XINHUA) -- Since the party Central Committee made public the "decision" on reform of the educational system last year, gratifying changes have taken place on the educational front, and the situation is excellent. The hallmark of this excellent situation is evidenced, first of all, by the fact that all party members and ordinary people have enhanced their understanding of the importance of education. They have realized that the key to accomplishing the modernization drive lies in specialized personnel, and that the foundation for training specialized personnel lies in education. A good education has a bearing on the quality of the nation, the destiny of the country, and the success of the four modernizations program. Economic and social development have set increasingly higher demands on education. Many peasants have become aware that education is an important means of achieving prosperity. Second, as a result of the study and publicity of the party Central Committee's decision on reform of the educational system and the designation of a teachers' day, the social status of a large number of teachers has been raised and their working and living conditions improved. Third, entrusting localities with the responsibility for basic education, the central authorities have increased the level of responsibility of local party committees and governments and sparked their enthusiasm in managing schools well. All provinces, cities, prefectures, and counties have mapped out concrete plans and measures for promoting education, and both central and local authorities have increased educational expenditures in varying degrees. Fourth, a State Education Commission has been established to strengthen the organizational leadership over educational work and supervise schools of all kinds and at all levels throughout the country.

All provincial, municipal, and autonomous regional party committees as well as State Council departments concerned have also reinforced their leadership over educational work. Fifth, party committees, educational departments and schools at all levels have begun to attach great improtance to and taken action to step up the ideological and political work in schools at all levels, in particular schools of higher learning. Of course, we should notice that, as the implementation of the party Central Committee's decision on reform of the educational system has just started, there is still a great deal of work in the planning and discussion stage, and we have not yet achieved many concrete results.

The assessment by many comrades of an unprecedentedly excellent situation on the educational front is correct. We must keep a cool head regarding shortcomings and problems existing in the work, however, and must strive to solve them in a down-to-earth manner.

The central task for the educational front in 1986 is to continue to implement the "decision of the CPC Central Committee on reform of the educational system." Now, I would like to suggest a number of opinions concerning the work of this year.

1. On Popularization of 9-Year Compulsory Education

Compulsory education is an obligation of the state to the people, as well as of the parents, to the country and society. In popularizing the 9-year compulsory educational system, we must take into account the uneven economic and cultural development in the country and carry out the policy in light of the actual situation in each locality. Every province, county, and city should proceed from reality and adhere to the principle of seeking truth from facts in formulating realistic fighting goals and detailed rules for different types of areas, and popularize the compulsory educational system step by step. Primary education is the foundation for basic education. All localities must do a good job in running primary schools and must rectify any practice neglecting primary education.

Middle and primary schools should reduce the load of learning by their students, and guard against or correct the tendency of aimlessly pursuing a higher proportion of students entering a higher level of school. Middle and primary schools should aim to develop the youngsters in a well-rounded manner -- morally, intellectually, and physically -- and provide the students with a relatively comprehensive basic education. While continuously improving teaching in verbal and mathematical subjects, it is also necessary to pay close attention to music, physical education, arts, and other subjects in order to help middle and primary school students enrich their cultural lives and achieve overall development.

Qualified teachers are of crucial importance for middle and primary schools. It is necessary to adopt various methods to solve this problem through various channels. One of the methods is to provide long- or short-term training through regular normal education. A second method is to dispatch groups of lecturers to the grass roots to help train qualified teachers. Last year, the central organs dispatched groups of some 3,000 lectures, which proved successful in the course of practice. Beginning from this year, the dispatching of groups of lecturers will be institutionalized and continued in both central and local departments. A third method is to offer on-the-job training through correspondence or television programs. To provide effective means for training middle and primary school teachers, we will lease a television satellite to establish an educational channel. No matter what method is adopted in training, it is necessary to set up a regular program to teach whatever subject is needed, and confer a diploma of a secondary teachers' training school or certificate on completion of study of a single subject of all subjects at a college or university, on those who have passed the examination.

Teachers of schools run by local people constitute a fairly large proportion of the existing ranks of teachers. They have worked under relatively difficult conditions, and contributed to China's educational undertaking. In solving problems for them, it is necessary to raise their social status while creating conditions for improving their economic remuneration. All localities must treat teachers in schools run by local people and by local governments equally as far as their political and social life is concerned, including promoting them in work and commending them as advanced workers.

In promoting education, it is imperative to increase expenditures and investment. Both central and local financial resources must ensure increasing funds for education. Aside from relying on local governments, basic education also needs the support of collective economic units and local people. Rural areas that have improved their standard of living should spend more money on schools. Local governments should not restrict but should encourage more funds for education if their economic conditions permit and local people are willing to do so.

2. On Higher Education

Higher education has developed rapidly over recent years. In order to further raise the efficiency of higher education as a whole, schools of higher learning should focus their attention for some time to come on tapping their potentials and improving the quality of students. Generally speaking, we should not set up new schools, but should concentrate our efforts on improving existing schools. During the Seventh 5-Year Plan, we will increase the enrollment of higher education mainly by tapping the potentials and expanding the facilities of existing schools. Moreover, we will direct more attention to readjusting the structure and overall arrangements of schools of higher learning and improving their quality.

Restructuring higher education is an important question that needs to be studied and solved. As we know, our country needs specialized personnel in different fields. Therefore, in order to form a rational structure of specialized personnel, all schools of higher learning should coordinate their efforts in training personnel specializing in different fields. Each school should optimally utilize its advantages in offering a highly qualified education with its own characteristics.

In encouraging colleges and universities to gear their research work to the modernization drive, we should correctly handle the relationship between study of basic sciences and their application in technology development. Schools of engineering should devote more efforts on applying sciences to develop technology than on studying basic sciences. Colleges of sciences should concentrate on basic science research while also engaging in technology development.

To develop higher education under China's existing conditions, it is necessary to adopt dual tactics, that is, improving regular fulltime colleges and universities while vigorously developing various forms of schools of higher learning such as radio and television programs, correspondence courses, part-time and night-time universities and holding examinations for self-taught students of college courses. Where conditions permit, regular colleges and universities should increase the enrollment of their correspondence courses and night classes while striving to improve upon the quality of fulltime enrollment. In order to train more specialized personnel in various fields for the country and society, television universities should, in addition to enrolling personnel already holding a job, be opened to graduating students of senior middle schools so that young people with lofty ideals may have ample opportunities to study at their own expense without limited quotas.

It is essential to pay special attention to the following reforms in higher education this year:

The party Central Committee's "decision" on reform of the educational system calls for reforming the enrollment plan and the system of assigning jobs to graduates and substituting scholarships for stipends to students. The reforms of enrollment plans and job assignments for graduates have already been carried out, and should continue to be improved this year on the basis of last year's experience. Reform in financial aid to students affects their vital interests, and should be carried out prudently.

The purpose of substituting scholarships for stipends is to eliminate the malady of "everyone eating from the same big pot" among the students, harness their initiative and consciousness in study, and reward those who are outstanding both academically and morally. A small number of schools will be selected to pursue the reform this year on a trial basis, which will be gradually popularized in the course of practice.

The enrollment and the training systems of postgraduates should be improved. As personnel trained by the state at a higher level, postgraduates (including those working for a master's degree and a doctorate) should be outstanding students academically and morally, and should willing to dedicate themselves to the modernization drive. It is necessary to reform drawbacks in the current educational system for postgradues that are divorced from reality. In order to provide an opportunity for higher qualified personnel engaged in practical work to earn an advanced degree, it is necessary to first try out and then establish a system of doctoral dissertations and conferment of doctorates in engineering, clinical medicine, and other fields. In short, it is necessary to closely combine the training of specialized personnel at higher levels with reality so that they can meet the needs of the ongoing four modernizations programs as well as the needs of the world and the future.

In order to strengthen the capabilities of schools of higher learning to adapt themselves to the economic and social development, it is necessary to give them greater decision-making powers in management while strengthening and improving macrocontrol. The State Council will soon promulgate the "provisional regulations on management duties of higher education." All localities, departments concerned, and schools of higher learning should pay close attention to reviewing their experience in the course of implementing these regulations so that China's higher education can better serve the needs of the modernization drive.

3. On Improving the Selection of Students for Studying Abroad and Stepping Up Their Supervision

In recent years, large numbers of personnel have been dispatched by the government on study tours abroad, in addition to a number who go at their own expense. The dispatch of personnel abroad has been generally fruitful in absorbing advanced foreign science and technology and management knowledge and in training senior specialized personnel, which we should fully confirm. Of course, problems do exist in the selection and supervision of personnel studying abroad, but they are of secondary importance. The dispatch of personnel to study abroad must be continued for a long time as part of our policy of opening the country to the outside world.

In dispatching students abroad, it is necessary to proceed from China's modernization needs. To ensure the students a place to fully use their talents upon completion of their studies and return to the country, only units in need of specialized personnel should send students abroad. Now that many colleges and universities in the country have set up graduate schools, the training of postgraduates should be conducted mainly in the country, although we may cooperate with colleges and universities abroad in some training. In this way, we can absorb advanced foreign science and technology while training a large number of specialized personnel at a faster pace.

Studying abroad at one's own expense is an important way for training specialized personnel which we must encourage. Personnel studying abroad at their own expense should be treated the same as those studying at government expense as far as their life and work are concerned. It is necessary to offer correct guidance to overcome problems and defects existing among those studying abroad at their own expanse.

4. Developing Adult Education and Vocational and Technical Education

Energetically developing adult education is an important way of training the necessary personnel, particularly middle-aged and young personnel. Adult education should be run according to the special conditions of adults. The joint exam to be held this year for adult students is for the purpose of combating certain disorderliness in adult education and is not aimed at limiting the number of students. Courses for adult students should primarily be given during their off-duty hours. To deal with conflicts between working and attending classes among workers of enterprises and government organs, the number of students who cannot attend classes without stopping work should be kept at a minimum. The units where these students work, however, should give them the assistance they need. To provide workers the opportunity to study without having to stop working, the central authorities are prepared to broadcast the satellite-relayed televised college courses at night. While we support people in society who sponsor adult education, the disorderliness and irregularities appearing in adult education should be combated.

Vocational and technical education is a very important aspect of training the necessary personnel. Energetically developing vocational and technical education, including turning some regular high schools into vocational high schools, is a major reform to enable our country's education to keep up with the needs in our four modernizations. Today, the number of vocational and technical schools has been increasing rapidly and their graduates are highly popular in society. This is a very gratifying phenomenon. Now we must review our experiences and continue to do a good job in improving the operation of vocational high schools. We must now promptly study and deal with the two problems affecting vocational and technical education. First of all, in the course of training, we must give students the opportunity for hands-on experience. Without this opportunity, students cannot possibly become qualified workers with special skills, or intermediate or primary specialists. Secondly, we must have qualified teachers. There is now a widespread shortage of teachers of vocational courses. Therefore, in addition to setting up more colleges to train teachers for vocational and technical schools, institutes of higher education should also contribute their share of training teachers for vocational courses. Moreover, educational departments in various localities should also organize personnel to compile teaching materials for vocational and technical education.

Preschool education is an important part of the overall educational work. We should depend more on society to sponsor preschool education so that it will become part of the welfare services of various government organs, institutions, the state, and collectively-operated enterprises. The main problem confronting preschool education today is the shortage of qualified teachers for preschool education. Educational departments have the responsibility for providing large numbers of qualified teachers for preschool education. In addition to schools training teachers for preschool education, vocational high schools should also train teachers for preschool education to meet society's pressing needs.

5. Intensifying and Improving Ideological and Political Work in Schools

Ideological and political work among students, teachers and other faculty members of our institutes of higher education is a task determined by the nature of our socialist schools, and it guarantees success in developing specialized personnel with socialist consciousness. It is our hope that the people we develop will become educated, ethical people with lofty ideals and a sense of discipline, and specialists in all fields who have communist consciousness and morality with the spirit of serving the people and dedicating themselves to the four modernizations. We should correctly assess the ideological condition of the students.

While the majority of them believe in Marxism and are willing to study it, support the Communist Party's leadership, are in favor of pursuing the socialist course, and support reform, liberal thinking has a certain degree of influence in universities nonetheless. Furthermore, some students are still affected by such problems as losing contact with reality, holding the masses in contempt, and overestimating themselves. We should attach ample attention to these problems.

According to the experiences gained by many localities and schools, we should pay attention to the following issues:

First, party committees and other organizations at all levels in schools should take a clear-cut stand in supporting or opposing whatever is related to ideological and political matters. Their method of work, however, must be proper. In handling ideological matters, they must treat the students on an equal basis, enlighten them, reason with them, and discuss things with them democratically. Acting simplistically and forcing them to agree should be rejected. Leading authorities at all levels must attach importance to the students' opinions and criticism, and strive to improve their studying and living conditions.

Secondly, we must build and improve the contingent of ideological and political workers in schools. This contingent should include full-time and part-time workers chosen from among teachers and students who are of good character and academic ability. Ideological and political work is a branch of learning, and political workers should be hired to perform proper duties and become part of the school's faculty. Such an arrangement is conducive to building a full-time, long-term, stable, and highly proficient contingent of ideological and political workers. In addition to the knowledge of a certain discipline, political cadres in schools should study some more basic Marxist and Leninist theories, and they should study pedagogics and psychology. Moreover, they should pay attention to inheriting and carrying forward the party's fine traditions of political work and the whole series of effective methods of work, and integrate these traditions and methods of work with the special characteristics of school education. Furthermore, we must emphasize that teachers of all schools -- ranging from primary schools to universities -- must educate people intellectually as well as ethically. This means that not only should they impart knowledge to students, they should also cultivate the students' fine qualities and socialist consciousness. This is a basic requirement of our party and state for people's teachers.

Third, we must exert great efforts to reform the teaching of political curriculum in our schools. Our ideological and political courses should be more extensive. While they are primarily intended for students to learn more basic Marxist and Leninist theories, they should be integrated more closely with the current world situation and the realities of China's construction. We must help the students understand the histories of Chinese revolution and the CPC, and understand how our party has integrated basic Marxist and Leninist theories with China's actual situation. We must also pay attention to helping students study the party's current basic policies, intensify the study of current affairs, and guide them to be concerned with major affairs at home and abroad and approach them properly. In teaching ideological and political courses, we should reform the spoon-feeding method of teaching and encourage the elicitation method of teaching as well as free discussion.

Schools should pay attention to giving play to the roles of CYL organs and student associations. All schools, beginning with middle schools, should pay attention to the ideological construction of CYL organs, ensuring that they can really become organizations of advanced young people. Representing student interests, student associations are organizations serving as links between students and schools. By sponsoring activities, student associations should help students become more capable of taking care of themselves and educating themselves.

Allowing college students to come into contact with realities in society is an important aspect of carrying out ideological and political education among them. Organizing students to take part in production, conduct social investigation and study, and take part in military training during their school hours as well as holidays will benefit them in understanding society better and in establishing closer ties with realities. These activities should be regularized and institutionalized, and should be incorporated with the curriculum.

Comrades! This year is the first year of the Seventh 5-Year Plan. The 5-year period is a crucial period for us in reforming the educational system and promoting our educational cause. Our educational work must be reformed because without being reformed, it will not keep pace with the needs of the four modernizations. It is hoped that all provinces, municipalities and autonomous regions, as well as the leading authorities of all departments and committees, will give great attention to education. As the Central Committee has set the general policy for educational reform, I hope all regions, departments and schools will firmly implement the policy, do something tangible, and push their own work forward in a down-to-earth manner!

NATIONAL PROCURATORS GENERAL CONFERENCE ENDS

OW130317 Beijing XINHUA Domestic Service in Chinese 1504 GMT 12 Mar 86

[By reporter Zhang Sutang]

[Text] Beijing, 12 Mar (XINHUA) -- The national conference held by the Supreme People's Procuratorate for procurators general of the various provincial, autonomous regional, and municipal procuratorates ended in Beijing on 12 March. The conference called on procuratorial organs across the nation to continue to strike severely at serious economic criminal activities while dealing telling blows against serious criminal activities; protecting the people; punishing criminals; ensuring unified enforcement of the law; striving for steady improvement of social order; and promoting the building of socialist material and spiritual civilizations, in order to defend economic structural reform and guarantee smooth progress of the socialist modernization drive.

Yang Yichen, procurator general of the Supreme People's procuratorate, addressed today's closing ceremony. He said: There was much progress in procuratorial work in 1985. Procuratorial work has been further strengthened and developed, and many good experiences have been gained. Last year, procuratorial organs investigated over 28,700 economic criminal cases and recovered for the state more than 268 million yuan in losses. Yang Yichen called on procuratorial organs at all levels to further unify their thinking in line with the principles and policies of the CPC Central Committee. He said: We must concentrate our efforts on crucial cases and step up investigation. We must adhere to the principle that all are equal before the law. We must also strictly enforce law, dare to tackle intractable cases, and resolutely break the network of connections and protection of special privileges. We must impartially enforce the law. Whoever is involved in criminal cases must be investigated and brought to justice accordingly. Those who shield perpetrators must also be investigated and punished according to law. When procuratorial organs at lower levels encounter obstructions during investigation, the higher procuratorial organs must render support and, if necessary, assign someone to directly take part in investigating the case involved.

The 10-day conference was one of the largest in scale since the reconstitution of the people's procuratorial organs. Procurators general of the various provincial, autonomous regional, and municipal procuratorates, the specialized procuratorates, and some of the city, county, and district procuratorates attended the conference.

During the session, comrades discussed the guidelines of the national political and legal affairs work conference and relevant speeches by the leading central leaders; reviewed work in 1985; exchanged experiences in the work to strike at economic crimes; analyzed the current situation; and studied tasks for 1986. In view of rampant economic criminal activities, the participants held that more major cases will crop up. Procuratorial organs must speed up investigations and conclude cases in good time. They must focus on striking at serious economic criminals involved in embezzlement, theft, bribery, tax evasion, smuggling, illicit trading of foreign currency, speculation, profiteering, and swindling, in order to safeguard and promote economic development.

The conference maintained that, in striking at economic crimes and other criminal activities, procuratorial organs at various levels must do the job of comprehensive treatment well, and strive to prevent and reduce the incidence of crimes. In adhering to methods proven effective in the past, they must carry out measures of comprehensive treatment in grass-roots units, constantly probe new ways, and create new experiences in the course of practice.

The conference stressed that to further strengthen the building of procuratorial organs, procuratorial cadres must study the party Constitution and the Constitution of the People's Republic of China; enhance party spirit and the sense of law; and set an example in correcting party work style and abiding by the law and party discipline. In view of the myriad of new problems confronting procuratorial organs in the special economic zones and open coastal cities, comrades from these areas held that the rank-and-file procuratorial cadres must engage in more serious study, and strictly enforce law in a civilized way in order to defend and promote smooth progress of the policy of opening to the outside world.

RENMIN RIBAO ON CHINESE MARXISTS' MISSION

HK111526 Beijing RENMIN RIBAO in Chinese 7 Mar 86 p 5

[Article by Peng Dingan: "The Historical Responsibility of Contemporary Marxists in China"]

[Text] We are engaged in an unprecedented great cause -- building socialism with Chinese characteristics. The older generation of our party has always struggled for, served, and dedicated their lives to the great ideal of realizing socialism and communism. However, due to historical limitations and other reasons, Chinese Communists in previous historical periods were not able to leave us a complete set of theories for today's historical mission, and they endured an arduous course full of twists and turns. Since the 3d Plenary Session of the 11th CPC Central Committee, our party has not only displayed its courage and creativity in theory, but has also achieved remarkable results in practice in buidling of socialism with Chinese characteristics.

Not long after the victory of the 1919 October revolution in Russia, Lenin solemnly pointed out: Communists in various Eastern nations are facing a special task. That is, they "must take the general communist theory and practice as a foundation and suit themselves to the special conditions that do not exist in European countries" so as to apply this theory and practice to their national conditions, with the masses there mainly being peasants, and to build socialism and realize the communist ideal. What we have to do today for "building socialism with Chinese characteristics" is still in line with Lenin's old instruction. However, we have advanced and developed Lenin's proposition and have added more concrete and realistic content to it. This content includes China's national, geographic, economic, political, and cultural characteristics and reflects the characteristics of the times in which a new technological revolution is surging ahead.

More importantly, our proposition integrates the initiative of our 1 billion people in creating history with their great practice. We will turn this theoretical thesis into concrete practice and action of the masses. Thus, we can see the great significance and widespread influence of our present socialist practices.

In order to fulfill this arduous, glorious, and great historical mission, all contemporary Marxists in China should work independently and creatively. Of course, they should subejct their original practice to the guidance of the basic principles of Marxism-Leninism. Only thus can our practice adhere to a correct orientation and follow correct methods; only thus can we attain theoretical consciousness which will in turn promote our practice. Therefore, there is a process of raising the abstract to the concrete. We always attach importance to the cognitive process of turning perceptual knowledge into rational knowledge and developing from the concrete to the abstract, regard this as an upgrading movement of cognition, enabling us to summarize our practice while guiding our practice. However, we may have neglected or not have consciously realized the importance of the process of turning abstract things into concrete things, which is also an upgrading movement of cognition and practice. This process is effected through applying theory to practice while testing theory through practice. From the abstract to the concrete and from theory to practice, there is a process of deepening thoughts and making ideas more concrete, and there is a process of applying, summing up, and developing theory. In order to fulfill the above-mentioned historical mission, contemporary Marxists in China must follow this process of turning abstract things into concrete things and putting theory into practice in their work for socialist construction.

On this point, we have entered a new stage and come into contact with a new subject. That is, we should first have a good command of the basic principles and theoretical system of Marxism-Leninism through serious theoretical study. Under the new conditions, we should make use of new methods to study Marxist theory in light of the new requirements, and should study in a planned, well organized, and systematical way with firm determination and perseverance.

We still have to move to a higher stage. That is, on the basis of practice, we should use new facts, achievements, concepts, viewpoints, and theories to enrich the theory arsenal of Marxism and to develop it, update it, and replenish it with new historical facts and practical experience. We must realize that this process will never be completed once and for all and will never come to an end; instead, it will be progressive by stages. It is not only a process of practice but is also a process of theory. In this process, our awareness of theory is greatly important. On the one hand, we will consciously subject our practice to the guidance of theory and consciously apply theory to our practice; on the other hand, we will often study theory and summarize in our practice so as to form opinions, viewpoints, and theories. Only thus can we be practical men armed with theory and be theorists with rich practical experience; and only such practical theorists can shoulder the great historical mission and fulfill the task entrusted by history.

Here, we should mention another important task. That is, it is necessary for us to learn from past failures. When commemorating the fourth anniversary of the October Revolution, Lenin wrote an article and pointed out: "Actual life has shown that we have committed an error." The error was that "we tried to directly use the decrees of the proletarian state to apply the communist principles to the readjustment of the country's production and product distribution." Lenin also affirmed that such errors were unavoidable. He said: "In the brand-new cause in the world's history of building an unprecedented now-type state system, how can errors and mistakes be avoided completely? This was the attitude of a great materialist. Then, Lenin immediately pointed out: We not only should admit mistakes, but should also "learn how to correct the mistakes." In another passage, he pointed out the necessity of "learning from failures." ("Collected Works of Lenin" Vol 33, p 71)

This also shows his dialectical attitude toward mistakes. To learn from unsuccessful experience, we should formulate some objective laws through reviewing the reasons for mistakes so as to turn negative experience into positive experience.

For us, "learning from failure" means two things. First, we should generally draw lessons from our errors of the past few decades. Of course, when reviewing that past, we need a system of coordinates so that we may find out where and how we suffered a setback and committed an error. For us, the "system of coordinates" is the basic principles and theoretical system of Marxism. Without keeping this system of coordinates in mind, we will lose our bearings when summing up experience and will not reach correct and scientific conclusions. That is to say, we must adhere to Marxism. By summing up experience and drawing positive lessons from past errors, we will also develop Marxism. The deepest meaning of "learning from failure" is to adhere to and develop Marxism.

Second, our present and future practice, when taking every major step, it is still unavoidable that we make partial, nonessential, and even rather serious errors in our extensive and day-to-day practice. What we can do is to try hard to avoid major mistakes, to reduce the scope of mistakes to the minimum, and to discover and correct mistakes as soon as possible, rather than delaying this or persisting in the mistakes. Lenin said: "We should firmly and tenaciously persevere in study and examine every step we have taken, patiently and repeatedly improving the work we have started so as to correct mistakes and draw lessons from these mistakes. We will certainly advance our work to a higher level." ("The Fourth Anniversary of the October Revolution") This is also a process of study and improvement, and a process of turning concrete things into abstract things and turning practice into theory. The essence of this process is to adhere to and develop Marxism.

This process in general is well matched with the process of turning abstract things into concrete things. This forms a practice-theory spiral development cycle. Through this "cycle," we will gradually accomplish our great cause of socialist modernization and will develop Marxism in the theoretical field. Both of these points are our historical missions and are the contributions we should make to our nation and to the world.

RATIONAL USE OF BORROWED FOREIGN CAPITAL URGED

HK120921 Beijing RENMIN RIBAO in Chinese 6 Mar 86 p 2

[Article by Yuan Geng: "Heavy Debt Is Like a Load Weighing 1,000 Jin -- On the Relationship Between Borrowing Money and Paying Debts"]

[Text] Editor's note: Actively and rationally using foreign capital in the service of of the four modernizations program is a correct principle for speeding economic construction. Debts should be repaid. Only by rationally using foreign debts to increase profit is it possible for us to have both the capability to repay debts and the power to expand our economic strength. In this article Comrade Yuan Geng pointed out that we should not borrow money lightly, but should first concentrate our efforts on studying how to make good use of foreign debts so that they can yield better economic results. This is a very important viewpoint. Some comrades are in the habit of borrowing money from abroad in line with the thinking and practice of "everybody eating from the same big pot." They rashly clinch a deal without seriously considering how to use and repay the debt. This has led to poor economic results in the use of foreign capital. We should attach sufficient importance to this issue and take effective measures to solve it. [end editor's note]

In developing and building the Shekou industrial zone over the past few years, we have derived our capital chiefly from loans and not from gratuitous state allocations. Most of the money has been borrowed from banks in Hong Kong. We have not displayed the spirit of "staking 1,000 pieces of good on one throw" but have been very careful in using these funds. Our comrades are so engrossed in studying the feasibility and the economic results of some projects and our capability to repay the debts that they often lie awake all night.

When I worked at the China Merchant Steam Navigation Company in Hong Kong, my first impression was that it was not easy to be an enterpreneur in Hong Kong. Hong Kong is one of the world's three major financial centers. Many banks were willing to provide us with loans. It was easy to borrow money but the repayment pressure was great. If one should fail to repay debts, one would not only lose one's credit but also assume legal responsibilities and even lose one's family fortune. Comrades accustomed to the practice of "everybody eating from the same big pot" have not understood this risk.

Since last year, a dozen or so small trading companies with youthful managers have been set up in the Shekou industrial zone. Highly complacent, they struck business deals amounting to several thousand and even several million yuan. They thought that as soon as business contracts were signed, money would roll in. For these people, business risks and economic and legal responsibilities did not seem to amount to much. As a result, problems such as overstocking commodities, suffering losses, and being cheated have emerged in the past few months, all of which are really breathtaking.

Debts should be repaid. I often warn young comrades with examples of Hong Kong enterprises going bankrupt. Having been most successful for a time, these enterprises went bankrupt as a result of poor management. Taking 150 sleeping pills, a proprietor atoned for his fault with his own life. I saw or heard all this after I arrived in Hong Kong.

Last year a number of problems emerged in our country, such as the expanding credit, the excessively rapid increase in consumption funds, the excessive scale of capital construction, and a drop in state foreign exchange reserves. The reason lay in the fact that quite a few localities and enterprises (including the "briefcase companies" springing like mushrooms) which, taking advantage of the decentralization of power and seeking the selfish interest of the locality, enterprise, or person, view with one another to obtain investment, credit, and foreign exchange, to increase investment in fixed assets, and to improve welfare regardless of the consequences. Like some of the young managers in the Shekou industrial zone, the responsible persons of these units had no idea from the start that, when they spent money like water, they would go bankrupt one day, breaking up their families and even taking their own lives, as some proprietors in Hong Kong did. Given our imperfect legal system, some laws have not been enacted, and some laws already enacted have not been fully enforced. With the extension of power, responsibility has not been correspondingly expanded. Enterprises have been given decision-making power but the basis of the traditional structure, namely, the practice of "everybody eating from the same big pot," has not been discarded. The administrators of an enterprise can boldly dispose of the funds and property of the enterprise without assuming any personal responsibility.

In early 1979, when the higher authorities proposed a plan a develop the Shekou industrial zone, the leading comrade concerned had considered assigning the entire Nantou peninsula to us, an area of more than 30 square km. We only asked for 1 square km of land. In 6 years we have developed an area measuring 4.5 square km. Some new comrades blamed us for failing to ask for several dozen square km of land in the first place. The question was not whether we wanted it or not, but whether we dared to take it.

It took about 100 million yuan to develop 1 square km of industrial zone out of a vast expanse of waste beach. If we had committed ourselves from the start to developing an area measuring several dozen square km, how could we handle the debt, which would have amounted to several billion yuan? By the end of 1985, the gross income of the Shekou industrial zone had reached more than two-thirds of the total investment. If we had engaged in the development project on too large a scale at that time, and had scattered more than 300 million yuan of money on several dozen square km of land, we would surely have been unable to attain such economic results.

When an enterprise commits itself to developing a certain area, it should be extremely careful in putting its capital to use. When we borrow money from Hong Kong banks, the interest is calculated by the minute. If we had adopted the method of designating a construction team through the administrative system and had allowed a handful of people to dawdle along, or to put off the time limit for our projects, it would have been dreadful to contemplate the consequences. This made it necessary for us to reform the construction of our projects by opening work to contract bids.

In an attempt to speed up the development of the Shekou industrial zone, Shenzhen City allowed us to transfer people from other localities at any time. After making some calculations, we knew that, with each person transferred into the industrial zone, we would have to put in more than 20,000 yuan in credit funds and that, with the monthly interest of more than 200 yuan, plus wages and various welfare expenses, we would have spent more than 500 yuan a month for each additional person. This made it necessary for us to bring the scope of management institutions and the growth of population in the industrial zone under strict control.

In short, in the work of developing the Shekou industrial zone over the past few years, we have indeed felt the pressure that "a heavy debt is like a load weighing 1,000 jin." When people have pressure, they have motive force. Pressure has aroused the initiative and creativity of the builders in the special zone and pushed our cause forward.

LIAOWANG ON QUESTIONS IN UNDERSTANDING REFORM

HK130343 Beijing LIAOWANG in Chinese No 7, 17 Feb 86 pp 14-16

[Article by Yuan Mu: "Now Three Questions Concerning the Understanding of Reform (Part Two and Conclusion)"]

[Text] The Third Topic: Relationship Between Reform and Opening Up to the Outside World and Correction of Unhealty Practices

In the process of further stimulating overall economic reform focusing on the city and in the process of further opening up to the outside world, various new unhealthy practices have appeared and spread. This has seriously interfered with the smooth progress of reform and opening up to the outside world. It is a kind of interference that cannot be overlooked. The CPC Central Committee and the State Council have time and again stressed the need to take the initiative to expose unhealthy practices and take realistic and effective measures to resolutely stop and correct such practices. For this reason, since the fourth quarter of 1984, the CPC Central Committee and the State Council have issued a series of resolutions and circulars stressing that in introducing economic reforms and opening up, we must further strengthen party discipline and rectify party style. Party organizations and the people's governments at various levels and the whole body of party members and cadres must wholeheartedly serve the people, act strictly according to the party's guidelines and policies, and resolutely correct all practices harmful to the interests of the state and the people.

The uniform stipulations from the CPC Central Committee and the State Council must be strictly followed. In no way can we fail to carry out orders and prohibitions that are in force. In his "Report on Government Work" at the Third Session of the Sixth NPC last March, Comrade Zhao Ziyang stressed: "These unhealthy trends are extremely harmful to reform. If they are not resolutely rectified, the reputation and smooth progress of reform will suffer. The effort to build socialist material civilization and spiritual civilization will also be thwarted. We must resolutely carry out various stipulations from the CPC Central Committee and the State Council on rectifying unhealthy trends and adopt economic, administrative, and legal means to stop these evil trends." Not long ago, the CPC Central Committee clearly stipulated that at the second stage of party rectification, we must focus on strengthening party discipline, rectifying unhealthy trends, and stimulating reform.

Recently, the Secretariat of the CPC Central Committee again called a general meeting of cadres of central organs, calling on central party, government, and military organs to play an exemplary role in rectifying party style. This gave further expression to the determination and confidence of the CPC Central Committee in vigorously rectifying party style from top to bottom. It should be noted that a period of implementation of a series of measures from the CPC Central Committee and the State Council has produced a certain effect in stopping evil trends. Some problems have been exposed or are being solved. The affirmation of this is of great importance in strengthening our confidence in rectifying party style and thus bringing about a fundamental turn for the better in party style and the social climate as quickly as possible. But it should noted that many problems have not been solved as quicly and effectively and not as satisfactorily as we would wish. People hope that this situation will change more quickly. This is a very natural and very rational demand. Therefore, in rectifying unhealthy trends, we can never loosen our grip or be lenient, and must continue tightening our grip. Otherwise, we will be seriously divorced from the masses. This would interfere with the consolidation and development of the political situation of stability and unity, and also hinder the smooth progress of reform at home and opening up to the outside world.

To correctly and effectively stop and rectify unhealthy trends, we must assume an analytical attitude toward the source of unhealthy trends and cherish a correct view. If we indiscriminately and simply regard reform and opening up as a cause of unhealthy trends and refuse to make a perfect and concrete analysis of things, that is incorrect. This would also interfere with our persistently uniting the whole party and the people throughout the country in a concerted effort to stop and rectify new unhealthy trends with the same will under the leadership of the CPC Central Committee.

In a speech to Hong Kong and Macao reporters on 9 April last year, Comrade Hu Yaobang pointed out that it is not correct to say that existing unhealthy trends have been caused by reform. Unhealthy trends have been chiefly caused by the influence of the remnants of declining decadent, exploiting-class ideas of the old society and the influence of fast-growing individualism and anarchism during the "Great Cultural Revolution." This provides an important basis for our correctly understanding and analyzing the causes of unhealthy trends.

It must be stressed that certain leadership organs and a small number of party-member leading cadres are guilty of unhealthy practices themselves, become seriously affected by bureaucratism, shield those guilty of crime, abet evildoers with a tolerant attitude, or themselves perform acts that are against the party discipline, administrative discipline, and the law. This has played a not very good or quite a bad part in causing the rise and growth of several evil trends. Therefore, in the current process of rectifying party stule and social practices, the masses of cadres and people call on leadership organs and leading cadres involved in the above situation to first set personal examples and take the lead in correcting mistakes.

This is entirely right and proper and is a matter of course. Undoubtedly, in rectifying party style and the style of government and tightening party discipline, administrative discipline, and the restraints of the law, leadership organs and leading cadres must first set examples. Only in this way can quick results be achieved.

The above situation also shows that in some cases unhealthy trends have really been stirred up by certain departments, units, and individuals in the name of reform. Some such trends have to do with certain still imperfect measures taken in reform. Thus, simultaneously with vigorous efforts to stop several unhealthy trends, we must firmly and unswervingly press on with reform of the system, continuously perfect various reform measures, strengthen socialist democracy and the legal system, reinforce inspection and supervision organs, and improve on the inspection and supervision system. If we do not seek to understand and solve problems in this way and instead interpret unhealthy trends indiscriminately and unanalytically as results of reform, then we could very easily be led to the logical conclusion that only by stopping reform can we check and rectify unhealthy trends. This is, or course, also quite out of order.

Upholding reform is where the people's immediate and long-term interests lie and is the only way out for China. Without reform, we cannot talk about anything else. In stopping and rectifying unhealthy trends, the aim is also to better guarantee the smooth progress of reform. In a decision on economic reform, the CPC Central Committee pointed out long ago: "The more developed the economy and the enterprise the greater the need for attention to overcoming the corrupt phenomenon of abusing power to serve private ends and overcoming all acts causing serious harm to the interests of the state and consumers and the greater the need to strengthen the building of party style and party discipline." From this, it can be seen that at a time when the overall reform focusing on the city will be gradually introduced throughout the country, the CPC Central Committee has sounded an alarm to the whole party. Unhealthy trends have arisen and spread precisely because of acts contrary to such fundamental demands put forth by the CPC Central Committee.

Another view is that unhealthy trends are "south winds" stirred up in the special economic zones in the south, or "foreign winds" from the east and the west of our country. Such ways of putting things mean the same thing. It is that the rise of unhealthy is a result of the introduction of the policy of opening up. The CPC Central Committee has time and again pointed out that the introduction of the policy of opening up will bring us many favorable factors and greatly stimulate the modernization efforts of our country. Meanwhile, it will also bring certain unfavorable negative factors, chief among them the influence of Western capitalist decadent and declining ideas and ways of life. It has been pointed out that the latter will become a factor giving rise to new unhealthy trends. People's vigilance has been aroused in resisting and fighting the corrosive effects of capitalist ideas. This is entirely necessary and correct. But if the rise of unhealthy trends is blamed entirely on opening up, that is incorrect. Modernization can never be achieved behind closed doors. From the latter period of the Ming Dynasty to the Opium Wars, our country shut itself off from the world for several hundred years. This resulted in factors responsible for a long period of ignorance and backwardness in our country. We can no longer refuse learning from this painful lesson or experience.

Since the 3d Plenary Session of the 11th CPC Central Committee, the CPC Central Committee and the State Council have been determined to introduce the policy of opening up. This is our lasting fundamental national policy and is a strategic measure to accelerate modernization. If we do not open up, it will be very difficult for us to narrow the gap between our country and developed countries economically and technically. In the "Communist Manifesto," Marx and Engels pointed out long ago: Given the development of the international market by the bourgeoisie, production and consumption are no longer the business of a single country but the concern of the world.

The previous isolated state of various nations has given way to their mutual exchange and interdependence. The development of world history in the 100-plus years since then has increasingly proven the complete correctness of the conclusion of Marx and Engels. In the world of today, given increasingly close international economic ties, competition has become fierce. A new world technological revolution is booming. Opening up is a historical trend as well as a world trend. Experiences of various countries, including those of developed and developing and of various socialist countries, have repeatedly shown that no country can now rely entirely on its own resources, technology, and talent in solving its own economic and technical problems in an absolutely isolated state. The same is true of economically and technically highly developed countries. Any country that is good at exploiting international resources and international market conditions to serve its own development in the economic and technical fields can develop a little more smoothly and progress a little faster. Of course, various countries must proceed from their own national conditions in their approach and cannot follow the same fixed standard in every case. In the past few years, our country has derived many actual benefits from being open. A policy beneficial to the people can never be changed, nor will it change. Of course, we must also note that with the doors opened still wider, good and bad things will all find their way in. Advanced Western science, technology, management, and operation experiences will come in. So will decadent and declining ideas. But we should never stop eating for fear of choking, as a Chinese saying goes. We can only uphold the policy of "doing two things at the same time" repeatedly stressed by the CPC Central Committee long ago. This is to say that we must, on one hand, uphold the policy of opening up to the outside world. On the other, we must, with this as a precondition, resolutely resist the corrosive effects of decadent and declining capitalist ideas and ways of life. If we fail to do so and instead indiscriminately treat openness as a source of unhealthy trends and reject it, that is of course wrong.

In stopping and rectifying unhealthy trends, we must resolutely carry out party and state policies. Based on facts, we must take different approaches to different conditions and handle things correctly, being strict or lenient as appropriate. Conditions and factors responsible for the rise and growth of new unhealthy trends in certain localities, departments, and units may be relatively complicated. But on the whole, they fall chiefly into the following several categories: 1) In reform, people fail to properly study and grasp the CPC Central Committee's guiding ideas on reform and its general and specific policies, have a vague idea of things, lack experience, fail to draw clear lines of demarcation, and err. This should chiefly call for emphasis on education and for summing up experiences and lessons to help in doing a good job of reform in the future. 2) People care nothing for the overall interests of the state and the people, obsessed with a desire to serve the illegitimate interests of particular unit or small group. In this regard, we must first confiscate relevant illegitimate income and must in serious cases administer necessary punishment. We cannot let certain people "spend a period making self-criticisms and a whole lifetime relaxing" and thus reap "actual benefits" -- writing such cases off as "exceptions." The result would be that given the proper soil and climate, they would be doing it will still greater vigor. 3) Availing themselves of reform, people raise the banner of reform but actually act in open defiance of law and discipline, feathering their nests and lining their pockets. In our approach to people of this kind, no matter who is involved, we must never allow connivance and shielding. We must resolutely follow up cases with investigation and action and administer punishment in line with party discipline and state laws. In regard to serious cases of economic crime and criminal cases, we must continue to crack down hard. This, especially, goes without saying.

In a certain sense, we can also view things in this way. The process of carrying out reforms and opening up is also one of continuously rectifying various unhealthy trends. Unhealthy trends existed in the past, exist now, and will also exist in the future. Given a new situation of reform, openness, and a revitalized economy, there are always certain people who see an opportunity to serve their private ends.

They often throw party discipline and state laws to the winds, engaging in various illegal activities and practicing graft. Therefore, in rectifying unhealthy trends, we must first assume a firm attitude. Second, we must make unremitting efforts and be persistent. Historical experiences tell us that in a certain sense, our party and the state have grown and thrived precisely in the process of continuously overcoming their own defects and mistakes. Mencius said: "Any mistake made by an emperor in ancient times was like an eclipse of the sun or the moon that could be seen by all the people. Anything done to correct it won him the respect of all the people." That unhealthy trends being revealed and gradually eliminated will add luster to our party and will surely enable us to properly handle the matter of reform and openness, which is of decisive significance in modernization.

The aim in our introducing economic reform is to stimulate the development of social productivity through the correct readjustment of the relations of production and the superstructure, to bring about the prosperity and power of the state and the wealth and happiness of the people, and to build socialism with Chinese characteristics. To this end, we must change the previous pattern of being isolated and inflexible and establish a new pattern full of life and vigor. How can a new pattern be established? It cannot drop out of the skies and can only be born out of the old. This determines that the process of reform will naturally be a historical one of the new taking the place of the old and of various complicated conditions surfacing. So long as, in reform, we pursue the correct direction pointed out by the CPC Central Committee, strive to make fewer mistakes and reduce the damage caused by mistakes, and especially guard against the appearance of major mistakes, combining practice with summing up experiences and solving at any time problems of all kinds appearing in the process of reform, we can surely attain the expected goals of reform.

Generally speaking, the main trend in our current economic situation is really very good. This must be fully affirmed; otherwise confidence in our advance will be shaken. Meanwhile, it must also be noted that certain new factors causing instability that appeared in economic life some time ago, though brought under control, have still not been entirely overcome. This can in no way be treated lightly. Otherwise, the consolidation and development of the favorable situation will also suffer. In observing and understanding the situation, we must especially adopt a down-to-earth analytical attitude and must refrain from being carried away as far as to say that everything is good when something is good, or to say that everything is bad when something is bad. We must not only fully affirm achievements but also avoid shunning and covering up problems. We must resolutely adopt correct methods and realistic and effective concrete measures in implementing solutions. Only in this way can we effectively consolidate and develop the existing very favorable situation.

ROLE OF STATE COMMERCE IN PRICE CONTROL VIEWED

HK111121 Beijing GUANGMING RIBAO in Chinese 22 Feb 86 p 3

[Article by Jin Wen: "A Preliminary Probe Into the Question of State Commerce Keeping Prices Down"]

[Text] The Objective Basis for Keeping Prices Down

In order to bring into play the positive role of market mechanism on the socialist unified market, it is necessary to eliminate its negative role by keeping prices down. In the past, state commerce monopolized all business operations, and price controls were extremely rigid. For this reason, the question of keeping prices down was nonexistent.

The development of the socialist commodity economy, the realization of multi-channel operations, price reform, and the extensive use of regulation by market mechanism will inevitably bring price fluctuations. Only when we succeed in keeping these fluctuations within a certain scope will it be possible to effectively stimulate the development of commodity production and to promote the rational distribution of capital, labor, and resources in various production departments. However, when price fluctuations exceed a certain limit, they will play a negative or destructive role. For example: A steep rise in the prices of certain commodities in short supply may encourage producers to reduce product quality; may provide loopholes in the circulation field, which can be taken advantage of by middlemen to reap superprofits; and may make it difficult for consumers of the means of subsistence and production to withstand strain. A steep drop in the prices of certain commodities in excessive supply (including those temporarily in excessive supply) may hit producers hard. Once most consumers and producers suffer insupportable losses through drastic changes in the prices of certain commodities, unstable factors will energe, and economic development is apt to become unbalanced. However, people are not powerless against this situation. One of our effective means is to keep prices down. Moreover, as long as we develop the socialist commodity economy and strive to create a flourishing and stable market, keeping prices down becomes indispensable.

The more acute the contradiction between supply and demand, the more necessary it is to keep prices down. Since the 3d Plenary Session of the 11th CPC Central Committee, the aggregate supply of social commodities has increased considerably. By and large, however, we still fail to meet the people's consumption demand and, to a considerable extent, to adapt ourselves to changes in the consumption pattern. Normally, when the prices of certain commodities soar as a result of demand exceeding supply, it is necessary to quickly transfer capital and labor to other production departments or trades in order to achieve a balance between supply and demand in these fields. However, the market mechanism in our country is still imperfect. This, coupled with various other factors, such as the systems of ownership, employment, and capital management, makes it impossible for capital and labor to react flexibly to price fluctuations on the market. Thus, it is increasingly difficult to bring the momentum of price hikes under control. At a time like this, keeping prices down is apparently more important than it was before.

In order to reduce certain defects in price reform, it is also necessary to keep prices down. Price reform constitutes an important and complicated task in the economic structural reform. With the crisscross links among thousands of commodities and innumerable variables, the chain reaction is both quick and strong. Losing control over the amount of cash and credit in circulation may jeopardize price stability. Moreover, it is difficult to accurately forecast the scope and intensity of the chain reaction resulting from the price adjustment of some important products. Under such circumstances, a loss of balance between supply and demand and a steep rise in the prices of some commodities are not only possible but can hardly be avoided. However, it is entirely necessary to reduce the consequent losses. To this end, we should apply the means of keeping prices down when necessary.

The essence of keeping prices down refers to the conscientious and active participation of state commerce in commodity exchange under government guidance in order to curb great fluctuations in the prices of some important commodities. It has a clear-cut aim and stresses macroeconomic results and social benefit. It does not take profit-making as its prime objective. It achieves its aim by using economic strength and market mechanism. This is different from the use of administrative means to restrict or freeze prices.

Who is chiefly responsible for keeping prices down? The socialist state commerce. As an enterprise, the state commerce has its own economic interests and should strive to attain better economic results.

But it has to assume the responsibility of safeguarding the overall economic results, social benefit, and social stability. Keeping prices down is a major aspect of its social responsibility. Moreover, the assets, facilities, and staff of state-owned commercial enterprises are incomparably superior to those of the collective and individual enterprises. This provides conditions for keeping prices down. Since state-owned commercial enterprises have both responsibility and power, they are duty-bound to keep prices down.

Major Fields in Which Prices Should Be Kept Down

Neither the prices of all commodities nor the prices in all fields of commodity exchange should be kept down. Only the prices of some commodities and in some fields vital to the national economy and the people's living standard should be kept down.

The first category includes those agricultural and sideline products having a close bearing on the people's livelihood. This refers to key commodities indispensable to the people's livelihood, such as grain, edible oil, vegetables, meat, fowl, eggs, and aquatic products. In agriculture, crop cultivation is carried out in line with guidance planning. Moreover, because some peasants are neither familiar with the market nor well-informed, it is inevitable that there should be certain disorder in production, bringing about fluctuations in the output of grain, edible oil, and industrial crops, as well as the number of hogs raised. Moreover, agricultural production is restricted by such factors as the weather and seasons; the supply of agricultural and sideline products is affected by people's customs and habits. The ensuing fluctuation in commodity supply between the good and bad harvest years, between peak and off-peak seasons, and between the red-letter and normal days can easily lead to a steep rise or drop in prices. According to a recent survey of family living standards, food and nonstaple food respectively account for 50-60 percent and one-third of the per capita outlays of urban residents on living expenses. Nonstaple food and grain are indispensable to the people's livelihood. They account for a considerable portion of their living expenses. Violent fluctuations in the prices of these commodities are apt to affect every household. With the relaxation of price controls in this field, it is even more necessary for the state commerce to take part in the work of regulating and keeping prices down. Since price controls on the nonstaple food market were relaxed, this issue has already attracted close attention; when the state monopoly for the purchase of grain is abolished, this issue will also be brought out into the open.

The second category involves the important means of production indispensable to most enterprises. The socialist market system that will take place in the Seventh 5-Year Plan period includes the market for the means of production. With the commercialization of the means of production, the commodity supply and marketing departments become commercial enterprises and a sizable portion of the means of production have entered trade centers. Once the means of production, which were previously allocated through planning, are exchanged on the market, their prices will inevitably be affected by the contradiction between supply and demand. The ensuing great fluctuations will have an extremely great impact on the enterprises concerned. In this field, the importance of keeping prices down will be increasingly obvious. Take, for example, steel products, cement, timber, and coal, which are currently in very short supply. Partly sold by the enterprises themselves, these commodities have entered the market. The future trend is that the enterprises will retain a greater proportion of these products, which will be sold by the enterprises themselves. The prices of these raw materials and fuel, not only in short supply but also playing a regulatory role on the market, are likely to rise after changing hands several times in circulation so that production consumers can hardly afford them. By vigorously carrying out extra-budgetary purchasing and marketing activities and satisfactorily organizing the supply of goods (not allowing many speculators to have a hand in them) the commodity supply and marketing departments and the trade centers will be able to prevent the prices of these commodities from skyrocketing.

To handle well the question of keeping prices down after important means of production enter the market, it is also necessary to take domestic and foreign trade into overall consideration. When the prices of some means of production soar on the domestic market, it is necessary to increase imports; when the prices of some means of production slump, it is necessary to reduce imports.

The commodities in the above-mentioned fields involve a wide range of issues, and demand for them varies very slightly. For this reason, if prices fluctuate violently, a very strong social reaction will certainly be produced.

Basic Measures for Keeping Prices Down

In keeping down prices, state commerce should adopt the following measures:

First, it should do a good job in market forecast. In line with the law governing changes in market conditions, it is first necessary to study market demand (structure and amount), supply of goods, contradiction between supply and demand, and the trend and scope of price fluctuations. On this basis, plans for purchase and sales and for production and sales should be formulated in readiness for keeping prices down. The measures for keeping prices down must be taken appropriately and at the right time. When keeping prices down, state commerce should not only muster sufficient strength promptly but also avoid paying out money for little result.

Second, state commerce should give play to its powerful role of "taking in and sending out" commodities in large quantities. The state commerce gives play to its role of keeping prices down in an economic environment characterized by multichannel operations, fluctuating prices, and competition. The most authoritative way to do this is through commodities. However, since most of the commodities whose prices should be kept down are in short supply (such as vegetables, meat, fowl, and eggs), this makes it necessary for the state commercial enterprises to exploit their advantages. They should compete with individual and collective commercial enterprises in the purchase of commodities, use their financial and material resources to establish a stable relationship of commodity supply with producers, and thus control relatively stable bases for commodity supply. Meanwhile, state commerce should also rationally put some commodities in storage to facilitate balanced supply or bulk selling whenever prices are up.

Third, state commerce should observe the price policy in an exemplary way. As the main channel for commodity circulation, state commerce has a commanding influence on price fluctuations. Therefore, so long as state commerce does not drive up the prices of those commodities in short supply and nor sell them out, prices will be unlikely to soar. If state commerce takes the lead in driving up prices, the price index will certainly rise at an accelerated speed. By and large, the negative influence exerted by state commerce when it violates the price policy is greater than the positive influence it exerts when it observes the price policy.

Fourth, state commerce should seize the necessary initiative in terms of both time and space. In addition to the factor of short supply, monopoly business operations may also lead to price rises. Where there are individual and collective commercial enterprises, a situation of their seeking superprofit through monopoly prices is likely to emerge. Therefore, the activities of state commerce should always be noticed when and where prices should be kept down. Take vegetables and other nonstaple food for example. If the state commerce shops are few and far between and their office hours are short, a monopoly situation by individual vendors will emerge in some areas and at most times, prices may soar, and the role of the state commerce in keeping prices down will weaken noticeably.

YANG SHANGKUN AT PLA FINANCE DISCIPLINE MEETING

OW120951 Beijing XINHUA Domestic Service in Chinese 1623 GMT 11 Mar 86

[By reporter Wu Kelu]

[Text] Beijing, 11 Mar (XINHUA) -- The all-Army conference on inspection of financial and economic discipline closed today. The conference emphasized that to improve the PLA's financial and economic discipline through inspection is conducive to correction of unhealthy tendencies, to promotion of all reforms, and to furthering the strengthen-reducing reorganization. The conference, held in accordance with a Central Military Commission's decision, was a group training for the personnel who will participate in the forthcoming general inspection of financial and economic discipline.

Responsible persons of the Central Military Commission Yang Shangkun, Yu Qiuli, Yang Dezhi, and Hong Xuezhi attended and addressed the meeting. They pointed out: Many unhealthy tendencies are caused, either directly or indirectly, by lax financial and economic discipline and by violation of discipline. In order to strive for a fundamental improvement of party style in the PLA, it is necessary to do a great deal of arduous and meticulous work, and the general inspection of financial and economic discipline is an important part of the work. The inspection is designed to expose some problems concerning violation of financial and economic discipline, promote the improvement of the PLA's work style and discipline, and further foster a work style of hard struggle. The PLA will be unable to have a high morale and strong fighting power if it does not have a work style of hard struggle. To abandon the work style of hard struggle is to discard the basis of Army building. Therefore, to advocate and display a spirit of doing hard pioneering work is of even greater significance to the PLA. The inspection is also designed to improve the PLA's logistic work and to ensure that limited military funds are spent economically and rationally where they are most needed to yield the maximum results.

The conference began on 5 March. After serious discussion and study, it set four demands for the forthcoming general inspection of financial and economic discipline: 1) to ensure that all major problems of violation of financial and economic discipline are thoroughly investigated; 2) to ensure that all problems are dealt with as they should be; 3) to ensure that measures to strengthen management and eliminate loopholes are formulated; and 4) to ensure that the masses are generally educated by the inspection, unhealthy tendencies are stopped, and a general practice of observing law and discipline by everyone is fostered.

It is reported that in order to strengthen leadership over the inspection, an all-Army leading group for the general inspection of financial and economic discipline has been set up by the Central Military Commission. Hong Xuezhi, deputy secretary general of the Military Commission, serves as its head and Guo Linxiang, secretary of the Discipline Inspection Commission of the Military Commission, as its deputy head. The inspection will begin in all all-around way in early April.

YAO YILIN INSPECTS SHENGLI OIL FIELDS, WORKERS

SK120800 Jinan Shandong Provincial Service in Mandarin 2300 GMT 11 Mar 86

[Text] On his recent inspection tour of the Shengli oil fields, Yao Yilin, member of the Political Bureau of the CPC Central Committee and vice premier of the State Council, pointed out: During the implementation period of the Sixth 5-Year Plan, petroleum departments throughout the country have scored great achievements in production and should continuously carry forward the spirit of arduously doing pioneering work during the Seventh 5-Year Plan.

They must concentrate their efforts on making a success of petroelum production and fulfilling the plans and targets in order to meet the demands set for achieving the prosperous development of the national economy.

Vice Premier Yao Yilin made an inspection tour of the Shengli oil fields from 3 to 5 March. During his inspection tour he heard reports made by the oil field authorities with regard to oil field developments made in the implementation period of the Sixth 5-Year Plan, the plans set for the implementation period of the Seventh 5-Year Plan, the plans set for the implementation period of the Seventh 5-Year Plan, and the basis achievements and development targets made by Dongying City in developing oil production. In praising the great achievements scored by the Shengli oil fields in the implementation period of the Sixth 5-Year Plan, he stated: The oil fields have again successfully made progress in development and have a prosperous future thanks to the efforts exerted by the broad masses of staff members of workers throughout the oil fields and the good policy issued by the State Council with regard to enforcing the contract systems. The national economy now has had included a new step in the implementation period of the Seventh 5-Year Plan, which is the great development of oil production required to both meet domestic demand and earn foreign exchange through exports. In a sense, where there is no oil, there is nothing, For example, the delta of the Huang He in the province has brought local prosperity while developing the oil fields. Otherwise the delta area would take an endless time in achieving development. On hearing the report given by oil field authorities with regard to building the treatment plant for coal tar, Vice Premier Yao Yilin emphatically pointed out: The task of treating coal tar constitutes a new problem. The key to making a success in the task lies in achieving economic returns. All work to fulfill the task, such as carrying out surveys, appraisals, and purchasing equipment, should be earnestly studied in order to achieve higher economic results.

On his inspection tour, Vice Premier Yao Yilin was full of zest in inspecting the superhighway in the oil field area, the (Guangli) berth that is under construction, and the projects for the sea port at the Huang He mouth, as well as large reservoirs. He also visited poultry farms and fishery ponds run by farms and sideline bases along the beach of Laizhou Bay. He expressed his satisfaction at the achievements scored in developing a diversified economy, supplying nonstaple foodstuffs such as meat, eggs, milk, poultry, and fish to the staff members and workers of the oil fields, and in being responsible for their own losses and profits.

On his inspection tours of the (Guzhong) and (Gubei) oil fields on the coast of the Bo Hai, upon clearly seeing more than 20 oil wells drilled from only one platform built on the Bo Hai beach, Vice Premier Yao Yilin happily stated: This is a good method. Then he highly praised the death-defying spirit displayed by oil workers and staff. Vice Premier Yao Yilin also made an inspection tour in the Qilu petrochemical company from the afternoon of 5 March to 6 March. On 8 March Vice Premier Yao Yilin was briefed by the responsible comrades of the provincial CPC Committee on the situation prevailing in the province's work. On the morning of 9 March, Vice Premier Yao Yilin visited the no 1 knitwear mill and the motor vehicle plant in Jinan City. Accompanying Vice Premier Yao Yilin in making the inspection tours were Li Jing, vice minister of Ministry of Petroleum Industry; and Mong Yimin, adviser to the provincial people's government.

CENTRAL LEADERS MEET LIAONING FLOOD WORKERS

OW130459 Beijing XINHUA Domestic Service in Chinese 1600 GMT 12 Mar 86

[By reporter Chen Xiangan]

[Text] Beijing, 12 Mar (XINHUA) -- At Huairen Hall in Zhongnanhai today, central leading comrades Hu Qili, Li Peng, and Deng Liqun met with members of a briefing group on the advanced deeds of Liaoning armymen and people in combating floods and helping flood-stricken people.

The leading comrades pointed out: The success of Liaoning in combating floods and providing disaster relief shows that we have a good party as well as good people and good armymen; our cause is full of promise, and we can surely attain the grand objectives set by the party Central Committee. The hall was filled with a cordial and warm atmosphere. After taking a group photo, the central leading comrades and the members of the briefing group, sitting in a circle, chatted with each other. The central leading comrades asked in detail about the people's production and life in the flood-stricken areas and were briefed on how the armymen and people in Liaoning successfully controlled last year's large floods. When the briefing group told the leading comrades about the important role played by the cadres, party members, and PLA commanders and fighters in bravely combating the floods to protect Panjin at a crucial time, Hu Qili happily stood up and firmly held the hand of He Xinzhou, director of a PLA engineer corps department who made outstanding contributions during the struggle, and praised Liaoning's cadres, party members, and masses for working hard together to defeat the floods and for having played a role in promoting the building of spiritual civilization, a role that should not be underestimated. Hu Qili said: Since the 3d Plenary Session of the 11th CPC Central committee, has our party's prestige between enhanced or lowered, have relations between the party and the masses become closer or estranged, and has party style generally become better or worse? Liaoning's success in combating floods has answered this question. The answer is that in general, our party's prestige has been enhanced, party-masses relations have become closer, and party style has become better. Of course, we should not overlook the unhealthy tendencies that indeed exist. As we are vigorously promoting our work in all fields at present, we should carry forward the spirit of combating floods and continue to advance.

Yu Qiuli said to PLA representatives in the briefing group: Your success in combatting the floods is significant in three respects. First, you have carried forward the PLA's glorious tradition of wholeheartedly serving the people and fearing neither hardship nor sacrifice. Second, you have demonstrated the concrete results of the PLA's efforts to build spiritual civilization. Third, you have built closer Army-government and Army-people relations. He called on PLA commanders and fighters to give credit to the party and the people and continue to exert themselves in making new contributions to the four modernizations.

When told about the situation of production and life in the flood-stricken areas, Li Peng said: I am deeply moved by your briefing. It was outstanding that the armymen and people rose to combat the floods. It was also outstanding that after the floods, the people resumed production in self-reliance, and no one froze or starved to death during such a big disaster.

Deng Liqun called on all propaganda workers to learn from the good deeds and spirit of the armymen and people of Liaoning in combating the floods; publicize advanced thinking and heroic persons in connection with the antiflood struggle; and explain with facts that our party and our Army indeed have great fighting strength.

Present at the meeting were Zhu Houze, director of the Propaganda Department of the CPC Central Committee, and Zhou Wenyuan, deputy director of the General Political Department.

'GRATIFYING TRENDS' IN LATERAL ECONOMIC TIES

OW130503 Beijing XINHUA Domestic Service in Chinese 1319 GMT 12 Mar 86

[By RENMIN RIBAO reporter Dai Yuqing and XINHUA reporter Xu Yaozhong]

[Excerpts] Beijing, 12 Mar (XINHUA) -- These reporters have learned from the State Economic Commission: There are five new gratifying trends in lateral economic ties among regions and enterprises that have developed in the course of reform.

Guided by the policy of invigorating the domestic economy and opening to the outside world, the lateral ties among regions and enterprises developed rapidly with the deepening reform of the economic structure and the expansion of decision-making power for enterprises during the Sixth 5-Year Plan. According to incomplete statistics, 35,000 projects for economic and technological cooperation were signed across the country in 1985, more than 10 times the figure of 1981; the value of material cooperation was over 16 billion yuan, increasing more than 4 times over 1981; and 50,000 people participated in the interflow of qualified personnel. During the Sixth 5-Year Plan, regions, departments, cities, and enterprises signed 70,000 projects for economic and technological cooperation, and the value of such material cooperation totaled 34 billion yuan. The new trends emerging in our country's lateral economic ties are:

1. Enterprises are combining themselves into groups. As a result, a large number of new interregional, multitrade joint economic enterprises and associations of enterprises under different systems of ownership have appeared. For example, the no 2 automobile factory has cooperated with more than 100 enterprises in over 20 provinces and regions in setting up the Dongfeng Joint Operation Corporation to develop the production of 5-metric-ton trucks.

2. Regional association and coordination have been strengthened. The joint meeting of the Shanghai Economic Region, the joint meeting on economic cooperation among the two municipalities and three provinces in north China, and the economic coordination meeting of four provinces and one autonomous region in southwest China with Chongqing as their center are regional association of this kind.

3. Technological cooperation has become the main aspect of lateral economic ties. Some 19,000 projects for technological cooperation were signed in various parts of the country in 1985, twice the figure of the previous year; technological cooperation projects accounted for 60 percent of all lateral cooperation projects.

4. Lateral economic ties are developing steadily on a long-term basis. The deepening reform of the economic structure will gradually reduce the scope of mandatory planning. One-time, scattered economic and technological cooperation of the past can no longer meet the needs of economic development, and many regions and enterprises urgently want to build long-term, relatively stable, and close lateral economic ties and cooperation.

5. New developments have been made in supporting and establishing lateral economic ties with old revolutionary base areas, areas inhabited by minority nationalities, as well as border and poverty-stricken areas. Giving support to such areas is an important strategic task assigned by the central authorities to economically developed provinces and municipalities, which is of far-reaching significance to invigorating the national economy and strengthening border defense and national unity.

LEADERS URGED TO SOLVE SPRING FARMING PROBLEMS

HK110930 Beijing Domestic Television Service in Mandarin 1100 GMT 9 Mar 86

[From the "News Hookup" program's announcer-read untitled editor's note, focusing on spring farming problems in China]

[Text] Leaders of the Hongan County CPC Committee in Hubei Province have gone right to the frontline of spring farming to relieve the peasants from all anxieties and to solve the peasants' problems. This kind of work style of the leadership deserves commendation. Spring farming production work has already started on a full scale. Many areas are short of electric power and fertilizer.

Some areas even do not have any diesel oil and their tractors are idle. The peasants earnestly hope that leaders at all levels will help them solve problems. However, leading comrades of some areas have not shifted their main [zhu yao] energies to activities for promoting spring farming production. They are still immersing themselves in holding meetings and in handling documents, and are still acting unhurriedly. Meetings should be held and documents should be handled. However, if we immerse ourselves in a great number of meetings and in a sea of documents, we will be unable to carry out practical work. Leaders at all levels are duty-bound to provide the peasants with all kinds of services and to adopt sound measures for overcoming the peasants' actual difficulties.

NEW POWER SOURCES TO BE PRESSED INTO SERVICE

HK120843 Beijing ZHONGGUO XINWEN SHE in Chinese 0631 GMT 11 Mar 86

[Report: "China Will Simultaneously Tap Thermal, Hydro, and Nuclear Power To Relieve Electricity Shortage"]

[Text] Beijing 11 Mar (ZHONGGUO XINWEN SHE) -- Mainland China is at present suffering from a serious shortage of electricity. The authorities concerned have decided on the simultaneous tapping of thermal, hydro, and nuclear power; the simultaneous operation of large, medium-sized, and small power stations; the simultaneous operating power plants at central and local levels; and the simultaneous use of investments from home and abroad in the coming 5 years to relieve the situation as quickly as possible.

It was learned that last year China lacked 45 to 50 billion units of electricity and equipment for generating 12 million kilowatts of power. As a result many factories in various areas stopped or limited production, or observed "3 days of opening and 4 days of closure" (3 days of operation and 4 days of suspended production in a week to save electricity). This has become the phrase frequently used by people in the business world to describe this situation. Individual areas were also provided with barely enough electricity to meet people's everyday needs.

In the coming 5 years, China will enlarge the scale of tapping electric power. It is estimated that by 1990, annual electric output will reach 550 billion units, an increase of 140 billion units over last year. The capacity of power stations put into operation in the 5 years will reach more than 34 million kilowatts of electricity, an increase of around 7 percent over the period of the Sixth 5-Year Plan. More than 3,500 kilometers of 500,000-volt transmission lines will be set up, 1,000-plus kilometers more than in the past 5 years or so.

During the period of the Seventh 5-Year Plan, China will still concentrate on thermal power as the core of its effort to tap power. Thermal power will, in this period, account for 70 percent of the total power-related construction projects. By 1990, thermal power output will show an increase of 110 billion units over the 310 billion or so units last year.

At present, China has more than 130 thermal power stations with installed capacities exceeding 100,000 kilowatts. In the future, in Shanxi, Nei Monggol, Anhui and other main coal-producing areas, a large number of large-sized power plants will be built near mining areas and pits, and a number of power plants in coastal harbor areas. In areas convenient for coal transportation, a number of power plants will also be established.

NEW ANHUI GOVERNMENT OFFICIALS APPOINTED

OW130804 Hefei ANHUI RIBAO in Chinese 2 Mar 86 p 1

[Text] Namelist of appointments and removal by the Anhui Provincial People's Congress Standing Committee

(Adopted at the 20th Session of the 6th provincial People's Congress Standing Committee on 1 March 1986)

The following decisions were made on the basis of a proposal submitted by Governor Wang Yuzhao:

1. Appointments:

Lu Tingzhi [7120 1656 2784] is chairman of the Anhui Provincial Education Commission;

Zhou Yueli [0719 2574 4409] is chairman of the Anhui Provincial Rural Economic Commission; and

Nie Guangwu [5119 1639 2976] is director of the Anhui Provincial Coal Industry Department.

2. Removal:

Zhu Yang [2612 2254] is removed from the post of director of the Anhui Provincial Coal Industry Department.

CHEN GUANGYI REPLACES XIANG NAN AS FUJIAN SECRETARY

HK121524 Beijing ZHONGGUO XINWEN SHE in Chinese 1445 GMT 12 Mar 86

[Report by Zhou Jingluo: "Chen Guangyi Replaces Xiang Nan as Secretary of Fujian Provincial CPC Committee" -- ZHONGGUO XINWEN SHE headline]

[Text] Fuzhou, 12 Mar (ZHONGGUO XINWEN SHE) -- This evening, Chen Guangyi, the newly appointed Fujian Provincial CPC Committee secretary, met responsible persons from various quarters at Fuzhou's Xihu Hotel. Xiang Nan, who will soon be transferred to Beijing, warmly presented Chen Guangxi to the people present and expressed his hope that people from all quarters would make joint efforts to develop Fujian's excellent situation.

Chen Guangyi, a native of Fujian's Putian County, was previously governor of Gansu and Gansu Provincial CPC Committee secretary. In 1953, he graduated from the Department of Metallurgy at Northeast Polytechnic and joined a central metallurgical design department in the same year. He has worked in Gansu for a long time.

Still with his Fujian accent, Chen Guangy I affectionately said: "As a native of Fujian, I am glad that I can join you in the construction of my native province."

Chcn Guangyi stressed: "The most important thing is unity. It is necessary to unite the people of the province and those overseas compatriots who are concerned about Fujian, to arouse the enthusiasm of all parties, to adhere to the policy of reforming and opening up the country to the outside world, and to make Fujian's Seventh 5-Year Plan a great success, in order to enable Fujian to take the lead in the four modernizations."

He praised Fujian for its achievements and changes over the past 5 years and expressed his respect for Xiang Nan, who has contributed much to Fujian's construction.

Both Hu Ping, governor of Fujian, and Hu Hong, chairman of the provincial Advisory Commission, also spoke on the occasion.

JIANGSU'S HAN PEIXIN, OTHERS ATTEND MEETING

OW130353 Nanjing Jiangsu Provincial Service in Mandarin 1100 GMT 10 Mar 86

[Excerpt] The party committee and the committee on five stresses, four beauties, and three loves of the provincial-level organs called a meeting in Nanjing today to exchange experience in building spiritual civilization among provincial-level organs.

In his speech at the meeting, Shen Daren, deputy secretary of the provincial party committee, said: All comrades of the provincial-level organs, leading cadres at all levels in particular, should diligently study the speeches by Hu Yaobang and other central leading comrades at the meetings of cadres of central organs. They should play an exemplary role in building spiritual civilization in their own units.

Attending the meeting were responsible comrades of the provincial party committee and the provincial government Han Peixin, Chen Huanyou, and Sun Jiazheng, as well as responsible persons of the Nanjing Military Region Political Department, the provincial military district, the Nanjing city government, the provincial Discipline Inspection Commission, and other provincial departments concerned.

NANJING MILITARY REGION DISCUSSES PARTY STYLE

OW130525 Nanjing Jiangsu Provincial Service in Mandarin 1100 GMT 11 Mar 86

[Text] To guarantee the fundamental improvement of PLA units' party style, the Nanjing Military Region has established a responsibility system to help party secretaries grasp party style. At the three-level party secretaries' discussion meeting, which closed on 8 March, Xiang Shouzhi, secretary of the regional party committee, said: The key to a unit's good party style lies in the party committee. The secretary and deputy secretaries of a party committee must set a good example and conscientiously shoulder the responsibility of grasping the party style well. First, they must grasp the party style of all members of the party committee well. They must lead members of the party committee in analyzing themselves and exposing shortcomings. They must not wait for the higher-level unit to criticize them by name or for the masses to expose them. They must not compare themselves to their neighbors. All unhealthy trends among members of party committees must be criticized and curbed before the end of May.

Second, it is necessary to uphold principle. Facing unhealthy trends and evil practices, all of us must act in strict accordance with the Central Military Commission's related documents and criteria. No one is allowed to deliberately violate discipline or break regulations. Whenever we vote, we must adhere to party spirit and principle. We must not compromise our principles. We must guard against favoritism.

Third, it is necessary to pesonally investigate and handle important cases. It is necessary to organize comrades with strong party spirit to handle these cases.

Fourth, it is necessary to conduct education in party spirit, ideals, and discipline among PLA units and to organize these units to launch activities to correct party style; overcome individualism, liberalism and departmentalism; and restore our party's fine traditions.

Fifth, we must implement policy, be meticulous in guiding units, and make sure the party style is being corrected in a healthy way.

The discussion meeting also called for setting a deadline for curbing the unhealthy trends which have already been exposed. In the second half of this year all cases must be checked individually before acceptance. Party secretaries and deputy secretaries will be held responsible for cases which fail to pass inspection.

RUI XINGWEN INTERVIWEED AFTER SHANGHAI ELECTION

OW130647 Shanghai City Service in Mandarin 0100 GMT 11 Mar 86

[Excerpts] Reporters interviewed Rui Xingwen, newly elected secretary of the Shanghai Municipal CPC Committee, at the small auditorium of the municipal party committee building on the afternoon of 10 March.

[Begin recording] [Unidentified reporter] The party congress, which has just closed, has drawn a new blueprint for transforming and developing Shanghai. Please comment on how to implement the guidelines of the congress after its close and carry out the tasks it put forward.

[Rui Xingwen] I think that, first, we should truly turn the resolutions into a common goal for the more than 860,000 party members and 12 million people in Shanghai Municipality. Second, we should ensure that our principles, policies, tasks and objectives are carried out by every department, organization, and person. Third, the vast number of CPC members and leading cadres should set good examples and take the lead in exemplarily implementing the resolutions, and all our party organizations should truly play the role of fighting bastions. Fourth, the proposal for the Seventh 5-Year Plan and the work report adopted by the congress concern many things, including the building of material and spiritual civilizations. The 5-Year Plan is a large systems engineering project, with the emphasis on an overall point of view. We must consider the interests of the whole and take a position on that. Fifth, in the course of attaining big goals, such as the 5-Year Plan, new difficulties are unavoidable. We should consider realities, stress investigation and study, and emphasize a firm and indomitable spirit. [end recording]

On the current production situation, comrade Rui Xingwen said that it was not good in January and February, primarily because the supply of raw and processed materials was strained, and people had not yet been ideologically used to shift from a mandatory to a guidance plan. He urged the industrial department not to slacken its production work even for just a day. He said that there are still great hopes this year if the production in March increases by a big margin.

In the 9 months since he came to work in Shanghai, Comrade Rui Xingwen has had profound thoughts and feelings about visiting grass-roots units and conducting investigation and study there.

[Begin Rui Xingwen recording] During the visits with the masses, I have found that those at grass-roots units are active, vigorous, and creative. I have been enlightened since I visited several grass-roots units. [end recording]

Then, he discussed the necessity for the leading organ of the new municipal party committee to have a good work style.

[Begin Rui Xingwen recording] Therefore, it is particularly necessary for us to modestly learn from the masses. Another very important thing for the new leading body is to rally around the party Central Committee and bring into play our collective and unified fighting power.

The third thing is for us to constantly study theories, integrate theory with practice, form close ties with the masses, conduct criticism and self-criticism, and constantly enhance our working ability. These are very improtant. [end recording]

Comrade Rui Xingwen also answered reporters' questions concerning the building of socialist spiritual civilization, the role of reform in the course of transforming and developing Shanghai, how to attract and use investment by foreigners and Overseas Chinese, and the improvement of financial and trade work.

RUI XINGWEN, JIANG ZEMIN PLANT TREES IN SHANGHAI

OW090555 Shanghai City Service in Mandarin 1100 GMT 8 Mar 86

[Text] Some 150 newly-elected members of the Shanghai Municipal CPC Committee, the municipal Advisory Commission, and the municipal Discipline Inspection Commission participated in tree-planting in (Senlin) Park on the afternoon of 8 March. They included Rui Xingwen, secretary of the municipal party committee; Jiang Zemin, Yang Di, Huang Ju, and Wu Bangguo, deputy secretaries of the municipal party committee; Chen Cuodong, chairman of the municipal Advisory Commission; Zhao Xingzhi, vice chairman of the municipal Advisory Commission; Zhang Dinghong, secretary of the municipal Discipline Inspection Commission; and Comrade Hu Lijiao. The more than 300 trees planted by them have added to the beauty of spring in the park. The leading members of the municipal party committee pointed out: Tree-planting is an important task for the development of Shanghai and improvement of its urban area. Leadership at all levels must attach importance to the task.

ZHEJIANG'S WANG FANG, OTHERS PLANT TREES

OW130517 Hangzhou Zhejiang Provincial Service in Mandarin 0400 GMT 11 Mar 86

[Text] To greet Arbor Day, more than 400 cadres of the provincial party committee, the provincial government, and the provincial military district took part in voluntary tree-planting activities at Hangzhou's Xi Hu Scenic area this morning.

Leading comreades of the provincial party committee and the provincial government Wang Fang, Sue Ju, Chen Fawen, Shen Zulun, Luo Dong, Li Dexin, and (Liu Xiansheng); Tie Ying and Cui Jian, chairman and vice chairman of the provincial Advisory Commission; Li Fengping and Li Yuhua, chairman and vice chairman of the provincial People's Congress Standing Committee; Wang Jiayang, chairman of the provincial CPPCC Committee, and vice chairmen He Zhibin, Jiang Cisheng, Qiu Qinghua, and (Zhang Shaowen); as well as Li Qing, commander of the provincial military district; Yang Shijie, deputy commander; and Shi Lei, deputy political commissar, took part in the tree-planting activities.

GUANGDONG SECRETARY HEARS EXEMPLARY DEEDS REPORT

HK110841 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 7 Mar 86

[Text] This morning, the Guangdong provincial advanced exemplary deeds report group held its first report meeting in the Zhongshan Memorial Hall, Guangzhou. Some 5,000 cadres of the provincial and city party and government organs and people's organizations and PLA units stationed in Guangzhou listened to the advanced models' reports on their heartening deeds. Before the report meeting was held, responsible comrades of the provincial and city party, government, and Army, including Lin Ruo, Xie Fei, Liu Weiming, Liang Lingguang, Zhong Ming, Kuang Ji, He Baosong, Zhang Xudeng, (Wu Changfang), Xu Xhijie, and (Liu Yanzu), met all the comrades of the advanced exemplary deeds report group. They also attended the report meeting.

At the report meeting, (Ye Qing), a teacher at the Guangzhou College of Traditional Chinese Medicine, first informed the meeting of the advanced deeds and the outstanding contributions made by (Li Guaqiao), vice president and associate professor at the Guangzhou College of Traditional Chinese Medicine. The Malaria Research Office, led by him for 18 years, contributed to the prevention and treatment of and scientific research in malaria in the mountainous areas in Hainan and the border areas of Yunnan. After that, Comrade (Li Guoqiao) delivered a speech. He said: If people say that the comrades of the Malaria Research Office and I have made some achievements, these are only a part of the achievements of all the people of the whole province. He declared: We must learn from other advanced exemplary figures and from the comrades around us. We must build the Malaria Research Office into an advanced unit worthy of the name.

(Tan Weifang), deputy director of the Guangzhou Hygiene Disposal Plant; (Bi Jiang), representative of the Guangzhou-Kowloon Group No 2 of the Guangzhou Railroad Bureau; (Xu Jianchao), deputy leader of team No 719 of the Provincial Geology and Mineral Product Bureau; (Chen Zhongzhi), legal medical expert of the provincial Public Security Department; and (Liang Qisheng), a teacher at the Sanya City Second Middle School, also respectively informed the meeting of their advanced deeds. Their reports often won warm applause.

After the advanced models informed the meeting of their advanced deeds, Lin Ruo, secretary of the provincial CPC Committee, spoke. He said that the moving deeds and lofty ideas of the provincial advanced exemplary deeds report group are the valuable spiritual wealth of all the people of the whole province and are good teaching materials for us to conduct education in ideals, morality, culture, and discipline. CPC committees and governments at all levels must attain great importance to these reporting activities. Through learning from the deeds of the advanced models, we must help the cadres and the masses pursue communist ideals and beliefs.

GUANGXI RADIO URGES CADRES TO SET EXAMPLE

HK110631 Nanning Guangxi Regional Service in Mandarin 1100 GMT 6 Mar 86

[Station commentary: "Leading Cadres Should Set a Good Example in Rectifying Party Style"]

[Excerpts] At present, bringing about a basic turn for the better in party style at an early date is a requirement in properly carrying out reform and economic construction, as well as an urgent desire of party members, cadres, and the masses.

To rectify party style, the essential thing is that leading cadres must themselves set an example. The formation of our party's fine style has been closely linked to the exemplary role played by our party's leadership organs and leading cadres. If leading cadres have a pure party style, they can set a good example to party members and cadres and promote the work as a whole. To play an exemplary role in rectifying party style, leading cadres must earnestly study speeches delivered by central leading comrades at the central organ cadres rally, correct their guiding thought, and unify their ideas. It is necessary to uphold the principle of building the two civilizations simultaneously. On the one hand, they must grasp construction; on the other, they must pay attention to rule by law.

Leading cadres must unceasingly eradicate political liberalism and bureaucratism in their style, go deep into the masses to conduct study and investigation, improve their style, and raise efficiency. Meanwhile, they must dare to deal with others' affairs related to party style, care to correct various malpractices, and dare to investigate and deal with cases of violation of discipline, particularly important and major cases. They must dare to remove obstacles and seriously deal with cases to uphold the principle of everybody being equal before the law and discipline. Only thus, is it possible to thoroughly improve party style in the future.

GUANGXI LEADERS PLANT TREES ON ARBOR DAY

HK130215 Nanning Guangxi Regional Service in Mandarin 1100 GMT 12 Mar 86

[Excerpts] Regional party, government, and Army leaders took part in tree-planting activities in Nanning on 12 March. They included Chen Huiguang, Wei Chunshu, Jin Baosheng, Tao Aiying, Gan Ku, and Qin Yingji.

HUNAN'S MAO ZHIYONG MEETS WITH REPORT GROUP

HK110851 Changsha Hunan Provincial Service in Mandarin 1100 GMT 6 Mar 86

[Text] This morning, leading comrades of the provincial CPC Committee cordially met all members of the provincial Advanced Typical Examples' Report Group, praised them for making outstanding contributions toward the building of the two civilizations, and encouraged them to act well as honorable envoys to disseminate spiritual civilization.

At 0830, leading comrades, including Mao Zhiyong, Xiong Qingquan, Liu Zheng, Liu Fusheng, (Xia Huanzhong), and Shen Ruiting, went to the conference room of the provincial CPC Committee's No 9 Guesthouse, to cordially shake hands with the members of the Advanced Typical Examples' Report Group. The comrades responsible for organizing the report group briefly introduced the situation of every member to the leading comrades of the provincial CPC Committee. After the meeting, the leaders of the provincial CPC Committee had a group photo taken with all members of the Advanced Typical Examples' Report Group.

This afternoon, encouraged by the leaders of the provincial CPC Committee, the Advanced Typical Examples' Report Group was divided into three subgroups, which began making a circuit of all prefectures and cities to give reports.

SICHUAN SUCCEEDS IN CONTROLLING POPULATION GROWTH

HK120217 Chengdu SICHUAN RIBAO in Chinese 21 Feb 86 p 1

[Report by Wen Xuan: "Sichuan Achieves Marked Success in Controlling Population Growth"]

[Text] During the Sixth 5-Year Plan period, Sichuan Province adopted effective measures to control population growth and achieved marked success in this respect. It successfully fulfilled the planned targets for controlling the natural population growth rate and birth rate. By the end of 1985, the total population of this province was about 101.7 million, some 2.75 million less than the planned target in the Sixth 5-Year Plan. In that period, compared with the Fifth 5-Year Plan period, the birth rate of this province (based on the average over 5 years) reduced by 0.162 percent, and the number of babies born reduced by an average of 110,000 a year. The natural population growth rate reduced by 0.103 percent.

In order to effectively control population growth, during the Sixth 5-Year Plan period, while carrying out propaganda work, the province also offered some technical services for family planning. Thus, better results were achieved in contraception and the number of people who had to take remedial measures for unsuccessful family planning also reduced year to year.

SICHUAN RIBAO ON GRASS-ROOTS PARTY RECTIFICATION

HK120825 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 8 Mar 86

[SICHUAN RIBAO commentator's article: "Grass-roots Party Rectification Should be Closely Linked to Implementing Central Document No 1"]

[Text] The gist of the work of the provincial CPC Committee in 1986 points out: It is necessary to closely link grass-roots party rectification to implementing Central Document No 1 of 1986, to make overall arrangements, and to simultaneously do a good job. The most important task of party rectification is to conduct education on the general task of the party and its basic policies in the new period; to unify thinking; to persist in reform; to implement Central Document No 1; to further implement policies; to carry out penetrating reform, and to impel the continuous, steady, and coordinated development of the rural economy. This fully shows that party rectification is, basically speaking, completely consistent with the implementation of Central Document No 1. All party rectification units must organize party members to seriously study Central Document No 1, enhance their conscientiousness for implementing Central Document No 1, and unify their understanding of rural reform. The implementation of Central Document No 1 must run through the whole process of party rectification so as to make it the conscientious action of party members in the rural areas.

Comparison, examination, rectification, and correction must be carried out in accordance with the spirit of Central Document No 1. We must sum up experiences, grasp problems, and formulate measures for reform and for creating a new situation. In accordance with the new situation and new problems emerging in the course of rural reform, we must establish the organization and system at the later stage of party rectification, establish all other regulations and systems and put them on a sound basis, block loopholes, and guarantee the smooth progress of reform. There is a lot of work to do in party rectification and implementing Central Document No 1. All places must make overall arrangements, simultaneously do a good job in party rectification and implementing Central Document No 1 without losing any time, and wrest new victory in rural reform and the invigoration of the economy.

XIZANG DISCIPLINE CIRCULAR ON CADRES' BUSINESSES

HK120605 Lhasa Xizang Regional Service in Mandarin 1130 GMT 7 Mar 86

[Text] According to XIZANG RIBAO in order to further check the unhealthy tendency that party and government organs and cadres engage in commercial activities, the regional Discipline Inspection Commission recently issued a circular urging all perfectural and city CPC committees as well as provincial departments, bureaus, committees, party committees and leading party groups, to seriously implement the spirt of this year's relevant documents issued by the CPC Central Committee and the State Council. They should also promptly educate their workers on the matter.

The circular said: Last year, most units of the region did well in acting in the spirit of the CPC Central Committee and State Council instructions on seriously checking the tendency that party and government organs and cadres engage in commercial activities. Most of the cadres who ran their own businesses have returned to their offices in organs. However, it must be seriously pointed out that there are still some units which continue to neglect the party discipline, and neither do they seriously enforce orders and prohobitions.

In order to implement the CPC Central Committee and State Council regulations and to seriously check the unhealthy tendency, the circular urged all party committees and leading party groups to conduct a serious examination. It set a time limit that by the end of March, the organs and cadres concerned should break their relations with commercial activities, should close their own businesses and should return to their posts in organs. If there is anyone who delays his action without proper reasons or who refused to implement the instructions, the leadership of the unit or department concerned will be held accountable.

XIZANG FEDERATION MARKS INTERNATIONAL WOMEN'S DAY

HK110931 Lhasa Xizang Regional Service in Mandarin 1130 GMT 7 Mar 86

[Text] In the afternoon of 7 March, the regional Women's Federation held a meeting at Lhasa Theatre to mark International Women's Day and to give prizes to those who won the Lhasa quiz contest on knowledge about women and children.

The meeting was attended by Wu Jinghua, secretary of the regional CPC Committee, Dangzin, deputy secretary of the regional CPC Committee; Zhang Shaosong, political commissar of the regional military district; and (Dong Shenmi), political department director of the regional military district.

Dangzin, deputy secretary of the regional CPC Committee, spoke at the meeting. He first affirmed the roles played by the region's women on various fronts. Comrade Dangzin in his conclusion urged that all women of various nationalities, should act seriously in the spirit of the enlarged meeting of the regional CPC Committee Standing Committee, should strive to do well in various tasks, and should judge everything by proceeding from the actual conditions of the region.

At the meeting, Na Zhen, chairman of the regional Women's Federation, delivered a summary report on the region's 1985 work concerning women. She encouraged all women working on various fronts to carry forward the spirit of foolish old man who removed the mountains, to emancipate their minds and to uphold reforms, so as to promote the region's prosperity at an earlier time. At the concluding session, the meeting gave prizes to the winners of the Lhasa quiz contest on knowledge about women and children.

SHANXI'S LI LIGONG SPEAKS TO CADRES IN TRAINING

HK090756 Taiyuan Shanxi Provincial Service in Mandarin 2300 GMT 3 Mar 86

[Excerpts] In accordance with the resolution of the provincial CPC Committee on selectively dispatching some cadres to rural areas to help work there, more than 500 cadres from provincial organs who are to be sent to rural areas have gathered to begin studying.

Yesterday morning the provincial CPC Committee held a mobilization meeting at Taiyuan. Lu Gongxun, Standing Committee member and Organization Department director of the provincial CPC Committee, presided over the meeting. Li Ligong, secretary of the provincial CPC Committee, delivered a speech at the meeting.

Li Ligong pointed out that dispatching some cadres to rural areas to help work there is a requirement for consolidating and developing the achievements in rural reform, for promoting continuous development of the rural economy, for overcoming bureaucratism, for improving leadership and administrative style for correcting party style in an all-round way, for training and tempering cadres, and for upgrading the professional quality of administrative cadres. He demanded that the cadres have the spirit of blazing new trails and valiantly marching forward, carry forward the fine tradition of working hard and closely linking with the masses, seek no privileges, [words indistinct], be ordinary laborers, be strict with themselves in daily life, and inherit and develop the party's fine traditions and style.

Comrade Li Ligong expressed the hope that the cadres will reap bumper harvests in two areas during the next few years while they are in the rural areas. 1) They must successfully fulfill the task of helping the poor to get rich and achieve new developments in the townships or villages where they are assigned to work, thus reaping a bumper harvest in grass-roots work. 2) They must temper themselves and upgrade their ability, thus reaping a bumper harvest in their political and professional quality.

HEBEI: COMMENTARY ON FALSE ACCUSATIONS

SK110439 Shijiazhuang Hebei Provincial Service in Mandarin 2300 GMT 24 Feb 86

[Station commentary: "Those Who Falsely Accuse Others Should Never Be Tolerated"]

[Text] The fact that a few members of the provincial CYL Committee used an erroneous method, which prevailed during the Great Cultural Revolution period, to indulge in nonorganizational activity, sow dissension, practice fraud, cook up charges, and lodge false accusations against others has seriously violated the principle of seeking truth from facts and violated party discipline, and is an expression of the leftover trend of the Cultural Revolution. It is completely correct and necessary for the provincial CPC Committee to sternly deal with this typical case.

False accusations and nonorganizational activity should be regarded as evil trends because they may weaken the fighting will of cadres, hinder the normal work of party and government organs, and seriously affect stability and unity. In investigating a court case, a little money but a long period of time is needed; and the accused will be discredited even though he wins the lawsuit. This is precisely the ugly soul of the persons who falsely accuse others. Practice shows that whenever the persons lodging false accusations cannot be dealt with, healthy tendencies cannot be promoted and unhealthy ones will certainly prevail. Being overlenient toward those who lodge false accusation means, in fact, to make a concession to evil trends.

Nearly 10 years have passed since the gang of four was smashed, but some persons are still affected by the left-over trend of the Cultural Revolution, and continue to create ideological and organizational confusion to achieve personal ulterior goals by means of lodging false accusations. The persons who falsely accuse others exist not only in the organs of the provincial CYL Committee, but also in other provincial-level organs. Some have printed materials on false accusations as many copies of books, and spread them here and there to whip up opinion. Others have sent anonymous letters, and even usurped others' names to put the blame on somebody else. Still others have hatched a plot and direct it from behind the scenes. These people have not only departed from the party spirit of CPC members, but also from the rudimentary moral character of ordinary people.

False accusations and nonorganizational activity are practices in violation of party discipline and state law. Everybody is entitled to report the mistakes and shortcomings of comrades and leaders to higher and even central authorities. But, in reporting problems to higher authorities, we must seek truth from facts, should not wilfully make overstatements, and still less wantonly trump up charges. When reporting problems to higher authorities, we should be honest rather than harboring selfish ideas and personal considerations. Otherwise, we will be unable to report problems in a correct and objective manner. All upright communist members and leading cadres should never tolerate and yield to those who falsely accuse others. After verifying the truth of the matter, the ugly practices of such persons should be made known to the public. Those whose cases are serious should be punished according to party discipline and state law. By no means should we allow such persons to have successful careers.

NEI MONGGOL CALLS FOR PARTY STYLE IMPROVEMENT

SK110257 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 10 Mar 86

[Text] The regional CPC Committee decided to convene a regional conference to sum up and exchange experiences in rectifying party style around 1 July this year. The key is to sum up and exchange experiences created and accumulated during the past 2 years or so by party organizations at all levels throughout the region in their practicing of improving party style.

In a circular the regional CPC Committee stated: Under the correct leadership of the CPC Central Committee, party organizations at all levels and the masses of party members throughout the region have persistenly improved party style, promoted reform, and facilitated the building of the two socialist civilizations, and have scored positive achievements. Through more than 2 years' efforts in party rectification, in particular, they have effected a gradual improvement in the region's party style. We should also note, however, that the results in improving party style are not ideal enough, and many problems in party style remain to be solved. The several unhealthy trends as pointed out in a circular issued by the General Offices of the CPC Central Committee and the State Council last year still exist in our region to varying degrees. We should have a sober understanding of this.

The regional CPC Committee urged: CPC committees of all leagues, cities, banners and counties, and the leading party groups and CPC committees of the departments of the organs directly under the region should regard the preparations for this conference as an important measure for rectifying party style. While conscientiously studying the important speeches of central leading comrades on improving party style, and studying and implementing the series of relevant documents and decisions of the CPC Central Committee and the State Council, and the relevant stipulations of the regional CPC Committee, they should examine, improve, and sum up their own work of rectifying party style.

Each and every party member, in particular every leading cadre of the party, should measure his words and deeds by the party Constitution, the guiding principles for inner-party political life, and a series of policies and regulations on party style. At present he should first of all measure by them what he did in conducting comparison and examination during party rectification to see what he has done and what he has not. He should also find out the reasons for what he has not achieved, and work out plans for improvement. Through such activities, we should conscientiously educate party members on party spirit, party style, and party discipline and, through heart-to-heart talks and other measures, conduct criticism and self-criticism to examine and correct the problems of a general nature existing in our own localities and units in the past. With regard to the cases involving serious law and discipline violations, we should coordinate with pertinent departments to investigate and handle them with intensified efforts.

TIANJIN: NI ZHIFU ATTENDS NPC DEPUTIES' FORUM

SK111530 Tianjin City Service in Mandarin 0030 GMT 11 Mar 86

[Text] After a 4-day session, the forum of the NPC deputies who are currently in Tianjin on an inspection tour concluded on 10 March. Attending the forum to hold discussions with the deputies were Ni Zhifu, secretary of the Tianjin Municipal CPC Committee; Li Ruihuan, mayor of the municipality; Wu Zhen, deputy secretary of the municipal CPC Committee; Nie Bichu, deputy secretary of the municipal CPC Committee and vice mayor of the municipality; and other leading comrades from the municipal CPC Committee, the municipal People's Congress Standing Committee, and the municipal people's government.

The municipal deputies to the Sixth NPC, including Chen Weida and Dai Nianci, made a special trip to the municipality from Beijing Municipality to attend the inspection operation and forum. Zhang Zaiwang, deputy to the NPC and chairman of the municipal People's Congress Standing Committee, presided over the forum.

The forum was held after the inspection methods had been improved and group inspections conducted. At the forum, the responsible persons from the commissions and offices concerned under the municipal people's government made special reports to introduce the major status of affairs in 1985 on various fronts throughout the municipality. The municipal People's Court and the municipal People's Procuratorate presented their written reports on the 1985 work done in dealing blows to economic crimes.

At the forum, participating deputies held warm and earnest discussions on the work done in the fields concerned by bearing in mind the inspection results. They expressed their satisfaction at the marked municipal achievements scored in 1985 in conducting reforms in an overall way. They also put forward many proposals and opinions on further consolidating and developing the excellent situation and dealing with the practical problems closely related to the people's livelihood.

At the forum, Mayor Li Ruihuan, on behalf of the municipal people's government, stated that these proposals and opinions offered by the NPC deputies are reasonable and in conformity with the actual situation, representing the support shown by the deputies to the municipal work. As for the problems that can be solved under the municipal authority, the municipal people's government will clearly examine and study them one by one and will give clear answers to them one by one in order to ensure that every problem is dealt with without fail.

At the forum, participating deputies held special discussions on perfecting the system of conducting frequent inspections joined by the NPC deputies in the municipality.

GAO DI SPEAKS AT JILIN CADRES MEETING

SK091036 Changchun Jilin Provincial Service in Mandarin 2200 GMT 8 Mar 86

[Text] From the afternoon of 7 March to 8 March, the provincial CPC Committee held a meeting attended by party-member responsible cadres of the provincial-level organs. The meeting stressed: The rectification of party style must proceed from the leading organs. Leading cadres of the provincial-level organs should take the lead in rectifying party style, and should strive to fundamentally improve the conduct of the whole party and society and to attain the tasks in provincial industrial and agricultural production.

The meeting was presided over by Comrade Gao Di, secretary of the provincial CPC Committee. It was attended by leading comrades of the provincial Advisory Commission, the provincial People's Congress, the provincial people's government, the provincial CPPCC Committee, and the provincial Discipline Inspection Commission, as well as major responsible comrades of various departments, commissions, offices, and bureaus. The meeting was held mainly in the form of a discussion. In the course of studying, the meeting participants conscientiously discussed how to penetratingly rectify the party style and consolidate the work style of various party and government organs. The participants first of all studied the documents recently issued by the CPC Central Committee and the State Council concerning the rectification of party style and the guidelines of the relevant speeches made by central leading comrades, and relayed and studied the guidelines of the seventh plenary session of the Central Discipline Inspection Commission.

The participants maintained: Over the past month or so, since the provincial CPC Committee held its meeting of responsible cadres of the provincial organs on 16 January, the provincial-level organs have achieved initial results in rectifying their party style and consolidating their work style. Party organizations at all levels have attached importance to the rectification of party style; leading cadres at all levels have taken the lead in rectifying party style and have conscientiously corrected evil trends; and the broad masses of party members and cadres have enhanced their consciousness in observing discipline and law.

The participants pointed out: Although the provincial-level organs have made a good beginning in rectifying party style, the tasks in the future remain arduous, and many problems still exist. Some units have paid insufficient attention to the rectification of party style and have ineffectively investigated and dealt with law violations. Others have failed to thoroughly investigate the problem of engaging in trade and running enterprises. A few units have been weak in conducting ideological and political work, and the fighting capacity of their party organizations has been low.

The meeting studied and arranged for the rectification of party style of the provincial-level organs in 1986. It also called on various departments to conscientiously implement the important instructions given by the central organs and leading comrades concerning the rectification of party style, to strengthen their resolution and sense of political responsibility in rectifying party style, and to adopt resolute measures to investigate and check such unhealthy trends as the abuse of power for personal gain, liberalism in the field of politics, the bureaucratic style of work, and partiality and incorrectness in employment. Various departments should adopt diversified forms to educate party members with ideals and the purpose of the party in order to improve the political and ideological quality of party members and cadres. They should also consolidate discipline and resolutely overcome weakness in work style and laxity in discipline.

At present we should attend to the work in the following aspects:

First, we should conscientiously hold meetings aimed at comparing and examining the activities of various leading party groups and party organizations, hold heart-to-heart talks, and conduct criticism and self-criticism.

We should give priority to solving the malpractices existing in party organizations in order to set an example for the masses.

Second, we should pay attention to investigating and dealing with all law violations, and assign special persons to verify within a set time those law violations which have already been discovered.

Third, we should further investigate and eliminate the situation in which party members and cadres engage in business and run enterprises.

Fourth, we should consolidate party activities and strengthen political and ideological work.

Fifth, in the course of grasping the party style of party and government organs, we should help the localities build spiritual civilization among the local units and help them straighten out their management ideology and correct their unhealthy trends.

Comrade Gao Di delivered a speech at the meeting. He stressed: We should penetratingly study the documents issued by the central organs concerning the rectification of party style and the guidelines in the relevant speeches by the central leading comrades, should further enhance our understanding of the extreme importance and urgency of rectifying the party style, and should be determined to successfully rectify the party style of various provincial-level organs. In rectifying party style, we should mainly check the leading organs and leading cadres against the sic unhealthy practices listed in the document of the central organs as well as the problem of housing distribution. All problems should be investigated and corrected individually. In rectifying party style, we should also stress methods. The basic method is to conduct criticism and self-criticism on the basis of studying and enhancing our understanding. We should mainly depend on education instead of conducting criticism indiscriminately. Those major and important cases in serious violation of law and discipline should be dealt with specially.

Gao Di said in conclusion: We should strengthen leadership over the rectification of party style. Top leaders of various departments must personally grasp the party style, and each level should assume responsibility for rectifying its party style. From now on, whenever problems regarding party style and economic affairs crop up in a department, the top leader of the department will be held to account. Comrade Gao Di said: In setting a time limit for rectifying party style, we should not seek simplicity and uniformity. The rectification of party style should not affect economic work, and, in particular, the current spring plowing and production.

LI GUIXIAN AT LIAONING DISCIPLINE CONFERENCE

SK090900 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 7 Mar 86

[Text] The provincial discipline inspection work conference was held in Tieling City on 4 March. Comrade Li Guixian, secretary of the provincial CPC Committee, attended and addressed the conference on 7 March. He pointed out in his speech that this year, the entire party, from the higher levels to the grass roots, should make concerted efforts and be determined to effect a fundamental improvement in party style among various provincial, city, and county organs as well as 500 large and medium-sized enterprises.

He said: The main trend and essence of party style in our province is good; however, there still are such corrosive phenomena [passage indistinct]. Some cadres still lack a sense of responsibility and urgency and lack consciousness in rectifying party style.

Li Guixian said: Rectifying party style and building our party into a strong core of leadership for the cause of socialist modernization are an extremely important political task and unshirkable historical duty facing party organizations at all levels. The whold party, therefore, should make concerted efforts to grasp the party style. In saying that the whole party grasps party style, we mean that the major responsible comrades of CPC committees at all levels should personally grasp party style. Not only should various discipline inspection departments go all out to grasp party style, but also leading comrades of other departments of CPC Committees should attend to grasping it. In particular, those leading comrades who are put in charge of economic and administrative work should resolutely check the evil trends in their own professional departments in line with their work. Leading comrades should draw distincitons in accordance with party policy and resolutely reveal and check all evil trends in order to attain the goal that the whole party makes concerted efforts to grasp part style.

Li Guixian said in his speech: In grasping party style, we must adhere to the principle that first, we must be firm, and second, that our efforts must be enduring. First, we must give play to the exemplary role of the leading organs and cadres, and, proceeding from ourselves and from now, must investigate affairs and handle problems one by one. Second, leaders at all levels should overcome weakness, have the courage to tackle hard and difficult matters, and grasp the party style in an honest and upright way. Everybody is equal before the party and administrative discipline, no matter who he is and how high he ranks. Those leaders who themselves have indulged in unhealthy practices should conduct an investigation of themselves and resolutely mend their ways, and then assume office with a new attitude. Third, we should concentrate on rapidly investigating and dealing with major and appalling cases, severely punishing those who have indulged in embezzlement, stealing, blackmail, speculation, bribe-taking, fraud, and smuggling. Fourth, we should regard the revealing and correction of various evil trends as a breakthrough for achieving success in party rectification, and mobilize the masses inside and outside the party to thoroughly reveal and check unhealthy trends.

YIN KESHENG AT QINGHAI ADVISORY COMMISSION MEETING

HK110253 Xining Qinghai Provincial Service in Mandarin 2330 GMT 10 Mar 86

[Excerpts] The provincial Advisory Commission convened its fifth plenary meeting in Xining on 10 March. Chairman Zhao Haifeng and Vice Chairman Ma Wanli presided. The meeting summed up the commission's work in 1985 and studied and arranged the tasks for 1986.

Zhao Haifeng stressed in a speech: The just-concluded fifth enlarged plenary session of the sixth provincial CPC Committee was an extremely important meeting. Our current primary tasks is to study and implement well the spirit of this session.

Zhao Haifeng said: In the past 7 months and more, the new provincial CPC Committee leadership, which started work last July, has done a great deal of effective work. The facts prove that this new group is a united, strong, effective, and vigorous leadership core. It is fully capable of shouldering the heavy tasks assigned it by the party and people.

Zhao Haifeng said: As the provincial CPC Committee's political general staff and assistants, the Advisory Commission must spontaneously place itself in subordination to the leadership of the provincial CPC Committee, uphold the prestige of the provincial CPC Committee, and resolutely implement its decisions and instructions. The commission must not exceed its functions and meddle; it must not intervene and still less may it interfere in the work of the provincial CPC Committee.

Provincial CPC Committee Secretary Yin Kesheng also spoke at the meeting. He fully affirmed the work of the provincial Advisory Commission. He said: The new provincial CPC Committee leadership group will inherit and carry forward the party's fine traditions, humbly learn from the old comrades, and work still better. We hope the old comrades can put forward more suggestions and criticisms regarding the work of the provincial CPC Committee, and provide more assistance.

SHAANXI SECRETARY WRITES PREFACE TO BOOK

HK090820 Xian Shaanxi Provincial Service in Mandarin 2300 GMT 6 Mar 86

[Excerpt] A book consisting of the 14 lectures on "World Affairs and Contemporary Youth -- Talks on Ideology" which was edited by the "Friends of Youth" program of this radio station will soon be published by Weilai Publishing House and be on sale.

Provincial CPC Committe Secretary Bai Jinian wrote a preface to the book. The preface reads: Conducting education in current affairs is an important part of ideological and political work. Since the 3d Plenary Session of the 11th CPC Central Committee, the party and government have done a lot of arduous and meticulous work and brought about earth-shaking changes. Most people have a correct and clear idea about the current situation.

However, due to our failure to vigorously carry out ideological and political work and to conduct education for the masses on the current situation, tasks, and policies for a period of time, some people now harbor confused ideas about the current situation. We must spend some time properly conducting education in the current situation and let people know the facts, so that they can unify their ideas and deepen their understanding. This is very necessary to consolidating and developing a political situation of stability and unity, and to fulfilling the task of economic construction and reform in 1986 and the whole Seventh 5-Year Plan period.

INFERIOR QUALITY OF PROJECT IN XINJIANG NOTED

HK081010 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 5 Mar 86

[Excerpts] Due to the shoddy work done by the building unit concerned, the quality of the building project of the Baicheng Cement Plant in Aksu Prefecture is inferior. The main frame project has to be completely reinforced, and [words indistinct] has to be demolished and rebuilt. The economic loss involved in the project is estimated at more than 4 million yuan, the most serious case of inferior quality in the region's capital construction history.

The inferior quality of the project has three causes:

1. The building unit harbored an incorrect idea about the project, violated building regulations, paid attention only to speed, and ignored the quality of the project.

2. Eager for quick success and instant benefits, the building unit paid no attention to the quality of the project.

3. The quality inspection team dispatched by the Aksu prefectural authorities to the plant was mindless and failed to perform its duty.

In an interview with a station reporter, a responsible comrade of the regional construction department pointed out that the case of the inferior of the project of the Baicheng Cement Plant in Aksu is a case which is unprecedented on the region's capital construction front.

The responsible comrade suggested that regional authorities instruct the departments concerned form an investigation froup to thoroughly investigate and handle the case.

The responsible comrade analyzed the quality of the whole building industry in the region last year. He said that from July to October last year, the region conducted an examination of the quality of building projects. Of the 1,073 building projects examined, 120 were substandard, 63 needed to be reinforced, and 21 needed to be demolished and rebuilt.

The responsible comrade stressed that the current situation of the poor quality of building projects in the region has left us no choice but to be resolved to make strenuous efforts to bring about a complete change.

XINJIANG LEADERS AT WOMEN'S DAY GATHERING

HK090354 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 8 Mar 86

[Excerpts] Nearly 3,000 Urumqi women of various sectors held a grand rally in the people's hall this morning to celebrate Women's Day. Also present were responsible comrades of the party, government, Army, and CPPCC in Xinjiang including Song Hanliang, Wang Enmao, Tomur Dawamat, Janabil, Zhang Sixue, (Xheyoumu Bawudong), and Tang Guangcai. Regional CPC Committee Secretary Song Hanliang extended greetings to women throughout the region.

CORRECTION TO QINGHAI ENLARGED PLENARY SESSION

Due to printing error, the item headlined "Qinghai CPC Committee Holds Enlarged Plenary Session" in the 11 March China DAILY REPORT, page T 2, did not appear in full. The omitted passage appears below.

QINGHAI CPC COMMITTEE HOLDS ENLARGED PLENARY SESSION

HK080147 Xining Qinghai Provincial Service in Mandarin 2330 GMT 7 Mar 86

[Excerpts] The fifth enlarged plenary session of the sixth Qinghai Provincial CPC Committee concluded in Xining on 7 March after meeting for 7 days. Guided by the spirit of the National Conference of Party Delegates, in close connection with Qinghai realities, the meeting seriously discussed and unanimously approved the provincial CPC Committee's proposal on drawing up the Seventh 5-Year Plan for national economic and social development in the province. It discussed and studied work in 1986 and the question of stepping up the building of socialist spiritual civilization.

Provincial CPC Committee Deputy Secretary Song Ruixiang gave an explanation on drawing up the province's Seventh 5-Year Plan. Provincial CPC Committee Secretary Yin Kesheng spoke on the province's economic and political situation and the main tasks for this year. Provincial CPC Committee Deputy Secretary Liu Feng delivered a speech entitled: Enhance Understanding, Strengthen Leadership, and Strive To Promote the Building of Socialist Spiritual Civilization. Serious discussions were held on these speeches.

The participants unanimously held that the provincial CPC Committee's proposal accords with the strategic plan for national economic construction. The strategic idea put forward by the provincial CPC Committee on reforming, opening up, eliminating poverty and enriching the people, exploiting resources, and being ready for the switch accords with the actual situation in the province. The tasks and goals contained in the proposal can be attained, so long as hard work is put in.

TA KUNG PAO COMMENTS ON 27TH CPSU CONGRESS

HK130658 Hong Kong TA KUNG PAO in English 13 Mar 86 p 2

["The Past Week" column: "27th CPSU Congress"]

[Text] Thirty years to the day after Nikita Khruschev denounced Joseph Stalin in a secret speech at the closed session of the 20th Congress of the Communist Party of the Soviet Union, the 27th Congress of the CPSU opened on 25 February 1986 to usher in the Gorbachev era. But more important than the coincidence in the timing of the two congresses, obviously, is Mikhail Gorbachev's declared intention to radically overhaul, if not completely shed, the legacy of the cumbersome state apparatus and stagnant economy left by the man who kicked out Khruschev 22 years ago -- Leonid Brezhnev. The 18 years during which the latter was at the top of the Soviet leadership is now associated with all the ills of the Soviet economy in much the same way Stalin became associated with mass deportation and imprisonment and personality cult.

Couched predictably but none the less conspicuously in the new party line initiated by Gorbachev, the speeches and the new party constitution adopted at the 27th congress maintained a reconciliatory stance on external affairs while the focus of attention in domestic issues fell sharply on economic reform, managerial expertise, and the country's inefficiency, corruption and sloth. There can be no doubt that by virtue of his realistic approach since taking office as the General Secretary of the CPSU last March, the new man at the helm in the Kremlin has made an indelible imprint on the world's largest and oldest socialist state.

It is clear that there are good reasons for an acute sense of the urgent need to restore Soviet presitige and put the Soviet economy on its feet on the part of Gorbachev and his new men. Seventy years after its founding, the Soviet Union has yet to prove that its brand of socialism is capable of keeping pace with developed capitalist countries. As always, Soviet consumers must still be satisfied with crudely manufactured goods and chronic shortages. Western observers have pointed out that life and material well-being in the Soviet Union sadly pales even in comparison with such middle-ranking capitalist regions as Singapore or Hong Kong.

In his thinly veiled attack on the Brezhnev era, Gorbachev lashed out at the 'lethargic and conservative' Soviet leadership of the 70's. He pointedly mentioned the 9th and 10th five-year plans (1971-1980) which failed to reach any of their targets, as well as the 11th five-year plan (1981-1985) which failed to reach most of its targets.

To remedy the country's ills, the 27th congress endorsed a long-term economic program which envisages tripling the rate of productivity growth and doubling the national income by the year 2000. The more difficult aspect of these targets, which requires an annual growth of 4.7 percent, might be seen from the fact that they also demand a pace of growth twice as fast as that the Soviet economy has been accustomed to in the past decade. Gorbachev, however, maintains that these targets can be accomplished with better use of available resources. During the short time since he assumed the top post, the 55-year-old general secretary has moved with a deft hand to put the right people in positions of authority. A new chairman of the Council of Ministers (premier) was installed, and new faces are at the head of 21 government ministries.

Blistering Toll

Imperative as the sweeping personnel changes may be, the hard test of Gorbachev's reforms seem to lie in challenges yet to be met.

The first of these is capital funds, or by what means the Soviet Government can muster the huge but necessary investments that the injection of new technologies inevitably requires. Relevant to this question is the colossal military spending which had been a hallmark of the Brezhnev era. Indeed, the most impressive achievement of the Soviet Government in recent decades has been its growing nuclear aresenal and astonishing feats in space. A recent Soviet space accomplishment that became the envy of even NASA scientists of the U.S. was the successful joining in space of five separate components of a space laboratory. It is no secret that space projects exact a blistering toll on the financial resources of both superpowers.

In this sense it would seem that Mr Gorbachev's 'developed socialism' hinges to a significant extent on an amicable continuation of the ground-breaking dialogue he started with the U.S. President Mr Ronald Reagan last November. Clearly, keeping the momentum of such contacts alive would be in the interests of both superpowers.

Challenge

The second and more basic challenge is how far Mr Gorbachev and his men are prepared to go in restructuring the Soviet economy. In China's current reform, the Soviet model with its rigid system of central control and planning has been one of the hardest hurdles to overcome, and is regarded as one of the chief factors that generated the discredited practice of eating from the big pot.

It is true that since he assumed the top office, Mr Gorbachev has taken pains to transfer decision-making power from the central to local authorities and to individual enterprises. New forms of giant industrial combines that handle the entire process of design, manufacturing, distribution and marketing have been formed with considerable success in Siberia, and Moscow is also toying with private farms. But beyond these moves it is still hard to say whether more basic changes are under consideration. Indeed, Yegor Ligachev, member of the Political Bureau widely regarded as the CPSU's new theoretician, has warned that economic reforms must take pace 'without shifts towards a market economy or private enterprise', which has led analysts to believe that Mr Gorbachev's reforms are but attempts to fix up the run down Soviet economic machine rather than to thoroughly restructure it. Thus the question at bottom still seems to be the attitude the leadership of a communist country adopts towards the principles and theories propounded by the great German who founded Marxism. Chinese communists have said that not all Karl Marx said or wrote more than a hundred years ago is valid today. This poses a challenge to all reform-minded socialist countries.

ZHU MUZHI'S VISIT TO MANILA CONSIDERED

HK120947 Hong Kong TA KUNG PAO in Chinese 11 Mar 86 p 3

[Special dispatch from Manila by reporter Lai Ching-ping: "Zhu Muzhi on His Visit to the Philippines"]

[Text] Manila, 10 Mar -- At the invitation of the Philippine Government, the Chinese Government delegation led by Zhu Muzhi, minister of culture, arrived in the Philippines on a visit on 4 March. On 7 March, they met with Philippine Vice President and Premier Laurel. On behalf of China and the Philippines, both sides signed the 1986 and 1987 plans for the execution of a cultural agreement between the two countries.

The Chinese Government delegation is the first delegation that has visited the Philippines and been received by Premier Laurel since the establishment of the new Philippine Government. The agreement signed by both sides is also the first that the new government has signed with a foreign government.

It therefore carries unusually great significance. In a press conference at the Manila Hotel this morning, Minister Zhu Muzhi talked on his impressions of the visit to the Philippines. Zhu Muzhi said that it is no accident that the Chinese delegation is the first delegation that has visited the Philippines since the establishment of the new Philippine Government and has co-signed the first agreement that it has concluded with a foreign government. This is a matter that speaks for itself and is an indication of the bright outlook for relations between China and the Philippines.

He said that judging from the cultural history of China and the Philippines, the geographical position of being separated by nothing but a narrow strip of water, and the relationship of the two countries being tied in a hundred and one ways, China and the Philippines face common tasks. This fully shows that a bright outlook for relations between China and the Philippines will appear. This is a matter of course. It is believed that this visit will bring a beautiful period of development in the relations between the two countries. He said that the Chinese people and the Philippine people have had friendly relations for up to 1,000 years. The Chinese Government and people have attached great importance to the development of relations with the Philippines and have expressed joy at the establishment of the new Philippine Government.

After the establishment of the new Philippine Government, Liu Tsung-han, representative of the Taiwan Pacific Economic and Cultural Center stationed in the Philippines, used his influence to obtain an interview with President Corazon [Aquino]. Commenting on this, Minister Zhu Muzhi said: "We have all along stressed the point that there is only one China. The policy of one China constitutes the basis for the establishment of diplomatic relations between the governments of our two countries. We are convinced that the new Philippine Government will proceed from the friendly relations between the two countries and handle this problem in an accurate and outstanding manner."

Coming at last to his impressions of the visit to the Philippines, he said: "The period of our visit has been very short. But very profound impressions have been left on us. We personally feel the desire and fervor on the part of the Philippine Government and people to develop relations between China and the Philippines." He said: "The new Philippine Government has been set up for only 10 days or more with lots of things to do. But it has specially received our delegation. This has left an especially deep impression on us. The second day after our arrival Vice President Laurel met and had cordial talks with us." Zhu Muzhi said: "Another profound impression that this visit has left on us is that though the Philippines witnessed great chaos not long ago, Manila now shows unusual stability. Most of the people we have contacted are full of vim and vigor and very cheerful. Now, the peso has advanced. The stock market has gone up. People are full of confidence. The Philippines is a country long known for its beauty. We hope that the Philippines has a brilliant and glorious future ahead."

TA KUNG PAO EDITORIAL ON OPPOSING PROTECTIONISM

HK121534 Hong Kong TA KUNG PAO in Chinese 10 Mar 86 p 2

[Editorial: "United as One To Oppose Protectionism"]

[Text] The 5-day meeting of representatives of 23 developing textile exporting countries, which was held in Beijing for the purpose of taking coordinated action, ended last weekend. Macleod, Hong Kong's director of trade and its representative to the meeting, who returned from Beijing yesterday, said that the meeting was a success, at which all the participants reached a consensus on preparatory work for the forthcoming negotiations over the "Multi-Fiber Agreement."

The time chosen for the meeting was especially favorable to Hong Kong. Following last year's actual decrease in export business, Hong Kong is now in a new situation of rehabilitation and development, but is simultaneously faced with the threat of new restrictions in the overseas market. The Hong Kong Government's financial secretary, Bremridge, estimated that Hong Kong's exports this year may increase by 7.5 percent, but protectionism everywhere rather disturbs people. Textile products and garments have been Hong Kong's traditional and chief export goods, with the United States as the largest market. Proposed by the U.S. side, the bilateral textile trade talks between Hong Kong and the United States will be advanced to this month. Thus, before the talks, Hong Kong has won powerful support from the substantial achievements of the Beijing meeting, and its position in the talks has been strengthened.

The press communique issued by the Beijing meeting after it concluded points out that despite the fact that some positive trends have appeared in the main economic indices of some importing countries, they are still trying to put pressure by all means on the developing textile exporting countries in multilateral and bilateral contacts and are continuing to adopt a protective or restrictive policy rather than a free policy toward the latter. The participants in the meeting agreed to resist this attempt with common efforts.

The United States is a typical example of those countries which are placing discriminatory restrictions on the developing textile export regions. Since the beginning of this year, there have been some signs of improvement in various economic indices of the United States, particularly the drop in oil prices by a big margin, the reduction in the discount rate, and the weakening of the dollar, which will inevitably stimulate the economic growth of this country. However, right at this moment, the United States threatened to take a more uncompromising attitude in the negotiations over the "Multi-Fiber Agreement" this coming July. It even advanced the bilateral talks with Hong Kong and other areas, attempting to freeze the quantity of textiles to be exported to the United States in the next 3 years at the low level of last year. It will also rescind regulations on flexibly using the quotas and replace them with more rigid regulations. Hong Kong should under no circumstances accept these measures, which will be harmful to its own economy.

In its research report issued last weekend, the U.S. Economic Policy Committee admits that textile imports sharply increased last year, mainly the import of those quote-free items. The fact is that the United States had imported large quantities from the developed countries since about 80 percent of the textile products from the developing countries were restricted. While the developed countries were bargaining with one another on their mutual trade, the gap between the south and the north has been widened. This is really very unfair and unwise.

Hong Kong realizes that it is not at all isolated in the talks with the United States later this month. The first reason is that the United States will not only hold talks with Hong Kong, but will also hold bilateral talks with Taiwan, South Korea, the five ASEAN countries, and China's mainland. Hong Kong should not be breached by the United States so that the latter may destroy all the others one by one. There is no need for reticence about the existence of competition between Hong Kong and other textile exporting areas. However, in the face of the restrictive measures of the United States and other developed countries, the fundamental interests of the textile exporting areas are similar. Many of the participating countries in last week's Beijing meeting are major textile exporting countries in Asia, Africa, and Latin America. They are big markets for various advanced products as well. They have reached an understanding with Hong Kong that if the United States is bent on having its own way and starts a series of new restrictive measures against the developing countries, it will certainly incur resolute retaliation and will only harm itself at the end.

According to the law of economic growth, the developing countries usually have to start with textile products in order to develop exports. However, for many years, textile products have been regarded as "sensative commodities" and have been excluded fromthe international free trade system. As a principle, the target of the textile trade should be to abolish all kinds of discriminatory restrictions on the exports of the developing countries and to replace them with the free system of the tariff trade agreement. If the "Multi-Fiber Agreement" cannot be rescinded in reality, it is still necessary to gradually increase the growth rate of textile products and reduce restrictions and to eliminate all kinds of ambiguity. This is the stand the Beijing meeting unanimously reached last week on the forthcoming Geneva negotiations on the "Multi-Fiber Agreement" his summer. By further strengthening their unity and arguing strongly on just grounds, the developing countries and areas are confident that they can defeat protectionism with their new action.

U.S. SEEN 'JUMPING THE GUN' ON TEXTILE TALKS

HK090630 Hong Kong HONG KONG STANDARD in English 9 Mar 86 p 12

[Editorial: "Jumping the Gun on Trade Talks"]

[Text] Hong Kong's bilateral trade agreement with the U.S. doesn't expire until the end of 1987. But the U.S. is jumping the gun by calling for consultative talks with Hong Kong and other East Asian countries (Taiwan and South Korea) as it wants to solve "its textile problems with Asia." Hong Kong has no choice but to agree to this meeting because the agreement gives the U.S. the right to ask for one any time. The meeting is to be held here this month, but its date has yet to be fixed.

The U.S. has said it is concerned with two trade problems: one dealing with the question of surges of textile and apparel imports into the country from Hong Kong, South Korea and Taiwan, and the other with the growing practice of blending cotton, wool and man-made fibres with materials not covered by the Multi-Fibre Arrangement (MFA), and which are not subject to import restrictions. Silk, ramie and jute are commonly blended with other fibres, the U.S. claims, stating that about 10 percent of our apparel, exported to the U.S., is made from these blends. Several of our leading textile and garment manufacturers, who are members of the Textiles Advisory Board which advises the government on trade matters, have bluntly said that Hong Kong "has no surge problem with the U.S.," and they cannot understand why the U.S. is calling the meeting.

And, as for cotton products blended with other fibers, the manufacturers said these exports come under close surveillance and may be brought under restraint if they threaten to damage the U.S. industry, but this is not the case. The U.S. thus, cannot find fault with Hong Kong and accuse it of violating the existing bilateral agreement, they stressed, and we agree. Hong Kong's position at the talks will be known soon, but the government, the official spokesman at the talks, has to meet first with the Textiles Advisory Board to discuss the situation and come up with the right strategy to counter whatever the U.S. may say.

The Director of Trade, Mr Hamish Macleod, a key figure in the coming meeting, returns only today from Beijing where he has been for talks with 23 other developing countries. These talks were aimed at coordinating their position for the forthcoming conference with the U.S. for the new MFA to replace the present MFA, which expires at the end of June. Ironically, China, though a member of the MFA, wants the MFA to be scrapped. This won't happen as most countries, including Hong Kong, believe they will be better off with a new MFA. But it will be up to the U.S. they say, to make the MFA more meaningful or it will be regarded as a mere scrap of paper. And critics are right in saying this, as proven by what has happened before.

Historically, the MFA, the brainchild of the U.S., grew out of the Long-Term Agreement (LTA) to control the import of cotton products into the U.S. and it has been working effectively except when the U.S. is challenged on the issues. This was borne out over the new U.S. Country-of-origin rules against Hong Kong, which took its case to the Textile Surveillance Board [TSB] of GATT (MFA comes under the GATT umbrella). The TSB ruled against the U.S. which claimed that China-made panels used by Hong Kong knit manufacturers for their knit sweaters were China-made goods, and not Hong Kong goods. But the U.S. ignored the TSB ruling and the matter is still pending the hearing of a Hong Kong appeal, we were told.

But not wishing to ruffle the feathers of the American eagle, Hong Kong knit manufacturers wisely decided to spend a fortune in buying the latest automated knit equipment which make these panels; so Hong Kong no longer has a panel row with the U.S. Now the U.S. as already stated, is talking about the surges of textile imports into the country from Hong Kong. Our manufacturers, who must know what they are talking about, say this is "untrue as such a problem doesn't exist." But we need to use the right tactics to win our argument and convince the U.S. that what it is saying doesn't apply to us.

Hong Kong's annual imports of U.S. goods top U.S. $3 billion and these goods enter Hong Kong free of import duty, upholding our free trade position. We certainly hope that an amicable solution will be found to the textile problems raised by the U.S. But for Hong Kong to fight better agianst the U.S., it must intensify its lobbying efforts in Washington, a point stressed by the newly-elected president of the American Chanber of Commerce, Mr Ira Kay. And we fully agree with him as this is the kind of language the U.S. understands best.

DAILY REPORT

China

CONTENTS

Vol I No 050 14 March 1986

PRC INTERNATIONAL AFFAIRS

GENERAL

Soviet Bloc, South Europe Relations Examined A 1
[GUOJI WENTI YANJIU 13 Jan]

UNITED STATES

Li Peng Meets U.S. Energy Secretary Herrington B 1
Spokesman Says U.S. To Continue Nuclear Testing B 1
Reagan Rejects Approval of Nuclear Treaties B 1
U.S. Explains Reduction of USSR UN Diplomats B 2
Marcos' Financial Documents To Be Released B 2

SOVIET UNION

Arkhipov Leaves Moscow for Beijing 14 Mar C 1
Gorbachev Announces Continued Moratorium C 1
Spaceship Launched for Rendezvous With 'Mir' C 1
Soviet Societies Mark Lin Boqu Birth Centenary C 1

SOUTHEAST ASIA & PACIFIC

PRC-UK Press Communique on Hong Kong Talks E 1
CPPCC Delegation Meets Thai Government Heads E 1
New Zealand's Lange on Coming PRC, Asia Tour E 2
Son Sann, Khieu Samphan Expected in PRC 15 Mar E 2
Factions Emerge in Former Philippine Ruling Party E 2
Marcos' Philippine Assets, Properties Frozen E 3

SOUTH ASIA

Li Xiannian Concludes Visit to Sri Lanka F 1
Meets Embassy Personnel F 1
Foreign Minister, Chen Muhua Talk F 1
Li, Jayewardene Talk F 1
Li Interviewed on TV F 2
Welcomed by Mayor F 2
Hosts Return Banquet F 3
Leaves for Egypt F 3
Li Xiannian, Zhao Ziyang Greet Mauritius National Day F 3
UN Mediator Meets Pakistani Foreign Minister F 4

WESTERN EUROPE

Netherlands Warship Group Visits Shanghai G 1
New European Community Developments Examined G 1
[RENMIN RIBAO 7 Mar]
XINHUA Views Spain's Decision To Remain in NATO G 2
FRG Will Not Sign 'Star Wars' Agreement G 3
Peng Chong Meets With Judges From France G 3

PRC NATIONAL AFFAIRS

Strict Cadre Selection Procedure Outlined K 1
[RENMIN RIBAO 11 Mar]
Tianjin Factory Reforms Director-Secretary System K 2
[RENMIN RIBAO 7 Mar]
Commentator's Article [RENMIN RIBAO 7 Mar] K 4
LIAOWANG Calls for Punishing 'Bureaucratism' [3 Mar] K 5
Guangdong To Tackle 'Criminal Gang Activities' K 6
CPPCC Standing Committee Begins 11th Meeting K 6
Agenda Released K 7
Idea of Workers as Masters Considered K 7
[RENMIN RIBAO 28 Feb]
HONGQI on Relations Between Reform, Law [16 Feb] K 10
PLA To Set Up Combined Tactics Training Center K 16
Military Theory Research Trends Enumerated K 16
Retraining Class for Military Transfers Begins K 17
Hong Xuezhi Attends Tree Planting in Beijing K 17

PRC REGIONAL AFFAIRS

EAST REGION

Anhui's Huang Huang on Cadre Work in Rural Areas O 1
Fujian Issues Rural Party Rectification Circular O 1
[FUJIAN RIBAO 10 Mar]
Shanghai CPC Secretary Addresses Fifth Congress O 3
[RENMIN RIBAO 7 Mar]
Namelists for Shanghai's New Leading Positions O 4
[JIEFANG RIBAO 9 Mar]

CENTRAL-SOUTH REGION

Lin Ruo Addresses Guangdong Discipline Inspection Rally P 1
Guangdong's Lin Ruo at Discipline Inspection Meeting P 1
Guangdong's Lin Ruo on Developing Mountainous Areas P 2
Hubei Town Develops Measures To Check Egalitarianism P 3
Radio Comments P 3

NORTHEAST REGION

Heilongjiang Secretary on Rectifying Party Style S 1
Liaoning Leaders Attend Learn-From-Lei Feng Meeting S 2
Liaoning Secretary's Speech at Cadre Meeting S 2

NORTHWEST REGION

Gansu Party, Army Leaders Plant Trees in Lanzhou T 1
Shaanxi Leaders Plant Trees on Arbor Day T 1
Xinjiang Opens Party Plenary Session 13 March T 1
Xinjiang Instructions for Fighting Drought T 2

PRC MEDIA ON TAIWAN AFFAIRS

Reaction to Taiwan ADB Policy Reported U 1

TAIWAN

Taipei Radio Criticizes Asian Development Bank V 1
Taipei Radio Urges 'Sufficient' U.S. Arms Sales V 1

HONG KONG MEDIA ON CHINA

Article Reveals Cadres' Sex Scandals W 1
[CHENG MING 1 Mar]
Regulations Controlling Shenzhen Access Announced W 6
[SOUTH CHINA MORNING POST 13 Mar]

SOVIET BLOC, SOUTH EUROPE RELATIONS EXAMINED

HK120401 Beijing GUOJI WENTI YANJIU in Chinese No 1, 13 Jan 86 pp 44-47

[Article by Bai Ding: "Relations Between South European Countries and the Soviet Union, East European Countries"]

[Text] Closer relations between East and West European countries have formed a major characteristic in East-West relations and in the present European situation. In the past, Italy, Spain, Portugal, Greece, and Malta (called "south Europe" hereunder) made less contact with the Soviet Union and other East European countries than other West European countries. In recent years, this state of affairs has begun to change. South Europe has markedly increased its contacts with the Soviet Union and Eastern Europe, and relations between the two sides have become closer. Although these developments do not constitute the most important factor in south European countries' foreign relations, they will be favorable to the further relaxation of the situation in Europe and in the Mediterranean region, and will form a noticeable factor in promoting the stability of the international situation. Thus we should pay attention to these developments.

I

Against the background of profound changes in south European countries, they began to increase contact with the Soviet Union and Eastern Europe and to actively advance the detente process between Eastern and Western Europe. The changes can be summarized as follows: First, the process of democratization is advancing; multi-party systems have been adopted; socialist parties have won power in the south European countries, and the political situation is relatively stable.

In the mid-1970's, Spain, Portugal, and Greece successively shook off the long-lasting autocratic and military rule in their countries and smoothly began the process of democratization. The authorities in these three countries took well-considered and steady measures. They have not only gradually restored Western-style parliamentary democracy and multi-party systems, but have also advanced social reforms which ensure the people's freedom of speech and assembly and terminated the numb political situation caused by previous autocratic rule. The political situation in these countries is rather stable. Governments changed frequently in Italy until 2 years ago, but the current government has been relatively stable since it was formed in August 1983, recording the longest lifetime of a government in the postwar period. The labor party in Malta has held power for 15 years. Socialists have successively become government heads in all the five south European countries. Although there are policy differences between them, they have begun consultations among themselves. The meeting of socialist prime ministers in south Europe and the socialist party conference in the European Community have been convened in Athens and Madrid respectively. The five countries have readjusted their domestic and foreign policies and adapted them to changes in the international situation. At home, they concentrate their efforts on restoring their economies, increasing production investment, reducing unemployment, and lowering the inflation rate. In the international arena, they pursue "Atlanticism" and take concerted actions with the United States in coping with the Soviet military threat. Spain has joined NATO. Greece also remains in NATO's military organization and Italy has begun to deploy the first batch of American missiles in Sicily.

However, a centrifugal tendency to keep the United States at a distance is also developing in these countries. Greece opposes the deployment of American missiles in Western Europe; Malta insists that U.S. and Soviet naval fleets withdraw from the Mediterranean; Italy has misgivings about the U.S. "star wars" plan and insists that it will take the same position with other West European allies; and Spain refuses to allow the United States to use its military bases to conduct actions hostile to Arab countries.

The development of this centrifugal tendency in South Europe will be favorable to the appearance of a multipolar world situation, and will enable South Europe to act as an independent and increasingly influential force on the international stage. Second, the unity of Europe is strengthening, the scope of European cooperation is expanding, and the role of Europe in world affairs is increasing. The European Economic Community concluded its 9-year-long arduous negotiations with Spain and Portugal in late March 1985, with both sides setting store by the common and overall interests of European countries. Italy played an active mediatory role in achieving the success of the negotiations when it acted as chairman of the community. Spain and Portugal finally became members of the European Community, increasing it's total area by one-third and its population to 320 million people from 270 million. This also brought the system in countries on the north Mediterranean coast in line with the system in EC countries, terminating the separation and isolation of south European countries from the European Community. Spain and Portugal are situated in a strategic position between the European and African continents, and they have command of the mouth of the Mediterranean. These two countries have traditional relations with countries in the Middle East, Africa, and Latin America, and can also function as a bridge between the European Community and these regions. This will certainly increase the role of the European Community in world affairs.

Of course, the contradictions of interest and disputes over the issues of fishing, wine, olive oil, vegetables, and fruit inside the community will continue to exist and will become intense. However, the cooperation, consultations, and interdependence between the member countries in the community will effectively help overcome backward conditions in Greece, Portugal, Spain, and southern Italy. Malta has long been a country related with the European Community, and it is developing its relations with West European countries. The "Eureka" space plan initiated by France has been actively supported by Italy, Spain, Portugal, and Greece, and they all maintain that Europe should independently develop technology. At present, the European Community has some 350,000 scientist and technologists, or twice as many as in Japan and just 20 percent fewer than in the United States. At the same time, the community's research expenditure accounts for 20 percent of the world's total. However, because the community members did not coordinate their research projects and the functions of many institutions overlap, their huge investment may only yield modest results. Therefore, Italian Prime Minister Craxi has called on the community members to coordinate the use of their human and material resources to develop their own sophisticated technologies. The increase in the role of Italy, Spain, Portugal, and Greece will undoubtedly give a great impetus to the development of European unity.

II

Developing relations between south Europe and the Soviet Union and Eastern Europe have the following characteristics: First, through pursuing the so-called "Eastern policy," south European countries are trying to effect political detente and gain economic benefit. They use political dialogue and economic interdependence to keep the Soviet Union within bounds, and they encourage the centrifugal tendency in East European countries. This enables south Europe to play a greater role in the changes in East-West relations.

In late 1983, the United States began to deploy missiles in Western Europe, and the Soviet Union suspended U.S.-Soviet nuclear talks. U.S.-Soviet relations became deadlocked and frigid, and tension also appeared in East-West relations. However, the five south European countries, did not see their relations with the Soviet Union and Eastern Europe entering a "frozen period." They still tried to increase dialogue and contact and still actively sought a new way to relax tension between Eastern and Western Europe. Since 1984, Italian Prime Minister Craxi and Foreign Minister Andreotti have visited Hungary, the GDR, Yugoslavia, the Soviet Union, and Poland. Not long after Hoxha died, Italian Deputy Foreign Minister Kolti visited Albania, the first Western ministerial-level official to do so.

The Soviet Union and East European countries have also sent many officials to visit Italy. In order to break the deadlock caused by the deployment of missiles, former Soviet Foreign Minister Gromyko made the first visit to Italy in 6 years. In the past 2 years, Italy frequently exchanged senior-level visits with the Soviet Union and Eastern Europe and such high-level diplomatic contacts were not seen in any previous postwar period. Greece, Spain, Portugal, and Malta also obviously developed relations with the Soviet Union and Eastern Europe. The Greek president and prime minister have visited the GDR, Czechoslovakia, Poland, Romania, and the Soviet Union in the past 2 years. Meanwhile, Greece reduced its troops stationed along the Greek-Bulgarian border, markedly relaxing tense relations between the two countries. Since 1984, Spanish King Carlos has visited the Soviet Union and Gromyko has visited Spain, thus improving Soviet-Spanish relations. After Andropov died, Portuguese Prime Minister Soares went to Moscow to attend the funeral, breaking the long-standing deadlock in relations between the two countries. Before resigning from office, Maltese Prime Minister Mintoff also visited Moscow, improving Malta's relations with the Soviet Union.

With the increase in political contact between south Europe and the Soviet Union and Eastern Europe, economic and trade relations between the two sides have also markedly developed. Italy is the third largest Western trade partner of the Soviet Union and Hungary. Italy imports large quantities of natural gas and oil from the Soviet Union and exports machinery, instruments, textiles, medicine, and metallurgical and chemical products to the Soviet Union. The volume of trade between the two countries reached as high as 4.46 billion rubles per year. In 1985, the two countries signed $2 billion worth of trade contracts, according to which Italy will export whole sets of equipment for seamless steel tubing mills, leather processing plants, and footware plants. Italy has also been developing its economic and trade relations with Yugoslavia. Italy has provided some loans for Yugoslavia, and bilateral trade has reached $2 billion. Italy is also Albania's first Western trade partner. The two countries signed a trade agreement in 1984, planning to lay a submarine cable across the Adriatic Sea. Recently, Albania proposed increasing trade and restoring air services. Italy also expressed interest in these proposals. During a visit to Italy, the Albanian foreign trade minister met with Prime Minister Craxi and indicated that Albania highly values its relations with Italy. Meanwhile, Greece has also signed long-term economic, industrial, and technological cooperation agreements with the Soviet Union.

Second, south Europe and the Soviet Union and Eastern Europe belong respectively to two sharply confronting blocs. Therefore they can only take modest steps to readjust their relations and need to review the results of each step before taking a new one. When developing their political relations, they have paid more lip service to each other and taken more cosmetic steps than steps which have achieved substantial results. So they will not make major breakthroughs for a fairly long time to come in this regard. The situation caused by the Yalta Agreement, in which Europe is divided into two confronting parts, will continue to exist for a long time. The distrust and misgivings between the two military blocs and between the two social systems are inveterate.

Greek Prime Minister Papandreou sometimes opposes some U.S. politics, so the Soviet Union has made great efforts to win over Greece. Senior officials of the two countries frequently exchange visits. However, there is more show than substance in their relations. As early as the 1950's, the Italian president began to visit the Soviet Union. Since then, the leaders of the two countries regularly exchange visits every few years, and the foreign ministers of the two countries exchange visits more frequently. However, political relations between the two countries have always been rather cool.

In May 1985, Prime Minister Craxi made a 3-day visit to the Soviet Union, and the two countries took this opportunity to play up the friendly atmosphere, but the two sides actually conducted a mere 4 hours of talks, and they talked economic more than political affairs. Spain and Portugal's political relations with the Soviet Union are even more frigid. In short, although south Europe has increased its contacts with the Soviet Union and Eastern Europe, the development of their political relations is still very limited. As Italian Foreign Minister Andreotti said, a realistic attitude and modest steps are necessary when his country is developing relations with the Soviet Union and Eastern Europe.

III

The process of developing south Europe's relations with the Soviet Union and Eastern Europe will be tortuous and slow, but south Europe will continue to advance this process. This tendency will become more obvious for the following reasons:

First, south European countries have political and economic contradictions with the United States. Italy, Spain, Portugal, and Greece are allies of the United States, and share common interest in security matters, but their alliance relations are not based on an equal footing. One side is trying to control the other, and the other side is trying to free itself from that control. Moreover, in the economic field, there is intense competition and sharp contradictions between the two sides. The Papandreou government in Greece is pursuing an "independent and diversified diplomatic policy" and attaches importance to maintenance of the national interest. Because it is discontented with the United States' attitude toward the Greek-Turkish dispute over Cyprus, it sometimes assumes a posture of being at loggerheads with the United States and going along with the Soviet Union. When re-signing the agreements on military bases, Spain, Portugal, and Greece all raised their charges. Italy even signed an agreement on laying a gas pipeline with the Soviet Union without regard to the United States' obstructions and opposition. What should be particularly mentioned here is Italy's handling of the "Achille Lauro" incident and the event when U.S. fighters forced an Egyptian plane to land in Italy. In the handling of these incidents, Italy proceeded from the position of safeguarding the national interest and the dignity and sovereignty of the state, and did not make any concession regarding the United States' serious invasion of Italy's territorial air space, by lodging a protest against the United States. The fair and honest statement by Prime Minister Craxi to the Italian Parliament was praised and welcomed by parliamentarians and the public, and reflected public feelings in Italy.

Trade competition between the European Community and the United States has become so intense that the two sides are giving each other tit for tat. The United States raised import duties on European wheat products and the European Community immediately took countermeasures by raising import duties on American lemons and walnuts. Italy is one of the main victims of protectionism in the United States, as Italy exports a significant quantity of wheat products, textile goods, and leather shoes to the United States. Now, the "trade war" between the two countries has an ever wider scope and competition will become more intense.

Second, geopolitics is an important consideration. South Europe is situated on the flank of the two major military blocs and is adjacent to the Balkan countries of Yugoslavia, Albania, Romania, and Bulgaria. Moreover, it faces some hot spots in the Middle East and North Africa across the Mediterrannean, where the United States and the Soviet Union are involved in intense open strife and veiled struggle. Once a nuclear war breaks out, south European countries will unavoidably become victims of the nuclear strike. Therefore, the five south European countries are always seriously concerned by the intense U.S.-Soviet contention in that region, and they are not willing to subject their fate to this situation and to become victims of the two superpowers' rivalry for world hegemony.

At the same time, in order to survive in the crack between the two superpowers, south Europe cannot merely rely on military strength to resist the Soviet Union, as its own strength is weak, its position is vulnerable and difficult, and it does not fully trust the "nuclear umbrella" provided by the United States. The development of the objective situation and the needs of their own interests will force them to take every opportunity to improve relations with the Soviet Union and Eastern Europe.

The five European countries are all small or medium-sized. They all want to play a role in European and world affairs. In particular, they want to play a mediatory and buffer role in the relaxation of relations between Eastern and Western Europe and between the East and the West. In May 1985, Italian Prime Minister Craxi visited Moscow and brought back a message that CEMA is willing to establish relations with the European Economic Community. Craxi also conveyed the Soviets' concern to the United States and asked Washington not to cling obstinately to its course on the issue of nuclear disarmament and space arms talks. The Soviet Union has long noticed that the Italian Government assumes a different attitude toward its disarmament proposals from that of the United States, and Gorbachev has sent a number of letters to Craxi since he took office.

Third, there are interdependent economic relations between south Europe and Eastern Europe. The economic development level in southern Europe is lower than other countries in Western Europe. They are also short of resources and have to rely on supply from the outside. The raw material supplies and product markets in the Soviet Union and Eastern Europe are greatly attractive to them. Thus they hope to do more business with the Soviet Union and East European countries so as to gain more economic benefit. Italy has to import more than 80 percent of its energy. Before the energy crisis in 1973, it imported cheap crude oil from the Middle East and North Africa. After that crisis, Italy adjusted its energy policy and decided to "diversify" its energy supply sources. It not only imported natural gas from Algeria and the Netherlands, but also began to import considerable quantities of natural gas and oil from the Soviet Union. At present, energy and raw materials account for some 90 percent of Italy's imports from the Soviet Union, and Italy's trade deficit with the Soviet Union has reached as high as 430 million lira, accounting for 23 percent of Italy's overall trade deficit. Although Italy is strongly discontented with this state of affairs, it is impossible for it to change the policy of importing energy from the Soviet Union. At present, some major Italian companies have been increasing their business with the Soviet Union. For example, the Illi Group of Italy has agreed to supply the Soviet Union with a whole seamless tubing plant with an annual output capacity of 700,000 tons. This is regarded as the biggest transaction between the East and the West in recent years. On the other side, small and medium-sized Italian enterprises are also trying to enter the Soviet markets. This is shown in the signing of some leather processing and footware manufacturing contracts in recent months.

On the other hand, the Soviet Union and East European countries benefitted from the detente of the 1970's by getting $26 billion in loans and importing $30 billion worth of advanced equipment from the West. Now, they still need Western technologies and equipment as they are carrying out economic reforms and readjusting their economic structures. Italy and Spain have attained the world's advanced level in many scientific and technological fields, and their small and medium-sized enterprises are well developed technologically. The Soviet Union and East European countries are interested in doing business with them. Italy has technological advantages in the petrochemical, optical instruments, radar antenna, automobile, aircraft, marble, leather, food processing, and textile industries, and has cooperation relations with the Soviet Union and East European countries in these fields. In short, south European countries will continue to develop their economic relations with the Soviet Union and East European countries.

The Soviet Union and Eastern Europe also have political considerations in developing their relations with south Europe. The Soviet Union has always highly valued the strategic position of south Europe. The Mediterranean Sea is a springboard for it to expand its sphere of influence to Asia, Africa, and Europe. The Mediterranean region, in which the five south European countries are situated, is an area of complex and unstable factors. On the flank of Europe, the Soviet Union is readjusting its policy toward south Europe in order to win a more favorable position in its contention with the United States for the domination of the Middle East, North Africa, and the Mediterranean. Thus it is trying by every possible means to draw south European countries over to its side; to drive a wedge between south Europe and the United States; to bring pressure to bear on the United States through south Europe so as to weaken the United States' influence in south Europe and the peripheral regions of Europe. In order to safeguard stability and security in the Mediterranean region, the Malta Government for many years has been calling for the Mediterranean to be made a "non-nuclear region." A few years ago, the Soviet Union began to support Malta's non-aligned policy and its "non-nuclear Mediterranean region" slogan. This resulted in improved Soviet-Malta relations. Then, the Soviet Union established an embassy in Malta docks with the hope of gaining a foothold in the center of the Mediterranean Sea. Although Greece is sometimes at odds with the Soviet Union, Moscow has never given up its efforts to win Greece over.

East European countries are all small and medium-sized countries. Although they side with the Soviet Union on the major issue of war and peace, they have their own interests in mind. They believe that dialogue should replace confrontation between Eastern and Western Europe and that the two sides should increase contact and ease the tense situation. The centrifugal tendency in Eastern Europe is also obviously developing. In recent years, Hungary, the GDR, Bulgaria, Poland, and Czechoslovakia have all developed relations with south Europe to different degrees. In April, 1985, Honecker, chairman of the Council of State of the GDR, paid a visit to Italy -- his first visit to a NATO country. Hungary also takes a positive attitude in the development of relations with Western countries.

Italy, Spain, Portugal, and Greece are situated respectively on the three major peninsulas: The Appennino, the Iberian, and the Balkan; and Malta is situated at the center of the Mediterranean Sea. The strategic position of these five countries is greatly important. As the international situation is rapidly changing, the positive changes in these five countries and the development of their relations with the Soviet Union and Eastern Europe will produce immediate and far-reaching influence on the European and world situation, and this influence can never be underestimated.

LI PENG MEETS U.S. ENERGY SECRETARY HERRINGTON

OW131548 Beijing XINHUA in English 1443 GMT 13 Mar 86

[Text] Beijing, March 13 (XINHUA) -- Chinese Vice-Premier Li Peng met John S. Herrington, U.S. secretary of energy, and his party at the state guesthouse here this evening. They discussed energy cooperation between the two countries.

Present on the occasion were Qian Zhengying, minister of water resources and electric power, and leading members of the ministries of foreign affairs, and the nuclear, petroleum, and coal industries, as well as the State Scientific and Technological Commission.

Herrington arrived here March 11. Today he held talks with Qian Zhengying on the possibilities of bilateral cooperation in the power industry.

SPOKESMAN SAYS U.S. TO CONTINUE NUCLEAR TESTING

OW140724 Beijing XINHUA in English 0648 GMT 14 Mar 86

[Text] Washington, March 13 (XINHUA) -- White House spokesman Larry Speakes stated today the U.S. position on nuclear testing has not changed, and nuclear weapons remain for the foreseeable future an important element of the U.S. deterrent force. This is the first U.S. reaction to Soviet leader Mikhail Gorbachev's announcement today that he will continue his country's unilateral nuclear test moratorium indefinitely as long as the United States does not set off a test blast.

In a letter to the six world leaders of Argentina, India, Mexico, Tanzania, Sweden and Greece, Gorbachev also repeated his call for negotiations on a permanent, comprehensive test ban treaty and said the Soviet Union was willing to discuss on-site verification measures. The Soviet Union announced its test moratorium on August 6 last year, to continue through December. It was then extended until March 31 before today's announcement.

Speakes said the Soviets "have made rapid gains." "It is necessary for us and our allies to conduct tests in the near future," he said.

He said the United States places a high priority on improved means of verification and "on-site measurement of such nuclear explosions is central to our verification policy."

Meanwhile, U.S. President Ronald Reagan said in an interview with the "BALTIMORE SUN" newspaper that the recent U.S. House vote calling for test ban negotiations undercut American efforts to achieve an overall arms control accord. He said it "wouldn't be fair" for the United States to be required to stop testing "until we've made the same tests comparatively... that they have made with their new and improved modernized weapons."

REAGAN REJECTS APPROVAL OF NUCLEAR TREATIES

OW131849 Beijing XINHUA in English 1838 GMT 13 Mar 86

[Text] Washington, March 12 (XINHUA) -- U.S. President Ronald Reagan today rejected the idea to call for approval of two pending nuclear treaties with the Soviet Union and said arms control efforts should first focus on reducing nuclear weapons and guaranteeing that there is no cheating. In a letter to the U.S. Senate Republican Leader Bob Dole, Reagan urged the Senate to reject a resolution adopted by the House of Representatives on February 26 which calls for immediate ratification of the Threshhold Test Ban Treaty and the Peaceful Nuclear Explosions Treaty, and the resumption of talks on a comprehensive test ban treaty with the Soviet Union.

Reagan said the actions called for by the House resolution "do not serve the interests of the United States, our allies and our friends." He added they would "undercut the initiatives I have proposed to make progress on nuclear test limitations issues, and they would set back prospects on a broad range of arms control efforts, including the achievement of deep, stabilizing and verifiable arms reductions." Reagan said in the letter that "any limitations on nuclear testing must be compatible with our security interests and must be effectively verifiable," adding that "for the foreseeable future, the security of the United States its friends and its allies must rely upon a credible and effective nuclear deterrent."

The threshhold treaty was signed in 1974 by U.S. President Richard Nixon and Soviet leader Leonid Brezhnev. It would limit all underground nuclear weapons tests to a maximum yield of 150 kilotons, the explosive equivalent of 150 tons of TNT. The peaceful explosions pact was signed in 1976 by U.S. President Gerald Ford and Brezhnev. It would extend the threshold limit to all peaceful nuclear explosions. Neither has been ratified by the Senate. The House resolution is not binding but Reagan objected to Senate passage, which is possible.

U.S. EXPLAINS REDUCTION OF USSR UN DIPLOMATS

OW140238 Beijing XINHUA in English 0228 GMT 14 Mar 86

[Text] Washington, March 13 (XINHUA) -- The United States today explained it had ordered the cutback of Soviet diplomats at the United Nations because the Soviet Union violated an "implicit obligation" to limit its personnel to a reasonable number.

In a written statement, the U.S. State Department said the implicit limits on the size of a foreign mission to the United Nations is outlined in Article 46 of the 1975 Vienna Convention on International Organizations.

The U.S. Government informed the Soviet Mission on March 7 that its personnel must be reduced from 275 to 170 by 1988. The Soviet Union protested the action and called it an "illegitimate demand." It also warned that Soviet-U.S. relations could be seriously damaged by the U.S. order.

Meanwhile, Ambassador Vasiliy Safronchuk, charge d'affaires of the Soviet Mission to the U.N., told reporters this morning the Soviets would ask the host country relations committee to "condemn the illegal action" of the U.S. Government in "arbitrarily ordering such a reduction." Safronchuk said the Soviet Union also would ask the committee "to formulate requests to the United States to reconsider its decision and sort it out in a legal way." The ambassador said that "the U.S. action is arbitrary, unfounded and constitutes a flagrant violation of its obligations as the host country."

The host country relations committee was to meet this afternoon to discuss the issue.

MARCOS FINANCIAL DOCUMENTS TO BE RELEASED

OW131958 Beijing XINHUA in English 1918 GMT 13 Mar 86

[Excerpts] Washington, March 12 (XINHUA) -- U.S. Treasury Secretary James Baker said Wednesday that the Reagan administration has decided to give the Philippine Government and the U.S. Congress copies of 1,500 financial documents brought to Hawaii by ex-Philippine President Ferdinand Marcos, THE NEW YORK TIMES reported today. The documents have been under the custody of the United States Customs Services. The Philippine Government has estimated Marcos' fortune to be as high as 10 billion dollars, an amount equal to almost 40 percent of the nation's foreign debt of 26 billion dollars.

ARKHIPOV LEAVES MOSCOW FOR BEIJING 14 MAR

OW140924 Beijing XINHUA in English 0912 GMT 14 Mar 86

[Text] Moscow, March 14 (XINHUA) -- A Soviet delegation headed by Ivan Arkhipov, first chairman of the Council of Ministers of the USSR, left Moscow today for Beijing to attend the first meeting of the Sino-Soviet Commission on Economic, Trade and Scientific and Technological Cooperation.

The delegation was seen off at the airport by Ivan Silayev, vice chairman of the council, Konstantin Katushev, chairman of the State Committee for Foreign Economic Relations of the USSR and Li Zewang, Chinese ambassador to the Soviet Union.

GORBACHEV ANNOUNCES CONTINUED MORATORIUM

OW131704 Beijing XINHUA in English 1657 GMT 13 Mar 86

[Text] Moscow, March 13 (XINHUA) -- The Soviet leader Mikhail Gorbachev announced here today that the Soviet Union will not conduct nuclear tests after March 31 unless the United States does. Gorbachev made this statement in his return letter to the leaders of six countries including Argentina, India and Tanzania, who in a letter recently to U.S. President Ronald Reagan and Gorbachev, called on the two superpowers to cease any nuclear tests before another summit.

This is the second extension of the Soviet unilateral moratorium on nuclear tests. The moratorium had originally been for the period from August 6 to the end of 1985 and from January 1 to March 31.

SPACESHIP LAUNCHED FOR RENDEZVOUS WITH 'MIR'

OW131626 Beijing XINHUA in English 1557 GMT 13 Mar 86

[Text] Moscow, March 13 (XINHUA) -- The Soviet Union today launched spaceship Soyuz T-15 carrying two cosmonauts who will rendezvous with Soviet space station Mir (meaning peace in Russian), which was launched into space on February 20, the Soviet news agency TASS reported today. The craft was launched into slightly overcast sky above the Baikonur space base in Kazakhstan in Soviet Central Asia, at 3:33 p.m. Moscow time (12:33 a.m. GMT), TASS said.

Commander Leonid Kizim and engineer Vladimir Soloveov are the two consmonauts. This is the 44-year-old Kizim's third space flight. Considered a Soviet space hero, Kizim's first flight was in 1980, the second in 1984. This is the second space flight for 40-year-old Soloveov. He made his first space flight, lasting 237 days, in 1984 as flight engineer of the spaceship Soyuz T-10 and of the orbital station Soyuz-7.

SOVIET SOCIETIES MARK LIN BOQU BIRTH CENTENARY

OW120339 Beijing XINHUA in English 0245 GMT 12 Mar 86

[Text] Moscow, March 11 (XINHUA) -- The centenary of the birth of veteran Chinese revolutionary Lin Boqu was marked at an evening party here today organized by the Union of Societies for Friendship and Culture and the Soviet-Chinese Friendship Society. Lin, a famous activist of the Chinese Communist Party, was born in 1886 and died in 1960.

Yuriy Galenovich, vice-director of the Far-East Institute of the USSR Academy of Sciences, detailed Lin's whole life at the meeting. Sergey Tikhvinskiy, chairman of the Central Board of the Soviet-Chinese Friendship Society, and Li Zewang, Chinese ambassador to the Soviet Union, also attended the party.

PRC-UK PRESS COMMUNIQUE ON HONG KONG TALKS

OW140828 Beijing XINHUA in English 0815 GMT 14 Mar 86

[Text] Hong Kong, March 14 (XINHUA) -- Following is a press communique on the Sino-British Joint Liaison Group Meeting issued here today.

The Sino-British Joint Liaison Group held its third meeting in Hong Kong from March 11 to 14, 1986. The meeting reviewed with satisfaction the work of the group in its first year. The two sides continued, in a spirit of friendly cooperation, discussion in depth on the relevant issues and achieved positive results. The group further discussed means to ensure the continued participation of Hong Kong as a special administrative region in the general agreement on tariffs and trade as well as arrangements relating to international trade in textiles, and reached an identity of views on how this question will be solved and the steps towards its solution. The two sides agreed that concrete measures will be taken in this respect.

The group continued detailed discussions on travel documentation for Hong Kong residents and related matters: they reached agreement on the terms of the right of abode endorsement. The two sides confirmed that identity cards issued in Hong Kong before July 1, 1997 will, as from that date, continue to be used until they are replaced by identity cards issued by the special administrative region government. The two sides also agreed in principle that certificates of identity issued in Hong Kong before July 1, 1997 will, as from that date, continue to be used, as a transitional arrangement. They will continue to exchange views on relevant details.

The group further discussed the question of international rights and obligations affecting Hong Kong and decided to set up a standing sub-group of experts, with its principal base in Hong Kong, to assist in the related work. The two sides also had a preliminary exchange of views on the establishment of a Hong Kong shipping register.

The group decided that the next meeting would take place in London from July 22 to 25, 1986.

CPPCC DELEGATION MEETS THAI GOVERNMENT HEADS

OW131733 Beijing XINHUA in English 1649 GMT 13 Mar 86

[Text] Bangkok, March 13 (XINHUA) -- Sitthi Sawetsila, acting chairman of the ruling Social Action Party, said here today that one of the aims of his party is to strengthen friendship between the Thai and Chinese peoples.

Sitthi is also deputy prime minister and foreign minister of Thailand. He made the statement when meeting Lu Zhengcao, leader of the visiting Chinese People's Political Consultative Committee (CPPCC) delegation and vice-president of the CPPCC. Sitthi, who has visited China in nine different occasions, told Lu that "the relations between Thailand and China in political, economic and cultural fields have all soundly developed."

Ruling Democratic Party Chairman Phichai Rattakun, in the name of his party, expressed today gratitude towards China for the latter's support to Thailand's policy in solving the Kampuchean problem through peaceful and political means. Phichai is also deputy prime minister of Thailand.

Opposition Chat Thai Party Chairman Praman Adireksan gave a luncheon in honor of the visiting Chinese delegation. He told Lu that the Thai-Chinese friendship is based on sincerity.

The Chinese delegation, which arrived in Bangkok on March 7 at the invitation of the Thailand's National Assembly, met National Assembly President Ukrit Mongkhonnawin on March 10 and Deputy Prime Minister Prachuap Suntharangkun this afternoon.

NEW ZEALAND'S LANGE ON COMING PRC, ASIA TOUR

OW131405 Beijing XINHUA in English 1245 GMT 13 Mar 86

[Text] Wellington, March 13 (XINHUA) -- Prime Minister David Lange said his forthcoming visit to China will strengthen the economic and trade relations between the two countries, reported NEW ZEALAND ASSOCIATION PRESS this evening. The prime minister will leave for Indonesia on March 15 and then he will visit China. He will make stopovers in Hong Kong and the Philippines on his way back.

Briefing local reporters this afternoon on his China visit, Lange said China is now New Zealand's sixth largest market. Besides, he said, China is a prominent piece in the whole defense strategy in the South Pacific.

Referring to his visit to Indonesia, Lange said the purpose is to focus New Zealand's attention on Indonesia as a potential market. On his brief stay in Manila, Lange said New Zealand is withholding its judgement on the situation in the Philippines.

SON SANN, KHIEU SAMPHAN EXPECTED IN PRC 15 MAR

OW141005 Tokyo KYODO in English 0958 GMT 14 Mar 86

[Text] Beijing, March 14 KYODO -- Kampuchea's two anti-Vietnamese resistance leaders will arrive in Beijing Saturday afternoon, western diplomatic sources said Friday. The two are Son Sann, prime minister of Democratic Kampuchea, the anti-Hanoi coalition, and Khieu Samphan, its vice president. They will stay in China through Thursday and are expected to meet with Prince Norodom Sihanouk, president of Democratic Kampuchea, currently living in Beijing, the sources said.

FACTIONS EMERGE IN FORMER PHILIPPINE RULING PARTY

OW131822 Beijing XINHUA in English 1606 GMT 13 Mar 86

[Text] Manila, March 13 (XINHUA) -- At least three factions have emerged in the former ruling party -- New Society Movement (KBL) following the downfall of deposed President Marcos, KBL leaders said today. They are: a reformist group reportedly led by former Labor Minister Blas Ople, the "young turks" reportedly led by members of Parliament Manuel Garcia and Alfonso Reyno, and the "old guards" led by former Political Affairs Minister Leonardo Perez and Speaker Nicanor Yniguez.

Ople said members of the reformist group, considered to be the largest among the three, have the support of majority of the KBL parliamentarians and local officials. He said this faction favors severing any ties with deposed leader Marcos and assuming an independent posture and a redirection towards becoming a new opposition party.

The "young turks" faction, meanwhile, also favors the cutting of any tie with Marcos but it wants an alliance with the Aquino government. Garcia said this faction is composed of middle-aged parliamentarians, who have developed close ties with the United Nationalist Democratic Organization (Unido) led by Vice President Salvador Laurel. Garcia did not rule out the possibility of a merger, coalition or alliance with Unido, although such unity will depend largely on negotiations.

The "old guards" is composed mostly of the Marcos' "loyalists", who have reportedly maintained contact with him and said to be still under his influence. Aside from Perez and Yniguez, the members of this faction includes former Prime Minister Cesar Virata, former Deputy Prime Minister Jose Rono, MP Arturo Tolentino, several former cabinet members and parliamentarians.

MARCOS' PHILIPPINE ASSETS, PROPERTIES FROZEN

OW131814 Beijing XINHUA in English 1521 GMT 13 Mar 86

[Text] Manila, March 13 (XINHUA) -- President Corazon Aquino today ordered the freezing of all local assets and properties of deposed President Marcos, his wife Imelda, and their relatives and friends. This was contained in an executive order which was signed yesterday by Mrs. Aquino and was released to the press this afternoon. Marcos and his wife's properties here are estimated at about 1.5 billion pesos (about 57.7 million U.S. dollars) while their relatives and friends' are placed at around 50 billion pesos (1.92 billion U.S. dollars).

Mrs. Aquino also ordered the Commission on Good Government, headed by former Senator Jovito Salonga, to ask foreign governments to freeze such assets and properties and to work for their immediate recovery. The president prohibited any transfer, sale, or concealing of these properties and assets, pending the outcome of appropriate court proceedings which will determine whether they were acquired through legal or fraudulent means. She said the deposed president and his dummies would be given "fair opportunity to contest these claims" before local courts.

Mrs. Aquino said the courts will determine whether Marcos and his subordinates acquired those fortunes by "taking undue advantage of their office..., resulting in their unjust enrichment and causing grave damage and prejudice to the Filipino people."

LI XIANNIAN CONCLUDES VISIT TO SRI LANKA

Meets Embassy Personnel

OW131203 Beijing XINHUA Domestic Service in Chinese 1645 GMT 12 Mar 86

[Text] Colombo, 12 Mar (XINHUA) -- President Li Xiannian this evening cordially met at the Chinese Embassy in Colombo with embassy personnel, as well as representatives of Chinese students and specialists working in Sri Lanka and had a photo taken with them. State Councillor Chen Muhua, who is accompanying President Li in his visit to Sri Lanka, was also present at the meeting.

Foreign Minister, Chen Muhua Talk

OW131247 Beijing XINHUA in English 1213 GMT 13 Mar 86

[Text] Colombo, March 13 (XINHUA) -- China and Sri Lanka today reached a broad consensus of viewpoints during the talks held between Chinese State Councillor Chen Muhua and Sri Lankan Foreign Minister A.C.S. Hameed, which covered major international issues of common interest.

According to an official travelling with Chinese President Li Xiannian, both sides highly appraised the close cooperation and mutual support between the two governments at the general assemblies of the United Nations and other international conferences. Hameed congratulated China upon its admission into the Asian Development Bank and paid tribute to the significant move taken by the Chinese Government concerning the one million reduction of its troops.

Chen Muhua expressed congratulation to Sri Lanka upon its achievements made so far in various fields and was convinced that the friendly cooperation between Sri Lanka and China would be further strengthened. Both sides also explored new ways and spheres to further develop the economic, trade and technical exchanges between the two countries.

Li, Jayewardene Talk

OW131318 Beijing XINHUA in English 1305 GMT 13 Mar 86

[Text] Colombo, March 13 (XINHUA) -- Chinese President Li Xiannian said here today that China will continue to support both the principle and the stand of the Sri Lankan Government in safeguarding its independence, sovereignty and territorial integrity. President Li made the remark when holding talks with Sri Lankan President J.R. Jayewardene in the presidential residence.

A Chinese press official accompanying the president on his state visit to Sri Lanka said that the leaders of the two countries held talks on further developing bilateral relations and issues of common concern in a "cordial and friendly atmosphere." President Li said China and Sri Lanka have always been on good terms since the two countries established diplomatic ties 29 years ago. He noted that Sri Lanka was among the first to recognize the People's Republic of China. The Chinese president said that China will adhere to the five principles of peaceful co-existence and non-interference in the internal affairs of other countries.

President Jayewardene said that China and Sri Lanka have a long history of friendship and expressed satisfaction with the development of bilateral relations. The two leaders also expressed their desire to jointly develop further friendly and cooperative relations between China and Sri Lanka.

Li Interviewed on TV

OW131854 Beijing XINHUA in English 1844 GMT 13 Mar 86

[Text] Colombo, March 13 (XINHUA) -- Visiting Chinese President Li Xiannian reiterated here today that to strengthen unity and cooperation with Third World countries is the basic point of the Chinese foreign policy. The Chinese president made the remark in a television interview in Colombo this afternoon.

He expressed China's support to Third World countries in their just cause in safeguarding national independence and sovereignty, and developing national economy. China also actively supports South-South cooperation and strives to strengthen bilateral and multilateral economic, trade, scientific and technological cooperation with other Third World countries, he said. The Chinese president said that China will maintain its open-door policy and develop economic and technological exchanges and cooperation with other countries on the basis of equality and mutual benefit.

Referring to the relations between China and Sri Lanka, the president said that the Chinese people treasure their friendship with the Sri Lankan people. "It is China's firm policy to continuously consolidate and develop friendly relations and cooperation with Sri Lanka," he said. The Chinese president said, "China will, as always, resolutely support Sri Lanka in its efforts to safeguard national independence and state sovereignty and to develop the nation's economy."

Li, arrived here Tuesday for a three-day state visit. He will leave here tomorrow for Egypt which is the third leg of his five-nation tour.

Welcomed by Mayor

OW131938 Beijing XINHUA in English 1928 GMT 13 Mar 86

[Text] Colombo, March 13 (XINHUA) -- "Sino-Sri Lankan relations based on the five principles of peaceful coexistence have immense vitality and broad prospects," said visiting Chinese President Li Xiannian here today. He made the remark at a civic reception given in his honour by the Colombo Municipal Council here this afternoon.

After a grand and colourful welcome ceremony before the Municipal Hall, Colombo Mayor B.S. Cooray read out the welcome speech. He said that President Li's presence in the assembly will be recorded in golden letters in the history of the Colombo Municipal Council. "The close friendship between our two peoples over the centuries, has created close economic, social and cultural bonds, that we treasure very much," he said.

Mayor Cooray said: "We are inspired by the support your nation has expressed for the safeguarding of political independence and territorial integrity of our motherland. We are deeply encouraged by the forthright stand taken by a great nation like China to speak for the rights of small nations, especially in the Third World, to co-exist with other large nations as equal partners in determining their own national policies and priorities according to the will of the people of the respective countries." On behalf of Colombo residents, Mayor Cooray presented "the golden key" of the city of Colombo to the Chinese president.

President Li in his speech pointed out "It is an unswerving policy of the Chinese Government to further develop Sino-Sri Lankan friendly relations and cooperation." He said "Our bilateral relations are characterized by mutual respect, treating each other as equals, mutual trust and sincere cooperation." He promised to take back to the Chinese people the friendly feelings of the citizens of Colombo.

Hosts Return Banquet

OW131905 Beijing XINHUA in English 1856 GMT 13 Mar 86

[Text] Colombo, March 13 (XINHUA) -- Visiting Chinese President Li Xiannian said here today he is "very pleased with the results" of his current visit to Sri Lanka.

Li was speaking at his return banquet at the "Galadari Meridien" Hotel in honor of Sri Lankan President Junius Richard Jayewardene and other leading officials this evening. He said that during his cordial and friendly talks with Jayewardene, broad agreement has been reached on ways to further strengthen the friendly relations existing between China and Sri Lanka and on international and regional developments of mutual concern. Li said, "With the efforts of our two governments and peoples, our deep-rooted relations will surely achieve still better development."

Jayewardene proposed a toast to the friendship between Sri Lanka and China, to the prosperity and progress of China and to the well-being of its people. Li is scheduled to leave here tomorrow for the third leg of his five-nation Asian and African tour, which will also take him to Egypt, Somalia, and Madagascar.

Leaves for Egypt

OW140906 Beijing XINHUA in English 0845 GMT 14 Mar 86

[Text] Colombo, March 14 (XINHUA) -- Chinese President Li Xiannian successfully concluded his three-day state visit to Sri Lanka and left here today for Egypt, the third leg of his Asian-African five-nation tour. A grand sending-off ceremony was held in front of the presidential residence.

Accompanied by Lalith Athulathmudali, minister of attendance and minister of national security, President Li and his party proceeded by car to the Katunayake international airport, Colombo. Hundreds of thousands of Colombo citizens and school children lined up in the main sections along the 40-kilometer road leading to the airport, where national flags of Sri Lanka and China were fluttering in the wind. Aboard the same aircraft are State Councillor Chen Muhua, Vice Minister of Foreign Economic Relations and Trade Lu Xuejian.

LI XIANNIAN, ZHAO ZIYANG GREET MAURITIUS NATIONAL DAY

BK120730 Beijing in Hindi to India 1500 GMT 11 Mar 86

[Text] Chinese President Li Xiannian and Premier Zhao Ziyang sent message of greetings yesterday to Mauritius Governor General Sir Veerasamy Ringadoo and Prime Minister Aneerood Jugnauth respectively on the occasion of the 18th independence day of Mauritius.

In his message, President Li Xiannian wished for growing friendship between the peoples of China and Mauritius and for the daily development of the friendly relations and cooperation between the two countries.

In his message of greetings, Premier Zhao Ziyang said age old and traditional friendship exists between the peoples of China and Mauritius. The Chinese Government always gives importance to the development of friendly relations and cooperation with Mauritius.

UN MEDIATOR MEETS PAKISTANI FOREIGN MINISTER

OW131843 Beijing XINHUA in English 1653 GMT 13 Mar 86

[Text] Islamabad, March 13 (XINHUA) -- U.N. Special Envoy on Afghanistan problem Diego Cordovez held two rounds of talks with Pakistan Foreign Minister Sahabzada Yaqub Ali Khan after his return here from Kabul today. Cordovez briefed Yaqub Ali Khan on his talks with the Kabul regime. However, details of their talks were not disclosed.

The U.N. mediator is on the fifth shuttle mission to this region to help resume the suspended sixth round of indirect talks between the Pakistan Government and the Kabul regime, aimed at seeking a political solution to the six-year old Afghan problem. The indirect talks on the Afghan problem started in 1982 in Geneva. The sixth round of talks came to a deadlock as the Kabul regime demanded for changing the indirect talks to direct talks.

Pakistan, which does not recognize the Karmal regime installed by the Soviets, has maintained that negotiations on the timetable of the Soviet troops' withdrawal, the key issue in a comprehensive settlement, should also be held through the indirect talks. Cordovez started the current shuttle mission to this region on March 8 when he arrived in Islamabad. He left here for Kabul on March 10 having had four rounds of formal talks with the Pakistan foreign minister.

NETHERLANDS WARSHIP GROUP VISITS SHANGHAI

OW131736 Beijing XINHUA in English 1645 GMT 13 Mar 86

[Text] Shanghai, March 13 (XINHUA) -- A task group of the Royal Netherlands Navy today visited guided missile vessels and submarines designed and made by China, at the Shanghai naval unit of the Chinese People's Liberation Army.

This is the first Netherlands warships group to visit China. The five-ship group, under the command of Rear Admiral Jan D.W. van Renesse, arrived here yesterday for a five-day unofficial visit. At a press conference here this afternoon, Van Renesse said the visit will help promote the friendship between the two peoples and their armed forces. In order to further such friendship, he said, the commander of the Royal Netherlands Navy will visit China in two weeks' time.

This evening, more than 200 Shanghai people from all walks of life attended a reception hosted by Van Renesse on his flagship the "De Ruyter". Vice-Mayor of Shanghai Municipality Li Zhaoji and commander of the Dong Hai Fleet of the Chinese People's Liberation Army Nie Kuiju met Van Renese and other high-ranking officers on separate occasions. Yesterday evening the People's Liberation Army Shanghai naval unit and the Shanghai Garrison gave a welcoming banquet for the Dutch officers and men. The visitors will go on tour of Suzhou and Hangzhou after their visit to Shanghai.

NEW EUROPEAN COMMUNITY DEVELOPMENTS EXAMINED

HK120627 Beijing RENMIN RIBAO in Chinese 7 Mar 86 p 6

["World Affairs" column by Chen Tean: "The EC Spreads Its Heavy Wings"]

[Text] Recently, the European Community has taken a new step toward European integration. A referendum in Denmark approved the government's decision to support the European Community's reform program; Denmark, Italy, and Greece signed the "European Integration Document," marking the completion of the legal procedures that all 12 community member countries must pass in order to revise the Treaty of Rome. This indicated that Europe had taken a "historic step" forward in the cause of European integration.

The "European Integration Document" is related to the restructuring of the Community. This structural reform will expand the scope of the majority vote in the Council of Ministers, raising the Community's policy-making efficiency. At the same time, economic integration will be strengthened, ensuring the free movement of people, commodities, and capital within Community markets. Common policies will be made for social and technological development. In addition, there are steps for promoting the unity of Europe in other fields.

We can find that the structural reform will not be an ordinary one. Instead, it will deeply change the internal structure of the community. It will not merely be related to the amounts of subsidy to each member but will affect the sovereignty of each member country. It will not merely be an issue of reducing tariffs, but an issue of opening entire markets. It will not merely deal with some specific cooperation projects but will deal with large-scale and overall economic, political, defense, scientific and technological, and social cooperation. In fact, this is a knotty and tough problem that the Community member countries, including the six founding members, have not been able to solve for decades.

This controversial question is whether the character of the community as a supranational body should be changed and whether the decisionmaking functions of the Community should be strengthened. The system of majority vote has been opposed by some member countries for a long time. They feared that this system might constitute infringements of state sovereignty. So they insisted that a veto must be held by every member country over any decision made by the Community. As a result, the Community could not take action to deal with some important issues for a long time, and the state of affairs often became deadlocked. This also impeded the process of European integration. For this reason, the European Community lagged behind in some fields or let some golden opportunities slip in the intense international competition, and it could not bring its role into full play. Of course, the signing of the "European Integration Document" by all Community member countries does not mean that a radical change will occur and the structural reform will go ahead smoothly in the future. Anyhow, this does show that the EC countries are determined to break through those "forbidden areas" and advance the process of European integration in depth and in scope.

The referendum in Denmark also shows that not only in West European countries but also in north European countries, the public actively supports the process of European integration. Previously, the north European countries felt some hesitation in the integration process, while the six founding members of the Community were advocating European integration. Now, the referendum has shown something new in the picture.

In the previous period, people were talking about a "declining Europe" and "nothing common in the Community." When facing the world's challenge, Europe has chosen the way to strengthen unity. Undoubtedly, this needs insight and courage. It is not groundless to describe the revision of the Treaty of Rome as the Community's first successful trial to spread its heavy wings.

XINHUA VIEWS SPAIN'S DECISION TO REMAIN IN NATO

OW131401 Beijing XINHUA in English 1108 GMT 13 Mar 86

["News Analysis: European Cooperation Strengthened by Spain's Referendum (by Yu Guangsheng)" -- XINHUA headline]

[Text] Madrid, March 13 (XINHUA) -- Spain's choice on Wednesday to remain in NATO will consolidate the political unity and economic cooperation of Western Europe as well as the position of the ruling socialists in the coming general election, political observers here said. An official announcement said that 52.55 percent of voters in Wednesday's referendum favored the country's remaining in the North Atlantic Treaty Organization (NATO) on the condition that it stays out of NATO's military structure, reduces U.S. troops stationed in Spain and keeps nuclear weapons out of its territory. About 39.8 percent voted against the continued membership in NATO.

The decision of Spain, which joined NATO in 1982 as its 16th member, will contribute to the political construction and integration of Western Europe. If Spain had voted to quit NATO and if Greece and Portugal followed suit, the political unity of Western Europe would be seriously threatened, observers said. As the Spanish Government advocated whole-heartedly that Western Europe plays the role as the pillar of NATO, the continued membership of Spain in the Western military alliance will help West European countries enhance their positions in the organization, they said.

During the 1960s and early 70s when Spain was under the rule of Generalissimo Francisco Franco, the country was isolated from the other West European countries and it relied heavily on the United States for defense. After the restoration of democracy in the country, the United States was still the major military partner of Spain.

But the choice of Spanish people in Wednesday's referendum will dissociate its defense from the United States, reduce U.S. troops stationed in the country and thus strengthen Spanish defense cooperation with other European countries, the observers said.

Spain's decision will also enable the country to benefit both politically and economically from its strengthened ties with its allies. As the concerns of its allies were over, Spain is allowed to develop an active economic relationship with these allies and absorb modern know-how including advanced military technologies. Besides, some progress in the Anglo-Spanish negotiations on the issue of Gibraltar seems to be possible.

The issue of Spain's continued membership had been the biggest problem of the Spanish ruling Socialist Party who came to power in 1982 on a anti-NATO platform but, once in office, favored the country's stay in NATO. With the issue settled, the popularity of the socialists will certainly be boosted. Hence more hopes for the socialists' reelection this fall.

The result of Wednesday's referendum disappointed the anti-NATO opposition parties as previous opinion polls had forecast a defeat for the government's pro-NATO stand. But the opposition vowed to continue campaigns to pull Spain out of NATO and the debate over the country's NATO membership will continue.

FRG WILL NOT SIGN 'STAR WARS' AGREEMENT

OW140752 Beijing XINHUA in English 0742 GMT 14 Mar 86

[Text] Bonn, March 13 (XINHUA) -- Federal Germany will not sign a "star wars" agreement with the United States by the end of this month, Minister for Foreign Affairs Hans-Dietrich Genscher said in a Deutschlandfunk radio interview today. Genscher said talks on Washington's Strategic Defense Initiative (SDI) are being held to determine how research results will be exchanged. Bonn does not want to participate in the SDI program as a government. That is why Federal Germany's minister for economics instead of the defense minister is participating in the negotiations, Genscher said. "We are also certainly not looking for a military agreement on SDI," he noted.

A Bonn delegation is in the United States to discuss how Federal German companies can participate in SDI, also known as "star wars." But informed sources in Bonn said major differences between the United States and Federal Germany had stalled an expected agreement. The United States wants Bonn to support SDI politically and insists that Federal German companies taking part in the research not be allowed to use that information for civil application, German Government sources told the ASSOCIATED PRESS.

PENG CHONG MEETS WITH JUDGES FROM FRANCE

OW131028 Beijing XINHUA in English 0739 GMT 13 Mar 86

[Text] Beijing, March 13 (XINHUA) -- Peng Chong, vice-chairman of the National People's Congress Standing Committee, met with Pierre Nicolay, vice-president of the French Supreme Court for Administrative Cases, and the delegation he is leading in the Great Hall of the People today. Peng Chong briefed the French judges on China's People's Congress system.

STRICT CADRE SELECTION PROCEDURE OUTLINED

HK130837 Beijing RENMIN RIBAO in Chinese 11 Mar 86 p 5

[Commentator's article: "Select Cadres Strictly in Accordance With Procedure"]

[Text] The "circular on selecting and appointing cadres in strict accordance with party principles" stipulates that, from now on, when selecting and appointing leading cadres, it is necessary to work according to the following procedure: "Compile a list of candidates to be selected and promoted on the basis of recommendations by democratic means and the extensive collection of views. Organize the personnel department to examine the cadres and, after reaching a decision through col[illegible]ive discussion by the party committee, make a report to the higher authorities in acc[illegible]ith the limits of authority on cadre management. After further examination by [illegible]ization department at a higher level, submit the report to the party co[illegible] or examination and approval."

Selecting and appointing cadres in strict accordance with the procedure as stipulated is the guarantee for correctly implementing the principle of "four transformations" of cadres and for knowing and making proper use of personnel. In the last few years, many localities and departments have stressed combining the earnest implementation of principles and policies with acting in accordance with necessary procedures, thus discovering many qualified personnel and accurately choosing and promoting them with fewer obstructions. However, leaders in some localities and departments have failed to attain the desired objectives by making misjudgments or errors in choosing and using personnel. Although they had the intention of selecting and appointing able people in accordance with the principle of "four transformations" of cadres, and of stressing political integrity and ability, they neglected the role of working procedures as a guarantee and even regarded necessary procedures as "a burden" in their work. Our experience shows that selecting and appointing cadres, firmly and thoroughly in accordance with the procedure as stipulated, is an important measure to ensure that qualified personnel who meet the requirements of "four transformations" of cadres can be selected and promoted by relying on party organizations and the people. Cadre selection can be put under their supervision, errors in using personnel can be avoided or minimized, and people can be appointed according to their political integrity and ability.

To be strict with the procedure in the selection and appointment of leading cadres is also a necessary means to guard against unhealthy tendencies in personnel work. People have seen that some cadres have abused their power and busied themselves with promoting, by hook or by crook, their own children, friends and relatives, establishing connection networks, and "using the back door." Meanwhile, some cadres engaged in personnel work have curried favor with them, making the situation worse. Some people who have gone in for practicing unhealthy tendencies have often taken advantage of loopholes in the incomplete and imperfect work procedure for selecting and appointing cadres. Of course, it is necessary to seriously investigate and deal with their erroneous conduct in order to maintain the discipline of personnel work, but it is likewise worthy of cur attention to guard efficiently against the recurrence of such corruption. Now, the Central Committee has explicitly stipulated the procedure for selection and appointment of cadres, making the prevention and correction of unhealthy tendencies in personnel work concrete and systematized. This has been made public to the whole party and whole country and requires strict implementation. This has not only shown the Central Committee's determination to eliminate some corrupt phenomena in organization and personnel work, but provides a greater say for cadres and the masses in participating in building the state government and in the selection and appointment of cadres, as well as a weapon to guard against and to oppose unhealthy tendencies in the appointment of cadres.

Cadres should be selected, promoted, and appointed in strict accordance with relevant procedure. This is also a matter of reforming and perfecting our cadre system. The orientation of reform of the cadre system for the past few years was correct. However, in practical work, there existed phenomena such as: Little knowledge about the cadres to be promoted or appointed; few channels and a narrow range for appointment and promotion; and the indiscriminate promotion of cadres in some areas and units, after administrative power was delegated to lower levels. Most of these problems have something to do with the fact that there was not a definite and strict working procedure for selecting, promoting, and appointing cadres. It shows that it is necessary to perfect and systematize this procedure through reform. The procedure worked out by the central authorities for selecting, promoting, and appointing cadres is a scientific procedure with distinctive features of the reform. It is conducive to enlivening and promoting our cadre work and to strengthening administration. Effective execution of this procedure will surely help further consolidate and expand the achievements of our reform, enabling our cadre work to better serve the socialist modernization drive.

The procedure stipulated by the CPC Central Committee for selecting and appointing cadres includes the following three steps: Seek qualified personnel by taking the mass line, examination of the recommended people by the organization departments, and approval of the candidate list by the CPC committees through collective discussion. None of the three steps should be skipped. This principle should be executed and implemented in an all-round manner. To this end, party committees and organization departments at all levels should do the following work well: First, strengthen education in party spirit among the organization and personnel departments cadres and leaders of the departments and localities concerned, and remind them to select and appoint cadres with a sense of responsibility to the party and people. The procedure for selecting and appointing cadres should be strictly followed and this should be regarded as the criterion to examine the party spirit and organizational discipline of the responsible cadres. Second, strengthen regular inspection and supervision. It is necessary to first strengthen inspection and supervision from the top to the lower levels. Meanwhile, we must rely on the cadres and masses in exercising supervision. The CPC committees and higher authorities should not discuss or approve unauthorized appointments made in violation of procedure. Appointments made without the approval of the higher authorities will be null and void. In addition, the responsible persons and organizations concerned should be criticized. Those who practice fraud will be punished according to the seriousness of the case.

TIANJIN FACTORY REFORMS DIRECTOR-SECRETARY SYSTEM

HK131028 Beijing RENMIN RIBAO in Chinese 7 Mar 86 p 2

[Newsletter by reporter Xiao Tihuan: "Share the Work and Cooperate With One Another -- Director and Secretary of Tianjin Radio Factory Party Committee Coordinate Through Tacit Agreement"]

[Excerpts] The Crucial Point Lies in the Party Committee Secretary's Sincere Support for Reforms

The Tianjin radio factory is an old enterprise built in 1939. After the liberation, it practiced the system of division of work among factory director and deputy directors with individual responsibility under the leadership of the party committee. Everything, important or trivial, had to be decided by the party committee. It became the accepted thing to go to the party committee for a solution to any problem and for the secretary of the party committee to make a decision on that problem. The workers, staff members, and party members had long been accustomed to this.

In July 1984, the factory received a notice from the Ministry of Electronics Industry saying that the factory would take part in the experiment on the factory director responsibility system. After collective discussion, the factory leadership decided to implement this system on a trial basis beginning in September. The news caused a sensation in the whole factory. Those who found it most difficult to adjust themselves to this system were some political cadres and old party members. They repeatedly asked themselves as well as others: Will it still be necessary to have party leadership after implementing the factory director responsibility system? Will it still be necessary to do ideological and political work? Some party members even went to the secretary of the party committee and said: "From now on, the party committee will have no real power. How are we party members to play our parts?" Some political cadres asked to be allowed to take up other work and political cadres who had received secondary technical education or college education wanted to take up professional work again. They felt there were no prospects for ideological and political work.

At this critical moment, cadres, party members, and people with various misgivings all had their eyes on Fan Shaoyao, secretary of the party committee. Fan Shaoyao was an old party member who joined the revolution in 1947. He was aware that the attitude he took would have an extremely important bearing on the situation under such circumstances. At this critical moment, he proceeded from the overall situation of the factory and the country and said to the workers and staff members: "The enterprise's leadership system in the past had many drawbacks. If we do not carry out reforms, we cannot enliven the factory. We should resolutely separate the work of the party from that of the administration. We must resolutely support the factory director so that he can exercise his power." His attitude strengthened everyone's confidence in carrying out reforms.

Everyone Grasps Ideological and Political Work

Since the implementation of the factory director responsibility system, there has been a definite division of work between the party and the administration. Decisions on routine administrative affairs in the factory are made at the factory director's work meetings, and the factory's executive meetings make policy decisions on important issues. In the past, the party committee monopolized everything; there were over 20 members on the committee. In view of the new situation at present, there are only 11 members. The factory director and the deputy factory director in charge of personnel affairs remained as members of the party committee. In this way, there is an organizational guarantee for the party and administrative leading cadres to share the work and cooperate with one another and for everybody to grasp ideological and political work.

The implementation of the factory director responsibility system has helped the factory party committee gradually divest itself of busy administrative affairs so that it can concentrate its main efforts on ideological and political work and on party building.

Song Xianfang, director of the Tianjin radio factory, is a senior engineer who is highly proficient in handling production affairs. Since he became factory director in 1980, he has paid great attention to quality control and has obtained marked results. He was given the honorary title of "leader in opening up a new situation in quality work" by the Tianjin Municipality. Speaking about the factory director responsibility system, Song Xianfang said: "The state makes it a rule that the factory director should have full power in and responsibility for exercising unified leadership over the production and management of an enterprise. However, this does not mean that he can make arbitrary decisions or that whatever he says goes. There are numerous tasks to perform in a large backbone enterprise like ours. In order to do our work well, we must depend on the wisdom of the collective and must do effective ideological and political work to arouse and give play to the enthusiasm of the workers and staff members."

Ideological Work Should Be Systematized and Become Part of the Regulations

As a result of division of work between the party and the administration, the party committee has strengthened its leadership over ideological and political work and the ranks of political cadres have been substantiated and strengthened, thus putting an end to the past passive situation of perfunctorily doing ideological and political work. The work is now gradually carried out at various levels, systematized, and written down in relevant regulations.

Commentator's Article

HK131030 Beijing RENMIN RIBAO in Chinese 7 Mar 86 p 2

[Commentator's article: "Ideological Work Needs Cooperation Between Party Secretaries and Factory Directors"]

[Text] Since the Tianjin radio factory began to implement the factory director responsibility system, there has been a clear division of work between the party and the administration within the enterprise. The party committee has shaken off the busy administrative affairs and has concentrated its main efforts on ideological and political work and on party building. Therefore, instead of having been weakened, ideological and political work have been strengthened. A complete set of regulations and experience have come into existence in ideological and political work, effectively promoting work in various aspects.

The basic experience in the ideological and political work of the Tianjin radio factory is close coordination between the secretary of the party committee and the factory director who have divided the work between them but are not separated from one another. The secretary of the party committee promotes the reform of the enterprise's leadership system and gives energetic support to the factory director so that he can exercise his administrative power. While grasping production management, the factory director also does ideological and political work, adhering to the principle of giving ideological work a leading role. He enthusiastically supports the work of the party committee. Whenever any problems come up, the secretary of the party committee and the factory director will exchange views to achieve unity in ideological understanding and will strive to enhance coordinated development in every aspect of the factory's work. The practice of this factory can be used for reference by enterprises which have implemented the factory director responsibility system or which have not yet reformed their leadership system.

At present, whether or not the work between the secretary of the party committee and the factory director is well-coordinated in many enterprises often depends on the personal relationship between the two; there is no guarantee provided by organizational regulations. It is a pressing task for these enterprises to make improvements in this respect by means of policies and regulations. Following the shift from the system of division of work among facotry director and deputy directors with individual responsisbility under the leadership of the party committee to that of the factory director responsibility system, the work of the party committee should also change correspondingly. The secretary of the party committee and the factory director should further display their initiative, trust one another, support one another, and closely cooperate with one another in order to maintain an open and new situation in ideological and political work. All party, adminsitrative, trade union, and CYL organizations should look to the future, promote the constant perfection and development of the reform of the leadership system in enterprises, invigorate the spirit of the people with vigorous ideological and political work, and continuously win new victories in building spiritual and material civilization.

LIAOWANG CALLS FOR PUNISHING 'BUREAUCRATISM'

HK131120 Beijing LIAOWANG in Chinese No 9, 3 Mar 86 p 4

[Commentator's article: "Punish Bureaucratism"]

[Text] For a long time, mistakes committed by leading cadres due to bureaucratism have not been given our serious attention. It seems that it is hard for officials to avoid "bureaucratism" completely. If they are not personally involved in such crimes as graft and embezzlement, taking bribes, and sharing ill-gotten gains, they may be exempt from investigation and punishment, no matter how great the losses they have caused to the state and the people. They may just be criticized for dereliction of duty or just be required to make a written self-criticism, with the whole matter then being over. People may still not realize how seriously this unwritten regulation has harmed the state and the people. Some avoidable mistakes have been repeated because of this irresponsible attitude. Many cases reported by newspapers recently were caused by the bureaucratic practices of some leading organs and leading cadres. They deserve the punishments meted out in light of state laws and party discipline.

Officials are the ones in charge of offices. In their positions, they should be administrators and managers and hold themselves responsible for their posts. Otherwise they should be considered to have neglected their duties and should be punished by party discipline and state laws. We must establish an unequivocal viewpoint: Bureaucratism is a crime. So long as an official causes losses to the state and the people, no matter whether he lines his own pockets or not, he must be punished according to the seriousness of the case. Law and discipline must be strictly enforced in the handling of such cases. What are the main demonstrations of bureaucratism? Some people have listed 10 such manifestations of bureaucratism; other people have listed 8 kinds. Some people have even vividly caricatured the bureaucrats. Here, we would like to list five main manifestations of bureaucratism:

First, to loaf around all day long and do poorly is to be irresponsible for things in their charge and to take a perfunctory attitude toward work. These people are keen on shirking responsibility and have no interest in studying the actual state of affairs. Once things go wrong, they may cry out to "be taken in" and lament over their carelessness. They seem to be indeed "unlucky" and can thus gain some people's sympathy. This type of bureaucratism is irresponsible and neglectful of official duties. If it very harmful to our cause.

Second, to decide things in a reckless manner without making careful investigations and studies, and to fail to inspect work and promptly discover problems. This may result in grave blunders and may cause irretrievable losses. This type of bureaucratism is handling work in a haphazard way.

Third, to indulge in exercising patriarchal leadership and to act willfully. These officials do not allow other people to raise different opinions. They use their power to force other people to obey their decisions. Even when they find that things have gone wrong, they still obstinately cling to their own way. The only thing they care for is their image and their "authoritative position" rather then the interests of the state and the people. This is an imperious type of bureaucratism.

Fourth, to let things slide and to wink at the evils done by one's colleagues or subordinates. By covering up evil things or even abetting people in doing evil they may bring serious disasters and do great harm to the state and the people. This type of bureaucratism is the practice of so-called "good old boys" who are indifferent to party spirit and principles.

Fifth, to show no enthusiasm for studying the principles and policies of the party and the government. They do not have a thorough understanding of these principles and policies, so simply cast them aside. When handling work, they merely pay attention to which way the wind blows so as to trim their sails. They are keen on seizing every "opportunity" to make quick profits without regard to whether the action is lawful or not. This type of bureaucratism is acting in an outrageous way.

Bureaucratism manifests itself in many ways, and we list five types of it as demonstrated above, with the hope that this will alert people to be on guard against, resist, and oppose bureaucratism. There are two ways to eliminate bureaucratism. One is to severely punish the bureaucrats who have caused losses to the state and the people; and the other is to establish a sound set of regulations and rules so as to clearly define the duties of every functionary.

GUANGDONG TO TACKLE 'CRIMINAL GANG ACTIVITIES'

HK131035 Beijing ZHONGGUO XINWEN SHE in Chinese 0639 GMT 12 Mar 86

[Text] Beijing, 12 Mar (ZHONGGUO XINWEN SHE) -- Guangdong Province will severely crack down on criminal gang activities in enterprises of joint Chinese and foreign capital and on other major economic criminal activities. This has been revealed to a reporter of this news agency by an official of the Guangdong Provincial Procuratorate who was attending the national chief procurators conference. At present, there are over 3,500 enterprises of joint Chinese and foreign capital in Guangdong, which account for 60 percent of the total number of this category of enterprises throughout the nation.

As the system of the administration over the enterprises with joint Chinese and foreign capital in China has not yet been perfected, some lawless elements have loopholes to exploit. They collude with people inside and outside the enterprises, take advantage of some people's mentality to make fast and big money, pass themselves off as children of senior cadres, foreign or Hong Kong businessmen, or well-known specialists or people, and carry out large-scale activities of trafficking in contraband, speculation, or fraud.

The official said that gang crimes in enterprises of joint Chinese and foreign capital are increasingly serious. When a criminal case was discovered, the responsible persons of some enterprises and institutions often evaded punishment on the grounds that "they had not earned any personal profits through the crimes." It is said that the state is drawing up relevant laws in order to affix criminal responsibilities in crimes of legal persons. Among the cases of economic crimes in Guangdong, embezzlement ranks first in number, bribery ranks second, and smuggling and fraud respectively rank third and fourth. The official of the Guangdong Provincial Procuratorate said that this year they would do their best to crack down on rampant economic crimes.

CPPCC STANDING COMMITTEE BEGINS 11TH MEETING

OW132027 Beijing XINHUA Domestic Service in Chinese 0819 GMT 13 Mar 86

[Excerpts] Beijing, 13 Mar (XINHUA) -- The 11th Meeting of the 6th National CPPCC Committee Standing Committee met at the CPPCC auditorium this morning. It decided to convene the Fourth Session of the Sixth National CPPCC Committee on 23 March 1986 in Beijing. Those attending the meeting also examined the draft report on the work of the Standing Committee of the Sixth National CPPCC Committee. At the meeting Acting Secretary General Zhou of the National CPPCC Committee reported to the Standing Committee members on the symposium held not long ago on the work of local CPPCC committees throughout the country.

Attending today's meeting were Vice Chairmen of the National CPPCC Committee Liu Lantao, Lu Dingyi, Cheng Zihua, Kang Keqing, Hu Ziang, Qian Changzhao, Yang Chengwu, Chen Zaidao, Zhou Peiyuan, Burhan Shahidi, Miao Yuntai, Deng Zhaoxiang, Fei Xiaotong, Qu Wu, Ma Wenrui, Mao Yisheng, and Liu Jingji.

Agenda Released

OW130850 Beijing XINHUA in English 0827 GMT 13 Mar 86

[Text] Beijing, March 13 (XINHUA) -- The Fourth Session of the Sixth National Committee of the Chinese People's Political Consultative Conference (CPPCC) will be held in Beijing on March 23. This was decided by the Standing Committee of the CPPCC National Committee at its eleventh meeting which opened here today. Main agenda of the Fourth Session of the CPPCC Sixth National Committee are: discussion and approval of the CPPCC Standing Committee work report, and reports on handing motions submitted by the CPPCC members since the Third Session last March; discussion of the report on the work of collecting and sorting out cultural and historical data, and on the CPPCC's international contacts; election of new, additional vice-chairmen, Standing Committee members and secretary general of the Sixth CPPCC National Committee; and attending the Fourth Session of the Sixth National People's Congress.

IDEA OF WORKERS AS MASTERS CONSIDERED

HK120043 Beijing RENMIN RIBAO in Chinese 28 Feb 86 p 5

[Article by Jiang Jiwei: "A Talk on the Question of Establishing the Idea of Workers as Masters"]

[Text] Enterprises are grass-roots units of the national economy as well as the place where the working class gather. It is of great significance to the construction of the two civilizations and to bringing up a new generation of workers and staff members with lofty ideals, morals, culture, and discipline. It will also help workers and staff members establish the idea of workers as masters of the enterprise and will stimulate their socialist enthusiasm by conducting ideological and political work among them, thus doing a good job in economic structural reform.

In the final analysis, it is necessary to help the workers and staff members to establish the idea of workers as masters of the enterprise in order to stimulate their socialist enthusiasm. When they actually find themselves in the status of masters of the enterprise and genuinely come to realize the mission assigned to them by history, they will inevitably regard themselves as masters in dealing with the enterprises, the society, and the country, and gradually become socialist laborers with lofty ideals, morals, culture, and discipline. Different contents and methods in ideological education should be adopted in different historical stages regarding how to cultivate and establish the idea of workers as masters.

When the PRC was founded, the country was at a stage when construction was replacing revolution. The overwhelming majority of workers and staff members came from the old society; even if they had had no personal experience of oppression or exploitation, they had at least witnessed or heard about the suffering of the working people. The working class now became the leading class in the new society and were being respected. Their living standard was improved and secured. With all these important changes, class education such as drawing comparisons between the new and old societies and recalling one's suffering in the old society and contrasting that with the happiness in the new could easily stimulate the sense of reponsibility of being masters of the country among the workers and peasants.

Now things are different: Revolutionary struggles have long become history; the four modernizations have become the nationwide central task; the contingent of workers and staff members has greatly expanded; and the cultural standards of the workers and staff members have been upgraded; their ideology has become complicated. With opening up to the outside world, what they have seen and heard about conditions in capitalist societies differs from that during the old society in China. Under such historical conditions, class education in the form of recalling one's suffering in the old society and contrasting it with the happiness in the new is not enough in order to encourage the idea of workers as masters among the workers and staff members. However, establishing the idea of workers as masters remains the key task of ideological and political work, only it is necessary to infuse new contents into it based on the characteristics of the new historical stage.

First, it is necessary to conduct systematic education in historical materialism and the history of social development among workers and staff members, so that they may correctly understand objective laws governing historical development and the historical mission of the working class, which is not only to break up the old world but, what is more important, to build the new world with their own hands. The Chinese working class should have the aspirations and the ability to open up a socialist road with Chinese characteristics. True, our ultimate ideal is to realize communism, but our specific ideal at present is to build a socialist modern country with a high level of democracy and civilization with Chinese characteristics through reforms.

Second, it is necessary to conduct education in scientific socialism among the workers and staff members by forging a link with the actual conditions of contemporary capitalism, so that the workers and staff members may correctly understand what is and what is capitalism. We should not speak of capitalist countries as afflicted solely with ills and good for nothing. We should acknowledge the progressive aspect of developed capitalist countries in science and technology, their level of productive forces, and their operations and management level. However, it is also necessary to understand capitalism's basic contradictions and decadence. We should analyze the advantages of socialism from its nature; however, we should not evade the tortuous path taken and the difficulties facing us in building socialism because of the lack of experience, so that workers and staff members may understand that socialism is the inevitable road and soberly see that it has to go through a course of development from incompleteness and imperfection to their opposites. A spirit of blazing new trails is involved in order for this to come true.

Third, on the basis of the above fundamental education, a most basic and important element of education regarding workers and staff members in enterprises is the cultivation of the idea of collectivism. Regarding the ideological system, individualism is the ideological basis of capitalism, while collectivism is that of socialism. Workers and staff members of the older generation might accept socialism through the method of drawing comparisons between old and new societies, but those of the new generation need the practice and understanding of collectivism to understand socialism and communism. The so-called idea of workers as masters is precisely based on the idea of collectivism. If someone is an individualist, it is impossible for him to establish the idea of being a master in dealing with the collective. If someone shows concern only for himself but does not care for and cherish the collective he works in, it is impossible for him to care for the society and to cherish the motherland. Therefore, in order to establish the idea of workers as masters among the workers and staff members, it is imperative to start by cultivating the ideology of collectivism. Linking the individual with the collective and starting with caring for a small collective and progressing to caring for the whole enterprise, the whole society, and the country, is natural process in the formation of collectivism and the idea of workers as masters. Some people may worry about whether the cultivation of the ideology of collectivism will lead to the formation of a small group mentality or even departmentalism.

Such a deviation will probably occur, but collectivism includes guiding the workers and staff members in understanding the correct relationship between the individual and the collective, the part and the whole, and the present and long-term interests. Limits in understanding should be gradually overcome in the course of education and practice.

Fourth, under the historical condition of implementing the policy of opening up to the outside world, it is still necessary to strengthen the education of the workers, and staff members in patriotism and internationalism, all the while guarding against narrow nationalism and the blind rejection of anything foreign. We must earnestly learn and integrate all foreign advanced experiences helpful to China. We must persist in the principle of adopting all the positive aspects of foreign things on a wide scale, based on China, and creating something uniquely Chinese by merging them and extracting their essentials, so that learning and new ideas may be linked.

Of course, ideological education among workers and staff members is not limited to the four areas mentioned above. However, regarding the characteristics of the new historical stage, these four aspects are necessary and indispensable in order for the workers and staff members to establish the socialist idea of workers as masters.

The reliance on ideological and political work to foster the understanding of workers and staff members in establishing the idea of workers as masters is just one side of the question. The more important side of the question lies in ensuring the status of workers and staff members as masters in real life, which will be realized on the strength of the reform of the economic structure. In the final analysis, man's ideology originates from reality. A dozen ideas are not as good as one concrete action. If workers and staff members do not feel like being masters in real life, ideological education in establishing the idea of workers as masters will be but empty words. It is precisely because of this that the decision of the 3d Plenary Session of the 12th CPC Central Committee on reform of the economic structure repeatedly stresses the necessity of relying on the enthusiasm of workers and staff members and the assurance of the status of workers and staff members as masters in the enterprises.

Many problems need to be explored in the reform of the economic structure about how to do a good job in implementing the principle of workers as masters among workers and staff members in the enterprises. These involve their specific rights and priviledges. For example:

Regarding the leadership system in the enterprises, the responsibility system of the director on the basis of democratic management by the workers and staff members should be implemented based on the principle of democratic centralism. Meetings of the representatives of workers and staff members should be given certain democratic decision-making power in order to implement the principle of relying on workers and staff members as masters. If workers and staff members are denied their rights in the important decision-making of the enterprise, it will be very difficult to prove that the workers and staff members are masters of the enterprise. It will also be difficult to require the workers and staff members to advance the idea of collectivism and to assume responsibility for the production and management of the enterprise with a high sense of responsibility of being its masters. With the exception of a small number of enterprises (such as railways and post and telecommunications offices, enterprises under socialist ownership by the whole people should be run directly by the state. The overwhelming majority of them should implement the principle of "ownership by all the people, management by the collective," and the state should entrust the workers and staff members of the enterprises with responsibility for production and management. In "taking the initiative in its own hands for management and assuming sole responsibility for profits or losses," it here should refer to the entity of workers and staff members, who should become the main component of the legal body. Only then will it conform to the principle of workers as masters.

Regarding the distribution system of the enterprises, it is imperative to change the concept formed by the old distribution system. It seems that the workers and staff members are "hired laborers" of the state, and the state is paying wages and bonuses to them. Such a system of direct distribution by the state has given rise to the malpractices of the "iron rice bowl" and "eating from the same big pot," which are not favorable to the workers and staff members thoroughly eradicating the traditional hired hand mentality, and are a hindrance to establishing the idea of workers as masters.

The decision on economic structural reform adopted by the 3d Plenary Session of the 12th CPC Central Committee points out: "When the status of the working people as masters of their own enterprise is guaranteed by its rules and regulations and when their labor is closely linked with their own material benefits, their initiative, wisdom, and creativeness can be brought into full play."

In the enterprise's implementation of "taking the initiative in its own hand in management and assuming sole responsibility for its profits or losses," if the entity of the workers and staff members exercise decision-making power in management and assume responsibility for the profits or losses of their enterprise, the benefits of the workers and staff members will be linked with the results of the enterprise's production and management, thus changing the old concept of distribution. The income of the workers and staff members will not depend on the endowment of the state but on the collective efforts of the enterprise. The more successful the results of their work are then the higher the economic results, the greater the income of the enterprise, and the greater the volume of wages of the workers and staff members at the rate stipulated by the state will be, and vice versa.

The volume of wages should be a manifestation of the principle of more work, more pay, less work, less pay in the enterprise collective. This volme of wages will be distributed within the enterprise based on the contributions of an individual's work. The implementation of such a distribution system will help the formation of the idea of the amount of income of the workers and staff members being determined by their own efforts, not endowed by the state or other people. This is favorable to thoroughly breaking up the traditional hired labor mentality and manifesting the status of workers and staff members as masters of the enterprise.

The foregoing examples serve to demonstrate that in the reform of the economic structure, it is imperative to give full consideration to the status of workers and staff members as masters of the enterprise. Only some workers and staff members have the personal experience of really being masters of the enterprise in real life, and when this is upplemented by ideological and political education, will it be possible for the workers and staff members to become conscientious socialist builders and to take up the great historical mission of building socialism with Chinese characteristics.

HONGQI ON RELATIONS BETWEEN REFORM, LAW

HK121251 Beijing HONGQI in Chinese No 4, 16 Feb 86 pp 18-21

[Article by Liu Han: "Reform and Law"]

[Text] Law should serve the reform, and reform will certainly assist in further refining the law. This relation between reform and law is definite and indubitable. In order to give full play to the role of law in promoting and guaranteeing the reform, it is necessary to look into some ideological and theoretical problems in relations between reform and law.

1. Should Reform Be Carried Out Within the Scope Allowed by Our Constitution and Law?

The answer is in the affirmative. However, there are still different views on this question: One is the view that gives a negative answer to the question; and another holds that the reform can observe or break the Constitution and law. The above different views are mainly because we lack a clear understanding of the nature of this reform.

The "decision on reform of the economic system" (shortened as "decision" in later context) by the 3d Plenary Session of the 12th CPC Central Committee clearly says that this reform is to reform, under the precondition of adhering to the socialist system, a series of mutually related links and aspects of our relations of production and superstructure that are not suited to the development of our productive forces. This reform is carried out in a planned, systematic and orderly manner under the leadership of the party and government. It is a self-perfection and development of our socialist system. The nature of the reform determines that we must strictly observe the Constitution and law. This is a demarcation line of principle. We should by no means violate the Constitution and law nor should we observe the Constitution and some laws while violating others. We must be aware that the current Constitution and law are a unified and integrated whole. They must all be observed and must not be violated unless they are revised or abrogated through formal legal procedures or replaced by new law. Of course, at the same time, we should define in the form of our law an even larger number of our economic relations and activities and thus enable our law to become an important means of regulating our economic relations and activities. By so doing, we will really carry out the principle of "having law to follow, being sure to follow all the law that we have formulated, being sure to impose the law strictly, and being sure to punish all those who have violated our law." Otherwise, there will inevitably be chaos which will hinder the smooth progress of reform and make it impossible for us to attain the goal of our reform.

Our country's Constititution and law are a highly unified embodiment of the will of our party, state and people; while the reform is a strong and identical desire of the party, state and people. Therefore, our Constitution and law are entirely consistent with our reform. Observing the Constitution and law will only promote and ensure the reform and consolidate its achievements rather than the contrary.

For example, in the introduction and general program of our Constitution, there are a series of stipulations on our country's socialist economic system and a definite principle on the economic structural reform. In our Constitution, there are stipulations on the dominent role of the state-owned economic sector and the diverse economic forms and management methods on the basis of public ownership, on the decision-making power of our state-owned and collective enterprises over their administration and management and the democratic management in these enterprises, on perfecting the economic management system and enterprise management system and implementing diverse forms of socialist responsibility system, on conscientiously implementing the principle of distribution according to labor, on correctly handling the relations between accumulation and consumption and taking into consideration the interests of both the state and the collectives and the individuals, on the relations between economic planning and the regulation of market mechanism and on protecting the legitimate rights and interests of enterprises and other economic organizations of foreign countries and enterprises using joint Chinese and foreign capital or management in Chinese territory. These stipulations have provided very wide scope for "relaxing control and enlivening" in our economic structural reform. Of course, "relaxing control and enlivening" does not mean giving up all administration and control, but means that while relaxing control and enlivening, we should effectively and satisfactorily exercise our administration and control. This is a dialectic unity.

How should we exercise control? We do so first through our Constitution. The Constitution is the basic major law of our country and the general rules for governing our country. It has the highest legal force. The people of all nationalities throughout our country, all state organs, the armed forces, all political parties and social bodies, all enterprises, institutions and organizations must regard it as the fundamental rule governing their activities. Of course, the reform can be no exception. If we do not even observe the Constitution, the work of enlivening will lead to chaos. This is common sense.

Take our law for example, we all know that most of our country's existing economic laws and regulations were formulated after the 3d Plenary Session of the 11th CPC Central Committee (in December 1978) and the 2d session of the 5th NPC (in June 1979). The task of reform was put forth by the 3d Plenary Session of the 11th CPC Central Committee. The "decision" points out: "Our country's economic structural reform has gone through years of preparations and practice." This means roughly the 6 years between the two third plenary sessions. During that period, our country revised and approved its Constitution and formulated a series of laws and economic laws and regulations, all of which are undoubtedly permeated with the spirit of reform.

Judging by its contents, the "decision" deeply expounds on and makes clear regulations on many major theoretical and practical issues on the basis of the stipulations on the principles of reform in our Constitution. Judging by the contents of a series of relevant laws and economic laws and regulations, they not only conform to the Constitution, but also embody the spirit of the "decision," make the contents of the "decision" more concrete and regular, and clarify them in writing. Judging by what we have seen and heard, the major problems in our current practice are that people find that the law concerning our economic structural reform and economic construction is still not perfect, adequate, or concrete, thus fettering our reform. We should not fail to see that our law indeed plays the role of fettering or restricting by banning and even punishing some activities, but these activities are by no means reform, but are criminal activities that take advantage of our reform to violate our law. This kind of fettering, restricting, banning or even cracking down or punishing does not hinder the reform, on the contrary, it is precisely aimed at ensuring the smooth progress of our reform.

Reform must be carried out within the scope allowed by our Constitution and law. This is a view that we have gained through summing up the experience and lessons in the over 30 years since the founding of the PRC. In the past, in handling some major issues affecting the whole nation, we adopted the method of carrying out "movements," often disregarded our Constitution and law, and relied on the direct actions of the masses of people. This caused many bitter results. We must never do that again. One important guarantee for preventing that past mistake is to strictly observe our Constitution and law.

2. The Relation Between Stability and Change of Our Law in the Process of Reform

We should maintain the continuity, stability, and authority of our law. In a sense, stability is the key. Without stability, there will be no continuity, nor can we even mention authority. But stability does not mean being entirely fixed and unchanged, but means that we should skillfully combine adhering to principles with flexibility, and that we should seek a basic stability while continuing to change our law by abrogating, reforming and formulating some of it.

The requirement for the stability of law is inevitably in conflict with the continuous emergence of the new situation and problems in the course of our reform. How should we solve this problem?

The major means are: 1) We should strengthen our daily legislative activities, in particular, our economic legislative work. In the light of the needs and feasibility, we should make a distinction between what is important and what is not and between what is urgent and what is not, organize the work of drafting economic laws and regulations in a planned manner under good leadership, and then deliver the drafted laws and regulations to the NPC sessions or NPC Standing Committee for discussion and approval in order to turn them into laws, or to the State Council for approval in order to turn them into administrative regulations. 2) We should grant the State Council the power to formulate provisional regulations and rules to satisfy urgent needs at present and at the same time to lay a satisfactory foundation for the formulation of the law. 3) We should grasp the work of sorting out previous laws and regulations, abrogate those not suited to the demand of the reform, revise those which need to be revised, and edit those that continue to be applicable into orderly books to facilitate their observance. 4) We should properly expand the power of our provinces, autonomous regions, and munipalities in formulating local laws and regulations in order to facilitate and ensure the smooth progress of our reform. 5) In investigating inventing new ways, we should proceed from reality, draw up our plans on the basis of adequate feasibility studies, experiment within a certain area and for a certain period after obtaining approval from the State Council in order to gain experience, and then put forward proposals on revising the laws and regulations concerned or on formulating new laws and regulations.

All these are changes. In a sense, reform means changing the law. During the reform, the basis on which our law is established and the objects that our law regulates are all changing, therefore, the law itself should naturally change too. This change is simply development and progress. Essentially, not only does this change not conflict with the stability of our law, but it is precisely aimed at better ensuring the stability of our law. For the true test of the stability of our law is that its provisions should conform to the reality and be correct, and be able to play their role in practice. Of course, this does not mean that the stability of its forms is insignificant and can be constantly changed. The key here is: No matter whether we formulate or abrogate and revise a law, we must act in strict accordance with legislative procedures. Before abrogation or revision, any existing law remains in force and must be observed. It goes without saying that when a new law comes into force, it must be observed. The above is the minimum demand for maintaining the stability of our law. If there is not such a strict legislative procedure and if any organization or individual is allowed the freedom to observe, partially observe, or refuse to observe our Constitution and law according to their ideas of reform or of their own needs, then there will be no legal system at all.

3. Relations Between Law and Implementation of Law

In our reform, there is a problem of imperfect law in some spheres, but in contrast, at present the problem related to the implementation of law is even more widespread.

For some time in the past, our press journals, television, radio, and other forms of propaganda reported the cases of a small number of people who were keen on reform and who had been arrested and sued. Although the conclusion of these cases was good or the prospects for conclusion were good, still these cases gave people an impression that our law seemed to be fettering our reform. This was misunderstanding. A careful analysis of these cases easily reveals that most of these people were arrested and sued not because of the problems in our law itself, but because of the problems in the implementation of our law. There were complicated causes for these problems. Generally speaking, this was because of the serious difference in our understanding of the reform, which gave rise to a series of contradictions and gaps in the relationships between the upper and lower levels and between people at the same level. As these gaps were hard to overcome, and as they continued to grow, some people ordered others to fabricate evidence and frame the accused, or did so themselves.

In addition, some basic-level political and legal departments failed to exercise satisfactory control over the starting of cases, the approval of arrest, the preliminary examinations, the investigation, the starting of prosecutions, the hearing of cases and so on. As a result, they made the mistake of confusing the demarcation line between criminals and innocent people, regarded ordinary defects and mistakes in people's work or even achievements that ought have been commended as crimes. This showed that, in the area of the construction of our country's legal system, it is imperative to further strengthen the link of legal administrative work at the basic level.

Concerning the causes for the above-mentioned cases, it is necessary to point out the following:

First, during our reform, some new things have emerged that are "not allowed" or are even "unimaginable" in light of the rigid patterns in the past, including many new concepts, ideas, and practices. Some comrades, in particular some leading comrades at the basic level, have not yet been entirely freed from the fetters of the past in their understanding. This also applied to some political and legal cadres at the basic level. The "decision" very relevantly points out: "In the light of the practice of our reform, we should carry out vivid education in the theory and policies of the reform among the vast number of party members and masses of people in order to enable them to fully realize that socialism with Chinese characteristics should be full of vitality and differs not only from the previous rigid pattern of socialism but also radically from capitalism, and in order to deepen their scientific understanding of socialism and make them plunge into the great practice of reform." We must continue to overcome the influence of "leftist" thoughts and the ideas that uphold following the beaten paths, standing still and refusing to make progress, thus give everyone a correct understanding of the theory and policies of the reform, make them consciously plunge into reform, and warmly help and vigorously support those keen on reform. Then here will no longer be any "prisoner who is not a criminal." Moreover, our reform will certainly be filled with boundless internal motivation.

Second, there are still some problems in understanding and implementing the constitutional principle that the people's procuratorates independently exercise their procuratorial power and the people's courts independently exercise their judicial authority free from any interference from administrative organs, social bodies, or individuals. The people's public security organs, people's procuratorates, and people's courts carry out a division of labor between them concerning their responsibility, coordinate with one another, and balance one another. In their work, they implement the principle of "all people being equal in the face of law" and "regarding facts as the basis and law as the yardstick." There should be a set of strict and effective procedures that can ensure prompt discovery and correction of any mistake. Under general circumstances, there are misjudged cases, but their number is relatively small. A relatively large number of mistakes are made when the procuratory and judicial work is directly or indirectly interfered with illegally in some form or another. These mistakes are often difficult to promptly correct. This shows that in order to strengthen the link of the administration of law at the basic level, our legal administrative organs should make efforts and have a large number of procurators and judicial officers who protect the dignity of our Constitution and law persistently and selflessly, and who implement the law unswervingly without begrudging their total efforts. At the same time, there should also be public opinion, atmosphere, and other objective conditions such as enable our legal administrative organs to act in this way. In particular, the local leading organs and cadres must support these organs in acting in this way.

4. The Problem Concerning "Reasonable But Illegal," and "Legal But Unreasonable" in Our Reform

In our reform, we often hear people say that now many things are "reasonable but illegal" or "legal but unreasonable." This is a muddled idea.

There are two situations in which rationality is pitted against legality. One is that this rationality is not the rationality which we usually mean, but it is one concerning the interests and needs of an individual or a small group of people. For example, when we deal blows at the criminals who have seriously jeopardized the public security in our society, a very small minority of people shield their children, relatives, or friends. From their point of view, what they do is "fair and reasonable." Perhaps some of them realize that it is illegal, but they think that if they refuse to do it, they would be going against the accepted code of human conduct.

In fact, the rationality in their minds is similar to that of feudal ethics which upholds "fathers cover up sons' crimes and vice versa." This is a rationality which does not conform to the interests of state and people. For another example, some people who have committed serious economic crimes think that since other people can earn large amounts of money, so will they, disregarding their methods and ways. Obviously, this is not only legal but also reasonable for people to become rich earlier than others by observing the law and through working hard and making great efforts. It is not only illegal but also unreasonable for people to become rich by means of speculation, fraud, corruption and taking bribes. Another situation is that in our reform, the words and deeds of some people who are keen on reform are often denounced and regarded as being "legal but unreasonable," "reasonable but illegal" or "not only illegal but also unreasonable." Then what yardstick should we use to check reasonableness in things?

The "decision" has clearly and definitely pointed out: "While carrying out our reform, all comrades in the party should cling to this basic viewpoint of Marxism and regard being conducive to the development of our social productive forces as the most important yardstick to judge the advantages and disadvantages, success and failure of any reform." Therefore, if some people think that a thing is "reasonable but illegal" or "legal but unreasonable," then they are requested to think conscientiously of what they mean by reasonableness. We should not apply our own subjective criteria to judge things, but should apply the objective criterion of being conducive to the development of our social productive forces for our judgment. Moreover, we should foster a firm faith: Under the condition of conscientiously implementing the basic policy of "developing our socialist democracy and perfecting our socialist legal system," rationality is contained in legality and vice versa. Therefore, the two are consistent with each other.

At present, people often say something is "reasonable but illegal" or "legal but unreasonable." What they mean by legality is to follow the rules and regulations which were formulated in the past by basic-level units or which are the custom that has taken shape over a long time, rather than to follow current law. We are to reform a series of links and aspects which are not suited to the development of our productive forces in our relations of production and superstructure, including those rules and regulations. At the same time, we should realize that quite a few rules and regulations have resulted from the lessons which we have bought very dearly, even with our blood, and are therefore very valuable. Therefore, we must act cautiously and gradually reform these rules and regulations in a well-led, well-planned, systematic and orderly manner. We must be on our guard against repeating our previous erroneous practice of regarding all rules and regulations as conventions that fetter people's limbs, without making any analysis.

PLA TO SET UP COMBINED TACTICS TRAINING CENTER

HK131027 Beijing ZHONGGUO XINWEN SHE in Chinese 0246 GMT 13 Mar 86

[Text] Beijing, 13 Mar (ZHONGGUO XINWEN SHE) -- A "combined tactics training center" has, for the first time, been included in China's Army establishment. Preparations for this center are being made by the Nanjing Military Region.

A report in today's JIEFANGJUN BAO says that the Central Military Commission and the General Staff headquarters have entrusted the Nanjing Military Region with running, on a trial basis, this "combined tactics training center" in accordance with strategic changes in the guiding ideology for building the Chinese Army with stress on the characteristics of modern warfare. Detachments responsible for safeguarding the direction, command, communications, maintenance, and other work of this center have reported for duty in succession.

After the completion of this center, full use will be made of modern means for organizing combined tactics exercises in order to train and assess Army units, to check their quality in training, and to ensure combined tactics training will be carried out. In addition, tactic techniques can also be experimented with and proved. According to the stage-by-stage construction plan, the training center will gradually be built into a multifunction system for ensuring training with modern directive facilities [dao yan she shi 1418 3348 6080 2457], war theater layouts, automatic indication devices, and a training management system with effective structure, rational division of labor, and excellent organization.

MILITARY THEORY RESEARCH TRENDS ENUMERATED

HK131031 Beijing ZHONGGUO XINWEN SHE in Chinese 0413 GMT 12 Mar 86

[Text] Beijing, 12 Mar (ZHONGGUO XINWEN SHE) -- A number of military scientists have suggested that China's research in military theory be opened up and oriented toward the latest trends of development in world military technology. The latest scientific and technical products should be absorbed to guide the buildup of China's Army as a strong force.

In a report, today's JIEFANGJUN BAO revealed that the newspaper had invited some experts of the Academy of Military Sciences to hold talks on how to adapt research in military theory to the shifts in military strategy.

Zheng Wenhan, president of the Academy of Military Sciences, holds the view that with military theory in a stagnant and backward state, a heavy price would inevitably be paid in future wars. A point worth noting is that some militarily powerful countries, especially the two superpowers, have not relaxed military theory research in the least despite their advanced weapons and equipment. They have incorporated military theory in an escalating arms race, continuously proposing new strategic, combat, and tactical theories to strengthen their own war machines.

Experts of the Academy of Military Sciences say that China's military theory should be an open scientific system. They suggest that new sciences be taken as a basis for making military forecasts and studying strategic countermeasures. So-called new sciences mean new scientific methods represented by systems, information, control, and other ideas, and the latest multidisciplinary [heng duan 2897 2451] sciences, and so forth. They say that in China's military theory research, we must without exception absorb and apply these latest products and take the impact of new sciences on military sciences as the focus in achieving breakthroughs in China's military theory research.

RETRAINING CLASS FOR MILITARY TRANSFERS BEGINS

OW131220 Beijing XINHUA Domestic Service in Chinese 1155 GMT 11 Mar 86

[By reporter Gai Yumin]

[Text] Beijing, 11 Mar (XINHUA) -- A class cosponsored by the office of the State Councils' leading group for reassignment of retired armymen and cadres, the PLA General Staff headquarters, and the headquarters of the Air Force and the armed police force for retraining military cadres awaiting transfer to civilian departments opened in Beijing today. This is a new attempt to reform the placement of military cadres in civilian departments.

Attending the retraining class, in which courses will be taught by professors and lecturers from the China People's University, are 280 cadres from units stationed in Beijing and units under the armed police force. In addition to providing the needed training for this year's retirees prior to their reporting to the local departments, the training classes will also evaluate their performance and plan their assignments on this basis. It is expected that the integration of training, evaluation and placement will help improve the management and placement of prospective retirees.

To keep up with the reduction-in-strength reorganization of the armed forces, all local authorities have attached great importance to the retraining of those cadres who are to be retired from the armed forces. Most of the retraining, however, used to be conducted after the retirees had reported to the local departments. Since these former military cadres had already started working at their new posts, more often than not they could not spare the time to take part in the retraining. Moreover, the time before their departure from the military was not fully utilized. This problem has now been fairly successfully resolved through the cooperation of the military and civilian departments in cosponsoring classes for retraining prospective retirees.

Attending the opening ceremony were Jiao Shanmin, member of the State Council's leading group for reassignment of retired military personnel and cadres and vice minister of labor and personnel; Xu Huizi, deputy chief of the General Staff; and others. They urged the military and local authorities to make a concerted effort to make the training class a success, and explore new ways and new experiences for training retiring cadres so that they will play a more successful role in national construction.

HONG XUEZHI ATTENDS TREE PLANTING IN BEIJING

OW131201 Beijing XINHUA Domestic Service in Chinese 1234 GMT 12 Mar 86

[Excerpts] Beijing, 12 Mar (XINHUA) -- Responsible persons of the Central Military Commission and of major PLA units stationed in Beijing joined PLA commanders and fighters today in planting trees in Qingnian Hu Park.

Qingnian Hu Park was built jointly by PLA units in Beijing and residents of Beijing Municipality. Hong Xuezhi, deputy secretary general of the Central Military Commission and chairman of the PLA Greening Committee, and other leading comrades were warmly welcomed at the park by Chen Xitong, mayor of Beijing Municipality. The military and government leading comrades shoveled earth and watered trees shoulder, and cordially talked with one another while they worked. Chen Xitong expressed gratitude to the PLA commanders and fighters for their contributions to greening the capital. Hong Xuezhi said: Greening the capital is a concern of the people of Beijing and a duty of PLA commanders and fighters stationed in Beijing. Both military personnel and civilians should contribute to greening the capital.

ANHUI'S HUANG HUANG ON CADRE WORK IN RURAL AREAS

OW140443 Hefei Anhui Provincial Service in Mandarin 1100 GMT 12 Mar 86

[Excerpts] Rural work teams consisting of more than 500 cadres from departments directly under the provincial authority, which were organized in accordance with a decision of the provincial party committee, started to leave for 25 old revolutionary base areas, mountainous counties, and remote counties on 11 March. They will help these areas develop in a planned way.

The main tasks of these teams are to publicize and implement the guidelines laid down by the central and provincial rural work conferences; promote the development of rural reforms and commodity economy; help peasants shake off proverty and become better off; and assist rural party organizations in effectively carrying out party rectification and speeding up the building of spiritual civilization.

The provincial party committee held a send-off meeting for the rural work teams on 3 March. Huang Huang, Shi Junjie, Liu Guangcai, and other responsible comrades of the provincial party committee were present. In his speech, Comrade Huang Huang hoped that the cadres going to work in rural areas would show respect for basic-level organizations and cadres, vigorously organize peasants to develop production, and be concerned with the well-being of the masses.

FUJIAN ISSUES RURAL PARTY RECTIFICATION CIRCULAR

OW131415 Fuzhou FUJIAN RIBAO in Chinese 10 Mar 86 p 1

[Dispatch by the Secretariat of the Office of the Group For Guiding Party Rectification Under the Provincial CPC Committee]

[Excerpts] Recently the Office of the Group For Guiding Party Rectification Under the Provincial CPC Committee issued a circular calling for serious efforts to resolve several problems that need urgent solutions at the current document-study phase of party rectification in townships and towns so as to ensure that the study is carried out without perfunctoriness.

The circular points out: Thanks to the previous efforts made to organize investigations, train backbone personnel, and make corrections prior to the initiation of party rectification, the work of party rectification in townships and towns of our province has had a good beginning and has shown a gratifying trend of development. There are also some weaknesses and problems, however, which must be resolved with a serious effort:

1. Good work must be done to train backbone personnel for party rectification. Some counties have failed to meet the requirements for training such backbone personnel. The problems are: 1) The time set for training is too short and the training lasts only 4 days in some cases; 2) too few people receive training, and those who should be trained are not included in the training program; 3) key cadres are not trained; and 4) meetings are held as a substitute for training. These counties must pay attention to correcting their shortcomings and earnestly train backbone personnel according to the demands.

2. Quality work should be ensured in studying the documents. Some townships and towns have not set a high demand for the document-study phase. First, the time set for study is too short.

Second, those engaged in study cannot come together. In particular, some leading comrades cannot sit down to study. Third, the key points to be studied have not been made clear. Success in studying the documents is the foundation for successful party rectification. At the document-study phase, all personnel engaged in study must come together, devote their time to study, and concentrate on study.

3. There should be able leadership directing the work of party rectification. The county CPC Committee should establish a highly powerful leadership system. A system with each cadre assuming the responsibility for a given area on the principle of division of work should be instituted. Secretaries of county CPC Committees should devote their main efforts to party rectification.

4. The work of party rectification in different "departments" and "regions" should be well coordinated.

5. Liaison personnel and traveling inspectors for party rectification of various prefectures, cities, and counties should go to the forefront of party rectification in townships and towns as soon as possible.

6. No haste should be made to develop party rectification at the village level. The urgent task before township and town party committees is to focus their efforts on party rectification at the township and town level.

7. Ideological work in connection with the study of documents on party rectification should be strengthened.

8. At the village level, documents should be studied, and mistakes corrected prior to the initiation of party rectification.

While developing party rectification at the township and town levels, efforts should be made to publicize among village cadres and masses the guidelines contained in the "circular" of the Central Commission for Guiding Party Rectification and do successful ideological work.

The circular stresses: Now most townships and towns are beginning to study documents in connection with party rectification. This incipient work should be grasped firmly and in a down-to-earth way. It is imperative resolutely carry out the contents of the "circular" of the Central Commission for Guiding Party Rectification and the "opinions" of the provincial CPC Committee. Moreover, earnest efforts should be made to learn from Benxi County's experience in conducting party rectification in townships and towns as recommended by the Central Commission for Guiding Party Rectification. It is imperative that this work is based on reality. Equally every effort must be made to earnestly grasp the work of party rectification; take concrete measures; pay attention to real results; give prominence to enhancing party spirit and rectifying party style; place education concerning party purposes at the fore; straighten the guiding thought for rural work; and make a serious efforts to enhance the leadership over the study of documents on party rectification so that this study will be earnestly carried out without perfunctoriness.

SHANGHAI CPC SECRETARY ADDRESSES FIFTH CONGRESS

HK131111 Beijing RENMIN RIBAO in Chinese 7 Mar 86 p 1

[Report by reporter Zhang Shihong: "Shanghai CPC Municipal Secretary Rui Xingwen Addresses the Fifth Shanghai CPC Congress -- Shanghai Enters a New Stage of Transformation and Revitalization"]

[Text] At the Fifth Shanghai Municipal CPC Congress which was called not long ago, Rui Xingwen, secretary of the Shanghai Municipal CPC Committee, pointed out that Shanghai has begun to enter a new stage of transformation and revitalization and that a new situation in the socialist modernization construction will be comprehensively opened up.

During the Sixth 5-Year Plan period, remarkable achievements were made in Shanghai's economic reform and construction. An excellent tendency of sustained and stable growth has emerged in Shanghai's national economy. With an average annual GNP growth rate of 8.8 percent, the Sixth 5-Year Plan was completed 1 year ahead of time. The main proportional relations tended to be harmonious and the rural economy in the suburban areas grew overall and steadily. Market supplies have become ample rather than being scarce. Because of the scope of opening up and expansion to both foreign countries and other parts of the country Shanghai has established direct trade relations with over 160 countries and regions, introduced over 800 technological items and set up economic ties with 28 provinces and cities in the country. The tertiary industry is also developing rapidly and the investment structure has begun to be rational.

Nevertheless, the tasks confronting Shanghai are still arduous. Shanghai is now playing a decisive role in the economic construction of our country. What will Shanghai become? This is of great concern to the people of the whole municipality and the whole country. Leading comrades of the central authorities once said that Shanghai should give full play to its role as a highly-functional key city and that Shanghai should become a trailblazer in the four modernizations drive. In February last year, after repeated discussions and examination, the State Council approved the "Outline Report on Strategies for Shanghai's Economic Development" which proposes Shanghai's development orientation, strategic objectives by the end of this century as well as the principles, tasks, and measures for implementation.

How are these strategic tasks to be realized? The Fifth Shanghai Municipal CPC Congress pointed out: During the Seventh 5-Year Plan period, Shanghai should emphatically grasp well three major things: First, strengthen infrastructure; second, actively make use of foreign capital; and third, accelerate the advance of science and technology and the training of talented people.

The main difficulty for Shanghai is that its infrastructure has been backward for a long time and needs to be improved as quickly as possible. The principle for solving this difficulty is to base Shanghai on its present condition, make long-term plans, effect both permanent cures and temporary solutions, and carry out an overall transformation. In the coming 5 years, in infrastructure construction, we should stress urban transportation, posts and telecommunications, energy supplies, environmental improvements, and housing, so as to improve investment and living conditions.

In making use of foreign capital, Shanghai should proceed from a strategic point of view, be bold in contracting loans, and take bigger steps; but in actual practice it should do so according to its capabilities and earnestly make good preparations. It can adopt varied forms, but the key lies in strengthening its ability to repay. Therefore, Shanghai Municipality has decided to make expanding its exports and strengthening its capability to earn foreign exchange the main directions to attack in developing the national economy of the municipality. Meanwhile, efforts should be made to increase nontrade earnings in foreign currencies, vigorously develop tourism, international air and sea transports and expand exports of labor services. Regarding the issues of talented people, the top priority task is to integrate the transformation of old enterprises with the development of burgeoning industries, so as to bring into play Shanghai's superiority in technology and put industry in Shanghai onto a new track of development. In order to speed up the training of talented people, speciality organizations in Shanghai's colleges and universities will be readjusted. Meanwhile, efforts will be made to develop multilevel adult education and technological training centers will be established in every district, county, and bureau.

With a view toward doing these three major things well, carrying out the economic structural reform has become imperative. Leading comrades of the central authorities have pointed out that Shanghai's urban reform should go ahead of other places in the county and make breakthroughs. During the Seventh 5-Year Plan period, the economic structural reform in Shanghai will develop in depth and make important breakthroughs.

NAMELISTS FOR SHANGHAI'S NEW LEADING POSITIONS

OW131435 Shanghai JIEFANG RIBAO in Chinese 9 Mar 86 p 1

[Text] The First Plenary Meeting of the Fifth Shanghai Municipal CPC Committee was held at the Shanghai Exhibition Center on 7 and 8 March.

Comrade Rui Xingwen presided over the meeting. Attending the meeting were 58 members of the Shanghai Municipal CPC Committee and 14 alternate members of the committee. Members of the Shanghai Municipal Advisory Commission and the Shanghai municipal Discipline Inspection Commission as well as comrades Hu Lijiao, Wang Daohan, and Li Guohao were present at the meeting as observers.

After a discussion among all members of the municipal CPC Committee, the meeting approved the election procedures. After group deliberations, it approved the namelist of candidates for leading positions in the municipal CPC Committee, and elected a scrutineeer-general and scrutineers. On the morning of 8 March, all members of the Shanghai Municipal CPC Committee Standing Committee, and the secretary and deputy secretaries of the municipal CPC Committee.

The plenary meeeting approved the election of the chairman, vice chairman, and members of the Standing Committee of the Shanghai Municipal Advisory Commision by a plenary meeting of the municipal Advisory Commission. The plenary meeting also approved the election of the secretary, deputy secretaries, and members of the Standing Committee of the Shanghai Municipal Discipline Inspection Commission by a plenary meeting of the municipal Discipline Inspection Commission.

The namelist of leaders of the municipal CPC Committee is as follows:

Secretary: Rui Xingwen.

Deputy secretaries: Jiang Zemin, Yang Di, Huang Ju, Wu Bangguo

Members of the Standing Committee: Rui Xingwen, Jiang Zemin, Yang Di, Huang Ju, Wu Banggue, Chen Tiedi (female), Sun Guizhang, Zhang Dinghong, Ping Changxi, Zeng Qinghong, Mao Jingquan, Shi Zhusan, and Zhu Zongbao.

The first plenary meeting of the Shanghai Municipal Advisory Commission was held at the Shanghai Exhibition Center on 7 March. Thirty-three members of the municipal Advisory Commission attended the meeting, which was presided over by Comrade Chen Quodong.

After discussion among all members of the commission, the meeting approved election procedures. After group deliberations, it approved the namelist of candidates for leading positions in the municipal Advisory Commission, and elected a scrutineer-general and scrutineers. In the afternoon, all members of the commission elected, by secret ballot, the chairman, vice chairman, and members of the Standing Committee of the municipal Advisory Commission. The namelist is as follows:

Chairman: Chen Guodong

Vice chairman: Zhao Xingzhi

Members of the Standing Committee: Chen Guodong, Zhao Xingzhi, Zhou Ke, Xiao Ka, Dong Jiabang, Xiao Ju, and Song Xinlu.

The first plenary meeting of the Shanghai Municipal Discipline Inspection Commission was held at the Shanghai Exhibition Center on 7 March. Forty-eight members of the municipal Discipline Inspection Commission attended the meeting, which was presided over by Comrade Zhang Dinghong.

After discussion among all members, the meeting approved election procedures. After group deliberations, it approved the namelist of candidates for leading positions in the municipal Discipline Inspection Commission, and elected a scrutineer-general and scrutineers. In the afternoon, all members elected the secretary, deputy secretaries, and members of the Standing Committee of the municipal Discipline Inspection Commission. The namelist is as follows:

Secretary: Zhang Dinghong

Deputy Secretaries: Wei Jimin and Zhu Daren

Members of the Standing Committee: Zhang Dinghong, Wei Jimin, Zhu Daren, Yang Qing, Qu Yunbao, Huang Hanwen, Lei Jianhui (female), Sun Weiguo, and Zhuang Guoqing.

LIN RUO ADDRESSES GUANGDONG DISCIPLINE INSPECTION RALLY

HK131041 Guangzhou Guangdong Provincial Service in Mandarin 1000 GMT 9 Mar 86

[Text] The provincial conference on discipline inspection work held a rally this afternoon. Lin Ruo, secretary of the Provincial CPC Committee; and Wang Ning, deputy secretary, delivered important speeches respectively, further mobilizing party organizations at all levels throughout the province to resolve to grasp party style unremittingly and to the end and to strive for a fundamental turn for the better in party style throughout the province at an early date.

In his speech, Comrade Lin Ruo talked about five issues: 1) We must basically appraise the current party style; 2) the key to grasping party style lies in leadership; 3) the strict administration of party affairs is the important guarantee for realizing a turn for the better in party style and for wresting new victories in economic construction and all aspects of work; 4) to strive for a fundamental turn for the better in party style, we must deal with bad people and bad deeds and commend good people and good deeds, step up investigating and dealing with big and important cases, set up positive typical examples, disseminate good people and good deeds on a large scale; and 5) CPC committees at all levels must deepen understanding of the importance of discipline inspection work and really strengthen leadership.

Comrade Lin Ruo said: As in the whole country, party style is now markedly improving in the whole province. However, many problems still exist. Some problems are fairly serious. In view of this, we must have a clear understanding and a correct appraisal.

Comrade Lin Ruo emphatically pointed out that so long as the whole party is determined to grasp party style unremittingly and to the end, we are confident of gradually correcting unhealthy trends and that the fundamental turn for the better in party style is just around the corner. Therefore, the key to grasping party style lies in leadership and the key to leadership lies in enhancing ideology and understanding. So long as leaders of CPC committees at all levels personally grasp party style, we can unswervingly implement the central instructions and strive for a fundamental turn for the better in party style. Wang Ning, deputy secretary of the provincial CPC Committee, also delivered an important speech: "It Is Necessary To Unremittingly Correct Party Style."

Today's conference was presided over by Ye Xuanping, deputy secretary of the provincial CPC Committee and governor. Attending today's rally were Guo Rongchang, deputy secretary of the provincial CPC Committee; Liang Lingguang, chairman of the provincial Advisory Commission. Luo Tian, chairman of the provincial People's Congress Standing Committee; (Wang Dongshun), member of the provincial CPC Committee Standing Committee and secretary of the Discipline Inspection Commission; (Zhang Quanzhong), deputy director of the Fifth Office of the Central Commission for Discipline Inspection; and responsible persons of six leadership groups in the province.

GUANGDONG'S LIN RUO AT DISCIPLINE INSPECTION MEETING

HK131444 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 13 Mar 86

[Text] The 8-day discipline inspection work meeting, which was convened by the provincial CPC Committee, concluded yesterday afternoon in Guangzhou.

The meeting pointed out: The key to really correcting party work style rests with the fact that we should heighten the understanding of leading cadres at all levels, should speak less but do more practical work, should work hard in handling major cases, and should strive for a fundamental turn for the better in party work style.

The meeting fully reflected the determination of the provincial CPC Committee on correcting party work style. It is a key meeting for promptly striving for a fundamental turn for the better in party work style. It is also a mobilization rally which helps the province promote and implement the work of correcting party work style.

In the course of the meeting, the participating comrades seriously studied the important instructions of central leaders on correcting party work style; as well as the spirit of the seventh plenum of the Central Discipline Inspection Commission. They listened to important speeches by Lin Ruo, secretary of the provincial CPC Committee; and Wang Ning, deputy secretary of the provincial CPC Committee. They also exchanged experiences in the work. In connection with the reality, they identified problems and discussed the present tasks of improving party work style.

In their speeches, they unanimously held. At present, the province's situation of correcting party work style is very good; and the work is very promising.

The meeting urged the party committees at all levels to seriously understand the spirit of the meeting, and really convey it to the leading cadres at all levels as well as the party members. They should manage to mobilize everyone to take part in the work. They should start from the leading organs and leading cadres. The provincial organs and leading cadres should set examples for the province as a whole and take the lead in seriously hitting at unhealthy tendencies. When consolidating the party work style, all units must act in connection with their local conditions, particularly laying stress on the unhealthy tendencies invarious trades. They should seriously handle the major cases, particularly cases concerning leading cadres and their children. Under no circumstances are they allowed to tolerate evil, which means to abet it.

GUANGDONG'S LIN RUO ON DEVELOPING MOUNTAINOUS AREAS

HK130805 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 9 Mar 86

[Text] According to NANFANG RIBAO, after his recent inspection of the work in some mountainous areas of Huiyang and Meixian Prefectures, Lin Ruo, secretary of the provincial CPC Committee, pointed out that since the areas have implemented the spirit of the provincial conference on work in mountainous areas, the broad masses have actively developed afforestation, planted trees, and transformed mountains to become rich. CPC committees at all levels must avoid giving only vague and general directions, go deep into practice, give meticulous guidance, and do the work of exploiting and building mountainous areas in a down-to-earth manner.

Around the Yuanxiao festival [the 15th day of the 1st month of the lunar calendar], Comrade Lin Ruo went to some mountainous areas of Heyuan, Xingning, Pingyuan, Jiaoling, Meixian, Wuhua, Zijin, and Tongguan to examine the implementation of the provincial conference on work in mountainous areas. He and local cadres and masses discussed the problem of how to speed up the development of mountainous areas.

Comrade Lin Ruo pointed out that in these mountainous counties, an upsurge of the masses developing orchard cultivation has been launched. The situation is excellent. But most people are developing orchard cultivation, and few are developing afforestation work.

All localities must continue to carry out ideological mobilization among the masses in a deep-going and meticulous way, further implement the policies on mountains and forests, and swiftly launch an upsurge of developing afforestation.

When learning that some people in Meixian's mountainous areas pulled up bushes and joined together scattered pieces of mountainous land for developing afforestation, Comrade Lin Ruo said that this method of putting undue stress on joining together scattered pieces of mountainous land and developing a unitary product should not be advocated. We must advocate the method of developing mixed forest. The method of destroying mixed forests to plant China fir trees is no good, as the loss may outweigh the gain. Our slight carelessness may result in serious soil erosion. Another problem is that some areas, having noticed that growing oranges and sugarcane earn more, have rushed headling into growing oranges and sugarcane, resulting in excessive areas for the growing of oranges and sugarcane. This also merits our serious attention.

Comrade Lin Ruo said that whether developing afforestation or orchard cultivation, we must proceed from local realities and act in accordance with local conditions. We must avoid the tendency of growing whatever others have grown and blind development.

HUBEI TOWN DEVELOPS MEASURES TO CHECK EGALITARIANISM

HK120555 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 6 Mar 86

[Excerpt] Xiantao Town of Mianyang County adopted new measures for dealing with egalitarianism which had developed in the work of subsidizing agricultural income with profits earned by industry. It therefore effectively mobilized the peasants' initiative in tilling fields.

Last year, Xiantao Town allocated 350,000 yuan from the accumulative funds of industry to subsidize the income of 2,000-odd agricultural laborers. Each of them received on average 175 yuan. As a result, some peasants only tilled the fields superficially though the collective had given them money. This was not the result expected by the collective.

Early this year, the Xiantao Town government broke away from the practice of eating from the same big pot when subsidizing the income of agriculture with profits earned by industry. It formulated new measures for subsidizing under three kinds of conditions, not subisdizing under three kinds of conditions, and carrying out reforms in three areas. The amount of subsidies was linked to the amount of labor. Those who produce less than before must make compensation for the loss, in addition to being disqualified from receiving subsidies.

Radio Comments

HK120557 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 6 Mar 86

[Text] The aim of subsidizing agricultural income with profits earned by industry is to mobilize the peasants' initiative and to consolidate the agricultural base. However, many localities provide subsidies on a population basis when subsidizing agricultural income with profits earned by industry. Consequently, they cannot achieve the aim although they have spent the money. Therefore, we can see that the practice of eating from the same big pot is also impractical in the work of subsidizing the agricultural income with profits earned by industry.

The method adopted by Xiantao Town of Mianyang County that the amount of subsidies be linked to land construction and economic results is a good one. Of course, we may adopt other effective methods. But no matter what method we choose, we must pay attention to the point that it must be effective in mobilizing the peasants' initiative to till the land and improve the agricultural production volume.

HEILONGJIANG SECRETARY ON RECTIFYING PARTY STYLE

SK140748 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 13 Mar 86

[Text] Sun Weiben, secretary of the provincial CPC Committee, delivered a speech entitled "The Entire Party Is Engaged in Realizing a Fundamental Turn for the Better in Party Style and Leaders Take the Lead in This Work" at a conference on rectifying party style, sponsored by the provincial CPC Committee on the morning of 13 March.

Comrade Sun Weiben said: The provincial-level organs should be the first in realizing a fundamental turn for the better in party style within this year. Simultaneously, the organs directly under the cities, prefectures, and counties should basically realize this work. All localities and departments should proceed from reality to set the targets or realizing this work, assign tasks to the units, and designate party and government leaders to take responsibility for the work. The leading cadres who fail to fundamentally improve the party style of their units on schedule should be considered unqualified. The leading cadres of the units with serious problems should be punished for a breach of duty. The CPC Committees and the organization departments at all levels should regard the results of leading cadres' grasping party style as important contents for assessing their competence. We must persist in the principle of appointing cadres according to their political integrity and ability, and avoid putting in important positions so-called able persons with prominent merits or amazing demerits. Those who made notable achievements in grasping party rectification should be commended or awarded.

Comrade Sun Weiben said: At present we must pay attention to the following three tasks. First, we should organize study classes for the rectification of party style for the leaders of all departments and bureaus. Second, the units should grasp the work of straightening out unhealthy practices and the work of investigating and handling the cases in violation of the law and discipline. Third, we should examine the situation in which leaders of units make plans for grasping party style and fundamentally improving party style, and immediately solve problems if any are encountered.

Comrade Sun Weiben said: The provincial CPC Committee calls on the CPC committees at and above the county level to regularly conduct democratic activities with a view to rectifying the party style of the members of the leading bodies at various levels. This is an important measure for mobilizing the entire party to improve party style.

Comrade Sun Weiben criticized: Some units have failed to seriously handle cases in violation of the law and discipline. They only imposed fines on the law and discipline violators instead of punishing them according to party and administrative discipline, and only took party and administrative disciplinary action against the violators instead of punishing them according to law. From the objective point of view, they encouraged the development of the evil trends.

He pointed out: In order to correct the unhealthy practices, rectify party style, and realize a fundamental turn for the better in party style, we must strictly enforce party discipline, seriously handle party affairs, thoroughly and strictly investigate and handle the major and appalling cases, and ensure that everybody is equal before party discipline and state law. While firmly investigating and handling the cases of taking advantages of one's power to seek personal gain and the cases in violation of economic law and discipline, we must pay attention to investigating and handling the serious problems of bureaucratism and political liberalism.

Comrade Sun Weiben said: In rectifying party style, we must avoid conducting mass movements, but pay attention to the voice of the broad masses of the people and accept the suggestions made by the people and the lower levels. At present we should pay attention to handling well relations between reform and the work of straightening out party style. We must persistently grasp economic construction and reform on the one hand, and the spiritual civilization and party style on the other hand so as to unswervingly continue achieving reform and to persistently rectify party style.

LIAONING MILITARY LEADERS ATTEND LEARN-FROM-LEI FENG MEETING

SK080601 Shenyang Liaoning Provincial Service in Mandarin 2200 GMT 7 Mar 86

[Text] The Shenyang Military Region held a meeting from 2 to 5 March to exchange experiences in learning from Lei Feng and the heroic models. The meeting held: The spirit of Lei Feng should be all the more carried forward in the new historical period. Activities of learning from Lei Feng should be carried out unswervingly, and breakthroughs and development should be achieved.

At present we should set the training of new persons with ideals, morality, education, and a sense of discipline as the keynote of the activities, continuously enrich them, and combine them with activities of learning from the advanced persons of this era and from the advanced examples of our own units, and with the performance of our various duties. In the new situation, the activities of learning from Lei Feng should be embodied in the achievements in the service for the four modernizations drive, in the improvement of party style, in the study of scientific and general knowledge, in attaining competence, and in the performance of our work. Leading cadres should take the lead in learning from Lei Feng, and should greatly support the advanced examples in learning from Lei Feng. They should support healthy trends, and exert great efforts to check evil ones. Persons who suppress, criticize, and even attack or retaliate against advanced examples should be sternly dealt with.

The meeting commended 39 regimental organizations and 31 individuals advanced in learning from Lei Feng and the heroic models. Among them, 5 units and 10 individuals were named as pacesetters. Liu Jingsong, commander, and Liu Zhenhua, political commissar, of the Shenyang Military Region, attended the meeting.

LIAONING SECRETARY'S SPEECH AT CADRE MEETING

SK130710 Shenyang Liaoning Provincial Service in Mandarin 2200 GMT 11 Mar 86

[Excerpts of speech by Li Guixian, secretary of the Liaoning Provincial CPC Committee, delivered at the 11 March meeting of cadres of the provincial organs]

[Text] Comrade Li Guixian talked about two issues in his speech. First, the provincial-level organs should fully understand the importance of their task for taking the lead in straightening out party style. Second, they should enhance their confidence in realizing a fundamental turn for the better in party style as scheduled. On the issue of fully understanding the importance of the task for taking the lead in straightening out party style, he said that this is a demand of urgent importance for accelerating the pace of revitalizing Liaoning and for successfully realizing the general task in the new period.

Comrade Li Guixian said: Having successfully accomplished the Sixth 5-Year Plan, this year we have entered the new period of the Seventh 5-Year Plan, this year we have entered the new period of the Seventh 5-Year Plan. Thus, the coming 5 years is a key period for laying a good foundation for bringing about an economic leap in the future. Whether or not we can continue to win a battle in these 5 years is of decisive significance for vitalizing Liaoning, prefulfilling the doubling targets, and successfully striding into the new 21st century.

In order to fulfill this task, we must continue to rely on the arduous efforts of the people of the whole province. The fulfillment of this task depends to a large extent on the exemplary role of all party members, in particular, the thinking, work style and mental outlook of the party-member cadres of the provincial-level organs. This is because the provincial-level organs play the role of advisory department of the provincial CPC Committee and the provincial government in formulating principles, policies, and tasks; the role of command department for making arrangements for practical work; and the key role in carrying out various tasks. If they indulge in unhealthy practices, are lax in discipline, wantonly handle affairs, and blindly give directions, these organs will meet obstacles in carrying out the work at the outset and will be unable to mobilize the people throughout the province to engage in the tasks in all fields.

Simultaneously, vitalizing Liaoning and realizing the four modernizations will become empty talk. First, we must understand that only when party style in the provincial-level organs is straightened out and when these organs are built into institutions with a firm political orientation, capable organization, strict discipline, and high work efficiency can these organs lay a good foundation for winning victory and better guide the people throughlut the province to work for the realization of the great grand goals. Second, judged from their positions and functions, we know that only when the provincial-level organs are the first to straighten out their party style can a fundamental turn for the better in party style of the whole province be realized.

The central authorities directed that the central organs should set an example to the whole country in realizing a fundamental turn for the better in party style. As for a province, the provincial-level organs are the leading organs as well as the nerve center of the province; thus, party style in these organs may greatly affect the party style of the whole province and the party organizations at all levels as well as the social conduct of the whole province. This is what is called the lower levels following the example of the higher levels, and the lower levels being affected with what the higher levels are fond of.

We must affirm that notable changes have really taken place in party style in the provincial-level organs. However, many problems of party style still exist. To put it briefly, some cadres with individualistic thinking have taken advantage of their power to seek private gain at public expense and have tried to seek privilege; some cadres have even adopted various means to seek material advantages; and some cadres with a bureaucratic work style are far divorced from the masses and reality, like to do superficial and ostentatious things, work without efficiency, have the habit of indulging in empty talk instead of doing solid work, like to take countermeasures against the policies set forth by the higher levels, and have no political enthusiasm or strong sense of responsibility for their work.

Here is a question that we must particularly point out, that is, some individuals have taken advantage of their functions and powers to pervert justice for bribes and to commit blackmail and fraud; some have even violated party discipline and state law. We cannot tolerate such people and should impose due punishment on them. The provincial CPC Committee also has a grave responsibility for the occurrence of the aforementioned problems. Thus, we will sincerely accept the criticisms of the masses, examine ourselves with feelings of deep remorse, and immediately correct these problems.

On the issue of strengthening confidence in realizing a fundamental turn for the better in party style as scheduled, Comrade Li Guixian said: The provincial CPC Committee Standing Committee holds that only when the provincial-level organs make up their minds and strengthen their confidence in thoroughly grasping the work of realizing a fundamental turn for the better in party style can they possibly achieve the work as scheduled.

Since we decided to firmly grasp the six unhealthy practices in line with Document No 57 issued by the General Office of the CPC Central Committee, above-quota cars have been sealed up for safekeeping, the tendencies of using public funds to give dinners have basically been eliminated. We must notice that at present, the party style is gradually taking a favorable turn as a result of people from higher levels to lower ones being engaged in correcting unhealthy practices. Thus, we must seek a unity of thinking and foster firm confidence. Striving to realize a fundamental turn for the better in party style of the prvincial-level organs is a task of political importance ahead for all party-member cadres of provincial-level organs. We will experience a severe test to successfully accomplish this task. The provincial CPC Committee has decided that it will strive to go through this test in order to enjoy the confidence of the people and to certainly win this battle.

We must resolutely implement the principle of first firmly and second persistently improving party style set forth by the CPC Central Committee to mobilize the entire party to tightly and really grasp the work of rectifying party style. It is necessary to particularly stress that leaders at all levels must eliminate signs of flabbiness and be brave in facing difficulties and struggling against unhealthy practices. Lenin always said that the cadres of the party should earnestly work for us instead of making advertisements for us. Our leading comrades should firmly remember the party's purpose of serving the people wholeheartedly, get rid of selfish ideas and personal considreations, smash the network of personnel relations, encourage healthy trends, and be resolute in grasping party style. The leading comrades who indulge in unhealthy practices should thoroughly examine themselves and resolutely correct their own mistakes so as to make sure that they will take on a new look in undertaking their work. We should rigorously handle the party's affairs and persistently treat everybody as equal before party discipline. No matter what posts they hold, people who violate party discipline and administrative discipline should be handled according to party and administrative discipline. Those who commit crimes by violating the law should be punished according to the law.

Comrade Li Guixian said: Here is an issue that I must seriously emphasize, that is, we must seriously punish those leaders who continue to indulge in unhealthy practices after the issuance of Document No 57 of the General Office of the CPC Central Committee. Thus, we must do more solid work instead of uttering empty talk, seek truth from facts to solve problems, and make ideological preparations for undertaking a long-term battle. We must resolutely implement the demand of the central authorities for putting reform first before everything and try to create favorable social conditions for reform through rectifying party style so as to ensure the smooth progress of reform.

Comrade Li Guixian concluded: We believe that only when the party-member cadres of the provincial-level organs take the lead in rectifying unhealthy practices can a fundamental turn for the better in party style of the province be realized, the implementation of the province's Seventh 5-Year Plan be greatly be promoted, and the glorious tasks of going all out to make the country strong, vitalizing Liaoning, serving the entire country, and entering the world will certainly be realized.

GANSU PARTY, ARMY LEADERS PLANT TREES IN LANZHOU

HK130213 Lanzhou Gansu Provincial Service in Mandarin 1100 GMT 12 Mar 86

[Excerpts] On Arbor Day, 12 March, some 50,000 people in Lanzhou City planted trees in various parts of the city. Party, government, and army leaders including Li Ziqi and Zhao Xianshun took part in this activity.

SHAANXI LEADERS PLANT TREES ON ARBOR DAY

HK130159 Xian Shaanxi Provincial Service in Mandarin 2300 GMT 12 Mar 86

[Excerpt] Provincial party and government leaders Bai Jinian, Li Qingwei, Dong Jichang, Zhou Yaguang, Zhang Bin, Xu Shanlin, Sun Kehua, and Lin Jinzhou took plart in planting trees at key points in Xian City on 12 March.

XINJIANG OPENS PARTY PLENARY SESSION 13 MARCH

HK140125 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 13 Mar 86

[Excerpts] The third enlarged plenary session of the third Xinjiang Regional CPC Committee opened in Urumqi today. The main tasks of the meeting are to sum up work in 1985, make arrangements for work in 1986, discuss and approve the outline for the Seventh 5-Year Plan in the region, study and implement the series of central documents, regulations, and circulars on improving party style and make arrangements for further improving party style, and especially for bringing about a fundamental turn for the better in party style in regional organs.

Janabil, deputy secretary of the regional CPC committee, presided at the session today. Wang Enmao, Amudong Niyazi, and Zhang Sixue attended. Regional CPC Committee Secretary Song Hanliang delivered a speech entitled "Carry Forward the Cause and Forge Ahead Into the Future, Unite and Make Great Efforts To Win New Victory in All Work in 1986." Summing up the work of 1985, he said: Last year we victoriously completed the national economic and social development plans. The economic situation is getting better and better.

Regarding the arrangements for this year's work, Comrade Song Hanliang stressed eight main tasks: 1) Strive to do a good job in economic work and fulfill the national economic and social development plan for 1986. 2) In accordance with the central principles, further promote the reform of the economic structure and all other reforms. 3) Work hard to improve party style and strive for a marked turn for the better throughout the region this year. 4) Further consolidate and develop the excellent situation of nationality unity in the region. 5) Strengthen political and legal work and achieve a steady improvement in social order. 6) Give full play to the important role of the production and construction corps in all undertakings in the region. 7) Strive to transform the backward state of ideological and political work. 8) Further strengthen and improve party leadership.

Regional CPC Committee Deputy Secretary Tomur Dawamat delivered an explanation on the draft outline of the region's Seventh 5-Year Plan for national economic and social development.

XINJIANG INSTRUCTIONS FOR FIGHTING DROUGHT

HK130921 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 9 Mar 86

[Excerpts] Drought is now a serious problems in the region, and is becoming more widespread and more serious. This serious drought has not only directly affected the region's agricultural production and animal husbandry, but could also endanger the smooth progress of the region's economic development. To fully arouse the enthusiasm of cadres and the masses for fighting drought to win a bumper harvest, to properly carry out the work of fighting drought, and to ensure the fulfillment of this task, the regional people's government recently made a decision on questions in the current struggle against drought.

The decision demanded that in preventing and fighting drought, all localities must persist in combining the measures of building anti-drought projects and management measures and combining opening up water sources and regulating flow; set up and perfect organs in charge of water use; and institute and perfect the responsibility system for controlling water, so as to effectively implement the task of saving water.

To promote saving water, all localities must do their utmost to institute the system of supplying water by quota. Those who exceed water conservation targets by 10 percent will be given rewards equivalent to 30 percent of the charges for water they save.

The decision said that all large, medium-sized, and small reservoirs which have instituted the system of issuing safe permits in respect of water storage and appointed responsible persons in charge of their safety must strictly implement the reservoir safety control responsibility system. Those reservoirs which have not yet instituted the system of issuing safe permits in respect of water storage and have not appointed responsible persons in charge of their safety must also appoint special persons in charge of reservoir safety control, establish a corresponding reservoir management responsibility system, and assign the task of implementing the system to individuals.

The decision demanded that all trades vigorously carry out anti-drought work, and actively solve their own practical problems in the struggle against drought, such as funds, materials, and postal and telecommunication services. Party and government leaders at all levels must effectively strengthen their leadership over anti-drought work. Principal leaders must personally lead cadres from all trades to the anti-drought first line, conduct investigation, and arouse and organize the masses to take part in the struggle against drought and for bumper harvests.

REACTION TO TAIWAN ADB POLICY REPORTED

HK131023 Beijing ZHONGGUO XINWEN SHE in Chinese 0243 GMT 12 Mar 86

[Report: "Taiwan's 'Three Nots' Policy Toward the Asian Development Bank Are Strongly Criticized by Government Officials and the Public"]

[Text] Beijing, 12 March (ZHONGGUO XINWEN SHE) -- Taiwan Island was shaken by the news that PRC was formally accepted as a member of Asian Development Bank. Recently, both officials and the public opinion of Taiwan have resented their authorities' "fixed principles" of "not accepting the proposal of changing the name, not withdrawing from the organization, and not attending any meetings."

On 7 March, Chien Han-Sheng [4657 3352 3932] and Lin Ping-sen [2651 3521 2773], members of the "Legislative Yuan," when addressing inquires to a "Legislative Yuan" meeting said: Up to this moment, the authorities still do not acknowledge that they are gradually being isolated in international society. On the contrary, the authorities feel complacent and stress specific relations. This is a kind of mentality displayed by A.Q. [character in Lu Xun's work who interprets his defeats as moral victories.]

Lin Ping-sen pointed out: "We should honestly estimate our strength rather than speaking highly of relationships. Otherwise, we shall be greatly divorced from reality. Of course, to have the name match the reality is the best result. When we fail to get the 'name,' our second best and practical aim is to strive for 'reality.'" He hoped that the authorities would put an end to their conservative, formalistic, passive, rigid, spiritless, and dodgy diplomatic activities and would face the ever-changing world situation.

On 8 March, the "KMT Central Policy Committee" held a "diplomatic" forum. Following the speech of "Foreign Minister" Chu Fu-sung, in which he brought up again the fixed policy concerning Taiwan's membership in the Asian Development Bank, the KMT "Legislative Committee" still urged the authorities to adopt more flexible "diplomatic" policies, so as to make breakthroughs in overcoming the difficult situation. At the forum, Hong Chao-nan [3163 2507 3948] said, "During his two recent overseas trips, he contacted Overseas Chinese and found that nationals residing abroad hoped that the 'government' would become more flexible in implementing the foreign policy."

Some specialists and scholars also made statements and speeches, disagreeing with the authorities' new "three nots" policies. For instance, Lu Ya-li [0712 0068 0500] and Ts'ai Cheng-wen [5591 2973 2429], professors at Taiwan University, as well as Wang Jen-chieh [3769 0086 0267], professor at National Chengchi University, held that Taiwan must first stay in the Asian Development Bank. As for the issue concerning the name, it is a flexible one, and it is hoped that the authorities will give priority to the actual benefits and would re-evaluate their estimation.

TAIPEI RADIO CRITICIZES ASIAN DEVELOPMENT BANK

OW140359 Taipei International Service in English 0200 GMT 13 Mar 86

[Station commentary]

[Text] The Asian Development Bank [ADB] has just admitted Communist China as its member and changed the name of the Republic of China as Taipei China. Greater absurdity, there can be none. By agreeing on Peking's terms for admission, ADB and its compliant members have demeaned themselves and dealt justice a shattering blow. ADB did not have the slightest excuse in committing such a blunder, which is a major breach of its own charter in many respects.

ADB's own Constitution states that it is a nonpolitical regional bank. The Republic of China's subscription in the bank is calculated in accordance with the size of the territory and the population presently under its control. At no place in the ADB charter is there any provision calling for the sacrifice of an existing member in order to grant a new membership.

In demanding that the ROC be called Taipei China, Peking has violated the very spirit of the ADB as a nonpolitical organization, and the bank has officially endorsed the violation by granting the communist regime's admission on its own terms. What right does ADB have in demanding a name change on the part of a founding member which has not only faithfully carried out all its obligations but also become a donor nation?

Those who argue that a name change will cause no harm to the Republic of China either are stupid or pretend to be ignorant. They fail to notice that Peking demanded the Republic of China's ouster before submitting its application for admission last year. By insisting that the ROC change its name in return for continued membership in the ADB, Peking has not softened its stand. It has only changed its tactics because the communist regime knew that the ROC would not possibly accept this suggestion. What Peking has done is to force the ROC to tactitly endorse Peking's attempt to downgrade the Chinese government in Taipei as a local authority. This is the first step in the communist attempt to annex Taiwan and destroy the Republic of China.

If the name Teipei China carries no harm to the ROC, one may wonder why Peking has rejected the ROC proposal that it be admitted to the ADB as Peking China. That is why free China has refused to compromise and protested on the name issue. It has every right to remain in the bank under its original name regardless of what the ADB has done or will do.

TAIPEI RADIO URGES 'SUFFICIENT' U.S. ARMS SALES

OW130041 Taipei International Service in English 0200 GMT 12 Mar 86

[Station commentary]

[Text] Paul Wolfowitz, outgoing U.S. assistant secretary of state for East Asian and Pacific Affairs, said last week, quote, we take very seriously the requirements on us to meet Taiwan's defense needs, unquote, while pledging that the U.S. is not doing anything that could threaten the security of free China. Wolfowitz was commenting on the proposed $500 million avionics sale to Communist China to modernize its Air Force. But he seemed to contradict himself when he admitted that U.S. arms sales to Taipei have decreased gradually in recent years on the premise that the threat against Taiwan from Communist China is a declining one and will continue to decline.

Speaking on the same topic, Senator Richard Lugar, chairman of the Senate Foreign Relations Committee, said earlier that the Reagan administration faithfully observed the Taiwan Relations Act [TRA] while seeking improved relations with Red China. Mindful of the conflicting pressures, the senator said -- in his words -- quote, I think we will come up with a solution perceived as equitable, and we hope the people in Taiwan will perceive it as equitable also, unquote.

Frankly speaking, the people of free China are not wholly assured even though they don't doubt President Reagan's pledge of friendship. To begin with, the assumption that Peking has no intention to use force against the Republic of China is a false one. The communist regime has definitely refused to renounce the use of force and has now and then made threatening noises even though it is dangling the "one country, two systems" bait.

The premise that Peking will use its beefed-up military strength to cope with the Soviets is equally (?foolish). That is apparent judging from Peking's repeated vow to pursue an independent foreign policy and its continued efforts to improve relations with Moscow while pressing the U.S. for expanded technology transfers.

The Republic of China is in no position to change Washington's China policy which seems to have been fixed since the early 1970's. However, the people of free China do hope that the Taiwan Relations Act will be observed more fully. In other words, the U.S. should sell to the Republic of China weapons sufficient for its defense in terms of quality and quantity. Considering the numerical inferiority of the ROC Armed Forces, the present volume and quality of U.S. arms sales to Taipei are far from enough. There can be no equitable solution of the U.S. conflicting pressures unless Washington honors its pledge under the TRA.

ARTICLE REVEALS CADRES' SEX SCANDALS

HK130911 Hong Kong CHENG MING in Chinese No 101, 1 Mar 86 pp 9-11

["Notes on a Northern Journey" by Lo Ping: "Sex Scandals About the Top Chinese Communist Leadership -- the Zhou Erfu 'Scandal' and Hao Jianxiu's 'Family Troubles'"]

[Text] Top Chinese Communist cadres and well-known writer Zhou Erfu's "sex scandal" was severely denounced by Deng Xiaoping at the 17 January meeting of the Political Bureau Standing Committee. It has become a frequent topic of talk among people in Beijing cultural circles.

Zhou Erfu and Pornography

By criticizing Zhou Erfu for compromising national dignity and personal integrity Deng Xiaoping meant his "pilgrimage" to the Yosukuni Shrine and his involvement with prostitutes and other "sex activities" in Japan.

It was at the end of October 1985 that Zhou Erfu visited Japan. At that time, Tokyo was holding a "friendly exhibition of paintings by Japanese-Chinese statesmen" including works by 160 important persons of China and Japan (including Hu Yaobang, Wang Zhen, Nakasone, Kakuei Tanaka, and so forth). Zhou Erfu led a delegation of the Chinese People's Association for Friendship With Foreign Countries to attend the opening ceremony of the exhibition to Tokyo. Before the trip, Zhou Erfu wrote a poem with each line containing seven Chinese characters expressing his greetings. The poem is as follows:

The Fabled Island and the Divine Land are separated by only a stream.
Friendship of 1,000 years is unfolding with the arrival of vernal tides.
Cherry blossoms on Mount Fuji are emitting wafts of fragrance from afar.
Plum blossoms are towering like the Kunlun mountains in all their majesty.
Winds and rains give way to rosy clouds that form a cherished raft.
Poems and writings, books and paintings serve as a golden bridge.
At the side of a pool, feelings are aired with a pen.
With the blooming of so many flowers thanks are due to watering from as many hands.

On this trip, Zhou Erfu was indeed fascinated by "Japanese cherries." But he obviously did not behave in all his "majesty." The hotel at which Zhou Erfu stayed in Tokyo was like many others in Japan with television and video equipment. By dropping in a few coins, people can feast their eyes on pornography. There are different categories of pornography depending on the amount of money paid. But Japanese pornographic movies (including legitimate videotapes), like other publications, are controlled by law. There cannot possibly be totally nude scenes. The pay pornography provided by hotels can still less provide scenes of the Swedish and Danish types. It was said that Zhou Erfu spent several thousand yen at the hotel treating himself to pornography. Suggestive scenes appeared on the screen. But Zhou Erfu, with no knowledge of Japanese, failed to catch the meaning. He sent for his female interpreter to "interpret scenes" for him. His case was as a result "brought to light."

Involvement With Dance Halls and Brothels in Shinjuku

Friends in Beijing cultural circles do not agree with the claim that Zhou Erfu had difficulty understanding pornography. In their opinion, in the early 1950's, Zhou Erfu performed "with outstanding color" depicting in his typical work, "The Morning of Shanghai," how capitalists used their young and beautiful wives to seduce Chinese Communist cadres. This was seized upon as part of the "criminal evidence" against him during the Cultural Revolution. Zhou Erfu had many "adopted daughters."

In ordinary times, he always liked to have the "help" of girls in doing things. So a female interpreter was a natural choice for the "interpretation" of pornography. In Japan, Zhou Erfu did visit sex shops. He purchased aphrodisiacs. Aphrodisiacs are banned on the China mainland. Though the case happened abroad, Zhou Erfu, as a Chinese Communist Party member, had at least defied discipline.

Why should Zhou Erfu want to buy aphrodisiacs? This speaks for itself. He is of the stalwart type and looks more than 10 years younger than average people in their "seventies." But he has after all passed the age of 70. Though still lustful, he has after all his physiological limitations. Therefore, he had to resort to the "magic oil of Japan." It was said that to live it up, he headed alone for the busy district of Shinjuku of Tokyo where dance halls, brothels, and the like are. Shinjuku is a well-known red light district where sex services of all kinds are concentrated. Brothels, houses of ill repute appealing to different sexual needs, Turkish baths, sex art demonstration rooms, pink-colored love-making compartments, sex device shops...are everywhere... so many of them that they take up quite a few streets.

A Visit to the Yosukuni Shrine and the Cause of the Embassy's Rage

That Zhou Erfu found himself in trouble in Japan this time had to do with the Chinese communist Embassy in Japan. During his stay in Japan, Zhou Erfu "took a look at" the Yosukuni Shrine, but without first obtaining the approval of the Chinese Embassy. Zhou Erfu, on the strength of his seniority, just thought nothing of the embassy. He headed for the Yosukuni Shrine and kowtowed before the shrine dedicated to the dead.

The Chinese Communists impose many rules of discipline on those traveling abroad on business. This especially applies to members of delegations. For example, in countries having diplomatic relations with the PRC, the activities of these visiting personnel, their places of residence, the units assigned to receive them, and so forth must be cleared with the Chinese Communist Embassy or other authorized organs.

Zhou Erfu's argument for a "look at" the Yosukuni Shrine, just as that of Nakasone to justify his visiting the shrine, was that the Yosukuni Shrine was in honor of not only dead war criminals but also the deceased as the cream of the Japanese nation. Moreover, Zhou Erfu was working on a multivolume story, "The Fall of Nanjing," depicting China's anti-Japanese war. He wanted desperately to visit the shrine to "widen a bit" his horizon. So in his "personal capacity," he visited the Yosukuni Shrine. This move aroused the anger of the people at the embassy. The Chinese Embassy in Japan decided to report it to the CPC Central Committee.

Japanese Leftists Also Lodge a Complaint About Zhou Erfu With the Chinese Communists

Many people are seeking an answer to a question. It is: Who lodged a complaint about Zhou Erfu with the Chinese Communists?

The Chinese Embassy in Japan was obligated to report Zhou Erfu's activities and conduct in Japan to Beijing. This goes without saying. In addition, certain leftists in Japan also filed a complaint to Beijing.

When Zhou Erfu was in Japan it happened that 500 Chinese youths were also there on a visit. Some leftists in Japan held a reception for the Chinese youth delegation and the delegation led by Zhou Erfu. When admitting the guests to the reception, the Japanese side arranged for the entry of the members of the Chinese youth delegation first and then Zhou Erfu and others.

Zhou Erfu considered that this arrangement was putting things in a reverse order and was quite wrong. This drove him mad. Instead of entering he ran away in anger. Later, these Japanese leftists lodged a complaint about Zhou Erfu.

Zhou Erfu was born on 3 January 1914. His original name was Zhou Zuse. He is a native of Jingde County, Anhui and grew up in Nanjing. He graduated from Guanghua University in Shanghai in 1938. The same year he headed for Yanan to take up journalism, publishing, literary writing, and work related to cultural exchanges between China and other countries. In 1947, he spent a period of time in Hong Kong. Since 1949, he has been engaged in united front work and the handling of matters involving foreign countries. In the early 1950's, Zhou Erfu acted as secretary general of the United Front Department of the East China Bureau and deputy director of the United Front Department of Shanghai Municipality. In line with the Chinese Communists' so-called "socialist transformation movement" against the bourgeoisie he wrote "The Morning of Shanghai" (published in 1958). In September 1959, because of his "outstanding performance" in his work, Zhou Erfu was transferred to Beijing. He was still in charge of united front work and matters involving foreign countries. He successively acted as member on the party organization of a Chinese Communist committee for cultural liaison with foreign countries, vice president of the Chinese People's Association for Cultural Exchanges With Foreign Countries, vice president of the China-Latin America Friendship Association, vice president of the China-Japan Friendship Association, and so forth. He also acted as deputy secretary general of the Fifth CPPCC National Committee.

Given the many titles involving foreign countries, Zhou Erfu is one of those with the most opportunities to travel abroad among top Chinese communist cadres. Over many years in the past, he has been to Japan, India, Indonesia, Burma, Switzerland, the Soviet Union, Czechoslovakia, Cuba, Chile, Brazil, Argentina, Mexico, and other countries.

Documents About the Criticism of Zhou Erfu Have Been Slow To Circulate in the Writers Association

Zhou Erfu was a keen advocate of Mao Zedong's literary and art line and a firm believer in the self-serving literary and art dogma requiring "literature and art to serve politics and serve workers, peasants, and soldiers." Except for his "The Morning of Shanghai" in early years having drawn some favorable comments, his other works, such as "Dr Norma Benthune," "A Swallow Perching on the Cliff," and so forth have actually not found many readers. In recent years, he has not come up with any presentable work. He could only respond to the anti-Japanese trend and write an anti-Japanese novel in the form of reminiscences. At the 40th anniversary of the victory in the anti-Fascist world war and the anti-Japanese war last year, Zhou Erfu said that he wanted to spend 5 to 10 years writing a multivolume story, "The Fall of Nanjing." The first part containing 50,000 Chinese characters has begun to be published in literary and art magazines in serial form.

Now, with Zhou Erfu in trouble, there is no telling whether work on this magnus opus will be continued and whether it will be published. A friend in film circles said to me that at the end of last year, Zhou Erfu provided the recently inaugurated YINGJU WENZHAI BAO [film and drama selections journal] with an inscription of its name. Cao Yu, bona fide dramalist and chairman of the Chinese Dramatists Association, also offered the journal an inscription. But Zhou Erfu's inscription was used for the journal. This friend said that according to the usual practice, Zhou Erfu's inscription would now be dropped.

Documents about the criticism of Zhou Erfu have been passed along among departments on foreign affairs. But up to the time of this writing, the spirit of such documents has still not been conveyed to writers at the tprovincial level. Within the writers association especially no conference has been held to announce or discuss this matter.

The Chinese Communists are still resorting to the old practice. They reveal things to foreign reporters and let the news find its way back to the country.

Some people in the know in Beijing hold that the Chinese Communists have gone too far in handling this "sex incident" about Zhou Erfu. They said that exposing secrets in a person's private life could be the end of him in feudal China. Some people worry that Zhou Erfu would commit suicide, though they have no good feelings toward him. Zhou Erfu has in recent years been affected with megalomania and is not in people's good graces.

Hao Jianxiu's Family Involved With "Scandal"

In Beijing, there has recently circulated "a scandal" among an extremely narrow circle of people. It has also to do with people at the top levels. The strange this is that the matter is somehow "related to" "friendship between Japan and China."

Who is the number one strong woman among the Chinese Communists? Deng Yingchao has been gradually fading from the scene. Chen Muhua is still "an alternate member" -- an alternate member of the Political Burea of the CPC Central Committee. At present, the number one strong woman should be Hao Jianxiu, who was promoted as a secretary of the CPC Central Committee Secretariat several months ago.

Something is the matter with Hao Jianxiu's family. She is not a participant in the matter concerned, but she has been disturbed by it.

It is Hao Jianxiu's husband Jiang... who plays the leading role in the case. He is the president of the China-Japan Friendship Hospital in Beijing. The leading lady is a nurse at the hospital, a married woman.

The China-Japan Friendship Hospital was established in November 1958 and located in Yinghua East Street, Heping Alley, Beijing. The medical equipment of the hospital was presented by Japan. It is at present relatively advanced in the country. The hospital's medical fees are also now the highest in Beijing -- higher than those charged by the Beijing Hospital and the Xiehe Hospital. Therefore, the residents of Beijing say that the China-Japan Friendship Hospital serves only the rich and powerful. (It is said that the patients of this hospital are from as many as 80 countries.) The hospital originally planned on setting up several tens of thousands of beds. It now actually has only 2,000 beds. Due to its high fees and the inadequacy of patients, the 2,000 beds available have proved more than enough. The hospital has long been running in the red.

Extramarital Relations of Her Husband as Hospital President Exposed

Not long after the opening of the China-Japan Friendship Hospital, President Jiang fell in love with a young and beautiful nurse. He often found excuses to be near her. He was as a result rewarded. President Jiang often met the nurse, betraying his wife Hao Jianxiu. He sometimes gave the pressure of work or meetings as an excuse for not returning home until the small hours. Hao Jianxiu also had a tight work schedule herself. She had all along been left in the dark. Last year, when the NPC was in session, an NPC deputy visited Hao Jianxiu at her home one evening. She casually asked to see her husband. It turned out that as of 2300, President Jiang had still not come back. Hao Jianxiu said: "He is working in the hospital. He has still not been back."

At the end of last year, President Jiang saw the nurse more frequently. They began to meet constantly at the latter's home. One evening not long ago, when they were having a good time at the nurse's home, it happened that her husband returned. He caught them "in the act." President Jiang was slapped right in the face by the nurse's husband and was scared out of his wits.

Ashen-faced, he knelt before the man asking for forgiveness. After giving him a good scolding, the women's husband asked him to write a letter of repentance. President Jiang could do nothing but obey. After "handing over the paper," he silently slipped out of his girlfriend's home. He thought that this was the end of the matter. But the nurse's husband was not one to be imposed upon. He made the hospital president admit to his mistake in writing just to get hold of some legally effective evidence. With evidence of a crime in his possession, he turned directly to the Ministry of Public Health with a complaint against the culprit.

Given no "crime of adultery" specified in the mainland's criminal code, the hospital president was required only to make a self-review. There was no need for him to undergo legal punishment. But the Chinese Communists secretly "removed" him from the post of hospital president, and he was transferred away from the China-Japan Friendship Hospital. Now the post of the president of the hospital remains unfilled.

A Strong Woman Selflessly Devoted to Public Service

"If the claim about Jiang... having a busy time at the hospital is false, then it is the truth that Hao Jianxiu is working hard in a selfless spirit." An NPC deputy who knows Hao Jianxiu in Beijing told me: "She is the same as always. Though she is now a central leader with a change in rank, there has been no change in her style."

What kind of style, I asked? She said: "It is her work style, study style, and even life style. There has been no change." For example, she is as cordial toward her old friends as before. Also, as highly placed as a minister (once the minister of textile industry) and a secretary at the central level, she has been content with quite a simply furnished home, which is kept unusually tidy and clean. Her sons and daughters go to schools squeezing their way into public buses or riding bicycles like average citizens, with no abuse of the privilege of a special car. In her work, Hao Jianxiu has driven herself to the extent of what can be called selflessness.

In her youth, Hao Jianxiu almost had no regular schooling. When she started working, she had only 1 year of schooling behind her. That 1 year was one of studies interrupted from time to time. She even failed to write her own name properly. At the beginning of the 1950's, 15-year-old Hao Jianxiu started working. She became one of the first generation of female textile workers since the founding of the PRC. In the 1950's, she invented the "Hao Jianxiu work methods" making a big contribution toward the textile industry. She became a person in the news. She attended the national conference of heroes in 1959. Due to her outstanding work performance, the Chinese Communists gave her special training. She was sent to study for 4 years at the Workers and Peasants Middle School with crash teaching programs under the People's University. After her graduation from the senior middle school, she was sent to the East China Textile College for another 4 years of study. She graduated from the college in the early stages of the "Cultural Revolution."

On the China mainland, almost every worker is off on the "May 1" Labor Day. For Hao Jianxiu, strangely speaking, it is a day of labor in every sense of the word. She said: "I greet every 'May 1' Labor Day with redoubled work and study efforts. I have made a habit of it!" After graduating from college, she returned during the "Great Cultural Revolution" to work as a technician with state textile mill no 6 in Qingdao. Later, she acted as deputy director of state textile mill no 8. Of course, Hao Jianxiu is absolutely indebted to the Communist Party. Her mind is dominated by the Lei Feng-type "loyalty of a special kind." She had no trouble during the "Cultural Revolution." Hao Jianxiu has already turned 50 this year. It is believed that she has all along maintained her old habits.

This strong woman was married in her thirties during the "Cultural Revolution." It was said that husband and wife mixed well. A son and a daughter were born to them. Both are now in middle school. But perhaps because she has worked and studied too hard, their relations have soured. A crisis has hit their marriage. People wonder: "When the news becomes known everywhere, would Hao Jianxiu ask for a divorce?"

In my opinion, Hao Jianxiu is not responsible for the "sex incident" involving her family.

But no matter what, Hao Jianxiu is likely to face "a family crisis." It is hoped that this strong woman that has made it to the top echelon can quickly survive the period of disturbance in her spiritual life.

Did Mao Zedong Compromise His "Integrity?"

People always like to reminisce and associate things with the past. After well-informed residents of Beijing heard news about Zhou Erfu's visit to Japan and Hao Jianxiu's family, they began to talk about Mao Zedong. People said that compared with what Mao Zedong did, the cases of Zhou Erfu and Jiang ... were nothing to speak of.

Well, Mao Zedong had a yard-long record of "extramarital affairs." There were even occasions when people could not tell between what was "marital" and "extramarital." Here is an example. After the downfall of the gang of four with Hua Guofeng in full charge of the country, there was for a time an effort to arrange for the shooting of the film called "The Biography of Yang Kaihui" devoted to the story of the love between Mao Zedong and Yang Kaihui. The news appeared in the press, but nothing came of it. The film was dropped. Why? Western reporters in Beijing are hightly sensitive to many things, but none of them followed up the matter. In fact, a careful study could have revealed the great significance of this news. It turned out that when the news became known, several senior Chinese Communist cadres considered that this film could never have been made. This was because these senior cadres knew that this film, aimed at eulogizing the "devoted love" between Mao Zedong and Yang Kaihui, had too much at variance with historical facts. With the Kuomintang butcher's knife pointed at her, Yang Kaihui remained unchanged in her profound love for Mao Zedong. But this was only a demonstration of passionate love on her own part. Mao Zedong was unfaithful to her. After the Autumn Harvest Uprising in 1927, Mao Zedong left Yang Kaihui in Changsha where she took up underground work. Later, he fell in love with 17-year-old He Zizhen. Behind Yang Kaihui's back, he remarried in the spring of 1928. Up to the time the first son was born to He Zizhen in 1929, Yang Kaihui was still doing underground work for Mao Zedong. After she was arrested by the Kuomintang in 1930, she still looked to help from Mao Zedong....

Zhou Erfu's involvement with sex shops and pornography... was regarded by Deng Xiaoping as a case of compromising national dignity and personal integrity. Then what are the charges against Mao Zedong for his action in political and private life?

REGULATIONS CONTROLLING SHENZHEN ACCESS ANNOUNCED

HK130743 Hong Kong SOUTH CHINA MORNING POST in English 13 Mar 86 p 10

[By Albert Chan]

[Text] Guangzhou: China's military men and uniformed police will have restricted access to the Shenzhen Special Economic Zone when the long-awaited second border is officially opened next month, after a 20-month trial run.

And visitors from Hong Kong will no longer be required to carry identity cards and re-entry permits issued by the Hong Kong Government at the existing Hong Kong-Shenzhen border. These were among a set of new regulations announced yesterday by the Guangdong Provincial Government aiming at controlling people leaving and entering China's showcase special economic zone.

But already concern has been expressed by several Shenzhen-based officials over the possibility of smuggling across the new boundary into the rest of China as duty-free privileges will be granted to most imported goods from Hong Kong, beginning on April 1. "By granting this privilege, we know that there is great temptation for some mainland Chinese in the zone to smuggle duty-free goods into other parts of China," Mr Zou Erkang, secretary-general of the Shenzhen Special Economic Zone, said yesterday. He is, however, confident that the border, to be manned by police and customs officers, will be able to check the illicit trade.

According to official statistics, contraband worth 15 million yuan (about HK$40 million) has been confiscated by Chinese customs officials at the second border line during its trial period. Almost two-thirds of the seizures were found to have been listed as "donations" -- mainly motor vehicles.

Under the new regulations, which contain 16 different clauses, PLA guards and uniformed police will be allowed to enter the special economic zone only if they hold permits endorsed by military personnel with regimental ranking or above. The new regulations will also serve to simplify customs checks at the existing Hong Kong-Shenzhen border in a bid to woo more foreign investment in the special economic zone.

"Under normal circumstances, checking will not be required of luggage passing through our customs checkpoints at the existing Hong Kong-Shenzhen border from next month," said Mr Ding Lifong, secretary-general of the Guangdong Provincial Government. "By simplifying procedures, we hope to encourage more investors to come to Shenzhen. The new border line is therefore beneficial to the economic development of the Shenzhen SEZ," he said.

However, nothing was included in yesterday's announcement about Beijing's reported attempts to introduce a new, freely-convertible currency for the Shenzhen Special Economic Zone when the new border -- called by the Chinese the Special Economic Zone Control Line -- comes into full operation. The original Chinese aim was to launch the two moves at the same time to turn the Shenzhen Special Economic Zone into a free economic entity so that more investment from Hong Kong and abroad would be pumped into the area.

But the Chinese have yet to make a ruling on the controversial currency issue, which is a direct result of rampant black-marketeering.

Mr Zou stressed that the opening of the new border and the currency issue should be viewed separately. "It is not necessarily true that one follows the other," he said. The new 86-km border will have six major checkpoints allowing both passenger and vehicular movement.

FBIS DAILY REPORT

China

CONTENTS

Vol I No 051 17 March 1986

PRC INTERNATIONAL AFFAIRS

GENERAL

Zhao Meets Outgoing Soviet, Gabonese Envoys A 1
International Panel on Afghanistan Hears Evidence A 1
UN Head To Mediate Between U.S., USSR on Personnel A 2
Shultz, Ryzhkov Agree Relations Not Satisfactory A 2

UNITED STATES

Zhao Ziyang Meets U.S. Energy Secretary Herrington B 1
PRC Hosts Conference on U.S. Economic Policy B 2
[CHINA DAILY 14 Mar]
Zhang Jingfu Meets American Businessmen 12 Mar B 2
First Railway Joint Venture Inaugurated B 2

SOVIET UNION

Arkhipov Arrives in Beijing, Greeted by Li Peng C 1
Comments on Arrival [KYODO] C 1
Talks With Li Peng C 1
Li Peng Hosts Banquet C 2
Commission Holds First Meeting C 2
Arkhipov Meets Wan Li C 3
Beijing Russian Views Sino-Soviet Trade Ties C 3

NORTHEAST ASIA

NODONG SINMUN Lauds PRC's Economic Success D 1
Deng Yingchao Meets Japanese Economic Adviser D 1

SOUTHEAST ASIA & PACIFIC

CGDK Issues Proposal for Political Settlement E 1
Press Communique After Meeting E 2
New Zealand's Lange Interviewed Before PRC Visit E 3
CPPCC Delegation Ends Visit to Thailand E 4
PRC Scientists Address Desertification Conference E 4
ZHONGGUO XINWEN SHE Applauds Sino-UK Meeting E 5
Xu Jiatun Hails Successful Sino-British Meeting E 6
Hong Kong Magnate Invests in Shipping Firm E 7
Conferences in Canberra Address Drug Traffic E 7
Ople Heads New Philippine Breakaway Party E 8

SOUTH ASIA

Bangladesh Minister on Li Xiannian Visit F 1
Economic, Trade Delegation Arrives in Nepal F 1
Economic Meeting Opens F 1

WESTERN EUROPE

Netherlands Warships End Visit to Shanghai G 1
Trade Delegation Meets Turkish Vice Premier G 1
Zhao Ziyang Meets Danish Prince, Red Cross Group G 1
Zhou Peiyuan Meets Belgian Peace Delegation G 2
Austrian President Meets Trade Delegation G 2
PRC Participates in Leipzig Spring Fair G 2
Party Officials Meet Portuguese CP Delegation G 2

EASTERN EUROPE

Economic Cooperation With SFRY Progresses H 1
Culture Official, SFRY Envoy Open Art Exhibit H 1

MIDDLE EAST & AFRICA

Li Xiannian Arrives in Egypt for State Visit I 1
Arrives in Alexandria I 1
Meets Alexandria Governor I 1
Tours Historic Sites I 1
Officials Welcome Li Visit I 2
Arrives in Cairo I 2
Greeted by Mubarak I 2
Receives 'Warm Welcome' I 3
China Donates 10,000 Tons of Grain to Ethiopia I 4
Lebanese Envoy Awards Medal to Doctor in Beijing I 4
Lesotho Military Chairman Meets PRC Envoy I 4

PRC NATIONAL AFFAIRS

Zhao Ziyang Attends NPC Plenary Session K 1
Public Order Law Explained K 2
Land Law Detailed K 3
NPC Agenda Considered K 4
Selecting Cadres With Political Quality Stressed K 5
[RENMIN RIBAO 13 Mar]
Leading Cadres With Good Party Style Praised K 7
[RENMIN RIBAO 8 Mar]
LIAOWANG on Using Criminal Cases for Education [3 Mar] K 8
Zhao Ziyang Speaks on Horizontal Economic Ties K 9
Economic Reform Enlivens Cities' Functions K 11
CPPCC Standing Committee Holds Plenary Session K 13
Hu Yaobang Inspects Guangxi, Discusses Tasks K 14
Yao Yilin Visits Harbin Plants 11-14 March K 16
Fang Yi Stresses Need for Technology Trade K 17
Gu Mu Comments on Xiamen Special Economic Zone K 18
Commentator on Development of Special Zones K 19
[CHINA DAILY 15 Mar]
Meeting on Managing Science, Technology Funds K 20
Zhang Jingfu on Economic Structural Reform K 21
Central Leaders Receive Students From Laoshan K 21
Leaders Pay Last Respects to Ding Ling K 22

PRC REGIONAL AFFAIRS

EAST REGION

Anhui Province Cracks Down on Economic Crimes O 1
New Fujian Secretary Chen Guangyi Visits Xiamen O 1
Jiangsu's Han Peixin Speaks on Legal Knowledge O 2
Zhejiang's Wang Fang Meets Visiting Sociologist O 2
[ZHEJIANG RIBAO 10 Mar]

NORTH REGION

Hebei CPC Deals With CYL False Accusations Case R 1
Committee Comments R 2
Nei Monggol Studies Armed Forces Departments Transfer R 3

NORTHEAST REGION

Heilongjiang Party Style Rectification Meeting Ends S 1
Jilin Provincial People's Congress Session Ends S 1
People's Congress Session Opens in Liaoning S 3

TAIWAN

Ministry Denies Development of Nuclear Weapons V 1
Minister Says ADB Formula 'Unacceptable' V 1
Taiwan, Philippines To Strengthen Cooperation V 2
Premier Yu on Promotion of Constitutional Rule V 2

HONG KONG MEDIA ON CHINA

New Regulations Issued on Shenzhen Entry, Exit W 1
[WEN WEI PO 12 Mar]
Shenzhen To Be 'Fenced Off' From Mainland W 2
[HONG KONG STANDARD 14 Mar]
PRC, Portugal To Discuss Macao's Future in May W 3
[SOUTH CHINA MORNING POST 15 Mar]

ZHAO MEETS OUTGOING SOVIET, GABONESE ENVOYS

OW151154 Beijing XINHUA in English 1135 GMT 15 Mar 86

[Text] Beijing March 15 (XINHUA) -- Premier Zhao Ziyang met the outgoing ambassadors to China from the Soviet Union and Gabon, I.S. Shcherbakov and Aloise Mboumignanou Mbouya, on separate occasions here this afternoon.

INTERNATIONAL PANEL ON AFGHANISTAN HEARS EVIDENCE

OW161547 Beijing XINHUA in English 1437 GMT 16 Mar 86

[Text] Oslo, March 15 (XINHUA) -- Ashiqualla, a 10-year-old Afghanistan, might never been thought of giving evidence at an international forum, leaning on a walking stick, of Soviet atrocities in his country. Ashiqualla's right leg was badly wounded when Soviet troops attacked his home village two years ago, killing his father and sister. After a three-day arduous journey, he was moved from his home town in Kunar Province to Peshawar in Pakistan for medical treatment. His leg had to be amputated. He was then only eight years old.

At the second international hearing on Afghanistan which continued here today, the Afghan child's sad experience deeply moved all the participants who made an on-the-spot donation totaling over 6,000 Norwegian krone (840 U.S. dollars) for his further medical care.

The Soviet troops' crimes against Afghan civilians, especially children and women, were exposed when another witness, a general commander of the Afghan resistance forces, showed to the panel a Soviet-made toy with a hidden bomb. This is a type of weapons the Soviet invaders are using to kill Afghan children, he said. Three Norwegian medical personnel who have been to the war-ridden country also showed slides to the panel the skinny and ill-shaped Afghan children suffering from malnutrition.

The three-day hearing which started yesterday is sponsored by some Norwegian communities which oppose Soviet occupation of Aghanistan. Among those to give evidence at the hearing are resistance leaders, civilians suffering from the war, Soviet soldiers who defected in the Afghan battlefield, foreign correspondents and Norwegian medical personnel who have been to the country.

Representatives of the Afghan women, another group of victims also condemned the Soviet occupation with their own experiences. Nasery, a school teacher in Kabul, after being arrested for passing information to the resistance forces, was tortured with electric shocks, kept out of sleep for 13 days and forced to stand on one foot for four days in a same posture. Tajwar Kakar, another primary school teacher in the capital, also suffered from electric shocks and imprisonment simply because she refused to join a Karmal regime-sponsored organization.

Villages, schools and important agricultural areas are the major targets of attacks of the Soviet troops, Mohammad Khaleb, a resistance commander of Balkh Province, told the panel composed of people from various countries. He said a village in his province was bombed 27 times several months ago. 15 villagers were killed and more than 50 wounded, most of whom were children and women. Other resistance force leaders charged at the hearing that the Soviet invaders burned crops, blasted irrigation networks, poisoned the wells and tested their most sophisticated weapons. The previous international hearing on Afghanistan was held here in March 1983.

UN HEAD MEDIATES BETWEEN U.S., USSR ON PERSONNEL

OW131056 Beijing XINHUA in English 0630 GMT 13 Mar 86

[Text] United Nations, March 12 (XINHUA) -- U.N. Secretary-General Javier Perez de Cuellar today offered his assistance in consultations between the United States and the Soviet Union regarding the U.S. "order" that personnel be reduced at the Soviet mission to the United Nations.

On March 7, a note from the U.S. mission was delivered to the Soviet mission, demanding that the Soviet Union cut its personnel by a third within two years. The incident has touched off intense debates here in the U.N. Headquarters, and a flurry of consultations among the parties concerned. The secretary-general met with Ambassador Herbert Okun, deputy permanent representative of the U.S. mission and Ambassador Vasiliy Safronchuk, charge d'affaires of the Soviet mission separately on Monday afternoon regarding the matter. He saw the Soviet diplomat again yesterday.

In the meantime, U.N. legal experts have been busy preparing a position paper for the secretary-general. "The informal paper" prepared by the group concluded that "under the applicable law the matter is properly one which requires consultations," according to U.N. spokesman Francois Giuliani. The spokesman further informed reporters at today's noon briefing that the secretary-general, in his meetings on Monday, informed the respective American and Soviet representatives of the legal assessment of the situation, and handed over to both sides the informal paper.

"The secretary-general has expressed his readiness to be, even at this stage, of assistance in regard to such consultations," Giuliani said. The secretary-general met separately this morning Ambassador Gennadiy Oudovenko, permanent representative of the Ukrainian Soviet Socialist Republic to the U.N., and Oleg Pashkevich, charge d'affaires of the Byelorussian mission for further consultations. Both of the missions are going to be affected by the U.S. "order."

SHULTZ, RYZHKOV AGREE RELATIONS NOT SATISFACTORY

OW161048 Beijing XINHUA in English 0649 GMT 16 Mar 86

[Text] Stockholm, March 15 (XINHUA) -- U.S. Secretary of State George Shultz held talks with Soviet Premier Nikolay Ryzhkov here today and said neither Washington nor Moscow is satisfied with the developments since the superpower Geneva summit last November. The two leaders met here this afternoon for two hours after attending the funeral of slain Swedish Prime Minister Olof Palme, according to a report of the Swedish central news agency (TT). This is the first top-level meeting between the two countries since the November 19 Geneva summit.

Shultz said in an ensuing press statement, "both sides recognize the Geneva meeting as a 'good basis' for their relationship, but we agree neither of us is satisfied with the developments since that time". Shultz also said that there had been no progress on setting the date for a second summit between President Ronald Reagan and Soviet leader Mikhail Gorbachev. He said "we both expect the discussion will continue." Shultz disclosed he discussed the ban on nuclear test and the control of medium-range nulcear missiles test and the control of medium-range nuclear missiles with Ryzhkov, but no result was achieved. Their talks ended at six thirty this afternoon.

ZHAO ZIYANG MEETS U.S. ENERGY SECRETARY HERRINGTON

OW141443 Beijing XINHUA in English 1430 GMT 14 Mar 86

[Text] Beijing, March 14 (XINHUA) -- There is no reason for China to relax its reform, because the reform of the economic structure has brought about great and advantageous changes. Premier Zhao Ziyang made this remark at a meeting with visiting U.S. Secretary of Energy John S. Herrington here this afternoon.

Zhao said during the Seventh Five-Year Plan period China will continue to give first priority to its economic structural reform. Last year, he said, China made the first step in its urban reform. Generally speaking, the results have been quite good. "This year our main task is to consolidate, digest, supplement and improve the existing reform measures. We will make preparations for greater reform in the coming two years. So our reform will be carried out in a planned way and step by step," he said.

Zhao continued: "The aim of correcting some unhealthy tendencies and striking at criminal activities in economic fields is not to hamper the reform but to create better conditions for it." During the Seventh Five-Year Plan period (1986-90), China will continue to implement the policy of opening to the outside world and further expand its economic and technological cooperation with foreign countries, he added.

During the meeting, Herrington handed Premier Zhao a letter from U.S. President Ronald Reagan. He said that the U.S. Government attaches great importance to developing its relations with China. It is President Reagan's hope that the two countries will further expand their energy cooperation, he said.

Zhao asked Herrington to convey his greetings to President Reagan. He noted that Sino-U.S. relations have become comparatively stable in recent years and are continuously developing in a favorable direction. "The Chinese Government hopes that the two sides continue their efforts to this end," he added. Zhao said, although the Sino-U.S. agreement on cooperation concerning peaceful uses of nuclear energy has become effective, yet there still exist some hurdles to be cleared away. Only by doing so will the two countries be able to cooperate in this field, he added.

Zhao also exchanged views with Herrington on the construction of nuclear power stations and hydroelectric power station construction on the three gorges of the Yangtze River. Referring to China's nuclear power stations, Zhao said that a recent foreign newspaper report that China's policy on the construction of nuclear power stations has changed is groundless. Zhao said China's plan to develop its nuclear power stations in this century remains unchanged and it will cooperate with foreign enterprises in various ways.

Herrington told Premier Zhao that he had held talks with Minister of Water Resources and Electric Power Qian Zhengying on the three gorges project.

Zhao said the project will be the biggest of its kind in China, and has attracted world attention. "A great deal of preparation has been made by the Chinese Government. But some economic and technological hurdles remain," he said. Zhao said China will cooperate with foreign countries in technology, equipment and funds for the project.

Herrington and his party will leave here for Xian, Yichang and Shanghai tomorrow.

PRC HOSTS CONFERENCE ON U.S. ECONOMIC POLICY

HK140412 Beijing CHINA DAILY in English 14 Mar 86 p 2

[By CHINA DAILY staff reporter]

[Text] A two-day seminar on World Economic Prospects and Current U.S. Economic Policy opened in Beijing yesterday in the Great Hall of the People Wang Huijiong, research professor of the Centre for Economic, Technological and Social Development under the State Council, presided over the meeting.

At the invitation of the China Huayang Technology and Trade Corporation, Allen Sinai, chief economist and managing director of Shearson Lehman Brothers Inc and Richard Holbrooke, managing director of the firm, attended the seminar. More than 100 representatives from 36 government departments exchanged views at the meeting.

ZHANG JINGFU MEETS AMERICAN BUSINESSMEN 12 MAR

OW141306 Beijing XINHUA in English 1231 GMT 14 Mar 86

[Text] Beijing, March 14 (XINHUA) -- State Councillor Zhang Jingfu met Richard Holbrooke, managing director, and Allen Sinai, chief economist, of Shearson Lehman Brothers Inc. of American Express Company, at the Great Hall of the People today. Richard Holbrooke, who is U.S. former assistant secretary of state, and Allen Sinai came here for attending the seminar on World Economic Prospects and Current U.S. Economic Policy, organized by the China Huayang Technology and Trade Corporation.

FIRST RAILWAY JOINT VENTURE INAUGURATED

OW141620 Beijing XINHUA in English 1546 GMT 14 Mar 86

[Text] Shanghai, March 14 (XINHUA) -- The first Sino-Foreign railway joint venture was inaugurated in Shanghai, China's leading industrial center, today. Known as the Casco Signal Company Ltd., the 20-year joint venture is run by the China Railway Signal Company and the America General Railway Signal Company, with a total investment of 4.8 million U.S. dollars equally shared by both sides.

An official of the company said it will produce railway communication signals and equipment, contract for engineering designing at home and abroad, study and develop new techniques and products, and provide technical consultancy and maintenance in this field. The company will import advanced technology and equipment from the United States, and adopt its management to turn out quality products to meet the needs of both Chinese and foreign markets. The company's headquarters and its factory are in Shanghai, and it has agencies in Beijing and Rochester in the United States.

ARKHIPOV ARRIVES IN BEIJING, GREETED BY LI PENG

OW150303 Beijing XINHUA in English 0253 GMT 15 Mar 86

[Text] Beijing, March 15 (XINHUA) -- Ivan Vasilyevich Arkhipov, first vice-chairman of the Council of Ministers of the Soviet Union, arrived here this morning. Arkhipov is here to attend the first meeting of the Sino-Soviet Committee on Economic, Trade, Scientific and Technological Cooperation. The first round of talks dealing with general subjects will be held tomorrow morning.

Greeting him at the airport were Chinese Vice-Premier Li Peng, Vice-Minister of State Planning Commission Gan Ziyu and Vice-Minister of Foreign Economic Relations and Trade Wang Pinqing. This evening, Li Peng will give a banquet in honor of Arkhipov.

Comments on Arrival

OW150519 Tokyo KYODO in English 0431 GMT 15 Mar 86

[Text] Beijing, March 15 KYODO -- Soviet Deputy Premier Ivan Arkhipov arrived here Saturday to attend a meeting on bilateral trade, economic relations and cooperation in science and technology. It will be the first meeting since the committee was set up in 1984. Arkhipov is the first senior Soviet Government official to come to China since the Soviet Communist Party congress early this month in which General Secretary Mikhail Gorbachev signaled a firm intention to improve Sino-Soviet relations.

In an arrival statement, Arkhipov said the Soviet Union has consistently wished to greatly improve relations with China. He described China as a great socialist country. Arkhipov said there is latent potential for bilateral cooperation that would be beneficial to both nations.

Asked if he had brought a personal letter from Gorbachev to Chinese leaders, the deputy premier said he would make a comment on the matter later. The committee's first session is scheduled for Monday morning. Arkhipov is expected to stay in Beijing until around March 23.

Talks With Li Peng

OW150637 Beijing XINHUA in English 0630 GMT 15 Mar 86

[Text] Beijing, March 15 (XINHUA) -- Chinese Vice-Premeir Li Peng had a brief talk with Ivan Vasilyevich Arkhipov, first vice-chairman of the Council of Ministers of the Soviet Union, at the Diaoyutai State Guesthouse here this morning. Li told Arkhipov, "You are an old friend of the Chinese people and I hope you will have a pleasant stay in China. In addition to our working schedule in Beijing, we have arranged for you a visit to Nanjing and Wuxi where you may enjoy the beauty of Taihu Lake".

Arkhipov arrived here around 10 a.m. and he was greeted at the airport by Li who accompanied him to the guesthouse. Arkhipov told reporters at the airport that he is here to attend the first meeting of the Sino-Soviet committee on economic, trade, scientific and technological cooperation, and quite a number of questions will be on the agenda dealing with the development of cooperation in these fields. Speaking of the economic relations between the two countries, Arkhipov said the total value of bilateral trade in 1985 was 60 percent higher than that of 1984. This evening, Li will give a banquet in honor of Arkhipov. The committee will meet tomorrow morning.

Li Peng Hosts Banquet

OW151448 Beijing XINHUA in English 1430 GMT 15 Mar 86

["Sino-Soviet Co-operation Has 'Great Potential'" -- XINHUA headline]

[Text] Beijing, March 15 (XINHUA) -- Sino-Soviet trade relations have developed well over the past few years due to efforts by both countries, Chinese Vice-Premier Li Peng said here tonight. He said they had also made a good start in rebuilding economic, scientific and technical co-operation.

Li was speaking at a banquet held here for Ivan Vasilyevich Arkhipov, first vice-chairman of the Soviet Union's Council of Ministers, who arrived earlier today to attend the first meeting of the Sino-Soviet Commission on Economic, Trade, Scientific and Technological Co-operation. The Chinese vice-premier said his government and people treasured the friendly sentiments between the two peoples, and sincerely hoped that the relations between their countries could be further improved on the basis of taking concrete steps and eliminating obstacles.

Li said China was pleased to see the development of co-operation between the two countries, and their increased exchanges in culture, education and sport. Their co-operation had "great potential" and "bright prospects". He planned to hold talks with Arkhipov tomorrow in his capacity as Chinese chairman of the Sino-Soviet Commission, and believed the meeting would be successful.

Arkhipov said Soviet leader Mikhail Gorbachev had stressed in his report to the 27th Congress of the Soviet Communist Party that he was satisfied with the improvement in relations between the Soviet Union and China. Gorbachev had pointed out that the two countries had different attitudes on certain international issues. They should be able to develop their relations on the basis of equality, while not jeopardizing any third country.

Arkhipov said it was good to see that links between their countries were growing in many areas, and last year they had held important talks at various levels. The implementation of the long-term agreement between the Soviet Union and China signed in December, 1984, and July, 1985, would contribute to the consolidation of mutual understanding and the improvement of bilateral relations. He said: "We regard the first meeting of the commission as a major event in the relations between our two countries. I am sure that our negotiations will be smooth and fruitful. The commission's work will result in improving the effectiveness of the links between the Soviet Union and China, and in developing their varied relations in a long-term and co-ordinated manner."

Arkhipov told reporters at Beijing's capital airport today that several matters concerning the development of bilateral economic co-operation and trade would be discussed at the commission's first meeting here. He said trade volume between the two countries was 60 percent higher last year than in 1984.

Commission Holds First Meeting

OW160842 Beijing XINHUA in English 0824 GMT 16 Mar 86

[Text] Beijing, March 16 (XINHUA) -- The first meeting of the Sino-Soviet Commission on Economic, Trade, Scientific and Technological Co-operation began here this morning. Li Peng, Chinese vice-premier and Chinese chairman of the Sino-Soviet Commission, and Ivan Vasilyevich Arkhipov, first vice-chairman of the Soviet Union's Council of Ministers and Soviet chairman of the Sino-Soviet Commission, co-chaired the first round of talks.

Informed sources said the two sides reviewed bilateral trade in 1985 and exchanged views on further development of the trade. Li Peng said China was satisfied with the big increase in trade volume between the two countries last year. But he noted there were some problems to be solved. Noting the bright prospects for Sino-Soviet trade, Li put forward some concrete proposals for the expansion of bilateral trade.

He said the Chinese Government was pleased to see certain improvement in bilateral relations, mainly in the fields of economy, trade, science and technology, education and culture. He expressed the hope that Sino-Soviet relations would further develop in these fields.

Arkhipov said he shared Li's appraisal of the co-operation between two countries in economy, trade, science and technology, adding that great development had been made in these fields. Noting the great potential ahead, Arkhipov hoped that the two sides would make common efforts to make greater and positive progress in their co-operation. The two sides also exchanged views on co-ooperation in new construction and renovation projects, transportation of goods exchanged and co-operation in the fields of science and technology, education and civil aviation. They also discussed holding exhibitions in each other's country and other matters. The second round of talks is scheduled March 18.

Arkhipov Meets Wan Li

OW170817 Beijing XINHUA in English 0758 GMT 17 Mar 86

[Text] Beijing, March 17 (XINHUA) -- Chinese Vice-Premier Wan Li met and feted Ivan Vasilyevich Arkhipov, first vice-chairman of the Council of Ministers of the Soviet Union, here at noon today. During their conversation, Wan described Arkhipov as an old friend of the Chinese people. "We are very glad that you are here to attend the first meeting of the Sino-Soviet Committee on Economic, Trade, Scientific and Technological Cooperation," he said.

This morning, Arkhipov visited the Capital Iron and Steel Company accompanied by Vice-Minister of the State Econoic Commission Zhao Weichen, and in the evening he will attend a concert of Chinese well-known violinist Sheng Zhongguo at the Beijing Concert Hall.

BEIJING RUSSIAN VIEWS SINO-SOVIET TRADE TIES

OW161337 Beijing in Russian to the USSR 1800 GMT 15 Mar 86

["Pages of Friendship" program]

[Text] Dear comrades, today's talk will deal with the interesting topic of China's trade relations with the Soviet Union. Our country's policy of expanding foreign relations has facilitated the rapid development of foreign economic cooperation and trade. It covers not only Western and Third World countries but also the Soviet Union and East European socialist countries.

Trade between China and the Soviet Union was resumed at the beginning of the 1980s. There is a tendency to promote further growth. In 1981 the volume of Sino-Soviet trade amounted to 400 million Swiss francs; 600 million Swiss francs in 1982; and in 1983 and 1984 it increased to 1.6 billion and 2.6 billion Swiss francs respectively. Last year trade increased even more and its volume amounted to 4.6 billion Swiss francs.

Over a period of 37 years, Sino-Soviet trade went through three stages. The 1950s were a period of growth. In 1959, trade volume reached its highest point and amounted to 1.9 billion rubles. The 1960 and the 1970s were periods of decline and stagnation. Sino-Soviet trade started growing again in the 1980s.

China is conducting trade with the Soviet Union on the basis of equality, mutual benefit, and mutual exchange. The structure of exports and imports over the last few years clearly testifies to the mutually complementary character of our trade ties. Over the last 5 years, China supplied the Soviet Union with meat and meat products, fruit, soya beans, corn, textile, and light industry goods. The Soviet Union supplied China mainly with rolled steel, timber, ammonia, nonferrous metals, aircraft, machines, and various equipment. Now trade between the two countries is conducted on a goods exchange basis, so the foreign currency reserves of both sides are not affected. This kind of trade is very useful for both sides.

China and the Soviet Union are neighbors, have wide territories and rich resources, and great potentials for expanding trade. Geographically, China and the Soviet Union have a common border that is over 7,300 km long; they have rail and river transport and this makes it possible to save funds in the transportation of import and export goods. This is considerably more advantageous than buying similar goods from distant countries.

Border trade between China and the Soviet Union has been resumed and has flourished over the last few years. Our Heilongjiang Province and the autonomous region of Inner Mongolia in 1983 resumed border trade with neighboring regions of the Soviet Union. Last year its volume amounted to 70 million Swiss francs, 35 percent greater than in the preceding year and 3 times as much as in 1983.

The Far East regions of the Soviet Union import may things from Heilongjiang Province: pork, canned products, soya sauce, thermos flasks, towels, woolen blankets, fur caps, and other goods. Heilongjiang imports timber, soda, fertilizers, passenger automobiles, motorcycles, refrigerators and other goods from the Soviet Union. Trade in border points in Xinjiang Uygur Autonomous region, Korgas and Turugart has been expanding every year since 1983. Last year, the volume of import-export goods turnover amounted to 200,000 tons here.

A great event in Sino-Soviet trade was the signing by the PRC and the USSR Governments last July of an agreement on trade turnover and payments for the 1986-1990 period providing for a volume of Sino-Soviet trade in the coming 5 years of up to 35 billion Swiss francs, 3 times more than the past 5 years. China will purchase large-size electrical equipment, diesel locomotives, aircraft, machines, rolled steel, timber, and other goods from the Soviet Union and will supply it with soya beans, corn, fruit, tea, cotton fabrics, light industry products, local products, minerals, and chemical products. The agreement will contribute to the stable expansion of trade and economic cooperation between the two countries over a long period of time.

In the last 2 years, the Chinese and the Soviet sides carried out a considerable amount of work to develop bilateral relations. They exchanged delegations in the fields of air transport, coal, metallurgy, power industries, and agriculture; organized various exhibitions of industrial samples; and held conversations on technical exchanges. Expansion of trade forces the two countries to face the common important problem of transportation. Both sides have already exchanged delegations and signed a protocol on PRC-USSR talks on transportation of foreign trade goods for the 198-1990 period.

Gratifying progress has been made in the field of Sino-Soviet trade and there are wonderful prospects for its further development.

NODONG SINMUN LAUDS PRC'S ECONOMIC SUCCESS

OW140926 Beijing XINHUA Domestic Service in Chinese 1140 GMT 13 Mar 86

["China in the Eyes of Foreigners" -- XINHUA headline]

[Text] Pyongyang, 13 Mar (XINHUA) -- Korea's NODONG SINMUN today carried an article entitled: "Creative Work and Glorious Achievements," which praises the tremendous achievements scored by the Chinese people during the Sixth 5-Year Plan period. The article says: During the Sixth 5-Year Plan period, China's production grew year after year, a new situation of stable and balanced development emerged in all sectors of the national economy, income of people in both urban and rural areas increased, and the people's livelihood improved markedly.

The article points out: The tremendous achievements scored by the Chinese people in all sectors of the national economy eloquently show the superiority of the socialist system. They are the fruits of the policy of building socialism with Chinese characteristics put forward by the Chinese party and government. They are also the result of the hard labor and creative work of the Chinese working people following this policy.

The article says: At present, the Chinese people are full of new hope and confidence and are determined to accomplish the Seventh 5-Year Plan starting from this year. A successful accomplishment of the Seventh 5-Year Plan by the Chinese people will play an important role in consolidating the socialist system, developing productive forces, promoting the four modernizations, and raising the people's living standards.

The article says that it is believed that the fraternal Chinese people will achieve even greater success in achieving the four modernizations.

DENG YINGCHAO MEETS JAPANESE ECONOMIC ADVISER

OW121810 Beijing XINHUA in English 1503 GMT 12 Mar 86

[Text] Beijing, March 12 (XINHUA) -- Deng Yingchao, chairman of the National Committee of the Chinese People's Political Consultative Conference, met Kaheita Okazaki, permanent adviser to the Japan-China Economic Association, and his party here today. Deng said she was very pleased to receive Okazaki, an old friend of the Chinese people, at her residence. Okazaki recalled his last meeting with Deng during his 1985 Dalian tour and said today he felt glad to meet her again.

Deng said the people-to-people contacts between the two countries started after new China was founded. Afterwards, the two countries resumed the normal relations. She noted the efforts made by Okazaki and other Japanese friends in the promotion of Japan-China friendship. Okazaki said the Japanese people are extremely grateful to the late Premier Zhou Enlai for his important contributions to the normalization of diplomatic relations between the two countries.

Deng said it was not only the late Premier Zhou, but also many Japanese and Chinese people who had made efforts to this end. "Sino-Japanese friendship, which goes back to ancient times, will last from generation to generation," she added.

CGDK ISSUES PROPOSAL FOR POLITICAL SETTLEMENT

OW170705 Beijing XINHUA in English 0647 GMT 17 Mar 86

["Proposal for Political Settlement of Kampuchea Issued" -- XINHUA headline]

[Text] Beijing, March 17 (XINHUA) -- The Coalition Government of Democratic Kampuchea [CGDK] delivered a proposal today in Beijing for a political solution to the problem of Kampuchea. The proposal was read by Samdech Norodom Sihanouk, president of Democratic Kampuchea, after a cabinet meeting of the coalition government today. Sihanouk said the proposal is made for the sake of peace in Kampuchea, and peace and security in Southeast Asia and the Asia-Pacific region.

The proposal is based on the United Nations relevant resolutions adopted in the past seven consecutive years and the International Conference on Kampuchea Declaration in 1981, he added.

The full text of the proposal reads as follows:

One. The Tripartite Coalition Government of Democratic Kampuchea (CGDK) calls on Vietnam to get into negotiation with it in order to discuss about the process of the withdrawal of the Vietnamese troops from Kampuchea. We do not demand Vietnam to withdraw all its forces from Kampuchea at once. We accept the withdrawal of the Vietnamese forces from Kampuchea in two phases within a definite period of time. Other countries may take part in the negotiation according to their judgement in order to help bring about a political solution to the problem of Kampuchea.

Two. After the agreement on the process of the withdrawal of the Vietnamese troops from Kampuchea, there will be a cease-fire so as to allow Vietnam to withdraw its forces according to the said agreement.

Three. Both the withdrawal of the Vietnamese troops and the cease-fire must be supervised directly by a UN observer group.

Four. After the first phases of the Vietnamese troops withdrawal, Heng Samrin and his faction get into negotiation with the tripartite CGDK in order to set up a quadripartite Coalition Government of Kampuchea with Samdech Norodom Sihanouk as president and His Excellency Son Sann as Prime Minister in conformity with the spirit of the great national union and national reconciliation so that each of the four parties should have the same rights as political forces in the national community.

Five. The quadripartite coalition government of Kampuchea will hold free elections under the supervision of a UN observer group.

Six. Kampuchea will be restored as an independent, united in her own territorial integrity having a liberal democratic regime, peaceful, neutral and nonaligned country without any base of foreign troops on her soil. The Kampuchea's neutrality will be guaranteed by the UN with the presence of its observer group on the spot for the first two or three years.

Seven. Kampuchea welcomes all countries from West as well as from East and neutral and non-aligned countries to help rebuild the country.

Eight. As for Vietnam, Kampuchea independent, united in her own territorial integrity, peaceful, neutral and non-aligned, is willing to sign with it a non-aggression and peaceful coexistence treaty and to establish economic and trade relations between the two countries forever.

Press Communique After Meeting

OW170846 Beijing XINHUA in English 0830 GMT 17 Mar 86

[Text] Beijing, March 17 (XINHUA) -- A meeting of the Council of Ministers of the Coalition Government of Democratic Kampuchea (CGDK) was convened here today. The meeting, presided over by President of Democratic Kampuchea Samdech Norodom Sihanouk, was attended by Son Sann, prime minister of the CGDK, and Khieu Samphan, vice-president of Democratic Kampuchea in charge of foreign affairs, and other CGDK ministers.

According to a press communique issued after the meeting, the council called on the Vietnamese Government to put an end to its genocidal crimes against the Kampuchean people and stop its war of aggression against Kampuchea. The communique said that the meeting "proceeded with a firm conviction on the final victory of the struggle of the whole nation and people of Kampuchea for national liberation." It said that the Council of Ministers reviewed the military situation and expressed great satisfaction with the favorable development of the Kampuchean peoples struggle in the current eighth dry season.

The council congratulated the people of Kampuchea, the patriotic Khmer soldiers and the members of Khmer administration forcibly set up by the Vietnamese to serve their war of aggression in Kampuchea for their lofty patriotism by joining the resistance forces of the tripartite CGDK in the struggle against the Vietnamese aggressors. The council said that it had been greatly encouraged by the growing support of the international community given to the struggle of the Kampuchean people.

The communique said that the council, prompted by a genuine desire to seek a political solution to the problem of Kampuchea, had thoroughly examined and adopted a clear proposal on March 17 in order to bring about a political solution to the problem of Kampuchea. The council maintained that as long as Vietnam refuses to negotiate with the tripartite CGDK to settle the problem of Kampuchea by political means, the CGDK will continue to carry on resolutely its unswerving patriotic struggle. It said that the war of aggression not only sows immense destruction to the nation and people of Kampuchea but also brings destruction and sufferings to Vietnam and its people as well. So, the Vietnamese Government must respond positively to the CGDK's proposal for a political solution of the problem of Kampuchea by showing clearly its sincerity, the council said.

The council has decided to set up a military coordination committee to develop military cooperation among the resistance forces of the three parties of the CGDK on the battlefield at present as well as in the future.

It has also decided to set up a committee for press and information to diffuse the military results and successes of the tripartite coalition's resistance forces on the ground and the CGDK's activities. It denounced the so-called "exchange of instrument of ratification on the treaty of border delimitation Between Kampuchea and Vietnam," staged recently in Hanoi. It reiterated that CGDK has time and again rejected these so-called accords. The CGDK reiterated its appeal to the international community not to recognize this so-called treaty or any other accords between the Hanoi authorities and the Vietnamese administration in Phnom Penh.

The council expressed grave concern at the intensification of chemical and biological warfare by the Vietnamese aggressors during the current dry season. The council denounced these odious crimes of genocide committed by the Vietnamese aggressors against the Kampuchean people. It launched an urgent appeal to the international community to firmly condemn these genocidal crimes and take efficient measures to prevent the Vietnamese aggressors from exterminating the Kampuchean people through the use of chemical and biological weapons.

NEW ZEALAND'S LANGE INTERVIEWED BEFORE PRC VISIT

OW151935 Beijing XINHUA in English 1917 GMT 15 Mar 86

["New Zealand Prime Minister Discusses Aim of His Forthcoming Visit to China" -- XINHUA headline]

[Text] Wellington, March 15 (XINHUA) -- New Zealand Prime Minister David Lange has said that he is looking forward to receiving a detailed briefing on recent economic developments in China, and to learning China's views on international issues. Lange made these remarks in an exclusive interview with XINHUA on the eve of his visit to China scheduled for March 22.

"My main aim in going to China is to strengthen further the relationship and cooperation that are existing between our two countries," he said. "New Zealand has welcomed China's adoption of its open-door policy and the increasingly important role it is playing in regional and international affairs," he pointed out.

Referring to bilateral trade and economic cooperation, Lange said, with an increase in business contact, "China will be one of New Zealand's most important trading partners." The two countries agreed to double bilateral trade by 1990, he said. In fiscal 1985 ending June 30, New Zealand's imports from China rose by over 50 percent over the previous year.

For new China is New Zealand sixth largest export market.

About international peace and stability, particularly in Asia and the South Pacific region, Lange pointed out, "nuclear weaponry is inappropriate to the security requirements of the South Pacific region." He said "the South Pacific is remote from world's trouble spots. We in New Zealand share with our close neighbours, the island countries of the South Pacific, a determination that our region will not become the scene of rivalry between the superpowers. In particular we wish to avoid any threat of nuclear confrontation. This is why we have strongly supported the establishment of the South Pacific Nuclear Free Zone."

On the dispute over ANZUS problems, Lange said New Zealand upholds its policy that it does not allow nuclear weapons into its country. He said, "ANZUS is not part of a global nuclear strategy. The treaty says that in the event of an armed attack in the Pacific area on any of the three parties, each of them would act to meet the common danger in accordance with its consitutional processes. In New Zealand's case this would not include the use of nuclear weapons, because we are not a nuclear weapon state. In addition, New Zealand has specifically rejected any option to defend itself with nuclear weapons in the future or to be defended by the nuclear weapons of others."

Lange stressed that "our policy is appropriate to New Zealand's unique strategic circumstance. We do not offer it as an example to others." He added that "New Zealand is not drifting into isolationism or neutrality. We remain firmly committed to ANZUS and to the broader western community. We will continue to play our part fully as we have always done in upholding democratic values and western interests, particularly in our part of the world."

Lange concluded that "we believe, however, that the best way to safeguard peace and security of the Pacific is through strengthened regional cooperation aimed at promoting economic development and political stability."

CPPCC DELEGATION ENDS VISIT TO THAILAND

OW151040 Beijing XINHUA in English 0853 GMT 15 Mar 86

[Text] Bangkok, March 15 (XINHUA) -- The Chinese People's Political Consultative Committee (CPPCC) delegation headed by Lu Zhengcao left for home today after ending its week-long visit in Thailand. A farewell banquet was given by Lu, CPPCC vice president, in the Chinese Embassy yesterday evening. Present on the occasion were Ukrit Mongkhonnawin, chairman of the Thai National Assembly, Praman Adireksan, chairman of the Chat Thai Party and Chatchai Chunhawan, chairman of the Thailand-China Friendship Association.

PRC SCIENTISTS ADDRESS DESERTIFICATION CONFERENCE

OW141924 Beijing XINHUA in English 1836 GMT 14 Mar 86

[Text] Canberra, March 14 (XINHUA) -- An international conference, which closed here today, called attention of various countries to desertification that threatens 35 percent of the earth's land surface and directly affects some 850 million people. The five-day Conference on the Economics of Dry Land Degradation and Rehabilitation were attended by 180 representatives and experts from more than 30 countries and five international organizations. It was co-sponsored by the United Nations Environment Program (UNEP), the East-West Center of Hawaii, the Australian Government and the Commonwealth Secretariat.

Speakers at the conference noted that one of the gravest challenges today is that many governments the world over have not yet given priority to the control of desertification. There lacks an effective management of the dry lands to conserve soil from water and wind erosion, and present salinization and waterlogging due to irrigation.

Dr Mostafa Tolba, executive director of UNEP, asked in his report: "How can the world countries arm themselves with sophisticated new weapons then say there is no money to help the poor stand up and fight the desert? How can governments from northern countries say it is financially unrealistic to stop the destruction of the crops and pastures? Are the guns and fighter planes that much more important than the land that feeds the people?"

A Thai representative said examination of different land management systems showed that exploitative monocropping is an undesirable practice. New cultivation techniques and rapid introduction of conservation farming systems are necessary. Dwelling on the importance of international cooperation to combat desertification, Chinese scientists presented two papers. One is on environmental effects of land-levelling plan, the other on aerial seeding techniques in China.

After discussions, four documents including the executive and technical guidelines for dry land and desertification management have been drafted at the conference. They will be further discussed later in regional meetings. Then, a conference will be held in Nairobi, Kenya, for the adoption of the documents.

ZHONGGUO XINWEN SHE APPLAUDS SINO-UK MEETING

HK141522 Beijing ZHONGGUO XINWEN SHE in Chinese 1341 GMT 14 Mar 86

["Short" commentary by ZHONGGUO XINWEN SHE reporter: "Fruits of Sino-British Friendship and Cooperation"]

[Text] Hong Kong 14 Mar (ZHONGGUO XINWEN SHE) -- The press communique released after the third meeting of the Sino-British Joint Liaison Group ended here today shows that both parties have attained positive results at the current meeting.

Since its establishment last year, the Sino-British Joint Liaison Group has held meetings in London, Beijing, and Hong Kong. The three meetings have made good progress. Both parties have reached agreements or reached a consensus on various issues, such as arrangements for the continued participation of the Hong Kong Special Administraive Region after 1997 in the Asian Development Bank, the GATT and international textile trade, the travel documents of Hong Kong residents, and the wording on the right of residence to be added on the documents. These substantive achievements involve important matters of Hong Kong's future relations with foreign countries and are closely related to Hong Kong's industry, commerce, and trade, as well as the life of its residents. They have strengthened the confidence of industrial and commercial circles on the future of Hong Kong and will certainly exert a far-reaching influence on the maintenance of Hong Kong's stability and prosperity.

The fact that the Sino-British Joint Liaison Group has accomplished so much in the first year of its work has fully demonstrated that the Chinese Government is implementing the Sino-British Joint Declaration with sincerity and faithfulness.

It has started from the basic and long-term interests of the Hong Kong people, and sought the cooperation of its British counterpart based on the wishes of the Hong Kong people, in order to ensure the implementation of the Joint Declaration and the fulfilment of the concept of "one country, two systems" in the future. It is groundless for some people to worry about the interference of the Chinese side with the administration of Hong Kong during the transitional period. The British side has cherished the same wish, therefore, many problems have been solved with ease.

The Hong Kong issue is left over from the history between China and Great Britain; and the successful solution of this issue requires the sincere cooperation of the two countries. Regarding the work progress of the Sino-British Joint Liaison Group, the cooperation between the two parties has been going well. The maintenance of Hong Kong's stability and prosperity is where the common interests of both countries lies, and their targets are one. It is hoped that the friendly cooperation between the two countries will make further progress. Obviously, the maintenance of Hong Kong's stability and prosperity requires the efforts of the Hong Kong people.

XU JIATUN HAILS SUCCESSFUL SINO-BRITISH MEETING

HK141532 Beijing XINHUA Hong Kong Service in Chinese 1416 GMT 14 Mar 86

[Handwritten item]

[TExt] Hong Kong, 14 Mar (XINHUA) -- This evening, Xu Jiatun, director of the Hong Kong branch of XINHUA NEWS AGENCY, held a banquet at Hong Kong's World Trade Centre in honor of the Chinese and British members of the Sino-British Joint Liaison Group.

The success of the third meeting of the Sino-British Joint Liaison Group, which concluded a short while ago, added to the brightness and gaiety. During the banquet, Xu Jiatun proposed a toast, praising the Chinese delegation headed by Ambassador Ke Zaishuo and the British delegation headed by Dr David Wilson for displaying a friendly, cooperative spirit and for reaching identical views on some issues concerning Hong Kong in the transitional period.

Xu Jiatun said: This is the first time the Sino-British Joint Liaison Group has held a meeting in Hong Kong. Thanks to the joint efforts of the Chinese and British delegates, experts, and other workers, identical views on Hong Kong, Chinese, and foreign matters have been reached through consultation in a short time. This is indeed heartening news.

Xu Jiatun pointed out: The frank, cooperative spirit displayed by the Chinese and British delegations and their fruitful work will certainly help enhance the Hong Kong compatriots' confidence about Hong Kong's future and will produce some far-reaching and profound effects. So long as they continue to work in this spirit, all problems concerning the transitional period, however complicated they may be, can be satisfactorily solved. In addition, the creative work of the Sino-British Joint Liaison Group will also contribute more to thoroughly and accurately implementing the "Joint Declaration" and to Hong Kong's stability and prosperity.

The 28 members of the Chinese and British delegations were all present at the banquet.

Also present on the occasion were Li Chuwen and Zheng Hua, deputy directors of the Hong Kong Branch of the XINHUA NEWS AGENCY; Ji Shaoxiang, acting chief of the agency's foreign affairs section; Chen Shipei, director of the visa office stationed in Hong Kong by the foreign ministry; and Sun Yanheng, the chief Chinese representative on the Sino-British Land Commission.

HONG KONG MAGNATE INVESTS IN SHIPPING FIRM

OW151358 Beijing XINHUA in English 1228 GMT 15 Mar 86

[Text] Hong Kong, March 15 (XINHUA) -- The Hong Kong-based Tung Shipping Group, one of the world biggest ship companies in financial troubles, announced yesterday of an injection of 120 million U.S. dollars into the group by local magnate Fok Ying-tung. Fok, a Standing Committee Conference, emphasized that his new investment was subject to an orderly restructuring of the Tung Group and will be made on a commercial basis.

In a joint statement issued yesterday, Fok will invest 20 million U.S. dollars in a "newbuild" shipping company, which will own the vessels being built but not yet delivered. He will also invest 100 million dollars in a new transport shipping company which will form the nucleus of the new container group. The two new companies would be an integral part of the restructed Tung group. As a result of the cash deal, Fok will become a substantial minority shareholder in the two new companies to be formed while C.H. Tung will continue to head the Tung group and manage the business.

Severe liquidity problems in the Tung group emerged last September, when the group's publicly traded arm, Orient Overseas (Holdings) Ltd (OOHL) suspended share trading in Hong Kong and financial advisers were called in to examine OOHL and the so-called private side of the group. The group's main banker, Hong Kong and Shanghai Banking Corporation together with the Bank of China had come to rescue with 400 million Hong Kong dollars as the first tranche of a emergency standby credit of 150 million U.S. dollar. With debts estimated to exceed 2 billion U.S. dollars, the Tung Group is believed to need a radical debt restructuring program.

The joint statement said, noting that the shipping industry is at the bottom of its historical trough, Fok considers this is a good opportunity to invest in that industry. Fok has substantial interest in Macao Tourism and Amusement, a group which includes among its assets the monopoly to gaming rights in Macao, as well as considerable hotel and property interests and the only public transport service between Hong Kong and Macao.

CONFERENCES IN CANBERRA ADDRESS DRUG TRAFFIC

OW141807 Beijing XINHUA in English 1620 GMT 14 Mar 86

[Text] Canberra, March 14 (XINHUA) -- Participants of two international conferences here agreed that strongest possible penalties for conviction of drug offences appear to be an effective deterrent to drug trafficking.

Cooperation was the theme of the second regional working party of the Enforcement Committee of the Customs Cooperation Council (CCC) held from March 10 to 12, and the first customs-police conference for the U.N. Economic and Social Commission for Asia and the Pacific Region from March 13 to 14 behind closed doors. Both fought illicit drug trafficking and other international crime. The two conferences, organized by the CCC in conjunction with Interpol, considered ways in which customs can trace, freeze and confiscate the proceeds obtained from drug crimes, and exchanged information against customs frauds.

The CCC, A specialized inter-governmental organization for the study of customs questions, has some 97 member countries from all over the world. The first regional enforcement committee working party was held in South Korea last year. Customs and police officers from Australia, Canada, China, India, Indonesia, Japan, Kiribati (a country in the West Pacific, formerly Gilbert Islands), South Korea, Malaysia, New Zealand, the Philippines, Sri Lanka, Thailand, Tonga, United Kingdom and the United States took part in the two conferences.

The conferences agreed that further meetings should be held in the region to focus on the development of coordinated efforts to identify and intercept drug traffickers, their organizations and criminals involved in commercial frauds.

OPLE HEADS NEW PHILIPPINE BREAKAWAY PARTY

OW151547 Beijing XINHUA in English 1454 GMT 15 Mar 86

[Text] Manila, March 15 (XINHUA) -- The formation of a new breakaway political party of the former ruling New Society Movement (KBL) was formally announced here today. Former Labor Minister Blas Ople, who was elected provisional chairman, told newsmen that the new party which will be officially known as "Partido Nacionalista Ng Pilipinas" (Nationalist Party of the Philippines), with independence and nationalism as its main thrusts, will serve as an opposition to the new government of President Corazon Aquino.

Ople claimed it has the support of "KBL majority", saying that 44 members of the parliament and "many" local officials have signified their intention to join. Ople said the new party broke away from the old KBL after its party chairman, deposed President Marcos, "had betrayed the trust not only of his nation but also of his own political party". Ople said their breakaway from Marcos' party was their own "act of contrition" for the "organized pillage" which the Marcos government committed against the Filipino people.

The new party issued a "statement to the Filipino people" which offers a 10-point program of "cooperation" to the Aquino government, including the proclamation of Mrs Aquino as the winner in the February 7 polls through constitutional process in the National Assembly. It also offered itself to be a "minority party ... to the fullest extent within the framework of a two party system," stressing that it has the best of the KBL as its members.

Ople said the new party is currently preparing its political platform, devising a selection process for its prospective members and planning to hold a founding congress.

BANGLADESH MINISTER ON LI XIANNIAN VISIT

OW151311 Beijing XINHUA in English 1136 GMT 15 Mar 86

[Text] Dhaka, March 15 (XINHUA) -- Bangladesh Foreign Minister Humayun Rashid Choudhury said here today that Chinese President Li Xiannian's visit to Bangladesh is a significant contribution to the relations between the two countries.

Li paid a three-day state visit to Bangladesh from March 8 to 11, the first ever by a Chinese head of state. At a press conference, the foreign minister said the visit was successful and very important in the development of friendly relations between China and Bangladesh. He said Chinese President Li and Bangladesh President H.M. Ershad had formal talks and shared "similarities of views on a wide range of international issues." He said an agreement on economic and technical cooperation was signed during Li's visit.

ECONOMIC, TRADE DELEGATION ARRIVES IN NEPAL

OW151326 Beijing XINHUA in English 1239 GMT 15 Mar 86

[Text] Katmandu, March 15 (XINHUA) -- A Chinese Government economic and trade delegation arrived here this afternoon to review economic and trade cooperations between China and Nepal. At the second meeting of the China-Nepal Intergovernmental Economic and Trade Committee to be held here.

Upon arrival at the airport, Chinese Assistant Minister of the Ministry of Foreign Economic Relations and Trade and head of the eight-member delegation Wang Wendong said both China and Nepal hope to further develop and promote the bilateral economic and technical cooperation and trade relations. Formed in 1983 to promote friendship and cooperation between the two countries, the inter-governmental committee held its first meeting in Beijing in December 1984. Since the first agreement of economic and technical cooperation signed in 1960, China has undertaken a total of 47 economic cooperative projects in Nepal.

Economic Meeting Opens

OW161259 Beijing XINHUA in English 1215 GMT 16 Mar 86

[Text] Katmandu, March 16 (XINHUA) -- Nepal and China will further enlarge their cooperation in the days ahead in view of the increasing importance of South-South cooperation, Nepalese Assistant Finance Minister Daman Dhoj Chand said here today.

Speaking at the opening ceremony of the second meeting of the China-Nepal Intergovernmental Economic and Trade Committee, the minister hoped that the basic aim of the second meeting is to deal with some specific projects and look into new areas and avenues of mutual cooperation. Leader of the visiting Chinese delegation Wang Wendong, Chinese assistant foreign economic relations and trade minister, said since the first committee meeting held in December of 1984 in Beijing, bilateral relations and economic cooperation have been promoted.

Three groups are formed in the committee for further discussions on trade, economic and technical aid, and economic cooperation for mutual benefit. The China and Nepal Intergovernmental Economic and Trade Committee was formed in 1983 and holds meetings annually.

NETHERLANDS WARSHIPS END VISIT TO SHANGHAI

OW161456 Beijing XINHUA in English 1431 GMT 16 Mar 86

[Text] Shangai, March 16 (XINHUA) -- A task group of the Royal Netherlands Navy under the command of Rear Admiral Jan D.W. van Renesse left here today, concluding its unofficial visit to China. During the five-day stay, the Dutch officers and men visited factories in Shanghai and played football and basketball matches with teams from the Chinese navel units stationed there. They also toured scenic spots and sites of historic interests in Hangzhou and Suzhou.

TRADE DELEGATION MEETS TURKISH VICE PREMIER

OW161908 Beijing XINHUA in English 1859 GMT 16 Mar 86

[Text] Istanbul, March 16 (XINHUA) -- Turkish Vice Premier Kaya Erdem said today he hoped the trade volume between Turkey and China would grow considerably just as bilateral political relations have grown in recent years. The vice premier told a visiting Chinese economic and trade delegation that his government is determined to do its best to expand the trade volume between the two countries. Turkey hopes to import more crude oil and other products from China, he said.

Economic and trade relations have developed rapidly in recent years, but the present volume of 200 million U.S. dollars is too small and should be increased to one billion, he said. Head of the Chinese delegation, Lin Zhongming, said during the meeting that the two countries have decided to double the 1985 bilateral trade volume figure in 1986. Lin, who is Chinese assistant minister of foreign trade and economic relations, said that the Chinese Government wants to develop economic and trade relations with Turkey on the basis of equality and mutual interest. The Chinese delegation arrived here March 9 to attend the fourth conference of the Turkey-China joint committee.

ZHAO ZIYANG MEETS DANISH PRINCE, RED CROSS GROUP

OW151513 Beijing XINHUA in English 1438 GMT 15 Mar 86

[Text] Beijing, March 15 (XINHUA) -- Premier Zhao Ziyang met a Danish Red Cross Society delegation here today led by society commissioner Prince Henrik, husband of Danish Queen Margrethe II. The prince visited China in 1979 and last year, and Zhao met the queen and prince during a visit to Denmark in 1984.

Zhao said that Denmark had been one of the first Western countries to recognize new China. Both countries had enjoyed long-term friendly relations and their relations had developed in all areas. The exchange of visits by leaders of the two countries, the development of economic relations and trade, and their cultural, health and sports contacts were of great importance to the strengthening of friendship between the two peoples and promotion of bilateral co-operation.

Prince Henrik said the Danish Government attached great importance to developing relations with China. His delegation wanted to exchange views with the Red Cross Society of China on people's welfare and health work, and to promote co-operation. Zhao asked him to convey his best regards to the Danish queen. The Danish visitors arrived here on Friday at the invitation of the host society.

ZHOU PEIYUAN MEETS BELGIAN PEACE DELEGATION

OW131409 Beijing XINHUA in English 1250 GMT 13 Mar 86

[Text] Beijing, March 13 (XINHUA) -- Zhou Peiyuan, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference, met a Belgian peace movement delegation here this evening. Afterwards, Zhou, also president of the Chinese People's Association for Peace and Disarmament, gave a dinner for the delegation.

The Belgian guests arrived here on March 10 for a friendly visit to China at the invitation of the association.

AUSTRIAN PRESIDENT MEETS TRADE DELEGATION

OW160132 Beijing XINHUA in English 0127 GMT 16 Mar 86

[Text] Vienna, March 15 (XINHUA) -- Austria's President Rudolf Kirchschlaeger today expressed his satisfaction with cooperative relations between Austria and China in political, economic, trade, cultural and scientific fields. He hoped for further development of friendly relations between the two countries.

The president said this when he received the delegation of China Council for Promotion of International Trade led by its president Jia Shi. President of the Federal Economic Chamber of Austria Rudolf Sallinger and Chinese Ambassador to the country Yang Chengxu were present on the occasion. The Chinese delegation, which arrived here yesterday from Federal Germany, will hold talks with economic circles of Austria and visit some factories.

PRC PARTICIPATES IN LEIPZIG SPRING FAIR

OW161616 Beijing XINHUA in English 1502 GMT 16 Mar 86

[Text] Leipzig, March 16 (XINHUA) -- The annual Leipzig spring fair opens here today with the slogan of "promoting the world's trade and technological progress." More than 9,000 entrepreneurs from all parts of the world participate in the fair. Capital goods under 23 categories and consumer goods under 18 categories on display will acquaint visitors with scientific and technological development in the world's leading economic sectors. The fair focuses on products, equipments and technologies in machine-building industry.

China joins the fair for the 18th time. The Chinese pavilion covering an area of 500 square meters, will display electronic components, television sets and other household electronic appliances, telecommunication equipments, porcelain wares and art and handicrafts. The fair will last one week.

PARTY OFFICIALS MEET PORTUGUESE CP DELEGATION

OW141312 Beijing XINHUA in English 1232 GMT 14 Mar 86

[Text] Beijing, March 14 (XINHUA) -- Zhu Liang, head, and Li Shuzheng, deputy head, of the International Liaison Department of the Chinese Communist Party Central Committee, held talks with a visiting Portuguese Communist Party delegation here today. The talks went in a cordial and comradely atmosphere.

Consisting of Albano Nunes, member of the Central Committee of the Communist Party of Portugal, and head of the International Affairs Department, and Rogerio de Carvalho, member of the Portuguese Communist Party Central Committee, the delegation arrived here yesterday.

ECONOMIC COOPERATION WITH SFRY PROGRESSES

OW131034 Beijing XINHUA in English 0700 GMT 13 Mar 86

[Text] Belgrade, March 12 (XINHUA) -- Yugoslav-Chinese economic cooperation has been set on a smooth course, notably over the past two years, though it still leaves much room for expansion, Federal Secretary for Foreign Trade Milenko Bojanic said here today. He told XINHUA in an interview that Yugoslavia is ready to achieve a better balance of trade by increasing imports from China rather than reducing exports to China.

Bojanic said that as a result of joint efforts, bilateral trade in 1985 totalled 189 million U.S. dollars, a 38-percent rise over the previous year. Of the total trade value, Yugoslavia's exports were worth 133 million dollars, 33.8 percent up from 1984 while its imports from China were valued at 56 million dollars, a 176.8 percent growth. The barter trade protocol for 1986, Bojanic continued, envisages a further expansion of trade between the two countries which have also concluded a trade accord for the 1986-1990 period and worked out a list of goods for long-term barter trade.

Under these documents, the Yugoslav foreign trade minister said, Yugoslavia is exporting to China ferrous metal products, cars, ships, chemical fertilizers, telephone cables and trucks; and it is importing from China crude oil, daily necessities, textiles, porcelain and machine tools. Apart from trade, Bojanic said, there has been also progress in cooperation in other fields over the past two years, particularly in industry. Seven out of 26 industrial cooperation projects were completed last year and 54 more projects are expected to be added to the undertaking with agreements for 20 of them having been reached, he said.

Bojanic noted that the existing very good political relations between the two countries provide broad opportunities for further economic cooperation in various fields. He hoped that such cooperation will keep momentum. Bojanic also expressed the hope that the forthcoming visit to China by Yugoslav President Radovan Vlajkovic will further promote the all-round development of relations between the two countries, including that in economic cooperation.

CULTURE OFFICIAL, SFRY ENVOY OPEN ART EXHIBIT

OW151206 Beijing XINHUA in English 1132 GMT 15 Mar 86

[Text] Beijing, March 15 (XINHUA) -- An exhibition of naive art from Yugoslavia opened at the China Art Gallery here this afternoon. Naive art has a history of 50 years in Yugoslavia. Works of naive art are painted by workers and peasants who have not received any formal education in art. They mainly take daily life as the theme of their creation and are good at depicting the scenes of beauty around them.

Most of the 82 displaying painting pieces of 11 artists were oil paintings on glasses, typical of naive art in Yugoslavia. The exhibition is run under the 1986 Sino-Yugoslav Cultural Cooperation Execution Plan. Chinese Vice-Minister of Culture Lu Zhixian and Yugoslav Ambassador to China Zvone Dragan cut the ribbon to open the ceremony. The exhibition will move to Shanghai next month.

LI XIANNIAN ARRIVES IN EGYPT FOR STATE VISIT

Arrives in Alexandria

OW141351 Beijing XINHUA in English 1334 GMT 14 Mar 86

[Text] Alexandria, Egypt, March 14 (XINHUA) -- Chinese President Li Xiannian arrived in the Egyptian port city of Alexandria at 14:30 hours (12:30 GMT) today by a special plane after concluding his visits to Bangladesh and Sri Lanka. After the special plane landed at the Janaklis military airport near Alexandria, President Li Xiannian and his wife Lin Jiamei as well as his entourage drove to the Al-Muntazah Palace in Alexandria.

Greeting the Chinese president at the airport were Butrus Ghali, head of the Egyptian accompanying delegation and minister of state for foreign affairs, Labib Muhammad Zamzam, governor of Al-Buhayrah, Ahmad Salim, Egyptian ambassador to China, and Wen Yezhan, Chinese ambassador to Egypt, and their wives. President Li came to Egypt for a state visit at the invitation of Egyptian President Husni Mubarak. He will stay in Alexandria on a three-day private visit and is scheduled to fly to Cairo on March 17 to start his five-day official visit to Egypt.

Meets Alexandria Governor

OW160833 Beijing XINHUA Domestic Service in Chinese 0118 GMT 15 Mar 86

[By reporters Zhu Ronggen and Gu Zhenglong]

[Text] Alexandria, 16 Mar (XINHUA) -- Egypt's Alexandria Governor Muhammad Fawzi Mu'adh and his wife paid a courtesy call on President Li Xiannian and his wife, Lin Jiamei, at the Al-Muntazah Palace here this evening. Governor Mu'adh expressed warm welcome to President Li. He said that President Li's visit to Egypt will strengthen the friendship and cooperation between the governments and peoples of the two countries. President Li said that he was pleased to visit the world's celebrated city of Alexandria. He indicated that his visit to Egypt, a friendly country, will help develop understanding and friendship and strengthen unity and cooperation.

Governor Mu'adh presented President Li with Alexandria City's gold key. Principal figures of President Li Xiannian's entourage, including Chen Muhua, Qi Huaiyuan, Lu Xueqian, and Wen Yezhen, Chinese ambassador to Egypt, were present at the meeting.

Tours Historic Site

OW161243 Beijing XINHUA in English 1207 GMT 16 Mar 86

[Text] Alexandria, Egypt, March 16 (XINHUA) -- Chinese President Li Xiannian paid high tribute to the old civilization and wisdom of the Egyptian people when he visited the citadel of Qa'itbay today. Accompanied by Egyptian Minister of State for Foreign Affairs Butrus B. Ghali and governor of Alexandria Province Fawzi Mu'adh President Li Xiannian drove from the Al-Muntazah Palace where he is staying during his stopover here, to the citadel of Qa'itbay this morning.

The citadel, built in 1480 a.d. is situated on the original location of the old Alexandria lighthouse, one of the seven wonders of the world, which was destroyed in 1435 a.d. in a strong earthquake. Stone scraps of the lighthouse had been used to build the citadel which was named after the King Qa'itbay. The Chinese president went up to the citadel's platform and enjoyed a panoramic view of the beautiful city of Alexandria and the Mediterranean Sea.

Mu'adh told XINHUA Li's tour of the citadel was of "major importance", saying he believed it was the first visit ever made by a Chinese top leader to Alexandria.

Egyptian Commander-in-Chief of Navy Vice-Admiral 'Ali Jad called on president Li Xiannian this morning. They had a friendly talk. Li arrived in Alexandria Friday for a three-day private visit before he begins a five-day state visit to Egypt tomorrow.

Officials Welcome Li Visit

OW161324 Beijing XINHUA in English 1301 GMT 16 Mar 86

[Text] Cairo, March 16 (XINHUA) -- Cairo press has devoted much space in the past few days on Chinese President Li Xiannian's official visit to Egypt, which will begin tomorrow. President Li is now on a private visit in the Mediterranean port city of Alexandria.

'Ismat 'Abd al-Majid, Egyptian deputy prime minister and foreign minister, was quoted by local press as saying that Li's visit to Egypt "assumes particular significance as the Chinese president and President Mubarak will exchange views on bilateral relations, recent international developments and stability in the Middle East." Egyptian Minister of State for Foreign Affairs Butrus Ghali was quoted as saying in Alexandria where he was accompanying the Chinese guests that the Chinese president's visit "is significant as it reflects the close friendship linking the Egyptian and Chinese peoples and the desire of the two countries to boost their economic, technical and cultural relations."

Praising Li Xiannian's visit to Egypt, Egyptian Ambassador to China Ahmad Salim said, President Li is the first Chinese head of state to visit Egypt and he is making the visit on the occasion of the 30th anniversary of the establishment of diplomatic relations between the two countries. To mark the occasion, the Egyptian State Information Service published a book on China on the eve of the Chinese president's visit.

Faruq Shushah, noted Egyptian poet and commentator, told XINHUA that he wishes the friendship founded by late President Nasir and late Chinese Premier Zhou Enlai will develop further. A Chinese feature film "Blazdragonfly" depicting the romance of a young Chinese dress designer was televised in Egypt yesterday and a number of documentaries on thriving Chinese cities open to foreign investment are to be televised tonight.

Arrives in Cairo

OW170948 Beijing XINHUA in English 0928 GMT 17 Mar 86

[Text] Cairo, March 17 (XINHUA) -- Chinese President Li Xiannian arrived here today at 10:30 local time (GMT 8:30) to begin his five-day state visit at the invitation of Egyptian President Husni Mubarak. President Li, the first Chinese head of state to visit this country, was flown to Cairo in the Egyptian president's plane form the port city of Alexandria, where he had stayed for a three-day private visit.

A Chinese official in Li's party told XINHUA that Li's purpose in making the trip is to "promote mutual understanding and friendship, and enhance solidarity and cooperation."

Greeted by Mubarak

OW170959 Beijing XINHUA in English 0941 GMT 17 Mar 86

[Text] Cairo, March 17 (XINHUA) -- Chinese President Li Xiannian arrived here today at 10:30 local time (GMT 8:30) to begin his five-day state visit at the invitation of Egyptian President Husni Mubarak.

President Li, the first Chinese head of state to visit this country, is returning a visit to China made by President Mubarak in 1983. The 77-year-old Chinese leader, aboard President Mubarak's private plane, flew from Alexandria, Egypt's chief seaport and second largest city, where he had stayed for a three-day private visit.

Li, his wife Lin Jiamei, and his party including State Councillor Chen Muhua and other high-ranking officials, were greeted by President Mubarak and his wife Suzanne Mubarak at Cairo International Airport. Egypt is the third leg of President Li's five-nation Asian and African tour whose purpose is to promote mutual understanding and friendship, and enhance solidarity and cooperation. He has concluded his visits to Bangladesh and Sri Lanka and will go to Somalia and Madagascar.

In a written statement distributed upon his arrival, President Li appreciated the continuous development of the friendly relations and cooperation between China and Egypt in the past 30 years since the establishment of diplomatic relations in 1956. He stressed that "to further strengthen the friendship between the Chinese and Egyptian peoples and the friendly relations and cooperation between China and Egypt in various fields fully conforms to the interests and aspirations of the two peoples, and help maintain world peace and promote common progress."

During the visit, Li is expected to have talks with Egyptian leaders on bilateral relations and international issues of common concern, and to address the joint meeting of the Egyptian People's Assembly and the Shura Council. An official welcoming ceremony in honor of the Chinese leader will be held at the Al-Qubbah Palace this morning, followed immediately by talks between the two presidents. Li will also visit the ancient city of Luxor in upper Egypt, about 700 kilometers south of Cairo.

Receives 'Warm Welcome'

OW171056 Beijing XINHUA in English 1030 GMT 17 Mar 86

[Text] Cairo, March 17 (XINHUA) -- Visiting Chinese President Li Xiannian was given a warm welcome here this morning. A motorcade took the Chinese president, his wife and his party, in the company of Egyptian President Husni Mubarak and his wife Susanne Mubarak, from the airport to the Al-Qubbah Presidential Palace at 11:00 a.m., where he will stay during the visit.

A festival atmosphere prevailed in the Al-Qubbah Palace decorated with flowers. Fluttering in a sunny breeze in front of the main building were the national flags of China and Egypt. When the two presidents took their places, the guard of honor saluted them. After the military band played the national anthems of China and Egypt, the two presidents reviewed the honor guard. Four Egyptian children presented bouquets to the two presidents and their wives.

President Li shook hands one by one with Speaker of the Egyptian People's Assembly Rifa'at al-Mahjub, Prime Minister 'Ali Lutfi and members of the Egyptian Cabinet as well as representatives from the Chinese Embassy and Chinese nationals working or residing in Cairo. After the ceremony, the two presidents had a courtesy meeting. President Li's wife Lin Jiamei, State Councillor Chen Muhua and Chinese Ambassador to Egypt Wen Yezhan and his wife were also present on the occasion.

CHINA DONATES 10,000 TONS OF GRAIN TO ETHIOPIA

OW122145 Beijing XINHUA in English 1540 GMT 12 Mar 86

[Text] Addis Ababa, March 12 (XINHUA) -- Chinese Ambassador to Ethiopia Zhang Ruijie today donated 10,000 tons of grain to the Ethiopian Relief and Rehabilitation Commission on behalf of the Chinese Government. Ambassador Zhang and Taye Gurmu, deputy commissioner of the Ethiopian commission formalized the donation in a ceremony held here today.

The ambassador said on the occasion: "We have observed with delight that under the leadership of the workers party and Chairman Mengistu, the Ethiopian people are exerting sustained efforts to overcome the effects of the severe natural calamity and develop agricultural production." Taye Gurmu thanked the Chinese Government for the donation of grain to this country. Since 1985, China has donated a total of 25,000 tons of grain, as well as supplies of blankets, medicine, food and farm tools to Ethiopia.

LEBANESE ENVOY AWARDS MEDAL TO DOCTOR IN BEIJING

OW141712 Beijing XINHUA in English 1601 GMT 14 Mar 86

[Text] Beijing, March 14 (XINHUA) -- Dr Ma Haide (George Hatem), has received the Order of the Commander presented by Lebanese President Amin al-Jumayyil in recognition of his contributions to medical and scientific research activities for mankind. The medal was presented to Ma Haide by Lebanese Ambassador to China Farid Samahah here this afternoon at the embassy.

Dr Ma studied medicine for several years in Lebanon and his parents were born there. Since he came to China in 1933 he has made outstanding contributions to the Chinese revolution and the Chinese people's health. At the ceremony he expressed his gratitude to the Lebanese Government and people for this great honor. He said that the honor is "not only for me personally but also is a recognition of the medical workers of the People's Republic of China who have worked for the wellbeing of their country." He noted that the Chinese people have great affection for the people of Lebanon. "I hope to continue to work for friendly relations and build more bridges of understanding and mutual support between the two countries," he added. Present were Kang Keqing, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference, experts and professors from medical and scientific circles, as well as his wife, Su Fei, and his close friend, Rewi Alley.

LESOTHO MILITARY CHAIRMAN MEETS PRC ENVOY

OW150211 Beijing XINHUA in English 0202 GMT 15 Mar 86

[Text] Beijing, March 14 (XINHUA) -- Major General Justin Lekhanya, chairman of Lesotho's Military Council, met with Chinese Ambassador Mou Ping today in Maseru, capital of Lesotho. Lekhanya told Mou that Lesotho is working toward self-sufficiency, especially through rural development. Lesotho, he said, is pursuing a non-aligned policy advocating mutual respect for sovereignty and non-interference in other countries' internal affairs.

During the talk, Lekhanya asserted that Lesotho regards China as a true and good friend, and appreciates its assistance. Lesotho's new government, he said, cherishes the friendly cooperation between the two countries and will continue to improve it. Lekhanya said he expects Lesotho and China will strengthen cooperation in many fields, mainly in economics and technology.

ZHAO ZIYANG ATTENDS NPC PLENARY SESSION

OW151816 Beijing XINHUA Domestic Service in Chinese 0735 GMT 15 Mar 86

[Text] Beijing, 15 Mar (XINHUA) -- The 15th meeting of the 6th NPC Standing Committee held a plenary session this morning at the Great Hall of the People. Chairman Peng Zhen attended the session, which was presided over by Geng Biao, vice chairman of the Sixth NPC Standing Committee.

Documents submitted by the State Council for examination by the session included: A draft of the land law, revised draft regulations on public security control and punishment, and a consular treaty between the People's Republic of China and the Democratic People's Republic of Korea.

Regarding the motion on submitting the draft land law for examination by the session, Premier Zhao Ziyang said: In order to safeguard the socialist system of public ownership, to protect the legal rights and interests of landowners and users, to use the land economically and reasonably, and to speed up the socialist modernization drive, the Ministry of Agriculture, Animal Husbandry, and Fishery and other authorities concerned have drawn up a draft land law in accordance with provisions concerned in the Constitution and based on the actual situation in China and the results of their thorough investigation and study. Regarding the motion on submitting the revised draft regulations on public security control and punishment for examination, Zhao Ziyang said: The regulations on public security control and punishment promulgated in October 1957 no longer meet the country's current needs. In order to maintain social order, safeguard public security, protect the citizens' legal rights and interests, and improve the socialist legal system, the Ministry of Public Security has amended the regulations.

The motion tabled by Premier Zhao Ziyang said that the drafts of the two subject laws had been discussed and approved by the State Council. Entrusted by the State Council, Xiang Chongyang, vice minister of agriculture, animal husbandry, and fishery; and Ruan Chongwu, minister of public security, made respective explanations of the two drafts at today's session.

Regarding the motion on submitting the consular treaty between the People's Republic of China and the Democratic People's Republic of Korea for examination, Premier Zhao Ziyang said: State Councillor and Foreign Minister Wu Xueqian and Kim Yong-nam, vice premier and minister of foreign affairs of the Democratic People's Republic of Korea, signed the treaty on behalf of their countries on 26 November 1985. The treaty was reached through friendly negotiation between the two countries on the basis of a draft treaty submitted by each of the two parties respectively. An examination of the treaty showed that all provisions conform with China's current laws, regulations, and policies, as well as being in line with the actual situation in the two countries. The State Council approved the treaty. Entrusted by the State Council, Zhu Qizhen, vice minister of foreign affairs, gave an explanation of the treaty at today's session.

Today's meeting also heard a report by Liao Hansheng, vice chairman of the NPC Standing Committee and chairman of the Credentials Committee, on the examination of credentials of NPC deputies. Liao Hansheng said: Guangdong Province has nullified the eligibility of two deputies since the 14th meeting of the 6th NPC Standing Committee. In addition to 12 deputies to the Sixth NPC that remained to be reelected by the original election units, there were 14 deputies that remained to be reelected by the original election units. Eleven of these deputies have now been reelected by the original election units, and their credentials have been accepted. Due to the death on 10 March this year of Hu Wenxiu, a deputy elected by Shanxi Province, the Sixth NPC now has a total of 2,974 deputies. Four deputies remain to be reelected by the original election units.

Today's plenary session issued to all committee members for examination and approval the draft agenda of the fourth meeting of the Sixth NPC, draft namelists with explanation of candidates for the Presidium and secretary general of the fourth meeting of the Sixth NPC, a work report to be submitted by the NPC Standing Committee to the fourth meeting of the Sixth NPC (draft), and a draft namelist of members of the NPC Group for Bilateral Friendship With Foreign Countries.

Vice Chairmen Chen Pixian, Peng Chong, Wang Renzhong, Ngapoi Ngawang Jigme, Seypidin Aizezi, Zhou Gucheng, Yan Jici, Rong Yiren, Ye Fei, and Huang Hua attending the meeting. State Councillor Kang Shien was present at the meeting as an observer.

Public Order Law Explained

OW161201 Beijing XINHUA Domestic Service in Chinese 0836 GMT 15 Mar 86

[Excerpts] Beijing, 15 Mar (XINHUA) -- Entrusted by the State Council, Minister of Public Security Ruan Chongwu today explained to the 15th meeting of the 6th NPC Standing Committee the draft revised regulation of the People's Republic of China governing punishment for offenses against public order. He said: The regulation of the People's Republic of China governing punishment for offenses against public order passed by the 61st meeting of the 1st NPC Standing Committee on 22 October 1957 played a major, positive role in maintaining social order, safeguarding public security, and protecting the legitimate rights and interests of the citizens. However, great changes have taken in place in China's political and economic situation since this regulation was promulgated 29 years ago. Particularly after the 3d Plenary Session of the 11th CPC Central Committee -- as China implements its policy of opening to the outside world and enlivening its national economy and as its economic structural reform centering on the cities deepens -- many new things and new problems in public order management have emerged. As a result, the old regulation is increasingly unsuitable for the changing situation. In view of this, we started revising the regulation in 1983.

He said: The guiding ideology we followed in revising the regulation is to further strengthen the management of social order, especially public order, in order to create a good social environment for reform as well as the four modernizations; to promote the building of socialist spiritual civilization through the regulation of people's social behavior; and to make this regulation both a criteria for self-education and self-discipline among citizens and a powerful weapon for public security organs in applying sanctions against illegal activities.

Regarding punishable public order offenses, Ruan Chongwu said: The draft contains 86 applicable items, 18 more than the original. The newly added items deal primarily with a number of prominent issues in public order management that have arisen in recent years, such as: disturbing public order; looting small quantities of state, collective, and personal properties; harboring, reselling, and purchasing stolen goods; speculating in negotiable instruments or securities; and violating the control of fire, dangerous articles, and narcotics.

Touching on punishment against social order offenses, he said: Social order offenses refer to acts of disturbing social order, hampering public safety, infringing on the personal rights of citizens, or damaging public or private properties which do not constitute a criminal offense because of their lack of seriousness and which are punishable under this regulation. In other words, it refers to those illegal activities which disturb social order and cause some damages but which are not punishable under criminal law. Meting out due punishments against a very small number of activities that undermine social order or interfere with the rights and interests of others is in the interest of the overwhelming majority of the people.

Our country is a socialist country with the people exercising democratic dictatorship. Our Constitution provides guarantees for the freedom and democratic rights of our citizens. However, this freedom is freedom under leadership, and the democracy is democracy under centralized guidance. They do not mean anarchy, which runs counter to the interests and wishes of the people. It should also be pointed out that this regulation is enacted not simply for the sake of punishment. The more important thing is to educate the vast numbers of people to consciously observe law and discipline in their social life. In this sense, punishment is only a necessary supplement to education.

Land Law Detailed

OW161423 Beijing XINHUA Domestic Service in Chinese 0815 GMT 15 Mar 86

[Excerpts] Beijing, 15 Mar (XINHUA) -- Entrusted by the State Council, Xiang Chongyang, vice minister of agriculture, animal husbandry, and fishery, gave an explanation of the draft land law of the People's Republic of China this morning at the 15th session of the 6th NPC Standing Committee.

Xiang Chongyang said: A great population with a small acreage of farmland is a basic characteristic of our country. In our country, both the average area of land for each person and the average cultivated acreage per capita are far below the world's averages. For a long time, however, under the "left" influence, there has been an insufficient understanding of the consequences of expanded population and reduced acreage of farmland. As a result, the phenomena of indiscriminate use, abuse, waste, and destruction of land resources have been relatively common. In some instances, land has even been bought and sold or leased, thus disrupting to a serious extent the socialist system of public ownership of land. This has made even more acute the problem of too many people but too little land. Now the issue of land administration must be resolved. Failure to take resolute measures to tighten up land administration would not only affect the development of our national economy in the immediate future, but would also jeopardize the fundamental prerequisite for the livelihood of future generations. In view of this, the guiding thought in drawing up the draft land law is to highly treasure and make rational use of every inch of the land, to effectively protect the farmland, and to safeguard China's socialist system of public ownership of land by means of administrative, economic, and legal measures.

With regard to land ownership and the rights to use land, Xiang Chongyang said: Based on the Constitution, the draft land law stipulates that in our country there are two kinds of socialist land ownership; namely, ownership by the whole people (ownership by the state) and ownership by collectives of laboring masses. All legal ownership of land and rights to use land are protected by the state law and should not be infringed upon by any organization of individual. When collective-owned land must be requisitioned to meet the needs of national construction, necessitating a change in the ownership, it is necessary to file an application for land requisition to the authorities concerned for approval according to the law. The requisitioned land is then owned by the state, and the unit or individual using it has only the right for its utilization. As for disputes over land ownership and rights to use land, the draft land law also contains specific procedures for their settlement.

He said: For a long time, our country has had no strict system for land administration. With the implementation in rural areas of the contract system linking remuneration to output and with the vigorous development of urban and rural construction and village and town enterprises, there has been a remarkable improvement of the people's living standards in both the cities and countryside. On the other hand, however, problems on using land have become more striking.

Since 1981, the State Council has, on separate occasions, promulgated the "regulations governing the requisition of land for national construction" and the "regulations on administration of land for housing construction in villages and towns." Several circulars on dealing with illegal use of land and on banning purchases, sales, and lease of land have also been issued. These have had a certain effect on checking the practice of indiscriminate use of farmland for other purposes. Nationwide, however, the problems of indiscriminate use and abuse of farmland have not been resolved. What is more, such problems have increased sharply in some localities. On some provinces, municipalities, and autonomous regions, the reduction in farmland acreage each year is equivalent to the cultivated land of a medium-sized county. Since liberation, the population of our country has been growing each year, while the acreage of farmland is reduced annually. Were this state of affairs allowed to continue, the consequences would be dreadful to contemplate. For this reason, it is a common demand that resolute measures be taken by the state to tighten up land administration.

Referring to the collection of land tax and the land-utilization fee, Xiang Chongyang said: Since liberation, use of nonagricultural land has been basically free of charge in our country. Practice has proven that this is not in the interest of treasuring land and making economical use of it and is one of the major causes of indiscriminate use, abuse, and waste of land. The consensus is that besides taking administrative and legal measures as in the past, it is particularly necessary to step up the use of economic measures for land administration. Land tax should be levied at different rates according to the purposes and grades of land. In addition, a land-utilization fee should be collected in urban areas.

He said: The land issue involves a wide range of questions, and many problems have to be resolved. Especially in our country, it is of special significance to tighten up land administration as a fundamental national policy. It is for this reason that a decision has been made to establish a State Bureau of Land Administration as an organ directly under the State Council. This bureau will exercise centralized administration of the land in the whole country according to the law. Based on the principle of unified land administration, local people's governments at all levels above the county should set up corresponding land administration organs and try to improve them until they are perfect.

Xiang Chongyang said: The land law is a fundamental law on land that our country has formulated since the founding of the People's Republic. It is impossible for all questions to be covered by highly specific provisions in the law. This issue has to be solved by enacting, promulgating, and putting into effect regulations for the implementation of this law. Because of this, the supplemental provisions of the law state that the State Council will enact regulations on implementation of the land law to cover specific questions concerning the implementation of this law. On the basis of the land law and the relevant land regulations promulgated by the State Council and according to the actual situation in various localities, all provincial, regional, and municipal governments should work out their own detailed measures for land administration. In this way there will be perfect and well-coordinated regulations and detailed measures for implementing the land law.

NPC Agenda Considered

OW150940 Beijing XINHUA in English 0929 GMT 15 Mar 86

[Text] Beijing, March 15 (XINHUA) -- A draft agenda for the fourth session of the Sixth National People's Congress (NPC), to be held in 10 days' time, was submitted to the 15th meeting of the NPC Standing Committee here today. On the agenda are the following items:

--Examination and approval of the report by Premier Zhao Ziyang on the Seventh Five-Year-Plan (1986-1990).

--Examination and approval of the report on the execution of the 1985 state budget and the 1986 state budget (draft).

--A draft of the general principles of China's civil code, and draft laws on compulsory education and enterprises financed by foreign firms.

--Examination of work reports on the NPC Standing Committee, the Supreme People's Court and the Supreme People's Procuratorate.

At today's session, Vice-Chairman of the NPC Standing Committee Liao Hansheng delivered a report on the qualifications of the deputies chosen at a by-election. He noted that since the last session of the NPC Standing Committee, in addition to 12 vacancies at that time, two more seats have become vacant due to the dismissal of two deputies from Guangdong Province. The NPC has altogether 2,978 seats, with four vacant ones. A proposal for a 161-member presidium and a secretary general for the coming session was also presented for deliberation here today. Also submitted was the work report on the NPC Standing Committee to be presented to the coming session.

SELECTING CADRES WITH POLITICAL QUALITY STRESSED

HK141414 Beijing RENMIN RIBAO in Chinese 13 Mar 86 p 1

[Commentator's article: "In Selecting and Promoting Cadres, It Is Necessary To Pay Attention to Their Political Quality"]

[Text] Paying attention to political quality in selecting and promoting cadres is an important principle of our party in using people. Over the past few years, in line with this requirement, the party committees and organization departments at all levels have selected and promoted a good number of cadres who possess both political integrity and ability and are in the prime of life. However, the phenomena of failing to conscientiously examine political quality in using people still exist in some localities and units. Therefore, it is necessary to stress once again that we should not neglect the political quality of cadres.

Paying attention to political quality in selecting and promoting cadres is necessary for the correct implementation of the "four transformations" of cadres. Making the ranks of cadres more revolutionary, younger in average age, better educated, and more professionally competent is an entity. Not a single one of these requirements can be dispensed with. Making cadres more revolutionary is a political standard for using people, a requirement for cadres' political orientation, stand, and character and style of thinking, and a precondition for the other "three transformations" of cadres. Making cadres younger in average age should be based on both political integrity and ability. Making cadres better educated and more professionally competent constitutes a basic requirement for the cadres' ability and professional competence in the new period. The four "transformations" of cadres have closely integrated the principle of appointing people on merit, which our party has consistently adhered to, with the requirement of socialist modernization and the need to achieve cooperation between old and new cadres and succession of the new to the old, expressing them in concrete terms.

Some comrades hold that, in using people, we should concentrate on assessing their "ability" because "political integrity" is of no importance. A small number of comrades even hold that stressing revolutionization will stifle competent people. These views are wrong.

In his speech at the National Conference of Party Delegates, Comrades Deng Xiaoping pointed out: "What is most important for the young and the middle-aged cadres in succeeding to the old is to emulate their heroic spirit of maintaining the revolutionary struggle." We are now engaged in the socialist modernization program. We are carrying out a comprehensive reform, implementing a policy of opening up to the outside world and invigorating the domestic economy, and adhering to the building of two civilizations. In selecting and using leading cadres, it is even more necessary to attach great importance to the requirement of making the ranks of our cadres more revolutionary. Naturally, stressing the revolutionization of cadres does not in the least mean looking down upon the requirements of making the ranks of cadres better educated and more professionally competent, still less does it mean returning to the old track of "taking class struggle as the key link." It is aimed at promoting the work of making the ranks of cadres better educated and more professionally competent by making them more revolutionary.

What is the standard for judging the political quality of cadres? Is there a unified standard? Yes. Comrade Deng Xiaoping explicitly said: "What is the political standard for using people? The major political standard is to work for the benefit of the people and to make positive contributions to the development of the productive forces and the cause of socialism." This political standard is completely in keeping, in basic spirit, with what Comrade Deng Xiaoping and other central leading comrades have repeatedly said, namely, in using people it is necessary to see whether they have a strong party spirit, whether they can adhere to the four basic principles and resolutely implement the party's line, principles, and policies, and whether they have lofty ideals, more integrity, education, and a sense of discipline. Not long ago, when talking about the question of young and middle-aged cadres succeeding to the old, Comrade Deng Xiaoping also pointed out: "They should not only be young, have professional knowledge, and be able to solve problems, but should also have a good work style. They should serve the people wholeheartedly and go deep among the masses of people to listen to their voice. They should dare to speak the truth, oppose the practice of telling lies, should not pursue false fame but rather the achievement of more actual deeds. They should make a clear distinction between what is public and what is private and refrain from trading principles for the sake of human relationships. They should appoint people on merit and oppose the practice of appointing people by favoritism." These requirements embody the spirit of the most important political standard.

In line with the party's political standard for selecting cadres in the new period, "people of the three categories" left over from the "Great Cultural Revolution," people who oppose and refuse to implement the party's line, principles, and policies drawn up since the 3d Plenary Session of the 11th CPC Central Committee, people who have conducted political and ideological liberalization, and people who have seriously violated discipline and laws in the economic field must absolutely not be selected; and those who do not have communist ideals, who do not observe party and administrative discipline, who are seriously individualistic, who indulge in exaggeration, who fail to do actual deeds, who lick other people's boots, who employ trickery, and who even adopt underhanded means and curry favor in order to pursue fame and gain and get official posts must not be selected either. Although some cadres can keep themselves within the bounds of the party's political and organizational principles and refuse to be contaminated by evil influences, they turn a blind eye to and do not carry out resolute struggle against unhealthy practices of other people or words and deeds violating the five basic principles. Strictly speaking, these cadres do not live up to the political criteria on selecting cadres.

No matter what the political quality of cadres is, investigation and assessment of cadres can be made by finding out about their actual situation. In investigation and assessment work, the mass line must be applied. Zhang Yanghao of the Yuan Dynasty had this to say: "They duty of a prime minister is to use talented people. How can he know that the one he will use is talented? By asking other people, investigating his deeds, and observing what he has done."

In judging cadres' political quality, we should also "investigate their deeds" and "observe what they have done." Of course, this must be done under the guidance of the party's political standard for selecting cadres in the new period. It is necessary to pay close attention to whether the cadres to be selected can resolutely implement the central authorities' principles and policies and to whether they creatively do their work in the light of the specific conditions in their regions and units.

We should also examine whether they use their powers for the interests of the public or abuse their powers for personal gain and whether they take account of the overall situation and put the interests of the state and the people above everything else in handling the relationships between the state, the collective, and the individual. In judging cadres' political quality, we should not merely rely on our "mental discernment" but should also "ask other people." Not only should we ask other leading cadres and comrades in organizational departments, we should also solicit opinions from people in and outside the party. In this way, we can prevent ourselves making incomplete judgements due to failure to understand cadres thoroughly and profoundly.

LEADING CADRES WITH GOOD PARTY STYLE PRAISED

HK140359 Beijing RENMIN RIBAO in Chinese 8 Mar 86 p 1

[Commentator's article: "May There Be Scenes of Spring All Over the Wilderness of the Motherland"]

[Text] "Mean alleys know the arrival of spring." The deeds of Comrade Chen Yuying, secretary of the Changzhou CPC Committee, fill people with confidence and hope. Chen Yuying willingly stays in a seedy alley, deeply involved with the masses and devoted to promoting their welfare. Do we not see very clearly in Comrade Chen Yuying the flesh-and-blood ties between our party and the people, sharing joys and sorrows? The party is in an unassailable position in relying on such ties. Through such ties, the masses judge our cadres and our party. The hopes of our cause lie in these ties.

The warmth of spring caressing our party comes from these ties. Comrade Chen Yuying's ideological style, work style, and life style embody the communists' inherited fine tradition. It is the tradition of wholeheartedly serving the party and not for a moment staying away from the masses. This, of course, does not mean that cadres cannot live in high-rise buildings and cannot ride in sedans. Rather, it means that we must cherish the spirit of "being the first to worry about the worries of the world and the last to enjoy the delights of the world." Living in a highrise building, we must still prove capable of finding our way to rundown alleys. Ensconced in a sedan, we must also prove capable of squeezing our way. This is not too hard a demand on us, except for the aged and the weak. When the airs of an official drop, unhealthy practices will also drop. Only in this way can work be handled still better. A great man of letters in the Song Dynasty, Xin Qiji, worte: "As officials in the city worry about wind and rain, the masses of people in the countryside can bask in the warmth of spring." There is quite a bit of philosophy in this that merits our contemplation!

Within our party, there are many leading cadres that cherish this good style of Comrade Chen Yuying. They can be found in localities, PLA units, central organs, and everywhere. Precisely because we have a large army of such good cadres, we have the confidence and the strength to triumph over unhealthy trends and build a good party style. If we promote and carry forward the spirit of myriads of good leading cadres like Chen Yuying, willing to stay in mean alleys and be close to the masses, then will not the warmth of spring forever caress the hearts of myriads of people and will the glow of spring not reach every corner of the motherland's countryside?

LIAOWANG ON USING CRIMINAL CASES FOR EDUCATION

HK150714 Beijing LIAOWANG in Chinese No 9, 3 Mar 86 p 4

[Commentator's article: "Use Major and Important Cases To Educate Party Members and Cadres"]

[Text] The communique of the Seventh Plenary Session of the Central Discipline Inspection Commission points out that it is necessary to make full use of the negative examples of the typical cases to conduct education in party spirit, party style, and party discipline among party members and cadres. This is an important measure in the present efforts to straighten out the party style.

Recently, a number of serious and major cases have been handled and reported by newspapers in various areas. They include the Du Guozhen fraud case in Fujian Province; the power-abuse case of Ma Xueliang, former director for the Beijing Municipal Public Utilities Bureau; the bribe-taking case of Yu Xilun, former party secretary of the Guangdong Provincial Medicinal Herbs Company; the smuggling case of the Guangyu Company of the Ministry of Astronautics Industry; and the rape and indecent assault case of Chen Xiaomeng and Hu Xiaoyang in Shanghai. These cases not only include some startling crimes, but more importantly, they also give people some painful lessons that bureaucratism in some departments has caused serious losses to the state and that some party members and cadres cannot withstand the influence of the bourgeois ideology in the course of opening up and enlivening the economy and have embarked on the road of degeneration and crime. The serious and major cases can be taken as negative examples which may provide food for deep thought and may teach people a lesson.

The two main ways to straighten out our party style are first to deal with the law-breaking cases and second to conduct education. The handling of the cases should also serve as education.

When we talk about education among party members and cadres, some comrades tend to pay attention to the method of positive reasoning and the use of positive examples. Of course this is necessary, but it is not enough. We must also pay attention to the use of negative examples in education, because negative examples can play a role that positive education cannot play. For example, people may have heard many times about the harmfulness of the unhealthy tendencies and the urgency of checking the unhealthy tendencies, but they may still not deeply understand this, or a small number of people may simply turn a deaf ear to this positive advice and continue their perverse behavior. However, once they are told about some major cases, they will be shocked and be prompted to mend their ways. At the same time, comrades who do not commit mistakes will also draw a lesson from these cases so as to be better on guard against following the same erroneous road.

At present many localities have linked the handling of major cases with ideological education. They selectively analyze some typical cases from which people may heed the warning and issue circulars about these cases. Party members and cadres are organized to study the circulars and discuss the case. As a result, a large number of people may heed the warnings resulting from the handling of major cases. The party committee of duan Yao Nationality Autonomous County, Guangxi, organized party members to analyze the economic criminal cases in the county in the course of party rectification. After discussions, some units and individual party members confessed their mistakes and returned the ill-gotten money. The whole county has now retrieved more than 49 million yuan in loans issued in an irregular way and retrieved more than 300,000 yuan worth of materials.

We not only must resolutely and rapidly handle the serious and major cases, but should also use these cases to educate party members and cadres. So long as we properly and successful fulfill these two tasks, we will bring about a fundamental turn for the better in our party style and public conduct soon.

ZHAO ZIYANG SPEAKS ON HORIZONTAL ECONOMIC TIES

OW170013 Beijing XINHUA Domestic Service in Chinese 1302 GMT 16 Mar 86

[Text] Beijing, 16 Mar (XINHUA) -- The first national conference sponsored by the State Council to discuss urban economic reform closed today in Beijing. The meeting discussed, in particular, the issue of horizontal economic cooperation between enterprises.

In a regular session held on 15 March, the State Council was briefed on the meeting. Making an important speech at the session, Premier Zhao Ziyang stressed that from now on horizontal economic cooperation should be regarded as an important task and handled as an important aspect of economic reform. He said economic cooperation will yield better economic returns and expedite reform.

Zhao Ziyang said: Horizontal economic cooperation produces conspicuous economic returns in the macroeconomic as well as the microeconomic sectors. The scope of economic cooperation is extensive. There can be cooperation within the spheres of production or distribution, between production and scientific research, between production and distribution, and so forth. Meanwhile, there are two types of cooperation within the sphere of production, namely cooperation between specialized departments in producing brand name products of good quality, and cooperation among partners contributing such essential production means as capital, raw and semifinishing materials, factory buildings, equipment, technical know-how, labor, and so forth. Since these two types of cooperation are by and large rationally organized, the sponsors are well informed, and their production is table, investment is small, use of advanced technology is efficient, products are new and are of good quality, productivity is high and consumption of material resources is low, their profits are relatively high and cannot be matched by enterprises operating individually. Enterprises operating individually have their advantages as well as drawbacks, but the advantages can easily be offset by drawbacks. However, the situation will not be the same once they cooperate with one another and help one another to make the best possible use of favorable conditions and avoid the effects of unfavorable ones. In that case, they can create a new, overall favorable situation under which the advanced enterprises will have the opportunity to develop, the less advanced enterprises will have the opportunity to catch up, and those enterprises verging on bankruptcy can also be brought back to life. We are now talking about cooperation within the sphere of production. Cooperation in other spheres will likewise bring about similar results. Cooperation is therefore highly beneficial to all partners as well as to society as a whole.

Speaking on the important signifiance of horizontal economic cooperation in expediting urban economic reform, Zhao Ziyang pointed out: Horizontal economic cooperation is essential for modernizing production as well as for developing socialist commodity economy. The decision made by the party Central Committee in 1984 on restructuring the economic system was based on the basic idea that China's economic structure must be compatible with the requirement of developing its socialist commodity economy. Horizontal economic cooperation is specifically one of the basic conditions needed for the existence and development of commodity economy. By horizontal economic cooperation we mean that all spheres as home should open to each other. Under the old economic system, higher and lower levels as well as departments and regions all operated on their own. Horizontal economic ties were nonexistent between higher and lower levels, nor between departments and regions.

That ran counter to developing commodity economy. To change this situation, we must remove the barriers between higher and lower levels and between departments and regions. Without this change, there can be no commodity economy to speak of. Artificially tying our enterprises to departments or regions at various levels according to their administrative affiliation does not conform to the law of the development of commodity economy, nor to the requirements for socialized mass production.

The barriers between higher and lower levels and between departments and regions are not necessarily related to our socialist system. Public ownership should be more favorable for the formation of a centralized socialist market. Distribution according to work has absolutely nothing to do with the barriers between higher and lower levels and between departments and regions. Likewise, our planned economy does not have any inexorable ties with those barriers. Barriers between higher and lower levels and between departments and regions obstruct the development of the socialist commodity economy. In the past our economic operation was organized according to the vertical ties between higher and lower levels and between departments and regions. The situation is still basically the same today. However, the development of commodity economy requires horizontal ties so that a centralized market system and an economic network linking all parts of the country can be formed. In this sense, the process of replacing the old system with a new one is the process of developing horizontal cooperation on a broad basis and of removing the barriers between higher and lower levels and between departments and regions. In order to remove all these barriers, we must carry out reform in all fields in a coordinated manner. To judge whether or not a reform is going in the right direction, we must see whether or not it meets the requirment of breaking barriers, and whether it weakens or strengthens barriers. This is an important indicator. On the other hand, horizontal cooperation will rebuff the old system and challenge the barriers. In the process of promoting cooperation, such cooperation will certainly clash with the old economic systems, especially the planned system, the financial system, the banking system, and the commodity supply and distribution system. However, it is not a bad thing to expose all those regulations and rules which obstruct horizontal economic ties. All projects of reform will develop in the process of discovering and settling the conflicts. Promoting horizontal cooperation and between departments and regions will be a process in which the two projects will help each other forward.

Zhao Ziyang noted: The development of horizontal cooperation will bring about significant changes in the organizational structure of our country's enterprises. A new entity known as the conglomerate, or enterprise group, has already appeared. Totally different from the administrative corporation, it is an organization in which a group of enterprises have voluntarily joined hands to serve one another. Bound by a common cause, they become interdependent on each other and their operation is a coordinated one. The Jialing group and the Erqi group as well as certain enterprise groups in Changzhou are illustrations of the embryonic stage of such new organizations of enterprises. The relationship among them is still developing. It seems that the irrational organizational structure of our enterprises can very possibly be corrected through promoting horizontal cooperation and by making the best use of the situation. Zhao Ziyang pointed out: It is possible that the development or horizontal cooperation will trigger changes in our enterprises' system of ownership as well as their internal organizational system. Because of the barriers between higher and lower levels and between departments and regions, enterprises owned by the whole people have virtually become enterprises owned by departments or regions. Such being the case, those enterprises have become highly dependent on those departments and regions, and because it is much too easy for our enterprises to eat from the same big pot, it is difficult for them to mend their ways. However, it is easier for our enterprises to watch their steps in horizontal cooperation because it requires each partner to contribute essential means of production in order to become partners. This means that the interests of everybody else are tied to those of others; these interests are represented in a tangible way.

On how to promote horizontal cooperation, Zhao Ziyang said: I am not saying that everybody should rush headlong into mass action, much less throw together all types of nominal or formalistic cooperation. Essentially I am talking about the significance of cooperation in developing productivity and expediting reform so that you will understand the issue better and so that you will encourage cooperation in terms of policy, ensure cooperation with laws and regulations, and help remove those rules and regulations and superstructures in the current system that obstruct cooperation. We must support and foster -- and not obstruct -- the kind of horizontal cooperation that conforms to our requirements. Departments in charge of unified planning, specialized trades and professions, departments engaged in production of military or consumer goods, and all regions and key cities should make concerted efforts to promote cooperation.

Zhao Ziyang said: To ensure sound development of cooperation, the most important requirement is to safeguard the enterprises' decision-making authority. The central issue of reform is to make our enterprises more vital. Horizontal cooperation must be based on enterprises' authority to make their own decisions. If an enterprise intends to cooperate with other enterprises, this intention is in itself decision-making authority; and if the responsible departments forbid the cooperation, that will constitute a violation of the enterprise's right to make its own decisions. The type of horizontal cooperation or non-cooperation, to enter into a partnership or withdraw from it should be a decision of all enterprises themselves. Such questions as what to cooperate on, how to cooperate, and rights and obligations must be discussed by all parties concerned on an equal footing, and no one should impose its will upon another. When cooperation is in the interest of all partners, nobody can possibly break it up. When everybody realizes the advantages of cooperation, they will follow the course. The leading authorities' responsibility is to watch out for the new situation, study the new issues, and provide the necessary guidance according to the situation.

Commenting on today's production problems, Premier Zhao pointed out: To provide proper guidance for production today, we must pay attention to investigation and study. Problems requiring solutions must be dealt with, and problems that must be handled must be handled. At present we must pay attention to intensifying ideological and political work among cadres, workers, and other staff members of our enterprises, earnestly implement the system of economic responsibilities, and continue to arouse the enthusiasm of the broad masses of cadres, workers and staff.

ECONOMIC REFORM ENLIVENS CITIES' FUNCTIONS

OW151413 Beijing XINHUA Domestic Service in Chinese 1254 GMT 14 Mar 86

[By RENMIN RIBAO reporter Dai Yuqing and XINHUA reporter Xu Yaozhong]

[Text] Beijing, 14 Mar (XINHUA) -- China's economic structural reform has given vigor and vitality to its cities and brought their various functions into fuller play. Now many cities have gradually become centers of economic activities and hubs of lateral economic networks. They function as a backing for enlivening the enterprises, and their capability to serve the needs of the people's everyday life has further increased.

Experimental work on comprehensive urban reform started 5 years ago in our country. On different occasions between 1981 and 1983, the State Council approved plans for conducting comprehensive reform experiments in Shashi, Changzhou, and Chongqing Cities. Now 61 cities are involved in such experiments. Meanwhile, many other cities have also begun to carry out reforms in an active way even though they are not included in the experimental program.

Over the past years, the cities selected for comprehensive reform experiments have carried out four kinds of reforms: First, they have expanded the enterprises' decision-making power. Second, they have opened their doors and enhanced their attractiveness and influence through extensive development of various lateral economic contacts. Third, they have opened a variety of urban markets. Fourth, they have appropriately increased the authority of some urban organizations to coordinate economic activities, increased the vitality of cities, and oriented the city governments' main functions toward rendering good comprehensive services and creating a favorable external environment for enlivening the enterprises. All these reforms have achieved successful results.

The function of cities as centers of all economic activities has been restored and intensified. In the reform, Wuhan City has adopted five measures: development of an urban economic association; establishment of a network of economic and technical cooperation areas in the Jianghan Pingyuan; cooperation with Shanghai, Nanjing, and Chongqing in developing the economy of the Changjiang Liuyu; active promotion of association with northern and southwest China; and coordination with Hong Kong and Macao in attracting investment from abroad. As a result, Wuhan, located at a place which links the east, west, north, and south, has become a true "thoroughfare leading to nine provinces." Xuzhou City made positive efforts to serve the needs of economic development of its area, which is located at the juncture of Jiangsu, Shangdong, Henan, and Anhui Provinces, and a new economic zone -- Huaihai Economic Zone -- with Xuzhou as the center is taking shape. Chongqing, Wuhan, Shenyang, Dalian, Harbin, Guangzhou, and Xian have been treated separately in the respective provincial development plans, thus enhancing their positions as economic centers. A number of cities, including Shashi, Xiangfan, Foshan, Nantong, Changsha, Jinan, Qingtai, Xiamen, and Kunming, are developing into trade, banking, information, or science and technology centers, each with its own salient features.

The function of cities as hubs of lateral economic networks has been beefed up. Many cities are no longer closed "castles" as they were in the past. Also, their various economic activities are no longer limited to satisfying their own needs, but are aimed at serving the requirements of the entire economic zones under their influence. Shenyang, a comprehensive industrial city noted for its relatively large variety of industries, together with Dandong, Liaoyang, Benxi, Fushun, Tieling, and Anshan, have formed a "city colony" so as to pool their strong points in different fields. This arrangement has given a powerful impetus to economic and technical cooperation among these cities. After instituting the "city leading counties" reform, Changzhou City has given professional guidance and technical assistance to village and town enterprises, jointly supplied material requirements, and made joint sales arrangements. Up to now, some 400 industrial enterprises in urban and rural areas have formed 56 enterprise colonies. Their combined value of industrial production has accounted for 32.86 percent of the city's total, and they have contributed 40 percent of the tax and profit that the city has handed over to the state.

The function of city governments to serve the needs of enterprises has been strengthened. To enliven the enterprises, many cities have streamlined administration and delegated power to the enterprises. They have begun to rely on various economic means as well as laws and rules to regulate and control the enterprises' activities, and administrative intervention has thus been reduced. Jiangmen City in Quangdong had 11 industrial bureaus and companies which functioned as administrative organs. They have now been either abolished or switched to other fields of work. Instead, a number of "professional offices [hang ye ban gong shi 5887 2814 6586 0361 1358] responsible for machinery, electronics, and other industries have been established within the city's economic commission. These offices are responsible for planning the work in various industrial fields and serving the needs of the enterprises instead of directly intervening in their production and operations activities. This has provided a useful experience for organizational reform in small and medium-sized cities.

Government departments at all levels in Shijiazhuang City have delegated powers and rights to the enterprises as stipulated by the State Council, opened markets of means of production, and assisted the enterprises in obtaining supplies of raw and other materials. At ordinary times the government's functional departments do their best to serve as "assistants" in helping the state enliven the enterprises and take the initiative to eradicate troubles and solve problems for the enterprises. Nanjing City has made positive efforts to create favorable conditions for enlivening the enterprises. According to statistics, at present 28 percent of the big and medium-sized enterprises in this city have become more lively, and their production and operations have entered a stage of self-sustained development.

The capability of cities to serve the needs of the people's daily life has increased. Many cities have no longer used the gross value of industrial and agricultural production as the sole yardstick for evaluating their work. Rather, they have paid more attention to the fulfillment of the gross national product target and made all-out efforts to develop science-technology, education, and public health projects and to put the development of tertiary industry in the high gear. Previously, there was no university at all in Changzhou City. The last few years have seen the establishment of five universities in this city. Since 1979, the number of people employed by tertiary industry in Guangzhou City has increased at an average rate of more than 7 percent annually, and the industry's output value has grown by an average rate of more than 11 percent each year. The output value of the tertiary industry accounts for about one-third of the city's gross national product. Now in most cities of our country, science, education, and cultural undertakings commercial activities, and service trades are developing rapidly. This has provided a favorable condition for enriching the people's cultural as well as material life.

CPPCC STANDING COMMITTEE HOLDS PLENARY SESSION

OW150249 Beijing XINHUA Domestic Service in Chinese 1147 GMT 14 Mar 86

[Text] Beijing, 14 Mar (XINHUA) -- The 11th meeting of the Standing Committee of the 6th National CPPCC Committee held its 2d plenary session at the CPPCC auditorium this morning.

Liu Lantao, vice chairman of the National CPPCC Committee president over today's session. Attending the session were Vice Chairmen of the National CPPCC Committee Yang Jingren, Lu Dingyi, Cheng Zihua, Kang Keqing, Hu Ziang, Qian Changzhao, Yang Chengwu, Chen Zaidao, Zhou Peiyuan, Burhan Shahidi, Deng Zhaoxiang, Fei Xiaotong, Qu Wu, Ma Wenrui, Mao Yisheng, and Liu Jingji.

The session submitted the draft report of the Cultural and Historical Data Research Committee of the Sixth National CPPCC Committee on the compilation of cultural and historical data and the draft report of the work group for foreign affairs of the Sixth National CPPCC Committee for deliberation by the Standing Committee members. These two reports will be forwarded to the fourth meeting of the Sixth National CPPCC Committee for consideration.

At the session, Vice Chairman Zhou Peiyuan of the National CPPCC Committee reported on his visits to Poland, Hungary, and the German Democratic Republic. Feng Tiyun, deputy secretary general of the National CPPCC Committee, delivered a report on the CPPCC delegation's visit to Pakistan.

At the session, printed reports on the CPPCC science and technology delegation's visit to Britain, on CPPCC members' inspection tour of Shandong Province, and on the CPPCC Beijing municipal delegation's tour to inspect the situation in Beijing's economic construction were distributed to the Standing Committee members.

HU YAOBANG INSPECTS GUANGXI, DISCUSSES TASKS

HK150752 Nanning Guangxi Regional Service in Mandarin 1100 GMT 13 Mar 86

[Excerpts] The winter is over and the spring is coming. In the early spring days, CPC Central Committee General Secretary Hu Yaobang and his party inspected Guangxi in the wake of their trip to western Guizhou. This was Comrade Yaobang's fourth visit to Guangxi since the 3d Plenary Session of the 11th CPC Central Committee in December 1978, reflecting his deep feelings for the 38 million people of various nationalities in Guangxi and his deep concern for the four modernizations and all other work in Guangxi. This report chronicles Comrade Yaobang's inspection.

Another is Hainan Island; you are Hainan Mountain:

Comrade Yaobang first inspected Baise Prefecture. On 10 February, the second day of the first month of the lunar calendar, Comrade Yaobang and his party left (Tianshengqion) hydropower state for Baise City. The next morning, Comrade Yaobang listened to reports given by party and government responsible persons of Baise Prefecture. Comrade Yaobang said: Baise Prefecture covers an area of 36,000 square kilometers and is a mountainous area and subtropical area. Your prefecture has great potential for developing subtropical economic crops. You must give full play to this potential. The climatic conditions here are rare in the country. You can grow not only sugarcane, oranges, and mangos, but also anise, hawthorn, and bananas. Many kinds of economic crops can be grown -- not just dozens, but hundreds of types. There are few areas in our country which are suited to growing so many kinds of subtropical economic corps. There are some on Hainan Island and in Xishuangbanna. Your prefecture is larger than Hainan Island. Another is Hainan Island, but you are Hainan Mountain.

Then Comrade Yaobang encouraged them to properly build Baise Prefecture. He explicitly pointed out that to change the appearance of an area, being anxious is useless. It is also impossible to attain the target in 2 or 3 years. You have to attain the target step by step, and work for 5,10, or 15 years.

Facing Southeast Asia and backed by the southwest:

On 14 February, Comrade Yaobang arrived in Beihai, a beautiful coastal city near Beibu Wan. That afternoon, Comrade Yaobang listened to reports given by responsible persons of the Beihai CPC Committee and People's Government and looked with interest at the model of new buildings in the new downtown section of Beihai City.

On the morning of 15 February, the sun shone brightly in the blue sky and Beibu Wan was calm and tranquil. Comrade Yaobang visited Beihai's new downtown area, the newly built wharf, and (Baihutou) Beach, teeming with quartz sand. Comrade Yaobang said: Beihai City has avoided taking a roundabout course in its development over the past year or so. This is because you have been good at learning from others' experiences and have used your own brains. In addition, the regional CPC Committee has made great contributions and exercised good leadership. This is my impression of Beihai from my current visit.

He pointed out that with the great southwest as its hinterland, Beijai can be extended outward. It can influence extensive areas. This is the biggest characteristic distinguishing Beihai and other open cities. Therefore, opening up Beihai should be linked with the development of Fangcheng Port, the whole of Guangxi, and the great southwest, and Beihai should be considered the place for linking Yunnan, Guizhou, Sichuan, and Guangxi with Southeast Asia and the whole world.

You must grasp this characteristic and conduct research and investigation and properly formulate plans from now on.

Beihai and Fangchang ports handle 5 million tons of freight each year. The delivery of the 5 million tons of freight requires the services of many people. The successful delivery of the 5 million tons of freight will bring many social benefits and stimulate economic development in China's interior areas, greatly benefitting the great southwest. Whether Beihai can prosper or not depends on whether or not you can swiftly deliver the freight.

Comrade Yaobang stressed that developing the aquatic products of Beibu Wan is very important and must be firmly grasped. This discussion meeting, which was of decisive significance to Beihei's development and construction, lasted several hours and ended at noon.

Comrade Yaogang had a hurried lunch and rested briefly. At 1400 he drove to Fangchang port to continue his inspection in spite of the hardships of frequent journeys.

Avoid impetuosity; have the confidence to attain the quadruplifiecation target:

When Comrade Yaobang inspected Guangxi's Baise and Beihoai Prefectures, the central organ investigation and inspection group he headed was also investigating and inspecting some poor areas in Yunnan and Guizhou Provinces and Guangxi Autonomous Region. Shortly after Comrade Yaobang concluded his inspection, comrades of the three investigation and inspection groups gathered in Nanning from 17 to 19 February to give reports to Comrade Yaobang and leading comrades of Yunna, Guizhou, and Guangxi.

After listening to reports given by comrades of the three groups and leading comrades of Yunnan, Guizhous, and Guangxi, Comrade Yaobang delivered an important speech on the afternoon of 19 February on the style of cadres, the agricultural situation, and the economic situation and the work of helping the poor in Yunnan, Guizhou, and Guangxi. He repeatedly stressed that to rapidly develop the economy, cadres at all levels must earnestly and thoroughly study the local conditions of their provinces or regions and their own advantages so that they can give full play to their advantages and overcome their shortcomings. He also linked economic development in Yunnan, Ghizhou, and Guangxi with the economic development of the whole country, and encouraged the participants to develop the economy by grasping the following advantages:

1. It is necessary to grasp abundant and various mineral resources, including energy resources, ferrous metals, non-ferrous metals, and non-metal mineral resources.

2. It is necessary to develop subtropical economic crops.

3. There are vast highland, mountainous areas, and grasslands in Yunnan Guizhou, and Guangxi. These areas are suited to growing trees and grass and herding flocks of sheep, cattle, and horses.

On prospects for economic development in Guangxi, Comrade Hu Yaobang said that judging by the economic development level, Guangxi is the third from the bottom in the country. Can this situation be changed in several years? Guangxi's economy is certainly developing. If you do not develop Guangxi's economy, you will be making a mistake. But it is difficult for Guangxi to thoroughly change the present situation and jump to a ranking between 10 and 20 in a short time. But after 6 to 7 years, it is possible for Guangxi to jump to the position of 25 or better in the country. Others are also developing. You must avoid impetuosity and have the confidence to attain the quadruplification target. This must be explained to all cadres.

Before leaving Guangxi, on the morning of 20 February Comrade Yaobang cordially met some veteran cadres at the provincial and Army level and delivered a speech. He affirmed the achievements Guangxi has made in its work since the 3d Plenary Session of the 11th CPC Central Committee. Although the region's grain output decreased in 1985, its economic growth was large and the economic situation was good.

In his speech, Comrade Yaobang particularly stressed that it is necessary to consolidate and develop the political situation of stability and unity in Guangxi so as to create favorable conditions for the four modernizations drive and to promote reform and economic development.

He said that the most important principle is to maintain political stability and unity. We must do our utmost to adopt measures advantageous to political stability and unity and must not adopt measures disadvantageous to political stability and unity. He also affirmed that Guangxi has implemented the policies and principles of the central leadership in handling problems left by the Cultural Revolution and has achieved great results in this respect. He also explicitly pointed out that no chaos should appear in Guangxi any more, and it is necessary to continue to grasp the education about negating the Cultural Revolution, overcoming factionalism, strengthening party spirit, and consolidating and developing the political situation of stability and unity.

Hu Yaobang and the investigation groups led by him left Nanning for Beijing by a special plane on 20 February after successfully concluding their visit and inspection in Yannan, Guizhou, and Guangxi.

YAO YILIN VISITS HARBIN PLANTS 11-14 MARCH

OW161335 Beijing XINHUA Domestic Service in Chinese 1436 GMT 15 Mar 86

[By reporter Zhang Chijian]

[Text] Harbin, 15 Mar (XINHUA) -- Yao Yilin, vice premier of the State Council, recently pointed out when he was inspecting Heilongjiang Province that grain production is still a great thing in the "Seventh 5-Year Plan" and various localities must lay stress on grain production in consideration of China's overall economic construction.

From 11 to 14 March, Comrade Yao Yilin went to workshops of the Harbin electric machinery plant, the Harbin steam turbine plant, and the Harbin boiler plant to inspect their production. He also went to Sanjiang Plain to familiarize himself with the land resources there and inspected agricultural production and the situation of the export of agricultural and sideline products on the Honghe farm and in Tongjiang County. He also heard reports made by responsible comrades of the Heilongjiang Provincial People's Government, the Jiamusi City Government, and the Heilongjiang state farms administration. He held discussions with local cadres and heard their opinions on how to strengthen grain production and the export of agricultural and sideline products during the "Seventh 5-Year Plan."

During his inspection tour, Yao Yilin said: The grain production situation in our country in recent years has been good and we have in the main achieved the goal of self-support. We now export some soybean and corn and import some wheat each year and the value of export and the value of import are about equal. This has changed the situation of earlier years when we had to import grains with a large amount of foreign exchange. Of course, as we still do not have much surplus grain, the population is still increasing, and the people's level of consumption is being raised, we must develop grain production vigorously.

Yao Yilin pointed out: The improvement of grain situation has played an active role in our country's economic construction. He said: Because output of steel and some nonferrous metals is still relatively low in our country, we have to import some steel materials and nonferrous metals each year. Our ability to import those raw materials for capital construction is, to a great extent, because we have stopped importing grains. Besides, we are exporting some soybean to grain foreign exchange. All this has created favorable conditions for importing necessary raw materials. We can say that the excellent situation of grain production has ensured a relatively fast and massive economic construction in recent years in our economy.

During his inspection tour, Yao Yilin repeatedly asked local cadres the following question: How can we maintain the excellent trend of grain production during the "Seventh 5-Year Plan" and a even longer period? He emphatically pointed out: On the one hand, we must continue to develop authority of the party's rural policy to whip up enthusiasm of the masses for production. On the other hand, we should increase investment in agriculture in a planned way to raise unit yield and also expand total acreage of arable land through reclamation in an appropriate manner. On the basis of a stable increase in grain production, we should adopt measures to strengthen the building of production bases for the export of grain, soybean, and other agricultural sideline products so as to increase the quantities of products for export, earn some foreign exchange, and promote the development of the entire national economy.

He Kang, minister of agriculture, animal husbandry and fishery, and Hou Jie, governor of Heilongjiang Province, took part in the inspection activities.

FANG YI STRESSES NEED FOR TECHNOLOGY TRADE

OW160432 Beijing XINHUA Domestic Service in Chinese 1326 GMT 14 Mar 86

[By RENMIN RIBAO reporter Wang Yougong and XINHUA reporter Wu Ming]

[Text] Beijing, 14 Mar (XINHUA) -- Addressing the national conference on technology trade today, Fang Yi, member of the Political Bureau of the CPC Central Committee and state councillor, said that developing technology trade, which is an unprecedented effort, is a decision of the Central Committee. Great efforts must be exerted to develop technology trade, and all quarters must give the project active support, he said.

Fang Yi said: Commercializing technological achievements and developing technology trade to keep up with the development of the nation's socialist commodity economy are important aspects in restructuring the management of science and technology, and in promoting the integration of scientific and technological trade and opening channels for scientific and technological findings to be applied to production for recompense can change the previous practice of transferring them free of charge by administrative means. It can establish a new system of managing science and technology, a system that can promote the integration of research and production.

After reviewing the positive momentum in the nation's technology trade, which is still in its initial stage, Fang Yi said: Much work has to be done to develop the nation's technology trade, as the problems affecting the integration of science and technology and production are far from being resolved. We must constantly improve our work, coordination, and guidance so that we can deal with the new situation and the new problems ahead of us. The most urgent thing to do today is to draw up the necessary policies and regulations in accordance with the findings from investigation and study so that the management of technology market can be strengthened.

Fang Yi stressed: Organs in charge of technology development, and organizations serving as intermediaries in technology transfer and in providing technical consultation, technical training, and other services should uphold the policy of "opening to all areas, enlivening their technology trade, and giving them support and guidance." However, while providing such services, government organs and their subordinate institutions must not undertake commercial business that has nothing to do with technology. While handling techhology transfer, they must also observe relevant state laws and regulations, and any acts of fraud or profiteering are strictly forbidden. The quality of merchandise in technological trade must also be ensured, and the necessary related technical expertise should be available.

The national conference on technology trade is sponsored by the special group for promoting and coordinating nationwide sales and purchase of technological items. Attending the conference are over 300 representatives coming from 29 provinces, autonomous regions, municipalities directly under the central government; seven other key cities; and 29 central departments and committees. The representatives will examine their experiences in developing technology trade, study how to further promote technology marketing, and discuss and draw up the relevant administrative measures and regulations.

GU MU COMMENTS ON XIAMEN SPECIAL ECONOMIC ZONE

HK140323 Beijing ZHONGGUO XINWEN SHE in Chinese 1345 GMT 12 Mar 86

[Text] Xiamen, 12 Mar (ZHONGGUO XINWEN SHE) -- While inspecting the Xiamen Special Economic Zone [SEZ] a few days ago, State Councillor Gu Mu pointed out that the road taken by the Xiamen SEZ is correct. From 7 to 11 March, Gu Mu inspected the situation in how the Xiamen SEZ has made use of foreign capital, developed joint business with departments of the interior, and imported technology to transform old enterprises in the past few years. He listened to work reports by Mayor Zou Erjun and others.

Gu Mu said: In the past few years, the speed of development of the Xiamen SEZ has not been low, the number of imported projects has not been small, and good results have been obtained in transforming the old urban area. Relatively big changes have been made in the SEZ. The SEZ started its construction with basic facilities such as wharves, airport, communications system, and so on. It has regarded as key aspects the development of industry, small and medium-sized projects, and projects which need less investment but yield quicker results. It has also made great efforts to develop foreign-oriented enterprises in order to increase exports and earn more foreign exchange. All these conform to the spirit of the recent work meeting of the special economic zones. So long as it continues to advance in this direction, there will be very good prospects for the Xiamen SEZs.

Gu Mu pointed out: The Xiamen SEZ should strengthen economic and technological cooperation and exchanges with the interior in order to promote the common prosperity of the interior and the SEZ. The difference between the Xiamen SEZ and the other three SEZs is that it has a large number of old enterprises. In the past few years, great achievements have been made in importing technology to transform the old enterprises, but work in this respect should be accelerated.

He said that the Xiamen SEZ is favored with beautiful natural surroundings. The standard for plans for urban construction should be higher. Some foreign specialists can be invited to assist in the work of urban construction and management so that Xiamen can be built into a garden city with economic prosperity and a beautiful environment.

Gu Mu also pointed out that Xiamen is a famous hometown of Overseas Chinese and that there are many Overseas Chinese in southern Fujian. This is an important condition for satisfactorily building the Xiamen special zone. Work for the Overseas Chinese should be further improved and the policy toward Overseas Chinese should be further implemented in order to give play to the favorable conditions in this aspect and to accelerate the construction of the Xiamen SEZ.

COMMENTATOR ON DEVELOPMENT OF SPECIAL ZONES

HK150622 Beijing CHINA DAILY in English 15 Mar 86 p 4

[Commentator's Article: "SEZ Guidelines"]

[Text] A national conference has assessed the achievements of the four special economic zones [SEZ] -- Shenzhen, Zhuhai, Shantou and Xiamen -- since their establishment more than five years ago, discussed the problems encountered in their path of advance and worked out some guidelines for their next-stage development.

China's policy of opening to the world is necessitated by the fact that as a developing country, it needs to absorb foreign funds and advanced technology to help speed its socialist modernization programme. The government's decision to establish the four economic zones in 1980 was a concrete step in implementing this policy.

During the past five years the four special economic zones have all showed impressive results. In the initial stage they rightly focussed on building an infrastructure so as to create a favourable environment for foreign investment. By the end of 1985, a total area of about 60 square kilometres of land had been developed in the SEZs and factories, offices, apartment blocks and tourist facilities mushroomed and foreign investments started flowing in.

At the same time, direct foreign investment put to use in the four zones amounted to about $1.17 billion, accounting for one fifth of the total direct foreign investment being put to use throughout China. About 900 new factories, with advanced technology and equipment, have started operation. Total industrial output value in 1985 was 4.84 billion yuan, more than quintupling the 1979 figure, the year before they came into being. The fastest growing member of the four, Shenzhen, registered an industrial growth of 39 times in 1985 as compared with 1979, with 43 percent of its products for export. Meanwhile, the SEZs have established co-operative ties with various inland regions and departments which have proved beneficial economically for both parties.

Thus, the SEZs have begun to play the role of "windows of technology, knowledge, management and foreign policy" as first envisaged by their planners. China is launching its Seventh Five-Year Plan (1986-1990) this year. Now that they are on firm footing, the SEZs are duty bound to make further efforts to meet the new challenges of the new era. According to the national conference, of primary importance for the SEZs in the next five years is that they should strive to build an export-oriented economy with industry as the predominant sector and well integrated with trade. In other words, they should not only introduce more advanced technology to China but also should be able to get more Chinese products on the world market. They should further strengthen ties abroad as well as with inland regions. However, it should be kept in mind that the purpose for doing so is chiefly to contribute to the building of an export-oriented economy in the SEZs.

In addition, the pace of reforming economic management should be quickened to give enterprises a boost and the regulatory role of the market wider scope. Since they are SEZs, the state will continue making special allowances for them and give them special and flexible treatment to facilitate their further development.

With the quickening progress of science and technology and rapid development of productive forces in the world, every nation, out of elementary wisdom, should expand international economic and trade ties to promote its own prosperity. China is no exception. What is more, China now enjoys political stability and the economy is steadily on the rise. Now that the advantages of the open policy are increasingly evident, it is only natural for China to further develop the SEZs to help carry out economic progress all over the country.

MEETING ON MANAGING SCIENCE, TECHNOLOGY FUNDS

OW141225 Beijing XINHUA Domestic Service in Chinese 1452 GMT 13 Mar 86

[Text] Beijing, 13 Mar (XINHUA) -- The State Science and Technology Commission and the Ministry of Finance today held a joint meeting of heads of scientific and technological and financial departments (bureaus) under the various State Council ministries and commissions to study ways to implement the "State Council's provisional regulations governing management of scientific and technological funds" and arrange the transfer of scientific and technological operating expenses. Guo Shuyan, vice minister in charge of the State Science and Technology Commission, and Chen Rulong, vice minister of the Ministry of Finance, spoke at the meeting.

Guo Shuyan explained the signifiance of reforming the science and technology funding system as part of the reform of the science and technology management system. He also introduced in detail the basic principles for reforming the management of science and technology operating expenses and specifics concerning management based on different categories of research work.

He said: In reforming the management of science and technology operating expenses, we must introduce different management systems according to different scientific and technological activities. We must broaden the sources of funds and draw science and technology funds from as many channels as possible. It is necessary to link funds to research tasks and to introduce a certain degree of compensatory transfer of technology. At the same time, we must break free from the barriers between the various departments and regions, encourage competition, and give financial support to the most promising projects.

The specifics concerning science and technology operating expense management based on the type of research work are as follows: Technological job contracting should be introduced for technology development and for applied research projects that promise immediate practical benefits. Institutes involved in research of social welfare services or basic technology as well as agricultural science institutes should adopt a system whereby they are responsible for their own surpluses and deficits. Science foundations should be introduced for basic and some applied research projects, which do not promise immediate practical benefits. Public bidding should be gradually introduced for major state science and technology projects.

Guo Shuyan said: The reform in management of science and technology operating expenses will change operating procedures and the organizational structure as well as some of the ideas and concepts to which we have been accustomed.

It tugs at the heartstrings of 1 million or more science and technology personnel and affects the future and orientation of some 9,000 science and technology research institutes. During the first 2 years of reform, we must take small steps to straighten out relations and sum up experience, and must properly accelerate our pace in the subsequent 3 years.

ZHANG JINGFU ON ECONOMIC STRUCTURAL REFORM

OW152020 Beijing XINHUA Domestic Service in Chinese 1501 GMT 14 Mar 86

[Text] Beijing, 13 Mar (XINHUA) -- Speaking of China's ongoing economic structural reform at the 13 March joint national meeting of light industry and commercial departments and bureaus, State Councillor Zhang Jingfu said: Now the reform work is at a stage of advancing through probing and the new system replacing the old. At this stage, we should attach importance to studying new circumstances and questions that have cropped up in the market and summing up new experience. Production and marketing departments for consumer goods should emphasize two things. One is to ensure the production and supply of enough necessities to meet the people's enough requirements. The other is to go all out to increase the production and supply of those products that are urgently needed but are in short supply on the market.

Zhang Jingfu pointed out: The economic situation of our country has been very good since the 3d Plenary Session of the 11th CPC Central Committee. It should be noted, however, that many new circumstances have appeared in the market with the in-depth development of reforms. In carrying out reforms, various localities have made numerou outstanding achievements and gained a great deal of useful experience. They represent the principal aspect of our country's economic situation, and we should support, pay attention to, sum up, and publicize them. At the same time, we should carry out reforms on one hand and strengthen the legal system on the other. Resolute blows should be dealt to those who have used reform as an opportunity to commit economic crimes. Regarding those things that have appeared in the course of reforms and have both advantages and disadvantages, we should not hastily affirm or deny them. What we should do is to keep the advantages and discard the disadvantages after inspecting and analyzing them and doing necessary work with a view to making the best use of them.

Zhang Jingfu urged all localities to attach importance to lateral economic ties and to bring the potentials of existing enterprises into full play. He said: A major task of the economic structural reform this year is to go all out to develop lateral economic associations. In particular, organizing lateral associations on the principle of equality and mutual benefit, starting with those for the production and marketing of fine-quality and famous-brand products is an effective way to bring the potentials of the existing enterprises into play.

CENTRAL LEADERS RECEIVE STUDENTS FROM LAOSHAN

OW160336 Beijing XINHUA Domestic Service in Chinese 1741 GMT 15 Mar 86

[By reporter Wu Kelu]

[Excerpts] Beijing, 15 Mar (XINHUA) -- Representatives of students of four PLA medical universities who went through the trials of war on the Laoshan front today made a report on the experience gained at the front to the central leading comrades, students of universities and colleges in Beijing, and cadres of various organizations at Zhongnanhai's Huairentang.

Hu Qili, Deng Liqun, Hao Jianxiu, and other central leading comrades had cordial talks with the representatives before the report meeting. They praised the 80 students of the four PLA medical universities for learning by doing at the front and for their progress in combining theory with practice and uniting with the fighters. The central leading comrades stressed that young intellectuals must unite with the masses and temper themselves through practice.

Deng Liqun spoke after the report meeting. He cited remarks by Shi Jun, one of the representatives making a report at the meeting: "Honor is confirmation of dedication but does not equal and cannot replace dedication. Honor only represents the past, but dedication encompasses not only the past but also the future." He said: This view is very good. It is like a golden rule. He hoped that young intellectuals with such a good start would further temper themselves through practice and make contributions to the people for their whole life.

Yang Haibo, vice minister in charge of the State Education Commission, also delivered a speech. He hoped that university students and young people throughout the country would learn from the 80 students of the four PLA medical universities, take them as examples, foster a new work style, become a generation of new talents, and shoulder the heavy historical tasks.

The report meeting was sponsored jointly by the Propaganda Department of the CPC Central Committee, the State Education Commission, the PLA General Political Department, the CYL Central Committee, and the Beijing Municipal CPC Committee.

LEADERS PAY LAST RESPECTS TO DING LING

OW160733 Beijing XINHUA Domestic Service in Chinese 1538 GMT 15 Mar 86

[Excerpts] Beijing, 15 Mar (XINHUA) -- A ceremony to pay last respects to the remains of Comrade Ding Ling, an outstanding proletarian fighter in literary and art circle in China, was held at the memorial hall of Babaoshan Cemetery in Beijing today.

Among those who sent wreaths were leading comrades Hu Yaobang, Chen Yun, Peng Zhen, Deng Yingchao, Nie Rongzhen, Xi Zhongxun, Fang Yi, Tian Jiyun, Qiao Shin, Li Peng, Yang Shangkun, Yu Qiuli, Hu Qiaomu, Hu Qili, Deng Liqun, Wang Zhen, Bo Yibo, Song Renqiong, Wu Xiuquan, Liu Lantao, Xiao Ke, Lu Dingyi, Huang Zhen, Zhou Gucheng, Rong Yiren, Huang Hua, Yang Jingren, Kang Keqing, Hu Ziang, Yang Chengwu, Lu Zhengcao, Zhou Peiyuan, Zhao Puchu, Ye Shengtao, Ba Jin, Ma Wenrui, and Mao Yisheng. NPC Standing Committee, CPPCC National Committee, Organization and Propaganda Departments of the CPC Central Committee, the Ministry of Culture, the All-China Federation of Trade Unions, the All-China Women's Federation, the CYL Central Committee, the Hunan provincial party committee, the Linli County party committee, county People's Congress Standing Committee, county people's government, county CPPCC Committee, the China Federation of Literary and Art Circles, the Chinese Writers Association, as well as personages of various circles in society and friends of Comrade Ding Ling also sent wreaths.

Attending the ceremony to pay last respects to the remains of Comrade Ding Ling were Xi Zhongxun, Tian Jiyun, Qiao Shi, Li Peng, Yang Shangkun, Yu Qiuli, Hu Qiaomu, Hu Qili, Deng Liqun, Wang Zhen, Liu Lantao, Xiao Ke, Huang Zhen, Cheng Zihua, Yang Jingren, Kang Keqing, Qian Changzhao, Yang Chengwu, Chen Zaidao, Zhou Peiyuan, Burhan, Qu Wu, and Ma Wenrui, as well as leaders of departments concerned, the China Federation of Literary and Art Circles, the Chinese Writers Association, friends of Comrade Ding Ling, and personages of literary and art circles.

ANHUI PROVINCE CRACKS DOWN ON ECONOMIC CRIMES

OW160941 Hefei Anhui Provincial Service in Mandarin 1100 GMT 15 Mar 86

[Text] Last year various localities and departments concerned in this province coordinated closely and worked together to deal heavy blows to those who committed economic crimes by taking advantage of the policy of carrying out reform, opening to the outside world, and invigorating the economy.

In 1985, 1,932 confirmed economic crimes were exposed in this province, including 190 involving more than 10,000 yuan. The departments concerned handled 1,610 cases and recovered money and various items worth 7.1 million yuan, more than three times the 1984 amount. A number of economic law offenders were strictly, heavily, and promptly punished in accordance with the law.

Through cracking down on economic crimes in this province, we have punished criminals, protected economic interests of the state and people, promoted further improvement of party conduct and social customs, and ensured smooth implementation of reform work in this province.

The recent provincial meeting on cracking down on economic crimes by party committees of various prefectures and cities pointed out that at present a number of cadres of party and government organizations, including even some senior cadres and their children and dependents, in this province have used invigorating the economy as pretext to engage in speculation and other fraudulent activities. Various localities must deal heavy blows to such economic crimes. In investigating and handling those cases, we must take resolute action and handle them in a serious and strict manner even if the suspects are senior people, hold important positions or have complicated personal relationships, and must not tolerate their crimes.

NEW FUJIAN SECRETARY CHEN GUANGYI VISITS XIAMEN

OW170517 Fuzhou Fujian Provincial Service in Mandarin 1130 GMT 16 Mar 86

[Text] Accompanied by Comrade Xiang Nan, Comrade Chen Guangyi, the newly appointed secretary of the Fujian Provincial CPC Committee, cordially met and spoke in Xiamen on the morning of 15 March to comrades who attended the enlarged Third Plenary Session of the Sixth Xiamen City CPC Committee. Comrade Chen Guangyi said: Over the past few years Xiamen has done its work very well. The construction of the special economic zone has greatly developed. To epitomize the achievements in building the special economic zone in the past 5 years, he said: The development has been rapid, the economic results have been very good, and the achievements have been very great.

Comrade Chen Guangyi said: To build the Xiamen Special Economic Zone still faster and better, we must persist in opening to the outside world, making reforms, and invigorating the economy, and under the guidance of the state, open the gate still wider, adopt a still more flexible policy, and do our work still more flexibly. In his speech, Comrade Chen Guangyi extended his greetings to comrades who worked hard for the construction of the Xiamen Special Economic Zone and his thanks to Overseas Chinese compatriots and other friendly personages who showed concern and gave support for the construction of the Xiamen Special Economic Zone. He also said: We welcome Overseas Chinese and other friendly personages to continue cooperating with us still more during the next 5 years. We also hope we will all unite as one, be dedicated heart and soul to the same cause, and promote the development of the special zone more so as to bring forward the province as a whole.

Comrade Xiang Nan also spoke. He said: Thanks to efforts made in the past few years, the Xiamen Special Economic Zone has achieved very great results, and its own dominant position has taken shape. If the command is appropriate, the measures are flexible, and the policy is special, Xiamen is entirely capable of leading the whold province. He called for firmly grasping spiritual civilization while promoting material civilization at the same time, and hoped that after we work hard for a certain number of years, Xiamen will become a city which stresses modern industry, utilization of foreign capital, export-oriented economy, and technological concentrated and intellectually concentrated industries.

Chen Guangyi and Xiang Nan arrived in Xiamen from Fuzhou on 14 March.

JIANGSU'S HAN PEIXIN SPEAKS ON LEGAL KNOWLEDGE

OW161345 Nanjing Jiangsu Provincial Service in Mandarin 1300 GMT 15 Mar 86

[Excerpts] According to a report by this station's reporter, while touching on cadres' study at a meeting of responsible comrades of provincial departments held by the provincial party committee on 15 March, Comrade Han Peixin stressed that leading cadres should take the lead in studying legal knowledge, carry out education in popularizing laws well, and make a good start for the whole province. He said: The popularization of legal knowledge is a major event in the political life of the people in our province and is an important component part of socialist spiritual civilization. Since the beginning of the second half of 1985, this work has been gradually carried out throughout the province. The provincial organizations' education in popularizing laws will be completed in about 3 years from 1986, and such education at the department-and bureau-level organizations will be completed in 1 and 1/2 years.

Comrade Han Peixin finally stressed: In carrying out education in popularizing laws, it is imperative to emphasize actual results. It should be carried out in a down-to-earth manner without formalism and lip service. Party committee members should proceed from their own [words indistinct], grasp the key points firmly, make rational arrangements, and score results.

Comrade Sun Jiazheng, deputy secretary of the provincial party committee, presided over the meeting.

ZHEJIANG'S WANG FANG MEETS VISITING SOCIOLOGIST

OW170525 Hangzhou ZHEJIANG RIBAO in Chinese 10 Mar 86

[Text] Leading comrades of the provincial party committee, the provincial government, and the provincial CPPCC Committee Wang Fang, Xue Ju, Mu Minda, Wang Jiayang, and Zhu Zhiguang met with Professor Fei Xiaotong, vice chairman of the CPPCC National Committee, permanent vice chairman of the Central Committee of the China Democratic League and famous sociologist, on the afternoon of 9 March. Comrade Wang Fang said: Professor Fei Xiaotong has offered us useful suggestions during his current fact-finding tour of the rural areas in Wenzhou, Zhejiang Province. We should speed up reform in the circulation field in order to keep abreast of the growth of production.

HEBEI CPC DEALS WITH CYL FALSE ACCUSATIONS CASE

SK120740 Shijiazhuang Hebei Provincial Service in Mandarin 2300 GMT 24 Feb 86

[Text] On 24 February, the provincial CPC Committee announced that a few staffers of the provincial CYL Committee who had engaged in nonorganizational activities and lodged false accusations against others should be strictly dealt with. The provincial CPC Committee decided to dismiss Wang Xiwen from the party and from his posts of Standing Committee member of the provincial CYL Committee, director of the Student and Juvenile Department, and secretary general of the provincial Student Federation. He was transferred from CYL Committee to another organ and assumed general work. The provincial CPC Committee punished Zheng Weimin and Wu Guotang, cadres of the Research Office under the provincial CYL Committee, by placing them under 2-year probation within the party, and transferred them from the CYL organs down to the grass-roots level units in order to enable them to receive training.

In July 1985, Wang Xiwen, who was a Standing Committee member of the provincial CYL Committee and director of the Student and Juvenile Department, went to the Yangcun normal school in Langfang Prefecture under the pretext of learning about the ideological and political work among the students and, personally extorted three items of material evidence related to the principal responsible comrade of the provincial CYL Committee by deceiving the school party organization. Then, Wang Xiwen also went to Hebei Normal University without informing the party organization of the provincial CYL Committee to learn about the behavior of the principal responsible comrade of the provincial CYL Committee during the Great Cultural Revolution. He again extorted material evidence by deceiving the university party organization. The four items of material evidence privately extorted by him were presented to Zheng Weimin, cadre of the Research Office under the provincial CYL Committee, who with the assistance of Wu Guotang, cadre of the Research Office under the provincial CYL Committee, wrote false accusations based on the materials offered by Wang Xiwen with regard to the serious mistakes committed by the principal leading personnel of the provincial CYL Committee during the Cultural Revolution, by reasoning from analogy and making up stories, and by saying that his mistakes were left out from the party rectification drive.

Originally, the party organization clearly investigated behavior of the principal leading comrade of the provincial CYL Committee during the Cultural Revolution. Although one item of material evidence privately extorted by Wang Xiwen with regard to the general party branch of the Yagcun Normal School proved that the comrade joined as only an ordinary member an organization of a certain faction of the school at the time and did not engage in the activities of beating, smashing, and looting during the Cultural Revolution period, the false accusation material against the comrade to the contrary described him as the chieftain of the faction in the school and a man of the hour during the Cultural Revolution, who had a vital bearing on the political fate of the school at that time. They also concocted material indicating that the comrade indulged in defending with force and destroyed a big building by setting it on fire, resulting in destruction of the state fixed assets in one day. As a matter of fact, the school at that time had no high building at all and suffered no fire disaster. The material also falsely accused the provincial CYL Committee's principal leading comrade by stating that the comrade was an expert in persistently defending with force and paying no attention to attacking with reason, and occupied a decisive position at that time, and that the comreade considered state property as his playthings and smashed or destroyed them at his own will. The first manuscript of the materials, written by Zheng Weimin, did not satisfy the attempt of Wu Guotang, who further embellished the stories in the materials. Zheng Weimin and Wu Guotang also respectively wrote accusation materials against the principal responsible comrade of the provincial CYL Committee.

The accusation materials written by Zheng Weimin were not signed by himself, but by three middle-level cadres of the provincial CYL Committee, thus usurping their names. The accusation material written by Wu Guotang was signed by 16 persons who were considered having actively joined the accusation. According to the investigation data, some of these people have never seen the accusation materials and some never saw their names on the material, although they looked over the accusation materials. Some were hurriedly informed of the accusation material by Wu Guotang after the arrival of the work team dispatched by the provincial CPC Committee to the provincial CYL Committee.

Wang Xiwen, Zheng Weimin, and Wu Guotang successively printed more than 40 copies of the three accusation materials, which were submitted to the central authorities, the leading comrades of the provincial CPC Committee, and the departments concerned. Upon receiving the accusation materials, the provincial CPC Committee dispatched a work team to investigate the case and to discover the facts. As of now, the team has clearly found that the accusations stated in the materials were exaggerated; some accusations had been fabricated and were false; and some accusations had deliberately connected the cases that occurred at lower levels with the responsible personnel at higher levels in order to launch a personal retaliatory strike. The accusation materials were full of erroneous practices in their form and contents, which were performed during the Cultural Revolution period, and possess prominent manifestations of the lingering influence of the Cultural Revolution.

Committee Comments

SK120750 Shijiazhuang Hebei Provincial Service in Mandarin 2300 GMT 24 Feb 86

[Text] The provincial CPC Committee recently approved and transmitted the report by its work group on the crimes committed by a few members of the provincial CYL Committee who indulged in nonorganizational activities and lodged false accusations against others, and on the handling of this case. The provincial CPC Committee called on party organizations at all levels in the province to regard this case as a negative example which may serve as a lesson, and to conduct education on discipline and on negating the Cultural Revolution among the broad masses of party members in order to further improve the quality of party members and cadres and strengthen the fighting capacity of party organizations.

The comments by the provincial CPC Committee on this case read: With serious individualistic thinking, Wang Xiwen, Standing Committee member of the provincial CYL Committee and director of the Student and Juvenile Department, and Zheng Weimin and Wu Guotang adopted mean tricks that prevailed during the Cultural Revolution period to practice fraud and wantonly lodge false accusations against others, thus seriously violating the party's principle of seeking truth from facts and the party's organizational discipline and being a typical case reflecting the leftover trends of the Cultural Revolution. To enforce party discipline, it is completely correct to punish these people according to party discipline.

Indulging in nonorganizational activity and lodging false accusations against others are prohibited by party discipline. Such practices will weaken the fighting will of cadres, hinder the normal work of party and government organs, and affect unity and stability.

Nearly 10 years have passed since the smashing of the gang of four, and after undergoing party rectification, some people are still affected by leftover trends of the Cultural Revolution and continue to create ideological and organizational confusion to achieve personal goals by means of lodging false accusations against others. The problem of lodging false accusations against others exists not only at the organs of the provincial CYL Committee, but also in other provincial-level organs. Party organizations at all levels must have a clear understanding of this situation, and should severely punish those who lodge false accusations against others after their crimes are verified, in order to resolutely prevent such an evil trend from spreading.

To enable the broad masses of party members and cadres to draw a lesson from this case, the provincial CPC Committee has decided to circulate this case to party organizations at all levels across the province, and to use this case as a negative example to conduct education on discipline and on negating the Cultural Revolution among the broad masses of party members in order to further improve the political quality of party members and cadres and strengthen the fighting capacity of party organizations.

NEI MONGGOL STUDIES ARMED FORCES DEPARTMENTS TRANSFER

SK160828 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 15 Mar 86

[Text] On 13 March, the regional CPC Committee and government and the Nei Monggol Military District jointly held a meeting to study and work out plans for transferring banner and county people's armed forces departments to the local organizational system.

Bu He, Cai Ying, Zhou Rongchang, Ma Zhenduo, Liu Yiyuan, and Chenghai, as well as other leading comrades of the regional party, government and Army organs attended the meeting. At the meeting, Comrade Cai Ying first introduced the overall plan of the military organs on transferring the people's armed forces departments to the localities, and relayed the opinions of the leading cadres of the Beijing Military Region. He said: Through conducting education and making organizational preparations in the previous stage, our region has basically prepared everything for transferring the people's armed forces departments to the local organizational system. He stressed that efforts be made to strengthen leadership over the transfer work and to try to avert unhealthy trends and various accidents.

In his speech, Comrade Bu He said: Transferring banner and county people's armed forces departments to the local organizational system is of great significance in strengthening the building of the PLA and the militia. The local CPC committees and governments at all levels should conscientiously implement this strategic policy decision of the central authorities and grasp it firmly and earnestly.

Comrade Bu He pointed out: The work of transferring the people's armed forces departments to the local organizational system will involve the immediate interests of many people. Our leaders at all levels should be more thoughtful and should make preparations, and help them solve the practical problems in the transfer work.

HEILONGJIANG PARTY STYLE RECTIFICATION MEETING ENDS

SK170400 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 14 Mar 86

[Text] The 5-day meeting on rectification of party style held by the provincial CPC Committee concluded this morning. Liu Chengguo, deputy secretary of the provincial CPC Committee, summed up the meeting. During the meeting, participants conscientiously studied the important speeches and written instructions by central leading comrades regarding the rectification of party style, as well as the guidelines of the seventh meeting of the Central Discipline Inspection Commission. Participants also listened to the speech by Comrade Sun Weiben and the report by Comrade Wang Fei; made an analysis of the current situation with regard to party style; discussed and studied the goal, task, and measures for the rectification of party style in 1986; and exchaged their experiences in improving party style. Participants unanimously voiced the opinion that this meeting yielded many results.

This meeting greatly mobilized the whole party to grasp party style, and provided a good beginning for fundamentally improving the party style. The meeting called on all localities to conscientiously relay and implement its guidelines at each level, to make sure that the guidelines are firmly grasped step by step, and to give meticulous guidance to respective cases. The meeting pointed out: The key to implementing the guidelines of this meeting lies in the adherence to a realistic style of work. That is, we should make clear investigations and real corrections, make real investigations and impose actual punishments, and teach and genuinely help others. In addition, specific plans should be formulated to rectify party style. In order to avoid confusion, such plans should clearly define what problems should be solved, when a problem should be solved, and to what extent a problem should be solved. Meanwhile, we should establish and improve the responsibility system in rectifying party style. We should also attend to investigating and dealing with major cases in order of importance and urgency, and select some typical cases to be dealt with openly so that we can enhance the initiative and confidence of the masses, deter the unhealthy trends, and frighten the evildoers. At the same time, we should attend to supervision and inspection.

The meeting called on CPC committees and leading party groups at various levels to arrange the situations of their subordinate localities and departments on rectifying party style in order of importance and urgency, and strive to have a fairly clear idea of these situations. Then, they should set forth different demands on different cases, instead of treating all cases the same. CPC committees and leading party groups at all levels should wholeheartedly support the work of discipline inspection departments, and all discipline inspection departments should also work out their own work methods to cope with new situations.

JILIN PROVINCIAL PEOPLE'S CONGRESS SESSION ENDS

SK170549 Changchun Jilin Provincial Service in Mandarin 2200 GMT 16 Mar 86

[Excerpts] After an 8-day meeting, the fourth session of the sixth Jilin Provincial People's Congress successfully concluded at the auditorium of the provincial guesthouse on the afternoon of 16 March. The session urged the people of various nationalities throughout the province to unswervingly implement the party's line, principles, and policies, as well as the results scored in conducting reforms in various fields; to unite as one in waging struggles and work hard by displaying the spirit of the foolish old man removing mountains, and to strive to fulfill the tasks set forth by the session in order to take the first step in a down-to-earth manner in implementing the Seventh 5-Year Plan.

Since the opening of the fourth session of the sixth provincial People's Congress on 9 March, participating deputies have fully exercised their right and duty imposed by the Constitution. They have heard and examined the work report given by Governor Gao Dezhan on behalf of the provincial people's government, the report on the draft final accounts of the 1985 financial revenues and the draft 1986 financial revenues, the work report given by the provincial People's Congress Standing Committee, the work report given by the provincial Higher People's Court, and the work report given by the provincial People's Procuratorate. They have expressed their satisfaction with the work done by the provincial people's government over the past year. They have also said freely what is on their minds, put forward many opinions and suggestions related to the reports made at the session, and concentratedly relayed the desire and demands of the people of various nationalities throughout the province.

Presiding over the session of 16 March were, in the order of the number of strokes in the surname, Wang Jiren, Wang Xianjin, Renqinzhamusu, Cheng Shengsan, Liu Cikai, Wu Duo, Yu Ruihuang, Zhao Xiu, Gao Di, Xu Yuancun, Cui Lin, Dong Su, and Huo Mingguang. Members of the session presidium were seated on the rostrum. Also seated on the rostrum were leading comrades from the provincial CPC Committee, the provincial Advisory Commission, the provincial people's government, and the provincial CPPCC Committee, including Gao Dezhan, Wang Zhongyu, Wang Daren, Zhang Shuying, (Du Xingyun), Liu Shulin, Zhang Fangqi, Zhang Dexin, Guan Mengjue, Luo Yuejia, Xin Cheng, Jin Minghan, and Cai Yiyun; Song Keuhan, member of the Central Discipline Inspection Commission; retired veteran cadres, including Li Diping, Yu Lin, Yu Ke, Zhang Kaijing, Mu Lin, Zhao Tiangye, Yang Zhantao, Che Minqiao, and Cui Cai; Wang Hongmo, president of the provincial Higher People's Court; and Li Xiangwu, chief procurator of the provincial People's Procuratorate.

Deputies attending the session totaled 509. At the session, participating deputies unanimously approved the resolution on the provincial people's government work reports made at the sessions of the sixth provincial People's Congress, the resolution on the 1986 plan for the national economy and social development, the resolution on the 1985 final accounts and the 1986 budget, the resolution on the work report made by the provincial People's Congress Standing Committee, the resolution on the work report made by the provincial Higher People's Court, and the resolution on the work report made by the provincial People's Procuratorate.

The session also heard and approved the report given by Liu Cikai, chairman of the motions examination committee of the fourth session of the sixth provincial People's Congress, with regard to motion examinations.

At the session, Comrade Zhao Xiu delivered a speech in which he stated: The session proceeded not only in a serious and earnest manner, but also in a lively way, and was filled with an atmosphere of democracy and unity from beginning to end. During the session, the provincial CPC Committee and the session's presidium attached great importance to the opinions voiced by the deputies, particularly to their objections, and respected the democratic right exercised by the deputies.

Thanks to the effort unanimously exerted by all deputies, the session successfully fulfilled the fixed tasks and turned itself into a meeting in which cadres and the masses at all levels throughout the province had been mobilized to strive to fulfill the tasks set for the first year of the implementation period of the Seventh 5-Year Plan, and into a meeting of democracy, unity, and victory.

Also attending the session as observers on 16 March were responsible persons from the commissions, office, departments, and bureaus under the provincial people's government, the People's Congress Standing Committee of cities, autonomous prefectures, counties, and districts; and the Baicheng office.

PEOPLE'S CONGRESS SESSION OPENS IN LIAONING

SK130617 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 12 Mar 86

[Excerpts] This afternoon the Great Hall of the Liaoning People's Theater was decorated with lanterns and colored ribbons, and was filled with a warm atmosphere. The fifth session of the sixth provincial People's Congress ceremoniously opened here.

At 1430 the session opened amid the playing of the national anthem. More than 800 people's deputies attended the session. Executive chairmen seated in the front of the rostrum were Li Guixian, Guo Feng, Dai Shuli, Zhang Zhengde, Li Tao, Sun Gi, Wang Quangzhong, Xie Huangtian, Zhang Tiejun, Lou Erkang, Tanh Hongguang, Gu Jingxian, Liu Zenghao, Feng Yousong, Zhang Zhiguan and Cui Ronghan. Attending as voting and nonvoting delegates were Liu Jingsong, commander of the Shenyang Military Region; and Li Changchun and Li Zimin, leading comrades of the provincial CPC Committee and Government; Xu Shaofu, chairman of the provincial CPPCC Committee; vice chairmen and members of the provincial CPPCC Committee; and old comrades who had retreated to the second or third echelon.

Zhang Zhengde, chairman of the provincial People's Congress Standing Committee, presided over the first plenary meeting. He said: This year our country will implement the first year of the Seventh 5-Year Plan. We should continue to carry out the guidelines of the National Conference of Party Delegates, consolidate and develop the excellent situation of stability and unity, unswervingly implement the policy of enlivening the domestic economy and opening to the outside world, adhere to the principle of grasping construction with one hand and grasping the legal system with the other, strengthen the building of the socialist spiritual civilization, the socialist democracy, and the socialist legal system, facilitate a fundamental improvement in the work style of state organs and all social conduct, and fulfill this year's tasks more splendidly.

He said: This session will sum up and review the work in various fields carried out in our province since the third session of the sixth provincial People's Congress, and discuss and decide on the major issues concerning our province's reforms and construction. We must hold this session successfully, turning it into a session for enhancing confidence and promoting preforms, and into one for working together for a splended future.

On behalf of the provincial people's government, Governor Quan Shuren gave a report on the outline of Liaoning's Seventh 5-Year Plan.

MINISTRY DENIES DEVELOPMENT OF NUCLEAR WEAPONS

OW150311 Taipei CNA in English 0237 GMT 15 Mar 86

[Text] Taipei, March 14 (CNA) — The Ministry of National Defense Friday denied flatly that the Republic of China [ROC] has developed nuclear weapons. Defense Ministry spokesman Gen Chang Hui-yuan said that although the ROC has the capability to manufacture nuclear arms, the nation has not and will never do that because it is a set policy of the government.

Chang made the remark when asked to comment on the recent report of a Hong Kong magazine saying that the ROC has made several atomic bombs. Clarifying Defense Minister Adm Soong Chang-chih's report to the Legislative Yuan recently that the nation has achieved breakthroughs in the development of defensive weapons, Chang said Minister Soong was referring to some conventional defensive arms.

MINISTER SAYS ADB FORMULA 'UNACCEPTABLE'

OW151413 Taipei CNA in English 1349 GMT 15 Mar 86

[Text] Taipei, March 15 CNA) -- Foreign Minister Chu Fu-sung said Saturday that there is little possibility that the Republic of China could be readmitted to other international organizations even if it accepted the "arrangement" of the Asian Development Bank. [ADB] Minister Chu also asserted that the nation's position on its membership in the bank would not make the nation more isolated from the world community.

Speaking at a Legislative Yuan committee meeting, Chu pointed out that the Chinese Communists have spared no efforts to exclude the Republic of China from international organizations. It's impossible that the nation would be readmitted into political or governmental international organizations even if it accepted the "ADB Formula," the minister said. Chu also explained why the nation could not buy the ADB decision to change its official name. Chu revealed that the management of the Asian Development Bank and the Peiping regime have reached a five-point memorandum, under which the Chinese Communists will enter the bank under the name of "The People's Republic of China" while the Republic of China will be redesignated as "Taipei, China."

Chu said that such arrangement was totally unacceptable as no international organization is entitled to take the liberty of redesignating its member country. He pointed out that Peiping's conspiracy in the ADB is part of its ploys to downgrade the status of the Republic of China from a country to a local government. He further indicated that in many internatinal academic meetings or inter-city sports activities, the Chinese Communists also have tried to use the name "Taipei, China," "Kaohsiung, China" vs. "Peiping, China," "Shanghai, China" in an attempt to mislead the world into believing that free China is part of Communist China.

Chu also asserted that the nation has not been isolated from the world, citing as proof that among the nation's 86 representative offices abroad, 57 are located in the countries that maintain no diplomatic relations with this country; there are also 21 countries that have no diplomatic ties with the ROC have established a total of 28 offices here; more than 30 Japanese, American and European banks have set up branches here; over 7,000 foreign dignitaries visit Taiwan annually as government guests; and hundreds of thousands of local people go abroad on business or sightseeing trip every year.

TAIWAN, PHILIPPINES TO STRENGTHEN COOPERATION

OW170321 Taipei CNA in English 0252 GMT 17 Mar 86

[Text] Taipei, March 15 (CNA) -- The Government of the Republic of China and the Philipines have agreed that the cooperative relations between the two nations should be continued and strengthened, Foreign Minister Chu Fu-sung said Saturday.

Reporting to the Foreign Affairs Committee of the Legislative Yuan, Chu said that David Liu Tsung-han, representative of the Manila office of the Pacific Economic and Cultural Center, has met with the Philipine President Corazon Aquino, Vice President Salvador Laurel and other ranking officials. Chu said that new Philipine leaders have expressed that the ROC-R.P. cooperative relations should be further enhanced based on the current foundation.

PREMIER YU ON PROMOTION OF CONSTITUTIONAL RULE

OW141439 Taipei CNA in English 1415 GMT 14 Mar 86

[Text] Taipei, March 14 (CNA) -- Premier Yu Kuo-hwa said Friday that it is the prime goal of the Republic of China Government to enhance national security, improve the living standard of the people, and to promote democratic and constitutional rule.

Answering an interpellation by Legislator Yang Pao-ling at the Legislative Yuan, Yu stressed that it is the long-standing policy of the govenment to promote democratic and constitutional rule. Yu said that in promoting democratic and constitutional rule the government must take national security into consideration at a time when the nation is facing a growing threat from the enemy. Freedom and democracy will lose value when the security of the nation is in danger, he added.

Meanwhile, Minister of National Defense Soong Chang-chih said Friday that the government will never allow communist propaganda to spread in Taiwan, and neither will it allow the so-called Taiwan independence elements to sow seeds of discord in this country.

Speaking at a Legislative Yuan meeting, Soong said that the government has always respected freedom of speech. He urged those people who have said and written libelous things in the name of freedom of speech to restrain themselves.

NEW REGULATIONS ISSUED ON SHENZHEN ENTRY, EXIT

HK140700 Hong Kong WEN WEI PO in Chinese 12 Mar 86 p 3

["Special dispatch" by reporter Li Chao-hui: "Regulations on Passing Shenzhen's Second Control Line Promulgated"]

[Text] Guangzhou, 11 Mar -- The Guangdong Provincial People's Government will officially promulgate tomorrow the "regulations on administering personnel flow between the Shenzhen Special Economic Zone and the hinterland," which are to be enforced as of 1 April on the land control line of the Shenzhen Special Economic Zone (Shenzhen's second line). The regulations stipulate that the land control line, complete with management facilities, between the special zone (referring to Shenzhen, as below) and the hinterland is patrolled and administered by the people's armed police units. The patrol road on the land control line in provided specifically for the armed police and the inspection and administrative personnel on point duty. The sections formerly used for civilian purposes are still open to civilian vehicles.

The highway junctions at Natou, Baimang, Buji, Shawan, Yantian, and Beijiaokou along the land control line are provided for personnel and vehicles traveling between the special zone and the hinterland. The border public security departments and the customs house have respectively set up institutions at the junctions to carry out inspection and management. At 29 points on the land control line a sidewalk junction is set up specifically for residents in the vicinity of the line, as well as their tractors, it should be used to cross the designated junctions when traveling to and from the special zone, and these people are subject to the inspection and management of the border security departments.

At Gupojiao and Beijzaijiao (at Dameisha for the time being) along the coast of the special zone, marine public secuirty checkpoints are set up where the border public security departments inspect personnel, ships, and boats traveling between the special zone and the hinterland by sea. The piers at Dongjiaotou and Shangbu in the special zone are provided for personnel, ships, and boats traveling to and from the special zone by sea. The border public security departments and the customs house have set up checkpoints here to carry out inspection and management. At such gateways as the Luohu railway terminal, the pier of the Shekou industrial zone, and Chiwan pier in the special zone, special purpose passageways where the customs house and the border security departments inspect goods and personnel have been set up for personnel traveling between the special zone and the hinterland.

At the special zone's railway cargo station, a supervisory body has been set by the customs house in order to carry out inspection and management in accordance with the relevant stipulations of the customs house.

The regulations point out that foreigners, Overseas Chinese, and compatriots from Hong Kong, Macao, and Taiwan should hold valid entry and exit permits when they travel between the special zone and the hinterland. When going from the special zone to the hinterland, people from Hong Kong and Macao who make investments, set up factories, run various undertakings, or own residential houses in the special zone should go to the border checkpoint of the original port of entry to go through the formalities. People from Hong Kong and Macao driving motor vehicles to the hinterland via the special zone should have their "entry permits for Hong Kong and Macao compatriots" endorsed and should hold driver's licenses and license plates issued by our country.

The stipulations also stress that those violating the relevant clauses of these regulations will be punished according to the seriousness of the case, including disciplinary warnings, seizure of papers, confiscation of luggage, fines, and administrative detention. Those violating the criminal law and committing crimes will be punished according to the law.

To counter the prevailing argument in society that "Shenzhen will be strangled following the official implementation of the second control line," a relevant person of the Guangdong provincial office in charge of the special zones said: The control line of the Shenzhen Special Economic Zone has been tested a restricted basis for more than 1 year and, after being formulated by the People's Congress, the regulations will be promulgated by the provincial government and will be enforced as of 1 April. This is but a necessary measure to further perfect and rationalize the control line. For this reason, the issue of "strangling Shenzhen" is a moot point.

Following the trial implementation of the control line of the special zone from 1 August 1984 to December 1985, the joint checkpoints at six highway junctions checked and let pass more than 60 million passengers and more than 9 million motor vehicles. It was easy for both personnel and vehicles to travel to and from the special zone, and commodities flew freely. In the past 1 year and more, the joint checkpoints tracked down and seized contraband worth more than 15 million yuan. Of this, the value of the resold "donated" goods and materials (most of them cars) amounted to 10.8 million yuan. They also tracked down taxable goods and articles brought into the special zone in violation of the regulations, worth about 70 million yuan. They refused entry to people without the ncessary papers, and educated and dealt with those who altered their papers, impersonated another, or violated other regulations -- more than 100,000 cases -- thus satisfactorily bringing into play the efficacy of the special zone's control line.

SHENZHEN TO BE 'FENCED OFF' FROM MAINLAND

HK140520 Hong Kong HONG KONG STANDARD in English 14 Mar 86 p 1

[Text] The Shenzhen Special Economic Zone will be fenced off from other parts of China's mainland when the zone's second border comes into operation on April 1. Foreign visitors, including Hong Kong people, will have to produce their travel documents when they enter the mainland from Shenzhen, but entry procedures from Hong Kong to Shenzhen will be simplified.

But Hong Kong and Macao people who have invested in Shenzhen might be inconvenienced when they want to go to their parts of China from the special economic zone. They will have to get back to the border checkpoint, where they entered Shenzehn for immigration clearance, before they can travel to places beyond the second border.

These were set out in a legal document approved by the Guangdong Provincial Government. It was published in Wednesday's NANFANG RIBAO the Guangdong provincial newspaper. According to the doucment, China will set up six checkpoints along the new border to be manned by the Chinese Customs and the border division of Shenzhen Public Security Bureau.

The doucment was awaiting approval from the Standing Committee of Peoples' Congress of Guangdong Province in late February before it was released on Wednesday. While the document imposes tight controls over unauthorised access to Shenzhen, including members of the People's Liberation Army and uniformed police, it gives no provisions for duty-free imported goods to Shenzhen.

A China specialist, Dr Thomas Chan, Research Officer of Centre of Asian Studies, University of Hong Kong, said the second border could better be construed as a measure to check illegal trade between Shenzhen and the mainland, rather than policy to encourage foreign investments in the region. Most of the imported goods will continue to be taxed by the Chinese Customs in Shenzhen, said Dr Chan. He pointed out that China had dropped the original idea of promoting Shenzhen as a free trade zone and, consequently, the purpose of the second border was also changed.

PRC, PORTUGAL TO DISCUSS MACAO'S FUTURE IN MAY

HK150600 Hong Kong SOUTH CHINA MORNING POST in English 15 Mar 86 p 10

[By Donald Cheung]

[Text] The Sino-Portuguese talke on Macao's future will be held in Beijing in May, the government-run Radio Macao announced yesterday. Quoting Portuguese Foreign Ministry sources, the radio reported that the decision had been reached recently in Lisbon between top Chinese and Portuguese officials. A Chinese delegation, headed by China's Public Health Minister, Mr Cui Yueli, was in Lisbon about a week ago for the inauguration ceremony of the new Portuguese President, Dr Mario Soares. President Soares was said to have received the Chinese representatives, who included the Deputy Foreign Minister, Mr Zhou Nan, who was the leader of the Chinese team during the Sino-British talks on Hong Kong's future. It is understood that the Chinese delegates had also met Portugal's Prime Minister, Dr Cavaco Silva, and Foreign Minister, Dr Pires Miranda.

The latest development regarding the talks, it was learned, stemmed from a front-page story in yesterday's O JORNAL, a leading Portuguese weekly.

The news did not come as a surprise, according to some observers, but they wondered if the decision was hasty, taking into account the fact that members of the Portuguese negotiating team have yet to be named. Some Portuguese diplomats in Lisbon have been quoted as saying that the President is still picking his team of officials for the comming Beijing talks.

Sources close to Beijing in Macao yesterday refuted suggestions that China had put pressure on the Portuguese to start the talks as soon as possible. "It can't be a unilateral demand. It's just that the conditions are ripe now (for the talks to start)," said one source. But the explanation countered earlier thinking by some well-informed pro-Beijing sources in Macao that the date for the talks could be delayed because of political uncertainty in Portugal.

Some analysts said the May meeting may only be a curtain raiser, after which both sides would meet again for detailed discussions. Meanwhile, some Lisbon reports said that a special presidential envoy will visit Macao "very soon" to seek the views of community leaders on the appointment of a new governor for the territory. Three candidates are said to be on the short-list, two civilians and a military officer, but their names have not been revealed.

DAILY REPORT

China

CONTENTS

Vol I No 052 18 March 1986

PRC INTERNATIONAL AFFAIRS

GENERAL

Zhao Ziyang Speaks on International Year of Peace A 1
SHIJIE ZHISHI Interviews Scholar on World Peace [15 Mar] A 2
Chen Muhua Named Asian Development Bank Governor A 3
IDA Approves Credit To Assist Projects A 3
Soviet Defector Testifies at Oslo Conference A 3
Witnesses Testify to Atrocities A 4
HONGQI Article Cited on China's Foreign Policy A 5
Chinese Law Professor at Crime Control Conference A 5
Lebanon To Send Envoys to Permanent UNSC Members A 6

UNITED STATES

Li Peng Meets President of U.S. Firm 17 Mar B 1
Reagan Sends Policy Statement to Congress B 1
U.S., Philippines To Cooperate on Marcos Probe B 1
U.S. Arms Negotiator With USSR Replaced B 2
Reagan Offers USSR Observation of Nuclear Tests B 2

SOVIET UNION

Arkhipov Delegation Concludes Cooperation Agreement C 1
LIAOWANG Reports CPSU Development Strategy C 1
Li Peng Meets Soviet Education Delegation C 2

NORTHEAST ASIA

S. Korean Opposition Forces Form United Front D 1
U.S. 'Spy' Plane Violates DPRK Airspace D 1
DPRK Peace Committee Calls for Antiwar Movement D 1
Zhang Jingfu Meets Japanese Business Delegation D 2
Japanese-Aided Manager Training Center Opens D 2
Sino-Japanese Leasing Company Opens in Shanghai D 2

SOUTHEAST ASIA & PACIFIC

Hu Yaobang Says PRC Supports CGDK Proposal E 1
PRC Sources Deny Naval Exercises With U.S. [KYODO] E 2
Hong Kong Hosts Symposium on PRC Reforms E 2
CAAC To Launch Guangzhou-Bangkok Flight Service E 3
Radio Beijing Cites Laurel on New Constitution E 3
Philippine Vice President Meets ASEAN Envoys E 3
Marcos Wants To Settle in Third Country E 4
Marcos Wants To Leave U.S., Go to Spain E 4
U.S. Willing To Help Probe Marcos' Wealth E 5
Philippine Presidential Palace Open to Public E 5

WESTERN EUROPE

UK Rejects New Soviet Disarmament Proposal G 1
Belgians Protest U.S. Missile Deployment G 1
Qiao Shi Meets Finnish Delegation 17 March G 2
Li Tieying at Irish Ambassador's Reception G 2
Nazi Group Claims Palme Assassination G 2

EASTERN EUROPE

Polish Council Vice Chairman Meets Envoy H 1
Poland-PRC Friendship Society Meets in Warsaw H 1
XINHUA Interviews Polish Writer's Union President H 1

MIDDLE EAST & AFRICA

Li Xiannian Continues State Visit to Egypt I 1
Cairo Press Lauds Visit I 1
Li Talks With Mubarak I 1
Lays Wreath at Memorial I 1
Mubarak Hosts Banquet I 2
Li on Palestinians, Superpowers I 2
Mubarak Praises Friendship I 3
Hu Qili Receives Congolese Labor Party Group I 4
Syrian Ba'th Party Delegation Leaves for PRC I 4
XINHUA Notes Saudi Arabian Aid to PLO I 4

PRC NATIONAL AFFAIRS

CPC Proposal for Seventh 5-Year Plan Viewed K 1
[LILUN YUEKAN 25 Jan]
Li Peng Reviews Rural Energy Construction K 12
Yao Yilin Stresses Grain Production in Jilin K 15
Strengthening of Grain Purchase Work Urged K 16
[JINGJI RIBAO 6 Mar]
NPC Committee Studies New Friendship Groups K 17
CPPCC Committee Holds Third Plenary Session K 17
Grass-Roots Family Planning Meeting Ends 13 March K 17
Meeting Stresses Family Planning Guidance K 18
Household Contract System Reiterated as Policy K 18
Reform of Vegetable Purchasing, Marketing Viewed K 20
[RENMIN RIBAO 9 Mar]
Ministry of Commerce Outlines Marketing Work K 21
Price Reforms Said Supported by People K 22
Journal Cited on 5-Year Economic Reform Tasks K 23
[CHINA DAILY 17 Mar]
Regulations on Foreign, Chinese Travelers 'Easier' K 24
[CHINA DAILY 14 Mar]
Deng Pufang on Building Socialist Humanism K 26
Deng Pufang To Visit U.S., Canada in June K 26
Leaders Pay Last Tribute to Deceased Professor K 26
RENMIN RIBAO Carries HONGQI Table of Contents [15 Mar] K 28

PRC REGIONAL AFFAIRS

EAST REGION

Han Peixin Calls on Jiangsu CPPCC Conference O 1
Shandong Congress Decides on Appointments, Removals O 1
[DAZHONG RIBAO 2 Mar]
Shanghai's Rui Xingwen Honors Satellite Team O 1

CENTRAL-SOUTH REGION

Guangdong Ventures Enjoy Preferential Treatment P 1
Hubei Notes 100th Anniversary of Dong Biwu's Birth P 1

SOUTHWEST REGION

Xizang's Wu Jinghua Sees Off Leading Buddhist Q 1
Yunnan Magazine Praised for Resisting Malpractice Q 1

NORTH REGION

Shanxi Leaders at Economic, Planning Conference R 1
Tianjin Secretary Watches Opera Performance R 2
[TIANJIN RIBAO 2 Mar]

NORTHWEST REGION

Gansu's Li Ziqi at Afforestation Mobilization Rally T 1
Bai Jinian Speaks at Shaanxi CPPCC Session T 1

ZHAO ZIYANG SPEAKS ON INTERNATIONAL YEAR OF PEACE

OW171117 Beijing XINHUA Domestic Service in Chinese 0842 GMT 17 Mar 86

[Text] Beijing, 17 Mar (XINHUA) -- At the request of the China International Broadcasting Station, Premier Zhao Ziyang delivered a radio speech to listeners throughout the world on 17 March in connection with the "International Year of Peace" activities. The full text of his speech follows:

Hi! Listeners and friends: I am very happy to say a few words over Radio Beijing in connection with the International Year of Peace to our friends in all countries.

At a ceremony commemorating the 40th anniversary of the founding of the United Nations on 24 October last year, the members of the United Nations unanimously adopted an "international year of peace declaration," proclaiming 1986 the International Year of Peace. I feel greatly honored to have participated in that historical event on behalf of the Chinese Government.

"Peace" is a magnificent ideal to which mankind has aspired for thousands of years. I myself, both as the premier of a nation and as an ordinary citizen of China, share with you a strong desire for world peace. The Chinese people and people of all countries long for a world of lasting peace, of prosperity and progress, of equality and cooperation. The United Nation's decision to make this year the International Year of Peace, and its appeal for global activities to win and safeguard peace, conform with the vital interests and sincere wishes of the world's people. I highly appreciate and support this effort.

As we all know, peace and development are the two most critical problems facing the destiny and future of mankind. The people of the world know just as well that if there is no peace, there will be no development and happiness for mankind will be out of the question. In the past few years, I have visited quite a few countries on six continents, and received at home one group of foreign friends after another. These visits and receptions left me with an extremely deep impression of how eagerly the world's people are demanding peace and opposing the arms race. I responded by conveying to them the Chinese people's strong desire for peace and their sincere support for disarmament. The decision to cut China's armed forces by 1 million, announced by the Chinese Government last year, was an actual deed of the Chinese people in supporting the cause of peace and disarmament.

The Chinese people have suffered throughout history from the bitterness of wars of aggression imposed on them by colonialism and imperialism. The flames of war laid waste this age-old land for a hundred years, devastating the lives of its people. After the founding of new China, the Chinese people became their own masters, and they treasure even more a life of peace. China as a developing socialist country is devoting all its efforts to modernization. This will require the hard work of several generations and an environment of lasting and stable peace in the world. China bases its independent foreign policy of peace on the fundamental interests of both the Chinese people and the people of the world. In our relations with other countries, we insist on the five principles of peaceful coexistence, stand for establishment and development of friendly relations of cooperation with other countries on the basis of these principles, oppose hegemony, and safeguard world peace. This is an established policy our country, and it will never be changed. China is an important force in keeping the world peaceful and a reliable friend with which other countries can live in amity.

As a founding member of the United Nations and a permanent member of the UN Security Council, China has consistently worked hard to realize the objectives and principles of the UN Charter.

Today's world remains tense and "hot spots" and the danger of war still exist. On the other hand, we also see the development of forces for peace and the increase of factors for preventing war. A just cause is invincible and world peace can be maintained. We are confident about the future. To relax world tension and maintain world peace, to see the sunshine of peace over every family, let's join hands, shoulder our responsibility, and each do our best.

Thank you.

SHIJIE ZHISHI INTERVIEWS SCHOLAR ON WORLD PEACE

OW151058 Beijing XINHUA in English 1030 GMT 15 Mar 86

[Text] Beijing, March 15 (XINHUA) -- Huan Xiang, a noted Chinese scholar of international studies, said in a recent interview that the designation of the year 1986 as the "Year of International Peace" by the United Nations will help mobilize the world's people in the struggle against war and to secure peace. "It will play a positive role in halting the arms race between the United States and the Soviet Union, pushing them from confrontation to dialogue, and in making space serve the peaceful endeavors of mankind," he added.

Huan, who is director of the Center of International Studies under China's State Council, made these remarks while answering questions raised by a reporter of the magazine, "WORLD AFFAIRS". The interview is carried in the latest issue of the magazine which will be off the press tomorrow.

In recent years, Huan noted in the interview, there have been wars between some Third World countries besides aggressive ones launched by Vietnam, Israel and the racists in South Africa. He suggested that during the Year of International Peace, those Third World countries involved in war be called on to solve their differences through peaceful negotiations so that they can turn the money used in buying arms to construction.

Reviewing the history of the past 40 years since the Second World War, he said that no war had broken out between the two superpowers although they had maintained a very tense relationship highlighted by several crises. At the same time, he said, small-scale and regional wars had broken out, mainly in the territories of some Third World countries. He said that this was because the spheres of influence in Europe divided by the Yalta agreement had remained intact and the military balance between the United States and the Soviet Union had kept both sides from unleashing a war rashly.

Meanwhile, he said, the military alliances controlled by the two superpowers are unstable. Their political, economic and ideological antagonisms are unsynchronized and even contradictory to each other at times. With the rise of China, the European Economic Community and Japan, he said, the world is now changing from bipolarization to multi-polarization, with the United States and the Soviet Union remaining the two biggest powers. He said that the two superpowers, which keep the largest nuclear arsenals, are the only countries capable of starting a nulcear war. Their rivalry for hegemony constitutes the source of a possible world war. Therefore, people all over the world must exert moral force on them to prevent them from launching another war.

He said that the growth of factors for peace had outstripped the war trends. First, he said, people throughout the world stand for peace and against war. And second, the Third World, as a major force for peace, is playing an independent role in the world arena. Besides, he said, China is determined to take an independent and self-strengthening road; the United Nations is playing an increasing role in preserving world peace; and a large number of far-sighted politicians in Western countries oppose war, demanding that money spent on armaments be used for construction and helping the Third World countries.

In order to prevent a world war, he pointed out, it is imperative to oppose the nuclear and conventional arms race of the two superpowers. He called on all peace-loving people and politicians to unite and form a broadly-based force for peace and continue their anti-war campaign on a large scale. He also urged that "hot spots" be eliminated and efforts be made to solve the economic problems of the Third World countries.

CHEN MUHUA NAMED ASIAN DEVELOPMENT BANK GOVERNOR

OW171007 Beijing XINHUA in English 0947 GMT 17 Mar 86

[Text] Beijing, March 17 (XINHUA) -- Chen Muhua, State Councillor and Governor of the People's Bank of China (PBC), has been appointed Chinese governor to the Asian Development Bank (ADB), the PBC announced here today. The Chinese Government has also appointed PBC council member Che Peiqin to be the ADB alternate governor.

PBC became a full member of the Manila-based Asian Financial body on March 10. As an official ADB liaison organization and the official depository in China, PBC will keep ADB holdings of Chinese currency and its other assets in the country. A Chinese delegation headed by Chen Muhua will take part in the 19th annual meeting of the ADB Board of Governors to be held in Manila from April 30 to May 2.

IDA APPROVES CREDIT TO ASSIST PROJECTS

OW180232 Beijing XINHUA in English 0220 GMT 18 Mar 86

[Text] Washington, March 17 (XINHUA) -- The International Development Association (IDA) today approved an interest-free credit of SDR 22.8 million (about 20 million U.S. dollars) to help China develop the ability to manage mostly World Bank assisted projects. The credit, the second of its kind, will finance technical assistance and training for project preparation, in addition to strengthening some important economic institutions and carrying out economic and policy studies.

The total cost of the IDA-assisted project is estimated at 27 million dollars and the Chinese Government will make up the remaining 7 million dollars in cost. The IDA credit will be paid back in 50 years.

SOVIET DEFECTOR TESTIFIES AT OSLO CONFERENCE

OW170938 Beijing XINHUA in English 0846 GMT 17 Mar 86

[Text] Oslo, March 16 (XINHUA) -- The Soviet Union has been conducting a completely "unjust and dirty war" in Afghanistan, says a former Soviet sergeant who defected in 1983 to join the Afghan resistance forces. Nikolay Movchan explained his reasons for defecting at the second international hearing on Afghanistan, which ended today in the Norwegian capital.

Movchan was dispatched to Afghanistan in October 1982 and deserted to join the Afghan mujahidin fighters in June 1983. He said that before being sent to Afghanistan, he was told only that the Soviet Army was in Afghanistan to "help Afghan brothers prevent other countries from invading" and to "defend the Soviet southern borders." Movchan said, however, that after he arrived in Afghanistan what he saw and heard was completely to the contrary, that Soviet troops were fighting against the Afghan mujahidin fighters and massacring civilians.

He cited an instance where an Afghan village near the Soviet Army base in which Movchan was stationed was thoroughly destroyed by the Soviet troops and most of the villagers were killed by Soviet tanks. The village was attacked, he said, because the mujahidin fighters once ambushed the Soviet invaders there.

At the hearing, Movchan testified to many atrocities committed by the Soviet invaders in Afghanistan, adding that Soviet soldiers and officers "robbed the population of anything of value" wherever they went. "Discontent over the war was not only among soldiers but also the officers," and many feel "despondent" he said. Even Soviet high-ranking officers also thought there was no way out of the Afghan situation, he added.

Movchan, who stayed in the mujahidin-controlled areas for more than a year after he defected in 1983, said that the Afghan mujahidin fighters won "the support of all the Afghan people." For the Soviet invaders, he said "there were no flowers or grateful smiles as they showed on Soviet television." Movchan stressed that the Afghan war not only meant great losses for the Afghan people but also made Soviet soldiers cannon fodder of Soviet soldiers. The former sergeant appealed to other countries to take in Soviet soldiers who defected in Afghanistan. Movchan is one of 14 witnesses from Afghanistan at the three-day international hearing who testified to having first-handed knowledge of Soviet atrocities.

Witnesses Testify to Atrocities

OW170758 Beijing XINHUA in English 0700 GMT 17 Mar 86

[Text] Oslo, March 16 (XINHUA) -- Fourteen witnesses from Afghanistan testified to first-hand knowledge of Soviet atrocities in their country at a three-day international hearing on Afghanistan which concluded here today. In testimony at the hearing, Quari Baba Taj Mohammed, general commander of the Afghan resistance forces in the province of Ghazni, strongly condemned the Soviet aggression against Afghanistan and the atrocities committed by Soviet troops. He charged that the Soviet invaders tested their most sophisticated weapons, using incendiary bombs, chemical weapons and even toys with hidden bombs to kill Afghan people.

Mohammed Khaled, commander of the Afghan resistance forces in the northern province of Balkh, said that in addition to using military means to massacre Afghans, the Soviet invaders also attempted to intimidate the Afghan people by destroying their means of livelihood. He charged, for example, that Soviet troops destroyed 75 to 80 percent of arable land in the province, blasted its irrigation networks and poisoned the wells.

According to the testimony, Afghan civilians, especially children and women, are the main victims of the Soviet aggression. Ashiqualla, a crippled 10-year-old boy, supported himself with a walking stick as he took the stand to tell the forum of Soviet atrocities in his country. Ashiqualla's right leg was badly wounded when Soviet troops attacked his home village two years ago, killing his father and sister. His leg had to be amputed. He was then only eight years old.

A former Soviet soldier explained at the forum the reasons for his defection, denouncing the Soviet Union for conducting an "unjust and dirty war" in Afghanistan.

Three Norwegian medical personnel and two Swedish reporters who have been to the war-torn country showed slides to the panel of emaciated and weakened Afghan children who are suffering from malnutrition. They said that Soviet invaders were systematically destroying the Afghan nation.

Speaking at the forum, representatives from international organizations said the Soviet occupation of Afghanistan is a great tragedy of the human being. The three-day hearing, which started on March 14, is sponsored by Norwegian organizations that oppose the Soviet occupation of Afghanistan. An earlier hearing on Afghanistan was held here thre years ago.

HONGQI ARTICLE CITED ON CHINA'S FOREIGN POLICY

HK170933 Beijing ZHONGGUO XINWEN SHE in Chinese 1300 GMT 16 Mar 86

[Text] Beijing, 16 Mar (ZHONGGUO XINWEN SHE) -- The latest issue of HONGQI magazine published today carries an article on China's foreign policy. It says that China will not take an unprincipled position in maintaining equal distances to both the United States and the Soviet Union.

The article says: China will not establish strategic relations in the form of an alliance with any big power. This is a new development in China's independent, peace-oriented foreign policy. As a nonaligned country, China today does not consider her policy toward the Soviet Union in line with the intentions of the United States; nor does she consider her policy toward the United States in line with the intentions of the Soviet Union. China will make decisions and policies on the position of safe-guarding the fundamental interests of the Chinese people and the people of the whole world, and will judge every international affair on its merits.

In recent years, Chinese and U.S. leaders have exchanged visits and the two countries have markedly increased their bilateral trade. At the same time, China and the Soviet Union have also begun some high-level contacts, and trade between the two countries has also increased rapidly. The article said: On the one hand, China insists on the principled position of opposing hegemonism; on the other hand, China continues to develop and improve relations with the United States and the Soviet Union. This enables China to better uphold justice on the international stage and is in line with China's needs for peace, friendship, and the four modernizations.

When talking about Sino-Japanese relations, the article says: In order to raise Sino-Japanese relations to a new height in the 1980's following the significant advances of the 1970's, Chinese leaders have repeatedly mentioned that both countries should continue to increase mutual trust in the political field and continue to promote cooperation in the economic field, so as to maintain and develop Sino-Japanese friendship generation after generation.

In the course of advance, some problems have also appeared in Sino-Japanese relations. For example, China is in the unfavorable position of incurring huge deficits in her trade with Japan, and Japan has not taken a positive attitude in transferring technology to China. What worries China more is the fact that various signs of militarism still emerge in Japan from time to time. The article points out that so long as both China and Japan have a farsighted vision, and work for their long-term interests, the prospects for Sino-Japanese friendship on a long-term basis are bright.

The article also points out that China is making efforts to strengthen her unity and cooperation with the Third World. At the same time, China is also trying to develop and improve relations with some East European countries. The article reviews the development of China's foreign policy over the past 36 years and points out that China advanced her foreign relations in giant strides in the 1970's, and the development was mainly characterized by the expansion of lateral ties. In the 1980's, China's foreign relations mainly developed in depth. The article says that the present foreign policy pursued by China is the most correct and most effective one since the founding of the PRC.

CHINESE LAW PROFESSOR AT CRIME CONTROL CONFERENCE

OW151220 Beijing XINHUA in English 0847 GMT 15 Mar 86

[Text] Vienna, March 14 (XINHUA) -- International terrorism and juvenile delinquency were among the problems discussed at a 10-day conference of the United Nations Committee on Crime Prevention and Control which ended here today.

Committee members approved a progress report outlining U.N. activities in crime prevention during 1984-1985 and reviewed the Milan plan of action which was passed at the 7th United Nations congress on the prevention of crime and the treatment of offenders.

The 27-member committee, which includes a Chinese professor of law, also discussed the 11th congress of the U.N. crime committee which is scheduled for 1990. Founded in 1950, the committee consists of experts in the field and is under the auspices of the U.N. Economic and Social Council. Its main tasks are to prepare for the U.N. Crime Prevention and Treatment Congress held every five years, and to spread knowledge on crime prevention and control among countries of the world.

LEBANON TO SEND ENVOYS TO PERMANENT UNSC MEMBERS

OW141013 Beijing XINHUA in English 0634 GMT 14 Mar 86

[Text] Beirut, March 13 (XINHUA) -- Lebanese speaker Husayn al-Husayni has decided to send three delegations soon to five permanent member states of the U.N. Security Council [UNSC] to discuss with leaders of these countries the situation in southern Lebanon and to ask them to support the prolongation of the mandate of the U.N emergency force in Lebanon. According to Beirut daily 'AL-SAFIR' today, the delegations will also visit U.N. headquarters and the countries who sent troops to join in the U.N. emergency force.

The U.N. emergency force was formed in 1978 at the request of the Lebanese Government with a mandate of half a year. Its mandate has been prolonged for many times and this mandate will expire on April 17. Now the prolongation of the U.N. force is still uncertain because Israel takes negative attitude towards the matter and the U.S. had decided to reduce its financial aid by 18 million dollars to the force. The Lebanese Government is worried about the tense situation in the south if the U.N. force leaves there.

It was reported that the delegations will stress that the U.N. emergency force should continue to stay in southern Lebanon and the U.N. Security Council Resolution 425 should be implemented. They will also expose Israeli atrocities in southern Lebanon and stress Lebanon's national right to resist Israeli aggression.

LI PENG MEETS PRESIDENT OF U.S. FIRM 17 MAR

OW171140 Beijing XINHUA in English 1056 GMT 17 Mar 86

[Text] Beijing, March 17 (XINHUA) -- Chinese Vice-Premier Li Peng met here today Helen H.Y. Li, president of Havarest, Inc. of the United States. They exchanged views on trade and economic construction.

REAGAN SENDS POLICY STATEMENT TO CONGRESS

OW151741 Beijing XINHUA in English 1630 GMT 15 Mar 86

[Text] Washington, March 14 (XINHUA) -- U.S. President Ronald Reagan sent to Congress Friday a major policy statement in which he warned Soviet leaders to expect no "fundamental improvement of Soviet-American relations" while there is "continuing Soviet adventurism in the developing world." The statement, entitled "Freedom, Security and Global Peace", deals with U.S. policy toward regional conflcits.

In recent years, Reagan said, "Soviet ambitions in the developing world have run head on into a new form of resistance." He added that in the 1970s "the Soviet overreached," and now they and their clients "are finding it difficult to consolidate" their gains "mainly because of the courageous forces of indigenous resistance." Referring to the situation in a number of developing countries, Reagan declared explicitly for the first time that his administration will oppose to all [as received] dictatorships, whether they represent right-wing or left-wing governments.

Observers here noticed that the statement was released in the wake of the recent downfall of the right-wing regimes in the Philippines and Haiti. In both cases, the policies of the United States were taken out of its consideration to protect its interests there, anticipating an inevitable overthrow of the former leaders by the people of the two countries.

Meanwhile, there have been charges in the United States and other countries that the Reagan administration is following a double standard policy on human rights towards what it terms "traditional authoritarian" regimes.

U.S., PHILIPPINES TO COOPERATE ON MARCOS PROBE

OW160222 Beijing XINHUA in English 0213 GMT 16 Mar 86

[Text] Washington, March 15 (XINHUA) -- The U.S. Government has pledged to cooperate with a Philippine Government commission investigating the wealth in the United States of former Philippine President Ferdinand Marcos, Chairman of the Commission Jovito Salonga said here today. After a meeting with U.S. Undersecretary of State for Political Affairs Michael Armacost, Salonga told reporters that "We have been assured of full cooperation by the U.S. Government within the context not only of American law but Philippine law and international law."

The Reagan administration had agreed to give Salonga copies of the documents about Marcos' huge fortune, which Marcos brought to Hawaii when he fled there last month. Salonga, who arrived here Friday, also had this to say: "I think we can look forward to a more productive relationship between the Philippines and the United States."

Yesterday, Representative Stephen Solarz, chairman of the House Subcommittee on Asian and Pacific Affairs, told a news conference after a one-hour meeting with Salonga that his subcommittee would cooperate with the Philippine Government in the effort to recover Marcos' funds.

U.S. ARMS NEGOTIATOR WITH USSR REPLACED

OW150134 Beijing XINHUA in English 0130 GMT 15 Mar 86

[Text] Washington, March 14 (XINHUA) -- U.S. President Ronald Reagan today named Ronald Lehman to replace John Tower as U.S. negotiator for strategic nuclear arms with the Soviet Union. Tower resigned earlier this week for "personal reasons."

The 39-year-old Lehman has served as a deputh arms negotiator with the rank of ambassador since January 1985. He is also the deputy assistant to the U.S. President for national security affairs. Previously, Lehman served as deputy assistant secretary of defense responsible for nuclear forces and arms control policies and served as a representative to the U.S.-Soviet bilateral discussions on nuclear proliferation. Lehman will join two other negotiators in Geneva. The U.S. negotiating team is headed by Ambassador Max Kampelman and includes Maynard Glitman, a veteran diplomat.

REAGAN OFFERS USSR OBSERVATION OF NUCLEAR TESTS

OW150144 Beijing XINHUA in English 0133 GMT 15 Mar 86

[Text] Washington, March 14 (XINHUA) -- President Ronald Reagan has made a new proposal to the Soviet Union on nuclear testing, calling for Soviet scientists to be sent to the United States to observe a new system that could detect and evaluate nuclear tests.

White House Deputy Press Secretary Edward Djerejian told reporters this afternoon Reagan has sent a letter to Soviet leader Mikhail Gorbachev which includes a "new, very specific and far-reaching proposal" on nuclear testing that could open the way to U.S. ratification of two long-dormant test ban treaties. According to the spokesman, Reagan has proposed that Soviet scientists come to Nevada in April to observe a new hydro-dynamic detection system, called Corrtex, that can determine the yield of underground tests.

Reagan said in the letter he believes the new system "will enable both the United States and the Soviet Union to ensure compliance with the treaties" concerning nuclear testing. The White House spokesman said that Reagan hopes the sending of Soviet observers "will provide an opportunity to discuss verification methods." He said if an agreement can be reached on the methods of verification, the U.S. President will move ahead in favor of the threshhold test ban treaty and the treaty on a peaceful nuclear test ban.

The issue of compliance has been one of the sticking points in the U.S.-Soviet arms talks. The United States said if the Soviet Union continues to violate current treaties, the United States will scrap them. Earlier today, Moscow suggested that the Soviet Union and the United States begin new bilateral talks in Washington, Moscow or Geneva as soon as in April on a total ban of nuclear weapons tests. It also said verification, including on-site observers, should not be a barrier to reaching a test ban agreement.

ARKHIPOV DELEGATION CONCLUDES COOPERATION AGREEMENT

OW180926 Beijing XINHUA in English 0911 GMT 18 Mar 86

[Text] Beijing, March 18 (XINHUA) -- An agreement was reached here today between China and the Soviet Union on furthering cooperation in the areas of economy, trade, science and technology. The agreement was the result of the second round of talks of the first meeting of the Sino-Soviet Commission on Economic, Trade, Scientific and Technological Cooperation, held at the Great Hall of the People here this afternoon.

Li Peng, Chinese vice-premier and Chinese chairman of the Sino-Soviet commission, and Ivan Vasilyevich Arkhipov, first vice-chairman of the Council of Ministers of the Soviet Union and Soviet chairman of the Sino-Soviet commission, co-chaired today's talks.

According to officials here, Wang Pinqing, Chinese vice-minister of foreign economic relations and trade, reported to the meeting on behalf of the two sides on the work of the two groups and the drafting of the minutes. Arkhipov voiced his full appreciation of the work of the two groups as well as the agreement. Li Peng said he was sure that the meeting of the commission would further spur Sino-Soviet cooperation in the areas of economy, trade, science and technology.

LIAOWANG REPORTS CPSU DEVELOPMENT STRATEGY

OW161336 Beijing XINHUA in English 1310 GMT 16 Mar 86

[Text] Beijing, March 16 (XINHUA) -- The Chinese weekly "OUTLOOK" will publish tomorrow in its 11th issue an article by special correspondent Shen Yiming on the "stratetic line" formulated by the Soviet Communist Party at its recent 27th congress for speeding up the country's socio-economic development for the rest years of this century. Following are excerpts from the article.

The "strategic line", as the party leader Mikhail Gorbachev explained in his political report to the congress, consists of perfecting the socialist economic system and promoting productive forces and scientific-technological progress; relating workers' welfare increment closely to their labor efficiency; giving full scope to the initiative and creative power of each worker or collective; integrating ideological and organizational work with problems of real life and avoiding empty and preachified talk.

According to the "strategic line", the Soviet Union will double its national income and industrial output by the end year 2000. For a number of years, Gorbachev pointed out in his speech, the Soviet Union has achieved certain successes in the economic, social, cultural and other spheres, but at the same time there appeared unfavourable tendencies in the country's social and economic life. "The deeds and actions of the party and government bodies talked behind the needs of the times and life," he said. Gorbachev said: "The problems in the country's development built up more rapidly than they were being solved." "The inertness and stiffness of the forms and methods of administration, the decline of dynamism in our work, and an escalation of bureacracy -- all this was doing no small damage." He called for immediate steps to overcome the negative factors in the country's socio-economic development and give it necessary vigour and impetus.

Addressing the party gathering, dozens of delegates sharply criticized errors of the past and shortcomings at the present time.

On the causes of the sluggishness of the country's economic development, the speakers said that "the main thing was that we had failed to produce a right assessment of the changed economic situation and convert the economy to intensive methods of development, but continued to develop largely on an extensive basis with sights set on drawing additional labor and material resources in the production." As a result, they noted, the rate of growth of labor productivity and certain other efficiency indicators dropped substantially; the attempts to rectify matters by building new plants affected the problem of balance; the economy, which has enormous resources at its disposal, ran into shortages earlier in the 1960s, and a gap appeared between the needs of society and the attained level of production, between the effective demand and the supply of goods.

The 27th party congress described "a radical reform" of the economic system and management methods as a key to advancing socio-economic development on the basis of scientific-technological progress. Reform, participants explained, means the introduction of cost accounting, self-support, self-financing and the dependence of the income level of enterprises directly on their performances; going over to economic methods of guidance at all levels of the national economy, and making more flexible the system of material and technical supply, price formation, financing and crediting; enlarging the decision-making power of the enterprises and at the same time calling for a strenghened role of the national center in achieving the major goals of the economic strategy.

In agriculture, "the contract job-by-job system of payment at the levels of teams, groups, and families to whom means of production, including land, will be assigned for a period specified by contract, will become widespread." The government will also give farmers greater freedom in selling their extra-quota products in markets. The party congress particularly stressed the need to continue pursuing the line of combining experienced and young cadres in the leadership, and meanwhile to declare a determined and relentless war on bureaucratic practices, machinations, embezzlement, bribery and other negative phenomena.

Participants to the congress pointed to the fact that there remained considerable blocks in the way of economic reform. Soviet Premier Nikolay Ryzhkov said bureacratism was the greatest of all dangerous troubles. However, Gorbachev said that "we are only at the beginning" of the reform road. "Difficulties may arise, and we are not guaranteed against miscalculations either, but still the main thing now is to move ahead purposefully, step by step, in the direction we have chosen."

LI PENG MEETS SOVIET EDUCATION DELEGATION

OW151144 Beijing XINHUA in English 1129 GMT 15 Mar 86

[Text] Beijing, March 15 -- Chinese Vice-Premier Li Peng met with a Soviet education delegation composed of heads of engineering universities led by H.C. Yegorov, vice-minister of higher and secondary specialized education, here this afternoon.

Li, who is also minister in charge of the State Education Commission, exchanged views with Yegorov on the two countries' education, and scientific research system. The delegation, the second of the kind to visit China this year, arrived here March 13.

S. KOREAN OPPOSITION FORCES FORM UNITED FRONT

OW180844 Beijing XINHUA in English 0833 GMT 18 Mar 86

[Text] Pyongyang, March 18 (XINHUA) -- South Korea's main opposition party and other dissident groups formed a united liaison body yesterday in their drive for constitutional revision. According to foreign press reports received here, the new alliance was announced at a meeting in Seoul attended by leaders of South Korea's main opposition New Korea Democratic Party (NKDP), the Council for Promotion of Democracy headed by two top dissidents Kim Tae-chung and Kim Yong-sam, the 19-group United Peoples Movement for Democracy and Unification, the four-million-member strong Christian Council of Churches and the Catholic Justice and Peace Commission.

The opposition leaders said in a joint statement after the meeting that they bestow great significance to the united body, which is aimed at promotion of democracy. Foreign observers in Seoul described the alliance as the opposition and dissident groups' "first attempt" of united action against the South Korean regime.

It was reported that Cho Nam-ki, chairman of the South Korean Christian Council of Churches, released yesterday the name list of more than 1,000 clergymen who joined the "10 million signature campaign" -- a movement launched last month for collecting 10 million signatures on a petition demanding electorial reform and constitutional revision. Cho also announced the establishment of a "pan-Christian committee to promote a democratic constitution" by the council. He accused the authorities of suppressing the people's will to revise the "Constitution."

It was revealed that over 100 priests and 2,000 followers of South Korean Catholic churches also signed their names on the petition. Since opposition leaders rejected last month South Korean "President" Chon Tu-hwan's decision that no constitutional changes be taken until after 1988, when his term expires, the "10 million signature campaign" has been gaining momentum.

U.S. 'SPY' PLANE VIOLATES DPRK AIRSPACE

OW180801 Beijing XINHUA in English 0653 GMT 18 Mar 86

[Text] Pyongyang, March 18 (XINHUA) -- An American "SR-71" high-speed, high-altitude reconnaissance plane twice violated the airspace of the northern part of Korea on Monday, according to the KOREAN CENTRAL NEWS AGENCY. The aircraft was reportedly carrying out a "spy-flight" over the coastal waters south of the Kangnyong Peninsula in the northern part of Korea and the waters around Kosong, to the east.

Yesterday's flight was the 24th intrusion of an American reconnaissance flight into the northern part of Korea, since the U.S. and South Korea "Team Spirit-86" joint military exercises began on February 10, the report said.

DPRK PEACE COMMITTEE CALLS FOR ANTIWAR MOVEMENT

OW180809 Beijing XINHUA in English 0735 GMT 18 Mar 86

[Text] Pyongyang, March 18 (XINHUA) -- The Korean National Peace Committee (KNPC) appealed to all the countries in the world to intensify the anti-war and anti-nuclear movements in the International Year of Peace, according to a newspaper report here today. The statement is carried in an appeal issued Monday.

Hailing the United Nations' decision of setting 1986 the International Year of Peace as a "positive" one, KNPC expressed "active support" to it.

It said that the increasing danger of a new world war due to the imperialist aggression and war policies has caused general anxiety in the international community. It added that the Korean people will work hard to make the Korean peninsula a nuclear-free and peaceful zone in the International Year of Peace. The appeal also called for support from the U.N. and foreign governments to the Democratic People's Republic of Korea in its effort to realize peace and the reunification of Korea.

ZHANG JINGFU MEETS JAPANESE BUSINESS DELEGATION

OW140933 Beijing XINHUA in English 0914 GMT 14 Mar 86

[Text] Beijing, March 14 (XINHUA) -- State Councillor Zhang Jingfu met a delegation led by Michio Mutaguchi, vice-president of the Japan International Co-operation Agency, here today. They exchanged views on the strengthening of technological cooperation between the two countries.

The Japanese visitors arrived here on Wednesday, and will attend the opening of a business management training center -- a Sino-Japanese joint venture -- in Tianjin this weekend. The Japanese partners have provided some of the center's teaching equipment, will send teachers to China and will help trainees undertake advanced study in Japan.

JAPANESE-AIDED MANAGER TRAINING CENTER OPENS

OW170954 Beijing XINHUA in English 0856 GMT 17 Mar 86

[Text] Tianjin, March 17 (XINHUA) -- A center jointly run by China and Japan to train managers of enterprises in China was opened here today. More than 150 Chinese managers have been enrolled for one-year training courses. The center covers a floor space of 12,700 square meters. A co-operative project of the Chinese and Japanese Governments, the center has been constructed by the Chinese side. Japan is providing textbooks and other teaching facilities, and will help train its Chinese teachers. Some Japanese managerial experts may also teach there.

The center has 55 Chinese teachers, 25 of whom have received two years' professional training in Japan. Courses on offer include the management of production, product quality, marketing, financial affairs, business information and oral Japanese. Students must first sit entrance examinations, and must be enterprise managers or chief engineers under the age of 45 who have had a college education. The center also plans to run four-month and two-week courses. A Sino-foreign training center for enterprise managers has already been opened in the northeast city of Dalian, and there are plans to open six more.

SINO-JAPANESE LEASING COMPANY OPENS IN SHANGHAI

OW131555 Beijing XINHUA in English 1504 GMT 13 Mar 86

[Text] Shanghai, March 13 (XINHUA) -- A Sino-Japanese joint venture leasing company was opened here today. The company is jointly run by the Shanghai branch of the Industrial and Commercial Bank of China, Shanghai Trust and Information Company of the Bank of China, the Shanghai branch of China National Machinery Import and Export Corporation, and Toyo Trust and Banking Co. Ltd, Nissho Iwai Corp., and Nichmen Corp.

With a registered capital of three million U.S. dollars, the company deals in the renting and leasing of China or foreign-made mechanical, electric, and instrument products.

HU YAOBANG SAYS PRC SUPPORTS CGDK PROPOSAL

OW180917 Beijing XINHUA in English 0909 GMT 18 Mar 86

[Text] Beijing, March 18 (XINHUA) -- China supports the proposal for a political solution to the Kampuchea question made by the Coalition Government of Democratic Kampuchea, Chinese Communist Party leader Hu Yaobang said here today. Hu, general secretary of the Chinese Communist Party Central Committee, made these remarks at a meeting with Prince Norodom Sihanouk, president of Democratic Kampuchea, and Madame Sihanouk, as well as Son Sann, prime minister of the Coalition Government, and Khieu Samphan, vice-president of Democratic Kampuchea in charge of foreign affairs, here this morning.

Hu said that the proposal for a political solution to the Kampuchea question, which is historically significant and reasonable, shows the sincerity of the Coalition Government. He said the proposal is not only in the interest of the entire Kampuchean people, but is also a far-sighted principle for eliminating "hot spots" for war in Southeast Asia so as to win peace and stability there. This proposal, which also takes into full consideration the interest of the Vietnamese people, is a generous one, he added. Hu said that neither Democratic Kampuchea nor China has evil designs on Vietnam.

Since Vietnam dispatched its troops to Kampuchea, Hu said, China has been warning Hanoi that such an action would lead it into a quagmire, expressing the hope that it would withdraw its troops from Kampuchea and correct its mistake. However, "Vietnam turned a deaf ear to our well-meaning advice," Hu said. Hu said that China has stated repeatedly that the traditional Sino-Vietnamese friendship would be restored if Vietnam withdrew its troops from Kampuchea. But Vietnam has not listened to this proposal, he added. On the contrary, Hu said, Vietnam has spread rumors continuously, sowing discord among China and countries in Southeast Asia, between the peoples of China and Vietnam, and among the three parties of Democratic Kampuchea.

Hu reiterated that China stands firmly on the side of the three patriotic forces of Democratic Kampuchea and fully supports their struggle for saving the country until their final victory. Hu pointed out that the Kampuchean people's struggle is not an affair which only concerns them, but also has a bearing on peace in Southeast Asia and the world as a whole.

Hu told the Kampuchean leaders that China is pleased to see that more and more international forces are showing sympathy and support for the struggle of Democratic Kampuchea. He said that the international community will extend more powerful support to the Kampuchean people in their struggle, following the announcement of the latest proposal. Hu expressed the belief that, with increasing international support, a reasonable solution to the Kampuchea question will be realized.

He congratulated the Democratic Kampuchean leaders on the new victory scored by the patriotic forces and people of Kampuchea in their struggle against the Vietnamese invaders during the eighth dry season. "This victory shows that Vietnam's propaganda about its war achievements last year is nothing but lies," he said.

He also congratulated them on the strengthened unity among the three parties of Democratic Kampuchea and the successful meeting the Council of Ministers of the Coalition Government held in Beijing.

Sihanouk thanked China for its firm and consistent support for the Kampuchean people in their just struggle. He agreed with Hu's views on the Kampuchea question. He said that the proposal made by the three parties of Democratic Kampuchea for a political solution to the Kampuchea question is aimed at letting the world know they are not hostile to Vietnam and the Heng Samrin regime, but wish for an independent and unified Kampuchea, and win broader world sympathy and support. He believed that the proposal would draw international attention.

"With this sincere proposal," he said, "more and more countries will support us and exert greater pressure on Vietnam." He said, "Through strengthened armed struggle of the three parties on the battlefield plus international support, spring will certainly come to Kampuchea."

Son Sann said that the successful visit by the leaders of the Coalition Government to China last year demonstrated the unity of the three parties in their struggle against the Vietnamese invaders. Now they have won another victory by meeting in Beijing and issuing the proposal for a political solution to the Kampuchea question. He also thanked China for its support for the proposal.

Khieu Samphan said that the three parties will further their unity and push forward their struggle against the Vietnamese invaders.

Chinese State Councillor and Foreign Minister Wu Xueqian was present on the occasion.

PRC SOURCES DENY NAVAL EXERCISES WITH U.S.

OW180959 Tokyo KYODO in English 0955 GMT 18 Mar 86

[Text] Beijing, March 18 KYODO -- A Chinese destroyer and oil supply ship did not conduct joint naval exercises with U.S. warships in January, Chinese diplomatic sources said Tuesday. The sources said the Chinese ships merely exchanged greetings when they encountered the U.S. ships on their way back to Shanghai from a goodwill tour of Pakistan, Sri Lanka and Bangladesh. Some Japanese newspapers earlier reported that warships of China and the United States conducted joint military exercises at sea.

HONG KONG HOSTS SYMPOSIUM ON PRC REFORMS

OW172037 Beijing XINHUA in English 1624 GMT 17 Mar 86

[Text] Hong Kong, March 17 (XINHUA) -- An international symposium on the China's current reforms opened here today. The four-day symposium, sponsered by the Asian Research Centre of the Hong Kong University, will deal with China's economic restructuring as well as reforms on law, science, education and their influence over the world. Participating are 60 scholars from China, Federal Germany, the United States, Britain, Canada, Australia, Taiwan and Hong Kong, according to an organizing official.

CAAC TO LAUNCH GUANGZHOU-BANGKOK FLIGHT SERVICE

OW171337 Beijing XINHUA in English 1326 GMT 17 Mar 86

[Text] Guangzhou, March 17 (XINHUA) -- An air service between Guangzhou and Bangkok will be launched on April 7, the CAAC Guangzhou administration announced today. A round-trip flight will be made every Monday on the route -- the first international service to be run by the administration. The existing Beijing-Guangzhou-Bangkok service, run by the CAAC administration, will continue.

RADIO BEIJING CITES LAUREL ON NEW CONSTITUTION

HK170523 Beijing International Service in Tagalog 1130 GMT 15 Mar 86

[Text] In Manila Vice President and Foreign Minister Salvador Laurel said the Philippine Government is prepared to hold a referendum over the issue of a new constitution. He also said the government hopes to hold local and congressional elections before the end of the year. The PHILIPPINE NEWS AGENCY reported that Laurel made this statement when he received the ambassadors and charges d'affaires from the European Community at the Foreign Ministry. Laurel said the commission which will draft the new constitution will be made up of 30-50 members. Among the new constitution's main provisions will be a 6-year term for the president without reelection, a bicameral congress and senate elected by region, limits to the president's power to proclaim martial law, and the holding of regular elections.

PNA reported that Laurel also proposed that ASEAN should speak with one voice. He urged the setting up of an ASEAN central trading post to promote intraregional trade which will conserve dollars for the ASEAN countries. Laurel said he would propose the plan at the next ASEAN ministers' meeting, to be held in Bali, Indonesia. He also said he would propose that ASEAN members should agree not to use dollars. Laurel made this statement to the ambassadors from the five ASEAN nations who also called on him at the Foreign Ministry. The envoys said they welcomed Laurel's proposal.

PHILIPPINE VICE PRESIDENT MEETS ASEAN ENVOYS

OW141756 Beijing XINHUA in English 1449 GMT 14 Mar 86

[Text] Manila, March 14 (XINHUA) -- Vice President and Foreign Minister Salvador Laurel stressed that the Association of South East Asian Nations (ASEAN) needs to speak with only "one voice", the PHILIPPINE NEWS AGENCY reported today. He made the suggestion when ambassadors of the five ASEAN member-countries called on him in the Foreign Ministry. With one voice, Laurel said, the ASEAN nations will gain the respect of the entire world. "We can disagree among ourselves and argue behind closed doors, but the moment we step out of that door we must speak with one voice," he said.

Laurel also proposed an ASEAN "central trading post" to promote intra-regional trade and conserve dollars among ASEAN countries. Laurel said he would propose the plan during the ASEAN foreign ministers' meeting in April in Bali, Indonesia, which will be also attended by U.S. President Reagan.

Under the proposal, he said, ASEAN members would trade through the central clearing house without paying for their purchases in dollars. This will not only save dollars, but also enable ASEAN members to buy goods at cheaper prices because of proximity, encourage intra-regional trade and reduce unemployment in the region.

The ASEAN envoys welcomed the proposal.

MARCOS WANTS TO SETTLE IN THIRD COUNTRY

OW151554 Beijing XINHUA in English 1508 GMT 15 Mar 86

[Text] Manila, March 15 (XINHUA) -- Deposed Philippine President Ferdinand Marcos wants to settle in a third country because of possible lawsuits against him in the United States, his former political affairs minister said today. Leonardo Perez, a close political ally of Marcos, said the ousted leader phoned him last night that he wants to settle either in Singapore, Japan, Jakarta or Bangkok. "He was overly concerned about those lawsuits involving him and his family should he decide to settle in the U.S.," Perez said. Marcos and his family are now in Hickam Base in Honolulu after fleeing the country.

Marcos who ruled the country for 20 years is now facing lawsuits involving payoffs he allegedly received for U.S. firms for certain projects and claims for repatriation of what the government of President Corazon Aquino considers as illegally acquired wealth. He said Marcos wants to go back to the country should he find the situation has normalized and should the Aquino Government allow him.

MARCOS WANTS TO LEAVE U.S., GO TO SPAIN

OW170140 Beijing XINHUA in English 0122 GMT 17 Mar 86

[Text] Washington, March 16 (XINHUA) -- Former Philippine President Ferdinand Marcos has asked the Reagan administration to help him leave the United States for Spain or some other countries, THE NEW YORK TIMES quoted some U.S. officials as saying. Marcos, who is now staying in Hawaii, has told U.S. State Department officials that he has decided to leave the United States for another country, the officials revealed. Marcos's first choice is Spain and his other top choices are Mexico and Panama.

Marcos has complained that he was not receiving the respect and dignity promised him by President Ronald Reagan, the officials told reporters. Because of these concerns, Marcos has got in touch with some foreign countries directly or through intermediaries about leaving Hawaii. Most recently he asked the State Department to intercede on his behalf, they said.

According to some State Department officials, Marcos had initially expressed interest in leaving for Singapore or some other members of the Association of South-East Asian Nations (ASEAN). But the new Philippine Government has informed those countries that it would regard it as an unfriendly act if one of the nations allows him to settle there, they added.

Marcos will go to Spain because he still has an interest in Spanish culture, the TIMES said.

Another administration official said that Marcos had been assured that he could always come back to the United States.

Asked whether the administration wanted Marcos to leave the United States, a State Department official replied, "Marcos is free to stay here as long as he wants and go as he pleases." Many of the 90 people who fled Manila with Marcos want to stay in the United States and the others will probably return to the Philippines, U.S. officials disclosed.

U.S. WILLING TO HELP PROBE MARCOS' WEALTH

HK180457 Beijing International Service in Tagalog 1130 GMT 17 Mar 86

[Text] The U.S. Government has promised to cooperate with the Philippine Government commission investigating the U.S. properties of deposed president Ferdinand Marcos, said the commission chairman Jovito Salonga. The Reagan administration has agreed to provide Salonga with copies of pictures of the wealth Marcos brought with him on his flight to Hawaii last month.

Salonga, who arrived in Washington last Friday, also said that he looks forward to more productive relations between the Philippines and the United States.

PHILIPPINE PRESIDENTIAL PALACE OPEN TO PUBLIC

OW141815 Beijing XINHUA in English 1617 GMT 14 Mar 86

[Text] Manila, March 14 (XINHUA) -- About 10,000 citizens trooped into Malacanang Palace today to catch a glimpse of the lavish life style of the Marcos family. It was the first day the presidential palace opened to the public.

Presidential spokesman Rene Saguisag told newsmen that the Malacanang's conversion into a museum displaying the life style of the Marcos family will trigger an influx of tourists. However, he said, such a tourist boom was not the main objective. "We want to show to the entire world the lavish life style of the Marcos while millions were suffering from grinding poverty," he said.

Being displayed was Mrs. Marcos' room that showed priceless antiques, rare paintings, expensive perfumes and numerous personal properties. Former President Marcos' room was also opened. It includes a dialysis machine for his kidney disease and various medical contraptions there.

UK REJECTS NEW SOVIET DISARMAMENT PROPOSAL

OW180224 Beijing XINHUA in English 0142 GMT 18 Mar 86

[Text] London, March 17 (XINHUA) -- Foreign Secretary Geoffrey Howe today dismissed the latest Soviet proposal for the abolition of nuclear weapons in Britain as "propaganda." Speaking at a luncheon for foreign and British reporters here, Howe said that the Soviet Union was trying to pressure Britain into giving up any credible deterrent, and that giving away Britain's deterrent "would not be giving peace, but war, a better chance."

Howe's speech today was the first authoritative explanation of Britain's rejection of the January 15 proposal by Soviet leader Mikhail Gorbachev. Earlier this month Prime Minister Margaret Thatcher rejected the Soviet proposal in a letter delivered to Moscow by Britain's ambassador. General disarmament should be the long-term aim, and simply making Europe safe from conventional war was no way to preserve its future, Howe added.

The Soviets proposed in January that within five to eight years, there should be 50 percent cut in U.S. and Soviet strategic weapons, the elimination of all medium-range missiles in Europe and a freeze of British and French nuclear deterrents. "The new set of conditions is -- bogus," Howe said. "It is a bid for unilateral advantage."

The Soviets regarded the British Polaris and Trident systems as the equivalent of Soviet SS-20 missiles, which should all be included in the U.S.-Soviet arms talks in Geneva. The Soviets were inconsistent in that argument, Howe said, adding that they have forgotten about "the whole panoply of other systems they have within range of Britain and our European allies." "Even while the Geneva negotiations are on, the new SS-25 is being deployed and the SS-24 developed and tested" in the Soviet Union, Howe noted.

Describing the new Soviet leader as bolder and more active than his predecessors, the British foreign secretary said Britain was prepared to meet Gorbachev half-way if the Soviets made some real efforts to restore East-West confidence. There would have to be deep cuts by the superpowers before Britain reconsidered its position, Howe stressed.

BELGIANS PROTEST U.S. MISSILE DEPLOYMENT

OW170748 Beijing XINHUA in English 0725 GMT 17 Mar 86

[Text] Brussels, March 16 (XINUHA) -- Nearly 2,000 Belgians held a demonstration near a missile base in Florennes, southern Belgium today, protesting the deployment of U.S. missiles here. The demonstrators held posters which said "you deploy missiles, we plant trees." They planted Japanese cherry trees near the base in commemoration of the nuclear explosion at Hiroshima Japan, in August 1945.

A demonstration for the same purpose was held yesterday with some 120 demonstrators detained after they tried to block access to the missile base. But, they were released today, police said. The first 16 U.S. missiles were installed on the base in mid-March, 1985, and another 32 missiles are planned for deployment in late 1987.

QIAO SHI MEETS FINNISH DELEGATION 17 MARCH

OW171250 Beijing XINHUA in English 1238 GMT 17 Mar 86

[Text] Beijing, March 17 (XINHUA) -- Qiao Shi, Political Bureau and Secretariat member of the Chinese Communist Party Central Committee, met here today a delegation from the Finnish People's Democratic League. The delegation is led by Reijo Kakela, general secretary of the league and a Political Bureau member of the Finnish Communist Party.

Qiao and Kakela talked on relations between the two parties. Qiao also asked Kakela to convey to leaders of the Finnish Communist Party his greetings and invitation to visit China. Zhu Liang, head of the International Liaison Department of the Chinese Communist Party Central Committee, was present at the meeting.

LI TIEYING AT IRISH AMBASSADOR'S RECEPTION

OW170947 Beijing XINHUA in English 0859 GMT 17 Mar 86

[Text] Beijing, March 17 (XINHUA) -- Irish Ambassador to China Dermot Patrick Waldron gave a reception at the Embassy here today to mark the national day. Li Tieying, minister of electronics industry, and other Chinese officials were present on the occasion.

NAZI GROUP CLAIMS PALME ASSASSINATION

OW141819 Beijing XINHUA in English 1625 GMT 14 Mar 86

[Text] Stockholm, March 14 (XINHUA) -- A group calling itself "European National Socialist Union" (ENU) has claimed in a letter the responsibility for the assassination of former Swedish Prime Minister Olof Palme, the Swedish news agency TT said today. The group said, "We are behind the killing of Palme" and that Willy Brandt, chairman of the West German Social Democratic Party, a former chancellor and a 1971 Nobel Peace Prize winner, "will be the next victim", the news agency said.

The letter, sent to the Swedish news agency TT, said that "the ENU sentenced Olof Palme to death at is annual conference in Berchtesgaden last September. ENU leaders from 13 European countries and the United States attended that meeting." Berchtesgaden was the bastion of Nazi leader Adolf Hitler. The group which described itself as a Nazi organization claimed that the purpose of Palme's killing is "to free the world from those politicians who are paving the way for Bolshevism." The group also vowed that it will reach the goal with the help of sympathisers in the Army, police and other organizations. The Swedish security department sources, however, said that they have no information about the group.

Meanwhile, the West German Interior Ministry said today that the Nazi group claiming to have killed Palme appeared to be Swedish-based. Ministry spokesman Hans-Guenther Kowalski told reporters that "German security services have no information that the ENU is active outside Sweden and, in particular, no information that it met in Berchtesgaden last year." "German security services encountered this organization only once, in 1972, and as a Swedish organization, when the ENU threatened to murder Brandt," he said, adding that they had had no knowledge of the group since then.

POLISH COUNCIL VICE CHAIRMAN MEETS ENVOY

OW151727 Beijing XINHUA in English 1635 GMT 15 Mar 86

[Text] Warsaw, March 15 (XINHUA) -- Polish vice chairman of the Council of Ministers Wladyslaw Gwiazda met with the Chinese Ambassador Wang Jinqing here today. Wladyslaw Gwiazda and Wang Jinqing exchanged views on the forthcoming conference to be held in Poland by the Sino-Polish Economic, Trade, Scientific and Technological Cooperation Committee.

POLAND-PRC FRIENDSHIP SOCIETY MEETS IN WARSAW

OW180248 Beijing XINHUA in English 0244 GMT 18 Mar 86

[Text] Warsaw, March 17 (XINHUA) -- The plenary session of Polish-Chinese Friendship Society was held here today to review its past work and adopt a new working plan and the society's constitution. The agreement adopted at the session stressed that the society aims at increasing friendship and cooperation between the two countries and introducing Polish people to Chinese culture and history, social economic achievements and the daily life of Chinese people. The society announced that it will take part in the Polish patriotic movement of national rebirth and in the activities of the Polish International Year of Peace. Edward Grzywa, Polish minister of chemistry and light industry was elected chairman of the society.

XINHUA INTERVIEWS POLISH WRITERS' UNION PRESIDENT

OW160908 Beijing XINHUA in English 0829 GMT 16 Mar 86

["Polish Writers' Union Has 700 Members (by Wen Youren and Shan Xi)" -- XINHUA headline]

[Text] Warsaw, March 15 (XINHUA) -- The chairman of the new Polish Writers' Union said today that his union, which sticks to an open policy towards writers and encourages different styles in literary creation, already has more than 700 members. Wojciech Zukrowski, an independent 70-year-old well known Polish writer who was elected chairman of the union at its second congress late last month, was interviewed by XINHUA at his office here today. He said among the well-founded influential writers, only a few scores are outside the union, not all for political reasons. Some are not in the union because they want to earn hard currency for their publications and union membership could be a reason for some Western publishers to reject their works, he added. There are also writers who are veritably dissidents and refuse to cooperate with the union. But they are not many and pose no threat to the union, he said.

The new Polish Writers' Union was re-established two months after its predecessor was dissolved in August 1983 on account of its anti-government stand since the labor unrest in earth 1980s. He said that any writer can join the union, provided he accepts its constitution, and is willing to produce works needed by socieity. The union allows different styles of creation, leaving the judgemnt of their merits and demerits to the reader. He said the new leadership of the union is commited to serving all writers. Among others, it will work for higher remuneration for authors and shorter printing periods for new books. At present, it requires three years to publish a book, he noted.

Zukrowski said his union will not discriminate against those writers who are not in the union, but will help publish their works, as long as they cater to the needs of society and are artistically qualified. Even the earlier good works of those dissident writers will be reprinted, he added. Zukrowski said his union would like to increase ties with foreign writers, especially those of China and other socialist countries. The socialist countries have been following similar courses and have equally experienced zigzags of their own. It is only conducive to exchange each other's experience and lessons, he added.

LI XIANNIAN CONTINUES STATE VISIT TO EGYPT

Cairo Press Lauds Visit

OW172014 Beijing XINHUA in English 1456 GMT 17 Mar 86

[Text] Cairo, March 17 (XINHUA) -- Cairo press said today that Chinese President Li Xiannian's five-day official visit to Egypt, which started here this morning, will "open up new horizons" in developing friendly and cooperative relations between the two countries.

The English daily "EGYPTIAN GAZETTE" said in an editorial that President Li's visit will help to consolidate the bilateral relations and give impetus to the tackling of the Arab-Israeli conflict, the Iraq-Iran war and the problems of Kampuchea and Afghanistan. It recalled that Egypt is among the first Arab or African countries to recognize the People's Republic of China after its founding in 1949 and China has consistently stood by Egypt's side since 1956 when Egypt nationalized the Suez Canal. Egypt and China have played positive role in safeguarding the world peace, it said.

The "Al-AKHBAR" said in an editorial that the Chinese president's visit is expected to "open up new horizons in developing their economic and political relations." It noted that both countries have stressed the necessity to solve the Palestinian issue by the restoration of the legitimate rights of the Palestinian people including their right to self-determination.

Li Talks With Mubarak

OW171436 Beijing XINHUA in English 1430 GMT 17 Mar 86

[Text] Cairo, March 17 (XINHUA) -- Visiting Chinese President Li Xiannian and Egyptian President Husni Mubarak discussed bilateral relations and international issues here today. During a private meeting in the presidential palace, the two presidents reviewed with satisfaction the smooth development of cooperation and friendly relations between the two countries in the past years. They noted that the two countries have trusted each other as bosom friends and there exist broad prospects for the further development of the friendly and cooperative relations between the two countries.

The two leaders also discussed international problems including the Middle East issue and had common views on a wide range of subjects. They said that the Arab countries and the Palestinian people should strengthen their unity to seek a just and reasonable settlement of the Middle East problem.

Lays Wreaths at Memorial

OW171757 Beijing XINHUA in English 1705 GMT 17 Mar 86

[Text] Cairo, March 17 (XINHUA) -- Chinese President Li Xiannian this afternoon laid wreaths at a memoral of unknown soldiers and the tombs of the two late Egyptian presidents. Accompanied by Egyptian Minister of State for Foreign Affairs Butrus Ghali, the Chinese president, who is the first Chinese head of state to visit Egypt, drove from the Al-Qubbah Palace to a 30-meter high pyramid-style memorial at the Nile embarkment in Nasr City to memorize those who had devoted their lives to the defence of their [words indistinct] motherland [words indistinct] Israeli invasion.

Li [words indistinct] a tribute to the memorial of fallen Egyptian soldiers [words indistinct] respectively at the tomb of the late president Muhammad Anwar al-Sadat and of the late president Jamal 'Abd al-Nasir. Li is scheduled to attend a state dinner given by President Husni Mubarak in his honor this evening.

Mubarak Hosts Banquet

OW171940 Beijing XINHUA in English 1917 GMT 17 Mar 86

[Excerpts] Cairo, March 17 (XINHUA) -- Egyptian President Husni Mubarak gave a banquet this evening in honor of visiting Chinese President Li Xiannian. China's national anthem was played when President Li and his wife Lin Jiamei entered the banquet hall of the Al-Qubbah Palace, accompanied by President Mubarak and his wife Suzanne Mubarak.

Both Mubarak and Li in their speeches paid high tribute to the friendship and cooperation between the two countries. Mubarak praised China's ancient civilization and its contributions to the world as well as the long-standing friendship between the Chinese and Egyptian peoples. The 30th anniversary of the establishment of diplomatic relations between Egypt and China will be celebrated in a few weeks, he said.

Recalling his China visit in 1983, the president said the visit laid down the foundations aimed at intensifying cooperation in all domains. "It was our genuine will to fasten ties of friendship and cooperation between our two ancient peoples and countries," he said.

The band played the national anthem of Egypt when the banquet came to an end. Present at the banquet on the Egyptian side were Rif'at al-Mahjub, speaker of People's Assembly, 'Ali Lutfi, prime minister, Subhi 'Abd al-hakim, speaker of Shura (consultative) Council, and other cabinet ministers and on the Chinese side were Chen Muhua, state councillor of China, and Wen Yezhan, Chinese ambassador to Egypt.

Li on Palestinians, Superpowers

OW171946 Beijing XINHUA in English 1926 GMT 17 Mar 86

[Text] Cairo, March 17 (XINHUA) -- Chinese President Li Xiannian said China firmly supports the struggle of Palestinians and other Arab peoples to recover lost territories and to regain their national rights. He made the pledge at the welcoming banquet in his honor hosted by Egyptian President Husni Mubarak. "China supports the convocation of an international conference under the auspices of the United Nations with the participation of all the parties concerned to discuss a settlement of the Middle East question," he said. He pointed out that the problem of Palestine is the crux of the Middle East question, saying peace would be realized only when there can be a fair and reasonable settlement of Palestinian problem, withdrawal of Israeli troops from the occupied Arab territories, and recognition of Palestinians' rights.

Li urged Israeli authorities to abandon their policy of aggression and expansion so there can be peaceful coexistence in this region. He said because of the many years of instability, settling the Middle East question has been prolonged due to Israeli authorities' obduracy in pursuing policies of aggression and expansion. "The rivalry between the superpowers in this region has further complicated the question," the president added.

Li said once unity and cooperation are strengthened among the Arab countries, between the Arab countries and the Palestine Liberation Organization, and among Palestinians themselves, and provided they gain world sympathy and support, they will win their struggle. Concerning other international issues, Li said that "China welcomes the resumption of the dialogue between the United States and the Soviet union and that of their disarmament negotiations." "We hope they can reach an agreement through serious negotiations," the president stated. Li said "The forces making for peace have now outgrown the factors of war. It is possible to achieve enduring world peace so long as the various forces making for peace strengthen their unity and persist in their struggle." The Chinese people are ready, together with all peace-loving countries and peoples in the world, to do their utmost for the realization of this bright prospect, he declared.

Li praised the relations between Egypt and China, saying a traditional friendship exists. Egypt was the first Arab country to establish diplomatic relations with new China, he noted. "Despite the volatile world situation in the last 30 years since the establishment of diplomatic relations between China and Egypt, the friendship between our two countries and two peoples has withstood the test of time and been further strengthened in our common struggles," President Li said. Egypt is the third stop of his Asian-African tour, after visits to Bangladesh and Sri Lanka. Li will go to Somalia and Madagascar.

Mubarak Praises Friendship

OW171950 Beijing XINHUA in English 1934 GMT 17 Mar 86

[Text] Cairo, March 17 (XINHUA) -- Egyptian President Husni Mubarak said today that his talks with visiting Chinese President Li Xiannian "will constitute a concrete contribution" to deepening friendship and cooperation between the two countries. Speaking at a banquet in honor of the Chinese president, President Mubarak said his talks with the Chinese president today "will constitute a concrete contribution to strenuous efforts exerted with a view to deepening bonds of friendship and solidarity and to exchanging common experiments and experiences gained."

Shortly after President Li's arrival here today for a five-day official visit, President Mubarak and President Li discussed bilateral relations and international issues, including the Middle East problem. Reviewing the history of friendly and cooperative relations between the Egyptian and Chinese people, Mubarak said that the interests and objectives of the Egyptian people are always identical to those of the Chinese people since the very dawn of history. "There was a firm belief that both Chinese and Egyptian civilizations in the Far East and the Near East constituted the essence of a common drive whose perspectives were very similar and whose goals and ends were identical," he said. It was natural for Egypt to be "the first Arab and African state to recognize the People's Republic of China, maintain diplomatic relations therewith and support her right to assume a prominent role in the international arena," he added.

He praised China for being in the vanguard of forces that sided with the people of Egypt while struggling for liberating their territories and defending their rights, inviolabilities and free will. He pointed out that China topped the countries that supported the just struggle of Arab and African peoples to attain political, economic and cultural independence, to liquidate remanent traces of exploitation and foreign hegemony and to build up capabilities to wage a battle of economic and social development in favorable regional and international conditions.

HU QILI RECEIVES CONGOLESE LABOR PARTY GROUP

OW151706 Beijing XINHUA in English 1636 GMT 15 Mar 86

[Text] Beijing, March 15 (XINHUA) -- Hu Qili, member of the Political Bureau of the Chinese Communist Party Central Committee, met a delegation from the Congolese Labor Party here this evening. Head of the delegation is Goma Foutou, member of the Secretariat of the Congolese Labor Party and chief of ideological and political training department.

During the meeting both Hu and Foutou agreed to futher develop friendly relations and cooperation between the two parties and the two countries. Later, Hu, also member of the Secretariat of the CPC Central Committee, gave a dinner for the visitors. After their arrival in Beijing on March 13 the Congolese visitors held talks with Zhu Liang, head of the International Liaison Department of the CPC Central Committee, and called on Zhu Houze, head of the Propaganda Department of the CPC Central Committee. They also visited the PEOPLE'S DAILY and were well-received by Editor-in-Chief Li Zhuang.

SYRIAN BA'TH PARTY DELEGATION LEAVES FOR PRC

OW161058 Beijing XINHUA in English 0914 GMT 16 Mar 86

[Text] Damascus, March 16 (XINHUA) -- A Syrian Ba'th Parth delegation left here today for China for a five-day visit. The 3-men delegation is led by member of the national leadership of the Ba'th Party Muhammad Jabir Bajbuj. This is the first Syrian Ba'ath delegation to visit China.

Bajbuj expressed his hope to Chinese Ambassador to Syria Lin Zhaonan, who was present in the airport seeing the delegation off, that the visit of the delegation will contribute for the development of relations between the Ba'th Party and the Chinese Communist Party and between the two countries. Member of the delegation Yasir al-Farah, a leading member of the Foreign Affairs Bureau of the Ba'th party national leadership, said to XINHUA that an agreement for cooperation between the Syrian and Chinese parties will be signed during the visit.

XINHUA NOTES SAUDI ARABIAN AID TO PLO

OW172022 Beijing XINHUA in English 2001 GMT 17 Mar 86

[Text] Sanaa, March 17 (XINHUA) -- The government of Saudi Arabia recently delivered 2.85 million U.S. dollars in aid to the Palestine Liberation Organization (PLO) in accordance with the decision of the Arab summit in 1978 in Baghdad, Saudi Arabia daily "THE MIDDLE EAST" reported today. The representative of the PLO at Riyadh 'Abu Shakir [Rafiq al-Natshah] expressed thanks to the king and the people of Saudi Arabia for their support to the Palestinian cause, the newspaper said.

PLO Chairman Yasir 'Arafat left Riyadh yesterday after a short visit. He held talks with Saudi King Fahd during the visit.

CPC PROPOSAL FOR SEVENTH 5-YEAR PLAN VIEWED

HK100645 Beijing LILUN YUEKAN in Chinese No 1, 25 Jan 86 pp 1-9

[Article by Yuan Mu: "Discussing Questions Concerning the Study of the Seventh 5-Year Plan Proposal" -- based on Comrade Yuan Mu's October 1985 report at the Central Party School, with headings inserted by the editor]

[Text] The "proposal of the CPC Central Committee on the Seventh 5-Year Plan for national economic and social development" is a correct program guiding the formulation of the Seventh 5-Year Plan for our country. Undoubtedly, it is extremely important to make its guiding ideology become the basis for unifying people's thinking and the guideline for action through the study of the "proposal." I shall primarily talk about the following three issues in light of my personal understanding and study.

I. A Brief Introduction to the Drafting of the "Proposal" and Its Main Characteristics

The birth of the "proposal" is a product of the principle of democratic centralism, the spirit of seeking truth from facts, and the mass line restored and developed by our party. It is a crystallization of the wisdom of the whole party and the practical experiences of the people.

This "proposal" was drawn up after a year of deliberation under the direction of the Central Committee Secretariat and the State Council led by Comrades Yaobang and Ziyang. The specific drafting work began in April, 1985, and lasted for nearly half a year. Through writing and rewriting time and again and until early May when the fourth draft was discussed by the drafting group, the Central Committee Secretariat approved it in principle but raised many important suggestions for revisions. In light of the discussion, the document was conscientiously revised to become the fifth draft; the central authorities decided to solicit opinions on a wider scale. During the middle 10 days of July, the Central Committee Secretariat and the State Council called a discussion meeting in Beijing, attended by more than 200 people, including leaders in party government, and military departments at the central level, noted economists, middle-aged and young workers in economics theory, workers in natural science as well as the responsible leading comrades of 10 provinces, municipalities, and autonomous regions and the leaders of some large enterprises. Meanwhile, members of the standing committees of the CPC Committees of all the provinces, municipalities, and autonomous regions also called discussion meetings attended by comrades responsible for actual economic works and engaged in the work of economic theory.

Central authorities also distributed draft copies to all members of the Central Committee, Central Advisory Commission, and Central Discipline Inspection Commission in Beijing, asking them to read it carefully and make suggestions for revisions. More than 1,000 people were involved in attending collective discussion meetings and individual readings to offer opinions. Thus, through soliciting opinions on such an extensive scale, major revisions were made to form the sixth draft. At an enlarged meeting held on 20 August, the Central Committee Political Bureau adopted the document in principle but also raised some important suggestions for revisions. The seventh draft, shaped through further revision in light of the discussion of the Political Bureau, was later distributed to all the delegates of the party conference, requiring them to carry out earnest discussions before the conference. Meanwhile, the CPC Central Committee also directly called a symposium of people from all democratic parties and of nonparty democratic personages to solicit their opinions. On this basis, the eighth draft was formed and submitted to the fourth plenary session of the party committee and the national party conference for examination and approval.

Eventually, following full discussions at the two conferences and after more than 100 major or minor points were revised, the ninth draft was adopted by the national party conference.

Following the 3d Plenary Session of the 11th CPC Central Committee, just as in the process in which the "proposal" was drafted, some important decisions of our party and some important documents of overall importance were also worked out in this way of extensively soliciting opinions, completely following the mass line and pooling the wisdom of the whole party and the people. In recent years, the reason our party's lines, lines, major principles, and policies have been correct and agreeable to the popular sentiments of the party and the people, giving free rein to its great might and enriching and developing in practice, is inseparable from the restoration and development of this fine party tradition.

Based on a scientific analysis of the domestic and international situation, the "proposal" has put forward guiding principles and struggle goals which confirm to objective realities and has correctly programmed a basic blueprint for reform and construction in the coming 5 years. It does not elaborate on various targets for economic and social development in our country but emphatically expounds the principles and policies and the development strategies for our country's socialist modernization contruction, requiring people to give prominence to this point in formulating the Seventh 5-Year Plan and subsequent medium- and long-term plans. This is an important change in our country's planning work. According to the requirements of the "proposal," compared with previous 5-year plans, the Seventh 5-Year Plan will possess distinctive characteristics in many aspects.

First, the Seventh 5-Year Plan will be a 5-year plan highlighting reform. As a result of the reform, in recent years the situation in our country has become increasingly better year after year. In order to make the four modernizations drive and the development of the economy and society successful, gradually bringing prosperity and power to make the people well-off and happy, we must comprehensively carry forward the reform, in particular the economic structural reform. If we do not persist in reform, there will be no way out for the country and no hope for the four modernizations drive. Only under the condition of upholding reform and by respecting the creative initiative of the masses, summing up experiences while practicing and constantly perfecting the reform can we solve the new problems cropping up in the process of reform. This is most important.

Second, the Seventh 5-Year Plan will be a 5-year plan for further opening up to the outside world. Opening up to the outside world is a basic state policy of our country. Independence, self-reliance, equality, mutual benefit and mutual adherence to commitments are the basic principles upheld by us in opening up to the outside world. Despite the incidence of various problems and shortcomings in the actual work in this field not long ago, generally speaking, the implementation of the policy of opening up to the outside world has played an important role in changing the closed or semi-closed economic conditions in our country, broadening our outlook and getting an understanding of the international economic and technological developments, introducing advanced technology and key equpment, making use of foreign capital, and promoting the modernization drive in our country. Only by unswervingly and actively expanding trade, economic, and technological exchanges with foreign countries can we possibly gradually catch up to advanced countries in the world in the economy and technology.

Third, the Seventh 5-Year Plan will be a 5-year plan to uphold and implement the construction principle of seeking truth from facts and advancing steadily, strive to eliminate the current unstable factors in economic life, fight for a sustained and coordinated development of the whole economy, and build up reserve strength for the economy's takeoff in the 1990's. In order to achieve these, the "proposal" contains three extremely important policy decisions.

First, it is imperative to resolutely bring under control the scale of investment in fixed assets, especially in capital construction, and maintain a basic balance between supply and demand in general while rationally readjusting the investment structure and intensifying the construction of key projects of basic industries and the infrastructure. Second, it is imperative to gradually and appropriately slow down the current excessively high speed of industrial development, further shift all economic work onto the track of better quality and effectiveness and, on this premise, maintain sustained and stable economic growth. Third, the Seventh 5-Year Plan can be roughly divided into two stages: In the first 2 years we shall pay special attention to stabilizing the economy and maintaining the scale of construction at the 1985 level; and in the latter 3 years we shall suitably increase the investment in construction in light of needs and possibilities, limiting the general scale within the scope of what the national strength can bear. Meanwhile, the reform deployments should also be suited to the arrangements in these two construction stages. This is a correct policy decision based on the present as well as farsightedly aimed at the future.

Fourth, the Seventh 5-Year Plan is a 5-year plan better integrating economic construction with the development of science, technology, education, and society as a whole. We must further change the state of neglecting the progress of science and technology, the exploitation of intelligence, the training of talented people as well as the coordinated development of the whole society; particularly, we should resolutely implement the strategic principle that economic construction must rely on science, technology, and education. Science, technology, and education must be geared to economic construction. In the modernization construction, we should by no means lopsidedly only attach importance to departments directly engaged in material production. We must put the development of the tertiary industry serving production and daily life into an important position and gradually change the situation wherein tertiary industry does not suit the development of the primary and secondary industries.

Fifth, the Seventh 5-Year Plan will also be a 5-year plan to constantly improve the people's life. On the issue of social distribution which has a direct bearing on the improvement of the people's life, the "proposal" emphatically stresses two important guiding ideologies: First, while upholding the policy of encouraging some people to get rich first, we should clearly understand that the enforcement of this policy is for better realizing the common prosperity of the people. We should neither separate these two points nor set them against each other. At present, we should on the one hand continue to stress the principle of distribution according to work, get rid of egalitarianism and appropriately widen gaps in income and, on the other hand, take note of preventing great income disparities and gradually adopt appropriate methods such as levying progressive income taxes on high-income earners, and so on, to rationally regulate the income of various social members. Second, along with the gradual advance of the economic structural reform and the invigoration of enterprises and the economy, we should correspondingly and gradually establish and perfect various social insurance systems.

Sixth, the Seventh 5-Year Plan will also be a 5-year plan simultaneously promoting both the socialist material civilization as well as spiritual civilization. What we want to realize is only socialist modernization, not something else. We just cannot regard modernization as a concept of material production nor a concept of science and technology. Instead, it is closely integrated with the consolidation and perfection of our country's socialist system. If socialism only attaches importance to the building of material civilization to the neglect of building spiritual civilization, this kind of socialism is incomplete and even risks lopsided development or degeneration and deterioration. Therefore, we must uphold the four cardinal principles and persist in applying the basic Marxist stands, viewpoints, and methods to guide our actions while enriching and developing the theories of Marxism in practice.

II. On the Current Economic Situation in Our Country

What exactly is the economic situation in our country? This is a question of common concern to people throughout the country. Whether we can correctly assess the situation also has a bearing on whether we can correctly set tasks. The "proposal" has given an explicit answer to this. Generally speaking, the task of striving for a fundamental improvement in the financial and economic conditions of the country has been basically accomplished; a new situation of sustained, stable, and coordinated development has begun to arise in the national economy; and the prospect for a benign cycle has been unfolded. This is the generalized epitome of the current economic situation in our country; and such a judgment is based on a host of facts. This is reflected not only by the overall fulfillment and overfulfillment of our country's Sixth 5-Year Plan, but more importantly, by the many gratifying changes which will have an important impact on future long-term development that have occurred in our country's economy over the last few years under the direction of the party's correct lines, principles, and policies and through the common efforts of peoples of all nationalities throughout the country.

First, the tendency of sustained and stable growth has emerged in the national economy. In recent years, the economy in our country experienced no major ups or downs as in the past, but grew steadily. The total social output value of our country increased by 4.6 percent in 1981; 9.5 percent in 1982; 10.3 percent in 1983; and 13.8 percent in 1984. The total industrial output value grew by 4.6 percent in 1981; 8.8 percent in 1982; 10.2 percent in 1983; and 15 percent in 1984. National income increased by 4.9 percent in 1981; 8.3 percent in 1982; 9.8 percent in 1983; and 13.9 percent in 1984. It is expected that the rates of increase in 1985 will be still higher than those in 1984 (of course, this does not mean the higher the better), and that the average growth rates of these three abovementioned targets during the Sixth 5-Year Plan period will reach around 10 percent. However, during the 26 years from 1953 to 1978, the average annual growth rate of total social output value in our country was 7.9 percent, of total industrial output value 8.2 percent, and of national income was 6 percent. The statistics for these years show that, except for 1981, the average annual growth rates for the 5 years in other Sixth 5-Year Plan period are all higher than those of the previous 26 years.

Second, the main proportional relations of the national economy are gradually becoming coordinated. At present, the proportions of agriculture and light and heavy industry each roughly account for one-third of the total industrial and agricultural output value of our country. Of the total industrial output value, light and heavy industry each make up about one-half, with the proportion of heavy industry being a little bigger. In the past, being backward over a long period of time, agriculture could not meet the needs of improving people's living standards and industrial development; and as the development of light industry was too slow and the development of heavy industry was too fast, industrial consumer goods were in short supply. However, we can say now that at the present development level of productive forces this state of affairs has been gradually changed over the last few years. Of course, we do not mean that such proportions are unchangeable, but that such proportions are basically appropriate in view of the present production structure and level in our country and the consumption level of the people. With the advance of the modernization drive, some change will surely take place in the future. In terms of the proportional relationship between accumulation and consumption, in light of the practical experiences of many years since the founding of the country, it is relatively appropriate to keep accumulation at a level not exceeding 30 percent of the national income. Otherwise, the construction scale would become too large and incompatible with national strength. Through efforts made over the last few years, the situation has become as follows: In 1978, the accumulation in our country accounted for 36.5 percent of the national income, which was obviously too high. In 1982, it was lowered to 28.8 percent. In 1983, it grew slightly to 29.7 percent. In 1984, the scale of capital construction was a bit too large, with the accumulation rate being 31.2 percent, which was still much lower than that of 1978.

Generally speaking, during the Sixth 5-Year Plan period, the proportional relations between accumulation and consumption were relatively appropriate. Therefore, over the last few years there has been this gratifying situation in which production and construction are prosperously developing on the one hand and the people's living standards are generally improving on the other.

Third, as compared with the past, economic efficiency has already made headway. For instance, labor productivity in the whole society increased by an average of 3.5 percent a year during the 28 years before the Sixth 5-Year Plan period and grew by an average of 5.8 percent a year during the first 4 years of the Sixth 5-Year Plan period, or from 1981 to 1984. The newly-added national income accumulated per 100 yuan was, on average, 21.8 yuan during the 28 years before the Sixth 5-Year Plan period, but 35.6 yuan during the first 4 years of the Sixth 5-Year Plan period. The growth rates of state revenues in 1983 and 1984 exceeded the growth rates of national income. Calculated on comparable prices, the average national income created by each laborer in the whole society was 894 yuan in 1980, which increased to 1,119 yuan in 1984. Converted into standard coal, the energy consumed per 10,000 yuan of national income was 16.3 tons in 1983, which was lowered to 13.5 tons in 1984.

Fourth, on the premise of persisting in letting the socialist system of ownership by the whole people occupy the leading position and the economy of public ownership enjoy absolute predominance, we have scored great successes in developing diversified economic patterns and operational modes. This is an important achievement resulting from the policies of invigorating the domestic economy, opening up to the outside world, and economic structural reform. While upholding the whole people-owned economy as it occupies a leading position, we have actively developed collective and individual economies as well as various economic patterns such as enterprises jointly owned and run by China and foreign businessmen or enterprises solely owned and run by foreign businessmen. In recent years, the collective and individual economy proportions have increased. At present, in urban areas, the number of staff and workers in collective-owned units has risen from 24.25 million in 1980 to 32.16 million in 1984; the number of individual laborers has grown from 810,000 in 1980 to 3.39 million, and the proportion of the two of the total number of staff and workers has increased from 23.8 percent to 29.1 percent. In domestic retail commerce, the collective and individual economy proportions have shown bigger increases than before. The development of diversified economic patterns and operational modes has played an important role in invigorating the economy, making the markets flourish and things convenient for the people's living and, in particular, creating jobs for new laborers in urban areas.

Fifth, new headway has been made in economic and technological exchanges with foreign countries. During the Sixth 5-Year Plan period, we further broke with the previous long-term state of closing the door against the world, gradually shifted the closed- and semiclosed-type economy onto the track of the open-type economy and made remarkable achievements in economic and technological exchanges with foreign countries. From $38.2 billion in 1980, the total import and export volume of our country in 1984 rose to $53.5 billion. In terms of foreign trade volume, China already ranks 16th instead of the original 28th in the world. During the first half of 1985, China's total import and export volume reached $30.4 billion, which is expected to top $60 billion for the whole year. During the first 4 years of the Sixth 5-Year Plan period, our country raised $17 billion in foreign capital, established 429 enterprises jointly run by China and foreign businessmen, and concluded more than 3,300 agreements for introducing technology and equipment with international financial organizations and foreign governments and businessmen. We also undertook engineering projects and labor services in over 50 countries and regions, involving over 1,900 contracts and a turnover of $1.5 billion. Possessing great superiority and potential in this aspect, our country can make more headway in the future through effort.

Sixth, horizontal economic ties have further developed in our country. Setting up barriers and fetters between departments and regions at different levels and maintaining regional blockades was one of the biggest defects in our previous economic management structure. Following the reform, great changes have taken place in this aspect. From 1981 to 1983, a total of 14,619 economic and technical cooperative projects were carried out between departments and regions in the whole country. In 1984 alone, the situation developed so fast that over 17,000 cooperative projects were undertaken. The content of these cooperation projects also changed from mainly material cooperation to technological cooperation and economic alliances as well as the four-fold coordination of capital, technology, talented people, and material. Of the cooperative projects in the whole country, over half are technical cooperative projects, which will play a great role in promoting the development of the economy as a whole.

Seventh, our country has gradually attached importance to the exploitation of intelligence and the development of science, technology, and education. In our country's expenditures and total investment in capital construction, the sum and proportion of funds for science, technology, culture, and education undertakings and for capital construction have all gradually increased. From 1953 to 1978, the annual average expenditure on science and technology and education was 3.34 billion yuan, accounting for 6.1 percent of state revenues. However, during the first 4 years of the Sixth 5-Year Plan period, the annual expenditure was 13.46 billion yuan, 10.6 percent of state revenues. Of the total investment in capital construction, capital construction investment in science, technology, culture, and education also greatly increased. It was, on average, 800 million yuan per year during the period from 1953 to 1978, accounting for 3.3 percent of the total investment in capital construction. However, during the first 4 years of the Sixth 5-Year Plan period, the investment in this field was 4.77 billion yuan per year, accounting for 8.2 percent of total investment in capital construction.

Eighth, the living standards of the people in urban and rural areas have been markedly improved, the consumption structure been notably changed, and the gap between urban and rural areas narrowed. In his explanation of the proposal for the Seventh 5-Year Plan, Comrade Ziyang said that as the people's needs for food and clothing were basically met during the Sixth 5-Year Plan period, the consumption patterns of the people in our country in the Seventh 5-Year Plan period will gradually shift from meeting people's basic needs to enhancing the quality of their lives and that their consumption demands will tend to become increasingly diversified and individualized. This will provide a greater impetus for the long-term development of our country's economy. Because the income of the peasants has grown faster than that of people living in urban areas in recent years, the gap between urban and rural areas has been narrowed. From 1981 to 1984, allowing for price fluctuations, the per capita net income of peasant households progressively increased at an annual rate of 14 percent, while the annual rate of increase in the per capita net income of worker and staff households in urban areas was 6 percent. As the rate of increase for the peasants is higher than that for the urban residents, the ratio of consumption levels between urban residents and peasants has now lowered to 2.3:1 from 2.5:1 before the Sixth 5-Year Plan period.

Changes in the abovementioned eight fields fully show that the current economic situation in our country is truly excellent. The economic achievements made following the 3d Plenary Session of the 11th CPC Central Committee prove that the past few years was really one of the best periods since the founding of the country. While noting the excellent main current of the economic situation, of course, we should not overlook the problems and difficulties still existing in our present economic life. On the one hand, with many factors restricting the economic development of our country over a long time, the original economic and cultural foundation of our country was relatively weak. Although these factors somewhat changed during the Sixth 5-Year Plan period, they are far from being fundamentally solved. With a large population and a poor foundation, the material and technological conditions for our country's economic and social development are relatively backward.

Notwithstanding that great changes have taken place in the agriculture in our country, generally speaking, agriculture, the foundation of our country, is still very weak; and the needs of millions of people in the rural areas in the whole country for food and clothing have not yet been met. Although a good tendency of sustained growth has emerged in the energy production in recent years, energy supplies are on the whole still very scarce. As both freight and passenger transportation is strained, the people feel very inconvenienced in production and daily life. Because production structure and product mix are all very irrational, we still have not been able to bring about a radical change in the state of high material consumption and production cost, enormous waste, slow technological progress, and low management level. The development of science, technology, and education can not yet meet the needs of the four modernizations. With a full understanding of these facts, we can stay sober-minded, avoid being impatient for success, shun carrying out unrealistic "large-scale" constructions, and refrain from seeking solutions to those issues for which the conditions for solution are not on hand at the moment.

On the other hand, in the fourth quarter of 1984, in particular in December, some new unstable factors emerged in the economic life. These were mainly reflected in the overgrowth of industrial production, the excessive scale of investment in fixed assets and especially capital construction, the drastic growth of credit and consumption funds, the general social demand exceeding the possible general social supply, the excessive distribution of national income, the rapid rise in some commodity prices, and the drop in the state's foreign exchange reserves. These problems were absolutely not brought about by the reform. On the contrary, only by unceasingly strengthening and perfecting macroeconomic management during the process of upholding and perfecting reform can these problems be gradually solved. In fact, the process of unceasingly perfecting reform and forging ahead is also a process of unceasingly solving problems. It is very important to get a clear understanding of this point, because viewing this matter from this angle is in keeping with the actual situation of the economic development and structural reform in our country and, as a result, we can strengthen our confidence in reform and unwaveringly continue to persist in doing well every reform.

We should note that after becoming aware of these new conditions and problems occurring in the economic life, the party Central Committee and the State Council promptly adopted a series of measures to earnestly solve them. Since 1985, the State Council has convened four conferences of provincial governors, stressing the strengthening of macroeconomic control, regulation, and management, gradually slowing down the excessive industrial growth rate, resolutely bringing under control the excessive scale of capital construction, and applying the correct method of gradually alleviating contradictions in consideration of the fact that slamming on the brakes on might bring about bigger losses and shocks.

Through the painstaking efforts over the last year, at present the situation has improved and is heading for a turn for the better. The excessive industrial growth rate has gradually slowed down and basically become normal. The tendency of putting excessive amounts of currency into circulation and letting credit funds grow drastically has basically been brought to a halt. Another marked change is that finances are in better shape now. It is estimated that the state revenues in 1985 may exceed 170 billion yuan. Therefore, we already have the certainty of striking a balance between revenues and expenditures and wiping out deficits. At present, it is of utmost importance to conscientiously carry out various measures enacted by the State Council regarding resolutely bringing under control the scale of investment in fixed assets and especially in capital construction. As a result, the problem of drastic growth in consumption funds can be to a great extent solved and the measures for stabilizing commodity prices become effective. We must firmly grasp this "key link" of bringing under control the scale of investment in fixed assets to further eliminate the unstable factors in the economic development and consolidate and develop the current excellent situation.

III. On Some Questions of Understanding Regarding Overall Economic Structural Reform

We should seek a better unity of thinking on the question of upholding overall economic structural reform so as to better coordinate actions and strive to win the anticipated victories during the Seventh 5-Year Plan period. This will be of decisive significance to the long-term sustained and stable development of our country's economy. In the light of my personal understanding, I am going to air several preliminary opinions on some fundamental aspects of this issue.

First, it is necessary to further improve our understanding of the law of socialist social development and deepen our consciousness in upholding the reform. Whether we can consciously uphold the reform is in fact a question of whether we can consciously master the law of socialist social development. The contradictions between productive forces and production relations and between economic base and superstructure are the fundamental contradictions to promoting all social progress. The law that production relations must be suited to the nature of productive forces is a general law of human social development brought to light by Marxism.

Fundamentally speaking, in a socialist society, there is no antagonistic contradiction between production relations and productive forces and between the economic base and superstructure, and they are basically suited to each other. Nevertheless, our experiences gained in the protracted practice of socialism tell us that the consolidation and perfection of the socialist system is a historical process and that it is more so in a country like China with a relatively backward economy and culture. Because the socialist system in our country is not yet perfect, there are still many aspects and links in production relations and superstructure which do not suit the development of productive forces. As they are reflected in various systems concretely representing production relations, if we do not uphold the reform and get rid of various malpractices in the economic systems fettering productive forces, we just cannot possibly make productive forces develop prosperously and fundamentally consolidate and perfect the socialist system. In order to accomplish the general task of the party for the new period and build up a modernized socialist country with a high degree of civilization and democracy, we must consciously carry out reform, otherwise we will fundamentally contradict the law of development of socialist society. Just as Engels stressed when expounding on what socialism was: A socialist society is not changeless, and should be regarded as the same as any other social system or society needing to be constantly changed and reformed. Judged by the practice over the last few years, how have these thorough and great changes taken place and the economic situation been so good in our country?

The speech made by Comrade Deng Xiaoping at the National Conference of Party Delegates supplied a categorical answer to the question. In the speech, he pointed out that the excellent situation was hard-won and that we have primarily done two things over the last few years: First, bringing order out of chaos; and carrying out an overall reform. Bringing order out of chaos has lead our party out of the dense fog of "leftism" and reestablished the correct line of Marxism. This was a great event deciding the future and fate or our party and the country. Without the correct direction of the Marxist line, we could not possibly have such a good situation as it is. On the basis of bringing order out of chaos, the overall reform has enabled us to continue to do a lot of work to open up the way to a bright future under the direction of the correct line of Marxism. This has been proven by a host of facts and a premise on which we should first of all build a firm basic understanding on the question of how to view reform.

Second, it is necessary to be clear about the orientation, objectives, and main links of the reform. The "proposal" requires that we should basically lay a foundation for a new socialist economic system, which brims with vigor and vitality and has Chinese characteristics, in the coming 5 year or even longer. What is the most essential issue to be resolved in laying a foundation for this system?

Or, fundamentally speaking, in effecting the change from the old to the new economic system, what exactly is the old mode to be transformed and what exactly is the new mode?

The decision of the CPC Central Committee on reform of the economic structure adopted by the 3d Plenary Session of the 12th CPC Central Committee explicitly points out that socialist economy "is a planned commodity economy based on public ownership," and that it is imperative to break with the previous conventional concept of setting the socialist planned economy against the commodity economy and to integrate these two well. This is an important breakthrough made by the "decision" in the socialist economic theory of Marxism and an important theoretical creation. The commodity economy is an indispensable stage in the development of socialist development and a necessary condition for realizing economic modernization in our country. In carrying out economic structural reform, the most important and essential issue is to change the economic system in our country from the previous mode of attempting to prematurely set up the planned product economy to the mode which can meet the needs of developing the socialist commodity economy in a planned way on the basis of public ownership.

In order to carry out reform in light of this target mode, we must strive to find a whole set of operational mechanisms and regulatory means which can organically and ingeniously integrate planning with market and microeconomic invigoration with macroeconomic control. Undoubtedly, in the history of socialist practice, this is a great but arduous and complicated creative project. Just as the "proposal" points out, in carrying out reform in the light of the target mode, we should primarily grasp three things well: First, to further strengthen the vitality of enterprises, especially the large and medium-sized enterprises under the system of ownership by the whole people, so as to make them truly managers of the socialist commodity producers who are relatively independent, operate on their own, and assume sole responsibility for their own profit or loss; second, to further develop the socialist planned commodity markets, gradually perfect the market system, gradually open up and develop capital, technology, and labor service markets under strong leadership and create a relatively complete market under the guidance of socialist planning which is unified, not separate and open, not closed, and closely integrates planning with the market, and does not set them against each other; third, it is necessary to shift the state's control over the economy from the track of direct control stressing the employment of administrative means and the issuance of directives to each level to the economic operational track of indirect control stressing the application of economic and legal methods together with the necessary administrative means. These three aspects of reform are not separate but closely linked.

Third, in order to carry out reform in light of the above-mentioned target modes, we must pay attention to drawing a clear line of understanding between two respects. First, it is imperative to thoroughly get rid of the conventional concept of setting the planned economy against the commodity economy and fully understand the necessity and importance of developing the commodity economy in the stage of socialism. If we do not clearly understand this, we will be always out of tune with the whole series of reforms aimed at invigorating the economy and inclined to use those previously often-used methods and slip back into the stupid and rigid old rut whenever problems crop up in reform. Meanwhile, it is imperative to fully understand the fundamental, principled difference between the socialist commodity economy and the capitalist commodity economy. The socialist commodity economy is based on public ownership of the means of production, while the capitalist commodity economy is based on private ownership of the means of production by capitalists; the socialist commodity economy is a planned commodity economy, while the capitalist commodity economy is an anarchical commodity economy which is completely and blindly regulated by the market; the development of the socialist commodity economy is to constantly meet the material and cultural needs of the people; while the capitalist commodity economy is to serve the aims of capitalists to seek maximum profits; and under the socialist conditions in our country, neither productive forces nor the state-owned enterprises, banks, railroads or all the mineral and natural resources are commodities; but under the conditions of capitalism, everything is a commodity.

If we can not distinguish these principled differences while developing the socialist commodity economy, we will consciously or unconsciously "introduce" the capitalist concept of value into the body of our economy and society. Judged by recent practices, it is obvious that we must maintain a high degree of vigilance over such a situation.

Fourth, reform should be carried out incrementally, coordinatedly, and by stages and should not be expected to yield results overnight. Everything develops by stages, as does the reform. Economic life itself is very complex and maintains innumerable links with every aspect. As far as economic structural reform is concerned, it includes the reforms of planning, prices, finances and taxes, labor and wages, banking, foreign trade and exchange management, commerce and circulation systems, and so on. It also includes the reform ofmanagement organizations at all levels from the state to the regions, cities, enterprises, and so on. Besides, none of these reforms can be carried out in isolation. The conditions of every region and city differ greatly, and the conditions of large, medium-sized, and small cities are not the same. In terms of the relationship between the microeconomy and macroeconomy, on the one hand we should invigorate the microeconomy and vitalize enterprises, especially the large and medium-sized enterprises; on the other hand, we should not lose control of the macroeconomy. Therefore, if we want to make a success of these reforms, we should not be overanxious to make achievements. Objectively, the economic structural reform is an organic whole and should be planned as a whole and carried out incrementally and by stages. Moreover, special attention must be paid to coordination. While studying the reform measures to be adopted in one aspect, we should also seriously and carefully consider the corresponding positive or negative reactions produced in the other aspects. Otherwise, we might make mistakes.

Fifth, we should fully understand the arduousness and complexity of the reform. Fundamentally speaking, Marxism did not and could not possibly leave us ready-made modes for reform. Although the founders of Marxism pointed out that a socialist society should be a society in which changes and reforms should often take place, since there are no ready-made modes for reform, we have to grope forward under the guidance of basic Marxist theories. At present, it has already become an international trend that the management systems in socialist countries must be reformed. Some Eastern European countries set off earlier than we did, and some have already made relatively good achievements. Of course, we should and can use their experiences for reference, but we should by no means indiscriminately imitate and copy them. In the past, we already had lessons in this regard. Starting with the rural reform and then some partial reforms in urban areas, we have really accumulated a wealth of experience. However, generally speaking, the overall economic structural reform focusing on urban areas is still in a stage lacking experiences and needs to experiment. As economic life is changing all the time and involves thousands of households, the success or failure of the reform may affect the situation as a whole. The people are all very much concerned about it and fear it might go wrong. It has also become increasingly clear that reforms in the economic field must be coordinated with reforms in other fields. Otherwise, we will get half the results with double the effort. During the whole process of the reform, we should always handle well the relationship between the building of material civilization and the building of spiritual civilization. If not, some big problems might also crop up. The reform will inevitably bring about a series of changes in the state political, economic, cultural and social life as well as in the people's mental attitudes, ethics, moral concepts, ideology, and so on. The profoundness and extensiveness of these changes will surpass any previous revolution. The reform will also have a direct bearing on the actual interests of the people. These facts tell us that reform is really a very complicated social project and a very arduous task. Previously, we did not sufficiently emphasize this point, making people believe that reform seemed to be relatively easy and would surely be plain sailing. Of course, generally speaking, refrom will surely succeed and we should have confidence in this. Nevertheless, no specific reform may go smoothly throughout and some difficulties and temporary mistakes may arise.

We should tell the people clearly about this and mentally prepare them to undertake some risks in the reform. Especially, instead of promising too much and too early, leaders should try to do more solid things but make less empty talk. This will greatly benefit the smooth progress of our actual work.

Sixth, during the reform, it is necessary to pay attention to handling well the relationship between destroying the old and establishing the new. In order to carry out reform, we should, of course, do away with those outmoded things which hinder the development of productive forces and encourage blazing new trails and bringing forth new ideas. Without such a spirit, reform will be out of the question. Therefore, it is imperative to stress the emancipation of minds and encourage seeking truth. However, while carrying out the actual reform, we must do away with the old and establish the new, do away with the old while establishing the new, or even establish the new first before doing away with the old. This means that we should, first of all, consider what new systems and methods will be used to replace the original systmes and methods. As our economy operates under certain mechanisms and management systems, if we can not find new methods after scrapping the old, the whole economy will lose its way and be out of order, thus hampering the interests of the people. At present, our reform is carried out under the leadership of the party and by relying on the socialist system itself and the conscious practice of the people. This reform is a self-perfection of the socialist system. We can carry it out incrementally and completely and in a planned and orderly way, and thoroughly cast away the practices and influences of "smashing it first" which were rampant during the "Cultural Revolution." On this issue, at present, we must pay particular attention to handling well the relationship between microeconomic invigoration and macroeconomic control. The microeconomy should continuously be decontrolled and invigorated; and the macroeconomy should be further controlled, regulated, and managed. These two aspects both belong to reform. The state's reduction of the scope, degree, and measure of its direct control over enterprises' economic activities must be compatible with its ability to strengthen its indirect control over the macroeconomy. Meanwhile, during the process of reform, we should strengthen the inspection and supervision organs, improve the inspection and supervision systems, and strengthen legislative and judicial work. Only by so doing can we ensure the orderly and healthy development of the reform.

Seventh, it is also necessary to handle well the relationship between reform and construction. This is an issue to be given special attention during the entire period of the Seventh 5-Year Plan. Fundamentally speaking, as reform should serve construction, the objectives of reform and construction should be completely identical. However, at present and in the coming few years, we should persist in giving first priority to reform and actively create an excellent economic environment for reform in terms of construction arrangements. We should pay particular attention to limiting the speed and scale of construction and harmonizing all economic relations. If not, economic life would become unstable, price hikes would become uncontrollable; and the main economic proportional relations would, once again, become unbalanced. As a result, since we would have to carry out major readjustments, reform would have to be shelved. This is an issue to be handled praticularly well at present. The reform will not only benefit the current economic situation; after the foundation of a new economic structure is laid in the coming 5 years or more, it will also ensure sustained and stable economic development in the coming 10 years, 20 years, or even longer. We should look at problems from this strategic viewpoint to handle the relationship between reform and construction well.

Finally, just at Comrade Xiaoping said, we must uphold the principle and orientation of reform; and the practical measures for reform must be safe and reliable. The basic theory, guiding princple, and main orientation of our reform have been made clear, but the specific measures and methods should be studied, perfected, and created in practice. This is what we meant when we said that we should look carefully before taking each step in carrying out reform.

In upholding principle and orientation, we should be firm, bold, and brave in blazing new trails; and in enacting specific practical measures, we should be extremely cautious and enforce them with great care. We believe that under the guidance of the correct line and principle of the central authorities, this economic structural reform which is now being carried out in the land of China and will produce far-reaching significance will surely succeed. This is the wish of the people as well as an inevitable outcome of the development of history.

LI PENG REVIEWS RURAL ENERGY CONSTRUCTION

OW151005 Beijing XINHUA Domestic Service in Chinese 1518 GMT 14 Mar 86

[Text] Beijing, 14 Mar (XINHUA) -- "Rural energy construction is an important matter which concerns the livelihood and economic advance of China's 800 million peasants. Leaders from all central departments down to local governments should increase their understanding of the importance of energy for developing the rural economy and improving the people's material and spiritual life and should strengthen leadership over the important matter of rural energy construction," said Li Peng, member of the Political Bureau of the CPC Central Committee and vice premier of the State Council.

He made the above remark at a national meeting today on rural energy and electrification in 100 counties attended by delegates from throughout the country. In his speech, Li Peng spoke on energy construction and electrification in China's rural areas. Reviewing the current situation in rural energy construction and the importance of energy for rural areas, he pointed out that a steady growth, as well as remarkable economic, social, and environmental efficiency, has been achieved in rural energy construction after implementing principles and policies conforming with the reality of rural energy work in China. In the past 5 years, energy availability equivalent to 20 million metric tons of standard coal was added both through utilizing new energy sources and by saving energy, thereby easing the wood shortage for fuel and other energy sources in some rural areas.

He said: Although strains on energy sources have been somewhat relaxed in some areas, the energy shortage in the countryside as a whole has not yet been basically resolved, and rural energy can barely meet the demands of production and peasants' livelihood in many areas. The development of China's rural economy and the improvement in the people's material and cultural life have made more and higher demands for energy. Especially, the rapid development of village and town industry has changed the focus of rural energy work from solely satisfying the needs of the people's livelihood to emphasizing both production and the people's livelihood. This major change in rural energy work has intensified the energy shortage in the countryside. Therefore, rural energy will remain a weak link for a relatively long period of time. Premier Zhao Ziyang pointed out: "We should regard rural energy as a strategic issue, and resolve it in light of the actual situation in each locality. The government should study this important issue and formulate policies to earnestly help solve the problem." As rural energy work involves a wide range of areas and quite a few problems, governments at all levels should include rural energy construction in the economic development plan while finance, planning, material supply, science and technology, and banking departments should actively support and help solve practical problems in the work.

Touching on the guidelines for rural energy work, Li Peng said: The general guidelines for rural energy construction for some time to come are to continue to implement the principles of "suiting measures to local conditions, replenishing with various forms of energy sources, developing comprehensive utilization, and stressing efficiency." While striving to save energy, it is necessary to actively plant trees for use as fuel, vigorously spread the use of fuel-saving stoves, steadily develop methane use, and, when local conditions permit, build small hydroelectric power stations and coal pits and attempt to utilize wind, solar, and geothermal energy.

Rural energy construction should be coordinated with the planning of and carried out simultaneously with the construction of rural towns, the building of spiritual civilization, and environmental protection. We should strive to improve rural energy work in order to develop agricultural production, raise the people's livelihood, build a whole-scale agricultural ecology, and facilitate the modernization drive.

He pointed out that in view of the energy shortage and backward utilization, poor management, and alarming waste of energy sources in the vast countryside, it is necessary to pay special attention to the rate at which energy sources are utilized. The fact that the principle of "stressing actual results" in the general guidelines for rural energy construction has been replaced with the principle of "stressing efficiency" is precisely for this purpose. The fuel-saving stoves, which we popularized and which achieved quick results in the Sixth 5-Year Plan, should be an effective and popular means for easing the current energy shortage in rural areas.

In most rural areas, energy for the people's livelihood will continue to rely mainly on wood, straw, and stalks used as fuel for a relatively long time to come. Although the coal supply has increased in some localities, it still cannot meet the demand of many areas. Therefore, we should continue to popularize the use and improve the efficiency of fuel-saving stoves.

Li Peng said: The use of methane has developed smoothly in the countryside. It has spread from individuals to collectives, from a small scale to a medium scale, and from a single project to multiple purposes, and has achieved greater economic, social, and environmental efficiency. Continued efforts should be made in this direction.

Fully confirming the achievements in rural electrification, Li Peng pointed out in his speech: The situation has been excellent in rural electrification in recent years. The electrification work carried out in the 100 counties has given a strong impetus to building small hydroelectric power stations throughout the country. Currently 63 percent of rural households in the country have electricity.

Li Peng discussed, in particular, the reason for selecting the 100 counties to try out electrification work. He said: Among the country's more than 2,000 counties, half of them possess hydroelectric resources. These are primarily old liberated areas, areas inhabited by minority nationalities, and impoverished mountainous and frontier areas with low living standards, backward cultural development, no access to major electric networks, and difficulty in using electricity. The selection from among these areas of the 100 counties with relatively abundant hydroelectric resources in our first step for rural electrification, which can promote the electrification work of the countryside as a whole, is obviously of far-reaching significance. Li Peng went on to discuss the principles and policies for developing small hydroelectric power stations.

First, it is necessary to advocate self-reliance and to rely mainly on local resources and funds collected by the people in building small hydroelectric power stations to provide electricity to rural areas, while the state gives appropriate assistance. It would be impractical to pin hopes on state subsidies and to request funds and materials from the state. The experience of these counties has proven that only by relying on local resources is it possible to accelerate the development of small hydroelectric power stations.

Second, it is the basic policy of the state to rely on revenues from small hydroelectric power stations to support their operations. Only by implementing this policy can a small hydroelectric power station be invigorated and maintain sustained development.

We should pay keen attention to not only economic efficiency but also the social benefit of small hydroelectric power stations, and should raise the economic efficiency on the basis of social benefit. In the course of implementing this policy, we may reasonably readjust the electricity fee in accordance with local conditions so as to accumulate funds for supporting small hyroelectric power stations. It is necessary to set a reasonable fee and guard against wanton hikes and fee collection.

Third, in order to achieve quick investment results, all localities should act according to their own capability and adopt measures suitable for local conditions.

Fourth, aside from newly built projects, it is necessary to tap the potentials of old power stations while ensuring safety of operation. For example, we may enlarge the generating capacity, expand the volume of a reservoir, and, when conditions permit, build low-head hydroelectric power stations at dams which cannot generate electricity.

Fifth, it is necessary to straighten out the relationship between small hydroelectric power stations and major electric power networks. A meeting of the Ministry of Water Resources and Electric Power last year formulated the policy for major electric power networks to assist and give preferential treatment to local electric power network. This is aimed especially at solving the relationship between small and major electric power networks and accelerating the development of small hydroelectric power stations. At present, most counties relying mainly on small hydroelectric power stations have, in accordance with the guidelines of the document approved and transmitted by the State Council, set up an economic entity at the county level for exercising unified supervision over power generation, supply, and consumption in rural areas. Without such a system to protect and harness the enthusiasm of local governments and people, it would be very difficult to invigorate small hydroelectric power stations. In order to support the operations of small hydroelectric power stations, large electric power networks may act as their agents in soliciting and collecting fees from regular customers.

Sixth, considering the seasonal fluctuation in the stations' hydroelectric power, we should use forms of energy to replenish small hydroelectric power stations in order to increase their economic results.

Seventh, in addition to giving priority to developing small hydroelectric power stations for solving energy sources in rural areas in accordance with actual conditions in each locality, it is also necessary to make full use of available local energy resources in building small thermal power stations. Areas inaccessible to electric power networks but having wind and geothermal energy resources should also build power plants using such energy sources.

Turning to the development of the rural energy industry, Li Peng said: To ensure smooth progress in rural energy construction, this question should be put on the agenda with the topics of solar-powered stoves, methane, wind energy electricity, solar water heaters, and fuel- and coal-saving stoves, including manufacture and maintenance of related equipment and parts. Machine building departments should improve product quality, lower production costs, provide complete sets of reasonably priced quality products for rural energy construction, and set up conveniently located repair outlets for customers. A great part of the work in all these fields can be handed over to local industry, village and town enterprises, and rural energy technical service companies.

On the question of organizing the leadership over rural energy work, Li Peng announced on behalf of the State Council that, in order to eliminate overlapping of organizations, the State Council has decided to abolish the office of its Leading Group for Development of Rural Energy and to coordinate and promote the work through the State Council's meeting on energy conservation.

The decision is aimed at strengthening, not weakening, leadership over the rural energy work. The Leading Group for Development of Rural Energy and its office already set up in various localities may remain. Each province, municipality, and autonomous region may set up its own organization in accordance with actual situation in each locality. Provinces, autonomous regions, and municipalities that face a heavier task in rural energy construction should further strengthen and improve leadership in rural energy work, which should not be affected as a result of the abolishment of the office of the State Council Leading Group for Development of Rural Energy.

In conclusion, Li Peng said: Science and technology should be oriented to rural energy work. China's scientific and technical personnel should redouble their efforts at developing energy sources, solving the energy shortage, and carrying out energy-saving technical transformation in rural areas in light of actual situation in China. Currently, efforts should be focused on energy conservation in rural areas. At the same time, it is also necessary to train energy specialized personnel and improve the technical quality of energy workers in rural areas.

At the meeting today, Li Peng presented certificates on completion of preliminary rural electrification to Guangze, Wenchuan, Yingjing, Renhua, and Longmen Counties. The national meeting on rural electrification in the 100 counties closed today.

YAO YILIN STRESSES GRAIN PRODUCTION IN JILIN

OW180553 Beijing XINHUA Domestic Service in Chinese 1529 GMT 17 Mar 86

[By reporter Chen Mingxing and JILIN RIBAO reporter Liu Tong]

[Text] Changchun, 17 Mar (XINHUA) -- During a recent inspection tour of Jilin Province, Yao Yilin, member of the Political Bureau of the CPC Central Committee and vice premier of the State Council, pointed out: In developing grain production and accelerating construction of bases for commercial grain, it is necessary to harness the enthusiasm of peasants and provincial, city, and county governments.

Yao Yilin said: In our country, grain production remains a major issue, and should be tackled with great care. In promoting grain production, it is necessary to formulate a correct policy and stress scientific farming. A few years ago, we sparked the enthusiasm of peasants primarily through introducing the production responsibility system. As the second step in rural reform, we have abolished unified or fixed state purchases and introduced a system of purchase by contract. We must adopt effective policy measures to protect the initiative of peasants and provincial, city, and county governments, and fire their enthusiasm to grow grain crops. To better serve the peasants before, during, and after production, the bases for commercial grain may set up units providing services in popular science and technology, breeding of fine strains, irrigation and water conservation facilities, farm machinery, and storage and transport of grain.

Yao Yilin noted: We should increase investment in grain production. It is necessary to spend more on farmland capital construction and build irrigation and drainage facilities to improve our capability to resist natural disasters. It is also necessary to build facilities for storing and transporting grain. Yao Yilin pointed out: As grain-producing areas make great contributions to the state, it is necessary to do everything within the state's capabilities to support and assist them in terms of funds and means of agricultural production. The more commercial grain they produce, the greater actual benefit they should receive. The unreasonable situation of the past that "the more grain a locality delivers to the state, the heavier a financial burden it has to shoulder" should be changed.

STRENGTHENING OF GRAIN PURCHASE WORK URGED

HK130929 Beijing JINGJI RIBAO in Chinese 6 Mar 86 p 1

[Editorial: "Seriously Carry Out the Task of State Purchase of Grain According to Contract"]

[Text] Document No 1 of 1986, issued recently by the CPC Central Committee and the State Council, decided to appropriately reduce the amount of state grain purchased according to contract and to increase the proportion of state grain purchased at negotiated prices in the market. This is a major measure taken by the state in order to expand grain production, encourage peasants to sell more grain to the state and increase peasants' incomes following reform of the system of state grain purchase. The grain purchase year of 1986 (effective from 1 April) is drawing near. All localities should conscientiously take the practice of state grain purchase according to contract as a major task to be fulfilled.

The principles of reducing the amount of state grain purchase according to contract are as follows: In areas where the commodity economy is well developed, and with considerable expansion of diversified production activities, we should doggedly adhere to the practice of state grain purchase according to contract, and ensure the fulfillment of the tasks of grain production and state grain purchase, through the implementation of subsidizing grain production with funds from industrial production. In areas with rich potential grain production resources and where the diversified productive activities are not bustling, including new marketable grain-producing areas and some old marketable grain-producing areas, we should reduce the amount of state grain purchase according to contract, and increase the proportion of state grain purchase at negotiated prices, so that peasants will be able to earn more from grain output in excess of production targets. In areas without much farmland where marketable grain production is high, we should not reduce the amount of state grain purchase according to contract. In the very few poverty-stricken areas, the state may not conclude any contracts for grain purchase, or only conclude a small number of contracts, and should mainly purchase grain at negotiated prices. These principles have been formulated according to actual conditions in different types of areas and are aimed at further implementing the principle of "sparing no effort in promoting grain production and diversified undertakings," ensuring sound progress in readjusting the agricultural production structure and a steady increase in grain production, encouraging peasants in the good grain production areas to grow and sell more grain crops to the state, and increasing the incomes of grain crop growing peasants.

In carrying out the practice of state grain purchase according to contract, we must make efforts to publicize grain policies formulated by the party and the state. We must clearly explain to peasants that appropriately reducing the amount of state grain purchase according to contract does not mean that we have too much grain. The measure is aimed at increasing the proportion of grain purchased by the state at negotiated prices. That is to say that while reducing the amount of state grain purchase according to contract, the state will entrust grain departments to buy a certain amount of grain at negotiated prices in markets. They should buy as much as peasants want to sell and should in no case set bounds to purchases or even refuse to purchase, nor should they give wrong information to peasants. Of course, in purchasing grain for the state, prices should be in keeping with local market conditions but should not be over the prices of grain output in excess of production targets. We should guard against sudden rises and falls so as to protect the economic benefit of peasants growing grain crops.

The task of state grain purchase according to contract is an important economic state plan, and authorities at various levels should spare no efforts to fulfill it. The state plan for grain purchase is enacted by purchasing grain from peasants according to contract.

At present, the practice of state grain purchase according to contract is regarded as both an economic contract and a task assigned by the state. In carrying out the work, we must follow policies resolutely. We must adhere to the principles of voluntariness and consultation, and conduct thoroughgoing and painstaking political and ideological work. Meanwhile, we should often remind peasants that when they strive to become better-off, they should think of the state and support the four modernizations.

The introduction of the practice of state grain purchase according to contract is a major step in reforming the system of state grain purchase. The practice was introduced only 1 year ago. We are inexperienced in this field of work; we should therefore make efforts to improve it. However, the reform orientation is correct, and we must be steadfast in regard to reform. There must be a process of consolidation, digestion, and improvement before the system of state grain purchase according to contract becomes perfect. Party committees and people's governments at various levels should give more leadership over the task of state grain purchase according to contract. In specific practice, they must suit measures to local conditions and sum up experiences often, so as to perfect the system step by step.

NPC COMMITTEE STUDIES NEW FRIENDSHIP GROUPS

OW151218 Beijing XINHUA in English 0844 GMT 15 Mar 86

[Text] Beijing, March 15 (XINHUA) -- China's National People's Congress has received a proposal to set up six more friendship groups. The proposal was put for deliberation at the 15th Session of the Sixth National People's Congress Standing Committee here today. The proposed new groups are for friendship between China and Argentina, Australia, Brazil, Cape Verde, Spain and Venezuela.

CPPCC COMMITTEE HOLDS THIRD PLENARY SESSION

OW171224 Beijing XINHUA Domestic Service in Chinese 0916 GMT 17 Mar 86

[Text] Beijing, 17 Mar (XINHUA) -- The 11th meeting of the Standing Committee of the 6th CPPCC National Committee held its 3d plenary session this morning at the assembly hall of the CPPCC National Committee to discuss the draft of the CPPCC Standing Committee's work report to be submitted for examination by the 4th meeting of the 6th CPPCC National Committee as well as drafts of other documents. Fei Xiaotong, vice chairman of the CPPCC National Committee, presided over today's meeting. Those speaking at the meeting included committee members Qian Weichang, Lan Jiang, Kong Fei, Li Tiezheng, and Liu Haisu.

GRASS-ROOTS FAMILY PLANNING MEETING ENDS 13 MARCH

OW140829 Beijing XINHUA Domestic Service in Chinese 1523 GMT 13 Mar 86

[By reporter Yu Changhong]

[Text] Beijing, 13 Mar (XINHUA) -- The national experience-exchange meeting on grass-roots family planning work, which ended today, stressed that we must win over and rely on leadership exercised by party committees and governments at all levels over family planning work, strengthen the grass-roots organizationally, improve services, and introduce scientific management to make family planning work at the grass-roots level achieve the dual objectives of controlling population growth and building closer relations between the party and the masses.

The national experience-exchange meeting is the first held especially to study grass-roots work since our nation began to carry out family planning work. Some 200 representatives from the various provinces, municipalities, autonomous regions, the PLA, institutions under the CPC Central Committee and State Council, and other state organs introduced and exchanged their experience at the meeting. These experiences reflect the main trend and orientation of development for grass-roots family planning work, embody the guiding ideology, principles, and family planning policies of the CPC Central Committee, and fully manifest our country's family planning work, which is characterized by seeking truth from facts and suiting measures to local conditions. The meeting earnestly studied relations between family planning and the overall situation of the four modernizations on the one hand, and between improving family planning policy and paying close attention to thoroughgoing and painstaking work on the other. The meeting held that, to elevate grass-roots family planning work to a new level, we must further straighten out our vocational guiding ideology, continually improve family planning policy by proceeding from the actual situation, further improve our work style and work methods, pay more attention to the development of socialist spiritual civilization in family planning work, regard the raising of social benefits as the sole criterion for our work, and make family planning work serve the general objectives and task of the party in a better way.

The meeting began on 8 March. Previously, a meeting of directors of the provincial, municipal, and autonomous regional family planning commissions was held in Beijing to particularly study family planning work during the Seventh 5-Year Plan.

MEETING STRESSES FAMILY PLANNING GUIDANCE

OW161530 Beijing XINNUA in English 1449 GMT 16 Mar 86

[Text] Beijing, March 16 (XINHUA) -- Guidance on sexual relations, pregnancy and children's nutritional and educational needs is becoming available to more and more Chinese couples through the mass media, a meeting here was told today. Much of this help is offered by the China Family Planning Association, which was set up in 1980, and which now has branches in most parts of the country, according to the national association's meeting, which began today. These organizations are sending specialists in family planning and child education and health care to run local family advice centers in many areas. In many places, their services range from medical check-ups before marriage to helping with kindergarten and primary school education.

Li Xiuzhen, vice-president of the association, said that since the association had become a member of the International Planned Parenthood Federation in 1983, it had been represented at many international meetings, and had learnt much from abroad. She said the association had also co-operated with Japanese organizations on international co-operation in family planning in women's and children's health care. In the country's drive to hold down population growth, the association would concentrate its efforts on offering help and guidance to couples, said Li.

HOUSEHOLD CONTRACT SYSTEM REITERATED AS POLICY

OW180457 Beijing XINHUA Domestic Service in Chinese GMT 17 Mar 86

[XINHUA Commentator's article: "The Household-Based Contract System Is the Party's Long-Range Policy"]

[Text] Beijing, 17 Mar (XINHUA) -- After the party Central Committee pointed out in this year's Document No 1 that the cooperative system should be perfected, some people asked anxiously whether the household-based contract system was to be abolished.

They wondered if it would be replaced with the previous practices of "returning to the big group" and "eating from the same big pot." Such worries are unfounded. It should be clearly pointed out that the household-based contract system is the party's long-term policy, which will never be easily changed against the wishes of the people.

To consolidate the household-based contract system, the party Central Committee decided in early 1984 that "the period for contractual land use should generally be at least 15 years, and the contract period should even be longer for projects which require a long production period, for development projects, such as growing fruit or forest trees, or developing barren hills and wasteland." This decision is certainly still valid today, and will be fully carried out in all localities.

The reason why the household-based contract system should be a long-range policy is not because of the people's subjective will, but because of our country's agricultural productivity and the characteristics of its agricultural production. Under the present situation, where people in most rural areas still work with their hands, only the household-based contract system, under which the producers are at the same time operators, can integrate responsibilities, privileges, and benefits; can be easily received by the peasants; and can most effectively arouse the peasants' initiative and heighten their sense of responsibility. If we reinstate the previous practice of consolidating all production means under centralized management, and reintroduce collective labor and centralized distribution, productivity would certainly be stopped or undermined. By no means should we return to this worn old way, which had brought us untold suffering, and from which we had a hard time extricating ourselves.

Establishing the system of contracted responsibilities based on the household with remuneration linked to output, using development or the household-based contract system, is the most important way of developing a Chinese-style socialist agriculture. It is specifically this system which has reinvigorated our countryside. Over a period of just a few years, our agriculture has extricated itself from a difficult position, and our agricultural achievements have attracted worldwide attention. Today, the great potential of our household-based contract system has not yet been fully tapped, and the job confronting us is to consolidate and develop this system.

Perfecting the cooperative system does not conflict with adopting the household-based contract system. As the adoption of this latter system has never replaced the cooperative system in the past, perfecting the cooperative system will not replace the household-based contract system today. We must clearly understand that the system of contracted responsibilities, based on the household with remuneration linked to output, is in itself a cooperative system with distinctive Chinese characteristics, and that the household-based contract system is one aspect of this cooperative system. As far as regional cooperation is concerned, perfecting the cooperative system does not mean that we are going to make a fresh start and carry out a new form of cooperation; it means that we are going to perfect the double-layered system which integrates centralized and decentralized management, with emphasis on the household-based contract system.

If we reread Central Document No 1 carefully, we discover that, instead of replacing the household-based contract system, perfecting the cooperative system is specifically intended to give fuller play to the vitality and role of the household-based contract system. Everyone knows that, following the development of the commodity economy in the rural areas, peasants' household operations have encountered certain problems they cannot handle individually, and they are urgently in need of all kinds of services before and after production, such as irrigation, tractor plowing, plant protection, seed preparation, transportation, technical know-how, information, and so on.

The masses are already displeased with the failure of certain places to provide these services. What we now see as perfecting the cooperative system primarily means improving these services, thereby creating a good condition for tapping the potential of the household-based contract system.

At a time when the nation's rural areas are following the guidelines set out in the party Central Committee's Document No 1, it is hoped that all localities, while propagating those guidelines, will clearly explain to the masses the relationship between perfecting the cooperative system and adopting the household-based contract system, so that our rural work can be accomplished even more successfully.

REFORM OF VEGETABLE PURCHASING, MARKETING VIEWED

HK141027 Beijing RENMIN RIBAO in Chinese 9 Mar 86 p 2

[Commentator's article: "Regaining the Initiative -- Further Reforming the System of Vegetable Purchasing and Marketing"]

[Text] Last year a reform of the vegetable purchasing and marketing system was launched in large and medium-sized cities throughout the country. What are the results of the reform? This is a problem in which consumers take great interest.

At the recent work conference on vegetable supplies in 15 cities, participants pointed out: The reform approach is correct and the trend of its development is good. Through relaxing price controls, the variety of vegetables has increased and their quality has improved; allowing large numbers of vegetables to rot is seldom seen. With circulation channels of vegetables open and the increase in purchasing and marketing networks, consumers do not find it difficult to buy vegetables. After the purchasing prices were readjusted according to the law of value, the income of vegetable growers has gone up and they find that vegetable growing has good prospects for profits. The readjustment of vegetable prices in most cities has been relatively reasonable, and the prices are becoming stable. However, retail prices of vegetables in some cities are too high. That is why consumers are still complaining.

Reforming the vegetable purchasing and marketing system is a tough and complicated job. It is necessary to iron out contradictions produced in practice and improve the work step by step. In the course of reforming the system of vegetable purchasing and marketing, some problems have appeared in some cities. This was mainly because state-run vegetable companies and shops in large and medium-sized cities were inexperienced in regulating the market and giving play to their leading role. Meanwhile, some vegetable peddlers artificially forced prices up, this landed state-run commercial departments in a passive position in running vegetable business.

State commercial departments should take an active part in the reform of the system of vegetable purchasing and marketing. Relaxing prices controls and enlivening vegetable markets do not at all mean that state-run commercial departments can give up their leading role and let go their hold on vegetable purchasing and marketing. Just the opposite, under the new situation of reforming the vegetable purchasing and marketing system, the burden on state commerce has not been lightened but has become heavier. Urban residents are very sensitive with market prices because they go to the market to buy vegetables daily. Keeping vegetable prices stable and maintaining purchasing and marketing prices on a reasonable level are bounden duties of state-run commercial departments. Whether this can be achieved or not is an indication of whether or not good results are achieved in the reform of the vegetable purchasing and marketing system.

With price controls relaxed and the market invigorated, raising the purchasing and marketing prices of vegetables to a certain extent is reasonable. However, consumers can hardly agree to a steep rise and thus they complain. When there are plenty of vegetables on the market, if purchasing prices are too low, this may chill the enthusiasm of vegetable growers. In this connection, state-run commercial departments should have correct information about supply and demand and promptly regulate relations between production, marketing, and consumption by economic means. In order to invigorate the market and promote circulation, state-run commercial departments introduce the practice of floating prices, and should try to keep the rural market prices stable so as to prevent sharp price fluctuations.

To ensure an ample supply of vegetables to urban residents and keep the prices of vegetables stable, what is most important is to arrange production according to market demands. Only when "vegetable gardens" are well run, will we be able to enrich "greenstuff baskets." Having an ample supply of goods is the only way that state-run commerce will play its due leading role of keeping vegetable prices stable. In guiding vegetable production, state-run commercial departments should first ensure sufficient vegetable-growing areas and make good use of economic and administrative means so as to enable vegetable growers to arrange production according to market demands. The key to doing the work well lies in state-run commercial departments which must adopt new policies and work methods under the new situation, and improve relations between agriculture and commerce so as to arouse the enthusiasm of vegetable growers in production.

Rural vegetable markets are the main source of vegetables for urban consumers. Apart from the effort of government-run vegetable shops in keeping vegetable prices stable, the price control departments, as well as the industrial and commercial administration departments, should improve market management by means of administrative measures. Over a certain period of time, they should take measures to limit too high prices of some vegetables, and violations of such trading principles as bullying trade associates and dominating markets should be banned.

Consumers see the reform of the price system from their "greenstuff baskets." Greenstuff is a daily necessity for everyone. "No vegetables, no stable life." Filling "vegetable baskets" with more greenstuff is no trifling matter. Under the new situation of reforming the vegetable purchasing and marketing system, state-run commercial departments shoulder heavy responsibilities. They have many things to do, such as developing horizontal ties, improving vegetable wholesale markets, meeting each other's needs between various regions, and opening more circulation channels, and striving for an ample supply of vegetables in the off seasons and avoiding waste in the peak periods. In short, state-run commercial departments should regain the initiative and play a positive role in the reform of the vegetable purchasing and marketing system.

MINISTRY OF COMMERCE OUTLINES MARKETING WORK

OW170423 Beijing XINHUA Domestic Service in Chinese 1254 GMT 16 Mar 86

[By XINHUA reporter Qiu Yuan and RENMIN RIBAO reporter Pan Gang]

[Text] Beijing, 12 Mar (XINHUA) -- At the national meeting of directors of commercial departments and bureaus that ended today, the Ministry of Commerce called on commercial departments in the various localities to work hard in the following five areas to ensure a more brisk and stable market this year.

1. Arrange well the supply of daily necessities that are vital to the general market situation as well as to the people's livelihood.

We should give top priority to grain and pay earnest attention to the procurement, marketing, and distribution of grain and to the arrangements for the daily life of the people. We should do a good job in arranging vegetable production and earnestly implement the policy of ensuring supply by primarily relying on nearby suburban areas, with relatively distant suburban areas playing a supplementary role and other cities and towns playing a regulatory role. State-owned vegetable companies should make active efforts in management, improve services, and play their leading role in a better way. All localities should run vegetable wholesale markets well, develop all kinds of lateral associations, and further enliven production and management. State-owned vegetable companies should seasonably control the sources of several varieties of ordinary vegetables to ensure a continuous supply and stable prices and see to it that vegetable prices do not rise this year. Prices for vegetables should drop somewhat in places where they rose excessively last year. Close attention should be paid to procuring more meat and eggs in the peak periods to ensure a continuous supply in the off seasons.

2. Actively cooperate with industrial departments to increase the production of commodities that meet market demands, take the initiative to help light and textile industrial departments produce more of those variety of products in short supply, and solve problems in the production and marketing of small commodities, soap, and leather products.

3. Work hard to increase the sales volume of commodities and expand service. Commercial departments in all localities must further increase their processing capacity, expand the network of outlets, market more high quality cotton fiber, and increase the sale of sugar, articles of daily use, knitted textile products, hardware, and communications and electrical products. All the products should be freely sold regardless of whether they are in over or short supply or just meet demands. Vigorous efforts should be made to develop catering and service trades and domestic tourism. We should expand such new services as the repair of home electrical appliances and consumer durables, interior decorating, and color photography in accordance with the many-sided, multilevel demands.

4. State commercial departments should sum up the experience acquired since prices were decontrolled to enliven the economy to change their operation and management styles, correctly employ regulatory means, take an active part in regulating the market, and play a leading role.

5. Develop and amplify the commercial information system to do a good job in market forecasting and information feedback.

PRICE REFORMS SAID SUPPORTED BY PEOPLE

OW151306 Beijing XINHUA in English 1252 GMT 15 Mar 86

[Text] Beijing, March 15 (XINHUA) -- China's ongoing price reform has boosted commodity production and the progress of the market economy, according to the forthcoming issue of the weekly "BEIJING REVIEW." In the "Notes From the Editors" Column, the weekly says that "the reform has won the support of the people", noting that in 1985, rural per-capita net income went up 8.4 percent, and that of the cities, 10.6 percent. "With the reform's initial achievements and with the people's support, China has no reason for retreat, only for advance," the weekly says.

China's commodity prices, which were frozen for many years, were seriously distorted, the weekly says. They reflected neither price parities between various commodities nor product quality of the same category.

Price reform became inevitable when the country introduced a policy a few years ago of building a planned commodity economy. This requires exchanges at equal value and stresses the principle of distribution to each according to his or her work, which in turn calls for the exchange of equal amounts of labor.

The party Central Committee fingered price reform as a key to the country's current overall economic reform in a programmatic document issued in October 1984. To date the reform measures include a purchase contract system, which replaced the state monopoly on the purchase and marketing of grain, cotton and edible oil, and lifting price controls on meat, vegetables and other perishable food. In addition, the government has decontrolled prices for small articles of daily use, and increased short-distance train fees. The Chinese Government decided to hold off on major reform measures for 1986 to consolidate and improve those already carried out, in the hope of stabilizing commodity prices, the "REVIEW" says.

JOURNAL CITED ON 5-YEAR ECONOMIC REFORM TASKS

HK170553 Beijing CHINA DAILY in English 17 Mar 86 p 4

[Text] Discussion of reform tasks for the second half of the decade has been reported by the press now that the National People's Congress (NPC) is to open its annual session to examine and approve the country's Seventh Five-Year Plan (1986-1990). Economists' views are reflected by the magazine CHINA' S ECONOMIC SYSTEMS REFORM, a forum for the State Commission for Restructuring Economic System, the chief designer of the country's ongoing economic reforms.

The magazine also reported that Premier Zhao Ziyang is expecting two major steps towards the fundamental reform of the country's existing economic system. The first step, the premier said, was taken last year and is to be completed this year, and the next step is to be taken next year and be completed in about another two years.

As for the reform tasks for the next five years, the magazine gives priority to strengthening enterprises as independent business entities, whose performance is so far still unsatisfactory. The magazine called this "the central issue" for the nation's Seventh Five-Year Plan. With the further implementation of decentralization of administration, enterprises will be gradually brought into a more competitive world. Competition will spur enterprises to improve their management and efficiency and raise technical levels. They should pay attention to improving themselves rather than trying to develop production by seeking more investment, which is what they tended to do.

Various responsibility systems, including giving more decision making power to managers, should be strengthened within enterprises. Relations between the interests of the State, enterprises, and workers would be properly handled through the enterprise wage reform.

Another important area, according to the magazine, is going to be China's socialist market system, or the development of what it called "planned commodity economy." Besides expanding and improving the commodity market, China is to gradually build up its money and technology markets. At the same time, the central leadership and economic authorities at all levels will encourage transference of workers.

The emphasis of the reforms will be laid on the producer goods market so that items on the administrative planning agenda will be gradually reduced and more items will be open to market adjustment.

The third major aspect of China's reforms in the next five years is to make the State's control over enterprises mostly indirect, because the old, direct control over businesses has proved to be outmoded and unsuitable for the new economic situation. The State's indirect control will combine the use of the economic levers such as price adjustment, income distribution, taxation, and credit management. These efforts will be coupled with the strengthening of the country's legal system.

REGULATIONS ON FOREIGN, CHINESE TRAVELERS 'EASIER'

HK140408 Beijing CHINA DAILY in English 14 Mar 86 p 4

[By Li Xiaojia]

[Text] Foreigners in China can now travel more freely than ever, and signs reading "Foreigners Not Allowed to Enter" are disappearing fast, said Cao Luhe, bureau chief of the Entry and Exit Administration under the Ministry of Public Security. "Last year, more than 100 such signs were pulled down in Beijing and similar steps have been taken in many other Chinese cities as part of the country's effort to open itself up to the outside world," he told CHINA DAILY.

Thanks to the two new laws on border crossing which came into force in February, foreign and Chinese travellers are finding it much easier to enter and leave China. The past few years have seen more than five million foreigners surging into China and a rapidly growing number of Chinese travelling abroad. The two new laws, one for foreigners and one for Chinese, promulgated last November, open the door even wider. The "threshold" application formalities have been reduced to a minimum. The first law, which includes making entry visas available on arrival, allows unrestricted travel to all open areas and offers exemption from exit visas, gives foreigners unprecedented convenience in travelling, working and living in China. The second law is the first ever to provide all Chinese citizens -- except convicted criminals and suspects -- with the right to go abroad on personal business.

"This is the first legislation China has ever adopted in the two respects. The laws will significantly accelerate the process of opening the country to the outside world," said Cao. "Such a change would have been unimaginable only a few years ago."

For almost 30 years before 1978, China had placed strict restrictions on border entry for foreigners other than foreign diplomats, government delegations and a small number of invited individuals. It was extremely difficult at that time for ordinary Westerners to come to China. The application formalities for a visa were highly complicated and time-consuming since very few Chinese embassies abroad were allowed to issue visas without Government approval. Even Overseas Chinese with Chinese passports had to obtain an entry visa, a system described by Cao as "extremely unreasonable." "Blame for the isolation lies with the overwhelming influence of the 'leftist' craze, especially during the 'Cultural Revolution," he said.

Substantial changes began soon after the adoption of the open policy in 1978, when the rapid development of Sino-overseas economic and technological cooperation and tourism created an acute need for a simpler and more efficient visa system. Consequently, a series of measures was introduced from 1980 to ease restrictions on Foreign travellers. More and more Chinese embassies and consulates abroad were substantially simplified. In 1980, the first batch of 29 open cities was announced. In 1982, the Ministry of Foreign Affairs set up its first visa section in Hong Kong, then the biggest entry point for both foreigners and Overseas Chinese, to handle the large number of applications.

But travelling and working in China could still be a difficult experience. Foreigners still had to obtain a special permit to visit many areas, making a great part of China off-limits to holidaymakers in a hurry. Even in the "open" cities, foreigners were usually confirned to a limited area. The rigid rule that a visa was valid for only one entry frustrated frequent visitors who had to apply for every trip. Worst of all, all foreigners in China had to obtain an exit visa before departure, a system "rarely practised internationally and inadequate to China's open policy," according to Cao. The lack of a national legislation made it difficult for foreigners and Chinese alike to know exactly what the State's policy was and act accordingly.

"We started to experiment with many new rules last year and drew up this legislation on the basis of separate original regulations," Cao said. The new law was passed by the Standing Committee of the People's Congress last November and its details will soon be approved by the State Council.

Today, foreigners can go to their nearest Chinese embassy or consulate and obtain an entry visa within a few days. Foreigners with urgent business in China may obtain entry visas on arrival at several specially designated port cities, including Beijing, Shanghai, Tianjin and Fuzhou. Frequent visitors may be granted visas valid for more than one entry and all Overseas Chinese with Chinese passports may cross the border freely without any extra formalities.

At the same time, the total number of open cities and districts in China has been increased to 244, including most of China's cities, scenic spots, historical sites and industrial bases. The areas where foreigners are allowed to go within the open cities have also been greatly expanded.

A separate law issued by the Beijing Public Security Bureau has made it legal for Chinese citizens to provide board and lodging for foreign friends and relatives, making ordinary Chinese families accessible to outsiders.

"To spread knowledge of the new laws and other Chinese laws and avoid offences, we encourage foreigners to consult the departments of entry and exist under the local public security bureau," Cao said. He added that the Chinese Government would protect the legal rights and interests of foreigners in China. "According to the new law, foreigners cannot be arrested without a warrant from the People's Procuratorate or the People's Court. Their personal freedom will not be violated," he said.

Chinese citizens are also beginning to enjoy the freedom to go abroad to visit relatives, travel, work, study or live. "The restrictions on Chinese citizens seeking to go abroad used to be very strict, due to traditional prejudice and the 'leftist' way of thinking," Cao said. Applicants were often treated with suspicion, making many reluctant to apply for fear of being call "unpatriotic." The chance of getting a passport used to be extremely limited and applications sometimes took up to one year. Despite the easing of restrictions after 1983, applications were still taking too long. "The delay indicates that many officials have not treated the citizens' just demands seriously," Cao said. "There are altogether more than 30 million Overseas Chinese throughout the world and their relatives at home have the right to visit them or join them."

The new law stipulates that local public security bureaus notify applicants of their decision within 30 days in cities and 60 days in the countryside. "With the improvement of working efficiency, the time required will be shorter," Cao said. Asked the reasons for the substantial shift in policy, Cao said: "The change is partially due to the concern of many top government leaders who repeatedly urge security officials to fully respect the legitimate right of citizens to go abroad.

"Therefore, protecting the legitimate right of Chinese citizerns to go abroad has been included in the principle of the new law. It is also a good way to promote international exchanges." Establishing all these principles in law reflected the long-term nature and stability of the open policy and was not simply an expedient measure, Cao concluded.

DENG PUFANG ON BUILDING SOCIALIST HUMANISM

HK120545 Beijing ZHENGGUO XINWEN SHE in Chinese 1353 GMT 11 Mar 86

[Text] Beijing, 11 Mar (ZHONGGUO XINWEN SHE) -- Today, Deng Pufang, director in chief of the China Welfare Fund for the Handicapped, told Chinese and foreign correspondents: In principle, humanism is very valuable. However, realistic humanism is of more immediate concern to the people.

Referring to the "agrarian reform" carried out immediately after the liberation of China, Deng Pufang said that some people believe that it was inhuman. Nevertheless, I think that this was undoubtedly a very human action, because it emancipated millions of peasants, providing them with food, clothes, and political standing. In view of society as a whole, it is of wide-ranging and realistic signficance to consider how to make the majority of people live a better life and play a greater role.

Deng Pufang said that it is a matter of course to stress humanism in a socialist country. We did this in the past and do it at present. However, as a result of the existence of a feudal society for several thousand years in Chinese history, the building of socialist humanism in China will not be plain sailing.

A correspondent asked: Did you ever discuss this question with your father? And, what is the agreement you reached?

Deng Pufang said that "talking about my father, I believe that he understands my viewpoint very much, and I also think that it is unnecessary to discuss this question with him more, as long as we understand each other." He also said that "it is my principle not to involve my father within the scope of my work, as I regard this factor as a little bit feudalistic."

DENG PUFANG TO VISIT U.S., CANADA IN JUNE

OW111210 Beijing XINHUA in English 1204 GMT 11 Mar 86

[Excerpts] Beijing, March 11, (XINHUA) -- Deng Pufang, director-in-chief of the China Welfare Fund for the Handicapped, was speaking at a press conference the fund gave this afternoon. Asked about his own plans, Deng Pufang replied that he would visit Canada and the United States in June this year.

LEADERS PAY LAST TRIBUTE TO DECEASED PROFESSOR

OW172353 Beijing XINHUA Domestic Service in Chinese 1615 GMT 17 Mar 86

[Text] Beijing, 17 Mar (XINHUA) -- A ceremony to pay last respects to the remains of Zhu Guangqian, member of the Standing Committee of the CPPCC National Committee, member of the China Democratic League Central Committee, honorary president of the China Aesthetics Society, and professor at Beijing University, took place at the Beijing Babaoshan Cemetery for Fallen Revolutionaries today.

A wreath was received from Comrade Zhao Ziyang. Other leading comrades of the central authorities Deng Yingchao, Xi Zhongxun, Li Peng, Hu Qiaomu, Hu Qili, Wang Zhaoguo, Peng Chong, and Zhou Gucheng also sent wreaths and attended the ceremony.

Also paying last respects to Zhu Guangqian's remains lying in state were Yang Jingren, Qian Changzhao, Zhou Peiyuan, and Fei Xiaotong, vice chairmen of the CPPCC National Committee; leading members of the China Democratic League Central Committee Chu Tunan, Li Wenyi, Qian Weichang, Gao Tian, Ye Duyi, and Tao Dayong, as well as leading members of other democratic parties and departments concerned, including Lei Jieqiong, Huang Dingchen, Su Ziheng, Yan Mingfu, Li Gui, Li Ding, Ping Jiesan, Zhou Shaozheng, Yang Zhengmin, Lu Ping, He Dongchang, Yang Haibo, Peng Peiyun, Li Ximing, Jin Jian, Wang Jialiu, Li Bokang, Ding Shisun, Wang Xuexhen; and friends of the late Comrade Zhu Guangxian, including Qian Ruisheng, Qian Xun, Chen Daisun, Ji Xianlin, Wang Li, Qian Zhongshu, Feng Zhi, Lu Shuxiang, Jiang Zehan, He Lin, and Huang Zhen, totalling more than 300 people.

Wreaths were also received from Yang Jingren, Liu Lantao, Lu Dingyi, Cheng Zihua, Kang Keqing, Ji Fang, Zhuang Xiquan, Pagbalha Geleg Namgya, Hu Ziang, Qian Changzhao, Dong Qiwu, Tao Zhiyue, Yang Chengwu, Chen Zaidao, Lu Zhengcao, Zhou Peiyuan, Burhan Shahidi, Miao Yuntai, Wang Guangying, Deng Zhaoxiang, Fei Xiaotong, Zhao Puchu, Ye Shengtao, Qu Wu, Ba Jin, Ma Wenrui, Mao Yisheng, and Liu Jingji.

Wreaths were received from acting chairman and vice chairmen of the China Democratic League Central Committee; the State Council; the CPPCC National Committee; the China Democratic League Central Committee; the United Front Department of the CPC Central Committee; the Education, Science, Culture and Public Health Committee of the NPC Standing Committee; the State Education Commission; the Ministry of Culture; the Chinese Academy of Social Sciences; the Beijing Municipal CPC Committee; the Beijing Municipal Government; the United Front Department of the Beijing Municipal CPC Committee; the Beijing University CPC Committee; Beijing University; the China Federation of Literary and Art Circles; the Chinese Writers' Association; the China Aesthetics Society; and the China Society of Foreign Literature. Some well-known personages in the society and friends of the late comrade Zhu Guangqian also sent wreaths.

Those attending the ceremony mourned with deep grief the death of Zhu Guangqian, a noted aesthete and educator who had made significant contributions to the development of China's aesthetics and literary and art theories. They also expressed their deep sympathy to Xi Jinwu, widow of Zhu Guangqian, and their children.

RENMIN RIBAO CARRIES HONGQI TABLE OF CONTENTS

HK170849 Beijing RENMIN RIBAO in Chinese 15 Mar 86 p 5

[Table of Contents for HONGQI No 6, 1986]

[Text] Forum: "Literature and Art Should Better Serve the Building of Two Civilizations"

Article by Peng Zhen: "Be Good at Wielding the Weapon of Marxist Philosophy"

Article by Hu Cai: "Reflections on Current Issues in Literature and Art"

Article by Ding Zhenhai and Li Zhun: "In Art Production It Is Necessary To Give Priority to Social Benefit"

Poem by Xiong Fu: "Mourn With Deep Grief for the Death of Comrade Ding Ling -- To the Tune of Man Jiang Hong"

Article by Xue Mouhong: "A New Situation in China's Diplomacy"

Article by Li Ziqi: "Rural Basic Work Experiences Gained in Jiuquan Prefecture, Gansu Province"

Article by Dai Nianci: "On Architectural Styles, Forms, Contents, and Others"

Article by Wang Jingong: "Some Problems Faced by Town and Township Enterprises in the Course of Further Development"

Article by Jin Wen: "A Tentative Discussion on Stressing the Scientific Nature of Target Management During a Director's or Manager's Term of Office"

Article by Shen Baoxiang: "Ideals and Resistance to Corrosion"

Article by Bian Yongzhuang: "What Are the Systems of Pricing and Price Control and What Is Their Relationship?"

Article by Hua Kuiyuan: "Why Is It Necessary To Concentrate on Developing Small and Medium-Sized Cities and Towns?"

Article by Chu Shaobai: "Will Theories Lead to a 'Decline' in Creative Work?"

Article by Huang Guozhu: "Every 'Chinese Heart' Cast in the Flames of War -- Reading the 'Lovesick Trees on the Minefield'"

Article by Liu Ying: "A Mirror Reflecting American Social Outlook -- Reviewing 'American Kaleidoscope'"

HAN PEIXIN CALLS ON JIANGSU CPPCC CONFEREES

OW180609 Nanjing Jiangsu Provincial Service in Mandarin 1100 GMT 17 Mar 86

[Excerpts] The 14th enlarged Standing Committee meeting of the 5th provincial CPPCC Committee concluded in Nanjing today after 5 days in session.

The meeting decided to convene the fourth session of the fifth provincial CPPCC Committee on 20 April.

During the meeting, Han Peixin, Shen Daren, and Sun Han, leading comrades of the provincial party committee, called on those attending the meeting.

On behalf of the provincial party committee, Comrade Sun Han addressed the meeting on how to do CPPCC work better and to bring about a new situation in the work in the province.

Wei Yongyi and Wang Zhaoquan, vice chairmen of the provincial CPPCC Committee respectively presided over the meeting yesterday and today. Qian Zhonghan, chairman of the provincial CPPCC Committee, summed up the meeting.

SHANDONG CONGRESS DECIDES ON APPOINTMENTS, REMOVALS

SK180520 Jinan DAZHONG RIBAO in Chinese 2 Mar 86 p 1

[Text] In accordance with the suggestions made by Governor Li Changan, the 18th Standing Committee meeting of the 6th Shandong Provincial People's Congress decided to appoint Jiang Renbao [3068 0088 1405] director of the Shandong Provincial Judicial Department, and Sun Baozhu [1327 1405 3796] director of the provincial Environmental Protection Bureau; and to dismiss Chen Tianyou from the post of director of the provincial Judicial Department.

SHANGHAI'S RUI XINGWEN HONORS SATELLITE TEAM

OW130341 Shanghai City Service in Mandarin 1100 GMT 10 Mar 86

[Text] This afternoon, the Shanghai municipal industrial party committee, the municipal economic commission, and the national defense, science, technology and industry commission jointly held a meeting to extend congratulations and regards to the units and individuals who had taken part in the research, production, testing, and launch of the telecommunications and broadcast satellite. Leaders of the municipal party committee and the municipal government Rui Xingwen, Huang Ju, Zeng Qinghong, and Liu Zhenyuan, and Vice Minister of Aeronautics Industry Sun Jiadong -- a total of more than 1,500 people -- attended the meeting.

GUANGDONG VENTURES ENJOY PREFERENTIAL TREATMENT

HK170915 Beijing ZHONGGUO XINWEN SHE in Chinese 0819 GMT 15 Mar 86

[Text] Guangzhou, 15 Mar (ZHONGGUO XINWEN SHE) -- The Guangdong Provincial Government has recently adopted the policy of giving preferential treatment to Sino-Foreign joint ventures and cooperative enterpises in the province's mountainous counties.

-- The Sino-foreign joint ventures run in the mountainous counties will be exempted from profit taxes imposed by the local authorities. If the co-management of a joint venture stretches over 10 years, it will be exempted from 100 percent of the profit taxes in the first 2 years, 50 percent in the following 3 years, and 30 percent in the next 10 years. In addition to the profit taxes exempted by the local authorities, the Sino-foreign cooperatives enterprises share the preferential treatment with the joint ventures in tax exemption. The export commodities produced by these enterprises except those restricted to export by the state, will be exempted from consolidated industry and commerce taxes. The commodities, produced by the enterprises that have signed a co-management contract of over 10 years and which are to be marketed in the domestic markets, except sugar, cigarettes, spirits, wrist watches, television sets, and cassette recorders, will be exempted from consolidated industry and commerce taxes for 2 years after operations start, with the approval of the taxation departments.

-- Regarding the businessmen who have not set up permanent offices in China, their dividends, interests, rent royalties, and other incomes deriving from Guangdong's mountainous counties, except items that have paid taxes, will be exempted from 10 percent of the profit taxes.

-- The commodities produced by the mountainous counties through compensation trade, except sugar, cigarettes, spirits, and wrist watches, will be exempted from industrial product taxes or value added taxes within the repayment period. But the funds exempted from taxes and the profits should be used to repay the loans. Otherwise, the commodities will not be exempted from tax payments.

-- In order to alleviate the strain on transport, foreign businessmen or the Chinese partner entrusted by foreign businessmen, may purchase raw materials and machine parts within the country at export prices. But the goods processed must all be exported.

-- The departments concerned should give preferential treatment to the mountainous counties that plan to use foreign capital and import advanced technology. The preferential treatment includes arrangements in planning, funds, loans, fuel, quotas, import and export licenses, direct transportation, and sending groups and individuals abroad to engage in research studies or to receive training.

The provincial government also stipulated that before 1990, mountainous counties' foreign exchange or loans granted by the Bank of China for revamping enterprises, importing machines and equipment (including instruments and apparatus), and other materials needed for technical transformation, will be exempted from import taxes or value added taxes with the approval of the provincial Taxation Bureau. The income of state-owned and collective enterprises in mountainous counties derived from processing goods for foreign businessmen, will be exempted from profit taxes for 3 years according to the relevant stipulations. If they still have financial difficulties, the period of tax exemption may be extended with the approval of the taxation departments.

HUBEI NOTES 100TH ANNIVERSARY OF DONG BIWU'S BIRTH

HK090816 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 5 Mar 86

[Excerpts] Today is the 100th birthday of Comrade Dong Biwu, one of the founders of CPC, great proletarian revolutionary and outstanding leader of the party and state.

The provincial CPC Committee held a celebration rally in Dong's hometown in Hong'an County. Guan Guangfu, secretary of the provincial CPC Committee; Wu Xiuquan, Standing Committee member of Central Advisory Commission; and other leading comrades attended the rally and made speeches.

Comrade Guan Guangfu made the first speech at the rally. He said: Comrade Dong Biwu was born in Hubei. The land across the province was the goal for which he fought. The history of revolutionary struggle of the province's people, as well as the history of socialist construction, are closely related to the life of Dong. In his speech Comrade Guan Guangfu stressed that throughout his lifetime, Dong always pursued truth, believed in Marxism-Leninism, and had a firm faith in the inevitable victory of the communist cause. He has set a glorious example for us.

Comrade Guan Guangfu said: Dong's noble virtue of being honest in performing his official duties is another example for us to follow. To study the character of Dong is of practical significance in the areas of correcting party work style and striving for a fundamental turn for the better in party work style and in the general mood of society.

After that, Comrade Wu Xiuquan made a speech. He reviewed the past when he studied and worked under the leadership of Comrade Dong Biwu. He said: I am lucky that in my early days, I had an opportunity to know him, to directly be educated by him, and to work under his leadership. During those years between the 1920's and the 1970's, I had many unforgetable contacts with him. I feel greatly honored by having such a revolutionary teacher of noble virtue. He was a sincere and kind elder.

Also delivering speeches were leading comrades of Hong'an County CPC Committee and relatives of Comrade Dong Biwu. The rally was presided over by Qian Yunlu, deputy secretary of the provincial CPC Committee. It was attended by Wang Qun, deputy secretary of the provincial CPC Committee; Shen Yinluo, vice chairman of the provincial Advisory Commission; Lin Shaonan, vice chairman of the provincial People's Congress Standing Committee; (Xu Penghang), vice governor; Xu Jinbiao, Tao Yang and (He Jinhua), vice chairmen of the provincial CPPCC; Wang Shen, commander of Hubei Military District; (Ao Zhigong), Central CPC Committee member attached to Wuhan; Zhao Xinchu, member of Central Advisory Commission.

Also present were (Xiao Jianzhang), former deputy Air Force commander of Wuhan Military Region; Chen Fusheng, director of the provincial CPC Committee Propaganda Department; leading comrades of Huanggang Prefectural CPC Committee, administrative offices of the prefecture and departments concerned directly under provincial and city authorities; representatives of the academic forum on Comrade Dong Biwu's works; as well as friends, relatives and sons and daughters of Comrade Don Biwu.

XIZANG'S WU JINGHUA SEES OFF LEADING BUDDHIST

HK130807 Lhasa Xizang Regional Service in Mandarin 1130 GMT 9 Mar 86

[Text] On 8 March, accompanied by Raidi, deputy secretary of the regional CPC Committee; and (Song Yinqiong), deputy director of the No 2 bureau of the central United Front Work Department, Bainqen Erdini Qoigyi Gyaincain, vice chairman of the NPC Standing Committee and honorary president of the Buddhist Association of China, departed Xigaze for (Gongta) Airport; and returned to the interior of the country on 9 March.

At the airport, he was seen off by responsible people of the region's party, government, and military. They included Wu Jinghua, Pagbalha Geleg Namgya, Raidi, Doje Cering and Zhang Shaosong. Also present were responsible people of Lhasa City and Xigaze and Shannan Prefectural CPC Committees, including Yang Youcai, Buduoji, and Wang Jinjie. Also present were (Bomi Qingbaluo Zuzhang), vice chairman of the regional Buddhist association, and responsible comrades of the departments concerned.

YUNNAN MAGAZINE PRAISED FOR RESISTING MALPRACTICE

HK081022 Kunming Yunnan Provincial Service in Mandarin 1100 GMT 5 Mar 86

[Text] The editorial department of JINSHA JIANG WENYI [JINSHA JIANG LITERATURE] of Chuxiong Yi Nationality Autonomous Prefecture has been praised by the people for resisting the temptation of money and doing a good job in guarding against new unhealthy tendencies.

Between June and November 1985, a contractor of a certain literary magazine in Sichuan Province worte letters to (Yu Zhengrui), chief editor of JINSHA JIANG WENYI, and (Yang Zhizhong), deputy chief editor of the magazine. In the letters he encouraged the editors to take advantage of their offices to pursue extra earnings.

In the letters, the contractor said that provided that the chief editors of JINSHA IIANG WENYI contracted out the magazine to him at the rate of 1,000 yuan per issue, sold the magazine and copyright to him for publication and distribution, and allowed him to publish two to three pieces of so-called highly readable long articles written by him in each issue, he would pay the chief editors 5,000 yuan per issue as compensation for the magazine and editing. In addition, he would pay the editors 1,000 yuan as compensation for collecting information.

Despite the temptation of money, (Yu Zengrui) and (Yang Zhizhong) continued to stick to their principles. They delivered the letters to the editorial staff for discussion. The staff said: Literary magazines should uphold the political standpoint of serving the people and socialism. The practice of disregarding the quality of literary works but simply seeking economic results is a matter of principle. We must not be fooled and cheated by this man.

After coming to a common understanding, the editorial department wrote a letter to the contractor and firmly turned down his offer.

SHANXI LEADERS AT ECONOMIC, PLANNING CONFERENCE

HK081030 Taiyuan Shanxi Provincial Service in Mandarin 2300 GMT 5 Mar 86

[Summary from poor reception] In their speeches, Li Ligong, secretary of the provincial CPC Committee, and Governor Wang Senhao, emphasized: "In this year's economic and planning work, it is necessary to persistently carry out reform of the economic structure and to strengthen macroeconomic control. This is the first step of the Seventh 5-Year Plan." Attending this conference were leading comrades of the provincial CPC Committee and provincial government, including Li Xiuren, Bai Qingcai, (Wang Xinren), and (Yang Rucai).

In his speech, Comrade Li Ligong said: This is the first year of the Seventh 5-Year Plan. Our province must make a good start in economic work. We must strengthen macroeconomic control and do well in our [words indistinct]. In the past, we did not sufficiently understand this aspect of work. For example, we precipitated the establishment of many small leather factories, small chemical fertilizer plants, and [words indistinct]. If this situation continues, funds will be wasted. Regarding those items for which less investment is needed, which produce quick results, and whose economic results are good, we must do well in macroeconomic control and ensuring a comprehensive balance.

Comrade Li Ligong said: The provincial authorities have decided that during the Seventh 5-Year period, it is necessary to stress doing well in technological transformation in 58 large and medium-sized key enterprises. All prefectures, cities, and departments and units concerned must concentrate their energy and capital to do this work well. Only by doing well in technological transformation in these 58 enterprises can our province's economy be promoted.

Comrade Li Ligong said: We must practically and realistically deal with the relation between speed and economic results. It is planned that our province's gross industrial output value will increase by 7.9 percent. This conforms to realities. So far as the whole country and the whole province are concerned, during the Seventh 5-Year Plan period, the scale of capital construction must be controlled and the increase in industry must be proper. However, the situation in all places, systems, and trades is different. Is every enterprise required to increase their industrial output value by 7.9 percent? No. Some places or enterprises whose conditions are good can exceed this percentage. If some places or enterprises are also required to greatly increase their industrial output value in the absence of these conditions, this is not practical. So long as conditions permit, under the premise of guaranteeing economic results, we must strive for a relatively high rate of increase.

Comrade Li Ligong said: Last year, [words indistinct] enterprises in our province increased. This year, we must do well in reducing deficits and increasing surpluses. Of course, some enterprises cannot avoid deficits, but some can after hard work. We must not always rely on the state's financial subsidies. In addition, the leaders of all enterprises must pay attention to safety in production.

Governor Wang Senhao talked about six views in his speech:

1. It is necessary to make the first step of the Seventh 5-Year Plan in a down-to-earth manner so that our province's economy can continue to advance along the path of continuous, steady, and coordinated development.

2. It is essential to continuously and strictly control the scale of the investments in fixed assets.

3. It is imperative to do well in technological transformation in the large and medium-sized key enterprises.

4. We must work hard to strengthen construction in agriculture.

5. We must correctly handle the relationship between speed and economic results.

6. We must persist in reform and correct party style.

In conclusion, Comrade Wang Senhao said: Persisting in reform and correcting party style are the two focal points of the work of the province this year and are the basic guarantee for us to accomplish all tasks. We must resolutely prohibit society from indiscriminately apportioning expenses and charges from enterprises. Leadership departments at all levels must strengthen investigation and study, correct their works style, indulge in less idle talk, and do more practical work.

At the conference, (Jing Chengxu), chairman of the provincial economic committee, announced the namelist of the national and provincial advanced units, advanced collectives, and advanced workers in consolidating enterprises. He also announced the advanced enterprises which won national prizes for products of superior qualtiy in 1985 and which were commended by the Shanxi Provincial Economic Committee or the State Economic Commission in 1985 for conserving energy resources. Leading comrades of the provincial authorities awarded prizes, citations, or bonuses to them.

The provincial conference on economic work concluded on 5 March.

TIANJIN SECRETARY WATCHES OPERA PERFORMANCE

SK171058 Tianjin TIANJIN RIBAO in Chinese 2 Mar 86 p 1

[Excerpts] "A show to display Zhang's artistic style" was inaugurated on the evening of March. With Zhang Junqiu as the main actor, a play entitled "Union of a Dragon and a Phoenix" was first performed. This show was sponsored by the TIANJIN RIBAO office to mark the 50th anniversary of Zhang Junqiu's stage career.

Present at the opening ceremony were Ni Zhifu, secretary of the municipal CPC Committee; Li Ruihuan, deputy secretary of the municipal CPC Committee and mayor of the municipality; Wu Zhen and Tan Shaowen, deputy secretaries of the muncipal CPC Committee; Nie Bichu, deputy secretary of the municipal CPC Committee and vice mayor of the municipality; Zhang Aziwang, chairman of the muncipal People's Congress Standing Committee; and Zhou Weizhi, vice minister of culture.

Comrades Li Ruihuan and Zhou Weizhi made speeches at the opening ceremony.

After the final curtain, the entire audience warmly gave the performers a standing ovation, with some of them going to the front of the stage to shake hands with the performers.

Together with Vice Minister of Culture Zhou Weizhi, the leading comrades of the municipality who participated in the opening ceremony, including Ni Zhifu and Li Ruihuan, went up onto the stage to congratulate the performers on their performances. They also had a group photo taken to mark the occasion.

GANSU'S LI ZIQI AT AFFORESTATION MOBILIZATION RALLY

HK140645 Lanzhou Gansu Provincial Service in Mandarin 1100 GMT 10 Mar 86

[Excerpts] This morning, the provincial CPC Committee and provincial government held a mobilization rally on spring afforestation planning, which put forward the general requirement for greening work this year. The requirement is to persist in this work to the end, to truly carry it out, to improve quality, and to stress benefits.

At the rally, Vice Governor Hou Zongbin delivered the mobilization speech. He said: Over the past 3 years, the whole province has grown grass on some 15 million mu and planted trees on some 10 million mu. The area is larger than the total area on which grass had been grown and trees planted before 1982. However, we must clearly see that the area of uncultivated mountains and slopes is vast and that as the larger part of the region is dry and has many natural disasters, it is very hard to carry out the greening work.

To complete the task of growing grass on 5 million mu, afforesting 3 million mu, voluntarily planting 70 million trees, and planting trees around villages and houses and along rivers and roads in the whole province this year, Comrade Hou Zongbin put forward: It is necessary to further implement the spirit of Comrade Hu Yaobang's speech, to regard the persistent growing of grass and trees and the greening of Gansu as a great basic plan for changing our province's poor outlook, to improve quality, to lay stress on practical results, and to ensure ecological, social, and economic results. We must do well in grasping the following several links:

1. It is necessary to take such measures as are suited to local conditions and to work out an all-round plan.

2. It is essential to advocate scientific afforestation and the scientific growing of grass.

3. It is imperative to popularize the experience of (Yegu) Township, Qinan County, in greening, to run the key greening points well, and to work out plans for bases.

4. We must strengthen the management and protection of the newly built man-made forests. Comrade Hou Zongbin also talked about the implementation of the policies on forestry.

Attending the rally were Li Ziqi, Jia Zhijie, Ma Weizhi, Ge Shiying, Guo Hongchao, He Jianshan, Li Qiyang, (Lu Ning), Jamyang Losang Jigme Tubdain Qoigyi Nyima, and responsible comrades of departments, committees, and bureaus concerned at the provincial level and of Lanzhou City.

BAI JINIAN SPEAKS AT SHAANXI CPPCC SESSION

HK171013 Xian Shaanxi Provincial Service in Mandarin 2300 GMT 13 Mar 86

[Excerpts] The fourth session of the fifth provincial CPPCC Committee, which had lasted 9 days, successfully completed its proposed tasks and concluded in Xian on the afternoon of 13 March. Liu Gangmin, vice chairman of the provincial CPPCC Committee, presided over the closing ceremony. The session was attended by 326 committee members. The session additionally elected Comrades (Shen Yanhai), (Ye Ruihe), and (Zhang Yiming) to be Standing Committee members of the fifth provincial CPPCC Committee and adopted the resolution on the work report of the fifth provincial CPPCC Committee Standing Committee.

The session also adopted the motions work committee's report of the fifth provincial CPPCC Committee, on the situation in examining the motions of the fourth session of the fifth provincial CPPCC Committee.

By invitation, Bai Jinian, secretary of the provincial CPC Committee, attended the session and delivered an ebullient speech. He said: [Begin recording] This session is a grand meeting held by the Shaanxi CPPCC Committee, a distinguished gathering of unity, and a magnificent rally to carry out the great plan. On behalf of the provincial CPC Committee, I congratulate the provincial CPPCC Committee on the success of its session and extend warm greetings to the provincial CPPCC Committee for the marked achievements it scored last year. [end recording]

Comarde Bai Jinian's speech is divided into three parts:

1. The new situation in the CPPCC Committee's work.

2. Several suggestions and hopes on the CPPCC Committee's work. He pointed out: It is necessary to enhance our understanding of the importance of the CPPCC Committee's work in the new period, to intensify study of the theory and policies on the united front, and to unceasingly strengthen our conscientiousness in doing the CPPCC Committee's work. The CPPCC Committee must give play to its own advantages and offer advice and make efforts to work well, centered on the central work of the four modernizations. It must act well as the staff officer and assistant of the leadership groups of party and government. It must vigorously do well in implementing the policies on united front work. It must continuously sum up and accumulate experiences in the CPPCC Committee's work in the new period.

3. It is essential to strengthen and improve party leadership over the CPPCC Committee's work.

In his speech at the closing ceremony, Tan Weixu, chairman of the provincial CPPCC Committee, stressed: After the session, the urgent matter is to carry out our work. We must first do ideological work well and then organizational work and our own work well.

Attending the closing ceremoney were responsible comrades of the provincial CPPCC Committee, including Wu Qingyun, Kang Jiansheng, Shen Shangxian, Fu Daoshen, Hu Jingru, Xue Daown, Hu Jingtong, Gao Lingyun, Wei Mingzhong, Li Jinglun, Shen Jin, and Sun Tianyi. Responsible comrades of the provincial party, government, and Army, including Zhou Yaguang, Zhang Ze, Li Lianbi, and (Kong Zhaowen); and responsible persons of all democratic parties attended the session by invitation. (Xu Jianren), (Yang Bolun), Fan Ming, and Du Ruilan also attended yesterday's closing ceremoney by invitation.

FBIS DAILY REPORT

China

CONTENTS

Vol I No 053 19 March 1986

PRC INTERNATIONAL AFFAIRS

GENERAL

Foreign Ministry Spokesman Holds Weekly Briefing A 1
Condemns Taiwan Bomb A 1
Denies Assistance to Sikhs A 1
Support for Cambodian Proposal A 1
SFRY President To Visit PRC A 2
Zhao Ziyang To Address 21 March Peace Meeting A 2

SOVIET UNION

Zhao Ziyang, Arkhipov Discuss Relations C 1
Li Peng, Arkhipov Comment C 1
XINHUA Notes Soviet Protest on U.S. Warships C 1
Heilongjiang Port Opens to Soviet Union in May C 2
XINHUA Describes Soviet Cosmonauts' Activities C 2

SOUTHEAST ASIA & PACIFIC

Hu Yaobang Discusses CCDK Peace Proposal E 1
XINHUA Commentary on Hanoi's 'Old Trick' E 2
Philippines' Aquino Sets Up Human Rights Group E 3
Zhao Ziyang Meets Outgoing Philippine Envoy E 3

SOUTH ASIA

Li Xiannian's Speech at Sri Lankan Banquet F 1
[RENMIN RIBAO 12 Mar]
Trade Delegation Meets Nepalese Prime Minister F 3
Karachi Demonstration Against U.S. Fleet Visit F 3
UN Special Envoy Comments on Afghanistan F 3
'No Definite Decision' F 4

WESTERN EUROPE

Netherlands Prime Minister on Ties With PRC G 1
New Ambassador to Italy Presents Credentials G 1
XINHUA 'Analysis' of French Election Results G 2

MIDDLE EAST & AFRICA

Further Reporting on Li Xiannian Visit to Egypt I 1
Second Round of Talks Held I 1
Delegations Meet I 1
Li Tours Pyramids I 1
Receives PRC Personnel I 2
Addresses People's Assembly I 2
Urges Third World Unity I 3
Pledges To Strengthen Unity I 3
Xi Zhongxun, Syrian Ba'th Party Official Talk I 4

WESTERN HEMISPHERE

XINHUA Views Brazil's Progress Under Civilians J 1

PRC NATIONAL AFFAIRS

Preparations for CPPCC National Session Complete K 1
New Members Appointed K 1
Namelist Released K 1
Teaching Peasants To Abide by Contracts Emphasized K 2
[RENMIN RIBAO 13 Mar]
Rural Introduction of Technology Praised K 3
[RENMIN RIBAO 10 Mar]
Commentator's Article [RENMIN RIBAO 10 Mar] K 4
Leaders Laud 'Spark Plan' for Rural Economy K 5
[LIAOWANG 10 Mar]
Small Hydroelectric Power Stations Evaluated K 8
[RENMIN RIBAO 11 Mar]
LIAOWANG on Invigorating Small State Enterprises [10 Mar] K 10
Ownership Structural Reform, Shareholding Viewed K 11
[JINGJI YANJIU 20 Jan]
Posts, Telecommunications Ministry Corrects Style K 19
National Meeting on Workers Education Closes K 20
Forum on Agricultural Commodity Bases Ends K 21
Supreme Court Circular on Maritime Regulations K 22
Wang Bingqian on Issuance of Treasury Bonds K 23
Wu Xueqian at Asia-Africa Society Meeting K 23
Wan Li, Hu Qili, Tian Jiyun on Asian Games K 23
Wan Li, Others at Sports Award Ceremony K 24
Hu Qili Praises Guangdong Book on Socialism K 24
Zhang Jingfu Cuts Ribbon at Medical Exhibition K 24

PRC REGIONAL AFFAIRS

EAST REGION

Jiangxi's Wan Shaofen on Building Old Areas O 1
Shanghai's Free Markets Increase Business in 1985 O 1
[CHINA DAILY 18 Mar]
Huaihai Economic Zone Established 17 March O 2

CENTRAL-SOUTH REGION

Ye Xuanping on Guangdong's Economic Work [KAI FANG 8 Jan] P 1

SOUTHWEST REGION

Sichuan's Yang Rudai Publicizes CPC Document Q 1
Xizang's Wu Jinghua, Other Leaders Plant Trees Q 1
Xizang Holds Forum on Economic Structural Reform Q 2
Yunnan's Pu Chaozhu, Other Leaders Plant Trees Q 2

NORTH REGION

Li Ximing Visits Beijing Model Worker in Hospital [BEIJING RIBAO 6 Mar] R 1
Hebei's Xing Chongzhi Speaks on Ideological Work [HEBEI RIBAO 3 Mar] R 1
Hebei Standing Committee Announces Appointments [HEBEI RIBAO 2 Mar] R 2
Tianjin Deputy Secretary Speaks on Rectification [TIANJIN RIBAO 3 Mar] R 2

NORTHEAST REGION

Heilongjiang Secretary on Rectifying Party Style S 1
Heilongjiang CPC Official on Improving Party Style S 2

HONG KONG MEDIA ON CHINA

Shenzhen Simplifies Travelers' Entry Procedures [WEN WEI PO 17 Mar] W 1
Air Force Curbs Grass Roots Unhealthy Tendencies [MING PAO 17 Mar] W 1
Tiananmen 10th Anniversary To Be Commemorated [HONG KONG STANDARD 18 Mar] W 2
TA KUNG PAO Notes U.S. Interest in Three Gorges [15 Mar] W 3

FOREIGN MINISTRY SPOKESMAN HOLDS WEEKLY BRIEFING

Condemns Taiwan Bomb

OW190924 Beijing XINHUA in English 0914 GMT 19 Mar 86

[Text] Beijing, March 19 (XINHUA) -- A spokesman for the Chinese Foreign Ministry said here today that China is firmly opposed to arms sale and provision of technology in producing arms including atomic weapons to Taiwan. The spokesman made this remark when asked about China's reaction to a news report saying that Taiwan has already produced atomic bombs at a press briefing here this afternoon.

"We have taken note of that report in Hong Kong's 'PAISHING' magazine and the statement on this matter by the Taiwan authorities," he said. He said that the Chinese Government stands for a peaceful settlement of the Taiwan question.

"We are always firmly opposed to the sale of any type of arms and the provision of any type of arms production technology including atomic weapons to Taiwan by any country because this will create new obstacles to the realization of the peaceful reunification of China and constitue a direct interference in the internal affairs of China," he added. It is also urfavorable to peace in Asia and the stability of the international situation, he added.

Denies Assistance to Sikhs

OW190830 Beijing XINHUA in English 0824 GMT 19 Mar 86

[Text] Beijing, March 19 (XINHUA) -- A Foreign Ministry spokesman today pointed out that reports carried by a few foreign newspapers about the Sikh terrorists of India receiving assistance from China are "surely a false rumor and not worth refuting."

Support for Cambodian Proposal

OW190856 Beijing XINHUA in English 0841 GMT 19 Mar 86

[Text] Beijing, March 19 (XINHUA) -- China expressed its support to the recent Democratic Kampuchean proposal for a political settlement of the Kampuchea question and called on the Vietnamese authorities to respond to it with actions today. The proposal was put forward at a cabinet meeting of the Coalition Government of Democratic Kampuchea held last Monday under the chairmanship of Samdech Norodom Sihanouk, president of Democratic Kampuchea.

Speaking at a weekly press briefing here this afternoon, a spokesman for the Chinese Foreign Ministry said that fair and reasonable, the proposal conforms to the relevant resolutions of the successive sessions of the U.N. General Assembly and to the spirit of the Declaration of the International Conference on Kampuchea.

The proposal, he said, reflects both the desire for peace and against war on the part of the Coalition Government of Democratic Kampuchea and the Kampuchean people and their sincerity in seeking a political settlement of the Kampuchea question.

He expressed the belief that the proposal will help settle the Kampuchea question in a fair and reasonable way and bring peace and stability to Southeast Asia.

"The Chinese Government resolutely supports this proposal and believes that it will be well received and supported by all the justice-upholding countries and people," he said. He said that the proposal is a test to the Vietnamese authorities who have repeatedly professed readiness to seek a political solution of the Kampuchea issue. "The Vietnamese authorities should face the reality and respond to the proposal of the Coalition Government of Democratic Kampuchea with actions so that a fair and reasonable solution to the Kampuchea question can be found at an early date," he urged.

SFRY President To Visit PRC

OW190856 Beijing XINHUA in English 0840 GMT 19 Mar 86

[Text] Beijing, March 19 (XINHUA) -- Radovan Vlajkovic, President of the Presidency of the Socialist Federal Republic of Yugoslavia will pay an official goodwill visit to China in early April at the invitation of Chinese President Li Xiannian. It was announced by a Foreign Ministry spokesman at today's weekly press briefing. He said that the political relations between the two countries have developed smoothly, and party and government leaders of the two countries had a frequent exchange of visits in recent years.

ZHAO ZIYANG TO ADDRESS 21 MARCH PEACE MEETING

OW170821 Beijing XINHUA in English 0800 GMT 17 Mar 86

[Text] Beijing, March 17 (XINHUA) -- China will hold a meeting March 21 on safeguarding world peace, as part of China's activities for the 1986 International Peace Year sponsored by the United Nations. Chinese Premier Zhao Ziyang will address the meeting, according to Liu Gengyin, secretary-general of the Chinese International Peace Year Organizing Committee. Liu said representatives from government departments and people's organizations, prominent figures, diplomatic envoys of various countries, representatives from the United Nations and foreigners working in China will be invited to attend the meeting. Besides, he added, the All-China Federation of Trade Unions will invite foreign trade union delegations to attend a peace forum in April in Beijing, and an academic discussion on safeguarding world peace will be jointly held by the Chinese Academy of Social Sciences and its Shanghai branch in May.

Other activities include the opening of calligraphy, painting and photographic exhibitions on the theme of peace, the issuing of commemorative stamps and coins, and the shooting of a documentary film. A painting exhibition of the theme of peace will be held in Beijing in October. The paintings will be contributed by Chinese and foreign children.

ZHAO ZIYANG, ARKHIPOV DISCUSS RELATIONS

OW181238 Beijing XINHUA in English 1233 GMT 18 Mar 86

[Text] Beijing, March 18 (XINHUA) -- Chinese Premier Zhao Ziyang said here today that the fruitful meeting of the Sino-Soviet Commission on Economic, Trade, Scientific and Technological Cooperation will serve as an impetus to the Sino-Soviet cooperation in these fields. However, the premier pointed out, no substantial progress has been made in political relations between the two countries in recent years despite the satisfactory growth of their economic, scientific and technological cooperation and trade.

Zhao made these remarks while meeting Ivan Vasilyevich Arkhipov, first vice-chairman of the Council of Ministers of the Soviet Union, here today. Calling Arkhipov an old friend of the Chinese people, Zhao said "We feel very pleased every time you come here. I wish your visit a success." He said that the Chinese and the Soviet peoples have maintained a traditional friendship as the two countries are neighbors. "We set a great store by such a friendship," he added.

In his reply, Arkhipov expressed the belief that if the two sides could carry out the agreement they have reached, it will constitute an important factor for improving relations between the two countries. "We attach great importance to improving the Soviet-Chinese relations. We are for consolidating and developing our present cooperation and expanding our contacts by various means," he added. Chinese Vice-Premier Li Peng was present at the meeting. Arkhipov and his party will leave here tonight for Nanjing and Wuxi in south China.

Li Peng, Arkhipov Comment

OW190654 Beijing in Russian to the USSR 1800 GMT 18 Mar 86

[Text] The second round of the first meeting of the Sino-Soviet Commission on Economic, Trade, and Scientific and Technical Cooperation was held the afternoon of 18 March in Beijing. An agreement was reached on the further development of bilateral cooperation in the field of economy, trade, and science and technology. The meeting was chaired by Li Peng, PRC vice premier and chairman of the Commission for the Chinese side, and Arkhipov, first deputy chairman of the USSR Council of Ministers and chairman of the commission for the Soviet side.

As has become known, Wang Pinqing, PRC deputy minister of foreign economic relations and trade, on behalf of the Chinese-Soviet working groups gave an account on the work done by these groups and on progress in drawing up the draft protocol of the session.

Arkhipov said that he approves the accountability report of the working groups and expressed delight over the fact that agreement on questions discussed had been achieved.

Li Peng said: After this commission meeting, cooperation between the two countries in the fields of economy, trade, and science and technology will be further strengthened.

XINHUA NOTES SOVIET PROTEST ON U.S. WARSHIPS

OW181606 Beijing XINHUA in English 1535 GMT 18 Mar 86

[Text] Moscow, March 18 (XINHUA) -- The Soviet Foreign Ministry has presented a protest note to the U.S. Embassy in Moscow for U.S. warships' violation of the state border of the USSR off the southern coast of Crimea in the Black Sea on March 13, the Soviet official news agency TASS reported today.

The note said that the violation was of "a demonstrative, defiant nature and pursued clearly provocative aims."

It was not the first time that U.S. naval warships deliberately failed to comply with the Soviet Union's laws and rules about its territorial waters, the note complained. The note stressed that the United States should bear the whole responsibility for possible serious consequences brought about by its warships' violations. The note also demanded that the U.S. side take proper measures to rule out similar provocative actions in future.

HEILONGJIANG PORT OPENS TO SOVIET UNION IN MAY

HK181034 Beijing ZHONGGUO XINWEN SHE in Chinese 0228 GMT 18 Mar 86

["Heilongjiang's Tongjiang Port Will Be Opened to the Soviet Union" -- ZHONGGUO XINWEN SHE headline]

[Text] Ningbo, 18 Mar (ZHONGGUO XINWEN SHE) -- This reporter has learned from a meeting held by the Ministry of Communications here that Tongjiang Port -- situated at the confluence of the Heilong Jiang, Wusuli Jiang, and Songhu Jiang in northeastern China -- will be officially opened to the Soviet Union in May.

In the past, Tongjiang Port was a trading port between China and the Soviet Union. Its reopening is actually a rehabilitation of the trading port, which the state has allocated funds to build. In addition to berths, such facilities as warehouses for passenger ships and a seamen's club will also be built.

After Tongjiang Port on the Chinese side and Lexinskoye Port on the Soviet side are opened on a reciprocal basis in May, China plans to export such cereal crops as soybeans and corn and to import timber. The total volume of imports and exports is expected to reach 100,000-200,000 tons a year.

XINHUA DESCRIBES SOVIET COSMONAUTS' ACTIVITIES

OW182006 Beijing XINHUA in English 1918 GMT 18 Mar 86

[Text] Moscow, March 18 (XINHUA) -- Two Soviet cosmonauts have put into operation a system for the regeneration of water from atmospheric moisture, the Soviet news agency TASS reported today. Leonid Kizim and Valdimir Solovev, who docked their Soyuz T-15 craft with the orbital scientific space station Mir on March 15, also have tested radio and TV communications equipment and reactivated life support and thermal regulation systems, TASS said.

The agency said the two cosmonauts are adapting well to zero-gravity conditions. The on-board systems of the manned orbital complex are functioning normally, TASS added. Kizim and Solovev are the first cosmonauts aboard Mir, which was launched February 20. According to the planned flight program, they will prepare the vehicle for its role as the first permanently manned space station.

HU YAOBANG DISCUSSES CGDK PEACE PROPOSAL

BK181220 Beijing in Cambodian to Cambodia 1030 GMT 18 Mar 86

[Text] Holding talks on the morning of 18 March with Samdech Sihanouk, president of Democratic Kampuchea; Son Sann, prime minister of the CGDK; and Khieu Samphan, vice president of Democratic Kampuchea in charge of foreign affirs, General Secretary Hu Yaobang, on behalf of the Chinese Government and people, congratulated the CGDK on the success of its ministerial cabinet meeting and voiced support for the historically significant proposal for a political solution to the Cambodian question adopted at the meeting.

Hu Yaobang said: We congratulate Democratic Kampuchea on its new victory in the struggle during the eighth dry season and on further strengthening unity, which guarantees victory. Your proposal for a political settlement of the Cambodian question is sincere and reasonable. This proposal is not only in the interests of the entire Cambodian people but also represents a far-sighted principle for eliminating wars in Southeast Asia to win peace and stability in the region. This proposal, which also takes into consideration the interests of the Vietnamese people, is a generous one.

He said: Neither Democratic Kampuchea nor China has evil designs on Vietnam. In the past few years, China has given Vietnam much friendly advice. We have said that the traditional Sino-Vietnamese friendship will be restored if Vietnam withdraws its troops from Cambodia. On the contrary, not only have the Hanoi authorities turned a deaf ear to our advice, but they spread rumors continuously, sowing discord between China and the other Southeast Asian countries, between the peoples of China and Vietnam, and among the tripartite patriotic forces of Democratic Kampuchea.

Hu Yaobang added: The struggle in Cambodia is a test of forces. It is because it has assessed the seriousness of this struggle that the Chinese Government has repeatedly stated that China resolutely stands on your side and fully supports your struggle until your final victory.

At this point in Hu Yuobang's remarks, the three leaders of Democratic Kampuchea and Chinese State Councillor and Foreign Minister Wu Xueqian, who were present, applauded simultaneously.

Hu Yuobang went on to say that in its struggle Cambodia is not alone. For victory, in this struggle, international sympathy and support are required. Following the announcement of the 8-point proposal for a political solution to the Cambodian question, this struggle will certainly win greater sympathy and support from the international community.

He pointed out the window, saying: Cambodia's situation is not unlike today's weather. Despite some snow, spring will come. Amid laughter, Hu Yaobang said: I believe that a reasonable solution to the Cambodian question will come soon.

Samdech Sihanouk said: I agree with Hu Yaobang's views on the Cambodian question. The CGDK is making the proposal for a political solution to the Cambodian question with goodwill. We hope that the international community will further support our struggle and exert greater pressure on Vietnam.

He stressed that the three parties of Democratic Kampuchea will strengthen their unity and, as a single body, immerse themselves more in the military struggle.

Son Sann and Khieu Samphan said that the three parties will strengthen their unity and push forward their struggle against the Vietnamese invaders to save the nation and develop it.

After the talks, the three leaders of Democratic Kampuchea happily attended a banquet hosted by General Secretary Hu Yaobang.

XINHUA COMMENTARY ON HANOI'S 'OLD TRICK'

OW181702 Beijing XINHUA in English 1646 GMT 18 Mar 86

["Commentary: Hanoi's Tactics Can Only Make the Truth Clearer (by Tang Tianri)" -- XINHUA headline]

[Text] Beijing, March 18 (XINHUA) -- Few people, if any, who are familiar with Hanoi's settled tactics, would doubt that one of its tricks to veil itself as an aggressor is to create false impressions to the world by vilifying its neighbor, China, as "pursuing an anti-Vietnam hostile policy." Now, Hanoi is up to the old trick again.

In a memorandum issued by the Vietnamese Ministry of Foreign Affairs on March 10, with all-too-familiar recapitulation, Hanoi, while bucking about Vietnam as a peace-loving country which "has never launched a new war," attacked China as "creating obstacles" in the path to normalization of Sino-Vietnamese relations. The memorandum said that Vietnam "has always shown sincerity" to ending deteriorated relations between the two countries and "is hoping for dialogues and talks."

The facts, however, are just the opposite. Although Vietnam tried to cover the truth that it is occupying Kampuchea and regards its neighbors -- including China -- as enemies, people would never doubt that Sino-Vietnamese relations deteriorated because Vietnam invaded Kampuchea, under the regional hegemony policy it follows.

Soon after Vietnam's unification in 1975, Vietnamese authorities began to step up its aggression and expansion policies. It first occupied, by military force, the Wei Island of Democratic Kampuchea. Then it plotted to stage a coup in the newly-born country. When the plot failed, Vietnam dispatched 200,000 troops and invaded Kampuchea in 1978. Vietnam has trampled on the sovereignty and independence of Kampuchea. Moreover, it has repeatedly intruded into Thai territory, severely endangering the peace and stability of the Southeastern Asian region.

For a long time, China and Vietnam were described by Vietnamese leaders as friendly neighbors, "comrades and brothers." Nevertheless, Vietnamese authorities began to follow an anti-China policy as its national policy and to view conflicts on the Sino-Vietnamese border as an important means. Why? Because China firmly opposed Vietnam's aggressive policy from the beginning.

Thus, it can be seen that the Kampuchea issue is the main reason which has led to worsening Sino-Vietnamese relations and the major obstacle to normalization of relations between the two countries.

If Vietnam really is "sincere" about improving relations with China, it should first remove the obstacle it created and change its anti-China policy as well. So far, however, it has shown no signs of planning to do so.

Without regarding the facts, now the Vietnamese authorities have asked China to stop its so-called "anti-Vietnam hostile policy" and "sit down with Vietnam" to discuss a solution to existing problems between the two countries. Vietnam's real purpose was to ask China to accept its occupation of Kampuchea as a fait accompli by ending opposition of Vietnam's aggressive deeds and stopping support for the resistance of the Kampuchean people. In the memorandum, Vietnam said it would withdraw its troops from Kampuchea. But in fact, it has no intention to put its words into practice. In the United Nations, more than 100 countries, including China and Association of Southeast Nations members, voted for a decision asking Vietnam to withdraw all troops from Kampuchea immediately and unconditionally. But Vietnam refused, antagonizing once again the majority of the world.

While saying it will find a "political solution" for the Kampuchea problem, Vietnam is reinforcing its occupation there. Since the eighth dry season, it has transported Soviet-made heavy weapons to the battlefields in Kampuchea. It has strengthened its "strategic plan" to wipe out all Kampuchean resistance forces.

In reality, it is Vietnam that has created obstacles to normalizing Sino-Vietnamese relations and it is not going to remove them. Hanoi has tried to deceive the world by defaming China. But on the contrary, this misrepresentation can only make the truth clearer.

PHILIPPINES' AQUINO SETS UP HUMAN RIGHTS GROUP

OW182012 Beijing XINHUA in English 1445 GMT 18 Mar 86

[Text] Manila, March 18 (XINHUA) -- President Corazon Aquino issued here today an executive order to create a Presidential Committee on Human Rights. Presidential spokesman Nene Saguisag announced the formal creation of this committee at a press briefing. It is believed that the creation of the committee could lead to a reopening of the case of the ex-Senator Benigno Aquino's assassination.

The decision by the Supreme Court under the Marcos regime last December to acquit former Armed Forces Chief of Staff Fabian Ver and 25 others of involvement in the assassination was considered as an attempt to whitewash the Marcos regime of its responsibility.

The Committee on Human Rights is composed of seven members with former Senator Jose Diokno, a vowed anti-Marcos politician, as chairman.

ZHAO ZIYANG MEETS OUTGOING PHILIPPINE ENVOY

OW181214 Beijing XINHUA in English 1212 GMT 18 Mar 86

[Text] Beijing, March 18 (XINHUA) -- Premier Zhao Ziyang met here today with Philippine Ambassador to China Fortunato U. Abat, who is going to leave his present post.

LI XIANNIAN'S SPEECH AT SRI LANKAN BANQUET

HK180911 Beijing RENMIN RIBAO in Chinese 12 Mar 86 p 6

[XINHUA report: "President Li Xiannian's Speech at the Welcoming Banquet Hosted by Sri Lankan President Jayewardene"]

[Text] Colombo, 11 March (XINHUA) -- President Li Xiannian made a speech tonight at the welcoming banquet hosted by Sri Lanka President Jayewardene. The full text of his speech follows:

Your respected Excellencies, President and Mrs Jayewardene;

Your respected Excellencies, Prime Minister and Mrs Premadasa,

Ladies and Gentlemen:

I am very glad to have this opportunity to make an official visit to Sri Lanka, the pearl of the Indian Ocean, at the cordial invitation of Your Excellency President Jayewardene. My wife and I, as well as my colleagues, were warmly welcomed and cordially treated by your government and people as soon as we set foot in your beautiful country. Now your Excellency the President is hosting such a grand banquet for us and has made an ebullient speech. All this fully expresses the profound friendly feelings of the Sri Lankan people toward the Chinese people and touches us deeply. I wish to take this opportunity to express our heartfelt thanks to Your Excellency the President and the Sri Lankan Government and people.

Although this is my first visit to your country, Sri Lanka is a friendly neighbor that the Chinese people and I myself have long admired. The peoples of our two countries have long maintained friendly exchanges. The establishment of diplomatic relations between China and Sri Lanka has ushered in a new period of our bilateral relations. In 1984, I felt greatly honored to be able to host Your Excellency the President in Beijing and have sincere and friendly talks with you. That successful visit to China by Your Excellency made a deep impression on the Chinese people.

Sri Lanka has beautiful natural scenery, a culture with distinctive national features, and a glorious history of struggle. All this makes it well-known in the world. The Sri Lankan people have made positive efforts to seek a road of development suitable to their national conditions, endeavored to invigorate their national economy, and achieved gratifying successes in building their country. Particularly over the past few years, your country has adopted an economic policy of opening up to the outside world and vigorously promoted international cooperation, resulting in further economic development and prosperity. We heartily rejoice at your achievements and wish to express our sincere congratulations to you. We are convinced that in the coming years, your government and industrious people will surely achieve greater successes in building the country by further using your exceptional natural resources.

Being a sponsor nation of the Bandung Conference and a member of the Nonaligned Movement, Sri Lanka always pursues a foreign policy of independence and nonalignment; strictly observes the five principles of peaceful coexistence; stands for peace, disarmament, and development; opposes power politics in all forms; supports the restructuring of the irrational international economic order; promotes North-South dialogue and South-South cooperation; and plays a positive role in international affairs. Sri Lanka is the initiator of the Indian Ocean Peace Zone, and it has made unremitting eforts for early convocation of a conference on the Indian Ocean Peace Zone. Sri Lanka has also made valuable contributions to strengthening unity and cooperation among Third World countries, maintaining peace and stability in South Asia, and promoting regional cooperation in South Asia.

With a large population and rich natural resources, South Asia has great potentialities for development. Not long ago, seven South Asian countries successfully held a summit conference in Dacca, announcing the establishment of the South Asian Association for Regional Cooperation. This was an important event in the relations between South Asian countries and a result of their common efforts, which conforms to the fundamental interests of the people of all these countries. The Chinese Government and people warmly congratulate them on this. South Asian countries are China's neighbors. There exists traditional friendship between the peoples of South Asian countries and China. It has always been our firm policy to develop good-neighborly and friendly relations with all South Asian countries on the basis of the five principles of peaceful coexistence. We resolutely support the efforts made by Sri Lanka to safeguard its independence, sovereignty, and territorial integrity; to strengthen national unity; and to develop the national economy, and we support Sri Lanka's proposal on establishing the Indian Ocean Peace Zone. We genuinely desire to see that South Asian countries live in peace and amity and cooperate to their mutual benefit, and sincerely hope that their regional cooperation will develop daily and contribute to peace, stability, and prosperity in this region.

Your Excellency the President, ladies and gentlemen:

To carry out construction of socialist modernization with one heart and one mind is an overriding central task for the Chinese people. In order to speed up the development of our social productive forces, we have been carrying out reform of the economic structure in a planned way, and step by step over the past years have achieved marked success. To open up to the outside world and to expand our economic and technological cooperation and exchanges with other countries on the basis of equality and mutual benefit, is an important aspect of our reform. China's open policy applies to the whole world. In other words, China opens itself to both the developed and developing countries. We wish to vigorously promote South-South cooperation on the basis of the principles of "equality and mutual benefit, stress on practical results, diversity in form, and common progress," and to contribute our share to the economic growth and prosperity of the Third World countries.

China and Sri Lanka are very friendly nations. The friendly contacts between our two peoples can be traced back to remote antiquity. The glorious achievements of Master Tan Mo [2560 2302] and eminent Monk Fa Xian [3127 7359], forerunner of Sino Sri Lankan friendship, are still widely read with admiration by the people. China and Sri Lanka have had similar historical experiences. At present, they are also faced with the common tasks of developing the economy and improving the people's standard of living. Our hearts beat in harmony. Over the past 30 years or so, the friendly relations and cooperation between China and Sri Lanka has steadily developed, despite the turbulent international situation. We are greatly satisifed with the sincere friendship and the relations of mutual trust between our two countries, and the fruitful cooperation between them in the economic, trade, and cultural fields. I would like to emphasize that at the critical moment when right after its founding, new China was confronted with an external blockade, the Sri Lankan Government broke through all kinds of obstructions and signed rice and rubber agreements with China, giving us a valuable support. The Chinese people will never forget this. The constant consolidation and development of Sino-Sri Lankan friendship conforms to the fundamental interests and common aspirations of the people of our two countries. We firmly believe that with joint efforts on both sides, Sino-Sri Lankan friendly relations and cooperation will certainly develop to a new high and yield even richer fruits.

Now I propose a toast:

To the further development of Sino-Sri Lankan friendly relations and cooperation and friendship between the two peoples;

To the prosperity of the Democratic Socialist Republic of Sri Lanka and the happiness of its people;

To the health of His Excellency President Jayewardene and Mrs Jayewardene;

To the health of His Excellency Prime Minister Premadasa and Mrs Premadasa, and

To the health of the ladies and gentlemen who are present!

TRADE DELEGATION MEETS NEPALESE PRIME MINISTER

OW171256 Beijing XINHUA in English 1243 GMT 17 Mar 86

[Text] Katmandu, March 17 (XINHUA) -- Nepalese Prime Minister Lokendra Bahadur Chand today expressed his appreciation of China's assistance to Nepal. He made the remark when receiving Wang Wendong, Chinese assistant minister of foreign economic relations and trade and leader of the visiting Chinese Government economic and trade delegation.

Besides grant assistance, Chand said, other ways of Chinese assistance like soft loans and joint ventures would be opened and bilateral trade expanded. The prime minister also pointed out that the Nepal-China Inter-governmental Economic and Trade Committee had contributed to promoting economic and technical cooperation between the two countries. The Chinese delegation arrived here on March 15 for the second Inter-governmental Economic and Trade Committee meeting which started yesterday.

KARACHI DEMONSTRATION AGAINST U.S. FLEET VISIT

OW181316 Beijing XINHUA in English 1251 GMT 18 Mar 86

[Text] Islamabad, March 18 (XINHUA) -- Over 40 people were arrested in Karachi yesterday when several hundred people demonstrated against the arrival of ships of the U.S. Seventh Fleet. The demonstration was organized jointly by several trade unions and opposition parties including the Pakistan People's Party. A group of slogan-shouting demonstrators clashed with police in the evening after the rally.

The U.S. flotilla, comprising the nuclear-powered aircraft carrier USS Enterprise and five accompanying cruisers and destroyers, anchored off Karachi port on March 15. The ships with 4,000 sailors and 500 officers on board are expected to depart early tomorrow morning. Officials of the Pakistan Foreign Office said here yesterday that the port call of the American flotilla was part of a routine visit to the region.

UN SPECIAL ENVOY COMMENTS ON AFGHANISTAN

OW151957 Beijing XINHUA in English 1900 GMT 15 Mar 86

[Text] Islamabad, March 15 (XINHUA) -- U.N. special envoy on Afghanistan Diego Cordovez said here today that there is progress and stalemate at the same time in resuming the sixth round of Geneva indirect talks on Afghan problem.

He made the statement to Pakistan television before leaving for Kabul today for the second time in a week. Cordovez said it is "extremely difficult to go into substance" in the discussion to hammer out a mutually accepted format to carry on the negotiations. But he said all parties are being cooperative and the negotiation process is continuing.

The "PAKISTAN TIMES" today quoted a top Pakistani Government official as saying that Pakistan has stressed to Cordovez that it cannot accept proposals for direct talks unless and until instrument four covering the timetable of Soviet troop withdrawal from Afghanistan is agreed upon on the same indirect pattern on which the three other instruments have virtually been finalized. During his stay in Pakistan, Cordovez held two rounds of talks with Pakistan Foreign Minister Sahabzada Yaqub Ali Khan. He is scheduled to return to Islamabad tomorrow.

'No Definite Decision'

OW181244 Beijing XINHUA in English 1221 GMT 18 Mar 86

[Text] Islamabad, March 18 (XINHUA) -- U.N. special envoy on Afghanistan Diego Cordovez said here today that no definite decision has been made on resuming the Geneva indirect talks on the six-year old Afghan problem. However, Cordovez said he is confident that the negotiations on the Afghan problem will continue and he will receive positive reply from both the interlocutors.

The two sides, representatives of the Pakistan Government and the Kabul regime, he said, will go down to the discussion of instrument four which deals with the withdrawal of Soviet troops from Afghanistan, and inter-relationship of the first three instruments on non-intervention, international guarantees and return of refugees. Cordovez said he has received in Kabul a text of a draft instrument four, containing the timetable for the withdrawal of Soviet troops. Cordovez, the personal representative of the U.N. secretary-general on Afghanistan, is leaving for New York after concluding his shuttle mission to this region in a bid to resume the sixth round of indirect talks. Asked about whether the issue of format of the talks has been solved, Cordovez said "the problem will be solved." However, he described the issue as "extremely difficult" and "very complicated." He declined to go into further details of his discussions with both parties during his current mission.

The U.N. special envoy arrived here on March 8 for his fifth shuttle to this region. During the past ten days, he visited Kabul twice and Islamabad thrice. The Geneva indirect talks on Afghanistan started in 1982. The sixth round of talks was landed in an impasse as the Kabul regime insisted that the talks on Soviet troops withdrawal should be held through direct talks. The Kabul demand for changing the format was rejected by the Pakistan Government which does not recognize the Kabul regime.

NETHERLANDS PRIME MINISTER ON TIES WITH PRC

OW181229 Beijing XINHUA in English 1154 GMT 18 Mar 86

[By Xie Lingfeng of XINHUA and Sang Hongting of GUANGMING DAILY]

[Text] Copenhagen, March 17 (XINHUA) -- Denmark will strengthen its ties with China in fields especially in agriculture related industries, Danish Prime Minister Poul Schluter said this afternoon. The prime minister, meeting with Chinese correspondents, said the further development of the two nations' cooperation would not be confined to commodity exchanges and selling.

At the invitation of Chinese Premier Zhao Ziyang, Schluter will pay a one-week visit to China from March 23. Schluter told reporters that he was looking forward to holding talks with Chinese leaders on bilateral relations and international politics. Denmark has enjoyed very good and close long-term relations with China and is determined to become the world champion in understanding China. In order to strengthen economic ties, Denmark would make every effort to understand China's traditional culture and history, Schluter added.

Denmark was among the first countries which recognized China in 1950, one year or so after the founding of the People's Republic. In recent years, the two countries have cooperated in fields of politics, culture, technology, agriculture and industry. Nine senior Danish industrialists and agricultural representatives will be included in Schluter's entourage to China.

On international affairs, Schluter said that although the November Summit meeting between U.S. President Ronald Reagan and Soviet leader Mikhail Gorbachev had achieved a good atmosphere, there has been no concrete results. He hoped some further and real results will be gained in their possible talk this summer. Schluter said he was pleased with the positive outcome of the recent Danish public vote on the European Economic Community (EEC) reforms and the Spanish referendum reconfirming Spain's membership in the North Atlantic Treaty Organization (NATO). The results of the two public votings clearly demonstrated the European people's willingness to work together on economy and defense, and were of great significance to both nations, he said.

Concerning the recent drop in oil prices and the lower U.S. dollar exchange rate, Schluter said it might be unfavorable to some nations, but it is beneficial to the industrialized countries. The drop can benefit Denmark since cheaper oil will allow more money to be spent on other materials and will reduce unemployment, he added. On the close cooperative relations among the Nordic countries, he said Denmark, as an EEC member, can play an important part in bridging the gap between EEC and other Nordic nations for better economic cooperation.

NEW AMBASSADOR TO ITALY PRESENTS CREDENTIALS

OW181426 Beijing XINHUA Domestic Service in Chinese 1626 GMT 14 Mar 86

[Text] Rome, 14 Mar (XINHUA) -- Du Gong, China's new ambassador to Italy, presented his credentials to Italian President Cossiga this morning at the Presidential Office. After receiving the credentials, President Cossiga had a cordial and friendly conversation with Ambassador Du Gong. He expressed his happiness to Ambassador Du Gong on the latter's assuming office on the eve of the 40th founding anniversary of the Italian Republic and asked him to convey his cordial regards to the Chinese leaders. Ambassador Du Gong arrived in Rome on 8 March.

XINHUA 'ANALYSIS' OF FRENCH ELECTION RESULTS

OW181222 Beijing XINHUA in English 1139 GMT 18 Mar 86

["News Analysis: Right-wing Opposition Wins French Parliamentary Election -- by Lu Mingzhu" -- XINHUA headline]

[Text] Paris, March 17 (XINHUA) -- The right-wing French coalition won a slim majority in Sunday's parliamentary elections, ending five years of leftist government in France. According to AGENCE FRANCE PRESSE reports the final results show the right-wing coalition, made up of the Rassemblement Pour la Republique and the Union Pour la Democratie Francaise, with a total of 147 and 128 seats respectively in the 577 seat assembly. The two parties are supported by a number of independent rightists giving the coalition a total of 291 seats, two more than are needed for a majority. Leftist parties won a total of 250 seats, with 215 for the socialists and the Mouvement des Radicaux de Gauche, and 35 for the Communist Party.

In the last parliamentary elections, held in June 1981, the leftists won 286 seats, in the then 491 seat assembly, while right-wing parties accounted for 152 seats. Observers here say the rightists' slim victory indicates a re-adjusted balance of political strength in France. It also reflects voters' disappointment and dissatisfaction with the present government's economic and social policies.

The election results will force President Francois Mitterrand, 69, still with two years in his 7-year term, to name a right-wing prime minister. This would be the first time in the 28-year-history of the Fifth Republic that a president would be forced to govern with an opposition prime minister. Mitterrand is expected to name the new prime minister sometime later today.

In a televised address the French president said he would "call on the person I will have chosen to form a new government in accordance with article eight of the Constitution." However, the socialists, with 216 assembly seats are still able to give Mitterrand much more room to maneuver than if the right had scored a crushing win. The president is actually still in a relatively good position to act with enormous power endowed by the Constitution. He can dismiss Parliament and announce early general elections if he thinks it necessary. Observers here say that even if Mitterrand appoints a rightist prime minister to head a right-wing government the Conservatives will still find it hard to carry out policy because it is almost certain there will be tensions and disagreement between a Socialist president and a right-wing prime minister. France they say, will be plunged into political uncertainty.

The Communist Party had expected to get more seats in the current elections but got only 10 percent of the total votes, a six percent drop from 1981. The extreme right national front which campaigned largely on an anti-immigrant platform benefited in the Assembly with 10 percent of the total votes, much higher than was expected.

Two possible choices for prime minister are the leader of the Rassemblement Pour la Republique, Jacques Chirac, who is mayor of Paris and was prime minister under former president Valery Giscard d'Estaing, and d'Estaing himself, who heads the other right wing party, Union Pour le Democratie Francaise. With the end of the legislative elections, France will immediately begin another campaign -- the race for president who will be elected in two years.

FURTHER REPORTAGE ON LI XIANNIAN VISIT TO EGYPT

Second Round of Talks Held

OW181223 Beijing XINHUA in English 1208 GMT 18 Mar 86

[Text] Cairo, March 18 (XINHUA) -- Both Chinese President Li Xiannian and Egyptian President Husni Mubarak today expressed their determination to develop the friendly relations and cooperation between the two countries.

During their second round of talks in the Al-Qubbah Palace which proceeded in a friendly and cordial atmosphere, the two presidents briefed each other on the foreign policies of their respective countries and exchanged views on regional problems and the international situation in general. Both sides held that the two countries abide by a same principle in their foreign policies conformable to the interest of the unity and development of the Third World and the maintenance of world peace.

Delegations Meet

OW181414 Beijing XINHUA in English 1350 GMT 18 Mar 86

[Text] Cairo, March 18 (XINHUA) -- The Chinese and Egyptian delegations held talks today at Al-Qubbah Palace under the chairmanship of President Li Xiannian and President Husni Mubarak following their private and formal talks this morning. The two delegations exchanged views and reached agreement on major international problem of common concern.

Mubarak said that Egypt and China will continue to develop the existing friendly and cooperative relations. Li said that the relations between China and Egypt are excellent. He described his visit to Egypt as "very successful". He believed that (?cooperation) between the two countries in the political, economic and cultural fields will be further developed.

The Chinese president invited the Egyptian president to pay another visit to China. President Mubarak accepted the invitation with pleasure. The leading members of the two delegations informed their counterparts of each other country's economic situation and progress in economic reform. Both sides agreed to increase (?trade) volume and strengthen economic and technological cooperation between their two countries.

Participants [words indistinct] Prime (?Minister) 'Ali Lutfi, Deputy Prime Minister and Foreign Minister 'Ismat 'Abd al-Majid, Information Minister Safwat al-Sharif, Minister of Economy and Foreign Trade Sultan Abu 'Ali and Assistant Foreign Minister Muhammad Wafa' al-hijaz. From the Chinese side were State Councillor Chen Muhua, Deputy Foreign Minister Qi Huaiyuan, Deputy Minister for Foreign Economic and Trade Lu Xuejian and Chinese Ambassador to Egypt Wen Yezhan.

Li Tours Pyramids

OW181840 Beijing XINHUA in English 1830 GMT 18 Mar 86

[Text] Cairo, March 18 (XINHUA) -- Chinese President Li Xiannian and his party this afternoon toured the famous Giza Pyramids in the southwest desert of greater Cairo. Li, who was accompanied by Butrus Ghali, Egyptian minister of state for foreign affairs, was briefed of the Khufu Pyramid, which is about 140 meters high and occupies an area of 13 acres and is the greatest of the 70 pyramids discovered in Egypt. The President commented that China has a great wall of 5,000 kilometres in length, which is comparable to the Egyptian pyramids.

Li smiled when he was told that the astronauts who landed on the moon could only see two manmade objects on the earth, the Giza Pyramids and China's Great Wall. The president and his entourage also visited the Sphinx and the Sunboat Exhibition Hall. In the morning, President Li's wife Lin Jiamei, on behalf of the Chinese president, presented 1,000 toys to the Egyptian Integrated Care Society for Primary School Children. Mrs. Suzanne Mubarak, wife of the Egyptian president, who also serves as chairman of the Advisory Council of the society, accepted the gifts for the Egyptian children.

Receives PRC Personnel

OW191512 Beijing XINHUA Domestic Service in Chinese 0307 GMT 19 Mar 86

[Text] Cairo, 18 Mar (XINHUA) -- President Li Xiannian, who was paying a state visit to Egypt, received at the Chinese Embassy this evening the personnel of the embassy and representatives of Chinese experts, engineers, and technicians working in the country. He had a group picture taken with them to mark the occasion.

Addresses People's Assembly

OW191008 Beijing XINHUA in English 1000 GMT 19 Mar 86

[Text] Cairo, March 19 (XINHUA) -- Chinese President Li Xiannian said here today that the rise of the Third World has been the "greatest event of our times" and "has a profound and far-reaching impact" on the world peace and economic development. In an address to the joint conference of the People's Assembly and the Advisory Council of Egypt, President Li Xiannian said that the 100 odd countries in the Third World with three quarter of the world's total population have, since their independence, broken the monopoly by a few big powers of international affairs and their domination of the world scene.

The Third World countries are in urgent need of a peaceful international environment to develop their national economy, but since the end of World War II, local wars have been going on without a letup and are taking place in the Third World, he said. These wars caused by superpower aggression and expansion or prolonged by superpower intervention and meddling have without exception brought agony and disaster to the Third World countries concerned, Li said. "The fierce superpower rivalry as we see today poses a grave threat to international peace and security and subjects Third World countries to enormous suffering," he noted. Therefore, the Third World countries, Li said, are most vigorous in calling for peace and opposing war and most resolute in demanding justice and combatting power politics.

On the Third World's role in the development of the world economy, President Li said that Third World countries have been making vigorous efforts to enhance the common economic development of all countries. "The demands and efforts of the Third World countries, both in the immediate and long-term perspectives for restructuring the international economic order, give a powerful impetus to promoting the common progress of the world economy," he said. Li pointed out that the economies of the developed countries are closely bound up with that of the developing Third World and that without the development of the Third World, the developed nations will have difficulty in securing supply of resources and finding markets for their commodities and outlets for their capital.

"The developed countries need cooperation of the developing countries no less than the latter need cooperation of the former," the president stressed. "In this sense, the development of the Third World countries is the key to promoting the economic prosperity of all countries in the world," he said. President Li arrived in Cairo, the capital of Egypt, on Monday on the third leg of his five-nation Asian and African tour, which will take him to Somalia and Madagascar. He has already visited Bangldeash and Sri Lanka.

Urges Third World Unity

OW191016 Beijing XINHUA in English 1005 GMT 19 Mar 86

[Text] Cairo, March 19 (XINHUA) -- Chinese President Li Xiannian today called on the Third World countries to reinforce unity and cooperation in safeguarding world peace and promoting common progress. Addressing a joint conference of the People's Assembly and the Advisory Council of Egypt, he said that "unity of the Third World countries is the source of their strength and their cooperation is the key to making them powerful."

The Third World countries have achieved no small measure of progress in strengthening their unity and cooperation, he said. Through various regional and sub-regional organizations, they have all played a useful role in maintaining peace and stability of the related regions and enhancing harmony and cooperation of the countries concerned, Li continued. After saying that "there still exist disputes between some Third World countries that are either left over from the past or have arisen at present," the president expressed the hope that the Third World countries concerned will settle their disputes through peaceful negotiations in accordance with the five principles of peaceful co-existence and in a spirit of mutual respect, mutual understanding and mutual accommodation. Only thus can they prevent forever outside meddling in others' internal affairs and end the misfortunes brought upon the parties concerned by disputes and create conditions necessary for their cooperation on the basis of equality and mutual benfit, Li noted.

"The great Third World is already on the rise politically," he said, "it will surely rise economically, culturally, scientifically and technologically so long as the Third World countries pursue correct policies for development in the light of their respective actual conditions and make unremitting efforts to improve themselves in close cooperation with one another and have the extensive support from the people of other countries."

President Li arrived here Monday for a visit to Egypt, which is the third stop of his Asia-Africa tour after visits to Bangladesh and Sri Lanka. Li will go to Somalia and Madagascar.

Pledges To Strengthen Unity

OW191018 Beijing XINHUA in English 1012 GMT 19 Mar 86

[Text] Cairo, March 19 (XINHUA) -- Visiting Chinese President Li Xiannian pledged here today that China will further strengthen its unity and cooperation with other Third World countries. Addressing a joint conference of the People's Assembly and the Advisory Council of Egypt, he said that this is "an important aspect of the independent foreign policy of peace China persistently pursues and a principle underlying its external work."

Li said that China supports other Third World countries in their struggle against colonialism, imperialism, racism and hegemonism.

He also pledged to support their endeavour to defend national independence, revitalize national economies and build up respective countries. "China never interferes in others' internal affairs. It enthusiastically supports the demand of Third World countries for restructuring the old international economic order," Li said.

The president said that China belongs to the Third World at present, and it will belong to the Third World even when it becomes developed in the future, adding "China is opposed to hegemonism of all descriptions and will never seek hegemony itself." Referring to Sino-Egyptian relations, he said that "Sino-Egyptian friendship has stood the severe test of international vicissitudes, and our two peoples are true friends of mutual trust." China will continue to strengthen and develop the relations and cooperation with Egypt in various fields, he said. He believed that the bilateral realtions were "bound to be brought to a new high." The Chinese president arrived here Monday for a visit to Egypt, which is the third leg of his Asia-Africa tour, after his tours of Bangladesh and Sri Lanka. Li will go to Somalia and Madagascar.

XI ZHONGXUN, SYRIAN BA'TH PARTY OFFICAL TALK

OW181536 Beijing XINHUA in English 1447 GMT 18 Mar 86

[Text] Beijing, March 18 (XINHUA) -- Talks aimed at forging friendly ties between the Chinese Communist Party (CPC) and the Arab Ba'th Socialist Party began here today. The talks, the first of their kind, were started by Xi Zhongxun, a member of the CPC Central Committee's Political Bureau, and Muhammad Jabir Bajbuj, a member of national leadship of the Arab Ba'th Socialist Party.

Xi welcomed Bajbuj, who is leading his party's first delegation to China. Xi said the establishment of friendly relations between the two parties would represent a great step forward in the history of Sino-Syrian relations. He believed that ties between the two parties based on independence, equality, mutual respect and non-interference in each other's domestic affairs could certainly grow stronger. Such ties would not only be in the best interests of the peoples of both China and Syria, but would also be conducive to world progress. Xi expressed China's support for Syrian, Palestinian and other Arab people in their just struggle against Israel's aggression and expansion.

Bajbuj briefed Xi on his party's policies, its pursuit of non-alliance, and its opposition to imperialism, colonialism and Israeli expansion. His delegation had a strong desire to learn from China's experience. They hoped their current visit would herald a new start in strengthening mutual understanding between the two parties. After the meeting, Xi gave a dinner for the delegation, who arrived earlier today, and who are guests of the CPC Central Committee.

XINHUA VIEWS BRAZIL'S PROGRESS UNDER CIVILIANS

OW161845 Beijing XINHUA in English 1830 GMT 16 Mar 86

["Round-up: Brazil Makes Progress Under One Year of Civilian Rule (by Tong Qinli)" -- XINHUA headline]

[Text] Brasilia, March 15 (XINHUA) -- Brazil, the largest Latin American country, has achieved remarkable successes in improving national economy, promoting democracy and developing foreign relations since President Jose Sarney took power one year ago to begin the first civilian rule in 21 years. In 1985, Brazil's Gross National Product (GNP) rose by 8.3 percent, the biggest increase since 1976. Its foreign trade registered a surplus of 12.45 billion U.S. dollars, only next to Japan and Federal Germany. The flourishing business created more than 1.75 million jobs last year.

Meanwhile, the civilian government made painstaking efforts to consolidate and accelerate the process of democracy throughout the country, which had been rigidly reigned by a military rule since 1964. Last year, the Brazilian Government approved a constitutional amendment on direct presidential elections. Last fall 201 mayors in the country were elected through direct balloting, and another election of the Constitutional Assembly will be held in November. The new government also passed a resolution that would give voting rights to all illiterates above 18 years old during the next general elections. It legalized all political parties, promulgated land reform laws and started a reform of the country's tax system.

President Sarney purused a foreign policy more flexible than that of his predecessors. Brazil joined the Lima Group and supported the Contadora Group in striving for a peaceful settlement of conflicts in Central America. In the past year, the civilian government worked hard to improve and develop the cooperative relations with its neighboring countries, and attached importance to the reinforcement of diplomatic ties with a number of African and Asian nations. Many prominent statesmen in the world toured Brazil. Premier Zhao Ziyang's visit, the first ever paid by a Chinese head of government, drew worldwide attention and laid a cornerstone for the development of friendship between the two countries.

Brazil's new civilian government had to wrestle with a great deal of problems, economic ones in particular. The "greatest challenge" or "arch foe" of the government was runaway inflation, which reached a record high of 233.7 percent last year and continued the upward trend in the first two months this year. On February 28, President Sarney announced a package of new measures to fight what he called a "life-or-death" war against inflation. The new policies included the issuing of the new currency cruzado to replace the old cruzeiro, the freezing of prices, rents and public service fees, the adjustment of wages, and the establishment of securities for the unemployed.

The government's anti-inflation policies have won wide support from the public. After the policies came into force, hundreds of thousands of people took to the street to help oversee the prices and expose the illegal business activities in a move that local newspapers described as rarely seen in Brazil's history. The anti-inflation struggle, however, is at its initial stage while the shadow of a heavy foreign debt is still hovering over the country with no solution in the immediate future. All this, compounded by many other political and social problems, will impose trying tasks for the one-year-old civilian rule. Just as Planning Minister Joao Sayad has said, the hardest time lies ahead and even greater efforts are needed.

PREPARATIONS FOR CPPCC NATIONAL SESSION COMPLETE

OW181040 Beijing XINHUA in English 1030 GMT 18 Mar 86

[Text] Beijing, March 18 (XINHUA) -- The eleventh meeting of the Chinese People's Political Consultative Conference (CPPCC) Standing Committee ended here today after completing preparations for the Fourth Session of the Sixth National Committee Meeting which begins on March 23. Attended by Deng Yingchao, chairwoman of the CPPCC National Committee, the meeting today approved a list of 61 new members to the Sixth CPPCC National Committee. The meeting also approved the work report of the CPPCC Standing Committee, a report on handling motions submitted by CPPCC members since the third session last March, a report on the collection and sorting of cultural and historical data, and a report on the CPPCC's international contacts. All these reports will be submitted to the Fourth Session of the CPPCC National Committee for examination. The meeting recommended Hu Zi'ang, vice-chairman of the CPPCC National Committee, to make the work report on behalf of the Standing Committee at next week's meeting.

New Members Appointed

OW181058 Beijing XINHUA in English 1034 GMT 18 Mar 86

[Text] Beijing, March 18 (XINHUA) -- Sixty-one people from various circles were today appointed members of China's top political consultative body. A name list of new members to the Sixth National Committee of the Chinese People's Political Consultative Conference (CPPCC) was approved by the CPPCC Standing Committee at its eleventh meeting, which ended here today.

Wang Enmao, former secretary of the Communist Party Committee of the Xinjiang Uygur Autonomous Region, noted aerodynamics expert Qian Xuesen, and leading woman jurist Lei Jieqiong are among the new members. The list includes 20 Communist Party members; people from non-communist parties and individuals without party affiliation account for 70 percent of the total new members. Most of the new members are intellectuals who have made outstanding achievements in socialist modernization, such as Dai Shuhe, a professor at Nanjing Chemical College, Zhang Zhilian, a professor of the historical department of Beijing University, Tian Zhaowu, president of Xiamen University, and woman composer Gu Jianfen. Yang Tianquan, special advisor to the director general of the United Nations Educational, Scientific and Cultural Organization, who is now residing in Paris, and Shen Yuncun, a former Kuomintang officer, who is now residing in the United States, and five people from Hong Kong and Macao were also appointed members of the CPPCC National Committee. Among the new faces were also descendants of Chinese historical figures, and representatives of the Shui and Gaoshan nationalisties. The Sixth National Committee had a membership of 2,025 at the third session last March; 55 died and 10 resigned in the past year. Now it has a membership of 2,021.

Namelist Released

OW182200 Beijing XINHUA Domestic Service in Chinese 0809 GMT 18 Mar 86

[Text] Beijing, 18 Mar (XINHUA) -- Namelist of new members selected at the Fourth Session of the Sixth CPPCC National Committee. (Adopted by the 11th meeting of the Standing Committee of the 6th CPPCC National Committee on 18 March 1986).

Wang Yuan, Wang Xiaoxing [3769 1321 5887], Wang Xiancai [3769 6343 2088], Wang Enmao, Wei Guoren [7279 0948 0088], Shi Jingyi [4258 2529 1355], Tian Zhaowu [3944 2507 2976], Dongge Luosangchilie [2639 0900 3157 2718 6375 0441], Wubingya Wenchuang [0124 0017 0068 3306 2088/3642] [STC not available for "chuang," a Chinese character made up of two parts whose STC's are 2088 and 3642] Liu Zihou, Liu Changyu [0491 7022 3842] (female), Liu Chongzhi [0491 1504 2535], Sungebadun [1327 2706 1572 7319], Li Boning [2621 0130 1337], Li Shunan [2621 2885 2809], Yang Tianquan [2799 1131 0356], Xiao Peng, Ge Zai [0149 6528], He Tingyi [0149 1694 0001], He Zhengwen, He Houhua [0149 0624 6985], Yu Guochun [0151 0948 2504], Gu Jianfen [6253 1696 5358] (female), Shen Wencun [3088 5619 1317], Zhang Yuanzhen [1728 1254 6297] (female), Zhang Zhilian [1728 5347 5114], Zhang Ximing [1728 6007 6900], Zhang Chengsheng [1728 3397 3932], Zhang Tongyu [1728 0681 6877], Chen Rubin [7115 3067 2430], Chen Ailian [7115 1947 5571] (female), Ming Yang [2494 2543], Luo Yuanzheng [5012 0337 6927], Luo Yinghuai [5012 2019 2037], Jin Qixiang [6855 0796 4382], Zhou Shaozhen [0719 4801 6927], Meng Yanjun [1322 7159 0689] (female), Hu Min [5170 2404], Bo Yue [2672 1471], Yuan Zongyu [5913 1350 5713], Qian Xuesen, Qian Chuntao [6929 2797 3447], Jia Titao [6328 7344 7290], Weng Shuguan [5040 2562 0385], Tao Hanzhang [7118 3352 4545], Gao Baoying [7559 5508 5391] (female), Huang Jingbo [7806 7234 3134], Mei Xiangming [2734 0686 2494], Yan Mingfu, Jiang Shougui [5592 1343 6016], Cheng Xinnong [4453 5450 6593], Fu Jize [0265 4949 3419], Lai Shaoqi [6351 1421 0366], Lei Jieqiong (female), Jian Fuyi [4675 4395 7395], Xian Heng [7639 1854], Cai Hongzhen [5591 7703 2182], Cai Shidong [5591 6108 2639], Xiong Zhisheng [3574 1807 3932], Dai Shuhe [2071 2885 0735], and Wei Tingcheng [7614 1694 3821].

TEACHING PEASANTS TO ABIDE BY CONTRACTS EMPHASIZED

HK181214 Beijing RENMIN RIBAO in Chinese 13 Mar 86 p 1

[Commentator's article: "Let the Concept of Abiding by Contracts Take Root in the Countryside"]

[Text] Economic responsibility contracts are directly related to the economic interests of thousands of peasant families. Conscientiously and satisfactorily doing the work in this area is conducive not only to giving play to the peasants' initiative for carrying out production, but also to the perfection of the contract responsibility system with remuneration linked to output and the healthy development of our rural economy.

Various kinds of economic contracts that are signed in accordance with the law are legally binding. Both signatories to a contract must strictly execute the contract. Neither is allowed to alter the contract at will or to unilaterally break the contract. Over the past few years, disputes over economic contracts have time and again occurred in our rural areas. Often it is difficult to carry out and abide by these contracts, so broken contracts have frequently resulted. Why has this emerged? The major cause of this is that our rural cadres and masses lack the concept of doing things in accordance with our laws. For a long time there has been no concept of "contracts" in people's minds; therefore, people do not realize that a broken contract means violating the law. As a result, they fail to conscientiously execute their contracts. On the other hand, defects in our economic contracts are another cause. In order to rectify this situation, we have to make efforts in the following two areas:

1. We should continue to widely, profoundly, and always carry out propaganda about our legal system in our rural areas and teach our rural people to observe economic laws and regulations. We should publicize and explain profound ideas in simple terms to our cadres and masses and make them understand that the implementation of the contract system is a demand resulting from the development of our commodity economy.

It is an important part of the task of perfecting our contract responsibility system with renumeration linked to output, gradually heightening the sense of reponsibility of various departments, units, cadres, and masses in abiding by contracts, in order to make them consciously carry out their contracts, and in order to protect the justified rights and interests of the parties concerned.

2. It is necessary to conscientiously check all kinds of existing economic contracts in light of laws and regulations, such as the law on economic contracts. We should correct what is illegal in these contracts, close the loopholes in them caused by our lack of experience in the past few years, and eliminate the various kinds of hidden dangers that may cause disputes. We should correct the shortcomings of these contracts, readjusting and altering them on the basis of adequate consultations about what is illegal and irrational in these contracts. In light of the desire of the masses, we should abolish the contracts that apparently were made by cadres in order to exploit their power of office to pursue their personal interests, that are favorable to a small number of people, and that encroach on the interests of the majority of people. We should replace these contracts with new contracts.

Perfecting and revising some of our economic contracts is work demanding a strong policy. We must do this work in strict accordance with laws and policies, and we should not expand its scope at will. The gradual implementation and improvement of our contract system during our rural economic construction provides a good opportunity for both our cadres and masses to practically study our economic laws. I hope that we will conscientiously, soundly, and satisfactorily do this work. We should by no means be so hot-headed as to repeat our old mistake of seeking "uniformity" and acting in a simplistic manner.

RURAL INTRODUCTION OF TECHNOLOGY PRAISED

HK180640 Beijing RENMIN RIBAO in Chinese 10 Mar 86 p 2

[Report by Lu Jingyu: "Technical Cooperation Work Force Throughout the Country Brings Technology to Rural Areas"]

[Excerpts] In the past 2 years, a technical cooperation contingent comprised of scientific and technical workers and cadres with handicraft and management skills from urban enterprises has been active among town and township enterprises in various areas. Its members have enthusiastically provided various technical services and passed on scientific and technical knowledge, thus cementing ties between workers and peasants and stimulating the development of town and township enterprises.

Our country's contingent of technical cooperation workers was born in the early 1960's. At that time, it was mainly devoted to promoting technical cooperation between factories. It has now expanded to such an extent that there is a membership of more than 1 million. In recent years, with the development of town and township enterprises, its members have again taken support for town and township enterprises as an important part of the effort to promote technical cooperation. At present, more than 10 provinces and cities throughout the country, including Liaoning, Jilin, Heilongjiang, Hubei, Hunan, Sichuan, Guangdong, Jiangsu, Shandong, Beijing, Shaanxi, and so forth, have launched such activities. Gratifying results have been achieved by technical cooperation forces in actively helping town and township enterprises in various areas to improve management and operation, reform technological processes, overcome technical difficulties, and train skilled personnel. In supporting town and township enterprises, technical cooperation forces in various areas have upheld the guideline of helping such enterprises overcome problems and difficulties, providing technical services and charging low fees, or even nothing in some cases. They have therefore been hailed by the masses of peasants.

Commentator's Article

HK180642 Beijing RENMIN RIBAO in Chinese 10 Mar 86 p 2

[Commentator's article: "What Counts More Is 'Help'"]

[Text] Worker technical cooperation forces throughout the country have brought technology to the countryside providing help for peasants launching rural industries. This is a good thing worth promoting.

At present, the development of town and township enterpries is off to a good start. Along with an increase in the number of enterprises and the expansion of their scale, there has been an improvement in their quality. Of millions of town and township enterprises, about two-fifths are of good or relatively good quality. But the quality of the remainder urgently calls for improvement. The technical level of these enterprises is low. Their products are of poor quality and sell slowly, leaving a stockpile. Quite a large number of these enterprises can only maintain simple reproduction. Some of them have long been operating at a deficit.

In improving the quality of town and township enterprises, we must chiefly rely on our own efforts. But meanwhile, we must also rely on support and help from outside. But meanwhile, we must also rely on support and help from outside. For developing town and township enterprises, should we render fervent support and concentrate on "helping" them, or should we blame them more than we help them, or impose more prohibitions on them rather than giving them relevant guidance and even focus on one thing to the neglect of everything else? Involved here are two basically different attitudes. Facts in the past few years show that the development of town and township enterprises is a road that must be followed in revitalizing our country's rural economy. If the countryside is to head for modernization and the 800 million peasants are to get rich, we must energetically develop town and township enterprises. Town and township enterprises are developed by peasants under various difficult conditions such as a commodity economy which is not well developed, the backwardness of culture, science, and technology in the countryside, the lack of funds, equipment, talent, experience, and so forth, and other problems. The achievements that town and township enterprises have chalked up and their existing defects represent the relationship between the essentials andthe nonessentials. Town and township enterprises will surely overcome their own defects in the process of development, and gradually mature. Our duty is to flow with the tide of history and help town and township enterprises to overcome their defects, improve their quality, and achieve increasingly good management as quickly as possible.

To improve the quality of town and township enterprises, the Science and Technology Commission has decided that during the period of the Seventh 5-Year Plan, we must, through the implementation of "urgent plans," help town and township enterprises in developing 100 kinds of complete sets technical equipment, set up 500 enterprises as technology models, and cultivate 1 million rural educated youths and basic-level cadres. The Ministry of Agriculture, Animal Husbandry and Fishery, the State Economic Commission, and the State Industry and Commerce Administration have also issued a joint document stipulating that starting from this year, help must be provided for town and township enteprises in exercising proper control over the quality of industrial enterprises in an overall manner. All this is work that meets the urgent needs of town and township enterprises and helps them to satisfy their own needs. It is hoped that all departments, units, and individuals that can help town and township enterprises will eagerly lend a hand and make a contribution toward these new enterprises of the 800 million peasants.

LEADERS LAUD 'SPARK PLAN' FOR RURAL ECONOMY

HK181037 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 10, 10 Mar 86 pp 8-10

[Article by Yi Yao: "Some Facts About the 'Spark Plan' -- Chinese Leaders Are Concerned About the Development of Science and Technology in Rural Areas"]

[Excerpts] In the final analysis, China's reinvigoration depends on the actual prosperity of its rural areas, where there are 800 million peasants. When the rural economy becomes prosperous, things in China will be easy to do. Therefore, the CPC Central Committee and the State Council attach great importance to the development of rural areas. For a few years the major topic of the "Documents No 1" of the CPC Central Committee has been rural work. In "Document No 1" this year, science and technology serving the rural economy is regarded as an important policy and even more greatly stressed.

The well-known "spark plan" is precisely a brave scheme to gradually arm China's rural economy with modern technology. It is called "spark plan," because China expects that the "sparks" of advanced technology which it sends to its rural area will gradually set a "fire of modernization spreading far and wide." According to this plan, during the Seventh 5-Year Plan period we will do the following:

-- One hundred kinds of full technological equipment sets applicable to town and township enterprises will be developed and mass production of the equipment will be organized;

-- Five hundred technologically exemplary town and township enterprises will be established and full sets of technology, management regulations, product designs, and methods of quality control will be provided for these enterprises;

-- Every year a number of rural educated youths and basic-level cadres will be trained in order to master one or two kinds of advanced technology applicable to their areas....

The implementation of the "spark plan" shows a trend: In the future, while carrying out research into frontier science, China will transfer a fairly large part of its scientific and technological force to rural areas in order to serve the reinvigoration of the rural economy.

The Vigorous Development of Town and Township Enterprises Has Been Another Step Forward After the Implementation of the Household Responsibility System Which Linked Remuneration With Output in China's Rural Areas

The readjustment of agricultural policies has given rise to profound changes in the structure of the rural economy. The growth of vigorous town and township enterprises produces a far-reaching impact on the development of economic and social life throughout the country. By the end of 1985, the number of employers in China's town and township enterprises had already reached over 60 million, accounting for 20 percent of rural laborers. This is a very large contingent of laborers. A review of the following figures will enable us to see the strength of town and township enterprises in China's economy: In 1983, the output value of town and township enterprises was less than 100 billion yuan; in 1984, it rose to 170 billion yuan; and in 1985, it rose further to 248.1 billion yuan, about 20 percent of the gross industrial and agricultural output value of the whole country.

In Jiangsu and Zhejiang Provinces and some areas with relatively high growth rates, the output value of town and township enterprises already accounts for 50-70 percent of their local gross industrial and agricultural output value. This trend continues positively.

China's goal is to achieve the quadrupling of its gross industrial and agricultural output value by the end of this century, pushing the output value up to 2,800 billion yuan. The sudden rise of its town and township enterprises undoubtedly provides a new rising force for the realization of this goal. The simultaneous development of town and township enterprises and agriculture has created a favorable new environment, and conditions for the sustained prosperity of commerce and for the all-round development and technological transformation of large-scale industry. If we guide it correctly, and support it with science and technology in order to enable it to maintain an annual growth rate of 10 percent, then by the year 2000, the gross output value of our township and town enterprises will exceed 1,000 billion yuan, accounting for about one-third of the whole country's gross industrial and agricultural output value! What an important pillar it will become in China's national economy! The CPC Central Committee and State Council have shown great concern about this dramatically rising economic force, held many meetings to study the development of town and township enterprises, and adopted a series of effective measures.

General Secretary Hu Yaobang Said: Science and Technology Should Support the Development of Town and Township Enterprises

One day in December 1985, General Secretary Hu Yaobang invited Wu Mingyu, vice minister in charge of the State Science and Technology Commission, and others to Zhongnanhai and listened to their briefing on the arrangements for the implementation of the "spark plan." The general secretary time and again nodded his head to show his consent and throught that it was very correct and important. Supporting the development of town and township enterprises, which will gradually give rise to some rural industrial and commercial towns, may become China's unique path for the urbanization of its rural areas. From a historical point of view, many Western countries developed their cities by forcing their rural areas to bankruptcy, while other countries separated the development of their industry from that of their agriculture. Neither of these ways has satisfactorily solved this problem. What path should China follow in modernizing and urbanizing its rural areas? This is a question with which people all over the world are concerned. It has already been over 30 years since the task of reducing the disparity between workers and peasants, and between urban and rural areas, was proposed in the fifties. The development of our town and township enterprises has provided important conditions for probing ways to eliminate these two kinds of disparity. Today, China already has a scientific and technological work force of about 14 million people, mastered much scientific and technological information, and scored many scientific research achievements. Both conditions and timing are very good. The general secretary waved his hand and said: We should publicize the role of town and township enterprises, and our science and technology should support the development of these enterprises.

General Secretary Hu Yaobang showed great concern about the development of our rural areas. Over the past few years, he has traveled across mountains and rivers and gone deep into rural areas to make investigation and study. He has traveled to every corner of the country and is deeply aware that the development of rural areas needs science and technology.

Premier Zhao Ziyang Said: Now and in the Future, the Vitality of Our Rural Areas Comes, and Will Come, From the Development of the Commercial Economy and the Popularization of Science and Technology

In late May 1985, the State Science and Technology Commission proposed the "spark plan" and sent it first to Premier Zhao Ziyang's office. When he finished reading the report entitled "Request for Instructions on Grasping a Number of 'Short-Term, Inexpensive, and Quick-Result' Scientific and Technological Projects To Promote the Reinvigoration of Local Economy," he said happily: "Short-term, inexpensive, and quick-result;" what a good idea!

From the point of view of the all-round situation in our rural areas, what is immediately and urgently needed is not high-level precision and frontier technology but applicable technology that can be quickly commercialized, suited to our existing technological level, and bringing quick results. This kind of technology can play a significant and exemplary role in popularizing technology among our town and township enterprises, can raise the scientific and technological level of our town and township enterprises and rural construction, thus providing a new beginning for the continuous development of our local economy. Practice has proven that these small projects, which we call "profitable technological" projects, look ordinary but can bring unexpectedly good economic results after their popularization.

Premier Zhao praised the "spark plan," saying that it was an "undertaking which is not only practical but also of long-term interest." He said, "The development of town and township enterprises is indispensable in transforming the structure of our agriculture. If we do not rely on science and technology, there will be no future for the development of our town and township enterprises. By combining the two, we may chart a new path suited to China's national conditions." At the same time he pointed out: "In the future, we should, in the main, first popularize the application of scientific research achievements we have scored at home."

In the 2 years since the beginning of our urban economic structural reform, Premier Zhao Ziyang left Zhongnanhai to go to the lower levels nearly every month and inspected many cities, ports, mines, forest areas, and industrial bases. However, he has continued thinking about the vast rural areas where people have not yet become universally rich. On 18 February 1985 when he listened to the briefing on work at the central rural work conference, he said: "Now and in the future, the vitality of our rural areas comes, and will come, from the development of the commercial economy and the popularization of science and technology." Premier Zhao Ziyang spoke highly of the "spark plan" and called it a satisfactory method by which science and technology serve our rural economy. He said that our scientific and technological circles had to serve the rural economy, that we had to strive to make breakthroughs in the scientific research into some key problems, and that we had to strive to score achievements in transforming and improving our town and township enterprises. We should arm our town and township enterprises with modern science and technology, transform them, and improve their economic results.

Vice Premier Wan Li Said: There Is Lots To Do in Carrying Out the "Spark Plan" To Provide Science and Technology To Our Rural Areas, and We Will Certainly Score Great Achievements If We Persist in Doing So For Several Years

In December 1985, at the central rural work conference, Vice Premier Wan Li talked at his office with Song Jian and Yang Liang, minister and vice minister of the State Science and Technology Commission, about the "spark plan." Vice Premier Wan Li looked excited and said: "Our rural areas, towns and townships have too urgent a demand for science and technology. It is our rural areas that now have the greatest zeal in absorbing science and technology. The people there have an urgent demand for heightening their labor productivity, developing more new products, being freed from poverty, and becoming rich. However, they lack knowledge and have no technology or technological personnel."

The importance of science and technology in helping us to continue to develop the fine situation in our rural areas has become increasingly clear.

In Helping Our Poor Areas, We Should Switch From the Practice of "Blood Transfusion" to the Practice of Helping Them To "Make Blood"

As a whole, China's rural areas are not rich and some of them have continued to remain below the poverty line. Premier Zhao Ziyang has made the following analysis: In our country, rich areas have begun to emerge, but they only account for a small percentage. For many areas, there have been clear changes along their paths to affluence, but we cannot say that they are rich. There are still a small percentage of rural areas that have not been lifted out of poverty and where the people do not even have enough to eat or wear.

The "small percentage of rural areas" mainly means mountainous and border areas. Among our 800 million rural population, 80 million people live in those areas. The CPC Central Committee and the State Council have always provided substantial financial and material aid for them. Since 1981, they have granted tens of billions of yuan in subsidies for these areas through various channels. In 1985 alone, 600-700 million yuan were allocated to them, and over 1 billion yuan in low-interest loans were provided for them. However, these subsidies have not made the land there fertile or the people there rich. Through investigation and study, the CPC Central Committee has proposed the idea of switching from this simple practice of "blood transfusion" to the practice of improving the "blood-making" function of these areas; in other words, developing their production, exploiting their resources and developing town and township enterprises. In all the "Documents No 1," there are clear directives on this.

The Implementation Now of the "Spark Plan" To Spread Advanced Production Technology in Our Mountainous and Border Areas in Order To Reinvigorate These Areas' Economies Is Precisely a Practice Embodying the Principle of Improving the "Blood-Making" Function of These Areas in the Science and Technology Sphere

The "spark plan" is a good plan. It enables the technology we have neglected to play its bright role: It will also meet the demands of our rural areas and town and township enterprises for science and technology. By approving the implementation of this plan, the CPC Central Committee has provided a vast forum for scientific and technological workers throughout our country to play their role. This will certainly greatly accelerate the process of commercializing our technological achievements and enable our vast number of scientific and technological workers to give full play to their wisdom.

SMALL HYDROELECTRIC POWER STATIONS EVALUATED

HK180554 Beijing RENMIN RIBAO in Chinese 11 Mar 86 p 1

[Commentator's article: "Warmly Support the Building of Small Hydroelectric Power Stations"]

[Text] During the Sixth 5-Year Plan period, small hydroelectric power stations developed very rapidly in our country. The capacity of the newly-added generators was equivalent to 70 percent of that of the newly-added generators of large and medium-sized hydroelectric power stations. Of the 100 counties selected for experiments in rural electrification, Guangze, Longmen, Renhua, Wenchuan, and Xingjing have already reached the primary standard for rural electrification.

The situation of the small hydroelectric power stations has been gratifying and they are playing an increasingly important role. Their rapid development has reflected the urgent demand and strong desire for using electricity.

Rural electrification is an important matter for the 800 million peasants and is also the indispensable material basis for building the rural material and spiritual civilization. At present, the energy consumption level of our country's rural areas is still very low and the shortage of electricity has become a factor hindering rural economic development and the improvement of the peasants' living standards. Comrade Hu Yaobang pointed out that it is necesary to realize rural electrification with Chinese characteristics which is commensurate with a relatively well-off living standard in our country. Developing small hydroelectric power stations is the most effective way to realize rural electrification and has a strategic significance in the construction of the rural areas in our country. Our country is extremely rich in resources for small hydroelectric power stations. The usable capacity of these resources is 70 million kilowatts and to date, only 9.52 million kilowatts have been used, accounting for 13 percent of the total. Of the more than 2,000 counties in our country, some 1,100 have hydropower resources exceeding 10,000 kilowatts. In places where conditions are more favorable for exploiting hydropower resources, we should energetically encourage local governments, enterprises, and peasants to build small hydroelectric power stations by relying on themselves. There will be bright prospects for work in this respect.

In order to build small hydroelectric power stations by relying on local financial resources or by means of a joint venture, it is necessary to have correct policies and measures. These policies should be conducive to arousing enthusiasm for running power stations among local governments and peasants and should never dampen this enthusiasm. At present, people often complain that "those who run small power stations are in debt but those who use electrical power make a lot of money." This shows the existence of a seriously unreasonable phenomenon. The management of small hydroelectric power stations themselves should also be strengthened to increase economic results so that they can develop by relying on their own strength. All these depend on the formulation and perfection of economic policies which should be able to promptly solve new problems in the development of small hydroelectric power stations.

The development of small electric power stations involves the interests of the state, local governments, enterprises, and the peasants and is closely related to water conservation, electrical, financial, banking, material, price, taxation, scientific, and technological departments. Therefore, in formulating policies, coordination and cooperation among these departments are needed. Providing electrical power to rural areas through assisting the developing of the small hydroelectric power stations needs less funds but yields better results. It is in the interests of the country and the people and has a bearing on the overall situation. No department should regard it as unimportant. During the Sixth 5-Year Plan period, the funds spent by the state in subsidizing the small hydroelectric power stations were only one seventieth of the total investment in building large and medium-sized hydroelectric power stations. Nevertheless, the newly-added generating capacity was 70 percent that of the large and medium-sized hydroelectric power stations. The small hydroelectric power stations have made a great contribution to the state. We should examine the social benefits yielded by them from the macroeconomic point of view and enthusiastically give them support. We must give something before we can take something back. If departments concerned can greatly benefit the overall situation of modernization by sharing some of their own interests with the small hydroelectric power stations, why should they not do it?

At present, the development of the small hydroelectric power stations has entered a new stage of making full use of the hydropower resources and of building a unified power generating and supply development system to match various power sources.

We should no longer one-sidedly stress the increase of power generating capacity but should encourage raising the scientific and technological level of small hydroelectric power stations and increasing thier economic results so that a higher speed can be attained while stressing quality. If economic results are not good and profits are limited, or if debts are incurred in running power stations, the enthusiasm for running power stations of various localities and peasants will be greatly dampened. Various localities should persist in running power stations in a scientific manner and pay attention to concrete results. They should make great efforts to increase the economic results of the small hydroelectric power stations.

The building of small hydroelectric power stations in our country has attracted the attention of millions upon millions of peasants and has also attracted the attention of the whole world. At present, experiments on rural electrification are being carried out in 100 counties step by step and in a planned manner. If we seriously sum up our experience, make timely adjustments of related policies, and give full play to the role of good examples, we will certainly push forward this great undertaking of rural electrification in our country.

LIAOWANG ON INVIGORATING SMALL STATE ENTERPRISES

HK181000 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 10, 10 Mar 86 pp 17-18

[Article by Gao Ginglin: "China Is Exploring New Ways To Invigorate Small State-Run Enterprises"]

[Excerpt] Since China's small state-run enterprises were freed from being bound hand and foot in 1984, new forms of management such as leased management, collective management, and so on have successively appeared. These enterprises are no longer managed in merely one way, as was the case in the past. With the efforts made in the past year or so to invigorate these enterprises, most of them have become increasingly more vigorous. By the end of 1985, the number of small commercial enterprises throughout the country accounted for 75 percent of the total number of small state-run enterprises, and their economic results had increased markedly. Compared to 1983, the per capita profits relaized rose by 32 percent.

After making various kinds of payment, small enterprises which have practiced collective management, leased management, or transferred management have also implemented the systems of accumulation funds and public welfare funds.

According to statistics from the Ministry of Commerce, restrictions were removed from 64,671 retail commercial enterprises and catering and service enterprises by the end of 1985. Among them, over 49,000 practiced "collective management with state ownership," over 7,800 practiced transferred management, and over 7,700 practiced leased management, respectively accounting for 76, 12, and 12 percent of the small commercial enterprises on which restrictions were removed.

The new ways of management have effectively integrated rights with obligations. Since management is carried out independently, distribution is made independently, employees are selected independently, and responsibility for profits or losses are solely assumed by these enterprises, the enthusiasm of the workers and staff members has been greatly aroused.

Although the situation of the industrial enterprises is much more complicated than that of the commercial ones, there is no fact of pioneers exploring new ways of invigorating small industrial enterprises.

In July 1984, the Shenyang auto industry company began to practice leased management on a trial basis. The leasing contract clearly states that while fulfilling the state plan for output, output value, taxes, and profits, and undertaking the responsibility of protecting the state's fixed assets, the lessee has the right to organize the leading body, the right to decide the structure of the enterprise, the staff, complement the appointment and removal of cadres, the method of distribution, and the management method, and the right to organize the workers and staff members to conduct normal production management and operations. The contract also stipulates that the lessor shall not interfere with any of these rights. In this way, on the condition that the leasing contract is being fulfilled, the enterprise can appropriately readjust the disposition of human, financial, and material resources. This removes all obstacles that had been encountered by the factory director when the enterprise was managed in the old way. After technician Ling Fangqiu became a lessee of an automobile gasoline pump factory, the factory turned losses into profits. In 1985, this form of leasing was practiced in 13 small enterprises of the company.

Leased management and collective management have been practiced in small state-run industrial enterprises in most provinces, municipalities, and autonomous regions throughout the country, and transferred management has been practiced on a trial basis. Shenyang City has made the most marked achievements in this respect. The 37 small industrial enterprises which have been leased to individuals have obtained much greater economic results than the average level of the city. The 104 small industrial enterprises which have practiced collective management have reduced the percentage of enterprises suffering losses by one-third. A series of new methods such as closing down bankrupt enterprises and the shareholder systems have also been tried. To date, over 4,000 small industrial enterprises in Shanyang have shaken off their difficulties. These enterprises account for 86.7 percent of the total number of industrial enterprises of the city.

Leased management, transferred management, and so on, are something new in China and have to be constantly perfected. There are numerous controversial views on them in regard to theory. Even in practice, a series of problems remain unsolved, including those in the management and operation of leased enterprises, technological transformation, distribution among the lessors, the guarantee for the fulfillment of the contract, and related legal problems.

OWNERSHIP STRUCTURAL REFORM, SHAREHOLDING VIEWED

HK160950 Beijing JINGJI YANJIU in Chinese No 1, 20 Jan 86 pp 6-10

[Article by Zuo Mu "Problems of the Reform of China's Ownership Structure" -- underlined words as published]

[Text] The intensive development of the reform of the economic structure makes it necessary to further clarify the problem of ownership structure. We must, on the precondition of consolidating and developing the socialist public ownership system, reform our country's ownership structure, so that the social formation of the ownership system will be more rational and the arrangements for its internal ownership rights, operation rights (right of possession and use) and distribution rights will be in relatively good shape. Reform of the ownership structure is a reform of fundamental significance in the entire economic structural reform.

I. Necessity To Clearly Differentiate Between "Special Enterprise" and "Ordinary Enterprise" and To Adopt Separate Management Systems for Each

The "recommendation of the CPC Central Committee on formulation of the Seventh 5-Year Plan for the national economy and social development" pointed out: "Except for a small number of departments, industries and trades which have special conditions, the various ministries of the central government, the provinces, and autonomous regions shall no longer directly administer the enterprises." In my opinion, there are two important concepts here: 1) The special enterprises of the departments, industries, and trades which have special conditions will still be under the direct management of various ministers of the central government, or the provinces or autonomous regions; 2) Outside of them, all ordinary enterprises will no longer be under the direct management of the state; the state will only indirectly manage and control them.

In order to enforce the above-mentioned reform, it is necessary to clearly differentiate between special enterprises and ordinary enterprises and to clarify the borderline between direct management and indirect management.

Special enterprises should refer to the large backbone enterprises owned by the whole people and a very small number of medium-sized enterprises which have a bearing on the national economy and the people's livelihood and which have a decisive significance in the development of the economy. In regard to these enterprises, the state is the owner and must be the highest policy-maker in their operating activities. Hence, these enterprises can only, in a relative sense, be independent commodity producers and operators and enjoy only partial decision-making power in their operations. The relative character of the independent status of these enterprises is principally shown in the following:

1. Basically, these enterprises must organize production and marketing within scope of the state's mandatory plans.

2. Under ordinary conditions, these enterprises may be responsible for their own profits and losses but under special conditions may not be able to be responsible for their own profits and losses. For example, some special enterprises command a monopoly in their economic life and can reap large profits; whereas some, due to the enforcement to mandatory plans, may incur losses. Under both of these conditions, it is not possible to permit or demand that enterprises be responsible for their own profits and losses. If the increase in enterprise income is excessive, the state must take more of the profits away; on the other hand, when the enterprises incur losses on account of enforcing the mandatory plans, the state must give them the necessary subsidies.

3. Since the enterprises do not enjoy full autonomy in the operations and cannot really take responsibility for their own profits and losses, it is still necessary for the state to fix a generally unified salary and wage standard applicable to its own directly managed enterprises, striving to carry out the principle of equal remuneration for equal amount of labor expended. The compensation to staff members and workers for labor expended can only be related to the operation results and cannot be determined by operation results.

4. By means of mandates to industries and trades, the state determines the distribution ratios of the after-tax profits between the production development funds, collective welfare funds, and award funds and can also employ such economic tactics as levying tax on awards so as to regulate and adjust the distribution of the after-tax profits. In order to ensure and protect reproduction under the system of ownership by the whole people, the accumulations of the enterprises should still belong to the state. Profits earned by the enterprises from joint operations with the outside can only be used on expanded reproduction and technical transformation of the enterprises and should not be used on the distribution of salaries and wages of the enterprise concerned.

The above points are certain basic principles which must be considered when the state carries out direct management and direct control of this category of enterprises. In an economy under the system of ownership by the whole people, with the exception of ordinary enterprises, special enterprises should be owned by the whole people and have autonomous power in their operations. Since the system is one of ownership by the whole people, the enterprises' accumulations cannot be divided up or encroached upon. The enterprises' after-tax profits must be used on expanded reproduction according to a fixed ratio; profits earned by the enterprises from outside investments can only be used on expanded reproduction and should not be distributed to individual staff members and workers as compensation. Not only that, but the ownership right of the means of production must also be manifested in the economy. We may also envisage the tentative idea of the state prescribing a special tax on the possession and use of funds or a special income tax applicable to enterprises owned by the whole people and let this be an economic form of realizing the whole people's ownership right. But outside of the above-mentioned points, the enterprises will exercise full decision-making power in the use of the means of production under the possession of the collectives. The state will mainly and indirectly manage the enterprises so that the enterprises may in reality become economic entities carrying out independent business accounting and being responsible for their own profits and losses. It may also be envisaged that the enterprises' autonomous operations are manifested in the following phases:

1. Under the guidance of the state plan, enterprises carry out independent economic activities; the state principally relies on the use of economic levers to guide the enterprises' enforcement of the state plan.

2. The enterprises must truly be responsible for their own profits and losses. The state resorts to taxation and other economic measures to regulate the distribution of the enterprises' income and their after-tax profits, levying higher income taxes on enterprises with a high profit yield and providing enterprises which have a low profit yield with special privileges in taxation, credits, and loans.

3. The enterprises themselves should also be independent distribution units. They should have the power to formulate wage standards and forms of staff pay consistent with the special features of their respective industries and trades. Compensation for the work of the staff members and workers should be determined by the enterprises' operation results, but in regard to cases of the staff members and workers of enterprises earning labor income higher than the average social standard, the state may levy a progressive tax on salaries and wages. Only in truly realizing the above points can it be said that the transition from "direct management" to "indirect management" has been completed and that the enterprises have truly become economic entities which have decision-making power in their operations and are responsible for their own profits and losses, being truly live cells of the national economy. Contrarily, if no differentiation is made between special enterprises and ordinary enterprises and identical steps are taken in power delegation, then the same policy may become too lenient toward special enterprises but too strict toward ordinary enterprises; the policy of invigorating the enterprises can hardly be fulfilled.

From our investigations we have learned that a sizable number of enterprises fall between the two categories of enterprises mentioned above: They need indirect management and at the same time need direct management. On the one hand they rely on the market's horizontal relations and, on the other hand, because they are heavily committed to mandatory plans, or because their character of service is strong, or because they firmly insist on taking social benefits as their principal objective, they rely on vertical relationships with organs of administrative authority above.

For a certain period, some large and medium-sized backbone enterprises are liable to become this type of enterprise which is run semi-autonomously.

The state's transition from direct management of the enterprises to indirect management earmarks not only a change in the industrial leadership structure but also a change in the internal structure of the system of ownership by the whole people. In enterprises subject to direct management, the power of ownership and the basic power of policy-making are unifed under the state's political organs whereas in the case of enterprises under indirect management, the power of ownership belongs to the whole people while the power of operations belongs to the enterprises and not to the central government departments, nor to the local government organs. This is a form illustrating the complete separation of functions between the state and the enterprise.

The transition of enterprises owned by the whole people from direct management to indirect management is subject to certain conditions which must be fulfilled gradually. The principal conditions are: First, state organs must establish and strengthen the indirect management or control system and must be skilled in the application of economic regulation measures and able to effectively carry out macrocontrol. Second, there must be suitable market conditions. Third, the enterprises themselves must posses the ability to handle the operations autonomously and to suitably react to macroeconomic control measures and market information. In short, in the course of the reform, the enterprises must be divided into separate categories, some firmly insisting on direct management, some carrying out semi-direct management, and still some enforcing indirect management. It is necessary to gradually increase the number of enterprises under "indirect management," first with the number of medium-sized and small enterprises owned by the whole people and next with the number of large and medium-sized enterprises owned by the whole people.

II. Necessity To Differentiate Between Cooperative Enterprises and Collective Enterprises and Also To Create Necessary Conditions for These Enterprises To Enforce the Principle of Being Responsible for Their Own Profits and Losses

At the present stage, cooperatives still have the socialist public-ownership form which is the most readily acceptable by the broad masses of workers and operators in the country's urban and rural areas. Broadly speaking, all economic forms which "organize" individual workers to take part in collective production or operations may be included in the scope of cooperative economy. But viewed from the angle of the ownership system, the cooperative system and the collective system are not the same thing.

In my opinion, the basic special features of socialist cooperative economy are the following: First, the means of production of cooperatives are owned by cooperative members. Working jointly, operating collectively, and being devoid of the element of exploitation are the features of socialist economy. But their capital funds come from the workers who have their names recorded. Small or grass-roots level cooperative organizations must adopt the principle of paying dividends first and making accumulations afterwards, following which the after-tax profits will be divided among the cooperative members, and then the cooperative members will subscribe shares anew for the cooperatives. The case of collective enterprises is different. Collective enterprises deduct and retain the accumulations from the after-tax profits first before giving out bonuses or dividends. The accumulations of collective enterprises have never become the income of the individuals and cannot be divided among, or given to, the individuals. The accumulations of collective enterprises have an inseparable character and are collectively owned by staff members and workers in the enterprises.

The principle of distribution first and accumulation afterward is more suited to the handicraft trade, the urban and rural service trades, and the processing and marketing industries and trades of agricultural products. In these sectors, a large amount of manual labor is required, division of work is not too minute in the production process, there is only a small increment in value, and the workers themselves hardly relish having any deductions in their earnings. If the after-tax profits are divided among cooperative members, they will know what their real benefits are. Their enthusiasm will be enhanced. And if expanded reproduction is required, they can be approached to subscribe more funds. Once they have subscribed and their names have been duly recorded, they are entitled to continue to receive dividends according to their share contributions. They are fully aware of the amount of capital they own in the cooperatives and are thus more concerned with how the enterprises are being run. All this is very beneficial to enforcing the democratic management and supervision of enterprises and to reducing losses and waste caused in intermediate stages. Hence, to handicraft workers and agricultural independent operators the cooperative system is more acceptable than the collective ownership system and thus should be vigorously developed in the small industries and services trades in cities and towns and in the marketing and processing industries and trades handling the country's agricultural products.

Second, small cooperative enterprises are collectively operated by workers for the purposes of carrying out collective production with their individual labor, marketing their own labor products, and purchasing the means of production and means of consumption they need. We can take this as a differentiation point between cooperative enterprises and various kinds of jointly-invested enterprises, jointly-operated enterprises, and stock companies. To meet the needs of production and operation, the workers can raise the capital themselves, or use the name of the enterprise to seek loans from the banks. Where they raise capital funds by themselves, the minimum and the maximum amounts of capital funds each cooperative member may subscribe, and the amount of labor each must contribute as well as the proportions of the dividends payable to each must be decided on in a democratic manner at meetings of the cooperative members.

In raising capital from the members, cooperatives are not governed by any set rules. They may solicit subscriptions not only from the members but also from non-cooperative members, and dividends will be paid according to the amount of subscriptions. In such cases, the cooperative itself becomes a stock company or a jointly-invested enterprise and no longer embodies the original meaning of a cooperative organization.

Third, cooperatives must possess a clear organization form and regular business projects. On this point, a cooperative is different from a temporary business partnership.

This being the case, how should we carry out reform in accordance with the special features of collective enterprises and cooperative enterprises? In my opinion, since they are collective enterprises or cooperative enterprises, their prescribed nature must be respected and the policy in regard to their management structural reform must be formulated in accordance with their intrinsic character and special features. However, experiments carried out to transform a so-called collective enterprise into a truly collective enterprise frequently produce little or no result. I believe that the reason for this is the collective enterprise or cooperative enterprises itself does not possess the necessary conditions.

In collectively owned enterprises, the means of production are properties collectively owned by staff members and workers of the enterprises. But in reality, in our country only a very small number of collective enterprises were formed by staff members and workers raising and subscribing the capital or were transformed from cooperatives of workers in the handicraft trade.

Speaking about the source of capital funds and the parties investing capital funds, they do not necessarily belong to the staff members and workers themselves. Rather, the capital funds have been advanced by local governments or raised from among the old collective enterprises. Now, if collective enterprises should be required to exercise decision-making power in their operations and be responsible for their own profits and losses, conceivably some people may object. Similar conditions may be found in many cooperatives. Hence, in order that these enterprises may truly run as economic entities which operate autonomously and are responsible for their own profits and losses, there must be at least the following conditions:

1. Aside from enterprises which have separated their power of ownership from the power of operation, the funds and assets of the enterprise must first be checked. Through the process of purchasing the original properties in accordance with the principle of compensation, the ownership right of the properties will then be transferred to, and vested in, the enterprise.

2. The retirement and old-age pension schemes of staff members and workers must be gradually turned over to society management. Retirement and old-age schemes of collective enterprises usually constitute rather heavy burdens. Burdens vary considerably among the enterprises themselves. If these burdens are borne by the enterprises separately, many of the enterprises will find it difficult to become economic entities doing independent business accounting and responsible for their own profits and losses.

3. Consolidation and adjustment of the enterprises should be made so that they may operate under regular conditions for production and operation.

4. In regard to macrocontrol, the state must, on various sides, such as planning, supply of materials, taxation, credits, and loans, provide the necessary conditions for the development of collective economy and cooperative economy, must provide the necessary support and at the same time, must have on hand a set of methods of indirect control.

5. There must be relevant legal statutes and regulations to protect the legitimate interests of collective enterprises and cooperative enterprises, so that they have a feeling of security.

III. Necessity To Continue To Perfect and Reform Rural Ownership Structure

Since the 3d Plenary Session of the 11th CPC Central Committee, rural production relations in our country have undergone important changes and have attained rather large successes. At present, in regard to perfecting and reforming the ownership system in rural areas, there are three main problems, namely, problem of holding the right of land ownership, problem of the form of ownership of enterprises in the countryside and townships, and problem of reform of the structure of supply and marketing cooperatives at the grass-roots level.

1. Rural land is under collective ownership. In the course of enforcing the contract responsibility system, the ownership right of land is sometimes unified and sometimes divided, but it is unified under a village or a natural village. The peasants, operating in household units, contract for land from the villager's small group. Because the functions and power of this small group are hardly comparable to those of production teams in the past, the group is not equal to the task of performing the functions of land management and control. Thus, there is a trend of deteriorating and weakening land control.

Moreover, capital construction of farmland and land adjustment both lack unified planning and organization, and a system has not yet been formed to handle such problems as land compensation, assessment and grading of land, compensatory transfer of the right of land use, and award and punishment of users of land. At present, in a small number of rural villages there are phenomena such as land lying barren, being occupied by force, being put to random use, or being bought or sold illegally. This is definitely related to the lax state of land management and control.

In order to manage and use rural land well and maintain and protect the system of the collective ownership of land, it is up to agriculture to effectively organize responsibility for the management of land, organize and supervise the use of land, organize capital construction of farmland, thoroughly enforce the state's rural plans, distribute favored farm loans and privileges, redistribute land rental receipts, and so on. The enthusiasm shown by peasants in developing commodity production does not necessarily call for splitting up land ownership power or heading toward individual ownership of small pieces of land but simply enumerates the evolution of a flexible operation form on the basis of the public ownership of land. At present, conversion of districts, villages, or natural villages in the countryside where industries are relatively developed into economic entities responsible for the overall management and operation of agriculture, industries, and commerce is really a workable scheme. In some areas, outside of village committees or villagers' groups, agricultural service companies and agricultural-industrial-commercial companies have been formed to take charge of the unified management of land, industry and commerce. The latter method is better than the former.

However, at present, agricultural economic organs within the scope of natural villages can run only certain small processing industries and small commercial service trades. The further development of rural industrial and commercial enterprises will naturally require breaking the barriers of administrative regions and the further extensive development of enterprises under the cooperative system and the system of collective ownership. Hence, it is still extremely necessary to organize, within the scope of the original system of collective ownership of land, land cooperative societies or agricultural service companies to take charge of land and agricultural collective operations. In those cases in which this organization form is already in existence, the scheme should be firmly insisted upon and strengthened. In those cases where the organization form is still lacking, it must be gradually established in the course of reform.

2. Our countryside and township industries, though collectively owned in name, are in reality under the system of ownership of the countryside and townships, being appendices of authorities at the grass-roots level. This has both advantages and disadvantages. The advantages are: Unified leadership, contralization of manpower and material power, ability to simultaneously look after agriculture and industry, and so on, but the drawbacks are becoming increasingly obvious. For example, there is a great disparity in the conditions for developing industries among the rural villages, and countryside and township industries are restricted to the spheres of administrative zones. As a result, the development of horizontal relationships of labor and funds are greatly impeded. Moreover, the direct running and management of enterprises by countryside and township governments easily restricts the movements of the enterprises and adversely affects the enthusiasm of staff members and workers. At the same time, if countryside and township authorities are the owners and operators of enterprises, it will weaken the administrative and supervisory role of political organs over the enterprises' economic activities.

Hence, countryside and township enterprises should develop in the direction of the cooperative system of the worker masses, the collective ownership system or the stock and share system. Or, they should separate the management function from the power of ownership and subsidies to agriculture should come mainly from countryside and township finance and internally from among the enterprises.

Countryside and township enterprises should be centered in small townships. Raising of funds for joint operation should proceed across the countryside and in villages. It is not necessary that each and every village have factory chimneys. The peasants can be both workers and farmers. They may receive dividends from their labor or from their investments. Countryside and township enterprises must conduct independent business accounting and be responsible for their own profits and losses. Arrangements of this kind will promote the further development of countryside and township enterprises.

3. Our country's supply and marketing cooperatives not only handle the means of production of agriculture and agricultural products but also deal in goods for everyday use, take part in tertiary industry, and, in some cases, operate processing industries. I suggest that, in the reform, the subordinate enterprises of supply and marketing cooperatives be subdivided from one category into three categories and be separately treated in accordance with their different conditions: 1) Supply and marketing cooperatives above the country level which operate specialized companies, stores, plants and warehouses should enforce the system of ownership by society and possess decision-making power in their operations; and relations between the state and the enterprises should be handled according to the method of indirect management; 2) Grass-roots units of supply and marketing cooperatives which operate stores selling articles for everday use, hotels, and processing units should confine their business accounting units to a small scale and be converted to the system of ownership by members of small collectives or cooperatives; 3) Under the grass-roots units of supply and marketing cooperatives, enterprises which handle the means of production for agriculture, and transport and market agricultural products should become independent units under the cooperative system; they should enforce the system of paying dividends after keeping the capital intact, maintaining distribution first and accumulation afterwards. The state should accord most-favored treatment in credit and loans and taxes to them.

From the central government to local governments, leadership organs at various levels should be established over the supply and marketing cooperatives taking charge of guidance in politics, guidance in planning, exchange of information, transfer of cadres and training of personnel but refraning from directly managing the enterprises.

IV. We Should Set Up a Number of Stock Companies With Socialist Characteristics But Should Not Demand That All Enterprises Be Stock Companies

The economy of stock and shares is being experimented with in various parts of the country and is anticipated to have a definite development in the future.

Stock companies constitute a type of social enterprise and serve as a type of business operation form as the natural result of the development of commodity economy. Marx has fully affirmed their positive significance. Since both socialism and capitalism are in the stage of commodity economy, socialism should follow the need for centralizing capital and developing stock companies. However, socialist stock companies should have their own special features. They should follow the legacy of tradition but also should seek other development. Capitalist stock companies have the objective of exploiting surplus value. They have not removed the capital attribute of productive forces and hence have brought into being many of the special speculative and exploitative symptoms of capitalism. For example, capitalist stock companies have so-called "founders' profit." An organization with a capital of 100 million yuan can issue 120 million yuan worth of shares, the additional 20 million yuan going into the pockets of the founders. Naturally, we cannot follow this method in its entirety. I believe that socialist stock companies should issue real share certificates and not false certificates. The gross amount of the share certificates should equal the gross amount of the capital.

The face value of share certificates should not follow the business conditions of the enterprise and go up and down. We should not encourage stock speculation. Profits after taxes should be divided, while in the event of loss, losses should be shared proportionately.

Stock companies should raise capital principally from enterpises under the public ownership system and individual entrepreneurs in urban and rural areas, but not from individual staff members and workers. In our country's urban areas, the salary and wage level of staff members and workers is low; their capacity to buy stocks and shares is small. It is difficult to impose the burden of business operation risks on them. Hence, the funds of individuals should be centralized by means of such methods as savings, bond issues, insurance and pre-sale of residences, and not necessarily take the form of issuance of share certificates. For the sake of preventing the spread of the principles and practices of business operations to the realm of politics and thought and preventing persons from using their authority to seek private gains, party and government cadres, and cultural and educational personnel should not become stock or shareholders.

Some comrades are of the opinion that at present the economic benefits of enterprises are generally low. One of the reasons is that the operators lack motive power and are devoid of supervision. Hence, they advocate the extensive issuance of stocks and shares so that the individual interests of the operators are linked up with the economic benefits of the enterprises, making the shareholders actively intervene, support, and supervise the enterprises. In reality, scattered shareholders can hardly exercise any influence on the economic activities of an enterprise. The balance sheet of a stock company is like the account of running water in the kitchen. Outsiders have no way to make any investigation of the affairs of the company and therefore can hardly perform the role of supervising the operations of stock companies. All these have been confirmed as facts from the experiences of capitalist stock companies. Moreover, just as some comrades have feared, issuance of share certificates to staff members and workers, to mention the worst, may bring about (in fact have brought about) the problem of increasing consumption funds in another form. In short, it is possible that disadvantages may exceed the advantages.

Stock companies are principally suited to enterprises which are newly established, whose investment recovery period is rather long and requires a relatively large investment. They are also usually short of capital funds. Advocating issuance of stock and shares is liable to develop into a trend. If promoted blindly, it may cause the dislocation of the already accumulated power of ownership by the whole people of the means of production, disrupting the fiscal revenues of the state and capital accumulations of enterprises. Hence, it is not acceptable.

POSTS, TELECOMMUNICATIONS MINISTRY CORRECTS STYLE

OW170211 Beijing XINHUA Domestic Service in Chinese 1556 GMT 14 Mar 86

[By RENMIN RIBAO reporter Zhang Guorong and XINHUA reporter Zhang Jinsheng]

[Excerpts] Beijing, 14 Mar (XINHUA) -- The Ministry of Posts and Telecommunications today held a telephone meeting of national posts and telecommunications departments to relay and implement the important directive recently issued by the Secretariat of the CPC Central Committee on posts and telecommunications work and make preparations to immediately launch activities of correcting the work style of post offices and telecommunications bureaus by consolidating the ranks and dealing blows at lawbreaking in China's posts and telecommunications departments.

The activities aim at markedly improving postal and telecommunications workers' political and vocational qualities within 2 or 3 years so that the people's posts and telecommunications can restore their reputation to an all-time high.

At the telephone meeting, Yang Taifang, minister of posts and telecommunications, relayed the Central Secretariat's recent important directive on posts and telecommunications work. The Secretariat pointed out: Since the 3d Plenary Session of the 11th CPC Central Committee, the posts and telecommunications departments have shouldered a heavier and heavier task under the new circumstances of opening to the outside world and invigorating the domestic economy. They have done much work to promote socialist material and spiritual civilization. Since the reshuffle of the ministry's leading body, the correct guiding ideology of vocational work has been followed through party rectification, and remarkable results have been achieved.

Analyzing the main problems existing in the ranks of postal and telecommunications workers today, Yang Taifang said: Just as the Central Secretariat pointed out, our postal and telecommunications work still fails to meet the needs in the development of the objective situation. This is because our capacity in telecommunications is inadequate, our workers' political and vocational qualities are poor, some of our personnel have no clear concept of the legal system and their sense of discipline is poor, and a few of them even neglect their duties, break the law, and commit crimes. As a result, our telecommunications service is poor, and accidents in telecommunications have continuously occurred. Both the masses' interests and the posts and telecommunications departments' prestige have been seriously damaged. The public is dissatisfied and disgusted with all this.

Yang Taifang emphatically pointed out: Through the activities of checking the telecommunications service and consolidating the ranks, we must sum up the experience of model workers and commend and award them; we must distinguish between different types of mistakes made by workers whose performance is poor and handle their cases accordingly. Train those who should be trained; criticize those who should be criticized, and punish those who should be punished. It is particularly necessary to deal relentless blows to law breakers and criminals. We must never be soft on them or appease them. It is necessary to discharge a number of serious law breakers and criminals and bring them to justice. It is necessary to replace a number of leading cadres who have seriously neglected their duties. During the activities of checking the service, it is also necessary to clear up long-pending cases, find out where the shoe pinches, and handle consumers' appeals.

NATIONAL MEETING ON WORKERS EDUCATION CLOSES

OW170454 Beijing XINHUA Domestic Service in Chinese 1357 GMT 16 Mar 86

[By reporter Yang Zhaobo]

[Excerpts] The 5-day national work conference on workers education closed today. The conference summed up the basic experience of workers' education over the past 5 years and studied and made arrangements for workers' education during the Seventh 5-Year Plan.

The conference proposed that the objectives in our struggle in workers' education during the Seventh 5-Year Plan are: to achieve, by 1990, some initial progress in developing a contingent of cadres and specialized technical personnel versed in modern management and scientific and technological know-how who will, in terms of quality and quality, basically meet the needs of various specialized jobs; develop a contingent of workers composed mainly of mid-level technical workers who are relatively well balanced in technical grades and who are relatively better trained in politics, general knowledge, and technology.

The conference urged economic departments, enterprises, and institutions to pay special attention to training in the following four areas:

1. Enhance education in the situation; in ideals, moral integrity, general knowledge, and discipline; in the four basic principles; in the legal system; and in collectivism, patriotism, socialism, and communism among all workers, especially among leading cadres at all levels and young workers.

2. Attend to education in modern administration and management expertise to meet the requirements of raising the administrative and management level of enterprises.

3. Incorporate the training needed for technical progress, importation and development of technology, and the development of high quality products onto the agenda of the economic, competent vocational departments, and technology departments at all levels.

4. To ensure the educational and technical quality of the newly increased reserve labor forces, we should develop, step by step, an employment system under the principle of training people before they are given jobs.

Yuan Baohua, vice minister in charge of the State Economic Commission and chairman of the national commission for administering workers' education, spoke at the closing session. He said: Workers' education shoulders the arduous task of setting the stage for the economic rejuvenation in the 1990s. We should try in every possible way to held enterprises raise the quality of workers and contribute to improving the economic results of enterprises and to building the two civilizations. We must strengthen educational organizations for workers and assign adequate management personnel and teachers for workers education at all levels.

He Dongchang, vice minister in charge of the State Education Commission, attended the conference and spoke. He stressed that now is the "golden age" of workers' education. Workers' education can only be strengthened, not weakened, and it should serve economic construction well.

FORUM ON AGRICULTURAL COMMODITY BASES ENDS

OW161353 Beijing XINHUA Domestic Service in Chinese 1250 GMT 15 Mar 86

[By reporter Zhou Yichang]

[Excerpts] Beijing, 15 Mar (XINHUA) -- A national forum for reviewing the development in counties designated as agricultural commodity production bases ended here today. The meeting called for consolidating and developing the achievement in the 50 commodity grain base counties and gradually making them pacesetters in quadrupling China's agricultural output and models in accomplishing the four modernizations.

In 1983, 50 counties began to build themselves into commodity grain bases with state and local investment. During the last 3 years, the state has provided funds and allocated rolled steel, timber, and cement to these counties according to plan. A considerable amount of funds was also raised locally according to the agreed investment rations. These counties now have fairly comprehensive infrastructures for popularizing agrotechniques and breeding fine crop strains, and their small-sized farmland irrigation facilities are fairly developed.

In the last 3 years, they sold 35 million metric tons of commodity grain to the state. The meeting pointed out that the state will not be able to provide these counties with more large amounts of investment and construction materials as it did in the last 3 years. It urged them to rely primarily on their existing infrastructures, fully tap their potential, accumulate more funds, and seek development by their own efforts to gradually make themselves strong production bases of commodity grain and other farm produce.

The meeting also revealed that the state plans to allocate funds to build more agricultural commodity production base counties during the Seventh 5-Year Plan. It urged established counties to set a good example and gain more experience in building commodity bases.

SUPREME COURT CIRCULAR ON MARITIME REGULATIONS

OW170522 Beijing XINHUA Domestic Service in Chinese 1146 GMT 15 Mar 86

[Text] Beijing, 15 Mar (XINHUA) -- The Supreme People's Court recently issued to local people's courts and maritime courts a circular on the "specific regulations governing jurisdiction over maritime cases involving foreigners" and the "specific regulations on ship seizure before legal proceedings." The circular calls on the courts in all localities to conscientiously implement the regulations. The regulations were formulated in accordance with the basic principles of our country's relevant laws and the provisions of international conventions in which our country had participated and after summing up our experiences in relevant cases.

The "specific regulations governing jurisdiction over maritime cases involving foreigners" have clearly defined the scope of our country's maritime courts' jurisdiction over maritime cases involving foreigners, including a series of lawsuits on disuptes over ship collisions, accidents involving the damage by ships of facilities at sea, accidents caused by operations at sea or in harbors or by improperly installed facilities, sea pollution, salvage, rescue expenses, contracts on the development and multipurpose use of marine resources, tug boat or marine transport contracts, ship leasing or shipping agent contracts, loading and unloading, tallying, ship repair contracts, marine insurance contracts, general averages, shipbuilding, sales contracts, the ship mortgage right or the right to preferential compensation, and crew-shipowner contracts.

In addition, a maritime court of our country has jurisdiction over cases involving foreigners that meet one of the following conditions: The defendant has a residence, or a main or permanent office in our country; at the request of a maritime claimant, a maritime court of our country has ensured the exercise of the claimant's right and has seized the ship concerned, or the other party has produced a guaranty in our country; the defendant has other property in our country that can be distained; or both parties have agreed to undertake legal proceedings in a court of our country.

In accordance with the "specific regulations on ship seizure before legal proceedings," a maritime claimant may ask a court to seize the ship concerned before starting a legal proceeding in order to ensure the exercise of his maritime rights. The regulations point out: A maritime claimant may ask a maritime court of our country to seize the ship involved in the accident in question or to seize another ships in the possession of the owner, operator, or lessee of the ship concerned who is liable to the maritime claim. Military or government ships for official use shall not be seized. The regulations also give specific explanations on the procedures of applying for ship seizure, expenses for seized ships, and a seized ship and the lawsuit.

WANG BINGQIAN ON ISSUANCE OF TREASURY BONDS

OW160817 Beijing XINHUA Domestic Service in Chinese 1623 GMT 15 Mar 86

[By JINGJI RIBAO reporter Zhang Nianqun and XINHUA reporter Wang Yingchun]

[Text] Beijing, 15 Mar (XINHUA) -- The work of issuing treasury bonds should be continued for a long time to come, stressed Wang Bingquin, state councillor and finance minister, at a national meeting held today to discuss the work on treasury bonds. Wang Bingquin said: From now on, we should change the previous idea that issuing treasury bonds is an expedient measure. Our program of the four modernizations requires a large sum of funds, and issuing treasury bonds is a major way to raise funds. Over the past few years, our work of issuing treasury bonds has proceeded smoothly, providing the state with a great amount of funds in support of national construction. The work of issuing treasury bonds should be geared up. As to subscription to treasury bonds, Wang Bingqian said that affluent areas might subscribe to mroe bonds, while the amount of subscription might be less in those localities where the masses have difficulties in livelihood.

WU XUEQIAN AT ASIA-AFRICA SOCIETY MEETING

OW140835 Beijing in Mandarin to Taiwan 1500 GMT 12 Mar 86

[Text] The second meeting of representatives of the China Asia-Africa Society, which lasted 3 days, concluded in Beijing on 12 March. During the meeting, representatives carried out academic exchanges; they revised, after discussions, the society's constitution and elected a new board of directors. Huan Xiang, noted expert on international issues, was elected president. He made an academic report on the current international situation and on the status of Asian and African nations at the meeting. He also put forward a plan on the society's future research activities.

Wu Xueqian, state councillor and concurrently foreign minister, and Burhan, vice chairman of the CPPCC National Committee, were present at the meeting to extend congratulations. The China Asia-Africa Society was inaugurated in 1962. The purpose of the new constitution is to promote research on the current political, economic, and social situation in Asian and African nations and develop academic exchanges both at home and abroad.

WAN LI, HU QILI, TIAN JIYUN ON ASIAN GAMES

OW151709 Beijing XINHUA in English 1644 GMT 15 Mar 86

[Text] Beijing, March 15 (XINHUA) -- Chinese leaders have urged the sports officials to organize the 1990 Asian Games well. During a recent meeting here, Wan Li, Hu Qili and Tian Jiyun all stressed that they must do their utmost to ensure that the Asian Games in Beijing would be held in good order. It would be a great event to host the 1990 Asian Games in Beijing during the Seventh Five-Year Plan period, they said. The first thing would be to get good results and the second thing would be to show the world that China is a highly civilized country.

The Chinese leaders urged the sports officials to bring up a new generation of promising athletes for this occasion by promoting spare-time training among children between 12 and 15 and pick good coaches to give them instructions. "Without competent coaches, it is impossible to bring up good athletes," they noted.

They said that the sports officials in all provinces, municipalities and autonomous regions should put stress on the sports and events in which they are strong, and give full play to their own advantages. If the work was started from right now and continuee for five years, they said, new stars would emerge. First class order must be guaranteed during the Asian Games, they stressed. "Everyone must be well behaved and disciplined."

WAN LI, OTHERS AT SPORTS AWARD CEREMONY

OW151909 Beijing XINHUA in English 1848 GMT 15 Mar 86

[Text] Beijing, March 15 (XINHUA) -- The Chinese State Physical Culture and Sports Commission awarded 72 athletes and 36 coaches for their outstanding performances at international and domestic tournaments last year. The awarding ceremony was held today in the Great Hall of the People. Party and state leaders Wan Li, Xi Zhongxun, Tian Jiyun, Yang Shangkun and Peng Chong attended the ceremony. The honored athletes included the players of the Chinese women's volleyball team which won the 1985 world cup title in Japan, the world women's table tennis singles champion Cao Yanhua and the world men's singles champion Jiang Jialiang, world gymnastics champion Tong Fei, world badminton champions Han Jian and Han Aiping, world walking record setters Yan Hong and Xu Yongjiu. Also awarded were athletes in shooting, model boat sailing, international chess, model airplane flying, diving, sports acrobatics, wushu, and softball. Among the coaches awarded were Deng Ruozeng, coach of the women's volleyball team, Wang Kui, coach of the women's walking team, Xu Shaofa, coach of the table tennis team.

HU QILI PRAISES GUANGDONG BOOK ON SOCIALISM

OW140653 Beijing XINHUA Domestic Service in Chinese 1545 GMT 13 Mar 86

[By reporter Zhao Suyun]

[Text] Guangzhou, 13 Mar (XINHUA) -- The book "Four Hundred Years of Socialism" [she Hui Zhu Yi si bai nian 4357 2585 0031 5030 0934 4102 1628] published by the Guangdong People's Publishing House has had strong repercussions in society. After reading the book, Comrade Hu Qili happily exclaimed: "What a good book from Guangdong!" The book "Four Hundred Years of Socialism" expounds on the history of socialist development, theories of scientific socialism, and international communist movements. By vividly narrating the heroic and moving deeds of people with lofty ideals, the book successfully presents the origin and development of socialism, and the earthshaking historical changes over the past 400 years. It is a bold endeavor in popularizing the Marxist ideological theories through well-constructed theoretical expositions and trughful records of history in a vivid literary style. The book's authors, You Jun and Li Yuanjiang, are young men in their thirties.

ZHANG JINGFU CUTS RIBBON AT MEDICAL EXHIBITION

OW190528 Beijing XINHUA Domestic Service in Chinese 1215 GMT 18 Mar 86

[Excerpt] Beijing, 18 Mar (XINHUA) -- A 1986 national exhibition of new medical apparatus and instruments showing the scientific and technological level our country had attained during the Sixth 5-Year Plan opened in Beijing today. Bo Yibo, Ji Pengfei, and other leading comrades wrote inscriptions for the exhibition, and State Councillor Zhang Jingfu cut the ribbon at the opening ceremony.

JIANGXI'S WAN SHAOFEN ON BUILDING OLD AREAS

OW180747 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 17 Mar 86

[Text] The provincial party Committee and the provincial people's government held a provincial meeting in Nanchang today on the construction of old liberated areas. Wan Shaofen, secretary of the provincial party committee and chairman of the provincial commission in charge of construction of old liberated areas, delivered a report entitled: Enthusiastically and Steadfastly Quicken the Pace of Construction of Old Liberated Areas.

With a view to effecting noticeable changes in this year's work of building old liberated areas, the meeting summed up experience in 1985, studied and mapped out tasks for 1986, and made overall arrangements for financing the construction of old liberated areas.

Jiang Zhuping, Standing Committee member of the provincial party committee, vice governor, and vice chairman of the provincial commission in charge of construction of old liberated areas, presided over the meeting.

Attending the meeting were Liu Fangren, deputy secretary of the provincial party committee; Wang Zhaorong and Pei Dean, Standing Committee members of the provincial party committee; Zhao Zengqi, chairman of the provincial Advisory Commission; (Liu Zhonghou), vice chairman of the provincial Advisory Commission and of the provincial commission in charge of construction of old liberated areas; and (Wu Yueshen), vice chairman of the provincial commission in charge of construction of old liberated areas.

SHANGHAI'S FREE MARKETS INCREASE BUSINESS IN 1985

HK180827 Beijing CHINA DAILY in English 18 Mar 86 p 4

[Text] Last year, the volume of business in Shanghai's free markets reached 600 million yuan (about $187 million), an increase of 90 percent over 1984. From January to November, the urban free markets provided each family an average of 184 yuan worth of agricultural products, including chickens, eggs, fish and vegetables. An average of 55,000 farmers and peddlers sold their goods in the markets every day. The free markets have become an important channel of distribution in our socialist economy.

But problems demanding prompt solution still exist; such as cheating, irrational prices and inadequate management.

There are three big problems:

First is the lack of space for free markets. So far, there are 393 urban free markets in Shanghai, covering about 98,000 square metres. But of the 55,000 sellers in the city, only 21,000 can find space in the established markets. The others must find space along the streets, interfering with transportation, causing noise, piling up refuse, spoiling the look of the city, and imperilling food hygiene.

The second problem is lack of efficient management. There is an average of only 0.7 professional worker per free market.

Third is that regulations are far from being perfect. For instance, some tax collectors seek personal gain by presumptuously increasing taxes.

The following solutions have been proposed:

Construction of free markets should be brought into line with growth of the whole city. If conditions permit, outdoor markets should be closed within three to five years. If not, there should at least be a roof over the markets. Free markets should be built near each central state-owned market.

To strengthen management, the number of professionals must be increased. It is imperative to raise the level of existing managerial personnel. The market department of the City Industrial and Commercial Bureau has published a pamphlet on management methods and regulations as a reference for administrative personnel. It is also necessary to supervise prices, particularly when supply is strained.

The local government should conduct an in-depth investigation to enforce regulations. Any acts harmful to the interests of consumers should be strictly punished.

More and more State-owned enterprises want to sell their goods in the free markets. They should give full play to their dominant role, and any effort to make exorbitant profits must be prevented.

HUAIHAI ECONOMIC ZONE ESTABLISHED 17 MARCH

HK190328 Beijing ZHONGGUO XINWEN SHE in Chinese 1436 GMT 18 Mar 86

[Text] Nanjing 18 Mar (ZHONGGUO XINWEN SHE) -- The establishment of the Huaihai Economic Zone was officially announced on 17 March in Xuzhou. Previously, close and time-honored economic relations in this zone were severed by the administrative division of four provinces, namely, Jiangsu, Shandong, Henan, and Anhui.

A report by the XINHUA NEWS AGENCY said: The Huaihai Economic Zone includes 15 prefectures and cities. Yesterday, after the first meeting of the prefectural commissioners and mayors in this zone, the establishment of the economic zone was officially announced. The economic zone will take Xuzhou City as its center and take Lianyungang and Shijugang as its two "windows." The economic zone will be managed by a joint conference for economic development with its liaison office being set up in Xuzhou City, and the liaison office will function as a permanent organ of the joint conference and will handle the routine affairs concerned.

The Huaihai area refers to the area with Lianyungang to the east, Shangqiu, Henan in the west, Bangbu, Anhui in the south, and Jining, Shandong in the north. This is a national economic zone formed in history. Because of its special attration, some prefectures and cities farther away from Xuzhou also want to join the economic zone. The newly-formed economic combination body includes the following 15 prefectures and cities: Xuzhou, Huaiyin, Yancheng, and Lianyungang in Jiangsu; Zaozhuang, Jining, Linyi, Heze and Taian in Shandong; Shangqiu and Zhoukou in Henan; and Huaibei, Fuyang, Suxian and Bangbu in Anhui. There are a total of 103 countries in this zone whose area covers 159,000 square kilometers.

At present, the Huaihai economic zone is holding its first economic and technological cooperation conference in Xuzhou. At the conference, more than 700 cooperation projects will be discussed and some cooperation agreements will be concluded.

YE XUANPING ON GUANGDONG'S ECONOMIC WORK

HK110917 Guangzhou KAI FANG in Chinese No 1, 8 Jan 86 pp 5-8

[Article by Ye Xuanping, governor of Guangdong Province: "Adhere to Reform and the Policy of Opening Up to the Outside World, Promote Guangdong's Economic Prosperity" -- capitalized passages published in boldface]

[Text] During the Sixth 5-year Plan (1981-1985), Guangdong implemented the policies of reform and opening up to the outside world and the special policies and flexible measures granted by the state to the province. As a result, remarkable changes took place in all fields throughout the province. This period was the most flourishing one in Guangdong.

1. THE SUSTAINED GROWTH OF THE ECONOMY. It is estimated that the annual average GNP growth will reach 15.6 percent. The total output value of industry and agriculture increased at a yearly average rate of 13.3 percent, in which the growth of the last 2 years was higher than the average rate. (The growth in the 5 respective years: 10 percent in 1981; 11.09 percent in 1982; 9.66 percent in 1983; 17.86 percent in 1984; and 18.2 percent in 1985). The growth in each respective year outstripped the target of 6 percent set by the Sixth 5-Year Plan. Such sustained growth is unprecedented.

2. THE MAIN ECONOMIC RATIOS HAVE DEVELOPED IN COORDINATION. During the Sixth 5-Year Plan, the growth of industry outstripped that of agriculture and the growth of light industry outstripped that of heavy industry. Now the ratio between industry and agriculture is 7 to 3, and that between light industry and heavy industry is 6.5 to 3.5. Moreover, the ratio between accumulation and consumption is 3 to 7. These figures conform to Guangdong's actual circumstances.

3. THE MATTER OF INTENSIVELY ENHANCING AND DEVELOPING THE PRODUCTIVE FORCES IS TAKEN SERIOUSLY. The existing enterprises underwent technical transformation. The proportion of technical transformation and upgrading investment in investment in fixed assets as a whole rose from 12.6 percent in 1980 to 23.1 percent in 1985. Investment in capital construction and technical revamping increased by 137 and 780 percent, respectively, over the Fifth 5-Year Plan period. Investment in technical transformation, mainly used for energy, food, electronics, raw materials, textiles, and light industries, totaled 3.4 billion yuan. Of the increased output value of industry and agriculture during the Sixth 5-Year Plan, around 30 percent was achieved through technical transformation.

4. THE OPEN, EXPORT-ORIENTED TYPE ECONOMIC STRUCTURE. In accordance with the decision of the CPC Central Committee, Guangdong established three special economic zones and opened Hainan, Guangzhou, Zhanjiang, and the Zhujiang Delta to the outside world, thus forming open zones of different types at various levels. Large amounts of foreign capital were used during the Sixth 5-Year Plan. The province signed more than 50,000 contracts on importing foreign capital and actually used foreign investment totaling $2.3 billion. Exports increased during the period. It is estimated that the volume of foreign trade and exports in 1985 may reach $2.7 billion. The annual average growth during the 5 years was 4.7 percent. While importing foreign capital, Guangdong also opened itself to other provinces and regions and developed economic relations with them.

5. THE INITIAL REFORM OF THE CIRCULATION SYSTEM. With the predominance of the public and collective ownership, diversified economic forms and various methods of management developed. The market in urban and rural areas was brisk.

Retail sales of commodities in 1985 totaled 31 billion yuan, over 100 percent more than 1980, showing an annual average growth rate of 17.1 percent, much higher than the five previous 5-year plans. Of total retail sales, the public sector accounted for 49.97 percent, the collective sector, 30 percent (including the supply and marketing cooperatives and other collectives), and the individual sector, 16.54 percent. Market prices went up in the first year, remained stable in the later 3 years, and rose by two digits in the last year.

6. THE PEOPLE'S LIVING STANDARDS IMPROVED FROM ENOUGH TO EAT AND WEAR TO A FAIRLY WELL-OFF LEVEL. The annual per-capita consumption level of Guangdong's residents is estimated to have reached 426 yuan, an increase of 41.6 percent over 1980 after deducting the factor of price increases. Changes took place in the consumption of the urban and rural inhabitants. Expenses for food dropped, while those for culture, education, and other services increased. Housing conditions improved to some extent. Urban and rural savings in 1984 increased by 269 percent over 1980.

The cadres at all levels and the people of the whole province have profoundly realized through practice over the years that the policies formulated since the 3d Plenary Session of the 11th CPC Central Committee, particularly for reform and opening up, are policies to make the country powerful and prosperous. We have discovered some laws and methods of implementing the policies of the CPC Central Committee in connection with Guangdong's actual circumstances. Thanks to the economic construction and reforms carried out with the focus on developing productive forces, Guangdong now has sound material strength. In the course of reform and opening up, large numbers of cadres came into contact with new knowledge and problems. As a result, their ideological level and professional ability rose remarkably. Although problems of every description arose in our work, nonetheless, we advanced. The material strength and conditions of cadres have laid a solid foundation for Guangdong's economy to advance further.

We have now entered the period of the Seventh 5-Year Plan. The next 5 years will be the most important period for us to realize the strategic tasks set by the 21th CPC National Congress. In accordance with the spirit of the National Conference of Party Delegates, we must continue to implement the line, principles, and policies of the 3d Plenary Session of the 11th CPC Central Committee, adhere to reform and opening up, sum up the experience of the Sixth 5-Year Plan in the light of the proposal of the CPC Central Committee for the Seventh 5-Year Plan, give specific guidance in connection with Guangdong's actual circumstances, work out Guangdong's Seventh 5-Year Plan, put it into effect, and push Guangdong's economic construction forward.

The CPC Central Committee has divided the Seventh 5-Year Plan into two stages, that is, the first 2 and the last 3 years, and has set different targets and made relevant arrangements. In the first 2 years, the emphasis should be put on attaining a balance of general demand and supply, correcting the practice of exceeding distribution quotas, and maintaining a moderate speed and accumulation rate in economic development. The question of encouraging an enormous growth will be considered in the last 3 years. Therefore, Guangdong should pay attention to the following work in the next 2 years:

1. CONTINUE THE REFORM IN A PROFOUND WAY.

During the Seventh 5-Year Plan, reform should be put first in all fields of work. While restructuring the economy in the next 2 years, we must invigorate the enterprises, straighten out the relations between macrocontrol and microflexibility, carry out reforms in planning, industry, agriculture, commerce, foreign trade, finance, pricing, personnel management, and other work, and coordinate the reforms so that microflexibility can bring about better macro results.

In the light of the above requirements, the fields that have undergone reforms should retain the advantages and eliminate the disadvantages through digestion and supplementation and gradually perfect the reforms.

The government at all levels should simplify the administrative procedures, delegate power to enterprises, focus their attention on establishing the system of indirect control, and strengthen the role of economic levers which include pricing, credit, taxation, and exchange rates. An effective information system should be established gradually so as to provide scientific basis for the restructuring of the economy. Local areas and enterprises should have a sense of the macroeconomy, that is, the overall point of view. Regarding the growth of production development, scale of construction, and foreign economic activities, we should act according to our capabilities, keep expenditures within the limits of income, and never try to upset the balance of general demand and supply. We must continue to solve the problems of excessive growth rate of industrial production, excessive investment in fixed assets, overexpansion of credit and consumption funds, and out of control foreign exchange so that the economic activities are not tightly drawn and some leeway is left for reform.

2. OPEN GUANGDONG FURTHER TO THE OUTSIDE WORLD AND OTHER PARTS OF THE COUNTRY.

In his explanation of the proposal for the Seventh 5-Year Plan made at the National Conference of Party Delegates, Comrade Zhao Ziyang pointed out: "We will further open to the outside world during the period of the Seventh 5-Year Plan." In the past, Guangdong took the lead and undertook the important task of opening up to the outside world. In the light of the special policies and flexible measures granted by the CPC Central Committee to Guangdong, we must continue to expand the international and domestic market, exploit the two kinds of resources, enhance our economic strength by means of importing advanced technology and developing economic relations with other provinces and regions, and make more contributions to the state.

We must continue to build well the coastal areas. Proceeding from the objective reality, the three special economic zones, Guangzhou, Zhaijiang, and the Zhujiang Delta open economic zone should give full play to their own advantages and determine the direction and goal of their development. The special economic zones should sum up the experience and draw lessons from the work over the past few years, make their economic patterns and structure, construction scale, and management work conform to reality, and play the role of "four windows" and "two arms of a fan". Hainan has embarked on the road of opening up to the outside world. Although Hainan lacked experience and suffered from a setback, it did a great deal of work and achieved initial successes in its economic construction. Hainan should also sum up experience and draw lessons and go all out to make big strides forward. Guangzhou, Zhanjiang, and the Zhujiang Delta open economic zone also have their own advantages. In the light of the principle of "trade, industry, and agriculture," these exploitation areas should rapidly develop export-oriented economy and make greater contributions.

We must further expand exports and increase foreign exchange income. We must establish a production system for export commodities and enhance the competitiveness of the export commodities. We must exploit an extensive export market in a step by step manner.

We must continue to import foreign capital and advanced technology. The stress should be put on energy, communications, and raw materials industry, technical transformation of the existing enterprises, and the projects that can create more foreign exchange. The speed and scale of importing foreign capital and technology should correspond to Guangdong's plan for economic development.

In addtion, we should take into account our foreign exchange income and repayment ability.

While great efforts are made to import foreign capital and advanced technology, it is also necessary to vigorously develop economic relations with other parts of the country. Without the latter, it would be impossible for Guangdong to play its role of "two arms of a fan". In recent years, we have paid equal attention to both aspects. This is absolutely correct. The principle should be further implemented in practical work and we should genuinely develop economic relations with other provinces and regions.

3. LAY STRESS ON THE KEY CONSTRUCTION PROJECTS.

Energy and communications are the weak links of Guangdong's economy. Only by concentrating manpower and financial and material resources to build a number of energy, transportation, and communications projects can we ensure the needs of the Seventh 5-Year Plan and reserve strength for the future.

Regarding energy construction, the main thing at present is to increase power generation. We must pay close attention to the building of the power generating projects that can bear the load, mainly thermal and hydropower stations at all levels. We must be aware that the increase of power supply can be possible only with the efforts made in 2 to 3 years. It is not suitable to overestimate now to what extent the strain on power supply can be alleviated after 2 to 3 years. Therefore, we must work out plans in advance for power construction during the Eight 5-year plan, do preparatory work well, and regularly maintain the generation of 1.5 to 2 million kwh of power.

At present the stress in local communications construction should be put in highways. We must attach importance to the construction and transformation of the highway network with Guangzhou as its center. We must open up the highways leading east and west from Guangzhou and pay close attention to the construction of the expressways and main highways extending from Guangzhou to other areas. The construction of the Hengyang-Guangzhou railway, the Sanshui-Maomin railway, and the Guangzhou-Shenzhen railway should be implemented and the measures concerned should be reformed. Meanwhile, we should do well the preparatory work for the Guangzhou-Meixian-Shantou railway. We must also attach importance to Guangdong's sea and inland water transportation. We must work out an overall development plan for transportation which will serve as the document guiding the development of Guangdong's communication undertakings.

4. MAKE FURTHER EFFORTS TO VIGOROUSLY DEVELOP AGRICULTURE.

Thanks to the implementation of the responsibility system, the readjustment of the prices of farm products and the agriculture setup, and the abolition of the system of state monopoly for purchase and marketing since the 3d Plenary Session of the 11th CPC Central Committee, agriculture, forestry, animal husbandry, sideline occupation, and fishery have developed remarkably. However, the foundation of agriculture is not yet solid. Leading cadres at all levels should take the matter seriously, deepen their understandings of "no economic stability without agricultural development" and "grain shortages will lead to social disorder," and strengthen the foundation of agriculture in earnest.

It is necessary to pay due attention to grain production. Owing to the typhoons and other natural disasters that took place last year and the decrease in the sown area of grain fields, the output of grain dropped by a big margin. We must maintain a steady growth of grain production within this and the next year. All localities should readjust their agriculture setups and never attempt to reduce the area sown in grain.

If Guangdong purchases too much grain from other provinces, it will produce an adverse influence and chain reaction. Therefore, the areas that are suitable for growing grain should do a good job of growing grain, increase input in grain production, raise the per unit area yield by means of scientific farming, and strive to increase the output of grain by a big margin this year. On the premise of increasing grain output steadily, we must attain all-round development in agriculture, forestry, animal husbandry, sideline occupations, and fishery.

It is necessary to take note of further improving the conditions of farm production. In recent years, we have taken note of implementing the rural policies and stimulating the initiative of the peasants. These are apparently necessary. However, we have not paid due attention to the building of water conservation projects and to farmland capital construction. Hence, we must adopt effective measures to do the work well so as to ensure high and steady yields in agriculture.

The mountainous areas should exploit the mountain resources, develop their advantages, and believe that "prosperity can be attained by engaging in agriculture." The mountainous areas should vigorously plant trees, develop diversified economies, and take the road to prosperity by exploitng the mountain resources.

In addition to the above factors, the question of qualified personnel is also important for economic development. During the Seventh 5-Year Plan, we must attach great importance to the exploitation of intellectual resources, pay close attention to the work concerning education, sciences, and technology, and improve the quality of the people. Only by relying on man can we constantly develop the productive forces.

We must never relax our efforts to build socialist spiritual civilization. Leading cadres at all levels should take the matter seriously. We must adhere to the four basic principles and ensure that our economic construction is developing toward the socialist direction. We must encourage and help our cadres establish faith in Marxism and communism and cultivate a fine ideological style. Our cadres should be qualified both professionally and politically. Therefore, we must strengthen ideological and political work in the course of reform and opening up to the outside world and let the broad ranks of cadres and masses enhance their discernment and acquire immunity against non-proletarian ideas amid revolutionary trials. At present we must take particular note of effecting a fundamental turn for the better ingeneral social mood by correcting the party work style. Meanwhile, we must train more artists and writers so as to create more and better spiritual products. We must also provide a number of cultural facilities to enrich the people's spiritual lives.

SICHUAN'S YANG RUDAI PUBLICIZES CPC DOCUMENT

OW170409 Beijing XINHUA Domestic Service in Chinese 0929 GMT 16 Mar 86

[By reporter Mao Chaojing]

[Excerpts] Chengdu, 16 Mar (XINHUA) -- Cadres at all levels in Sichuan Province have extricated themselves from "excessive meetings and documents" and gone deep into the countryside to publicize the CPC Central Committee's 1986 Document No 1 and help the masses of people in their spring farming.

While implementing Document No 1 the Sichuan provincial party committee and the provincial government have, in the spirit of "making no empty talk and doing more solid work," changed the superficial work style and taken the lead in penetrating into rural areas to publicize the central authorities' Document No 1 and carried out the policy, plans, and measures down to the grass roots. Following the examples of the secretary of the provincial party committee and the provincial governor, principal responsible persons of all prefectures, cities, autonomous prefectures, counties, and townships have also successively visited the countryside. During his visit to some grass-roots units in a number of counties (districts), provincial party committee Secretary Yang Rudai, upon hearing reports on excessive meetings and documents that made county and township cadres unable to go down to the grass roots, promptly instructed the province, prefectures, and counties to take action to reduce meetings and documents in order to enable cadre at all levels to penetrate into the grass roots. According to the office of the provincial party committee, more cadres than previous years, a total of over 110,000 at the provincial, prefectural, county and township levels, have gone to rural areas so far.

While publicizing Document No 1, the cadres have also visited prosperous rural families to solicit opinions and work out plans for helping impoverished peasants become better off. Miyi County has adopted a new method of comprehensive development of grain and cash crops on limited arable land in order to solve the contradiction between grain and cash crop production. After a fact-finding tour to Miyi County, Governor Jiang Minkuan highly evaluted the county's experience and suggested that the comprehensive method of agricultural production be gradually popularized throughout the province.

XIZANG'S WU JINGHUA, OTHER LEADERS PLANT TREES

HK140941 Lhasa Xizang Regional Service in Mandarin 1130 GMT 12 Mar 86

[Excerpts] On 11 and 12 March, many cadres, staff members, and workers of the regional party, government, and Army organs, and people in Lhasa City took part in the tree-planting activities.

On 11 March, the principal leading comrades of the regional CPC Committee, Xizang Military District, and Lhasa City, including Wu Jinghua, Raidi, Dangzin, Zhang Shaosong, Gao Tangjin, Yang Youcai, and Dainba Gyaincain; and some 1,200 cadres, staff members, and cadres of regional and Lhasa City subordinate organs carried out the tree-planting activities on both sides of (Jinduxi) Road. Some 1,200 trees were planted on this day.

Wu Jinghau, secretary of the regional CPC committee, said to reporters: The important task in our afforestation this year is to do well in greening Lhasa, the capital of the region. All prefectures and counties must also do well in greening their prefectural and county seats. We must vigorously advocate the growing of trees and grass, the greening of the land, and the beautifying of the environment.

On the morning of 12 March, leading comrades of the regional People's Congress Standing Committee, regional people's government, and Xizang Military District, including Cao Xu, Jiangzhou Zhaxiduoji, Tudao Doje, Gong Daxi, (Zhou Yangyu), (Geng Quanli), and (Yu Minggao); and some 4,000 cadres, staff members, workers, commanders, and fighters planted trees in (Jindu) Road and on both sides of the Lhasa He.

XIZANG HOLDS FORUM ON ECONOMIC STRUCTURAL REFORM

SK180929 Lhasa Xizang Regional Service in Mandarin 1130 GMT 16 Mar 86

[Text] According to XIZANG RIBAO, on the afternoon of 14 March, the regional Economics Society and the Economics Research Insititute under the Xizang Academy of Social Sciences jointly held a forum on the theory of economic structural reforms, at Lhasa.

The forum would, on the principle of proceeding from the actual conditions of the region, act in the spirit of the enlarged Standing Committee meeting of the regional CPC Committee problems concerning the theory and timing of the region's economic structural reform. The forum would also sum up the experience of the economic work, continue to eliminate the influence of leftist thinking and correct the guiding ideology so as to make efforts for invigorating the region's economy and making the people rich.

The regional CPC Committee and people's government attached great importance to the forum. Wu Jinjua, secretary of the regional CPC Committee, and Mao Rubai and Dengzin, deputy secretaries of the regional CPC Committee, attended the forum and made important speeches in which they pointed out the direction and tasks of the region's work in studying the economic theory.

In addition, Comrade Wu Jinhua talked with the participants and encouraged them to propose suggestions and measures for invigorating the region's economy.

The forum was attended by more than 30 people. Most of them were theoreticians of the region's economic front and research departments, as well as comrades in charge of practical work. The forum received over 20 theses on the matter.

YUNNAN'S PU CHAOZHU, OTHER LEADERS PLANT TREES

HK140911 Kunming Yunnan Provincial Service in Mandarin 1100 GMT 12 Mar 86

[Excerpts] It is Arbor Day in our country today. Cadres of provincial and city organs and commanders and fighters of PLA units and armed police units in Kunming, totaling some 1,500 people, planted saplings on the mountains at the back of (Heilongtan) Park, Kunming. Those taking part in the tree-planting activities were Pu Chaozhu, Zhu Zhihui, Li Shuji, Liu Shusheng, (Zhao Shumin), (Qiu Chuangjiao), Zhao Tingguang, (Wang Qingtian), and (Zhao Kun) of the Yunnan Provincial CPC Committee; Li Xingwang and Dang Xiangmin of the provincial Advisory Commission; Yan Yiquan, Wang Shichao, and Yu Huoli of the provincial people's government; Liang Jia, Qu Zhongxiang, Huang Ping, and Jin Qiongying of the provincial CPPCC Committee; the CPC Committee secretaries, commissioners, and autonomous prefectural heads of all prefectures, autonomous prefectures, and cities who are attending the provincial CPC Committee's meeting of the prefectural CPC Committee secretaries; and responsible persons of the CPC committees and party groups of all departments, committees, offices, and bureaus at the provincial level.

Since the first Arbor Day in 1982, every year, cadres of provincial and city organs have persisted in planting trees on the greening places specified by the Junming City Greening Committee. By the end of last year, they planted trees of various kinds on some 30,000 mu in greening places in eight counties near Kunming City.

LI XIMING VISITS BEIJING MODEL WORKER IN HOSPITAL

SK180544 Beijing BEIJING RIBAO in Chinese 6 Mar 86 p 1

[Text] On the afternoon of 28 February, Li Qiyan, Standing Committee member of the municipal CPC Committee and director of the Organization Department, accompanied by the responsible comrades of the departments concerned, went to a hospital to present the numicipal CPC Committee's certificate of honorary outstanding Communist Party member to Comrade Zhang Jieshi. When handing over the certificate, Comrade Li Qiyan stated: "You have been loyal to the party's cause and made great contributions in conducting reforms. To recognize your advanced deeds and fine character, the municipal CPC Committee has decided to confer the title of honorary outstanding Communist Party member on you." Appreciating the conferment of the title, Comrade Zhang Jieshi said in a quivering small voice: "There are a lot of things I should do. I have not done enough and there are still many things I intend to do, but...."

Prior to the conferment of the title, leading comrades including Li Ximing, secretary of the municipal CPC Committee; Jin Jian, deputy secretary of the municipal CPC Committee; and Zhang Jianmin, vice mayor of the municipality, paid a special visit to Comrade Zhang Jieshi in the hospital.

HEBEI'S XING CHONGZHI SPEAKS ON IDEOLOGICAL WORK

SK180312 Shijiazhuang HEBEI RIBAO in Chinese 3 Mar 86 p 1

[Text] From 28 February to 2 March in Baoding City, Xing Chongzhi, secretary of the provincial CPC Committee, heard a report by the municipal CPC Committee on the "current ideological and political work and economic structural reform," had informal discussions with responsible persons of some enterprises under the industrial and communications, the financial and trade, and the construction departments, and visited Hebei University and Hebei Agricultural University to learn about their situation. He stressed that party organizations at all levels should actually strengthen ideological and political work in light of the actual ideological situation among the cadres and masses and in line with the various problems in work.

Comrade Xing Chongzhi affirmed the achievements scored by Baoding City in rectifying party style and carrying out economic structural reform. He said: The large number of cadres and the masses have had faith in the party leadership, have endorsed the party's principles and policies, have actively supported reform, and have worked hard to make outstanding constributions to the four modernizations. In general, the masses are vigorous ideologically. However, owing to weakness in ideological and political work, some units have not yet solved such problems as "doing everything for money," lacking lofty ideals, and being lax in organizational discipline. It should be noted that the work in 1986 is arduous, and therefore in this new year party organizations at all levels should work conscientiously and diligently, should study the new situations and solve new problems, should strive to better develop ideological and political work under the new situation, and should strive to make a relatively big breakthrough in this regard.

Comrade Xing Chongzhi said: At present we should not neglect ideological and political work; this work should be strengthened rather than being weakened. It is necessary to disseminate the party line, principles and policies among the masses through making reports, holding talks, and offering questions and giving answers in a face-to-face manner. All units should not only depend on persuasion, education and giving active guidance to solve their problems, but also depend on necessary rules and regulations to deal with their problems strictly. He pointed out that ideological and political work must be developed in a down-to-earth manner.

Leaders at all levels and the broad masses of political work cadres should go deep into the grass-roots units to conduct investigations and studies, and should develop their work proceeding from the reality of their own localities and departments, in line with the ongoing education on ideals, discipline, and the current situation and policies, and through the way of presenting the facts and reasoning things out. They should also pay attention to grasping the thinking symptomatic of a trend and solving those matters with which the masses are concerned. Trade unions, CYL organizations and women's federations at all levels should closely cooperate with CPC committees at all levels to successfully carry out ideological work of various kinds among the masses.

Comrade Xing Chongzhi said: To grasp ideological and political work well, we must pay attention to the fighting force of party branches at the grass-roots level and to the exemplary and vanguard role of the broad masses of party members. He called on CPC committees at all levels to set strict demands on the party branches at the grass-roots level and on the broad masses of party members, and enable them to set examples in rectifying party style, observing party discipline, and safeguarding the party's interests, and to become key members for various work. Comrade Xing Chongzhi also called on CPC committees at all levels to make full use of newspapers, radio, and television stations, and other press propagation means to expeditiously publicize the current excellent situation on various fronts, those advanced figures who carry forward the spirit of being the master of our country and who vie with one another in working hard and making contributions, and those typical examples in correctly handling the relationships among the state, collectives and individuals and of giving consideration to overall interests.

While inspecting the work of some higher learning institutions, Comrade Xing Chongzhi affirmed the achievements scored by these institutions in the ideological and political work, and their experiences of "combining teaching with scientific research and production" in developing the Taihang Shan area. He hoped that the teachers will impart knowledge and educate people, set examples for the students, and stress educational results. In conducting ideological and political work, all higher learning institutions should carry forward good traditions, keep abreast of new situations, and set strict demands on ideological education and organizational management.

HEBEI STANDING COMMITTEE ANNOUNCES APPOINTMENTS

SK180117 Shijiazhuang HEBEI RIBAO in Chinese 2 Mar 86 p 3

[Text] Today, the 18th Standing Committee meeting of the 6th provincial People's Congress decided to appoint Wang Chunran [3769 2504 3544] director of the Hebei Provincial Public Health Department and Zhang Baohuan [1728 1405 2719] director of the Hebei Provincial Civil Affairs Department. It also decided to remove from posts Fu Dawei [0265 1129 3634] as director of the Hebei Provincial Public Health Department; Sui Junqi [4205 0139 2978] as director of the Hebei Provincial Civil Affairs Department; Cao Zhengang [2580 2182 0474] as director of the Hebei Provincial Labor and Personnel Department; and Ye Rui [0673 3843] as director of the Hebei Provincial Grain Bureau.

TIANJIN DEPUTY SECRETARY SPEAKS ON RECTIFICATION

SK180635 Tianjin TIANJIN RIBAO in Chinese 3 Mar 86 p 1

[Excerpts] "The municipality should realize a notable turn for the better in party style within this year, and simultaneously the leading organs at the municipal, district, county, and bureau levels should realize a fundamental turn for the better in party style."

This fighting goal for improving party style was set before the party organizations at all levels and the broad masses of party members by Wu Zhen, deputy secretary of the municipal CPC Committee, in his speech at the third enlarged plenary session of the municipal Discipline Inspection Commission on the afternoon of 2 March.

After expounding in detail on the great significance of party style rectification, Wu Zhen said: Since the 3d Plenary Session of the 11th CPC Central Committee, our municipality has realized a notable turn for the better in party style. The main trends of the party style are good, but some problems still exist; some of them are even serious. Some party-member cadres without socialist orientation and communist ideals coveted advantages to the neglect of justice, took advantage of their powers to seek private gains,and engaged themselves in economic criminal activities. Some who did not strictly enforce the orders and prohibitions took "countermeasures against policies set forth by higher levels." Some employed trickery to deceive those above and bully those below. Some stressed personnel relations instead of party spirit in employing people and handling affairs. Some let the nation's dignity and their moral quality be lost by violating discipline in their contacts with foreign countries. Some with serious bureaucratism brought about great damages to the state and the collectives. Some let liberal tendencies spread unchecked. In the face of such a situation, the CPC committees at all levels should further understand the perniciousness of unhealthy practices, upgrade their awareness of rectifying party style, and make conscientious efforts to firmly and really grasp the work of rectifying party style.

Wu Zhen emphasized in his speech: In order to attain the goal of improving party style, the CPC committees at all levels must pay high attention to the work of rectifying party style, conscientiously strengthen leadership over the work, place the work on the main items of the daily agenda, and concentrate efforts on grasping it. Principal responsible comrades of the CPC committees at all levels should personally grasp the work. In line with the actual conditions, all units should work out concrete methods and measures for grasping the work, and specially assign persons to the subordinate units to conduct inspections and supervision so as to really implement the methods and measures.

Wu Zhen said: At present, we stand a very good chance of success in realizing a fundamental turn for the better in party style because the CPC Central Committee has made great determination of and firmly attended to rectifying party style, the central organs have set an example to the whole nation, the broad masses of the people bitterly hate the unhealthy practices, and the party has set forth correct policies and effective measures for rectifying the unhealthy practices. He said: The municipal CPC Committee and government have invited the criticism and supervision of the people inside and outside the party over the municipal-level organs, and have called on them to report these organs' unhealthy practices to the municipal CPC Committee or the central authorities if any is found.

With regard to enhancing the discipline inspection work, Wu Zhen pointed out: The CPC committees at all levels should strengthen leadership over, pay attention to, and support the discipline inspection work. The cadres in charge of the discipline inspection work should be assinged in line with the requirements for cadres. We should vigorously rely on and support the discipline inspection departments to carry out the discipline inspection work. The CPC committees should help the discipline inspection departments solve the problems cropping up in the course of checking and handling cases. The CPC committees should earnestly investigate and seriously handle those who create obstacles and difficulties for the discipline inspection departments, and those who make things difficult for and attack the cadres in charge of the discipline inspection work. The departments should actively cooperate with each other and make concerted efforts to greatly contribute to the municipality's party style rectivication work and two civilizations.

HEILONGJIANG SECRETARY ON RECTIFYING PARTY STYLE

SK140748 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 13 Mar 86

[Text] Sun Weiben, secretary of the provincial CPC Committee, delivered a speech entitled: The Entire Party Is Engaged in Realizing a Fundamental Turn for the Better in Party Style and Leaders Take the Lead in This Work at a conference on rectifying party style, sponsored by the provincial CPC Committee on the morning of 13 March.

Comrade Sun Weiben said: The provincial-level organs should be the first in realizing a fundamental turn for the better in party style within this year. Simultaneously, the organs directly under the cities, prefectures, and counties should basically realize this work. All localities and departments should proceed from reality to set the targets for realizing this work, assign tasks to the units, and designate party and government leaders to take responsibility for the work. The leading cadres who fail to fundamentally improve the party style of their units on schedule should be considered unqualified. The leading cadres of the units with serious problems should be punished for a breach of duty. The CPC committees and the organization departments at all levels should regard the results of leading cadres' grasping party style as important contents for assessing their competence. We must persist in the principle of appointing cadres according to their political integrity and ability, and avoid putting in important positions so-called able persons with prominent merits or amazing demerits. Those who make notable achievements in grasping party rectification should be commended or awarded.

Comrade Sun Weiben said: At present we must pay attention to the following three tasks. First, we should organize study classes for the rectification of party style for the leaders of all departments and bureaus. Second, the units should grasp the work of straightening out unhealthy practices and the work of investigating and handling the cases in violation of the law and discipline. Third, we should examine the situation in which leaders of the units make plans for grasping party style and fundamentally improving party style, and immediately solve problems if any are encountered.

Comrade Sun Weiben said: The provincial CPC Committee calls on the CPC committees at and above the county level to regularly conduct democratic activities with a view to rectifying the party style of the members of the leading bodies at various levels. This is an important measure for mobilizing the entire party to improve party style.

Comrade Sun Weiben criticized: Some units have failed to seriously handle cases in violation of the law and discipline. They only imposed fines on the law and discipline violators instead of punishing them according to party and administrative discipline, and only took party and administrative disciplinary action against the violators instead of punishing them according to law. From the objective points of view, they encouraged the development of the evil trends.

He pointed out: In order to correct the unhealthy practices, rectify party style, and realize a fundamental turn for the better in party style, we must strictly enforce party discipline, seriously handle party affairs, thoroughly and strictly investigate and handle the major and appalling cases, and ensure that everybody is equal before party discipline and state law. While firmly investigating and handling the cases of taking advantages of one's power to seek personal gains and the cases in violation of the economic law and discipline, we must pay attention to investigating and handling the serious problems of bureaucratism and political liberalism.

Comrade Sun Weiben said: In rectifying party style, we must avoid conducting mass movements, but pay attention to the voice of the broad masses of the people and accept the suggestions made by the people and the lower levels. At present we should pay attention to handling well the relations between reform and the work of straightening out party style. We must persistently grasp economic construction and reform on the one hand, and the spiritual civilization and party style on the other hand so as to unswervingly continue achieving reform and to persistently rectify party style.

HEILONGJIANG CPC OFFICIAL ON IMPROVING PARTY STYLE

SK120844 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 11 Mar 86

[Text] This morning at a conference on rectifying party style held by the Heilongjiang Provincial CPC Committee, Wang Fei, secretary of the provincial Discipline Inspection Commission, gave a report entitled: Clearly Understand the Situation, Clearly Define the Tasks, and Unswervingly Bring About Fundamental Turn for the Better in Party Style.

Comrade Wang Fei said: More than 3 years have elapsed since the 12th National Party Congress issued the call for bringing about a fundamental turn for the better in party style in 5 years. To realize this call on schedule is a task we must fulfill. The provincial CPC Committee has decided on the following targets to be achieved this year in improving party style: The provincial organs should be the first to fundamentally improve party style, and the organs directly under cities, prefectures and counties should basically bring about a fundamental improvement in their party style. According to the requirements of the provincial CPC Committee, the criteria for a fundamental turn for the better in party style are: 1) whether of not party members have enhanced their party spirit, have corrected their ideological individualism and other unhealthy tendencies, such as power abuse for selfish gain, and have overcome their economic egoism; and whether or not leading bodies have improved their combat strength, have had the courage to pay attention to and correct unhealthy trends, and have overcome departmentalism in doing their work, 2) whether or not party members have enforced discipline strictly and have eliminated their political liberalism and organizational factionalism; and whether party organizations have improved their combat strength, 3) whether or not party members have created an atmosphere for study, and have established the study style of integrating theory with practice; and whether or not cadres, in particular leading cadres, have improved their political awareness and professional competence, and 4) whether or not party members have raised their work efficiency and eliminated bureacracy.

Comrade Wang Fei said: This year is the key one for fundamentally improving party style. In order to fulfill the tasks for this purpose, the whole party should exert concerted efforts to tackle problems in a comprehensive manner. CPC committees and governments at all levels, as well as all departments should pay attention to improving party style. This year the focus should be placed on improving the party style of provincial organs so that they will set an example for the whole province and lead the cities, prefectures, and counties in improving party style. Conscientious attention should be paid and solid work done in solving every problem of every department. Solid work should be performed in the following fields:

1. Effective measures should be adopted to conscientiously correct various unhealthy trends. We should consider the elimination of unhealthy trends the most important task in improving party style, and grasp it firmly and successfully. We should properly solve the problems of power abuse for selfish gain, political liberalism, economic law and discipline violation, serious bureaucratic work style, and appointing people by favoritism in the field of organizational work. All localities and departments should proceed from their actual conditions, clearly define the major problems they will correct, solve them in a planned and systematic manner, and strive to eliminate within this year all the unhealthy trends that the masses are most

The six leading bodies at the provincial level, and party and government leading bodies at and above the county level should successfully carry out democratic activities, examine themselves by making comparisons, earnestly correct their own unhealthy tendencies and their problems arising in the course of improving party style, and take the lead in correcting their own problems and daring to tackle hard and difficult cases.

2. Efforts should be stepped up to investigate and handle cases involving law and discipline violations, and deal stern blows to serious economic crimes. Key objects to be investigated and dealt with are leading organs and leading cadres at the county level or above, in particular organs directly under the province, leading cadres at and above the city or prefectural level and their children, and some well-known persons, who violate law and discipline. In the meantime, we should also investigate and punish those who go against the wind by committing mistakes themselves while checking on those of others, and who take a laissez-faire attitude, are not effective, and refuse to handls unhealthy trends and law and discipline violations, or even support, connive with, and shield them. In investigating and handling cases involving discipline violations, all localities should have the courage to remove all obstacles and carry it out through to the end. They should adhere to the principle that everybody is equal before law and discipline. All cases, no matter who is implicated, should be thoroughly investigated and strictly handled.

3. Intensive efforts should be made to conduct education on party spirit and conscientiously straighten out discipline. Under the unified leadership of DPC committees at various levels, discipline inspection commissions, our organization, propaganda, and other relevant departments should work in close coordination to carry out this work. Focusing on the education on four have's, we should educate party members on party spirit, party style, and party discipline.

Comrade Wang Fei concluded: The current situation in improving party style is very good. We should seize this opportunity and encourage the whole party to exert concerted efforts. In this way we will be able to fulfill this year's tasks for improving party style and achieve, as soon as possible, a fundamental turn for the better in party style.

SHENZHEN SIMPLIFIES TRAVELERS' ENTRY PROCEDURES

HK170905 Hong Kong WEN WEI PO in Chinese 17 Mar 86 p 1

[Report by staff reporter Kuang Yu: "Beginning Next Month, Hong Kong and Macao Compatriots Will Not Be Required To Fill in Entry and Exit Cards When They Visit Shenzhen"]

[Text] With the formal use of the control line of the Shenzhen Special Economic Zone on 1 April, Overseas Chinese, Hong Kong, and Macao compatriots, and foreigners will go through simplified procedures when entering the special economic zone from Hong Kong. HOng Kong and Macao visitors are required to complete the existing entry and exit procedures when going to places outside the special economic zone. In addition, effective July this year the Shenzhen authorities will impose limitations on the imports of "commodities which are not under state control," but regulation of goods carried by Hong Kong and Macao compatriots will remain unchanged.

As simplifying entry procedures is not an expedient measure, the authorities are very careful about it. If everything is smooth sailing, beginning 1 April the frontier checkpoint will no longer require persons entering the special economic zone from Hong Kong to fill in entry and exit cards but will merely check the validity of their travel documents. However, Hong Kong and Macao visitors will still have to follow existing procedures when going to places outside the spcial economic zone. Overseas Chinese and Hong Kong and Macao compatriots should declare their goods at the second line checkpoint for routine examination when leaving the special economic zone for other places in the mainland.

Businessmen and Hong Kong and Macao compatriots who make investments, build factories, or reside in the special economic zone are allowed to apply to carry their daily necessities freeofduty, provided these daily necessities are for their own personal use.

To prevent foreign goods from flooding the domestic market, the special economic zone authorities allow the circulation in the special economic zone of certain imported commodities which are not under state control, according to the consumption demand of the permanent residents, temporary residents, floating residents, and travelers. But, beginning July this year, limitations will be imposed on the imports of such commodities.

AIR FORCE CURBS GRASS ROOTS UNHEALTHY TENDENCIES

HK181131 Hong Kong MING PAO in Chinese 17 Mar 86 p 6

[Special dispatch from Beijing: "PLA Air Force Removes Obstacles to Party Rectification in Grass-Roots Units]

[Text] Party rectification of grass-roots units at and under the brigade and regiment levels of the PLA Air Force is now under way. The leading organs of the PLA Air Force held a discipline inspection and party rectification work forum in Beijing from 26 to 28 February. The forum called on the "grass-roots units to be serious in party rectification rather than conduct it by halves; and to investigate and handle major and important cases in earnest rather than indulge in empty talk."

The departments concerned disclosed that there were many problems and weak points in the grass-roots units of the Air Force. "Some party branches failed to give full play to their role as fighting bastions. They were slack in carrying out regular inner-party activities and lacked combat effectiveness.

"The problems of watching pornographic videotapes, gambling, graft and embezzlement, and sharing out party membership dues without permission were quite serious in certain units. The fundamental reason is that the party organizations there did not play their proper role."

The same material pointed out: "Certain party members lacked self-sacrificial spirit and paid no attention to communist ideals. In their eyes, ideals were void, and money was practical. They were willing to sacrifice petty interests but only for a short time, rather than sacrifice major interests in the long term. Certain company level cadres did not keep their minds on their work at the grass-roots units. They always dreamed of a transfer to leading organs. Some others attempted to leave the Army and work in local units."

Regarding unhealthy tendencies, the material said: "Unhealthy tendencies ran rampant in the grass-roots units. Some cadres practised favoritism in the matters concerning selecting cadres; promotion; transfers; party recruitment; sending soldiers to universities or military academies to engage in advanced studies; dispatching volunteers; demobilization; and home leave. Some others practiced fraud and did things perfunctorily in dealing with the higher authorities."

As a result, Wang Hai, commander of the Air Force, pointed out at the forum: "We are not simply paying lip service. We are serious now." Regarding the unhealthy practices within the Air Force, Wang Hai believed that the key to correcting the unhealthy tendencies lay in investigating and handling the different kinds of cases.

Wang Hai called on the CPC committees of the Air Force and various military regions to make strenuous efforts to curb unhealthy tendencies among leading organs and cadres. Investigating and dealing with the problems of officers at and above army level must be stressed. We must not indulge in empty talk or be too overcautious, indecisive, and irresolute. While handling the cases, major problems must be thoroughly investigated and resolutely dealt with.

Zhu Guang, political commissar of the Air Force, pointed out that the grass-roots units at and under the brigade and regiment levels of the PLA Air Force did not have a correct understanding of party rectification. For example, some believe that the main problems are already solved and now is the time to "wind up"; some others believe that party members and members of the leading bodies in grass-roots units are all new so the problems are simple and very few of them require rectification. Zhu Guang reminded everyone: "If we do not correct our understanding in this respect, we will fail to conduct party rectification well in grass-roots units. Consequently, party rectification of the entire Air Force will be impressive in the beginning but disappointing in the end."

TIANANMEN 10TH ANNIVERSARY TO BE COMMEMORATED

HK181149 Hong Kong HONG KONG STANDARD in English 18 Mar 86 p 1

[Text] Ceremonies will be held next month by the Chinese Government to commemorate a demonstration that was held 10 years ago in Tien An Men marking the return to power of Deng Xiaoping. This is the first time the Chinese Government mark the event, which took place on April 5, 1976. No details have been announced but a report in the latest issue of a local pro-China magazine. The WIDE ANGLE PRESS, said the commemoration of the "unusual historic incident" should be held by the government lest the people commemorate the event on their own. The report did not reveal the reasons for the ceremonies, which some outsiders see as unusual considering the government's low profile in the past.

TA KUNG PAO NOTES U.S. INTEREST IN THREE GORGES

HK180252 Hong Kong TA KUNG PAO in Chinese 15 Mar 86 p 2

["Political Talk" by Shih Chun-yu: "The United States Is Interested in Helping Build the Three Gorges Project"]

[Text] U.S. Secretary of Energy Herrington met with Premier Zhao Ziyang in Beijing yesterday. He said that he had proposed that the United States offer technology, equipment, and scientific and technological knowledge and cooperate with China in building the giant Three Gorges hydropower station. Herrington also discussed the Three Gorges project with China's Minister of Water Resources and Electric Power Qian Zhengying the day before yesterday. Zhao Ziyang told him yesterday that China has done much preparatory work for the building of the Three Gorges hydropower project, but some special economic and technological problems have yet to be further solved. He also said that China hopes to cooperate with foreign countries with technology, equipment, and funds for building this project. This time, Herrington has personally come to China to obtain information. He will also make a trip to Sichuan to inspect the Three Gorges. This shows that U.S. firms are expecting to do big business with China in building this first-rate hydropower station.

The Sino-American agreement on nuclear cooperation was finally signed last year after several twists and turns. On China's development of nuclear power stations, Western Europe was a jump ahead of the United States. This stemmed from the delay in the U.S. Congress' approval of the nuclear cooperation agreement. Herrington's current visit to China is a timely one, with China speeding its preparations for building the Three Gorges hydropower station. It is expected that China and the United States will reach some agreement on cooperation in this respect through discussion.

Recently, the State Council has approved the establishment of a provincial level administrative region in the Three Gorges area, including 34 counties between Sichuan's Wanxian County and Hubei's Yichang City. The Gezhouba project is already in production. In the future, the electricity it generates will be used in building the key water conservation projects of the Three Gorges. The investment in these projects is over 10 billion yuan. Since it has been decided to establish a new administrative region, the Three Gorges project will certainly begin. China is pinning its hopes for solving its energy problem on this hydropower project, which is one of the largest in the world. The Chang Jiang has rich and inexhaustible water resources. The dream of the Chinese people in the past decades of building a hydropower station in the Three Gorges is likely to be realized soon.

However, it is by no means a light burden for China to build this modern and largest hydropower station in the world, especially in the fields of financial strength, technology, and equipment. It hopes to cooperate with foreign countries. Thus, it should provide foreign enterprises with relevant interests. Therefore, in its future talks with foreign firms on this cooperation, there will still be many complications. It is expected that following Herrington's inspection visit to Beijing and Sichuan's Three Gorges, a series of further contacts will take place between relevant personnel of both sides in the future. Sources said that U.S. commercial departments are willing to spend $2 million on a feasibility study for building the Three Gorges project, reflecting the U.S. interest in cooperating with China in this project. Herrington is the secretary of energy. In China's economic construction, the main problem to be solved is also energy. Providing both sides adhere to the principles of mutual benefit, there will surely be many things to do in the field of energy cooperation.

FBIS DAILY REPORT

China

CONTENTS

Vol I No 054 20 March 1986

PRC INTERNATIONAL AFFAIRS

GENERAL

PRC Hosts International Tourism Conference A 1
Kang Shien Attends International Oil Meeting A 1
USSR Urges U.S. To Halt Nuclear Tests A 1
Rejects Proposal To Observe A 2
FRG Firms To Participate in SDI Program A 2

UNITED STATES

NEW YORK TIMES Says USSR to Resume Nuclear Testing B 1
U.S. Wants To Hold U.S.-Soviet Summit in June B 1
Marcos Documents Show U.S. Election Funding B 2

SOVIET UNION

Arkhipov Visits Nanjing, Feted by Governor C 1

NORTHEAST ASIA

RENMIN RIBAO on Antigovernment Struggle in South Korea [15 Mar] D 1
Notes Exchanged With Japan on Aid for Projects D 1
Japan Tries To Alleviate Effects of Strong Yen D 1

SOUTHEAST ASIA & PACIFIC

Hu Yaobang on TV Congratulating CGDK E 1
XINHUA on SRV's 'Anti-China Memorandum' E 1
XINHUA Roundup on CGDK Victories Against SRV E 3
ASEAN To Discuss 17 March CGDK Statement E 4
Thai Foreign Minister Supports CGDK Proposal E 4
Thai Foreign Minister Criticizes SRV Attitude E 4
PRC Ventures Benefit Hong Kong Brokerage E 5
Philippines' Aquino Wants To Call Local Elections E 6
Philippines' Enrile Denies Presidential Ambition E 6
New Evidence on Benigno Aquino Death Coming E 6
Philippines To Cut Price of Petroleum Products E 7
Radio Beijing Reports Marcos Wants To Leave U.S. E 7

SOUTH ASIA

PRC, Nepal Agree To Increase Trade Volume F 1
Ye Fei Meets Nepalese Journalists 18 Mar F 1
Bangladesh Denies Indians Asked To Leave F 1
Karmal Troops Surrender to Afghan Mujahidin F 2
Indian Paramilitary Troops Airlifted to Punjab F 2

WESTERN EUROPE

Hu Yaobang Meets Portuguese Communist Party Group G 1
Zhang Jingfu Meets Swedish Minister of Industry G 1
Correction to Netherlands Prime Minister on Ties G 1

EASTERN EUROPE

Li Peng at PRC-Polish Air Accord Ceremony H 1
USSR, Poland Urge Respect for Postwar Borders H 1
GDR's Honecker Denounces 'Star Wars' Program H 1

MIDDLE EAST & AFRICA

Li Xiannian Concludes State Visit to Egypt I 1
Lays Foundation Stone for Center I 1
Mubarak Assembly Speech I 1
Li Meets Prime Minister I 2
Li on Cooperation I 2
Agreements Signed I 3
Li Leaves Cairo for Luxor I 3
Zhao Ziyang Denounces South African Policies I 4
Wu Xueqian Hosts Banquet for Djibouti's Moumin I 5
Wu, Minister Hold Talks I 5
XINHUA Reviews Uganda's Economic Quandary I 5
Iran Says U.S. Should Not Meddle in Gulf I 6
XINHUA Cites Palestinian National Council Leader I 7

WESTERN HEMISPHERE

Beijing Describes Relations With Nicaragua J 1
Argentine President Meets Outgoing Envoy J 1

PRC NATIONAL AFFAIRS

NPC Standing Committee Ends 15th Meeting K 1
Decree on Mineral Law K 2
DPRK Consular Treaty Ratified K 2
Amity Groups Approved K 2
Shenzhen, Other 'Control Lines' Described K 3
Science, Technology Market Development Viewed K 3
Vice Minister Addresses Technology Conference K 5
Nuclear Industry Shifting to Power Production K 6
GUANGMING RIBAO on Patriotism in Boxer Rebellion [5 Mar] K 7
Xi Zhongxun Cherishes Memory of Lin Boqu K 9
Further Internal Economic Cooperation Urged K 15
[JINGJI RIBAO 12 Mar]
Economic Reform Theoretical Process Reviewed K 16
[GUANGMING RIBAO 8 Mar]
Minister on Prospects for Petroleum Industry K 20
[LIAOWANG 10 Mar]
RENMIN RIBAO Encourages Increased Afforestation [12 Mar] K 22
Ministry Issues Circular on Forest Fires K 23
Joint Circular on Improving State Forest Farms K 24
Yang Dezhi Reviews PLA Training Regiment K 25
Yang Dezhi at Henan Military Review 19 March K 25
Yao Yilin on Grain Output, Agriculture Investment K 26

Deng Liqun at Opera Research Society Founding K 26
Deng Liqun Calls for Developing Lei Feng Campaign K 27
Huang Hua at Commemoration of Anti-Japan Protest K 27
Wang Zhen Addresses Commendation Meeting K 27
Wang Zhen, Deng Pufang at Meeting on Handicapped K 28
Hao Jianxiu, Kang Shien Send Wreaths for Hu Wenxiu K 28
Emergency Circular on Farm Materials Transport K 29

PRC REGIONAL AFFAIRS

CENTRAL-SOUTH REGION

Guangdong's Lin Ruo, Other Leaders Plant Trees P 1
Guangxi Party Meeting Airs Problems, Tasks P 1
Henan Conference on Ordering Grain by Contract P 3
Henan's Yang Xizong, Other Leaders Plant Trees P 4
Hunan's CPC Secretary Leads Tree Planting P 4

SOUTHWEST REGION

Sichuan's Yang Rudai Inspects Work in Suining City Q 1
SICHUAN RIBAO on Provincial CPC Propaganda Meeting [28 Feb] Q 1
Xizang Sends Cadres to Rural Areas To Help People Q 2
Yunnan Party Meeting Conveys Hu Yaobang Instructions Q 3

NORTH REGION

Hebei Circular on Rectifying Work Style of Organs R 1
Ni Zhifu Plants Trees Along With Tianjin Masses R 4
Tianjin: Ni Zhifu Attends Marxist Theory Lecture R 4

NORTHEAST REGION

Heilongjiang: Sun Weiben at Contract-Signing Event S 1
Jilin's Gao Di Speaks About Endemic Diseases S 1
Liaoning People's Congress Session Concludes S 2

NORTHWEST REGION

Gansu Adopts New Measures To Boost Grain Production T 1
Shaanxi's Bai Jinian on People's Congress Work T 1
Shaanxi People's Congress Session Concludes T 2
Xinjiang Party Plenary Session Concludes T 2

TAIWAN

Foreign Minister Rules Out 'New Name' Suggestion V 1
Sung Chang-chih Links Press Restraint to Security V 1
[CHINA POST 15 Mar]
Yu Kuo-ha Comments on Need for Martial Law V 1
[CHINA POST 15 Mar]
Official Calls For Maintaining Ties With U.S. V 2
Symposium on Strengthening Philippines Ties Opens V 2
Parties Urged To Study Lessons From Philippines V 3
[CHINA POST 14 Mar]
Philippines Tourism Minister Travels to Taipei V 4

PRC HOSTS INTERNATIONAL TOURISM CONFERENCE

OW181857 Beijing XINHUA in English 1554 GMT 18 Mar 86

[Text] Hangzhou, March 18 (XINHUA) -- Foreign tourists are now able to live, eat and work among Chinese peasants. This special tourist package started in Shandong Province and quickly spread to neighboring Henan and Jiangsu Provinces.

A tour director from Shandong explained to XINHUA's reporter how such special programs are being organized at a tourist conference which ended here today. He said some foreign tourists are no longer willing to just go sightseeing on their holiday and prefer spending the time learning about Chinese history, culture and the life of the people. Different tourist packages being organized in different parts of the country to meet the new demands, were discussed at the conference. A tour director from Wuxi, Jiangsu told the conference that cruises are now available along sections of the 1,790-kilometre Grand Canal which was dug 1,300 years ago. On these guided tours, the foreign visitor sees barges carrying different cargo, ancient buildings, people washing cloths on the banks of the canal and gets a colorful view of life around Wuxi.

A tour along the ancient "silk road" takes tourists to China's far northwest in the Xinjiang Uygur Autonomous Region and Gansu Province. There they can cycle or ride camels along the old desert routes. They can get an idea how Chinese silk, procelain, spices and other precious goods were brought to the West in ancient times. These tours also include a visit to the famous Dunhuang Grottos.

Hangzhou, the capital city of Zhejiang Province, is a favorite tourist spot because of beautiful West Lake. It attracts many honeymooning couples each year, even from abroad. Now the city tourist agency offers to give these people some history about China's traditional marriage customs. Other special programs in China now enable foreign tourists to learn acupuncture, massage, the Chinese language and Chinese traditional shadow boxing. Hunting tours are being organized in Inner Mongolia while the northern cities like Harbin, put on ice sculpture shows in winter. The conference was attended by 500 tourist directors from all over China and from 20 countries and regions in Asia, Europe and Oceania.

KANG SHIEN ATTENDS INTERNATIONAL OIL MEETING

OW181920 Beijing XINHUA in English 1543 GMT 18 Mar 86

[Text] Beijing, March 18 (XINHUA) -- State Councillor Kang Shi'en today met some of the 400 specialists attending an International Petroleum Engineering meeting here. The five-day meeting, which began on Monday, is being organized jointly by the China Petroleum Society and the International Society of Petroleum Engineers.

Kang welcomed president of the International Society Dennis Gregg and other foreign oil experts to the meeting, and briefed them on developments in China's petroleum industry. The state councillor hoped they would share their knowledge and experience at the meeting in a common effort to promise the development of petroleum engineering technology. Present at today's talks was Petroleum Industry Minister Wang Tao.

USSR URGES U.S. TO HALT NUCLEAR TESTS

OW200244 Beijing XINHUA in English 0235 GMT 20 Mar 86

[Text] Moscow, March 19 (XINHUA) -- The Soviet Union today called on the United States once again to suspend nuclear weapon testing and announced it is ready for talks on banning such testing on any basis -- bilateral, trilateral or multilateral.

In an appeal to the U.S. Congress, the Presidium of the Supreme Soviet of the Soviet Union called on U.S. congressmen to "do everything" in its power to shape a U.S. position responsive to "the problem of a halt to nuclear tests."

The Soviet Union stopped nuclear weapon testing seven months ago, but during this time the United States has conducted seven formally announced nuclear explosions and is prepared to carry out the 8th one next month, the appeal said. Moscow announced recently the Soviet unilateral test halt was extended until the United States conducted its next test. Such a test has been announced for the third week of April. However, Washington has invited the Soviets to observe the April test. Moscow has rejected such invitations in the past, on the ground that it wants to abolish all nuclear tests, not observe them. The United States conducted its last test in Nevada last December.

Rejects Proposal To Observe

OW190755 Beijing XINHUA in English 0640 GMT 19 Mar 86

[Text] Moscow, March 18 (XINHUA) -- The Soviet Union today announced its refusal to accept U.S. President Regan's proposal to send Soviet specialist to the U.S. to watch nuclear tests. Mr Ronald Reagan's proposal was a repetition of the old idea of the U.S. Administration to legalize nuclear tests which was refused last year by the Soviet Union, said Vladimir Lomeyko, head of the Press Department of the Soviet Foreign Ministry at a regular news briefing.

In a recent letter to the Soviet leader Mikhail Gorbachev, Reagan suggested that the Soviet Union send experts to the Nevada nuclear test field in the U.S. to see a new technology which can monitor accurately nuclear explosion, in a test to be held in the third week of the coming April. The Soviet Union has announced that its current unilateral nuclear tests halt due to end on March 31 will be extended until the United States conducts its next test.

FRG FIRMS TO PARTICIPATE IN SDI PROGRAM

OW200307 Beijing XINHUA in English 0258 GMT 20 Mar 86

[Text] Bonn, March 19 (XINHUA) -- Federal Germany and the United States today reached a consensus in principle on the participation of German firms in the U.S. Strategic Defense Initiative (SDI), the so-called "star wars" program. The Federal German decision was announced by Chancellor Helmut Kohl at a joint press conference, after talks with U.S. Secretary of Defence Caspar Weinberger at the U.S. military base at Grafenwoehr in Bavaria.

Weinberger arrived in Federal Germany today to attend the 39th session of the nuclear planning group of the North Atlantic Treaty Organization (NATO) to be held in Wurzburg tomorrow. "Basic problems have been cleared away" with regard to Bonn's role in the SDI project, Kohl said, adding that Federal German Economics Minister Martin Bangemann would go to Washington next week to finalize the negotiations. He also disclosed that negotiations from the two countries will draft two parallel agreements in the next few days, both to be signed later by Bangemann.

Weinberger said, "we have basic agreement on SDI and I'm looking forward to having an agreement completed and signed in very short time." The agreements are expected to cover Bonn's backing for German firms taking part in SDI research and the framework for regulating use of technology developed under SDI contracts. Kohl and Weinberger spoke to reporters at the U.S. military base, where they earlier watched joint German-American military exercises.

NEW YORK TIMES SAYS USSR TO RESUME NUCLEAR TESTING

OW182007 Beijing XINHUA in English 1852 GMT 18 Mar 86

[Text] Washington, March 18 (XINHUA) -- The Soviet Union has started preparations for the possible resumption of nuclear weapons testing," THE NEW YORK TIMES" reported today.

The newspaper quoted U.S. experts "who have reviewed classified United States intelligence reports" as saying that the Soviet preparations were discovered by U.S. satellite reconnaissance photographs. According to the photographs, the Soviet Union has been digging holes and tunnels in which nuclear explosives can be placed, and moving monitoring equipment into a test area. The paper said the preparations could be finished in two to three weeks.

U.S. officials disclosed the information a few days after the Soviet Union announced that it would extend the moratorium of nuclear testing until the U.S. conducted its next nuclear test. The Soviet Union first announced a unilateral moratorium on underground tests on July 30, 1985. The moratorium, which was to last through the end of 1985, later was extended through March before the latest announcement.

In recent years, the Soviet Union has conducted about 24 nuclear explosions annually, about half of which were underground tests. The Soviet Union has urged the U.S. to join the moratorium and to ratify two 1970s treaties that limit the size of underground nuclear explosions. But the U.S. said it would not stop testing because it needed time to improve its nuclear weapons.

Today's "NEW YORK TIMES" quoted one unnamed U.S. official as saying that the Soviet preparations show that the Soviets know the U.S. won't stop testing, and they want testing to go on and "to pin the blame on us."

U.S. WANTS TO HOLD U.S.-SOVIET SUMMIT IN JUNE

OW200808 Beijing XINHUA in English 0709 GMT 20 Mar 86

[Text] Washington, March 19 (XINHUA) -- The United States today again expressed its wish to hold the U.S.-Soviet summit in June or July. U.S. Secretary of State George Shultz said here today he had discussed the summit "at some length" with Soviet Prime Minister Nikolay Ryzhkov in Stockholm Saturday but failed to reach any agreement. While testifying before a Senate subcommittee, Shultz said the Soviet Union has not yet officially replied to the U.S. invitation to Soviet leader Mikhail Gorbachev to come to the U.S. this summer to meet with U.S. President Ronald Reagan.

Reagan and Gorbachev agreed at their Geneva summit last November that they will hold their second summit this year in Washington and the third next year in Moscow. However, the two sides have failed to set a date for the second summit. The U.S. expressed its wish to hold it in June or July, but the Soviets said it would be better held in September.

"I suppose one could say there is a little window possible in December. But at any rate we feel June or July is much more desirable and as of now we are waiting for them to answer the mail," said the secretary of state. He said August would not be a good time because it was the end of the U.S. congressional session. September is a "very busy month" and is the last month of the present U.S. Congress, and in October the U.S. is in the midst of its midterm election campaign which is a "completely inappropriate time."

Shultz said the U.S. is "concerned there be some important content" to the summit and "so are they and we are working on that across a broad array of topics."

In the past days Reagan first warned that he won't go to Moscow next year if Gorbachev fails to come to Washington this year for the summit. Later he said he could wait till December for the Soviet leader to come to Washington.

MARCOS DOCUMENTS SHOW U.S. ELECTION FUNDING

OW200330 Beijing XINHUA in English 0239 GMT 20 Mar 86

[Text] Washington, March 19 (XINHUA) -- U.S. congressional sources revealed last night that documents about deposed Philippine President Ferdinand Marcos' huge wealth indicate that Marcos had contributed 50,000 U.S. dollars to President Ronald Reagan and former President Jimmy Carter during the 1980 election campaigns, THE WASHINGTON POST reported today. Under the U.S. law, general election campaigns for president cannot accept donations of foreigners -- including foreign corporations.

Representative Robert Torricelli told reporters last night that a record of campaign contributions from Manila was among the 2,000 pages of the documents. His statement was confirmed by another congressional source, who saw the document yesterday.

The Reagan administration yesterday turned over the documents to the House Foreign Affairs Subcommittee on Asian and Pacific Affairs and Jovito Salonga, chairman of the Philippine Government commission formed to investigate Marcos' fortune in the United States. Salonga arrived in Washington last week.

Torricelli disclosed that the money may have been funneled into the Reagan and Carter campaigns by dividing it among 50 donors. The one-page document offers no explanation of how the transaction may have been carried out, according to a congressional source.

ARKHIPOV VISITS NANJING, FETED BY GOVERNOR

OW200523 Nanjing Jiangsu Provincial Service in Mandarin 1100 GMT 19 Mar 86

[Text] Gu Xiulian, governor of Jiangsu Province, met with Arkhipov, first deputy chairman of the USSR Council of Ministers, and his entourage at noon today at the Jinling Hotel in Nanjing.

Arkhipov and his delegation arrived in Nanjing by special plane on the evening of 18 March after attending the first meeting of the Sino-Soviet Commission of Economic, Trade, Scientific, and Technological Cooperation in Beijing. Present at the meeting were Gan Ziyu, vice minister of the State Planning Commission, who accompanied the guests on this visit; Chen Huanyou, vice governor of Jiangsu Province; (Huang Rongbing), vice mayor of Nanjing City; and (Lin Xijin) and (Li Bingcai), responsible persons of the provincial departments concerned. Friendly conversations were held between the hosts and the guests.

Governor Gu Xiulian welcomed Arkhipov, an old friend of the Chinese people, who personally led a delegation to visit our province. After briefing the guests on the situation in all fields of the province, she said: We are happy to note that in recent years China and the Soviet Union have made a good start in resuming their economic, trade, scientific, and technological exchanges. We hope that your delegation's visit to Jiangsu will help develop further the economic, trade, scientific, and technological exchanges between the two countries on the basis of equality and mutual benefit.

Arkhipov said: Jiangsu is one of China's economically developed areas. Your province ranks among those with the highest industrial and agricultural output value in the country. We congratulate the people of your province on the success they have achieved. You are confronted with the heavy task of rejuvenating Jiangsu. We wholeheartedly wish you smooth progress in your work. Also, it is hoped that we will have another chance to visit your province in the future.

After the meeting, Governor Gu Xiulian hosted a luncheon in honor of Arkhipov and his delegation. Today the delegation visited the Chang Jiang Bridge and toured the Xuanwu Hu Park, a scenic spot in the eastern suburbs of Nanjing.

RENMIN RIBAO ON ANTIGOVERNMENT STRUGGLE IN SOUTH KOREA

HK181224 Beijing RENMIN RIBAO in Chinese 15 Mar 86 p 6

[Special dispatch by reporters Liu Zhengxue and Feng Zhiyuan: "Antigovernment Struggle Continues To Develop in South Korea"]

[Text] Pyongyang, 13 Mar (RENMIN RIBAO) -- It is reported from Seoul that as the South Korean authorities time and again stick to their stand that the revision of the "Constitution" must be delayed until after 1988, the struggle of the South Korean opposition and students against the "government" continues to develop.

It is said that on 11 March, the New Korea Democratic Party, the largest opposition party in South Korea, established its "Seoul branch of the Constitution revision promotion headquarters." Over 1,000 people attended the inauguration meeting of the branch. The meeting adopted a resolution demanding that the authorities change their stand on the revision of the "Constitution," release the 1,000 political prisoners from prison, and restore the legitimate citizenship of Kim Tae-chung and other people.

It is also reported that on that very day, over 1,000 students of Seoul University held an antigovernment demonstration. The authorities sent over 1,000 policemen to hinder and interfere with the demonstration, but the indignant students did not shrink in the face of the police. On 12 March, several thousand students form Korea University and other colleges also held a demonstration.

NOTES EXCHANGED WITH JAPAN ON AID FOR PROJECTS

OW191149 Beijing XINHUA in English 1134 GMT 19 Mar 86

[Text] Beijing, March 19 (XINHUA) -- The Chinese Government and Japanese Government exchanged notes on the aid of four projects by Japan to China at a ceremony held here this afternoon. The projects are Beijing Aquaculture Center for freshwater fish, China-Japan Youth Center, Rehabilitation Research Center for the physically disabled and the Shanghai Medical Equipment Test Center.

Shen Jueren, assistant minister of foreign economic relations and trade, and Yosuke Nakae, Japanese ambassador to China, signed the notes on behalf of their respective governments.

JAPAN TRIES TO ALLEVIATE EFFECTS OF STRONG YEN

OW191803 Beijing XINHUA in English 1448 GMT 19 Mar 86

[Text] Tokyo, March 19 (XINHUA) -- The governor of the Bank of Japan today indicated that the government may lower the official discount rate in an effort to alleviate the detrimental effect that the sharp rise of yen is having on Japan's economy. Governor Satoshi Sumita, told reporters that "it is necesary to have proper intervention on the sharply fluctuating yen".

The yen has appreciated sharply in the past few days and hit a record high of 175.45 to one U.S. dollar two days ago. The stronger yen is hurting Japan's economy. "Due to the yen appreciation, Japan's exports are decreasing", said Sumita, who hinted that the Bank of Japan might lower the official discount rate in order to control the soaring yen. "Even if the yen could be brought under control, its effect on the growth rate of Japan's economy is still unavoidable", he said, referring to damage already done to the economic growth rate for 1986.

HU YAOBANG ON TV CONGRATULATING CGDK

HK200134 [Editorial Report] Beijing Domestic Television Service in Mandarin at 1100 GMT on 18 March begins its regular evening newscast with a 3.5-minute film clip on CPC Central Committee General Secretary Hu Yaobang "congratulating" the three parties of Democratic Kampuchea "on three counts" during his 18 March meeting with Democratic Kampuchean President Samdech Sihanouk, Prime Minister Son Sann, and Vice President Khieu Samphan in Beijing.

Hu Yaobang is seen and heard making the following statement during his meeting with the three Democratic Kampuchean leaders in a reception room at Zhongnanhai: "I would like to congratulate you on three counts. First, I congratulate you on your new victory won during the eighth dry season. At this time last year, Vietnam declared that you would soon be finished. Facts have proved that what it said was nothing but a lie. Second, I congratulate you on your three parties further strengthening unity. This is a basic guarantee of your certain victory in the coming struggle. Third, I congratulate you on the success of your cabinet meeting. You have decided to jointly adopt a proposal for a political settlement of the Cambodian question. The proposal is historically significant."

Immediately after Hu's statement, the announcer states: "Hu Yaobang said: The struggle in Cambodia is a process of repeated trials of strength. It is because it has assessed [gu ji dao] the rigorousness of the struggle that the Chinese Government has stated once again that it firmly stands on your side, and gives all-out support to your struggle until your final victory."

The film opens with shots of Hu Yaobang embracing and shaking hands with Sihanouk and shaking hands with Madame Sihanouk. It then shows Hu embracing and shaking hands with Son Sann, Khieu Samphan, and an unidentified man in the reception room. Next, Hu is shown shaking hands with an unidentified man and with a man, identified by Hu himself as "the ambassador."

The film then shows Sihanouk presenting "on behalf of the Democratic Kampuchean delegation" a basket of flowers to Hu Yaobang; and Hu speaking with Sihanouk in the presence of Chinese State Councillor Wu Xueqian, who is not mentioned by the announcer, Son Sann, and Khieu Samphan.

XINHUA ON SRV'S 'ANTI-CHINA MEMORANDUM'

OW200459 Beijing XINHUA Domestic Service in Chinese 0813 GMT 18 Mar 86

[Text] Beijing, 18 Mar (XINHUA) -- Commentary: See the Truth Through Falsehood

-- On Vietnam's Anti-China Memorandum

-- By XINHUA reporter Tang Tianri

On 10 March, the Vietnamese Ministry of Foreign Affairs issued a memorandum concerning China's hostile policy against Vietnam. In addition to reapeating the nonsense it has previously used to slander China, such as that China has adopted a "hostile and anti-Vietnam policy" and has carried out "armed provocations" and "nibbling offensives" against Vietnam, the memorandum went on to prate at great length about "dialogue," "negotiations" and "ease of tension," thus attempting to create false impressions to cover up the facts of aggression, expansion, and hostility of the Vietnamese authorities against their neighbors.

While boasting that Vietnam "loves peace more than anyone else," "has never launched a new war," "has always shown sincerity" in its desire to normalize Sino-Vietnamese relations," and "is hoping for dialogue and talks," the memorandum attacked China for "creating obstacles" in the path to the normalization of Sino-Vietnamese relations. Is this true?

Contrary to what Vietnam claimed, the cause of the deterioration of Sino-Vietnamese relations lies in Vietnam's regional hegemonism and its invasion of Cambodia. For a long time, China and Vietnam were described by Vietnamese leaders as friendly neighbors who behaved like "comrades and brothers." However, soon after Vietnam's unification, the Vietnamese authorities began to step up their aggression and expansionist policies. They first occupied, by military force, an island belonging to the newly created Democratic Kampuchea; then they plotted to stage a coup to subvert the country. When the plot failed, they flagrantly mobilized 200,000 troops and invaded Cambodia in late 1978. In this war, which still continues today, not only has Vietnam trampled the sovereignty and independence of Cambodia, but Vietnam also has seriously endangered the peace and stability of Southeast Asia because of its repeated intrusions into Thai territory. Since China has firmly opposed Vietnam's aggressive policy from the beginning, the Vietnamese authorities have regarded their national policy as anti-China and have viewed the incessant armed conflicts they have created along the Sino-Vietnamese border as an important means of opposing China. Thus, it can be seen that the Cambodian issue is the main cause leading to the deterioration of Sino-Vietnamese relations, and it is a serious obstacle to the normalization of Sino-Vietnamese relations.

If the Vietnamese authorities are really "sincere" about resuming normal Sino-Vietnamese relations, they should first remove the obstacles they have created and change their anti-China policy as well. So far, however, they have shown no signs of any such plans.

Disregarding the facts, the Vietnamese authorities, in their memorandum have asked China to stop their so-called "anti-Vietnam hostile policy" and to "sit down with Vietnam to discuss a solution to existing problems between the countries." Vietnam's real purpose was to ask China to accept its occupation of Cambodia as a fait accompli by ending its opposition to Vietnam's aggressive and expansionist deeds and by stopping its support for the Cambodian people's just struggle.

In their memorandum, the Vietnamese authorities prated about troop withdrawal. In fact, they simply have no intention to put their words into practice and withdraw all their troops from Cambodia. In the United Nations, over 100 countries, including China and the ASEAN countries, repeatedly voted for a decision asking Vietnam to withdraw all its troops from Cambodia immediately and unconditionally. But Vietnam has persistently refused to implement the resolutions of the UN General Assembly, thus antagonizing the majority of the world's countries. Vietnam's claim that it would "withdraw all troops from Cambodia by 1990" is nothing but a fraud, which has been exploded by the Vietnamese authorities themselves. Vietnamese Foreign Minister Nguyen Co Thach said: "If the Cambodian army shows it cannot ensure the security of the country, the Vietnamese army will continue to stay." Vo Dong Giang, specially appointed [te pai 3676 3175] foreign minister, also said that the crux of the Cambodian issue "does not lie in the withdrawal of Vietnamese troops from Cambodia." He said whether or not Vietnamese army withdraws will be determined by whether or not Hen Samrin's army can "fully take over all the military duties."

While paying lip service to finding a "political solution" for the Cambodian problem, the Vietnamese authorities have actually intensified their war of aggression against Cambodia. Since the eighth dry season, they have relied on more Soviet military aid than ever before and have never stopped transporting large amounts of Soviet-made heavy weapons to the battlefields in Cambodia.

They have also stepped up their "K5 War Plan" aimed at wiping out the Cambodian resistance forces within just a few years, and have intensified the blockade of the border areas and encirclement in the interior. Meanwhile, in an effort to push the "Cambodianization" of the war against Cambodia, they have also been making great efforts to speed up the expansion the Heng Samrin regime's military strength, trying to use Cambodian people to fight Cambodian people. On the other hand, Vietnam has attempted to intensify its control of the Cambodian people and to "Vietnamize" Cambodia by relocating large numbers of Vietnamese people to Cambodia. All these savage acts are carried out to serve Vietnam's purpose of occupying Cambodia on a long-term basis.

Facts have clearly and repeatedly proven that it is the Vietnamese authorities who have created obstacles to normalizing Sino-Vietnamese relations, and that they have no intention of removing these obstacles to "dialogue and negotiations." By accusing China of "creating obstacles," "being unwilling to dialogue" and "being insincere" in the memorandum, Vietnam apparently wanted to use lies to confuse public opinion and to extricate itself from its predicament at home and abroad. But the Vietnamese authorities' conspiracy certainly will go bankrupt once again.

XINHUA ROUNDUP ON CGDK VICTORIES AGAINST SRV

OW191813 Beijing XINHUA in English 1626 GMT 19 Mar 86

["Roundup: Kampuchean Resistance Forces Win Major Victories Against Vietnamese Occupation Troops" -- XINHUA headline]

[Text] Beijing, March 19 (XINHUA) -- Since the beginning of this year the National Army and guerrillas of Democratic Kampuchea have continuously attacked the Vietnamese occupation forces in the inland provinces, winning major victories against the enemy, Radio Democratic Kampuchea reports. According to reports monitored over the past weeks, the resistance forces have been carrying out guerrilla actions in the provinces around Lake Tonle Sap, Battambang, Pursat, Kampong Chhnang, Kompong Thom and Siem Reap. The National Army and guerrillas often cut off Vietnamese transportation lines from Phnom Penh to the battlefields in north and northwest Kampuchea. They also attacked cities where large numbers of Vietnamese troops are stationed including Battambang City, Kompong Thom City, and Senmonorom City, the capital of Mondolkiri Province, destroying many strategic facilties and supply bases of the Vietnamese troops.

The radio reports say the National Army and guerrillas have also moved to areas around the capital of Phnom Penh and the region east of the Mekong River to fight the Vietnamese troops.

On February 12, resistance forces raided the Pocheng Dong International Airport, which is only 10 kilometers from Phnom Penh, destroying the runway, the aeroplanes and the fuel depot at the airport. On March 3, the National Army launched a surprise attack on Kompong Speu City, 40 kilometers from Phnom Penh, killing more than 200 Vietnamese troops. In the region east to the Mekong River, the resistance forces attacked in Preyveng Province and won a victory near the Vietnam-Kampuchea border.

The radio claims these victories show that the guerrilla warfare of the Kampuchean resistance forces has spread to the Vietnam-Kampuchean border region, the so-called "reliable rear base" of Vietnam. At the same time the reports say resistance fighters held back and foiled a number of large-scale Vietnamese offensives.

In February and March the Vietnamese launched several massive military offensives in Kompong Thom, Battambang, Siem Reap and other provinces, but all were beaten back by the guerrillas, who inflicted heavy caualties.

The resistance forces of the three factions of the Coalition Government are now more cooperative and active in their inland fightings against the Vietnamese and have gained greater support from the people. Meanwhile, the mutinies and defections among the armed forces of the Heng Samrin regime are increasing.

ASEAN TO DISCUSS 17 MARCH CGDK STATEMENT

OW191240 Beijing XINHUA in English 1232 GMT 19 Mar 86

[Text] Bangkok, March 19 (XINHUA) -- Thai Foreign Minister Sitthi Sawetsila stated here this morning that the forthcoming meeting of ASEAN senior officials will discuss the statement issed by the Coalition Government of Democratic Kampuchea [CGDK] on March 17. The ASEAN Conference to be held on April 3 and 4 in Manila would likewise deliberate the convention of an ASEAN summit and the meeting between ASEAN representatives and U.S. President Reagan in Paris on May 1, Sitthi added.

Sitthi also disclosed that Soviet Deputy Foreign Minister Mikhail Kapitsa will visit Thailand from April 24 to May 2 to discuss the issue of Thai-Soviet trade. Soviet Foreign Minister Eduard Shevardnadze is scheduled to visit Indonesia and Malaysia in the near future, Sitthi said.

THAI FOREIGN MINISTER SUPPORTS CGDK PROPOSAL

OW190908 Beijing XINHUA in English 0852 GMT 19 Mar 86

[Text] Bangkok, March 19 (XINHUA) -- Deputy Prime Minister and Foreign Minister Sitthi Sawetsila yesterday described here as "reasonable and practical" the latest proposal for a political solution to the Kampuchean issue put forward by top leaders of the Tripartite Coalition Government of Democratic Kampuchea (CGDK). He told local press that the proposal was formulated by the Kampuchean people themselves. Thailand had no objection to the proposal becuase it would be certainly positive if the parties concerned could arrive at such a political solution, he said. If Hanoi leaders accepted the proposal, Sitthi stressed, the Kampuchean problem would be solved speedily.

CGDK's latest eight-point proposal put forward in Beijing on March 17 calls for negotiations with the Phnom Penh regime on the gradual withdrawal of Vietnamese troops from Kampuchea and a ceasefire. It also suggests to set up a four-faction coalition government with Norodom Sihanouk as president and Son Sann as prime minister after achieving the withdrawal and the ceasefire. The CGDK is composed of three parties led respectively by Norodom Sihanouk, Son Sann and Khieu Samphan.

THAI FOREIGN MINISTER CRITICIZES SRV ATTITUDE

OW191919 Beijing XINHUA in English 1900 GMT 19 Mar 86

[Text] Bangkok, March 19 (XINHUA) -- Thai Deputy Prime Minister and Foreign Minister Sitthi Sawtsila here this evening criticized Vietnam for its "rigid attitude" towards a political solution of the Kampuchean problem. He told the press at the Foreign Ministry that it seemed strange that Vietnam had rejected so quickly the latest proposal for a political solution of the Kampuchean issue put forward by the top leaders of the tripartite Coalition Government of Democratic Kampuchea (CGDK).

"The Vietnamese are not Kampucheans, but why do they intervene in Kampucheans' internal affairs? Why do they try to have the final say over who will be the leader of the Kampucheans and who will lead the government of Kampuchea?" Sitthi asked. Sitthi said that CGDK is recognized by the United Nations and it is justified in putting forward any proposal for a peaceful solution to the Kampuchean conflict.

As for ASEAN's stand on Kampuchea, Sitthi went on to say, it still sticks to the U.N. resolutions, namely, all foreign troops must withdraw from Kampuchea, and the Kampuchean people should have self-determination to their own destiny. In a word, Sitthi said, the Vietnamese don't want a peaceful solution and they will never change their attitude.

CGDK leaders Norodom Sihanouk, Khieu Samphan and Son Sann put forward an eight-point proposal in Beijing on March 17 calling for talks with Vietnam on the gradual withdrawal of its troops from Kampuchea and a ceasefire. They also suggested setting up a four-party coalition government, which would include the Phnom Penh regime, with Norodom Sihanouk as president and Son Sann as prime minister after ceasefire and the withdrawal of Vietnamese troops. Reports reaching here from Hanoi said that Vietnam turned down the proposal just one day after it was made known to the world.

PRC VENTURES BENEFIT HONG KONG BROKERAGE

OW192006 Beijing XINHUA in English 1906 GMT 19 Mar 86

[Text] Hong Kong, March 19 (XINHUA) -- Hong Kong's biggest stock broker, Sun Hung Kai and Co. Ltd., obtained big returns in 1985 from its two investments in the Chinese mainland, according to a press release issued by the company here today.

The China Hotel in Guangzhou, in which the group has an 18 percent interest, had its first full year of operation. The results were very encouraging with the rates of occupancy over 90 percent for the year, the report said. More than 25 million U.S. dollars have been remitted to repay bank borrowings on this project, it added.

The other China investment of the group, the Shanghai Union Building, was completed in mid-1985. The building is 85 percent occupied and rental receipts are now being remitted to pay back the group's advances to this project, it said.

Sun Hung Sai and Co. netted in 1985 a group consolidated profit (after taxation and minority interests but before extraordinary items) of 67,427,000 Hong Kong dollars (about 8,644,000 U.S. dollars), a report on the company's 1985 results said. However, profits from the two investments in the Chinese mainland were not included in the group's results for 1985 as audited financial statements were not available at year end, it pointed out. The group's consolidated profit in 1985 is equivalent to earnings per share of 0.12 H.K. dollars while in 1984 it amounted to 14,450,000 H.K. dollars, equivalent to earnings per share of 0.026 H.K. dollars, the report added.

Chairman of the company Tony Fung Wing Cheung and President and Chief Executive Officer of the company William R. Arthur pointed out that the sharp recovery in 1985 operating earnings from those of recent years reflected better performance in most of its business activities. They attributed the strong performance by Hong Kong shares to a number of factors, including dramatic improvement in investment sentiment, low interest and inflation rates, high liquidity and a substantially improved Hong Kong property market.

PHILIPPINES' AQUINO WANTS TO CALL LOCAL ELECTIONS

OW191807 Beijing XINHUA in English 1509 GMT 19 Mar 86

[Text] Manila, March 19 (XINHUA) -- Philippine President Corazon Aquino indicated at the cabinet meeting here today she would like to call local elections within the next twelve months, said presidential spokesman Rene Saguisag. At a press conference after the three-hour cabinet meeting, Saguisag said Mrs. Aquino, however, desired to have the local elections held not earlier than six months from now.

Positions at state in the elections will be those of provincial governors, city and town mayors, members of provincial boards and town and city councils, whose incumbents were elected in 1980. The local officials' six-year terms were deemed to have expired on March 3, giving the new government the necessity to appoint officers-in-charge (OIC) of local government units until the election of a new set of local executives. However, many incumbent local officials, most of them belonging to the former ruling party New Society Movement, refused to be replaced by OICS, claiming they were going to step down only after their successors are duly elected and qualified.

The local elections in the country were originally scheduled for May this year but postponed due to the change of government last month.

PHILIPPINES' ENRILE DENIES PRESIDENTIAL AMBITION

OW182008 Beijing XINHUA in English 1848 GMT 18 Mar 86

[Text] Manila, March 18 (XINHUA) -- Philippine Defense Minister Juan Ponce Enrile today denied rumors that he was eyeing the presidency, the PHILIPPINE NEWS AGENCY reported. In an interview with newsmen in Camp Aguinaldo, Enrile reiterated his belief in constitutional government, saying "I don't believe in any military government."

Enrile, together with Armed Forces Chief Fidel Ramos, rose in rebellion last month against the then President Ferdinand Marcos, catalyzing the ousting or Marcos and the establishment of the government of President Corazon Aquino. "I am satisfied that I contributed something to our people in terms of real service to them and I would not risk that newly-acquired name by engaging in political games again," Enrile said.

Meanwhile, Enrile disclosed for the first time he wanted to break away from Marcos in 1967. "My agreement with the president (Marcos) was only for one year to work with the government but then it continued on and on," he said.

Enrile also said that he would not go beyond three years to work with the government of President Aquino. "Maybe if we can stabilize the situation after a while, then it is time to dismount," he said.

NEW EVIDENCE ON BENIGNO AQUINO DEATH COMING

OW191811 Beijing XINHUA in English 1703 GMT 19 Mar 86

[Text] Manila, March 19 (XINHUA) -- A new group will offer evidence about the assassination of Philippine opposition leader Benigno Aquino on August 21, 1983. This was announced here today by Andres Narvasa, general counsel of the defunct fact-finding board charged with the investigation of the assassination.

Narvasa said the new group was willing to come in the open and present its evidence if the government of President Corazon Aquino, widow of the slain Aquino, can assure its safety. Narvasa declined to name the new group or discuss the kind of evidence it has for security reasons. He said this is the first group to offer new evidence since Mrs Aquino assumed the presidency.

Narvasa said he was personally convinced of the veracity and strength of the new evidence, adding that he favored the reopening of the murder case. He said the Supreme Court, if reconstituted by Mrs. Aquino, could possibly declare a mistrial in the murder case, in which the indicated former Armed Forces Chief of Staff Fabian Ver and 25 others were acquitted. Once a mistrial is declared, the newly formed Presidential Commission on Human Rights can order a reopening of the case and a new trial should begin.

PHILIPPINES TO CUT PRICE OF PETROLEUM PRODUCTS

OW191252 Beijing XINHUA in English 1242 GMT 19 Mar 86

[Text] Manila, March 19 (XINHUA) -- President Aquino today ordered the across-the-board reduction of price of petroleum products by 8 percent which will take effect at midnight tonight. This was announced by presidential spokesman Rene Saguisag after the second cabinet meeting. He said that the present price reduction was in line with the government policy of allowing "prices to reflect actual market conditions, thus minimizing distortion in the economic structure and making Philippine products more competitive in the international market."

The average prices of petroleum products will go down to 5.196 pesos (about 0.24 U.S. dollars) from 5.696 pesos (about 0.27 U.S. dollars). Mrs Aquino said in a press statement that the latest oil price reduction would be reflected in lower prices of manufactured goods, public transport and electricity. The rollback in oil price is the first under the new government, and the second for this year.

Presidential spokesman Rene Saguisag said the reduced prices of petroleum products would mean a revenue loss of 2.8 billion pesos (about 133.3 million U.S. dollars). There were three price reductions of petroleum products last year, resulting in a revenue loss of more than 605 million pesos.

In the press statement, President Aquino said she knew business suffered a lot because of the Marcos regime's gross and criminal mismanagement of the economy. But she appealed to businessmen to postpone their efforts to recoup past losses.

RADIO BEIJING REPORTS MARCOS WANTS TO LEAVE U.S.

HK190655 Beijing International Service in Tagalog 1130 GMT 18 Mar 86

[Text] Former Philippines President Ferdinand E. Marcos has asked the United States to help him go to Spain, Mexico, or Panama. This was reported in THE NEW YORK TIMES the other day. It also said that the United States was interceding on behalf of Marcos and that the deposed president himself and the State Department have conveyed the requests to the aforementioned countries. Marcos announced that he will leave the United States once he finds a suitable country.

Meanwhile, Spain's Foreign Minister Francisco Ordonez said that his country will not grant asylum to the former Philippine president.

PRC, NEPAL AGREE TO INCREASE TRADE VOLUME

OW192003 Beijing XINHUA in English 1843 GMT 19 Mar 86

[Text] Katmandu, March 19 (XINHUA) -- China and Nepal have agreed to take measures to increase the volume of trade, diversify the range of commodities and gradually minimize the imbalance in bilateral trade. The accord was reached at the end of the second meeting of the China-Nepal Inter-governmental Economic and Trade Committee. The agreed minutes of the four-day meeting was signed here this afternoon.

The two sides agreed to explore diversified forms of cooperation on the basis of mutual benefit and encourage the setting up of joint ventures through companies of the two countries. The two sides also stressed the need to encourage and further develop border trade. The Chinese side agreed to commit in 1986 some projects in Nepal through grant assistance. The next session of the committee will be held in Beijing, but the specific date has yet to be decided. The Chinese Government economic and trade delegation led by Wang Wendong, assistant minister of foreign economic relations and trade, arrived here on March 15 and will leave for home tomorrow.

YE FEI MEETS NEPALESE JOURNALISTS 18 MAR

OW181223 Beijing XINHUA in English 1210 GMT 18 Mar 86

[Text] Beijing, March 18 (XINHUA) -- Ye Fei, vice-chairman of China's National People's Congress Standing Committee, met here today a journalist delegation from Nepal led by Manju Ratna Sakya, president of the Nepalese Journalist Association. Ye briefed the visitors on China's economic reform. Guna Shumsher Jung Bahadur Rana, Nepalese ambassador to China, was present at the meeting.

The visitors arrived here last Saturday at the invitation of the All-China Journalists Association. They were honored at a banquet given by Wang Yi, permanent vice-chairman of the All-China Journalists Association. The delegation called at XINHUA NEWS AGENCY and met Guo Chaoren, deputy director-general of XINHUA, here this morning. During their stay in Beijing, the visitors also went to the "PEOPLE'S DAILY" and other journalistic institutions. They will also visit Jinan, Shanghai, Guangzhou and Shenzhen.

BANGLADESH DENIES INDIANS ASKED TO LEAVE

OW191353 Beijing XINHUA in English 1316 GMT 19 Mar 86

[Text] Dhaka, March 19 (XINHUA) -- Bangladesh has not asked the Indian Government to withdraw any of its diplomats from Dhaka, a Foreign Office spokesman said here today when commenting on a local press report. The spokesman, however, declined to comment on another press report that Bangladesh has asked the Australian Government to withdraw one of its senior diplomats from Dhaka for her involvement in Bangladesh's internal politics.

The Bengali-language daily "JANATA (PEOPLE)" reported today that Dhaka has asked New Delhi to withdraw B.B. Nandy, counselor (visa) in the Indian High Commission here. According to the paper, Nandy had been a senior Indian police officer and was found to be involved in Bangladesh's internal politics. The spokesman denied the report and termed it as "irresponsible and a figment of imagination." A report in yesterday's "BANGLADESH TIMES" said the Australian Government had been requested to withdraw Merry Wickes, charge d'affaires of the Australian High Commission here, not later than March 21 due to "her involvement in the internal politics." The Australian High Commission confirmed that Merry Wickes is leaving on March 21 but declined to comment on it.

KARMAL TROOPS SURRENDER TO AFGHAN MUJAHIDIN

OW200132 Beijing XINHUA in English 0109 GMT 20 Mar 86

[Text] Islamabad, March 19 (XINHUA) -- Several hundred Afghan Karmal troops surrendered along with their arms to the Afghan mujahidin (freedom fighters) in Paktia Province of eastern Afghanistan last week, the ASSOCIATED PRESS OF PAKISTAN reported today. The APP report said that their surrender followed the retreat of Soviet troops from Khowst area in the province. The mujahidin in the province also destroyed several Soviet armoured personnel carriers during an attack on a convoy of the Soviet-Karmal troops last week.

Meanwhile, the freedom fighters in Badghis province of western Afghanistan destroyed a military post, killing 18 Soviet-Karmal troops, said the report. The "PAKISTAN TIMES" said today that in Qandahar Province of southern Afghanistan, the mujahidin shot down two Soviet fighter planes and four helicopters in a heavy fighting last week. The paper quoted Western diplomats as saying that the mujahidin also attacked a Soviet armoured convoy in the province, damaging 18 military vehicles.

On March 8, the mujahidin in Nangarhar Province of eastern Afghanistan hit a military camp by surface-to-surface missiles and as a result five Soviet tanks were destroyed, said a report of the AGENCY AFGHAN PRESS (AAP). The AAP also said that four Soviet troops were killed and several others injured when a Soviet military convoy clashed with the mujahidin in Sayyed Kheyl area in Lowgar Province near Kabul on March 6.

INDIAN PARAMILITARY TROOPS AIRLIFTED TO PUNJAB

OW191327 Beijing XINHUA in English 1247 GMT 19 Mar 86

[Text] New Delhi, March 19 (XINHUA) -- The Indian Federal Government, in response to the request of the Punjab State, has sent in additional paramilitary forces to help check "terrorist activities" there, local press reported today. Of the 30 companies requested, nine were airlifted yesterday, reinforcing the existing strength of 161 companies stationed in the state.

The situation in Punjab has taken a downward swing as a result of the mounting communal tension between groups of Sikhs and Hindus in several cities. In Batala, a major industrial town in the Gurdaspur District, at least four people were killed and 16 injured in police firing or group clashes between the two communities on March 16. Shopkeepers in towns adjoining Batala were forced to observe a general strike by workers of the All India Sikh Students Federation, a radical Sikh organization, and a militant Hindu communal organization called Shiv Sena (God's Army). Shiv Sena had called for an indefinite general strike in the city from March 17 to press for the resignation of the five-month-old Punjab government run by Sikh moderates.

In Amritsar, a superintendent police had a narrow escape when some unidentified persons fired at his car near his house yesterday evening. A massive hunt has been launched to trace the fleeing assailants. The Amritsar district magistrate has ordered the closure of all boys colleges, industrial training institutes and polytechnics in the district today, according to an official release.

HU YAOBANG MEETS PORTUGUESE COMMUNIST PARTY GROUP

OW200700 Beijing XINHUA in English 0651 GMT 20 Mar 86

[Text] Beijing, March 20 (XINHUA) -- General-Secretary Hu Yaobang of the Chinese Communist Party Central Committee, met a visiting Portuguese Communist Party delegation here this morning. Hu described the Portuguese Communist Party as "having a glorious history", and also paid tributes to its achievements. He hoped that the two parties would further increase their contacts in order to promote mutual understanding.

Albano Nunes, head of the delegation, expressed the same desire. He is a member of the Central Committee of the Communist Party of Portugal, and head of the International Affairs Department. At the invitation of the International Liaison Department of the Chinese Communist Party Central Committee, the delegation arrived in Beijing on March 13, and had toured Shanghai and Changzhou.

ZHANG JINGFU MEETS SWEDISH MINISTER OF INDUSTRY

OW191248 Beijing XINHUA in English 1238 GMT 19 Mar 86

[Text] Beijing, March 19 (XINHUA) -- Chinese State Councillor Zhang Jingfu said here today that China will follow a policy of combining trade with technical import in its economic and technical cooperation with foreign countries. Zhang said this while meeting a Swedish industrial delegation led by Minister of Industry Thage G. Peterson here this afternoon.

The state councillor told the visitors that greater progress had been made in economic and technical cooperation between China and Sweden in recent years and there were broad prospects for their future cooperation. He hoped that the two countries would strengthen their cooperation in the production of special steels and communication equipment.

In his reply, Peterson said that Sweden was willing to cooperate with China in building projects needed in China's modernization, as well as to establish a relationship of long-term and stable cooperation with China. The delegation arrived here last Monday at the invitation of China's State Economic Commission to attend the sixth session of the mixed Sino-Swedish Committee on Industrial, Scientific and Technical Cooperation. It will also attend an inauguration ceremony for a welding rod factory built with equipment imported from Sweden in Shanghai and visit a Sino-Swedish Enterprise Management Training Center in Beijing.

CORRECTION TO NETHERLANDS PRIME MINISTER ON TIES

The following correction pertains to the item headlined "Netherlands Prime Minister on Ties With PRC," published in the 19 March China DAILY REPORT, page G 1. The headline should read "Danish Prime Minister on Ties With PRC," correcting country name.

LI PENG AT PRC-POLISH AIR ACCORD CEREMONY

OW200812 Beijing XINHUA in English 0738 GMT 20 Mar 86

[Text] Beijing, March 20 (XINHUA) -- An agreement between the governments of China and Poland relating to civil air transport was signed here this morning. Vice-Premier Li Peng attended the signing ceremony and met the civil aviation delegation from the Polish Government.

The document was signed by Hu Yizhou, director of the Civil Aviation Administration of China, and Jozef Sobieraj, director general of the General Directorate of Civil Aviation of Poland, on behalf of their respective governments.

USSR, POLAND URGE RESPECT FOR POSTWAR BORDERS

OW190955 Beijing XINHUA in English 0907 GMT 19 Mar 86

[Text] Warsaw, March 18 (XINHUA) -- Respect for the postwar boundaries and territorial and political status quo in Europe is a precondition for peace and security in the region, said a joint communique released today after a meeting between the Soviet and Polish foreign ministers. In recent years, Poland has worried about the claims by some people in Federal Germany for a return to the pre-war boundaries between the East and West European countries. They did not recognize Poland's western Oder-Neisse border with Democratic Germany. The border was set as a result of World War Two.

During his two-day visit to Poland, Soviet Foreign Minister Eduard Shevardnadze had talks with his Polish counterpart Marian Orzechowski in preparation for a meeting of the foreign ministers of the seven Warsaw Pact countries scheduled to begin in Warsaw on Wednesday. The joint communique expressed "satisfaction at the dynamic development of Polish-Soviet relations." The communique said the international situation "is still very tense" and renewed Poland's support for Soviet leader Mikhail Gorbachev's proposals for nuclear disarmament, the halting of nuclear tests and avoiding the militarization of outer space. The joint statement also accused the United States of attempting to achieve a "military advantage" over the Soviet Union.

Speaking at a dinner in his honor, Shevardnadze praised Wojciech Jaruzelski's leadership of the party and government during Poland's "difficult period." At the dinner, Orzechowski called strengthening the alliance with the Soviet Union "a foundation stone and a long-term strategic objective of Poland's foreign policy." Poland has developed closer economic relations with the Soviet Union because of economic sanctions taken by the Western countries against Warsaw since the early 1980s. Poland imports 94 percent of its oil and 50 percent of its natural gas from the Soviet Union. Last year, the Soviet Union accounted for 37 percent of Poland's overall imports.

GDR'S HONECKER DENOUNCES 'STAR WARS' PROGRAM

OW190824 Beijing XINHUA in English 0711 GMT 19 Mar 86

[Text] Berlin, March 18 (XINHUA) -- Democratic German leader Erich Honecker strongly denounced the militarization of outer space and urged an end to the arms race, the official German news agency reported today.

In a meeting last week with Regino Diaz Redondo, director of the Mexican newspaper "EXCELSIOR," Honecker said the space weapons used by the U.S.A. in the star wars program are by no means aimed only at destroying missiles. They are targeted at any object on earth. The U.S. Administration's policy will greatly stimulate the arms race and make the international situation even more unstable. On the Soviet-American summit in Geneva last November, Honecker said the summit is helpful for ridding the world of the nuclear disaster.

LI XIANNIAN CONCLUDES STATE VISIT TO EGYPT

Lays Foundation Stone for Center

OW191234 Beijing XINHUA in English 1223 GMT 19 Mar 86

[Text] Cairo, March 19 (XINHUA) -- Chinese President Li Xiannian and Egyptian President Husni Mubarak unveiled this morning the foundation stone for the Chinese-funded "Cairo International Conference Center." The project, which occupies an area of 25.4 hectares, located at the Al-Nasir Square near the Monument of the Unknown Soldiers, northeast of Cairo. The site was chosen by President Mubarak. Hundreds of Chinese technicians and workers gave a warm welcome to the two presidents when they arrived at the site.

President Li pointed out in a speech at the ceremony that the laying of the foundation stone today for the project "symbolizes the further development of the close cooperation between the Chinese and Egyptian people and is a new achievement of the Sino-Egyptian friendly cooperation." China is ready to work for the promotion of friendly cooperation between the two countries in various forms on the basis of equality, mutual benefit and common development, and in the principle for stressing practical results, he said. Li expressed gratitude to President Mubarak for his personal concern over the project.

President Mubarak paid high tribute to the contribution made by China in funding and building the conference center. He said that there exists wide scope of cooperation between Egypt and China and he believed that such cooperation will develop continuously.

The conference center designed by Chinese architects will be built by Chinese workers with both Chinese architectural characteristics and the Islamic style. The total floor space of the center will be 58,000 square meters, including a spacious conference hall with the capacity of 2,500 seats, six conference rooms, a big banquet hall, a news center, an exhibition hall and other facilities. The construction of the project was started in January this year and will be completed in three and a half years. The expenses of the project will be covered by a Chinese loan given in 1964.

Mubarak Assembly Speech

OW191441 Beijing XINHUA in English 1431 GMT 19 Mar 86

[Text] Cairo, March 19 (XINHUA) -- Egypt highly treasures China's principled stand for sharing weal and woe with the Egyptians under various circumstances, said President Husni Mubarak here today. Addressing a joint conference of the People's Assembly and the Advisory Council, Mubarak considered "China as a friend of the Egyptians in need." "Each time we are in need or in danger, you have always had a close affinity with us, just like our near neighbor," he noted.

The Egyptian president said China and Egypt have the same objective in the fields of giving prominence to the Third World countries and strengthening their ability of voicing their free will. The ideals of China and Egypt are similar, he added. Egypt refuses to be dependent on others and to be controlled by others. It treasures its territory and will not allow others to trample on it, Mubarak said. He said the Egyptians very much admire the Chinese for their experience of relying on their own efforts. It is through this self-reliance that China has promulgated a flexible policy in agriculture, making brilliant achievements in all aspects, Mubarak noted.

The Egyptians also appreciates China's economic reform and its positive results including the openness to foreign countries and the introduction of advanced technology adapted to China's needs, he added. Mubarak hoped to step up cooperation with China in all spheres including trade, agriculture and culture.

Li Meets Prime Minister

OW191718 Beijing XINHUA in English 1700 GMT 19 Mar 86

[Text] Cairo, March 19 (XINHUA) -- Visiting Chinese President Li Xiannian and Egyptian Prime Minister 'Ali Lutfi said during their meeting here this afternoon that China and Egypt will continue their efforts to further develop the friendly relations and cooperation between the two countries. The two leaders reviewed with satisfaction the development of the relations between the two countries in the past 30 years. Lutfi said, President Li's visit to Egypt is an important historical visit and has achieved complete success.

President Li said, China and Egypt share common views on many international issues. China highly treasures the traditional friendship between the two countries. Both sides also briefed each other of the economic development and the reform in economic structure in their respective countries. They held that it will be very helpful to learn the experiences from each other.

Li on Cooperation

OW191748 Beijing XINHUA in English 1729 GMT 19 Mar 86

[Text] Cairo, March 19 (XINHUA) -- Chinese President Li Xiannian said here this afternoon that both China and Egypt are satisfied with the friendly cooperation between the two countries.

In an interview with the Egyptian television, Li said that both China and Egypt "are willing to explore new fields of cooperation to elevate the friendly cooperation to a new level." Li noted that the important mission of his visit to Egypt is to further promote understanding and friendship and to strengthen unity and cooperation. The president said he had cordial and friendly talks with President Husni Mubarak on international issues of common concern and ways to promote bilateral relations. Both sides share common or similar views on a number of current international issues and they have decided to strengthen bilateral coordination and cooperation in international affairs, he said.

Li pointed out that China and Egypt have established diplomatic relations for 30 years. The people of the two countries have cemented militant friendship in their common struggle against imperialism and colonialism, he said, adding that they have also built up new friendly and cooperative ties for mutual support and exchange of experiences during the construction of their own countries.

Li said that he and his party were deeply impressed by the outstanding achievements made by the industrious Egyptian people in their national construction. "At present," he continued, "both Egypt and China are exploring a way to develop their national economy according to their own practical conditions. We can exchange experiences and learn from each other to make common progress," he said. The Chinese leader expressed the belief that under the leadership of President Mubarak and the Egyptian Government, the Egyptian people will certainly make greater achievements.

Answering the question about the situation in the Middle East, President Li said, China has been deeply concerned about the development of the Middle East situation. He noted that the prolonged failure to settle the Middle East question is entirely due to the Israeli authorities' obduracy in pursuing the policy of aggression and expansion. He stressed that "any just and lasting settlement of the Middle East issue must call for Israeli withdrawal from all the occupied Arab territories and the restoration of national rights of the Palestinian people." To achieve this, he said, the Arab people must close their ranks and be prepared to carry on a protracted struggle.

On China's policy of opening to the outside world, President Li said China's modernization construction is based on its own strength. But at the same time, he added, China has pursued this policy to speed up the economic development. This policy has been made in accordance with China's realities and through thoughtful consideration and has yielded initial results, such as introduction of some foreign capital, advanced technical knowhow and management, he said. President Li stressed China is open not only to the developed Western countries and socialist countries but also to the developing countries. As a developing country, China gives particular importance to developing economic and technical cooperation with other Third World countries, he said. "The economic and technical cooperation between the two friendly countries, China and Egypt, will have a bright prospect," he concluded.

Signed Agreements

OW191729 Beijing XINHUA in English 1713 GMT 19 Mar 86

[Text] Cairo, March 19 (XINHUA) -- China and Egypt signed here today a three-year executive program for cultural cooperation from 1986 to 1989. Under this program, which was worked out in accordance with a cultural cooperation agreement signed in Cairo on April 15, 1956, the two sides will send delegations of education, theater companies, journalism, public health and youth and youngsters to have mutual visits.

Both sides will also send their experts and scholars in historical relics, medicine and agriculture for mutual survey and study, exchange educational and academic materials, documentary films and publications about journalism, children and youth and hold film festivals and exhibitions of arts in each other's country. It will also involve cooperation in physical culture, acrobatics, television and music instrument repair.

In order to strengthen coordination and cooperation between the two countries in international affairs, the two sides also exchanged this afternoon the letters about consultation between officials of their foreign ministries and about mutual visits by personnel from their institutes for international affairs. The two documents were signed by Chinese Deputy Foreign Minister Qi Huaiyuan and Egyptian Assistant Minister of Foreign Affairs Muhammad Wafa al-Hijaz.

Li Leaves Cairo for Luxor

OW200854 Beijing XINHUA in English 0844 GMT 20 Mar 86

[Text] Cairo, March 20 (XINHUA) -- Chinese President Li Xiannian left here this morning for the ancient city of Luxor in upper Egypt after concluding his three-day visit in Cairo. In a written statement distributed at Cairo International Airport, President Li described his visit to Egypt as a "complete success" and his talks with President Husni Mubarak as "fruitful".

He said that during the talks, both sides shared identical or similar views on many important international issues and expressed satisfaction over the development of the relations between the two countries in recent years. He added that both sides agreed that they would continue to strengthen and expand the friendly cooperation in various fields and push it to a higher level. The Chinese president said he was looking to meeting President Mubarak sometime this year in Beijing.

President Li, his wife Lin Jiamei and Li's entourage were seen off at the airport by Egyptian President Husni Mubarak and his wife Suzanne Mubarak and other Egyptian officials. Before embarking on the plane, President Li warmly shook hands with and embraced President Mubarak beside the ramp. Egyptian Minister of State for Foreign Affairs Butrus Ghali and his wife, Egyptian Ambassador to China Ahmad Salim, and Chinese Ambassador to Egypt Wen Yezhan and his wife boarded the same plane to accompany President Li to Luxor, about 700 kilometers south of Cairo. Prior to President Li's departure from the presidential Al-Qubbah Palace where he spent three nights, a grand ceremony was held in front of the main building of the palace to give the Chinese president a warm send-off. President Mubarak and other Egyptian leaders were present on the occasion.

ZHAO ZIYANG DENOUNCES SOUTH AFRICAN POLICIES

OW200154 Beijing XINHUA in English 0141 GMT 20 Mar 86

[Text] Beijing, March 20 (XINHUA) -- Chinese Premier Zhao Ziyang today announced the notorious intransigence of the South African regime in pursuing its racist policy. He said the Chinese Government and people have all along condemned the South African authorities for their pursuance of the racist policy and resolutely supported the South African people in their struggle for fundamental human rights and racial equaltiy and against apartheid and racial discrimination.

Chinese Premier Zhao Ziyang made these remarks in a telegram to Chairman Joseph Garba of the U.N. Special Committee Against Apartheid today on the occasion of the international day for the elimination of racial discrimination. "In recent years, the South African people's mass movement against apartheid and racial discrimination have risen to an unprecedented height. Their just struggle has won increasingly widespread sympathy and support from the international community," Zhao said. The South African authorities have become even more notorious and extremely isolated in the international community for their intransigence, he pointed out.

The premier said "the only way out for the South African authorities lies in their complying with the just demands of the South African people, the entire African and world people at large, their abandoning of the apartheid policy and their speedy and unconditional implementation of the relevant U.N. resolutions on the question of South Africa in totality." Although the South African people are still facing many difficulties in their struggle, the situation is favorable to them. "We are confident that uniting all the forces that can be united with and persevering in their struggle of various forms, the people of South Africa will surely win the final victory with the energetic support of the United Nations and all justice-upholding countries in the world," Premier Zhao concluded.

WU XUEQIAN HOSTS BANQUET FOR DJIBOUTI'S MOUMIN

OW191622 Beijing XINHUA in English 1605 GMT 19 Mar 86

[Text] Beijing, March 19 (XINHUA) -- Chinese Foreign Minister Wu Xueqian hosted a banquet here tonight in honor of Moumin Bahdon Farah, Djiboutian minister of foreign affairs and co-operation. Wu praised the Djiboutian people for developing their national economy, and the government's foreign policy of neutrality and non-alliance. He said recent positive developments in the horn of Africa had been helped by the efforts of Djibouti. These developments were in the best interests of the people of the region and in all of Africa.

Wu said: "We sincerely hope that the further development of the situation will bring about an early realization of regional peace and stability and good-neighborly relations." Since diplomatic relations had been established between China and Djibouti, friendship between the countries had strengthened, and their co-operation of political, economic and cultural matters had continued to expand.

Moumin said Djibouti was very keen to expand relations with China. On international issues, he said troubles in the Middle East would continue as long as the Palestinian people were excluded for dialogue aimed at resolving the problem. The Palestine Liberation Organization was the sole legal representative of the Palestinians. The Djiboutian minister added that Israel should give up its colonial and expansionist policies, and withdraw from occupied Arab territories including Jerusalem. He also condemned apartheid in South Africa. Before the banquet, Wu held talks with Moumin and his delegation, who arrived here earlier today as guests of the foreign minister.

Wu, Minister Hold Talks

OW200800 Beijing XINHUA in English 0742 GMT 20 Mar 86

[Text] Beijing, March 20 (XINHUA) -- Wu Xueqian, state councillor and foreign minister, held a talk with Moumin Bahdon Farah, Djiboutian minister of foreign affairs and co-operation, here this morning. Both sides expressed satisfaction with the development of cooperation in politics, economy and technology between the two countries.

Wu Xueqian said that the Chinese Government paid high tribute to the Djiboutian Government for its contributions to the safeguarding of the cause of peace, and for its active role in relaxing tension in the northeast part of Africa, based on its government's policy of nonalignment. Foreign Minister Moumin spoke highly of the Chinese Government's efforts in strengthening unity and cooperation among Third World countries. He also thanked the Chinese Government for its sincere support for Djiboutian economic construction.

The two foreign ministers also exchanged views on the further strengthening of bilateral friendly cooperation and on international issues of common concern.

XINHUA REVIEWS UGANDA'S ECONOMIC QUANDARY

OW181853 Beijing XINHUA in English 1601 GMT 18 Mar 86

["Ugandan Government Working To Rescue Troubled Economy (by Yu Yaoliang)" -- XINHUA headline]

[Text] Kampala, March 18 (XINHUA) -- The new Ugandan Government of President Yoweri Museveni says it inherited an economy in a shambles and is working to control runaway inflation and rescue an almost valueless currency.

Ugandan finance minister Ponsiano Mulema said recently that the regime of ousted President Tito Okello, and that of his predecessor, Milton Obote, printed currency totalling more than 240 billion Ugandan shillings. At least 100 billion of that amount is considered "excess" currency, which means inflation in Uganda has spiralled wildly, reaching up toward 100 percent per annum.

The Museveni government, which toppled the Okello regime in late January only six months after Okello had done the same to Obote, says it found a country mired in economic chaos. "The projected deficit for the financial year which ends this June is 28 billion shillings (about 19 million U.S. dollars)," Mulema said, noting that the previous governments spent huge amounts on armaments and troops.

A first step in the economic program is to stabilize the value of the shilling, which Obote allowed to float on the recommendation of the international monetary fund in 1981, and eventually replace the almost valueless currency with a new unit. In the short term, Mulema said, the government will introduce strict public spending limits while taking monetary measures to promote production in both industry and agriculture. New interest rates should increase bank business and encourage financing for development programs, he said.

Uganda has also amassed more than 700 million U.S. dollars in foreign debt, although the loans were negotiated on easy terms. The government has plans for two conferences, one in Paris and the other in Kampala, in its effort to seek assistance from abroad to manage the debt. The reconstruction effort will also be helped by an international community pledge of a six-month, 161-million U.S. dollar emergency relief and rehabilition program for the war-ravaged areas of Uganda.

In agriculture, "the government intends to offer significantly higher prices to farmers for commodities like coffee, cotton, tobacco and tea," the finance minister said. In better times these crops earned Uganda handsome amounts of foreign currency, but now only coffee remains as a significant exchange earner, having made up more than 95 percent of Uganda's foreign currency earnings in the past two years.

A Ugandan coffee marketing board official said Uganda plans to sell 3.5 million 60-kilo bags of coffee (210,000 tons) by September of this year, and increase of 60,000 tons over that sold on the international coffee market in the previous year. This 40 percent increase in coffee sales will help Uganda earn more foreign currency, which in turn should help the battered economy.

IRAN SAYS U.S. SHOULD NOT MEDDLE IN GULF

OW160102 Beijing XINHUA in English 0054 GMT 16 Mar 86

[Text] Tehran, March 15 (XINHUA) -- A spokesman of the Iranian Foreign Ministry was quoted by Radio Tehran as saying here today that the United States has no right to interfere in the internal affairs of the Gulf region.

Commenting on a statement by a spokesman of the U.S. State Department that U.S. would support the Gulf states against outside threats, the Iranian spokesman said that the purpose of the U.S. is to create tension in the Persian Gulf region and to strengthen its military presence there. In this case, the spokesman added, the U.S. could sell more weapons to these countries.

He described the U.S. statement as threats against the region and a part of its policy of aggression against the Islamic world. The Iranian Foreign Ministry official maintained that destiny of Iran and Persian Gulf states should be determined by themselves and the U.S. has no right to interfere.

XINHUA CITES PALESTINIAN NATIONAL COUNCIL LEADER

OW191812 Beijing XINHUA in English 1707 GMT 19 Mar 86

[Text] Kuwait, March 19 (XINHUA) -- The Palestine National Council said that the cloud cast upon the Jordanian-Palestinian relations will be dispersed soon after a meeting of Jordanian King Husayn, Egyptian President Husni Mubarak and PLO Chairman Yasir 'Arafat in Cairo. King Husayn is reported to arrive at Cairo tomorrow. However, there is no news about 'Arafat's visit to Egypt.

The Kuwaiti newspaper "AL-RA'Y AL'AMM" today quoted the council's Chairman 'Abd al-Hamid al-Sayyih as saying that the present situation demands the Jordanians and the Palestinians to unite and cooperate. The deep divergences between the Jordanians and the Palestinians and among the Arab nations are only beneficial to the United States and Israel, he said.

Al-Sayyih called on Arab leaders to take a solemn and just position towards the United States. He expressed the hope that the Syrian-Palestinian relations will be improved. It is in the supreme interest of the Arab nation to iron out differences between Syria and Palestine, he said. He warned that the Palestinians in the occupied land should be vigilant against Israel's intrigue to impose a so-called "unilateral self-determination," which is unacceptable in any forms.

As to the Iran-Iraq war. Al-Sayyih called on Arab leaders to support Iraq and force Iran to consider the aspiration of the international community for an end to the war. He said that all the Palestinian military force are at Iraq's disposal.

BEIJING DESCRIBES RELATIONS WITH NICARAGUA

OW191335 Beijing in English to North America 0000 GMT 19 Mar 86

["Listeners' Letterbox" program: Answer to a question from Mr (Thomas Sousa) [not further identified] of the United States]

[Text] China and Nicaragua established diplomatic relations on 7 December 1985. A joint communique signed by Chinese Foreign Minister Wu Xueqian and Nicaraguan counterpart Miguel d'Escoto says the two countries agreed to develop bilateral relations on the basis of the five principles of peaceful coexistence.

At a banquet to celebrate the newly established Sino-Nicaraguan relations, Foreign Minister Wu Xueqian noted that China and Nicaragua are both developing countries. The Chinese, he added, have always sympathized with the Nicaraguans in their devoted struggle for independence, sovereignty, and development of their national economy. Mr Wu also urged that the disputes among the Central American nations and those between the United States and Nicaragua be solved through negotiation rather than through force or threat of force. The Chinese foreign minister also expressed the hope that all parties involved in the current Central American disagreement would take practical steps to end the present turmoil in the region and bring peace to the area as soon as possible.

We oppose U.S. intervention in Nicaragua's internal affairs. The Chinese Government also gives full support to the Contadora group's efforts to solve Central America's problems by peaceful means. We advocate the complete end to foreign intervention in the region, so that the Latin American nations can solve the real problems facing the people, problems of economic development, and create social justice. Soon after the establishment of diplomatic relations between the two countries, China decided to provide Nicaragua with interest-free loans to be used for projects, equipment, and materials agreed upon by the two governments.

ARGENTINE PRESIDENT MEETS OUTGOING ENVOY

OW191123 Beijing XINHUA in English 1047 GMT 19 Mar 86

[Text] Buenos Aires, March 18 (XINHUA) -- The fruitful exchange of visits between the Argentine and Chinese leaders is very important to better mutual understanding and strengthen friendly ties, Argentine President Raul Alfonsin said here today. He told the outgoing Chinese Ambassador to Argentina Wei Baoshan at a meeting that he often recalled Chinese Premier Zhao Ziyang's successful visit to Argentina last November and expressed his satisfaciton with the development of Sino-Argentine friendly relations.

Ambassador Wei congratulated Alfonsin on his government's achievements in domestic construction and foreign policies since he took office in December 1983. Earlier, the ambassador also bade farewell to Dante Caputo, Argentine minister of foreign affairs, and other officials.

NPC STANDING COMMITTEE ENDS 15TH MEETING

OW200121 Beijing XINHUA Domestic Service in Chinese 1212 GMT 19 Mar 86

[Excerpts] Beijing, 19 Mar (XINHUA) -- The 15th meeting of the 6th NPC Standing Committee closed at the Great Hall of the People this afternoon. The meeting adopted the PRC Law on Mineral Resources -- a law which closely bears on the rejuvenation of China's mining industry -- and approved some proposals to be submitted to the forthcoming Fourth Session of the Sixth NPC for examination. Peng Zhen, chairman of the NPC Standing Committee, attended the meeting, which was chaired by Vice Chairman Chen Pixian.

The NPC Standing Committee members maintained that the final revised version of the Draft Law on Mineral Resources embodies the nation's experiences in tapping mineral resources gained over the last 30 years and more. They said the law conforms to the relevant regulations prescribed in the Constitution, reflects the nation's general policy of expediting the development of underground resources as well as the general policy that state-operated mining enterprises are main developers of mineral resources and that the state will provide rural enterprises "active support, rational planning, proper guidance, and efficient management," and conforms to the nation's situation and spirit of reform.

The NPC Standing Committee meeting examined the Draft General Principles of the PRC Civil Code, the Draft PRC Law on Compulsory Education, and the Draft PRC Law on Foreign-Owned Enterprises.

Today's meeting adopted the draft agenda for the Fourth Meeting of the Sixth NPC and decided that the draft be submitted to the preparatory meeting of the fourth meeting of the Sixth NPC for examination. According to the draft agenda, the fourth meeting of the Sixth NPC will hear and examine Premier Zhao Ziyang's report on the draft Seventh 5-Year Plan; hear, examine, and approve the State Council's report on the draft plan for national economic and social development in 1986; hear, examine, and approve the State Council's report on the implementation of the 1985 state budget plan and on the draft of the 1986 state budget. The meeting will also examine the drafts of the general principles of the Civil Code, the Law on Compulsory Education, and the Law of Foreign-Owned Enterprises.

Today's meeting also adopted the draft namelist of the members of the presidium and secretary general of the fourth meeting of the Sixth NPC, and decided that the draft namelist be submitted to the preparatory meeting for election. Today's meeting also adopted a report on the qualifications of by-elected deputies of the Sixth NPC.

The meeting also decided to approve the consular treaty between China and the DPRK and approved the namelists of the members of six new groups for promoting friendship with foreign countries.

The meeting also approved some appointments and dismissals and decided to appoint Xu Kongrang deputy secretary general of the NPC Standing Committee.

The Standing Committee meeting also examined the draft PRC law on Land Use and the draft revised PRC regulations governing offenses against public order.

Attending today's meeting were NPC Standing Committee Vice Chairman Geng Biao, Peng Chong, Wang Renzhong, Ngapoi Ngawang Jigme, Seypidin Aizezi, Zhou Gucheng, Yan Jici, Rong Yiren, Ye Fei, Liao Hansheng, Huang Hua. Attending today's meeting as observers were Li Peng, vice premier of the State Council; Zheng Tianxiang, president of the Supreme People's Court; and Yang Yichen, procurator general of the Supreme People's Procuratorate.

Decree on Mineral Law

OW191359 Beijing XINHUA Domestic Service in Chinese 1133 GMT 19 Mar 86

[Text] Beijing, 19 Mar (XINHUA) -- Decree of the president of the People's Republic of China No 36: The "Law on Mineral Resources of the People's Republic of China" has been approved by the 15th meeting of the Standing Committee of the 6th National People's Congress of the People's Republic of China on 19 March 1986. It is hereby promulgated, and shall be enforced as of 1 October 1986.

[Signed] Li Xiannian, president of the People's Republic of China, 19 March 1986.

DPRK Consular Treaty Ratified

OW200021 Beijing XINHUA Domestic Service in Chinese 1237 GMT 19 Mar 86

[Text] Beijing, 19 Mar (XINHUA) -- Decision of the Standing Committee of the National People's Congress on Ratifying the Consular Treaty Between the People's Republic of China and the Democratic People's Republic of Korea (Adopted 19 March 1986).

The 15th meeting of the Standing Committee of the 6th National People's Congress hereby ratifies the consular treaty between the People's Republic of China and the Democratic People's Republic of Korea signed in Beijing on 26 November 1985 by Wu Xueqian, state councillor and minister of foreign affairs, on behalf of the People's Republic of China.

Amity Groups Approved

OW200015 Beijing XINHUA Domestic Service in Chinese 1239 GMT 19 Mar 86

[Text] Beijing, 19 Mar (XINHUA) -- Namelist of chairmen, vice chairmen, and members of six groups for promoting friendship with foreign countries

1. China-Australia Friendship Group of the National People's Congress
Chairman: Liu Danian
Vice chairmen: Wu Jietian, Tao Dayong
Members: Liu Duzhou [0491 3256 5297], Wang Runsheng, Jiang Peilu, Hu Dehua (female0

2. China-Brazil Friendship Group of the National People's Congress
Chairman: Zhang Zhixiang
Vice Chairmen: Xu Yunbei, Gu Chaohao
Members: Guan Shanfu (Manchu nationality), Li Pu, Qin Lisheng, Pain Tog (Tibetan nationality)

3. China-Venezuela Friendship Group of the National People's Congress
Chairman: Song Yiping
Vice chairmen: Gu Dachun, Hou Xueyu
Members: Shi Shan [4258 1472], Jiang Jiafu (Zhuang nationality), Luo Riyun [5012 2480 6663], Tao Tao [7118 3447] (female)

4. China-Argentina Freindship Group of the National People's Congress
Chairman: Wu Heng
Vice chairmen: Huang Yukun, Ren Jiyu
Members: He Binghao, Zhang Zhongli [1728 0112 4409], Hu Ming, Xu Datong

5. China-Cape Verde Friendship Group of the National People's Congress
Chairman: Lou Qiong (female)
Vice chairmen: Chen Heqiao, Bai Jiefu
Members: Xing Yimin, He Haoju, Dong Jianhua, Xiong Yingdong

6. China-Spain Friendship Group of the National People's Congress
Chairman: Cheng Siyuan
Vice chairmen: Doje Cedian (Tibetan nationality), Wang Lin
Members: Ye Peiying (female), Lu Rongshu, Pan Yan, Dai Nianci.

SHENZHEN, OTHER 'CONTROL LINES' DESCRIBED

OW191802 Beijing XINHUA in English 1441 GMT 19 Mar 86

[Text] Beijing, March 19 (XINHUA) -- A control line round Shenzhen Special Economic Zone has already been used on a trial basis since last August, according to State Council SEZ office officials today. The line, which consists of 86 kilometers of patrol roads, six customs offices and 29 frontier check points, has "ensured normal traffic between the zone and other parts of China while performing its function of controlling illegal goods", the officials said. It will be officially put to use on April 1, in accordance with a tate ouncil decision.

An average of about 108,000 people and 17,000 motor vehicles pass the line everyday and "there have been no traffic jams at the check points." Meanwhile, some 12 million yuan of smuggled goods have been seized at the control line, and 60,000 people who tried to go into the zone without valid travel documents have been stopped. The control line is meant to ensure the implementation of the polices for the 327.5 square kilometer SEZ, which are more flexible than those carried out in other parts of China. These policies empower the zone to provide preferential treatment to attract Hong Kong, Macao and foreign investment. The line will help prevent some people from taking advantage of these policies to engage in smuggling and other illegal economic activities, said the officials. Regulations have been made for the normal flow of personnel between the zone and the inland areas and the entry into and exit from the zone of goods, vehicles, luggage, and mail. The officials said the use of the control line does not mean looser control over the border between Shenzhen and Hong Kong. This will not be changed for a period of time to come, they added. Customs authorities, public security, and frontier guards will have authority in the control line area, said the officials. The Guangdong Provincial Government will also have a control line group. No additional documents are needed to cross the control line, other than what are now required, said the officials. China's three other special economic zones, Zhuhai, Shantou and Xiamen, will set their control lines according to their own specific conditions, not necessarily copying the practice of Shenzhen.

SCIENCE, TECHNOLOGY MARKET DEVELOPMENT VIEWED

HK191103 Beijing ZHONGGUO XINWEN SHE in Chinese 1502 GMT 14 Mar 86

[Roundup by reporter Dai Yaping: "Development of China's Technology Market: A 'Trilogy'"]

[Text] Beijing, 14 Mar (ZHONGGUO XINWEN SHE) -- In a short period of time China's technology market, which was unknown only a few years ago, has experienced the "trilogy" of emergence, taking shape, and development, and played an important role in China's economic life.

In 1978, at the national scientific conference, Deng Xiaoping, who had just been reinstated, gave a brilliant exposition of the viewpoints that science and technology are protective forces, and that the modernization of science and technology is the key foundation for regarding technological achievements as commodities and cultivating the technology market. The technology market was conceived at this historic moment in China and entered the embryonic stage.

In 1982, at the national science and technology award conference, Premier Zhao Ziyang clarified the general principle that: "Economic revitalization should depend on advances in science and technology, and science and technology should be geared to economic construction." In the few years since, technology markets and various technology exchange activities emerged throughout the whole country. Thus, the technology market came into being.

In 1985, the CPC Central Committee made a decision regarding reform of scientific and technological structure, and held a national technology market conference the same year. The volume of trade in the national technology market amounted to 2.3 billion yuan, and the number of organizations trading in technology in the whole country reached over 5,000. From then on, China's technology market entered a stage of rapid development.

People concerned believe that in China, the impact of the technology market has already gone beyond scientific and technological circles, and attracted the attention of the whole society. Describing the development tendency of the technology market, Guo Shuyan, vice minister of State Science and Technology Commission, said: "The scope of technology transfers has become increasingly wide; the content of technology exchanges is getting richer and richer; the exchange forms have tended to be more and more flexible; and organizational management is being gradually strengthened." In view of the double figure increase rate of China's economic development over the last 2 years, the role of the technology market is self-evident.

The emergence of the technology market has not only constituted a great shock to the malpractices in China's old scientific and technological structure but has also greatly changed the abnormal situation in which scientific and technological achievements were out of line with production. It has caused many research institutes to gear their research subjects to economic construction, with the result that now, not only are the institutes full of vitality, but also vast numbers of township and town enterprises have mastered modern science and technology. More importantly, it has also made those scientific research personnel who, in the past, only worked in their institutes all the year round gear their work to factories and mines and townships and towns. To cite a glaring example: Originally, a factory manufacturing Stevia Rebaudiana products in Liaoning Province planned to spend $1.9 million to introduct a Stevia Rebaudiana glucoside production line from Japan. However, in the technology market, they found that the University of Nanking possesses technology similar to that of Japan. By making use of this technology, they completed their project 1 year ahead of schedule at a cost of only 380,000 yuan.

People believe that although the technology market has very good development prospects, we must not take it for granted that its development will be plain sailing, as many people in society still fail to recognize that traditional concepts also restrict some scientific research personnel from engaging in technology exploitation and "doing business." Besides, the unhealthy tendency of indiscriminately setting up companies in society also causes some companies engaged in technology development to suffer unredressed injustices.

Leaders of the State Science and Technology Commission believe that it is imperative to draw a clear distinction between setting up organizations offering technology services and companies run by party or government departments; between technology exploitation and illegally purchasing and reselling technology for profit; and between legitimate income through technology transfers and illicit income, so as to protect and promote the healthy development of the technology market.

Some sources say that a large technology trade fair, which will be held in Shenzhen soon, is preparing to sell a large number of scientific and technological products, including "Long March No 3" rockets, to foreign countries. This technology trade fair has greatly interested numerous foreign businessmen. It is expected that if considerable success can be attained in exporting technology on such a large scale, a tetralogy will be written for the development of China's technology market.

VICE MINISTER ADDRESSES TECHNOLOGY CONFERENCE

OW141645 Beijing XINHUA in English 1554 GMT 14 Mar 86

[Text] Beijing, March 14 (XINHUA) -- In 1985 China sponsored over 3,000 technical trade fairs in various regions, with a combined business volume of 2.3 billion yuan, three times that in 1984. Guo Shuyan, vice-minister of the State Science and Technology Commission, told a national conference on technology trade which opened here today that technical trade activities are being conducted nationwide, and so far there are more than 5,000 organizations for technology trade in China. Provinces, municipalities and autonomous regions have set up technology shops and permanent markets in cities. Technology trade activities range from the transfer of scientific research findings and technical consultation to technical contracting for projects and research-production cooperation. Incomplete statistics show that China has established 9,800 research-production cooperatives. For instance, 95 enterprises in Huzhou City, Zhejiang Province, have cooperated with research institutes and universities over the past four years and produced more than 100 new products, including electronic and export-oriented ones.

Some provinces and counties also bring their capital construction and key scientific research projects to the technical markets for bidding. The Liaohe sweet aster products factory in Liaoning Province planned to import a production line from Japan at a cost of 1.9 million U.S. dollars. Later the factory found the technology and production process developed by Tianjin's Nankai University at a technical trade fair suited to its needs. The factory only spent 380,000 yuan on the production line.

Technology trade, Guo said, has imbued rural enterprises with fresh blood -- new technology and scientific personnel. Lingchuan County in Shanxi Province over the past several years has introduced 241 items of technology, 520 scientific workers and 24 million yuan of capital from outside through the technical trade fairs. In 1985, the output value of the country's rural enterprises topped 100 million yuan and its 20 major products are considered quality products. The technology market has also been an arena for scientists to display their skills. Nearly 30,000 scientists and technicians from Beijing and Tianjin come to Hebei Province every year for transferring their research results, jointly developing new products or providing technical consultation to enterprises there.

NUCLEAR INDUSTRY SHIFTING TO POWER PRODUCTION

HK190935 Beijing ZHONGGUO XINWEN SHE in Chinese 0631 GMT 18 Mar 86

[Text] 18 Mar, Beijing (ZHONGGUO XINWEN SHE) -- Many signs in the first 3 months of this year have shown that China's nuclear industry has waded through its first ebb in the past 30 years since it was founded, and a new major change has occurred in this industry.

China's nuclear industry was founded in the fifties. In the first decade, it concentrated on developing nuclear weapons. In the midsixties, China succeeded in independently developing atom bombs and hydrogen bombs, and China began its own nuclear arsenal. In recent years, as the international situation has changed, the Chinese leadership has decided to reduce armaments on a wide scale and has formulated a strategic policy of turning a large part of military industry into civilian industry so as to serve the purpose of developing the national economy.

Because of this strategic change, China's nuclear industry, which had long served a military purpose, faced a stern situation of being forced to stop production or switching to other industries. However, it has now waded through a period of decline and has arrived at a new starting point.

A work conference held by the Ministry of Nuclear Industry between 10 and 21 January in Beijing pointed out that the nuclear industry will make major contributions to the peaceful utilization of atomic energy in the construction of nuclear power stations and heat supplying reactors which make comprehensive use of nuclear energy and in the development of the production and research systems for civilian nuclear fuel under the premise of guaranteeing production for military purposes.

On 21 January, Hu Yaobang, Li Peng, Yang Shangkun, Fang Yi, and other leaders had a direct dialogue with 10 famous Chinese nuclear experts, including Jiang Shengjie and Wang Ganchang, in Zhongnanhai, and announced that the CPC Central Secretariat and the State Council have made a preliminary decision on entrusting all tasks of building and developing nuclear power stations to the Ministry of Nuclear Industry. Vice Premier Li Peng reiterated that the civilian sector of the Ministry of Nuclear Industry will concentrate on the development of nuclear power generation.

People in the nuclear industry hold that it is completely possible for China to build nuclear power stations by relying mainly on her own strength and resources and by actively introducing advanced technologies from abroad, because China has accumulated rich experience in the building of 10 nuclear reactors. China has established an integrated nuclear industrial and research system, which includes establishments for exploiting uranium mines, refining and recovering nuclear fuel, and making nuclear weapons. Therefore, it is not only necessary but also possible to shift China's nuclear industry from making nuclear weapons into building nuclear power stations in an all-round way.

Recently, it is reported that in the Qinshan nuclear power station, now under construction, a second-phase project will be started to increase the generating capacity after the first-phase project of a generating capacity of 300,000 kilowatts is completed. The Chinese Government has also officially decided to build the Sunan nuclear power station in Jiangyin. China's nuclear industry is ushering in a spring of constructing nuclear power stations.

GUANGMING RIBAO ON PATRIOTISM IN BOXER REBELLION

HK191220 Beijing GUANGMING RIBAO in Chinese 5 Mar 86 p 3

[Article by Jiang Weifan and Han Xibai: "Discussing the Question of Patriotism and Betrayal in the 1900 Incident"]

[Text] Recently we read an article entitled "Discuss the Question of Patriotism and Betrayal" by Comrade Liao Zonglin (carried in GUANGMING RIBAO on 27 November 1985). In order to make a clear distinction between right and wrong by comparison, we also read and criticized the article entitled "Patriotism and Betrayal in Modern Chinese History" by Comrade Chen Xulu. After comparison and study, we feel that the criticism of Chen's article by Liao's article makes a deliberate misinterpretation out of context, and that his conclusions can not withstand the test of historical facts.

How should we view the question of whether the party of Emperor Guang Xu favored peace or the party of Empress Dowager Ci Xi favored war? This is completely open to discussion. Since Chen's article does not mean that "the trouble was caused by the Boxer Rebellion," Liao's article should not have devoted so much attention to it. In fact, no matter whether in "The 80 Years of Modern Chinese History" edited by Chen Xulu, or in another article entitled "Patriotism in Modern Chinese History," he always stresses that the Boxer uprising was an anti-imperialist patriotic movement with undeniable merits and achievements. "With ancient or primitive weapons or even their own hands, the brave people fought a last-ditch struggle against the aggressors who possessed powerful modern warships and guns. This spirit of fearing neither violence nor sacrifice to defend the country was a reflection of the traditional patriotism of the Chinese nation." He holds it was not that "the trouble was caused by the Boxer Rebellion," but rather that the heroic struggle waged by the Boxers "stopped and disrupted the wild plan of the imperialist powers to carve up China." "Therefore, the valiant struggle of the Boxers could be counted as one of the foundation stones for the great revolutionary victory achieved by the Chinese people 50 years later."

Regrettably, Liao's article not only makes the supposition that "the trouble was caused by Boxer Rebellion," but concludes: "In the face of the eight-power allied forces who were armed to the teeth, Mr Chen Xulu believes that the Chinese people should not have risen against the eight-power allied forces, because this was tantamount to 'acting rashly regardless of time, venue, and conditions, and trying to drive the imperialists away with both fists and a fit of crying.'" Obviously, the first half of this quotation is not what Chen's article means. The latter half should be correct, as it talks about strategies of struggle like not acting rashly and considering time, venue, and conditions. However, reading the quotation as a whole, its meaning is quite different. This kind of historical review lacks the principle of seeking truth from facts.

The Boxer Rebellion ended over 80 years ago. When reviewing this period in history, people should not just be content with singing fervent praises. Instead we should soberly and rationally look back on this period of history to discover the backward and sweepingly xenophobic shortcomings as a result of the restrictive conditions of class and history at that time, so as to draw a good lesson. In order to deflect powerful enemies, people had to understand their strengths. "People must have the foresight and intention of understanding the world and learning from the West" and correctly handle "the relationship between learning from foreign countries and resisting aggressors." We should avoid indiscriminately regarding the policy of war of peace as the demarcation line between patriotism and betrayal. We can not find anything wrong with the above viewpoints of Chen's article.

As an important incident in history often has two sides, we should praise the positive side and review the negative side. This is a reflection of national awakening and a way of promoting national advance. Although it may not be quite perfect sometimes, we should encourage this kind of historical review.

Chen's article explicitly points out that "patriotism and betrayal are two completely different attitudes towards the national interests," and that in the war of resistance against the eight-power allied forces, "the Boxers' xenophobia was completely different from the war-mongering Empress Dowager Ci Xi and her diehards." Reading the article as a whole, we can understand that the reason Chen makes a specific analysis of how Empress Dowager Ci Xi and her diehards favored the war and relied on various forces to fight the war, and how the party of Emperor Guang Xu and other people concerned opposed "the unjustifiable actions by the party of Empress Dowager Ci Xi in pursuing the policy of war" is not to prove that "the party of Empress Dowager Ci Xi, who favored war, betrayed the country," and the party of Emperor Guang Xu, who favored peace, were patriotic, but to repudiate the gang of four's fallacies that "Empress Dowager Ci Xi was better than Emperor Guang Xu, because she dared to declare war against the eight imperialist powers" and that "the party of Empress Dowager Ci Xi were patriotic because they favored war and the party of Emperor Guang Xu were traitors to the country because they favored peace." If the reviewer was serious, he would not have changed topics at will like this and forced viewpoints such as those who favored peace were patriotic, those who favored war were traitors, "the Boxers should not have risen against the eight-power allied forces," and so on, on another's article.

We can not agree with the conclusion of Liao's article that the policy of war of the Qing government headed by Empress Dowager Ci Xi was in keeping with the aspirations of the vast numbers of the patriotic soldiers and people and became a component part of the resistance of the Chinese people against foreign aggressors, and that although the Qing government was eventually defeated, it neither surrendered to the aggressors nor became puppets in the hands of the aggressors.

First of all, we should draw a distinction between the vast numbers of patriotic soldiers and people and the party of Empress Dowager Ci Xi. Undoubtedly, the heroic life-and-death resistance made by the vast numbers of soldiers and people was a righteous anti-imperialist and patriotic action, and this should not be confused with the "policy of war" of the party of Empress Dowager Ci Xi. As everyone knows, the Qing government headed by Empress Dowager Ci Xi was forced to "declare the war" because it was at that time faced the dilemma of suppressing or placating the Boxers and "if she decided to put down the Boxers, trouble could immediately break out within the capital." Moreover, the decision was made under the condition that "she felt the foreigners had really gone too far (in connection with their demand for her return of power to Emperor Guang Xu) and unavoidably took offense." However, the "imperial edict on the declaration of war" issued on 21 June 1900 by the Qing government neither specified the targets of war nor was delivered to any foreign countries. It was quite clear that it had neither the courage nor the determination to resist the foreign aggressor troops and wage a "decisive" counterattack. On 25 June, the fourth day following the "declaration of war," Empress Dowager Ci Xi sent Ronglu and others to negotiate peace with foreign embassies, repeatedly telling the eight powers that it had been against her own intention to provoke the war and begging their understanding. She also proposed to "try to find opportunities to punish the Boxers on her own." Eight days later, she also told the foreign powers that "if she had overrated her abilities, she would not have provoked a war against every country, not to mention using rioters to provoke a war against all the powers at the same time." Based on all these, how can we say that the policy of war once adopted by the party of the Empress Dowager Ci Xi was in keeping with the aspirations of the vast number of patriotic soldiers and people, or that it was component part of the resistance of the Chinese people against foreign aggressors?

On 14 August, the eight-power allied forces seized Beijing. Fleeing to the western part of the country in panic, Empress Dowager Ci Xi ordered Yikuang and Li Hongzhang to beg the foreign powers to surrender. In September of the next year, the "international protocol of 1901" of national betrayal and humiliation was signed. Empress Dowager Ci Xi was highly grateful for this and even expressed her desire "to please the treaty's signatory states with whatever they need in China." Thus, the Qing government was completely reduced to "an imperial court of foreigners." Are there any similarities between this ironclad evidence and the so-called conclusion of Liao's article that "the Qing government neither surrendered to the aggressors nor became puppets in the hands of the aggressors?"

To sum up, we believe that Comrade Liao Zonglin did not acquire a very good understanding or developed a misunderstanding of Chen's article before writing his critical article. This was neither appropriate nor justified. Being loyal to facts is the basis for historical study, and adopting a scientific attitude of seeking truth from facts is the basic principle historians must follow and the only correct academic style of Marxism to be upheld when reviewing history. We hope to make progress together with Comrade Liao Zonglin.

XI ZHONGXUN CHERISHES MEMORY OF LIN BOQU

OW191405 Beijing XINHUA Domestic Service in Chinese 1417 GMT 18 Mar 86

["A Venerable Elder in the Revolution, a Good Teacher and Helpful Friend" -- in commemoration of Comrade Lin Boqu's 100th birthday -- by Xi Zhongxun, 18 March 1986]

[Text] Beijing, 18 Mar (XINHUA) -- The 100th anniversary of the birth of our esteemed and beloved Comrade Lin Boqu will fall on 20 March this year. With high respect, I cherish a deep memory of this venerable elder in the revolution, who was also our good teacher and helpful friend.

I first met our revered Comrade Lin in December 1935 when the Political Bureau of the CPC Central Committee was holding a meeting of party activists at Wayaobao in northern Shaanxi. We set out to meet him when he arrived in Wayaobao. This veteran Long March hero was wearing a sheepskin leather waistcoat with a leather belt around his waist. On his feet he was wearing a pair of Tibetan high boots. His silvery hair, buoyant spirits, and amiable attitude deeply impressed me. After this encounter, I had additional opportunities to be with him due to work requirement. I went to see him each time I visited Yanan, and we chatted cordially in an extremely harmonious atmosphere. He had fought under hard conditions for 14 years in northern Shaanxi. When I was with him, I had the opportunity to listen to his teachings and was greatly influenced by him. His revolutionary spirit, lofty character, and fine style gave me an intensive education. Each and every revolutionary comrade should emulate his good example and put into concrete action what has been learned from him.

1. We should learn from our revered Comrade Lin's lofty character of upholding the party spirit, taking the overall interests into consideration, maintaining unity, and strictly abiding by discipline.

Our revered Comrade Lin used to say that a leader should have the broad-mindedness of uniting with others. Indeed, he himself was a good example of this regard. In September 1936 both he and I attended an enlarged conference held by the Political Bureau of the CPC Central Committee in Baoan County (presently Zhidan County). The conference further analyzed the changes in domestic contradictions during the period of resistance to Japan and adopted a "resolution on the new situation of the anti-Japanese and national salvation movement and on the new democratic republic," putting forward the slogan of uniting with all anti-Japanese forces to form a democratic republic.

At that conference Comrade Mao Zedong seriously criticized the closed-door attitude and sectarianism of "leftist" opportunists. Many other comrades also made speeches scathingly criticizing those comrades who had erred. In his speech our revered Comrade Lin fully endorsed the CPC Central Committee's analysis of the current situation and agreed that it should "bring up again the Kuomintang-CPC cooperation proposal" and to change the formation of the "People's Republic" to the formation of a "Democratic Republic" so that all parties and factions and people of all social strata in the country might be united against the Japanese aggression. In dealing with those comrades who had erred, he took a serious yet cordial attitude. He did not blame them but emphatically pointed out that those were mistakes of the past, and we should draw deep lessons from them. Our party should emphasize unity, for only through unity can we surmount difficulties and triumph in a war of resistance against Japan. Comrade Mao Zedong praised this as a remark that took the overall interests into consideration. The tense atmosphere was suddenly eased. Those comrades who had made mistakes felt that they were still trusted by the party and other comrades, and being inspired, they resolved to correct their mistakes in the great liberation cause of the Chinese nation.

In September 1942 Comrade Li Weihan was dispatched by the CPC Central Committee to the government of the Shaanxi-Gansu-Ningxia Border Region to fill the posts of secretary general and director of the policy research office. After his arrival, Kang Sheng did not allow him access to secret documents and excluded him from certain meetings on the pretext that he had previously committed mistakes. On learning this, our revered Comrade Lin protested: He is the secretary general. How can he proceed with his work if he is not allowed to see documents and attend meetings? Comrade Lin gave the Secretariat the instruction that in general all documents sent to him should be read by Comrade Li Weihan. When our revered Comrade Lin chaired a meeting, he would take the initiative to ask Comrade Li Weihan's opinion. Compared with many cadres of the Northwest Bureau, our revered Comrade Lin was a venerable elder, but he never thought of his own seniority in dealing with them. He acted in strict accordance with the principles of organization and discipline and properly handled the relationship between the party and the government. He highly respected the functions of the Northwest Bureau and always asked for instructions from, and reported to, that bureau on work planned by the government of the Shaanxi-Gansu-Ningxia Border Region. In the fall of 1945 the party Central Committee assigned me to take charge of the work of the Northwest Bureau. At that time I was only 31 or 32 years old, but our revered Comrade Lin actively supported me to work boldly. At every meeting he let me express my opinion first. He said: Since you are the secretary of the Northwest Bureau, you should be the first one to speak. Thanks to his exemplary role as a link in forging unity, a very close and harmonious relationship was maintained between the Northwest Bureau and the border region government.

2. We should learn from our revered Comrade Lin's fine style of showing concern about cadres, cherishing them, giving them systematic guidance, and treating people equally.

In October 1935 the party Central Committee led the Red Army to northern Shaanxi and, in a timely manner, corrected the mistakes of expanding the movement in that area to eliminate counterrevolutionaries. This saved the base area of the party, the Red Army, and the revolution in northern Shaanxi. We, a group of comrades once held in custody and persecuted, returned to the party's warm embrace again. When our revered Comrade Lin saw us northern Shaanxi cadres, he made detailed inquiries about our well-being, expressing his deep concern and affection for us. Although we had never seen him before, he was very intimate with us as if he were an old acquaintance or family member.

In early 1936 the party Central Committee held three "shock fighter classes" in the Central Party School to train cadres for an eastern expedition. I was among those studying there and was the leader of one of the classes.

Comrade Dong Biwu was the president of the Central Party School. Our revered Comrade Lin taught in our class. He always used Chairman Mao's teachings and the revolutionary deeds of martyrs to educate the cadres, inspiring them to foster far-reaching communist ideals and a firm faith in the revolution. When teaching, he answered questions and explained theories in conjunction with reality, benefiting us a great deal by enlightening us. Even today, I feel that the method of teaching and learning by integrating theory with reality is very good and should be promoted with all-out efforts.

Our revered Comrade Lin not only kept to the principle and was just and selfless in dealing with other comrades, he was also sincere to them and treated them equally. When studying questions with functionaries, he always spoke in a consultative tone and let them air their views and raise their suggestions. He was able to listen to others patiently. With regard to erroneous views, he promptly corrected them with proper explanations; never did he lose his temper. When some cadres had committed mistakes in their work, he gave them enthusiastic and sincere education and guidance so as to help them recognize and correct their mistakes. When holding heart-to-heart talks with us, he often cited his own experience and lessons to educate us so as to enable us to recognize our own drawbacks and the shortcomings of our work. He was modest and prudent, never appeared arrogant because of his meritorious work, and was strict in disciplining himself and lenient in treating others. Whenever a problem arose at a central meeting or a work meeting of the border region government, the first thing he did was to examine his own mistakes and accept the responsibility on his own initiative. All comrades who have had the experience of working with him have the deep feeling that he was not only a loyal, honest, and upright proletarian politician, but also a kind elder worthy of respect and affection. Through his teaching by personal example and verbal instructions, a lot of able cadres with political integrity were trained. These cadres have constituted a backbone force in the cause of revolution and construction.

The most unforgettable event was that our revered Comrade Lin protected many party cadres by resisting Kang Sheng's "rescue movement" at the time of the Yaman rectification movement. In April 1943 the party Central Committee decided to conduct a general examination of cadres simultaneously with the movement to rectify the style of the party and pointed out that the principle of combining the opinions of cadres and masses must be carried out in examining the cadres. Utilizing the opportunity of examining cadres, however, Kang Sheng launched a so-called movement to rescue those who had erred and went all out to obtain confessions by force and give them credence. In a report made at an organ directly under the party Central Committee, he described Yanan and the border region as an area with a large number of special agents, resulting in a grave mistake of expanding the struggle against special agents.

At that time the Kuomintang diehards left no stone unturned to sow the seeds of discord and went all out to concoct slanderous rumors. Our revered Comrade Lin sternly refuted the enemy's slanderous rumors and Kang Sheng's words and deeds aimed at striking at and framing revolutionary cadres. He said: We should look at the performance of these comrades in the struggle against the enemy. How can we believe the enemy's rumors? He reported this to Chairman Mao. Other leading comrades at the central level also scathingly criticized Kang Sheng's erroneous practice. On 15 August 1943 the party Central Committee adopted a "decision on examination of cadres," which set up nine correct principles and strictly prohibited measures such as obtaining confessions by force and giving them credence as well as summoning, beating, and killing cadres indiscriminately. Chairman Mao pointed out: "None should be killed, and most should not be arrested. This is the policy that we must uphold in this struggle against special agents." It was in this way that the grave mistake of expanding the struggle against special agents was checked and corrected on time, and that those cadres subjected to false charges were quickly identified and rehabilitated.

3. We should learn from our revered Comrade Lin, honoring his revolutionary spirit of serving the people wholeheartedly.

The area bordering Shaanxi, Gansu, and Ningxia was an impoverished place with vast land, poor soil, and little population. After the war of resistance against Japan broke out, the area became an important base area for resisting the Japanese aggression. The number of troops and personnel of various organizations rose rapidly in the area, and the people going to Yanan, the sacred place of the Chinese revolution, had also been on the increase. At the same time, the diehard faction of the Kuomintang sent hundreds of thousand of troops to encircle and blockade the area. All this created serious problems for he area's economy. The CPC Central Committee called on the military personnel and the eople of the area to practice self-reliance by pursuing large-scale production activites. Our revered Comrade Lin led local governments in developing production work and making it the center of work in all fields. In addition, he took a series of well-conceived and effective measures to ensure the success of the work. The main measures taken included: Adopting a policy of giving preferential treatment to migrant and refugees designed to encourage them to reclaim wasteland; promoting various forms of emulation campaigns and giving incentives to labor heroes; instituting the policy of reducing land rent and interest in order to arouse the enthusiasm of peasants in production; supporting the Army in opening wasteland and growing food grain; and promoting industry and commercial activities on a moderate scale. The Army was a main force in production activities. The idea of supporting the Army to open up wasteland and grow food grain was first offered by Comrade Zhu De, but our revered Comrade Lin also did his share. In the spring of 1940, he led some agricultural technicians on a survey mission to Nanniwan, and asserted that the area was a good place to be reclaimed for production use. Later, Comrade Wang Zhen led Brigade No 359 to open up the area, and finally turned the deserted area into a land of opulence with abundant crops and numerous cattle.

Our revered Comrade Lin not only was the organizer and leader of the massive production activities. He worked hard in opening up wasteland and plowing paddy fields, and in weeding and watering crops. Because of his old age and hard work, many comrades advised him not to continue his work, but he replied: The production activities were initiated at the urging of the party's Central Committee, and therefore I want to actively respond to the call and take part in the activities, because I am also an ordinary person of this area.

After a few years of hard work of the military personnel and the people, especially after the full-scale production activities launched in 1943, the area achieved remarkable progress in the agricultural, industrial, and commercial fields. This enabled us to free ourselves from the predicament of extreme shortages of clothes, edible oil, vegatables, shoes and socks for fighters, and cotton quilts for workers during the winter time; basically it enabled us to live in affluence. The area, one of the darkest politically, poorest economically, and most backward culturally in China, was then developed into a model base area for resisting the Japanese aggression, a directing center for the people across the nation in resisting the Japanese aggression, and the lighthouse for the liberation of the Chinese nation. This is the result of the hard work of the people of the area under the outstanding leadership of the party's Central Committee and Chairman Mao, and also is the result of the correct implementation of the party Central Committee's lines, principles, and policies by the Shaanxi-Gansu-Ningxia Regional Government under the leadership of our revered Comrade Lin. The achievements of the area were not confined to the economic field. They were also evidenced by the popularly-established political power of "San San Zhi," [0005 0005 0455]; implementation of the policu of streamlining troops and simplifying administration; further consolidation and development of the national united front for resisting the Japanese aggression; the institution of the police on reducing land rent and interest; and development in cultural and educational fields.

When our revered Comrade Lin celebrated his 60th birthday in March 1945, the party Central Committee specifically sent a congratulatory letter to him, highly commending his contributions to developing the Shaanxi-Gansu-Ningxia area. In a poem written in memory of our revered Comrade Lin, Comrade Wu Yuzhang wrote:

In the Shaanxi-Gansu-Ningxia area, the center of the war of resistance against Japan, spectacular achievements were made in developments in various fields; successful leadership is totally attributed to Chairman Mao, while Boqu should be specially credited for assisting him.

After the victory of the war against Japan, our revered Comrade Lin continued to play a leading role in developing the Shaanxi-Gansu-Ningxia area. On 2 Mar 1946, Comrade Lin and I jointly sent a letter to Wang Yaohua and Zhao Yuwen, secretary of the Zhidan County CPC Committee and head of Zhidan County respectively, commending them for fine accomplishments in production tasks of the first half of that year, and for their correct working methods and work style of going deep into rural areas, while pointing out the problems existing in their leadership over production work. This played a positive role in promoting and guiding the production work in the entire area.

In March 1947, the Kuomintang diehards, in an attempt to save themselves from their tragic fate, sent out a mighty force of 200,000 soldiers to attack the Shaanxi-Gansu-Ningxia Border Region. The party Central Committee decided to evacuate from Yanan. At that time, it had considered our revered Comrade Lin's advanced age and asked him to evacuate to the Shanxi-Suiyuan border area on the east side of the river. Our revered Comrade Lin, however, was determined to stay behind to fight shoulder to shoulder with the soldiers and civilians in the border region. He led the comrades of the government organs of the border region to fight in one place after another in Shaanxi.

The attitude adopted by our revered Comrade Lin was always correct in the several major movements in the border region. Particularly on the issue of land reform, he had even more clearly demonstrated his deep understanding of policy and his foresight and sagacity. He was adept in implementing the party's policies and making them compatible with the actual conditions at that time. On 24 October 1947, our revered Comrade Lin attended the Yihe meeting sponsored by the CPC Northwest China Bureau for the propagation and implementation of the "outline of the land law of China" proclaimed by the CPC Central Committee and the guidelines of the national land conference. He completely agreed with the principle set by the party Central Committee on thoroughly tackling the land issue. In the course of implementing the principle, he particularly paid attention to preceeding from the actual conditions and earnestly implemented the party's various policies.

In the course of carrying out the process of land reform, a phenomena of discriminating against middle peasants, undermining industries and commerce and wantonly struggling and killing landloards and rich peasants had prevailed in Shanxi-Suiyuan area and the Shaanxi-Gansu-Nongxia Border Region. Our revered Comrade Lin disagreed with this type of "leftist" practice, and had tried to correct this practice whenever possible. At that time, An Wenqin, deputy head of the border regional council and an enlightened gentry, was being confronted. His movable properties were confiscated, and he was kicked out of his house. Our revered Comrade Lin sternly criticized this incident, and instructed that this case be handled in line with the party's policy. He also submitted a report to Chairman Mao. Chairman Mao agreed with our revered Comrade Lin's opinion, pointing out: The party and government cadres at the lower level have gone too far in hendling this affair. They have hurt the enlightened gentry whom we must protect. Our revered Comrade Lin personally called on An Wenqin to chat with him and offer his apologies. He also returned all the confiscated properties and conveyed Chairman Mao's concern to him.

Later, at the memorial meeting for Li Tingchen, vice chairman of the border regional government and an enlightened gentry, he asked An Wenqin to deliver a eulogy message. Our revered Comrade Lin also inscribed on the tombstone on Li's grave: "A typical example of a patriot," highly praising Li for his contributions to the revolutionary cause in the border region.

Between 25 and 28 December, our revered Comrade Lin and I attended the "December meeting" convened by the party Central Committee at Yangjiagou in Mizhi County. At the meeting, Chairman Mao delivered the well-known report, entitled: "Current Situation and Our Tasks." This report was a brilliant exposition of the series of issues on military affairs, land reform, party rectification, economic policies, and united front work -- issues that the party must tackle after the revolutionary war entered the offensive stage. This report was an important, programmatic document. This meeting extensively criticized the "leftist" errors in the course of carrying out land reform. The spirit of self-criticism and the attitude of holding himself responsible to the people demonstrated in our revered comrade's speech had deeply touched me. At the meeting, Chairman Mao also appointed me to make a speech. I summed up the work in the Shaanxi-Gansu-Ningxia Border Region in detail, and conducted criticism and self-criticism of the "leftist" errors which had appeared in the course of carrying out land reform.

On 22 April 1948, the Northwest People's Liberation Army had recaptured Yanan. Within a short period of 13 months and 3 days, Yanan had once again returned to the embrace of the people. Our revered Comrade Lin promptly led the comrades of the border regional government organs to return triumphantly to the city of Yanan. At the end of 1948, a nationwide victory was just around the corner. The party Central Committee cabled a message to our revered Comrade Lin, asking him to make preparations for the establishment of a new CPPCC and organize the central people's government. The comrades of the CPC Northwest China Bureau and the Shaanxi-Gansu-Ningxia Border Region shared weal and woe, worked hard from morning to night, and forged a profound friendship with our revered comrade Lin in the years of this arduous struggle. On 12 December, the CPC Northwest China Bureau and the border regional government held a mass rally for cadres to bid farewell to our revered Comrade Lin. I delivered a speech at the rally.

Our revered Comrade Lin also made a speech at the rally. He said: A servant of the people can work anywhere. He offered us sincere advice saying: A nationwide victory is just around the corner. This is something which we should feel jubilant about, because this will be a victory scored by our party after leading the revolutionary movement for 30 years. However, this victory can easily make us feel dizzy with success. We must not let this happen. We should continue to work hard for the future and overcome our shortcomings in our work. On 16 December, our revered Comrade Lin bade farewell to his close comrades-in-arms and comrades and left Yanan in a car, taking along with him the sincere regards of the people in northern Shaanxi for the party Central Committee and Chairman Mao. The people were moved to tears as they watched the car drive away.

After the founding of the nation, our revered Comrade Lin broke down from constant overwork, and became weaker and weaker. However, he continued to work hard until 20 some days before his death. Our revered Comrade Lin's militant life and his revolutionary spirit of wholeheartedly serving the people had won unanimous praise from among cadres and the masses. As an outstanding communist, he had set a glorious example for the whole party. We must strive to learn from the revolutionary spirit, fine qualities, and outstanding style of work demonstrated by proletarian revolutionaries of the older generation such as Comrade Lin Boqu, working hard to build China into a highly civilized and highly democratic, modern, socialist nation.

FURTHER INTERNAL ECONOMIC COOPERATION URGED

HK190606 Beijing JINGJI RIBAO in Chinese 12 Mar 86 p 1

[Article by Xu Zhen and Sun Shuyi: "The Purpose and Significance of Lateral Economic Associations"]

[Text] With implementation of the policy of invigorating the domestic economy and opening up to the outside world and on the basis of extending decision-making power of enterprises since the 3d Plenary Session of the 11th CPC Central Committee, the barriers between regions and departments and between trade and ownership have been removed. Diverse forms of economic cooperation and combinations among enterprises and regions have emerged at various levels. This is a new development in China's economic life. The "provisional regulations on promoting economic cooperation" promulgated by the State Council in July 1980 put forward the principle of making the most of advantages, protecting competition, and promoting cooperation. This further developed economic and technological cooperation among regions and economic ties and cooperation among enterprises. The "decision of the CPC Central Committee on reforms of the economic structure" adopted by the 3d Plenary Session of the 12th CPC Central Committee emphatically pointed out: "As we open to the outside world, we shall open up even more between different areas within China itself;" we should smash blockades and open doors in accordance with the principle of "making the best possible use of favorable conditions and avoiding the effects of unfavorable ones, developing diverse forms, offering mutual benefit, and achieving common progress." Consequently, diverse forms of economic ties and cooperation between coastal areas and the interior, cities and countryside, and trades and enterprises have entered a new stage.

Why is it necessary to vigorously carry out diverse forms of economic cooperation, particularly economic ties among enterprises? To put it briefly, it is essential to the development of productive forces. It can also promote economic structural reform. It has great vitality and profound significance. Its advantages include accelerating the exploitation of natural resources and rational use of funds, promoting the rational exchange of technology and qualified personnel, rationalizing the economic setup and regional distribution, and bringing about better economic results.

In a word, we should develop economic relations among regions and enterprises for the sake of opening up new fields for enterprise production and operation, putting production and economic activities of enterprises directly under responsible departments, enabling enterprises to make decisions and organize production independently according to the needs of production, circulation, and social demand, readjusting the organizational structure of enterprises in light of their internal relations of production development, carrying out coordination among specialized departments, and breaking with the long-standing setup characterized by large and comprehensive, small but complete. We must clear a new path, turning closed enterprises into open enterprises.

Economic relations among enterprises and regions have developed recently on the basis of extending the decision-making power of enterprises and on diverse forms of economic and technological cooperation carried out among regions and departments. This is a further development of the economic reform carried out over the past 2 years. It is also of great significance to reform.

First, the development of economic relations among regions and enterprises is essential to the development of productive forces. The essential task of socialism is to develop productive forces, create ever more social wealth, and meet the people's growing material and cultural needs. There is great potential in China's existing enterprises which is not fully tapped. Much can be done in the disposition of productive forces and rational use of energy and natural resources.

By carrying out economic cooperation, we can fully tap the potential of existing enterprises, organize enterprises, and form new productive forces in light of the needs of a rational economy. We can also concentrate the advantages of various fields, increase the production of famous brand quality commodities, develop export commodities to replace import commodities, and provide the market with goods in short supply. In so doing, we can increase production with less investment and attain better economic results.

Second, economic cooperation among regions and enterprises is an important component of the economic structural reform. Reform of the economic structure requires a change in the current management system and a transformation of rigid patterns which do not correspond with the development of productive forces. Cooperation among enterprises provides a breakthrough in removing barriers between regions or enterprises since its is neither restricted by enterprise ownership nor by the bounds of departments and regions. Cooperation among enterprises has had an impact on certain shortcomings, including the failure to separate government administration from enterprise management, rigid state control over enterprises, and negligence of commodity production, the law of value, and the role of market. Such cooperation has also exposed the problems that hinder such cooperation. This is indeed a great advance in our reform. Cooperation among enterprises inevitably results in diverse forms of new enterprise corporations and groups at various levels. These groups are vastly different from the administrative companies of the past. They are established on the basis of enterprises depending on and complementing each other, equality and mutual benefit, and voluntary participation. They are more flexible than past enterprises. They can rationally and extensively allocate and use funds, equipment, space, and manpower and make the best use of everything. Furthermore, the development of economic cooperation among enterprises will effect new changes in the planning, financial, and circulation systems, ownership setups, and relations between enterprises and administrative departments.

Economic cooperation among enterprises has developed rapidly. The situation is excellent. Innumerable facts have proven that this is an objective outcome of the development of a planned commodity economy and an inevitable trend of mass production. This will be of profound significance for the establishment of a vigorous socialist economic system with Chinese characteristics. All localities and departments should study and take note of the new trends and problems, step up cooperation through reform, discover problems that hinder cooperation, adopt effective measures to remove all kinds of obstacles, and continue to push forward the vigorous development of economic cooperation among enterprises.

ECONOMIC REFORM THEORETICAL PROCESS REVIEWED

HK191110 Beijing GUANGMING RIBAO in Chinese 8 Mar 86 p 3

[Article by Ma Biao: "Comments on the Theoretical Study or Reforming the Economic Structure of Our Country"]

[Text] Sixteen months have passed since the 3d Plenary Session of the 12th CPC Central Committee adopted its decision on reforming the economic structure. During this period, adhering to the spirit of the third plenary session's decision, economists in our country have deeply studied this important subject of reforming the entire economic structure, mainly in the cities. They have also closely combined theoretical studies with studies of reform schemes, policies, and measures. Marked progress has been made in this regard.

Research results published by economists in our country over the past year or so included the following viewpoints and opinions which are of signficance in our overall economic reforms:

First, the ongoing overall reform of the entire economic structure in the cities is a comprehensive and fundamental transformation of the traditional socialist economic mode. The new socialist economic structure, which is full of vigor and vitality and which has Chinese characteristics, should be in line with China's actual economic conditions and with the requirements of development. It should ensure the dominant position of the socialist public economy and enable the people to become rich together; it should form a planned commodity economic mode which can organically coordinate dynamic microeconomic activities and effective macroeconomic management.

Second, the general orientation of the overall economic structural reform in our country is to meet the development needs of a planned commodity economy on the basis of public ownership and to focus the economic structural reforms on invigorating our enterprises. In horizontal economic relations, socialist planned commodity markets should be further developed so as to form a sound market system; in vertical economic relations, the state's direct control over the enterprises should be reduced and the system for indirect control should be established and perfected so as to ensure vigorous socioeconomic development throughout the entire country.

Third, there should be a favorable economic environment in order to smoothly carry out the economic structural reforms in an all-round way. An important condition and basic hallmark of such a fine economic environment is the maintenance of a basic balance between gross demand and gross supply, so as to maintain an appropriate ratio of accumulation to consumption. In order to ensure the smooth development of our reforms, it is now especially important that we control the excessive swelling of gross demand in society, rationalize economic growth rates, and properly solve the problems of an excessively high growth rate, excessive scale of capital investment, and excessive increase of consumption funds so as to avoid causing stress and confusion among the public.

Fourth, in a large socialist country such as ours, where economic development is uneven and things are extremely complicated, all-round economic reforms can only be carried out step by step in an orderly way. Full consideration must be given to society's capacity to bear the impact of the economic reforms. We must not try to complete the reforms in a single move. At the same time, reform measures adopted in various stages must be well coordinated so as to minimize conflicts between the new and the old.

Fifth, in the process of changing the old economic structure, the state should reduce the scope, degree, and extent of its direct control over microeconomic activities. At the same time it should correspondingly increase the effectiveness of its indirect control over microeconomic activities. In some areas where indirect control means cannot play a role due to limitations on conditions, the state should appropriately strengthen its direct control by using some administrative means to ensure the order of economic activities. However, the use of administrative means in economic management should not become ingrained. Efforts must be made to better employ economic means in economic management, to perfect economic legislation and supervision, and to build a sound economic information network so as to promote the process of superseding the old with the new.

Sixth, it is necessary to perfect the regulatory mechanisms for microeconomic activities so as to make enterprises really bear economic responsibility for their business. This is the foundation for the state to exercise indirect macroeconomic control.

To exercise indirect control over enterprises, the state will mainly employ such economic levers as interest rates, exchange rates, tax rates, prices, and wages to influence the peformance of enterprises and to bring them in line with the state's overall economic targets. If the microeconomic mechanisms remain in an unreasonable condition, the enterprises will not have to bear all-round and strict responsibility for their business losses, which may be easily shifted to other quarters. Then, changes in the economic levers will not cause sensitive reactions and the state's indirect control will not be effective. As some economists have said, the state's "soft control" over enterprises must be based on some "hard terms" which can condition the budgets of the enterprises.

Seventh, an important condition for strengthening the state's indirect macroeconomic control is to gradually shape and perfect a market system by completely opening commodity markets and establishing and developing capital and technological markets. At the same time, reasonable movement of our labor force should be promoted. To strengthen its direct control over microeconomic activities, the state should make use of the positive role of market mechanisms to influence and guide the performance of enterprises. Only by forming a relatively sound market system can the state prompt enterprises to react positively to market changes, and only thus can markets become an arena for business competition which would enable various economic levers to play a regulatory role. This is the fundamental way to raise the economic efficiency of all enterprises and all our society.

Eighth, a reasonable price system is a necessary condition for the perfect functioning of microeconomic mechanisms and the market system. Price is the most important and effective economic lever. It is the foundation for the regulatory functions of all other economic means. Without a reasonable price system, it is impossible to correctly assess the quality of enterprise management and the results of an enterprise's business, and there will be no reliable foundation for other economic levers to perform their functions. Therefore, in order to ensure that the indirect control system will play an effective role, it is necessary to reform the unreasonable price system. Of course, the restructuring of prices may cause some prices to rise. But this is different from inflation, which is caused by an imbalance between supply and demand. So long as we can strictly control the total quantity of the money supply, we will be able to reduce completely such price fluctuations to a minimum. At the same time, with gradual changes in the supply-demand structure, prices will be stabilized on a new level based on the new supply-demand relationship. Therefore, so long as the authorities act prudently and take orderly steps, reform of the price system will not seriously affect economic stability.

Ninth, the core of indirect macroeconomic control is to ensure a reasonable growth of gross demand in our society. This is accomplished mainly through proper financial and monetary policies. Therefore, while the price system is being reformed, the tax system should also be further perfected, the financial and monetary systems should also be reformed correspondingly so that the financial and monetary policies may perform their functions in a coordinated way. By readjusting the total scale of financial income and expenditures and the revenue and expenditure structure, and through controlling the money supply and the size of credit funds, the state authorities will be able to maintain a financial and credit balance. This will also enable them to properly control the "general valve" for social demand so as to create a favorable economic environment in which supply slightly exceeds demand. This will then provide a foundation for maintaining a materials and foreign exchange balance which corresponds with the financial and credit balance. Then, a comprehensive, overall balance will be effected in the national economy which will in turn ensure the continuous, steady, and well-coordinated development of the national economy.

Tenth, the overall economic structural reforms in our cities not only include reform of various economic operational mechanisms, but reform of the ownership structure. A reasonable ownership form and proper operational mode have a great bearing on an enterprise's business results.

In the socialist public economy, it is not only some small enterprises owned by the whole people which can be contracted or leased to collectives or individuals. Some enterprises can also be turned into joint-stock companies on a trial basis in light of needs in the development of a planned commodity economy. This will help us find new ways to establish a socialist joint-stock economy in line with our country's conditions.

Reviewing the theoretical studies of economic structural reforms in our country, we can generally summarize the marked characteristics of the studies as follows:

First, economists have attached importance to the study of the socialist economic operational mechanisms. In previous years, the study of economic reform theory was focused on revealing the essence of socialist economic relations, insufficient attention was being paid toward the study of socialist economic operational mechanisms. In fact, without thoroughly studying the economic mechanisms, economists would be unable to discover the essence of economic relations in depth. Nor would they be able to put forward effective measures to deal with various problems appearing in the course of the economic reforms. The decision of the 3d Plenary Session of the 12th CPC Central Committee put forward a scientific conclusion that the socialist economy is a planned commodity economy, thus laying down the theoretical foundation for reform of the economic structure of our country. Since then, economists have increasingly shifted their attention to the study of socialist economic operational mechanisms. Over the past year and more, they have not only analyzed the different functioning modes of the old and the new economic mechanisms, but also worked out some measures for superseding the old mechanisms with new ones, thus promoting an all-round development of the economic structural reforms.

Second, importance has been attached to the study of socialist macroeconomic management. In previous years, economists in our country paid more attention to studying ways to enliven microeconomic activities; the study of macroeconomic management remained a weak link. With the all-round unfolding of the economic structural reforms which are focused on invigorating enterprises, especially since the appearance of such problems as excessively high economic growth rates, excessive swelling of capital investment, excessive increases in credit and consumption funds, excessive price rises, and the fall in the state's foreign exchange reserve in the fourth quarter of 1984, more and more economists have come to realize that the more dynamic microeconomic activities become, the more necessary it is to strengthen macroeconomic control. In the past year or so, economists have discussed the changes in the state's functions in managing the economy and in the methods of state economic management. They have stressed the need to discuss ways to gradually reduce the state's direct control over enterprises and the foundation, conditions, and measures for establishing a sound, indirect macroeconomic system. Their studies have provided many useful views on making policies for turning direct control into indirect control.

Third, importance has also been paid to the study of reforming the structure of ownership of the means of production. In previous years, when studying reform of the economic structure, our economists tended to take the ownership structure, expecially the socialist all-people ownership system, as an established precondition and an invariable premise. Although some economists proposed reforming the form of public ownership, their proposals were not highly valued in economic circles. With in-depth development of the economic structural reforms, especially with the extensive introduction of the output contract responsibility system in the countryside and the gradual expansion of enterprise decision-making power, ownership forms have been gradually diversified. The demarcation lines between the nationalized economy, the collective economy, and the individual economy have not been so clearly drawn. Different ownership forms have begun to overlap and infiltrate each other.

People have gradually learned from practice that reforms in all aspects of economic operation and management, including reforms of the planning, financial, monetary, commercial, price, and wage systems, not only concern the forms of operation and management, but also the changes in ownership forms. Economists have therefore paid more and more attention to reform of the ownership structure, holding that the ownership structural reform is of fundamental significance. Over the past year and more, the economists have made serious and useful studies of the internal structure of all-people ownership. They have mainly discussed the economic forms of the combination economy and the joint-stock economy. At present, in-depth studies in this regard are still going on.

Fourth, economists have paid more attention to the application of modern scientific research methods. Research methods serve various research tasks. The overall economic structural reforms in cities are in fact an arduous and complicated systems engineering project in society. It is necessary and possible to obtain the objective model through the actual economic process. To do this, economic researchers must make use of all the advanced cognition tools of mankind. This is an objective requirement of the in-depth study of the theory of economic reforms. Over the past year and more, apart from continuing to use traditional research methods, economists have also used many modern research methods, including the systems theory, the information theory, and cybernetics. At the same time, the dissipation structure theory and coordination theory have also been applied to the study of economic structural reforms. Thus, economic research is no longer limited to theoretical and qualitative research, but more and more relies on models and quantitative analyses.

In addition, more attention has been paid to comparison of different economic systems. Studies in this regard have enabled us to draw a lesson from the changed economic systems in other countries and to widen our vision. This is of significance in deepening our economic reform studies.

In short, since the 3d Plenary Session of the 12th CPC Central Committee, the theoretical research for economic structural reforms has made considerable progress. Of course, economists do not agree on all issues. Many issues, especially some fundamental issues, have to be solved through further in-depth studies and discussions.

MINISTER ON PROSPECTS FOR PETROLEUM INDUSTRY

HK190305 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 10, 10 Mar 86 pp 16-17

[Article by Wei Guozhi: "Petroleum Industry Minister Wang Tao on Prospects for China's Petroleum Industry"]

[Excerpts] A New Period of Development

A few days ago, Minister of Petroleum Industry Wang Tao said to this reporter: In the Sixth 5-Year Plan period which ended last year, China's petroleum industry fulfilled the task of stabilizing and consolidating its annual crude oil output at 100 million tons. A momentum of sustained and stable growth in oil production and oil field construction has emerged and the petroleum industry is advancing toward a new and higher objective. It indicates that China's petroleum industry has entered a new period of development.

He said: In 1985 China ranked sixth in the world in terms of oil output. Topping all previous records, it produced 124.88 million tons of crude oil, an increase of 8.9 percent over the previous year. Of the first six major oil producers in the world, China registered the highest growth rate in production.

Wang Tao said: China's prospective oil and natural gas resources spread over large areas. The oil deposits discovered so far account for only some 10 percent of the predicted reserves. Although the petroleum industry has developed considerably, it is still in the initial stage of development. This shows that the prospects for China's petroleum industry are very bright.

The Oil Industry Will Enter a Period of Full-Scale Development by the End of This Century

Wang Tao said: Most of the major oil fields discovered in China so far are situated in the eastern region. For example, the famous oil fields of Daqing, Shengli, Zhongyuan, Liaohe, and Dagang are scattered over this region. It is rich in oil resources. In the Seventh 5-Year Plan period, we shall still concentrate on prospecting and developing this region in order to increase our reserves and output.

The western region serves as a strategic reserve for China's oil production where there are quite a few large sedimentary basins rich in oil resources. However, the level of prospecting is very low. If we energtically engage in oil exploration, the prospects for their development are extremely good.

The offshore region also serves as a strategic reserve for China's petroleum industry. We started oil exploration in this area only a few years ago. We have made some important discoveries in the Bo Hai, Yingge Hai, Zhu Jiang estuary, Beibu Wan, and other sea areas. With the development of cooperation with foreign countries, as well as the launching of self-run exploration work, we are likely to discover more oil and gas with commercial value. Taking the offshore oil as a "door," China will continue developing numerous forms of cooperation with foreign countries, such as importing technology, knowledge, and knowledgeable people and speeding up the mastery of advanced foreign science, technology, and managerial skills.

The 10 provinces and autonomous regions in southern China serve as a strategic reserve for the long-term development of China's petroleum industry. Over the next few years, we shall vigorously step up regional exploration and comprehensive geological research, choose the favorable areas to be prospected, and lose no time in launching cooperation with foreign countries.

Wang Tao said: Some foreign countries are paying close attention to our oil resources in western China. For example, we have, over the past 2 years, discovered a few gigantic geological structures in Xinjiang's Tarim basin, where there is likely to be a large or extra-large oil gas field [you qi tian 3111 3049 3944] Moreover, exploration work is also being vigorously conducted in Junggar, Turpan, and Qaidam basins. He emphatically pointed out: In developing our oil gas resources in the western region, there must be two conditions: One is to ascertain the existence of ample reserves and the other is to make plans for the transportation of oil gas to other regions. If there are no ample reserves, it will not be worthwhile to lay a pipeline; without a pipeline for the transportation of oil gas, neither will it be possible to start a large-scale development project. China has decided to carry out further exploration work in Qaidam basin this year. We shall organize our work according to the new management structure and adopt advanced skills and technologies to do the drilling in the interior of the desert.

When forecasting the prospects for the petroleum industry, Wang Tao said: It is estimated that by the end of this century the western region will have been developed to a considerable extent and a fairly large-scale offshore oil production capacity will also have taken shape. At that time, China's petroleum industry will probably enter a period of full-scale development.

Lay a Good Foundation, Speed Up Development

Wang Tao said: China will work hard for 3 years in order to lay a good foundation for the further development of the petroleum industry. By laying a good foundation we mean firmly grasping prospecting work in order to increase the new reserves by a big margin. In the Seventh 5-Year Plan period, we shall strive to increase the new oil and natural gas reserves by more than 100 percent compared with the Sixth 5-Year Plan period.

Combining Two Technological Advantages

Talking on how to make use of the world's advanced technology in oil exploration and exploitation, Wang Tao said: The large oil companies in the world are transnational ones. They use the world's advanced technology to carry out oil exploration and exploitation. For example, the British North Sea oil field has been developed with the use of advanced technologies from various countries. Viewed from China's practical conditions, we should not only conscientiously sum up our experience and give scope to our advantages, but also step up the work of importing, digesting, and absorbing foreign technology. We should increase our ability to develop on our own and accelerate the process of our scientific and technological advance through the import of technology. That is to say, by combining the two technological advantages we shall be able to speed the development of China's petroleum industry.

Wang Tao said: On the basis of studying and determining the production and construction tasks for the Seventh 5-Year Plan period, we have also envisaged the three objectives we shall strive to achieve by the end of this century. These objectives are: change the situation whereby the development of the petroleum industry fails to keep abreast of the needs of the national economy, so that the gross value of petroleum industrial production will increase simultaneously with the gross value of industrial and agricultural production and so that China will stand in the forefront of the world's major oil producers in terms of crude oil output, change the backward conditions in natural gas production so that natural gas will become an important energy resource in developing the national economy; and change the sitution whereby the development of petroleum science and technology fails to keep abreast of the needs of production and construction in order to raise the main skills and technologies for exploration, exploitation, and production to an advanced world level at that time and to train a good number of oil experts with a first-rate international standard.

RENMIN RIBAO ENCOURAGES INCREASED AFFORESTATION

HK180945 Beijing RENMIN RIBAO in Chinese 12 Mar 86 p 2

[Commentator's article: "Greening the Motherland in the Spirit of the Foolish Old Man Who Removed the Mountains"]

[Text] Today is 1986 tree planting day. It has been 5 years since the first tree planting day. With the common efforts of the Chinese people over the past 5 years, afforestation work has become better and better, and more and more trees have been planted throughout the country.

Greening the motherland is a great task involving the transformation of nature and society. It requires our consistent efforts and must be passed on from generation to generation. Viewed from the 9.6 million square kilometers of Chinese soil, China's ecological environment has much room left for improvement. In comparison with agriculture, animal husbandry, and fishery, forestry still remains a weak link in the national economy.

As our country is deficient in forestry resources, it is particularly necessary to carry out afforestation through generations in the spirit of the foolish old man who removed mountains. How as the Sixth 5-Year Plan has ended and the Seventh 5-Year Plan has started, we should conscientiously sum up our experience in greening work in the last 5-year plan. We should add to our achievements; overcome our shortcomings; commend the advanced; encourage the backward; and have a better understanding of the arduousness, long-term nature, and urgency of afforesting the motherland, so that we can carry out the great task of afforesting the motherland better and faster.

The fundamental strength for afforesting the motherland lies in the masses. To mobilize the masses, we should propagate the significance of afforestation work and rely on correct policies. The latter factor plays a decisive role. The 800 million peasants are the main force in afforestation work. Over the past few years, the party and the government have drawn up a series of policies for afforestation development in the rural areas (including mountainous areas and plains). These policies are aimed at mobilizing the masses to go in for afforestation and to become better off through engaging in afforestation. Therefore, the peasants' autonomy should be expanded so that afforestation can be carried out in combination with the peasants' economic results. But in some localities, the above policies have not been put into effect and the peasants are not enthusiastic about carrying out afforestation as they are still afraid that the relevant policies will change. This problem must be earnestly solved in coordination with the implementation of the Central Document No 1 of this year.

It is necessary to stress the quality and economic results of tree planting. Laying undue stress on quantity to the neglect of quality; planting many trees but being unable to keep them alive; and not paying enough attention to economic results -- these are long-standing, prominent problems in afforestation work. These problems have resulted from some cadres' failure to implement the policies on afforestation in a down-to-earth manner and, what is more important, from poor management. Therefore, in the course of paying attention to the implementation of the policies on afforestation, it is necessary to improve forestry production skills and to lead afforestation work on the road of intensive management. In other words, it is necessary to carry out afforestation and management in a scientific way. Therefore, various localities and the departments concerned are required to popularize scientific knowledge, to provide good technological service, and to disseminate scientific and technological achievements so as to combine science and technology with the masses' afforestation activities. For the purpose of making rational arrangements for afforestation and providing timber and other forest products, it is necessary to undertake a number of afforestation projects and to build afforestation bases. Over the past few years, a number of afforestation bases have been built in some localities. They have produced quick results and timber production has increased by bounds, thus blazing a new trail in forestry development. This method should be popularized in localities which have the necessary conditions.

MINISTRY ISSUES CIRCULAR ON FOREST FIRES

OW180537 Beijing XINHUA Domestic Service in Chinese 1223 GMT 17 Mar 86

[Text] Beijing, 17 Mar (XINHUA) -- In connection with a spate of forest fires in some provinces since the beginning of this year, the Ministry of Forestry recently issued a circular, calling on all localities to step up the work of forest protection and fire prevention.

The circular says: A recent spate of forest fires in some provinces has caused damage to forests as well as injury and death. A fire started by children playing in Tongshan County, Hubei Province, on 8 January burned some 1,300 mu of forested land and incurred immediate economic losses, totalling over 74,000 yuan.

Another fire ignited by a cigarette dropped by a hunter in Ningshan County, Shaanxi Province, destroyed some 800 mu of state-owned forests; and between 1 and 4 March, a total of 19 fires broke out in Shaanxi Province, including a major fire at scenic Lushan, which damaged over 3,000 mu of wooded, mountainous area.

Analyzing the causes of the large number of forest fires and serious damage since the beginning of this year, the circular points out: Due to a continuous decrease in forest fires over recent years, some cadres have lowered their guard, failed to map out plans for forest fire prevention, enforce fire prevention measures, conduct publicity and education among the masses of people, or exercise strict surveillance over the origin of fires. In some localities, fire departments have been merged, and spending and staff on fire-prevention duty have been cut, thereby weakening fire prevention forces and causing big disasters as a result of failure to promptly extinguish fires.

The circular calls on all localities to, first, conscientiously implement the "Forest Law" and carry out a general inspection to remedy and reinforce fire prevention measures during the spring fire prevention period. Second, it is necessary to conduct extensive publicity and education on forest fire prevention, step up surveillance over the origin of fires, and sternly handle criminal cases involving forest fires. Third, it is necessary to strengthen the everyday work of fire prevention offices so that they can take prompt action to extinguish fires. Fourth, it is necessary to include forest fire prevention work in leaders' agendas and intensify leadership in fire prevention work.

JOINT CIRCULAR ON IMPROVING STATE FOREST FARMS

OW140215 Beijing XINHUA Domestic Service in Chinese 0846 GMT 13 Mar 86

[Text] Beijing, 13 Mar (XINHUA) -- In order to invigorate and improve the management of state forestry farms, the Ministry of Forestry, the State Planning Commission, the Ministry of Finance, and the State Administration of Commodity Prices issued a joint circular calling on various localities to invigorate the economy of state forestry farms toward gradual self-sufficiency and to build state forestry farms into base areas providing the state with plenty of lumber.

The state forestry farms are important base areas of lumber supply to the state. Their total area is nearly one-quarter of the total forest area of the country. With the predatory felling of trees and the rapidly dwindling lumber resources in existing old forest areas, to do a good job in reforming state forestry farms and to quicken the pace in developing the state's reserve forest resources to meet the needs in promoting the four modernizations program are of great strategic importance.

The circular points out: Currently, the forests in the state forestry farms are generally young or middle-aged forests. In order to readjust the age structure, quicken the pace in developing forests and raising quality, it is necessary to conduct experiments in strengthening forest management and carry out tree-felling in a planned manner. In other words, it is necessary to select man-made, natural second-growth, or low-yield forests, which have fully grown under good topographical conditions but the age structure of which is irrational, for clear felling in small areas or narrow strips according to local conditions. Efforts must also be made to plant fast-growing and high-yielding trees in felled areas. To conduct experiments in strengthening forest management and facilitating tree felling, it is necessary to work out plans to strengthen forest management and formulate operational plans. Such plans should be submitted to the local foresty department (bureau) of the province, autonomous region, or municipality concerned for approval.

In order to bring into full play the dominant role of natural resources, raise economic efficiency, and cultivate fast-growing forests to support the cultivation of slow-growing forests, all state forestry farms must develop diversified economy in a planned manner and according to their own different conditions. They must grow crops; cultivate fresh water and marine products; process semifinished products; engage in mining, construction, and transportation work; promote tourism; and do business and render services of all types. It is necessary to promote economic integration covering various trades and different districts in an effort to greatly develop diversified economy by state forestry farms in 3 to 5 years.

The circular also gives specific rules on fixing prices for the extra lumber produced by state forestry farms after they have fulfilled lumber supply targets to the state; on the income of the state forestry farms during forest cultivation; and on profits made by state forestry farms in developing diversified economy and facilitating the comprehensive utilization of forests.

YANG DEZHI REVIEWS PLA TRAINING REGIMENT

OW200906 Beijing Domestic Service in Mandarin 1200 GMT 17 Mar 86

[Text] Remarkable results have been achieved by the PLA in training its new recruits by organizing them into training regiments for this purpose.

Yang Dezhi, chief of General Staff, noted today while reviewing the training regiment of a group army under the Beijing Military Region that this is a significant result of the structural reforms being carried out in our Army.

Due to the development of modern science and technology and our Army's constant improvement and renewal of its weapons and equipment, the past practice of organizing both old soldiers and new recruits for joint training can no longer meet the need of modernizing the Army. For this reason, the Military Commission decided in an enlarged commission session last year to establish the system of organizing training regiments in group armies. By now the new recruits being trained in the various training regiments throughout the Army have all undergone rigid and regular training, which has laid a solid foundation for them in the four areas of military, politics, work style, and discipline and physical fitness.

At today's on-the-spot meeting of all training regiments in the Army, representatives to the meeting made spot checks on randomly selected duties of the various services involving scores of trainees. The new recruits who have received training have all been assessed to have attained a good mark.

YANG DEZHI AT HENAN MILITARY REVIEW 19 MARCH

SK200224 Jinan Shandong Provincial Service in Mandarin 2300 GMT 19 Mar 86

[Text] On the morning of 19 March, the Jinan Military Region held a military review of a greater size to display military skills and to inspect a certain division's achievements in training new soldiers at a certain location in Henan Province.

Yang Dezhi, chief of staff of the PLA General Staff Department; Li Jiulong, commander of the Jinan Military Region; (Guo Fuzhou), chief of staff; and Hu Changfa, director of the Military Training Department of the General Staff Headquarters, reviewed the troops and also watched the display of military skills.

The march started at 0900. Amid majestic martial music, more than 4,000 new soldiers trained by the instructional group -- organized into 43 square formations, valiantly marched past the rostrum to be inspected by the chief of staff of the General Staff Department. Seeing that these new soldiers have rapidly become qualified fighters through short-term training, Chief of the General Staff Yang was quite pleased, nodded his head, and said "good, good."

After the military review concluded, Chief of the General Staff Yang made a speech. He urged all the cadres and fighters to show concern for and support the building of the instructional group and the group's training work. He also urged the cadres and fighters of the instructional group to work hard and cautiously in order to train qualified fighters for the PLA. After Chief of the General Staff Yang concluded his speech, specialized troop units composed of the new soldiers brilliantly displayed their military skills.

YAO YILIN ON GRAIN OUTPUT, AGRICULTURE INVESTMENT

OW160818 Beijing XINHUA in English 0631 GMT 16 Mar 86

[Text] Beijing, March 16 (XINHUA) -- Vice-Premier Yao Yilin said China would increase investment in agriculture in the next five years to boost per-unit grain output and expand crop area by reclaiming wasteland, today's "PEOPLE'S DAILY" reports. When inspecting northeast China's Heilongjiang Province last Tuesday through Friday, Yao Yilin urged local authorities to pay greater attention to grain production and speed up the construction of export farm produce centers. He called for increasing the export of farm produce and earning more foreign exchange so as to promote the development of the national economy during the Seventh Five-Year Plan period (1986-1990). China's grain output could basically meet its needs, Yao stressed. China now exported soyabeans and corn while importing a certain amount of wheat. The export was equal to the import in quantity as against the import of large amounts of food grain several years ago.

DENG LIQUN AT OPERA RESEARCH SOCIETY FOUNDING

OW151202 Beijing XINHUA in English 1116 GMT 15 Mar 86

[Text] Beijing, March 15 (XINHUA) -- A society for research into Kun opera, one of China's traditional opera forms, was founded at a celebration attended by nearly 200 people from the field here today at the Cultural Palace for Nationalities. Kun opera originated in Jiangsu Province during the Tang Dynasty (618-907). The singing is accompanied by wind and string instruments. Qian Changzhao, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference, and Yu Zhenfei, a leading Kun opera performer, were invited to be honorary president and advisor, respectively. Zhang Geng, vice-president of the Chinese Dramatists Association, was appointed president.

Deng Liqun, member of the Secretariat of the Chinese Communist Party Central Committee, said at the ceremony that, like other traditional operas, Kun opera is not popular among young people at present, but it is still finds enthusiastic audiences among old people. To celebrate the founding of the society, outstanding actors and actresses from five troupes of Kun opera have gathered in Beijing for performances which will begin tomorrow.

DENG LIQUN CALLS FOR DEVELOPING LEI FENG CAMPAIGN

OW170413 Beijing XINHUA Domestic Service in Chinese 1423 GMT 16 Mar 86

[Excerpt] Beijing, 16 Mar (XINHUA) -- The Beijing Municipal CYL Committee held an experience-exchange meeting today learning from Lei Feng's "comprehensive service to households." At the meeting, Deng Liqun, secretary of the Secretariat of the CPC Central Committee, pointed out: "Comprehensive service to households" must include the new contents of helping some families educate their young people well and helping delinquents mend their ways. The CYL may first conduct some investigation and study, conduct experiments, and further improve this service.

Comrade Deng Liqun said: By launching this activity, the CYL has made things easier in life for widowers, widows, orphans and the childless, and some sick and disabled people and provided nourishment for their minds. This shows the fine custom of helping each other among people in our socialist country. However, we should further develop our service. For instance, we can help some parents who do not know how to educate their children. We can help young people who have taken a wrong step in life to follow the correct path. Each CYL member, widower, widow, orphan, childless person, the sick and disabled who has received the service has this obligation.

HUANG HUA AT COMMEMORATION OF ANTI-JAPAN PROTEST

OW190445 Beijing XINHUA Domestic Service in Chinese 1534 GMT 17 Mar 86

[Excerpts] Beijing, 17 Mar (XINHUA) -- The CYL Central Committee and the All-China Students Federation jointly held a meeting at the Beijing Teachers University today to make the 60th anniversary of the "March 18th" massacre and to pay respects to the martyrs before a monument to them.

On 18 March 1926, students in Beijing, under the leadership of the Communist Party and the progressive Kuomintang forces, held a meeting to condemn the Japanese imperialists for bombarding a unit of the National Army at Daqukou and to organize a petition group to demand that the Duan Qirui government reject the imperialists' "ultimatum" and abrogate all unequal treaties. The Duan Qirui government ordered troops to suppress the petitioning students by firing at them, thus killing or wounding more than 200 students on the spot. This is what is called the "March 18th" struggle or massacre in history.

Huang Hua, vice chairman of the NPC Standing Committee, addressed the commemoration meeting. He hoped that students would inherit and carry forward the glorious tradition of the Chinese students movement and strive to become disciplined builders with lofty ideals, morality, and culture in the future. Huang Hua also called on personages with breadth of vision in Taiwan to follow the example of Mr Xu Qian, a founding member of the Kuomintang, to put national interests above everything else, and to work hard for the reunification of the motherland.

WANG ZHEN ADDRESSES COMMENDATION MEETING

OW170021 Beijing XINHUA Domestic Service in Chinese 1413 GMT 16 Mar 86

[By reporter Ji Bin]

[Excerpts] Beijing, 16 Mar (XINHUA) -- A number of advanced collectives and individuals that have made outstanding achievements in the development of rural energy resources for the benefit of the peasantry attended a commendation meeting in Beijing today.

The meeting was jointly sponsored by the State Planning Commission; the State Economic Commission; the State Science and Technology Commission; and the Ministry of Agriculture, Animal Husbandry, and Fishery.

Wang Zhen, vice chairman of the Central Advisory Commission, and responsible comrades of relevant departments under the State Council attended the meeting to extend their congratulations to those commended. In his speech at the meeting, Wang Zhen pointed out: Developing rural energy resources is of great strategic importance for the rural economy and even for the national economy as a whole; it is a major matter concerning the lives and production of our country's 800 million peasants and the econological balance as a whole. It is imperative to effectively solve problems in the development of rural energy resources in order to further develop the rural economy.

The national conference on rural energy resources concluded on 16 March after 5 days in session.

WANG ZHEN, DENG PUFANG AT MEETING ON HANDICAPPED

OW191201 Beijing XINHUA in English 1136 GMT 19 Mar 86

[Text] Beijing, March 19 (XINHUA) -- Chinese universities and colleges enrolled 853 handicapped students in 1985, trebling the 1984 figure, according to the third council meeting of the China Welfare Fund for the Handicapped, which opened here today.

Wang Zhen, honorary director-in-chief of the welfare fund told the meeting that the fund has done much work for the social welfare of the country's 20 million handicapped people since it was founded in 1984.

Director-in-chief Deng Pufang said his fund has sponsored a number of courses for the handicapped in English typewriting, tailoring, and watch and radio repair. A school to train computer operators run by the fund has so far enrolled more than 300 handicapped persons. In consultation with the State Education Commission, he said, the organization this year set up a fund for disabled people who have achieved outstanding progress in study, as well as for those engaged in education of the handicapped. The awards will be made in Beijing next month, Deng said. To bring the potential skills of the handicapped into full play, Deng said, more on-the-job training should be conducted so as to raise their educational levels and professional skills. He also urged the whole of society to work for the employment of handicapped people.

At present, about 70 percent of the disabled people in China's large and medium-sized cities are employed. Statistics released by the State Education Commission show that there are 375 schools for the blind, deaf and dumb, or mentally retarded across China. In 1985 these schools enrolled 9,200 students, bringing the total number to 41,700 at school.

HAO JIANXIU, KANG SHIEN SEND WREATHS FOR HU WENXIU

OW201139 Beijing XINHUA Domestic Service in Chinese 1322 GMT 18 Mar 86

[By reporter Chi Maohua]

[Excerpts] Taiyuan, 18 Mar (XINHUA) -- Hu Wenxiu, a deputy to the Sixth National People's Congress and stepmother of heroine Liu Hulan, died of illness on 10 March. A memorial meeting for Hu Wenxiu was held at the Liu Hulan Memorial Hall in Wenshui County, Shanxi Province, this morning.

Wreaths and messages of condolence were sent by Hao Jianxiu, member of the Secretariat of the CPC Central Committee; Kang Keqing, vice chairman of the CPPCC National Committee; Kang Shien, state councillor; Luo Guibo, member of the Central Advisory Commission; and Cui Naifu, minister of civil affairs.

EMERGENCY CIRCULAR ON FARM MATERIALS TRANSPORT

OW200101 Beijing XINHUA Domestic Service in Chinese 1232 GMT 19 Mar 86

[Text] Beijing, 19 Mar (XINHUA) -- In order to properly transport materials needed for agricultural production; to supply in good time to the vast rural areas agricultural production means needed for spring farming, as well as other necessary means for daily life; and not to delay farming work; the Ministry of Commerce and the Ministry of Railways jointly issued an emergency circular recently.

The circular stressed that commercial, grain, and supply and marketing deparments in all localities should take proper measures to ensure the supply of seeds, chemical fertilizers, farm chemicals, farm machinery and implements, plastic film for agricultural use, iron wire, nails, and other spring farming-related means for daily life. The circular also stressed that they should submit in good time to local railway and transportation departments their plans for transportation means and should properly organize the work in delivering, transferring, and receiving goods; in connecting freight cars, and in short-distance goods transportation. Railway departments in all localities should give priority to incorporating farm materials into their transportation plans, to transferring suitable cars for transporting these materials, to dispatching loaded cars to their destinations, and to loading and unloading these materials. Priority should also be given to getting extra cars needed to transport farm materials for emergency use. Commercial, grain, and supply and marketing departments in all localities should also ensure that farm materials are securely packed, and that labels are clear and legible. Irresponsible handling of goods is strictly prohibited. Railway departments should earmark special cars for transporting farm materials of special nature, and such departments should operate according to procedures established to ensure transportation safety.

GUANGDONG'S LIN RUO, OTHER LEADERS PLANT TREES

HK140857 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 12 Mar 86

[Text] It is Arbor Day today. Some 70,000 people of various circles in Guangzhou planted trees and flowers in the Tianhe Sports Center, around the Baiyun Shan, and in streets and roads in the city.

This morning, responsible persons of the province and city and PLA units stationed in Guangzhou, including Lin Ruo, Ye Xuanping, Guo Rongchang, Liang Lingguang, Zhang Zhongxian, Xue Yan, Yang Deyuan, Xu Shijie, and Zhu Senlin; cadres of provincial, city, and district organs; commanders and fighters of PLA units; and approximately 1,000 people in (Hongling) Street, Yuexiu District, went to the Tianhe Sports Center to plant some 1,000 trees.

In the course of planting trees today, Shi Anhai, vice mayor of Guangzhou City, told reporters that this year, the city government advocated to the people in the city that it was necessary to build juvenile forests, youth forests, militia forests, barracks forests, and 8 March forests, which are of commemorative significance. The city government demanded that the quality of tree-planting be improved and that all trees planted grow healthily.

Today, the masses in Guangzhou City planted 300,000 trees and fruit trees in the city.

GUANGXI PARTY MEETING AIRS PROBLEMS, TASKS

HK150225 Nanning Guangxi Regional Service in Mandarin 1100 GMT 14 Mar 86

[Excerpts] A Guangxi Regional CPC Committee work conference was held in Nanning from 7 to 9 March. The meeting seriously studied the spirit of Comrade Hu Yaobang's speeches delivered in Guangxi, unified thinking, and called on all levels in the region to work in concert to consolidate and develop the political situation of stability and unity, persevere in reform, implement the principle of opening up to the world and invigorating the domestic economy, and strive to promote economic work.

Jin Baosheng and Tao Aiying, deputy secretaries of the regional CPC Committee, presided at the meeting. Regional CPC Committee Secretary Chen Huiguang delivered a summation at the concluding session on 9 March. Deputy Secretary Wei Chunshu spoke on the region's economic situation and the current tasks in economic work.

The participants seriously studied the spirit of CPC Central Committee General Secretary Hu Yaobang's recent speeches in Guangxi, analyzed the situation in the region, improved their understanding, and enhanced their thinking.

During his inspection of Guangxi, Comrade Hu Yaobang said that the cardinal and greatest principle is that everything must be aimed at preserving political stability and unity. He also specifically pointed out that we should not adopt measures that do not benefit political stability and unity, and we should as far as possible do things that benefit political stability and unity.

The meeting held: We must organize the cadres, especially the leading cadres at all levels, to seriously study Comrade Hu Yaobang's important instructions and unify their views on the political situation in the region. Since dealing with problems left over from the Cultural Revolution, and especially since the 5th regional party congress last year, Guangxi has done still better in developing its excellent situation and in implementing in greater depth the line, principles, and policies since the 3d Plenary Session of the 11th Central Committee.

We have continued to eliminate leftist influences and factionalism, totally negated the Cultural Revolution, dealt properly with problems left over from the Cultural Revolution, launched party rectification, corrected unhealthy trends, and cracked down on economic crime. A political situation of stability and unity has developed throughout the region, thus creating very good conditions for building the four modernizations. All this constitutes the main current.

However, we must also realize that certain factors affecting stability and unity also exist at present. We need to pay attention to these and solve them.

The meeting pointed out: We should solve the following problems in order to attain political stability and unity:

1. We must maintain relative stability of the leadership groups at all levels and be concerned for, support, encourage, and help their work.

2. We should affirm the achievements in dealing with problems left over from the Cultural Revolution. The eighth session of the fourth regional CPC Committee last year summed up this work and issed a resolution on it. Generally speaking, we have followed the central principles and policies and scored very great success. This was not easily attained. The regional CPC Committee will issue no further decisions and will carry out no further reexaminations. Individual problems can be handled in a truth-seeking way in accordance with the policies. The party committees at all levels must pay attention to this question and ensure that there is no further rummaging.

3. In accordance with the principle of acting in a resolute and sustained way, we must further straighten out party style in accordance with the principle of taking resolute and sustained action. The regional CPC Committee is determined to start with the leading organs and cadres, and first with the regional CPC Committee Standing Committee and the regional leading organs and cadres. At present we must get a good grasp of investigating and dealing with specific cases, especially major and important ones, and correct unhealthy trends. We must have a resolute attitude and also pay attention to policy demarcation lines. We must also promote reforms and economic development.

4. We must resolutely overcome political liberalism, bring inner-party democracy into play, and stress centralized unity. The party must stress democracy and permit differing views. We should also welcome party members to criticize party organizations and their leaders, but it is essential to follow organizational principles and regard the CPC Central Committee's principles and line as the basis for unity.

5. We must do a good job of work regarding old cadres. We must respect the old comrades care for them politically, and look after them in daily life in accordance with the regulations. We must be sure to listen to the views of old comrades when studying work tasks. At the same time, we can send those who are in good health to carry out specific investigations in various places, so as to contribute their brains to economic construction.

6. We must step up ideological and political work. At present, while carrying our reforms, opening up, and concentrating efforts on grasping economic construction, we must persistently build socialist material and spiritual civilization together.

The meeting held that economic work is not just an economic matter. It is also a political question. We must never forget that the fundamental task of socialism is to develop the productive forces. We should persevere in reforms, clear away all interference, and concentrate efforts to promote economic work.

First, we should establish firm confidence. We should not just look at the region's shortcomings in having a poor foundation, many problems and difficulties, and backward economic development compared with the country as a whole; we must also correctly analyze the situation and see the achievements, the favorable conditions, and the prospects and hopes. We must certainly not be content with the status quo. We must strive for a slightly higher economic growth rate during the Seventh 5-Year Plan than during the Sixth 5-Year Plan, and also one slightly higher than the national growth rate, and gradually narrow the gap in economic development between ourselves and advanced provinces and regions.

Second, we must act with self-reliance and fully tap the masses' inherent vitality.

Third, we must have a clearer understanding of the state of our region, base our work on local resources, and take full advantage of our strong points. Guangxi's main strong points are excellent natural conditions for developing subtropical crops, abundant mineral resources, hydroelectricity, tourism, and marine resources, and favorable conditions for developing communications and foreign trade. We should truly turn these strong points in resources into strong points in commodities.

Fourth, while stepping up development of the key cities and the coastal area of southeast Guangxi, we must improve assistance for poor areas. Comrade Hu Yaobang has set an example for us in inspecting poor areas during his visit. The cadres at all levels throughout the region must regard helping to transform poor areas as a major strategic task.

Fifth, we must uphold the principle on invigorating the domestic economy and opening up to the world, and put reform in the first place in all work. In urban economic structural reform, we must get a good grasp of invigorating the enterprises and enlivening commodity circulation. These are the cardinal links. We must speed up technological transformation of the enterprises and improve their economic results. At present we must also pay special attention to improving lateral economic ties. We must promote more extensive economic and technological cooperation inside and outside the region and improve our work of importing advanced foreign technology and using foreign investment.

In the rural reforms, on the basis of continuing to consolidate and perfect the production responsibility systems, we must steadily readjust the rural production structure, unswervingly implement the principle of activity developing diversified undertakings without any slackening of grain production, speed up the exploitation of the region's subtropical crop resources, actively support and vigorously develop township enterprises, and enliven the rural commodity economy.

HENAN CONFERENCE ON ORDERING GRAIN BY CONTRACT

HK140742 Zhengzhou Henan Provincial Service in Mandarin 1030 GMT 10 Mar 86

[Text] The provincial conference on grain work recently concluded. The conference decided to suitably reduce the amount of grain ordered by contract and to increase the amount of grain purchased at negotiated prices.

The conference pointed out: In the course of reducing the amount of grain ordered by contract, proceeding from realities and according to different situations, places must not reduce grain ordered by contract by the same amount and demand uniformity. In the places where the commodity economy is prosperous, diversification is developing, and the grain commodity rate is high, it is necessary to stabilize the task of ordering grain by contract.

In the places where conditions for production are changing, the amount of surplus grain is dropping, the original task of ordering grain is arduous, and there is surplus grain in summer but production in autumn is unsteady, the amount of grain ordered by contract can be suitably reduced. In a small number of mountainous areas and poor areas, it is unnecessary to carry out the task of ordering grain by contract, or we can order a lower amount of grain by contract to avoid the phenomenon of purchasing grain long before it can be delivered.

The conference decided that the varieties of grain ordered by contract this year include wheat, maize, and rice, and that soybeans are excluded from the varieties of grain ordered by contract. Provincial departments concerned are prepared to support the peasant households and agricultural production units which conclude contracts for ordering grain, by providing them with chemical fertilizers, diesel oil, and other means of agricultural production at low prices.

HENAN'S YANG XIZONG, OTHER LEADERS PLANT TREES

HK140833 Zhengzhou Henan Provincial Service in Mandarin 1030 GMT 12 Mar 86

[Text] It is Arbor Day today. At 0830, leading comrades of the provincial party, government, and Army and some 2,000 people in Chengzhou went to the Zhengzhou Zoo to plant trees. The leading comrades of the provincial party, government, and Army who took part in the tree-planting activities were Yang Xizong, Zhang Chixia, Lin Xiao, Yue Xiaoxia, Fan Lian, Yan Jimin, Zhan Jingwu, Song Zhaosu, Yao Minxue, Hu Tingji, and Hu Tiyun. All committee members who were attending the 19th meeting of the 6th provincial People's Congress Standing Committee also took part in the tree-planting activities.

Comrade Yang Xizong put on white rubber shoes and before planting trees, he humourously said to all: We are now planting trees and we have rendered meritorious service for the zoo. After that, he told them all to begin planting trees. The cadres, staff members, and workers from organs at the provincial level and from all districts in Zhengzhou City planted green saplings which added the beauty of spring to the Zoo.

HUNAN'S CPC SECRETARY LEADS TREE PLANTING

HK140907 Changsha Hunan Provincial Service in Mandarin 1100 GMT 12 Mar 86

[Excerpts] This morning, leaders of the provincial CPC Committee, the provincial Advisory Commission, and the provincial Discipline Inspection Commission, including Mao Zhiyong, Liu Fusheng, Wan Da, Zhao Chuqi, Shi Xinshan, (Sun Wensheng), (Dong Zhiwen), Xia Zhanzhong, and Shen Ruiting, led more than 100 cadres from provincial organs taking part in tree-planting activies at the provincial forest botanical gardens.

At about 0800, the leaders went to (Huaiwan) hill in the garden and planted trees immediately after getting out of the car. While planting trees, Mao Zhiyong said: We must plant trees according to relevant technical requirements. To plant trees to form forests, the key is to ensure the quality of trees planted.

SICHUAN'S YANG RUDAI INSPECTS WORK IN SUINING CITY

HK180923 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 16 Mar 86

[Excerpts] From 15 to 17 March, Yang Rudai, secretary of the provincial CPC Committee, inspected Suining, a newly-built, hilly city in the central part of Sichuan. He and comrades of the city and counties studied new ways to quicly develop the economy and help people get rich as soon as possible.

Comrade Rudai said: Our province has 100,000 square kilometers of hilly land with a population of 70 million. This area has solved the initial problems of clothing and food but how it can get rich is still an arduous problem. If this problem is not solved well, it will delay the progress of enriching the people and improving the economic position of the whole province. He said: The provincial CPC Committee has decided to put the work of the hilly land, particularly of the large counties in the hilly land, in an important strategic position. The provincial authorities will formulate corresponding policies in this aspect.

On the afternoon of 15 March, Comrade Rudai consecutively inspected units, including Suining City Thermal Power Plant, (Pingchuan) Printing and Dyeing Mill, and the cotton textile mill. He praised their achievements. He said: Some difficulties definitely exist in our economic work. For example, energy resources, floating capital, and means of production for spring farming are in short supply. We must arouse our enthusiasm and rouse ourselves for vigorous efforts to make our country prosperous, overcome difficulties, open up a new path, and advance.

On 16 March, Comrade Rudai listened to the reports of the Suining City CPC Committee and city government and to a report by the secretary of the Nanchong Prefectural CPC Committee who had hurried to Suining. He held a forum with all of them. Comrade Rudai said: In the light of its own practical situation, Suining has taken the road of economic development -- using agriculture to promote industry, using industry to bring along agriculture, and making agriculture, industry and commerce a coordinated process. This practice is very significant. The backward economy in the hills land is mainly due to underdeveloped agriculture. We cannot develop industry without developing agriculture. We cannot develop industry without developing agriculture -- the foundation. Proceeding from realities, the newly-built cities must promptly and specifically help all counties and districts. In particular, they must help them in the aspect of enlivening commodity circulation, management, and technical management. Comrade Rudai pointed out emphatically: To solve the economic problems, we must aim high and solve the problems practically.

Today, Comrade Rudai and his party will leave Suining and return to Mianyan.

SICHUAN RIBAO ON PROVINCIAL CPC PROPAGANDA MEETING

HK140849 Chengdu SICHUAN RIBAO in Chinese 28 Feb 86 p 1

[Report: "Strengthen the Ideological and Political Work and Expedite Reform and the Building of the Two Civilizations"]

[Text] Our province's propaganda work for this year is to continue to thoroughly implement the spirit of the National Party Conference of Delegates; further straighten out the guiding ideology for cultural, educational and public health departments; grasp well education in party style and spirit, situation, policy, the legal system, discipline, and the cadres' basic theoretical study on Marxism; firmly grasp educational reform; strive to improve the quality of the propaganda cadres contingent and expedite our province's reform and the building of the two civilizations.

This was determined by the meeting called by the provincial CPC Propaganda Department from 22 to 24 February in Chengdu and attended by heads of city, prefectural and autonomous prefectural CPC propaganda departments and CPC secretaries of universities and colleges.

Provincial CPC Secretary Yang Rudai and deputy provincial CPC Secretaries Nie Ronggui and Feng Yuanwei attended and addressed the meeting. The meeting was hosted by Xu Chuan, standing member of the provincial CPC Committee and head of the provincial CPC Propaganda Department.

The propaganda work for our province and the ideological and political work in schools were reviewed at the meeting. Participants believed that as a result of the leadership of CPC committees at all levels, and through joint efforts by the propaganda departments at all levels and CPC committees of schools of higher learning, ideological and political work in the whole province over the year had scored good results. In the light of the spirit of the National Party Conference of Delegates and work arrangements by the provincial CPC Committee for this year, the whole party is taking vigorous measures to straighten out party style. Participants believed that grasping well education in party spirit, style and discipline, and promoting further improvement in social ethics, is an important task in this year's propaganda work. Meanwhile, it is necessary to step up education in situation and policy among the vast numbers of cadres, and guide the cadres and masses to reach a common understanding of the party's line, principles and policies since the 3d Plenary Session of the 11th CPC Central Committee from the high plane of ideology and theory, to foster a belief that reform will surely win and to persist in making the reform a success. Popularizing common legal knowledge among the people of the whole country is an important measure to maintain social order for a long time to come. Propaganda departments at all levels should grasp well education in the legal system and discipline, enhance the consciousness of cadres and the masses to abide by the law and discipline, and further develop the political situation of stability and unity. This year, it is necessary to pay special attention to grasping well theoretical study by leading cadres at and above the county level, and organize workers in social science to conduct research on some important issues in our province's socialist construction. It is also necessary to put stress on applying the basic theories of Marxism to answer new questions cropping up in the development of the socialist commodity economy. It is also necessary to earnestly do a good job in reforming education, public health, press, publication, sports, and other fields and truly regard social effectiveness as the only and the highest standard guiding the activities of these departments.

Participants believed that to accomplish the abovementioned tasks, it is imperative to upgrade the quality of the contingent of propaganda cadres. Propaganda cadres must be "honest and upright" and unceasingly improve their theoretical levels and professional abilities, so as to strive for better social effectiveness.

The ideological and political work in schools of higher learning was also especially studied at the meeting. From the high plane of cultivating talented people "with lofty ideals, cultural knowledge, moral integrity and a sense of discipline," the CPC Committee of every school of higher learning should make unremitting efforts to grasp ideological and political work and strive to attain better achievements than last year.

XIZANG SENDS CADRES TO RURAL AREAS TO HELP PEOPLE

HK140657 Lhasa Xizang Regional service in Mandarin 1130 GMT 9 Mar 86

[Excerpts] In the afternoon of 4 March, at the regional CPC Committee meeting of leading cadres at department level, Dangzin, deputy secretary of the regional CPC Committee, announced that in connection with the decision of the regional CPC

Committee, the region would organize in April a large number of cadres, form them into work teams headed by leaders at department and bureau levels, and send them to the rural areas to help people get rich.

Comrade Dangzin said: To grasp well the work concerning the agricultural and animal husbandry areas is one of our major tasks for this year. There are two major tasks for us this year: First, we must do well in reforming the economic structure and the economic work. The focal point of the region's economic work is mainly on the agricultural and animal husbandry areas. The main object in sending cadres to the countryside is to propagate in an in-depth way the two long-standing policies so that every peasant and herdsman will always bear them in mind. We must continue to grasp reforms of the agricultural and animal husbandry areas, to consolidate and perfect various policies in the areas, to readjust the industrial structure, and to do well in diversification, so that the peasants and herdsmen will get rich at an earlier time. At the same time, we must do well in building towns and townships.

Comrade Dangzin said: Our general requirement is that we must proceed from the realities of Xizang and do everything for the sake of Xizang people's happiness and the region's prosperity. Without indulging in big and idle talk, we must do, in a down-to-earth manner, one or two practical and effective deeds. We are sending this number of cadres to the countryside to help the poor get rich based on just this requirement.

He said: In addition to grasping the structural reform and the work concerning agricultural and animal husbandry areas, we must continue to grasp this year the urban economic structural reform, as well as the work concerning tourism, education, and the building of spiritual civilization. At present, the situation of having lax discipline and liberalism is quite common among some units. Discipline is the guarantee for implementing the party's line. In this particular region of Xizang, we must lay particular stress on discipline and centralized unification. Therefore, while grasping the building of spiritual civilization, we must stress strengthening organizational discipline and correction of party and cadre work style. We must resolutely oppose liberalism, so that cadres can firmly establish the thinking of serving the people. To send cadres to the countryside is also an important decision in improving cadre work style and strengthening discipline among cadres. Leadership at all levels and all units and cadres must implement it.

Comrade Dangzin also apoke on structural reform.

YUNNAN PARTY MEETING CONVEYS HU YAOBANG INSTRUCTIONS

HK180155 Kunming Yunnan Provincial Service in Mandarin 2300 GMT 17 Mar 86

[Excerpts] The Yunnan Provincial CPC Committee held a meeting of prefectural CPC Committee secretaries in Kunming from 10 to 17 March to convey and study the speeches made by CPC Central Committee General Secretary Hu Yaobang during his inspection of Yunnan and his important speech in Nanning. The meeting demanded that the party organizations at all levels throughout the province seriously study and implement the spirit of Comrade Hu Yaobang's speechs, have a clear picture of the guiding ideas, deepen their understanding of the conditions of the province, bring into full play the three economic strong points, persevere in the six-point development strategy, and strive to create a new situation in the modernization drive in Yunnan.

The meeting held an enlarged report session on the afternoon of 11 March. Provincial CPC Committee Secretary Pu Chaozhu made a speech on studying Comrade Yaobang's important Nanning speech and outlined his views on implementing it. Comrade Pu Chaozhu outlined the main points of the provincial CPC Committee's work for this year at the meeting on the morning of 17 March.

Provincial CPC Committee Deputy Secretary Liu Shusheng spoke on fighting natural disasters and striving for increased agricultural output and income this year.

The meeting held: Comrade Yaobang's important speeches in Yunnan and Nanning have pointed out the way for the party cadres to exercise correct leadership and for the province to take advantage of its strong points in natural resources, eliminate poverty, and enrich the people.

Comrade Hu Yaobang said that Yunnan's three strong points are in mineral resources, in tropical and subtropical crops, and in forestry, animal husbandry, and medicinal herbs in the mountain regions. On the question of how to take advantage of these strong points, the meeting pointed out that the following six-point development strategy proposed by Comrade Yaobang accords with the province's realities:

1. Study and promote the on-the-spot conversion of coal. Yunnan has rich coal resources, ranking second in south China in industrial coal resources. Over 80 counties have tertiary brown coal deposits. Due to poor communications and undeveloped industry, coal production is constrained by lack of sales outlets. To take advantage of our strong point in coal, we cannot manage just by relying on exporting the coal; the most realistic and reliable way out is to study and promote on-the-spot conversion of coal.

2. Adopt more flexible policies and methods to embark on a new road of developing the mining industry suited to the conditions in the province. In accordance with the central principles and the spirit of Comrade Yaobang's speeches, and on the basis of summing up the masses' practical experiences, Yunnan must simultaneously promote state-owned, collective, and individual mining, with a variety of joint undertakings.

3. Speed up the development of tropical and subtropical crops and strive to develop rubber, shellac, spices, medicinal, herbs, and tropical fruits into key products of the province's economy by 1990.

4. We must uphold the principle of actively supporting and vigorously developing township enterprises in Yunnan. Developing these enterprises represents the correct road for invigorating the rural economy.

5. We must attach great importance to getting a good grasp of grain production this year. Our grain production declined due to natural disasters this year. The provincial CPC Committee has regarded reviving grain output as one of the goals in economic development this year. Not long ago Yunnan was hit by one of the most severe cold waves in history. The party committees and government must pay full attention to this problem. The leaders must quickly go down and vigourously carry out work for achieving bumper harvests.

6. Clear the communications channels and do a good job in communications construction. We must open up transport routes out of the province and increase the number of entry and exit points. We should strive to raise the annual volume of materials shipped out of the province from the current 6 million tons to over 10 million tons by 1990.

The meeting stressed that a very important question in studying and implementing the spirit of Comrade Yaobang's speeches is to summon up great resolve to bring about a major improvement in leadership style. From the plane of the Marxist theory of cognition, Comrade Yaobang spoke on questions of the party's ideological line and its work style. This is the fundamental thing for making a success of all work.

HEBEI CIRCULAR ON RECTIFYING WORK STYLE OF ORGANS

SK190320 Shijiazhuang HEBEI RIBAO in Chinese 4 Mar 86 p 1

[Text] In late February, the Hebei Provincial CPC Committee and the provincial people's government issued a "Circular on Further Implementing the Central Organs' Instructions on Rectifying the Work Style of Organs," and called on CPC Committee and people's governments of all levels in the province to conscientiously implement this circular.

The circular states: After the promulgation of the relevant documents of the central organs on 26 November last year, the CPC Central Committee and the State Council issued several additional important documents in succession on simplifying receptions for visiting leading cadres at various levels, on banning unauthorized trips to foreign countries, on selecting, promoting and employing cadres in strict accordance with party principles, on banning the use public funds for sightseeing, and on further prohibiting party and government organs and cadres from engaging in commercial business or operating enterprises. These documents constitute important guiding principles for solving serious problems regarding the conduct of party members and cadres of party and state organs. Party and government organs at various levels throughout the province have initially studied and implemented the above-mentioned documents, and many units have solved some of their problems and investigated and dealt with some of their major and important cases, thus weakening the unhealthy trends to some extent. It must be noted, however, that many serious problems in the party and state organs have not yet been solved; the situation of committing crimes in the course of conducting corrections has appeared frequently; and much work remains to implement the instructions of the central organs and to rectify the conduct of party members and cadres of party and state organs. What should be pointed out in particular is that some responsible comrades lack an understanding of the seriousness of the problems regarding the conduct of office cadres, have implemented the instructions of the central organs in a sluggish and ineffective manner, and have preferred giving general calls rather than delving into the realities of life to solve problems. Other responsible comrades have refused to investigate and ascertain the real situation, and then have tried to get things done in a slapdash manner by thinking that their units have no problems. Still others have taken a wait-and-see attitude, have been hesitant and irresolute in dealing with problems, and have even interceded for persons who indulged in serious unhealthy trends. A few responsible comrades have turned a deaf ear to the instructions of the central organs, and even spread a negative and resistant mood. All these problems will directly affect implementation of the instructions of the central organs, and thus should be corrected conscientiously.

The circular notes: The issue of office work style is in essence an issue of party style. When the masses evaluate the party style they first see the work style of organs and the party cadres, in particular the work style of leading cadres. The unhealthy trends in party and state organs will certainly and seriously impair the prestige of the party and the government and corrupt the party style and the social conduct in general. The provincial CPC Committee's "Programs for Guiding the Work in 1986" has set forth the fighting goal for the party and government organs at the provincial, prefectural (city), county, and township levels to effect a fundamental turn for the better in party style within this year. The provincial CPC Committee and the provincial People's Congress have called on party and government organs at all levels throughout the province to regard the implementation of the several documents issued by the CPC Central Committee and the State Council on rectifying the work style of party and government organs as an important step to effect a fundamental improvement in the party style of the party and government organs at the provincial, prefectural (city), county and township levels; and to satisfactorily solve the several serious problems regarding the work style of organs revealed by the central organs in order to create a new situation in this regard this spring.

1. We should penetratingly study the documents of the central organs and enhance our ideological awareness. On the basis of implementing the relevant documents of the central organs at the preceeding stage, party and government organs at various levels should, from now to early March, organize all state functionaries to concentratedly study the several documents issued by the CPC Central Committee and the State Council since the beginning of this year on solving problems regarding the work style of organs, and to conduct discussions in line with the actual situation so that the state functionaries can comprehensively and profoundly comprehend the basic guidelines and specific demands of these documents. All cadres, workers, and staff members should be informed that the spreading of corrosive phenomena in party and state organs will degenerate the state organs to the extent of becoming world full of embezzlement, stealing and bribery. They should also be educated to profoundly comprehend the important significance of rectifying the work style of organs, and to enhance their consciousness in opposing corrosive phenomena and correcting unhealthy trends.

2. We should conduct investigations in a comprehensive manner. By the end of March, party and government organs at all levels and all institutions subordinate to these organs should continually and penetratingly conduct an overall examination in line with the demands of the several documents of the central organs, and by integrating the higher with the lower levels and taking the mass line. Members of CPC committees and party organizations at all levels should take the lead in examining themselves. On the basis of self-examination, CPC committees and governments at various levels should organize the discipline inspection and auditing departments to conduct spot checks. Forces should be organized to conscientiously investigate and deal with those units which have not yet conducted self-examination or which still have serious problems after conducting the self-examination in a perfunctory manner. Leaders of such units should be called to account.

3. As for the problems revealed during the investigation, we should deal with each case on its merit in a timely manner. Severe punishments should be given to those abominable and serious cases which have brought serious consequences and incurred huge losses and to those who commit crimes in the course of conducting examination after the promulgation of the documents of the central organs. Resolute efforts should be made to check the trend of pleading for mercy for somebody else, and whoever indulges in this evil trend should be seriously dealt with according to party discipline, administrative discipline, and state law. Party and government leading comrades at all levels should personally organize and participate in the investigation and handling of major and appalling cases, and should make prompt decisions on dealing with those cases which have already been verified. We should conduct ideological education among the cadres, workers and staff members with typical cases in order to enhance their ability to distinguish and resist unhealthy trends.

4. We should draw distinctions in accordance with the party's policies and formulate rules and regulations. In correcting unhealthy trends, we should be not only resolute but also prudent, and should pay attention to grasping the bounds of policy. Comrade Hu Yaobang has pointed out: "Those who commit errors in their work due to a lack of experience, but think about the interests of the people and the state should not be punished with the big stick.

It is satisfactory if they have summed up experiences and lessons and corrected their errors in a timely manner. All those cases which serve only the interests of individual groups and a few persons to the neglect of the interests of the state and the people should be regarded as unhealthy trends and should be opposed resolutely." In investigating and dealing with unhealthy trends, we should pay attention to grasping these basic bounds. Meanwhile, all relevant provincial department and all prefectures and cities should study and work out specific regulations for implementing the instructions of the central organs, and should draw distinctions in accordance with policies. In line with the guidelines of the documents of the central organs and with the relevant regulations of the province, party and government organs at all levels should establish the necessary rules and regulations in light of their own specific situations in order to eliminate loopholes in this regard.

5. Party and government leading cadres at all levels should set examples for others. The central authorities have given repeated injunctions to rectify the work style of organs, and leading cadres should be resolute in implementing orders and imposing prohibitions. They should dare to acknowledge their own problems, should not shield their shortcomings and unhealthy trends, and should take the lead in studying documents, solving problems, and straightening out and carrying forward fine traditions. They should strictly educate and manage their family members and children, and should take a clear-cut attitude on the crimes committed by their family members and children. They should resolutely support the relevant departments in investigating and dealing with the crimes committed by their family members and children, instead of pleading for mercy for them. Otherwise, they will be called to account directly or indirectly. They should execute laws impartially, should dare to cope with unhealthy trends and tough cases, and should never seek good relations with all and sundry at the expense of principle.

6. We should actually strengthen the leadership. CPC committees, people's governments, and party and government organs at all levels should list the implementation of the instructions of the central organs concerning the rectification of the work style of organs as an important item on their agenda, and should pay attention to this work. The provincial CPC Committee and the provincial people's government have defined that under the unified leadership of the provincial CPC Committee, the provincial Discipline Inspection Commission and the provincial Auditing Bureau should assume responsibility for grasping the routine work in rectifying the work style of organs, such as learning about actual situations, and organizing the forces in various fields to investigate and deal with major cases. The General Office of the provincial people's government should be responsible for checking such unhealthy trends as purchasing deluxe limousines, replacing one's older cars with imported deluxe limousines, and arbitrarily sending groups and individuals to visit foreign countries.

The provincial Finance Department should be assigned to check the malpractice of using public funds for sightseeing, for extravagance and waste, and for giving banquets and gifts. The provincial Labor and Personnel Department should be assigned to check the obtaining of illegal income of cadres of party and government organs, apart from their wages and collective material benefits. The provincial Industrial and Commercial Administration Bureau should be responsible for checking those party and government organs and cadres who engage in commercial business or operating enterprises. The General Office of the provincial CPC Committee should be responsible for simplifying receptions for visiting leading cadres at various levels. The Organization Department of the provincial CPC Committee should be responsible for checking the malpractices in selecting, promoting, and employing cadres.

The leading group for rectifying party style under the provincial organs should be responsible for investigating unhealthy trends among the provincial organs. All above-mentioned departments should not only attend to their own work but also cooperate with each other. All party and governemnt leading organs at the provincial, prefectural (city), county, and township levels should establish their responsibility system for this work, and should achieve results in this regard.

The circular notes in conclusion: CPC committees and people's governments at all levels should conscientiously implement the above-mentioned tasks. They should report their work and major problems to the provincial Discipline Inspection Commission once every week, and report their important cases and situations in a timely manner. In early April all prefectures, cities and provincial-level organs should deliver their written reports to the provincial CPC Committee and the provincial people's government concerning the overall situation of this work.

NI ZHIFU PLANTS TREES ALONG WITH TIANJIN MASSES

SK130517 Tianjin City Service in Mandarin 1430 GMT 12 Mar 86

[Excerpt] This morning, more than 247,000 people in Tianjin participated in a voluntary tree-planting activity.

Ni Zhifu, Li Ruihuan, Wu Zhen, Tan Shaowen, Zhang Zaiwang, and Zheng Guozhong as well as other leading comrades of the party, government, and Army organs participated in the tree-planting activity along with the masses. Around 0900, Ni Zhifu and other comrades arrived in Jinghai Gounty and planted trees in (Bailiwanmu) orchard. He planted pear saplings along with the local cadres and commune members. While shoveling the earth, Comrade Ni Zhifu said with emotion: One generation plants trees whose fruits and shades another generation enjoys. This is what we mean by serving the people.

Comardes Li Ruihuan and others arrived in Nankai District and planted 520 commemoration trees along (Hudi) road together with the masses. These saplings were all donated by the No 2 municipal drainage section. Mayor Li Ruihuan said at the tree-planting site: We name those trees planted by the leading cadres "Trees planted for the benefit of the people." All of our work should be carried out for the benefit of the people.

TIANJIN: NI ZHIFU ATTENDS MARXIST THEORY LECTURE

SK160445 Tianjin City Service in Mandarin 0030 GMT 16 Mar 86

[Excerpt] The Standing Committee members of the municipal CPC Committee formed a study group to take the lead in studying Marxist theories. The first guidance lecture report meeting was held at the people's auditorium yesterday afternoon. Zhu Guanghua, associate professor of Nankai University, gave a lecture on socialist ownership.

Ni Zhifu, secretary of the municipal CPC Committee; Wu Zhen and Nie Bichu, deputy secretaries; and leading comrades of the municipal CPC Committee, the municipal Advisory Commission, the municipal People's Congress Standing Committee, the municipal government, the municipal CPPCC Committee, and the municipal Discipline Inspection Commission, as well as the responsible persons of the various departments, commissions, offices, districts, counties, and bureaus, totaling more than 1,000 persons, listened to the report.

HEILONGJIANG: SUN WEIBEN CONTRACT-SIGNING EVENT

SK200227 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 19 Mar 86

[Excerpts] At the provincial work conference on afforestation this afternoon, the provincial people's government announced the implementation of the responsibility system in afforestation work and commended the advanced units emerging in this regard.

Sun Weiben, secretary of the provincial CPC Committee, and Chen Lei, chairman of the provincial Advisory Commission, attended the conference and delivered important speeches. They also participated in the ceremony of signing the 2-year tree-planting contracts with the responsible persons from various prefectures and cities.

In the spring of 1984, the provincial people's government signed tree-planting contracts for 1984-1985 with prefectures, cities, counties, and units under the state farms. Thus, the responsibility for planting trees was handed over to the principal leading persons of the governments and units at all levels. These contracts clearly set forth five targets, such as ensuring the fulfillment of the annual plans and sapling-growing, ensuring the planting of three to five trees in the voluntary afforestation campaign, achieving more than 85 percent in the growth and survival rate of trees, and making a success of protecting forests and conducting fire prevention.

Recently the provincial people's government and the provincial Greening Commission appraised the work done by various localities in fulfilling their afforestation targets on the basis of conducting inspection and determining the work quality. On 19 March the provincial people's government made public the appraisal results revealing that 52 prefectures, cities, and counties have completely fulfilled their contracts in line with the five targets.

The provincial people's government decided to confer advanced titles to 12 units and to give them citations. It also decided to issue a circular criticizing the counties and cities that did not fulfill their contracts completely.

As for the units that did not fulfill their afforestation contracts, the departments concerned should issue a circular criticizing them.

JILIN'S GAO DI SPEAKS ABOUT ENDEMIC DISEASES

SK190424 Changchun Jilin Provincial Service in Mandarin 1030 GMT 18 Mar 86

[Text] At an enlarged meeting of the leading group for prevention and treatment of endemic diseases under the Jilin Provincial CPC Committee, which opened today, Gao Di, secretary of the provincial CPC Committee, pointed out that we should first strengthen ideological and political work, and second, adopt comprehensive measures if we are to make a success of the prevention and treatment of endemic diseases.

Comrade Gao Di emphasized in his speech: The prevention and treatment of endemic diseases is very important work concerning economic development, the improvement of the people's living standards, and the consolidation of the political situation of stability and unity. For this reason, in order to make this work successful, we should, first of all, strengthen ideological and political work to enable the masses of cadres to attach importance to it.

We should fully arouse the initiative of the people of the disease-afflicted areas in struggling against endemic diseases in the spirit of the foolish old man who exerted unremitting efforts. When adopting comprehensive measure for this work, all departments involved should render as much support as possible. They should be held responsible if they hinder this work.

Gao Dezhan, deputy secretary of the provincial CPC Committee and governor, attended and addressed today's meeting. This meeting will sum up the province's work of endemic disease prevention and treatment carried out during the Sixth 5-Year Plan period, exchange experiences, discuss the Seventh 5-Year Plan for endemic disease prevention and treatment, and commend our province's collectives and workers who were named as the most advanced in endemic disease prevention and treatment in the nation.

Wang Daren, chairman of the provincial Advisory Commission, and leader of the leading group for prevention and treatment of endemic diseases of the provincial CPC Committee, presided over the meeting.

LIAONING PEOPLE'S CONGRESS SESSION CONCLUDES

SK190304 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 18 Mar 86

[Text] After completely fulfilling various items of the agenda through the efforts exerted by all deputies, the fifth session of the sixth provincial People's Congress successfully concluded in Shenyang City on the afternoon of 18 March.

At the session, participating deputies fully discussed and approved the report given by Comrad Quan Shuren on the provincial outlines of the Seventh 5-Year Plan and the provincial outlines of the national economy and social development for the implementation period of the Seventh 5-Year Plan. By speaking out and airing their own views freely they have further unified their understanding of the situation and grasped well the guiding ideology of economic construction and social development for the next 5 years and the working target and tasks for that period. Thus the session can be regarded as a meeting in which the people of various nationalities throughout the province have been mobilized to unite as one in striving to fulfill the outlines of the Seventh 5-Year Plan.

Zhang Zhengde, chairman of the provincial People's Congress Standing Committee, presided over the session. Executive chairmen at the meeting Li Guixian, Guo Geng, Dai Suli, Li Tao, Sun Qi, Wang Guangzhong, Xie Huangtian, Zhang Tiejun, Lou Erkang, Tang Hongguang, Gu Jingxin, Liu Zenghao, Feng Yousong, Zhang Zhiyuan, and Cui Ronghan. Also attending the meeting or attending the meeting as observers were leading comrades including Quan Shuren, governor of the province.

At the meeting, the first agenda item was to have deputies cast a vote for the new Standing Committee members. As a result, (Li Chuanyong), (Li Guozhong), (Zhang Yulin), (Jin Dong), (Wu Chunhe), (Zhao Xiufen), and (Zhang Derui) were elected new Standing Committee members of the sixth provincial People's Congress. The meeting approved six resolutions, including those on the report of the provincial outlines of the Seventh 5-Year Plan, on the work report given by the sixth provincial People's Congress Standing Committee, on the implementation of the 1985 plan for the national economy and social development and arrangements for the 1986 plan, on the provincial 1985 final accounts and the 1986 budget, on the work reports given by the provincial Higher People's Court and the provincial People's Procuratorate, and on examining the provincial draft provisions on enforcing 9-year compulsory education.

In concluding the session, Li Guixian, secretary of the provincial CPC Committee, delivered a speech entitled: Mobilize the People of Various Nationalities Throughout the Province To Strive To Fulfill the Seventh 5-Year Plan.

In his speech Li Guixian stated: The implementation period of the Seventh 5-Year Plan represents an important stage during which our province will make progress in carrying out modernization. If we make a success of this period, we will lay a solid foundation for the next 10 years. If we achieve development in the economy in the period, we will have reserve strength. If we fail to make a success and miss the opportunity in the period, Liaoning Province will lag far behind the fraternal provinces throughout the country. Therefore, leading cadres at all levels throughout the province from now on should organize one-third of the comrades to go to enterprises and rural areas in order to help the grass roots-level units do a good job in building spiritual civilization, grasping industrial and agricultural production, and in dealing with their practical problems. They should help these units adopt effective measures to ensure the fulfillment of the 1986 plan and to make a good start in fulfilling the Seventh 5-Year Plan.

In his speech, Li Guixian urged the people throughout the province to raise their spirits, to wage arduous struggles, and to exert all-out efforts to make a success in their professional work. He urged the participating deputies to set themselves examples in successfully publicizing and implementing the resolutions adopted at the session and in building material and spiritual civilizations throughout the provonce. Meanwhile, he also urged the deputies to highly display their sense of politics and responsibility in order to relay in a timely manner the opinions and suggestions of the vast number of people, to improve our work, and to make due contributions to fulfilling the Seventh 5-Year Plan in the province.

GANSU ADOPTS NEW MEASURES TO BOOST GRAIN PRODUCTION

HK181059 Lanzhou Gansu Provincial Service in Mandarin 1100 GMT 15 Mar 86

[Text] Our reporter has learned from the provincial grain work conference which concluded this afternoon that as well as adopting two pricing methods, namely, a price for the proportion within quotas and a price for the proportion in excess of quotas, in this year's grain procurement, the province will also adopt some measures, such as: Paying deposits to peasants who have signed contracts to sell grain; giving allowances to buy chemical fertilizer; and awarding the right to buy industrial products in short supply, to encourage peasants to produce and sell more grain.

The provincial grain departments has stipulated that according to grain purchase contracts, peasants are entitled to buy 30 jin of chemical fertilizer and receive a cash allowance of 75 cents for every 100 jin of maize sold; and have the right to buy 10 jin of chemical fertilizer and receive a cash allowance of 25 cents for every 100 jin of other grain sold. It also stipulates that peasants who sell more than 2,000 jin of grain are entitled to buy 3 jin of diesel for every 100 jin of grain sold. Deposit money equivalent to 20 percent of the total grain sale prices, will be given to peasants who sign contracts to sell more than 1,000 jin of grain to the state. In addition the province will continue to adopt the policy of awarding peasants the right to buy industrial products in short supply. Peasants who fulfill or overfulfill their grain sale targets will be awarded the right to buy a famous-brand bicycle or sewing machine, or a color television set, and the right to buy 6 square meters of plate glass.

SHAANXI'S BAI JINIAN ON PEOPLE'S CONGRESS WORK

HK170257 Xian Shaanxi Provincial Service in Mandarin 2300 GMT 16 Mar 86

[Excerpts] On 16 March, provincial CPC Committee Secretary Bai Jinian made a speech on improving the work of People's Congress standing committees at a gathering of responsible persons of city and country People's Congress standing committees convened by the provincial People's Congress Standing Committee. Comrade Bai Jinian put forward the following proposals and hopes:

1. Bring into full play the legislative and legal supervisory roles of the People's Congress standing committees. The work of these committees must be centered on legal matters.

2. Do more practical things benefiting the country and the people.

3. Carry out more investigation and study work. I hope the comrades of the People's Congress standing committees will regularly go to the rural areas and factories, and among the grass-roots masses, to conduct investigation and study in various aspects. They should put forward views on solving the problems that they find. This will be very helpful for policymaking by the party committees, the government, and the People's Congress standing committees themselves.

4. Supervise and support the work of the government and the courts and procuratorates.

5. The leading cadres at all levels must take the lead in enforcing and observing the law. The current problem is that not only a considerable number of the masses but also a considerable number of party members, including some responsible cadres, lack sufficient understanding of the importance of building the legal system.

The situation of failing to observe the law or to strictly enforce it still exists. Laws already drawn up are still not being fully observed and enforced. The leading cadres at all levels must take the lead in learning, enforcing, understanding, and observing the law. They must also spontaneously apply the weapon of law to struggle against illegal activities. We must crack down hard on economic and other crime. We must gradually learn how to use law to manage the economy and to readjust complex socioeconomic relations, so as to promote the smooth progress of economic construction and all other work. Provincial People's Congress Standing Committee Chairman Yan Kelun presided at the gathering and made a speech.

SHAANXI PEOPLE'S CONGRESS SESSION CONCLUDES

HK170237 Xian Shaanxi Provincial Service in Mandarin 2300 GMT 16 Mar 86

[Excerpts] The fourth session of the sixth Shaanxi Provincial People's Congress concluded in Xian on 16 March, having completed its agenda. The session called on the people of the province to persevere in reform, be keen to create new things, unite as one, boldly forge ahead, take a thoroughly sound first step in the Seventh 5-Year Plan, and strive to achieve ahead of schedule the first doubling of industrial and agricultural output value.

Executive Chairman Yan Kelun announced the opening of the closing ceremony at 0900. Other executive chairmen present were Zhou Yaguang, Deng Guozhong, Chen Ming, Hou Zonglian, Yuan Zhengting, Yu Ming, Liu Lizhen, He Chenghua, and Wei Minghai.

The session approved a resolution on the province's execution of the Sixth 5-Year Plan and its Seventh 5-Year Plan. The resolution said: The province did well in fulfilling the Sixth 5-Year Plan. The guiding idea for the Seventh 5-Year Plan is correct and the measures proposed are practical. Governor Li Qingwei's report on this subject is approved.

The resolution said: We must further readjust the pattern of the productive forces by vigorously improving the Hanzhong region and actively supporting economic development in northern and southern Shaanxi. We should gradually improve the slow state of economic development in the latter two areas. We must further readjust the economic structure by speeding up the development of agriculture, light industry, and tertiary industry, to meet the needs of modernization and of improving people's living standards. We must give great prominence to improving economic results, especially product quality. Under this premise, we should strive for a higher growth rate.

To ensure sustained and steady development of the province's agriculture, the session passed a resolution on strengthening agricultural infrastructural construction and a resolution on strengthening land control and curbing random occupation and use of farmland. The session approved Governor Li Qingwi's suggestion on relieving Sun Kehua from his vice governor duties. It elected Sun Kehua a vice chairma- of the provincial People's Congress Standing Committee. It also elected (Hao Yanshou) and (Xie Quanwu) members of the provincial People's Congress Standing Committee, and elected (Ji Yisuo) president of the provincial People's Procuratorate.

XINJIANG PARTY PLENARY SESSION CONCLUDES

HK190231 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 18 Mar 86

[Excerpts] The seventh enlarged plenary session of the third Xinjiang Regional CPC Committee concluded in the People's Hall today.

The session called on the party organizations, the whole body of party members, and the cadres and masses throughout Xinjiang to immediately take action to make still greater efforts and work in a thoroughly sound way so as to victoriously fulfill all the work tasks for this year and continue to develop the fine situation in the region.

Regional CPC Committee Deputy Secretary Tomur Dawamat presided at the gathering this morning. Wang Enmao, Janabil, Amudong Niyazi, Zhang Sixue, and others were present. Regional CPC Committee Secretary Song Hanliang delivered a report entitled: Strengthen Leadership, Vigorously Grasp Implementation, and Bring About a Fundamental Turn for the Better in Party Style in the Region as Soon as Possible.

Song Hanliang said: Today the regional CPC Committee is convening a gathering of 3,000 cadres. This is the concluding gathering of this regional CPC Committee session and is also a gathering for further mobilizing the party organizations, party members, and cadres in the region to immediately take action to bring about a fundamental turn for the better in party style as soon as possible.

Song Hanliang analyzed the current situation in party style in the region. He said: The general situation is good, but the turn for the better is not yet good enough. After listing the problems in party style in the region, he pointed out that although these problems have only occurred among a few party-member cadres, they seriously damage the party's prestige among the masses, ruin the party style, and hamper and interfere with the smooth progress of reform and of all undertakings. The party members, cadres, and the masses of all nationalities are extremely unhappy over these things. The party organizations at all levels and the party members, especially the leading party cadres, must have a clear idea on the state of party style in the region, and thus grasp the work of correcting party style with a high sense of political responsibility. This must be done at all levels, and we must strive for a marked improvement in party style and social mood throughout the region this year.

Song Hanliang said: The regional organs represent the key to bringing about a marked turn for the better in party style in the whole region. The regional party and government organs are the leading organs in the whole region and play a pivotal role in all work in the region. The state of party style in these organs has a major impact on a turn for the better in party style throughout the region. We must therefore grasp the regional organs as the focal point. These organs must basically attain the demand placed on them by the regional CPC Committee calling for a fundamental turn for the better in party style this year. This is an extremely arduous and urgent task.

Son Hanliang also put forward specific demands on curbing six unhealthy trends, getting a good grasp of investigating and dealing with major and important cases, strengthening education in party spirit, and rectifying organizational discipline. Comrade Song Hanliang stressed that straightening out party style is a key task for the whole party this year. It is also a key task for the party organizations as all levels in Xinjiang. The party organizations must personally tackle the major affair of improving party style.

Comrade Song Hanliang said in conclusion: This enlarged plenary session has made all-round arrangements for all work in 1986. It has approved in principle the outline of a proposal on the Seventh 5-Year Plan and made further arrangements for the work of straightening out party style. Our tasks and goals are explicit. The current problem is that we must work hard to accomplish them. We believe that the party members and cadres throughout the region will by no means disappoint the hopes of the CPC Central Committee and the hopes of people of all nationalities in Xinjiang.

FOREIGN MINISTER RULES OUT 'NEW NAME' SUGGESTION

OW180403 Taipei CNA in English 0232 GMT 18 Mar 86

[Text] Taipei, March 17 (CNA) -- Foreign Minister Chu Fu-sung restated Monday this nation should not try to rejoin some governmental level international organizations by re-designating itself under a new name, which is contradictory to the basic national policy. Explaining the stand on the nation's seat in the Asian Development Bank during a Legislative Yuan Overseas Affairs Committee meeting, Shu said his ministry had invited many domestic and Overseas Chinese scholars and mainland affairs experts to several meetings to discuss. Participants have realized that the ADB issue is one of the Chinese Communists united front plots against this nation, aimed at further isolating this nation from the international community and undermining its status to that of a local government, he said. He stressed it is against the national policy for the nation to try to rejoin some international organizations by changing its name as some legislators have proposed. It would be improper in foreign affairs to adopt any flexible position, even on a temporary basis, if it permanently destroys the national image, he said.

Minister Chu made the same statement while he was delivering a foreign affairs report last Saturday to a meeting of the Legislative Yuan's Foreign Affairs Commission. The joint struggle of the people over past decades has built this nation into an entity of great economic clout. In addition, the growing importance of Taiwan's strategic position in the Asian-Pacific region will further upgrade this nation's international status, he assured.

SUNG CHANG-CHIH LINKS PRESS RESTRAINT TO SECURITY

OW190735 Taipei CHINA POST in English 15 Mar 86 p 12

[Text] Minister of National Defense Sung Chang-chih yesterday called on the nation not to misunderstand the government's restraint of the press as incompetence or its leniency towards offenders as a sign of weakness. In response to an interpellation raised by nonpartisan legislator Hsu Jung-shu on press freedom, Sung pointed out that to implement democratic and constitutional rule, the government has tried to respect press freedom. Several local political magazines, however, have gone too far in violating national policies, smearing the government and even insulting the national leader, the minister stated. He pointed out that some Overseas Chinese, upon their return to the nation, were surprised to find that the degree of press freedom here exceeds that allowed in many European and American countries. To prevent "yellow journalism" from eroding solidarity, demoralizing social public and even rocking public security, the law enforcement authorities have decided to ban some biased publications in accordance with the law, Sung said. He also urged the so-called "liberal and democratic roaders" to make a clear break with the Chinese Communists and the Taiwan Independence elements in their veiws, thoughts and behavior to avoid ending up as a "cat's paw." "Communist China is our enemy and the Taiwan Independence Movement has been proclaimed a rebellious organization by the nation. Therefore the government will not tolerate any communist ideology or separatist views to infiltrate, divide or demoralize us," he stressed.

YU KUO-HUA COMMENTS ON NEED FOR MARTIAL LAW

OW190733 Taipei CHINA POST in English 15 Feb 86 p 12

[Text] In a dialogue with nonpartisan legislator Fei Hsi-ping on the nation's maintaining martial law, Premier Yu Kuo-hua yesterday stated that it is not contradictory to the Constitution.

Yu noted that the Constitution is the political foundation of the nation, but it does not mean that the government can not have martial law, especially at a time when mainland China is trying to subvert Taiwan.

The nonpartisan responded that the ROC and mainland China are not "warring states" now.

"Only ostensibly," Yu said, adding that as a matter of fact, mainland China has never ruled out the use of force against Taiwan. Recently, it has stepped up its united front tactics against the ROC, the premier said. To illustrate that it is not a good time to lift martial law, Yu said that "we should not disarm ourselves just because we do not hear any guns roaring."

Political Parties

As to the formation of new political parties, Yu replied that there are different stages of political development in almost all countries. In the more than 30 years gone by, the government has been trying to encourage public participation in politics, Yu said. However, to avoid repeating the tragedies of divisive party struggle, which has occurred in many nations, Yu said, the call for solidarity takes priority. "Under the leadership of our founding father Dr. Sun Yat-sen, the Kuomintang founded the Republic of China, and thereafter, the KMT has become the ruling party of the nation," he said, noting that without the KMT, there would not be the ROC. He added that the three legal parties, the Young China Party, the China Democratic Socialist Party and the KMT, have worked hand in hand to advance the progress of the nation and none of the parties should be called "flower vases." All citizens, nonpartisans or KMT members, retain the right to participate in politics, he said.

OFFICIAL CALLS FOR MAINTAINING TIES WITH U.S.

OW201413 Taipei Domestic Service in Mandarin 2300 GMT 18 Mar 86

[Text] Chang Hsiao-yen, director of the North American Affairs Department of the Foreign Ministry, told visiting friends from the United States that despite the suspension of diplomatic relations between China and the United States, the two countries' substantial relations are growing steadily on a firm and solid foundation and becoming closer and closer. Director Chang Hsiao-yen called on the American friends to continue the economic, trade, and cultural exchanges between the two sides on the basis of mutual benefit so as to promote the interests of the two peoples.

Director Chang Hsiao-yen was speaking at a briefing for more than 30 U.S. representatives attending a Sino-American seminar on police work here. He said: Despite the suspension of formal governmental exchanges between China and the United States since the severance of diplomatic relations in 1979, the two countries have been able to maintain a steady growth in their substantial relations in the areas of economy, trade, and culture. Such relations have become even closer than they were before diplomatic relations were severed.

SYMPOSIUM ON STRENGTHENING PHILIPPINES TIES OPENS

OW170303 Taipei CNA in English 0242 GMT 17 Mar 86

[Text] Taipei, March 16 (CNA) -- Over 200 representatives from the Republic of China and the Philippines gathered in Taipei Sunday to talk about building economic cooperation and cultural interflow between the two nations to a higher level. The symposium took place in the Armed Forces Officers's Club in downtown Taipei.

Legislator Huang Yu-ming, chairman of the organizing committee of the symposium, said while addressing the occasion that President Corazon Aquino sent a 10-member delegation to visit the ROC in late January while running for the presidency. The delegation was headed by the late Senator Benigno Aquino's younger brother, Paul Aquino. Huang said that after taking over the presidency, Mrs. Aquino cabled Huang on Feb. 27 reiterating her government's intention to further enhance cooperation between the two nations. Huang said that in view of the good will of the new Philippine Government, he decided to organize the symposium with the idea of exchanging experiences in anti-communist fights, promoting the welfare of Overseas Chinese in the Philippines and pushing ahead with cultural and economoc cooperation and interflow.

Ezer Manalili, a ranking aide to Mrs. Aquino during her electoral campaign and now head of the Philippine delegation to attend the symposium, said in the meeting that friendship between the two nations has been close and cordial. He pointed out that his nation appreciates friendship from a country like the ROC which respects justice and righteousness. He said he is sure the cooperative ties between the two sides will further improve with President Aquino in power. He also called on the world to give the Philippines necessary support and assistance to speed up its national reconstruction and economic recovery.

Legislator Ms. Yang Pao-lin suggested the ROC and the Philippines reestablish their diplomatic ties. She also suggested President Aquino be invited to visit the ROC.

PARTIES URGED TO STUDY LESSONS FROM PHILIPPINES

OW180635 Taipei CHINA POST in English 14 Mar 86 p 4

[Editorial: "Reflections on Philippines"]

[Text] Half a month has passed since President Corazon Aquino was swept into power following a church-backed military revolt that ousted former President Ferdinand E. Marcos on Feb. 25. It has elicited a certain amount of reflection here at home. Even before the Filipinos went to polls on Feb. 7, several nonpartisan leaders had flown to the Philippines to witness the presidential election which ended with the dramatic exile of Marcos. Therefore, both KMT and nonpartisan magazines have been trying to make an issue out of the topic, with each side drawing their own interpretations.

The confrontation climaxed in a rather harsh joint interpellation raised last Monday by six nonpartisan lawmakers who projected the Philippines experience on the ROC. No doubt, there's much in the Philippines' political system that the ROC can learn from: open debates on television and unrestricted roadside campaign speeches are two instances. However, it is too farfetched and unfounded to charge the Cabinet with "strongman political rule," "military intervention" and a "Presidential succession problem."

Why? For one thing, the corrupt and rotten Marcos government plundered up to U.S. $10 billion of the country's wealth. And long before he stepped down from power, the 20-year ruler had been spurned by his people. Not the beloved President Chiang Ching-kuo. There is a world of difference between the two leaders. Before his health made it inappropriate for him to travel widely, President Chiang had left his mark on every cranny of the island in looking after the people and their needs. Whenever he is in the limelight, the popular and respected president is always seen in a plain jacket or other civilian clothes. And like ordinary people, he also eats at roadside noodle stands and makes friends wherever he goes. The president never puts on a regal air.

Unlike Marcos, who led an extravagant and venal life and turned a deaf ear to public opinion, President Chiang has always been quick to goad the government into serving the people. Setting himself as an example, the president has also called on the nation to practice austerity. With over four years to go before his second six-year presidential term expires, President Chiang has made it clear that he will not be succeeded by any member of his family.

What about Marcos? Even when the Malacanang Palace was under siege, the tottering president still was grouping for power. To liken the President Chiang to Marcos is an insult that has invited public excoriation.

And to be fair to the Cabinet headed by Premier Yu Kuo-hwa, it may be criticized for some ill-considered moves, but it is still a clean government. And the premier has also stepped up his pace to revamp several administrative policies in reflection of the people. That is one of the reasons why the nation's per capita gross national product (GNP) has reached U.S. $3,100, compared with the U.S. $700 of the Philippines. That is also the reason why amid a global recession, the ROC struggled to become the 11th largest exporting country in the world and the sixth largest trading partner of the U.S. Also, under such circumstances, though the public still airs grievances over several administrative deficiencies, the majority of the people have given a positive assessment to the government. And given this fact, it is not at all surprising that the ruling party has had landslide victories in past elections. Though election fraud has been reported, there is no denying that the ruling party has shown restraint and tolerance of its rivals. Step by step, the KMT has downgraded itself from a major party to a competitor with the nonpartisans in recent elections.

Besides, more and more native Taiwanese have been recruited to the government. The policy to internationalize and liberalize the trade and economy is also expected to pull up the nation's economic growth to 7 percent this year. In stark contrast with the poverty-stricken society in the Philippines, these merits have added up to less confrontation and discontent in Taiwan. While the reform-minded middle class may be discontent with the government, they know that no movement should be launched when the nation's stability and security are at stake.

In a way, the nonpartisan lawmakers' interpellation provided an opportunity for the outspoken premier and the Minister of National Defense to clarify some facts. However, there's no smoke without fire. The cabinet should still draw on the lesson of the Philippines to strengthen its weaknesses. In face of the castigation of the nonpartisans, whether it is wise for the government to maintain the controversial martial law and let it boomerang on itself is worth consideration. As the government has claimed, the implementation of the law has not been felt by the public. Why, then should it be maintained? As for the nonpartisans, while criticizing the government, they should also do a little soulsearching. To tone down their extremist approach and to fashion a rational and moderate image are essential to attract more followers. Otherwise, they will not make any headway. Only through rational and candid dialogues on the legislative floor will the nation march one step forward in the implementation of democracy.

PHILIPPINES TOURISM MINISTER TRAVELS TO TAIPEI

OW200321 Taipei CNA in English 0304 GMT 20 Mar 86

[Text] Taipei, March 20 (CNA) -- Philippines Tourism Minister Jose Gonzalez left Manila for Taipei by Philippine Airline Thursday morning, according to a FAR EAST NEWS AGENCY report from Manila. During his stay in Taipei, Gonzalez will promote tourist exchanges between ROC [Republic of China] and the Philippines. ROC tourists are important resources to the Philippines. About 30,000 tourists from Taiwan visit the Philippines every year.

DAILY REPORT

China

CONTENTS

Vol I No 055 21 March 1986

PRC INTERNATIONAL AFFAIRS

GENERAL

Zhao Ziyang, Others Address Beijing Peace Rally A 1
'Text' of Zhao Speech A 2
Zhang Wenjin Meets UN Official 20 March A 4

UNITED STATES

Panama Rejects Marcos Petition for Asylum B 1
U.S. House Rejects Contra Aid Proposal B 1
U.S. Criticizes USSR on Arms Control Talks B 2

SOVIET UNION

Shevardnadze Reaffirms Soviet Disarmament Stand C 1
Arkhipov Tours Jiangsu's Wuxi 20 March C 1
Signs Cooperation Agreements C 1
Leaves for Home C 2

NORTHEAST ASIA

DPRK Commentator Decries U.S.-S. Korean Exercises D 1
Wang Zhen, Song Ping Meet Japanese Delegation D 1
Li Peng Attends Ceremony for Power Stations D 1

SOUTHEAST ASIA & PACIFIC

SRV Spokesman Rejects CGDK 8-Point Proposal E 1
Sihanouk Accuses SRV of 'Lack of Sincerity' E 1
Son Sann, Khieu Samphan Leave for Home E 2
Hong Kong Symposium Discusses PRC Reforms E 2
Bank of China Group Helps Hong Kong Industry E 3

SOUTH ASIA

Pakistan Denies Deaths in Clash With India F 1
Pakistan Protests DRA Killings on Border F 1

WESTERN EUROPE

CCPIT Group Visits Austria, Speaks on Investment G 1
Broad Prospects Seen in PRC-Swedish Cooperation G 1
NATO Ministers To Discuss Nuclear Reductions G 2
UK To Continue Modernizing Nuclear Forces G 2

MIDDLE EAST & AFRICA

Further Reportage on Li Xiannian 5-Nation Tour I 1
More on Egyptian Assembly Speeches I 1
Mubarak Appreciates Li Visit I 3
Li Arrives in Luxor I 4
Somalia Prepares for Visit I 4
Beijing Reception Marks Tunisian Anniversary I 4
Jordan's Husayn Sees Peace Move With PLO at End I 5

PRC NATIONAL AFFAIRS

NPC Committee Appoints, Removes Officials K 1
2 Procurators Dismissed K 1
Tian Jiyun Stresses Rectifying Party Style K 1
Control Over Publications To Be Strengthened K 3
Significance of Horizontal Economic Links Seen K 3
[CHINA DAILY 20 Mar]
PLA Discontinues Taiwan Propaganda Campaign K 4
Dual Price System During Economic Reform Examined K 5
[JINGJI YANJIU 20 Jan]
Joint Stock System 'Undesirable' for Enterprises K 13
[JINGJI YANJIU 20 Jan]
Zhejiang Province Labor Outflow Observed K 23
[RENMIN RIBAO 14 Mar]
Commentator's Article [RENMIN RIBAO 14 Mar]
Sports Emphasized as Essential to 4 Modernizations K 24
[RENMIN RIBAO 16 Mar]
Du Runsheng Stresses Rural Cooperativization K 25
Cui Yueli Returns From Portugal, Sweden K 25
NPC Vice Chairmen Attend Minority Culture Exhibit K 26
Army Paper on Abolishing Cavalry Units K 26
New Sports Federation Officials Elected K 26

PRC REGIONAL AFFAIRS

EAST REGION

Jiangsu People's Congress Committee Meeting Ends O 1

CENTRAL-SOUTH REGION

Guangdong Elects New NPC Deputies, Disqualifies Two P 1
Guangdong's Lin Ruo at Advisory Commission Meeting P 1
Guangdong's Lin Ruo on Rectification of Party Style P 2
Guangdong Security Officials Jailed for Corruption P 3
Guangdong To Sort Out Units' 'Secret Money' P 3
Guangdong Paper on Model Workers Report Group P 4
[NANFANG RIBAO 8 Mar]
Guangxi Issues Circular on Helping Poor P 5

NORTH REGION

Hebei: Most City, County Party Congresses Held [HEBEI RIBAO 2 Mar] R 1
Nei Monggol Chairman Speaks at Economic Conference R 2
Nei Monggol Secretary Speaks at Conference R 3
Shanxi Leader Inspects County Sapling Nursery R 4
Shanxi's Li Ligong Stresses Ideological Work R 5
Tianjin's Ni Zhifu at Chinese Writers Association R 5

NORTHWEST REGION

Xinjiang To Institute New Financial System T 1
Journal Interviews Xinjiang's Wang Enmao T 1

PRC MEDIA ON TAIWAN AFFAIRS

Taiwan Paper Urges KMT To Change Mainland Policy U 1

ZHAO ZIYANG OTHERS ADDRESS BEIJING PEACE RALLY

OW210926 Beijing XINHUA in English 0911 GMT 21 Mar 86

[Text] Beijing, March 21 (XINHUA) -- China reiterated its determination to safeguard world peace as its leaders joined 3,500 people at a rally for world peace here today. Speaking at the rally, Chinese Premier Zhao Ziyang said that so long as the people of the world kept up their unremitting efforts, they would certainly win peace.

The rally, in response to the United Nations' call for marking the International Year of Peace, reflected the profound desire for peace of the Chinese people and their determination to strenthen unity with the people of other countries in maintaining peace, he added. In his speech, the premier also outlined the independent foreign policy of peace pursued by the Chinese Government and its basic position and views on disarmament.

The peace rally, sponsored by the Chinese organizing committee of the International Year of Peace, is one of the activities to be held in China to mark the International Year of Peace. Chinese leaders Deng Yingchao, Wu Xueqian, Wang Zhaoguo, Wang Zhen, Wu Xiuquan, Huang Hua, Fei Xiaotong and Zhao Puchu as well as members of the Chinese Organizing Committee of the International Year of Peace, leading officials of government institutions and people's organizations, and representatives of various circles. Also present were diplomatic envoys from various countries, representatives of the United Nations, and foreigners of Beijing.

Krzysztof Ostrowski, executive secretary of the U.N. International Year of Peace Secretariat, read out a message at the rally from the U.N. Secretary-General Javier Perez de Cuellar. In the message, the secretary-general said that the support of the Chinese people for the year can be of lasting significance in the realization of the goal of peace as foreseen in the U.N. Charter. He noted the world people faced many pressing needs, including disarmament, development, and resolution of conflicts, the satisfaction of basic human needs, respect for human rights, environmental protection. "Solution to these problems will be found only with the active concern and common efforts of all countries and peoples," he added.

Speaking at the rally, Zhang Wenjin, president of the Chinese People's Association for Friendship With Foreign Countries, said that the theme of the International Year of Peace "to safeguard peace and the future of humanity" fully reflected the universal concern for the present international situation and the genuine desire of all peoples for peace. As a member state of the United Nations, he said, China had always abided by the purposes and principles of the U.N. Charter with regard to maintaining world peace and security, and attached great importance to the activities marking the International Year of Peace. He said that the Chinese people looked upon the maintenance of international peace as their lofty mission and were exerting every effort for its realization. He expressed the belief that the International Year of Peace activities would mobilize the world people and just international public opinion, foster the growth of the peace forces and bring this cause of safeguarding world peace to a new high.

Zhou Peiyuan, president of the Chinese People's Association for Peace and Disarmament, called people's attention to the danger of a possible nuclear war. He said that as a physicist, he knew only too well the immense destructive power of today's nuclear weapons. A major calamity would fall upon civilization should a nuclear war break out.

The most important tasks in maintaining world peace today were to fight against hegemonism, halt the arms race between the superpowers, remove the nuclear threat and prevent nuclear war, he added.

Qian Qichen, vice-minister of foreign affairs, said that so long as regional conflicts and local wars continue, relaxation of the international tension and maintenance of world peace would be out of the question. He demanded that U.N. resolutions on the just and reasonable settlement of the questions of Kampuchea, Afghanistan, the Middle East, southern Africa and Central America be implemented as soon as possible. Ostrowski and Manfred Kulessa, U.N. resident co-ordinator in China, also spoke at the rally. Wang Bingnan, chairman of the Chinese Organizing Committee of the International Year of Peace, presided over today's rally.

'Text' of Zhao Speech

OW210804 Beijing XINHUA in English 0744 GMT 21 Mar 86

[Text] Beijing, March 21 (XINHUA) -- Following is the full text of a speech given by Premier Zhao Ziyang at the Chinese people's rally for world peace here today:

Comrades and friends,

Today's rally is held by the Chinese people in response to the United Nations' call for marking the International Year of Peace. It reflects the profound desire for peace on the part of the Chinese people of all nationalities and their determination to strengthen unity with the people of other countries in maintaining peace. I wish this programme initiated by the United Nations a complete success throughout the world.

During the first half of this century, mankind went through two world wars with untold sufferings. In spite of the absence of a new world war in the past four decades since the end of World War II, the turbulent international situation indicates that the danger of war is yet to be removed. It is therefore a matter of common concern to the people of all countries whether peace will reign for the rest of this century and whether there will be continued peace in the next.

China needs peace; the Chinese people love peace. In peace lies the fundamental interests of the Chinese people. As a developing socialist country, China can achieve prosperity only through peaceful development. It requires sustained efforts of several generations for a country like ours to achieve socialist modernization and to approach or catch up with the developed countries economically. We need peace not only in this century, but also in the next. As China is a big country in the east with a population accounting for nearly one quarter of the world's total, its position on the question of world peace and its efforts towards this end have a major worldwide impact now as well as in the future. Aware of this important mission entrusted by history, China is ready to make its due efforts and contributions for the sake of world peace and stability.

The Chinese Government pursues an independent foreign policy of peace. The basic objective of our foreign policy is to oppose hegemonism and maintain world peace. Firmly standing by the Third World, we will steadily strengthen and increase our solidarity and cooperation with other Third World countries. We are actively seeking to establish and develop normal relations and friendly cooperation with various countries in the world on the basis of the five principles of peaceful coexistence. We will never enter into alliance or establish strategic relations with any superpower. We are opposed to interference and aggression against any country and the use or threat of force in international relations. We are in favour of the settlement of international disputes by peaceful means and on a fair and reasonable basis. No matter how the world situation may evolve, we will steadfastly implement these foreign policies, which have been proved correct through practice.

At present, the ever-intensifying arms race between the superpowers has caused concern among the people of various countries. Although numerous disarmament proposals have been put forward, they have not brought people any sense of security, because disarmament can only be achieved through deeds, not words. China opposes arms race and will never take part in such race. The level of our military expenditure and armanent is far lower than that of other big powers, and yet we have taken repeated measures on our own to reduce our military forces and cut our defence expenditure. China's limited nuclear force is for the sole purpose of defence. From the very first day China possessed nuclear weapons, we explicitly undertook not to be the first to use them under an circumstances. China has not conducted nuclear tests in the atmosphere for many years and will no longer conduct atmospheric nuclear tests in the future.

Comrades and friends,

Disarmament is now a question of universal concern. I would like to take this opportunity to outline the Chinese Government's basic position and views on this question.

1. Nuclear arms race constitutes a grave threat to world peace and security. The ultimate goal of nuclear disarmament should be the complete prohibition and thorough destruction of nuclear weapons.

2. The United States and the Soviet Union which possess the largest nuclear arsenals should take the lead in halting the test, production and deployment of all types of nuclear weapons and drastically reduce all types of nuclear weapons they have deployed anywhere inside and outside their countries and destroy them on the spot. This will make it possible to create favourable conditions for the convocation of a broadly representative international conference on nuclear disarmament with the participation of all the nuclear-weapon states to discuss measures for further nuclear disarmament and thorough destruction of nuclear weapons.

3. In order to prevent the outbreak of a nuclear war, all nuclear-weapon states should undertake not to be the first to use nuclear weapons in any circumstances and not use nuclear weapons against non-nuclear-weapon states or nuclear-weapon-free zones. On this basis, an international convention should be concluded with the participation of all nuclear-weapon states, ensuring the prohibition of the use of nuclear weapons.

4. There should be a simultaneous and balanced reduction and on-the-spot destruction of the medium-range nuclear missiles deployed in Europe and Asia by the Soviet Union and the United States.

5. Along with nuclear arms reduction there should be a drastic reduction of conventional arms. The conventional arms of all countries should be used only for self-defence, and not to threaten the security of other countries.

6. The outer space should be used exclusively for peaceful purposes for the benefit of all mankind. No country should develop, test or deploy space weapons in any form. An international agreement on the complete prohibition of space weapons should be concluded through negotiations as soon as possible.

7. An international convention on the complete prohibition and thorough destruction of chemical weapons should be concluded at an early date. Pending this, all countries capable of manufacturing chemical weapons should pledge never to use chemical weapons and to stop the test, production, transfer and deployment of such weapons.

8. To effect the implementation of arms reduction, it is essential for disarmament agreements to provide for the necessary and effective measures of verification.

9. As the question of disarmament concerns the security of all countries, it should not be monopolized by a few big powers. The disarmament agreement between them must not jeopardize the interests of other countries. All countries, big or small, militarily strong or weak, should enjoy equal rights to participate in the discussions and settlement of problems related to disarmament.

The above position and views of the Chinese Government on the question of disarmament has taken into account the desire of all the peoples in the world and the viewpoints of all the interested parties. We support all proposals truly conducive to disarmament and are ready to continue our efforts to promote genuine progress on disarmament together with other countries.

Of course, the question of disarmament is not the only issue affecting world peace and security. World peace and national security are closely interrelated. In this sense, encroaching upon a nation's independence and sovereignty means jeopardizing world peace. The Chinese Government wishes to reiterate that in order to relax tension and eliminate regional conflicts, it is imperative to observe strictly the principle of equality among all countries, big or small, in international relations and to refrain from interfering in the internal affairs or encroaching upon the sovereignty of other countries in any form. Only thus will it be possible to contribute to the maintenance of world peace.

Comrades and friends,

The maintenance of world peace is the dedicated goal and sacred duty of the people of all countries. Human destiny must be held in the hands of mankind itself. The factors making for peace is growing faster than those making for war. So long as the people of the world keep up their unremitting efforts, they will certainly win peace.

Thank you.

ZHANG WENJIN MEETS UN OFFICIAL 20 MARCH

OW201807 Beijing XINHUA in English 1642 GMT 20 Mar 86

[Text] Beijing, March 20 (XINHUA) -- Zhang Wenjin, president of the Chinese People's Association for Friendship With Foreign Countries, met Krzysztof Ostrowski, representative of U.N. secretary-general and executive secretary of the Secretariat for the International Year of Peace of the United Nations here today.

Zhang is also vice-chairman of the Chinese International Peace Year Organizing Committee. Ostrowski came here for a meeting on safeguarding world peace on March 21.

PANAMA REJECTS MARCOS PETITION FOR ASYLUM

OW211046 Beijing XINHUA in English 1036 GMT 21 Mar 86

[Text] Washington, March 20 (XINHUA) -- Ferdinand Marcos, former president of the Philippines, was denied access to seek temporary refuge in Panama, the local press reported today quoting administration sources as saying. The Panamanian Government told the U.S. that Marcos would not be welcome there, the same sources said. The negotiations with several other countries for Marcos' refuge are continuing at the moment, but nothing is decided yet, the sources said.

Marcos was expected to leave Honolulu today, but reports say the spokesman for Panamanian President Eric Arturo Delvalle said in Panama City that his country had rejected Marcos' petition for asylum and notified the U.S. Embassy.

U.S. HOUSE REJECTS CONTRA AID PROPOSAL

OW210306 Beijing XINHUA in English 0234 GMT 21 Mar 86

[Text] Washington, March 20 (XINHUA) -- The U.S. House of Representatives today rejected Reagan's request for 100 million dollars in aid to anti-government rebels in Nicaragua. After two days of bitter debate the House voted by 222 to 210 against the aid package proposed by President Ronald Reagan.

It is a setback to President Reagan's policy toward that country, but it does not mean that his efforts to win renewed U.S. military aid to the Contra rebels are dying away.

The House rejected Reagan's request for 70 million in military aid and 30 million in non-lethal assistance to the rebels despite Reagan's promise yesterday that if the Congress approved his aid package he would spend money in the first 90 days only for defensive anti-aircraft weapons, training and logistics.

Before the vote, House Speaker Thomas O'Neill, arguing against the aid, pointed out that to arm the rebels would be "an escalation of our involvement" which would lead to sending U.S. troops to Nicaragua. William Broomfield, ranking Republican of the House Foreign Affairs Committee, urged the approval by saying that Reagan's proposal is "a carrot and stick approach" that would force the Nicaraguan Government to negotiate with the United States.

After the voting, House Democratic leaders promised a new round of votes on alternatives for supporting the rebels on April 15, although they have acknowledged that the Congress is almost certain to approve some form of aid for the rebels.

White House spokesman Larry Speakes told reporters that the Reagan administration opposed the April vote. Speakes said that Reagan "firmly believes that further delay... will have the most serious consequence for our national security."

Meanwhile, Senate Republican leader Robert Dole said that the Senate may delay its vote on the aid package until after the Easter recess.

Reagan's proposal has been strongly opposed in the Democratic-controlled House ever since Reagan submitted it to the Congress for approval on February 25.

U.S. CRITICIZES USSR ON ARMS CONTROL TALKS

OW210316 Beijing XINHUA in English 0248 GMT 21 Mar 86

[Text] Washington, March 20 (XINHUA) -- The United States today charged that the Soviet Union has "failed to follow up on the statements that Soviet leaders have made" at the Geneva Summit last November on arms control.

U.S. President Ronald Reagan and Soviet leader Mikhail Gorbachev made a commitment at the Geneva Summit to move the arms control process forward. The United States is now putting the blame on the Soviet Union for the lack of progress in their field.

White House spokesman Larry Speakes told reporters today the U.S. has called on the negotiators in Geneva to follow the statements Soviet leaders have made that indicate progress is possible. "But that has not borne fruit. They're not putting on the table what the leaders are saying," said Speakes. He said he could not yet conclude the Soviets have reneged on their commitment, but he noted the lack of progress since the summit in arms talks.

Speakes remarks were made after the 38th round of East-West negotiations on troop reductions in Europe ended in Vienna with each side accusing the other of lacking in flexibility. Speakes said the NATO made a "major concession to the East" in dropping a longstanding insistence that the two sides come to terms on certain troop level data before moving forward toward an agreement. He said NATO also made a concession to adopt a position taken by the Warsaw Pact under which initial troop reductions would be followed by commitments not to increase force strengths in that area.

Speakes said the U.S. and its allies made these concessions in an attempt to reach an early accord in Vienna. "However, the Eastern participants have not reciprocated the West's move or given substance to the declarations of their leaders. Indeed, on February 20, the Warsaw Pact tabled a draft agreement which recycles old and unacceptable Eastern positions and which included an utterly inadequate verification regime," the spokesman said.

Meanwhile, Robert Blackwill, the chief U.S. negotiator at the Mutual and Balanced Force Reduction talks, also said the East had "chosen rigidity and indifference" and failed to respond to a NATO initiative.

The two superpowers have been accusing each other for the lack of progress in arms control recently. Last week, the fourth round of U.S.-Soviet nuclear arms talks in Geneva ended without reaching any agreement. The two sides have also had some difficulties in setting a date for the second summit which the two leaders agreed at their last summit to hold in Washington this year.

SHEVARDNADZE REAFFIRMS SOVIET DISARMAMENT STAND

OW201857 Beijing XINHUA in English 1849 GMT 20 Mar 86

[Text] Warsaw, March 20 (XINHUA) -- Soviet Foreign Minister Eduard Shevardnadze has again called on Washington to stop nuclear explosions and accused the West of "shamelessly plundering" the indebted nations. In an interview with the Polish news agency during a two-day visit to Poland, which was published today, Shevardnadze repeated Soviet leader Mikhail Gorbachev's proposal for a stage-by-stage global ban on all nuclear weapons within the century. He suggested that Moscow would resume nuclear weapons tests if Washington continues to ignore the seven-month-old Soviet moratorium on atomic blasts, which the Soviet Union conditions as the first step for world-wide elimination of mass destruction weapons.

"Let us first end the explosions and then it will be possible to control things as much as one may wish and in any way possible," said Shevardnadze, who arrived in Warsaw on Tuesday for the official visit before attending a Warsaw Pact foreign ministers' meeting in the Polish capital. "Then why the Americans do not agree to a moratorium? Why have they all of a sudden changed their own stand on control, which is the main problem? They need nuclear explosions for the creation of space weapons," the Soviet foreign minister said.

Shevardnadze also attacked the Western stand on the debt problem, saying "Imperialism is constantly looking for ways to assure its continued economic domination over other countries. It is by shamelessly plundering the peoples that the imperialist powers finance their military programs and maintain their economic welfare. Over 200 billion dollars are taken away from developing countries yearly. The U.S. military budget in recent years is practically equal to the same sum," Shevardnadze added.

ARKHIPOV TOURS JIANGSU'S WUXI 20 MARCH

OW201918 Beijing XINHUA in English 1914 GMT 20 Mar 86

[Text] Nanjing, March 20 (XINHUA) -- Ivan Vasilyevich Arkhipov, first vice-chairman of the Council of Ministers of the Soviet Union, and his party visited factories and peasant's homes and toured the picturesque Taihu Lake in Xuxi, Jiangsu Province here today.

While visiting Qianzhou Village, a formerly poverty-stricken place but now thriving with village-run enterprises, Arkhipov spoke highly of the work the village has done. The Soviet guests were honored at a luncheon given by Wu Donghua, mayor of Wuxi at noon.

Signs Cooperation Agreements

OW211108 Beijing XINHUA in English 1057 GMT 21 Mar 86

[Text] Beijing, March 21 (XINHUA) -- A summary of the first meeting of Sino-Soviet Committee on Economic, Trade, Scientific and Technological Cooperation was signed here today. Li Peng, Chinese vice-premier and Chinese chairman of the Sino-Soviet committee, and Ivan Vasilyevich Arkhipov, first vice-chairman of the Soviet Union's Council of Ministers and Soviet chairman of the committee, signed the document on behalf of their respective governments.

A protocol concerning the exchange of engineers and technicians between the two countries was also signed by Wang Pinqing, Chinese vice-minister of foreign economic relations and trade, and A.I. Kachanov, first deputy-chairman of the State Committee for Foreign Economic Relations of the USSR.

Leaves For Home

OW211044 Beijing XINHUA Domestic Service in Chinese 0854 GMT 21 Mar 86

[Text] Beijing, 21 Mar (XINHUA) -- Soviet Ambassador to China Shcherbakov hosted a luncheon at the Soviet Embassy at noon today in honor of the visit of the delegation led by I.V. Arkhipov, first vice chairman of the Council of Ministers of the Soviet Union. Vice Premier Li Peng and others attended the luncheon on invitation.

Shcherbakov acclaimed the signing of the summary of the first meeting of the Commission for Economic, Trade, and Scientific and Technological Cooperation between the Soviet Union and China.

In his speech delivered at the luncheon, Arkhipov said: The work of the commission clearly shows that both sides were interested in further expanding and developing economic, trade, and scientific and technological ties. This is conducive to deepening mutual understanding and trust between our two neighboring socialist nations. He said: The potential in Soviet-Chinese coopertion is tremendous. This kind of cooperation completely conforms with the interests of the peoples of the two countries and with the interests of the two nations in developing their economy.

In his speech, Vice Premier Li Peng expressed satisfaction over the results of the first meeting of the commission, and expressed the hope that both sides would continue to strengthen cooperation and ties on the basis of mutual understanding and mutual accommodation, and join efforts in fulfilling the tasks laid down by the summary of the meeting. He said: China and the Soviet Union have effected extensive cooperation in economic affairs, trading, science, technology, culture, education, and other fields. Such cooperation is conducive to economic construction in both sides and to the strengthening of friendship between the poeples of the two countries.

Arkhipov and his entourage left Beijing for home this afternoon via special plane. Vice Premier Li Peng saw them off at the airport.

DPRK COMMENTATOR DECRIES U.S.-KOREAN EXERCISES

OW200838 Beijing XINHUA In English 0820 GMT 20 Mar 86

[Text] Pyongyang, March 20 (XINHUA) -- A Korean military commentator has pointed our the U.S.-South Korean joint exercises are not "defensive" but offensive ones.

In an article published in "NODONG SINMUN" today, the commentator said the U.S. and the South Korean authorities employed on the coast of Pohang area 12,000 marines, "Blue Ridge," the flagship of the U.S. Seventh Fleet, and aircraft carrier "Midway" and a large number of battleships, tanks and artillery pieces in the landing operation exercises code-named "Team Spirit-86." Analysing the offensive character of the landing operation exercises, the commentator said the military strength and equipment employed in the exercises exceed the category of "defensive."

Meanwhile, the U.S. and the South Korean authorities admitted the Pohang area was chosen as their exercise field because it has many places to the coastal cities of the northern part of Korea, the article added. It said the exercises show that the U.S. and the South Korean authorities "do not want peace in Korea and the reunification of the country." The article demanded a halt to the U.S.-South Korean joint exercises.

WANG ZHEN, SONG PING MEET JAPANESE DELEGATION

OW201801 Beijing XINHUA in English 1450 GMT 20 Mar 86

[Text] Beijing, March 20 (XINHUA) -- Wang Zhen, honorary president of the China-Japan Friendship Association, met here this evening a delegation from Japan's Kawasaki Steel Corporation led by its president Yasuhiro Yagi. Song Ping, state councillor and minister in charge of the State Planning Commission, also met the delegation earlier today.

Yagi gave a banquet at the Beijing Hotel here this evening to mark the opening of his corporation's Beijing office. Wang Zhen and Song Ping were among the guests on the occasion. Yoko Seri, a noted Japanese singer, sang Chinese and Japanese songs for the guests at the banquet.

LI PENG ATTENDS CEREMONY FOR POWER STATIONS

OW202041 Beijing XINHUA in English 1858 GMT 20 Mar 86

[Text] Beijing, March 20 (XINHUA) -- Two thermal power stations at Dalian and Fuzhou will each receive two 350,000 kilowatt coal-fired generating units from a Japanese consortium under a deal signed here today. The contract was signed by China's Huaneng International Power Development Corporation and a Mitsubishi consortium consisting of Mitsubishi Heavy Industries Company, Mitsubishi Electric Corporation and Mitsubishi Corporation.

Chinese Vice-Premier Li Peng attended the signing ceremony, and met leaders of the Mitsubishi consortium, including Yotaro Jida, Shinichi Yufu and Taizo Yamada. Li said China would build more thermal power stations during its Seventh Five-Year Plan (1986-1990), while relying mainly on its own strength to develop nuclear power. [Beijing XINHUA Domestic Service in Chinese at 1430 GMT on 20 March in its report on this contract signing renders the previous paragraph...Li said China would build more thermal power stations during its Seventh Five-Year Plan, (1986-1990) which will require less investment but can produce quicker results, while relying mainly on its own strength to develop nuclear power.] However, China was keen to undertake technical co-operation with other countries, and to purchase equipment parts from them.

SRV SPOKESMAN REJECTS CGDK 8-POINT PROPOSAL

OW201231 Beijing XINHUA in English 1144 GMT 20 Mar 86

[Text] Hanoi, March 20 (XINHUA) -- Vietnam formally rejected today the latest proposal for a political solution to the Kampuchean problem put forward by leaders of the Coalition Government of Democratic Kampuchea, according to local press reports today. The rejection was announced in a statement by the spokesman of the Vietnamese Foreign Ministry.

The eight-point proposal, offered by Coalition leaders Samdech Norodom Sihanouk, Son Sann and Khieu Samphan on March 17 in Beijing, called on Vietnam to make a two-stage withdrawal of its troops from Kampuchea and for a four-party negotiation by the three resistance factions and the Heng Samrin regime in order to set up a four-party coalition government of Kampuchea.

The statement reiterated the Vietnamese stubborn position of supporting the Heng Samrin regime. It said Hanoi only recognized the Vietnam-backed regime as the legal government. It attacked the fair proposal as a "farce stage-managed by Beijing," and said the proposal was aimed at "blocking the current trend toward dialogue in Southeast Asia".

SIHANOUK ACCUSES SRV OF 'LACK OF SINCERITY'

OW201623 Beijing XINHUA in English 1610 GMT 20 Mar 86

[Text] Beijing, March 20 (XINHUA) -- Democratic Kampuchea's recent proposal seeking a political settlement in Kampuchea has shown the world "our sincerity", Prince Norodom Sihanouk said here today. And Vietnam's rejection of the proposal has demonstrated its lack of sincerity, the President of Democratic Kampucheas told Chinese reporters in an interview at his Beijing residence.

Son Sann, prime minister of the Coalition Government, and Khieu Samphan, Vice-President of Democratic Kampuchea in charge of foreign affairs, were also present at the interview.

Sihanouk accused Vietnam of being insincere. It had violated the spirit of the United Nations charter. He said: "This is threatening peace and stability in South-East Asia and the whole world."

Democratic Kampuchea's fair proposal, which had met many of Vietnam's prerequisites favorably, had been aimed at bringing peace and justice to the Kampuchean people and peace for Asia.

"We didn't refer to Heng Samrin before", he said, "But now we wish to negotiate with him and then establish a quadripartite government. We had demanded that Vietnam should implement U.N. resolutions to withdraw all its troops from Kampuchea. But now we accept a Vietnamese withdrawal in phases. We are also giving assurances that Kampuchea would be recognised as a neutral state with diplomatic ties with Vietnam and other countries." He added: "We can make no more concessions."

Khieu Samphan said the proposal had resulted from a consensus of political opinions and points of view among leaders of Democratic Kampuchea.

Sihanouk said their proposal went further than previous ones. They had discussed it at the United Nations, in the liberated areas of Kampuchea and in Beijing. Son Sann said it had "come from our hearts", and was aimed at achieving an early peaceful solution in Kampuchea according to the UN resolution related.

The reception given it by the international community had shown that what they had proposed was correct, despite Vietnam's rejection, said Son. Sihanouk said the rejection had further isolated Vietnam, and exposed it to even more international condemnation.

International comments about the proposal had been fair and favorable to Democratic Kampuchea, and he was satisfied with the comments from China and South-East Asian leaders.

Regarding Democratic Kampuchea's continuing struggle against Vietnam, Sihanouk said the three parties of the Coalition Government of Democratic Kampuchea had been strengthening their political co-operation, and had made great progress on battle fronts.

SON SANN, KHIEU SAMPHAN LEAVE FOR HOME

OW210655 Beijing XINHUA in English 0643 GMT 21 Mar 86

[Text] Beijing, March 21 (XINHUA) -- Son Sann, prime minister of the Coalition Government of Democratic Kampuchea, and Khieu Samphan, Vice-President of Democratic Kampuchea in charge of foreign affairs, left here today for home. The two Democratic Kampuchean leaders met President Norodom Sihanouk in the Chinese capital and attended a cabinet meeting of the Coalition Government of Democratic Kampuchea. here March 17.

President Sihanouk and Chinese Vice-Minister of Foreign Affairs Liu Shuqing went to the airport to see the two Democratic Kampuchean leaders off. President Sihanouk said at the airport that the Democratic Kampuchean leaders had accomplished a great deal during their Beijing get-together. This will promote and strengthen the struggle of the Democratic Kampuchean patriotic forces, he added. He also pointed out that since the Vietnamese rejected the proposal for a political solution to the Kampuchean issue raised in a recent communique by the Coalition Government of Democratic Kampuchea, the latter now have no choice but to continue its struggle.

HONG KONG SYMPOSIUM DISCUSSES PRC REFORMS

OW201955 Beijing XINHUA in English 1651 GMT 20 Mar 86

[Text] Hong Kong, March 20 (XINHUA) -- China's system reforms which are unique in its characteristics, have good prospects, though there are many problems to be tackled, according to scholars from many countries and areas who have met here for a four-day conference on the subject. The conference, which ended here today, was attended some 60 scholars from Australia, Britain, Canada, the Chinese mainland, Federal Germany, the United States and Hong Kong.

More than 40 papers were read at the conference, which was sponsored by the Center of Asian Studies of the University of Hong Kong. There were heated discussions.

Hua Biyun, research fellow from the Institute of Contemporary International Relations in Beijing, said that China's reforms had had a strong impact on other socialist countries, including Hungary, the Soviet Union, Poland and the Democratic People's Republic of Korea.

China's economic reforms, he said, have been based on two principles, namely, the absolute dominant position of the public ownership and the common prosperity among the people.

Professor C.D. Kernig from the University of Trier, West Germany, analyzed China's modernization program under global perspectives. He said the road taken by China in its reforms is different from that taken by capitalist countries and that by the Soviet Union. China has embarked on its own road, he said. If the Chinese leaders can employ new strategies and policies successfully, China's socialist construction will achieve great successes, even greater than expected, he added.

Comparing the Chinese reform model with those in other socialist countries, Professor H.G.J. Kosta from Federal Germany said China is in a different position being independent from any outside commander. Its successes in agriculture where market elements and individual forms of decision making are applied successfully also seem to favor a further advance in reforms, he said.

Director of the Center of Asian Studies E.K.Y. Chen said that the China model of development is unique in several policies, including opening to the outside world, absorbing foreign capital and implementing the production responsibility system, which are unseen in other socialist countries.

Professor Sung Yun Wing from the Chinese University of Hong Kong dwelt on problems and prospects of decentralization of China's foreign trade. He said the commodity and market concentration of China's exports is not favorable to sustained growth. He suggested that China should exercise restraint on imports to prevent massive trade deficits.

One bright spot in the picture is the large and growing number of small private or collective enterprises in China, he said. Another hopeful development is the infusion of Hong Kong capital and know-how, mostly in small enterprises -- exactly the kind of firms that have done so well in Hong Kong, he added.

Professor C.H. Chai from Hong Kong University said that a major price reform is necessary for China to move swiftly from mandatory planning to real guidance planning in her industrial sector in the near future.

Papers written by two scholars from Taiwan were also read at the conference. But their authors were absent.

BANK OF CHINA GROUP HELPS HONG KONG INDUSTRY

OW200953 Beijing XINHUA in English 0828 GMT 20 Mar 86

[Text] Hong Kong, March 20 (XINHUA) -- The Bank of China Group in Hong Kong has actively helped the local manufacturing industry, and its loans to this field in the past three years totalled 5.66 billion Hong Kong dollars (about 726 million U.S. dollars).

Manufacturing is one of Hong Kong's pillar industries. In 1985, the output value of that industry accounted for 22.7 percent of Hong Kong's total. People engaged in this industry constitute 40 percent of Hong Kong's total workforce. Loans provided by the banking group for local industry have been increasing year by year. They totaled one billion HK dollars (about 128 million U.S. dollars) in 1983, and rose by 82 percent in 1984 and 30 percent in 1985. In the first two months of this year, the group's loans amounted to 469 million HK dollars (about 60 million U.S. dollars), nearly half of that provided in the whole year of 1983.

The group includes the Bank of China, Nangyang Commercial Bank, Bank of Communications, Po Sang Bank, the Sin Hua Trust Savings and Commercial Banks.

PAKISTAN DENIES DEATHS IN CLASH WITH INDIA

OW202052 Beijing XINHUA in English 1931 GMT 20 Mar 86

[Text] Islamabad, March 20 (XINHUA) -- A spokesman of the Ministry of Defense denied here today that Pakistani commandoes were killed recently in clashes with Indian security forces in the Punchh sector of the line of control in the Kashmir area. The spokesman said that the Indians had been resorting to indiscriminate firing for the past two months on Pakistani civilians living close to the line of control in a number of sectors, including Punchh. Consequently, three civilians, including a woman, were seriously wounded in the Punchh sector alone, he said. Those injured were either working in the fields or were fetching water from the springs situated near the line of control, said the spokesman.

The Pakistani commanders in the area have lodged a strong protest with the U.N. observers for these serious violations of the line of control by the Indian troops, the spokesman said. Referring to a report of the PRESS TRUST OF INDIA as broadcast by BBC that Pakistani troops in uniform or civilian clothes went to the Indian side of the line of control and 10 of them were killed, the spokesman said it was totally baseless and incorrect.

PAKISTAN PROTESTS DRA KILLINGS ON BORDER

OW202055 Beijing XINHUA in English 1910 GMT 20 Mar 86

[Text] Islamabad, March 20 (XINHUA) -- Four Pakistani frontier militiamen and two Afghan refugees in Pakistan were killed during bombing and rocketing of Pakistani territories by the Kabul authorities on March 16 and 18. According to an official handout here this evening, the Pakistan Government has lodged a strong protest against the unprovoked bombing and rocketing of Kurram Agency, Northwest Frontier Province of Pakistan.

"At 10:15 hours on March 16," the handout said, "three Afghan aircraft fired ten rockets at Karshaya post, two miles south of Kharlachi in Kurram Agency. As a result, four security personnel were injured." "The aircraft then rocketed the refugee camp of Matta Sangar, south of Karshaya post, killing two Afghan refugees and wounding three more." "On March 18," it continued, "four Afghan aircraft again bombed and rocketed the said post, as a result four militiamen in the frontier agency were killed and 15 more injured."

CCPIT GROUP VISITS AUSTRIA, SPEAKS ON INVESTMENT

OW201204 Beijing XINHUA in English 1149 GMT 20 Mar 86

[Text] Vienna, March 19 (XINHUA) -- China will continue its extensive economic and technical cooperation with foreign countries and absorb foreign investment at a larger scale in the Seventh Five-Year Plan period (1986-1990), a high-ranking Chinese official said here today. Jia Shi, head of the visiting delegation of the China Council for the Promotion of International Trade (CCPIT), stated the Chinese position during a lecture organized by the Austrian Federal Economic Chamber.

Entitled "China's Open Policy and New Cooperating Opportunities", Jia's speech listed the key projects the Chinese Government is encouraging foreign investors to take part in during the coming five years. These projects are: energy exploitation, including electricity, coal and petroleum; the electronics industry, including computers; manufacturing of sophisticated industrial equipment; the building materials industry and construction of facilities in urban industrialized areas; the restructuring of existing enterprises to improve product quality and improvement of the variety and components of spare parts.

Jia said that fresh prospects for continuous, stable and coordinated development have been brought to China's economy. This new approach to the economy has laid the necessary material foundation for China's further cooperation with foreign countries, he added. China will make efforts to minimize its unfavourable trade balance and rationally readjust the present structure of commodity exporting, Jia said.

Jia, who is the director of CCPIT, also summarized China's achievements in trade and foreign capital utilization during the past seven years. China has established trade links with more than 170 countries and areas around the world, he said. During the Sixth Five-Year Plan period (1981-1985), its volume of foreign trade totalled 229.37 billion U.S. dolalrs, with an average annual increase of 9.4 percent. In the past seven years China has signed loan contracts valued at 20.3 billion U.S. dollars with foreign nations and its total volume of commercial credits has reached 1.76 billion dollars. It has also absorbed 16.2 billion in direct investment by foreign companies. By the end of 1985, more than 2.300 joint ventures, 3,700 cooperative enterprises and over 120 enterprises sponsored solely by foreigners, as well as 35 offshore petroleum exploration projects had been ratified to begin operations throughout the country.

Jia noted that Austrian President Rudolf Kirchschlaeger's visit to China in last September has helped create a better atmosphere for further economic cooperation between the two countries. Last year, Sino-Austrian trade volume reached a record high of 160 million dollars, a 23.6 million dollar increase over the previous year.

BROAD PROSPECTS SEEN IN PRC-SWEDISH COOPERATION

OW201809 Beijing XINHUA in English 1644 GMT 20 Mar 86

[Text] Beijing, March 20 (XINHUA) -- The Sino-Swedish industrial, scientific and technical cooperation has broad prospects, agreed an intergovernmental committee session which closed here today. A protocol on the sixth session of the mixed Chinese-Swedish intergovernmental committee on industrial, scientific and technical cooperation was signed here this afternoon.

During the four-day session, both the Chinese and Swedish delegation reviewed the progress achieved in the fields of the bilateral industrial, scientific and technical cooperation and also explored possibilities of further cooperation. The delegations agreed that cooperation between the two countries could be conducted in the fields of telecommunications, space technology, energy production, machine-making, food production and transportation. The protocol was signed by Ma Yi, advisor to the State Economic Commission and chairman of the Chinese delegation and Thage G. Peterson, minister of industry and chairman of the Swedish delegation.

During its stay in Beijing, the Swedish industrial delegation led by Peterson met with heads of several ministries of the State Council. And industrialists in the delegations also held business negotiations on projects of common interest. This evening, Swedish Ambassador to China Lars Bergquist gave a reception for the visiting Swedish delegation at the embassy.

NATO MINISTERS TO DISCUSS NUCLEAR REDUCTIONS

OW202058 Beijing XINHUA in English 1846 GMT 20 Mar 86

[Text] Bonn, March 20 (XINHUA) -- NATO defense ministers opened a two-day nuclear planning session today to discuss a possible U.S. Soviet agreement on reducing intermediate-range nuclear weapons in Europe. The 39th planning session is being held in Wurzburg, in Federal Germany. The ministers are expected to study a proposed U.S.-Soviet deal on NATO"s military status.

Reports indicate U.S. Defense Secretary Caspar Weinberger is likely to ask the North Atlantic Treaty Organization allies to stand by the United States' Strategic Defense Initiative (SDI). On Wednesday, Weinberger and Federal German Chancellor Helmut Kohl agreed in principle on Federal Germany's participation in the SDI project, also known as "star wars." An agreement is expected to be signed next week in Washington. Federal Germany becomes the second U.S. ally to indicate interest in the U.S. research plan. Britain earlier announced its participation.

UK TO CONTINUE MODERNIZING NUCLEAR FORCES

OW200756 Beijing XINHUA in English 0715 GMT 20 Mar 86

[Text] London, March 20 (XINHUA) -- Britain's plans to modernize its nuclear deterrent with Trident submarines and new battlefield weapons will be discussed for the first time in nearly six years by NATO defense ministers, press reports said here today. The reports said the NATO briefing on Britain's nuclear deterrent will be at the 30th regular bi-annual session of NATO's nuclear planning group in Wurzburg, Federal Germany, today and tomorrow. However, British officials insisted that the formal presentation by the British delegation on the current state of the country's deterrent will contain no surprises.

The briefing, the first since 1980 when Britain opted to replace the present Polaris submarine-launched nuclear missile system with the 9.8-billion-pound (about 14.4 billion U.S. dollars) Trident, will review Britain's inventory of Polaris missiles and air-launched nuclear bombs. George Younger, attending his first NATO meeting as British defense secretary, is said to have felt it appropriate that his colleagues be brought up to date on Britain's nuclear plans. However, the reports said, the timing of the briefing was significant in two respects. Younger will be able to explain to NATO ministers why Britain intends to continue modernizing its nuclear forces and also Britain will be able to explain its role in the modernization of NATO's short-range or battlefield nuclear weapons.

FURTHER REPORTAGE ON LI XIANNIAN 5-NATION TOUR

More on Egyptian Assembly Speeches

OW201141 Beijing XINHUA Domestic Service in Chinese 1720 GMT 19 Mar 86

[By correspondent Wang Genbao]

[Text] Cairo, 19 Mar (XINHUA) -- The Egyptian People's Assembly and Consultative Council held a joint session at the assembly building today to warmly welcome PRC President Li Xiannian. Egyptian President Husni Mubarak, People's Assembly President Rif'at al-Mahjub, Consultative Council speaker Subhi 'Abd Al-Hakim, and members of the People's Assembly and Consultative Council attended the session.

When Li Xiannan entered the conference hall in the company of Mubarak, all those present rose to welcome him with prolonged applause. President Al-Mahjub spoke first at the session to welcome President Li Xiannian, who had come from the banks of Huang He, the birthplace of an ancient culture, to the banks of the eternal Nile, from China through which the Great Wall runs to Egypt where pyramids tower aloft. He said: "In Egypt, we take bread and salt in our hands to welcome you with deep feelings and friendship."

Amid warm applause, President Li Xiannian delivered a lengthy speech, pointing out: The rise of the Third World has been the greatest historical event of our times; the Third World has been the main force for safeguarding world peace and promoting common development. President Li reiterated: China is a member of the Third World, and the Chinese people have special feelings for it. The Chinese Government and people stand firmly by the Third World, giving top priority in their foreign relations to strengthening unity and cooperation with other Third World countries.

He pointed out: "The fierce rivalry between the superpowers today poses a grave threat to international peace and security and subjects Third World countries to enormous sufferings. Therefore, Third World countries are most vigorous in calling for peace and opposing war and most resolute in demanding justice and combating power politics. Shouldering the heavy historical task of maintaining world peace, the Third World has become the principal force for peace in the present-day world."

He said: Third World countries have, over time, made unremitting efforts to achieve a lasting world peace. He expressed the conviction that world peace can be maintained as the various forces for peace in the world, with the Third World as the main force, continue to grow in strength.

Li Xiannian then pointed out: "The Third World is not only the main force for maintaining world peace but also an important factor in promoting the common development of various countries." He said: The world economy is an integral whole characterized by interdependence. Third World countries consistently make vigorous efforts to promote the common economic development of various countries. He particularly stressed: In both the immediate and long-term perspective, Third World countries' demands and efforts for restructuring the international economic order give a powerful impetus to promoting the common development of the world economy. South-South cooperation and increasing the economic strength of the Third World are important aspects of a new international economic order and are of particular significance in promoting North-South negotiations and cooperation and the sound development of the world economy as a whole.

On the importance of strengthening unity and cooperation among Third World countries, President Li pointed out: "Unity is the source of strength of the Third World, and cooperation is the key to making it powerful." He expressed the hope that, in disputes left over from the past or going on at present, the countries concerned, taking the overall situation into account, will properly handle them through peaceful negotiations in accordance with the five principles of peaceful coexistence and in a spirit of mutual respect, mutual understanding, and mutual accommodation.

Then President Li explained the principles and stand China has followed in its relations with other Third World countries. He said: "China is a developing socialist country. The continued strengthening of its unity and cooperation with other Third World countries is an important aspect of the independent foreign policy of peace our country has persistently pursued and a basic stand in our foreign affairs." , "China unswervingly supports the other Third World countries in their just struggle against colonialism, imperialism, racism, and hegemonism and supports them in their endeavor to safeguard their national independence, invigorate their national economies, and build up their respective countries. We support the objectives and principles of the nonalignment movement. In our relations with other Third World countries and all other countries of the world, we strictly observe the five principles of peaceful coexistence and never interfere in the internal affairs of other countries. We positively support Third World countries in their demand for restructuring the old international economic order. We attach great importance to economic exchanges and techical cooperation with other Third World countries." China will unswervingly follow the eight principles for foreign aid and the four principles for South-South cooperation which it has put forward itself. President Li solemnly declared: "China belongs to the Third World at present; it will belong to the Third World even if it becomes developed in the future. China is opposed to hegemonism of all descriptions and will never seek hegemonism itself. Standing by the large number of other Third World countries is the firm faith and stand of the Chinese Government and people."

Li Xiannian highly praised Egypt for its unremitting efforts and important contributions to the Nonaligned Movement, to the national liberation movement in Africa and Arabia, and to peace in the Middle East and in the world. He also highly praised Sino-Egyptian relations and cooperation. He said: This year is the 30th anniversary of the establishment of diplomatic relations between China and Egypt. Rapid progress has been made in relations and cooperation between the two countries during the past 30 years. "Sino-Egyptian friendship has stood severe tests due to international vicissitudes, and our two peoples are true friends who trust each other. To continuously strengthen and develop the relations and cooperation between China and Egypt in various fields is our unswerving principle."

President Li Xiannian said: The great Third World is already on the rise politically. It will surely rise economically, culturally, scientifically, and technologically. The peoples of the Third World who created the Great Wall, The Pyramids, the Temple of the Sun, and other wonders of the world can certainly score outstanding achievements our modern age can be proud of. The peoples of the Third World can make further brilliant contributions to world peace and development and to mankind's civilization and progress.

President Li's speech was often interrupted by warm applause. When President Li concluded his speech, President Mubarak warmly embraced him, and People's Assembly Speaker Al-Mahjub and Consultative Council Speaker Al-Hakim stepped forward to vigorously shake hands with him.

Then President Mubarak delivered a warm speech. He first highly praised President Li Xiannian's speech. He said: "The historical significance of the words spoken by President Li from his lofty dais in the People's Assembly building lies in the fact that they truly express profound understanding of the great mission the Chinese and Egyptian people have been undertaking since the dawn of history to develop human civilization and advance mankind." He pointed out: This mission continues today and will continue in the future. It is reflected in the role played by the two peoples in strengthening world peace, saving nations from the danger of war, and consolidating the principle of justice in international relations. These relations must be founded on justice instead of force, on solidarity instead of discord, and on cooperation instead of rivalry. He said: They are words of profound meaning and come from the heart. Hence, his words, and the values and high ideals they represent, have touched the hearts of all of us.

Referring to his meeting with Li Xiannian, Mubarak said: "Our meeting in Egypt is one of work and cooperation in promoting the cause of mankind everywhere, but it is also a meeting of friends and of hearts." Mubarak said: "We consecreate our freedom and the independence of our wills. We hold the dignity of the motherland above all other considerations. We defend it with every means we have." He said: "We reject any kind of subserviance and any type of control."

Regarding China's experience in self-reliance, he said: "We believe that this is an inevitable factor in the establishment of political, economic, and cultural independence, and in state freedom from pressure and restrictions."

After highly praising the active results China achieved in implementing its policy of carrying out economic reform, Mubarak expressed the hope to further strengthen cooperation between Egypt and China in the fields of economy, technology, trade, and culture.

After reviewing the history of the relations and friendship between the two countries, which goes back to ancient times, President Mubarak said: "You have always been our friend in need. Every time we are in need or in danger, you have always shown a close affinity and stood with us side by side."

Prior to the meeting, President Li Xiannian met with People's Assembly Speaker Al-Mahjub and Consultative Council Speaker Al-Hakim. During the meeting, Speaker Al-Mahjub presented President Li with a memorial insignia of the People's Assembly on which President Li Xiannian's name was engraved.

Mubarak Appreciates Li Visit

OW201945 Beijing XINHUA in English 1939 GMT 20 Mar 86

[Text] Cairo, March 20 (XINHUA) -- Egyptian President Husni Mubarak highly appreciated today the visit by Chinese President Li Xiannian to Egypt. The president told reporters after seeing off President Li Xiannian at the Cairo Airport that Li is the president of a country linked to Egypt with strong relations. "We feel every respect and esteem for China which is one of the greatest Third World states," Mubarak said.

"I have been to China many times before, the last as a president. Every time I returned with a renewed impression of appreciation and affection," Mubarak recalled. Egypt began cooperation with China a long time ago and was the first Arab and African country to recognize China, he noted. The president also voiced his best wishes of all progress and prosperity for the people of China.

Li Arrives in Luxor

OW201442 Beijing XINHUA in English 1430 GMT 20 Mar 86

[Text] Luxor, Egypt, March 20 (XINHUA) -- Chinese President Li Xiannian and his party arrived in the city of Luxor, south of Egypt, this morning to continue his visit. He was accompanied by Egyptian State Minister for Foreign Affairs Butrus Ghali, Egyptian Ambassador to China Ahmad Salim and Chinese Ambassador to Egypt Wen Yezhan.

The president was greeted at the airport by governor 'Abd al-Halim Sa'di and speaker Abu Faysal of Qina Province and was warmly welcomed by local people on the way to his residential hotel.

Somalia Prepares for Visit

OW201329 Beijing XINHUA in English 1310 GMT 20 Mar 86

[Text] Mogadishu, March 20 (XINHUA) -- On the eve of Chinese President Li Xiannian's arrival in Somalia, preparations for the visit have been stepped up. The Chinese president is scheduled to arrive here Friday for a three-day visit, which is aimed at promoting mutual understanding and friendship, and enhancing solidarity and cooperation between China and Somalia.

Main streets in Mogadishu, Somalia's capital, have been decorated with streamers carrying slogans "Warmly welcoming President Li Xiannian's visit to Somalia" and "Long live the friendship between Somalia and China" in both Chinese and Somali languages. Portraits of President Li and president Siad Barre have been hung on the People's Hall, where the two leaders will hold talks.

Yesterday, newspapers in Arabic and Somali languages carried President Li's portrait and profile. Radio Mogadishu also has broadcast his biography. In the past few days, Mogadishu students have been practicing a song composed by a Somali vocalist about the friendship between the Somali and Chinese people, and a Chinese melody.

Somalia was one of the first African countries to establish diplomatic relations with China, late Chinese Premier Zhou Enlai visited Somalia in 1964, and Somali President Barre visited China in 1972 and 1978. President Li is now on a five-day visit to Egypt. Somali will be the fourth leg of Li's five-nation Asian and African tour. He has already visited Bangladesh and Sri Lanka.

BEIJING RECEPTION MARKS TUNISIAN ANNIVERSARY

OW201451 Beijing XINHUA in English 1439 GMT 20 Mar 86

[Text] Beijing, March 20 (XINHUA) -- A reception to mark the 30th anniversary of the independence day of the Republic of Tunisia was held here this evening. The reception was given by the Chinese People's Assocation for Friendship With Foreign Countries and the Chinese-African People's Friendship Assocation.

In a toast, Zhang Wenjin, president of the Chinese People's Assocation for Friendship With Foreign Countries, praised the Tunisian people for the achievements they scored in safeguarding national independence and developing national economy over the past 30 years. Since the diplomatic ties established between China and Tunisia, he said, friendly cooperation and people-to-people exchanges have expanded to satisfaction.

Tunisian Ambassador to China Ridha Bach-Baouab said the cooperation between the two countries has become an example for developing countries and a testimony of South-South cooperation. Ma Wenrui, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference, and Gong Dafei, president of the Chinese-African People's Friendship Association, attended the reception.

JORDAN'S HUSAYN SEES PEACE MOVE WITH PLO AT END

OW202120 Beijing XINHUA in English 2012 GMT 20 Mar 86

[Text] Cairo, March 20 (XINHUA) -- Jordanian King Husayn said today that the joint Jordanian-PLO Middle East peace drive remains at a deadend despite Egyptian President Husni Mubarak's mediation efforts.

Following his meeting today with President Mubarak, which included 90 minutes of tete-a-tete talks, King Husayn told reporters, "we are all concerned withthe objective of obtaining a just and durable peace in the Middle East, but obviously, as far as our current effort in Jordan is concerned, we have had a very serious setback or reached a deadend."

On the future of the peace process, Husayn said, "there was nothing new." He said he had discussed with Mubarak all important points related to the situation in the Arab world and bilateral relations, except the resumption of negotiations with PLO Chairman Yasir 'Arafat.

After speaking to reporters, Husayn concluded his one-day visit to Cairo and left for home together with his accompanying delegation which included Prime Minister Zayd al-Rifa'i, Minister of Court Adnan Abu 'Awdah, Foreign Minister Tahir al-Masri and head of the royal court Marwan al-Rasim.

NPC COMMITTEE APPOINTS, REMOVES OFFICIALS

OW200948 Beijing XINHUA Domestic Service in Chinese 1510 GMT 19 Mar 86

[Text] Beijing, 19 Mar (XINHUA) -- Namelist of appointments and dismissals approved by the NPC Standing Committee, adopted by the 15th meeting of the 6th NPC Standing Committee on 19 March 1986:

1. Appointments:
Xu Kongrang [6079 1313 6245] as deputy secretary general of the NPC Standing Committee
Li Qing [2621 3237] as adviser to the NPC Law Committee
Zhang Chen [1728 1820] as adviser to the NPC Financial and Economic Committee

2. Dismissals:
Wang Huaian and Song Guang from the posts of advisers to the Supreme People's Court
Wei Feng, Tan Guipu, Qiao Ying (f), Zhou Lichuan, Wu Ming, Wan Jie and He An from the posts of judges of the Supreme People's Court

2 Procurators Dismissed

OW201033 Beijing XINHUA Domestic Service in Chinese 1513 GMT 19 Mar 86

[Text] Beijing, 19 Mar (XINHUA) -- Namelist of dismissals approved by the NPC Standing Committee, adopted at the 15th meeting of the 6th NPC Standing Committee on 19 March 1986:

He Xia from the post of chief procurator of the Shaanxi Provincial People's Procuratorate;

Wang Zhenzhong from the post of chief procurator of the Beijing Municipal People's Procuratorate.

TIAN JIYUN STRESSES RECTIFYING PARTY STYLE

OW201315 Beijing XINHUA Domestic Service in Chinese 1527 GMT 19 Mar 86

[By reporters Huang Zhimin and Wang Xiaoyu]

[Text] Beijing, 19 Mar (XINHUA) -- A meeting of the capital's advanced units and activists in building socialist spiritual civilization was held in the Great Hall of the People this afternoon. Tian Jiyun, member of the CPC Central Secretariat and vice premier of the State Council, emphatically pointed out at the meeting that the key to success in building socialist spiritual civilization lies in whether great efforts are exerted to rectify party style.

Attending the meeting were Yu Qiuli, member of the Political Bureau of the CPC Central Committee; Deng Liqun, member of the CPC Central Secretariat; Li Ximing, secretary of the Beijing Municipal CPC Committee; Chen Xitong, mayor of Beijing Municipality; responsible persons of central party, government, and Army departments, various mass organizations, and democratic parties; and representatives of the people of the capital, more than 6,000 people in all.

In recent years, acting in line with the spirit of the four-point instruction of the CPC Central Secretariat on principles of the capital's construction, Beijing Municipality has carried out various activities, with education in communist ideology as the focal point.

It has carried out citywide and multiform education on ideals and discipline and on the situation and policies. It has also carried out activities to "learn from Lei Feng and foster a new work style," combated "dirtiness, disorderliness, and poor service," practiced the system of having each household committed to "three guarantees as far as the area in front of its door is concerned," promoted "comprehensive services for designated households," and launched joint "Army-people efforts to build civilized united and areas." In the course of these activities, a number of advanced units and individuals have emerged.

Tian Jiyun said in his speech that we must continue to be firmly determined and exert great efforts to rectify party style and correct various unhealthy practices, because this is the key to success in building socialist spiritual civilization. He said: The party Central Committee has made up its mind to deal with this question. We will unswervingly and persistently rectify party style and correct the various unhealthy tendencies until we achieve real results in this work. It is necessary to further step up education in party spirit and party discipline, correct softness, weakness, and slackness in attitude, and fight all violations of law and discipline and all unhealthy practices.

In particular, leading organs and leading cadres of the party should take the lead in rectifying party style. People are not satisfied when only promises are made. More importantly, they want to see action. Leading cadres must act in an exemplary manner. They should be the first to do what they expect people to do, and refrain from doing what they don't want the people to do. This is the most practical and effective approach to rectifying party style.

Tian Jiyun pointed out: As in the case of promoting material civilization, there should not be the slightest manifestation of formalism in promoting spiritual civilization. We must display the spirit of dealing with concrete matters in a down-to-earth manner in order to make solid progress. If we simply remain in our offices and talk about what should be done, we cannot expect to achieve anything in building spiritual civilization or promoting fine social conduct. He said: When we emphasize practical efforts, we mean, first of all, that leading organs and leading cadres should take the lead. We should plunge deep into reality to conduct investigation and study, and pay close attention to and directly tackle those problems that arise in the course of building spiritual civilization and those issues that evoke strong reactions among the masses.

He said: Fundamentally speaking, to build socialist spiritual civilization means to do what Comrade Deng Xiaoping has called for, that is, to conduct education among the cadres and masses on the need for lofty ideals, morality, education, and a sense of discipline. The efforts to build spiritual civilization should be combined with efforts to do one's own work well at one's post. If people in the various trades and professions all make serious efforts to do their respective work well and lay stress on vocational ethics, fine social conduct will naturally result.

Tian Jiyun said: The cadres and party members of central organs and the cadres and fighters of PLA units stationed in the capital, including senior leading cadres, are all citizens of Beijing Municipality. They must fulfill the tasks assigned them by local party committees and governments and conscientiously abide by and implement the local decrees and regulations. They must actively and spontaneously take part in the joint Army-people activities launched in Beijing Municipality to build civilized units and areas, and make sure that they set examples everywhere by setting high standards and making strict demands on themselves.

Jin Jian, deputy secretary of the Beijing Municipal CPC Committee, made a speech summing up achievements and future plans in building spiritual civilization in the capital.

CONTROL OVER PUBLICATIONS TO BE STRENGTHENED

OW210101 Beijing Domestic Service in Mandarin 0900 GMT 19 Mar 86

[Text] According to a report by ZHONGGUO BAOKAN BAO [CHINA NEWSPAPERS AND PERIODICALS GAZETTE], the Secretariat of the CPC Central Committee has urged departments concerned to step up control over the publication of newspapers and periodicals. It is said that, in order to rectify work in this field, they should pay attention to the quality of newspapers and periodicals, be strict in examining and approving applications for their publication, and control the volume of distribution and circulation, as well as the supply of paper required for printing.

The Secretariat of the CPC Central Committee made the above demand recently after noting the problems of distribution of newspapers and periodicals stated in a report from the Ministry of Posts and Telecommunications outlining the questions regarding its service for promoting spiritual civilization.

There are presently too many newspapers and periodicals published in our country, and their volume of circulation is too large. A considerable number of them deal with the same subjects, are of low quality, and sometimes even have vulgar contents. Not only does this impose a heavy workload on the postal and telecommunications departments, but what is more, the unhealthy newspapers and periodicals produce a considerable negative effect on the building of spiritual civilization.

Meanwhile, the Secretariat of the CPC Central Committee requested that postal and telecommunications departments continue to rectify the guiding thought for their work and properly handle the relationship between benefit to society and benefit to their own departments by regarding the former as having first priority.

SIGNIFICANCE OF HORIZONTAL ECONOMIC LINKS SEEN

HK200927 Beijing CHINA DAILY in English 20 Mar 86 p 4

[Commentator's article: "Towards a Unified Market"]

[Text] An increasing number of new phenomena that have emerged in the process of China's present economic reforms will conceivably help augment and expand the entire reform programme. One typical case is the fast-spreading linkage between businesses and localities. All across the country, this has become a new focus of the reforms. The government has praised its growing significance with regard to bringing about eventually a unified market for China's socialist economy. It was also the main topic of the national urban economic reform work conference that ended early this week in Beijing.

The so-called horizontal linkage, in fact, covers forms of joint business operations between different enterprises and regions on the basis of equal exchange and the principle of mutual benefit. Before the reforms began, enterprises were separate from each other by unrelated top-to-bottom vertical structures, or rigid and often excessively definitive departmental controls. They created a rather unhealthy environment for the flow of resources, technology and information. Now the rapidly expanding horizontal links are breaking down the outmoded system. Such inter-enterprise and inter-regional links are but a natural response to the reforms that have brought more decisionmaking power to the grassroots level and called for a commodity economy in which the market forces are fully used.

Now that administration has been properly decentralized, Chinese businesses, fully aware the challenge as well as the opportunity presented by the enlivened competition previously unknown in the market, are expecting to seek joint efforts to improve their technical standards and expand production.

An enterprise based in southern China these days could be operating assembly lines in a number of remote northern provinces, through arrangements with its partners. An urban company may now build its supply network of components and materials around nearby suburban areas. And several localities can work together for the comprehensive utilization of a natural resource. The authorities have revealed that, in the last five years, such joint projects increased 10 fold and involved large amounts of funds contributed jointly and many personnel exchanges.

Among different modes of horizontal arrangements, the most outstanding are the so-called enterprise groups, in which different businesses work in a complementary association. The participants can include factories and services, connecting a number of cities or even covering a particular industry or area. Another salient feature of the horizontal linkage is that inter-regional cooperation, though still pretty loose in form, has sprung up in many cases, like those in the vicinity of Beijing and Shanghai, and in the southwest and northwest provinces. Also quite noticeably, among all the inter-enterprise and inter-regional linkings, those involving technical improvement prevail. This promises the upgrading of the nation's industrial technical standards, a much welcome development.

Encouraged by their initial successes, many participants in horizontal arrangements are expecting to maintain long-term working relations with each other. These will be especially important for the traditionally more underdeveloped areas such as the border regions and places inhabited by minority nationalities.

The government is actively trying to promote the spread of horizontal linkage, while acknowledging that the best form of support is to prevent unnecessary administrative interference in enterprise affairs. On the contrary, legal protection will be provided. And the State planning work will be reformed to suit the new situation. The significance of these horizontal link-ups goes far beyond monetary terms. They will undoubtedly contribute immensely to raising productivity, upgrading technology and improving the country's financial system, as Premier Zhao Ziyang has said. One major goal of building socialism is to make production a joint endeavour of all society. It can be made possible only when a unified market functions under the guidelines laid down by the government in the interest of the people. In this regard, the rise of the horizontal linkage between different Chinese businesses and localities is surely a most positive move.

PLA DISCONTINUES TAIWAN PROPAGANDA CAMPAIGN

OW210650 Beijing XINHUA in English 0640 GMT 21 Mar 86

[Text] Fuzhou, March 21 (XINHUA) -- The Chinese People's Liberation Army (PLA) units in Fujian Province have stopped the transmission of propaganda materials to Taiwan, and Jinmen (Quemoy) and Mazu Islands since 1985, a PLA spokesman announced here today. This is another step to ease tension in the Taiwan Straits and promote China's peaceful reunification, said the spokesman. Since New Year's Day 1979, units in Fujian have completely stopped their shelling of Jinmen, Mazu and other islands where Kuomintang troops are stationed. The Kuomintang army has likewise decreased its shelling of the mainland year by year, which is a welcome trend, he said. However, said the spokesman, Taiwan is still sending provocative leaflets to the mainland, which runs counter to the aspirations of the people on both sides of the straits. "We hope the Taiwan authorities will stop this practise as soon as possible," he said.

DUAL PRICE SYSTEM DURING ECONOMIC REFORM EXAMINED

HK201001 Beijing JINGJI YANJIU in Chinese No 1, 20 Jan 86 pp 43-48

[Article by Dai Yuanchen of the Economics Research Institute of the Chinese Academy of Social Sciences: "Dual Prices in the Transformation of the Model Economic System"]

[Text] Dual Prices Are a Specific Phenomenon Occurring When Free Prices Are Allowed as a Supplement to a Planned Price System

The laws that govern the movement of prices cause the same kinds of commodities to be sold at the same prices on the same market. This is called the identity of prices. The value of the same kinds of commodities sold on the same market reflects the same average socially necessary labor; therefore, prices will be the same. Under the conditions of free exchanges of commodities, those who can purchase at a lower price will by no means purchase at a high price, and those who can sell at a high price will by no means sell at a low price. This process of selection and competition inevitably results in the price of the same types of commodities being similar. However, since sellers always hope to sell at higher prices and buyers always hope to buy at lower prices, it is possible for deals to be contracted at different prices. As a result, goods are sold at higher prices at luxury shops than at small shops, and the saying "one will not suffer losses if one compares the prices of three shops" has become a shopping maxim. By price identity, we do not mean that prices are identical but that similarity of prices is a trend of price movement under the circumstances of different prices.

Only under the condition of planned prices can price identity be most fully realized, because all buyers and sellers must obey unified planned pricing. However, as the identity of prices is fully realized, it is necessary to have dual prices or double-orbit prices as a necessary supplement. Under the condition of free exchanges, there are no dual prices even if transactions are conducted at different prices, because both the buyers and sellers have the freedom of choice to conduct their transactions at different prices. Therefore, the differences in prices cannot be called dual prices. Dual prices or double-orbit prices are a phenomenon specific to a system of planned distribution and are prices in which free exchanges are restricted; in other words, they are specific phenomena which emerge when planned distribution requires free exchanges as its supplement and when planned prices require free prices as their supplement.

Dual prices have been present for a long time in our country. When country fair trade was regarded as a supplement to the planned purchases and sales of the state-owned commercial sector, dual prices consisting of country fair prices and planned prices emerged. During the period of economic difficulties in the 1960's, the state rationed 18 categories of major consumer goods that had a bearing on people's livelihood and firmly maintained the stability of planned prices. At the same time, it sold sweets, cakes, and restaurant meals at high prices to satisfy the demands of those who had the purchasing power. This gave rise to the coexistence of low and high prices for some food, the latter being several times higher than the former. At that time, in order to encourage peasants to sell more grain, grain was purchased at two prices, the unified price for quota purchases and the price for extraquota purchases. But we should point out that at that time planned prices continued to be the dominant prices in the dual prices system. We regarded free purchases and free prices as a means to solve the contradiction caused by the shortage of commodities. When we expounded the theory, we were all of the opinion that this was an expedient measure that we adopted against our will.

When we increased the purchase prices for agricultural products in 1979, we implemented a system of dual prices in which quota purchases were made at the planned prices while extraquota purchases were made at a premium in addition to the planned prices or at negotiated prices. By so doing, it was not necessary to all at once make all our purchase prices reflect the requirements of the market mechanism and thus be raised to very high levels. We only allowed the products that were sold in excess of the quotas to reflect the requirement of market mechanism and to be sold at higher prices. This not only gave play to peasants' initiative in carrying out their production, but also took into account the capacity of the state finances to counter the changes in the composition of revenue distribution. Over the past few years, the situation of agricultural production has been very satisfactory. This is to a very great extent due to the reduction of the disparity between the purchase prices of industrial and agricultural products.

Therefore, despite the existence of the disparity between diverse prices such as unified purchase prices, extraquota purchase prices, negotiated prices, and country fair trade prices, and despite the existence of various kinds of problems, when the state is not able to excessively raise the purchase prices of agricultural products all at once, the double orbit price system plays a positive role in giving impetus to the development of production, reducing the contradiction between supply and demand, and creating conditions for reducing and eliminating dual prices later. This has enlightened people and enabled them to understand that dual prices are not only an expedient measure to supplement the planned distribution and prices when there is a shortage of supply, but can also be an important means to straighten out prices during the process of the transformation of the models of our economic system.

The Difficulties in the Reform of Our Price System Lie in the Possibility of Creating Chaos in the Original Structure of the Distribution of Our National Income, But Dual Prices Can Reduce Obstacles in Straightening Out Prices

Our country is carrying out an economic structural reform which will switch the materialized distribution in economic relations to independent management and free choices in purchases and sales and switch the practice of regarding planned prices as the core to floating prices or free prices that reflect the regulation of the market mechanism. This will be a radical change in the internal operational mechanism of our socialist economy. However, it is now impossible for our country to quickly realize this transformation. One of the important reasons for this is that this may give rise to a series of problems in our redistribution of income and in the operation of our economy. The rise and fall of prices will not increase or reduce our national wealth, but will affect the economic interests of the two parties in the transactions. Any change in prices will give rise to a redistribution of economic interests among central and local governments, departments, enterprises, peasants, and staff members and workers, causing some of them to be economically benefitted and others to suffer economic losses. Precisely because of this, a rational readjustment of prices often will be restricted by relationships of interests; therefore, it is very difficult to break the income redistribution structure that has already taken shape.

At present the prices of our agricultural and mining products are very low and reflect neither their value nor the relations of supply and demand. This is a major manifestation of the irrationality of our country's price system and is also a phenomenon common in many socialist countries. As we require a continuous increase in our agricultural production on our limited farmland, we have to put in more seeds, fertilizers, pesticides, and machinery; therefore, the production costs of our agricultural products have continued to rise year by year. As our mines have grown, as conditions of exploitation have changed, as the labor force in our mines has been renewed and the number of second-line workers increased, the costs of our mining products have also continued to rise. As a result, rises in the prices of our agricultural and mining products are difficult to avoid.

However, when we actually raise the prices, we often encounter many obstacles of various kinds, for the prices of our agricultural and mining products are basic prices which people have misgivings about when they want to readjust for fear that raising the prices of our agricultural and mining products will give rise to a chain reaction and cause a rise in our general price level. Moreover, agricultural products and coal are necessities for people's livelihood; therefore, we often consciously control their prices and keep the prices low in order to suit them to the situation of low wages.

Furthermore, maintaining the price scissors between our industrial and agricultural products is an important means for the state to acquire construction funds from our peasants. Therefore, readjusting and raising the prices of our agricultural products is restricted by the state's financial strength. For another example, the charges for rent and urban traffic fares are excessively low. As a result, these facilities are maintained by state subsidies and have no ability for self-transformation and self-development, but the reality is that low wages restricts the possibility of rational price readjustment. On the other hand, the prices of some products of processing industries are too high, but they are major sources of the state's financial accumulation. Price reduction will affect the state's revenue; therefore, it is very difficult for us to make up our mind to do that. From the above we can see that we have long understood problems related to irrational price relations and disparity and the orientation of our reform, and that the difficulty is that this price system which reflects neither the value nor the supply and demand relations was required by the distribution of income in the past and has taken shape gradually in practice. Therefore, as we are carrying out our price reform, we have much to consider about the questions of how we are to handle the relations of interests between various sectors and how we are to make appropriate arrangements, since reform may break the original structure of income redistribution.

At the same time, our country's economic foundation is poor and the level of development is low. In our country's economy there is both advanced and backward technology. Because of our country's vast territory, conditions for enterprises in various areas to independently organize their production, supply, and marketing differ. In view of economic development, some areas and enterprises have already switched from growth by extension into growth by intension, but many other areas and enterprises are continuing to follow the development pattern that mainly pursues quantitative growth. Under these complicated objective conditions, it is inappropriate for our country's economic structural reform to adopt the method of substituting the new pattern for the old one all at once; instead it is necessary for it to adopt the method of gradual transformation. This will cause the dual price or double-orbit price system that we are implementing in the vast spheres, other than the sphere of agricultural products, to become a method of gradual transformation in the process of the transformation of the model of our economic system and thus assigns a new significance to the dual price system.

In our country's process of readjusting the purchase prices of its agricultural products, we have smoothly used dual prices to reduce the resistance in the readjustment process and to stimulate economic development. When we were readjusting the prices of our industrial products, in particular the prices of the means of production, in our urban economic structural reform, we also widely used dual prices. In a traditional centralized price readjustment, under the previous system of the state collecitng all the income and paying all the expenses, the changes in the profits of the various state-owned enterprises only mean an internal transfer of profits within the sector. Therefore, we could adopt the method of keeping accounts to reduce the tasks of profit delivery to the state for the enterprise which suffered losses from the price readjustment and increase the tasks of profit delivery to the state for the enterprises which benefitted from the price readjustment.

Now, though we will still keep accounts, as our localities, departments, and enterprises each have their own economic interests, it is possible that those that benefit from the price readjustment will remain silent about the benefits, but those that suffer losses from price readjustment will demand compensation from the financial departments at higher levels. On the other hand, the upper level financial departments may want to rescind all the benefits that localities, departments, and enterprises have gained from the price readjustment ot absorb the losses on their own. Therfore, centralized measures of price readjustment conflict with the scattered structure of interest distribution. When our price readjustment breaks the original structure of national income redistribution, we may increase our state's financial burdens or harm the initiative of our enterprises. In the past, as we used the old methods to keep our accounts, there was a problem related to the low levels of accounts. Under these circumstances, the various kinds of substitutions caused by readjustment of relative prices caused the figures calculated at the original input-output coefficient do not conform to reality. Now, as there are contradictions due to relations of interests, it is even more difficult to make a clear calculation. This constitutes a major obstacle to the price readjustment of the transitional method.

However, at present the prices of many of the means of production are extremely distorted. The more some products are produced, the greater the losses incurred. Once an enterprise producing these products is granted decision-making power over its management and allowed to shoulder sole responsibility for its profits and losses, it will be put into a predicament of being not able to continue its operations unless there is a price readjustment. On the one hand, there are difficulties in carrying out price readjustment, but on the other hand, price readjustment is indispensable. We can then implement a dual price or double-orbit price system in which a portion of the products produced and distributed according to the plans continue to be sold at planned prices which are low because of the low costs, but a portion of the products produced in excess of the planned quotas are allowed to be sold at floating or negotiated prices higher than planned prices because of higher costs.

This will play the following roles: 1) It will reduce the resistance to price readjustment. By allowing a portion of the products distributed by the plans to be sold at planned prices, we maintain unchanged the original structure of income distribution and maintain the system of mandatory plans that we cannot yet entirely abolish at present. Outside the plans, new prices emerge through the regulation of the market mechanism. The flexibility of these new prices will reduce the rigidity of the planned prices which are not easy to readjust, and thus satisfy and reflect the demands of the law of value. This makes it possible to partially readjust the prices, reduces the resistance to price readjustment, and enables our price readjustment to match the gradual reduction of the scope of our mandatory plans. This is a key step that we have taken in the area of breaking the rigid mandatory plans. 2) It reduces the limits on our capacity to sustain price readjustments. The negotiated prices not governed by our plans are decided through negotiations between buyers and sellers. If the buyers are unable to withstand the price rises, they will not buy the goods; therefore, there will not be restrictions on the capability of withstanding price readjustments. This can rouse the initiative of our enterprises to conduct independent management and enable their personnel to gradually become familiar with the laws that govern the movement of the market. 3) Under the circumstances whereby the distorted prices have not yet radically changed, this gives play to the initiative of our enterprises for increasing the production and supply of marketable products. It is an objective demand of matching production with demand and facilitates carrying out a partial readjustment of the previously very irrational distribution of resources, the imbalance between supply and demand, and the disharmony of interests. When mandatory plans and planned prices were implemented in the past, because of the distorted prices, bartering trade was common between areas and enterprises.

As bartering is a way of trade for a natural economy and is in conflict with modern mass production, substituting a price mechanism for bartering is a justified demand of our economic development and is also an indispensable step in the process of gradually straightening out our prices. Precisely because of this, dual prices play a particularly important role in the process of the transformation of the models of our economic system, a role for which there is no substitute.

A Series of New Problems Brought About by Dual Prices

Dual prices are an indispensable step in gradually straightening out prices and realizing a transformation in our economic models when it is impossible to make a drastic price readjustment at one stroke. But dual prices undermine the unity of prices, give rise to the dual activities of producers and operators, cause various kinds of conflicts, and have a series of defects, which are:

1. Unequal burdens and benefit: There is not scientific basis for deciding the proportion between the commodities sold at cheap planned prices and those sold at high prices outside the plans. Therefore, we can only adopt a method of setting a basic figure for the proportion. The differences in the basic figures gives rise to differences in burdens and benefit. In the sphere of the purchase prices of agricultural products, this is shown in the fact that the basic figures for the purchase quotas of grain and cotton in our old grain and cotton areas are high; therefore, these areas have limited potential to sell these goods in excess of the quotas and get much less from premium prices than the areas that have lower basic figures do. In the sphere of the means of industrial production, the enterprises that were previously satisfactorily administered and managed have high basic figures; therefore, they can sell only a small amount of their products outside the plans at high prices. Sometimes they get less benefits than the enterprises that were previously poorly managed and that have lower basic figures. This causes enterprises to adopt different attitudes toward production within and outside plans and gives rise to their dual activities.

2. Sharp increase in prices: Originally, the planned prices of some of the means of production were distorted and excessively low. Our purpose in allowing the prices of the portion of products freely purchased and sold outside our plans to float is to allow the prices of these products to rise. Therefore, it is only natural for the negotiated prices to rise when dual prices are implemented. However, as the scale of our investment was excessively large, the tremendously great purchasing power that the planned allocation of the means of production could not satisfy flooded our limited market of the means of production and thus caused a sharp increase in the prices of some of the means of production, including steel and timber. This was abnormal. At present, people's criticism of the dual price system has mainly been caused by this. However, the root cause for this problem is excessive expansion of investment, not dual prices.

3. The dual price system hinders the implementation of our plans. Because of the excessive disparity between the prices sold within and outside the plans, many enterprises sold their planned products outside the plans. As a result, the percentage of contracts they have carried out has fallen and the fulfillment of our plans has been hindered. However, we should not fail to see that the excessive disparity between the two prices and the practice of speculation to push up the prices of products outside plans are still realted to the shortage of these products. The supply of coal has been gradually eased and the phenomenon of pushing up coal prices has disappeared on its own. On the other hand, as steel for construction continues to be in short supply, the malpractice of buying it up and pushing its price up continues despite our prohibitions. This proves that the problem does not lie in the dual prices, but lies in the fact that the shortage has aggravated the contradiction between the two prices.

4. It has given impetus to blind production and blind and duplicated construction. The production units that are assigned no basic quotas or a lower percentage of purchase quotas can sell all or most of their products at high prices. In the sphere of agriculture, this was shown in the blind expansion for a time of the production of rapeseed and tobacco, of which only a low percentage was purchased under quotas in the past. This undermined the rational composition of our agricultural production and was not overcome until we reduced the purchase prices of these products. In the sphere of our industry, this is shown in the fact that the excessively high prices of the means of production have given rise to the blind development of the production of small coal mines, small blast furnaces, and small cement plants in our township and town industry which are not assigned purchase quotas. This has caused extremely unreasonable use of our limited resources and the abnormal phenomena of small enterprises pushing away large ones and backward technology pushing away advanced ones.

5. Because of the existence of dual prices, often the costs for producing the same kind of products differ greatly for different enterprises owing to the great disparity in the purchases prices of their raw materials. Some enterprises incur low costs despite their excessive consumption because their raw materials are purchases at low prices. Others incur high costs despite their low consumption because their raw materials are purchases at negotiated prices. Some enterprises earn large profits because a large percentage of their products are sold at negotiated prices, but others earn profits because only a small percentage of their products are sold at negotiated prices. (Some rolling mills sell their quality tinplate products at planned prices of more than 1,000 yuan per ton, but are allowed to dispose on on their own their own their scrap tinplate at over 2,000 yuan a ton and thus benefit by producing scrap products.) In carrying out our economic structural reform to grant our enterprises decision-making power and make them shoulder sole responsibility for their profits and losses, these kinds of dual prices cannot urge enterprises to improve their management and raise their economic results in order to increase their income, but make them focus their attention on striving to purchase raw materials at low prices and sell their products at high prices. As a result, it is impossible for us to make a normal assessment of their economic results, and there is great confusion in our financial relations. The goal of our economic structural reform is to use the regulation of the market mechanism to rationally distribute resources in order to improve our economic results, but under the dual price system, we often get precisely the contrary.

Dual Prices Are China's Invention in Its Process of Economic Structural Reform, and Despite Various Defects, If We Satisfactorily Handle These Problems and Reduce These Defects, Dual Prices Will be Conducive to the Transformation of Our Economic System Model

Any economic measure has its advantages and disadvantages and it is not objective or realistic to regard it as absolutely good or bad. Dual prices as a supplement to planned prices and as a special measure in the process of the transformation of the model of our economic system have positive significance. However, they run counter to the requirement for the unity of prices in the law of value. Under the circumstances of "many prices for one kind of product," there will inevitably be exchanges that are carried out irrationally at unequal value, and there will inevitably be abnormal commodity exchanges which cannot pass on correct and reliable information to promote the rational distribution of production factors. Moreover, the disparity in dual prices means a disparity in interests, which is detrimental to the equal competition that is carried out under the conditions of a commodity economy. Therefore, various kinds of conflicts and contradictions have emerged. This is the negative side of the dual prices. People often differ widely in their opinions on dual prices because they stress only one aspect of dual prices -- either the positive or negative side of it.

In the past, in discussing dual prices, our theoretical circles relatively stressed the negative aspect of dual prices. Therefore, they proposed the policy of abolishing dual prices. However, they differ diametrically in their views on the way to abolish dual prices. Some of them advocate the view that there should be further relaxation, in other words, the scope of planned distribution and management should be reduced and the transformation to a price pattern with the regulation of the market mechanism as the core should be speeded up. However, the difficulty in doing so is that the general trend of prices moves upward. As a result, many enterprises will find it difficult it adapt themselves to the rising prices and a chain reaction of price readjustment can not be avoided. This will cause a rise in the general price level and a change in income distribution. If we fail to adopt a measure to link wages with prices in order to counter this rise, we will encounter great resistance from the staff members and workers who object to price increases. The other view is that we should go back from dual prices to the system that regards planned prices as the core. But distorted planned prices hinder the normal cooperation between our enterprises and there must be another method.

In the past, we strictly imposed price discipline and prohibited any unauthorized increase in prices of the means of production. This often led to the natural economic practice of bartering running rampant. What we got was a mere substitution of financial subsidies and bartering for dual prices. This caused the malpractice of dealing in coupons and under-the-counter trade of commodities to run rampant. In fact, that was merely a practice of substituting covert dual prices for open dual prices. In addition, this practice of tightening our control over prices will only result in the implementation of mandatory plans and distribution for goods. As a result, our economic activities will return to the orbit of the traditional system. This will certainly delay the pace of our economic structural reform. Precisely because of this, the various kinds of views on the abolishment of dual prices that have been put forth because of our excessive emphasis on the defects of dual prices are not realistic.

Some other comrades stress the positive side of dual prices and say that it is an invention with Chinese characteristics during China's economic structural reform. This view is indeed correct. No other county has ever regarded dual prices as an important measure for the trnsformation of the model of their economic system or as a transitional method for the transformation from one price system to another. The dual price system is specific to China. However, this does not mean that there are not any defects in the dual price system. It is still necessary for us to pay close attention to reducing or eliminating its defects. We can consider the following:

1. We should make efforts to control the demand for investment, prevent the excessive expansion of demand, and create an environment whereby supply is a little bigger than demand or whereby at least the total demand basically matches the total supply. This is a priority condition for making reasonable the prices of the portion of commodities that are allowed to float outside the plans. If demand increases too sharply, the prices that are allowed to float outside the plans may jump drastically out of control. As a result, the disparity between the two kinds of prices will widen and give rise to increasingly greater contradictions and defects. The application of the regulation of the market mechanism must be based on the important condition of exercising control over total demand. Only by so doing can we avoid a general or rotational rise in prices.

2. It is still necessary to appropriately readjust the excessively low prices that are fixed by our plans. One of the important reasons why we implement the dual price system is because we are still unable to make a reasonable adjustment of the planned fixed prices; therefore, we have to appropriately supplement the planned prices with the high prices outside of plans.

But this does not mean that the excessively low planned prices must not be changed. In fact, the distorted planned prices often give rise to the distorted high prices outside of plans and aggravate the contradiction between the two kinds of prices. Appropriately raising the planned fixed prices will more or less play a certain role in restricting consumption and encouraging the use of substitutes. In addition, it will to some extent reduce the waste inside the plans and increase the supply outside of plans. Therefore, appropriately raising the prices of the input within the scope that the enterprises using the planned supply of materials and goods can sustain will not give rise to a chain reaction of price increases; on the contrary, it may cause the high prices outside of plans to fall because of the alleviation of the contradiction between supply and demand and thus reduce the disparity between the two kinds of prices.

3. The various defects of the dual price system are mainly caused by the excessive differences between two or more prices. The cause of the excessive differences in prices is the excessively great demand outside of plans and the shortage of supply. Therefore, it is not suitable for the products in very short supply to implement a dual price system. We should continue to maintain planned distribution and planned fixed prices for these products.

4. It is necessary to establish an open market for the means of production. One of the important reasons for the sharp increases in prices outside of plans is because there has not yet been an open market for the means of production. The channels of purchases and sales are blocked, and this leaves a loophole that speculators can exploit in pushing prices up. Establishing material and goods trade centers in order to form an open market for the means of production will enable buyers and sellers to directly contact each other and will thus facilitate making prices outside of plans reasonable.

In short, the dual price system is not perfect or free from defects. It has its defects. We have to adopt positive measures to reduce these defects and should not allow them to spread and flow out of control. Only by so doing can we give play to the positive role of dual prices and avoid and overcome the negative role. Then people will be able to flexibly use the advantages of the dual price system and adopt different measures in light of the different conditions in different enterprises. For example, when a production enterprise has difficulties in carrying out technological transformation or improving its management, we can appropriately increase the percentage of the products that it can sell freely, and when an enterprise earns excessive profits because of excessive profit margins, we can appropriately increase the percentage of the products that are distributed according to our plans. In regard to those who consume the goods, we should select appropriate timing to gradually increase the portion of the supply outside of plans in light of their capability to adapt themselves to the changes and thus make consumers gradually adapt to the requirements of the regulation of the market mechanism. We can also consider allowing the means of production supplied both inside and outside the plans to enter the market and to be supplied at unified market prices. This will be even more conducive to meeting the buyers' needs concerning the variety and size of the goods and avoid the waste caused by using large ones where small could be used and using quality goods where poor quality ones would suffice. This will facilitate a rational use of resources and improving economic results.

The difference between planned supply and that outside of plans is that the enterprises that are assigned planned production tasks settle their accounts concerning the sales in accordance with the plans at planned prices, while those that have planned quotas of supply can settle accounts with the sellers and be paid by the sellers whatever difference there is between the unified market and planned prices after they buy the means of production at unified market prices.

By so doing, we will not only be able to realize the regulation of the market mechanism concerning our means of production, but will also be able to refrain from breaking the original structure of the distribution of our national income and reduce the resistance in the process of price readjustment. Then, by flexibly and gradually readjusting the proportion between the goods supplied at the two kinds of prices, and by systematically readjusting the excessively distorted planned fixed prices, we will gradually reduce the great disparity between the two kinds of prices. In short, skill is necessary in applying dual prices. An awkward application of the dual price system will aggravate its defects and be criticized by people. On the other hand, a skillful application of the dual price system will facilitate simultaneously curing both the symptoms and diseases and consciously applying the regulation of the market mechanism to readjusting our economic activities. It will also facilitate gradually straightening out our prices under the condition of refraining from causing a drastic change in our income distribution.

At present people have widely discussed and criticized dual prices. Dual prices have occurred in the process of the transformation of the model of our country's economic system and are a concentrated reflection of the dual planning system, duel commodities circulation system, and other dual-orbit systems, and are the part of the dual-orbit system that our people are most concerned about. However, the criticism is often focused on the contradictions in our microeconomy and overlook the objective necessities that, from a macroeconomic viewpoint, dual prices should be adopted in straightening out our price system: We should see that in the traditional model of our economic system, various economic levers are rigid and economic relations tend to become materialized. Its starting point is to maintain the steadiness of economic life, but its results are that it makes various economic parameters, particularly the price parameters, extremely distorted and quite irrational. This has seriously hindered the regular operations of our economic activities. Straightening out prices causes the economic parameters to tend to become rational, is an important stage in the course of gradually straightening out economic relations and transforming the model of our economic system, and is an important measure to switch a converse readjustment to a favorable readjustment. As the greatest obstacle to the straightening out of prices lives in the changes in prices causing chaos in the structure of the distribution of our national income, the implementation of the dual price system is conducive to overcoming the difficulties in starting our reforms and to reducing the turbulence caused by the changes of reform. Therefore, it is an invention that we made in gradually carrying out the reform of our country's economic system. Of course, dual prices have emerged when both the planned mechanism and market mechanism fail to bring their role into play satisfactorily. It is not easy to coordinate these two kinds of prices and there are many frictions and conflicts in economic operation. If we fail to handle them satisfactorily, it is quite possible that they will hinder each other's functions and thus reduce our economic results. Therefore, dual prices are a transitional measure. It is still necessary for us to make great efforts to create conditions in order to realize the transformation from a dual price system to a unified price system. Under a situation where the prices are not distorted, we can apply more fully the law of value and really give play to the role of the market mechanism and thus increase our economic results more effectively through competition.

JOINT STOCK SYSTEM 'UNDESIRABLE' FOR ENTERPRISES

HK200012 Beijing JINGJI YANJIU in Chinese No 1, 20 Jan 86 pp 17-23

[Article by Fan Maofa, Xun Dazhi, and Liu Xiaping of the Institute of Planned Economy under the State Planning Commission: "The Joint Stock System Is Not the Direction for Enterprises Owned by the Whole People" -- written in October 1985]

[Text] The joint-stock system is now attracting universal attention.

Summing up the views of all quarters, the main aim for practicing the joint stock system is two-fold: First, to tackle the problem of "short-term behavior" of enterprises; and second, to raise funds and to promote the rational flow of funds. We think that the practice of the joint stock system can be of some help to attaining the latter objective, though it is not the only option for us. However, it is not going to produce the desired results as far as the solving of the problem of short-term behaviors of enterprises is concerned.

I. The Joint Stock System Is Undesirable for Chinese Enterprises Owned by the Whole People

In their production and management activities, some enterprises disregard the interests of the state and their own long-term development and only concern themselves with short-term behaviors that serve immediate interests. This is a new and knotty problem that confronts the reform of the economic structure. In order to curb these short-term behaviors, some people suggested instituting the joint stock system for enterprises. The World Bank favored the establishment of a socialist joint stock system of ownership, under which the power of an enterprise in making strategic policy decisions is handed to its board of directors and where ownership of each enterprise is shared by a number of government organs, each representing the whole people in different forms. Some comrades in our country held that following the second step of the reform to replace profit delivery with tax payment, ownership of enterprises owned by the whole people had in fact been handed down to the enterprises. In these enterprises, there remained only the authority of the managers and the authority of workers. The authority of shareholders was nonexistent. Therefore they suggested that a joint stock system be instituted for enterprises, with shareholder joining the managers and workers in the triumvirate of power, so that the growth of consumption funds as well as investment returns could be monitored from within the enterprises.

In our opinion, the joint stock system is not suitable for enterprises owned by the whole people.

From a historical point of view, the joint stock system emerged out of the necessity to speed up the centralization of capital and the realization of highly effective and specialized management. Following the development of capitalist production, conventional capitalist private enterprises with their source of capital limited to the personal capital accumulation of the entrepreneurs had difficulty meeting the growing needs of an economy of scale. At the same time, the system of having hereditary operators seriously restricted the extensive recruitment of managerial personnel, which was not conducive to raising the level of enterprise management. The joint stock system which separates ownership from the power of ownership thus emerged as the times requires. Through the joint stock system, capital owned by a great number of people can be pooled within a short time for developing an economy of scale. With the extensive recruitment of managerial personnel from outside the circle of investors, highly efficient and specialized management can be attained. The emergence of the joint stock system not only preserved the capitalist system of private ownership but satisfied to some extent the needs of socialized large-scale production. It is precisely for this reason that Marx viewed this system as "a transition form from the capitalist mode of production to the associated one" and as "the abolition of capital as private property within the confines of the capitalist mode of production itself." (Footnote 1) (Marx, "Das Kapital," Vol 3, People's Publishing House, 1975, pp 498, 493) China's socialist public ownership system itself represents the complete abolition of the capitalist mode of production. Its capability in pooling funds far exceeds that which is possible under capitalism, and is capable of selecting the most outstanding entrepreneurs for management. Thus, the joint stock system which serves the purpose of pooling funds and realizing highly efficient management does not have much practical significance for Chinese enterprises owned by the whole people.

The emergence of short-term behaviors in enterprises in the course of reform is not the natural product of the system of ownership by the whole people. Thus, there is no need for us to break with the system of ownership by the whole people and practice the joint stock system in our effort to solve the problem of short-term behaviors of enterprises.

Will the maintenance of the system of ownership by the whole people necessarily lead to short-term behaviors on the part of enterprises? We do not think there are any necessary links. It was in the course of reform that short-term behaviors on the part of enterprises surfaced as a salient problem in our economic life. Before the reform, enterprises were to a very large extent appendages of administrative organs. Although short-term behaviors were also evident at that time in the vying for investment and resources, the lowering of targets, and so on, the primary behaviors of enterprises were well under state control. We may say that there was basically no such thing as long- or short-term behaviors of their own. Short-term behaviors seen in the course of reform were caused by complex factors. We see the following to be the main reasons:

1. The measures of reform are not mutually supportive. While reform starts with distribution and takes material incentives as its primary motivating force, the defect of everyone eating from the same big pot basically has not been eliminated. Moreover, as the state gradually reduces direct control over the enterprises, the means of indirect control are felt to be far from adequate.

2. The external environment of enterprises is very uncertain. With the reform still in an exploratory stage, the present principles and policies and reform measures to be introduced are not very stable. Administrative intervention characteristic of the old system is still playing a part, and the enterprises find it hard to react to this intervention because it is very much based on subjective will.

3. The enterprises are not very certain about their long-term interests. Because they practice a management method mainly based on short-term policies and short-term plans, they cannot link their long-term behaviors with long-term interests.

4. The tenure system for cadres has not been reformed well. The tenure system, which seeks mainly to solve the problem of life tenure for cadres, is necessary. However, the system overlooks the fact that during their tenure, cadres may confine their actions to the short term. The responsibility of cadres toward the long-term development of their enterprises during their tenure has not been clearly spelled out.

The joint stock system not only will not solve the problem of short-term behaviors on the part of enterprises, but will, on the contrary, aggravate the irrationality of their behaviors to a certain extent.

1. The joint stock system may lead to two possibilities, namely, the aggravation of the situation where government and enterprise functions are not separated and the aggravation of short-term behaviors. According to the advocates of the joint stock system, the state must hold the bulk of shares of enterprises in order to play a leading role, exercise effective supervision over the distribution of profits, the growth of consumption funds and the return of investment, and thereby check the short-term behaviors of enterprises. We think that this kind of intervention in the affairs of enterprises in the capacity of the major shareholder is essentially not much different from the present practice of exercising intervention through administrative orders. What is worse, it may even aggravate the situation where government and enterprise functions are not separated. If this is to be avoided, the proportion of shares held by the state must be reduced.

This will lead to two situations: 1) The structure of ownership within the joint stock enterprises will change from being mostly owned by the whole people to being mostly owned by the collective. 2) The ability of the state to manage and control these enterprises will be weakened. This not only will thwart short-term behaviors on the part of enterprises but will intensify them.

2. There is essentially no difference between management of enterprises by the state in its capacity as a shareholder and the present practice of management through mandatory planning by the state as the owner who is responsible for the whole people. The functions to be performed by the state in a joint stock company in it capacity as a shareholder, such as making decisions regarding the distribution of profits, appointing manager's overseeing and checking the operational measures and financial matters of the firm, can also be fulfilled by the state under the present conditions of ownership by the whole people. If this method of management can curb the short-term behaviors of enterprises, there is no need to practice the joint stock system. If this method cannot provide a solution to the problem, then the joint stock system cannot do much either.

3. There is essentially no difference between shareholders representing state interests and directors (managers) of today. The behaviors of both are hard to define. While having to represent the interests of the state on the one hand and the interests of their enterprise on the other, they also have their own personal interests, which are at once related to and different from those of the state and their enterprise. This combination of pluralistic interests determines the complex nature of their behaviors, and it is not their natural instinct to represent the interests of the state. Whether or not thay can represent the interests of the state depends on state political control and the maximum economic benefits they can actually obtain. If the state cannot exercise effective control, their behaviors will then not reflect the interests of the state, in which case state control over enterprises will be nominal anyway.

4. The joint stock system will aggravate contradictions between the state, government departments, local authorities, and enterprises. Even in joint stock enterprises that only hold shares of units owned by the whole people, becuase the state, government departments, and local authorities control some of their shares and form interest groups based on their respective ownership, contradictions among them will be even more acute than was the case before the practice of the joint stock system when they were still relatively independent interest entities. This will make it even more difficult to strike an overall balance of the national economy and to resolve contradictions between different departments and regions.

Meanwhile, contradictions between the central and local authorities and the government departments which were originally evident only outside the enterprises will find their way into the enterprises and thus complicate the decision-making process of these firms. The local authorities could use the provision of infrastructure facilities and social services to blackmail the enterprises; the government departments could, in the name of management, impose restraints on the enterprises through the formulation of policies on technology, information and individual trades, the grading of products, the specification of quality standards, and so on. This powerful restraining force at the disposal of the local authorities and government departments will greatly weaken the ability of the state to manage and control the enterprises, and may lead to the aggravation of the irrationality of enterprise behaviors and also the intensification of short-term behaviors.

II. Restraint on Benefits Is a Better Option Than the Joint Stock System

Enterprise behaviors mainly hinge on the behaviors of the leading members of enterprises. The solution to the problem of irrational enterprise behaviors mainly lies in the strengthening of control over the behaviors of the leading members of enterprises. Here, two options are open: One is control through the medium of property and the other is restraint on benefits. Control through the medium of property means using an owner's concern for his property and his motives in increasing the size of his property as a means of controlling the behaviors of the leading members of enterprises, in which case the roles of the operator and the owner are merged into one. Restraint on benefits is restraint imposed on the benefits of the enterprises and individual staff and workers in accordance with the principle of making income commensurate with contributions. The core of this is restraint brought through the medium of personal material benefits. This involves the formation of an internal economic driving force based on material benefits through measures to stimulate individuals or groups to secure a higher income for themselves.

While seeking and actually getting more material benefits for themselves through the widening of differences in personal income on the basis of ability and contribution, the individuals or groups will also be induced and guided to work for greater social benefits -- guaranteeing the interests of the state while guaranteeing the long-term development of the enterprises. The resultant internal force, which has material benefits at its core and which promotes the rationalization of enterprise behaviors will, under the guidance of macrocontrol, develop into a self-regulating and self-restraining balancing mechanism within the enterprises. This kind of mechanism of restraint on benefits can make business units and their operators consciously assume responsibility for their activities. The sense of responsibility of enterprise operators is not just associated with ownership. It is also closely linked with their personal interests (such as social status and job satisfaction).

Provided that we organically combine the rationalization of enterprise behaviors with the personal benefits of the leading members and staff and workers of the enterprises to form an internal mechanism of restraint on benefits, which is determined by some kind of objective economic process, we can stop the short-term behaviors of enterprises. There is no contradiction between restraint on benefits and the socialist principle of ownership by the whole people. The practice of restraint on benefits is an ideal way to reform China's traditional rigid structure on the basis of upholding socialist ownership by the whole people. It not only can effectively arouse the enthusiasm of all quarters and imbue economic development with vitality, but can enable the state to exercise control over the macroeconomy, which is conducive to maintaining overall economic balance.

Viewed from the development of present-day world economy, the gradual replacement of control through the medium of property by restraint on benefits is also a general trend of the development of social production. In the wake of the steady development of socialized large-scale production, the lineup of enterprises, the technological makeup, and the mode of operation in modern economic societies have undergone tremendous changes. Technology -- its continuous development and the extensive application of scientific knowledge -- is the primary feature of modern economic development. Specialized knowledge of technology as opposed to capital and property, is seen more and more as the decisive factor in the successful running of enterprises.

Following the deepening and development of this change, increasingly higher demands have been imposed on enterprise management. Property owners (or major shareholders) may not necessarily be operators with greater ability.

Thus, the decision-making structure based on control through the medium of property and with the shareholder's meeting as the supreme decision-making body can no longer meet the needs of the development of socialized production. In its place, a techno-structure with management experts at its core will gradually take over as the supreme decision-making body in an enterprise. In an increasing number of enterprises and companies, the power to make management decisions is beginning to shift from the hands of the property (capital) owners to operators with specialized knowledge of technology. The objectives of these enterprises are also gradually being shifted from owner-objectives (such as seeking maximum profits and preserving and increasing the size of property) to operator-objectives (such as expansion and steady growth). The power of the technostructure "is plenary, and that of the owners of capital, that is, the stockholders, is nil." "Power in the mature corporation passes from the stockholder to the management." (Footnote 2) (J.K. Galbraith: "Economics and the Public Purpose," Commercial Press, 1980, pp 46, 90)

An important reason for the high-speed growth of the post-war Japanese economy was the switch from the pre-war practice of establishing control over enterprises by mere reason of claims to the principle of ability first, where high-salaried experts well versed in specialized knowledge and management skills are appointed to run the enterprises. The board of directors has also replaced the shareholder's meeting as the supreme decision-making body of an enterprise. Seen from the composition of such boards of directors, only 9.4 percent of shareholders or their representatives, are elected to the board. Those elected by reason of various management skills account for 90.6 percent, and of these 37.4 percent have all-round management knowledge. (Footnote 3) (Jin Mingshan: "Economic Problems of Modern Japan," Liaoning People's Publishing House, 1983, p 165)

Although this transfer of decision-making power in enterprises from the hand of property owners to the management body in Western countries is not as obvious as in Japan, the general trend toward such a change can be seen. For example, of the largest 200 non-financial firms in the United States in 1963, not fewer than 169 -- 84.5 percent -- were by then securely in the control of their management. (Footnote 4) (J.K. Galbraith: "Economics and the Public Purpose," p 86) In these enterprises where ownership is separated from the power of operation, there is no direct link between decision-making and management on the one hand and ownership on the other. The principal motivation that prompts the enterprise operators to devote all their energies to management is the abundant personal benefits they can get rather than ownership of the property. Under such circumstances, control over the decision-makers of enterprises can only take the form of restraint on interests and not control through the medium of property. It can thus be seen that restraint on benefits is an objective demand that comes from the steady rise in the degree of socialized production and represents an abolition of control through the medium of property.

The practice of restraint on benefits is different from the economic responsibility system which is not yet free from the influence of the traditional structure. The economic responsibility system we practiced in the past was one that combined responsibility, authority and benefit, with responsibility at its core. Responsibility came before benefits, and benefits were handed out to ensure responsibility. There was no necessary link between responsibility and benefits -- those with heavy responsibility and who had made important contributions did not necessarily get a lot of benefits. This kind of responsibility system does not organically combine the responsibility which leadership at a higher level expects the enterprises to assume with the benefits they can obtain. It is still a system established by administrative means on the basis of a product economy. The practice of restraint on benefits is based on the principle of upholding material benefits.

The interests of the state are directly incorporated into the circumstances and conditions for restraining the benefits of the enterprises and individual staff and workers. The enterprises can only carry out production and operation and seek maximum benefits for themselves under the restraining force of these circumstances and conditions. Within this mechanism, the enterprise must create more benefits for the state before it can obtain more benefits for itself. In this way, the interests of the state can be organically combined with those of the enterprises, and the creation of benefits for the state can be transformed into an intrinsic activity of the enterprises.

Restraint on benefits includes restraints on the attainment of benefits by the enterprises and by the staff and workers themselves. Restraint imposed by the state on the benefits of the enterprises can gradually be relieved and improved on through reform of the tax system. Here, our main concern is to study restraint on personal benefits. Restraint on personal benefits comes in two levels: restraint imposed by the state on the personal benefits of the leading members and on the overall benefits of the staff and workers, and restraint imposed by the enterprise on the personal benefits of its staff and workers.

Restraint imposed by the state on the personal benefits of the leading members and on the overall benefits of the staff and workers of enterprises means linking their benefits with the recent results of operation and the task that must be fulfilled during that phase of long-term development, and turning state demands on the enterprises into something that comes from within rather than from without. This calls for different approaches in accordance with the operational environments and characteristics of the enterprises. Existing enterprises may be classified into three categories: 1) competitive enterprises; 2) non-competitive enterprises; and 3) semi-competitive enterprises.

1. Competitive enterprises. These types of enterprises are characterized by the fact that they require a small investment and can produce quick results. The products they produce are highly replaceable and are quickly updated, and their elasticity of consumption is strong. They face changeable market conditions and their profit is unstable. Non-operating factors play a very small part in the profit of these enterprises. For this reason, benefits going to the leading members and staff and workers of these enterprises should mainly be linked with the profit or net output value, to be further adjusted in the light of targets for the development of new products and for technical transformation.

2. Non-competitive enterprises. These may be subdivided into monopoly enterprises and losing enterprises. Monopoly enterprises reap large profit because of their production monopoly, but this kind of profit does not truly reflect the actual situation of production and management in these enterprises. The benefits going to the leading members and staff and workers of these enterprises cannot be simply linked with profit or net output value, but must be comprehensively assessed in light of targets for the quality and variety of products and for material consumption. In order to make these enterprises concern themselves with long-term development, it is also necessary to take the modernization of management, technical transformation, and the development of new products into account. Losing enterprises refer to those firms that incur losses due to policy implementation but which must maintain their scale in the interest of the running of the entire economy. Because these enterprises are not so much expected to make profits as to reduce losses, the personal benefits going to their leading members and staff and workers should mainly be linked with the total loss and unit product loss, so that firms can reduce losses under the premise of guaranteeing necessary production and management.

3. Semi-competitive enterprises fall between competitive enterprises and non-competitive ones. Their operating environment and profit are relatively stable. Personal benefits going to leading members, staff, and workers of these enterprises should be linked with profit or net output value and with quality and material consumption. At the same time, technical transformation and the updating of equipment that reflect on the long-term behaviors of these enterprises should also be taken into account.

Regardless of which of the above three types an enterprise is, different systems must be adopted with respect to the income of leading members, staff, and workers. Their incomes must not be made directly related, otherwise the leading members and the staff and workers of enterprises will form a "community of fate" and jointly plot to take advantage of the state. The income of the leading members of enterprises should be divided into two parts, namely basic wage and bonuses. Their basic wage should be included in the total wages payable by the enterprise, with the state deciding how many times above the average wage for the staff and workers this should be. Bonuses should be considered separately from the income of the staff and workers and should be issued by the state in accordance with the actual performance of individual leading members.

Restraint on benefits at the second level is determined by the enterprises themselves in the light of their specific conditions. The state may fix the basic wage scale and give guidance on matters of principle.

Another important philosophy for practicing restraint on benefits is to make the leading members and staff and workers of enterprises shoulder the risk of not being able to guarantee basic wages due to mismanagement. When wages fall below the standards prescribed by the state of minimum subsistence, the difference is to be met by social relief. This is an important prerequisite for the practice of restraints on benefits.

The practice of restraint on benefits represents a reform of the traditional structure, and given conditions must be present for this reform to take place. This chiefly means that efforts must be made to improve and coordinate the reform measures already introduced, create a rational environment for competition, improve and perfect a rational system for the assessment of targets, establish a sound system of social supervision, auditing and law, and establish a system of social security.

III. Bank Financing Is Much Better Than Stock Financing

Another new problem that has cropped up in the course of reform of the economic structure is recent years is the decentralization of funds following the streamlining of administration and the delgation of authority. Then, as a result of the rapid development of production and construction, both the state and the enterprises faced an acute shortage of funds, and the enterprises found that they could not make use of their own funds in a rational and effective way. In recent years, China's extra-budgetary revenue has seen rapid growth, with 1983 showing an increase of 20.5 percent over the previous year and 1984 topping 1983 by a further 22.8 percent. In 1984, extra-budgetary revenue amounted to 83 percent of budgetary state revenue. In the same year, investment in fixed assets from extra-budgetary funds accounted for more than 40 percent of such investments in units owned by the whole people, and outlay on welfare and bonuses went up by 33.9 percent and 64.9 percent respectively over the previous year, greatly exceeding the growth rates attained by the enterprises in terms of profit and labor productivity. Some comrades see in the joint stock system their answer to the important question of how to guide the enterprises in making good use of such funds. In their opinion, stock issuance has more appeal than bank deposits as far as the pooling and utilization of funds are concerned, because with this method it is possible to absorb funds which are otherwise difficult to pool.

Besides, joint stock enterprises have access to a long-term and steady supply of operating funds and can promote the rational use of social funds. We think that this has yet to be analyzed and proven in a concrete way.

Besides being reflected in the production and management activities of enterprises, our present shortage of funds is all the more acutely felt in funds necessary for key projects of national construction and for long-term development. Stock financing plays a different role in resolving the problem of these two kinds of fund shortages. It is definitely a useful means for enterprises facing a shortage of funds. After the switch from financial appropriations to banks loans as their means of funding, the source of funds for enterprises is, to a large extent, controlled by banks. The amount they can get is directly affected by money supply. With stock financing, bank credit restrictions on the size of loans and their application are reduced, the needs of enterprises for funds are appropriately met, and the rational use of funds is ensured. At the same time, it can turn that part of unstable bank deposits with short-term but great mobility into relatively stable productive investment. However, such roles are very limited and can lead to a whole series of problems.

First, it is not conducive to the unified management of funds and can weaken the state's macrocontrol ability. Stock financing represents financial activities outside the banking system, and banks are still not in a very good position to control such activities. The state will find its role in regulating money supply and the flow of funds through banks handicapped by such stock financing activities and its ability in controlling the joint stock enterprises through banks greatly reduced. This may lead to more serious instances of blind investment, and encourage the random issuance of rewards and bonuses.

Second, the amount of idle funds that can be absorbed by stock financing is rather limited. Idle funds mainly come from funds of enterprises not yet deposited into banks but yet undisposed, as well as cash in the hands of residents. As far as the enterprises are concerned, there is now more money in the small money pools mainly as a result of the relaxation of cash control in the reform of the banking system and the lack of a stable financial policy, and because it is easy to deposit money into the banks but not so easy when it comes to making withdrawals. If cash control is strengthened and the financial policy is kept stable, reserves in the small money pools of enterprises will not increase as sharply as they did in these past years. Besides, money held by the small money pools of enterprises is mainly spent on the issuance of rewards, welfare and the so-called "coordination" in external economic dealings, and very little can be spared for the subscription of shares. As far as the individuals are concerned, although the amount of cash they have in hand has increased in recent years, there will not be too much left after making deductions for everyday transactions and setting aside sums for purchasing major items of consumption, building houses, and getting married. Besides, this portion of cash can be pooled through the strengthening of bank savings business (including the appropriate upward adjustment of interest on deposits), and the need for stock financing is not really that great.

Third, in order to carry out stock financing, the buying and selling of shares must be allowed. Otherwise the role of shares in regulating the flow of funds cannot be brought into full play. A portion of the funds involved in the buying and selling of shares is bound to remain in circulation, and this goes against the original intention of promoting production through stock financing cherished by those who proposed the share issuance. Moreover, speculation in stocks will take place, thus upsetting the normal financial activities of the state.

Stock-financing may claim to be of some help to enterprises facing a shortage of funds, but its role in helping the state overcome the problem of inadequate funds is very minimal. The higher the level of financing, the farther removed it is in its relation with share subscribers, and the smaller its appeal to the share buyers. State financing mainly goes to infrastructure construction and large-scale production projects, which are characterized by huge investment, long construction cycle, and slowness in producing results. Some of the prohects are even unprofitable. Thus, people generally do not want to buy these kinds of shares. Of course, in order to ensure a steady income for the shareholders, the state may issue some preferential shares, but then this is not much different from the issuance of bonds.

Compared with the above situation, bank financing is a better option. First, it readily supports macrocontrol. Through bank financing, the state can have a more precise and comprehensive grasp of the general scale of fund application and the situation of money circulation on the market. This is conducive to the better coordination of financial and money policies and will promote the steady development of the national economy. Second, it is conducive to the pooling of funds in a big way to finance key peojects of national construction. Compared with stock financing, bank financing covers a wider scope, can be done on a larger scale and allows more flexible application. Thus, it is in a better position than stock financing to ensure key projects of national construction. Third, it is conducive to the guidance and regulation of the microeconomic activities of enterprises. The larger the proportion of bank financed funds in the enterprises, the greater the role played by state financial policies in the regulation of their activities and the more possible it is to effectively prevent blindness in the production and management of enterprises.

Another objective of stock financing is to open a financial market so as to promote the rational flow of funds. We think that while stock financing can indeed promote the rational flow of funds through stock trading and transfer, the stock market is not our only choice for a financial market. Financial markets usually refer to loan capital markets where loan-taking and security transactions are carried out. They usually include money markets dealing in short-term credits, capital markets dealing in long-term credits, as well as stock markets, exchange markets and gold markets, but primarily they refer to short-term money markets and long-term capital markets. The stock market only forms a component part of the financial market and is not predominant. For example, in France between the years 1973 and 1977, shares issued by industrial-commercial firms and financial institutions only accounted for 15.2 percent of the total number of share issues on the security market. (Footnote 5) (Quoted from Sun Shuxi and Zhang Guile: "Foreign Banking Systems," China Finance Publishing House, 1984, p 96) In Japan during periods of high-speed economic growth, funds obtained through the issuance of shares and bonds dropped from 20.5 percent during the 1956-60 period to 9.6 percent over the 1966-70 period, while funds obtained through bank loans increased by 78.2 percent and 89.5 percent respectively over the same periods. (Footnote 6) (Quoted from "Banks of Japan" compiled by the International Finance Institute of the Bank of China and the Japan Institute of Jilin University, China Finance and Economics Publishing House, 1981, p 50) It can thus be seen that not having a stock market does not mean not having a financial market. We can also raise funds and effectively make use of funds through bank credits.

At present, the role of the banking mechanism is still not given full scope because our banking system is far from perfect and the scope of business is relatively narrow. Following the deepening of the reform of the economic structure and the gradual improvement of the banking mechanism, bank financing will become a major avenue for fund raising in China.

ZHEJIANG PROVINCE LABOR OUTFLOW OBSERVED

HK201217 Beijing RENMIN RIBAO in Chinese 14 Mar 86 p 2

[Report by Chou Desheng: "Yongjia County Sent Over 85,000 Laborers To Work in Other Localities Last Year"]

[Excerpts] Last year there was an outflow of 85,000 rural laborers from Zhejiang's Yongjia County, 60 percent more than in 1984. According to a rough estimate, the income derived from work in other parts of the country accounted for about 40 percent of the county's agricultural income.

With little farmland but a large population, Yongjia is one of Zhejiang's five poverty-stricken counties. Since the application of the system of contracted responsibilities for production, the peasants have been increasingly enthusiastic about their work, efficiency has improved, and the problem of surplus labor and prolonged idleness has become increasingly serious. Thus, leaders at various levels enthusiastically help the masses take advantage of their surplus labor. They facilitate the outflow of laborers and create employment opportunities in order to find more sources of income. Laborers from the county are working in the rural areas of 20 provinces (or cities). They are employed in 12 types of business, including processing, building construction, beekeeping, and purchase and sales.

The outflow of labor has alleviated the problem of surplus labor in the rural areas, made things convenient for the rual and urban populations, and given impetus to the development of commodity production.

Commentator's Article

HK201233 Beijing RENMIN RIBAO in Chinese 14 Mar 86 p 2

[Commentator's article: "Bright Prospects for Sending Laborers To Work in Other Localities"]

[Text] The reports on Yongjia County and Tuancheng Village have shown the bright prospects for channelling labor elsewhere and have pointed out a quick way of becoming rich for localities with neither rich natural resources not the idea of how to eradicate poverty and become rich quickly. It seems that so long as we have the courage to discard outdated ideas and to go elsewhere and work hard with our hands, we can quickly eradicate poverty.

The new phrase "outflow of labor" contains nothing new. There is no need to go too far back. We need only go back to the time when it was seriously demanded that "the way to capitalism be blocked" and when the slogan "manpower for land" was shouted loudly. At that time, did people totally stop working and earning a living in other parts of the country than their own hometowns? In fact, that was also an "outflow of laborers." The present outflow is in many respects different from that in the past. However, the practice of earning a living away from one's hometown has developed from the spontaneous practice of few individuals into a significant organized economic activity. Labor forces emancipated from the land have broken through the barriers between various regions and found a new world in which they can find a way to become rich. This development is in keeping with objective economic laws and is an inevitable result of the development of the commodity economy.

The more than 300 million laborers in China's rural areas are a valuable resource. In the past, whenever the problem of resources was discussed, people always focused their attention on natural vegetation and mineral resources. Manpower, which is very important, received little attention.

Since the extensive application of the system of contracted responsibilities with payment linked to output in the rural areas, surplus labor has become a problem in many parts of the country. The proper use and channelling of surplus labor can produce favorable conditions for production and development in areas without adequate manpower. In recent years, like Yongjia County, many areas have come to a better understanding of this. By discarding outdated ideas, taking advantage of their old strong points, and channelling their manpower elsewhere, they have lifted the peasants' economic status, increased revenue, trained people, improved the quality of their labor forces, facilitated the transportation of goods and the transmission of information between various parts of the country, and stimulated their own economic development. If they had done nothing except, like some other parts of the country, meditating and worrying about their land, they would never have experienced the joy of "accumulating wealth out of nothing and eradicating poverty."

As a result of the development of national economic construction, the demand for manpower is growing in many parts of the country and in many fields of production. The large construction projects, particularly mining, building, and highway maintenance, are to be carried out by relying on rural manpower. By so doing we can benefit both the peasants and state construction. In the places where conditions permit, we believe that they will enthusiastically support the peasants, regard channelling labor elsewhere as an important task for revitalizing the rural economy, and develop the work as quickly as possible.

SPORTS EMPHASIZED AS ESSENTIAL TO 4 MODERNIZATIONS

HK201135 Beijing RENMIN RIBAO in Chinese 16 Mar 86 p 1

[Commentator's article: "Forge Ahead To Join the World Sports Powers"]

[Text] Over the past 5 years, China's sports have made a deep impression on the world. This has inspired the descendants of Emperior Huangdi in China and abroad. The rapid development of China's sports symbolizes the rejuvenation of the Chinese nation and is the epitome of the great efforts of the Chinese people in the "four modernizations" drive.

Sports are a cause involving the whole people. The CPC Central Committee's circular on promoting physical culture points out: Physical culture has an important bearing on people's health, the nation's prosperity, and the state's honor, and it plays an important role in enhancing people's ideological consciousness, realizing the party's general tasks in the new period, developing international exchanges, strengthening unity and friendship with the people in the rest of the world, and improving national defense capability.

In the second half of the 1980's, China will be faced with glorious yet arduous tasks on its sports front. In 1990, the 11th Asian Games will be held in Beijing, giving the whole world a chance to look at the new features of China. The CPC Central Committee and the people expect to see more rapid development in sports in the year to come. One-third of China's sports events have reached or are approaching world levels, but two-thirds still remain at a low level. Sports which are highly influential, such as track and field, swimming, and soccer, are still backward. We should make great efforts to enable these sports to catch up with world levels.

To achieve excellent results at future Asian and Olympic Games, it is important that we strengthen the training of young athletes and speed up the training of reserve athletes. Therefore, physical culture and sports commissions at various levels should attach great importance to this work.

They should take effective measures to improve the quality of spare-time sports schools and schools of physical culture so as to train more athletes at a faster rate. People in various fields should also energetically support the work of training athletes, so that a multistrata echelon of athletes can be formed through various channels. This will provide a reliable guarantee for scaling new heights in world sports. In addition, it is necesssry to strengthen the formation of a good ideological style among athletes and to set up a contingent of athletes and coaches who have lofty ideals, morality, cultural knowledge, and discipline, and who are Red and expert.

In building China into a sports power, we should take the road of promoting physical culture with Chinese characteristics. Ours is a large country. In promoting physical culture, various provinces, cities, and regions, by taking the whole country into account, should bring their superiorities into full play and make good arrangements for sports priorities. They should strengthen track and field, swimming, and other weak links in sports and attach great importance to the sports which are in a better position to catch up with advanced world levels in a short time.

Building our country into a sports power by the end of this century is a target of struggle set by the CPC Central Committee for the people of various nationalities and for comrades on the sports front in particular. We hope that comrades on the sports front will continue to display their death-defying spirit, set strict demands on themselves, lay a solid foundation for their work, and have full confidence in forging ahead.

DU RUNSHENG STRESSES RURAL COOPERATIVIZATION

HK200437 Xian Shaanxi Provincial Service in Mandarin 0200 GMT 20 Mar 86

[Text] According to SHAANXI RIBAO, Du Runsheng, director of the rural policy research office of the CPC Central Committee Secretariat, was invited to make a report on rural work issues in the Xian People's Hall yesterday.

Speaking on rural reforms, Du Runsheng stressed that it is necessary to have a new concept of agricultural cooperativization. Cooperativization must develop in step with the commodity economy. The demands of commodity economy represent the foundation of cooperativization and the masses should have freedom of choice. We do not rule out various transitional forms that have not yet taken shape. We should also retain certain supplementary economic forms.

We must clearly tell the peasants that it is necessary to persevere in cooperativization, that there is to be no change in household operations, and that joint efforts in providing services must be done well.

CUI YUELI RETURNS FROM PORTUGAL, SWEDEN

OW202349 Beijing Domestic Service in Mandarin 1600 GMT 19 Mar 86

[Text] Minister of Public Health Cui Yueli returned to Beijing by plane on the afternoon of 19 March after attending, as a special envoy of President Li Xiannian and the Chinese Government, the inauguration of Portuguese President Soares and the funeral of the late Swedish Prime Minister Palme.

NPC VICE CHAIRMEN ATTEND MINORITY CULTURE EXHIBIT

OW201948 Beijing XINHUA in English 1631 GMT 20 Mar 86

[Text] Beijing, March 20 (XINHUA) -- A three-week art and photographic exhibition reflecting the colorful life and customs of ethnic minorities in remote parts of southern China opened there today. The exhibition of 100 works of art and 100 photo graphs is being organized jointly by China's palace of minorities and authorities from Hunan, Hubei, Sichuan and Guizhou Provinces. The exhibits depict the lives of the Miao, Dong and Shui minorities, and their friendship with the majority Hans. Among the exhibits, the painting, "The Rosy Spring", and the photo graph, "The Miao People Have Enjoyed Running Water", show how minority groups are prospering. Attending the opening ceremony today were Wang Renzhong and Liao Hansheng, both vice-chairmen of the National People's Congress Standing Committee.

ARMY PAPER ON ABOLISHING CAVALRY UNITS

OW211339 Beijing XINHUA in English 1319 GMT 21 Mar 86

[Text] Beijing, March 21 (XINHUA) -- Trucks, tanks, and helicopters have largely replaced horses used by China's armed forces as draught animals or battle steed, the "People's Liberation Army" reported today. The Army, now working hard to modernize, has abolished cavalry units at and above the regimental level, the paper said. Most of the Army horses have been demobilized, although the cavalry was one of the Army's oldest services. The first cavalry units were formed in the early 1930's, and were expanded during the war of resistance against Japanese aggression and the liberation war. The Chinese People's Volunteers, who fought in Korea in the early 1950's, had three artillery divisions. Two used horses to draw their canons.

NEW SPORTS FEDERATION OFFICIALS ELECTED

OW210139 Beijing XINHUA Domestic Service in Chinese 1337 GMT 16 Mar 86

[Summary] Beijing, 16 Mar (XINHUA) -- The Standing Committee of the All-China Sports Federation and the Executive Committee of the Chinese Olympic Committee held a joint meeting on 16 March in Beijing. The meeting accepted the resignation submitted by Zhong Shitong as president of these two organizations and elected Li Menghua to fill the vacant posts. Zhong Shitong was given the title of honorary member of both organizations. The meeting also elected He Zhenliang, Yuan Weimin, Xu Yinsheng, and Zhang Caizhen vice presidents of both organizations. Xu Cai was elected vice president of the All-China Sports Federation, Liu Xing [0491 5281] secretary-general of the All-China Sports Federation, and Wei Jizhong secretary-general of the Chinese Olympic Committee.

JIANGSU PEOPLE'S CONGRESS COMMITTEE MEETING ENDS

OW201416 Nanjing Jiangsu Provincial Service in Mandarin 1100 GMT 18 Mar 86

[Excerpts] The 4-day 18th Session of the 6th Jiangsu Provincial People's Congress Standing Committee closed in Nanjing on the afternoon of 18 March.

After an exchange of views, a plenary meeting held on the afternoon of 18 March adopted by secret ballot decisions on the following appointments and dismissials:

(Duan Xusheng) is appointed secretary general of the provincial people's government;

(Hu Rongmei) is appointed director of the provincial Bureau of Environmental Protection;

(Li Bingcai) is appointed director of the provincial Foreign Affairs Office;

(Xu Yinqing), female, and (Hua Jiasong) are appointed vice presidents of the provincial Higher People's Court;

Qian Mengwu is removed from the post of secretary general of the provincial people's government; and

Zheng Liangyu is removed from the post of director of the provincial Foreign Affairs Office.

Before the end of the meeting, Vice Chairman Li Zhizhong spoke. He also briefed the Standing Committee members on the 14 March joint conference and eight coordination measures adopted by the conference. The joint conference was attended by Chu Jiang, chairman of the provincial People's Congress Standing Committee; He Binghao and Li Zhizhong, vice chairmen of the provincial People's Congress Standing Committee; Gu Xiulian, governor of Jiangsu Province; Zhu Ze, president of the provincial Higher People's Court; and Qin Jie, chief procurator of the provincial people's procuratorate.

Chairman Chu Jiang and Vice Chairmen Chen Dexian, He Binghao, Li Qinggui, and Hong Peilin attended the 18 March meeting.

Vice Governor Ling Qihong and responsible persons of the provincial departments concerned attended the meeting as nonvoting delegates.

5

GUANGDONG ELECTS NEW NPC DEPUTIES, DISQUALIFIES TWO

HK201326 Beijing ZHONGGUO XINWEN SHE in Chinese 1241 GMT 20 Mar 86

[Text] Beijing, 20 Mar (ZHONGGUO XINWEN SHE) -- With the approval of the 15th meeting of the 6th NPC Standing Committee, Guangdong has elected four new deputies to the Sixth National People's Congress in a by-election.

The four new deputies to the NPC are: Liu Huanyuan [0491 2970 3293] (assistant sales manager of Zhuhai City Goods and Materials Corporation), He Liucheng [0149 3177 2052] (a medical herb grower in Tangao Township, Dacheng District, Xinyi County, Guangdong), Chen Yintang [7115 5593 2768] (a teacher at Taishan County's Renyuan Secondary School), and Meng Qingping (deputy secretary of the Hainan Administrative Regional CPC Committee and chief responsible person of the Hainan Administrative Regional People's Government).

Guangdong has disqualified Zhang Hechang and Lei Yu as deputies to the Sixth National People's Congress. Zhang Hechang was a vice chairman of the Shaoguan City Federation of Returned Overseas Chinese. He has settled in a foreign country. Lei Yu was the responsible person of the Hainan Administrative Regional People's Government. Because of his mistake in the motor car reselling case, he asked to be disqualified as a deputy to the National People's Congress.

GUANGDONG'S LIN RUO AT ADVISORY COMMISSION MEETING

HK140949 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 13 Mar 86

[Text] This morning, the provincial Advisory Commission held an enlarged Standing Committee meeting to convey and study the important instructions of central leaders which were made when the leaders inspected the province, as well as the important instructions and regulations of the central authorities on correcting party work style. The meeting also discussed ways of implementing them.

Comrade Lin Ruo, secretary of the provincial CPC Committee, attended the meeting and made a speech. In his speech he first introduced the tasks which must be grasped well by the provincial CPC Committee.

First, we must correct party work style and strive to promote a fundamental change for the better in party work style within 2 years.

Second, based on consolidation, assimilation, augumentation and improvement, the province should strive for better development in its economic work.

Third, the province should strengthen the economic construction of mountainous areas, implement this year's afforestation plan which will last for a decade, and establish the corresponding responsibility system for examination.

In his speech, Lin Ruo fully affirmed the role of aged comrades, who gave many opinions on the work of the provincial CPC Committee. He urged the aged comrades to participate in the work arranged by the provincial CPC Committee so long as their health permitted. He urged them to assist the supervision work, to conduct research, and to report the situation and propose suggestions to the provincial CPC Committee.

Liang Lingguang, chairman of the provincial Advisory Commission, presided over today's meeting, which was attended by over 50 people. They included Standing Committee members of the provincial Advisory Commission and some aged comrades who had stepped down from office in the provincial Advisory Commission.

GUANGDONG'S LIN RUO ON RECTIFICATION OF PARTY STYLE

HK150828 Beijing ZHONGGUO XINWEN SHE in Chinese 1407 GMT 13 Mar 86

[Text] Guangzhou, 13 Mar (ZHONGGUO XINWEN SHE) -- The secretary of Guangdong Provincial CPC Committee, Lin Ruo said: There has been an obvious but still not a fundamental turn for the better in the party style in Guangdong Province. Some unhealthy practices have only been temporarily held in check. Therefore, we must have less empty talks and do more concrete things. We must crack down hard on a number of unhealthy trends, resolutely strike at various illegal and criminal activities, properly handle education about party spirit, tidy things up where matters of discipline are concerned, and strive to achieve a fundamental turn for the better in the party style in Guangdong in 2 years.

Lin Ruo was speaking at a discipline inspection work meeting called by the Guangdong Provincial CPC Committee recently with Guangdong Province's problem of party style in mind.

Lin Ruo holds that in the year of Guangdong Province's party rectification efforts, the party style has been developing in a satisfactory direction from day to day. This has been reflected in the following: Party committees at various levels have set straight the idea guiding trading, especially the idea guiding economic work. They are no longer keen on seeking the illegal resale of foreign goods to make money or the so-called "shortcut to wealth through trading." They have instead switched over to down-to-earth involvement with the launching of industries, and to industrial production, the transformation of old enterprises, and the development of the productive forces, with efforts to get rich based on the development of the social productive forces. The province has basically stopped such unhealthy practices by party and government organs as involvement with trading, the resale of foreign exchange and of cars, marking up prices freely, imposing fines casually and demanding fees randomly, accepting bribes, freely handing out money and gifts, and so forth. It has cracked down hard upon a number of serious criminals in the economic field and taken care of a large number of big and important cases, enabling cadres to learn a lesson. It has strengthened education about party spirit, party style, and party discipline and education in building the spiritual civilization. A number of advanced units and exemplary figures have emerged.

Lin Ruo pointed out: There are still many problems involving party style in Guangdong Province. Among them are the following: Many party organizations, especially their leading groups, have still not let their own speeches and acts be really strictly guided by the party Constitution. Some unhealthy practices have only been "temporarily blocked," while the problem has still not been really solved ideologically. Therefore, some new unhealthy practices have again surfaced in their initial stages, such as illegally building private housing, not following specified size standards for housing, abusing authority to serve private ends, and so forth. In addition, there are such phenomena as neglecting the effort to build spiritual civilization, overlooking ideological work, the party not controlling the party, failure to follow pronounced decress and enforce prohibitions, lack of organization and discipline, serious manifestations of liberalism, and so forth.

Lin Ruo reminded the party and government cadres of Guangdong Province that given the policy of opening up to the outside world and enlivening things at home and the effort to develop a commodity economy, it is impossible not to have any problems. The important thing is to quickly take care of problems as they are discovered and not to let them grow until they become unhealthy trends. We cannot give up reform just because of the existence of unhealthy trends and the corrosive efforts of decadent thinking.

This a move to be avoided and a move that provides no way out. Retracing the old path provides no escape from problems and will only bring more serious problems. This has been proved by every year of experience in the past.

In conclusion, Lin Ruo said that now the CPC Central Committee has resolved to vigorously work on the buildup of party style. The provincial CPC Committee is also determined to do so. Given the same determination displayed by party committees at prefectural, city, and county levels and a persistent effort to that end, a fundamental turn for the better in the party style is possible. We have full confidence in this.

The Guangdong Provincial Discipline Inspection Work Conference was held in Guangzhou from 5 to 12 March. This was an important meeting in Guangdong Province's effort to bring about a fundamental turn for the better in the party's style in 2 years. The meeting was attended by more than 600 relevant responsible people of the province, prefectures, cities, and counties.

GUANGDONG SECURITY OFFICIALS JAILED FOR CORRUPTION

HK140257 Beijing ZHONGGUO XINWEN SHE in Chinese 0627 GMT 11 Mar 86

[Text] Guangzhou, 11 Mar (ZHONGGUO XINWEN SHE) -- Ye Renan, former chief of the Public Security Bureau, and Yin Xinyi, former deputy chief of the Public Security Bureau, of Taishan County of Guangdong Province abused their power in examining and approving exit documents, accepted bribes, and were punished according to law.

Ye Renan was formerly a member of the Taishan County CPC Committee Standing Committee, deputy magistrate of the county, chairman of the county political and legal committee, and chief of the country Public Security Bureau. When he was in office, he accepted as bribes 7,000 Hong Kong dollars, a black-and-white television set, and other things. After the case was cracked, Ye adopted a very bad attitude and tried by every means to deny the charges. The judicial departments have, according to law, sentenced him to 3 years' imprisonment, to be suspended.

When he was deputy chief of the Taishan County Public Security Bureau, Yin Xinyi, under the guise of helping dependents of Overseas Chinese go through exit formalities, accepted bribes in kind over a long period which amounted to over 6,700 yuan. He has also been sentenced to 2 years' imprisonment by judicial departments according to law.

GUANGDONG TO SORT OUT UNITS' 'SECRET MONEY'

HK140335 Beijing ZHONGGUO XINWEN SHE in Chinese 1441 GMT 12 Mar 86

[Text] Guangzhou, 12 Mar (ZHONGGUO XINWEN SHE) -- The leading organs at all levels in Guangdong Province have now begun to take the lead in sorting out "small safes."

Recently, the Guangdong Provincial Government held a provincial government work conference sorting out "small safes." Vice Governor Yang Deyuan said that sorting of "small safes" was a major task for the provincial people's government in implementing the State Council's unified arrangements, and that it was also another important task after the financial and disciplinary overhaul last year in order to correct the unhealthy trends; therefore the governments at all levels, in particular the organs directly under the provincial authorities, had to quickly take the lead in doing this.

"Small safes" means the money that various units have acquired in the past few years and that they can dispose of at will, such as the money that they have acquired through illegally possessing or selling the state's property, the funds that they have raised through asking for help and donations; the fines that they have imposed and collected without authorization and kept for their own use; the balances of the funds allocated to them that should have been delivered to the upper level; the income from various kinds of operation that they have earned by employing the state's assets; the dividends from their investments which have been omitted from their accounts; the income from their illegal commercial operations; the various kinds of illegal income that they have concealed; the funds that they have diverted from the state budget and transferred to themselves; extrabudgetary funds; and the portion of their operational income that they have retained for their own disposal.

As this secret money is difficult for the state financial departments to supervise, the establishment of "small safes" facilitates and encourages various unhealthy practices such as misappropriation of funds, indiscriminate bonus payments, and giving banquets and gifts.

After "small safes", are sorted out, bonuses paid in excess of the stipulated amounts must be taxed in accordance with the regulations.

GUANGDONG PAPER ON MODEL WORKERS REPORT GROUP

HK140415 Guangzhou NANFANG RIBAO in Chinese 8 Mar 86 p 1

[Commentator's article: "A Fine Example Has Boundless Power"]

[Text] The Guangdong Provincial report group on the deeds of advanced model workers is now presenting reports to the vast numbers of cadres in Guangzhou, and will leave for various places in our province to propagate the exemplary deeds of its members. This is a great event concerning the building of socialist spiritual civilization in our province this year, and will surely greatly encourage the people of the whole province and effectively promote the development of the building of the two civilizations.

The age of socialism is an age of heroes. Under the direction of the line, principles, and policies of the 3d Plenary Session of the 11th CPC Central Committee and the conditions of opening up to the outside world and carrying out reform, advanced model workers have more opportunities for displaying their abilities, and more and more advanced units and individuals are constantly emerging on all fronts. These are undeniable facts, although opening up to the outside world and carrying out reform can promote the building of spiritual civilization, strengthening the building of spiritual civilization will in turn ensure the smooth progress of opening up to the outside world and reform, thus greatly promoting the building of material civilization.

The kernel of building socialist spiritual civilization is communist ideology. Why are the advanced deeds of all the members of the provincial report group on the deeds of advanced model workers so moving? Why are they so convincing? This is because they are people who have truly fostered lofty ideals. In order to heal the wounded and rescue the dying and promote the development of medical science, some people have permanently settled down in mountainous areas, voluntarily sought hardships, and repeatedly taken risks to carry out scientific experiments on their own bodies, thereby attaining outstanding achievements. At ordinary posts which are looked down on by some some people ardently love their own jobs and make selfless sacrifices unknown to the public. Persistently combating fatal diseases, some people hold fast to their work posts for long periods of time and make thrilling achievements.

In the forward positions of opening up to the outside world, some people disseminate the friendship of the Chinese people for foreigners, resist the corrosive influence of bourgeois ideology, preserve the purity of Marxism, and so on. All these are products of lofty ideals, things which could not possibly be purchased with money, and the most valuable things in the world. All these people are model workers with lofty ideals, moral integrity, cultural knowledge, and a sense of discipline!

Having clear-cut aims in mind, the provincial authorities organized this report group on the deeds of advanced model workers so as to let the people who have ideals talk about ideals, the people who have a sense of discipline talk about discipline, and the people all over the province know of their meritorious deeds. This is of important realistic significance. The activities of the report group -- have provided inspiring examples for the vast numbers of cadres in the whole province to follow. Meanwhile, it is also a forceful criticism of the corrosive influence of bourgeois ideology, as well as the unhealthy tendencies. Our province adopted the policy of opening up to the outside world earlier than other places in the country. Just as when the window of a room is opened, as the fresh air enters, contaminants may also sneak in. In our contacts with people of other countries, a small handful of people act shamefully before foreigners, showing no consideration for the dignity of the state, as well as their own moral integrity. Being forgetful of their lofty ideals, they turn to capitalist mammonism and "do everything for money" and are bold in doing any self-seeking and speculative thing at the expense of the public interest. Some important leading cadres have also violated the law and discipline or even engaged in criminal activities. Undoubtedly, the activities of the report group on the deeds of advanced model workers will greatly benefit the predominance of the socialist and communist ideologies and vigorously lash out at the bourgeois ideology and unhealthy tendencies.

A fine example has boundless power. Let the inspiring deeds of the advanced model workers strike root in the hearts of the people and their noble ideals become the valuable spiritual wealth of the people of the whole province and actions to expedite the building of the two civilizations.

GUANGXI ISSUES CIRCULAR ON HELPING POOR

HK171556 Nanning Guangxi Regional Service in Mandarin 1100 GMT 15 Mar 86

[Excerpts] According to GUANGXI RIBAO, the regional CPC Committee and regional people's government recently made a decision on the work of helping the poor. They urged all localities and departments concerned to seriously study and implement it.

The decision points out: The CPC Central Committee and the State Council are very concerned about economic construction and people's livelihood in the region's poor areas. During this year's spring festival, General Secretary Hu Yaobang led an inspection group to visit some poor areas in Yunnan, Guizhou, and the region. He listened to reports and gave important instructions pointing out the direction of the work of helping the poor and encouraging the people throughout the region.

Over the years, the region's party committees and governments at all levels have done a lot in the work of putting an end to the backward situation in the poor areas. They have scored remarkable successes. For various reasons however, the economic development of the poor areas still lags far behind the average level of the region. Many people still face the problem of poverty. The work is therefore still very arduous. The regional CPC Committee and people's government urge all localities to seriously act in the spirit of relevant central documents and the instructions of Comrade Hu Yaobang.

Within the next 5 years, they should basically solve the poor areas' problems of insufficient clothing and food, and should lay a good foundation for extricating the poor areas from their poverty-stricken state.

In order to this work well, the regional CPC Committee and people's government stress: First, we should correct the guiding ideology, fully understand the significance of the work of promptly extricating the poor areas from their poverty-stricken state and developing the region's economy, and overcome the erroneous thinking of regarding the poor areas as a burden.

Second, we should continue to implement a series of policies on rehabilitating the poor areas. We should help the poor areas in terms of finances, tax collection, credit, purchase of agricultural and sideline products, development of forestry and natural resources, foreign trade, capital construction, industries run by counties, and technological transformation of town and township enterprises. Thus we can strengthen the vitality of the poor areas for economic development.

Third, we should administer and use well the state's funds for developing the underdeveloped areas. The focal point should be on developing forestry, animal husbandry, fruit growing, rare native products and specialties, the mining industry, the processing industry, and the construction of small hydroelectric power stations and small water conservation facilities.

The decision states: To grasp the leadership well is the key to doing well in the work of helping the poor. For this reason, the regional CPC Committee and people's government have decided to establish a regional leading group for the work of helping the poor. Moreover, they will replace the regional office for constructing old, minority nationality, border, mountainous, and poor areas with the regional office for helping the poor, which will be mainly responsible for the work of helping the poor.

Some 48 poor counties and cities, and other areas concerned, must view the work as an important task in the routine work of the regional CPC Committee and government. All departments, committees, offices, and bureaus under the regional authorities, colleges and universities, research units, and departments concerned at various localities must include the work on their agenda. At the same time, they should establish links with a poor county, town, or village. They should take the responsibility for helping it attain prosperity.

HEBEI: MOST CITY, COUNTY PARTY CONGRESSES HELD

SK180530 Shijiazhuang HEBEI RIBAO in Chinese 2 Mar 86 p 1

[Text] As of the Spring Festival, 9 cities under the jurisdiction of the provincial government, 140 counties (cities), and 38 districts under the jurisdiction of city governments -- a total of 187 local CPC Committees -- and 169 cities and counties (districts) had held their party congress one after another, accounting for 90.4 percent of the province's total. The remaining 16 counties, 1 district and 1 city will hold their party congresses after the Spring Festival. Most of the party congresses hald by the cities and counties (districts) were successful, serving as oath-taking meetings for promoting the two civilizations and mobilization meetings for fighting in unity for a splendid future.

1. The guiding ideology of the party congresses has been clear and definite. The party congresses of the various cities and counties (districts) have unified the ideology of the broad masses of party members with the guidelines of the 3d Plenary Session of the 12th CPC Central Committee and the National Conference of Party Delegates, and put forward positive and feasible fighting objectives and measures for developing the economy and strengthening the building of the party. The work reports given by most of the city and county (district) party congresses have clear-cut subjects and definite goals, and are in conformity with local realities and the desire of the broad masses of party members and the people and are most heartening.
2. The new leading bodies have been elected in line with the "four requirements" for cadres and the principle of establishing cooperation among the old and the new cadres and replacing the old with the new. A new step has been made in building the structure of the echelon. Statistics from 158 cities and counties (districts) show that among the newly elected 4,856 party members and alternate members, some of them are veteran cadres 50 years old or above who have rich experience and are capable of creatively implementing the party's line, principles and policies; some are middle-aged cadres who are full of vigor, broad minded, and keen to reform, and have great ability to solve problems; and some are young cadres less than 40 years old who are hard-working, promising, open-minded, eager to learn, and full of vitality. Among those being selected into the leading bodies, 656 were reserve cadres, accounting for 13.5 percent of the total number of committee members. In this way, the average age of the members and alternate members of the city CPC Committees under the jurisdiction of the provincial government is 46.7, and about 60 percent of them have an education of the college level or above. The average age of the county (district) CPC Committee members and alternate members is 43, and about 36.5 percent of them have education at the college level or above. In terms of specialties, the leading bodies are composed of qualified personnel in charge of party, government, mass, science, public health, cultural, construction, and financial work. The structure of the committees has improved daily and the level of the "four requirements" for cadres has further enhanced along with the structural reform of the leading bodies of the standing committees.
3. The practice of democratic centralism has been conscientiously implemented and party life has became more lively. Many cities and counties (districts) persisted in regarding the party congresses as authoritative power organs, followed the mass line from start to finish while preparing for the convocation of the party congresses, and played a fairly good role in pooling the wisdom of the masses, discovering competent personnel, and giving criticism and supervision.

4. Party style has been further improved. Many city and county (district) CPC Committees paid special attention to promoting the party's fine traditions and work style of integrating theory with practice, establishing close ties withthe masses, and conducting criticism and self-criticism in the course of preparing for the convocation of the party congresses. The party congresses were not lavish but simple, and not much money was spent. At the party congresses and their first plenary meetings, many CPC committees issued resolutions and decisions on strengthening party spirit and rectifying party-style, and stressed that in checking the new unhealthy trends emerged under the new situation, we should mainly grasp the two links of conducting study and education and examination of party style.

NEI MONGGOL CHAIRMAN SPEAKS AT ECONOMIC CONFERENCE

SK190833 Hohhot Nei Monggol Regional Service in Mandarin 2300 GMT 18 Mar 86

[Text] Zhou Hui, secretary of the regional CPC Committee, and Bu He, chairman of the regional government, made speeches on the morning of 15 March at the conclusion of the regional conference on planning, economic, and pricing work. They called on cadres at all levels and the people of all nationalities throughout the region to persistently carry out reform, make solid efforts to achieve the work in all fields, and strive to make new greater contributions so as to welcome the 40th anniversary of the founding of the autonomous region.

Comrades participating in the conference heard the speeches made by Qian Fenyong and Tian Congming, deputy secretaries of the regional CPC Committee, and by Liu Zuohui, vice chariman of the regional government; conscientiously studied and discussed the relevant documents of the CPC Central Committee andthe State Council, summed up and exchanged the region's working experiences gained during the Sixth 5-Year Plan Period; studied and discussed the region's plans and tasks for the Seventh 5-Year Plan Period; and arranged the work plans for this year.

Comrade Bu He pointed out in his speech: Our region has made a good start in the industrial, agricultural, and livestock production in the first quarter of this year. In the first 2 months of this year, the value of the region's industrial output totaled 1.4 billion yuan, an increase of 7.6 percent over the corresponding period of last year. The output value realized by the budgetary state enterprises and the profits and taxes handed over to the higher levels by these enterprises were expected to basically increase at the same pace by the end of last Febraury. With regard to agricultural production, after conquering the natural disasters last winter and this spring, the preparations for plowing and sowing are progressing smoothly. The plans for growing crops have been well arranged. The Hetao area has started plowing and sowing seeds. The situation of livestock production is very good. In line with the actual conditions, all leagues and cities should conscientiously implement the principles of consolidation, digestion, supplement, and improvement, make solid efforts to achieve the work in all fields, and make good preparations for promoting the reform work for next year.

Comrade Bu He set forth the following few suggestions.
First, control the scale of the investment in fixed assets. Greater progress was made in capital construction during the Sixth 5 Year Plan Period. A number of key projects were completed and went into operation, playing an important role in the region's economic development. However, we must pay full attention to the situation in which the scale of our region's capital construction has been expanded over the past few years. This year we must have determination ourselves to control the scale of investment in fixed assets, and persistently carry out the system of administrative heads taking the responsibility for the work. The administrative heads of the areas should assume the responsibility for the areas' failure to control the scale of the investment in capital construction.

Second, control the increase in consumption funds. This is an important measure for balancing the relations between the total demands of the society and the total supplies of the society. Thus, besides controlling the scale of the investment in capital construction, first, we should put an end to the tendencies of different enterprises, different trades, and the enterprises and the organs vying with each other to increase wages, bonuses, and benefits; second, we should strictly control the increases in administrative funds, continue to control the institutional purchases, and halt the increases in the numbers of organizations, staff members, and working personnel; and third, we should achieve the work of withdrawing currency from circulation, and absorb the idle capital from the society to engage in production and construction.

Third, stabilize the prices of goods. This is a matter of vital importance to the nation's economy and the people's livelihood. We must well grasp it. We should strictly control the rate of retail price hikes. The state fixed prices and the state guidance prices should strictly go along with the state price readjustment plan. This must not be ignored since it is a central link of the macroeconomic control. In particular, we must stabilize the prices of such foodstuffs as meat, vegetables, and eggs.

Fourth, vigorously develop lateral economic cooperation. This is of great significance for further promoting reform and developing the social productive forces. Thus, we should formulate policies and take legal measures for encouraging and protecting the development of lateral economic cooperation. Efforts should be made to break the bounds of different ownership systems of different regions, departments, and trades, and to conduct various forms of lateral economic cooperation persistently in line with the principle of voluntary participation and mutual benefits. We should concentrate on opening up to the places outside the region and foreign countries, and make efforts to bring in capital, technology, talented persons, and advanced management experiences from abroad. While opening to the outside world, we should focus on creating more exports in order to earn more foreign exchange.

Fifth, continue to consolidate the achievements in the development of agriculture on a large scale, particularly, to steadily develop grain production. This is a base for achieving reform and the construction in all fields. All localities should firmly foster the thinking of agriculture being the foundation of the national economy and try every means possible to comprehensively reap agricultural, forestry, livestock and sideline harvest.

NEI MONGGOL SECRETARY SPEAKS AT CONFERENCE

SK191230 Hohhot Nei Monggol Regional Service in Mandarin 2300 GMT 18 Mar 86

[Text] At the regional planning, economic, and pricing work conference, Zhou Hui, secretary of the regional CPC Committee, made a speech on the issues of the current situation of rural production, on all trades and professions working in the service of agricultural production, on the urban economic reform, and on strengthening cadres' theoretical study.

Comrade Zhou Hui pointed out: It is time to start spring sowing after the waking of insects. We must firmly grasp farm work in the right season. We should pay attention to improving farming methods, apply scientific methods for growing crops, and strive to upgrade the per unit area yield and increase total agricultural production. All localities should take effective measures to ensure a steady increase in grain production under the circumstances in which the region's total cultivated areas are reduced. We must see new increases in total grain production over last year. Bayannur League has grown grain crops on 100,000 mu of areas covered with mulching films, has carried out grain and grass rotation on 100,000 mu of lands, and has interplanted wheat with corn on 100,000 mu of lands.

This is an excellent situation. After summing up the experiences of the (Houshan) area, characterized by suffering 9 years of drought in a 10-year period because of strong winds and many sandy areas, Qahar Right Wing Rear Banner established small agricultural and economic zones in some areas. The approach is right, and the banner has made initial achievements.

With regard to the measures for encouraging the peasant households to engage in grain production by giving two priorities to those who sign grain purchasing contracts taken by the regional commercial department, supply and marketing cooperatives, and the agricultural banks, Comrade Zhou Hui said: This progress has also satisfied us. With correct orientation, these trades have enhanced their sense of service. We must advance toward this orientation in order to upgrade our awareness of serving agricultural production, truly integrate the work of granting loans and the sales of top-quality chemical fertilizer at parity prices with the signing of grain and edible oil purchasing contracts, and offer high-quality service to the peasants so as to arouse their enthusiasm for developing the production of commodity grain. All leagues, cities, banners, and counties should pay attention to this question.

In his speech, Comrade Zhou Hui stressed: Along with the development of rural commodity production, the positions and functions of the supply and marketing cooperatives are becoming more and more important. Whether or not they achieve their work is to a certain extent related to the development of the rural commodity economy. Grass roots supply and marketing cooperatives should be established according to economic divisions and the orientation of economic circulation, instead of being automatically established according to administrative divisions. How do we set up grass roots supply and marketing cooperatives as well as banner and county integrated cooperatives? Where do our questions lie? The old, outdated, and unsuccessful methods will get us nowhere. Our ways of thinking and of handling affairs should tally with the objective law on development. Thus, we should have courage and not gaze around. We should bravely conduct the work as long as the peasants like it.

With regard to the reform of the economic system, Comrade Zhou Hui said: The reform of the economic system was carried out in an overall manner last year. The situation of the reform was very good thanks to our conscientious implementation of the principles and policies of the CPC Central Committee. This year, we should conscientiously implement and comprehensively and clearly understand the principles of consolidation, digestion, supplement, and improvement so as to further grasp the reform work. The implementation of this principle does not mean a stop to reform; on the contrary, it signifies its deep development.

Comrade Zhou Hui called on cadres at all levels to firmly grasp theoretical study. He said: At present, with many tasks to perform such as the four modernizations and the economic system reform, we will get nowhere if we only rely on old experiences. Without study, we will not be able to meet the demands of the new situation. What is socialism with Chinese characteristics? What measures should we take to persist in socialist orientation? Only when we closely proceed from reality and arduously study the basic theory of Marxism, can we comprehensively and clearly understand the principles and policies of the party and upgrade our ability to distinguish truth from falsehood.

SHANXI LEADER INSPECTS COUNTY SAPLING NURSERY

HK130157 Taiyuan Shanxi Provincial Service in Mandarin 2300 GMT 12 Mar 86

[Excerpt] Shanxi Provincial CPC Committee Secretary Li Ligong inspected work at the Dingxiang County sapling nursery on the morning of 12 March. Dingxiang is one of the key counties in afforestation on the plains in Xinzhou Prefecture.

SHANXI'S LI LIGONG STRESSES IDEOLOGICAL WORK

HK200549 Taiyuan Shanxi Provincial Service in Mandarin 2300 GMT 19 Mar 86

[Excerpts] Shanxi Provincial CPC Committee Secretary Li Ligong spoke at the second annual meeting of the provincial Study Association on Ideological and Political Work for staff and workers on 19 March.

He said: Viewing the general situation, ideological and political work remains a weak link in our province, and many arduous tasks await us. He stressed: Ideological and political work in the new period and the new situation is much more profound and important than in the past. The party organizations at all levels must strengthen leadership over ideological and political understanding. At present there are all kinds of problems on the ideological front. These include problems of methods of thought as well as of ideological line. However, even more important, since the all-around unfolding of reforms of economic structure focused on the cities, many viewpoints have emerged that lack an all-round and correct understanding of this process. There is one-sidedness and [words indistinct].

Li Ligong stressed: There are many fundamental problems in strengthening the building of the ideological and political work contingent. At present, it is essential to strengthen the building of the force of political work cadres and improve their quality.

TIANJIN'S NI ZHIFU AT CHINESE WRITERS ASSOCIATION

SK160452 Tianjin City Service in Mandarin 1430 GMT 15 Mar 86

[Text] Yesterday afternoon, Ni Zhifu, Zhang Dinghua, and Bai Hualing, as well as other municipal leading comrades, inspected the Tianjin branch of the Chinese Writers Association and held informal discussions with some municipal writers. Writers (Jiang Zilong), (Niu Xi), (Yang Runshen), (Feng Zhicai), and (Hang Ying) participated in the discussions.

The municipal leading comrades held extensive discussions with the writers on the municipal socialist spiritual civilization, on the fostering of a new generation of writers, and on how to do a good job in ideological and political work under the new situation.

Comrade Ni Zhifu pointed out at the discussion meeting: A literary work can be well received by the people and the masses as long as it reflects the realities of society about which the people are most concerned and, more importantly, the desire and demands of the people.

XINJIANG TO INSTITUTE NEW FINANCIAL SYSTEM

HK210545 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 17 Mar 86

[Text] The regional people's government has decided that beginning this year, the region will institute a new financial system of classifying taxes, checking and ratifying income and expenditures, and assigning a financial task to each level until it is completed. This is an important reform in the region's financial management system, and will play a very important role in unleashing the initiative of the region and other areas, in promoting the reform of the whole economic structure, and in speeding up the development of the four modernization drive.

The concrete contents of the new financial system of classifying taxes, checking and ratifying income and expenditures, and assigning a financial task to each level until it is completed are: On the basis of defining the scope of income and expenditures of the region, prefectures, autonomous prefectures, and cities, make reasonable readjustments using as a base the income and expenditures in the final financial accounts of 1985 and define bases with respect to income and expenditure assigned to all prefectures, autonomous prefectures, and cities. Rich areas whose income exceed expenditures should submit their quota and the part in excess of the quota should be retained by proportion. The region should give subsidies to areas whose expenditures exceed income and the amount of subsidy should increase by proportion. The method of assigning the financial task to each level should remain unchanged for 4 years.

This method of assigning a financial task to each level until it is completed and [words indistinct] has properly integrated the job, rights, and interest of financial departments at all levels, and expanded the decision-making power of localities. Localities with more income can spend more, and localities with less income should spend less, thus breaking the previous situation of eating out of the same big pot in which regional authorities controlled income and expenditures in a unified way.

The regional people's government demanded that party and government leaders and financial departments at all levels proceed from the region's overall situation, unify their ideas, effectively strengthen their leadership, and seriously study and implement the established financial contract system so as to unleash the people's initiative, increase income and raise funds, and open up a new situation in financial work.

JOURNAL INTERVIEWS XINJIANG'S WANG ENMAO

OW201234 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 18 Mar 86

[Excerpts] Reporters of Jiangxi's HONG JUN SHI LU [ROAD OF RED ARMY] journal recently visited and interviewed Wang Enmao, an old revolutionary general beloved by the people of all nationalities in Xinjiang, chairman of the Xinjiang Uygur Autonomous Regional CPC Advisroy Commission and first political commissar of the Xinjiang Military Region [as heard], in Urumqi City, a city in China's northwestern border region.

Wang Enmao is a native of Yongxin, Jiangxi.

During the interview, Wang Enmao was very happy and inquired with concern about the situation in Jiangxi Province.

TAIWAN PAPER URGES KMT TO CHANGE MAINLAND POLICY

OW200106 Beijing in Mandarin to Taiwan 1500 GMT 18 Mar 86

[Text] Taiwan's Kaohsiung MIN CHUNG JIH PAO in early March published an editorial, entitled: The People Have a Creative Suggestion on Changes for the Government Party. The editorial suggests to the third plenary session of the Kuomintang Central Committee, scheduled to open at the end of this month, that changes should be made in the policy on the mainland and three other related issues.

The editorial thinks that first, the policy on the mainland should change. It says: Currently, the mainland, pursuing an open policy, is seeking changes in everything; while we are content with the status quo. It is not hard to imagine the consequences of such an attitude.

Second, in its study of mainland affairs, Taiwan has, in the past, laid particular emphasis on negative aspects. Dwelling only on such things as the power struggle and economic difficulties, it has tried to smear the mainland, rather than make objective comments. To overestimate about itself and underestimate about others has caused huge deviations in policymaking. Therefore, methods of studying mainland affairs must change.

Third, education on the mainland situation should change. We should not always make negative comments on the results of study, and should conduct specific or general research on the overall situation on the mainland. The study of China mainland issues, a subject taught at Taiwan University, should enable the students to comprehensively study the political affairs, economy, society, foreign affairs, and literature of the mainland, so that the people know the actual situation there.

Fourth, our attitude to the mainland should change.

The editorial holds: The Kuomintang has, for a long time, had a fear of communism, and has always evaded the issue under any circumstances. From now on, it should permit the people in Taiwan to visit the mainland. It should not have misgivings or fears over anything concerning the mainland.

DAILY REPORT

China

CONTENTS

Vol I No 056 24 March 1986

PRC INTERNATIONAL AFFAIRS

GENERAL

Foreign Ministry Spokesman on Seismic Monitoring A 1
RENMIN RIBAO Calls for World Peace Efforts [22 Mar] A 1
European Troop Cut Talks End Without Progress A 2
Weinberger Says U.S. Will 'Never Give Up' SDI A 3
UN Concerned Over Iraqi Chemical Weapon Use A 4
World Bank Assists Anhui Irrigation Project A 4

UNITED STATES

U.S. Conducts Underground Nuclear Test B 1
Journal Examines Reagan's State-of-the-Union Address [SHIJIE ZHISHI 1 Mar] B 1
Weinberger Charges USSR With Salt, ABM Violations B 3
U.S. Disarmament Official Defends SDI Program B 4
Huang Zhen Meets U.S. Friendship Delegation B 4
Wang Bingqian Receives U.S. Banker Rockefeller B 4
President Reagan Says No Immunity for Marcos B 5

NORTHEAST ASIA

Beijing Radio on S. Korean Signature Drive D 1
DPRK Press Refutes South's Invasion Rumors D 3
Qian Liren Fetes NODONG SINMUN Delegation D 3
DPRK Urges U.S. Not To Hand Film-makers to Seoul D 3
Hu Yaobang Meets Visiting Komei Party Delegation D 4
Delegation Meets Peng Zhen D 5
Feted By Wang Zhen D 6
Deng Yingchao Hosts Luncheon D 6
Nakasone Says Japan Should Defend Itself D 6

SOUTHEAST ASIA & PACIFIC

New Zealand's Lange Begins Official Visit 22 Mar E 1
Arrival in Guangzhou E 1
Feted by Guangdong Government E 1
Visit to Guilin E 1
Reportage Commentary on SRV Rejection of Proposal E 2
Interview With CGDK Leaders E 2
Commentary on SRV Position E 5
SRV's 'Stubborn Stand' E 6
CGDK Plan 'Fair & Reasonable' [RENMIN RIBAO 22 Mar] E 7
Plan Shows 'Political Unity' E 9
Thailand Welcomes Proposal E 9
Li Yimang Meets Australian Labor Party Members E 10
PRC Cultural Delegation Ends Australia Tour E 10
PRC Diplomat in LIAOWANG on Sino-UK Cooperation E 10
Hong Kong-US End Textile Trade Talks E 11

WESTERN EUROPE

Danish Prime Minister Leaves For China Visit G 1
Arrives in Beijing G 1
Welcomed by Zhao, Wu G 1
Zhao, Schlueter Hold Talks G 1
Li Peng Meets FRG's GAES President, Delegation G 2

MIDDLE EAST & AFRICA

Li Xiannian Continues 5-Nation Asia-African Tour I 1
Cables Thanks to Mubarak I 1
Departs Egypt for Somalia I 1
Arrives in Mogadishu I 1
Greeted on Arrival I 1
Receives Embassy Staff I 2
Visits Mogadishu Stadium I 2
Li, Siad Barre Hold Talks I 3
Siad Barre Hosts Banquet I 4
Li Addresses Banquet I 4
Further Talks Held I 5
Li, Siad Barre Visit Projects I 5
Agreements Signed I 6
Li Television Interview I 6
Li Hosts Banquet I 7
Concludes Visit I 8
PRC-Syrian Cooperation Protocol Signed I 8
Hu Yaobang Meets Delegation I 8
Zhao Ziyang Meets Djibouti Foreign Minister I 9
Hu Qili Attends Congolese Delegation Banquet I 9

PRC NATIONAL AFFAIRS

Xi Zhongxun, Others Address Preview of CPPCC, NPC K 1
CPPCC Official Announces Meeting Agenda K 3
Discusses Taiwan Contacts K 4
Leaders Attend CPPCC Opening Session 23 March K 4
Hu Ziang Work Report K 6
Yang Chengwu Reports K 7
RENMIN RIBAO Editorial Hails CPPCC Opening K 8
Chen Pixian: NPC To Open 25 March, Last 17 Days K 9
NPC Spokesman Gives Pre-Session Press Conference K 9
Agenda for Upcoming NPC Meeting Announced K 10
Tian Jiyun on Maintaining Price Stability, Reform K 11
Foreign Trade Official on 1986 Prospects, Plans K 12
[LIAOWANG 17 Mar]
PLA Improving Training of New Recruits K 14
Zhao Ziyang, Others Praise Hainan Dao Land Policy K 14
Gu Mu Inspects Ningbo, Urges Development K 15
He Kang on Jilin's Marketable Grain Production K 16
Chen Yun, Others Mourn Death of Yan Weibing K 16

PRC REGIONAL AFFAIRS

EAST REGION

New Secretary Chen Guangyi Meets Fujian Leaders O 1
[FUJIAN RIBAO 13 Mar]
Jiangxi Leaders Leave for NPC, CPPCC Sessions O 2
Jiangxi Leaders Discuss Old Revolutionary Bases O 2
Jiangxi's Wan Shaofen, Others Watch Flying Display O 3
Zhejaing's Wang Fang Calls for Better Work Style O 3

CENTRAL-SOUTH REGION

Guangdong Smuggling Cases Fewer but Bigger P 1
[CHINA DAILY 21 Mar]
Henan Urged To Crack Down on Economic Crime P 2

NORTH REGION

Li Ximing Meets With Beijing Child-Care Workers R 1
Zhang Shuguang Appointed Nei Monggol Secretary R 1

NORTHEAST REGION

Gao Di Addresses Jilin People's Congress Forum S 1

TAIWAN

Philippine Tourism Minister Comments on Ties V 1
Premier Stresses Defense Despite Budget Cut V 1

HONG KONG MEDIA ON CHINA

Journal Views Tiananmen Anniversary, NPC Agenda W 1
[KUANG CHIAO CHING 16 Mar]
Central Committee To Appoint New Culture Minister W 4
[TA KUNG PAO 24 Mar]
New RENMIN RIBAO Chief Editor Reportedly Appointed W 4
[TA KUNG PAO 24 Mar]

FOREIGN MINISTRY SPOKESMAN ON SEISMIC MONITORING

OW240639 Beijing in Russian to the USSR 1800 GMT 22 Mar 86

[Text] A PRC Foreign Ministry spokesman said on 22 March that the 19 March U.S. newspaper WASHINGTON POST reported that the United States is conducting talks with the PRC on the question of establishing seismic equipment in China for registering underground nuclear tests in the Soviet Union. This report is completely groundless. The spokesman of the PRC Foreign Ministry said this in response to a question from a correspondent who demanded that he confirm the above-mentioned report.

RENMIN RIBAO CALLS FOR WORLD PEACE EFFORTS

HK230502 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 22 Mar 86 P 2

[Editorial: "The People Preserve Peace, the People Gain Peace"]

[Text] The UN proposal on the organization of the International Year of Peace has drawn serious attention and extensive responses from all over the world. Yesterday, at the "Chinese people's gathering to uphold world peace," Premier Zhao Ziyang delivered an important speech expressing the 1 billion Chinese people's strong desire for peace and their firm determination to uphold it.

It is a strong common desire of the peoples of all countries in the contemporary world to uphold world peace. World peace is also a noble ideal of mankind. The development of the human race, progress, and prosperity are impossible without peace. It is only with peace that the human race has been able to build its magnificent material and spiritual civilizations. The two world wars ruined countless lives and much property. Although in the 40 years since World War II there has not been another world war, regional conflicts and wars have not ceased. According to one account, the total number of people killed in these regional conflicts and wars amounts to about half the number killed in World War II. At present, in a struggle to achieve global supremacy, the two superpowers are engaged in fierce confrontation. The nuclear arms race between them is expanding from land, sea, and air to outer space. Their arms have developed from conventional arms into nuclear arms and even space arms. The scale and seriousness of the past arms race and the degree to which it threatened world peace and human existence do not compare to the current one. Facts gravely remind us that there is still the danger of war. It is precisely this danger, particularly the danger of a nuclear war, that has given people a clear idea of the desperate situation and has mobilized them into unremitting struggle against war and for world peace. An unprecedentedly large-scale peace movement is taking root in the world and is developing in an in-depth manner. In addition, Third World countries and all peace-loving countries are making efforts to uphold world peace. There has never been such an extensive struggle before. This shows that the world's forces for peace are vigorously and rapidly growing.

Hegemonism, which is now being practiced by the superpowers, and the arms race between them constitute a major threat to world peace. To uphold world peace, it is first necessary to oppose hegemonism and any arms race.

To uphold world peace, it is first necessary to prevent hegemonism from impairing peace and to practice the five principles of peaceful coexistence. National security is inseparable from world peace. The violation of a certain country's independence and sovereignty in a certain sense means damage to world peace. Facts discovered in the post-war years have shown that, whether or not various countries have different social systems, only by strictly acting in accordance with the five principles of peaceful coexistence, respecting each others' independence and sovereignty, abstaining from interfering in others' internal affairs, and opposing power politics can they get along well with on another and bring about normal international relations. Otherwise, international relations will be characterized by tension and confrontation and world peace

will be impaired or even ruined.

To uphold world peace, it is necessary to stop the arms race, the nuclear arms race in particular. History tells us that arms races between superpowers are a means by which they contend for supremacy and by which they can spark world wars. Today the superpowers' arsenals are saturated with nuclear arms that can destroy the earth several times over. It is difficult to guarantee that these huge stocks of nuclear arms will not be used, with diastrous consequences. Thus, the peoples of various countries should regard disaramament and the destruction of all nuclear arms as an important goal of their peace movement. Their demand for substantial reductions in the superpowers' nuclear arms is completely justified and reasonable.

World peace and the disarmament issue bear on the security of all countries and on the fate of mankind. On these major issues, we must not allow a few major powers to dominate the scene nor place our hopes exclusively on the talks between the superpowers. All countries in the world, large or small, powerful or weak, should have their say on these issues, and they are entitled to participation in discussing and settling the disarmament issue. Facts have proven that arms control talks between the two superpowers and their arms race are developing simultaneously and that the more frequent their talks are, the more nuclear arms with better quality they possess. The nuclear threat is becoming increasingly serious each day. Thus, to bring about genuine disarmament and to uphold world peace, it is necessary to rely on the joint struggle waged by world's peoples. As far as the two superpowers, who own 95 percent of the world's nuclear arms, are concerned, they should take the lead in substantially reducing their arms. This is their unshirkable duty.

China needs peace. The Chinese people have been working hard toward the goal of world peace. The Chinese Government has repeatedly raised disarmament proposals calling for the banning and destruction of all nuclear arms. We have repeatedly told the world that whatever the time and circumstances, we will not be the first to use nuclear arms. Last year, China voluntarily reduced the size of its army by 1 million officers and men. Now, by further elaborating on the Chinese Government's consistent position on disarmament and peace, Premier Zhao Ziyang has pointed out to the world the Chinese people's determination to oppose any arms race. In addition, he has officially announced that China will conduct no more nuclear tests in the atmosphere. This shows that concerning peace and disarmament, China has its own positive ideas and it has taken practical actions.

The International Year of Peace proposed by the United Nations will undoubtedly contribute to mobilizing people into opposing war, upholding world peace, and stopping the arms race between the superpowers. One can believe that as long as the world's peoples unremittingly uphold world peace, they will eventually earn it.

EUROPEAN TROOP CUT TALKS END WITHOUT PROGRESS

OW211300 Beijing XINHUA in English 1209 GMT 21 Mar 86

["European Troop Reduction Talks End With No Progress (by Li Chunliang)" -- XINHUA headline]

[Text] Vienna, March 20 (XINHUA) -- The 38th round of central European troop reduction talks wound up here today with no solution to the East-West stalemate emerging in this session of the world's longest marathon negotiations lasting more than 12 years.

Speaking at a press conference today, negotiators from both the Warsaw Pact and the North Atlantic Treaty Organization (NATO) stated they had done their best in the talks and called on the other side to take a realistic attitude.

In the current round of talks, which opened in January, the NATO representatives put forward a series of verification measures based on its proposal made on December 5 last year. The measures include the setup of permanent checkpoints through which withdrawing troops would pass, and the establishment of 30 on-the-spot inspections annually for each side during the three years following the withdrawal. The NATO negotiators insisted that breakthrough should be made in the verification measures, the key to the resolution of all problems in the talks. They supported their argument by citing Soviet leader Mikhail Gorbachev's indication in his recent disarmament proposal that he was ready to reach an accord with the West on "rational verifications."

The Warsaw Pact representatives, however, dismissed NATO's verification measures as "exaggerated and unrealistic." They instead stressed that the paramount issue in the talks was to reduce the troops and military equipment. The Warsaw Pact, in a counterproposal on February 20, suggested that the Soviet Union and the United States withdraw 11,500 and 6,500 troops respectively from central Europe within a year and that the pullout be followed by a three-year freeze on troop levels by either side. It also proposed that each side inform the other of any military maneuver involving more than 20,000 troops.

At today's press conference, Dutch chief delegate Jan van de Mortel said that in view of the Warsaw Pact's intransigent stance, NATO should not change its stand embodied in the December 5 proposal. Meanwhile, a Warsaw Pact spokesman told reporters that NATO's "take-it-or-leave-it" attitude is an ultimatum rather than a proper negotiation manner.

The current round of talks, attended by 19 countries, started amid an optimistic atmosphere buoyed by the U.S.-Soviet Geneva summit last November and Soviet leader Gorbachev's new initiative in January which called for phased reduction of nuclear arms until a total elimination by the end of this century. The enthusiasm, however, became cooled as the bargaining between the two alliances intensified in the talks. It is obvious that the marathon would not yield any encouraging results in the foreseeable future. The negotiations, known in the West as the Mutual and Balanced Force Reduction talks, began October 30, 1973, with the goal of slashing the estimated two million soldiers and airmen in Holland, Belgium, Luxembourg, Federal Germany, Democratic Germany, Poland and Czechoslovakia. The next round of talks is scheduled for May.

WEINBERGER SAYS U.S. WILL 'NEVER GIVE UP' SDI

LD220341 Beijing XINHUA in English 1830 GMT 21 Mar 86

[Text] Wuerzburg, Federal Germany, March 21 (XINHUA) -- The United States would never give up its Strategic Defense Initiative (SDI) in any arms control agreement or accept a ban on nuclear testing, U.S. Defense Secretary Caspar Weinberger insisted at a news conference here today. SDI was "one of the very highest priorities of our government," he told the reporters after a two-day nuclear planning meeting of 14 NATO defense ministers in this Bavarian town. He reiterated the United States remained opposed to a comprehensive nuclear test ban "as long as we have to rely on nuclear weapons, and until we get a strategic defense."

In a communique issued at the meeting, the NATO defense ministers said they strongly supported the U.S. arms negotiation stance and charged that a massive Soviet nuclear missile buildup far exceeds the Kremlin's defense requirements. The meeting wound up today was dominated by American briefings on technological advances in SDI and assurances to the European allies that Washington was studying ways to shield them from short and medium-range Soviet missiles.

UN CONCERNED OVER IRAQI CHEMICAL WEAPON USE

OW220334 Beijing XINHUA in English 0207 GMT 22 Mar 86

[Text] United Nations, March 21 (XINHUA) -- The U.N. Security Council in a statement today expressed its profound concern over the use of chemical weapons by Iraqi forces against Iran, and strongly condemned "this continued use of chemical weapons in clear violation of the Geneva Protocol of 1925." The statement was issued in the name of the president of the Security Council after three-day consultations among its members of the council.

Last February, U.N. Secretary-General Javier Perez de Cuellar sent a team of socialists to Iran to investigate the Iraqi use of chemical weapons most recently in the course of the present Iranian offensive into Iraqi territory. The team was composed of Dr. Gustav Andersson, head of the analytical chemicstry section of the Swedish National Defense Research Institute; Dr. Manuel Dominguez, colonel of the Spanish Army Medical Corps; Dr. Peter Dunn, superintendent of Materials Research Laboratories of the Australian Defense Department; and Dr. Oberst Imobersteg, former chief of nuclear, biological and chemical weapons defense of the Swiss Defense Ministry.

In a report to the U.N. secretary-general on March 6 by the team after concluding a four-day investigation in the Iranian cities of Tehran and Abadan, the four specialists unanimously concluded that "on many occasions Iraqi forces have used chemical weapons against Iranian forces" in the areas of Abadan and Al-Faw; and that "the agent used has mainly been mustard gas although on some occasions nerve gas was also employed."

The statement of the Security Council president demanded that the provisions of the Geneva Protocol of 1925 which prohibit the use in war of chemical weapons "be strictly observed." It also expressed concern over "the risk of an extension of the conflict to other states in the region." The statement stressed "the urgent need" for full compliance by both parties with Resolution 582 adopted by the Security Council last February, which "would open the way for a prompt, comprehensive, just and honourable settlement of the conflict."

WORLD BANK ASSISTS ANHUI IRRIGATION PROJECT

OW240824 Beijing XINHUA in English 0656 GMT 24 Mar 86

[Text] Hefei, March 24 (XINHUA) -- Improvement work has started on China's largest irrigation network in central western Anhui Province with the aid of loans from the World Bank. With an investment of 712 million yuan, including 92 million U.S. dollars (294 million yuan) of foreign funds, the five-year scheme on the Pishihang-Chaohu Lake irrigation network is expected to improve irrigation on 918,000 hectares of farmland.

The area, with a rural population of 8,200,000, has suffered serious flooding every three or four years for the past 37 years. Since 1958, the state has invested 700 million yuan to dig canals and build reservoirs there. Under the present scheme, more canals and ditches will be dug, and pump stations and sluice gates built.

U.S. CONDUCTS UNDERGROUND NUCLEAR TEST

OW221910 Beijing XINHUA in English 1902 GMT 22 Mar 86

[Text] Washington, March 22 (XINHUA) -- The United States today conducted an underground nuclear weapon test at the Nevada test site, the U.S. Department of Energy announced today. The nuclear device exploded 2,000 feet beneath the Nevada desert at 11:15 a.m. EST with the power of explosion between 20 and 150 kilotons, energy department spokesman James Boyer told reporters. The test looked "real fine and normal," he said.

Yesterday, some members of Congress called on President Ronald Reagan to cancel the test, but the Reagan administration refused to hold up the test. It was reported that it was an early test for a nuclear warhead.

JOURNAL EXAMINES REAGAN'S STATE-OF-THE-UNION ADDRESS

HK220355 Beijing SHIJIE ZHISHI in Chinese No 5, 1 Mar 86 pp 2-3

[Article by Peng Di [1756 6611]: "Trends in U.S. Policies As Seen From Reagan's State of the Union Address"]

[Text] Reagan's State-of-the-Union address, delivered on 5 February, revealed unconditional optimism toward the world situation and strict adherence of principles. Generally speaking, his usual conservative tone was maintained.

On the world situation, Reagan asserted that there must be a "safer and sounder world." He hoped that the U.S.-Soviet summits would continue and lead to "steadier U.S.-Soviet realations," and that the Geneva arms-control talks might lead to an accord on nuclear disarmament. However, his emphasis was more on the conditions for realizing this target.

One of the conditions was that the Soviet Union be true to its word, refrain from deceit, and stop making threats. He said: "We have spent 3 years narrowing a dangerous gap resulting from illusion and negligence, and we have achieved some important results. However, the threat is still great due to the USSR's tactical and strategic forces, their pursuit of domination through force, increased espionage, and national terrorist activities." He added: "I hope our Geneva fireside summit and the future U.S. visit by Gorbachev will lead to relatively better relations." He stressed, however, that "we should not stroll innocently into the future. The differences are profound and long-standing between us and the system which has openly declared that it has the so-called right to dominate other people's lives and export its ideology by force, and has done so. Logic and history have forced us to acknowledge that relations between us must be based on realism. Our representatives to the Geneva arms control talks have proposed that we mutually and honestly reduce offensive forces by a large percentage. They have strongly emphasized that it is essential for the Soviet Union to observe the letter and spirit of such an agreement. If the Soviet Government wants an agreement that truly reduces nuclear arms, there will be an agreement." Reagan added: "The Soviets must know that if America reduces its defenses, it will be because of a reduced threat, not a reduced resolve."

These remarks were rather strong both in content and tone; at the same time, he has put the ball back in the Soviet Union playing field. Initial Soviet reaction to Reagan's address was not good. It seems it will take some time before the results of the U.S.-Soviet "soccer game" are known.

Reagan's second condition was that of "expanding the family of free nations." Here, his conservative tone was all the more apparent. He said: "Arms-control will not take the place of peace."

"To make preparations for peace, we cannot depend only on disarmament, but do our best to promote prosperity, freedom, and democracy with whatever means, no matter where," Reagan went on to expound on this point at great length, explicitly announcing that the United States would support "freedom fighters" in various countries, including Afghanistan and Cambodia, which are subject to foreign invasion, as well as such sovereignt states as Angola and Nicaragua. As for the question of what kind of social system Nicaragua should have, Reagan took it upon himself to decide. He stressed that for the sake of "peace and security" in the Western Hemisphere, "nothing is more important than achieving democracy in Nicaragua and protecting its democratic neighbors. When you compared this to his condemnation of the Soviet Union for "exporting its ideology by force," as quoted above, it becomes obvious that President Reagan has put himself into a self-contradiction.

The third condition was the need for the United States to continue to strengthen its military buildup, which Reagan held to be an indispensable condition for realizing world peace and security. He urged Congress to increase defense spending and to approve the administration's defense projects and budget, including his "Strategic Defence Initiative," or Star Wars. In his budget proposal for fiscal 1987, Reagan asked for Pentagon authority to spend $311.6 billion, an 8.2 percent increase over this year's $278.4 billion. Spending for star wars would increase 75 percent, to $4.8 billion. This has already created a great dispute in the United States. The President faces an arduous battle.

Reagan's annual State-of-the-Union Address did not touch upon other important international issues, including such hot spots as the Middle East, which he seemed to avoid perhaps because of its complications.

As for domestic issues, Reagan focused on the serious situation due to the annual financial deficits of 200 billion, He said: "The federal budget is broken; it doesn't work," and expressed his intent to eliminate deficits by 1991 by adhering to the Gramm-Rudman-Hollings Deficit-Reduction Act. But the Reagan administration is also faced with many difficulties and contradictions in solving this problem. Reagan maintained that the defense and economic policies adopted since he took office had been successful, and that they must continue. First, spending for defense should not be chopped, but rather increased. Second, in order to stimulate the economic growth of enterprises, tax increases must continue to opposed. Thus, to reduce the deficits, the only remaining measure would be government spending cuts, expenditures for social welfare. That is a very contentious issue and there is little likelihood of agreement.

Anotehr major problem affecting the national economy is the annual unfavorable balance of 150 billion in foreign trade. Factors contributing to this unfavorable balance are many, apart from the ever-aggravating international competition.

One of the causes is the high currency-exchange rate of the dollar, which has reduced the competitiveness of U.S. exports. Reagan failed to propose any good, specific measures to deal with this. All he did was to issue a general call to "double efforts to realize trade on a freer and fairer basis" and a proposal for an international monetary conference to coordinate the economic and trade policies of its trading partners.

Regarding the general U.S. economic situation, Reagan talked about the accomplishments scored during the current economic revival, including continuous economic growth for 37 successive months, 9 million more jobs, and a drop in the inflation rate from the 1980's 12 percent to the present 4 percent. He did not say much about developing trends in the world economy or the problems facing the United States.

On other domestic issues, he advocated prayer in schools and opposed abortion, basing these on his own religious views. He touched on the difficulties of the poor, while opposing welfare receipients' dependence on federal programs. Reagan showed concern for the contradictions facing some U.S. families, stressing that "the breakup of families, the most basic support system, has developed to an alarming degree, leading to poverty for many women and children, abandoned children, terrible crime, and worsening conditions in schools." On the problems facing teenagers, Reagan said: "Because young people are subjected to all kinds of temptation, characteristic of an unrestrained society, sometimes supernatural willpower is necessary. However, the hope of the future is so strong and the challenge so great, we cannot afford to get lost or retreat into the dead end of self-destruction, drugs, and desperation." In pointing out these problems, Reagan did not propose any specific solutions.

President Reagan's address was of course full of optimistic rhetoric, claiming that the United States was flourishing and marching ahead, full of confidence for the future. However, no new ideas were presented in the address. With the exception of reaffirming that research into Star Wars would continue, no other major initiatives were mentioned. Upon hearing the President's address, House Speaker Thomas P. O'Neill remarked: "As usual, his words are optimistic. However, his message was on the same old track and is disappointing." Being a Democrat, O'Neill's comment was probably biased. However, as a House speaker who has presided over the delivery of 10 State-of-the-Union addresses, his opinion expressed the view of many Americans.

WEINBERGER CHARGES USSR WITH SALT, ABM VIOLATIONS

OW210936 Beijing XINHUA in English 0902 GMT 21 Mar 86

[Text] Bonn, March 20 (XINHUA) -- U.S. Defense Secretary Caspar Weinberger today accused the Soviet Union of violating the SALT II and ABM (anti-ballistic missile system) Treaties. In a report to NATO's 39th Nuclear Planning Group Conference which opened today in Wurzberg, Federal Germany, Weinberger said the Soviet deployment of SS-25 missiles and the establishment of the powerful radar station at Krasnoyarsk are violations of the two treaties, diplomatic sources said.

According to the sources, the U.S. defense secretary also assured allied defense ministers attending the opening session of the conference that European security will be integrated in the U.S. Strategic Defense Initiative (SDI), the so-called "Star Wars" program.

The Pentagon's SDI Office Director, U.S. Air Force General James Abrahamson briefed the conference on the progress of the "Star Wars" research, saying the technology research was making "tremendous progress", especially in the fields of high powered lasers and new infrared systems, reports from Wurzburg said. The Pentagon official said SDI will be able to track and intercept Soviet medium- and short-range missiles. This capability, he said, is vital to the security of Western Europe.

Observers here said the conference is likely to put doubt on the "zero option" proposal which calls for the withdrawal of all medium-range nuclear weapons deployed in Europe by both the U.S. and the Soviets . Withdrawal of medium-range missiles by both sides would still leave the Soviet Union with an advantage in conventional weapons on the European front.

Ambassadors from Spain, Greece and Turkey and defense ministers from eleven other NATO countries are participating in the two-day meeting amid tight security.

U.S. DISARMAMENT OFFICIAL DEFENDS SDI PROGRAM

OW220802 Beijing XINHUA in English 0741 GMT 22 Mar 86

[Text] Washington, March 21 (XINHUA) -- U.S. Arms Control and Disarmament Agency Director Kenneth Adelman today called the Soviet criticism of the U.S. Strategic Defense Initiative (SDI) as a propaganda trick with "same words, different tunes."

In a speech before the U.S. Congressional Advisory Board in Florida, Adelman said that the great majority of criticisms and objections that the Soviets have put forward on SDI "are virtually identical to the criticisms and objections that they put forward against NATO's intermediate nuclear forces deployment from 1979 to 1983." He called the Soviet criticism on SDI as the "Soviet anti-Star Wars campaign" which are "essentially standard propaganda themes." He said the Soviet proposal for general and complete disarmament was the "dominant theme of Soviet arms control proposals in the period of the 1950s."

The proposal for general nuclear disarmament by the year 2000 also "bears an especially strong resemblance to a particular proposal" that the Soviet Union made in 1959 at the United Nations, when neither side had a large force of ballistic missiles, said Adelman. He added while a number of details in the two proposals clearly differ, "the basic three-stage format and the basic sales pitch of general and complete disarmament at the end of a prescribed period in both cases is the same."

He said the Soviet Union attempts to gain unilateral advantage in arms control and the U.S. should not offer to the Soviet Union "unilateral concessions" in arms talks. "It has always been our will to keep our own defenses strong that has brought the Soviet Union to the bargaining table, as we have seen most recently with SDI," said Adelman.

Adelman said the U.S. is moving toward "the goal of stability" by three routes -- by strengthening deterrence through its defense modernization, by exploring the feasibility of defensive systems through SDI, and by seeking mutually stabilizing agreements and real reductions in offensive weapons through arms control talks.

HUANG ZHEN MEETS U.S. FRIENDSHIP DELEGATION

OW211908 Beijing XINHUA in English 1642 GMT 21 Mar 86

[Text] Beijing, March 21 (XINHUA) -- Huang Zhen, president of the China-U.S. People's Friendship Association, met a 12-member delegation formed by leaders of local branches of the U.S.-China People's Friendship Association here this evening.

WANG BINGQIAN RECEIVES U.S. BANKER ROCKEFELLER

OW240650 Beijing XINHUA in English 0646 GMT 24 Mar 86

[Text] Beijing, March 24 (XINHUA) -- Wang Bingqian, Chinese state councillor and minister of finance, met with David Rockefeller, former chairman of the Chase Manhattan Bank of the United States, and his party here this morning at the Great Hall of the People.

Rockefeller is now chairman of the bank's International Advisory Commission.

At the meeting, Wang praised Rockefeller's efforts at developing the good relations between the Chase and the Bank of China and hoped such relations would continue to develop.

Wang also briefed the visitors on China's economic and financial situation.

Rockefeller and his party arrived here March 22 as guests of the Bank of China. They will attend the celebrations of the fifth anniversary of the opening of the Beijing office of the Chase Manhattan Bank.

PRESIDENT REAGAN SAYS NO IMMUNITY FOR MARCOS

OW231028 Beijing XINHUA in English 0911 GMT 23 Mar 86

[Text] Washington, March 22 (XINHUA) -- U.S. President Ronald Reagan said he did not plan to grant former Philippine President Ferdinand Marcos immunity for violations of American law. The U.S. President made the remarks in an interview with the NEW YORK TIMES to be published on Sunday.

Asked if they believed Marcos should escape prosecution if he were charged with corruption, Reagan said he would let the law take its course.

"I have said that I think the laws of not only our nation, but the Philippine Government and international law ... should be observed."

This means he would not protect Marcos with his power if Marcos is to be prosecuted by the Philippine Government.

Marcos, who stays in Hawaii now, has been accused by the new Philippine Government of looting billions of dollars in public funds during his 20 years in office. A Philippine Government commission is now investigating Marcos' fortune in the United States.

On arms control talks with the Soviet Union, Reagan accused the Soviet leadership of never having "displayed speed" in that issue. However, Reagan said he remained hopeful of a summit with the Soviet Union in June or July.

No date has yet been agreed on for the summit proposed by Reagan and Soviet leader Mikhail Gorbachev in Geneva last November. Observers said that the Soviet Union has insisted that the summit be held later this year while Washington prefers a summit in the middle of this year.

Referring to Nicaragua, Reagan said he would continue to promote his request for 100-million-dollar aid to the anti-government forces in that Central American country. But, he said he would be willing to make "minor changes" in the request to get it passed in the Congress. He denied that his policy is aimed at sending U.S. troops to Nicaragua.

Asked about domestic issues, Reagan said that he will involve himself "deeply" in the congressional elections this year to support Republican candidates.

He repeated his pledge against tax increases, saying that such increases were "counter-productive and could threaten our economic recovery."

BEIJING RADIO ON S. KOREAN SIGNATURE DRIVE

OW211234 Beijing Domestic Service in Mandarin 1150 GMT 19 Mar 86

["International Current Events" program: "South Korean People Are Carrying Out a Campaign To Collect Signatures To Support Their Demand for Revising Their Constitution"]

[Text] The New Korea Democratic Party, South Korea's largest opposition party, and the Council for the Promotion of Democracy, an opposition group, announced that beginning 12 February a campaign to collect 10 million signatures to support the demand to revise the current Constitution would be conducted throughout South Korea. To promote the campaign, five opposition parties and groups announced the establishment of a united liaison organization for democratization in Seoul on 17 March in order to oppose Chon Tu-hwan's proposal that the Constitution be revised after his term of office as president expires in 1988. This is the first united action of major South Korean opposition parties and groups against the present regime since Chon Tu-hwan came to power in 1980.

The current South Korean Constitution was adopted on 22 October 1980. It provides that the president shall be elected by the electoral college, which is elected by the people. The opposition forces demand that the current Constitution be revised so that the president will be elected directly by the people. Democratic personages and students assert that there is no difference between the current Constitution and the reformist constitution of Pak Chong-hui's days and that the current Constitution provides a legal basis for the Chon Tu-hwan regime to strengthen its autocratic system.

The voice of the South Korean people for democracy has been getting louder and louder in recent years. The New Korea Democratic Party was founded in January 1984, and it is called the New Democratic Party for short. The party, which occupies 67 seats in the 12th Parliament, is the biggest opposition party in South Korea. The New Democratic Party, a new force which has suddenly come to the fore, has openly called for revising the Constitution, directly electing the president, enjoying freedom of speech by the people, and releasing political prisoners. It has also announced that it will mobilize 10 million people to sign their names to promote the campaign for revising the Constitution.

The campaign to collect 10 million signatures launched by the New Democratic Party and the Council for the Promotion of Democracy can be called a major move by opposition forces to achieve the goal of revising the Constitution. A joint statement issued by the New Democratic Party and the Council for the Promotion of Democracy on 12 February said: Since the current Constitution was promulgated undemocratically, it lacks legality; it disregards the basic principles of democracy and the principle of separation of the executive, legislative, and judicial branches. The campaign to collect 10 million signatures is aimed at displaying national aspirations for democracy.

According to press reports, 120 members of the New Democratic Party, 42 of whom are members of Parliament, and 97 members of the Council for the Promotion of Democracy, on 12 February affixed their signatures and seals to a book calling for revision of the Constitution. They include Yi Min-u, president of the New Democratic Party, who is very influential among the opposition forces in South Korea, and Kim Tae-chung and Kim Yong-sam, co-chairmen of the Council for the Promotion of Democracy. Other opposition groups and students also support the signature campaign. The reverend Mun Ik-hwan, president of the United Minjung Movement for Democracy and Unification, an opposition group, vigorously advocates revising the current Constitution and calls for formulating a democratic constitution.

As early as last October, university students in South Korea adopted a resolution to set up democratic and united headquarters for the constitutional revision campaign in various universities. Since early this year, united organizations to support the campaign to collect 10 million signatures have been set up in Seoul, Yonsei, Ewha, and Hongik Universities, and they have decided to carry out the campaign.

The South Korean authorities are opposed to any effort to revise the Constitution. They are even more opposed to the campaign to collect 10 million signatures. In his speech on state affairs delivered on 16 January, Chon Tu-hwan claimed that revision of the Constitution would be discussed after 1988. The ruling party, the Democratic Justice Party, said that it would adopt legal measures to obstruct the movement to revise the Constitution. After the campaign to collect 10 million signatures began in Seoul, the South Korean Authorities were panic-stricken, and immediately adopted repressive measures. On 19 February, they placed under house arrest and took into custody more than 200 key officials of the opposition parties. The next day, they once again surrounded and sealed off the New Democratic Party headquarters to prevent party members from holding a mass rally calling for a direct presidential election. Members of the opposition placed under house arrest and taken into custody by the police included all the leaders of the New Democratic Party and 77 National Assembly members. Kim Yong-sam, a democrat of the opposition party, was placed under house arrest four times within a period of ten days. Another well-known person, Kim Tae-chung, has been under house arrest since 12 February, with several hundred policemen surrounding his house and forbidding anyone to enter or leave the house at will. The South Korean authorities also twice searched the New Democratic Party headquarters by force, confiscated various documents and propaganda pamphlets concerning the 10 million signature campaign, and arrested many people who had signed. At the same time, the South Korean authorities searched 129 universities and colleges, confiscated a large quantity of printed materials, and made all kinds of excuses to expel and arrest several hundred students.

After adopting savage measures to repress the democrats, the South Korean authorities resorted to appeasement by releasing a number of democrats and politicians who had been placed under house arrest. They claimed that the issue of revising the Constitution would be discussed in 1989. They also agreed to set up a commission to study the Constitution directly under the president. However, the oppressive measures adopted by the South Korean authorities have not resulted in the surrender of the opposition. Nor have their measures to pacify the opposition been of any avail. The democrats of the largest opposition party -- the New Democratic Party -- and other organizations have expressed their firm determination to oppose the proposal made by the authorities to discuss the issue of revising the Constitution in 1989, and decided to pursue the campaign to collect 10 million signatures for the revision of the Constitution. On 11 March, several thousand members of the New Democratic Party held a demonstration in Seoul, calling for efforts to revise the Constitution. It is reported that this demonstration was one of the largest political rallies since Chon Tu-hwan assumed office in 1980. Democrat Kim Tae-chun recently expressed his determination to expand and strengthen the signature campaign. He condemned the proposal made by the authorities to postpone the revision of the Constitution until 1989 as a political ploy. He said that he and Kim Yong-sam have already gathered 500 signatures each and that they expect to collect one million signatures by the end of March and 10 million signatures by 15 August.

In addition to the fact that the existing Constituion established by the South Korean authorities is far from democratic, there are even more profound social causes triggering this movement to revise the Constituion. The South Korean economy was in a state of depression last year, and the economic growth rate dropped to the lowest level since Chon Tu-hwan assumed office. The nation was heavily in debt. All factories were operating under capacity, and the unemployment rate was extremely high.

The South Korean people hope to change this situation by revising the Constitution. It seems that, regardless of the results, this signature movement aimed at revising the Constitution will have an important impact on South Korea's progress toward fostering democracy.

DPRK PRESS REFUTES SOUTH'S INVASION RUMORS

OW221012 Beijing XINHUA in English 0940 GMT 22 Mar 86

[Text] Pyongyang, March 22 (XINHUA) -- The Korean press today condemned South Korean authorities for spreading lies that the Northern part of Korea will "invade the South." Yi Ki-paek, "defence minister" of South Korea, reportedly announced at a press conference Thursday that the next two or three years are to become "a period with the biggest danger of war on the Korean peninsula," because the North might launch military invasion of the South to impede the Seoul Olympic Games and the Tenth Asian Games.

The Korean papers NODONG SINMUN, MINJU CHOSON and PYONGYANG SINMUN published commentaries today censuring the South Korean authorities for "distorting the existing relations of military strength between the North and the South." NODONG SINMUN said the South Korean authorities had on many occasions spread rumours about the "southward invasion". No such "invasion" ever occured. MINJU CHOSON said that the South Korean rumour-mongering propaganda campaign was aimed at diverting the target of the people's struggle against the Seoul authorities following the Philippine events so as to prevent the same fate that befell Philippine ex-President Ferdinand Marcos. PYONGYANG SINMUN pointed out that the main purpose of the South's propaganda was to get more military aid from the U.S.

QIAN LIREN FETES NODONG SINMUN DELEGATION

OW240420 Beijing XINHUA Domestic Service in Chinese 1750 GMT 21 Mar 86

[Text] Beijing, 21 Mar (XINHUA) -- Qian Liren, director of RENMIN RIBAO, hosted a banquet at the Great Hall of the People on the evening of 21 March to warmly welcome the Korean NODONG SINMUN delegation headed by Yi Song-pok, member of the WPK Central Committee and editor-in-chief of NODONG SINMUN.

At the banquet, held in a cordial and friendly atmosphere, director Qian Liren and Yi Song-pok, head of the delegation, exchanged toasts. They agreed that Chinese and Korean journalists have contributed to enhancing the friendship and friendly cooperative relations between the parties and peoples of the two countries. Sin In-ha, DPRK ambassador to China; Li Zhuang, and Tan Wenrui, editor-in-chief and deputy editor-in-chief of RENMIN RIBAO, were present at the banquet.

The delegation arrived in Beijing on the morning of 21 March at the invitation of RENMIN RIBAO. Li Zhuang, editor-in-chief of RENMIN RIBAO, greeted the delegation at the railway station.

DPRK URGES U.S. NOT TO HAND FILM-MAKERS TO SEOUL

OW211220 Beijing XINHUA in English 1158 GMT 21 Mar 86

[Text] Pyongyang, March 21 (XINHUA) -- The Democratic People's Republic of Korea (DPRK) today warned the United States not to transfer to Seoul former South Korean film director Sin Sang-ok and his actress wife Choe Un-hui because they misappropriated a large sum of DPRK state fund. The General Bureau of Film of the DPRK Ministry of Culture and Art said in a statement today that such a handover would "aggravate the confrontation between the North and the South and throw a wet blanket over the resumption of North-South dialogue."

Sin and his wife, who escaped from South Korea in 1978, had "closely cooperated" with the DPRK in cinematography and "freely traveled" in both East and West European countries, the statement said. On March 13, however, the couple disappeared in Vienna, Austria. Four days later the U.S. Embassy in Austria announced that they sought "assistance" there and the U.S. authorities accepted their request accordingly. The DPRK statement pointed out that the couple's act cannot be regarded as "seeking asylum" or "defection" since they have been living in exile.

The couple's flight into the U.S. Embassy was not politically motivated, but was promoted by the criminal motive to usurp 2.3 million U.S. dollars the DPRK had provided to them for making a film with a Hungarian film studio, the statement said. Although the DPRK does not care whether they go to any other country, the statement said, it can never allow them to illegally misappropriate a large sum of its state fund. The statement noted that the South Korean authorities are now working to take over the couple.

If the U.S. authorities truly want to guarantee the basic human rights of Sin and his wife, the statement said, they must not defend their criminal attempt to usurp the money or hand them over to the South Korean authorities. On March 18, the DPRK Embassy in Austria in a statement expressed the willingness to discuss with Sin about the money problem at any place.

HU YAOBANG MEETS VISITING KOMEI PARTY DELEGATION

OW231517 Beijing XINHUA in English 1503 GMT 23 Mar 86

[Text] Beijing, March 23 (XINHUA) -- General Secretary of the Chinese Communist Party Central Committee Hu Yaobang described Sino-Japanese relations as good on the whole, hoping that bilateral relations would continue to develop in a good direction. Hu made these remarks at a meeting with a delegation from the Japanese Komeito (Komei Party) headed by its secretary-general Junya Yano here this afternoon.

During the meeting, Hu stressed that it is China's set principle to pursue the policy of opening to the outside world and have longstanding friendship with Japan. Junya Yano conveyed to Hu an oral message from Japanese Prime Minister Yasuhiro Nakasone expressing his heart-felt hope for Japan-China friendship. Junya Yano told Hu that Japan is willing to accept more Chinese students and to help Chinese enterprises update technology and improve management. Hu expressed thanks for this, saying that these are the friendly expressions of the Japanese Government and public for the Chinese people.

Hu praised the Komeito for its outstanding contributions to the cause of Sino-Japanese friendship. When Junya Yano asked Hu to comment on China's deficit in Sino-Japanese trade, Hu said that the reduction of Sino-Japanese trade deficit is a problem of concern to both sides. Sino-Japanese trade would continue to expand only when the trade deficit is reduced, he said.

Hu and the Japanese visitors also exchanged views on some international issues. Speaking of the Kampuchean question, Hu said that the unity and development of the three patriotic forces of Kampuchea and their fighting principle conformed with the interests of the people of all Asian countries, adding that their positions were fair and reasonable. Vietnam said that the three patriotic forces of Kampuchea would disappear themselves, Hu added, this was absolutely a lie. He reiterated China's firm support to the just struggle of the Kampuchean people and their armed forces till their final victory.

Junya Yano said that the Komeito held that Vietnam should withdraw its troops from Kampuchea and hoped that the three parties of Kampuchea would unite and hold talks with Vietnam for the solution of the Kampuchean problem.

On the U.S.-Soviet summit, Hu said that China welcomes the summit talks between the U.S. and Soviet leaders and hopes that both sides should have sincerity and talk well. The talks would not succeed without sincerity, Hu added. Hu asked Junya Yano to convey his greetings to Prime Minister Yasuhiro Nakasone, Komei Party Chairman Yoshikatsu Takeiri and "Sokagakkai" honorary President Daisaku Ikeda. Among those present on the occasion were Xia Yan, president of the Chins-Japan Friendship Association and Zhang Wenjin, president of the Chinese People's Association for Friendship With Foreign Countries.

Delegation Meets Peng Zhen

OW241022 Beijing XINHUA in English 1010 GMT 24 Mar 86

[Text] Beijing, March 24 (XINHUA) -- Peng Zhen, chairman of China's National People's Congress Standing Committee, said here today that China will devote the coming two years to consolidating its achievements in the economic reform. China's main task in the first two years covered by the Seventh Five-Year Plan for Economic and Social Development (1986-1990) is to lay a foundation so that great progress can be made in the following three years, he said.

Peng made these remarks at a meeting here today with a delegation from Japan's Komei Party, led by Secretary-General Junya Yano. He told the visitors that the fourth session of China's Sixth National People's Congress, which is scheduled to begin tomorrow, would review China's work during the Sixth Five-Year Plan and examine its Seventh Five-Year Plan. Although problems have arisen in China's economic restructuring in the past five years, Peng said, they were problems arising out of progress and development. They have either been solved or are in the process of being solved, he said. Generally speaking, he said, great achievements have been made, more than what had been expected.

Peng said that it is the overall situation and main trend which play decisive roles in affairs in this world. "Therefore, we should take into account the overall situation and the main trend when considering Sino-Japanese relations," he added. Furthering the friendly relations between the two countries, he said, reflects the common wishes of the two peoples and is conducive to peace in the Far East and the world as a whole. "This is an inevitable trend of historical development as well as a popular demand. It is our hope there will be no twists and turns in the development of Sino-Japanese relations. However, it is not disastrous if twists and turns do occur; we'll just straighten them out," he said. He also praised Chairman Yoshikatsu Takeiri and other friends of China from the Komei Party for their consistent efforts in promoting friendship between the two countries.

Yano said that it was necessary for both Japan and China to promote their friendship. Both the Japanese Government and people definitely wish to take the whole situation into account to develop Japan-China friendship, he pointed out. He pledged that the Komei Party, led by Takeiri, would oppose anything unfavorable to the Japan-China friendship and work for such a friendship so that it can be carried on from generation to generation.

Yano, who is also a member of Japan's House of Representatives, conveyed to Peng Zhen a letter from Michita Sakata, speaker of Japan's House of Representatives, and greetings from Takeiri.

Peng said that he was expecting Sakata to visit China at an early date, and asked Yano to convey his best regards to Takeiri. The Japanese visitors will leave here tomorrow for other parts of China.

Feted By Wang Zhen

OW211904 Beijing XINHUA in English 1437 GMT 21 Mar 86

[Text] Beijing, March 21 (XINHUA) -- Wang Zhen, honorary president of the China-Japan Friendship Association, met and feted a delegation from the Komeito of Japan headed by its Secretary-General Junya Yano here this evening. Among those present on the occasion were Wang Zhaoguo, China's chief representative on the 21th Century Committee for China-Japan Friendship, Xia Yan, president of the China-Japan Friendship Association, and Zhang Wenjin, president of the Chinese People's Association for Friendship with Foreign Countries. The Japanese guests arrived here this afternoon on a visit to China at the invitation of the China-Japan Friendship Association.

Deng Yingchao Hosts Luncheon

OW241216 Beijing XINHUA in English 1206 GMT 24 Mar 86

[Text] Beijing, March 24 (XINHUA) -- Deng Yingchao, chairman of the National Committee of the Chinese People's Political Consultative Conference, today met a delegation from Japan's Komeito (Komei Party), here at noon time today. The delegation, headed by its Secretary-General Junya Yano, is the fourteenth one sent by the Komeito to visit China.

Deng warmly greeted the Japanese visitors when they arrived at the meeting hall. Junya Yano thanked Deng for her meeting with them in the midst of her pressing affairs. Deng told the visitors that as the fourth session of the CPPCC National Committee is now in session, and the fourth session of the sixth National People's Congress is to open tomorrow, she did be busy. "But no matter how busy I am, I should spare time to meet you because you are our old friends," Deng said.

Deng highly spoke of the contributions made by chairman Yoshikatsu Takeiri and other friends of the Japanese Komeito to the promotion of friendly relations between China and Japan, and the friendship of the two peoples. She added, "They have done a lot of work and played important roles at the critical moment of the normalization of relations between China and Japan."

Junya Yano conveyed the respects for Joshikatsu Takeiro and "Sokagakkai" honorary president Daisaku Ikeda to Deng and Deng also asked him to convey her best wishes to them. After the meeting, Deng hosted a luncheon in honor of the Japanese visitors.

NAKASONE SAYS JAPAN SHOULD DEFEND ITSELF

OW231813 Beijing XINHUA in English 1456 GMT 23 Mar 86

[Text] Tokyo, March 23 (XINHUA) -- Japan should effectively strengthen its defense forces so as to be able to "defend itself with its own hands," Japanese Prime Minister Yasuhiro Nakasone said here today.

Addressing the 30th commencement ceremony at the National Defense Academy, Nakasone said that world peace and security is essential for Japan's continued prosperity and further advance in the 21st century. Although the U.S.-Soviet summit meeting in last autumn offered bright prospects for East-West relations, the international situation is still grim, Nakasone stressed.

NEW ZEALAND'S LANGE BEGINS OFFICIAL VISIT

Arrival In Guangzhou

OW2201810 Beijing XINHUA in English 0750 GMT 22 Mar 86

[Text] Guangzhou, March 22 (XINHUA) -- David Lange, prime minister of New Zealand, and Mrs. Lange arrived here at noon today by hovercraft from Hong Kong for an eight-day official visit to China at the invitation of Premier Zhao Ziyang. This is the first leg of Lange's China tour. He will also visit Guilin, Guiyang and Shanghai before going on to Beijing.

The prime minister and Mrs. Lange were greeted by Wu Wenying, chairman of the Chinese Government reception committee and Textile Industry Minister; Yang Deyuan, deputy governor of Guangdong Pronvince; and Zhu Senlin, mayor of Guangzhou City, at the wharf where the flags of China and New Zealand were fluttering. Two children presented the visitors with bouquets.

Wu Wenying conveyed messages from General-Secretary Hu Yaobang of the Chinese Communist Party Central Committee, and Premier Zhao Ziyang to Lange. In his message, Hu, who had visited New Zealand last April, sent his warm regards to Lange. Zhao, on behalf of the Chinese Government and people, extended a warm welcome to the visitors. Both of them wished the New Zealand visitors a pleasant tour and said they were expecting to meet them in Beijing.

Lange told Minister Wu that his visit to China was to further cement the friendship and cooperation between New Zealand and China. He also hoped to explore the possibility of the expansion of bilateral trade and of the reinforcement of peace and stability in the region.

On March 26 the Chinese Government will give a grand welcoming ceremony for Lange at the plaza east of the Great Hall of the People.
It was learned that Chinese leaders will confer with Lange on bilateral relations andsome important international issues as well.

This evening the People's Government of Guangdong Province was to give a welcoming banquet for Lange and his party.

Feted by Guangdong Government

OW222006 Beijing XINHUA in English 1630 GMT 22 Mar 86

[Text] Guangzhou, March 22 (XINHUA) -- New Zealand Prime Minister David Lange and his party were honored at a banquet here this evening given by the Guangdong Provincial People's Government.

This afternoon the prime minister and his party visited a village, where many families have relatives in New Zealand, in the northern suburbs of Guangzhou. They were warmly received. When calling on a family still having ties with their relatives in New Zealand, the 44-year-old prime minister said the Overseas Chinese in his country have made great contributions to its social and economic development.

The prime minister, who had visited the village in 1981, also visited an electrical cooker plant and was impressed by the quality of the products of the factory. He said he hoped to see these products in New Zealand.

Visit to Guilin

OW231604 Beijing XINHUA in English 1511 GMT 23 Mar 86

[Text] Guilin, March 23, (XINHUA) -- David Lange, prime minister of New Zealand, and Mrs. Lange arrived here this morning by plane from Guangzhou.

The distinguished guests went on a sight-seeing cruise on the Lijiang River and visited the "reed flute" cave today.

In the evening, they were honored at a banquet given by Zheng Yi, vice-chairman of the people's Government of the Guangxi Zhuang Autonomous Region and mayor of Guilin.

David Lange is scheduled to leave here tomorrow morning for a visit to Guiyang.

REPORTAGE, COMMENTARY ON SRV REJECTION OF PROPOSAL

Interview With CGDK Leaders

BK211440 Beijing in Cambodian to Cambodia 1030 GMT 21 Mar 86

[Text] On the evening of 20 March, Samdech Norodom Sihanouk, president of Democratic Kampuchea, Son Sann, prime minister of the CGDK, and Khieu Samphan, vice president of Democratic Kampuchea in charge of foreign affairs, granted an interview to the correspondents of Beijing radio, television, and various newspapers of China at the residence of Samdech Sihanouk in Beijing.

Following is the recording of the questions and answers between the Chinese correspondents and the three leaders of Democratic Kampuchea [begin recording]

[Sihanouk] My respects and saluations to all brother and sister representatives of the PRC's press, radio, and television. Tomorrow morning, His Excellency Son Sann, prime minister of the CGDK, His Excellency Khieu Samphan, vice president of Democratic Kampuchea, His Excellency Son En, His Excellency Bun Say, and other personalities and Heroes who have come from the Cambodian battlefield will leave the great city of Beijing and return home after fulfilling their very important mission with me here. This afternoon, therefore, we have the great honor and satisfaction of welcoming all of you, dear Chinese friends, and we will give sincere answers to whatever you want to know. Thank you very much.

Before giving you an opportunity to raise your questions, we would like on behalf of Democratic Kampuchea as a whole, to express our gratitude to the glorious, prosperous, and beloved PRC for kindly according us firm and resolute support. This support is extremely effective, and the whole world, the whole international arena now echoes the support of the PRC for our proposal to peacefully and politically resolve the Cambodian question, that is the eight-point proposal that we have just made on 17 March. The 100 percent support of the PRC for our eight-point proposal is very significant as it has greatly boosted our morale in the struggle for national liberation and for the settlement of the Cambodian question. We express thanks from the bottom of our hearts to the PRC. Now, dear friends from the PRC's press, radio, and television, please begin your questions. The three of us are very honored to answer your questions.

[Unidentified correspondent] I am a correspondent of Radio Bejing. I have one question. Please, Samdech, tell us about the preparation of the eight-point proposal for the settlement of the Cambodian problem just put forward by the CGDK. Please tell us about the process of making this proposal.

[Sihanouk] Please allow His Excellency Khieu Samphan, vice president of Democratic Kampuchea, to represent His Excellency Son Sann, the prime minister, and myself, the president of Democratic Kampuchea, in answering this question, for he very actively discharged the task in his capacity as minister of foreign affairs concurrently with his position as vice president. He is fully qualified to explain it to you. Thank you.

[Khieu Samphan] Let me tell you that the eight-point proposal for a political solution to the Cambodian question by the CGDK is the result of the work done by all of us. This proves that, first, the combatants of our tripartite resistance forces are fighting well on the battlefield and have the goodwill to settle the Cambodian question politically and, secondly, it proves that the CGDK with Samdech Norodom Sihanouk as president and His Excellency Son Sann as prime minister is politically united. We love each other, maintain solidarity with each other, and have a unity of political views.

[Sihanouk] Thank you, Your Excellency Vice President Khieu Samphan. I am certain that his excellency the prime minister also agrees with His Excellency Khieu Samphan and I am also of the same opinion. Let me inform you that the three of us have a unity of mind and idea. It can be said today that each one of us will be answering questions on behalf of the three of us as well as in the name of the CGDK. Now, please allow his excellency Khieu Samphan to add to what he has said.

[Khieu Samphan] The process of preparing the draft political solution to the Cambodian problem was just as I told you, but the essence of the idea has been discussed for quite some time by all three of us. The Samdech has mentioned it in his statements to the press and his addresses to the United Nations. His Excellency Son Sann, too, has broached the idea. Now, what we have done is merely sum up the ideas and put them together in the eight-point draft proposal.

[Sihanouk] Thank you, sir. Now, let us have questions.

[Unidentified correspondent in Mandarin] What is the historical significance of the eight-point proposal for a political settlement of the Cambodian question, the Samdech says:

[Sihanouk] Allow me to make some explanation of this matter. After I have finished, should His Excellency Prime Minister Son Sann have something to add to my statement, he should feel free to do so, or else we may let His Excellency Vice President Khieu Samphan explain the whole thing.

As for countries that firmly support us like the PRC, such as the ASEAN countries, they have already stated their position one after another. Yesterday, I learned that many ASEAN leaders said that our proposal is excellent. As a last word, I would like to add that we cannot be more accommodating toward Vietnam and the Heng Samrin group. Vietnam has unjustly invaded and occupied my country in violation of the UN Charter, and the Heng Samrin group, whom does it represent? Certainly not the Cambodian people. Heng Samrin -- the Heng Samrin group -- represents Vietnam, Vietnamese colonialism, and the Soviet Union. It represents nothing else. We have gone as far as possible. Because we love peace, we have been polite and compromising. The United Nations demands that Vietnam withdraw all its troops unconditionally from Cambodia. This is what the United Nations demands, but we even accept that Vietnam does not have to withdraw all its troops at once. It can do this in two phases. Vietnam can withdraw part of its troops first and then we could negotiate and have a cease-fire. As for Heng Samrin, we did not refer to him before, but now we wish to negotiate with him and to establish a government with him. We agree to change our tripartite government into a quadripartite government. We allow the Heng Samrin group of traitors to enjoy the same rights as we do in the tripartite government to run in a free election. I cite only two examples to show that we cannot make any more concessions. This is what I have to explain. Now let His Excellency Son Sann and His Excellency Khieu Samphan make further comments.

[Son Sann] I would like to clarify that the Tripartite Coalition Government has made many concessions. Moreover, let me say that it is not because we have lost to the Vietnamese on the battlefield that we are calling for negotiations. At the present time, many of the Coalition Government's combatants have gone deep into the interior of Cambodia. Some strong units are even operating around Phnom Penh and some major cadres in Phnom Penh also side with us. However, all of us in western Cambodia sincerely want to put a speedy end to the Cambodian conflict through political negotiations in accordance with the UN resolutions. In sporting terms, the ball is now in the Vietnamese court. They must answer. We knew beforehand that they would say no. However, we still made the proposal because we firmly believe that in so doing the international community, especially the United Nations, would pass the judgment that we are right and the Vietnamese are wrong.

[Khieu Samphan] We want the world to see the historical value of the document compiled here by the CGDK cabinet meeting. First, this document is aimed at blazing the trail for a political solution to the Cambodian question, for a fair and reasonable solution. Second, this document shows the formula for Cambodia's great national union and national reconciliation after the withdrawal of Vietnamese troops from Cambodia.

[Correspondent in Chinese followed by announcer] The correspondent of RENMIN RIBAO asks: What are the special features of the 8-point proposal?

[Sihanouk] There were some mistakes in the proposal, but we worked to improve it for a peaceful settlement of the problem. This is in order to drive the Vietnamese into an impasse to deprive them of any excuses to reject our proposal and also to show our goodwill to the world, the United Nations, the international community, countries that support us, and countries that have not yet understood the misery of the Cambodian people. In our meetings in Cambodia's liberated zone, in Thailand, and in Beijing, we always held discussions to see what was still needed and we have kept adding more concessions. For this reason, in this proposal we said that since it is difficult for the Vietnamese to immediately and completely withdraw their troops as demanded by the United Nations, we agree that they can withdraw troops in two phases, pulling out part at first and keeping the rest for another withdrawal later and in the meantime holding reconciliation negotiations with Vietnam and Democratic Kampuchea in preparation for the end of the conflict. As I said just now, in the past we did not talk to Heng Samrin, but now we accept that Heng Samrin and his followers could hold talks with us and then, together, we must organize and establish a quadripartite government and free elections. These are some examples refelcting our efforts to improve our proposal to meet all the prerequisites set by Vietnam. Just as His Excellency Prime Minister Son San said, suppose Vietnam rejected this proposal. The world as a whole would support us and condemn Vietnam. Vietnam would then become more isolated and weakened. One day, then, Vietnam would be forced to negotiate to settle this problem peacefully as desired not only by us, but also by all of mankind. For the whole world, except Vietnam, the Soviet Union, and the Soviet satellites, wants to see us resolve the problems peacefully, politically.

[Correspondent] I am a correspondent of Radio Beijing. After the CGDK put forward this 8-point proposal, how many governments in the international arena have decided to support it?

[Sihanouk] Thank you for asking this question. We are very happy and satisfied with the warm reaction in the international arena to our 8-point proposal for a political, peaceful settlement of the Cambodian question. The reaction is good, especialy that of the PRC, of the ASEAN countries, and so on. Some ASEAN leaders have already expressed their feelings toward this proposal.

The international press, the newspapers in some countries, and the news agencies of some countries have also made good comments about it. They said this proposal is good and contains many new features showing that the CGDK is very flexible. We are flexible in order to find a solution to the problem. In short, all of the reaction is excellent. As for Vietnam, when first asked by the press, it said it had no knowledge of that. Later on, some Hanoi officials, not the Hanoi government officially, said they did not care and that they were not impressed. Well, beside Vietnam which is the aggressor of my country and which practices colonialism, the reaction of the majority of countries and peoples who love justice, peace, and freedom -- countries and peoples who are not necessarily our friends -- have given a good reaction to this proposal. Thank you.

[Announcer] After answering questions raised by the correspondents of Radio Beijing, television, and RENMIN RIBAO, Samdech Sihanouk answered questions of other Chinese reporters in English as follows:

[Sihanouk in English superimposed by Cambodian translation] Our proposal is fair. The leaders of our three factions have been more flexible in the settlement of the conflict between Cambodian and Vietnam. We can make no more concessions. I assure you that Cambodia in the future will be a neutral and nonaligned country and will establish relations with Vietnam. We have conceded many conditions favorable to Vietnam. In the pst, Vietnam frequently demanded that we give it assurances that we would not be a Chinese satellite. Now, we are giving assurances. It is my opinion that our proposal is approved by the people at large. Vietnam's rejection of our proposal shows its lack of sincerity. They do not keep their word, showing to the whole world that Vietnam threatens peace and stability in the world, especially in Southeast Asia, and has undermined the charter and resolutions of the United Nations. [end recording]

Commentary on SRV Position

OW211922 Beijing XINHUA in English 1901 GMT 21 Mar 86

["Commentary: Vietnam's Unjustifiable Refusal by Tang Tianri" -- XINHUA headline]

[Text] Beijing, March 21 (XINHUA) -- In a statement issued by its Foreign Ministry on March 19, Vietnam rejected the eight-point proposal put forward by the Coalition Government of Democratic Kampuchea for a political solution to the Kampuchean problem. On March 20, Vietnam repeated this point in its party paper NHAN DAN. These actions lay bare Vietnam's unjustifiable position and the arbitrary logic of an aggressor.

Acknowledging the fact that there are 180,000 to 200,000 Vietnamese occupation troops in Kampuchea, the Coalition Government in its proposal calls on Vietnam to enter into negotiations with it in order to discuss the process of withdrawing those troops. Moreover, it allows Vietnam to withdraw its forces from Kampuchea in two phases. In addition, in the spirit of fostering unity and conciliation among Kampucheans the proposal also allows for the Heng Samrin regime to join the resistance in a four-party government that would later hold free elections under the supervision of the United Nations.

With its aim of making Kampuchea an independent peaceful, neutral and non-aligned country ready to co-exist with Vietnam, the proposal is in keeping U.N. resolutions on Kampuchea and reveals the sincerity of the coalition government in its quest for a political solution to the Kampuchean problem. It is also conducive to the peace and stability of the Southeast Asia as a whole.

In the statement, the Vietnamese authorities attacked the proposal saying it is a "a comedy" aimed at "insulting Vietnam" and "hampering the rapid development of the dialogue in the region." The statement claimed that Vietnam would only recognize the Heng Samrin regime in Phom Penh and refuses to hold any negotiations with the Coalition Government of Democratic Kampuchea.

The newspaper commentary repeated once again the so-called prerequisites for withdrawal of Vietnamese troops from Kampuchea: an end to weapons supplies for the Democratic Kampuchean resistance forces, the closing of all "refugee camps" in Thai territory, and the end of "foreign interference in the internal affairs of Kampuchea.

All these showed that Vietnam has no intention at all to withdraw its troops from Kampuchea, and no sincerity in seeking a political solution to the Kampuchean problem.

The new proposal has received wide support and respect from just and peace-loving countries, while the Vietnamese refusal of the plan goes completely against the wish of the world's people for peace.

SRV's 'Stubborn Stand'

BK210408 Beijing in Cambodian to Cambodia 1030 GMT 20 Mar 86

[Ya Ming commentary: "The Vietnamese Authorities' Stubborn Stand in Adhering to the Aggression Has Been Laid Bare"]

[Text] On 19 March, the Vietnamese authorities rejected the reasonable proposal for a political settlement of the Cambodian problem offered by the CGDK. This rejection clearly shows that the Vietnamese authorities still stubbornly adhere to their stand of clinging on to an armed aggression against Cambodia and lack the good intention to solve the Cambodian problem through peaceful means.

The Cambodian problem is one of the hot spots in the current international situation. Vietnam's aggression against Cambodia has destroyed Cambodia's peace and security and posed a grave threat to peace and stability in Southeast Asia and the Asia-Pacific region. To get rid of this heat, the world community hopes for a political settlement of the Cambodian problem as soon as possible. The resolution demanding the withdrawal of Vietnamese troops from Cambodia which was adopted at every UN General Assembly in the past years and the declaration of the International Conference on Kampuchea held in 1981 have proposed correct measures for political settlement of the Cambodian problem. The CGDK's proposal for a political solution to the Cambodian problem made on 17 March is fully in accord with the spirit of these international documents. This proposal calls on Vietnam to negotiate with the CGDK in order to discuss the withdrawal of Vietnamese troops from Cambodia. The proposal also states that the total withdrawal of Vietnamese may be done in two phases within a definite period of time; after the first phase of the Vietnamese troops withdrawal, Heng Samrin and his faction begin negotiations with the tripartite CGDK in order to set up a quadripartite coalition government of Cambodia with Samdech Norodom Sihanouk as president and His Excellency Son Sann as Prime Minister in conformity with the spirit of the great national union and national reconciliation. This clearly indicates the CGDK's opposition to war and its desire for peace. It also displays the CGDK's sincerity in seeking a political settlement for the Cambodian problem. This is a fair offer to Vietnam.

According to a REUTER correspondent, diplomats believed that it would be difficult for Hanoi to promptly reject this CGDK proposal But the Vietnamese authorities are more obstinately clinging to their aggression than anyone had expected. Hanoi promptly rejected this proposal.

This obstinate behavior of the Vietnamese authorities has convinced others that Vietnam's repeated statements in the past that it was willing to seek a political settlement to the Cambodian problem were just lies.

During the past years, the Vietnamese authorities repeatedly declared that to solve the Cambodian problem through political means, it is necessary to eliminate the DK resistance forces. They wanted to use this means for political settlement of the Cambodian problem as a tool to sow discord among the tripartite patriotic forces and preserve their aggression against Cambodia as a fait accompli. But his Vietnamese maneuver has failed. The CGDK Cabinet meeting held recently in Beijing has fully displayed the unity of the tripartite patriotic forces. The press communique of the CGDK cabinet meeting clearly indicated that as long as Vietnam refuses to negotiate with the tripartite CGDK to settle the Cambodian problem by political means, the CGDK will continue to carry on resolutely its unswerving patriotic struggle against the Vietnamese aggressors. To advance the struggle more effectively and progressively, the cabinet has decided to set up a military coordination committee to enhance military cooperation among the resistance forces of the three parties on the battlefield. With the broad support and sympathy of the international community, their just struggle will certainly be crowned with final victory.

CGDK Plan 'Fair and Reasonable'

HK220634 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 22 Mar 86 p 6

[Commentator's article: "Fair and Reasonable Proposal"]

[Text] On 17 March, at the cabinet meeting presided over by Prince Norodom Sihanouk, chairman of the Coalition Government of Democratic Kampuchea, which was held in Beijing, the three sides of the coalition government, after sufficient discussions, unanimously agreed and jointly put forward an 8-point proposal on the political settlement of the Cambodia question. The meeting fully showed the unity of the three sides of the Coalition Government of Democratic Kampuchea and expressed the will and wishes of the Cambodian people to oppose the aggressive war, win national independence and seek peace. It was a meeting of great historical significance. The proposal put forward by the Coalition Government of Democratic Kampuchea has won support from the ASEAN countries and the concern of all the countries in the world.

The 8-point proposal on the political settlement of the Cambodia question put forward by the Coalition Government of Democratic Kampuchea is not only fair but also reasonable. It has expressed the sincerity of the Coalition Government of Democratic Kampuchea in seeking a political settlement of the Cambodia question. The proposal called on the Vietnamese Government to hold negotiations with the Coalition Government of Democratic Kampuchea on the process of the withdrawal of the Vietnamese troops from Cambodia, which is a most practical step forward to solve the Cambodia question. The main problem in the Cambodia question is Vietnam's invasion of Cambodia. Only when the Coalition Government of Democratic Kampuchea, which is now leading the Cambodian people in their fight against the Vietnamese aggressors for their national independence, and the Vietnamese authorities, which are directly involved in the Cambodia question, sit together and negotiate, will the Cambodia question be solved. That Vietnam withdraws all its troops from Cambodia is the key to the settlement of the Cambodian question and is the strong demand and wish of the international community and the people of all the countries in the world. In its 8-point proposal, the Coalition Government of Democratic Kampuchea suggested that Vietnam withdraw its troops in two stages. This suggestion is a new effort made by Democratic Kampuchea to solve the Cambodia question.

The proposal also suggested that after the first stage of Vietnam's troop withdrawal from Cambodia is completed, the Heng Samrin regime be allowed to participate in negotiations with the Coalition Government of Democratic Kampuchea so as to form a quadripartite coalition government headed by Prince Norodom Sihanouk as the head of state and Son Sann as the prime minister in the spirit of national reconciliation. The four forces in Cambodian will all have their respective right to become a political force in Cambodia.

Vietnam is the aggressor and Cambodia is the victim of aggression. The Heng Samrin regime is a puppet regime forced upon the Cambodian people by the Vietnamese authorities, which has not been recognized by the international community. The Cambodian people have the absolute right to demand an immediate, unconditional, and total withdrawal of Vietnamese troops from Cambodia and the absolute right to refuse to allow the Heng Samrin regime to participate in the process of the national reconciliation. However, the proposal put forward by the three sides of the Coalition Government of Democratic Kampuchea has proceed from reality and taken into account the overall situation and is aimed at seeking unity of the nation and national reconciliation. The proposal has shown the generosity of the Coalition Government of Democratic Kampuchea.

The proposal put forward by the Coalition Government of Demoractic Kampuchea reaffirmed that the future Cambodia will be an independent country with territorial integrity, and a free, democratic, peaceful, neutral and nonaligned country with no foreign troops stationed there. The proposal also agrees that Cambodia will sign a peace and non-aggression pact with Vietnam, peacefully get along with Vietnam, and establish economic and trade relations with Vietnam. All these have fully shown that Democratic Kampuchea proceeds from the fundamental interests of the nation in seeking a settlement for the Cambodian question, and is generous and realistic without forcing anything upon any one in seeking a settlement to the Cambodia question. The proposal shows the sincerity of Demoractic Kampuchea in seeking a political solution to the Cambodia question.

However, although the Vietnamese authorities have repeatedly expressed their willingness to seek a political solution to the Cambodia question and widely publicize their sincerity in holding "negotiations" and "dialogues", they attack the 8-point proposal put forward by the Coalition Government of Demoractic Kampuchea as "not worth considering" and refused the proposal without carefully studying it as soon as the proposal was put forward. The Vietnamese authorities also issued statements attacking the reasonable proposal and terming the proposal as a measure to "stop the dialogue" and a "farce" and so on. All these have thoroughly exposed the fact that the Vietnamese authorities are not sincere in seeking a political solution to the Cambodia question. The "negotiations" and "dialogues" widely publicized by the Vietnamese authorities are nothing but deceitful "political tricks."

The Cambodia question is not only a question concerning Cambodia, but a question concerning peace and safety in Southeast Asia and the Asia-Pacific region. So the Cambodia question has aroused the concern of the international community. The United Nations has passed a resolution concerning the Cambodia question with an overwhelming majority, expressing the wish of the people of all the countries in the world to seek a resonable solution to the Cambodia question. The 8-point proposal put forward by the Coalition Government of Democratic Kampuchea conforms with the wishes of the people of all the countries in the world, so it will surely win more and more support in the international community.

The Chinese Government sets a high value on the 8-point proposal put forward by the Coalition Government of Democratic Kampuchea and thinks that the proposal is a fair-sighted policy for eliminating the hot spot of war in Southeast Asia and for easing the tension in Southeast Asia and seeking peace and stability in the region. We firmly support the strenuous efforts made by the Coalition Government of Democratic Kampuchea in seeking a political solution to the Cambodian question. However, if the Vietnamese authorities continue to carry out their stubborn policy of aggression towards Cambodia, the Chinese Government and people will, as they have done in the past, support the Cambodian people's just struggle in saving their country until it achieves the final victory. This is the firm stance taken by the Chinese Government and people.

Plan Shows 'Political Unity'

LD220329 Beijing XINHUA in English 1830 GMT 21 Mar 86

[Text] Bangkok, March 21 (XINHUA) -- Two top Kampuchean resistance leaders said today that the recent eight-point proposal for a political settlement of the Kampuchean problem which was put forward by the Coalition Government of Democratic Kampuchea (C.G.D.K.) demonstrated the political unity and unanimity of the tripartite government.

C.G.D.K. Prime Minister Son Sann and Vice-President of Democratic Kampuchea Khieu Samphan made the statement in an exclusive interview with XINHUA after a recent meeting of the Council of Ministers of C.G.D.K. in Beijing. They pointed out that Vietnam's quick rejection of the proposal only proved that Vietnam is not sincere when it says it desires peace.

Prime Minister Son Sann said that the C.G.D.K. Armed Forces did quite well on the battlefield this year but they want to find a political solution to the Kampuchean problem by giving Vietnam a chance to solve the problem politically, through negotiations. Vice-President Khieu Samphan stated that the eight-point proposal was a result of the efforts made by the three-party coalition government under the leadership of Samdech Norodom Sihanouk and of their united struggle against the Vietnamese aggressors. The C.G.D.K. will stick to the proposal and fight in line with the proposal, he said.

Khieu Samphan also said that the protracted war was harmful to Vietnam and an immediate and reasonable solution would be good for Vietnam. He called on the Vietnamese people to join the Kampucheans in their search for a solution to the Kampuchean problem, so that the friendly ties between them can be restored. He also disclosed that the C.G.D.K. has decided to set up a military coordination committee and a committee for press and information.

Thailand Welcomes Proposal

OW211442 Beijing XINHUA in English 1433 GMT 21 Mar 86

[Text] Bangkok, March 21 (XINHUA) -- The Thai Foreign Ministry said here today that the eight-point proposal offered by the Coalition Government of Democratic Kampuchea on March 17 is "reasonable, equitable and not difficult to accept."

Foreign Ministry spokesman Saowanit Khongsiri told a news conference that the proposal seeks to arrive at a fundamental solution to the Kampuchean problem: Vietnam withdraws all its troops from Kampuchea and let the Kampuchean people decide their own destiny and choose their leaders through free elections. He pointed out, "In its proposal, Democratic Kampuchea suggests that on condition of total withdrawal, Vietnam may pull out its troops from Kampuchea in phases and that four factions, including Heng Samrin, should all take part in seeking a solution to the Kampuchean problem."

"The proposal itself proves that it was adopted by the Coalition Government of Democratic Kampuchea free from outside interference," he added.

Saowanit said, "Vietnam has turned down the proposal of the Coalition Government of Democratic Kampuchea but people will recognize that the Vietnamese rejection is totally unjustifiable." Vietnam's stand proves that it is not willing to pull its troops out of Kampuchea but wants to control the whole of Indochina, Saowanit added.

LI YIMANG MEETS AUSTRALIAN LABOR PARTY MEMBERS

OW211302 Beijing XINHUA in English 1227 GMT 21 Mar 86

[Text] Beijing, March 21 (XINHUA) -- Li Yimang, president of the Association for International Understanding of China, met with an Australian Labor Party members delegation at the Great Hall of the People here this evening. After the meeting, Li, also a standing committee member of the Central Advisory Commission of the Chinese Communist Party, gave a banquet for the delegation led by Jack Slater, member of parliament, South Australia. The delegation arrived in Beijing yesterday as guests of the Chinese Association for International Understanding and will tour Xian, Shanghai and Guangzhou during its stay in China.

CULTURAL DELEGATION ENDS AUSTRALIA TOUR

OW231332 Beijing XINHUA in English 1316 GMT 23 Mar 86

[Text] Canberra, March 23 (XINHUA) -- Chinese Cultural Minister Zhu Muzhi left Sydney for home today at the head of a five-member government cultural delegation, after a 12-day visit to Australia. During his stay in Canberra, Zhu held talks with Barry Cohen, minister of arts, heritage and environment, on promotion of cultural exchanges between the two countries. He also met with John Brown, minister for sport, recreation and tourism.

Besides Canberra and Sydney, the Chinese delegation also toured Perth, Adelaide and Melbourne, visiting cultural institutions, museums, schools and arts centers. The delegation visited the Philippines before coming to Australia. It was the first foreign delegation to visit the Philippines since President Corazon Aquino assumed office.

PRC DIPLOMAT IN LIAOWANG ON SINO-UK COOPERATION

OW221250 Beijing XINHUA in English 1236 GMT 22 Mar 86

[Text] Hong Kong, March 22 (XINHUA) -- The satisfactory results of the recent meeting of the Sino-British Joint Liaison Group showed that close cooperation between China and Britain for maintaining Hong Kong's prosperity and stability is imperative. This remark was made by Ke Zaishuo, director of the Hong Kong and Macao Affairs Office of the Chinese Foreign Ministry, in an interview here, which is carried in the latest issue (no. 12) of the overseas edition of the Chinese magazine "OUTLOOK WEEKLY".

He said the liaison group had finished its first "cycle" of work by holding meetings in London, Beijing and Hong Kong respectively.

The Joint Liaison Group was established in accordance with the Sino-British Joint Declaration on Hong Kong's future for ensuring a smooth transfer of government in 1997 and for the effective implementation of the joint declaration.

Ke was head of the Chinese delegation to the third meeting held here between March 11 and 14.

The third meeting achieved its good results on the basis of its previous meetings, which were also successful, he said. He added that both the Chinese and British representatives were satisfied with the achievements of the meeting and Hong Kong's public opinion also showed good repercussion. Ke recalled that the two sides had at the third meeting reached an identity of views on how to ensure the continued participation of Hong Kong as a special administrative region in the GATT (General Agreement on Tariffs and Trade).

The two sides also reached agreement on the terms of a right of abode endorsement which will be born as a note on the travel documents of Hong Kong residents. Ke said the Chinese delegates to the Liaison Group are willing to cooperate with their British counterparts and seek feasible solutions by taking flexible measures so long as the principle of sovereignty is observed and Hong Kong's needs and prosperity and stability are taken into consideration. If there lacked full consultation and cooperation between the two sides, he said, there would be no such achievements. Only through mutual understanding, accommodation and trust can the two sides maintain their friendly cooperation, he said.

The satisfactory solution to a few difficult and delicate problems at the group meetings, he said, not only showed the progress of the group's work but also indicated that the tasks contained in the Sino-British Joint Declaration can certainly be fulfilled. The tasks include maintaining Hong Kong's prosperity and stability, making Hong Kong's current social and economic systems as well as life style remain unchanged and retaining Hong Kong's status of free port, separate customs territory and international financial center.

Ke said that the Chinese and British joint effort to maintain Hong Kong's prosperity and stability through close cooperation is in accordance with the two countries' basic interests and all the liaison group's work serves the long-term and basic interests of the Hong Kong residents. China and Britain will cooperate not only during the transitional period of Hong Kong but also in the years after 1997, he noted.

HONG KONG, U.S. END TEXTILE TRADE TALKS

OW211152 Beijing XINHUA in English 1115 GMT 21 Mar 86

[Text] Hong Kong, March 21 (XINHUA) -- The two-day talks between Hong Kong and the United States on Hong Kong's textile exports ended here Thursday with little results, according to a Hong Kong trade department spokesman. Commenting on the talks, the spokesman said that the U.S. side had explained the problems as they saw them posed by the imports of MFA (the Multi-Fiber Arrangement) and non-MFA products, and had proposed a more restrictive regime based overall on 1985 trade levels.

In response, the Hong Kong side had queried the rationale for selecting Hong Kong for specially restrictive treatment. They stressed that based on past statistics, Hong Kong's contribution to the increase in the U.S.'s MFA imports over the period 1981-85 was only four percent. Moreover, 95 percent of Hong Kong's MFA apparel exports to the U.S.A. were already under specific quota limits, with very low growth rate averaging about one percent. The Hong Kong side also made it clear that such a regime would be incompatible with the progressive liberalization in textiles being sought in the MFA negotiations, and with the aims of the proposed new GATT (the General Agreement on Tariffs and Trade) round of multilateral trade negotiations, the spokesman said. Nor was it compatible with the 1982-87 bilateral textiles agreement between Hong Kong and the United States, he added. Both sides indicated their willingness to continue a dialogue on how the MFA negotiation and any associated bilateral problems could be brought to a satisfactory conclusion, he said.

DANISH PRIME MINISTER BEGINS OFFICIAL VISIT

OW221922 Beijing XINHUA in English 1446 GMT 22 Mar 86

[Text] Stockholm, March 22 (XINHUA) -- Danish Prime Minister Poul Schlueter left Copenhagen this morning for China for a week's visit at the invitation of Chinese Premier Zhao Ziyang. Schlueter will discuss the international situation and bilateral relations, particularly economic cooperation, with Chinese leaders.

Schlueter's delegation includes nine entrepreneurs. Chinese Charge d'Affairs to Denmark Yang Xiu was among those who saw Schlueter off at the airport.

Arrives in Beijing

OW230830 Beijing XINHUA in English 0821 GMT 23 Mar 86

[Text] Beijing, March 23 (XINHUA) -- Danish Prime Minister Poul Schlueter arrived here by air this afternoon for a week long official visit to China at the invitation of Premier Zhao Ziyang. Prime Minister Schlueter will confer with Chinese leaders on international issues of common interest and bilateral relations. Accompanying him on the visit are Mme. Lisbeth Schlueter, high ranking government officials, industrialists and entrepreneurs.

Schlueter and his party were greeted at the airport by Cui Naifu, chairman of the Chinese Government Reception Committee and minister of Civil Affairs, Zhou Nan, vice foreign minister, as well as Danish Ambassador Arne Belling. Premier Zhao Ziyang will preside over the welcoming ceremony for the Danish guests tomorrow.

Welcomed by Zhao, Wu

OW240216 Beijing XINHUA in English 0209 GMT 24 Mar 86

[Text] Beijing, March 24 (XINHUA) -- China welcomed Danish Prime Minister Poul Schlueter with a 19-gun salute and cheers by 300 youngsters. Schlueter arrived here yesterday for a week-long official visit to China as the guest of Premier Zhao Ziyang.

Zhao presided over today's welcoming ceremony at the Plaza East to the Great Hall of the People where the national flags of China and Denmark fluttered. As the Danish prime minister accompanied by Minister of Civil Affairs and Chairman of the Chinese Government's Reception Committee Cui Naifu, came to the plaza, Premier Zhao stepped forward to shake hands with him and exchanged greetings. Two children presented the prime minister and his wife with bouquets.

At about 8:35 hours cannons boomed a 19-gun salute as Schlueter and Zhao stood at attention for their national anthems and then reviewed a guard of honor formed by the three services of the People's Liberation Army. Present on the occasion were State Councillor and Minister of Foreign Affairs Wu Xueqian and leading members of various government departments. Later Zhao and Schlueter entered the Great Hall of the People and had a cordial talk there.

Zhao, Schlueter Hold Talks

OW241004 Beijing XINHUA in English 0952 GMT 24 Mar 86

[Text] Beijing, March 24 (XINHUA) -- Premier Zhao Ziyang and Danish Prime Minister Poul Schlueter met here today, and expressed satisfaction over the development of trade and co-operation between their countries. They reached broad agreement on a wide range of international issues and on ways of expanding bilateral relations.

During the talks, Zhao said tension in East-West relations had relaxed to some degree following the U.S.-Soviet summit. China welcomed this. However, the two superpowers had made no progress on key issues, and had not changed their attitudes towards their rivalry for military superiority. China welcomed the willingness expressed by the United States and the Soviet Union to reduce nuclear arms drastically. "However, since they still have great differences, we demand that they carry out serious negotiations and reach a real agreement, drastically reducing nuclear weapons, without sacrificing the interests of any third country," he added.

Zhao warned there was a danger the arms race would escalate, and said China opposed the militarization of space. "Although the danger of war still exists, we are not pessimistic because the forces for world peace are also growing." he said. He believed that through the common efforts of peoples of all countries, world peace could be maintained. Hearing Schlueter's remark that both China and West Europe were playing important roles in world affairs, Zhao said that the strengthened co-operation between a China pursuing an independent policy and a united and powerful West Europe with its destiny in its own hands could act as a strong factor in the promotion of world peace and stability.

Turning to Kampuchea, Zhao said China supported the recent proposal of the Coalition Government of Democratic Kampuchea for a political solution to the troubles there. Their "reasonable" proposal demonstrated the Coalition Government's sincerity, and would also test the Vietnamese authorities' sincerity about a political solution in Kampuchea. Zhao spoke highly of the Danish Government's "just demands" for the withdrawal of foreign troops from Kampuchea and Afghanistan.

Both men expressed the wish to expand friendly co-operation between their countries, and agreed there was great potential. Zhao said it was China's policy to develop trade and economic and technical co-operation with West European countries. Schlueter replied that he was proud of the great importance China attached to developing relations with his country. Denmark was willing not only to exchange products with China, but also to work together with China to explore new fields of co-operation. Chinese State Councillor and Foreign Minister Wu Xueqian and Minister of Civil Affairs Cui Naifu were present at the meeting.

LI PENG MEETS FRG'S GAES PRESIDENT, DELEGATION

OW221154 Beijing XINHUA in English 1140 GMT 22 Mar 86

[Text] Beijing, March 22 (XINHUA) -- Chinese Vice-Premier Li Peng met with Hansgerd Schulte, president of the German Academic Exchange Service (GAES), and his party here this afternoon.

Li Peng, who is also minister in charge of the State Education Commission, praised Schulte and his service for having contributed to exchanges and cooperation in education between China and Federal Germany. The vice-premier welcomed Schulte to China to attend the academic symposium of former GAES scholarship students of China.

Among those present on the occasion was He Dongchang, vice-minister of State Education Commission. Schulte and his party attended the opening ceremony of the symposium here this morning, which was sponsored jointly by the State Education Commission and the GAES.

LI XIANNIAN CONTINUES 5-NATION ASIA-AFRICA TOUR

Cables Thanks to Mubarak

OW212317 Beijing XINHUA Domestic Service in Chinese 1411 GMT 21 Mar 86

[By reporter Gu Zhenglong]

[Excerpt] Lauxor, 21 March (XINHUA) -- Before his departure from Egypt, President Li Xiannian cabled a message of thanks to President Mubarak. The message said: "During the visit, we have personally experienced the profound feelings of the Egyptian people for the Chinese people. We were deeply impressed with the sincere, friendly, and fruitful talks between Your Excellency and myself, the beautiful scenery and cultural relics of your country, and the enthusiasm of the Egyptian people in building their motherland. I am convinced that the friendly cooperation between China and Egypt is entirely in line with the interests of the peoples of the countries as well as conducive to safeguarding world peace."

Departs Egypt for Somalia

OW211238 Beijing XINHUA in English 1218 GMT 21 Mar 86

[Text] Luxor, Egypt, March 21 (XINHUA) -- Chinese President Li Xiannian and his entourage left here for Mogadishu at noon today after concluding a five-day state visit to Egypt. Seeing them off at the airport were Egyptian Minister of State for Foreign Affairs Butrus Ghali and his wife, Governor 'Abd al-Halim Sa'di of Qina Province, Egyptian Ambassador to China Ahmad Salim and Chinese Ambassador to Egypt Wen Yezhan.

During his visit in Egypt, President Li Xiannian held talks with Egyptian President Mubarak and made an important speech at the joint meeting of the Egyptian People's Assembly and the Shura Council. He also attended together with Egyptian President Mubarak the ceremony of laying the foundation stone for the China-funded "Cairo International Conference Centre." Before his official visit to Cairo, President Li stayed in Egypt's port city of Alexandria for a three-day relaxation and visited some historic sites.

Arrives in Mogadishu

OW211448 Beijing XINHUA in English 1440 GMT 21 Mar 86

[Text] Mogadishu, March 21 (XINHUA) -- President Li Xiannian of China arrived here today at 17:15 local time (GMT 14:15) on a three-day state visit, the first by a Chinese head of state to Somalia. Somalia is the fourth leg of President Li's five-nation Asian and African tour, which will also take him to Madagascar. The 77-year-old Li Xiannian has already visited Bangladesh, Sri Lanka and Egypt.

President Li's visit is aimed to "promote mutual understanding and friendship, and enhance solidarity and cooperation" between the two countries. During his stay in Somalia, President Li is scheduled to exchange viewpoints with President Siad on bilateral relations and international issues of mutual interest. President Siad will host a banquet for the Chinese guests later in the evening. China and Somalia established diplomatic relations in 1960.

Greeted on Arrival

OW211843 Beijing XINHUA in English 1830 GMT 21 Mar 86

[Text] Mogadishu, March 21 (XINHUA) -- Chinese President Li Xiannian arrived here this afternoon for a three-day state visit on the fourth leg of a five-nation Asian and African tour.

Li, 77, the first Chinese head of state to visit Somalia, arrived at the Somali airport from Luxor, Egypt, where he had made a one day stopover.

The president was warmly greeted at the airport by Somali President Mohamed Siad Barre, the First Vice President Mohamed Ali Samantar, Second Vice President Hussein Kulmie Afrah and other high ranking government officials. The Chinese president said in an arrival statement that there exists a time-honored traditional friendship between China and Somalia. "Through my current visit our friendly relations and cooperation will further develop on the present basis," he said.

On his way to the State House, where Li will stay during the visit, the Chinese president laid a wreath at the Dhagahtuur "stone-throwing" monument, which commemorates the struggle for Somalia's national independence in 1949. The Chinese president is expected to hold talks with his counterpart on bilateral and international issues of common concern, and an agreement on loans provided by China to Somalia will be signed during the visit.

Receives Embassy Staff

OW230609 Beijing XINHUA Domestic Service in Chinese 0225 GMT 22 Mar 86

[Text] Mogadishu, 21 Mar (XINHUA) -- President Li Xiannian, in Somalia for a state visit, received embassy staff members and representatives of Chinese experts in Somalia at the Chinese Embassy this evening and had a group photo taken to mark the occasion.

Visits Mogadishu Stadium

OW221704 Beijing XINHUA in English 1645 GMT 22 Mar 86

[Text] Mogadishu, March 22 (XINHUA) -- Visiting Chinese President Li Xiannian was given a warm welcome this morning when he visited the Mogadishu Stadium and a revolutionary youth center at Afgooye in the suburbs of Mogadishu. President Li came to the stadium, which was built from 1975 to 1977 jointly by the two countries, at 10:15 a.m. together with President Siad Barre. Hundreds of young people cheered and danced outside of the stadium to express their warm welcome to the visiting Chinese president. Young people beat drums and shouted in rhythm "welcome, welcome" in Chinese.

An official from the Ministry of Labour and Sports told President Li that the stadium is a vivid symbol of the friendship between the two countries. The stadium can accommodate 30,000 spectators with a tournament ground and grounds for track and field, football, basket-ball, volley-ball and tennis.

After his visit to the Mogadishu Stadium President Li proceeded to the revolutionary youth center at Afgooye, 30 kilometers of the city. Thousands of young people waited at the roadside to welcome the visiting Chinese president. The youth center is a welfare organization run by the Somali Government to give education to orphans and children from poor families. At noon President Barre gave a luncheon at Afgooye in honor of President Li and his party. Somali artists performed folk dance under the shadow of trees for the Chinese guests. First Vice President Mohamed Ali Samantar and Second Vice President Hussein Kulmie Afrah were present on the occasion.

Li, Siad Barre Hold Talks

OW230357 Beijing XINHUA Domestic Service in Chinese 1806 GMT 22 Mar 86

[By reporters Zhu Shaohua and Teng Wenqi]

[Text] Mogadishu, 22 Mar (XINHUA) -- PRC President Li Xiannian and Somali President Siad Barre held official talks this morning at the People's Hall in Mogadishu. At the beginning of the talks, President Siad Barre extended a warm welcome to President Li on his visit to Somalia. For years, he said, Somalia has all along felt that China is a friend at all times, and the people rejoice heartily at President's Li's visit.

President Li said: China and Somalia are very friendly countries. The Chinese Government and people are happy to see that the Somali Government and people have striven ceaselessly to find a road of development suited to their national conditions; have made unremitting efforts to overcome natural disasters, promote economic growth, and improve the people's living standards; and have achieved gratifying results in this regard. President Li continued: In international affairs, the Somali Government pursues a nonalignment policy; opposes imperialism, colonialism, racism, and power politics; supports the southern African and Arab people in their just struggles; and stands for the establishment of a new international economic order. It has made valuable contributions to safeguarding the Third World's rights and interests as well as global peace. China expresses admiration and appreciation for this.

President Li thanked President Siad Barre and the Somali Government and people for their warm welcome. He said that President Siad Barre is the Chinese people's old friend, who has always worked for the development of friendly relations between the two countries. President Li added: "The purpose of my current visit is to see the old friend and to exchange views with the president on bilateral relations and on international issues of common concern. I am confident that this visit will help develop the friendly and cooperative relations between our two countries and the friendship between our two peoples."

After the talks between President Li and President Siad Barre, Chinese State Councillor Chen Muhua and Somali Foreign Minister Jama Barre carried out their talks. During the talks, both sides expressed satisfaction with the identity of their views on a wide range of major international issues and with the smooth development of their bilateral relations of friendship and cooperation. Both sides said that they would make joint efforts to further expand and step up the economic and technical cooperation between the two countries.

Chinese Vice Minister of Foreign Economic Relations and Trade Lu Xuejian and Somali Vice Minister of National Planning Yusuf Ali Usman conducted specific consultations on questions concerning bilateral economic and technical cooperation. The talks proceeded in a sincere and friendly atmosphere. Others attending the talks on the Chinese side were Vice Foreign Minister Qi Huaiyuan, Assistant Foreign Minister Tang Longbin, and Chinese Ambassador to Somalia Shi Chengxun. Attending the talks on the Somali side were First Vice President and Minister of Defense Samantar, Second Vice President and Minister of National Planning Kulmie Afrah, Minister of Juba Valley Development Habib Ahmed, Minister in the President's Office Ahmed Addou, and Minister of State for Foreign Affairs Ali Hamid.

Siad Barre Hosts Banquet

OW222050 Beijing XINHUA in English 2029 GMT 22 Mar 86

[Text] Mogadishu, March 22 (XINHUA) -- Somali President Mohamed Siad Barre today described the current visit to Somalia by Chinese President Li Xiannian as "a historic occasion for the development of Sino-Somali relations."

Speaking at a state banquet in honor of the Chinese president, who is the first Chinese head of state to visit Somalia, President Siad Barre noted that there is no easing of tensions in the current world situation and said the responsibility for world peace and security lies with the big powers, especially the nuclear powers. He said that Somalia welcomes the resumption of U.S.-Soviet arms reduction talks and "urges them to save the world from nuclear holocaust which is becoming ever more real day after day."

Referring to the problem of the Horn of Africa, he said the leaders of Somalia and Ethiopia have recently met in Djibouti to define the basic differences between the two countries and to recommend solutions to those differences, which should take into consideration the rights and aspirations of all parties. He condemned the South African authorities for their illegal occupation of Namibia and for their arrogant obstruction of Namibia's independence. "The international community should take all possible steps, including the strict application of mandatory economic sanctions against the apartheid regime," he said.

The Somali president called for the withdrawal of all foreign forces from Afghanistan and Kampuchea so that their peoples could determine their own future without outside interference. On the Middle East question, Siad Barre pointed out, "There can be no peace in the Middle East without Israeli withdrawal from all occupied Arab territories, including the holy city of Jerusalem, and without the realization of the rights and aspirations of the Palestinian people."

Chinese President Li said in his reply that "Peace and development are where the interests of the people of the world lie. To pursue development in peace and promote peace with development has become an irresistible trend of history." Li spoke highly of the position taken by the 21st Organization of African Unity (OAU) summit -- to strengthen through unity -- and believed that with wide-spread support of the international community, the African countries will surely make steady progress in their efforts to restore and develop their economy. Li said Sino-Somali friendship has stood the test of time and is full of vitality. China is ready to constantly explore and open up new fields of cooperation on the basis of equality and mutual benefit. He said, "Through the efforts of both parties, our friendly relations and cooperation will surely bear still richer fruit."

The Chinese president arrived here yesterday for a four-day state visit, the fourth leg of his current five-nation Asian and African tour, which has taken him to Bangladesh, Sri Lanka and Egypt. He will leave for Madagasgar next Monday.

The visiting president was speaking at a banquet given in his honor by Somali President Mohamed Siad Barre. Li Xiannian, who arrived here for a four-day visit to Somalia, expressed his thanks to President Mohamed Siad Barre and the Somali Government and people for their warm welcome and hospitality. In his speech he traced Sino-Somali traditional friendship back to the mid-15th century when the famous Chinese navigator Zheng He sailed across vast oceans and visited Somalia several times. He said that after the establishment of diplomatic relations between the two countries, the then Chinese Premier Zhou Enlai paid a visit to Somalia and President Mohamed Siad Barre also visited China twice, thus laying a solid foundation for the smooth development of Sino-Somali friendly relations and cooperation. Referring to Somalia's development and progress, Li Xiannian said that the Somali Government and people have made "unremitting efforts in overcoming natural disasters, promoting economic development and improving the living standards of the people and have achieved gratifying results."

On international affairs, he said, Somalia has pursued a policy of non-alignment, opposed imperialism, colonialism and racism, supported the just struggles of the southern African and Arab peoples, stood for the establishment of a new international economic order and done much useful work for safeguarding the Third World's rights and interests and world peace. Li Xiannian said that China has firmly pursued an independent foreign policy of peace, opposed hegemonism of all descriptions and worked to establish or develop normal relations with various countries on the basis of the five principles of peaceful coexistence. "We will, as always, strengthen unity and cooperation with other Third World countries, support the African people in their struggle against racism practised by the South African authorities, and support the just struggle of the people of other countries," he added.

He noted that the 21st OAU summit meeting has listed the resolving of Africa's economic difficulties as a major agenda item and adopted appropriate resolutions to this end. He believed that the African countries, with the support of the international community, will surely make steady progress in their efforts to restore and develop their economy, making still greater contributions to world peace and development.

Further Talks Held

OW231206 Beijing XINHUA in English 1126 GMT 23 Mar 86

[Text] Mogadishu, March 23 (XINHUA) -- Visiting Chinese President Li Xiannian and Somali President Mohamed Siad Barre discussed here this morning the further development of cooperative and friendly relations between the two countries.

According to a reliable source close to the Chinese president, the two presidents in their about one-hour talks at the Villa Somalia also touched upon international issues of common concern, but he gave no details. The source said that the talks proceeded in a "cordial and pleasant" atmosphere.

Li, Siad Barre Visit Projects

OW231552 Beijing XINHUA in English 1430 GMT 23 Mar 86

[Text] Mogadishu March 23 (XINHUA) -- Chinese President Li Xiannian visited a hospital and a university here this morning in the company of Somali President Mohamed Siad Barre. At 10:15 a.m. President Li Xiannian arrived at the Benadir Maternity Hospital from his residence, Villa Somalia. Hundreds of people including members of the Chinese medical team working there, welcomed him at the gate.

Presidents Li Xiannian and Siad Barre broke the ground and laid a foundation stone in the compound for the extension project of the hospital, which was inscribed with words "this hospital is a symbol of friendship between the Chinese people and the Somali people." Built in 1977 with Chinese assistance, this hospital has departments of maternity, internal medicine, pediatrics and surgery. At present the hospital has 300 beds and will have 120 more beds after extension. After touring the hospital the two presidents proceeded to the faculty of political science of the Somali National University which was built by a contracted Chinese construction company and completed in 1985.

Agreements Signed

OW231909 Beijing XINHUA in English 1856 GMT 23 Mar 86

[Text] Mogadishu, March 23 (XINHUA) -- An agreement on Sino-Somali cooperation in economics and technology was signed here this afternoon at the People's Hall after the conclusion of talks between visiting Chinese President Li Xiannian and Somali President Mohamed Siad Barre. An official of the Chinese Foreign Ministry told XINHUA that the two sides in their talks had identical or similar views on major international issues. "The relations of cooperation and friendship between the two countries are developing. Both sides are satisfied with the results of their talks," he noted.

In the talks President Li once again expressed his thanks to president Siad Barre, the Somali Government and people for their warm welcome and hospitality, the official added. The agreement was signed by State Councillor of China Chen Muhua and Somali Foreign Minister Abdurahman Jama Barre on behalf of their respective governments. After the signing ceremony Chen and Jama Barre exchanged notes on the granting to Somalia of 20,000 suits of children clothes by China. Chinese officials present at the talks and signing ceremony were Deputy Foreign Minister Qi Huaiyuan and Deputy Minister of Economy and Trade Lu Xuejian. Attending on the Somali side were Second Vice-President Hussein Kulmie Afrah and Minister of Information and National Guidance Mohamed Omar Jess.

Li Television Interview

OW231956 Beijing XINHUA in English 1943 GMT 23 Mar 86

[Text] Mogadishu, March 23 (XINHUA) -- China welcomes and supports the recent meeting of Somali President Siad Barre and Ethiopian head of state Chairman Mengistu on the peaceful resolution of their conflicts. This statement was made here today by visiting Chinese President Li Xiannian in an interview with Somali television reporters. Li said that their meeting would certainly help the cause of peace and stability in the Horn of Africa.

In a reply to a question about China's views on the situation in southern Africa, the Chinese president stated, "the stand of the Chinese Government on the problems in southern Africa has always been consistent. We support resolutely the just struggles of the Namibian people for independence and the South African people against apartheid." He said "we have always believed that the South African authorities should abandon their system of apartheid and policy of destabilizing their neighbours, end their illegal occupation of Namibia and implement Resolution 435 of the U.N. Security Council." "We hope that the international community will adopt effective measures and exert pressures on the South African regime," Li added.

Li, in his reply to a question by Somali television on the situation in southeast Asia, noted "The Chinese Government has always spared no efforts to preserve peace and stability in this region. We resolutely support the just struggle of the Kampuchean people under the leadership of the Kampuchean national united government against foreign military aggression and occupation."

On his current civit to Somalia, the Chinese president said that the two countries have signed an agreement of cooperation in economic and technological fields. He said he believes his visit would promote the development of cooperation and deepen the understanding and friendship existing between the two countries.

Chinese Deputy Foreign Minister Qi Huaiyuan today also gave an interview to Somali national news agency. On the Middle East question Qi stated "the nucleus of the Middle East question is the problem of Palestine. Without resolution of this problem the Middle East cannot have peace. The principled stand of the Chinese Government on Palestine is that an assurance must be guaranteed to restore the inalienable national rights of the Palestianian people including their rights of returning to their homeland, for self-determination and to build their own country."

On African drought and desertification, the Chinese deputy foreign minister said: "China has always been concerned about and sympathized with the African drought vitims. The Chinese Government has made efforts within its power to provide various kinds of assistance including grain, farm tools and medicine to relieve the situation. We shall continue to help African countries overcome the effects caused by drought." As for the desertification, he noted "China itself has the similar problem. We would like to exchange experiences in cooperation with African countries to contain desertification."

Li Hosts Banquet

OW232041 Beijing XINHUA in English 2029 GMT 23 Mar 86

[Text] Mogadishu, March 23 (XINHUA) -- Chinese President Li Xiannian said today that the joint efforts of Somalia and China will ensure the further development of friendly relations and cooperation between the two countries. This remark was made by Li at a return banquet given by him and his wife Lin Jiamei in honour of Somali President Mohamed Siad Barre and Mrs. Siad Barre. The Chinese president arrived here on March 21 for a four-day state visit.

President Li said, "In the past few days, thanks to the thoughtful arrangements made by the Somali Government, we have seen something of the gratifying achievements of the Somali people in developing the economy and building up the country, and felt deeply the friendly sentiments of the fraternal Somali people towards the Chinese people." "I am happy to see that some Chinese engineers and technicians are working shoulder to shoulder with their Somali brothers and sisters," the president added.

Siad Barre, in his reply at the banquet, said "the friendship and cooperation between our two countries goes well beyond mere sentiments and is deeply rooted and broadly based. The reason for this is not hard to grasp. It stems from the mutual trust and confidence that had always characterized the relations between our two countries and peoples." He stated that the efforts of the two countries in the development of cooperation in the political, economic, trade, cultural and other fields have always been characterized by realism, seriousness and effectiveness. President Siad Barre stated "the two countries have taken further steps in advancing and promoting their common endeavour for mutually beneficial and fruitful cooperation."

Present at the banquet from Somalia were First Vice President and Minister of Defence Ali Samatar, Second Vice President and Minister of National Planning Hussein Kulmie Afrah, Minister of the Interior Ahmed Suleiman Abdalle, Minister of Mining and Water Resources Ahmed Mohamed Farrah and Minister of Foreign Affairs Abdurahman Jama Barre as well as Chairman of the National People's Assembly Mohamed Ibrahim Ahmed. Chinese State Councillor Chen Muhua, Deputy Foreign Minister Qi Huaiyuan, Deputy Minister of Economy and Foreign Trade Lu Xuejian and Chinese Ambassador to Somalia Shi Chengxun were present.

Concludes Visit

OW241120 Beijing XINHUA in English 1106 GMT 24 Mar 86

[Text] Mogadishu, March 24 (XINHUA) -- Chinese President Li Xiannian left here for Antananarivo this morning for a visit to Madagascar, the last leg of his current Asian and African tour. Somali President Mohamed Siad Barre accompanied President Li Xiannian to the airport from the official residence of Villa Somalia. Tens of thousands of Somali people in the capital turned out to bid farewell to President Li and his entourage.

Among those present at the airport to see Li off were Somali First Vice President and Minister of Defence Mohammed Ali Samantar Second Vice President and Minister of National Planning Hussein Kulmie Afrah and some other senior officials. Before his departure, President Li said in a written statement to pressmen at the airport, "the warm and friendly people of Somalia, who greeted us with songs and dances, have left on me deep impression and touched us deeply in the heart. This not only reflects the fraternal sentiments of the Somali people toward the Chinese people, but also testifies to the fact that Sino-Somali friendship has struck deep in the hearts of our two peoples. I assure you that I shall bring back to the Chinese people this profound good will of the Somali people." President Li visited Bangladesh, Sri Lanka and Egypt before he arrived here on March 21.

PRC-SYRIAN COOPERATION PROTOCOL SIGNED

OW221312 Beijing XINHUA in English 1258 GMT 22 Mar 86

[Text] Beijing, March 22 (XINHUA) -- The Chinese Communist Party and the Syrian Arab Ba'th Socialist Party signed a protocol on cooperation here today. Present at the signing ceremony were Xi Zhongxun, Political Bureau member of the C.P.C. Central Committee, and members of a delegation from the Syrian party led by Mohammad Jabir Bajbuj, a member of the national leadership of the Arab Ba'th Socialist Party.

Hu Yaobang Meets Delegation

OW221340 Beijing XINHUA in English 1334 GMT 22 Mar 86

[Text] Beijing, March 22 (XINHUA) -- Chinese Communist Party General Secretary Hu Yaobang said here today that China hoped all Arab countries would strengthen their unity in the struggle against imperialism and Israeli expansion.

Speaking at a meeting with a delegation from the Arab Ba'th Socialist Party, headed by Mohammad Jabir Bajbuj, member of the party's national leadership, Hu reiterated China's firm support for the Arab world. He described China and Syria as "friendly countries", and wished Syria every success in its efforts to strengthen its national independence and develop its economy.

Bajbuj thanked the Chinese people for their consistent support for the Syrian people's struggles over the past 30 years. He said Syria hoped all Arab countries would strengthen their unity. "Only by so doing can the Palestinian problem be resolved at an early date." he stressed.

Bajbuj conveyed the best wishes of Hafiz al-Asad, Syrian president and general secretary of the Arab Ba'th Socialist Party, to Hu Yaobang. He hoped the Chinese people would score even treater achievements in developing their national economy under the leadership of the Communist Party. Hu expressed satisfaction with the development of relations between the two parties. He asked Bajbuj to convey his best wishes to General Secretary Al-Asad. The Syrian guests will leave Beijing for home tomorrow.

ZHAO ZIYANG MEETS DJIBOUTI FOREIGN MINISTER

OW211336 Beijing XINHUA in English 1323 GMT 21 Mar 86

[Text] Beijing, March 21 (XINHUA) -- Premier Zhao Ziyang met Moumin Bahdon Farah, minister of foreign affairs and cooperation of the Republic of Djibouti, and his party here this afternoon at the Great Hall of the People. During the conversation, Moumin gave an account of Djibouti's foreign policy of neutrality. He said, since his country won independence, it has worked unswervingly to promote peaceful conexistence among its neighboring countries. Djibouti hoped to see the Horn of Africa still in peace, he added.

Moumin Bahdon Farah, minister of foreign affairs and cooperation of the Republic of Djibouti, and his party here this afternoon at the Great Hall of the People. During the conversation, Moumin gave an account of Djibouti's foreign policy of neutrality. He said, since his country won independence, it has worked unswervingly to promote peaceful coexistence among its neighboring countries. Djibouti hoped to see the orn of Africa still in peace, he added.

Premier Zhao spoke highly of Djibouti's achievements scored under the leadership of President Hassan Gouled in safeguarding national independence, developing national economy and improving people's living and its contribution to the peace and stability in the Horn of Africa. Moumin hoped to continue developing friendly cooperation with China.

During the meeting, Moumin conveyed President Gouled's greetings to Premier Zhao, adding that the president very appreciated China's on-going economic reform. Premier Zhao also asked Moumin to convey greetings of President Li Xiannian and himself to the Djiboutian president. The Djiboutian guests will leave Beijing tomorrow to visit other parts of China.

HU QILI ATTENDS CONGOLESE DELEGATION BANQUET

OW231557 Beijing XINHUA in English 1440 GMT 23 Mar 86

[Text] Beijing, March 23 (XINHUA) -- Goma Routou, member of the Secretariat of the Congolese Labor Party and chief of Ideological and Political Training Department, gave a return banquet at the Congolese Embassy here this evening, marking the visit by a delegation he led from the Congolese Labor Party.

Hu Qili, political Bureau and Secretariat member of the Chinese Communist Party Central Committee, Zhu Liang, head of the International Liaison Department of the C.P.C. Central Committee, and Zhu Houze, head of the Propaganda Department of the C.P.C. Central Committee, attended the banquet. The Congolese delegation left here for home later this evening.

XI ZHONGXUN, OTHERS ADDRESS PREVIEW OF CPPCC, NPC

OW231041 Beijing XINHUA Domestic Service in Chinese 1653 GMT 22 Mar 86

[Excerpts] Beijing, 22 Mar (XINHUA) -- The CPC Central Committee invited non-Communist Party personages to attend a forum at Huairentang in Zhongnanhai this morning. Xi Zhongxun, Tian Jiyun, Chen Pixian, and Wang Zhaoguo, leading comrades of the CPC Central Committee, happily gathered under the same roof with more than 60 people from all walks of life who are non-Communist Party members. In a democratic and warm atmosphere they fully consulted with each other on matters concerning the forthcoming Fourth Session of the Sixth NPC and Fourth Session of the Sixth National CPPCC Committee.

Xi Zhongxun, member of the Political Bureau of the CPC Central Committee, presided over the forum. He said: Before the opening of these two important meetings, the CPC Central Committee invites you to hold this forum so as to consult with you on the principal guidelines of the two meetings. This has been our party's tradition and style as well as one of the weapons with which our common cause wins victories. He then asked Chen Pixian, member of the Secretariat of the CPC Central Committee, to report to the forum participants on the CPC Central Committee's ideas on the principal guidelines of the two meetings.

Chen Pixian said: China's present political and economic situation is truly very good. Our reforms have made important headway. We have fulfilled the Sixth 5-Year Plan. Along with the economic development, the living standard of the people both in cities and the countryside has greatly improved. China's economy continues to develop steadily in a coordinated way, and we are enjoying further political stability and unity. Our party style and general mood of society are continuously changing for the better. Some negative phenomena are being eliminated. Of course, there are still shortcomings in our work and difficulties in our way ahead. Our party style and general mood of society still fail to fundamentally improve. Factors causing instability in economic life still exist. Our reforms still call for further coordinated efforts and perfection. In a word, quite a few things still do not turn out as we wish. We need to make more efforts.

He said: The goals we want to achieve in the last half of the 1980's are the principal topic to be discussed at these two sessions. Generally speaking, the coming 5 years will be crucial, 5 years which will determine the prosperity or decline, the success or failure, of our cause. If we do well in these 5 years, we will be able to lay a solid foundation for development in the next 5 years or even for a longer period to come. He said: The Seventh 5-Year Plan is a great blueprint for laying a firm foundation to fully achieve the strategic objectives set by the 12th CPC National Congress and an action program for mobilizing the people throughout the country to devote themselves heart and soul to structural reform and bringing about progress in socialist modernization. It is the first time a 5-year plan is submitted to the NPC Session in the first year of the 5-year period for examination and approval.

Chen Pixian described the process of formulating the draft of the Seventh 5-Year Plan. He said: A major characteric in formulating the Seventh 5-Year Plan is that extensive work was done to have experts and scientists in various fields join the work and take part in studying and discussing problems. They offered suggestions and pooled their wisdom, and played a very good role in elevating the scientific level of the plan. Rich in content, the Seventh 5-Year Plan clearly sets forth the fundamental tasks and principal goals of economic and social development as well as the orientation, targets, policies, and measures for the work in all fields during the Seventh 5-Year Plan. Then he stated several principal goals contained in the draft Seventh 5-Year Plan.

Chen Pixian said: The Fourth Session of the Sixth NPC will examine and approve the final state accounts for last year and the state budget for this year. In addition, it will examine and approve this year's national economic and social development plan. These are also of great importance. The Fourth Session of the Sixth NPC will examine several important draft laws, namely, the draft General Principles of the Civil Law, Compulsory Education Law, and Law of Enterprises With Foreign Investment, he said.

He said: After enacting several laws aimed at adjusting civil relations, the NPC and its Standing Committee are now able to draw up the General Principles of the Civil Law and work out rules governing an array of issues of the same nature. Enactment of the General Principles of the Civil Law will help safeguard and promote the program of the four modernizations and is a matter of great concern both at home and abroad. The enactment of the Compulsory Education Law was proposed in the CPC Central Committee's decision on reform of the education system. It meets the urgent requirements of building the two civilizations and is of great strategic importance to improving the scientific and cultural quality of the whole nation. The Law of Enterprises With Foreign Investment is a significant law which will enable our country to expand its economic cooperation and technological exchange with foreign countries and encourage foreign investors to establish enterprises in our country solely with their own investment.

He said: Striking at serious economic crimes is an important question about which all people throughout the country are presently concerned. The forthcoming NPC Session will, according to law, hear and examine the work reports of the Supreme People's Court and the Supreme People's Procuratorate. Examination of these two reports at the session will give powerful support and a mighty impetus to the judicial and procuratorial departments in furthering their work of dealing blows at economic and all other crimes.

After Chen Pixian's talk, Xi Zhongxun briefed the forum on a number of important issues which will be discussed and decided on at the NPC and CPPCC sessions. He said: Concerning the questions to be discussed and decided on at the NPC and CPPCC sessions, the CPC Central Committee hopes that, in order to solve them with joint efforts, everyone will say everything he knows and say it without reserve.

As soon as Xi Zhongxun finished his briefing, many people vied with one another to the take the floor.

Zhou Gucheng, vice chairman of the Central Committee of the Chinese Peasants and Workers Democratic Party, said: During the Sixth 5-Year Plan, China's national economic development was indeed encouraging. If we can formulate a good Seventh 5-Year Plan and bring into full play the enthusiasm and creativity of the millions upon millions of people, China's economy will surely take a giant step forward.

Qian Changzhao, vice chairman of the Central Committee of the Chinese KMT Revolutionary Committee, said: From now on, in our national construction, we must control population growth; do a good job in compulsory education, eliminating illiteracy, and literary and art work; raise management levels; stress electric power construction; introduce science and technology to the countryside; pay attention to the quality of products; promote cooperation; and raise work efficiency. He suggested that in formulating the Seventh 5-Year Plan, we must particularly stress "steadiness."

Fei Xiaotong, vice chairman of the Central Committee of the China Democratic League, said: During the Seventh 5-Year Plan, we must pay attention to helping the national minority areas in their economic and cultural development and attach particular importance to solving the population question.

He said: In solving the population question, first, it is necessary to control the size of the population; second, it is necessary to raise the quality of the population; and third, it is necessary to pay attention to the proper distribution of the population. It is an important issue of concern to the coming generations.

Sun Xiaocun, vice chairman of the Central Committee of the China Democractic National Construction Association, said: Since the 3d Plenary Session of the 11th CPC Central Committee, the CPC Central Committee has been carrying forward its democratic tradition and sincerely listened to views from various quarters. This is very admirable. The line, principles, and policies adopted by the party since the 3d Plenary Session of the 11th CPC Central Committee have won the people's wholehearted support. In particular, the party's style of seeking truth from facts and its spirit of seeking self-perfection have given the people encouragement. The Chinese people's tremendous achievements under the leadership of the CPC during the Sixth 5-Year Plan have been universally acknowledged. It is only normal that some problems have emerged in economic construction. This is understandable. After hearing the explanations given by Comrade Chen Pixian, we can see that in the draft Seventh 5-Year Plan, attention is directed at problems that appeared during the Sixth 5-Year Plan, and effective measures have been worked out to deal with them. This shows that the current CPC Central Committee has a clear idea about these problems. Therefore, we are fully confident with regard to the formulation and implementation of the Seventh 5-Year Plan.

Seypidin Aizezi, vice chairman of the NPC Standing Committee, said: The party Central Committee has attached great importance to economic and cultural development in national minority areas. The comrades of minority nationalities welcome comrades of the Han nationality in helping them develop economic and cultural undertakings. I believe that the economy and culture in the national minority regions will flourish under the Seventh 5-Year Plan.

The forum conducted consultations on personnel questions to be discussed and decided on at the forthcoming sessions.

At the end of the meeting, Xi Zhongxun said: The views all of you have expressed are very good. They touch on many important and key issues and are of valuable reference for the work of the CPC Central Committee and the two sessions. He extended thanks to the old friends attending the meeting on behalf of the CPC Central Committee. Attending the meeting were responsible persons of the NPC Standing Committee, the CPPCC National Committee, and various democratic parties; nonpartisan personages; and responsible persons of various people's organizations and departments concerned. They included: Peng Chong, Ngapoi Ngawang Jigme, Wang Hanbin, Yang Qingren, Burhan Shahidi, Zhou Shaozheng, Yang Zhengmin, Peng Qingyuan, Li Ganliu, Chu Tunan, Gao Tian, Ye Duyi, Wang Guoquan, Feng Tiyun, Jiang Daning, Chen Xunli, Ge Zhicheng, Fang Rongxin, Zhang Shiming, Xu Zhimeng, Lu Rongshu, Zhou Peiyuan, Sun Chengpei, Zhao Weizhi, Li Chunqing, Xu Mengshan, Hu Ziang, Gu Gengyu, Sun Fuling, Huang Liangchen, Fan Taozhai, Wang Kenzhong, Peng Tengyun, Cheng Jian, Zhang Qiao, Cheng Siyuan, Zhao Junmai, Wang Li, Zhang Fuyou, Li Yuanchao, Wang Qingshu, Zhuang Mingli, Cheng Yuan, Wei Jianxing, Bai Zhimin, Yan Mingfu, Li Gui, Li Ding, Ping Jiesan, Ismail Amat, and Ren Wuzhi.

CPPCC OFFICIAL ANNOUNCES MEETING AGENDA

OW230008 Beijing Domestic Service in Mandarin 2230 GMT 22 Mar 86

[Text] The Fourth Session of the Sixth CPPCC National Committee is scheduled to open at 1500 on 23 March in the Great Hall of the People and will last about 20 days, said Sun Yiqing, deputy secretary general of the CPPCC National Committee, at a news conference held yesterday, 22 March, concerning the inauguration of this session.

Sun Yiqing briefed the Chinese and foreign reporters on new developments of the work of China's patriotic united front and the CPPCC over the past year. He said: Compared with 1984, 155 local organizations and more than 70,000 new members have been added to the CPPCC. CPPCC organizations at all levels have made ceaseless efforts to open new areas of work for the sake of the four modernizations and the cause of reunification of the motherland, resulting in a new, unprecedented, lively, and vigorous situation.

He said: When the Third Session of the Sixth CPPCC National Committee was held, there were 2,025 National Committee members. From that time to the present, the membership has been reduced by 66 due to resignation and death from illness of some members. With recommendations and consultations made by the CPC, various democratic parties, democratic personages without party affiliation, people's organizations, and departments concerned, 61 new members were elected at the 11th meeting of the Standing Committee of the 6th CPPCC National Committee.

Deputy Secretary General Sun Yiqing stated the main items on the agenda of the Fourth Session of the Sixth CPPCC National Committee. The session will hear, examine, and discuss a work report of the Standing Committee of the Sixth CPPCC National Committee and will examine and discuss work reports on handling of motions, foreign affairs, and literary and historical source materials. The CPPCC National Committee members will attend the Fourth Session of the Sixth NPC as observers. Additional vice chairmen of the CPPCC National Committee, additional members of its Standing Committee, and a new secretary general will also be elected.

Discusses Taiwan Contacts

OW221008 Beijing XINHUA in English 0958 GMT 22 Mar 86

[Excerpts] Beijing, March 22 (XINHUA) -- New vice-chairmen of the National Committee of the Chinese People's Political Consultative Conference (CPPCC) will be elected during the 20-day fourth session of the Sixth National Committee to begin tomorrow. This was announced by Sun Yiqing, spokesman for the session, at a press conference here this afternoon.

Answering a question about the CPPCC's role in resolving the Taiwan question, the spokesmen said promoting the reunification of the motherland has been one of the three major tasks of the CPPCC. In addition to doing work among relatives of Taiwan compatriots on the mainland, the CPPCC has also enhanced contacts with compatriots in Taiwan, Hong Kong and Macao and Chinese nationals residing abroad. Sun described it as an important task of the CPPCC to increase friendship with people of other countries in contribution to world peace. In the past few years, the CPPCC has established links with similar institutions in eight countries including Korea, Thailand and Romania. More people-to-people contacts with other countries will be carried out in the future. the spokesman promised. In the past year, more than 70,000 new members and 155 local organizations have been added to the CPPCC. So far, CPPCC organizations have been established in more than 2,800 counties with a total membership of more than 250,000 nationwide.

LEADERS ATTEND CPPCC OPENING SESSION 23 MARCH

OW231702 Beijing XINHUA Domestic Service in Chinese 0944 GMT 23 Mar 86

[Excerpts] Beijing, 23 Mar (XINHUA) -- The Fourth Session of the Sixth National Committee of the Chinese People's Political Consultative Conference [CPPCC] opened at the Great Hall of the People this afternoon.

Deng Yingchao, chairwoman of the CPPCC National Committee, presided over the opening ceremony. Seated on the rostrum were vice chairmen Yang Jingren, Liu Lantao, Lu Dingyi, Chang Zihua, Kang Keqing, Pagbalha Geleg Namgya, Hu Ziang, Qian Changzhao, Yang Changwu, Chan Zaidao, Lu Zhengcao, Zhou Peiyuan, Burhan, Miao Yuntai, Wang Guangying, Deng Zhaoxiang, Fei Xiaotong, Zhao Puchu, Qu Wu, Ma Wenrui, Mao Yisheng, and Liu Jingji, as well as Standing Committee members of the CPPCC National Committee.

Central leading comrades Peng Zhen, Ulanhu, Wan Li, Xi Zhongxun, Qiao Shi, Li Peng, Yang Shangkun, Yang Dezhi, Yu Qiuli, Hu Qiaomu, Hu Qili, Yao Yilin, Ni Zhifu, Chen Pixian, Deng Liqun, and Hao Jianxiu attended the opening ceremony and offered their congratulations on the session.

After Deng Yingchao declared the session open at 1500 the military band played the PRC national anthem.

In her speech, Deng Yingchao said: This year is the first year of the Seventh 5-Year Plan. The upcoming Fourth Session of the Sixth NPC is a very important meeting whose central subject is to discuss and approve the Seventh 5-Year Plan. While attending the NPC session as observers, members of the CPPCC National Committee should earnestly study and duscuss the Seventh 5-Year Plan, and put forward suggestions. As an organization for political consultation and democratic supervision, the CPPCC should focus attention on the central task of the country. After the Seventh 5-Year Plan is approved by the NPC session, we should unite the people of all nationalities in the country to strive for the fulfillment of the plan with one heart and one mind. I hope all members will work actively for this central task.

Vice Chariman Yang Jingren presided over the meeting, which approved the session's agenda. Yang Jingren said: In addition to group discussion and joint discussion meetings, there will be four general meetings for speeches during the session. Members may make speeches at or submit written statements to the group discussion, joint discussion meetings, and general meetings, as well as the closing ceremony. In this way, members can have the opportunity to fully air their views and make the session a great success.

Entrusted by the Standing Committee of the Sixth CPPCC National Committee, Vice Chairman Hu Ziang delivered a report on the work of the Standing Committee. Peng Youjin, chairman of the Motions Committee of the CPPCC National Committee, made a report on the progress in handling motions since the Third Session of the Sixth CPPCC National Committee.

Also invited to attend the opening were Wang Ping, Wang Shoudao, Li Desheng, Song Shilun, Chen Zilian, Duan Junyi, Huang Zhen, Huang Huoqing, Wang Heshou, Han Guang, Peng Chong, Wang Renzhong, Ngapoi Ngawang Jigme, Bainqen Erdini Qoigyi Gyaincain, Seypidin Aizezi, Zhou Gucheng, Yan Jici, Rong Yiren, Ye Fei, Liao Hansheng, Huang Hua, Kang Shien, Zhang Jingfu, Zhang Aiping, Wang Bingqian, Song Ping, Zheng Tianxiang, and Yang Yichen.

Also attending the opening as observers were deputy secretaries general of the CPPCC National Committee and responsible persons of its work committees; advisers, the secretary general, and bureau directors of the United Front Work Department of the CPC Central Committee; the director and deputy directors of the State Council's Counsellors Office and counsellors of the State Council; responsible persons of the State Council's Bureau of Religious Affairs; members of the Cultural and Historical Data Research Committee; and directors of the united front work departments of all provincial, autonomous regional, and municipal party committees. Foreign diplomats attended the opening as spectators.

Hu Ziang Work Report

OW240545 Beijing XINHUA Domestic Service in Chinese 1424 GMT 23 Mar 86

[Excerpts] Beijing, 23 Mar (XINHUA) -- Hu Ziang, vice chairman of the CPPCC National Committee, delivered a report on the work of the Standing Committee of the Sixth National Committee of the CPPCC this afternoon at the opening ceremony of the Fourth Session of the Sixth National Committee of the CPPCC. He said that in the past year CPPCC organizations at all levels across the country have continuously opened up new domains of work around the tasks of the four modernizations and reunification of the motherland; and a lively, new situation never seen before has emerged.

In his report, Hu Ziang reviewed in particular the main work of the CPPCC National Committee in the past year:

-- Actively participated in the consultations and discussions of major national policies. Before the National Congress of Party Delegates was convened in September 1985, the CPC Central Committee sponsored a forum on the main topics of the congress to solicit opinions. Some 50 vice chairmen and Standing Committee members of the CPPCC National Committee in Beijing attended the forum by inviation. They discussed the question of further readjusting the members of CPC leading organs and the "proposal of the CPC central committee for the Seventh 5-Year Plan for national economic and social development (draft)." They unanimously expressed their ardent support and offered many valuable suggestions with regard to the drafting of the proposal for the Seventh 5-Year Plan. In October of the same year the Standing Committee of the CPPCC National Committee held its 10th meeting to hear a report by Li Peng, member of the Political Bureau of Secretariat of the CPC Central Committee and vice premier, on drafting the proposal for the Seventh 5-Year Plan and the question of further readjusting the members of the CPC leading organs.

-- Made new contributions around the tasks of reform and construction. By closely centering on the problems in reform and construction crying for solution, during the past year, the CPPCC organized its members to conduct 14 investigations of special subjects, and conducted studies and inspections in nine provinces, municipalities, and autonomous regions. It also sponsored 71 forums on special topics covering matters regarding reform of the economic structure that are of interest to workers, reform of the structure of higher education, reform of the science and technology management system, the problem of grain production, lightening of the peasants' burden, development of tertiary industry, monetary management, development of postal and telecommunications services, and energy.

-- Carried out new explorations in promoting spiritual civilization.

-- Strengthened ties with and guidance over local CPPCC work. To further push forward local CPPCC work, the CPPCC National Committee successively sent five investigation groups to nine provinces and municipalities in the second half of 1985 to inspect local CPPCC work.

-- Made new progress in the work of promoting reunification of the motherland. By "inviting them in" and "going abroad ourselves," the CPPCC National Committee further expanded its contacts during the past year with compatriots in Taiwan, Hong Kong, and Macao as well as Overseas Chinese. These efforts have yielded rather good results in enhancing their understanding of the motherland and the scientific conception of "one country, two systems."

-- Carried out people-to-people diplomatic activities in different ways and through different channels while conducting friendly exchanges with counterpart organizations in some foreign nations.

Hu Ziang said: The tasks of the CPPCC in the last 4 years of the 1980's are to serve the three major tasks focusing on socialist modernization. The emphasis of our work is to promote economic structural reform and the socialist spiritual civilization while continuing to help the Chinese Communist Party and the government develop economic construction.

He proposed that the CPPCC National Committee pay special attention to the following four tasks this year. Offering advice for smooth implementation of the Seventh 5-Year Plan and the economic structural reform by further bringing into play the role of political consultation and democratic supervision and by taking advantage of its galaxy of talent; devoting more efforts to pushing ideological construction forward and contributing more to the development of the socialist spiritual civilization while continuing to expedite cultural and educational understandings; fully mobilizing the enthusiasm of committee members and giving play to their special skills and other favorable qualifications to make them serve the policy of opening to the outside world and enlivening the domestic economy and contribute to the reunification of the motherland and to people-to-people diplomacy. The CPPCC national organizations should play an exemplary role for CPPCC organizations at all levels across the country.

In conclusion, Hu Ziang said in his report that we have achieved rather good results in our work during the past year. In the new year we must further carry forward the fine CPPCC traditions and work style as well as the spirit of the foolish old man, to keep up the practice of building up the country through thrift and hard work, unite as one, work hard in a down-to-earth manner, and contribute more to achieving the Seventh 5-Year Plan, implementing the economic structural reform, and bringing about a fundamental turn for the better in party work style and social conduct.

Yang Chengwu Reports

OW240732 Beijing XINHUA in English 0715 GMT 24 Mar 86

[Text] Beijing, March 24 (XINHUA) -- China's People's Political Consultative Conference organizations have collected historical data totalling 500 million characters since 1959, the Fourth Session of the CPPCC National Committee was told here today. More than 200 types of selected historical data and 100 titles of special data have been published, Yang Chengwu, vice-chairman of the National Committee, said in a report to the session. Most CPPCC organizations have set up offices in charge of collecting historical data, and 100 types of data books and journals are published every year, he said. CPPCC is an organization for political consultation and democratic supervision. Its members include public figures, scientists, professors, scholars and specialists.

Yang said that CPPCC has cooperated with other departments in compiling data on celebrated people including Xu Beihong, Yang Hucheng, Tan Kah-kee, Deng Boashan, Deng Yanda, Zhang Zhizhong, Fu Zuoyi, Wei Lihuang and Li Jishen and on the Huangpu [Whampoa] Military Academy.

CPPCC is now preparing a series of books based on personal experiences of former Kuomintang generals, which report most of the major operations fought by Kuomintang troops during the war of resistance against Japanese aggression (1937-45).

Yang said that CPPCC will organize former industrialists and business people into collecting data relating to foreign trade, finance, banking and Sino-Foreign joint venture to meet the need of the current economic restructuring. It will also collect data among compatriots in Hong Kong Macao and Taiwan as well as Chinese nationals residing abroad, he added.

In another report on people's diplomacy, Vice-Chairman Cheng Zihua said, CPPCC has sent 11 delegations to visit eight countries over the past three years. Meanwhile, it has invited nine foreign delegations to visit China and received 1,100 people from 50 countries together with other departments. In addition to delegations, CPPCC will send specialized groups abroad for academic exchanges in the future, Cheng told the meeting.

Today's meeting was presided over by Vice-Chairman Liu Lantao.

RENMIN RIBAO EDITORIAL HAILS CPPCC OPENING

OW222130 Beijing XINHUA Domestic Service in Chinese 1815 GMT 22 Mar 86

[RENMIN RIBAO 23 March editorial: "New Plan. New Tasks, New Horizon — Greeting the Opening of the Fourth Session of the Sixth CPPCC National Committee"]

[Text] Beijing, 22 Mar (XINHUA) -- The Fourth Session of the Sixth National Committee of the Chinese People's Political Consultative Conference [CPPCC] opens today in Beijing. We extend our warm congratulations on the opening of the session.

The session is convened at a time when we have successfully completed the Sixth 5-Year Plan and have just launched the Seventh 5-Year Plan. The last 5 years have been 5 years of brave advances by the Chinese people of all nationalities under the leadership of the CPC and along the line decided upon by the 3d Plenary Session of the 11th CPC Central Committee. They have been 5 years of great achievements scored on China's political, economic, scientific, educational, cultural, national defense, and diplomatic fronts, as well as 5 years of substantial growth in the organization and work of the CPPCC.

Over the past 5 years, the work of the CPPCC has grown beyond large and medium-sized cities to all parts of the country. As of the end of 1985, there were some 2,800 CPPCC organizations at various levels with a total of 350,000 members throughout the country. Both are record figures. The closer and more extensive ties between CPPCC organizations and the masses of people in various circles amply reflect the development and growth to maturity of the patriotic united front in the new era. What is more important is that, adhering to the principle of seeking grand unity and reunification under the banner of patriotism in an energetic, active, realistic, and innovative spirit in all fields, the CPPCC National Committee and CPPCC organizations at all levels have instilled unprecedented vitality into the work of the CPPCC, thereby playing an increasingly important role in the great undertaking of building socialism with Chinese characteristics. The some 2,800 CPPCC organizations and their 350,000 members have worked painstakingly both in formulating and implementing major policy decisions and promoting undertakings beneficial to the people, opening the country to the outside world and invigorating the domestic economy, persistently making reforms to accelerate economic development and improving party work style to facilitate the building of spiritual civilization, and in stepping up contacts between the compatriots in Hong Kong and Macao in the interior areas, and exchanges between the sons and daughters of the Chinese nation on the two sides of the Taiwan Straits, as well as in developing friendly relations with people of other countries. The work of the CPPCC is unprecedentedly extensive, lively, and full of a vigor never seen before.

The CPPCC is a patriotic united front organization led by the CPC. It is a major form of socialist democracy in Chinese political life. A review of the history of the CPPCC over the past 3 decades shows that the destiny of the CPPCC is closely linked with that of the entire country. Only when the country is strong can the CPPCC exist, and only when the CPPCC prospers can it promote prosperity in the country. The three major tasks in the 1980's and 1990's -- intensifying the building of the two civilizations, promoting the motherland's reunification, and safeguarding world peace -- require us to bring into further play the role of the CPPCC. Under the new situation, CPPCC organizations at all levels are facing heavier tasks and carrying out work on a larger scale. It is necessary to further develop and improve the work of the CPPCC.

This year is the first year of the Seventh 5-Year Plan, as well as a year of implementing the principle of consolidating, digesting, replenishing, and improving the economic structural reform in order to continue to carry it out in a solid manner. This year's work will directly affect the work for the next 4 years. The new plan and new tasks have opened up a new horizon for CPPCC organizations at all levels. Chairwoman Deng Yingchao once said: The CPPCC is a comprehensive reservoir of talented personnel consisting of a large number of highly qualified and experienced personnel specializing in various fields. We believe that the CPPCC National Committee and CPPCC organizations at various levels will surely make even better use of their advantages in the coming year to transform the gigantic energy stored in this comprehensive resevoir of talented personnel into a powerful force to benefit the motherland and its people.

During the session, the members will discuss a work report by the Standing Committee of the CPPCC National Committee, as well as attend, as observers, the Fourth Session of the Sixth NPC and hear and discuss the government work report and other reports. We hope that the members will carry forward the fine tradition to "treating each other with all sincerity and sharing weal or woe," bring into full play the functions of political consultations and democratic supervision, freely air their views, and pool the wisdom of all to ensure the success of the session.

CHEN PIXIAN: NPC TO OPEN 25 MARCH, LAST 17 DAYS

OW240952 Beijing XINHUA in English 0946 GMT 24 Mar 86

[Text] Beijing, March 24 (XINHUA) -- The Fourth Session of the Sixth National People's Congress (NPC) to open tomorrow will last 17 days, Chen Pixian, vice-chairman of the NPC Standing Committee, told a preparatory meeting here this afternoon. The meeting was attended by 2,666 deputies. The number of NPC deputies now stands at 2,974, with four more to be elected by their electoral units.

Outstanding on the agenda adopted for the Fourth Session of the Sixth NPC are deliberation of China's Seventh Five-Year Plan (1986-1990) and the adoption of three draft laws, namely, the General Principles of the Civil Code, the Compulsory Education Law and the Law Concerning Enterprises With Sole Foreign Investment. The session will also examine the 1986 plan for economic and social development and 1985 final state accounts and 1986 state budget, as well as reports on the work of the NPC Standing Committee and the Supreme People's Court and the Supreme People's Procuratorate.

Today's meeting also elected a 161-member presidium and elected Chen Pixian secretary-general of the session. It decided that diplomatic envoys to China will be invited to sit in the session's plenary meetings, which will also be open to foreign correspondents in Beijing. Later, the presidium met to elect 20 executive chairpersons for the session and decided on other matters.

NPC SPOKESMAN GIVES PRE-SESSION PRESS CONFERENCE

OW241042 Beijing XINHUA in English 1029 GMT 24 Mar 86

[Text] Beijing, March 24 (XINHUA) -- Zeng Tao, spokesman for the forthcoming National People's Congress session, today told Beijing-based foreign journalists that requests have been submitted to leading members of the State Council to meet them and answer their questions. If these arrangements materialize, he said, this will provide a new opportunity for foreign newsmen to get more authoritative information about China. As in previous sessions foreign correspondents will be invited to a number of NPC meetings.

In response to the question whether a huge water conservancy project along the Yangtze gorges will definitely go ahead, Zeng Tao hinted that the question will be answered in one of the intended press conferences given by State Council leaders. Questions concerning the special economic zones and other matters will probably be answered at these conferences, he said.

Asked to confirm whether different opinions exist among NPC deputies, Zeng Tao said that differences do exist, as in any other countries. The practice of the NPC is, he went on, that deputies air their views in the course of deliberations and, through consultations, arrive at agreement. This is what we call socialist democracy, he said. He told the audience that when a draft decision is put to voting, sometimes there are votes against or abstentions. But he denied that there are any differences among NPC deputies over the fundamental policies.

A reporter asked why Zhou Erfu, who was dismissed from official posts because of violating the discipline in foreign affairs, remains a member of the National Committee of the Chinese People's Political Consultative Conference. Zeng replied that anyone who commits mistakes should not be necessarily negated entirely. In my view, this is a good policy, Zeng added.

AGENDA FOR UPCOMING NPC MEETING ANNOUNCED

HK220601 Beijing ZHONGGUO XINWEN SHE in Chinese 1237 GMT 19 Mar 86

[Reporter: "The Number of Topics on the Agenda of the Fourth Session of the Sixth NPC Has Initially Been Set at Nine"]

[Text] 19 Mar, Beijing (ZHONGGUO XINWEN SHE) -- What are the topics on the agenda of the Fourth Session of the Sixth NPC, which will be convened on 25 March? The 15th Session of the Sixth Standing Committee decided to put nine topics on the agenda, and this was approved this afternoon. The topics are on the agenda are:

-- To listen to and discuss Premier Zhao Ziyang's report on the draft of the Seventh 5-Year Plan for national economic and social development and to examine and approve this plan;

-- To listen to and discuss the report of Song Ping, state councillor and minister of the State Planning Commission, on the draft plan for 1986 national economic and social development, and to examine and approve the plan for 1986 national economic and social development;

-- To listen to and discuss State Counaillor and Finance Minister Wang Bingqian's report on the implementation of the 1985 state budget and the draft of the 1986 state budget and to examine and approve the implementation of the 1985 state budget and the 1986 state budget;

-- To discuss the draft of the general provisions of civil law;

-- To discuss the draft law on compulsory education;

-- To discuss the draft law on foreign-capitalized enterprises;

-- To listen to and discuss NPC Vice Chairman Chen Pixian's report on the work of the NPC Standing Committee;

-- To listen to and discuss the report of Zheng Tianxiang, president of the Supreme People's Court, on the work of the court;

-- To listen to and discuss the report of Yang Yichen, procurator general of the Supreme People's Procuratorate, on the work of the procuratorate.

The nine topics put on the agenda by the NPC Standing Committee will be submitted to the preparatory meeting of the Fourth Session of the Sixth NPC for a final decision.

TIAN JIYUN ON MAINTAINING PRICE STABILITY, REFORM

OW221808 Beijing XINHUA Domestic Service in Chinese 0017 GMT 22 Mar 86

[Text] Beijing, 22 Mar (XINHUA) -- Tian Jiyun, vice premier of the State Council, recently pointed out that the main objective of price-related work this year is to make resolute efforts to keep overall prices basically stable. Tian Jiyun said this recently in a written statement to a reporter of the journal ZHONGGUO JINGJI TIZHI GAIGE [CHINA'S ECONOMIC RESTRUCTURING]. This journal will carry the full text of Tian Jiyun's talk on price reform in its issue no 3, to be published on 23 March.

Tian Jiyun said: The principle for carrying out reform of the economic system this year is to "consolidate, assimilate, replenish, and improve" the reform measures we have already taken, eliminate the bad and play up the good, and concentrate efforts on solving conspicuous problems. This is also the principle for price reform this year. He said: Price reform should be carried out step by step in a well-planned manner. Fairly great progress was made in price reform last year. In view of the state's financial capability, the enterprises' assimilative ability, and the masses' acceptance level, it is necessary to keep the prices basically stable without taking drastic reform measures this year. Only a few upward or downward readjustments will be made for some unreasonably priced commodities. These readjustments are primarily designed to consolidate, assimilate, replenish, and improve the reform measures being applied. Resolute efforts should be made to avoid unjustified price hikes. On no account should the following situation be allowed: We take no extensive reform measures in prices this year, but stir up quite a few "little commotions" which create bad influences instead of leading to solution of any problems. Tian Jiyun emphasized that this issue should be raised to draw the people's attention. Governments and departments concerned at all levels should regard maintaining the basic stability of prices as an important task which should be earnestly implemented.

Turning to the measures for maintaining the basic stability of the overall prices this year, Tian Jiyun said: Keeping the overall prices basically stable this year is an arduous task. Efforts should be made in all spheres, and special attention given to the key points. First, key measures should be adopted to strengthen and improve macroeconomic control, and resolute efforts should be made to check the unbridled increases in the size of investment in capital construction and in consumption funds. Meanwhile, it is necessary to actively produce readily marketable products to satisfy market needs. Second, key areas, large and medium-sized cities like the three municipalities, and the provincial capitals in particular, should receive proper attention. Third, it is necessary to pay attention to stabilizing the prices of key categories of products, namely vegetables and nonstaple foods. The masses will be satisfied when the three nonstaple foods -- vegetables, meat, and eggs -- are in good supply and their prices are stabilized. We should do our best to ensure the basic stability of vegetable prices, which are the crux of the key point. Places that registered steep rises in vegetable prices last year should endeavor to bring prices down. Decontrolling vegetable prices will arouse the peasants' enthusiasm for growing vegetables and more vegetables will be available on the market. Meanwhile, keeping in mind the lesson we learned last year, we will make improvements in our work.

Tian Jiyun required that the pricing departments tighten control and resolutely combat, rather than accommodate, unreasonable demands to raise prices. He said: All measures for readjusting prices should be judged in terms of their effect on the overall situation. Some readjustments may seem reasonable from a local standpoint, but become problematic if viewed from an overall standpoint. It is imperative to subject partial interests to overall interests, and minor principles to cardinal principles. Price supervision and inspection should be tightened. After the prices of some commodities are decontrolled, instead of leaving things unattended, we should give guidance, coordinate efforts, and exercise supervision and control where necessary. These will serve as measures for smoothing things out, along with supplemental measures for making improvements. Resolute efforts should be made to check random price hikes and to punish sternly price policy violators. Necessary guidelines should be given for prices in trade fairs, and businesses run by individuals should be supervised more closely. Tian Jiyun noted that the state represents everyone, not just some of the people. It undertakes to safeguard the interests of the people as a whole, and is equally responsible to the producers, dealers, and consumers. Prolonged stability and unity will be guaranteed only when everyone lives and works in peace and contentment.

After reviewing China's price reform, Tian Jiyun said: Two things should be clarified. First, China's current price system should be reformed, otherwise, it will be impossible to straighten out the relationships between various economic sectors; our economy in general will not experience long-term, healthy development; and the many contradictions in our economic life, instead of being overcome, will be aggravated. Therefore, from a long-term point of view, the current price system, if not changed, will hinder economic development and improvement in the people's living standard. Second, although problems of one kind or another do exist in our actual work, price reform in recent years has been basically successful as a whole. We should make further efforts to perfect our reform in order to solve problems arising in the process of reform, for there is no reason to turn back. These two points are the basic understanding we should have regarding the problem of prices and their reform. Only when we grasp this understanding can we reinforce our confidence in making the price reform a complete success. This is very important.

Then Tian Jiyun talked about the prospects for price reform in China. He said: Despite difficulties in price reform, we are off to a good start. We have acquired a more comprehensive, uniform understanding of price reform in practice and have won the support of the masses. Meanwhile, thanks to the effort to strengthen and improve macroeconomic control, the destabilizing factors that surfaced in the previous stage of our economic life are being gradually eliminated. All this has paved the way for successfully carrying out price reform in the future. He said: "I am convinced that if we constantly sum up experiences and lessons, carefully organize our work, and make unremitting efforts, we can achieve the goal of maintaining basic stability of prices this year. From now on better preparations and plans will be made in price reform compared with the previous years, and better results will be achieved. We should have full confidence in this."

FOREIGN TRADE OFFICIAL ON 1986 PROSPECTS, PLANS

HK210743 Hong Kong LIAOWANG OVERSEAS EDITION No 11, 17 Mar 86 p 13

[Article by Gu Wenfu: "China's Foreign Trade Will Develop Further -- Shen Jueren, Assistant Minister of Foreign Economic Relations and Trade Answers LIAOWANG Reporters' Questions"]

[Text] A few days ago, Shen Jueren, assistant minister of Foreign Economic Relations and Trade, answered some questions concerning China's foreign trade asked by LIAOWANG reporters.

Question: What are the prospects for China's foreign trade this year?

Answer: According to the Central Committee's proposals concerning the Seventh 5-Year Plan, China's total import and export volume in 1990 will be 40 to 50 percent more than in 1985, and the average annual increase will be 8 to 10 percent. Moreover, China will energetically expand its use of foreign capital and imported advanced technology. During the Sixth 5-Year Plan period, China's economic relations and trade with foreign countries made relatively great progress. This created favorable conditions for a good start to the Seventh 5-Year Plan this year. At present, China's economy is developing in a sustained, steady, and coordinated manner, and a series of profound policies and measures adopted by the state to encourage exports are being implemented. This situation will certainly provide necessary sources of goods for export and will lay a material foundation for a sustained increase in exports. I am convinced that the impetus from the policy of opening to the outside world, enlivening the domestic economy, and reforms will certainly enable us to remove various unfavorable facts and bring further development in China's exports so long as we work solidly and fully arouse the enthusiasm of staff members and workers in enterprises. Besides, in order to accelerate the progress of modernization and to develop industrial and agricultural production, we will continue to import technology, crucial equipment, necessary raw materials, and other materials. In order to solve the problem of insufficient funds for the country's construction, the scale of absorbing foreign capital will also increase. In short, China's foreign economic relations and trade will further develop and will have bright prospects this year.

Question: China's adverse balance of foreign trade increased and its foreign exchange reserves decreased last year. Will the import of sedan cars, color television sets, refrigerators, and other high-grade durable consumer goods be banned from now on?

Answer: Last year the adverse balance of foreign trade did indeed increase significantly, and foreign exchange reserves also dropped to a certain extent. However, this situation will not affect China's normal foreign economic relations and trade. Import contracts which we have signed will be fulfilled as usual. The import of mechanical and electrical equipment and raw materials and technology needed for the development of production and the import of an appropriate amount of consumer goods have continued in a normal manner and will continue in the future. With the increase in exports, imports will also increase.

Since China is modernizing itself, the shortage of foreign exchange will not be over soon. We must use our limited amount of foreign exchange for importing what is badly needed. Of course, we must restrict the blind importation of color television sets, refrigerators, sedan cars, and other high-grade durable consumer goods, plus importing duplicate production lines. But this does not mean banning imports. This kind of restriction is needed in China's foreign exchange management, foreign trade management, and macroeconomic control.

Question: Will the on-going work to crack down on economic crimes affect China's economic relations and trade with other countries?

Answer: No. As we all know, the policy of opening to the outside world is China's basic national policy. It is China's firm principle to further enhance economic relations and trade and technological exchanges with various countries of the world, including the developed and developing countries in accordance with the principle of independence, equality, and mutual benefits. Cracking down on economic crimes will enable us to better implement the policy of opening to the outside world and stimulating the domestic economy.

This will also allow us to strengthen and develop China's economic relations and trade with developing countries and other countries in an even healthier manner. Therefore, while upholding the policy of opening to the outside world and stimulating the domestic economy, we must perfect our legal system and act according to the law. We will continue to crack down on economic crimes.

PLA IMPROVING TRAINING OF NEW RECRUITS

OW231055 Beijing XINHUA Domestic Service in Chinese 1624 GMT 22 Mar 86

[By reporter Zhao Su]

[Text] Beijing, 22 Mar (XINHUA) -- The PLA will institute a system under which new recruits will undergo a 4-month rigorous, systematic, and regular training regiment before they are assigned to serve in PLA units.

At present, the PLA has set up training regiment whose primary task is to train new recruits and squad leaders. The first group of new recruits has completed training by a training regiment. To train new recruits by a training regiment is a measure to meet the strategic change in guiding principles of Army building. It will make the PLA training system more scientific and further improve the PLA'a training standards. The new recruits of the first group trained by a training regiment show that they are better than other new recruits trained in previous years in terms of political and ideological understanding, military skill, work style, discipline, and physical condition. Recently, the General Staff Department held an on-the-spot meeting in northern China on training activities of PLA training regiment. The meeting participants comprehensively inspected the new recruit training conducted by three training regiments -- a specialized, an infantry, and an artillery training regiment -- under a group army of Beijing Military Region. The new recruits scored good marks in all their 33 training subjects. The meeting participants said that the transformation of civilians into qualified soldiers in such a short time was rare in PLA history.

ZHAO ZIYANG, OTHERS PRAISE HAINAN DAO LAND POLICY

OW212343 Beijing XINHUA Domestic Service in Chinese 0122 GMT 21 Mar 86

[By reporters Qi Xiu and Chen Jiang]

[Excerpts] Guangzhou, 21 Mar (XINHUA) -- After working hard for 34 years, land reclamation enterprises in Hainan Dao have made great contributions to the development of this treasure island. During a recent inspection tour of the island, Comrades Zhao Ziyang, Hu Qili, and Tian Jiyun praised the land reclamation enterprises for their achievements, and encouraged their 900,000 workers and staff members to carry forward their hardworking, pioneering spirit in making even greater contributions to the motherland.

Currently, there are 92 state farms, devoted mainly to rubber production and covering a total of 3.4 million mu in rubber plantations, on the island. Over the past 3 decades, they have produced 1.1 million metric tons of rubber for the state. Annual rubber output constitutes 60 percent of the total rubber output for the country. Output last year reached 126,500 metric tons. The land reclamation enterprises have grown on large areas of land, sugarcane, tea, pepper, coffee, pineapple, and other tropical cash crops. They have also set up salt and freshwater fish breeding and livestock farms, as well as factories making rubber products and processing farm and subsidiary produce. Last year, their total industrial and agricultural output value exceeded 1 billion yuan.

Along with the implementation of the policies of opening to the outside world and invigorating the domestic economy, important breakthroughs have been made in Hainan Dao's economic development over recent years. Acting on the party Central Committee's instruction on work in Hainan Dao, the land reclamation enterprises have readjusted the economic structure and, while paying attention to rubber production, actively grown all kinds of tropical cash crops, developed a diversified economy, and stepped up horizontal economic cooperation with other localities and foreign countries, thereby transforming the semi-self-sufficient "closed" economy into an "open" commodity economy. Land reclamation enterprises have also made major reforms in the management system. Since 1984, over 100,000 family farms have been established under the state farms, which have given strong impetus to the labor productivity of the farm workers. Family farms are signing contracts with the state farms and will gradually become financially independent economic units under them.

GU MU INSPECTS NINGBO, URGES DEVELOPMENT

OW231445 Beijing XINHUA Domestic Service in Chinese 1823 GMT 22 Mar 86

[By ZHEJIANG RIBAO reporter Weng Renmao and XINHUA reporter Guo Shuochuan]

[Text] Ningbo, 20 Mar (XINHUA) -- Gu Mu, state councillor and head of the Ningbo economic development coordination group of the State Council, is on an inspection tour of Ningbo City. On 21 March, he was briefed on Ningbo's arrangements for construction during the Seventh 5-Year Plan and its opening to the outside world. Comrade Gu Mu pointed out: The party Central Committee and the State Council attach great importance to Ningbo's development and construction. During the Seventh 5-Year Plan, Ningbo has a very difficult construction task to perform. It must do a still better job in reform and in opening to the outside world, and make all necessary preparations for large-scale development and construction.

Gu Mu said: Since it opened to the outside world, Ningbo has done a great deal of work and made tremendous achievements. Now it is facing a new and more arduous construction task. Situated in the middle of China's coastal area, Ningbo is in a good geographic location. It has a good deepwater harbor, a vast and rich hinterland, and the advantage of being the native town of many Overseas Chinese. The state plans to build a number of key projects here. In the future Ningbo can truly become a major eastern port in China. Then Ningbo will play an even more important role in China's modernization and in Zhejiang Province's economic development.

Gu Mu emphatically pointed out: From now on, Ningbo City should be fully prepared for a high tide in development and construction. At present, it should first do the following four things well. First, it should formulate an overall development and construction plan. Second, it should complete auxiliary projects undertaken by the province and the city in support of key state construction projects on schedule and according to quality requirements. Third, it should train management personnel in a planned way, and transfer a number of cadres and specialized personnel to participate in the construction of their native town, welcome them to invest in operating factories in Ningbo, and welcome them to offer advice on Ningbo's construction.

Gu Mu also listened to a briefing on Wenzhou City's opening to the outside world and its economic construction. During his stay in Ningbo, Gu Mu has successively inspected Xikou of Fenghua, Beilun Harbor, the Ningbo economic and technological development zone, Ningbo University, the Ningbo No 5 radio plant, and the Ningbo condenser plant.

HE KANG ON JILIN'S MARKETABLE GRAIN PRODUCTION

SK240255 Changchun Jilin Provincial Service in Mandarin 2200 GMT 21 Mar 86

[Excerpts] From 12 to 21 March, He Kang, minister of agriculture, animal husbandry, and fishery, conducted investigations on the construction of our province's marketable grain base counties. He pointed out: As a major marketable grain producer, Jilin Province occupies an important position in China's grain production. It should give full play to its advantage in grain production and build the 13 key grain-producing counties along the railways in the eastern part of the province into export-oriented, high-yield, fine-quality, and stable grain production bases so as to make greater contributions to the state. The construction of marketable grain bases in our province started in 1983. With the concern and support of the central authorities, great progress has been achieved after 3 years of efforts. After fully affirming the achievements we have already scored, He Kang said: Grain production has been pushed forward to a new stage, in which we should rely not only on policies, science, and technology but also on increased input. Commodity production is different from production for self-sufficiency purposes in that facilities and means, as well as intensified construction, are required. Without new input, not only will grain production fail to increase but also it will fall. Last year's grain reduction as a result of disasters showed that the foundation for agriculture is still very weak, and the conditions for production are very backward. The construction of marketable grain base counties should be further consolidated and improved on the basis of the achievements already scored.

Speaking on the principles for the construction of marketable grain base counties, He Kang said: We should still focus on grain production, which is an asset. We can achieve affluence through farming, forestry, or animal husbandry, and should also develop crops, breeding, and processing simultaneously. We should popularize this experience in achieving prosperity. We should not discard our own assets and try to find something else on which to rely. We should develop animal husbandry, raising more cattle and sheep. You have superior conditions for this. Fine varieties of animals and poultry, such as cattle and sheep, should also be imported to improve their strains, and facilities for slaughtering, processing, storage, and other services should be built. We should also develop forestry. Trees will not only protect farmland but also constitute a source of wealth. Township enterprises should engage mainly in the processing of farm and sideline products. In this way, farming, forestry, and animal husbandry, and crop growing, breeding, and processing will promote each other, and attain self-sustained growth. The road for development will thus broaden.

CHEN YUN, OTHERS MOURN DEATH OF YAN WEIBING

OW211251 Beijing XINHUA Domestic Service in Chinese 1320 GMT 20 Mar 86

[Excerpts] Beijing, 20 Mar (XINHUA) -- Comrade Yan Weibing, former member of the Cultural and Historical Data Research Committee of the CPPCC National Committee and a retired cadre, died of illness at the age of 68 in Beijing on 15 March. Comrade Yan Weibing was an outstanding member of the CPC as well as a loyal fighter of the proletariat. She was loyal to the party and the revolution. She was cruelly persecuted by the "gang of four," but she carried out an unyielding and tenacious struggle against them. When Comrade Yang Weibing was seriously ill, Chen Yun, Deng Yingchao, Xi Zhongxun, and other central leaders, as well as several vice chairmen of the CPPCC National Committee, personally visited or sent special personnel to visit her at the hospital. After her death, leaders extended their sympathy to Comrade Lu Dingyi and their children.

NEW SECRETARY CHEN GUANGYI MEETS FUJIAN LEADERS

OW240101 Fuzhou FUJIAN RIBAO in Chinese 13 Mar 86 p 1

[Text] The CPC Central Committee has approved Comrade Chen Guangyi as secretary of the provincial CPC Committee. Comrade Chen Guangyi took office a few days ago. He met with leaders of the provincial CPC Committee, the provincial Advisory Commission, the provincial Discipline Inspection Commission, the provincial People's Congress, the provincial government, the provincial CPPCC Committee, the provincial Military District, and the PLA Air Force stationed in Fujian, as well as retired cadres of the Army and local authorities last night.

Comrades Hu Ping, Hu Hong, Zhang Zongde, Xiang Nan, and Chen Guangyi spoke at the meeting.

Hu Ping, Hu Hong, and Zhang Zongde expressed their support for the CPC Central Committee's decision on changes in the positions of Comrades Chen Guangyi and Xiang Nan. It was their unanimous view that when Comrade Xiang Nan was in charge of the work in Fujian, he accomplished a great deal and scored achievements by joining efforts with other members of the provincial CPC Committee, and resolutely implementing the central authorities' line, principles, and policies. They pledged to actively support Comrade Chen Guangyi's work, safeguard stability and unity, and develop the excellent situation.

Xiang Nan, former secretary of the provincial CPC Committee, expressed firm support for the party Central Committee's principle of replacing old with new members of leading bodies, and its decision to assign Comrade Chen Guangyi as secretary of the Fujian Provincial CPC Committee. He said: Fujian is a famous home of Overseas Chinese as well as an important showplace for the open policy. Comrade Chen Guangyi will certainly join efforts with other members of the provincial CPC Committee and the people of Fujian, persist in making reform and opening to the outside world, and strive to make Fujian advance in the van of the four modernizations drive by the end of this century. I believe that the party, government, military, and people, as well as the democratic parties and groups in Fujian will also support the work of Comrade Chen Guangyi and the provincial CPC Committee, safeguard stability and unity, promote a sustained, steady, and coordinated growth of the economy, and further develop the excellent situation.

In his speech Comrade Chen Guangyi said: Fujian is a land of treasures. Fujian's geological location, political status, and economic growth have unusual significance for the entire nation. The people of Fujian have glorious revolutionary traditions and possess fine qualities such as diligence and intelligence. In more than 3 decades since the founding of new China, especially since the 3d Plenary Session of the 11th CPC Central Committee, Fujian has implemented the special and flexible policy of opening to the outside world, thus bringing about great progress in political, social, and economic aspects. At present Fujian is now more stable and united politically, its economy is developing steadily in a sustained and coordinated manner, and the people's living standards have improved considerably. Like other parts of China, the overall situation is one of the best since the founding of new China. This remarkable achievement is due mainly to the sincere concern and vigorous support of the party Central Committee and the State Council. It is also the reslt of the joint struggle of party and government organs at all levels and the large number of cadres and masses, and of the efforts of the provincial CPC Commitee and the provincial government to earnestly implement the central authorities' line, principles, and policies, and to make innovations and exertions. In the past 5 years, since Comrade Xiang Nan took charge of the provincial CPC Committee, a great deal of work has been done. This has helped promote and develop the excellent situation in Fujian.

The major task of cadres and the masses in the province is to continue to implement thoroughly the guidelines of the National Conference of the Party Delegates; earnestly implement the tasks formulated at the fourth provincial conference of party delegates in July last year; persist in carrying out reform, opening to the outside world, and stimulating the economy; make serious efforts to correct party style and social conduct; promote the development of the "two civilizations"; speed up economic growth; and strive to fulfill the goal laid down by Comrade Hu Yaobang: "I hope Fujian will advance in the van of the four modernizations drive." To fulfill this task, party and government organs at all levels should adhere to the guiding thought of promoting unity to work for the four modernizations, arouse all the positive factors, unite all forces that can be united, stabilize the leading bodies at all levels and the contingent of cadres, maintain the continuity and stability of the party's policies, fully exploit the present advantages and opportunities, blaze new trails, forge ahead, and make our work in all fields more successful. In a word, we want "unity, stability, pioneering spirit, and progress."

In the final analysis, we should persistently demonstrate the spirit of fighting in unity, waging hard struggle in a down-to-earth manner, strive to live up to the party Central Committee's wishes and demands as well as the expectations and trust of the people of the whole province, work conscientiously with one heart and one mind, unite, go all out, improve our work, and develop the excellent situation in Fujian.

Comrade Chen Guangyi arrived in Fuzhou on 10 March. In the past few days he has visited revolutionary comrades, patriotic Overseas Chinese, and nonparty personages in Fuzhou; investigated and familiarized himself with Fuzhou City proper and the Mawei Development Zone; and called on PLA fighters working on the tunnel on Fuma Road.

JIANGXI LEADERS LEAVE FOR NPC, CPPCC SESSIONS

OW240001 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 22 Mar 86

[Text] Wan Shaofen, Xu Gin, Zhao Zengyi, and 65 other NPC deputies from Jiangxi Province left Nanchang by a special plane for Beijing this morning to attend the Fourth Session of the Sixth NPC Session. Also on the same plane were 17 members of the CPPCC National Committee from Jiangxi, who will attend the Fourth Session on the Sixth CPPCC National Committee in Beijing.

On 18 March the NPC deputies from Jiangxi Province gathered at the Jiangxi Guesthouse to study relevant speeches by central leading comrades. Wan Shaofen, secretary of the provincial party committee, spoke at the study session. (Wang Ying), chairman of the Jiangxi Provincial Planning Committee, briefed the deputies on the province's economic situation.

Before their departure, Liu Fangren, deputy secretary of the provincial party committee, and Jiang Zhuping, Standing Committee member of the provincial party committee and vice governor, called on the deputies at the guesthouse to bid them farewell.

JIANGXI LEADERS DISCUSS OLD REVOLUTIONARY BASES

OW210547 Janchang Jiangxi Provincial Service in Mandarin 1100 GMT 19 Mar 86

[Excerpts] The provincial meeting on building the old revolutionary base areas ended in Nanchang this afternoon. Provincial party and government leaders attending today's meeting were Wan Shaofen, Liu Fangren, Ni Xiance, Xu Qin, Jiang Zhuping, (Pei Dean), (Liu Zhonghou), and (Sun Xiyun). Xu Qin presided over today's meeting. Jiang Zhuping made a summary report at the meeting.

In his report, Jiang Zhuping made several suggestions on how to do a good job in building the old revolutionary base areas and make significant progress in improving the conditions of those areas this year. The main points include the question of implementing policies, the question of properly managing and using funds, the question of making plans, the question of establishing links among various units to provide needed assistance, and the question of strengthening leadership and improving work style.

Jiang Zhuping also pointed out a number of specific measures which must now be well understood. First, it is necessary to conscientiously sum up the experiences of typical examples of changing from poor to rich conditions in various localities. Second, it is necessary to promote circulation and effectively solve the difficulties people in the old revolutionary base areas have in buying and selling things. Third, it is necessary to pay attention to relief work during difficult periods in the spring and summer.

Wan Shaofen also spoke at the meeting. She asked the participants to implement seriously the guidelines of this meeting and work with concerted efforts to do all work well in order to bring about a significant change in the old revolutionary base areas.

JIANGXI'S WAN SHAOFEN, OTHERS WATCH FLYING DISPLAY

OW210625 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 19 Mar 86

[Text] A flying demonstration of Chinese-made aircraft for civilian use was held in Nanchang this morning. The demonstration was organized by the Ministry of Aviation Industry. Three types of Chinese-made civilian aircraft took part.

They are the Yun-7 type aircraft for medium and short distance transportation, which was designed and produced by the Xian Aircraft Manufacturing Company; the Yun-12 small multipurpose aircraft, which was designed and produced by the Harbin Aircraft Manufacturing Company in the early 1980's; and the (Haiyan) aircraft for agricultural use, designed and produced by the Nanchang Aircraft Manufacturing Company.

The Yun-7 has 52 seats. The Yun-12 can carry 17 passengers. The (Haiyan) agricultural aircraft can be used for crop-dusting, sowing, petroleum and fishery surveys, geological exploration, and fighting forest fires. The three types of aircraft have proven, through repeated test flights, to be of good quality. They can take off and land on a cement, asphalt, gravel, or grass strip.

Provincial party and government leading comrades, as well as responsible comrades of departments concerned, saw the demonstration. They included Wan Shaofen, Liu Fangren, Ni Xiance, Xu Qin, Bai Dongcai, Jiang Zhuping, (Pei Dean), (Zhao Zengyi), (Li Sheng), (Liu Zhonghou), (Sun Xiyun), (Wang Guande), and (Wu Yunzhong).

ZHEJIANG'S WANG FANG CALLS FOR BETTER WORK STYLE

OW210601 Hangzhou Zhejiang Provincial Service in Mandarin 1000 GMT 18 Mar 86

[Text] According to our reporter Chai Wueyue, the Zhejiang Provincial CPC Committee convened a meeting today to discuss the work of party construction in the province, to relay for implementation the central authorities' instructions on rectifying party style and improving cadres' work, and to study and discuss measures to strengthen the building of the party ideologically and organizationally.

Wang Fang, secretary of the provincial CPC Committee, made an important speech at the morning session. He pointed out: The key to success in rectifying party style is for the leadership at all levels to set an example in starting the work of rectification with itself.

The CPC Central Committee has stressed that the central organs should set an example for the whole country. Similarly, our provincial CPC Committee and the provincial organs should set an example for the whole province.

In view of the fact that some unite use words rather than deeds in rectifying party style, Wang Fang called for efforts to grasp the key issues and do more tangible work. He stressed that efforts to rectify party style should be combined with the central tasks for the various periods and the work of various departments, to achieve the goal of rectifying party style and, at the same time, ensure the smooth progress of reform and work in other fields. He asked party committees at all levels to take a firm, clear, and unambiguous attitude and resolutely remove all obstacles to support discipline inspection as well as political and legal departments in investigating and dealing with major and important cases. Such cases should be handled in accordance with party discipline and state law, no matter who is involved, he added. Regarding promotion and utilization of cadres, in strict accordance with the principle set by the party, with a view to further strengthening the leading bodies at various levels, Comrade Wang Fang pointed out: It is imperative to put the requirement of being revolutionary in first place. The principal political norms are a cadre's ability to work for the interests of the people, to develop productive forces, and to make postive contributions to the socialist cause. We should guard against the practice of giving the same treatment to all people of the same age, and taking the school diploma as the sole criterion for jugding a person's education. We should attach importance to the method of appointing cadres by selecting the best from among those comrades who have been tempered in practical work.

Touching on strengthening ideological and political work, Comrade Wang Fang asked the comrades to devote more effort to studying, enhancing, and improving this work. It is imperative, he said, to seek truth from facts, change the practice of lying, bragging, and making empty talk, and find out the appropriate way to conduct ideological and political work readily acceptable to the masses to replace the preaching method, whereby the listeners parrot whatever the preacher says.

In conclusion, Comrade Wang Fang asked all localities to carry the work of party rectification successfully through to the end, step up the consolidation of grass-roots party organizations, and do well in investigating the three types of persons [persons who rose to prominence by following the counterrevolutionary cliques of Lin Biao and Jiang Qing in rebellion, those who are seriously factionalist in their ideas, and those who indulged in beating, smashing, and looting].

Attending the meeting were responsible persons from various prefectural, city, and county party committees, discipline inspection commissions, organization departments, and propaganda departments; from various organizations at the provincial level, including provincial departments, commissions, offices, and bureaus; and from the provincial military distruct, provincial factories, mines, and other enterprises, as well as institutions of higher learning in the province.

GUANGDONG SMUGGLING CASES FEWER BUT BIGGER

HK211153 Beijing CHINA DAILY in English 21 Mar 86 p 3

[By staff reporter Nie Lisheng]

[Text] Guangzhou -- The Guangdong Provincial Customs uncovered more than 15,500 smuggling cases last year and confiscated 230 million yuan (about d72 million) worth of contraband goods, according to the latest statistics made available to CHINA DAILY.

The total number of cases declined slightly from 1984, but more of them were major crimes involving articles worth 10,000 yuan. The goods were being smuggled into or out of China's southern coastal province bordering on Hong Kong and Macao, said Zhou Decheng, vice director of the Anti-Smuggling Department of the Provincial Customs House.

Although major cases, such as these, accounted for only 6 percent of the total customs offences, Zhou said, yet they involved either highly valuable merchandise or large quantities of contraband goods, and thus constituted 86 percent of the year's total value of all smuggled items.

Zhou pointed out that the once widespread smuggling activities in Guangdong were brought under control in 1980, with the completion of the province's three-year drive to reinforce anti-smuggling personnel and equipment. But, he warned, an increase in customs violations was noted early this year. In January alone, he said, eight customs houses along the coast reported 52 smuggling cases involving cargo or fishing boats, almost 50 percent more than in the same month of 1985. The total number of cases involving sea smuggling in 1985 dropped to 478 from 683 in the previous year.

As more and more collectively-owned boats were contracted to coastal residents for private offshore fishing or transport, Zhou explained, the number of smuggling incidents involving the small craft rose. Since last December, for example, Zhou said, the Gongbei Customs found two boats smuggling 10,600 wrist-watches in the bottom of their hulls, while the Jiulong (Kowloon) Customs ferreted out more than 40,000 electronic watches secreted in the fuel tank of a local ship. A still more serious case was cracked by the Guangzhou Customs, which caught two smuggling boats carrying a total of some 2,200 Japanese-made cameras.

Other major smuggling cases in 1985 involved TV sets, audio and video recorders or tapes computers, nylon fabrics, motorcycles, cars, cultural relics and foreign currencies.

According to Zhou, the Guangdong Provincial Customs made special efforts last year to check the increased smuggling of farm products to Hong Kong, since this has put State-owned trade companies at a disadvantage in their competition with foreign firms in the region.

Since late last year, four major customs houses of Jiulong, Gongbei, Shantou and Huangpu have reported 45 cases of smuggling involving livestock and aquatic products, including 27 tons of frozen pork carcasses, 1.5 tons of lobsters or prawns and 9 tons of live fish. However, Zhou said that about 85 percent of all the smuggling cases reported in 1985 were actually cases involving foreign goods that were reported but incorrectly to get around regulations. For instance, he noted, there were 126 cases in which Chinese or overseas partners were caught smuggling to other areas of China raw material that they were allowed to bring into the country duty-free only for use at their cooperative factories. In another 370 cases, imported capital goods, such as cars, steel and building material, were smuggled out of special economic zones for sale in other parts of the country.

By the end of last October, the Haikow Customs House alone confiscated 221 imported cars to be sent from the Special Economic Area of Hainan Island to the mainland under the pretext of being a joint-venture operation to avoid payment of duties. And in the Chaozhou area, 105,000 yards of foreign fabrics valued at 690,000 yuan were illegally resold for profit.

According to earlier reports by the Anti-Smuggling Office under the Provincial People's Government, Guangdong has reinforced its anti-smuggling network along the coast and now has about 50 anti-smuggling patrol boats with more than 200 anti-contraband personnel.

HENAN URGED TO CRACK DOWN ON ECONOMIC CRIME

HK220303 Zhengzhou Henan Provincial Service in Mandarin 1030 GMT 20 Mar 86

[News center commentary: "It Is Necessary To Severely Crack Down on Serious Economic Crimes"]

[Text] Our province has scored great achievements in cracking down on economic crimes. This has contributed to guaranteeing the smooth progress of reforming our economic structure and speeding up the four modernizations. However, serious economic crimes have continued to run rampant and economic criminals remain very arrogant. Many serious economic criminals are still at large; their activities have not been investigated or examined legally.

Economic crimes have run rampant for the following reasons:

1. Some leadership organs and leading cadres do not sufficiently understand the long-term nature, importance, and urgency of cracking down on serious economic crimes.

2. The leaders of some units are too bureaucratic, or the system is so imperfect as to enable criminals to avail themselves of loopholes.

3. The law is not strictly enforced and penalties are not sufficient. A fine is imposed in lieu of severe punishment and party and government disciplinary actions are imposed instead of punishment in accordance with criminal law. Economic crimes are merely regarded as unhealthy trends, so that economic criminals are permitted to sneak away.

We must seriously solve these problem. We must recognize that cracking down on serious economic crimes is more complicated than cracking down on other serious crimes. CPC committees and governments at all levels must truly strengthen their leadership and do a good job in fighting this war. Public security departments, procuratorates, courts, and judicial departments at all levels must regard cracking down on serious economic crimes as one of their major tasks and support one another in cracking down on serious economic crimes by cooperating and coordinating with one another. Auditing, industrial, commercial, tax, and administrative and law-enforcing units must strengthen their work of investigating and dealing with economic criminal cases. All relevant units handling such cases must attach importance to the investigation and handling of these economic cases. The responsibility of unit leaders, who do not place a case on file for investigation, must be investigated and affixed. All economic crimes, no matter who is involved, must be investigated and dealt with in accordance with the law. We must ensure that everyone is treated equally in the face of the law.

We must investigate and deal with the big, important economic criminal cases in accordance with the law. We must mete out severe punishment, neither tolerating nor being softhearted toward the criminals. We must be resolute and prudent in handling such cases. We must pay attention to investigation and study, base everything on the facts, and use the law as the means of ensuring that there is no wrongdoing and connivance.

LI XIMING MEETS WITH BEIJING CHILD-CARE WORKERS

SK211425 Beijing BEIJING RIBAO in Chinese 6 Mar 86 p 1

[Text] On the morning of 5 March, Li Ximing, secretary of the municipal CPC Committee, extended festive greetings to more than 60,000 child-care workers on the preschool education front throughout the municipality. In his greetings, he stated: Preschool education undertakings, like other undertakings in society, have developed steadily. Hereafter, efforts should be made to mobilize the party and government leading organs to attach importance to the preschool educational work, to strengthen the training of teachers in this regard, to ensure supply of materials to this front, and to gradaully conduct reforms in the preschool educational work in order to continuously upgrade its quality.

Comrade Li Ximing's above-noted remarks were made at a meeting sponsored by the municipal child-care workers' association, the culture and education office under the munucipal people's government, the municipal education bureau, the municipal women's federation, and the municipal trade union council to mark the "8 March" Women's Day and to extend greetings to the personnel engaged in child-care work. Attending the meeting were Chen Haosu, vice mayor of the municipality, and more than 200 advanced representatives from the municipal nurseries and kindergartens and from similar facilities run by plants, mines, enterprises, establishments, organs, PLA units, neighborhoods, townships, villages, and households. These representatives include Jing Yanru, principal of the Donghuamen kindergarten, who has devoted more than 50 years to child-care work, and who is determined to make more contributions for children in her life; Wang Jainmei, teacher of the Guanzhuangcun kindergarten if Yaoshang township, Fangshan County, who has given up an opportunity for an urban job and voluntarily devoted herself to developing the intellects of rural children; and Ma Yan, daughter of senior educator Ma Xulun, who has voluntarily vacated her house to open a kindergarten in order to ease the apprehensions of parents.

ZHANG SHUGUANG APPOINTED NEI MONGGOL SECRETARY

SK240245 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 23 Mar 86

[Text] On the evening of 21 March, the Nei Monggol Autonomous Regional CPC Committee held a telephone conference at which Comrade Zhou Hui read out the decision of the CPC Central Committee appointing Comrade Zhang Shuguang as secretary of the autonomous regional CPC Committee and transferring Comrade Zhou Hui to Beijing Municipality.

At the conference, Comrades Zhou Hui, Bu He, Cai Ying, and Zhang Shuguang delivered speeches in succession. In their speeches, Bu He and Cai Ying unanimously stated that they resolutely support the decision of the central authorities on the post changes concerning Comrades Zhou Hui and Zhang Shuguang. They held that Comrade Zhou Hui had done a great deal of work in resolutely implementing the central line, principles, and policies during his tenure of office in the region and scored marked achievements in his work. They asserted that efforts should be made to resolutely and actively support Comrade Zhang Shuguang in taking up the region's work, leading the people of various nationalities throughout the region to unite as one in waging struggles, and in further carrying forward the excellent situation in the region.

In his speech, Comrade Zhou Hui stated that he resolutely supports the decision of the central authorities appointing Comrade Zhang Shuguang as secretary of the regional CPC Committee. He urged the people throughout the region to support the work undertaken by Comrade Xhang Shuguang and to hold high the banner of unity and construction in order to better conduct the region's work.

In his speech, Comrade Zhang Shuguang stated: The region's foundation, based on party affairs, personnel affairs, and the people's affairs, is good and has long been tested by history. what should be noted in praticular is that during the 10-year turmoil, cadres, peasants, and the PLA units were loyal to the CPC Central Committee in Beijing. This has enabled the people of various nationalities throughout the region to be proud of it. The viewpoint in which the construction of the autonomous region always depends on the people, cadres, and the party's organizations is unshakable at any given time.

In his speech, Comrade Zhang Shuguang continued: The central authorities have correctly appraised and accurately evaluated the work done by the autonomous region. It is impossible not to link this achievement with that scored by the regional leading collectives and by Comrade Zhou Hui himself. The autonomous regional CPC Committee headed by Comrade Zhou Hui has scored outstanding achievements in bringing order out of chaos and in conducting reforms by leading the people of various nationalities and resolutely implementing the line, principles, and policies set forth during the period since the 3d Plenary Session of the 11th CPC Central Committee. It has created a period unprecedented in the past and a new situation in the region. The prominent indicators in this regard are as follows:

1. Efforts have been made to implement the party's political and organizational lines, to enforce the policy on cadres, to redress false and framed-up cases, to save the broad masses of cadres and the people who were persecuted during the 10-year turmoil, and to effectively bring order out of chaos. As a result, the people of various nationalities and the broad masses of cadres have united as one and the political situation of stability and unity in the region has taken shape.
2. Efforts have been made to implement the party's policies on the economy, and to better enforce the responsibility systems related to output among the households in rural and pastoral areas. As a result, a new and prosperous situation in the region's economy has been created.
3. Efforts have been made to readjust the policies on border areas, and to enhance the construction of border defense. As a result, a new, stable, and prosperous situation in the border areas has been created.

In conclusion, Comrade Zhang Shuguang stated that relying on the central leadership, the collective leadership, and on the broad masses of cadres and the people of various nationalities, he will be united with everyone in the region in carrying forward the excellent situation in the fields of politics, the economy, and culture throughout the region. He urged all cadres and the people of various nationalities to unite as one in marching forward in order to win a greater victory.

GAO DI ADDRESSES JILIN PEOPLE'S CONGRESS FORUM

SK210804 Changchun Jilin Provincial Service in Mandarin 1030 GMT 20 Mar 86

[Excerpts] The Standing Committee of the provincial People's Congress held a provincial forum on the People's Congress work from 17 to 20 March. At the forum, Wang Xianjin, deputy secretary of the provincial CPC Committee, delivered a report on relaying the spirit of the national work conference on political science and law. Participating personnel exchanged their personal understanding gained in implementing the directive issued by the central authorities on the People's Congress work and the spirit of the provincial conference on the People's Congress work sponsored by the provincial CPC Committee at the end of 1985. They were also asked about their opinions concerning the work of the provincial People's Congress Standing Committee.

Attending the forum were responsible persons from the People's Congress standing committees of various cities, autonomous prefectures, counties, and districts, and from the Baicheng office. Among those invited to the forum were responsible comrades from the departments concerned under the provincial CPC Committee and the provincial people's government, and from the provincial Higher People's Court and the provincial People's Procuratorate.

Attending the forum were Zhao Xiu, chairman of the provincial People's Congress Standing Committee, and vice chairmen of the provincial People's Congress Standing Committee, including Huo Mingguang, Liu Cikai, Cheng Shengsan, Wu Duo, Cui Lin, Wang Jiren, Yu Ruihuang, Dong Su, Renqinzhamusu, and Xu Yuancun.

At the forum, participants reviewed the work they had done in the past and then unanimously held that since the conference on the People's Congress work sponsored by the provincial CPC Committee at the end of 1985, the work in this regard had improved and the party committees of various localities and the broad masses of cadres and the people had gained new understanding regarding the work. Meanwhile, the construction of democratic and legal systems had been enhanced and the party committees of various localities had put the People's Congress work on their routine schedule and strengthened their leadership over the work. The people's governments at all levels, the people's courts at all levels, and the people's procuratorates at all levels had actively reported their work to the people's congresses and supported the congresses to exercise their supervisory right in line with the law. The people's congresses at all levels had also enhanced their self-improvement, upgraded the enthusiasm of their leaders and working personnel, and strengthened their confidence in making a success in the People's Congress work.

In concluding the forum, Comrade Zhao Xiu delivered a speech.

The provincial CPC Committee has attached great importance to the forum. During the forum, Gao Di, secretary of the provincial CPC Committee; Gao Dezhan, deputy secretary of the provincial CPC Committee and governor of the province; and Wang Zhongyu, deputy secretary of the provincial CPC Committee, visited the meeting hall and delivered speeches.

In his speech, Comrade Gao Di stated: The People's Congress work is very important. What we have stressed at present is that the entire party should study the law and do everything in line with the law. The people's congresses at all levels and their standing committees should all the more carry out their work around the construction of legal systems and do everything in line with the law in order to conduct the province's work in the best manner possible.

PHILIPPINE TOURISM MINISTER COMMENTS ON TIES

OW240419 Taipei CNA in English 0303 GMT 24 Mar 86

[Text] Taipei, March 22 (CNA) -- A ranking official with the Philippine Government said here Saturday that he is convinced that the substantive relations between the Republic of China and his country will be further developed in a positive way under the leadership of President Corazon Aquino.

Tourism Minister Jose Antonio U. Gonzalez told a press conference this afternoon that the Aquino government will also expand exchanges of visits and bilateral trade with the ROC in years to come because the Philippines can provide the ROC with its abundant raw materials and the ROC has technologies and agricultural expertise needed by his country.

Gonzalez, in his capacity as the personal emissary of President Aquino, arrived in Taipei Thursday for a four-day visit. The 48-year-old former businessman has been the first Philippine cabinet minister to visit the country after the new Philippine Government was formed in late February.

He said besides expressing her appreciation to world media for a role they played "in our initial achievement by their unbiased reporting on developments in our country," President Aquino also asked him to solicit the support of world media, particularly the ROC media, in the Philippines tourism development.

Gonzalez noted that Vice President Lee Teng-Hui, Foreign Minister Chu Fu-Sung, Communications Minister Lien Chan, Vice Foreign Minister Ding Mou-shih and Director General of Tourism Bureau Yu Wei all have expressed the ROC's goodwill towards the Philippines in their respective meetings in the past three days.

While refusing to comment on political affairs, the toursim minister said Agriculture and Food Minister Ramon V. Mitra is scheduled to visit the ROC in the near future and this will be "the best footnote to the Sino-Philippine relationship."

Gonzalez said he is looking forward to coming to this country again soon so as to attract the prosperous ROC nationals to visit his beautiful archipelago nation. He noted that the crime rate in the Philippines has dropped by 60 percent in the first three months of this year and foreign tourists will be safe when sightseeing there.

His ministry, in cooperation with the Ministries of Foreign Affairs and Justice, will strive to eliminate other barriers that keep most of the ROC nationals from traveling to his country, he added.

PREMIER STRESSES DEFENSE DESPITE BUDGET CUT

OW220323 Taipei CNA in English 0232 GMT 22 Mar 86

[Text] Taipei, March 21 (CNA) -- The decline of funding for national defense and foreign affairs in the Fiscal 1987 budget will not weaken national defense, Premier Yu Kuo-hwa of the Republic of China said Friday. The budget reduction has nothing to do with the ROC's purchases of U.S. arms, Yu said at a egislative Yuan meeting when answering interpellations by Legislators Hwang Tsu-wen and Cheng Yu-cheng.

The budget for national defense and foreign affairs will account for 37 percent of the Central Government's total outlay for Fiscal 1987. The budget reduction was made possible because of some savings in the routine maintenance costs and in the reduction to troops, Yu told the legislators. He did not elaborate.

He said the budget for miltary research and the development of the national defense industry will continue to increase.

Meanwhile, the Premier said that, in order to stimulate private investment willingness and accelerate economic development, the Government will increase public investment and allow tax reductions in FY '87. As a result, the Government budget deficit will amount to NT dollar 65 billion (U.S. Dollar 1.63 billion) next year.

The total spending for 1987 will amount to NT dollar 433.25 billion (U.S. dollar 10.84 billion), an increase of 5.1 percent over 1986. The budget deficits will be covered by Government bonds and the savings of government funds to be carried over from the current year, he said.

JOURNAL VIEWS TIANANMEN ANNIVERSARY, NPC AGENDA

HK220800 Hong Kong KUANG CHIAO CHING in Chinese No 162, 16 Mar 86 pp 8-9

[Article by Chiang Wei-wen: "Beijing's Situation on the Eve of the NPC Meeting -- Hong Kong's Capitalist System May Be Maintained for 200 Years"]

[Text] Beijing to Commemorate 10th Anniversary of Tiananmen Incident

"In April this year, there will be a rally in Beijing to commemorate the 10th anniversary of the 5 April Tiananmen Incident."

This reporter was told this by a friend in the know soon after arriving in Beijing. This is a fresh and interesting matter that has aroused much attention: Why should Beijing's official quarters mark the event at this moment?

An Unusual and Important Event

Seeing that I was astonished, my friend said: It is nothing strange, because this is an unusual and important event! To the great sorrow of the people, Zhou Enlai died 10 years ago, throwing the whole country into mourning. However, the "gang of four" seized this opportunity to further upgrade the movement to "strike back with the right-deviationist wind of reversing correct decisions" and to "vigorously pursue and fiercely maul" Deng Xiaoping. In January of that year, Hua Guofeng conveyed an instruction of Mao Zedong, in which Deng was described as "not knowing Marxism-Leninism" and "insisting on this theory of white cats and black cats." In order to usurp state power, the gang of four directed their spearheads at the "capitalist roaders" and launched the movement to "criticize Deng and strike back with the right-deviationist wind of reversing correct decisions," thus throwing the nation into great disorder. But all this made the people greatly detest the gang of four, deeply cherish the memory of Zhou Enlai, and sympathize with Deng Xiaoping.

Thus, beginning in March 1976, in a spontaneous move, people began to prepare for the mourning of Zhou Enlai. Then, during the 10 or more days before the Qing Ming Festival, people sent floral wreaths and silk banners inscribed with poems to the martyr's monument on Tiananmen Square. The gang of four soon noticed these activities of the masses. They quickly decided on a policy to suppress the masses and set a trap for them. Facts show that the essence of the protest movements to mourn Zhou and oppose Jiang, which happened later and were represented by the Tiananmen Incident, was a show of support for Deng Xiaoping's line. These movements laid a solid foundation for the ensuing efforts to smash the Jiang Qing clique. During the first 10 days of October in the same year, the Jiang Qing clique collapsed and the disastrous "Great Cultural Revolution" ended. It is appropriate to say that without the Tiananmen Incident, Deng Xiaoping and Hu Yaobang would not have been able to resume their duties, and China would not be in a good situation today. Nor would the current policy of opening up and reform exist.

My friend said all this with fervor and assurance. Finally he said: In fact, if official quarters do not commemorate this event, the people will do it themselves. But it would be better to have the former hold a ceremony for it.

There Will Be a Special Report With New Ideas at the "NPC"

Since the 10th anniversary of the Tiananmen Incident will also be during the fourth meetings of the NPC and the CPPCC, many reporters will have gathered in Beijing. But what on earth will be the problems for discussion at the meeting?

A reliable source said that apart from Zhao Ziyang's report on the work of the government, the meeting will also adopt a "law on cumpulsory education," The problem of talent is a key problem affecting China's reform and development, and education is an undertaking affecting the quality of future Chinese generations. Thus, it is suitable for the meeting to put forth the problem of universal education.

In Beijing, this reporter often heard people talking about China's current policies, such as: Is China's situation good or bad? Has anything gone wrong in implementing the policy of opening up and reform? What course will China's foreign trade and monetary policy have to follow? And will foriegn currencies be allowed to circulate freely in the market? There were lots of opinions and hearsay; even some senior cadres could not tell what was true and what was not. I asked a friend who knew the ins and outs, and he told me that at this NPC meeting, there will be some new arrangements, such as inviting some experts to lecture on some special topics about foriegn trade, enterprises, finance, banking, currencies, and so forth, to answer questions raised by the delegates, and listen to their opinions. He said that this will be a new characteristic of the coming NPC meeting, and a good method for unifying the people's understanding. However, the results will be known only after the meeting.

In addition, problems concerning rectification and the efforts to crack down on economic crimes and those concerning the children of senior cadres will also be major problems to discuss at group meetings.

Other problems that may evoke controversy are probably the development of the Three Gorges area and the second phase of the Gezhouba project.

A New Controversy Over the Development of the Three Gorges Area?

Last year, CPPCC members gave all kinds of reasons in strongly opposing this development, but many experts have insisted on damming the river and further exploiting the hydropower resources of the Chang Jiang. On 28 February this year, CANKAO XIAOXI [REFERENCE NEWS] reprinted an article carried in the February issue of KUANG CHIAO CHING, entitled "Sanxia Province Seems Ready To Come Out Soon." Later, on 2 March, RENMIN RIBAO carried a report on its front page, saying that good results had been achieved since the Gezhouba project went into operation and the people's confidence was enhanced in further exploiting the Chang Jiang. It seems that the second phase of the Gezhouba project will soon be started. However, my friend told me that things are not as simple as that. Since the development of the Three Gorges, a grand project demanding more than $20 billion, will affect our descendants throughout the ages and bring an enormous change in the entire natural environment, it cannot be done hastily. Instead, it is necessary to listen to the opinions of various sectors. It is said that China's Vice Premier Li Peng suggested that a period of 2 years be set aside to carry out further research on several questions, such as ecological questions and those concerning silt, navigation, catastrophes, and the usefulness of the project, and to work out a report on the feasibility of the project, before the whole matter is finally decided. At the coming NPC and CPPCC meetings, it is quite possible that efforts will be made to collect opinions on this question.

My friend also revealed that although there will be great changes in personnel matters in the next 1 or 2 years, it will not be discussed at the coming NPC and CPPCC meetings.

Policy May Be Further Relaxed, but Still "No Three-Legged Stool!"

It seems that the question of Hong Kong and Macao will not be a major topic for discussion at the NPC meeting.

Of course, people have been following with great interest the negotiations on the future of Macao, Hu Yaobang's planned visit to England and the Queen's visit to China, the relationship between Hong Kong and Shenzhen, and the Hainan Island question. Hong Kong's Urban Council, District Board elections, and the third meeting of the Sino-British Joint Liaison Group have just ended. Taiwan has also held a symposium on the Hong Kong question. All this will naturally affect Hong Kong's future.

Some days ago, at a banquet hosted by Xu Jiatun for members of Hong Kong's Executive and Legislative Councils, Sze-yuen Chung proposed that China should recognize the two councils, but Xu said that respect does not mean recognition. What on earth is Beijing's view on this question? I inquired of a friend in the know about this, and he held: Whether people like it or not, everything must go on in accordance with the "joint declaration." Recognition is a matter for both governments. At present, it is impossible for China to issue a special statement on recognizing the two councils. Therefore, it is no use to try and pressure China on this matter. It is also impossible to have a "three-legged stool" too. In the future, following the restoration of the sovereignty of Hong Kong, the current executive and legislative councils, which are entrusted power by royal instructions and letters patent and which have a colonial flavor, will certainly not be kept intact. There are no unchangeable political structures in the world. As to what political structure Hong Kong will have in the future, this question will be made clear when the "basic law" is drafted. He revealed that there have been discussions and contacts between China and Britain in the Joint Liaison Group on the question of Hong Kong's future political system. Referring to the maintenance of prosperity and stability in Hong Kong, he said that this is a common task for both China and Britain. Anyone who makes contributions to the prosperity and stability of Hong Kong, especially well-known personages like Mr Sze-yuen Chung and who have a certain influence on the society, will always be remembered by the Chinese people.

Hong Kong May Maintain Capitalism for 200 Years!

My friend also revealed that China's current policy toward Hong Kong is even more relaxed than before. In the eyes of high-ranking central officials, a desirable situation in the future would be: peaceful competition under the condition of one country, two systems, through which both may learn from each other and make up each other's deficiencies. The period for Hong Kong to maintain the capitalist system will not be 61 years (the 11 years of the current "transitional period" plus the "50 years during which the system will remain unchanged"), but will be 100 years or even 200 years. This is by no means a casual idea but a reckoning based on careful consideration of China's national situation and world development trends.

I felt buoyed up on hearing this, as I believe this is important information.

Trends in USSR and Sino-Soviet Relations

The "27th National Congress" of the CPSU has just ended, declaring the formal arrival of the Gorbachev period. This general secretary of the CPSU wants to improve relations with China, but the latter has hinted that there has been no new development in Sino-Soviet relations. Arkhipov, first deputy premier of the USSR Council of Ministers, will pay a visit to China soon. Since Sino-Soviet relations are a matter attracting worldwide attention, I asked a friend who knew the situation whether the economic reform of the Soviet Union was an outcome of learning from China. He replied: No, it is all in the Soviet style. The USSR still emphasizes the planned economy, but is trying to make it more reasonable and perfect, such as trying to improve the quality of products.

He then gave an example: When delivering his lengthy political report at the "27th National Congress" of the CPSU, Gorbachev at one point digressed from the draft of his speech, saying that quite a few factories have merely produced products to be stockpiled. But these remarks won widespread applause from the audience. My friend held that the first step of Gorbachev's reform would be streamlining the overlapping organizations between the State Committee for Economic Planning and enterprises, granting the enterprises greater decision-making power while having the planning committee concentrate its efforts on working out long-term plans. This is a Soviet-style plan for the reform.

My friend held that Gorbachev has adopted a more flexible policy toward the Afghan question. The leading body of the CPSU will become younger and younger. If the reform is carried out in accordance with the current plan, the future of this neighboring country, which has rich natural resources and a vast territory, merits our attention. As for Sino-Soviet relations, even if they are improving for the future, such change is not directed against any third country (referring to the United States).

CENTRAL COMMITTEE TO APPOINT NEW CULTURE MINISTER

HK240936 Hong Kong TA KUNG PAO in Chinese 24 Mar 86 p 1

[Special dispatch from Beijing: "Wang Meng To Be Appointed Minister of Culture"]

[Text] According to people in cultural circles here, Wang Meng, who is well-known for being open-minded and daring to air his views, will assume the office of minister of culture.

Cultural circles welcome this decision. They say that the minister of culture should be an expert as well as a sensible person. It is generally acknowledged that Wang Meng is the right man for the post. It has been reported that Wang Meng is urwilling to be an "officer," and he has tried to decline the appointment. He had to accept the post later because the CPC Central Committee made the appointment by issuing an order. Weng Meng is now a member of the CPC Central Committee and vice chairman of the Chinese Writers' Association.

The two vice ministers of culture are: First Vice Minister Gao Zhanxiang and Vice Minister Gao Di. The current minister of culture is Zhu Muzhi.

NEW RENMIN RIBAO CHIEF EDITOR REPORTEDLY APPOINTED

HK240158 Hong Kong TA KANG PAO in Chinese 24 Mar 86 p 2

[Special dispatch from Beijing: "Tan Wenrui Assumes the Office of Editor-in-chief of RENMIN RIBAO"]

[Text] It has been reported that the editor-in-chief of RENMIN RIBAO has changed. Tan Wenrui, deputy editor-in-chief of RENMIN RIBAO and concurrently editor-in-chief of its overseas edition, now assumes the office. Former Editor-in-chief Li Zhuang has left office because he has reached the retirement age limit. Not long ago, the CPC Central Committee removed Qin Chuan from the post of director of RENMIN RIBAO and appointed Qian Liren, head of the International Liaison Department of the CPC Central Committee, to take over the post.

FBIS DAILY REPORT

China

CONTENTS

Vol I No 057 25 March 1986

PRC INTERNATIONAL AFFAIRS

GENERAL

LIAOWANG Explains China's Foreign Policies [17 Mar] A 1

UNITED STATES

GUANGMING RIBAO on U.S. Aid for Nicaraguan Rebels [14 Mar] B 1
U.S. Official Urges Trade 'Thaw' With USSR B 2

SOVIET UNION

LIAOWANG Assesses 27th CPSU Congress [17 Mar] C 1
Arkhipov Invites PRC Nuclear Experts to USSR [KYODO] C 3
Soviet Amity Group Marks Dong Biwu Birth Date C 3

SOUTHEAST ASIA & PACIFIC

New Zealand's Lange on Talks With Local Officials E 1
Aquino To Order Philippine Local Elections E 1
Panama Rejects Marcos Asylum Request E 1
Benigno Aquino Murder Case Reopening E 1
Sino-Philippine Film Production Begins E 2
Hong Kong Land Transaction Used for Future SAR E 2

SOUTH ASIA

Li Xiannian, Zhao Ziyang Messages to Pakistan F 1
Pakistan Ambassador Lauds Sino-Pakistan Ties F 2
Bank of China To Offer CD's in Hong Kong F 2

WESTERN EUROPE

Danish Prime Minister Continues China Visit G 1
Meets With Deng Xiaoping G 1
Zhao Ziyang Hosts Banquet G 2
Zheng Tuobin, Schluter Hold Talks G 3
Attends Beer Symposium G 3
Xu Xin Hosts Banquet for FRG Defense Official G 3
Jia Shi on Foreign Investment in China [Vienna WIENER ZEITUNG 22 Mar] G 4
FRG To Sign SDI Accord Amid 'Hot Debate' G 4

MIDDLE EAST & AFRICA

Li Xiannian Continues Asia-Africa Tour I 1
Arrives in Madagascar I 1
Presidents Hold Talks I 2
Malagasy President Hosts Banquet I 2
PRC May Examine Ships Passing Through Suez Canal I 3
Geng Biao Meets Burkinabe Party Delegation I 4

PRC NATIONAL AFFAIRS

NPC Presidium Holds First Meeting 24 March K 1
Permanent Chairmen Named K 1
Deputy Secretaries General Listed K 2
Presidium, Secretary General Named K 2
Agenda Adopted K 3
Session Detailed K 4
NPC Spokesman Denies Differences Over Basic Policy K 4
Addresses Party Work Style K 5
Asked About Peng Zhen [AFP] K 5
Beijing TV Carries Live Relay of NPC Opening K 6
Zhao Ziyang Reports on Seventh 5-Year Plan K 7
Reviews 5-Year Achievements K 7
Views Strategic Economic Changes K 8
Proposes New 5-Year Plan K 9
Considers Economic Reform K 10
Calls for Expanded Efforts K 12
Forecasts Higher Living Standards K 13
Urges Commodity Economy K 13
Calls for International Peace K 14
Summarizes Foreign Policy K 15
RENMIN RIBAO Greets Fourth Session of Sixth NPC K 16
Xi Zhongxun Fetes Hong Kong, Macao NPC Deputies K 18
State Council Appoints, Dismisses Officials K 18
Text of Mineral Resources Law Released K 19
Artistic Freedom, Social Responsibility Viewed K 26
'Breakthroughs' in Marxist Study Examined K 27
[RENMIN RIBAO 14 Mar]
Radio Equipment Factory Produces Quality Products K 29
[RENMIN RIBAO 14 Mar]
Commentator's Article [RENMIN RIBAO 14 Mar] K 30
Hebei Rural Areas Develop Economic Cooperation K 31
[RENMIN RIBAO 16 Mar]
Commentator's Article [RENMIN RIBAO 16 Mar] K 32
Fang Yi Speaks on Sichuan Construction Work K 33
Chen Pixian Visits Nationalities Art Exhibit K 34
Song Ping at Power Plant Loan Ceremony K 34

PRC REGIONAL AFFAIRS

EAST REGION

Jiangxi's Wan Shaofen on Aiding Backward Areas O 1
Shanghai Secretary Asks Cadres To See Drama O 1
Shandong Province To Expand Tourism Facilities O 2

CENTRAL-SOUTH REGION

Henan Urges Protection for Water Conservation Projects P 1
Hubei Party Meeting Discusses Work Tasks P 1
Mao Zhiyong Attends Hunan Meeting To Commemorate Veteran P 4

SOUTHWEST REGION

Xizang Decision on Improving Party Spirit, Discipline Q 1
Sichuan's Yang Rudai Stresses Solving Economic Problems Q 3

NORTH REGION

Nei Monggol: Major Economic Case Exposed in Hohhot R 1
Discipline Inspection Commission Comments R 2
Shanxi Leaders Meet 'Good Sons and Daughters' Report Group R 3

NORTHEAST REGION

Heilongjiang Secretary at Party Rectification Meeting S 1
Heilongjiang Cracks Grain Depot Embezzlement Case S 2
Jilin: Veteran Cadre Concern Over Party Style Urged S 2
Jilin: Neighborhood Party Rectification Forum Held S 3
Liaoning Secretary Addresses People's Congress S 4

NORTHWEST REGION

Xinjiang Advisory Committee Holds Plenary Session T 1
Xinjiang Leaders Voluntarily Plant Trees T 1

LIAOWANG EXPLAINS CHINA'S FOREIGN POLICIES

HK240930 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 11, 17 Mar 86 pp 3-4

[Article by Peng Di: "Are There Changes in China's Foreign Policies?"]

[Text] Foreign policies should serve the just interests of a country and also benefit international peace. The two factors complement each other and are not contradictory at all. It is the power diplomacy which proceeds from onesided interests and imposition of one's will on others that will disrupt international peace and lead to world conflict.

Independence and maintaining peace are the basic principles of China's foreign policies. China manifests its boldness and courage by maintaining independence, sovereignty, and territorial integrity. It has launched indomitable struggles against aggression and threats, whichever direction they come from. Meanwhile, China also manifests its patience and restraint by safeguarding peace, taking the interests of the whole into account, clearing up historical misunderstandings, and promoting friendship among people.

Naturally, this does not mean that China's external work has been perfect at all times or on all issues. During the decade-long internal turmoil, that is, the "Great Cultural Revolution," both the domestic politics and foreign policies were thrown into confusion. There were mistakes and deviations including the ultra-"leftist" trend of thought and the mistaken idea of drawing distinctions with oneself as the criterion. Meanwhile, due to the complicated international relations and lack of practice and experience, China's analyses of the situation were sometimes inaccurate and incomprehensive. For example, for a time we put undue stress on the inevitability of a world war. On the whole however, China has never deviated from its basic principles of safeguarding the just rights and interests of the state and promoting world peace.

China's foreign policies were not acceptable by other countries at first. During the initial period after its founding, New China was maligned by certain big powers as an "aggressive and expansionist warlike element." Following the outbreak of the Korean war, some small and medium-sized countries which were unaware of the truth also cast doubts upon China. They did not know that before the Chinese People's Volunteers entered the war in Korea, China openly issued a warning and also notified the United States through a third country in an attempt to avoid the war imposed on China. Because the United States disregarded all warnings and advice, its troops pressed up to China's border, its airplanes intruded China's territorial airspace, and it fired shells at China's territory, China was compelled to dispatch troops to defend the country and never yield to might.

At the Bandung Conference held later, China's Premier Zhou Enlai disclosed the truth to the leaders of the Asian and African countries. Indian Prime Minister Nehru, who had passed the message to the United States, verified the facts on the spot. At that moment, the leaders of many Asian and African countries came to realize the truth.

Indeed, there is a process for other countries to observe, study, and gradually understood China. Along with the changes in the situation, China's foreign policies should also undergo a process of readjustment, adaptability, and maturity. In order to estimate China's diplomacy, it is necessary to first observe the characteristics of the founding of the PRC, its historical conditions, and the changes in international environment.

As a nation bullied and humiliated by foreign countries for a long time, the founding of New China marked the arrival of the high tide of an oppressed nation, which accounts for the majority of the world's population, moving toward independence and prosperity. Common destiny links China with the countries of the Third World. They share weal and woe and support each other. Their unity and struggle have changed the outlook of the world. The well-known Five Principles of Peaceful Coexistence, initiated and drafted by China, India, and Burma, originated in Asia. These principles first pushed the relations between Asian and African countries to a new level and were later generally acknowledged as the universal principles guiding the relations between all countries. The Bandung Conference, sponsored by the Asian and African countries, indicated that the Third World countries had become an independent international political force. Following the conference, the political force expanded rapidly and its internal unity enhanced continuously.

Owing to the complicated international relations, particularly the problems left over by history, and to the dissession sowed by certain big powers, not all the problems among the Third World countries could be solved reasonably. Nevertheless, China, on the basis of upholding the Five Principles of Peaceful Coexistence, established and promoted friendship with other Third World countries, sought common ground while reserving differences, treated others equally, helped each other, and offered aid to many countries without political conditions attached.

When differences arise with another country, China always tries to solve them through peaceful consultation. Even in case of provocations, China tries to reduce the conflicts to the minimum so as to resume normal relations as quickly as possible. As a result, although setbacks are unavoidable, the relations between China and the other Third World countries have improved with each passing day. China's relations remained tense only with Vietnam, which insists on aggression and expansion. China has never haggled over the breach of the Vietnamese leaders. The reasons for the tense relations between the two countries are Vietnam's occupation of Cambodia, trampling on a small nation, seeking hegemony, disrupting peace, frequently provoking armed conflicts along China's border, and menacing China's security. China has repeatedly declared that so long as Vietnam withdraws its troops from Cambodia, the relations between China and Vietnam can return to normal.

China has from the very beginning attached great importance to its relations with the weak and small nations in Asia and Africa. China has made special efforts to promote the establishment and expansion of the Third World as an independent international force. If we say that there are any changes in this respect, it would be the fact that China has attached even greater importance to the whole of the Third World countries in promoting world peace and development. As a member of the Third World, China has used its own practice to show its willingness to work with other members and to play its unique role for the sake of world peace and development.

On the basis of the Five Principles of Peaceful Coexistence, China has also strengthened its relations with the economically developed countries including Japan and West Europe. China was one of the countries that first supported a united Europe. On the whole, China has no conflict of interests with these countries. China suffered from the aggression of Japanese militarism in the past. If such an experience is remembered and properly handled, it will not become an obstacle to the friendly relations of the future generations. An agreement has been reached through consultation on the question of Hong Kong between China and Britain. The sovereignty of Hong Kong will be returned to China and the appropriate arrangements made will maintain Hong Kong's long-term stability.

In recent years, China has made further headway in its relations with the developed countries, enormous strengthening of cooperation in the fields of economics, trade, and science and technology. The specific problems or contradictions can be solved through peaceful consultation based on the principles of equality and mutual benefit. There are bright prospects for such cooperation. The new developments in the relations between Europe and Asia will be of far-reaching influence to international peace and economic development.

As a big nation, China's relations with the two superpowers, which have a vital bearing on the international situation as a whole, are extremely important. Sometimes it is rather difficult for China to get along with the two superpowers. The matter is complicated but the reasoning is simple. If we lay aside the minute details, it can be simply summarized as the following: One attempts to outstrip the other, while the other remains neither humble nor pert.

Around the founding of the PRC, Mao Zedong, Zhou Enlai, and other Chinese leaders offered friendship to the United States. The reaction of the United States was a rigid attitude followed by interference, blockade, and threatening. Its interference in the Taiwan issue was particularly an act of hegemonism which evoked international criticism. At that time, the Chinese Government adopted the policy of "leaning on one side" and naturally strengthened friendly relations with the Soviet Union which treated us equally. Such a situation was forced and created by the United States. Thus, Sino-U.S. relations remained frozen for 20 years or so.

Even under such circumstances, China, with international peace and friendship toward the people in mind, started normal talks at the ambassadorial level with the United States in 1955 to relax the tense situation created by the United States over Taiwan, which indicated China's principle of resolutely safeguarding its national sovereignty and its patience in seeking a peaceful solution. The talks lasted for 15 years and were interrupted in 1970. Although the talks did not produce any results, both sides kept in touch with each other, which helped stabilize the international situation and was also the prelude to normalization of relations between the two countries.

The "ping pong diplomacy" of 1971 and Nixon's visit to China in 1972 indicated the drastic changes in the world situation and the boldness and foresight of the leaders of the two countries. Later, diplomatic talks continued, the two countries announced the establishment of diplomatic relations, and the leaders of the two sides visited each other on several occasions. With the efforts of both sides, Sino-U.S. relations were finally normalized. Both China and the United States acknowledged the principle of "one China" in the Shanghai Communique and the communique on the establishment of diplomatic relations. However, a pro-Taiwan force still exists in the United States which is always trying to make use of the "Taiwan Relations Act" to interfere in China's internal affairs and obstruct the normal development of Sino-U.S. relations. China has made unremitting efforts to eliminate this interference. It is willing to work with the United States to further develop the relations between the two countries.

Whether the relations between China and the United States are hostile or friendly, good or bad, has an important bearing on the gains or losses of each side and can also have a great impact on the international situation and world peace. It goes without saying that the relations between the two countries will have a far-reaching influence. However, will such relations develop into "strategic relations?" This is a question that has evoked much comment.

The relations between China and another superpower, the Soviet Union, have also experienced twists and turns. As a young socialist country which suffered pressure and threats from the United States, China maintained close relations with the Soviet Union at first and both sides concluded a treaty of alliance. This was also a result of historical conditions. However, China refused to be a dependency of any power because it had its independent guiding ideology and the line and principles suited to its national conditions. Obviously, this was incompatible with the guiding thinking and foreign policies of the Soviet leaders. Confronted with Soviet political and economic pressure, military encirclement, and even border provocations during the 1960's, China remained unyielding, upheld independence, and terminated its relations of alliance with the Soviet Union. Sino-Soviet relations became tense for a time because the expansionist policy of the Soviet Union impaired Sino-Soviet relations and also encroached upon other Third World countries, which created a tense situation in many regions and directly menaced China's security.

The world is facing turbulent changes and the situation is pressing. Many countries are readjusting their internal and external relations so as to adapt themsleves to the new situation. In recent years, the Soviet Union has suffered setbacks in its foreign policies and has restrained itself in expansion. Precisely at this period, Soviet leaders passed away and new appointments were made one after another. This is the opportunity for the Soviet Union to readjust its policies as a whole, including its relations with China. Although the Soviet Union has expressed its desire to improve relations with China, when the major issues that hinder Sino-Soviet relations, such as Vietnam's act of aggression in Cambodia, Soviet military occupation of Afghanistan, and massive forces stationed at the Sino-Soviet and Sino-Mongolian borders are involved, there has been no changes in the Soviet attitude so far. Despite these factors, the Soviet Union still attempts to draw China back to its "big family" strategy.

This shows that both shores of the Pacific Ocean and both north and south on the European continent have tentative ideas on and try to seek so-called "strategic relations." Through careful consideration, drawing lessons, and summing up experience, the Chinese government has decided to adhere to its basic principles of independence, safeguarding peace, nonalignment, seeking no hegemony, and opposing both big and small hegemonism. Only in this way can we maintain our independence and security and contribute to world peace. This shows that China's foreign policies are very mature.

In the world today, the force of peace is growing while the factors of war are being opposed and conditioned. Although the circumstances of each country differ from others, international peace and economic development have become a common objective demand. So long as we make joint efforts and seek common ground while reserving differences, there will be bright prospects for world peace and development. China's foreign policies, which are characterized by independence and peace, will play their proper role.

This brief review is only my personal observation and humble opinion. However, we can see from the review that China's diplomacy, based on the changes in objective situation and the deepening of subjective understanding, has developed and been readjusted somewhat in specific methods and focal points of work. Through historical trials, the uniformity and continuity of the basic principle and purpose of China's diplomacy show that it conforms to the interests of the people of China and other countries.

GUANGMING RIBAO ON U.S. AID FOR NICARAGUAN REBELS

HK240928 Beijing GUANGMING RIBAO in Chinese 14 Mar 86 p 4

["International Commentary" column by Washington-based GUANGMING RIBAO reporters Wang Deming and Ding Ke: "Dangerous Obstinacy"]

[Text] Washington, 11 Mar -- Over the past 15 days or so, senior officals of the Reagan administration have been lobbying everywhere and putting pressure on the U.S. Congress in an attempt to compel the latter to comply with Reagan's request for $100 million in aid for Nicaraguan rebels.

At the end of this month, the program for giving $27 million in so-called "humanitarian aid" to Nicaraguan rebels, which was approved by the U.S. Congress last year, is due to expire. However, the Nicaraguan situation has not changed in the way the Reagan administration wants it to. Under such circumstances, President Reagan was forced to ask the U.S. Congress on 18 February to lift its restrictions on giving military aid to the Nicaraguan rebels. Shortly after that, on 25 February, President Reagan asked the U.S. Congress to approve his request for $70 million in military aid and $30 million in "humanitarian aid" for the Nicaraguan rebels. His request was cold-shouldered by the U.S. Congress, and the Democrats in particular raised strong objections to it.

However, the Reagan administration refuses to stop there. In order to obtain approval for Reagan's request, officials of the Reagan administration have doubled their efforts. On 3 March at a meeting with three leaders of the Nicaraguan rebels, Reagan openly tried to coerce the U.S. Congress into approving his request for $100 million in aid for the rebels, saying that failure to do this would lead to a "strategic disaster." On 2 March, Secretary of State Shultz said at a meeting that if the Nicaraguan rebels were not given further aid, the entire Western hemisphere "could become a hostage taken by despots." On 5 March, Buchanan, the White House director of communications, published an article in THE WASHINGTON POST. In this article, he alarmingly asks the following question: "Do the Democrats support communists or President Reagan?"

Buchanan's accusation evoked a strong reaction from Congress. Some Democratic Congressmen described this as a "revival of McCarthyism." Other Congressmen criticized the White House for arbitrarily criticizing others for their objections to Reagan's Nicaraguan policy.

On 7 March, Reagan announced the appointment of Habib as his special envoy to Central America, whose mission is to "achieve a diplomatic solution to the Nicaraguan issue with efforts accompanied by an increasing level of (military) pressure on the Nicaraguan Government." Newspapers here suggest Reagan did not concede by doing this. The purpose of Habib's appointment is to pacify Congress and public opinion.

Up to this point, neither the White House nor Congress is willing to budge from its original position. However, bargaining is going on behind the scenes. Senator Sasser, a Democrat from Tennessee, has proposed a compromise: while negotiating with the Nicaraguan Government, the United States should suspend aid to the rebels for half a year. However, Reagan has raised strong objections to this proposal. According to the 11 March WASHINGTON POST, given the likelihood of Congress' voting against his proposal, Reagan might compromise by delaying the supply of aid to Nicaraguan rebels.

The U.S. Congress is going to vote on Reagan's program and Reagan has decided to make his last effort by giving a nationwide television address. The majority of people here think that it is rather unlikely that Reagan's proposal will get through. On this issue, the U.S. Government has received neither help nor sympathy from other countries. On 9 March, President Betancur of Colombia described the U.S. proposal for $100 million in aid to the Nicaraguan rebels as "erroneous" and as "unable to produce desirable consequences." His view represents the position of various Central American countries. History tells us that eagerness to make a show of force and interference in others' international affairs are always condemned by forces upholding justice. The Central American issue and other international disputes should be peacefully settled through negotiations. The Contadora Group has always rightly advocated this.

U.S. OFFICIAL URGES TRADE 'THAW' WITH USSR

OW210838 Beijing XINHUA in English 0827 GMT 21 Mar 86

[Text] Washington, March 20 (XINHUA) -- U.S. Commerce Secretary Malcom Baldrige said today that "it was time for a thaw" in U.S.-Soviet trade relations. However, he warned against the view that trade alone could improve relations between the two countries without considering political and security factors. Speaking before a Washington conference of businessmen wanting to trade with the Soviet Union, Baldrige said the U.S. should cut the list of prohibited export items to the Soviets by "30 or 40 percent." He said that "whole list needs an overhaul."

Baldrige suggested that a commission be set up to rule on how to cut the list, which prescribes what items can and cannot be exported to the Soviet Union, without endangering U.S. national security.

The United States bans the sale of military-related items to the Soviet Union as well as some sophisticated computer systems and advanced technologies. The businessmen attending the conference urged the government to lift the ban on some of the currently restricted items like small computer systems and telecommunications equipment. Baldrige told the businessmen that the Reagan administration is still opposed to major trade concessions to the Soviet Union "in the absence of progress in other areas." He also said that the United States does not view the Soviet Union as a big market and that trade volume between the two countries will only be about 2.3 billion U.S. dollars this year.

LIAOWANG ASSESSES 27TH CPSU CONGRESS

HK220615 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 11, 17 Mar 86 pp 28-29

[Article by special correspondent Shen Yiming: "The 27th Congress of the CPSU Decides on an "'Acceleration Strategy'" -- special dispatch from Moscow]

[Text] The 9-day 27th Congress of the CPSU concluded on 6 March. This was the first congress held by the CPSU since Gorbachev was elected general secretary of the CPSU Central Committee in March last year. The CPSU Congress listened to Gorbachev's political report and the report by Ryzhkov, member of the CPSU Politburo and chairman of the Soviet Council of Ministers, approved the revision of the party program and the revised party constitution, decided on the basic principles for Soviet social and economic development in the 15 years up to the end of this century, and elected a new central leading organ. Gorbachev was reelected general secretary of the CPSU Central Committee.

The congress decided that for a period of time to come, the Soviet Union will pursue a "strategy for speeding up social and economic development." According to Gorbachev, this "speeding up stragegy" is four-fold: "Perfecting its socialist economic system and energetically promoting the development of production as well as scientific and technological progress"; "closely relating the improvement of laborers' benefits to their labor efficiency"; "bringing into play the initiative and creative spirit of each laborer and collective"; and "closely combining ideological and organizational work with probelms in actual life so as to prevent people from indulging in empty talk and preaching." The congress decided that by applying the "speeding up strategy," the Soviet Union will double its national revenue and industrial output value by the end of this century.

In his political report, Gorbachev provided a brief explanation for formulating the "speeding up strategy." For a number of years, he said, the Soviet Union has achieved success in its economic, social, and cultural fields, but at the same time "errors" have occurred in the political sphere and other activities. "Unhealthy tendencies" have also appeared in the economic, social, and spiritual spheres. The "inertness and rigidity of the forms and methods of administration, the decline of a work ethic, and increased bureaucracy" have done "no small damage" to our cause. "Stagnation is beginning to emerge" in our social life. It is therefore necessary to overcome negative factors in social and economic development as soon as possible in order to invigorate and motivate this development.

Almost without exception, dozens of speakers at the congress severely criticized the past mistakes and commented on present problems, pointing out that for a time in the past "mistakes by individual persons cost the state dearly." As early as the late 1960's, they were already aware that resources for unrestrained economic development were "in fact already exhausted," but due to "inertness" in their ideology, they "could not reach a correct conclusion." Their criticism and suggestions involved important problems such as economic and political work, social relations, and the party's work style. They underwent considerable analysis of the cause of stagnation in economic development, maintaining that the major cause was, instead of drawing a prompt and correct conclusion on the changes in the economic situation and shifting the economy to the road of intensive development the Soviet Union had continued to pursue unrestrained economic development by increasing the work force and investments. As a result, problems in economic equilibrium became acute, social demand was not in line with the level of production, and purchasing power and supply were out of balance. Efforts have been made over the past few years to correct this situation, but there has been no fundamental change. Gorbachev summed up the following three lessons at the congress:

First, it is necessary to speak the truth; second, it is necessary to have a clear aim and persist in actual deeds, and reforms should not be abandoned halfway; and third, the masses and cadres should consciously take part in speeding up social and economic development.

The Congress maintained that "profound reform" of the economic system and management methods was the key to speeding up social and economic development, stressing that a "thorough reform" rather than partial correction was necessary. The reform consists of adhering to the economic accounting system so as to guarantee that enterprises maintain a favorable balance of payments and solve their own funds; using economic methods such as prices, loans, and economic incentives to lead the economy; reforming the price system so as to make it more flexible; expanding the decision-making power of enterprises and encouraging leading economic organs to draw up policies on technology, to maintain a balance between various departments, and to guarantee the quality of products for the national economy; popularizing the collective contract system and the household contract system in agriculture and allowing agricultural enterprises to sell their surplus budgetary products in the market.

The Congress particularly mentioned bringing into play the human factor, especially the role of cadres. Stabilization of the cadres line, the Congress pointed out, does not refer to the permanency of positions in the cadres ranks. The cadres ranks should be composed of experienced cadres and young cadres. Insofar as party style is concerned, conservative ideas, relaxed discipline, bureaucracy, flattery, the practice of abusing power, and activities in violation of laws and discipline must be resolutely opposed.

The speeches at the congress suggested that there were quite a number of obstacles to carrying out the reforms. Ryzhkov, member of the politburo and chairman of the Council of Ministers, said "the greatest of all dangers is bureaucracy." On whether reforms can be smoothly carried out, Gorbachev made this appraisal: Reforms have just started; "difficulties may arise, and there is no guarantee against miscalculations." However, "we will move ahead step by step in the direction we have chosen."

On foreign policy, Gorbachev pointed out in his political report that Soviet International Strategy is mainly aimed at insuring better opportunities for the Soviet people in a more peaceful and free environment and that at present it is necessary to "stop material preparations for nuclear warfare." The exposition by the congress on peace, disarmament, and Soviet foreign policy did not contain many new details. Gorbachev stressed in his report that the Soviet Union will "maintain the continuity of its foreign strategy." But he added: "The continuity of our foreign policy has nothing in common with repeating what was done in the past. In particular, in terma of methods for solving problems and while holding firm to our principles and stand, we must be resolute and at the same time tactically flexible, remaining ready to make acceptable compromises. Instead of going in for conflicts, our aim is to enter into dialogue and achieve mutual understanding."

The congress elected a new CPSU leading body composed of 26 members -- 12 members of the politburo, 7 alternate politburo members, and 11 secretaries of the CPSU Central Committee (of whom 4 are members of alternate members of the politburo). Of the leading bodies elected by recent party congresses, the present one has the largest number of members. The new leading body has made adjustments and additions based on the original number of members, thus strengthening itself in terms of economic, scientific, organizational, ideological, and diplomatic expertise. The average age of the new leading body is 65 for politburo members -- 4 years younger than the average age of members of the last politburo; 62 for the alternate politburo members -- 4 years younger; and 61 for the secretaries of the CPSU Central Committee — 8 years younger.

ARKHIPOV INVITES PRC NUCLEAR EXPERTS TO USSR

OW241259 Tokyo KYODO in English 1248 GMT 24 Mar 86

[Text] Beijing, March 24 KYODO -- Soviet First Deputy Premier Ivan V. Arkhipov has invited China to send a team of experts to the Soviet Union to survey Soviet nuclear power generat' facilities, an Eastern bloc diplomatic source here disclosed Monday. Arkhipov offe: the invitation during the first China-Soviet committee meeting on economy, trade and techno-scientific cooperation, held here in mid-March, the source said. The Chinese side promised to study the invitation, the source added.

During the Beijing meeting, Arkhipov briefed Chinese leaders about the Soviet economic policy adopted at the latest Soviet Party Congress. The briefings were made at the request of Soviet leader Mikhail Gorbachev, the source said. According to the source, Arkhipov told the Chinese that Sino-Soviet cooperation in energy development can include nuclear power generation and invited China to dispatch the experts' team to the Soviet Union as an initial step in such cooperation.

During the Beijing talks, both sides agreed on the construction of two new railway systems linking the Soviet Union and China's Xinjiang Uygur Autonomous Region, in addition to the existing three railways linking the two countries in the far eastern and Mongolian areas, the source said. The source predicted Moscow will provide technology and equipment in the new railway projects while China will help with manpower. The agreement on the railway projects is believed to be based on bilateral talks when Li Senmao, China's vice minister of railways, and others visited the Soviet Union last year.

During the mid-March meeting here, the two sides also agreed to expand bilateral shipping and establish shipping representatives' offices in Shanghai and Odessa, respectively, the source said.

Agreement was also reached to increase mutual exchanges of students, and Moscow agreed to help train Chinese industrial experts in the Soviet Union, the source said. At present, 200 Chinese students are studying in the Soviet Union, with a similar number of Soviet students in China.

SOVIET AMITY GROUP MARKS DONG BIWU BIRTH DATE

OW241949 Beijing XINHUA in English 1942 GMT 24 Mar 86

[Text] Moscow, March 24 (XINHUA) -- The Union of Soviet Societies for Friendship and Cultural Relations with Foreign Countries and the Soviet-China Friendship Society held a public lecture here today to mark the 100th anniversary of the birth of former Chinese state leader Dong Biwu.

Professor Yakovlev, member of the central board of the Soviet-China Friendship Society, spoke at the lecture about Dong's life and his great contribution to the liberation and socialist construction of the Chinese people.

Sudarikov, professor of the Diplomatic Academy of the Soviet Foreign Ministry, talked about meeting with Dong when he was working in China.

Chinese ambassador to the Soviet Union Li Zewang was also present at the lecture.

NEW ZEALAND'S LANGE ON TALKS WITH LOCAL OFFICIALS

OW241805 Beijing XINHUA in English 1641 GMT 24 Mar 86

[Text] Guiyang, March 24 (XINHUA) -- New Zealand Prime Minister David Lange said here today talks with local South China leaders were very beneficial. In an interview with XINHUA, Lange said that he had spent three happy days in China visiting with leaders of Guangdong and Guizhou provinces and the Guangxi Zhuang Autonomous Region.

Lange said that several specialists from New Zealand had engaged in joint technological work in agriculture with scientists in Guangxi and that there has been a substantial increase in trade between New Zealand and Guangdong Province in the past few years. He said that he was told that animal husbandry is a major factor in the period of the Seventh Five-Year Plan in Guizhou Province. He said this was very important to the relationship between New Zealand and Guizhou Province. Lange said he hoped that cooperation between New Zealand and China in agriculture would develop substantially. He said this is one of the reasons he came to China.

The New Zealand guests arrived in Anshun city from Guilin by plane this morning in the company of Wu Wenying, chairman of the Chinese Government reception committee and textile industry minister. Later today they visited the Huangguoshu Falls and other scenic spots. The guests arrived in Guiyang by car this evening and later were honored at a banquet given by Governor Wang Chaowen of Guizhou Province.

AQUINO TO ORDER PHILIPPINE LOCAL ELECTIONS

HK210521 Beijing International Service in Tagalog 1130 GMT 20 Mar 86

[Text] In Manila, Presidential Spokesman Rene Saguisag said yesterday that President Corazon Aquino will order the holding of local elections within 12 months. In a press conference on the cabinet meeting held yesterday, Saguisag said that the president asked that local elections be held not earlier than 6 months and not later than 12 months from now. Positions to be contested in the elections are those for provincial governors, city and town mayors and members to the provincial board, city and town councils which were last elected in 1980. The 6-year term expired last 3 March.

PANAMA REJECTS MARCOS ASYLUM REQUEST

HK240555 Beijing International Service in Tagalog 1130 GMT 23 Mar 86

[Text] President Arturo Delvalle of Panama formally turned down former Philippine President Ferdinand Marcos' request for political asylum in that country. In a statement, President Delvalle said that he made this decision after a thorough study of Mr Marcos' request, consultations with cabinet and other groups of the National Democratic Union and taking national security into consideration.

BENIGNO AQUINO MURDER CASE REOPENING

HK240551 Beijing International Service in Tagalog 1130 GMT 22 Mar 86

[Text] In Manila, the newly-established Presidential Commission on Human Rights said yesterday that it will begin reopening the case on the assassination of former Senator Benigno Aquino. This was announced by former Senator Jose Diokno, committee chairman, in a press conference yesterday.

Aquino was killed at the Manila International Airport on 21 August 1983 as he descended from the airplane that took him home after three years of self-exile in the United States.

Twenty five military personnel, including former Armed Forces chief of staff General Fabian Ver, and a civilian, were accused of the murder but were acquitted by the anti-graft court, the Sandiganbayan, last 2 December after an almost one year trial.

According to Diokno, his seven man committee will find out whether the Aquino trial was fair or not. It will also investigate whether the former presiding justice of the court had been involved in obstruction of justice in order to acquit the accused.

Meanwhile, Vice President and Foreign Minister Salvador Laurel said the Philippines would consider Panama's acceptance of deposed President Ferdinand Marcos as an unfriendly act and might lead to the Philippines' severing diplomatic relations with Panama. This was reported yesterday by the PHILIPPINE NEWS AGENCY [PNA].

The PNA also reported that Panama's honorary consul in the Philippines announced that the Panamanian Government would not undertake official action without first consulting the Philippine Government.

The other day, deputy Foreign Minister Jose Ingles sent a note to all countries with which the Philippines has diplomatic relations, asking them to refrain from granting political asylum to, or accepting as a resident, former President Marcos.

SINO-PHILIPPINE FILM PRODUCTION BEGINS

HK240543 Beijing International Service in Tagalog 1130 GMT 21 Mar 86

[Text] Shooting for the Sino-Philippine co-production "The King and the Emperor" began the other day in a seaside village some 150 kilometers south of Manila in Southern Luzon. The screenplay for the film was based on the story of the visit to China by the Sultan of Sulu and his meeting with Emperor Yungglo of the Ming Dynasty in the 15th century.

The directors of the film are (Xiao Lan) of China and Eddie Romero of the Philippines. Noted Chinese actor Wang Xingang plays the emperor while Philippine actor Vic Vargas takes on the role of the Sultan of Sulu.

According to a memorandum concluded last month, the film will be made in two stages: the first half will be shot in the Philippines and later, in China. The shooting is expected to finish in October this year.

HONG KONG LAND TRANSACTION USED FOR FUTURE SAR

OW211856 Beijing XINHUA in English 1507 GMT 21 Mar 86

[Text] Hong Kong, March 21 (XINHUA) -- The Hong Kong Government has set aside 423 million Hong Kong dollars (about 54 million U.S. dollars) from its last year's land transaction incomes for the future Hong Kong Special Administrative Region (SAR). This was announced by Sun Yanheng, chief Chinese representative on the Sino-British Land Commission, here today.

The sum was the first income drawn from the Hong Kong Government's land transaction revenue for the future SAR Government.

According to an annex to the Sino-British Joint Declaration on Hong Kong's future, which came into force last year, premium income obtained by the British Hong Kong Government from land transaction shall, after deduction of the average cost of land production, be shared equally between the British Hong Kong Government and the future Hong Kong SAR Government.

At its 8th meeting here today, the land commission decided to grant new leases of 55 hectares of land for the 1986-87 fiscal year beginning April 1.

LI XIANNIAN, ZHAO ZIYANG MESSAGES TO PAKISTAN

BK230908 Beijing in Urdu to Pakistan 1600 GMT 22 Mar 86

[Text] President Li Xianian has greeted President Mohammad Ziaul Haq on the occasion of Pakistan's national day. President Li in his greetings message said: On behalf of the government and the people of China and in my own name, I extend warmest greetings and good wishes to your excellency and, through you, to the brotherly people of Pakistan on the occasion of the national day of the Islamic Republic of Pakistan. I have noted with pleasure that under your leadership the people of Pakistan have achieved notable successes in the defense of national sovereignty and in the construction of their country. General elections were held in your country last year and the program of establishment of democratic process was successfully concluded. This will definitely help greatly in the progress and prosperity of your country.

Pakistan has always implemented a foreign policy of peace, sovereignty and nonalignment, paid great attention to the promotion of relations with neighboring countries, emphasized unity with the Islamic community, actively promoted regional cooperation in South Asia, extended unflinching support to the just struggle of the people of various Third World countries, and played a positive role for peace and stability in South Asia and the world.

President Li went on: The people of China and Pakistan enjoy age-old friendship. The leaders of the two countries have always attached great importance to Sino-Pakistani friendship and trusted and supported each other. History proves that Sino-Pakistan friendship is based on solid foundations and is full of dynamism and vigor. I firmly believe that these Sino-Pakistan ties of friendly cooperation, which are exemplary in friendly relations among neighboring nations, will continue to grow and develop more extensively in the future.

At the end of his message to President Ziaul Haq, President Li Xiannian wished for the prosperity and happiness in the Islamic Republic of Pakistan and for the happiness and health of the president himself.

Prime Minister Zhao Ziyang also sent greetings to Prime Minister Mohammad Khan Junejo on the occasion of Pakistan day. Prime Minister Zhao in his message said: On behalf of the government and the people of China and in my own name, I extend very sincere greetings to your excellency and your government and people on the happy occasion of the national day of the Islamic Republic of Pakistan and offer my best regards to you.

The Islamic Republic of Pakistan is a peace-loving country which, as a Third World country, always steadfastly follows principles in international affairs, upholds justice, and plays a prominent and positive role in the defense of peace and stability in Asia and the world. That is why world opinion greatly commends it. The illustrious and competent Pakistani people have continuously achieved new successes in various fields of national construction. The Chinese people greatly admire this. China and Pakistan are friendly neighbors who respect each other on the basis of the five principles of peaceful coexistence and who closely cooperate with each other, and as a result our friendly relations continue to develop. Your excellency, I am fully confident that the existing Sino-Pakistan friendship is not only useful for the basic interests of the people of our two countries, but also serves the cause of peace in this region, and in Asia.

Mr Zhao Ziyang in his message to Mr Junejo said: I hope that the Islamic Repbulic of Pakistan will remain prosperous, the brotherly Pakistani people will remain happy and your excellency will remain successful and healthy in all respects.

PAKISTAN AMBASSADOR LAUDS SINO-PAKISTAN TIES

OW210934 Beijing XINHUA in English 0856 GMT 21 Mar 86

[Text] Beijing, March 21 (XINHUA) -- Relations between the People's Republic of China and Pakistan are a model for other countries, Islamabad's Ambassador in Beijing Dr. Maqbool Ahmad Bhatty said here today. In an exclusive interview with XINHUA, the ambassador said, despite the different political and social systems of the two countries, Pakistan and China have established friendly relations based on mutual interests which have not only contributed to peace in Asia but also been beneficial to peace in the world at large.

Recognizing peace as a basic tenet and prerequisite for development, Pakistan and China have been working together to oppose foreign intervention such as in Afghanistan and Kampuchea, he said. The economic cooperation between Pakistan and China in the past few years has been most satisfactory, the ambassador said. "China has helped us in completing some projects of vital importance, notably the heavy mechanical complex and the heavy foundry and forge in Taxila. A cultural complex is nearing completion in Islamabad with Chinese assistance and the construction of a Chinese-aided heavy industrial electrical complex has also been agreed upon." he noted. In addition, he said, the television authorities of the two countries have already done the spadework for coproduction of TV plays, and steps are being taken to promote scholarly exchanges.

The ambassador said that on May 1, 1986 the Khunjerab Pass on the Karakoram Highway, built with the joint efforts of Chinese and Pakistan engineers and workers, will be opened to third-country nationals. "This will enhance trade between the regions close to the border and will be beneficial for the tourism industries of the two countries," he added. Bhatty expressed the hope that the existing framework of bilateral trade could be further broadened and diversified.

BANK OF CHINA TO OFFER CD'S IN HONG KONG

OW241943 Beijing XINHUA in English 1649 GMT 24 Mar 86

[Text] Hong Kong, March 24 (XINHUA) -- The Hong Kong branch of the Beijing-based Bank of China signed a deposit agreement today to issue certificates of deposit (CD) amounting to 100 million U.S. dollars at its main office here. This is the first ever CD issue by Bank of China, Hong Kong branch, and the proceeds will be used for general funding purposes. The CD will mature in March 1991 and interest will be paid semi-annually at the rate of eight percent per annum.

Lead managers of the issue are China Development Finance Company (Hong Kong) Limited and Citicorp International Limited, with 22 foreign companies as managers, including Bankamerica Capital Markets Group, the Bank of East Asia, Ltd. (HK), Banque Bruxelles Lambert S.A., Singapore Branch, Bot International (HK) Ltd., etc.

DANISH PRIME MINISTER CONTINUES CHINA VISIT

Meets With Deng Xiaoping

OW250844 Beijing XINHUA in English 0830 GMT 25 Mar 86

[Text] Beijing, March 25 (XINHUA) -- China's top leader Deng Xiaoping said today that China's policies are worked out collectively and enjoyed wide support of the people and cadres who desire reforms.

Deng, who is chairman of the Central Adivsory Commission of the Chinese Communist Party, made this remark at a 45-minute meeting with visiting Danish Prime Minister Poul Schluter at the Great Hall of the People here today.

When the Danish visitors arrived at the meeting hall, Deng greeted them at the entrance to the hall and welcomed them to China. Schluter said that he had been looking forward to meeting Deng and was very pleased to meet him today.

Deng said, "You are the first foreign friend I have received this year. Not long ago, there were rumors circulating in Hong Kong to the effect that I was ill. My appearance here today will scotch those rumors now" he said with a hearty laugh.

He continued, "In the past few years I have deliberately tried to disengage myself from day-to-day affairs and let other comrades take more responsibility. This shows that the existing policies of China do not hinge on myself alone. That is why I have not made any public appearances for some time."

In fact, Deng said, China's policies are not the work of one single person, but are deeply rooted in the overwhelming majority of the people. The cadres and people all desire reform, he noted. "Even after my retirement China's policies will continue. That should assuage international concern about whether China's policies will continue without Deng," he added.

On bilateral relations, Deng said China and Denmark enjoy excellent relations. "Denmark was one of the first countries to establish diplomatic relations with new China. In recent years, exchanges of visits between leaders of the two countries have increase, and political and economic relations between the two countries have recorded major progress. Denmark has done its best to help China's construction, and for this we express our thanks to you," he added.

The Danish prime minister said that his country not only hopes to further develop economic and trade relations with China, but also wants to get to know China's history, culture and language.

Deng agreed with him, adding that friendship must be built based on mutual understanding and friendly relations. He believed that "political and economic relations between China and Denmark will continue to develop." He said that the two countries share common views on international issues and have worked out policies according to their own conditions. China pursues an independent policy, he said. "We hope European European countries would also pursue an independent policy." He said he was sure that this policy benefits world peace. He siad he hoped that China, Europe and the Third World countries would become a strong force. Only by strengthening unity and making efforts to safeguard world peace, he stressed, could there be hope for peace and the avoidance of war.

On China's economic restructuring, Deng said that reform in China's urban areas is much more complicated than in rural areas, but is expected to be completed in about five years. "Though we have to explore ways which have never been tried before, I am confident that we'll succeed," he added.

Zhao Ziyang Hosts Banquet

OW241750 Beijing XINHUA in English 1611 GMT 24 Mar 86

[Text] Beijing, March 24 (XINHUA) -- Premier Zhao Ziyang held a banquet in honor of Danish Prime Minister Poul Schluter and Mme. Lisbeth Schluter at the Great Hall of the People here tonight.

In his speech at the banquet, Zhao said that Denmark is among the early Western countries to recognize and establish diplomatic relations with China. He said recent years have witnessed rapid growth of bilateral relations in various fields, adding that the exchange of personnel from various walks of life of the two countries has been frequent, thus steadily enhancing their mutual understanding, friendship and cooperation. Bilateral trade has grown significantly, and the Sino-Danish economic and technological cooperation has yielded results in many provinces and cities in China, he stressed.

He said the growth of Sino-Danish friendly relations and cooperation sets an example for the development of relations among states on the basis of the five principles of peaceful coexistence. He expressed the belief that Prime Minister Schluter's current visit will give fresh impetus to the friendship and cooperation between the two countries.

Turning to international situation, Zhao said that the people of various countries are deeply disturbed by the rivalry between the superpowers and escalating arms race between them.

China is of the view that as the question of disarmament has a bearing on the security of countries in the world, all of them, whether big or small, strong or weak, have their due role to play, he said. Both China and Western Europe constitute important forces for deterring war and safeguarding world peace, he added. Enhanced unity between China and Western Europe is an important factor making for world peace and stability.

Prime Minister Schluter said that he is here to give tangible expression to the strong ties of friendship and cooperation between Denmark and China which have developed over the past years and to expand the relations even further.

He said the potential of this new dynamic China is vast, adding that "we have no doubt that the reforms undertaken will further enhance China's important position in the community of nations." He acknowledged that a very positive feature of Chinese foreign policy is readiness to co-operate with countries regardless of their socio-political system. He said that this has bought China many friends in the world.

The relations between Denmark and China have always been close, he said.

Noting the significance of the co-operation agreement and political consultations at high level between China and European community, he said that he is convinced that both parties can derive great benefit from these contacts.

The Danish Government is deeply concerned about the present level of armaments and has consistently pointed to the need for progress towards disarmament, conventional as well as nuclear, he said. He expressed his concern over the situation in Kampuchea and Afghanistan, saying that a peaceful solution can only be found on the basis of a comprehensive political settlement providing for the withdrawal of foreign troops.

[Beijing XINHUA Domestic Service in Chinese at 1623 GMT on 24 March in reporting on the banquet hosted by Zhao Ziyang in honor of Danish Prime Minister Poul Schluter and his wife adds the following sentence: "Present at the banquet were Wu Xueqian, state councillor and minister of foreign affairs; Cui Naifu, minister of civil affairs; and high-ranking government officials accompanying Prime Minister Schluter on the visit."]

Zheng Tuobin, Schluter Hold Talks

OW251210 Beijing XINHUA in English 1159 GMT 25 Mar 86

[Text] Beijing, March 25 (XINHUA) -- Denmark is keen to develop high technology, visiting Danish Prime Minister Poul Schluter said here today. He was speaking during a meeting with Chinese Minister of Foreign Economic Relations and Trade Zheng Tuobin at Beijing's Great Hall of the People.

Schluter said he was very glad to note China's achievements under its economic reforms. Since 1978, the volume of Sino-Danish trade had increased tenfold. The Danish Government was now eager to further expand trade and co-operation.

Zheng said bilateral trade and economic co-operation had developed satisfactorily. Co-operation in various forms was proceeding smoothly. Both men said they hoped their countries could conduct widescale co-operation on foodstuffs and light industry. Danish industrialists who are accompanying Schluter on his visit attended the meeting. Earlier, Schluter laid a wreath at the Monument to the People's Heroes in Tiananmen Square.

Attends Beer Symposium

OW241330 Beijing XINHUA in English 1320 GMT 24 Mar 86

[Text] Beijing, March 24 (XINHUA) -- A six-day symposium on Sino-Danish Beer brewing technology opened at the nationalities palace of culture this afternoon.

Danish Prime Minister Poul Schluter attended the opening ceremony, and also joined a beer tasting offered by Guangzhou Brewery which had imported technology from Denmark.

In their speeches, both the prime minister and Wang Wenzhe, Chinese vice-minister of light industry, hoped that the symposium would promote the development of cooperations between the two countries in beer brewing and other fields of light industry.

The symposium is co-sponsored by the Chinese Ministry of Light Industry and the Danish Danbrew Consult Ltd.. and Danish specialists will be arranged to give presentations on brewing technology at the meeting.

Earlier today, Mme. Lisbeth Schluter visited a Sino-Danish biomedical postgraduate training center which was set up in 1985 under a co-operative agreement between Chinese and Danish Governments.

XU XIN HOSTS BANQUET FOR FRG DEFENSE OFFICIAL

OW241755 Beijing XINHUA in English 1531 GMT 24 Mar 86

[Text] Beijing, March 24 (XINHUA) -- Xu Xin, chief of general staff of the Chinese People's Liberation Army, held a banquet here this evening to welcome Dr. Lothar Ruhl, state secretary of the Ministry of Defense of the Federal Republic of Germany, and his party.

Speaking at the banquet, both Xu and Ruhl wished for continued development of friendship between the peoples and armies of the two countries.

Ruhl, the first senior defense official from Federal Germany to visit China, arrived here today at the invitation of the Chinese Ministry of National Defense. Xu and Ruhl will hold talks here tomorrow.

During their stay in China, the Federal German visitors will visit military academies and units of the Chinese Army. They will also travel to Shenyang, Xian, Wuhan, Hangzhou and Guangzhou besides Beijing.

JIA SHI ON FOREIGN INVESTMENT IN CHINA

AU250946 Vienna WIENER ZEITUNG in German 22 Mar 86 p 7

[Text] Jia Shi, president of the Chinese Council for the Promotion of International Trade (CCPIT), stressed in Vienna yesterday that foreign firms can cooperate with Chinese firms in all kinds of different forms. The high-ranking Chinese functionary yesterday briefed Austrian business representatives about new opportunities for bilateral cooperation at a meeting held within the framework of a China seminar organized by the Austrian Chamber of Commerce. Jia Shi stressed that in the past few years a number of laws were enacted that are designed to facilitate such cooperation. Further promotion measures are to be expected, he said, adding that foreign investments in China are protected by law. Since February, moreover, regulations are in effect which substantially facilitiate travel to and within China for foreigners.

FRG TO SIGN SDI ACCORD AMID 'HOT DEBATE'

OW241940 Beijing XINHUA in English 1928 GMT 24 Mar 86

[Text] Bonn, March 24 (XINHUA) -- Federal German Economics Minister Martin Bangemann flew to Washington today to discuss the details of Federal German participation in the Strategic Defense Initiative (SDI) research program. Bangemann told a German radio station earlier he plans to sign two accords with the U.S., one on behalf of Federal German corporations taking part in the SDI research program and the other on civilian technological cooperation between the two countries.

Bangemann's visit comes amid a hot debate within the coalition government of Chancellor Helmut Kohl over Federal German participation in the SDI research program.

Minister of State for the Federal German Foreign Ministry Juergen Mollemann said yesterday that it is "politically foolish" to approve the agreement on Federal German involvement in the SDI research program without careful consideration. Mollemann is opposed to keeping secret the two planned agreements. The U.S. is reportedly against publishing certain clauses of the agreements. Mollemann also criticized U.S. Defense Secretary Caspar Weinberger for his refusal to bring the SDI research program into arms control talks in Geneva. He added that if Weinberger sticks to his stance, it will mean the end of arms control.

LI XIANNIAN CONTINUES ASIA-AFRICA TOUR

Arrives in Madagascar

OW250739 Beijing XINHUA Domestic Service in Chinese 1603 GMT 24 Mar 86

[By reporters Zhu Ronggen and Xu Zhi]

[Text] Tananarive, 24 Mar (XINHUA) -- PRC President Li Xiannian and his wife Lin Jiamei arrived today by special plane from Somalia in Tananarive, the capital of Madagascar, to begin a 4-day state visit to this beautiful island nation in the southwestern part of the Indian Ocean.

President Li's current visit to Madagascar is made on the 14th anniversary of the establishment of diplomatic relations between China and Madagascar. It is also the first visit by a Chinese president to the world's fourth largest island nation. Madagascar's president, Ratsiraka, visited China last October. The fact that the heads of the two nations have met again in less than half a year fully indicates the smooth development of the traditional friendship between China and Madagascar, which are both Third World countries.

Today Ivato International Airport was under a blue sky with white clouds, and the weather was cool and comfortable. The national flags of China and Madagascar fluttered on airport buildings. The special plane slowly landed at 1310 local time. When President Li and his wife walked down the ramp, President and Mrs Ratsiraka stepped forward to warmly shake hands with them. President Ratsiraka said in Chinese: "How are you?" then, two children in white dresses presented bouquets to President and Mrs Li.

President Li and President Ratsiraka then mounted the welcoming dais, and the national anthems of the two countries were played. A 21-gun salute was fired.

President Li inspected the honor guard in the company of President Ratsiraka. Holding garlands and the national flags of China and Madagascar, hundreds of well-wishers danced to welcome the guests and changed in Chinese: "Long live China!" "Long live the friendship between China and Madagascar!" More than 50 Overseas Chinese in Madagascar waved a streamer bearing the slogan "Overseas Chinese in Madagascar Warmly Welcome Visiitng President and Mrs Li." President Li waved to them again and again in acknowledgment.

President Li issued a written statement at the airport. In the statement he said: "Both China and Madagascar are developing countries, and both are facing the historical task of developing the economy and improving the people's living standards. They should make use of each other's experience, learn from each other's strong points to make up for their own deficiencies, supply each other's needs, and cooperate closely." He expressed the belief that with the joint efforts of the two countries, their realtions of friendship and cooperation are bound to develop further and become increasingly consolidated.

Others greeting President Li at the airport were Andrianarahinjaka, president of the Malagasy National People's Assembly; Rakotoarijaona, prime minister; (Lactoalison), chairman of the government's Military Development Commission; (Lobeir), president of the Supreme Court; as well as members of the Supreme Revolutionary Committee, ministers of the government, generals of the armed forces, public figures, representatives of masses from various circles, and foreign diplomatic envoys in Madagascar, totaling nearly 1,000.

Chinese Ambassador to Madagascar Yang Guirong, officials of the Chinese Embassy, and representatives of Chinese experts working in Madagascar were among those greeting President Li at the airport.

During a short rest in the Airport VIP room, President Li said to President Ratsiraka: "I am very grateful to have received such a warm welcome." President Ratsiraka said: "You must have had a tiring journey. Please take a good rest here."

Accompanied by President Ratsiraka, President Li drove to the (Mahazualiv) palace where he was to stay during the visit.

State Councillor Chen Muhua, Vice Foreign Minister Qi Huaiyuan, Vice Minister of Foreign Economic Relations and Trade Lu Xuejian, and Assistant Foreign Minister Tang Longbin, who are in President Li's entourage for the visit, arrived on the same plane.

Presidents Hold Talks

OW251320 Beijing XINHUA in English 1305 GMT 25 Mar 86

[Text] Tananarive, March 25 (XINHUA) -- Chinese President Li Xiannian and Malagasy President Didier Ratsiraka hold talks at the state house here this morning on the further strengthening of the friendly relations between the two countries. This is the two leaders' second encounter in less than half a year since last October when Ratsiraka visited Beijing.

Li, who arrived here yesterday afternoon on a state visit, expressed, on behalf of the Chinese Government and people, deep sympathy with the cyclone-affected Malagasy people and announced to donate 2,000 tons of cement to help alleviate the disaster. President Ratsiraka, gratified with Li's return visit in such a short time, told his guest that Li's visit, will strengthen economic and technological cooperation in new fields and forms so as to further the existing friendship between the two countries. Li said that his visit will help deepen mutual understanding and friendship between China and Madagascar. Li also highly appreciated the achievements made by the Malagasy Government in its socio-economic development and just stand regarding international affairs. The two leaders also exchanged views on the latest developments of the international situation and issues of mutual concern.

Li is the first Chinese head of state to visit this Indian Ocean country, the last leg of Li's five-nation Asian and African tour which has already taken him to Bangladesh, Sri Lanka, Egypt and Somalia.

Malagasy President Hosts Banquet

OW051410 Beijing XINHUA in English 1349 GMT 25 Mar 86

[Text] Tananarive, March 25 (XINHUA) -- President Didier Ratsiraka of Madagascar today highly appreciated the friendly relations and cooperation between Madagascar and China and expressed his hope to further strengthen the ties in the spirit of South-South cooperation. In his welcome speech at the banquet he hosted for visiting Chinese President Li Xiannian at the state house this afternoon, the Malagasy president said that Li's visit, made in less than half a year since his visit to Beijing last October, clearly shows that the friendly and trustworthy ties embody the principle of mutual respect. He told his guest that he was gratified with Li's decision to extend his marathon Afro-Asian tour to Madagascar as a friendly gesture to a far-off island country.

Recalling the development of the friendly relations since the establishment of diplomatic relations between the two countries in 1972, Ratsiraka described the bonds as "very good" and the friendship as "solid and sincere".

On the prospects of the further Madagascar-China ties, the Malagasy president noted that Li's visit has "constituted an important stage" in the development of the relations. "Our two countries both belong to the Third World", and therefore they may discuss the ways and means to accelerate South-South cooperation so as to further bring their capacities into full play in their respective national development, he said.

In his reply, Li Xiannian said the friendly relations and cooperation between China and Madagascar have made new progress in the past few years and they have made new explorations in developing economic and technological cooperation on the basis of equality and mutual benefits. Touching on the situation in South Africa, the Chinese president said that a long-standing upheaval and tension have appeared owing to the intervention of the superpowers and the perverse acts of the South African authorities. It has constituted one of the "hot-spots" endangering international peace and security. Li denounced Pretoria for stubbornly insisting on the system of apartheid, obstructing the independence of Namibia and wantonly sabotaging the sovereignty and stability of its neighbors. "Such action of resisting historical trend has aroused strong condemnation and opposition from international community," he pointed out. The Chinese president expressed his firm support to the South African people in their just struggle against racial oppression and for their rights to equality. Referring to Africa's poverty and backwardness left by history, he said as a developing country, China fully understands and firmly supports the efforts of the African countries to vigorously develop national economy and to improve the living standards of the people.

On Sino-Madagascar relations, Li Xiannian said that "through the common efforts of both parties, the friendly cooperation between China and Madagascar in various fields will surely be developed to a new level and the traditional friendship between the two countries will also be promoted with each passing day."

The banquet was attended by top Malagasy officials and members of Li's entourage among others. President Li, who is the first Chinese head of state to visit this island country, arrived here yesterday for a four-day state visit. Madagascar is the last leg of his five-nation Asian and African tour, which has already taken him to Bangladesh, Sri Lanka, Egypt and Somalia.

PRC MAY EXAMINE SHIPS PASSING THROUGH SUEZ CANAL

OW211224 Beijing XINHUA in English 1206 GMT 21 Mar 86

[Text] Cairo, March 21 (XINHUA) -- The Suez Canal Authority (S.C.A.) of Egypt has recently decided to approve 'the Register of Shipping of the People's Republic of China' as an international recognized classification society and include it into rules of navigation of the S.C.A. According to this decision, 'the Register of Shipping of the People's Republic of China' will be allowed to provide technical examination service for the Chinese and foreign ships (except Egyptian vessels) wishing to transit the Suez Canal.

More than 20,000 vessels transit the canal every year. Until this new decision, there are only eight foreign shipping register organizations have been approved as the recognized classification societies by the S.C.A., which have been authorized to provide technical examination service for the foreign ships passing through the canal. They are Lloyds Register of Shipping of Britain, Bureau Veritas Francais (French Bureau of Shipping), American Bureau of Shipping, the Italian Register of Shipping, the German Lloyd, the Norwegian Lloyd, U.S.S.R. Register and the Nippon Kaiji Kyokai (the Japanese Register of Shipping).

GENG BIAO MEETS BURKINABE PARTY DELEGATION

OW220918 Beijing XINHUA in English 0909 GMT 22 Mar 86

[Text] Beijing, March 22 (XINHUA) -- Geng Biao, Standing Committee member of the Central Advisory Commission of the Chinese Communist Party, met with a delegation from the National Revolutionary Committee of Burkina Faso led by its committee member Daouda Traore here this morning.

Geng, also vice-chairman of the National People's Congress Standing Committee, briefed the visitors on China's historical experience in its revolutionary struggles and on its economic construction. Jiang Guanghua, deputy head of the International Liaison Department of the CPC Central Committee, was present on the occasion. The delegation arrived here on March 20.

More than 20,000 vessels transit the canal every year. Until this new decision, there are only eight foreign shipping register organizations have been approved as the recognized classification societies by the S.C.A., which have been authorized to provide technical examination service for the foreign ships passing through the canal. They are Lloyds Register of Shipping of Britain, Bureau Veritas Francais (French Bureau of Shipping), American Bureau of Shipping, the Italian Register of Shipping, the German Lloyd, the Norwegian Lloyd, U.S.S.R. Register and the Nippon Kaiji Kyokai (the Japanese Register of Shipping).

GENG BIAO MEETS BURKINABE PARTY DELEGATION

OW220918 Beijing XINHUA in English 0909 GMT 22 Mar 86

[Text] Beijing, March 22 (XINHUA) -- Geng Biao, Standing Committee member of the Central Advisory Commission of the Chinese Communist Party, met with a delegation from the National Revolutionary Committee of Burkina Faso led by its committee member Daouda Traore here this morning.

Geng, also vice-chairman of the National People's Congress Standing Committee, briefed the visitors on China's historical experience in its revolutionary struggles and on its economic construction. Jiang Guanghua, deputy head of the International Liaison Department of the CPC Central Committee, was present on the occasion. The delegation arrived here on March 20.

NPC PRESIDIUM HOLDS FIRST MEETING 24 MARCH

OW241416 Beijing XINHUA Domestic Service in Chinese 1146 GMT 24 Mar 86

[Text] Beijing, 24 Mar (XINHUA) -- The presidium of the Fourth Session of the Sixth National People's Congress held its first meeting at the Great Hall of the People this afternoon. Chairman Peng Zhen presided over the meeting.

The meeting elected Peng Zhen, Chen Pixian, and 18 others as executive chairmen of the presidium, responsible for handling the day-to-day work of the Fourth Session of the Sixth NPC. The opening and closing meetings of the Fourth Session of the Sixth NPC will be presided over by the executive chairmen of the presidium, while some executive chairmen and some members of the presidium will take turn in chairing other meetings of the session. Today's meeting adopted a grouping list of the executive chairmen. The meeting decided who will be the deputy secretaries general of the Fourth Session of the Sixth NPC.

Today's presidium meeting decided that the adoption of proposals and elections during the Fourth Session of the Sixth NPC will be decided by vote with a show of hands.

The meeting adopted the agenda of the Fourth Session of the Sixth NPC. It decided that the executive chairmen of the presidium are authorized to change the agenda if situation warrants.

Today's presidium meeting decided on the nonvoting delegates to the Fourth Session of the Sixth NPC. It also set 1800 on 2 April as the deadline for the deputies to put forward proposals. Any proposals put forward after the deadline will be treated as suggestions, criticism, or personal views. Deputies may make suggestions and criticism or express their views on the work in various fields at any time.

Permanent Chairmen Named

OW241354 Beijing XINHUA Domestic Service in Chinese 1144 GMT 24 Mar 86

[Text] Beijing, 24 Mar (XINHUA) -- Namelist of permanent chairmen of the presidium of the Fourth Session of the Sixth National People's Congress (elected at the first session of the presidium on 24 March 1986)

Peng Zhen
Chen Pixian
Wei Guoqing
Geng Biao
Hu Juewen
Xu Deheng
Peng Chong
Wang Renzhong
Zhu Xuefan
Ngapoi Ngawang Jigme
Bainqen Erdini Qoigyi Gyaincain
Seypidin Aizezi
Zhou Gucheng
Yan Jici
Rong Yiren
Ye Fei
Liao Hansheng
Han Xianchu
Huang Hua
Wang Hanbin

Deputy Secretaries General Listed

OW241352 Beijing XINHUA Domestic Service in Chinese 0756 GMT 24 Mar 86

[Text] Beijing, 24 Mar (XINHUA) -- Namelist of deputy secretaries general of the Fourth Session of the Sixth National People's Congress (elected at the First Session of the Presidium on 24 Mar 1986)

Peng Chong
Wang Renzhong
Wang Hanbin
Zeng Tao
Yu Wen

Presidium, Secretary General Named

OW242322 Beijing XINHUA Domestic Service in Chinese 1230 GMT 24 Mar 86

[Text] Beijing, 24 Mar (XINHUA) -- Namelist of members and the secretary general of the presidium of the Fourth Meeting of the Sixth National People's Congress. (adopted by the preparatory meeting of the Fourth Meeting of the Sixth National People's Congress on 24 March 1986)

Presidium members (161 people, in order of the number of strokes in their surnames)

Ding Guangxun, Cedain Zhoima (female, Tibetan nationality),Ma Waqi, Ma Qingnian (Hui nationality), Ma Haoqian (Hui nationality), Wang Shufeng, Wang Hanbin, Wang Renzhong, Wang Zhaoguo, Wang Guoquan, Wang Zulun (Bouyei nationality), Wang Ganchang, Wei Chunshu (Zhuang nationality), Wei Guoqing (Zhuang nationality), Wei Yu (female), Bei Shizhang, Mao Wenshu (female), Ulanhu (Mongolian nationality), Batu Bagen (Mongolian nationality), Puncog Wangje (Tibetan nationality), Lu Shenghe, Ye Fei, Tian Shouyan (Tujia nationality), Tian Fuda (Gaoshan nationality), Shi Laihe, Bai Shouyi (Hui nationality), Bai Hongpu, Zhao Cunxin (Dai nationality), Lu Shuxiang, Lu Ji, Zhu Boru, Zhu Xuefan, Wu Juetian, Wu Chan, Zhuang Shiping, Liu Yunsheng (female), Liu Minhui, Liu Nianzhi, Guan Shanyue, Jangzhong Zhaxidoje (Tibetan nationality), Xu Jie, Xu Dixin, Xu Jiatun, Xu Deheng, Ruan Bosheng, Sun Guozhi, Yan Kelun, Yan Jici, Su Buqing.

Li Xiannian, Li Jianbai, Li Zhen, Li Dengying, Yang Feng (Naxi nationality), Yang Daidi (female, Yi nationality), Yang Yongqing (female), Yang Chugui (female, Dong nationality), Yang Dezhi, Yang Hui (female), Wu Shichang, Wu Yunchang (Maio nationality), Wu Zuoren, Wu Xuanxing, He Zhukang, He Ying, He Haoju, Yu Qiuli, Wang Yuexia (female), Shen Jian, Song Lin, Zhang Wanfu, Zhang Zizhai (Bai nationality), Zhang Youuu, Zhang Wenyu, Zhang Yuguan, Zhang Zhengde, Zhang Zaiwang, Zhang Chengxian, Lu Mingyang, Amudong Niyazi, (Uygur nationality), Ngapoi Ngawang-Jigme (Tibetan nationality), Chem Shufeng (Li nationality), Chen Pixian, Chen Zongji, Chen Huibo, Chen Dengke, Mao Yisheng, Lin Yishan, Lin Yueqin (female), Lin Lanying (Female), Lin Liyun (female).

Deyal Khulmash (Kazak nationality), Luo Tian, Luo Shuzhang (female), Luo Qiong (female), Zhou Zhanao, Zhou Lirong, Zhou Gucheng, Xiang Nan, Zhao Zhongyao, Zhao Xiu, Zhao Zisen, Zhao Pengfei (Man nationality), Rong Yiren, Hu Lijiao, Hu Juewen, Hu Yaobang, Duan Suquan, Hou Baolin (Man nationality), Rao Shoukun, Jiang Shuzhen (female), Hong Sisi, Huan Xiang, Fei Yimin, Bainqen Erdini Qoigyi Gyaincain (Tibetan nationality), Geng Biao, Mo Wenhua, Xabchung Garbo (Tibetan nationality), Gu Dachun, Qian Shaojun, Qian Xinzhong, Ni Zhifu, Xu Tingze, Asian Ghiorroh Pujie (Man nationality), Guo Linxiang, Tang Jiashou (Hani nationality), Pu Jiexiu (female), Hai Yuchen (Monogolian nationality), Tao Dayong.

Huang Hua, Huang Bingwei, Huang Huang, Cho Ryongho (Korean nationality), Cao Yu, Chang Xiangyu (female), Kang Keqing (female), Liang Tianhui (Zhuang nationality), Peng Chong, Peng Dixian, Peng Zhen, Peng Qingyuan, Dong Jianhua, Han Ningfu, Han Xianchu, Han Peixin, Han Weixian, Cheng Siyuan, Jiao Linyi, Wen Yuankai, Lan Fangwan (Yao nationality), Chu Tunan, Lei Jieqiong (female), Lei Aizu (female), Yi Shijuan (female), Pei Changhui, Liao Hansheng, Seypidin Aizezi, (Uygur nationality), Yan Longan, Pain Tog (female, Tibetan nationality), Xue Ju, Xue Muqiao.

Secretary General, Chen Pixian.

Agenda Adopted

OW241559 Beijing XINHUA Domestic Service in Chinese 1225 GMT 24 Mar 86

[Text] Beijing, 24 Mar (XINHUA) -- Agenda of the Fourth Session of the Sixth National People's Congress (adopted by the preparatory meeting of the Fourth Session of the Sixth National People's Congress on 24 March 1986)

1. Hear and deliberate on Premier Zhao Ziyang's report on the draft Seventh 5-Year National Economic and Social Development Plan;

Examine and ratify the Seventh 5-Year National Economic and Social Development Plan;

2. Hear and deliberate on the report on the draft 1986 National Economic and Social Development Plan given by Song Ping, state councillor and minister in charge of the State Planning Commission;

Deliberate on and ratify the 1986 National Economic and Social Development Plan;

3. Hear and deliberate on the report on the execution of the 1985 state budget and the draft 1986 budget given by Wang Bingqian, state councillor and minister of finance;

Examine and ratify the execution of the 1985 state budget and the 1986 state budget;

4. Deliberate on the General Principles of the People's Republic of China Civil Code (draft);

5. Deliberate on the People's Republic of China Compulsory Education Law (draft);

6. Deliberate on the People's Republic of China Law of Foreign-Owned Enterprises (draft);

7. Hear and deliberate on the work report of the Standing Committee of the National People's Congress given by Chen Pixian, vice chairman of the NPC Standing Committee;

8. Hear and deliberate on the work report of the Supreme People's Court given by Zheng Tianxiang, president of the Supreme People's Court;

9. Hear and deliberate on the work report of the Supreme People's Procuratorate given by Yang Yichen, procurator general of the Supreme People's Procuratorate;

10. Other matters.

Session Detailed

OW250114 Beijing XINHUA Domestic Service in Chinese 0003 GMT 25 Mar 86

[Excerpts] Beijing, 25 Mar (XINHUA) -- The Fourth Session of the Sixth NPC will open at the Great Hall of the People this afternoon. According to the agenda of the session, Zhao Ziyang, premier of the State Council, will report to the session this afternoon about questions on elaborating the Seventh 5-Year Plan for National Economic and Social Development.

The Fourth Session of the Sixth NPC has received the attention of people at home and abroad because it will discuss the Seventh 5-Year Plan and other important items on its agenda. Thirty-one delegations and more than 2,800 deputies that have checked in are devoting all their energies to the work of the session. In the quarters housing delegations from various parts of the country, deputies have in the past few days talked freely about the achievements made during the Sixth 5-Year Plan. They have also expressed their determination to fulfill the tasks set for the first year of the Seventh 5-Year Plan. The atmosphere prevailing among them is very warm.

Leaders of the CPC Central Committee, responsible persons of the CPPCC National Committee, principal responsible persons of various democratic parties, representatives of democratic personages without party affiliation, and members of the Sixth CPPCC National Committee attending its fourth session will attend the opening ceremony of the Fourth Session of the Sixth NPC by invitation.

NPC SPOKESMAN DENIES DIFFERENCES OVER BASIC POLICY

HK241524 Beijing ZHONGGUO XINWEN SHE in Chinese 1429 GMT 24 Mar 86

[Text] Beijing, 24 Mar (ZHONGGUO XINWEN SHE) -- "Is it true that the different opinions held by NPC deputies concern Deng Xiaoping's long-term policy?" an AP reporter asked Zeng Tao, deputy secretary general of the Fourth Session of the Sixth NPC, here this afternoon.

Zeng Tao unambiguously answered: So far we have not found any different opinions on our fundamental policy. He then added: As a retired reporter, I would like to point out to our friends that foreign friends and reporters have always attributed China's policies to Deng Xiaoping and others. Personally, I do not quite approve this way of putting it.

"Do the deputies hold different opinions on the problem of the special economic zones?"

Zeng Tao said: That was unanimously decided on by the NPC Standing Committee.

Asked by a WASHINGTON POST female reporter to comment on the different opinions existing among NPC deputies, Zeng Tao described the existence of different opinions on various issues as "very normal." According to Zeng, China's practice is that people air their views in the course of deliberations and, through consultations, reach a common consensus. He referred to this as "China's socialist democratic practice." According to Zeng, in voting, there are also vetoes and abstentions and this is also very normal.

Addresses Party Work Style

HK250620 Beijing ZHONGGUO XINWEN SHE in Chinese 1511 GMT 24 Mar 86

["Zeng Tao Answers Questions on Party Work Style Raised by Reporters" -- ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 24 Mar (ZHONGGUO XINWEN SHE)) -- Zeng Tao, deputy secretary general of the Fourth Session of the Sixth NPC, said this afternoon: China's Constitution stipulates that all citizens are equal before the law and that nobody has privileges to transcend the Constitution and the law. Most children of the Chinese senior cadres are good but there are also some who have violated the law and discipline. Those who violate the law and discipline, no matter who they are, will be dealt with according to party discipline and state law.

Zeng Tao made this remark at a press conference attended by Chinese and foreign reporters at the Great Hall of the People in reply to a question raised by an American reporter on how to deal with the children or relatives of senior cadres who had committed crimes.

A female foreign reporter asked: Since Zhou Erfu has made mistakes, why has his status as a CCPCC member been preserved? Zeng Tao said: "This is our policy. According to this policy, we do not write off or negate everything after a person makes mistakes. This is a correct policy."

When a REUTER reporter asked how many delegates have been deprived of their qualifications as a result of economic crimes, Zeng Tao said that the qualifications of five delegates had been canceled by the original electing units but for different reasons. For example, Zhang Hayang from Guangdong cannot perform his duties as a delegate because he has moved abroad; Lei Yu from Guangdong has voluntarily proposed that it would be inadvisable for him to be a delegate.

"How do you distinguish between economic crimes and violations of party discipline, then? For example, Lei Yu has been disciplined within the party while some of his subordinates have committed economic crimes," asked an ABC reporter.

Zeng Tao said: The key lies in the results of the investigation. If I am not mistaken, Lei Yu has made mistakes, but he has not been involved in economic crimes.

When a Hong Kong reporter asked whether the NPC delegates from Hong Kong and Macao will be separated from Guangdong and whether the number of the delegates will be increased, Zeng Tao explained the system for electing NPC delegates, that is the election of the delegates to the Sixth NPC was conducted according to the system of election approved by the Fifth Session of the Fifth NPC. That is to say, the methods for electing delegates to the Seventh NPC will be approved by the Fifth Session of the Sixth NPC to be held next year.

Asked About Peng Zhen

HK241258 Hong Kong AFP in English 1238 GMT 24 Mar 86

[Excerpts] Beijing, March 24 (AFP) -- The spokesman for China's National People's Congress Monday refused to confirm on deny reports that family members of congress chariman Peng Zhen were under investigation for corruption. Mr. Zeng spoke with foreign reporters on the eve of the convening of the National People's Congress (NPC), which was to begin a 17-day session here Tuesday presided over by Mr. Peng.

"According to the Constitution all citizens are equal before the law. No person has the privilege of thinking himself not subject to the Constitution or laws," Zeng Tao told foreign reporters. "The great majority of the children of our high officials are law abiding. Of course a small portion have broken the law. Those who have broken the law, no matter who they are will be dealt with according to party discipline," he said.

Asked if his comments could be taken as a denial or confirmation of reports that members of the family of Mr. Peng, 82, were under investigation, Mr. Zeng said: "Please do not confuse your meaning with what I have said."

BEIJING TV CARRIES LIVE RELAY OF NPC OPENING

OW251400 [Editorial Report] Beijing Television Service in Mandarin at 0645 GMT on 25 March begins carrying a live relay from the Great Hall of the People in Beijing on the opening of the Fourth Session of the Sixth National People's Congress.

The opening shot shows the inside of the hall. The camera pans across the fully packed meeting hall and then stops at a large rostrum, showing attendees arriving and taking their seats. At 0658 GMT, the camera shows a medium shot of Hu Yaobang walking to his seat on the rostrum.

The announcer says that sitting on the front rows on the rostrum are executive chairmen of the presidium "Peng Zhen, Chen Pixian, Wei Guoqing, Geng Biao, Hu Juewen, Peng Chong, Wang Renzhong, Zhu Xuefan, Ngapoi Ngawang Jigme, Bainqen Erdini Qoigyi Gyaincain, Seypidin Aizezi, Zhou Gucheng, Yan Jici, Rong Yiren, Ye Fei, Liao Hansheng, Huang Hua, and Wang Hanbin."

He adds that central leading comrades attending the meeting on invitation are "Hu Yaobang, Zhao Ziyang, Deng Yingchao, Ulanhu, Wan Li, Xi Zhongxun, Qiao Shi, Li Peng, Yang Shangkun, Yang Dezhi, Wu Xueqian, Yu Qiuli, Hu Qiaomu, Hu Qili, Yao Yilin, Ni Zhifu, Qin Jiwei, Deng Liqun, Hao Jianxiu, Wang Zhaoguo, and Wang Zhen."

According to the announcer, foreign diplomatic envoys and journalists are present at today's meeting as observers. At 0702 GMT, the camera shows a medium shot of Peng Zhen sitting in his seat. Peng Zhen says that 2,974 deputies should be present, adding that there is a quorum as 2,729 of them are actually present. He then declares the session open, and asks the audience to follow him in singing the national anthem. At 0704 GMT, Peng Zhen invites Premier Zhao Ziyang to deliver a report on the draft of the Seventh 5-Year Plan.

The camera shows Zhao walking from several rows back on the rostrum to a seat next to Peng Zhen, sitting down, and beginning his report, while the camera pans slowly across the rostrum and the rest of the hall, and then shows a medium shot of Hu Yaobang listening attentively to the report. Zhao's report, lasting 2 hours and 10 minutes, deals not only with China's economic situation and plan, but also with its domestic and foreign affairs. While Zhao speaks, the camera keeps alternating between medium shots of Zhao and panning shots and long shots of the rostrum and the rest of the hall.

As soon as Zhao finishes his report at 0914 GMT, the camera shows a pan shot of the applauding audience. An announcement is heard, in a voice that sounds similar to that of Peng Zhen, saying that today's meeting has ended. At 0915 GMT the live relay ends.

ZHAO ZIYANG REPORTS ON SEVENTH 5-YEAR PLAN

Reviews 5-Year Achievements

OW250742 Beijing XINHUA in English 0726 GMT 25 Mar 86

[Text] Beijing, March 25 (XINHUA) -- China's economic growth rate over the past five years was higher than that of most countries in the corresponding period, Premier Zhao Ziyang said here today. Addressing the annual session of the National People's Congress, Zhao said that the total industrial and agricultural output value increased at an average annual rate of 11 percent during the Sixth Five-Year Plan period (1981-1985), and the gross national product rose at a rate of 10 percent. With the total output value increasing 8.1 percent each year, China's agricultural production grew faster than in many countries in the world, and faster than any period since the founding of the People's Republic in 1949.

Premier Zhao firstly reviewed the implementation of the Sixth Five-Year Plan in his report on the Seventh Five-Year Plan at the NPC session, which opened here today. He said China's achievements in the past five years have attracted world attention. Most of the tasks and targets in the Sixth Five-Year Plan for industry and agriculture, capital construction and social development have been fulfilled or overfulfilled. Thanks to the efforts over the past five years, Zhao said, the output of a number of major products vital to the national economy and the people's everyday life has greatly increased. Though the average per capita output of these products remains relatively low, their total output is quite high by world standards, attaining correspondingly higher ranking in the world.

For example, the annual grain output averaged 370.62 million tons during the Sixth Five-Year Plan period, 65.32 million tons more than that in the previous five years. In 1985, China produced 850 million tons of coal, 125 million tons of crude oil, 407.3 billion kwh of electricity and 46.66 million tons of steel. China's economy has grown much stronger, Zhao said. While completing a number of large and medium-sized projects, the number of machine-building and electronic products which are up to fairly advanced world standards has multiplied over the past give years as a result of technological transformation. In the past five years the national revenue has reversed its downward trend, and in the last three years it has shown steady and marked growth. The total revenue reached 182.9 billion yuan, balancing revenue and expenditure. The volume of import and export during the Sixth Five-Year Plan totalled 230 billion U.S. dollars, double that of the fifth plan period. China has used 10.3 billion U.S. dollars of foreign loans and attracted 5.3 billion U.S. dollars of direct foreign investment.

Over the past five years, the premier said, the living standard of the people has improved more markedly than any other period since the founding of the People's Republic. After deducting price hikes, the annual per capita net income of rural residents went up by 13.7 percent and that of urban residents went up by 13.7 percent and that of urban workers and other employees and their families by 6.9 percent. More than 35 million people have been employed in the city and towns over the past five years. Bank savings of both urban and rural residents jumped to 162.3 billion yuan by the end of 1985, four times the figure for 1980. During the period, Zhao said, China was finally able to solve some economic problems with which it had been struggling for so long. They include:

-- China became self-sufficient in grain and more than self-sufficient in cotton:

-- Turning shortage of consumer goods at both urban and rural market into adequate supply, China was able to do away with ration coupons for all commodities except grain and edible oil:

-- Agriculture, light industry and heavy industry, and accumulation and consumption, which had been seriously out of proportion for a long time, are now in better balance. This ensures China's sound and sustained economic development.

Views Strategic Economic Changes

OW250758 Beijing XINHUA in English 0739 GMT 25 Mar 86

[Text] Beijing, March 25 (XINHUA) -- Premier Zhao Ziyang today referred to stressing economic and social results, reforming the stereotyped economic structure and initiating open economy as marking the strategic changes of historic significance in China's economic development over the past five years. Reviewing the implementation of the Sixth Five-Year Plan (1981-1985) in his report at the opening session of the Sixth National People's Congress, he said these strategic changes constitute the basic cause of the achievements in that period. China has shifted from a lopsided pursuit of increasing output and output value of industry, especially heavy industry, to emphasis on the balanced development of agriculture, light industry and heavy industry, and all-round economic, scientific, technological, educational, cultural and social development, with focus on the improving of economic returns, he said.

The country, he went on, has tried its best to put an end to the high accumulation rate, high growth rate, low efficiency and slow improvement of living standards, and blazed a new path suited to China's realities and leading to a steady growth rate, better economic results and more substantial benefits for the people. Among the different sectors of the national economy, China attached strategic importance to agriculture, sped up development of consumer goods industry, and rationally adjusted the orientation of heavy industry. The country also brought the construction of productive and non-productive projects roughly into balance and promoted rapid expansion of tertiary industry.

The Chinese premier said the petrified economic structure characterized by excessive and rigid control has been replaced by a vigorous new one appropriate to the planned development of a commodity economy on the basis of public ownership. A major breakthrough was first effected in the rural areas, greatly emancipating the productive forces in the countryside and promoting the rural economy to embark on specialization, commercialization and modernization, he added. The urban reform has been effected in the areas of planning, finance, taxation, pricing, banking, commerce, labor and wages. As a result, the urban economy has thriven as never before.

As for the economic relations with other countries, a closed and semi-closed economy has given way to an open economy characterized by positive use of international exchange, according to Premier Zhao. China has corrected the mistake of putting self-reliance against the opening to the outside world and achieved notable results in using both domestic and foreign resources, exploiting both domestic and foreign markets and mastering the skills of both organizing domestic construction and promoting economic relations with other countries.

The three changes, Zhao Ziyang stressed, show that China has found the correct way to build socialism with Chinese characteristics.

He also mentioned shortcomings and mistakes in economic work such as failing to exercise effective control over the sharp increase in total social demand, not taking effective measures and proper supervision to improve economic results, product quality in particular, and sometimes giving inadequate attention to cultural and ideological progress. He singled out the destabilizing factors arising from pursuit of an excessively high growth rate in the last quarter of 1984. Thanks to the efforts in the past year, some problems have been solved while others are being solved, he said.

Proposes New 5-Year Plan

OW250822 Beijing XINHUA in English 0757 GMT 25 Mar 86

[Text] Beijing, March 25 (XINHUA) -- The State Council today put forward a draft Seventh Five-Year Plan (1986-1990) aimed at pushing on systematic reforms, further strengthening China's economic power and raising the living standard of its one billion people. The plan came out at a time when China's strategy of economic development and its economic structure are changing from an old model to a new one.

Premier Zhao Ziyang today delivered a 26,000-word report on the draft plan at the annual session of China's legislative body, the National People's Congress. China will strive to lay most of the groundwork for a new type of socialist economic structure with Chinese characteristics for the next five years or more, Zhao said. The draft plan provides that the gross value of the country's industrial and agricultural output will increase by 38 percent in five years -- reaching 1,677 billion yuan in 1990 -- with an annual growth rate of 6.7 percent. The gross national product will increase by 44 percent -- reaching 1,117 billion yuan in 1900 -- with an annual growth rate of 7.5 percent.

In setting the economic growth in the draft plan, Zhao said, we were optimistic but not over-ambitious, adding that the rate is likely to be exceeded. Fixing an appropriate rate for economic growth is aimed at promoting the proportionate and efficient advance of the national economy, he explained.

Nine-year compulsory education will be gradually introduced during the five-year period, the Chinese premier noted. About five million specialized personnel will be trained by institutes of higher learning, twice the number trained in the previous five years.

The consumption level of urban and rural residents will rise by 27 percent in the 1986-1990 period. The draft plan sets the average annual growth rate for the net income of peasants throughout the country at seven percent, and the growth rate for the wages of workers and staff members at four percent.

A crucial issue for the Seventh Five-Year Plan, the premier said, is to set an appropriate scale of investment, readjust the investment pattern in a rational way and raise economic returns on investment. The draft plan sets the total investment in the fixed assets of state-owned enterprises in the next five years at 896 billion yuan, a rise of nearly 70 percent over the previous five-year plan.

There will be a marked increase in the productive capacity of the energy industry and the raw and semi-finished materials industries as well as the capacity of transport and telecommunications with the renovation, expansion and construction of a number of key facilities and the technological transformation of a number of key enterprises. Investment will be increased in agriculture, science and education.

Zhao said that China will expand economic exchanges and trade with other countries, the use of foreign capital and the import of advanced technology in the next five years. The total volume of import and export in 1990 will show an increase of 40 percent over the 1985 figure.

Implementation of the new five-year plan will enable China's economy to function within a new framework, Zhao said. Highlights of the reforms during the period include:

-- Turn a great majority of enterprises by the end of the period into relatively independent economic entities, into socialist commodity manufactures and dealers having full authority for managment and full responsibility for their own profits and losses.

-- Promote lateral economic ties among enterprises and gradually establish groups of enterprises in different forms and at various levels to rationalize the development of resources, the use of funds and technology and the disposition of productive forces.

-- Develop a socialist commodity market, continue to reduce the varieties and quantities of products under unified state allocation and distribution.

-- Develop inter-regional and inter-departmental commodity circulation and establish new commercial forms combining agriculture, industry and commerce, or agriculture and commerce, or industry and commerce, or commerce in different areas and trades.

-- Expand the markets for consumer goods and for means of production and gradually establish a system in which the state sets the prices of a few vital commodities and labor services, while leaving the rest to a pricing system under state guidance and to market regulation.

-- Establish a new system by which the state will gradually change from direct to indirect control in its management of enterprises.

The premier said that the goal of the reform is to build a socialist economic structure with Chinese characteristics that is unlike the ossified or semi-ossified model of the past and fundamentally different from the capitalist models. He urged all government personnel to improve their methods and style of work and get rid of bureaucratism. They should renounce empty talk in favor of practical work and strive to be more efficient. They whould observe discipline and the law, be honest and devoted to their official duties, safeguard the interests of the state and society at large, and serve the people wholeheartedly, the premier said.

In the last part of his report, Zhao Ziyang dealt with China's independent foreign policy of peace. He summarized the main outline and basic principles of the policy into 10 aspects.

Considers Economic Reform

OW250856 Beijing XINHUA in English 0840 GMT 25 Mar 86

[Text] Beijing, March 25 (XINHUA) -- A sound foundation will be laid for a dynamic socialist economy with Chinese characteristics in the next five years or more. This is the goal Premier Zhao Ziyang set for China's economic structural reform during the Seventh Five-Year Plan period beginning this year.

All localities, departments and enterprises should continue to give priority to economic structural reform, said Zhao in his report to the National People's Congress annual session today.

To attain the economic goals set for the next five years, he said, it is imperative to carry on the intensive and systematic restructuring of the economy, to further straighten out various economic relations and to bring into full play the enthusiasm and creativeness of all enterprises and workers.

According to Zhao, the reform in the next five years will center on three aspects -- the invigoration of enterprises, the development of a socialist commodity market and the establishment of a new socialist overall economic management system. Through the reform, the premier said, enterprises will be endowed with more decision-making power and also more responsibility for using the power properly. Therefore, effective measures should be adopted to help enterprises cultivate the capacity to accumulate funds, conduct technical transformation and develop production by themselves while helping them raise their ability of self-control. By the end of the Seventh Five-Year Plan period, he said, a great majority of the enterprises should be entirely responsible for their own profits and losses.

The Chinese premier called for promotion of lateral economic ties among enterprises on the basis of voluntary participation, mutual benefit and simultaneous development. He said that groups of enterprises should be gradually established at various levels, and the state should draw up policies and enact legislation to ensure the sound development of the association among enterprises.

The purpose of establishing and improving a socialist commodity market system, Zhao said, is to provide an external economic environment that will both encourage enterprises to invigorate themselves and put pressure on them to do so. The key to the improvement of the market system lies in the reform of the pricing system, the premier stressed. During the next five years, emphasis should be placed on a systematic adjustment of the unreasonably low prices of energy, raw and semi-finished materials and other means of production so as to close the gap between planned prices and market prices.

Speaking of the overall management system, Zhao said the direct control by the state over enterprises will be gradually changed into an indirect type. To control and regulate the forthcoming freer economic operations of enterprises, the government will gradually improve its economic and legal measures and put them in force together with necessary administrative means. To this end, he said, special efforts should be made to further reform the planning system and reduce the proportion of mandatory planning and to extend the scope of guidance planning and market regulation.

Improvements should also be made to the role of banks in overall economic control, the fiscal and taxation system, the economic information and policy advisory system, economic economic laws and decrees, economic adjudication, and institutions of economic inspection and supervision. He said that since the all-round structural reform of the econmy economy is an extremely difficult task and its process is restricted by China's specific economic and social conditions, it will be impossible to fully realize all the aspects of reform within the next five years. What we hope to achieve during these five years, he said, is to develop a general framework for a new economic system, and to get our economy moving within this framework.

Calls for Expanded Exports

OW250908 Beijing XINHUA in English 0852 GMT 25 Mar 86

[Text] Beijing, March 25 (XINHUA) -- China will boost its foreign trade and expand the scale of use of foreign funds and technology in the next five years, Premier Zhao Ziyang said here today. The country will also try to expand tourism, international air and marine transport and insurance business, and contract for more construction projects and labor services abroad, he said in a report on the country's Seventh Five-Year Plan (1986-90) to the Fourth Session of the Sixth National People's Congress (NPC). He told the NPC deputies that greatly expanding economic, trade and technological exchanges with other countries with emphasis on enhancing the country's export capacity is one of the five principles guiding China's economic construction for the next five years.

According to the Seventh Five-Year Plan submitted to the congress for deliberation, the country's imports and exports will be worth 83 billion U.S. dollars in 1990, a 40 percent rise over 1985. Of this, exports will rise 47 percent to reach 38 billion U.S. dollars, and imports, 35 percent to 45 billion U.S. dollars.

The shortage of foreign exchange will remain a prominent problem for a long time to come, Premier Zhao said, noting that increasing exports is therefore crucial to expanding economic, trade and technological exchanges with other countries. He said: We must place improving the quality of export products above all and gradually build a network of sales promotion and services abroad, so as to ensure quality, good services and credibility. He also stressed the importance of changing the mix of export commodities, which means a shift from primary products to manufactured ones and from roughly processed products to finely processed ones. In the meantime, we must try to improve the quality of textiles and light industrial goods for export, and increase exports of new foodstuffs and machinery and electrical products, Zhao said.

He called for the building of bases for producing export commodities and of export-oriented factories in the coastal areas and other areas where conditions permit. He said that China's four special economic zones and 14 coastal cities and three areas open to the rest of the world should play a bigger role in boosting exports.

Moreoever, he urged Chinese foreign trade departments to increase trade ties with all other countries. We should also change the mix of imports, with emphasis on computer software, advanced technology and key equipment, the premier observed, adding that it is imperative to strictly limit imports of general processing equipment, consumer durables and assembly lines that will use imported parts and accessories, and avoid duplication of imports. The premier said: We must strive to expand production of import substitutes and increase the ratio of goods manufactured at home. All practices that cause waste of state foreign exchange must be resolutely corrected, he stressed.

He told the deputies that the use of foreign funds will focus on energy and raw material industries, transport and communications, particularly on the power and petroleum industries, and harbor construction. In addition, part of foreign money will be used to upgrade the machine-building and electronics industries, and boost production of export products.

The current NPC session is expected to pass the law on enterprises financed by foreign firms after deliberation and examination. The premier said that it is imperative to regulate foreign trade through effective use of exchange rates, customs duties, taxes, export credits and other economic measures. These should be supplemented by administrative measures, such as improving the import and export licence system, he added.

Forecasts Higher Living Standards

OW250918 Beijing XINHUA in English 0904 GMT 25 Mar 86

[Text] Beijing, March 25 (XINHUA) — Premier Zhao Ziyang said here today that Chinese peasants' net income will rise seven percent and workers' wages around four percent annually during the 1986-90 period. With higher employment, the average annual growth rate in the total income of urban residents wil exceed this figure, he told the current session of the Sixth National People's Congress (NPC). The real average per-capita consumption standard of the entire population will rise to 517 yuan in 1990 from 404 yuan in 1985, according to the draft Seventh Five-Year Plan (1986-90) submitted by the State Council to the congress annual session. This means an annual growth rate of five percent during the five-year period. The average standard of every urban resident will increase at an annual rate of 4.2 percent -- from 736 yuan to 903 yuan, and each rural resident, 5.1 percent -- from 325 yuan to 416 yuan.

Premier Zhao said: Ours is a socialist country. So we must always attach great importance to improving people's material and cultural well-being. However, we should remember that the improvement of living standards must be based on the actual conditions of our country and on the growth of production, he told the NPC deputies. As far as distribution is concerned, the premier said, we should continue to carry out the policy of encouraging some people to become prosperous sooner than others and strive to do away the practice of equalitarian distribution. At the same time, he said, efforts must be made to avoid excessive gaps in income between enterprises and among people in order to ensure social stability and unity, and better implement the principle of distribution according to work. He stressed that the tendency of enterprises to vie with each other in issuing unwarranted allowances in cash or kind must be firmly checked and funds for consumption strictly controlled to prevent them from rising sharply. As China has a huge population, he said, the state should guide people in moving toward rational consumption patterns. For example, supplies of household electrical appliances can only be increased appropriately, and production and imports of air-conditioners and electric heaters should be limited.

Urges Commodity Economy

OW251002 Beijing XINHUA in English 0930 GMT 25 Mar 86

[Text] Beijing, March 25 (XINHUA) -- Chinese Premier Zhao Ziyang said here today that China's economic structural reform should be adapted to the needs of a developing socialist commodity economy. A fully-developed commodity economy is an indispensable stage of a society's economic development, said Premier Zhao in his report on the country's Seventh Five-Year Plan (1986-1990) delivered at the annual session of the National People's Congress, China's legislative body.

In the historical period of socialism, and especially in an underdeveloped socialist country like China, he said, it is necessary to develop a commodity economy.

The concept of commodity economy is one of the essential points Zhao explained, of which he said people must have a full understanding. He said the kind of commodity economy China wants to develop is, on the whole, a socialist commodity economy based on public ownership, an economy in which distribution is made according to one's work and which is planned and under control. To build such an economy, he said, China should reform its previous petrified economic structure, which was characterized by too rigid control over too many things. In fact, Zhao said, China's stereotyped and rigid economic structure was changed into a vigorous new one appropriate to the planned development of a commodity economy on the basis of public ownership during the Sixth Five-Year Plan period from 1981 to 1985.

Premier Zhao also called for an intensive theoretical study of the inherent laws of socialist commodity economy and for exploration of various approaches for the development of that economy. We have to resolutely transform all those ideas, rules and regulations that conflict with the development of a commodity economy, he said. In the process of building such an economy, he said, China should learn from other countries, including the developed capitalist countries, by drawing on their advanced methods of economic management, which reflect the laws governing large-scale, socialized production. In doing so, he said, we need to discard all the dross, while assimilating the useful essence.

Calls For International Peace

OW251008 Beijing XINHUA in English 0937 GMT 25 Mar 86

[Text] Beijing, March 25 (XINHUA) -- Premier Zhao Ziyang today urged the two superpowers to take effective steps to maintain peace instead of paying lip service. Zhao called the resumption of dialogue and negotiations on disarmament between the United States and the Soviet Union a welcome development, adding, however, that they should not only make rehetoric about peace and disaramament, but take concrete actions. In his report to the National People's Congress session which opened here today, the Chinese premier described the present international situation as being turbulent and disturbing. And the arms race and regional rivalry between the two superpowers are major threats to world peace and the security of all countries, he observed. Both of them should give up their pursuit of military supremacy and cease their aggression and intervention against other countries, Zhao pointed out.

He said that China is concerned about the grim situation in the Asian-Pacific region and particularly the hot spots of Kampuchea and Afghanistan, which, he said, have a direct bearing on China's own security. China has consistently held that foreign forces should withdraw from Kampuchea and Afghanistan completely and that the people in those countries should solve their own problems free from outside interference.

He stated that China continues to seek the steady development of Sino-U.S. relations on the basis of strict adherence to the principles established in the joint communiques between China and the United States, and a true improvement in Sino-Soviet relations through the removal of the three obstacles by concrete actions.

Because of the confrontation and rivalry between the superpowers, he noted, the danger of a new world war still exists, and we must maintain necessary vigilance against this danger.

The people of the entire world desire peace ardently, he added. The overwhelming majority of Third-World countries including China and the broadly-based Non-Aligned Movement constitute a major force for peace. The European countries, Japan and other developed countries in Oceania are also in favor of peace and opposed to war. He said he was confident that through the joint efforts of the people and peace forces, world peace can be maintained. Though the road ahead is tortuous, the future of the world is full of promise, he added.

Summarizes Foreign Policy

OW251014 Beijing XINHUA in English 0945 GMT 25 Mar 86

[Text] Beijing, March 25 (XINHUA) -- Premier Zhao Ziyang today summarised China's foreign policy into ten basic principles. Addressing the fourth session of the Sixth National People's Congress which opened here today, he said that China as adjusted, enriched and improved its foreign policy in response to changes in the world situation. In his report on China's Seventh Five-Year Plan (1986-1990), the Chinese premier listed the following ten principles of China's foreign policy:

1. Proceeding as it does from the fundamental long-term interests of its own people and the people of the whole world, China takes as the basic objective of its foreign policy to oppose hegemonism, maintain world peace, develop friendly co-operation with other countries and promote common economic prosperity.

2. China holds that all countries, big or small, rich or poor, strong or weak, should be treated as equals. It is firmly opposed to the big bullying the small, the rich oppressing the poor and the strong lording it over the weak. The affairs of a country should be managed by its own people, and the affairs of the world should be managed by all countries in consultation, and not by one or two superpowers having the final say. China will never seek hegemony and it resolutely opposes hegemonism, no matter who practises it and no matter what form it takes.

3. At all times and under all circumstances China will act independently, determining its own attitudes and policies on all world issues on themerits of each case. The criterion by which China judges whether an act is right or wrong is whether it helps to maintain world peace, develop friendly co-operation among nations and promote world prosperity.

4. China will never attach itself to any superpower, or enter into alliance or strategic relations with either of them. China continues to seek the steady development of Sino-U.S. relations on the basis of strict adherence to the principles established in the joint communiques between China and the United States, and a true improvement in Sino-Soviet relations through the removal of the three obstacles by concrete actions.

5. China stands by the five principles of mutual respect for sovereignty and territorial integrity, mutual non-aggression, non-interference in each other's internal affairs, equality and mutual benefit, and peaceful coexistence. On the basis of these five principles, China strives to establish, resume or expand normal relations with all countries in the world and to live in harmony and engage in friendly co-operation with them. China does not determine its closeness with or estrangement from other countries on the basis of their social systems and ideologies.

China firmly opposes any country's using identity or difference of social system and ideology as an excuse to occupy the territory of others and to interfere in their internal affairs. China firmly opposes terrorist activities of all descriptions and believes that this problem can only be solved once for all by eliminating the social and political root causes of terrorism.

6. China belongs to the Third World. A basic principle of its foreign policy is to strengthen its solidarity and co-operation with the Third World. China steadfastly opposes imperialism, colonialism and racism and supports the Third World countries in their just struggle to achieve and safeguard national independence. It supports them in their efforts to develop their national economies, improve North-South relations and further South-South co-operation. China earnestly hopes that the Third World countries will strengthen their unity and settle their disputes peacefully through friendly consultations, so as to prevent the interference of outside forces.

7. China opposes the arms race and its extension to outer space. At the time of its first nuclear test, China proposed the complete prohibition and thorough destruction of nuclear weapons and declared that at no time and under no circumstances would China be the first to use such weapons. Today, it is of capital importance that the two superpowers should take the lead by drastically cutting back their nuclear arsenals, thus creating favorable conditions for nuclear disarmament by all nuclear countries. China is also in favor of the complete prohibition and through destruction of chemical weapons, and the substantial reduction of conventional arms along with nuclear disarmament.

8. China persists in a long-term policy of opening to the outside world and will continue to expand its economic, trade and technological contacts and co-operation with other countries on the basis of equality and mutual benefit. China pursues a policy of opening to all countries, capitalist or socialist, developed or developing.

9. In keeping with the purposes and principles set forth in the United Nations Charter, China supports the work undertaken by the United Nations in the spirit of the charter and participates in the activities for world peace and development sponsored by the organization and its specialized agencies. China has joined a wide range of international organizations, actively engages in multilateral diplomacy and strives to promote international co-operation in all fields.

10. China attaches great importance to contacts among people of different countries. To further mutual understanding and friendship among the people of the world. The Chinese Government encourages mass organizations, non-governmental associations and people from all walks of life to have contacts with those of other countries and supports co-operation between them in the economic, cultural, educational, scientific and technological fields and in matters relating to the press, public health and sports.

RENMIN RIBAO GREETS FOURTH SESSION OF SIXTH NPC

OW242148 Beijing XINHUA Domestic Service in Chinese 1526 GMT 24 Mar 86

[RENMIN RIBAO 25 March editorial: "Unfold Another Great Plan With Great Pride and Enthusiasm"]

[Text] Beijing, 24 Mar (XINHUA) -- The Fourth Session of the Sixth National People's Congress will open in Beijing today.

Its main agenda is to hear and deliberate on Premier Zhao Ziyang's report on the draft Seventh 5-Year National Economic and Social Development Plan; examine and ratify the Seventh 5-Year National Economic and Social Development Plan; and deliberate on the draft principles of the civil code, the draft compulsory education law, and the draft of foreign-owned enterprises law. This is a session shouldering an important mission. We wish the session complete success!

Currently, the whole party and the people of all nationalities throughout the country are implementing the guidelines set forth by the National Conference of Party Delegates. The party Central Committee's effective measures for firmly improving party conduct and building a civilization with socialist ethics have greatly encouraged all party members and the people. We have started to scale new heights in our socialist economic construction, considering the successful fulfillment of the Sixth 5-Year Plan as a new starting point. An even more vigorous development and an increasingly thriving sitaution have already appeared in the political, economic, scientific and technological, educational, cultural, defense, and diplomatic spheres.

During the past 5 years, we have taken a very big step forward on the path of building a socialist society with distinctive Chinese characteristics. In economic construction, we have in the main accomplished the task of achieving a fundamental change for the better in our country's financial and economic situation, and a new situation marked by sustained, steady, and coordinated growth has started to appear in our national economy. This strategic victory achieved in the history of our country's national economic development has laid a solid foundation and created good conditions for the national economic and social development for the next 5 years or even longer.

With the exception of the first 3 years after the founding of the country and the 3 years of difficulties, there have been six 5-year plans in the 36-year history of our People's Republic. Of those six plans, the First and the Sixth 5-Year Plans were most successfully accomplished. Major successes were achieved during the First 5-Year Plan period, and new successes having attracted worldwide attention were accomplished during the Sixth 5-Year Plan period. The speed of agricultural growth, in particular, was the fastest since the founding of the republic. There were many reasons for this success. Especially worth pointing out are these two: First of all, we have firmly rejected the erroneous theory and practice of "taking class struggle as the key link" and never slackened in firmly stressing socialist construction; second, we have firmly carried out reforms, knowing that unprecedentedly enormous successes cannot possibly be achieved without unprecedented, extensive, and thorough reforms. Changes in rural areas are even more noticeable because reforms there were carried out earlier, more thoroughly, and effectively. The basic experiences gained in these two areas are invaluable for taking correct steps in drawing up the Seventh 5-Year Plan and carrying it out victoriously.

The timely formulation of a good 5-year plan is an objective requirement for promoting a planned commodity economy on the basis of public ownership. To mobilize and organize the masses to work hard in unity to attain the new goal, an important requirement is to publicize the 5-year plan as quickly as possible. The nationwide publicity of the first 5-year plan played a very positive role, but the subsequent four 5-year planswere locked up in the classified documents cabinet. Owing to the past conditions, the Sixth 5-Year Plan was not made known until 2 years after it was drawn up. Last September, the CPC Central Committee proposal on drawing up the Seventh 5-Year National Economic and Social Development Plan was adopted by the National Conference of Party Delegates. It is encouraging to know that the country's highest organ of power is going to deliberate on and approve the plan even though this is only the first spring of the Seventh 5-Year Plan. It shows that China's economic construction has completely shaken off the hindrance of the tumultuous decade and proceeded on the broad path full of sunlight.

It also shows that we have had a better understanding of the objective law of socialist economic construction and are advancing steadily from the reign of necessity to the reign of freedom.

While no one region, department, or unit can operate without a plan, a good plan drawn up with great foresight is even more essential for the management of a big nation with a billion people. A good 5-year plan reflecting the people's will and interests also serves as the clarion call, summoning the people to march forward under the guise of their action program. It is clearly prescribed in our country's Constitution that it is the solemn responsibility of the National People's Congress to examine and approve the plan for national economic and social development and the reports on its implementation. We believe that all the NPC deputies certainly can effectively exercise their power and accomplish the meeting's missions and will unfold the magnificent blueprint of another 5-year plan before the people of the country.

XI ZHONGXUN FETES HONG KONG, MACAO NPC DEPUTIES

OW241643 Beijing XINHUA in English 1440 GMT 24 Mar 86

[Text] Beijing, March 24 (XINHUA) -- A banquet was given here tonight to people from Hong Kong and Macao who are attending the annual sessions of China's top legislative and consultative bodies. In his toast, Xi Zhongxun, member of the Political Bureau of the Communist Party Central Committee, warmly welcomed the participants from Hong Kong and Macao on behalf of Peng Zhen, chairman of the Standing Committee of the National People's Congress (NPC), and Deng Yingchao, chairperson of the National Committee of the Chinese People's Political Consultative Conference (CPPCC). Xi urged them to air their views freely and offer suggestions at the current session of the CPPCC National Committee and the coming session of the NPC.

Yan Mingfu, head of the United Front Work Department under the CPC Central Committee, paid tribute to their efforts in helping maintain Hong Kong's prosperity and stability.

Fei Yi-ming, director of TA KUNG PAO in Hong Kong, said that he and his fellow deputies feel very proud of China's progress. The more prosperous and stable China becomes, the smoother the implementation of the Sino-British declaration on the future Hong Kong is, and the more confident the Hong Kong people feel, Fei said.

STATE COUNCIL APPOINTS, DISMISSES OFFICIALS

OW241256 Beijing XINHUA Domestic Service in Chinese 0756 GMT 24 Mar 86

[Text] Beijing, 24 Mar (XINHUA) -- The State Council appointed and dismissed a number of state functionaries on 26 February and 6 March 1986.

It appointed Qi Huaiyuan as vice minister of foreign affairs; Zeng Zianlin concurrently as vice minister in charge of the State Planning Commission; Gao Zhanxiang as vice minister of culture; Xie Wenqing, Nie Dajiang, Ding Qiao, Ma Qingxiong, and Xu Chonghua as vice minister of radio, cinema, and television; and He Jesheng [0149 3954 3932] as vice minister of public health. It relieved Zhang Jingyuan from the post of deputy secretary general of the State Council; Yao Guang from the post of vice minister of foreign affairs; Zhu Jianming from the post of vice minister of justice; Ding Qiao from the post of vice minister of culture; and Xie Wenqing, Hao Pingnan, Ma Qingxiong, and Xu Chonghua from the post of vice minister of radio and television.

TEXT OF MINERAL RESOURCES LAW RELEASED

OW241236 Beijing XINHUA Domestic Service in Chinese 1437 GMT 19 Mar 86

[Mineral Resources Law of the People's Republic of China -- Adopted on 19 March 1986 at the 15th Session of the Standing Committee of the 6th National People's Congress]

[Text] Beijing, 19 Mar (XINHUA) -- Chapter I: General Provisions

Article 1. This law is drawn up on the basis of the Constitution of the People's Republic of China for the purpose of developing the mining industry, strengthening the work of prospecting for and exploring, exploiting, and protecting mineral resources, and ensuring the fulfillment of the immediate and long-range needs of the socialist modernization program.

Article 2. This law must be complied with when prospecting for and exploiting mineral resources within the territory of the People's Republic of China and the sea area under its jurisdiction.

Article 3. Mineral resources belong to the state. The state ownership of mineral resources, either on the earth's surface or underground, shall not be affected by differences in ownership or right of use of the land containing the mineral resources.

The state protects the rational exploration and exploitation of mineral resources and prohibits any organization or individual from encroaching upon or destroying mineral resources by any means. People's governments at all levels must strengthen the work of protecting mineral resources.

Registration made according to law when prospecting for mineral resources. The right of mining must be applied for and obtained according to law when exploiting mineral resources.

The state protects the legal right to prospect for and exploit mineral resources from infringement, and ensures that production and work order is not affected and disrupted in areas where mining or prospecting is carried out.

The right of mining shall neither be purchased nor sold, nor leased or used as a security.

Article 4. State-operated mining enterprises are the main bodies in exploiting mineral resources. The state safeguards the consolidation and development of these enterprises.

The state encourages, guides, and helps the development of collective mining enterprises of villages and towns.

The state guides, helps, and supervises, through administrative measures, mining work carried out by individuals according to law.

Article 5. The state collects payment for the exploitation of mineral resources. When mineral resources are exploited, a resources tax and a resources compensation fee must be paid according to the relevant provisions of the state.

Article 6. With regard to the prospecting for, and exploitation of, mineral resources, the state implements the policy of centralized planning, rational overall arrangement, comprehensive prospecting, reasonable exploitation, and multipurpose utilization of mineral resources.

Article 7. The state encourages scientific and technological research in prospecting for and exploitation of mineral resources and promotes the application of advanced technology on a wide scale so as to elevate the scientific and technological level of the work of prospecting for and exploiting mineral resources.

Article 8. Units and individuals with remarkable achievements in prospecting for and exploiting and protecting mineral resources or in conducting scientific and technological research in these respects shall be rewarded by the people's government at the respective level.

Article 9. The department of the State Council in charge of geology and mineral resources shall be responsible for the supervision and administration of the work of prospecting for and exploiting mineral resources in the country. Related departments of the State Council shall assist the geology and mineral resources department in supervising and administering the work of prospecting for and exploiting mineral resources.

Departments of provincial, regional, and municipal people's governments in charge of geology and mineral resources shall be responsible for the supervision and administration of the work of prospecting for the exploiting mineral resources within their respective administrative areas. Related departments of provincial, regional, and municipal people's governments shall assist the geology and mineral resources departments in supervising and administering the work of prospecting for and exploiting mineral resources.

Chapter II: Registration of Mineral Resources; Prospecting; Examination and Approval of Mining Applications.

Article 10. The state carries out a system of centralized registration of mineral resources prospecting. The department of the State Council in charge of geology and mineral resources shall be responsible for the registration work in this respect. For certain special varieties of mineral resources, the State Council may authorize the competent departments concerned to take the responsibility for registration of the prospecting work. The scope of registration of mineral resources prospecting and the measures for such registration shall be worked out by the State Council.

Article 11. The organ of the State Council of the provincial, regional, and municipal organs in charge of examining and approving the estimates of mineral reserves shall be responsible for examination and approval of the prospecting reports to be used for designing mining projects and shall give an official written reply, within a prescribed period, to the unit submitting the report. Prospecting reports that have not been approved shall not be used as a basis for designing mining projects.

Article 12. A unified management system should be adopted to maintain files on prospected mineral resources and statistics on all mineral deposits. All data should be submitted or reported in accordance with the State Council's stipulations.

Article 13. Applications for running state-operated mining enterprises should be separately examined and approved by the State Council, the State Council's departments concerned, and the provincial, autonomous regional, and municipal people's governments.

Before the State Council and its departments concerned approve the operation of a state-operated mining enterprise, the geological and mineral departments of the State Council should check its plan for mining scope and multipurpose utilization and comment on it. If an application is approved, these departments should issue a mining permit in accordance with the documents of approval. Mining permits for certain special minerals may be issued by the departments concerned as authorized by the State Council.

As for those state-operated mining enterprises whose operation must be approved by provincial, autonomous regional, and municipal people's governments, the geological and mineral departments under those governments should check their plans for mining scope and multipurpose utilization and comment on them before approving their operation and should issue mining permits in accordance with the documents of approval after approving their operation.

Article 14. Regulations governing the examination and approval of operations of rural collective mining enterprises and the issuance of mining permits and regulations on the management of self-employed miners should be formulated by the provincial, autonomous regional, and municipal people's congress standing committees.

Article 15. Planned mining should be conducted in mining areas under state plans, in mining areas which are of importance to the national economy, and in areas where the state permits only protective mining of certain local special minerals; no units or individuals are permitted to mine without the approval of the department in charge under the State Council.

Article 16. After the scope of a mining area under the state plan, a mining area which is of importance to the national economy, and a mining area where mining enterprises are located are designated according to the law, the organizations in charge of designating the scopes of mining areas should notify the relevant county-level people's governments to have them make it known to the public.

Mining enterprises wishing to change the scope of their mining areas must report to the original examining and approving organizations for approval and to the original organizations issuing mining permits for having mining permits renewed.

No units or individuals are permitted to mine in mining areas where mining enterprises are located or where mining rights have been acquired by others.

Article 17. Without the consent of the departments concerned as authorized by the State Council, no mineral resources may be mined in the following areas:

1. In ports, airports, and areas designated for national defense projects;

2. In important industrial districts, large water conservation installations, and areas within a specified distance from public utilities of cities and towns;

3. In areas within a specified distance on both sides of a railway or key highway;

4. In areas within a specified distance on both sides of an important river, dike, or dam;

5. In natural reserves and major scenic spots designated by the state, key immovable historical cultural relics preserved by the state, famous resorts, and places of historic interest;

6. In other areas where, by state stipulation, no local mineral resources should be mined.

Article 18. If a mine must be shut down, it is necessary to submit a report on the closing down of pits and provide data on hidden dangers which may jeopardize digging, land reclamation and utilization, and environmental protection, and to apply for examination and approval according to the state's stipulations.

Article 19: If any rare geological phenomenon or ancient cultural relic is discovered in the course of prospecting and exploiting mineral resources, the unit concerned should protect it and report it in good time to the departments concerned.

Chapter III: Prospecting for Mineral Resources

Article 20. Regional geological surveys should be conducted according to the state's unified plans. Reports and charts on regional geological surveys should be examined and accepted in accordance with the state's stipulations and turned over to the departments concerned for their use.

Article 21. In conducting general surveys of mineral resources, the major mineral species should be surveyed, after which a preliminary and comprehensive evaluation should be made of geological conditions concerning the formation of paragenetic and associated minerals, as well as of the industrial prospects of mineral deposits in the area.

Article 22. In prospecting for mineral deposits, a comprehensive evaluation should be made of paragenetic and associated minerals that have industrial value in the mining area, and their reserves should be assessed accordingly. Prospecting reports that fail to include a comprehensive evaluation wil not be approved, with the exception of reports of mineral prospecting projects stipulated otherwise by planning departments of the State Council.

Article 23. In surveying and prospecting for damageable, special nonmetallic minerals; fluid minerals; inflammable, explosive, and soluble minerals; as well as minerals that contain radioactive elements, it is imperative to adopt methods of surveying and prospecting stipulated by the supervisory departments concerned of people's governments at and above the provincial level and to use the essentially required technology and equipment as well as safety measures.

Article 24. Pertinent provisions should be followed to protect and preserve first-hand geological data and maps, core and test samples, specimens, and all other prospecting information acquired in the course of surveying mineral resources.

Article 25. Fees will be levied for the use of mineral prospecting reports and other valuable prospecting documents in accordance with the State Council's regulations.

Chapter IV: Mining of Mineral Resources

Article 26. Establishment of mining enterprise shall be subject to examination by the approving authorities in accordance with the law and pertinent state regulations. Approval shall be given only after requirements have been met regarding the scope of mining, mine designing, extraction plan, production technology, safety measures, and environmental protection.

Article 27. In exploiting mineral resources, it is imperative to follow a reasonable order of extraction, and appropriate methods of mining and ore dressing. Mining enterprises' rates of extraction and recovery, ore dilution, and dressed ore retrieval should meet the designed requirements.

Article 28. In mining major minerals, unified plans and comprehensive efforts should be made to exploit and utilize paragenetic and associated minerals having industrial value in order to prevent waste.

Effective protective measures should be taken to prevent loss or damage to tailings that contain useful constituents, and to minerals that for the time being, cannot be exploited in a comprehensive manner or that must be extracted simultaneously but for the time being cannot be put to comprehensive use.

Article 29. In exploiting mineral resources, it is imperative to observe state regulations on labor safety and hygiene, and to provide the essential guarantees for production safety.

Article 30. In exploiting mineral resources, it is imperative to observe the laws on environmental protection, and prevent environmental pollution. In extracting mineral resources, it is necessary to make economic use of land. In case arable land, grassland, or forests are damaged as a result of mining operations, the mining enterprise should adopt locally suitable measures to reclaim the land for use, plant trees or grass, or take other measures to make the damaged land usable. If exploitation of mineral resources results in losses to other people in terms of production and livelihood, compensation should be made and remedial actions taken accordingly.

Article 31. Before undertaking to build railways, factories, reservoirs, oil pipelines, power lines, and other large projects, construction units should seek information about the distribution and exploitation of mineral resources in their planned project sites from the departments of geology and mineral resources of provinces, autonomous regions, and municipalities where the projects are located. Without the approval of the departments authorized by the State Council, it is not allowed to build projects in areas with important underground mineral deposits.

Article 32. The State Council stipulates that except for those units that are designated to purchase, no one is allowed to purchase those minerals for which the state enjoys monopoly in purchasing. Miners are not allowed to sell minerals to units that are not designated to purchase them.

Article 33. When the state taps mineral resources in national autonomous areas, it should take into consideration interests of the national autonomous areas, make arrangements that are conducive to economic construction in such areas, and help local minority people in production and livelihood. In accordance with the law and the unified plan of the state, the organs of self-government of national autonomous areas may give priority to developing and utilizing the mineral resources that the local authorities are allowed to develop.

Chapter V: Collective Mining Enterprises in Townships and Individual Mining

Article 34. In dealing with collective township mining enterprises and individual miners, the state implements the principle of giving them active support, making rational planning, providing correct guidance, and strengthening management; encourages collective township mining enterprises to develop mining resources in the areas designated by the state; and permits individuals to tap scattered mineral resources and collect sand, pebbles, and clay that can only be used as ordinary construction material and a small amount of mineral products for their daily life. The state guides and helps collective township mining enterprises and individual miners to continuously improve their technical standards and raise the rate of utilization of the mineral resources and economic efficiency. Departments in charge of geology and mineral production and units which handle geological work and state-run mining enterprises should provide collective township mining enterprises and individual miners with geological data and technical services based onthe principle of fostering active support, paying for the services and data, and achieving mutual benefits.

Article 35. Collective township mining enterprises that have already been operating in areas in which other mining enterprises have been or will be set up with the approval of the State Council or its departments concerned should close down or move to and operate in other localities as designated and reasonable compensation be paid by the mining construction unit. Proper arrangements should also be made to take care of the workers. Joint operation can also be carried out according to the overall planning of these mining enterprises.

Article 36. Under the overall arrangement of the state-run mining enterprise and with the approval of the department in charge of this matter at the higher level, collective township mining enterprises may tap the marginal and scattered mineral resources in the mining area for state-run mining enterprises. However, it must apply and obtain a mining permit according to regulation.

Article 37. Collective township mining enterprises and individual miners should raise their technical standards and increase the rate of recovery of the mineral resources. It is forbidden to excavate ores indiscriminately and undermine mineral resources. Collective township mining enterprises must draw maps showing mining facilities under and above the ground.

Article 38. The people's governments at and above the county level should give guidance to and help collective township mining enterprises and individual miners carry out technical innovations, improve management, and strengthen production with maximum safety.

Chapter VI: Legal Liabilities

Article 39. Those who carry out mining without proper authorization and mining permit, enter the mining area defined by the state or mining areas that are of great value of national economy or other people's mining areas to carry out mining without authorization, or tap special mining resources that the state has designated protective mining should be instructed to suspend operation and pay for the losses. Mineral products and illegal profits should be confiscated and fines be imposed. Those who refuse to suspend operations and who cause losses to mineral resources must be called to account, and efforts must be made to fix criminal liability on those who are directly responsible according to Article 156 of the "Criminal Law."

Article 40. Those who carry out mining outside the approved area should be instructed to return to their own mining area and pay for the losses. Illegal income from mineral products excavated outside the approved areas should be confiscated and a fine imposed. The license of anyone who refuses to return to his own mining area and undermines mineral resources should be revoked and those who are directly responsible should be called to account and their criminal liabilities be affixed in accordance with Article 156 of the "Criminal Law."

Article 41. Criminal responsibility shall be affixed according to relevant provisions of the "Criminal Law" on whoever steals or takes by force the minerals or other properties of a mining enterprise or prospecting organization, sabotages mining or prospecting facilities, or disturbs the production order or work order of a mining district or prospected zone. The offender shall be punished according to relevant provisions of the "regulations governing the maintenance of public order and the punishment of offenders," if his or her offense is minor.

Article 42. The illegal income of a person from buying, selling, leasing, or transferring in other forms any mineral resources shall be confiscated, and he or she shall be fined. The illegal income of a person from buying, selling, leasing, or mortagaging a mining right shall be confiscated, and he or she shall be fined and lose his or her mining permit.

Article 43. The illegal income of a person from buying or selling in violation of this law any minerals subject to unified state purchase and marketing, and the minerals involved in the transaction shall be confiscated. The offender may also be fined. Criminal responsibility shall be affixed on an offender in accordance with Article 117 and Article 118 of the "Criminal Law" if his or her offense is serious.

Article 44. Whoever mines mineral resources ina destructive way in violation of this law and causes serious damages to the mineral resources shall be asked to compensate for the damages and be fined, and may lose his or her mining permit if the offense is serious.

Article 45. The administrative penalties defined in Article 39, Article 40, and Article 42 of this law shall be decided by city or county people's governments. The administrative penalties defined in Article 43 shall be decided by the industrial and commercial administrative management department. The administrative penalties defined in Article 44 shall be decided by the departments in charge of geological work and mining industry under a provincial, autonomous regional, or municipal people's government. The revocation of the mining permit of a mining enterprise must be approved by a provincial, autonomous regional, or municipal people's government if that enterprise was set up with the approval of the State Council or its departments concerned.

Article 46. If a person is not satisfied with an administrative penalty, he or she may start a law suit in the people's court within 15 days beginning on the day when the notice of penalty is received. If a person does not start a law suit within the prescribed time against a decision to confiscate his or her illegal income and to impose fines on him or her, and in the meantime fails to pay the penalty, the organ imposing the penalty shall request the people's court to enforce the penalty.

Article 47. Disputes between mining enterprises over boundary of mining districts shall be settled through negotiation between the parties concerned. If the negotiation fails to settle the disputes, they shall be handled by the local people's governments concerned at and above the county level in accordance with the mining district boundary decided according to law. Disputes over boundary of mining districts involving more than one province, autonomous region, or municipality shall be settled through negotiation between the provinces, autonomous regions, or municipalities concerned. If the negotiation fails to reach a settlement, the disputes shall be handled by the State Council.

Chapter VII: Supplementary Articles

Article 48. Detailed rules and regulations for implementation of this law shall be formulated by the State Council.

Article 49. This law will come into force on 1 October 1986.

Article 50. A person who mines mineral resources without going through the formalities of obtaining approval, setting the boundary of the mining district, and obtaining a mining permit before this law comes into force should go through makeup formalities in accordance with relevant provisions of this law.

Appendix

1. The "Criminal Law" articles relevant to Article 39 and Article 40 of this law

Article 156. Whoever intentionally destroys articles of public or private property, when the circumstances are serious, is to be sentenced to not more than 3 years of fixed term of imprisonment, criminal detention or a fine.

2. The "Criminal Law" articles relevant to Article 41 of this law

Article 151. Whoever steals, swindles or forcibly seizes articles of public or private property of a relatively large amount is to be sentenced to not more than 5 years of fixed term imprisonment, criminal detention or control.

Article 156. Whoever intentionally destroys articles of public or private property, when the circumstances are serious, is to be sentenced to not more than 3 years of fixed term of imprisonment, criminal detention or a fine.

Article 158. The use by any person of any means to disturb the social order is prohibited. When the circumstances of disturbance of the social order are serious, so that work, production, business and education or scientific research cannot be conducted and the state and society suffer serious losses, ringleaders are to be sentenced to not more than 5 years of fixed term imprisonment, criminal detention, control, or deprivation of political rights.

3. The "Criminal Law" articles relevant to Aticle 43 of this law

Article 117. whoever violates the laws and regulations on the control of monetary affairs, foreign exchange, gold and silver, or industrial and commercial affairs, engaging in speculation, if the circumstances are serious, is to be sentenced to not more than 3 years of fixed term imprisonment or criminal detention, and may in addition or exclusively be sentenced to a fine or confiscation of property.

Article 118. Whoever makes a regular occupation of smuggling or speculation, or smuggles or speculates in huge amounts, or is ringleader of a group that smuggles or speculates, is to be sentenced to not less than 3 years and not more than 10 years of fixed term imprisonment, and may in addition be sentenced to confiscation of property.

ARTISTIC FREEDOM, SOCIAL RESPONSIBILITY VIEWED

HK110927 Beijing ZHONGGUO XINWEN SHE in Chinese 0657 GMT 7 Mar 86

[Text] Beijing 7 Mar (ZHONGGUO XINWEN SHE) -- We should persist in the freedom to write while further strengthening the snese of social responsibility of the writers and artists; the emergence of the trend of one-sidely stressing the freedom of writing while neglecting social responsibility is a minor problem; however, it deserves a down-to-earth solution; meanwhile, we should resolutely oppose the artificial restriction of the freedom of writing under the pretext of focusing on strengthening the sense of social responsibility of the writers. The above are the main points discussed in a WENYI BAO commentator's article of more than 4,000 characters.

According to the article, a predominant phenomenon in literature is the pleasing development of the individuality in writing and artistic characteristics of writers over the past year. The breadth in the choice of subject matter, the freshenss in the approach of presentation, and the variation in styles and techniques have surpassed those of any period in the past. Many characteristics (for example, the trends of greater variation, multiple layers, and multiple angles) displayed in a large number of works were rarely seen in writing in the past.

Literature and art criticism is no longer limited to the interpretation and appraisal of individual works, and an overall analysis of representative writers and artists and comprehensive investigation into phenomena of literature and art have begun, as well as the spirit of exploration and discussion with each airing his own view or quoting from what one has read.

The article then touches upon the "shortcomings existing" in literature and art work, manifested in some works which have shown a certain indifference or disdain for the fiery realities of reforms and the four modernizations. Some works have become divorced from socialist practice and are overzealous in propagating abstract human nature and social pessimism which ridicules every thing, and doubt all social progress; and some works have gone so far as to portray the human sex instinct, leaving out all social content; and vulgar reading materials have for a time disastrously swept the country, lashing at the healthy growth of serious literature and art. Some writers, literary critics, and editors have been inclined to split the freedom of writing and criticism from the social responsibility of the literature and art workers, one-sidely focusing on freedom while neglecting responsibility. They have even made known in public the view that the interests of society and the masses and social responsibility of the writers can be given to consideration when enjoying the freedom of writing. The commentator points out that any attempt to artificially interfere with the freedom of creation of writers and artists can only be an expression of bureaucratic ignorance of the activities of literature and art. At the same time, it is impossible for any writer or artist of any historical period to divorce himself from certain social historical conditions and social criteria, when engaged in his free artistic creation. In fact, absolute, unconditional, and abstract freedom of creation never exists.

In Hu Qili's congratulatory speech made on behalf of the Central Committee at the Fourth Congress of the China Writers Association in January 1985, he said, literature creation must be free, so must criticism; the writer's own ideology and feelings as well as his creative activities must be in line with the free environment provided by the party and the state. The commentator says that the basic spirit of Hu Qili's congratulatory speech is identical to that of Deng Xiaoping's speech greeting the Fourth Congress of Chinese Writers and Artists delivered on behalf of the Central Committee and the State Council in October 1979; namely, the writers' freedom of creation is inseparable from their sense of social responsibility.

The article requires that writers and artists delve deep into realities, in order to "reflect our time in their works, for the masses to understand and love," and "to reflect in depth the new situation and new problems in the reforms in the rural and urban areas and the four modernizations." In conclusion, the commentator's article points out that we will resolutely oppose any rude interference with creative activities or artificial restriction of the freedom of writing by anyone under the pretext focusing on the social benefits of literary works or the sense of social responsibility of the writers and artists. Today's GUANGMING RIBAO carries the full text of this WENYI BAO article, entitled "Freedom of Creation and the Sense of Social Responsibility of Literature and Art Workers."

'BREAKTHROUGHS' IN MARXIST STUDY EXAMINED

HK230846 Beijing RENMIN RIBAO in Chinese 14 Mar 86 p 5

[Article by Deng Weizhong: "'Breakthroughs' in the Study of Marxism"]

[Text] In recent years a discussion has been conducted in China's theoretical circles on whether or not Marxist theory can be developed. This indicates not only a rise in our acedemic level and courage but also an improvement in our academic work and environment.

Without sufficient courage and a democratic environment, it would have been impossible to raise this issue.

It is imperative to make breakthroughs in order to attain development. How can we attain development if we neither make any breakthroughs nor negate anything but always follow the "set conclusions of our ancestors?" We indeed need some courage and insight when putting forth a new viewpoint; however, once it is fully expounded and proved, it seems dull and insipid. The question of whether or not some breakthroughs can be made in Marxist therory is also the same. Although many comrades still take exception to bringing up the question of making "breakthroughs," I think the arguments raised by those favoring the "idea of making breakthroughs" are irrefutable.

Marxism has constantly developed. How can we attain development if the latter stage can only continue or carry on but not break away from or negate the former stage? The greatness of Leninism found concentrated expression in the fact that it broke away from Marx belief that socialism could be achieved only through simultaneous efforts in all civilized countries. Lenin advanced the theory on imperialism and built the first socialist state in the world. The greatness of Mao Zedong Thought found concentrated expression in the fact that it broke away from the Marxist belief in the need for armed urban uprisings, advanced the theory of encircling the cities from the rural areas, and founded the PRC. Lenin and Mao Zedong made many more breakthroughs in Marxist theory than these. I have just cited some important principles universally accepted by people.

The development of Marxism consists of negation, which is dialectic negation. So do all theories and all schools of thought. As everybody knows, there has been an argument between the Morgan and Michurin schools in China's biological and genetic circles. Although they styled themselves as belonging to the Morgan or Michurin schools, the concepts enunciated by these two schools are vastly different from the original works of both Morgan and Michurin. If the representatives of these two schools review the original works of their forerunners, they will be proud of the achievements of their forerunners. Moreover, they will discover some innocent or absurd ideas on the part of the forerunners. For this reason, making constant breakthroughs and renovations is the foundation of the vitality of all theories. As a branch of science, Marxism is no exception. Broad and profound, the Marxist theoretical system consists of numerous theories and viewpoints, many of which should be included in the category of basic principles. It should be included in the category of basic principles. It should be noted, however, that the word "basic" is also relative to a certain structure. Some principles which are "basic" today may not be so tomorrow. The principles that socialism can be achieved only through simultaneous efforts in all civilized countries and that there is a need for armed urban uprisings, which I have mentioned above, were considered by Marxists in a certain period as basic principles. Otherwise, how can it be so difficult to break away from them? The great development of Marxism has often been attained by renovating and breaking away from similar conclusions. Such breakthroughs will not detract from the glory of Marxism, nor will they affect the great status and role of Marxism in human history. However, if we aim at making breakthroughs in minor details, it will be acceptable even to dogmatists.

The problem is that breakthroughs should not be made at subjective will. If the time place, and conditions have not changed or have not changed considerably, the theories representing the essence under these conditions will not be outdated; if the time, place, and conditions have changed considerably, the theories, no matter how lofty and sacred they may be, will be outdated. It is wrong to say that they are outdated when they are not; it is equally wrong to say that they are not outdated when they are. Neither are Marxist approaches.

What merits our particular attention today is that with the imporvement of science and technology, namely, the productive forces, the developing at an accelerated speed and people are also renewing their concepts at an accelerated speed.

In China, systematology, cybernetics, and information theory are still "in vogue." People hardly realize that the historical status of the "three old theories" has been replaced by that of the "three new ones," namely, the theories of dissipative structure, coordination, and mutation. The shortened life span of some theoretical concepts is necessitated by dialectic materialism and constitutes a victory for dialectics. This is a matter for rejoicing. "The poems of Li Bai and Du Fu, which have been recited by thousands upon thousands of people, are no longer considered novel." This is decided by social psychology. However, this will not belittle the achievements of the two great poets.

Naturally, it is not easy to break away from outdated Marxist viewpoints, nor should we take any hasty action. Marx closed the door on commodity production. Lenin opened the door slightly. In his work entitled "Problems in the Soviet Socialist Economy," Stalin opened the door slightly wider than Lenin. After reading Stalin's works, Mao Zedong again opened the door on Socialist commodity production slightly wider than Stalin. It was a pity that in his later years he again closed the door tightly. However, generally speaking, he did open the door wide enough. It was not until the 12th CPC Central Committee held its 3d Plenary Session in 1984 that the door was fully opened. Judging from the zigzag process in achieving a breakthrough in the theory of commodity economy, it takes time to effect a breakthrough and it requires a process of cognition and a long process of raising one's understanding through practice and discussions. Breaking away from outdated Marxist conclusions is a serious task which history has entrusted to Marxists. We should not do as we please but should treat it with a serious Marxist approach.

Marxism is an open system in itself. Many basic Marxist principles are not outdated and still have enormous vitality at present. They are universally applicable. The basic Marxist theory on communist social system should be tested in the great practice of building the higher stage of communism and the question of whether or not it is ourdated can be answered at that time. Some basic Marxist principles will be relevant forever and may not be discarded even after the realization of communism.

"We are advocates of the theory of continuous development, and we have no intention of imposing an ultimate law upon mankind. What are our preset ideas on the details of the future social organization? You will not be able to find even their shadows from us." ("Complete Works of Marx and Engels," Vol 22, pp 628-629)

RADIO EQUIPMENT FACTORY PRODUCES QUALITY PRODUCTS

HK230854 Beijing RENMIN RIBAO in Chinese 14 Mar 86 p 1

[Report by XINHUA reporter Huang Fengchu and staff reporter Dong Huanliang: "Products of the Jiangnan Radio Equipment Factory Have Reached the Advanced World Level"]

[Excerpts] The quality of the integrated circuit boards and semiconductors produced by the state-run Jiangnan radio equipment factory has reached the advanced world level as a result of adhering to advanced international standards in the course of production.

This factory is in Wuxi, a city by Tai Hu. It is the largest factory engaged in the production of integrated circuit boards and semiconductors for television sets and recorders. Its output of integrated circuit boards accounts for one-third of China's total. Since the factory imported a whole set of equipment for producing integrated circuit boards in 1978, its products have been well received by 680 factories in 28 provinces, autonomous regions, and municipalities throughout the country, as the reliability and stability of its products are up to standard.

Some comrades of the factory were content with the quality of their products, as it had reached the advanced international level. But after making an overall analysis of the competitive situation in foreign and domestic markets, leaders of the factory decided to "make further progress" beginning in the latter half of 1984 and to organize production in line with the advanced standard promulgated by the international electronics products to find their way to the international market.

On the one hand, this factory persists in educating the employees to "give priority to quality." On the other hand, it adheres to the principle of rewards and punishments, thus making quality a decisive factor in determining the employees' wages and bonuses. Top quality products have brought about an overall increase in economic results. In 1985, the factory's gross industrial output value was 278 million yuan, an increase of 49.5 percent over 1984. It realized profits and taxes totaling 93 million yuan, an increase of 84.8 percent. Its personnel labor productivity amounted to 69,000 days of manpower, an increase of 360 percent.

Commentator's Article

HK230858 Beijing RENMIN RIBAO in Chinese 14 Mar 86 p 1

[Commentator's article: "Strive To Equal the Advanced World Standard"]

[Text] Aiming at reaching the advanced international standard, the Jiangnan radio equipment factory exercises strict control over the quality of its products and works hard to improve it. It has made excellent achievements in this respect. This suggests that an effective measure to encourage China's industrial enterprises to improve the quality of their products is to strive to reach the international quality standard adopted between the late 1970's and the early 1980's.

For a long time, the quality standard has been low and assessment methods have been unrealistic. As a result, many enterprises lack the initiative to improve the quality of their products. With the exception of the quality standard for electronics and petrochemical products, which is comparatively high, the quality standard for most products still remains at the level of the 1950's or the 1960's. Of the industrial enterprises throughout the country, only a few have adopted advanced international standards in their production, and many township enterprises still do not have any standard to follow in their production. Over the past few years, as the departments concerned have applied a low standard to the assessment of enterprises' products, they have been unable to exert pressure on enterprises. Content with things as they are, enterprises do not want to make further progress. This is an issue which merits attention.

Improving the quality of products is the key to increasing foreign exchange earnings through exports. If we want to make China's industrial products rank among products on the international market, we must strictly follow advanced international standards. Therefore, before their products can "find their way to the outside world," enterprises should try every possible means to approach and catch up with advanced international standards and to improve the competitiveness of their products on the international market.

Producing top quality products requires meticulous work and fine materials. It requires more human and material resources than producing ordinary products. The policy on fixing special prices for top quality products has not been drawn up, and in most cases, providing fine materials for the manufacture of top quality products remains "empty talk." This has affected the initiative of enterprises in promoting the production of top quality products.

We should draw up a policy regarding those who produce top quality products and penalizing those who produce bad quality products. On the one hand, in terms of prices, taxation, material distribution, and the retention percentage of foreign exchange earnings, preferential treatment should be given to enterprises which produce top quality products, so as to encourage them to "scale new heights." On the other hand, apart from levying heavy taxes, severe punishments should be meted out to enterprises producing bad quality products so that they will improve the quality of their products within a given time.

Some comrades are of the opinion that since the technological and managerial conditions for engaging in production according to advanced international standards are not ripe, "riding a donkey" would be better than "traveling by plane." This is a conservative idea. If we are content with "riding a donkey" while people in the world take a great interest in "traveling by plane," our products will certainly lose their competitiveness. In curing the disease of bad quality, it is necessary to conscientiously create favorable conditions for improving management and technology, including introducing advanced technology and managerial experience from foreign countries, other provinces, and other departments, so as to use others' strong points to offset one's weaknesses. We should strive to enable the quality of our industrial products to reach the advanced world level in not too long a time.

HEBEI RURAL AREAS DEVELOP ECONOMIC COOPERATION

HK230604 Beijing RENMIN RIBAO in Chinese 16 Mar 86 p 2

[Article by Yan Zhenke and Li Tianyun: "From East-West Associations to Exchanges in All Directions -- Investigation of How Hebei's Wuan County Develops Lateral Economic Associations"]

[Excerpts] Hebei's Wuan County borders the north China plain in the east and the Taihang Shan in the west. The topography in the west is high while that in the east is low. The eastern area of the county is economically well-off while the western area is poverty-stricken.

The eastern part of the county is affluent because the hilly areas there have abundant coal and iron ore resources. It is known far and wide as the "town of coal and iron." There are around 700 large and small mines owned respectively by the state, collectives, and individuals. The annual output of coal and iron totals over 7 million tons and 5.4 million tons respectively. The steady flow of mineral resources means an endless source of revenue.

The western part of the county is poverty-stricken because the economic conditions of the mountainous areas there are extremely poor. There are only a few forests and animal husbandry is underdeveloped, to say nothing of industry. The level of farming is also low, so the people's income is limited.

How can we help the peasants of the mountainous areas in the west become rich as quickly as possible? During the 5 years from 1979 to 1983, the county authorities allocated over 80 million jin of grain to the towns and townships in the poverty-stricken mountainous areas, equivalent to over twice the total output of grain of these towns and townships in 1983. The country authorities also provided relief funds totalling 7 million yuan, accounting for 29.5 percent of the total income of these towns and townships in 1983. However, the method of providing relief could not help put an end to the backwardness of the mountainous areas, but encouraged a dependent mentality in some people. While conducting a survey of the rural economy later, the county CPC Committee took note of the following three cases.

Sixi, a remote mountainous village which had limited arable land, organized 5 building teams with some 400 peasants, thus forming a new type of industry -- sending surplus rural labor to work elsewhere. Through this alone, the village earned 390,000 yuan in 1983, an average per capita income of 233 yuan.

The average per capita income of Guzheng, a mountainous town in the southwest, was a little more than 100 yuan in 1982. In 1983, the village on the one hand encouraged its craftsmen to leave the mountains and develop service trades, and on the other hand invited able persons from other localities to help exploit the mountainous areas. The annual output was 25,000 tons and profits totaled over 200,000 yuan. Later, the village built an ore dressing plant in cooperation with a state-owned steel works. The annual output value of the plant was 2.3 million yuan and profits reached 0.45 million yuan. With the money earned from industry, the village increased investment in agricultural production. As a result, agriculture, forestry, and other trades picked up rapidly. In 1985, the total output value of industry and agriculture was 6 million yuan and the average per capita income reached 650 yuan.

The third case is Cuizhuangxiang, a township where the conditions are much poorer than the previous two villages. Besides surplus labor, the village has no mineral resources or water. The village established ties with a township in the east which had rich mineral resources and set up a small coalpit in Guojialing. The output of coal was around 60,000 tons and net income amounted to 300,000 yuan in 1985. Obviously, they found the gate leading to prosperity.

From the vivid cases of three villages turning from poverty to prosperity, the leaders of the county realized the following truth: In order to extricate the mountainous areas from poverty, it is necessary for the mountainous areas and other localities to help supply each other's needs. The county CPC Committee put forward the following call: Smash the barriers erected between different areas, carry out east-west cooperation, encourage the exchange of labor, funds, and technology throughout the county, particularly between the east and west, and invigorate the economy of the whole county!

With the expansion of economic activities, Wuan County's economic cooperation extended from the county to other localities. Since last year, the county has developed economic relations with 15 provinces and cities. The county's total industrial and agricultural output value in 1984 was 400 million yuan. The figure jumped to 500 million yuan in 1985, an increase of 22.6 percent over the previous year.

While industry run by the county deveoped in a steady manner, town and township industry advanced by leaps and bounds. The total output value of town and township industry reached 140 million yuan in 1984. The figure rose to 210 million yuan in 1985, a 50 percent increase over 1984. The country's average per capita income rose by a big margin in the past 2 years. The net average per capita income in 1984 was 144 yuan more than in 1983. The average per capita income in 1985 increased to 430 yuan, 82.5 yuan more than in 1984. The backwardness of the mountainous areas in the west began to change. The number of poor households decreased while that of rich villages increased.

Commentator's Article

HK230606 Beijing RENMIN RIBAO in Chinese 16 Mar 86 p 2

[Commentator's article: "Pave the Way for Developing Lateral Economic Associations"]

[Text] The development of economic relations among regions and enterprises is a newly emerging trend in the reform of the economic structure.

It involves regions, cities and countryside, enterprises, Army and people, production and scientific research units, the front and rear, agriculture-industry-trade, and many other fields. With regard to this important matter, there is a lot of work which can be done by leading departments. Without the efforts of leading departments, it will be impossible to pave the way for developing economic relations. Hebei's Wuan County has achieved marked successes in this respect. Its successes are inspiring.

We cannot carry out productive activities, especially modern production, without manpower, natural resources, funds, and technology. These factors usually do not co-exist in a locality. Only by complementing each other and learning from each other's strongpoints to offset weaknesses, extensively carrying out exchanges in manpower, funds, and technology, and scientifically combining these factors can the new productive forces take shape and better social economic results be achieved.

In order to pave the way for developing economic relations, it is necessary to first eliminate certain traditional ideas and forces of habit and effect a fundamental change in the guiding ideology. The economy of certain localities or departments remained blocked for a long time and barriers were erected between regions and trades even though they were located close to each other. Therefore, it is necessary to adopt forceful measures to emancipate the people from self-service, the narrow circle of self-sufficiency, and the economic pattern characterized by "large and comprehensive, small but complete" and lead them to the vast world of economic cooperation. When they have witnessed the vast world after stepping out from the narrow circle, they will enhance their enthusiasm and initiative for making joint efforts, have the motivation for developing economic cooperation, and create a new situation in invigorating the economy.

In paving the way for developing economic relations, it is necessary to uphold the principle of voluntary participation, mutual benefit, and common progress. Both sides of the combines should develop their own advantages, learn from each other's strongpoints to offset their weaknesses, and take note of rational combination of economy and technology. We must help both sides of the combines realize their strongpoints and advantages, select the best partner, and choose the best plan for cooperation, and take the benefits of each side into account. Only cooperation in this manner can have bright prospects and vitality. While developing cooperation between units at the same level, we must never use administrative means to impose uniformity or try to combine the two parties by force. If we go against the economic laws, it will only hinder the development of production.

It is an important task of this year's structural reform to develop economic cooperation between enterprises and regions. We must push reform forward by developing cooperation. While developing cooperation, we must discover and expose the problems in the current systems, rules, and regulations that hinder cooperation and adopt practical measures to solve these problems. We must protect such cooperation legally and support it while applying the policies. So long as the leading departments pay attention to the problems arising from cooperation and make efforts to solve them, the economic relations among regions and enterprises will certainly develop in a healthy manner.

FANG YI SPEAKS ON SICHUAN CONSTRUCTION WORK

HK250133 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 24 Mar 86

[Text] On 24 March, Fang Yi, member of the Political Bureau of the CPC Central Committee and state councillor, delivered a report to the 280 delegates attending the 1986 conference on science and technology work for the comprehensive exploitation of Panzhihua's resources and to over 1,000 cadres and masses of Dukou City.

Comrade Fang Yi said: The state has always attached great importance to the construction of Panzhihua. Panzhihua ought to make still greater contributions to the state. It is necessary to continue to rely on the progress of science and technology, raise the various science and technology indices, continually perfect the existing production process, and vigorously develop lateral economic ties between enterprises, so as to take full advantage of the strong points in resources. We must get a still tighter grasp of the construction of stage two of the Panzhihua iron and steel plant. All sectors should work together to promote the preparatory work for the construction of Ertan hydroelectric station, and construction work should start on this soon. We must further map out the plans for the construction of Panxi no 2 iron and steel base. Comrade Fang Yi said: In order to invigorate the economy of the southwest and promote the well-being and happiness of the people of all nationalities, we must get a good grasp of planning the comprehensive exploitation of resources and energy in the Panxi area.

CHEN PIXIAN VISITS NATIONALITIES ART EXHIBIT

OW211159 Beijing XINHUA Domestic Service in Chinese 1246 GMT 20 Mar 86

[Excerpts] Beijing, 20 Mar (XINHUA) -- An exhibition of art and photographic works from the border regions of Hunan, Hubei, Sichuan, and Guizhou Provinces was opened at the Nationalities Cultural Palace in Beijing this morning. Wang Renzhong and Liao Hansheng, vice chairmen of the NPC Standing Committee; Yang Jingren, vice chairman of the CPPCC National Committee; Ismail Amat, minister in charge of the State Nationalities Affairs Commission; as well as over 500 people from various circles in Beijing attended an opening ceremony and visited the exhibition. Chen Pixian, member of the Secretariat of the CPC Central Committee, also visited the exhibition.

SONG PING AT POWER PLANT LOAN CEREMONY

OW211905 Beijing XINHUA in English 1655 GMT 21 Mar 86

[Text] Beijing, March 21 (XINHUA) -- An overseas banking group today lent China's Huaneng international power development corporation more than 200 million U.S. dollars to build two thermal power stations. A loan agreement was signed here by the Huaneng corporation and the group consisting of 20 banks from nine countries and Hong Kong. It is led by the Chase Manhattan Bank N.A. and China Development Finance Company (H.K.) The two power stations are to be built at Shijiazhuang, Hebei Province, and Nantong, Jiangsu Province.

State Councillor Song Ping attended the signing ceremony, and met representatives of the banking group before the ceremony. Song said China was striving to improve its investment environment and economic efficiency.

JIANGXI'S WAN SHAOFEN ON AIDING BACKWARD AREAS

OW241059 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 20 Mar 86

[Excerpts] When the provincial meeting on the development of the old revolutionary areas was in session, Wan Shaofen, secretary of the provincial CPC Committee and chairman of the provincial commission on the development of the old revolutionary areas, recommended to the meeting's participants a NONGMIN RIBAO newsletter entitled "Shedding Hot Tears on the Great Land," and its commentator's article entitled "Affection Is Needed When Rendering Support to the Poor." In this connection, she wrote an article entitled "Recommending a Good and Moving Article to All."

In her article, Comrade Wan Shaofen said: Our cadres should emulate the comrades of (Ji) County and the advanced units in the work in the old revolutionary areas. They should act as public servants, be personally concerned about the poverty in the old revolutionary areas, feel the urgency of solving this problem, and have the courage to forge ahead despite difficulties.

The article said: Cherishing a profound feeling for the people in the old revolutionary areas is the ideological foundation for showing concern and support for and doing a successful job in those areas. It goes without saying that a person who lacks feeling for the people in the old revolutionary areas will not communicate well with such people; neither will he perform his duties satisfactorily. Only those who cherish profound feelings for the peoplein the old revolutionary areas can show concern for such, fear no hardship, and sincerely try their best to help such people shake off poverty and achieve prosperity, and eventually lead them on the path to common prosperity.

Comrade Wan Shaofen hoped that our cadres, particularly those who work in the old revolutionary areas, as well as all comrades who aspire to work in such areas would implement a system of responsibility to avhieve certain goals within their terms of office, truly shoulder their responsibilities, struggle in unity, and persist in doing practical work to develop the old revolutionary areas and invigorate Jiangxi's economy. New progress was made in the development of the old revolutionary areas last year. Greater progress should be made this year to bring about some tangible changes and to reach the goal of solving the problem of food and clothing in the next 3 years and shaking off poverty in the next 5 years.

SHANGHAI SECRETARY ASKS CADRES TO SEE DRAMA

OW231345 Beijing XINHUA Domestic Service in Chinese 1921 GMT 22 Mar 86

[Excerpts] Shanghai, 22 Mar (XINHUA) -- When the Mandarin drama "The Children" was staged at Shanghai's Changjiang Theater on the evening of 21 March, Rui Xingwen, secretary of the Shanghai Municipal CPC Committee, invited principal leading cadres at and above the bureau level to see it. They were the only viewers that night.

In the drama, Tan Ming, director of the Bureau of High Education who had just retired, had a beautiful plan for his children.

He asked an influential person to help arrange a visa for an overseas study tour for his eldest son. He arranged an ideal marriage for his younger daughter by having her marry a college student, the son of a former comrade-in-arms. His elder daughter, with whom he had severed all relations, returned to his side. Perfectly content, Tan Ming thought he could now spend his remaining years in happiness. But life was not so peaceful for him. On the eve of his departure for overseas, the son was arrested by the Public Security Bureau on charges of committing economic crime. Rejecting the arranged marriage, his younger daughter married the public security policeman who arrested her elder brother. His elder daughter, who was president of the Intermediate People's Court, would not plead for her brother but insisted that he be dealt with according to the law.

Because it sharply reflected a current problem concerning the education of children of cadres, the Mandarin drama "The Children" had caught the attention of Secretary Rui Xingwen. Moved to tears by the show, he commended it for its practical significance. He said: "The drama touches upon the lives of us leading cadres. How to deal with their children is an acute problem facing veteran cadres in the new situation. Viewing the show will certainly bring some enlightenment on this problem." After watching the show, he called for a reeducation of leading and retired cadres at and above the bureau and department level of the entire municipality concerning the problem of children.

Shanghai will organize the city's over 5,000 leading and retired cadres at and above the bureau and department level to view the Mandarin drama "The Children."

SHANDONG PROVINCE TO EXPAND TOURISM FACILITIES

OW242040 Beijing XINHUA in English 1508 GMT 24 Mar 86

[Text] Jinan, March 24 (XINHUA) -- Shandong Province plans a ten-fold increase in the next five years in the number of visitors and tourists it receives annually, a senior tourist official said here today. By 1990, the province should receive 500,000 visitors and tourists, up from 50,000 in 1985, said Li Qingde, vice-director of the province tourist bureau.

The province will use 360 million yuan to improve telecommunications, transport and tourism facilities, open new scenic spots and train tourist workers, Li said.

On the list of its priority are air routes linking the seashore resort Qingdao with foreign cities, four airports, seven hotels and a program to train 1,200 interpreters, guides and tourist administrators. The province is known for numerous scenic spots and places of historic interest, including Mount Tai and the Confucian mansion house.

Foreign trade in the province also went ahead last year, according to the provincial foreign trade administration. The province exported goods worth 2.667 billion U.S. dollars in 1985, a 16.6 percent increase over the previous year, and export is expected to be 4.2 billion U.S. dollars by 1990.

HENAN URGES PROTECTION FOR WATER CONSERVATION PROJECTS

HK220346 Zhengzhou Henan Provincial Service in Mandarin 2300 GMT 21 Mar 86

[Excerpts] The provincial government recently issued a notice on protecting water conservation projects, calling for the use of the legal system to protect these installations.

The notice sets out explicit regulations regarding the protection scope. It stresses that all theft and sabotage of wager conservation projects is illegal. The public security organs must seriously investigate and deal with such cases. People must be held criminally accountable in serious cases.

A station editorial note on this says: Henan has been suffering more floods, waterlogging, and drought in the past 2 or 3 years. One of the main reasons for this is poor management of water conservation projects and the serious artificial damage done to them, with the result that many projects are less effective than before or are even completely useless. The provincial government's notice on protecting water conservation projects is extremely important and necessary.

Sabotaging water conservation projects means sabotaging production and is a breach of the criminal law. We must therefore teach the masses to wage resolute struggle against lawbreakers who sabotage and steal water conservation facilities. The public security and judicial departments must promptly and severely investigate and deal with cases of sabotaging water conservation projects, so as to uphold the interests of the state and people.

HUBEI PARTY MEETING DISCUSSES WORK TASKS

HK220257 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 21 Mar 86

[Excerpts] The Hubei Provincial CPC Committee held a work conference in Wuchang from 10 to 20 March. The conference reviewed work in 1985, unified understanding of the situation, and discussed and arranged the work for 1986. It decided on measures for surmounting weak links and looked into ways for the party committees at all levels to get a good grasp of party style, improve work style, enhance work efficiency and quality, take better charge of the overall situation, and ensure the healthy development of building the two civilizations in the province.

Regarding rural work, the provincial CPC Committee and government put forward specific views on implementing CPC Central Committee Document No 1 of 1986. Regarding industry, science and technology, circulation, finance, structural reform, foreign economic relations and trade, and tourism, and on ideological and political work, straightening out party style, and party rectification, the departments concerned put forward initial views for discussion at the conference.

Provincial CPC Committee Secretary Guan Guangfu and Deputy Secretaries Guo Zhenqian, Zhao Fulin, Wang Qun, and Qian Yunlu presided at panel discussion meetings on selected topics. Guan Guangfu delivered a summation. Guo Zhenqian spoke on economic work.

The conference summation was in three parts: 1) Correctly analyze the situation and strengthen confidence and sense of urgency; 2) seriously implement the spirit of the National Conference of Party Delegates and do a good job of work in the first year of the Seventh 5-Year Plan; 3) straighten out party style, improve work style, and enhance work efficiency and quality.

In the first part, the summation said: What is the situation in our province? Everyone unanimously holds that the political and economic situation is good. Economically, the province fulfilled the targets of the Sixth 5-Year Plan 1 year ahead of schedule. Politically, despite the fact that party style and social mood have not yet met the demand for a fundamental turn for the better, the province is stable, united, and lively, and the enthusiasm of the cadres and masses has soared.

The situation is good, but there are some problems requiring a high degree of attention on our part. First, we must eliminate blind optimism and fear of difficulties. Second, we must correctly understand the principle of consolidating, digesting, supplementing, and improving. We must unswervingly do a good job in all reforms. Third, we must strengthen our sense of urgency and pay attention to the widening gap between the economic level in Hubei and that in advanced areas. Fourth, we must realize that the quality of our province's enterprises is not high and there is a serious lack of reserve strength for economic development. We must be resolved to tap internal potentials so as to increase our economic strength. Fifth, we must perceive the imbalances in economic development in different areas. The upper-level party committees and government must strengthen leadership over economically-backward areas and help them to study way of solving the problems.

The second part of the report said: The conference holds that in this, the first year of the Seventh 5-Year Plan, we must seriously implement the spirit of the National Conference of Party Delegates. In connection with the province's realities, we must consolidate and develop the fine situation achieved since the Sixth 5-Year Plan and take a good first stride in fulfilling the Seventh 5-Year Plan.

1. Unswervingly put reform in the first place and do a thorough job in consolidating, digesting, supplementing, and improving. We must strengthen and improve macroeconomic control, and in particular make great efforts to use capital well and improve the results gained from using it. We must consolidate the results of price reform and digest and supplement the price and wage reform measures that were started last year. We must further invigorate large and medium backbone enterprises and exporting enterprises. We must vigorously develop lateral ties, especially between enterprises. We must persevere in and perfect the household contract responsibility system with payment linked to output, actively develop service-style joint operations, and gradually perfect the new-style cooperative economy in the rural areas.

We must continue to organize comprehensive pilot projects in structural reform.

2. Fully implement the spirit of Central Document No 1, strengthen the agricultural foundation, develop the strong point in grain, stabilize the strong point in cotton, continue to vigorously develop township enterprises, give free rein to developing diversified rural undertakings, and promote the healthy development of the rural economy.

The meeting has decided on the main goals of endeavor in agricultural production this year: grain output, 45 billion jin; cotton output, 9 million dan; township enterprise output value, 15 billion yuan; and average peasant net income to increase to 40 to 50 yuan. All areas and departments must strive to achieve these goals.

3. Improve enterprise quality, increase economic strength, and focus on product quality and economic results. Under this premise, we should maintain a relatively good growth rate. The large and medium cities bear a particularly important responsibility in this respect.

The provincial economic work conference made arrangements for how to improve enterprises' quality and increase their economic strength. It is hoped that all places will implement these measures will.

4. We must work hard to rely on the progress of science and technology and further strengthen education work.

5. Step up foreign economic relations and trade work and strive to make more foreign exchange through exports. The conference held that this issue is one of the key matters in production and construction during the seventh 5-year plan. It is also one of the weak links that we have to grasp. The provincial CPC Committee and government and all localities must understand the importance of foreign trade. They must spontaneously make use of the window of foreign economic relations and trade, strengthen leadership over foreign economic relations and trade, raise the province's ability to make foreign exchange through exports, and thus spur economic development.

6. We must improve the quality of the first doubling and develop reserve strength for achieving the second doubling. Even though Hubei could attain the goal of its first doubling this year, we must not be in the least complacent about that. We must realize that the base figure for the first doubling is rather low. In particular, we must realize that doubling requires quality as well as quantity. If the quality is not high, the state and people will not gain much tangible benefits from doubling. This year, therefore, we must stress improving quality in doubling, and make great efforts to improve quality and economic results, reduce input, and promote technological transformation and scientific management, so as to lay a good foundation for the second doubling.

7. Strengthening the building of spiritual civilization and the socialist legal system. This year we must focus on straightening out party style, conducting education in the situation and policies, correcting the guiding ideas on the ideological, cultural, and theoretical fronts, and grasping political and legal work.

The third part of the summation said: The conference pointed out that to seriously implement the spirit of the central instructions and improve party style in Hubei is an urgent task facing the party organizations at all levels. Party committees at all levels must enhance understanding, unify their thinking, bring into play the spirit of the foolish old man, insist on governing the party with strictness, and get a thoroughly sound grasp of party style, party rectification, and cadre work style, so as to ensure the smooth progress of reform and all construction.

We must currently grasp the following task: 1) resolutely curb a number of unhealthy trends and strictly enforce party discipline. 2) Resolutely investigate and deal with major and important cases. 3) Get a good grasp of education in party spirit, style, and discipline, and put party organizational life on a sound basis.

The province's party rectification task this year is extremely arduous. At present party rectification in the districts and townships is being unfolded throughout the province. Generally speaking, the development is healthy. However, there are also a number of conspicuous problems. The main ones are: Party rectification criteria and demands are too low in some places and units; some units have not properly handled the relationship between economic work and party rectification; and some units have not put their rectification contingent on a firm enough basis.

The conference stressed therefore that the question of district and township party rectification must be viewed from the plane of the overall situation. Leadership over this work must be further strengthened.

MAO ZHIYONG ATTENDS HUNAN MEETING TO COMMEMORATE VETERAN

HK220815 Changsha Hunan Provincial Service in Mandarin 1100 GMT 18 Mar 86

[Excerpts] A meeting was held this morning at the (Rongyuan) guesthouse of the provincial CPC Committee to commemorate the 100th anniversary of the birthday of Comrade Lin Boqu, a great Marxist and outstanding proletarian revolutionary. Mao Zhiyong, secretary of the provincial CPC Committee, presided over the meeting and delivered a speech. Comrade Zhou Li, former member of the CPC Central Advisory Commission, delivered an important report at the meeting.

Lin Boqu was a native of Lingli County, Hunan Province. He spent his childhood and student years in Hunan. Later, he also carried out many revolutionary activities in Hunan. Comrade Lin Boqu was a member of the CPC in its early days. He engaged in the party's united front work for a long time and was also one of the organizers of the first CPC-KMT cooperation. During the northern expedition, he was CPC representative of the 6th Army. He led the army into Hunan and then fought in Jiangxi. After the failure of the great revolution in 1927, he participated in the Nanchang uprising. Later, he assumed such important posts as minister of national economy and minister of finance in the central workers' and peasants' democratic government. He joined the well-known 25,000-li Long March. Our revered Comrade Lin was elected member of the Political Bureau of the CPC Central Committee at the 7th and 8th National People's Congress Standing Committee in 1954.

In their report and speech, both Comrade Zhou Li and Comrade Mao Zhiyong emphatically pointed out that in commemorating the 100th anniversary of the birthday of Comrade Lin Boqu, we must learn from our revered Comrade Lin his firm belief of fighting all his life for communism, his great revolutionary spirit of continuing to fight inspite of all setbacks and advancing bravely; his firm stand in safeguarding the party's correct line; his fine style of integrating theory with practice, maintaining close ties with the masses, working hard, and living a plain life; and his scientific attitude of seeking truth and never feeling too old to learn, so as to fight for fulfilling the Seventh 5-Year Plan, for building China into a modern socialist power, and for finally achieving communism.

Attending today's meeting were responsible comrades of the provincial CPC Committee, the provincial Advisory Commission, the provincial Discipline Inspection Commission, the provincial People's Congress Standing Committee, the provincial people's government, the provincial CPPCC Committee, the provincial military district, all provincial departments, the Changsha City CPC Committee, and the Changsha City government; retired veteran cadres; and responsible persons of all democratic parties and mass organizations, including Xiong Qingquan, Liu Fusheng, Wan Da, Chen Xinmin, Shi Xinshan, Dong Zhiwen, Xia Zhanzhong, Shen Ruiting, Wang Zhiguo, Zhang Wenguang, Shi Jie, Ding Weike, Huang Daoqi, Ji Zhaoqing, Luo Qiuyue, Xu Tiangui, Shi Bangzhi, Kong Anmin, Xie Xinying, Li Tiangen, Yin Changmin, (Luo Juetian), Guo Sen, Wang Hanfu, Yin Ziming, Dong Xinshan, Ouyang Tian, and (Wang Zhongfu). Family members of Comrade Lin Boqu and comrades who worked with our revered Comrade Lin for a long time were also invited to attend the meeting.

XIZANG DECISION ON IMPROVING PARTY SPIRIT, DISCIPLINE

HK220707 Lhasa Xizang Regional Service in Mandarin 1130 GMT 18 Mar 86

["Text" of 17 March Xizang Regional CPC Committee's 10-point decision on strengthening party spirit, correcting party style, and enforcing party discipline]

[Text] The key to correcting party style lies in leadership organs and leading cadres taking the lead in setting an example. With a view to further strengthening party spirit, correcting party style, enforcing party discipline, and realizing a fundamental turn for the better in party style as soon as possible, a 10-point decision on correcting party style by party member cadres at the couny level and above states:

1. It is necessary to resolutely keep in line ideologically and politically with the CPC Central Committee, to correctly implement the party's line, principles, and policies in conjunction with Xizang's realities, and to uphold the solemnity of the party's policies. Regarding those problems which have a bearing on the overall situation, we must not evade unified principles and do what suits ourselves.

2. It is essential that we fervently love the people of Xizang, do everything for the richness of people of Xizang and the prosperity of the Xizang cause, and wholeheartedly serve the people of Xizang. In all our work, proceeding from Xizang's realities, we must really overcome bureaucratism, improve our leadership style, enhance our work efficiency, conduct deepgoing investigation and study, look into the will of the people, understand the practical situation, indulge in less idle talk, and do more practical work. Every unit must do some practical and good deeds for the masses every year.

3. We must be honest in performing our official duties and struggle hard. People are strictly prohibited from using public funds to give dinners and gifts. Necessary entertainment in united front work, foreign affairs activities, and economic and business contacts must be carried out in accordance with the regulations of the regional CPC Committee and regional people's government. Leading cadres are strictly prohibited from extorting and receiving bribes from any unit and individual. We are not allowed to take advantage of our functions and powers to occupy more residential houses than stipulated inside and outside the region or to build private houses, and no one is allowed to use public funds or public property for such purposes. As for the living expenses and remuneration of cadres of middle and higher ranks, we must resolutely enforce the relevant regulations of the general offices of the regional CPC Committee and regional government. We are not allowed to have more than the standard, and we must not seek personal privileges. Discipline inspection departments at all levels must supervise enforcement of the regulations. Without approval, leading cadres are not allowed to name and transfer cadres, staff members, and workers from their original places and units to work with them.

4. It is imperative that we teach children and relatives to show discipline and abide by the law. As for family members children, relatives, and friends who want to transfer to better schools, join the party, change registered permanent residence, be promoted to posts and grades, or go abroad, only their respective units can deal with such cases in accordance with policy. Individuals are not allowed to meddle in such cases and seek personal privileges.

All children and spouses of leading cadres at and above the county level are not allowed to engage in commerce or run enterprises. Those who violate the regulations must correct this situation within a specified period. Those who do not stop doing what is prohibited and who cling obstinately to their course must be dealt with severely.

5. It is necessary to adhere to the cadre policy of appointing people according to their political integrity and ability. In promoting and appointing cadres, we must adhere to the standard of four transformations, to the mass line, and to collective [words indistinct]. No one is allowed to stress personal feelings rather than party spirit, to stress relationships rather than principles, or to look after those who have connections and [words indistinct]. No individual can have the final say.

6. Leading cadres who go to the interior to attend meetings, to study, to conduct official business, and to take leave must return to Xizang on schedule. Those who do not return after the specified period will have their wages reduced or payment of wages stopped, whichever is appropriate. When attending a meeting, studying, or taking a business trip, no one is allowed to take detours or unauthorized side-trips in order to use public funds to travel from place to place enjoying the beauties of nature. Offenders must return all public funds spent in accordance with the principle that whoever makes the decision must pay. Going to the interior to consult a doctor or to get medical treatment requires certification by a hospital and apporval by higher levels. People who have only mild disorders are not allowed to have long rests and to stay in the interior for long periods of time.

7. No one is allowed to take advantage of one's position or power to violate financial and economic discipline and to indiscriminately issue all kinds of bonuses, subsidies, and materials. Without the approval of the government functional departments concerned, no unit is allowed to use public funds to build residential houses inside and outside the region. In addition to having the responsibility of the offenders investigated and affixed, they must be responsible for all economic losses. Leading cadres at all levels must study how to manage their affairs and the money matters and stress economic results. Those who pursue bureaucratism, who are irresponsible, who neglect their duties, and who cause serious economic losses and waste must be dealt with in accordance with party discipline and state laws.

8. It is essential that we strictly guard party and state secrets. No one shall divulge party secrets, including economic intelligence, internal information, and confidential documents, to one's children, relatives, friends, or people who should not know such secrets. In foreign affairs activities, we must strictly observe foreign affairs discipline and not impair state interests, the state's reputation, and our reputation.

9. It is necessary to adhere to party principles. Pursuing political liberalism is not allowed. Words which are not beneficial to stability and unity must not be uttered. Activities which are not advantageous to stability and unity must not be undertaken. People who have complaints about any leading members and upper-level leaders must fully state their views at a party meeting or exchange their views at heart-to-heart talks. No one is allowed to make casual comments on any occasion. We must seriously investigate and deal with tale-tellers and deliberate slanderers. We must be bold in grasping and dealing with all unhealthy trends and evil practices. We must not evade contradictions and fear offending others. We must justly and forcefully wage a resolute struggle against unhealthy trends and all wrong tendencies. It is not permissible to intercede on behalf of people who make mistakes or to absolve criminals from their guilt.

10. Leading cadres must implement the system of personal responsibility for party style, grasp their work at their levels, be responsible for their work at their levels, and conduct investigation at their levels. CPC committees and party groups must be responsible for fully grasping the party style of their Standing Committee members, their discipline inspection committee members and members of party groups, and for fully grasping the party style of cadres and units at the county level under their jurisdiction. Meetings on organizational activities must be held twice a year to inspect the situation in implementing the system of responsibility for party style. In conjunction with the large-scale inspection of party style, we must sum up experiences in correcting party style every year.

The above-mentioned 10 points must be conscientiously observed by leading cadres at the county level and above, especially cadres of middle and higher grades. They must seriously implement them in their practical work and accept the supervision of all faithful and honest Communist Party members and the people of all nationalities. Offenders must be severely dealt with and not be tolerated.

SICHUAN'S YANG RUDAI STRESSES SOLVING ECONOMIC PROBLEMS

HK230323 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 22 Mar 86

[Excerpts] According to SICHUAN RIBAO, provincial CPC Committee Secretary Yang Rudai pointed out during a recent investigation and study in eastern and southern Sichuan that at present the leading cadres of all localities and departments must tangibly improve their work style and methods, go to the frontline of production, study problems in economic work, and solve them one by one, so as to ensure sustained and steady development of industrial and agricultural production.

From 2 to 18 March, Comrade Yang Rudai visited Yibin, Luzhou, Neijiang, Suining, and Mianyang to investigate and study the current situation in the economy and in grass-roots party rectification.

Comrade Yang Rudai said: The general economic situation is good at present. The spring-harvested crops are growing well. However, industrial production development is very uneven. In some places output in January and February showed relatively big increases over the same period of last year, but in most places the increase was very small, and in some places production actually declined. This is the first year of the Seventh 5-Year Plan. We must maintain a corresponding growth rate.

While investigating a number of large hilly countries, Comrade Yang Rudai pointed out: Sichuan has more than 20 large counties with populations of over 1 million. Only a few are in the basin and mountain areas; most are in hilly areas. The development of the economy in these large counties occupies an extremely important position in economic development in the hilly areas and indeed in the whole province. Hence, our rural work must currently be focused on the hilly areas. In grasping these areas, we must first grasp these large counties.

Comrade Yang Rudai stressed in light of current economic conditions and problems in grass-roots party rectification that apart from abuse of power and economic problems, the main factors in bad party style are problems of bureaucratic work style. Hence it is essential to improve work style and brace spirits. The leading cadres must go down to the factories and rural areas to exercise face-to-face leadership.

NEI MONGGOL: MAJOR ECONOMIC CASE EXPOSED IN HOHHOT

SK241302 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 22 Mar 86

[Text] The regional Discipline Inspection Commission, together with the public security departments, recently investigated and seriously handled a major case involving reselling camel hair at a higher profit. Eight criminals were arrested in line with the law. This case involved 15 enterprises and more than 80 persons, including state officials; cheating involving 6.1 million yuan of funds from state enterprises; bribery involving nearly 10,000 yuan; corruption involving more than 100,000 yuan; and more than 140,000 yuan of illegal gains for individuals.

According to the relevant departments' investigations, in early November 1984, the Jining Fine Hair Plant sold 154.6 tons of stockpiled camel hair that was not up to export standards at reduced prices. The state-run Hohhot native products general firm sold this camel hair to such retail departments as the Hohhot educated youths' (Fanhua) trading company and the Hohhot state-run commission shop at an average price of 7.57 yuan per kg. After being transported back to Hohhot, this camel hair was resold to the Nei Monggol Qinghua Company for regulating surplus materials and materials in short supply at an average price of 8.17 yuan per kg. This company was a civilian company with only 8,000 yuan of funds but its registered funds were 100,000 yuan. This company's manager was (Meng Qingling), the former retired party-member cadre of the Hohhot (Riyi) construction company, and its deputy manager was (Bian Zhengwu), a resigned party-member cadre of the supply and marketing section of the Hohhot No 2 pharmaceutical plant. In order to purchase the camel hair, this company sought a bank loan of 300,000 yuan through fraudulent and deceptive means, such as establishing contacts with someone, sending gifts, and giving bribes and benefits. In addition, it also fraudulently appropriated 948,000 yuan of funds from the Nei Monggol native products and animal by-products import and export company and the Nei Monggol No 4 woolen textile plant. Through the deception of signing a false contract, it also sought a loan of more than 370,000 yuan from the civil affairs and social welfare plant of Qinxian County in Shanxi Province. Thus, it sought a total of 1.623 million yuan through fraud and deception. After purchasing the camel hair, this company lied by saying that the total amount of the product was 165 tons and resold it to the Yinchuan (Huayun) trading company at a price of 11.4 yuan per kg on 13 November 1984, thereby earning a profit of 480,000 yuan. The (Huayun) trading company did not have enough money to pay for the merchandise, so it cooperated with party-member cadre (Liu Guorui), a responsible person of the labor and service company of the Nei Monggol CPC Committee organ, in fraudulently seeking a bank loan of 1.75 million yuan in the name of the labor and service company under the terms of sharing the profits between the two parties. The (Huayun) trading company used the loan to pay for the merchandise. After that, they resold the merchandise to the labor and service company of the Haibowan office of the Wuhai City People's Bank at a price of 12.4 yuan per kg. Both parties earned a total of some 270,000 yuan. On 7 January 1985 the labor and service company of the Haibowan office of the Wuhai City People's Bank agan resold the merchandise at an added price. In a little more than 2 months, this camel hair was sold from Jining, passed on to the local trading company in Ulanqab League through eight intermediate links under various purchase and sales contracts, and then returned to Jining. The price was raised from 7.57 yuan to 13.7 yuan per kg. Such an activity of reselling camel hair at a higher profit was discovered by the Hohhot pricing department at the end of November 1984 and the merchandise was sealed and confiscated.

However, due to the fact that (Ye Jingguo), deputy section chief of the pricing department, received a bribe of 1,500 yuan, the confiscated camel hair was immediately returned to the owner. As a result, the reselling camel hair at a higher profit continued to go unchecked. During this activity, more than 20 persons gained benefits, of whom 6 persons gained more than 10,000 yuan. Some of the companies that participated in the activity were guilty of serious tax evasion and some of the principal responsible persons appropriated public funds and joined hands with one another in corruption, of whom four persons embezzled more than 10,000 yuan, and another four embezzled 5,000 to 8,000 yuan.

The regional CPC Committee has attached great importance to investigating and handling this case and the principal responsible comrades have personally heard reports and given guidance on several occasions. The regional Discipline Inspection Commission organized forces to investigate the case and clarify the facts after a period of more than 10 months. The public security department arrested, in line with the law, eight persons including (Meng Qingling); (Liu Guorui); (Liu Wenhui), a party-member cadre of the Wuhai grain depot; and (Song Yuan), a cadre of the Nei Monggol No 4 woolen textile plant. Other persons involved are being investigated and dealt with by the procuratorial organs. (Yan Guohua), a cadre of the construction bureau of the Hohhot suburban areas; (Wang Yang), a cadre of the Nei Monggol radio and television art ensemble; and three other cadres who also received benefits were given party or administrative disciplinary sanctions. Other persons involved were given strict punishment by the units to which they belonged. All the illegal gains were recalled.

Discipline Inspection Commission Comments

SK241400 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 22 Mar 86

[Text] The regional Discipline Inspection Commission strictly handled a serious economic case and issued a comment pointing out that any person who dares to defy the law and to corrupt the party style and the general mood of society will escape punishment in line with the party's discipline and the state law.

The comment states: The problems revealed in the case merit our deep consideration. The answers are clear with regard to the questions of why so many party-member cadres were involved in the case, and some of them even became guilty persons condemned by the people; why the arch-criminal of the case was a veteran party-member cadre; and why the criminals could easily obtain a great amount of loans and continue their criminal activity. One reason is that some of our party-member cadres have forgotten all moral principles at the sight of profits under the new situation of opening to the outside world and enlivening the economy. They have lost the party spirit that a Communist Party member should have, and have absolutely run counter to the purpose and guiding principles of the party. Some departments, particularly some operational departments, have failed to follow regulations, and a small number of persons have abused their positions and power or the favorable conditions provided by their jobs to seek personal gains; some have even participated in illegal criminal activities or helped evil persons to engage in evil. Another reason is that the ruled and regulations were imperfect, thus leaving loopholes for the criminals to exploit. Comrade Xiaoping once pointed out: In checking malpractices, we should depend mainly on two methods -- the first is education, and the second is law. All economic offenses and criminal activities should be strictly dealt with and should not be treated leniently. Those who receive bribes, pervert the law, and give the green light to criminals, regardless of who they are and which units they belong to, must be investigated and dealt with.

Those companies that have engaged in speculation and fraudulence must be resolutely banned. In addition, the relevant departments should strengthen management, establish and improve rules and regulations, close loopholes, and never allow criminals to seek opportunity to commit crimes.

The comment of the regional Discipline Inspection Commission also states: The leading organs and cadres at all levels should take the lead in rectifying party style, dare to tackle difficult cases, and exert real efforts and do solid work in the course of grasping major and appalling cases and checking malpractices. The party organizations at all levels should strengthen education for party members, enhance their awareness of party spirit and their sense of the legal system, strengthen their ability to resist the decadent corrosive influence of capitalist ideas, and fundamentally improve party style. Only by so doing can we achieve a fundamental turn for the better in party style within a short period of time and guarantee a smooth advance in reforms and in building the two civilizations.

SHANXI LEADERS MEET 'GOOD SONS AND DAUGHTERS' REPORT GROUP

HK230225 Taiyuan Shanxi Provincial Service in Mandarin 2300 GMT 22 Mar 86

[Excerpts] On the afternoon of 22 March, leading comrades of the provincial CPC Committee and government including Li Ligong, Wang Jiangong, and Bai Qingcai held a 3-hour forum with the provincial "good sons and daughters are found everywhere" report group. Comrade Li Ligong said: We must care for and cherish the good sons and daughters from Beijing and Tianjin who are working in Shanxi and do everything possible to solve their practical difficulties and support them in making still more contributions at their work posts.

Comrade Bai Qingcai said: You have come from big cities to poor areas in Shanxi. You have undergone such frustrations over so many years. This was not at all easy for you. However, you have overcome the difficulties, steeled yourselves, and made contributions to the cause of Shanxi's construction. You have set good examples.

On behalf of the provincial CPC Committee, Comrade Li Ligong called on the party and government leaders throughout the province to care for and cherish these young people from Beijing and Tianjin and immediately solve, if possible, the difficulties in their daily life. Where such difficulties cannot be solved for the time being, it is necessary to explain things to these young people and also create conditions for solving them.

The members of the report group pledged not to disappoint the earnest hopes of the people of Beijing and Tianjin and the people in Shanxi, their second home province. They would unite the former Beijing and Tianjin young people now working in Shanxi to stride ahead along the correct path of going up to the mountains and down to the countryside. They would strive to score new achievements to report to the CPC Central committee and the people of the province.

HEILONGJIANG SECRETARY AT PARTY RECTIFICATION MEETING

SK230457 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 22 Mar 86

[Text] On the morning of 22 March, the Party Rectification Guidance Commission of the provincial CPC Committee held its 14th meeting to hear the report on current party rectification work and the report on the investigation of the three types of persons. Comrade Sun Weiben, secretary of the provincial CPC Committee, delivered a speech on current party rectification work.

The meeting pointed out: At present, party rectification at the county and township levels must be conducted well from start to finish, without any slackness. In carrying out party rectification and investigating the three types of persons, we should never proceed from a fine start but end with a poor finish. The ongoing party rectification at the county and township levels should be integrated with spring plowing and production. Party rectification and spring plowing should promote each other. Party rectification should promote the fulfillment of the primary task -- restore production immediately after the disasters. All localities should set appropriate standards, rather than demanding uniformity, for party rectification and spring plowing. Party rectification should also be integrated with the correction of unhealthy trends so that it can promote the improvement of social conduct in general. Party rectification should also be integrated with the struggle against economic crimes. A clear demarcation line should be drawn between economic crimes and unhealthy trends. For party rectification at the county level, different guidance should be given for different cases. In conducting party rectification at or below the township level, specific guidance is necessary.

On the afternoon of 22 March, the Party Rectification Guidance Commission of the provincial CPC Committee held a telephone conference to relay the guidelines of the 14th meeting of its Party Rectification Guidance Commission. Liu Chengguo, deputy secretary of the provincial CPC Committee and vice chairman of the provincial Party Rectification Guidance Commission, delivered a speech at the conference.

Thus far, the organs covered by county- and district-level party rectification throughout the province have entered an advanced stage of party rectification, and 80 percent of counties and districts are expected to basically complete their party rectification drive by the end of March.

The conference pointed out: Over the past 8 months, county-level party rectification has developed soundly, and marked results have been achieved in this regard. Various county-level organs have continuously focused their efforts on grasping education in party spirit, and have given prominence to rectifying party style. In particular, after the convocation of the provincial conference on county-level party rectification last October, all localities have given prominence to checking such problems as wanton issuance of bonuses, illegal building and buying of houses, embezzlement, taking bribes, fraud, and abuse of power for personal gain. As a result, not only a large number of unhealthy trends have been ferreted out and corrected, but also a large number of good persons and good deeds in resisting unhealthy trends have emerged. Most units have regarded the investigation and handling of cases as an important point of party rectification, thus greatly promoting the improvement of party style and social conduct.

The conference demanded: County- and district-level party rectification should be carried out well from start to finish. Efforts should also be made to grasp party rectification among enterprises and establishments at the county level.

In carrying out county-level party rectification, attention should be paid to solving the following five problems: 1) extravagant wining and dining, gift giving, and wanton issuance of cash and materials; 2) arbitrary use of public funds, public property, and peasants' land; 3) fraud and abuse of power for personal gain; 4) adding burdens to peasants under all sorts of pretexts; and 5) embezzlement, taking bribes, and blackmail. In correcting unhealthy trends, we should seek truth from facts, adhere to principles, and pay attention to policies. Meanwhile, we should conscientiously implement the 1986 Document No 1 of the central authorities, and promote rural reform and economic development with party rectification. Various prefectural, city, and county CPC committees should also make proper preparations for party rectification to be conducted among urban neighborhoods, enterprises, and establishments, and strive to enable most urban grass-roots units to begin their party rectification work in June.

HEILONGJIANG CRACKS GRAIN DEPOT EMBEZZLEMENT CASE

SK240406 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 23 Mar 86

[Text] Recently, the province cracked an embezzlement clique, which has committed crimes mainly through forging receipts, at the (Haibei) grain depot in Hailun County. The money involved in this embezzlement case amounted to 107,000 yuan. At present, more than 10 criminals involved in this case have been arrested in accordance with the law, and more than 75,000 yuan of illicit money has been recovered.

According to the investigation, this case involved 7 laboratory technicians, 17 [word indistinct] and 4 (?inspectors) of this grain depot. Since 1984, this criminal clique has illegally gained a huge sum of cash when receiving grain by stealing those receipts on which a seal of payment was affixed and by forging recepits for grain received. From 9 to 19 October 1985 alone, this clique committed crimes on 28 occasions and embezzled 42,000 yuan by means of these false receipts.

JILIN: VETERAN CADRE CONCERN OVER PARTY STYLE URGED

SK220531 Changchun Jilin Provincial Service in Mandarin 1030 GMT 21 Mar 86

[Text] At a provincial conference on discipline inspection work held on 21 March, Song Jiehan, member of the Central Dicipline Inspection Commission, called on all veteran party members and cadres to show concern over party style and discipline inspection work and to do their best in contributing to fundamentally improving party style.

After relaying the guidelines of the seventh plenary session of the Central Discipline Inspection Commission to all discipline inspection cadres participating in the conference, Comrade Song Jiehan, in his capacity as veteran party member and cadre, set forth the following three expectations for the rectification of party style. First, we should be determined to grasp the the rectification of party style in a protracted manner and should not stop until we reach our goal. Second, rectification of party style should begin with leading cadres and organs at all levels, and each level should set an example for the next lower level. And third, veteran party members and cadres should attach importance to the rectification of party style, and should actually set examples for others.

With regard to the issue that veteran party members and cadres should set examples for others, Comrade Song Jiehan said earnestly: Our veteran cadres, in particular the veteran cadres at or above the departmental level, have all been trained and edcuated by the party for a long time, have withstood many tests, and have in turn made many contributions to the party. Now, in response to the party's calls, some old cadres have made another contribution to the party's call, some old cadres have made another contribution to the party cause by voluntarily stepping down from their leading posts and giving their posts to a group of young and middle-aged cadres who are politically and professionally sound. This is a very glorious thing.

However, just as Comrade Chen Yun said, the stepping down from and retiring from the leading posts should have nothing to do with the work of setting examples in showing concern over party style and party discipline and in playing a supervisory role in party affairs, and every party member, as long he is alive, should always stand in the frontline. In other words, after stepping down from the leading posts, all veteran party members and cadres should continue to take the lead in carrying forward the party's fine tradition, set examples in implementing the relevant stipulations of the central authorities and the provincial CPC Committee concerning the rectification of party style, strive to safeguard the prestige of the party, and sincerely help CPC committees at all levels and leading bodies of various relevant departments achieve success in rectifying party styel. In fact, many of our veteran comrades have done so. I hope that even more veteran comrades will do so in a still better manner.

Comrade Song Jiehan also stressed: Those veteran comrades who had worked for various departments of CPC committees, such as the organizational, propaganda, discipline inspection, and personnel departments, should earnestly help CPC committees and discipline inspection departments at all levels by doing what they can, on condition that they are in good health and that the work on a voluntary basis. Comrade Song Jiehan also called on veteran party members and cadres, high-ranking cadres in particular, to set a good example in teaching their children in line with the demands of Chen Yun. In daily life, they should prevent their children from seeking personal privileges, which will be harmful to their growth. They should never allow their children to rely on relatives in seeking more power and private gains and in becoming special figures. Comrade Song Jiehan hoped that all veteran comrades will guard against and pay attention to this issue, and successfully bring up and educate their children so that their children will actually become the successors to the revolutionary cause.

JILIN: NEIGHBORHOOD PARTY RECTIFICATION FORUM HELD

SK240327 Changchun Jilin Provincial Service in Mandarin 1030 GMT 22 Mar 86

[Text] From 20 to 22 March, the Party Rectification Guidance Commission of the provincial CPC Committee held a provincial forum on the neighborhood party rectification in Changchun. At the forum, participants exchanged their experiences gained at the preceding stage of the experimental neighborhood party rectification. Through discussions, participants further enhanced their understanding of the important significance of neighborhood party rectification, and defined the major problems which should be solved during neighborhood party rectification. Wang Xianjin, deputy secretary of the provincial CPC Committee, attended and addressed the forum.

The forum maintained: The neighborhood work is the foundation for urban work as well as a bridge through which the party and the state link themselves with the masses. Success or failure in the neighborhood work has a direct bearing on the building of spiritual and material civilizations in the urban areas and on the secure and happy lives of thousands upon thousands of households. Therefore, CPC committees at all levels should make great efforts to grasp neighborhood party rectification in order to make the current neighborhood party rectification become a turning point for achieving success in the neighborhood work and to promote the neighborhood work to a new level.

The forum pointed out: The major problems which should be solved during neighborhood party rectification are as follows:

1. Through penetrating education on the party's purpose, we should actually correct the unhealthy trend of abusing one's power for personal gain, and emphatically prevent the neighborhood cadres from abusing their powers to seek personal gain, asking enterprises

for money, and encroaching on the interests of enterprises. We should fully carry forward democracy, take the mass line, extensively solicit criticism and opinions from various fields inside and outside the party, conduct conscientious investigation, and conduct rectification and correction simultaneously.

2. We should further straighten out the ideology guiding neighborhood work, define the tasks for neighborhood work, and actually solve the universal problem of stressing economic work to the neglect of the building of spiritual civilization and neighborhood engineering projects, so that we can actually gear the neighborhood work to simultaneously grasping the two civilizations and strengthening neighborhood engineering and can vigorously encourage the neighborhood enterprises to serve the society, residents, and the modernization of the urban areas.

3. We should adopt effective measures to strengthen the ideological and organizational construction of the neighborhood party organizations, enhance the fighting capacity of the neighborhood party organizations, and give full play to the vanguard and exemplary role of party members. In addition, we should strengthen the management of party members retired from neighborhood organizations, and give play to their role in building the neighborhood engineering projects.

The forum also stressed: CPC committees at all levels should strengthen their leadership over neighborhood party rectification, and establish and improve the responsibility system for guiding the party rectification work. Various district CPC committees should conduct strict investigations at all stages of neighborhood party rectification, and adhere to high quality and standards. In the course of party rectification, we should accelerate the reform of the neighborhood management system, establish necessary rules and regulations, and conscientiously investigate and deal with the major and appalling cases. Meticulous guidance should be given to the party rectification of various neighborhood committees and neighborhood-run enterprises. Through party rectification, we should strive to build the neighborhood party organizations at all levels into a powerful fighting force which is sound in the ideological and political lines and upright and united in work style, and which wholeheartedly serves the people.

LIAONING SECRETARY ADDRESSES PEOPLE'S CONGRESS

SK220353 Shenyang Liaoning Provincial Service in Mandarin 2200 GMT 21 Mar 86

[Excerpt] The second provincial meeting to exchange experience in carrying out People's Congress work in cities, counties, and districts ended on the morning of 21 March. Li Guixian, secretary of the provincial CPC Committee; Quan Shuren, governor; and Zhang Zhengde, chairman of the provincial People's Congress Standing Committee, delivered speeches at the meeting, stressing that the CPC committees at all levels should strengthen leadership over the work of the people's congresses, the governments at all levels should voluntarily receive supervision from the people's congresses, and the people's congresses at all levels should exercise supervisory power in line with the law.

After fully affirming the work done by the People's Congress at all levels throughout the province in the past 6 years, Li Guixian, secretary of the provincial CPC Committee, called on the various city, county, and district CPC committees to further eliminate the leftist ideological influence, conscientiously overcome all sorts of confused ideas, realistically correct the erroneous trends of replacing the government's work with the party's work and replacing the law with one's power and words, and vigorously support the People's Congress standing committees in carrying out their work.

In referring to the work of strengthening democracy and the legal system, he said: Democracy can be made into a legal system through the efforts of the people's congresses and their standing committees. Strengthening the work of the People's Congress standing committees and their building is the key to strengthening democracy and the legal system. One of the important reasons for some districts' failure in fully displaying their role as the organs of state power is that their CPC committees have failed to fully use the state situation and that they have taken the party's views as the will of the state and turned them into the voluntary action of the people. Some issues which should be discussed and decided by the People's Congress standing committees have been directly handled by the governments or in CPC committees. Such a way of doing things is not in line with the demands of the Constitution and law and is detrimental to strengthening and improving the party's leadership. Therefore, the governments, people's courts, and procuratorates should carry out their own duties and responsibilities. It is necessary to gradually change the practice of mainly depending on policies while managing things into one which combines both policies and laws while doing things.

In his speech, Li Guixian also stressed in particular that efforts should be made to energetically strengthening the economic legislative work. He said: One of the important tasks of the economic structural reform is to apply economic and legal means to controlling and readjusting the operations of economic activities. This calls for efforts to strengthen the economic legislative work on the one hand and to strengthen the supervisory and examination work in the course of implementing and enforcing the economic laws on the other so that there are laws which the people must strictly follow and enforce.

In his speech, Governor Quan Shuren stressed that the governments at all levels should further enhance their understanding of the nature, status, and role of the work of the people's congresses, properly handle the relationship between the executive organs and the power organs, strengthen the sense of the legal system, voluntarily receive supervision from the people's congresses, conscientiously listen to the views and demands of the deputies, and strive to improve government work.

XINJIANG ADVISORY COMMITTEE HOLDS PLENARY SESSION

HK220645 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 19 Mar 86

[Text] The regional Advisory Commission held its seventh plenary session today to make arrangements for implementing the spirit of the enlarged seventh plenary session of the third regional CPC Committee. Qi Guo, vice chairman of the regional Advisory Commission, presided over the session. Wang Enmao, chairman of the regional Advisory Commission, and Bai Chengming, vice chairman of the regional Advisory Commission, spoke at the session.

The session reviewed the work of the committee in 1985 and put forth suggestions on properly carrying out this year's work according to the spirit of the enlarged seventh plenary session of the third regional CPC Committee.

The session stressed that in carrying out this year's work, the regional Advisory Commission, in addition to straightening out its own party style in accordance with the spirit of the seventh enlarged session of the third regional CPC Committee, must particularly help and support the regional CPC Committee in straightening out the party style of the entire region. Advisory committees must set a good example in straightening out party style and take the lead in carrying forward the party's fine traditions. Meanwhile members of the advisory committees must properly educate their sons, daughters, and relatives; conduct in-depth study and investigation; keep abreast of the new situation; study new problems; act as good advisers to CPC committees; serve the building of two civilizations in the region even better; and contribute to bringing about a basic turn for the better in party style of regional organs and marked improvement of party style in the whole region this year and to further developing the excellent situation in the region.

XINJIANG LEADERS VOLUNTARILY PLANT TREES

HK140931 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 12 Mar 86

[Text] It was Arbor Day today. Leaders of the regional party, government, and Army, and soldiers and people of all nationalities in Turpan took part in the all-people voluntary tree-planting activities. It was fine in Turpan today. Early in the morning, some 30,000 soldiers and people of all nationalities in Turpan City jubilantly came, with tools in their hands, to the spots where they would work and took part in the voluntary tree-planting activities.

At 0730 Urumqi time, leading comrades of the regional party and government, of the regional CPPCC Committee, of Xinjiang Military District, and of the Production and Construction Corps, including Wang Enmao, Tomur Dawamat, Janabil, Smudong Niyazi, Zhang Sixue, Ismail Yashengnuofu, Liu Haiqing, (Tang Baocai), and Chen Shi; and responsible persons of regional departments, committees, bureaus concerned and mass organizations, came energetically to Qingnian Road, Turpan City, bringing tools with them, and took part in the voluntary tree-planting activities.

Wang Enmao, chairman of the regional Advisory Commission, who had come to Turpan City to take part in the voluntary tree-planting activities for 5 years, was exceptionally happy today. The grapes which he and leading comrades, including Tomur Dawamat, personally planted on Arbor Day last year are now growing very well. Up to today, Turpan City had planted some 300,000 trees on a voluntary basis.

FBIS DAILY REPORT

China

CONTENTS

Vol I No 058 26 March 1986

PRC INTERNATIONAL AFFAIRS

GENERAL

Foreign Ministry Spokesman Holds Weekly Briefing A 1
Condemns U.S. Action in Libya A 1
Condemns SRV Rejection A 1
Greek Premier To Visit A 1
PRC Presents Views on International Seabed Management A 2
[RENMIN RIBAO 20 Mar]
Asia-Africa Society Revived With Huan Xiang as Head A 2
UN Assists in Improvement of Rural Water A 3
Import of Automobiles, Minibuses To Be Limited A 3

UNITED STATES

American Expert on U.S.-PRC Commercial Problems B 1
PRC Central Ballet Gives Washington Performance B 1
Zhao Ziyang Meets With David Rockefeller B 2
U.S. Expert Notes Gorbachev on Verification B 2
U.S. Releases New Report on Soviet Power B 3

SOVIET UNION

PRAVDA Expresses 'Concern' on FRG Defense Proposal C 1
TASS Calls U.S. Nuclear Test 'Militaristic Action' C 1
Meeting on Boundary Rivers Concluded C 1

NORTHEAST ASIA

Students in Seoul Continue Demonstrations D 1
Demonstrations in Pusan D 1
PRC Chief Procurator Meets DPRK Counterpart D 1
Wang Zhen, Wang Zhaoguo Attend Komeito Banquet D 1
PRC-Japan Joint Venture Works To Make Profit D 2
Deng Liqun, Wang Zhen Honor Japanese Expert D 2

SOUTHEAST ASIA & PACIFIC

LIAOWANG on Chinese Financial Groups in Hong Kong [10 Mar] E 1
New Zealand's Lange Hopes for More Cooperation E 3
Interim Philippine Constitution Announced E 4
Laurel Becomes Philippine Prime Minister E 4
Philippines Opposition Criticizes Aquino Moves E 5
Philippines Enrile Favors Aquino Case Reopening E 5

SOUTH ASIA

Li Xiannian, Zhao Ziyang Send Message to Bangladesh F 1
Wu Xueqian Attends Bangladesh Envoy's Reception F 1
Friendship Delegation Leaves for Nepal F 1
Yao Yilin at Pakistan Day Embassy Celebration F 1
Tamils Reportedly Armed With Soviet Missiles F 2
Indian Minister on U.S. Buildup on Diego Garcia F 2

WESTERN EUROPE

Danish Prime Minister Hosts Banquet for Zhao, Wu G 1
Pacts Signed G 1
French Official on Ties With PRC Science Academy G 2
Zhu Xun Attends Greek Envoy's Reception G 2
Zhang Aiping, Xu Xin Meet FRG Defense Official G 2

EASTERN EUROPE

Polish Planning Chief Meets PRC Ambassador H 1
GUANGMING RIBAO on Ideological Work in Romania [10 Mar] H 1

MIDDLE EAST & AFRICA

Li Xiannian Visit To Madagascar Continues I 1
Meets Embassy Personnel I 1
Li, Ratsiraka Hold Talks I 1
Li Meets Amity Group Leader I 2
Goes Sightseeing I 2
Geng Biao Meets Tanzanian Agricultural Group I 2

WESTERN HEMISPHERE

Uruguayan Minister on Developing Ties J 1
Youth Delegation Ends Visit to Costa Rica J 1
Leaves Barbados for Trinidad, Tobago J 1

PRC NATIONAL AFFAIRS

NPC Continues With Second Day of Speeches, Talks K 1
Song Ping Speaks K 1
Wang Bingqian on 1985 Budget K 2
Predicts Balanced 1986 Budget K 3
Panel Discussions Held K 3
Jiangxi Secretary, Other Deputies Prepare for NPC K 3
Members Praise Accomplishments, Role of CPPCC K 4
Freedom of Creation in Literature, Art Expounded K 5
[LILUN YUEKAN 25 Feb]
BAN YUE TAN on Need for Improving Party Style [10 Mar] K 9
LIAOWANG on Fresh Understanding of Socialism [3 Mar] K 10
JINGJI RIBAO Examines All-People Ownership Reform [15 Mar] K 13
Enlivened, Strengthened Agriculture Urged K 14
[RENMIN RIBAO 19 Mar]
Promotion of Grain Production Encouraged K 16
[JINGJI RIBAO 14 Mar]
Sports Minister Commemorates He Long's Birthday K 17

PRC REGIONAL AFFAIRS

CENTRAL-SOUTH REGION

Hubei Views on Implementing Central Document P 1
Hubei's Guo Zhenqian Speaks at Economic Work Meeting P 2

NORTH REGION

Beijing: Li Ximing Visits Product Exhibit of Handicapped [BEIJING RIBAO 5 Mar] R 1
XINHUA Reports on New Party Head in Nei Monggol R 1
Nei Monggol Party Secretary Visits PLA Cadres R 1
Shanxi 1985 Social, Economic Statistics [SHANXI RIBAO 25 Feb] R 2
Tianjin Makes Arrangements for Party Rectification R 10

NORTHWEST REGION

Xinjiang Boosts Trade With USSR, Other Countries T 1

HONG KONG MEDIA ON CHINA

KUANG CHIAO CHING on Fujian Leadership Change [16 Mar] W 1
Attitude Toward 'Cultural Dissent' Seen Changing [SOUTH CHINA MORNING POST 20 Mar] W 4
3 Hong Kong, 2 Macao Residents Elected to CPPCC [SOUTH CHINA MORNING POST 19 Mar] W 6

FOREIGN MINISTRY SPOKESMAN HOLDS WEEKLY BRIEFING

Condemns U.S. Action in Libya

OW260758 Beijing XINHUA in English 0753 GMT 26 Mar 86

[Text] Beijing, March 26 (XINHUA) -- China today condemned the recent attack of the United States on Libya, calling it a violation of norms governing international relations.

Speaking at a weekly press briefing here this afternoon, a spokesman for the Chinese Foreign Ministry said that since the beginning of this year, the U.S. Navy has conducted frequent military manoeuvres in the waters near Libya, subjecting Libya to military threat. He said that this has aggravated the tension in the Mediterranean. The Chinese Government expresses deep concern over this development. He noted that recently the United States made an attack on the territory of Libya, which is a sovereign state. "This is in violation of the norms governing international realtions. It has been the Chinese Government's consistent position to oppose and condemn any act that violates the norms of international relations and encroaches upon the territory and sovereignty of other countries," he added.

Condemns SRV Rejection

OW260912 Beijing XINHUA in English 0859 GMT 26 Mar 86

[Text] Beijing, March 26 (XINHUA) -- A Foreign Ministry spokesman said here today that the "negotiations" and "dialogue" advertized by the Vietnamese authorities on Kampuchean question were completely hypocritical. He said that they "are nothing but political tricks in support of their military occupation of Kampuchea."

He made the remarks at today's weekly news briefing while answering some journalists' questions on Vietnam's rejection of eight-point proposal by the Coalition Government of Democratic Kampuchea which was a "farce directed by Beijing". The spokesman said that since the proposal by the Coalition government of the Democratic Kampuchea on a political settlement of the question of Kampuchea was issued, it had won wide approval and support from the international community and public opinion. They all held the view that the proposal was fair, reasonable and magnanimous and flexible, that it suggested a practical approach to a political settlement of the question of Kampuchea, that it conformed to the interests and desires of the Kampuchean people, the Vietnamese people and the people of this region and that it would help relax the situation in Southeast Asia and maintain peace and stability in the Asia-Pacific region, he added.

The spokesman declared "as the Chinese Government has all along stood for a fair and reasonable settlement of the question of Kampuchea, it is a matter of course that we support this highly sincere proposal by the Coalition Government of Democratic Kampuchea." He said that the Vietnam authorities had not only unreasonablely rejected the proposal by Coalition Government of Democratic Kampuchea, but also slandered and attacked China. "This only shows that the 'negotiations' and 'dialogue' advertized by them are completely hypocritical and are nothing but political tricks in support of their military occupation of Kampuchea," he stated.

Greek Premier To Visit

OW260910 Beijing XINHUA in English 0857 GMT 26 Mar 86

[Text] Beijing, March 26 (XINHUA) -- A Foreign Ministry spokesman announced here today that at the invitation of Premier Zhao Ziyang, Andreas Papandreou, prime minister of the Republic of Greece, will pay an official visit to China from April 7 to 11.

He said since the establishment of diplomatic ties between China and Greece, trade relations have expanded and trade volume increased from 1.6 million U.S. dollars in 1973 to 85.55 million U.S. dollars in 1985.

PRC PRESENTS VIEW ON INTERNATIONAL SEABED MANAGEMENT

HK251550 Beijing RENMIN RIBAO in Chinese 20 Mar 86 p 6

[Special Dispatch by Yu Yuancheng: "PRC Representative Speaks at the Fourth Meeting of The Preparatory Committee of the UN Agency for International Seabed Management Held in Jamaica"]

[Text] Kingston, 18 March -- The fourth meeting of the preparatory committee of the UN Agency for International Seabed Management and International Maritime Law court was held in the Jamaican capital of Kingston on the afternoon of 17 March. The Chinese delegation, headed by Yan Hongmo, director of the State Oceanography Bureau, and other delegations from more than 100 countries attended the meeting.

The seabed preparatory committee was established in accordance with the relevant resolutions adopted by the third meeting on maritime law. Its main task is to establish an agency for international seabed management and an international maritime law court. The maritime law convention was signed in December 1982 after the opening of Jamaica's Montego Bay. Some 159 countries and entities, including China, have since signed maritime law conventions, 26 of which have been approved. The Agency for International Seabed Management will be established 12 months after receiving 60 instruments of ratification or instruments of accession. Six meetings under three sessions [jie 1447] have been held by the seabed preparatory committee since its establishment in March 1983.

The meeting of the present session will continue to discuss the relevant rules and regulations on the establishment of the agency for seabed management and the maritime law court, and matters concerning the application for international seabed pioneering investment activities. Before applying to the seabed preparatory committee regarding their seabed exploration areas, some countries concerned, such as France, Japan, the Soviet Union, and others, have repeatedly consulted with each other about matters concerning the overlapping of their mining sities in the Pacific region. However, no satisfactory progress has yet been made. A great number of participating countries, Third World countries in particular, have demanded that they speed up the consultations so that they can register with the seabed preparatory committee in accordance with the stipulations contained in the maritime law convention. In their speeches delivered today, delegates of developing countries pointed out that international seabed resources should be exploited in the interests of the whole of mankind and everlasting peace. In his speech, head of the Chinese delegation Yan Hongmo stated that China would continue to uphold the principles contained in the martime law convention that international seabeds and resources are the common assets of mankind.

ASIA-AFRICA SOCIETY REVIVED WITH HUAN XIANG AS HEAD

HK230914 Beijing RENMIN RIBAO in Chinese 16 Mar 86 p 6

[Text] The second meeting of representatives of the China Asia-Africa Society was held in Beijing from 10 to 12 March 1986. More than 100 experts, scholars, and persons from departments concerned with the study of Asia-African affairs throughout the country took part in the meeting. Comrade Wu Xueqian, member of the Politburo of the CPC Central Committee, state councillor, and concurrently foreign minister, was also present and warmly congratulated the China Asia-Africa Society for formally reviving its activities.

At the meeting, Comrade Huan Xiang, director of the State Council's International Affairs Research Center, made a report on the current international situation and the status and role of Asian and African nations in the diplomatic arena henceforth. Also making academic reports at the meeting were professors Ng Zhong [4780 1813] and Xue Mouhong [5641 6180 3163].

With the kind attention of Zhou Enlai, Chen Yi and other veteran proletarian revolutionaries, the China Asia-Africa Society was inaugurated on April 1962 in Beijing with Comrade Zhou Yang as its first president. The society had actively organized some academic activities but was forced to stop during the 10 years of turmoil. With the development of the situation and in order to further strengthen the study of Asian and African questions, as well as to launch academic exchanges both at home and abroad, the China Asia-Africa Society held an enlarged meeting of directors in Beijing on 7 May 1985 and decided to revive its activities after a 20-year interruption.

This meeting of representatives also revised the society's charter and defined its objective to promote China's research on the current political, economic, religious, and social situation in Asian and African nations and to develop academic exchanges both at home and abroad. The meeting elected 45 persons to form the second board of directors and unanimously elected Comrade Huan Xian as president, comrades Ji Xianlin, Lin Zhaonan, Lin Huaxuan, and Ge Ji as vice presidents, and Comrade Ke Di as secretary-general.

UN ASSISTS IN IMPROVEMENT OF RURAL WATER

OW220920 Beijing XINHUA in English 0904 GMT 22 Mar 86

[Text] Beijing, March 22 (XINHUA) -- The United Nations world food programme will render economic assistance gratis to help improve drinking water facilities in China's rural areas, today's "HEALTH NEWS" reported. It will provide 78,700 tons of wheat, which is worth at 10.5 million U.S. dollars, for laborers in Liaoning and Shaanxi Provinces in northeast and northwest China, who are building 1,273 drinking water facilities in ten counties between 1985 and 1987 to ensure clear drinking water to 2.63 million rural people in these counties.

The first batch of 33,000 tons of wheat is expected to arrive in China before July this year.

IMPORT OF AUTOMOBILES, MINIBUSES TO BE LIMITED

OW221146 Beijing XINHUA in English 1136 GMT 22 Mar 86

[Text] Beijing, March 22 (XINHUA) -- China will continue to import motor vehicles but will limit its purchases of automobiles and minibuses, the Ministry of Foreign Economic Relations and Trade said here today.

The imports, supervised by the China National Machinery Import and Export Corporation, will add to the 500,000 motor vehicles brought into the country over the past 36 years. The ministry did not specify the import limits.

AMERICAN EXPERT ON U.S.-PRC COMMERCIAL PROBLEMS

OW251425 Beijing XINHUA in English 1331 GMT 25 Mar 86

[Text] Hong Kong, March 25 (XINHUA)-- China's economy is basically sound and is the most promising, growing market of the United States.

The remark was made by Roger W. Sullivan, executive vice-president of the National Council for U.S.-China Trade of the United States, in his address to the American Chamber of Commerce in Hong Kong today.

Sullivan, who had been an advisor to former U.S. President Nixon and political advisor to the commander-in-chief of the U.S. Pacific Forces, explained in his speech that China's so-called foreign exchange crisis and protectionism are "less threatening to (U.S.-China) trade than they appear."

Concerning the foreign exchange problem, Sullivan said: "So far the Chinese have moved pragmatically and calmly to deal with the problem. They have sharply reduced imports of consumer durables, while allowing imports of essentials goods to continue." This will mean a slowing-down in the rate of growth of American exports to China but not a cutback, he said.

"China has the capability to diversify out of petroleum and textiles and to begin again to increase export earnings," he added.

Sullivan said that he opposes protectionism and "there is growing realization in the Congress that protectionism is not the answer to America's trade deficit." Sullivan stressed that the American export control system "remains a far greater obstacle than people realize."

Although an agreement had been reached in COCOM (Coordination Committee for Export to Communist Areas) last fall, yet "the technical guidelines published by the U.S. Government in December represent no significant liberalization over what could be licensed before," he said. The U.S. president determined in 1983 that China was a friendly, non-allied state, he stated, adding "unless this issue is given the high-level attention it requires to bring practice into line with policy, American companies will operate at a serious competitive disadvantage."

China is taking steps to improve its investment climate and has commissioned the World Bank to study China's investment regime and make recommendations. This is encouraging, he declared.

PRC CENTRAL BALLET GIVES WASHINGTON PERFORMANCE

OW260842 Beijing XINHUA in English 0823 GMT 26 Mar 86

[Text] Washington, March 25 (XINHUA) -- The Central Ballet of China tonight entertained ballet goers here with performances combined with the Chinese folk dance styled "The New Year's Sacrifice" and the pure western ballet "Swan Lake." The first appearance of the Central Ballet of China in the U.S. capital is regarded by the American organizers as "a very special event for our cultural and diplomatic communities."

At the Kennedy Center for the Performing Arts, the American Ballet goers seemed fascinated tonight when the men in "The New Year's Sacrifice," a ballet based on a short story written by famous Chinese writer Lu Xun, turned with arms and legs rotated like dueling eggbeaters and the women marched on point, fluttering green silk fans like huge lettuce leaves.

"The New Year's Sacrifice" is a four-act ballet depicting the tragic lot of Chinese women in feudal society. The second act was performed tonight.

The Central Ballet of China also performed "The Demon and the Mermaid," a dance based on a Chinese folk story; "Variations For Four," a modern piece, choreographed by a British, Sir Anton Dolin; and Act II of "Swan Lake."

The Central Ballet of China, which arrived in the U.S. on February 19 at the invitation of the Brooklyn Academy of Music, has visited New York City, Boston and the state of Florida before making its first appearance here. It will wind up its performance tour in Milwaukee on April 17 after 47 performances in 11 cities in the U.S.

Leading newspapers such as THE NEW YORK TIMES and THE WASHINGTON POST and magazines have published articles to praise the performances. Newsweek said, "a first-rate dance company is in the making." THE NEW YORK TIMES said American viewers have been overwhelmed by its performances.

The artistic advisor to the Central Ballet of China, Dai Ailian, who is the first to introduce western ballet into China, told XINHUA that she did not imagine Chinese Ballet would be so welcomed here in the United States. Each performance is an effort, and each performance is an improvement, she said.

Chinese Ambassador to the U.S. Han Xu, who attended tonight's performance, expressed his wish that the Central Ballet of China "will make contributions to the enhancement of the Sino-American cultural exchange and the friendship between the two peoples."

ZHAO ZIYANG MEETS WITH DAVID ROCKEFELLER

OW241526 Beijing XINHUA in English 1515 GMT 24 Mar 86

[Text] Beijing, March 24 (XINHUA) -- Premier Zhao Ziyang met with David Rockefeller, former chairman of the board of the Chase Manhattan Bank of the U.S., and his party here this afternoon. Zhao praised Rockefeller for his contributions to the development of Sino-U.S. relations, especially in the field of trade.

Great changes have taken place in Sino-U.S. relations since Rockefeller's first visit to China in 1973, but some obstacles and problems remain to be solved, he said. He hoped that both sides will continue to work for the incessant development of relations between the two countries. Although advances have been made in Sino-U.S. economic trade and technological cooperations, he said, there are still great potentials.

Sharing Zhao's view, Rockefeller said the Chase Manhattan Bank is willing to strengthen its ties with the Bank of China and other Chinese financial and banking institutions.

They also exchanged views on some international issues. The U.S. guests arrived here March 22 for a visit to China at the invitation of the Bank of China.

U.S. EXPERT NOTES GORBACHEV ON VERIFICATION

OW251107 Beijing XINHUA in English 1033 GMT 25 Mar 86

[Text] Washington, March 24 (XINHUA) -- The recent statements by Soviet leader Mikhail Gorbachev on verifying arms control agreements "show that the Soviet Union may well be serious about negotiating arms control agreements with the United States," a noted U.S. arms control expert said today. Dr. Betty Lall, an arms control expert and project director of a major council on economic priorities study on arms control and verification based in New York, said in a prepared speech that Gorbavhev in his January 15 proposal on arms control referred to verification eight times.

"We should take them up on their offer and test their willingness since verification is often a key obstacle in reaching such agreements," said Lall.

She added, "The question now is whether President Ronald Reagan will change U.S. policy and strive to reach agreement in one or more areas where Soviet policy on verification and related issues may have changed."

She said one way to test Soviet willingness might be to "take them up on their recent offer to consider additional verification measures for an unratified agreement limiting nuclear testing. Since verification techniques in the United States are a by-product of our intelligence gathering, they are very sophisticated indeed," said Lall, adding, "Our ability to verify Soviet actions should enable us to move forward in negotiations, should the President decide to do so."

The United States has insisted that verification is essential in reaching arms control agreements with the Soviet Union. The two sides have also charged each other with violations of the previous arms agreements reached between them.

U.S. RELEASES NEW REPORT ON SOVIET POWER

OW251734 Beijing XINHUA in English 1504 GMT 25 Mar 86

[Text] Washington, March 25 (XINHUA) -- The United States today released the 156-page "Soviet Military Power" report which is said to have charted "the continuing growth and modernization of the USSR's Armed Forces." This is the fifth since it was first published in 1981.

According to the report, in the past five years, Soviet ground forces have been enlarged, and the concept for using a powerful ground force corps, "almost twice the size of tank divisions, is being evaluated for conducting large-scale, high-speed operations." The report said main battle tanks of the T-64, T-72 and T-80 series have been entering the Soviet operational inventory ofsome 52,600 tanks at a rate of 2,300 a year.

Since 1981, the Soviet Union has produced some 3,800 new fighter and interceptor aircraft for its air forces and 47 new major surface combatants for its expanding naval forces.

It said the number of deployed, mobile SS-20 launchers, with missiles carrying three MIRV warheads, has almost doubled from 250 in 1981 to 441 in 1985 -- representing an increase from 750 to 1,323 nuclear warheads -- with more warheads available on refire missiles, ready for delivery against targets in Europe, the Middle East, and Asia at ranges up to 5,000 kilometers.

The purpose of the United States to publish such a report is, said the report in its conclusion, that "we and our allies and friends must have a full and precise understanding of the Soviet challenge."

SOVIET UNION

PRAVDA EXPRESSES 'CONCERN' ON FRG DEFENSE PROPOSAL

OW242007 Beijing XINHUA in English 1526 GMT 24 Mar 86

[Text] Moscow, March 24 (XINHUA) -- The Soviet Union is concerned by the possibility of a European Defence System put forth by the Federal Republic of Germany, according to a political commentary in today's PRAVDA. The commentary said that the system will bring instability to the European continent and open a "new road" in the arms race.

The system is only a complement to American President Ronald Reagan's Strategic Defence Initiative and will simply be a branch of the "star wars" program, the commentary said. It pointed out that the European Defence System, an idea put forward earlier last December by NATO leaders at a conference in Brussels, aroused no interest in Europeans but found friends in Washington. Some Europeans currently seem to think that only by developing its own "independent" space weapons can Europe be independent of the United States, but this idea is "hoodwinking" the people, the commentary said. PRAVDA said the space weapons, if deployed, will contribute to instability in Europe, lower the level of the safety of European countries and bring Europe closer to nuclear war.

TASS CALLS U.S. NUCLEAR TEST 'MILITARISTIC ACTION'

OW221935 Beijing XINHUA in English 1929 GMT 22 Mar 86

[Text] Moscow, March 22 (XINHUA) -- The Soviet news agency TASS has denounced today's U.S. nuclear weapon test describing it as a "new militaristic action." The decision by the U.S. Government to conduct the test has touched off "a wave of indignation in the United States, including the Congress," TASS said. The U.S. nuclear test would destroy the prospects for drafting a treaty prohibiting all tests of nuclear weapons, TASS said.

Moscow had announced earlier this month that it would continue its test moratorium beyond the March 31 expiration date on condition that the U.S. carried out no tests.

MEETING ON BOUNDARY RIVERS CONCLUDED

OW211242 Beijing XINHUA in English 1229 GMT 21 Mar 86

[Text] Harbin, March 21 (XINHUA) -- The 28th session of the Sino-Soviet Joint Commission for Navigation on Boundary Rivers, which opened on March 5, ended here today.

Agreements were reached at the confab on most of the subjects discussed, which included channels and navigation security on the boundary rivers Heilongjiang, Wusulijiang and Ergune. Heads of the Chinese and Soviet delegations signed the minutes of the meeting. Both sides agreed to hold the 29th session of the commission in the Soviet Union, with the date left open for later discussion.

STUDENTS IN SEOUL CONTINUE DEMONSTRATIONS

OW212118 Beijing XINHUA in English 1911 GMT 21 Mar 86

[Text] Pyongyang, March 21 (XINHUA) -- Student demonstrations in Seoul entered the third day today despite suppression by the the authorities, KOREAN CENTRAL NEWS AGENCY reported today. About 500 students at Koryo University continued their demonstration to mourn the death of a worker who burned himself in protest against the South Korean authorities.

Meanwhile policemen were sent into the campus of the university to break demonstration there. They fired tear gas on the students who fought back with stones and molotov cocktails. On the same day, students at the South Korean Foreign Language College demonstrated to show their support for the "constitution amendment campaign" initiated by opposition parties. A number of students were reportedly arrested.

Demonstrations in Pusan

OW231848 Beijing XINHUA in English 1836 GMT 23 Mar 86

[Text] Pyongyang, March 23 (XINHUA) -- More than 20,000 South Koreans held an anti-"government" demonstration in Pusan City today, demanding abolition of the existing "Constitution" and the resignation of "President" Chon Tu-hwan. The demonstration was the largest since the major opposition New Korea Democratic Party (NKDP) and other dissident groups launched the campaign last month to collect 10 million signatures on a petition demanding changes in the existing "Constitution." At a rally earlier the NKDP announced the establishment of a Pusan branch of the campaign.

Kim Yung-sam, standing advisor of the NKDP and one of the co-chairmen of the Council for Promotion of Democracy, said at the rally that in order to end the dictatorship, people must "show their strength." Kim Tae-chung, the other co-chairman of the council, was prevented from going to Pusan by more than 150 policemen in Seoul. He strongly protested the police action, saying that he has the right to go to Pusan even if the authorities forbid him to attend political rallies.

PRC CHIEF PROCURATOR MEETS DPRK COUNTERPART

OW211345 Beijing XINHUA in English 1321 GMT 21 Mar 86

[Text] Beijing, March 21 (XINHUA) -- Yang Yichen, procurator-general of the Supreme People's Procuratorate, met and hosted a banquet for a delegation from the Central Procurator's Office of the Democratic People's Republic of Korea led by Han Sang-kyu, procurator general of the office, here tonight. The Korean guests arrived here earlier today as guests of the Chinese procurator-general.

WANG ZHEN, WANG ZHAOGUO ATTEND KOMEITO BANQUET

OW241914 Beijing XINHUA in English 1831 GMT 24 Mar 86

[Text] Beijing, March 24 (XINHUA) -- A delegation from the Japanese Komeito (Komei Party) led by its Secretary-General Junya Yano gave a return banquet here this evening. Among the guests were Wang Zhen, honorary president of the China-Japan Friendship Association, and Wang Zhaoguo, China's chief representative on the 21th Century Committee for China-Japan Friendship.

In their toasts, Yano and Wang Zhen held that the delegation's current visit has won great success. The delegation, the 14th sent by the Komei Party to China, will leave Beijing to tour Xian and Guangzhou Cities, and the Shenzhen Special Economic Zone.

PRC-JAPAN JOINT VENTURE WORKS TO MAKE PROFIT

OW240828 Beijing XINHUA in English 0651 GMT 24 Mar 86

[Text] Tianjin, March 24 (XINHUA) -- A Sino-Japanese joint venture has been helped out of sales difficulties and plans to double its output, according to the company officials.

The China Otsuka Pharmaceutical Comany, the first Sino-Japanese joint venture in China, began operation in may 1984. It produces intravenous injection solution according to the World Health Organization's GMP standards. But it ran into difficulties in selling its products in China and for a time its production almost stopped. The Chinese Government learned this and urged public health departments to help promote sales in China. The Tianjin Municipal Government asked the city's medical organizations to take the lead in using the products. At the same time, the company sent out people to more than 260 hospitals in major cities to acquaint them with the use of the company's product.

Soon the product found a foothold. By the end of last year, it had produced more than eight million bottles of the solution, and sold five million in China and more than two million in Japan. It plans to produce six million bottles this year and sell 3.5 million in China, but orders from Beijing, Shanghai and Tianjin alone already exceed 3.8 million. The company's profits averaged 10,000 yuan per worker and it had a surplus of foreign exchange, the company's Chinese manager, Nie Yuhe, said. Now the product is selling well in all the provinces and autonomous regions except Tibet and Taiwan, he said. Sales in Japan are also going smoothly. He told XINHUA that the board of directors of the company was to meet in Japan at the end of this month to discuss the second-phase project -- to double its annual output to 12 million bottles -- as set out in the joint-venture contract.

DENG LIQUN, WANG ZHEN HONOR JAPANESE EXPERT

OW221932 Beijing XINHUA in English 1501 GMT 22 Mar 86

[Text] Beijing, March 22 (XINHUA) -- A seventy-people reception was given here this evening to mark the 85 birthday of Japanese expert Yokokawa Jiro who is now employed by the "CHINA PICTORIAL". Attending the celebration were Deng Liqun, member of the Secretariat of the Chinese Communist Party Central Committee, and Wang Zhen, honorary president of the China-Japan Friendship Association.

Deng and Wang thanked Yokokawa Jiro for the good things he has done for the Chinese people over the past 40 years and wished him a long life. According to Xing Yan, acting director of the PICTORIAL, Yokokawa Jiro came to China in 1936. Since he took part in China's revolution in the 1940s, he has gone through thick and thin with the Chinese people and made outstanding contributions to the Chinese revolution and construction. Xing also spoke highly of his contribution in promoting the friendship between the Chinese and Japanese peoples.

LIAOWANG ON CHINESE FINANCIAL GROUPS IN HONG KONG

HK241424 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No. 10, 10 Mar 86 p 26

[Article by Ou Yueying and Wang Yuanjing "The Mission of the Chinese Financial Groups in Hong Kong During Its 'Transitional Period' -- An Interview With Tong Zhiguang, General Manager of the China Resources Group"]

[Text] During the "transitional period" of Hong Kong, what role should the Chinese financial groups play? In an interview with our staff reporters a few days ago, Tong Zhiguang, 53, who was recently promoted to be general manager of the China Resources (Holdings) Company Limited, said: "Aiming at promoting the prosperity and stability of Hong Kong, the China Resources group will continue to cooperate completely with all circles in Hong Kong, cement ties between the interior and Hong Kong, and promote trade between China and other countries of the world through Hong Kong. The long-term principles for the work of the China Resources Group are to have its feet firmly planted in Hong Kong, derive its backing from the interior, and head for the world. The major tasks of the group are to continue to promote export trade; work well as agents and distributors; improve the work of importation; introduce more technology and equipment from abroad; develop a retail network, transportation, warehousing business, and industry; expand business and operations; and improve services."

Tong Zhiguang continued: "Hong Kong entered its 'transitional period' just as China started its Seventh 5-Year Plan. The relations of relying on each other and supplementing each between the interior and Hong Kong will become ever closer and be strengthened and will under no circumstances be weakened. The interior is a backup force for Hong Kong's economic development, and Hong Kong itself has sufficient capital, is well-informed, and is is well experienced in economic management. All these are what is badly needed by the interior for the modernization drive."

"In 1985, the total volume of goods exported from the interior to Hong Kong reached $5.255 billion. This figure was a bit lower than the previous year (down by 2.1 percent), but it still made up 25 percent of Hong Kong's total volume of imports. Such daily necessities exported to Hong Kong from the interior as grain, edible oil, and live pigs accounted for 40 to 50 percent of the total volume consumed by Hong Kong people. Last year, live pigs exported to Hong Kong reached 2.5 million head and vegetables totalled over 200,000 tons. In the past year, the interior remained the second market for Hong Kong's export goods and the first market for its transit goods. At present there are more than 1 million people who have direct or indirect trade relations with the interior and there are more than 5,000 companies engaged in trade with China through the China Resources group."

Since China introduced the "opening up" policy in 1978, the China Resources Group has developed at a faster pace. In July 1983, the group registered itself in Hong Kong as the China Resources (Holdings) Company Limited, thus becoming a general agent of all specialized corporations affiliated to the Ministry of Foreign Economic relations and trade. The group now has more than 50 wholly-owned subsidiary companies and the same number of the partly-owned companies in Hong Kong. Tong Zhiguang pointed out: "The rapid growth of the China Resources Group proves that there are objective needs and possibilities for further developing Hong Kong's economy."

Tong Zhiguang stressed: "Apart from playing the role of a bridge between the interior and Hong Kong in trade and economic cooperation, the group also makes direct investment in production enterprises and collects funds by using the supremacy of Hong Kong as a financial and trading center.

It develops production projects both in the interior and Hong Kong. On the one hand, it will supply more high-quality marketable goods to Hong Kong, and on the other, it will export more competitive goods made in Hong Kong to other parts of the world.

"The China resources group will make continuous efforts to develop its business and enter the world market. In Hong Kong, it will build wharfs, warehouses, and cold storage facilities of its own so as to help promote trade between the interior and Hong Kong. Besides making preprations for the establishment of a jointly-owned company in Sinagapore, it also plans to set up branches in the United States, Canada, and Australia as well as in some West European and Middle East countries so as to promote its business and trade in these parts of the world.

Speaking on the question of how to harmonize relations of the China Resources Group with small and medium-sized enterprises in Hong Kong, Tong Zhiguang pointed out: "We devote much attention to the sales channels we used before and will make efforts to improve them so as to promote sales of China-made goods." Citing an example, he said: "In 1975, we sold 53,000 bales of cotton yarn through 7 distributors,adding only 4 agents more. In 1975, we sold 6.23 million bolts of cloth through 16 distributors. We now sell 10.30 million bolts through 21 distributors, adding only 5 more. Meanwhile, our group has opened some Chinese goods department stores and supermarkets. By so doing we are able to directly contact consumers and have a better understanding of market demands and trends. Of course, we also hope this will help us do something for a flourishing Hong Kong market."

Tong Zhiguang continued: "In the proposal for the Seventh 5-Year Plan, the CPC Central Committee points out: 'The key to implementing the opening up policy with an increased use of foreign funds and imported technology is to increase foreign exchange earnings through exports.' In a certain sense, exports are for imports and without exports there are no imports. For this reason, our group will take the initiative in helping the departments concerned in the interior to develop marketable goods for export and to increase the supply of such staple commodities as stell products, cement, rice, and cotton, as well as the supply of coal and crude oil to Hong Kong. We hope the total volume of exports from the interior to Hong Kong this year will increase a little more than last year and will rise year after year, and we will strive to increase it by more than 50 percent in the next 5 years to come. To achieve this, of course we should make great efforts and overcome numerous difficulties. For example, we should increase readily marketable commodities, raise the quality of many export goods, increase varieties, and improve packing. Meanwhile, we should quicken our steps to upgrade and update export goods."

Tong Zhiguang said: "In the first half of last year, the export goods through unofficial trade channels exerted a great impact on the normal export trade of our country. For a time this damaged the confidence of our distributors in Hong Kong in dealing in China-made goods. After we removed numerous obstacles and conducted in depth investigations through different channels and in various forms, we finally found out the ause and effect of some goods exported through unofficial trade channels. The real state of affairs was immediately reported to China's concerned departments. This helped the State Council and the Ministry of Foreign Economic Relation and Trade take countermeasures. As a result, the situation improved greatly in the second half of last year and the volume of exports has been on the rise since then."

Tong Zhiguang said that he favored the practice of issuing export licenses to all goods exported to Hong Kong and Macao because it facilitated customs houses and banks to make concerted efforts to exercise control over foreign trade.

Tong Zhiguang said: "During the Seventh 5-Year Plan period, China will mainly import software, modern technology and equipment, and advanced management experience. In these aspects, Hong Kong has all the advantages, and there is great potential for Hong Kong to develop its ability to the fullest." He also stressed: "No doubt the state will set different demands on economic construction at different stages. From state demands for import goods at one stage, we should not draw the conclusion that the state general import policy has changed."

Tong Zhiguang graduated from the Beijing Foreign Trade Institute in the 1950's. His English is good and he has devoted himself to foreign trade for more than 30 years. Speaking on the groups's ambition of standing facing the world, he believes that the key to the matter lies in training professional personnel. He said: "Actually, this is an important task for our foreign trade work as a whole."

NEW ZEALAND'S LANGE HOPES FOR MORE COOPERATION

OW251203 Beijing XINHUA in English 1139 GMT 25 Mar 86

[Text] Guiyang, March 25 (XINHUA) -- New Zealand Prime Minister David Lange said here this morning that there is a good basis for mutual understanding between his country and China since they share common views on many international issues.

Delivering a speech at the Guizhou Agricultural College in the southwest China City of Guiyang where he is now visiting, Lange said that for New Zealand, it became quite obvious that China would have significant impact on New Zealand's future. "Now we have reached the point where we are more familiar with one anotehr and hope we can move the relationship forward to the benefit of both countries," said the prime minister.

Lange told over 800 students and teachers that during his forthcoming meeting in Beijing later this week, he "will wish to review with them international affairs of interest and concern to both our countries. And, secondly, I want to explore ways in which we can expand and deepen our cooperation." Referrring to economic cooperation, Lange said, the two countries have made a good start. Bilateral trade has grown from around two million New Zealand dollars in the year of 1973-1974 to more than 730 million New Zealand dollars in the year of 1984-1985. he said.

He also pointed out that other forms of economic cooperation have also been started. He said China has established some joint ventures in New Zealand prawn farming, and New Zealand companies in China are negotiating joint ventures in computer technology, woollen textile research and engineering.

The 44-year-old prime minister said that when party General Secretary Hu Yaobang and Secretary Hu Qili visited New Zealand last year they realised that the highly developed livestock system in New Zealand could be applicable in Guizhou and they had encouraged New Zealanders to look more closely into the opportunities for mutual cooperation in Guizhou.

He suggested that an exchange scheme be established whereby a small number of the Guizhou Agricultural College's experts go to New Zealand to receive practical training in animal husbandry techniques that will help to reinforce Guizhou's development plans. "In return," he said, "I would suggest that a similar number of New Zealanders come to Guizhou to pass on to the students here other skills of value."

Beyond the academic world there are likely to be other areas in which cooperation between Guizhou and New Zealand would be of mutual benefit, Lange said.

On behalf of the students and teachers, Liu Zhenye, president of the college, thanked Lange for his speech on China-New Zealand cooperation.

This morning, the New Zealand guests also visited a village inhabited by the people of Bouyei nationality in the suburbs of the Guiyang city. They left here this morning by air for a tour of Shanghai before they go to Beijing, the last leg of their China visit.

INTERIM PHILIPPINE CONSTITUTION ANNOUNCED

OW251353 Beijing XINHUA in English 1324 GMT 25 Mar 86

[Text] Manila, March 25 (XINHUA) -- An interim constitution was announced this afternoon by President Corazon Aquino in the presidential palace. The interim constitution provides the abolition of the National Assembly, an issue which has been opposed by many members of Parliament, both from the majority and the minority parties. The interim constitution, or the "Freedom Constitution" as the president called it, will be in effect until a new constitution is drafted and ratified by the people, Mrs. Aquino said.

The president added that a constitutional commission will be formed within 60 days to draft the new charter which will be submitted within 90 days to the people in a national plebiscite. According to the president, the people will have a new permanent constitution and a duly elected parliament within one year from this proclamation.

Vice President Laurel and other members of the cabinet were present on the occasion.

LAUREL BECOMES PHILIPPINE PRIME MINISTER

OW251654 Beijing XINHUA in English 1452 GMT 25 Mar 86

[Text] Manila, March 25 (XINHUA) -- Vice-President Salvador Laurel today assumed the post of prime minister one month after he was designated by President Corazon Aquino to that post. Laurel succeeded outgoing Prime Minister Cesar Virata who held the post in the past five years.

In the turnover ceremony, Laurel said he will be holding the position in a holdover capacity until the new constitution is adopted, which is expected to return the country to a purely presidential form of government.

Laurel admitted that he did not know how long the office of the prime minister will last. He is anticipating the country would head towards a presidential form -- in that case, the office of the prime minister will be abolished. "In the previous regime," Laurel said, "All the powers of govenment were concentrated in the hands of only one man, when it should have been delegated to the prime minister."

He bewailed that the office of prime minister was charged with great responsibility without corresponding authority. He expressed his hope that this would not be the case with him.

During the turnover ceremony, in answer to questions from newsmen, Virata said he intended to go back to his private practice as a consultant, but he added he would make himself available to the government anytime his services are needed.

PHILIPPINES OPPOSITION CRITICIZES AQUINO MOVES

OW252306 Beijing XINHUA in English 1732 GMT 25 Mar 86

[Text] Manila, March 25 (XINHUA) -- The opposition Nationalist Party of the Philippines (PNP) today accused President Corazon Aquino of declaring a provisional constitution. The PNP through its provisional chairman, former Labor Minister Blas Ople, said, "In a single stroke, President Aquino annexed to herself all the powers of the executive, legislative and the judicial branches of government in the guise of a provisional constitution."

PNP was formed on March 16 by those who broke away from the erstwhile ruling New Society Movement (KBL).

Mrs Aquino has imposed a one-year deadline for the provisional government. The PNP claimed that she can always revoke or extend the deadline, since her powers under the new government have become "absolute". PNP said it would challenge the proclamation "by joining other parties represented in the National Assembly in convening the Parliament to pass laws."

Some other parliamentarians today also expressed their dismay on the abolition of the National Assembly and said they would ask President Aquino to reconsider her decision.

MP Francisco Sumulong said that both former opposition and KBL parliamentarians believe that despite the existence of a revolutionary situation, it does not follow that the National Assembly should be dissolved. He said that they will firm up and make their position official in a bipartisan caucus tomorrow at the Asian Institute of Tourism. Sumulong said members of the three factions of the KBL are expected to attend the caucus since former speaker Nicanor Yniguez has asked them.

PHILIPPINES ENRILE FAVORS AQUINO CASE REOPENING

OW250006 Beijing XINHUA in English 1628 GMT 25 Mar 86

[Text] Manila, March 25 (XINHUA) -- Philippine Defense Minister Juan Ponce Enrile today endorsed the reopening of the Aquino assassination case, the PHILIPPINE NEWS AGENCY reported. Enrile said that the assassination of opposition leader Benigno Aquino on August 21, 1983, had brought about a terrible political spasm in the country. The people must be told who ordered the killing of Aquino, why it was ordered, who received the order and who carried it out, Enrile said.

The Committee on Human Rights headed by former Senator Jose Diokno earlier indicated it would reopen the case in which all the 26 accused including former Chief of Staff Fabian Ver were acquitted last year.

Meanwhile Brig Gen Augustus Paiso, new chief of the aviation security command, said today that certain military men accused in the Aquino assassination case will speak out the truth should the case is reopened. Paiso said they will only speak out in an open court trial mainly for their own safety and that President Corazon Aquino, widow of the slain opposition leader, should initiate moves to reopen the case.

LI XIANNIAN, ZHAO ZIYANG SEND MESSAGE TO BANGLADESH

BK251333 Beijing International Service in Bengali 1530 GMT 24 Mar 86

[Text] Chinese President Li Xiannian and State Council Premier Zhao Ziyang in a message of greetings to Bangladesh President Hussain Mohammad Ershad on the occasion of the 15th anniversary of the independence of Bangladesh today wished for the prosperity of Bangladesh and welfare of its people.

Hailing the success scored by Bangladesh in its nation building task and in the expansion of production in agriculture and industry, President Li Xiannian and Premier Zhao Ziyang said in their message of greetings that in international affairs also Bangladesh believes in diplomacy and works for justice. They said that Bangladesh made ceaseless efforts in the setting up of the South Asian Association for Regional Cooperation and it has earned the admiration of the world community for its contribution to peace and stability in South Asia and also in Asia as a whole.

President Li Xiannian and Prime Minister Zhao Ziyang said in their message of greetings that fresh progress has been made in friendship between China and Bangladesh due to the successful exchange of visits of the leaders of the two countries in the past year. The facts prove that China and Bangladesh are two close, friendly states with mutual trust and there exists a great possibility of further expanding friendly cooperation between the two countries.

President Li Xiannian and Prime Minister Zhao Ziyang expressed confidence that with the joint efforts of the governments and people of the two countries the friendly ties and cooperation between them will touch new heights in the future.

WU XUEQIAN ATTENDS BANGLADESH ENVOY'S RECEPTION

OW260840 Beijing XINHUA in English 0834 GMT 26 Mar 86

[Text] Beijing, March 26 (XINHUA) -- Enayetullah Khan, Bangladesh ambassador to China, gave a reception at the embassy today to celebrate the independence and national day of Bangladesh. Present were Wu Xueqian, Chinese state councillor and foreign minister, Qin Zhongda, minister of chemical industry, and others.

FRIENDSHIP DELEGATION LEAVES FOR NEPAL

OW211903 Beijing XINHUA in English 1442 GMT 21 Mar 86

[Text] Beijing, March 21 (XINHUA) -- A delegation from the Chinese People's Association for Friendship With Foreign Countries left here today for a visit to Nepal at the invitation of the Nepal-China Cultural Council. The delegation is led by Li Lianbi, vice-chairman of Shaanxi Provincial People's Congress Standing Committee and president of the association's Shaanxi Branch.

YAO YILIN AT PAKISTAN DAY EMBASSY CELEBRATION

OW220912 Beijing XINHUA in English 0908 GMT 22 Mar 86

[Text] Beijing, March 22 (XINHUA) -- Pakistan Ambassador to China Maqbool Ahmad Bhatty gave a reception in celebration of the Pakistan Day at the embassy here this morning. Among those attending the reception were Chinese Vice-Premier Yao Yilin, Minister of Forestry Yang Zhong and Vice-Minister of Foreign Affairs Liu Shuqing.

TAMILS REPORTEDLY ARMED WITH SOVIET MISSILES

OW221000 Beijing XINHUA in English 0937 GMT 22 Mar 86

[Text] Colombo, March 22 (XINHUA) -- Tamil militants are currently armed with Soviet-made surface-to-air missiles in their battle against Sri Lankan armed forces, according to today's local newspapers quoting a report of the International Institute for Strategic Studies (IISS).

In the current issue of "Military Balance for 1985-1986", the London-based IISS said that the Soviet-made SA-7 Grail is a shoulder-launched, infra-red guided anti-aircraft missile which has proved very effective against low flying aircraft, particularly helicopters. It is 1.29 m in length, weighs 9.2 kg and has a range of about 9 km. The report said that the Soviet Union has supplied the SA-7 to several countries with which it has close military ties. IISS disclosed that about 2,000 Tamil activists belonging to six militant groups are also reportedly equipped with small arms and rocket propelled grenades.

INDIAN MINISTER ON U.S. BUILDUP ON DIEGO GARCIA

OW212150 Beijing XINHUA in English 1834 GMT 21 Mar 86

[Text] New Delhi, March 21 (XINHUA) -- The United States' Decision to store nuclear weapons at Diego Garcia in the Indian Ocean had an "ominous portent for the future", Indian External Affairs Minister Bilram Bhagat said here today. Inaugurating a seminar on "Indian Ocean Zone of Peace," the minister said the upgrading of facilities at the U.S. base at Diego Garcia, located some 1,600 kilometers southwest of the tip of the Indian peninsula, were of "enormous strategic significance" to India. "Most of our air fields, ports, military installations and power projects fall within the range and surveillance of aircraft at this base," he said.

Bhagat said that the U.S. Rapid Deployment Force and the military build-up at Diego Garcia in the Indian Ocean had "greatly increased the possibility" of superpower conflict in the region. Therefore, the minister said, Indian and other nonaligned countries should "resolutely oppose the intensive militarization of the Indian Ocean region and the nuclearization of the Diego Garcia base."

DANISH PRIME MINISTER HOSTS BANQUET FOR ZHAO, WU

OW251644 Beijing XINHUA in English 1623 GMT 25 Mar 86

[Text] Beijing, March 25 (XINHUA) -- Danish Prime Minister Poul Schluter gave a return banquet here tonight, marking his current visit to China. Among the guests were Premier Zhao Ziyang, State Councillor and Foreign Minister Wu Xueqian and Minister of Civil Affairs Cui Naifu.

In his speech at the banquet, Schluter said that he had discussed with Premier Zhao Ziyang and Chairman Deng Xiaoping a wide range of subjects of concern to the two governments. He said that these talks had been extremely useful, and they confirmed once again the very extensive agreement that exists between the two countries in the areas of importance to both sides. He said that relations between Denmark and China had expanded rapidly and substantially, adding that Denmark desires to respond positively to the economic and technological development currently under way in China. He said that Denmark is prepared to continue and strengthen cooperation with China in the vital field of exchange of technology. He pointed out that new possibilities of joint ventures should be explored in order to follow up on successes already recorded within the framework of Danish-Chinese cooperation. A promising new area of possible cooperation between Denmark and China is the field of vocational education and training, he added.

Zhao Ziyang described meetings between Chinese leaders and the Danish prime minister in the last two days as being "fruitful". He said that these meetings and talks had further enhanced the mutual understanding and friendship and will create a positive impact on the promotion of friendly cooperation between the two countries in various fields. The Danish prime minister's current visit has contributed postively to the consolidation and growth of the Sino-Danish friendship and cooperation, Zhao said.

Pacts Signed

OW260724 Beijing XINHUA in English 0711 GMT 26 Mar 86

[Text] Beijing, March 26 (XINHUA) -- The Chinese and Danish Governments signed three agreements here this morning. The three are on the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income; cooperation regarding a biomedical program; and a seed development project. The seed project is co-financed by the World Bank and the Danish Government.

Chinese premier Zhao Ziyang and visiting Danish Prime Minister Poul Schluter were present at the signing. Signing the documents on behalf of their respective governments were Chinese Vice-Minister of Finance Tian Yinong, Vice-Minister of Public Health Chen Minzhang and Assistant Minister of Foreign Economic Relations and Trade Shen Jueren, and Danish Ambassador to China Arne Belling. As the Danish Prime Minister, Mrs. Schluter and their party left Beijing this morning for Xian, Schluter expressed satisfaction over his visit to Beijing. Premier Zhao Ziyang went the Diaoyutai State Guesthouse to say good-bye to the Danish visitors.

FRENCH OFFICIAL ON TIES WITH PRC SCIENCE ACADEMY

OW251649 Beijing XINHUA in English 1444 GMT 25 Mar 86

[Text] Paris, March 24 (XINHUA) -- The Academy of Sciences of China and the National Center of Scientific Research of France (CNRS) will intensify their cooperation in the next few months, CNRS Director General Pierre Papon said here today. Papon, who has just returned from a trip to China, said he has seen great strides made in China's policy of opening to the outside world since his last visit in 1983.

China's research in science and technology in recent years, Papon said, resembles in many ways that followed by France. This is evidenced by a growing cooperation between business enterprises, government and research institutes. This cooperation, Papon said, will lead to the creation of a 'national fund for natural sciences,' which will then contract out research programs to various universities. Papon said that other cooperative programs between France and China could be in the areas of robotics and computer technology. Other possible research sectors are the treatment of water and air pollution. China is also interested in the prediction of volcanic eruptions, and the detection of earthquakes. The CRNS is also interested in studying the evolution of the Chinese production system where large state enterprises and smaller individually run ones seem to run profitably within the same system.

ZHU XUN ATTENDS GREEK ENVOY'S RECEPTION

OW251429 Beijing XINHUA in English 1250 GMT 25 Mar 86

[Text] Beijing, March 25 (XINHUA) -- Greek Ambassador to China Panayiotis Rellas gave a national day reception here this afternoon at the embassy.

Among the guests attending the reception were Zhu Xun, minister of geology and mineral resources, and Zhou Nan, vice minister of foreign affairs. On hand were also diplomatic envoys of various countries in China.

ZHANG AIPING, XU XIN MEET FRG DEFENSE OFFICIAL

OW261328 Beijing XINHUA in English 1309 GMT 26 Mar 86

[Text] Beijing, March 26 (XINHUA) -- Zhang Aiping, state councillor and minister of national defense, met and feted here this evening Dr. Lothar Ruhl, state secretary of the Ministry of Defense of the Federal Republic of Germany, and his party.

Xu Xin, deputy chief of general staff of the Chinese People's Liberation Army, was present on the occasion.

POLISH PLANNING CHIEF MEETS PRC AMBASSADOR

OW241918 Beijing XINHUA in English 1444 GMT 24 Mar 86

[Text] Warsaw, March 24 (XINHUA) -- Polish Vice-Premier Manfred Gorywoda today expressed willingness to enhance cooperation between state planning bodies and workers of his country and China.

At a meeting with Chinese Ambassador to Poland Wang Jinqing, Gorywoda, also chairman of the Planning Commission, said that bilateral cooperation and contacts between Polish and Chinese state planning bodies and planners are favorable to the two countries. Wang Jinqing conveyed to Gorywoda Chinese State Councillor Song Ping's wishes to expand cooperative relations between the two countries in the planning field. Song Ping is also minister in charge of the State Planning Commission.

GUANGMING RIBAO ON IDEOLOGICAL WORK IN ROMANIA

HK241130 Beijing GUANGMING RIBAO in Chinese 10 Mar 86 p 3

[Article by Ya Bin: "Some Theories and Practice Concerning Ideological Work in Romania"]

[Text] In the theory of "building a socialist society with all-round development" advanced in 1974, Romania explicitly pointed out that in building socialism it is necessary to develop not only a material basis but also all aspects of social life, including spiritual civilization. It also stressed the "historic mission of socialism," saying that not only is it necessary to emancipate people from the oppression and exploitation of the exploiting classes and to ensure their material welfare, but it is also necessary to "create a high degree of spiritual civilization." This spiritual civilization should be able to bring up new people -- new people with a high degree of consciousness, culture, and professional competence, as well as an advanced ethical and political outlook.

In building spiritual civilization, Romania has paid close attention to ideological work. The question of political and ideological education was specially discussed at the 12th Congress of the Romanian Communist Party (RCP) in 1979. It was again discussed at an enlarged plenary session of the Central Committee held in early June 1983. The Second National Congress on Political Education and Socialist Culture held in late June 1983 and the conference on organization and political education work held in August 1984 further expounded this issue. SPARK, the organ of the RCP Central Committee, has preserved two special columns for a long time. One is "Requirements on Ethical Standards" and the other is "Foster a Revolutionary Idea in the Current Confrontation of Ideas." On its international page, the newspaper also often carries material and articles exposing the Western capitalist world.

In carrying out ideological education, Romania stresses education in dialectical materialism and historical materialism, holding them as a basis for education. Romania encourages people to foster and consolidate a dialectic materialist world outlook and a revolutionary outlook on life and stresses the need to conduct education in scientific socialism, revolutionary humanitarianism, and revolutionary spirit; in loving the country, the people, the party, and socialism; and in morality, labor, observation of law and discipline, the unity of the people of all nationalities, and friendship with the people of the world.

Romania holds that "malpractices left over" from the old society still remain "in people's minds" and that "the imperialist bloc constantly pollutes Romania morally and spiritually through various channels from outside." For this reason, it is necessary to unswervingly carry out a resolute struggle against various backward ideas such as "bourgeois ideas, superstitious ideas, and the idea of reaping profit by other people's toil," and against the ideas of exploiting classes coming from outside. Romania stresses the need to correctly handle the relationship between professional competence and ideological consciousness, holding that "party and state cadres should become not only outstanding experts but also outstanding revolutionaries," that they "should carry forward the spirit of struggle more vigorously," and that "revolutionaries should place the interests of the party and the people above everything and set aside all personal interests."

Romania attaches particular importance to the education of the younger generation, holding that since youths lack experience and are susceptible to harmful effects, it is necessary to step up education among them. It is necessary to encourage the youths from all nationalities to foster the loftiest ideals so that they will steadfastly serve the party, the people, and socialism, struggle for the independence, sovereignty, progress, and prosperity of the motherland, and strive to master the latest science and the latest achievements in human understanding. Romania stresses that schools at all levels should train revolutionary youths who are enthusiastic and courageous and who are ready at all times to make any sacrifices for the interests of the motherland and socialism and in defense of national independence and peace.

Romania has repeatedly pointed out the need to conduct education in history, holding that the glorious history of Romania is the most precious legacy of the Romanian people and serves as a basis for education in patriotism and socialism among the masses of the people. It holds that education in history will enable people to understand the long history of Romania and the history of struggle carried out by the Romanian people for survival, social and national freedom, independence, and unification. In recent years, by holding various celebration activies such as the 2,050th anniversary of the founding of Dacian centralized state power, the 100th anniversary of Romanian national independence, and the 35th anniversary of the founding of the RCP, Romania introduced the heroic struggle carried out by Stephan, Mikhail and others against foreign rule and for national survival. In the course of protracted struggle the Romanian people have always preserved their national characteristics.

Romania holds that fostering patriotism and cultivating the feelings of loving the motherland and the people represent the loftiest duty for literature and art. It calls on people in the literary circles to make contributions to the cause of bringing up new people with a high degree of socialist and revolutionary consciousness through their own works. Romania calls on literature and art workers to go deep among the masses and to derive inspiration fromthe people's life and labor and from their heroic struggle to build a new society. Romania holds that it had a glorious past, has a socialist present, and will have a golden future as envisaged by Iminescu and that it is an eternal theme from which literature and art workers receive encouragement and derive inspiration.

LI XIANNIAN VISIT TO MADAGASCAR CONTINUES

Meets Embassy Personnel

OW260902 Beijing XINHUA Domestic Service in Chinese 0110 GMT 25 Mar 86

[Text] Antananarivo, 24 Mar (XINHUA) -- President Li Xiannian, now on a state visit to Madagascar, received at the Chinese Embassy here on the evening of 24 March embassy personnel, representatives of Chinese experts and teachers who are working in Madagascar, and students who are studying in Madagascar. He also had a photo taken with them.

Li, Ratsiraka Hold Talks

OW260156 Beijing XINHUA Domestic Service in Chinese 1420 GMT 25 Mar 86

[By correspondents Xu Zhi and Huai Chengbo]

[Text] Antananarivo, 25 Mar (XINHUA) -- PRC President Li Xiannian, paying a state visit here, held formal talks with Malagasy President Ratsiraka at the latter's office this morning. The talks proceeded in a sincere and friendly atmosphere, according to the spokesmen of both sides.

At the talks, President Ratsiraka extended a warm welcome to President Li on behalf of the Malagasy Government and people. He said: During President Li's visit, the two sides will explore new fields and new ways of strengthening the economic and technical cooperation between the two countries, in order to further promote friendly relations and cooperation between them.

President Li said that he was very glad to visit Madagascar now and to see his old friend, President Ratsiraka, again. He expressed the belief that his current visit would be conducive to deepening mutual understanding and friendship between China and Madagascar and promoting the further development of friendly relations between the two countries. He said: The Chinese Government and people always pay close attention to the progress and development of the Malagasy people. In recent years, the Malagasy Government has taken positive, effective measures to overcome natural disasters and the grave effects caused by an irrational international economic order, to vigorously develop industrial and agricultural production, to strive to become self-sufficient in food and to promote the development of communications, transportation, and education.

President Li also praised the Malagasy Government for pursuing a nonaligned foreign policy; keeping up the struggle against imperialism, colonialism, and racism; supporting the national liberation movement; and advocating the establishment of a new international economic order and the Indian Ocean as a peace zone. He said that Madagascar's correct propositions and just stand have received favorable comments from the international community.

During the talks, President Li, on behalf of the Chinese Government and people, expressed deep sympathy with the Malagasy Government and people on the recent disaster caused by a cyclone in the country. He also announced the Chinese Government's decision to donate 2,000 metric tons of cement to help Madagascar alleviate the disaster. The two sides also exchanged views on the international situation and issues of common interest which had occurred since President Ratsiraka visited China last year.

Participating in the talks from the Chinese side were: Chen Muhua, state councillor; Qi Huaiyuan, vice minister of foreign affairs; Lu Xuejian, vice minister of foreign economic relations and trade; Tang Longbin, assistant to the minister of foreign affairs; and Yang Guirong, Chinese ambassador to Madagascar.

Malagasy participants in the talks were: Jean-Baptiste Ramanantsalama, member of the Supreme Council of the Revolution and secretary general of the presidential office; Jean Bemananjara, minister of foreign affairs; Pascal Rakotomavo, minister of finance and economic affairs; Captain Guy Sibon, minister of defense; and Jean Jacques Seraphin, minister of health.

Li Meets Amity Group Leader

OW252029 Beijing XINHUA in English 2019 GMT 25 Mar 86

[Text] Antananarivo, March 25 (XINHUA) -- Visiting Chinese President Li Xiannian said here today the Madagascar-China Friendship Association has made valuable efforts to promote the development of the friendly relations between the two countries. Li Xiannian made this remark when he met President of the association Justin Rakotoniaina this evening. Rakotoniaina, who is also member of Madagascar's Supreme Revolutionary Committee, thanked the Chinese Government for its help accorded to the association.

The purpose of the association is to develop and strengthen the friendship and the mutual understanding between Madagascar and China, Rakotoniaina said. The meeting proceeded in an cordial and friendly atmosphere.

Goes Sightseeing

OW252130 Beijing XINHUA in English 2057 GMT 25 Mar 86

[Text] Antananarivo, March 25 (XINHUA) -- Chinese President Li Xiannian visited the museum of the Palace of Queen and the Tsimbazaza Park here this afternoon. Li and his wife Lin Jiamei, accompanied by Celine Ratsiraka, wife of President Ratsiraka, and Justin Rakotoniaina, member of the Supreme Revolutionary Council of Madagascar, were warmly welcomed by hundreds of flag-waving people lining both sides of the route leading to the museum. The 77-year-old Chinese leader, despite a five-nation tiring journey, climbed up the steps to the building of historic interest in high spirit.

The Queen Palace was built in 1610 during the period of King Andrianjaka. It became the country's monarchical centre until the nation fell into the hands of the French colonialists in 1896. The Palace was turned into museum in 1897. The Tsimbazaza Park is a show-place of fauna and flora of Madagascar. Li viewed attentively specimens of inspects, fauna and flora and unearthed objects at the museum of scientific collection and visited an orchid garden. Li was also fascinated by the lovely precious animal lemur, special only in Madagascar. Like China's panda, lemur, with fox-like face and monkey-like body, is under special care and protection in the country.

President Li is here on a 4-day state visit. Li and Ratsiraka held the first round of talks this morning. At noon, Ratsiraka hosted a banquet in honour of the visiting Chinese president.

GENG BIAO MEETS TANZANIAN AGRICULTURAL GROUP

OW241934 Beijing XINHUA in English 1450 GMT 24 Mar 86

[Text] Beijing, March 24 (XINHUA) -- Geng Biao, a Standing Committee member of the Chinese Communist Party Central Advisory Commission, met and feted an agricultural study group from the Tanzanian Revolutionary Party here this evening. The group is headed by Paul Kimiti, member of the National Executive Committee of the Revolutionary Party and regional commissioner of Kilimanjaro.

During the meeting, Geng Biao, who is also vice-chairman of the National People's Congress Standing Committee, briefed the Tanzanian friends on economic reform in China's rural areas. The group arrived here earlier today.

URUGUAYAN MINISTER ON DEVELOPING TIES

OW221316 Beijing XINHUA in English 1303 GMT 22 Mar 86

[Text] Brasilia, March 21 (XINHUA) -- Visiting Uruguayan Minister for Exterior Relations Enrique Iglesias said here today "the Uruguayan Government is working for developing relations with People's China." Replying a question from XINHUA at a press conference, he said that Uruguay pursues a policy of developing relations with all countries disregarding their ideologies.

Iglesias arrived here yesterday to attend a meeting of the Uruguay-Brazil mixed commission to discuss economic, trade and technological cooperation between the two countries. Referring to the Central American conflicts, he called on the countries concerned to end support for all non-governmental armed forces in the region. Only when the Central American countries trust each other and the support for non-governmental armed forces in the region stops can the Central American problem be solved, he said.

YOUTH DELEGATION ENDS VISIT TO COSTA RICA

OW191148 Beijing XINHUA in English 1125 GMT 19 Mar 86

[Text] San Jose, March 18 (XINHUA) -- A Chinese youth delegation headed by Li Gang, vice secretary general of the China Youth Federation, today concluded its week-long visit to Costa Rica. The Chinese youth delegation was invited by the youth organization of the National Liberation Party of Costa Rica. It was received by Jose Figueres, chairman of the ruling National Liberation Party, Rolando Araya Monge, general secretary, and Edgar Ugalte, secretary, of the International Affairs Commission of the party. During the meeting of the delegation and the youth organization of the National Liberation Party, the two sides expressed their wish to make more contact's and enhance understanding between the youths of the two countries. The leaders of the Costa Rican youth organization hoped that such a gathering could be held frequently and young students and peasants of the two countries could visit each other in the near future. The Chinese delegation will visit other Latin American countries after it leaves Costa Rica, the first leg of its Latin American tour.

Leaves Barbados For Trinidad, Tobago

OW250228 Beijing XINHUA in English 0218 GMT 25 Mar 86

[Text] Bridgetown, March 24 (XINHUA) -- A Chinese youth delegation left today for Trinidad and Tobago after a five-day visit to Barbados. Led by Li Gang, deputy secretary-general of the All China Youth Federation, the three-member mission came at the invitation of Barbados League of Young Socialists, youth arm of the ruling Barbados Labor Party (BLP). The league president, Leroy Parris, had participated in the international youth year activities in Beijing last year as the guest of the Chinese federation.

"These two visits marked the beginning of the exchange of youth organizations between our two countries," Li said at a reception held by BLP General Secretary Patricia Symmonds. Li told the host that the Chinese youth organization, with more than 300 million members aged between 14 and 28, is devoted to developing China and maintaining world peace. The federation has established friendly relations with more than 400 youth organizations in 130 countries. The Chinese delegation visited a number of industrial and agricultural projects in Barbados and was impressed by its tourism industry. The delegates also exchanged information with the local youths on their international activities. The Chinese met with youth delegates from St Lucia, St Vincent and Grenadines and Dominica, who were here on a Caribbean youth meeting. The Chinese delegation arrived on March 20 following their Costa Rica visit. It will tour Suriname and Brazil after a visit to Trinidad and Tobago.

NPC CONTINUES WITH SECOND DAY OF SPEECHES, TALKS

Song Ping Speaks

OW260210 Beijing XINHUA in English 0156 GMT 26 Mar 86

[Text] Beijing, March 26 (XINHUA) -- China's major tasks this year are to maintain a necessary rate of economic growth, obtain better returns on investment, achieve a basic balance in foreign exchange and improve the people's daily life. This was stated by Song Ping, state councillor and minister in charge of the State Planning Commission, when delivering a report on the draft 1986 plan for national economic and social development at the Fourth Session of the Sixth National People's Congress here today.

China's total agricultural output value for 1986 will increase by three percent (or six percent if village-run industries are included) over that of last year, and grain output will reach at least 400 million tons, as against the 378.9 million tons last year. Total industrial output value will increase by eight percent. Last year, total agricultural output value rose by three percent (excluding village-run industries) while total industrial output value jumped 18 percent.

In his report on the Seventh Five-Year Plan (1986-90) delivered yesterday, Premier Zhao Ziyang pointed out the excessive rapid growth of industry in the past two years was mainly due to inordinately large investment and to the import of great quantities of raw and semi-finished materials. Such a situation cannot last long.

On economic restructuring, Song Ping said that China will consolidate, assimilate, supplement and improve the reforms, and lay the groundwork for further advance in the reform over the next two years. In economic construction, the country will continue to keep investment in fixed assets and consumption funds from growing too fast and strive to balance total social demand and supply, so that the national economy can develop in a steady and balanced way, according to Song.

While ensuring the steady growth of grain output, it is necessary to develop a diversified rural economy in accordance with local conditions. Referring to the development of township-run enterprises, Song Ping stressed the preleminary processing of farm produce and the improvement of services before and after the production process. These enterprises yielded a total output value of 93.5 billion yuan last year. All localities and departments should regard helping poor areas to overcome backwardness as an important item on their agenda. China will earmark 800 million yuan this year to aid the underdeveloped areas, Song said.

The draft plan sets a nine percent increase for light industry and a seven percent increase for heavy industry this year. Output of primary energy (coal, petroleum, natural gas and hydroelectric power) will be equivalent to 858.5 million tons of standard coal, an increase of 19.5 million tons. Output of rolled steel will reach 37.6 to 38.4 million tons, an increase of 810,000 to 1,610,000 tons.

Total payroll for workers and other employees will increase by 14 billion yuan. The average monetary wages for workers and employees will rise by seven percent and the average per capita net income in rural areas is expected to be up seven percent.

Total value of retail sales will reach 482 billion yuan, an increase of 12 percent over last year.

The draft plan sets the total volume of imports and exports at 56.8 billion U.S. dollars with exports increased and imports reduced.

Total enrolment of polytechnic school students will reach 710,000, an increase of 6.3 percent. Colleges and universities will enroll 600,000 undergraduates and 45,000 postgraduates.

Song Ping said China will adjust the pattern of investment while strictly controlling the scale of investment in fixed assets. Investment in energy industry, transport and raw and semi-finished materials industry will be 51.4 percent of the total investment in capital construction, as against 46.8 percent last year.

The draft plan promises an adequate supply of goods for the market and keeping prices basically stable so as to improve the people's living standards.

Song Ping called for effective measures to boost exports, import the necessary advanced technology, key equipment and badly needed raw and semi-finished materials and reduce the import of ordinary equipment and materials so as to achieve a basic balance in foreign exchange. He urged the adoption of a flexible approach to trade and a variety of forms such as barter trade, import-based export, entrepot trade, multilateral trade and frontier trade, as well as the expansion of tourism to increase non-trade foreign exchange earnings.

Wang Bingqian on 1985 Budget

OW260230 Beijing XINHUA in English 0221 GMT 26 Mar 86

[Text] Beijing, March 26 (XINHUA) -- China reaped a surplus of 2.817 billion yuan in its 1985 state budget instead of an estimated deficit of 3 billion yuan, a high-ranking official said here today. Wang Bingqian, China's state councillor and minister of finance, released these figures today in his report on the implementation of the state budget for 1985 and the draft state budget for 1986 to the current Fourth Session of the Sixth National People's Congress. To eliminate the deficit and stabilize the economy, Wang said, China adopted a series of measures to expand production, develop financial resources, increase revenues and restrict expenditures.

According to present estimates, he said, state revenues in 1985 totalled 185.411 billion yuan (including domestic receipts of 182.9 billion yuan).

This was 24.7 percent more than the 1984 figure, he said. If such special factors as the excessive high industrial growth rate in the first half of 1985 were deducted, revenues still rose by about 16 percent, which is a fairly high growth rate. According to Wang, China's 1985 state expenditures totalled 182.594 billion yuan, of which 56.973 billion yuan, an increase of 20 percent, was spent on capital construction, and 31.716 billion yuan, an increase of 20.5 percent, was allocated to the operation of culture, education, science and public health services.

People's living standards also improved markedly with the growth of production, Wang Bingqian said. Average per capita income of urban residents in 1985 rose by 10.6 percent to 752 yuan, and that of rural residents increased by 8.4 percent to reach 397 yuan.

Predicts Balanced 1986 Budget

OW260244 Beijing XINHUA in English 0231 GMT 26 Mar 86

[Text] Beijing, March 26 (XINHUA) -- China's state budget for 1986 has the total revenues and expenditures in balance at 214.147 billion yuan, according to Minister of Finance Wang Bingqian here today. He said this in his report on the implementation of the state budget for 1985 and the draft state budget for 1986 at the annual session of the National People's Congress.

Wang, also a state councillor, said that in drafting the state budget for 1986 changes were made in the method by which revenues and expenditures were listed, thus resulting in their enlarged figures. Based on comparable counting method, however, the 1986 budgetary revenues from domestic sources are estimated to exceed the previous year's -- 182.9 billion yuan -- by eight percent, an increase corresponding to this year's 7.4 percent growth rate for total industrial and agricultural output value.

Of the total revenues in the 1986 state budget, the minister said, foreign loans will account for 5.5 billion yuan, as against 2.5 billion yuan last year. The state will allocate a total of 56.78 billion yuan for capital construction in the 1986 budget, equa equaling the figure of last year. The budgeted expenditure for aiding rural production and for other operating expenses in agriculture totals 11.79 billion yuan, a 16.1 percent increase over the 1985 figure. These funds will be used mainly to improve conditions for agricultural production, disseminate agricultural science and technology, and ensure the steady growth of grain production, thus accelerating the growth of the rural commodity economy, Wang explained.

Operating expenses budgeted for education, science, public health in 1986 come to 35.7 billion yuan, up 12.6 percent over the figure of last year. The expenditure for national defense is 20.02 billion yuan, as against 19.14 billion in 1985. The minister said that through the concerted efforts of the people of all nationalities, the budget for 1986 will be successfully executed.

Panel Discussions Held

OW260732 Beijing XINHUA in English 0727 GMT 26 Mar 86

[Text] Beijing, March 26 (XINHUA) -- More than 2,900 deputies to the current session of the Sixth National People's Congress, China's legislative body, broke into panel discussions here this afternoon. Discussions center around premier Zhao Ziyang's report on the draft Seventh Five-Year Plan (1986-90), as well as the draft 1986 plan for national economic and social development and the draft state budget for 1986. It is learned that the panel on these subjects will last about six days. The 31 delegations from all over the country live in the capital's 15 hotels and guesthouses.

JIANGXI SECRETARY, OTHER DEPUTIES PREPARE FOR NPC

OW250927 Beijing XINHUA Domestic Service in Chinese 1420 GMT 24 Mar 86

["Newsletter: Advance From the Sixth 5-Year Plan to the Seventh 5-Year Plan -- On What Was Learned at the NPC Deputies' Lodgings" -- by XINHUA reporter]

[Excerpts] Beijing, 24 Mar (XINHUA) -- In March, spring scenes are everywhere in the capital.

More than 2,800 deputies have come here from various parts of the motherland for the Fourth Session of the Sixth NPC, held at a time when the Sixth 5-Year Plan has been successfully completed and the prelude to the Seventh 5-Year Plan has already begun. With the session to be held at such a historical time, the deputies not only are excited but also feel the import of their serious task. After arriving at their lodgings, they have had no time to rest. Some have earnestly read the relevant documents. Others have devoted themselves to preparing sepeches. Still others have been busy exchanging information. All of them are determined to contribute to the success of this session.

"This session will surely be a significant milestone," said deputy Wan Shaofen, who assumed the leading post as the secretary of the Jiangxi Provincial CPC Committee last June. "Through this NPC Session, the Seventh 5-Year Plan, formulated by summing up the work of the Sixth 5-Year Plan, will enable us to see more clearly the road of building socialism with distinctive Chinese characteristics. Participating in this session of historical importance, I feel deeply the sacred duty of a people's deputy."

"The year 1986 is a foundation-laying year for the Seventh 5-Year Plan. We must succeed in fighting this battle!" So saying, Wan Shaofen picked up, from a sheaf of documents on a small table, a report on the implementation of the Sixth 5-Year Plan in Jiangxi and the program for the province's Seventh 5-Year Plan. While going through the report, she quickly read a series of figures as compared with previous records, eloquently displaying the achievements scored by the province in implementing the Sixth 5-Year Plan. This year, she said, in-depth reform will be carried out so as to bring Jiangxi's favorable conditions into full play, and the work of the old revolutionary base areas will make big strides, while industry will develop in a steady and sustained manner. Wan Shaofen delineated the great development plan of Jiangxi, a province noted for its glorious revolutionary tradition. She said: Jiangxi has great potential, and its people can make great achievements. Jiangxi is full of promise.

MEMBERS PRAISE ACCOMPLISHMENTS, ROLE OF CPPCC

OW260932 Beijing XINHUA in English 0907 GMT 26 Mar 86

[Text[Beijing, March 26 (XINHUA) -- As China's economic and social reforms are proceeding, those in the country's top political consultative body feel they are experiencing a golden time in their careers.

In the past few years, said Sun Qimeng, a member of the Chinese People's Political Consultative Conference (CPPCC), a think tank as the public calls it, our organization has been reinforced at various levels, the membership increased, and our work has made notable progress. This is a golden time, the best we've ever experienced since the founding of New China in 1949, said Sun, who is also a vice-chairman of the Democratic National Construction Association, one of the eight non-communist parties in China.

His view is shared by many of the 1,700 CPPCC members attending an annual session of the organization's National Committee, which began March 23 in Beijing. Founded in 1949, the CPPCC is made up of political parties, mass organizations and people from all walks of life, and its role, as its charter defines, is to provide consultation for the country's state affairs.

At our session last year, said Qian Sanqiang, a noted scientist in China and also a CPPCC member, we put forth several suggestions regarding the structural reform of science and technology. As far as I know, many of them have been adopted and enforced by the Central Committee of the Chinese Communist Party in its policy-making process.

Citing his experince in a recent inspection tour of Henan Province, Qin Yizhi, also a leader of a non-communist party, said that many of the CPPCC local committees he contacted had played a very important role in helping the local governments run their administration. Many of the local committees I've seen are largely made up of retired officials and outstanding representatives from all fields, Qin said. Since their views and suggestions often carry great weight, the local governments pay due attention to them.

In the past few years, the CPPCC has conducted a wide range of international non-government exchanges, and these, in the view of Wang Guangying, president of the Hong Kong-based Everbright Enterprise Company, have provided new channel for people in other countries to understand China better.

On the cooperation between the ruling Communist Party and people without party affiliation, Yang Jike, vice governor of Anhui Province said that it is the duty of the ruling party to fully practice democracy so as to bring all positive elements into full play and run the country well. On the other hand, he said, it is our duty to offer frank opinions, suggestions and criticisms.

Thanks to its contributions to China's political and economic life, said CPPCC member Zheng Jian, who represents the All-China Federation of Taiwan Compatriots, the status and role of the CPPCC has been better understood. We enjoy an increasingly high prestige, he said.

FREEDOM OF CREATION IN LITERATURE, ART EXPOUNDED

HK250957 Beijing LILUN YUEKAN in Chinese No 2, 25 Feb 86, pp 23-25

[Article by Guo Rui: "Freedom of Creation in Socialist Literature and Art and Its Basis"]

[Text] For socialist literature and art, freedom has two implications. First, as a kind of creative social work, socialist literature and art can only be free and must be free. Freedom is an intrinsic attribute of socialist literature and art creation. Second, creative socialist literature and art are developing from the realm of necessity to the realm of freedom. In this sense, freedom is a lofty realm that creative literature and art should reach. These two implications complement each other and coincide with each other. Therefore, only when the creative freedom of literature and art is fully respected and guaranteed can writers and artists attain the lofty realm of artistic freedom. If they give up their pursuits of the realm of freedom, efforts to respect and guarantee freedom of creation will lose significance. The two aspects of freedom are based on the great socialist practice led by our party and the great cause of the four modernizations. Understanding the two implications of freedom of creation in such a dialectical and comprehensive way will help to further improve relations between the party, writers, and artists and will promote the development of socialist literature and art.

I

A fundamental requirement of creative literature and art is that writers and artists must communicate their thoughts and feelings to other people. In order to express real knowledge, deep insight, and penetrating judgment, they must be able to freely select and refine their experiences in real life. In the process of creation, writers and artists must always maintain a high degree of creative passion and must let their imaginations move freely across limitless time and space in order to fully realize their creative intentions.

They must also continuously cultivate new inspiration for creation. Their work is full of extremely complicated mental activity and intense psychological activity. If writers and artists cannot maintain a free and active mental condition, they will not be able to continue their work at all. Only in free creation can writers and artists fully display their individual gifts and capabilities and can their works display distinctive personal characteristics in form and the content. Only be creating such works can their work be regarded as successful and can their works be of artistic value.

At the same time, we should point out: Marxist theory on literature and art and Marxist aesthetics view people's artistic activities and aesthetic judgment from the angle of human historical development and social practice. Therefore, freedom in literature and art creation should not be understood in abstract terms. For example, in capitalist society, on the one hand, capitalist production provides socioeconomic and material conditions for the development and progress of art; on the other hand, material conditions are opposed to art and poetry, because, under the capitalist system, art works are treated as commodities and artists hold a social status of ordinary commodity producers. Under these circumstances, their freedom of creation cannot be but limited and restrained. In view of this situation, Lenin pointed out that only socialist literature is truly free literature.

It is a pity that in our country, freedom in literature and art was not respected as it should have been for a fairly long time. Under the influence of the ultraleftist ideology, some of our leading cadres were accustomed to using administrative orders to lead literature and art work, settling controversies and issues in literature and art by means of political movements and class struggle; replacing literature and art criticism with "revolutionary mass criticism" and the method of seizing on others' faults, using a big stick against others, putting labels on others; and using the methods of guiding economic construction and material production to guide literature and art.... All this has affected the attitudes of literature and art workers and has dampened their enthusiasm for art creation. This state of affairs has been fundamentally changed since the downfall of the "gang of four" with the consistent efforts of our party, especially since the 3d Plenary Session of the 11th CPC Central Committee and the fourth literature and art workers' congress. But this does not mean that there is no problem in this regard. Much work remains to be done in order to ensure the freedom of literature and art creation. But we should also point out that when we oppose arbitrary intervention in literature and art we are not advocating a passive attitude or anarchy. High respect for freedom of creation and correct guidance of the orientation of creation must be closely integrated. This is a leadership skill that the party's cadres in charge of literature and art work should cultivate.

Undoubtedly, socialist writers and artists should have the right to create their works freely and freely express their personal feelings in their works. In fact, all progressive writers and artists who maintained close relations with the people in past historical periods ardently longed for and demanded this right; some of them even sacrificed their lives or paid a huge price in striving for this right. However, their anger at the suppression of freedom of creation and their treasuring of freedom of creation did not arise from personal need. For these progressive writers and artists, freedom of creation was not the ultimate goal. It only represented the wishes of the people and of their class and was a necessary condition for conveying the voice of the times.

This is related to the second implication of freedom of creative socialist literature and art. It involves a higher philosophical concept. Freedom here means a good command of objective laws.

Engels pointed out: "Freedom does not consist of an imaginary independence from natural laws but of the knowledge of these laws and the possibility which is thus given of systematically making them work toward definite ends.... The freer a man's judgment in relation to a definite point in question, the greater the necessity with which the content of this judgment will be determined...." ("Selected Works of Marx and Engels," Vol 3, pp 153-154) The degree of freedom people enjoy in literature and art can only be assessed and judged in the achievements scored by literature and art in grasping the realities and revealing the tendencies of social development. The richer and deeper the things a writer or an artist can provide for understanding laws governing social development in an aesthetic form, and the wider and greater an influence his works can have on the transformation of reality, the more freedom he can enjoy in his creation and the greater the artistic value of his works. Whether a writer or an artist can enjoy real freedom in his creation does not depend on his personal feelings but on the role of his works in the particular historical activities of the people in changing the realm of necessity into the realm of freedom, such as our present construction of the four modernizations. The personal freedom of a writer or an artist can be regarded as real freedom only when his works can promote the people's freedom in advancing social historical development. So freedom is a lofty realm of art that socialist literature and art should pursue.

Truth is a process of development, and art can also be divided into different levels. In socialist society, literature and art works belong to different levels according to various degrees of freedom they acquire and different artistic values they possess. Lenin said that the circus is interesting entertainment, but it is not enough if our writers and artists can only provide art like a circus for socialist laborers. They should create "communist art" which is on a higher aesthetic level. That is to say, artists should consciously shoulder the task of creating really new and great art for the people. Only in such art creation practice can they find the "door leading to freedom." The historical task pointed out by Lenin for writers and artists still holds true.

In order to fulfill this historical task, and in order to ensure real creative freedom in literature and art, our writers and artists should consciously transform their own outlooks, which are the subjective factor in literature and art. In recent years, we have emphasized the positive role of writers and artists in literature and art, and this has increased the personal characteristics of their works. This represents a major step forward in our modern literature and art. However, we should also notice that we have not paid sufficient attention to the self-transformation of writers and artists. This is not favorable to the achievement of real freedom of creation. Writers and artists are not completely independent subjects in an abstract sense. They are, first of all, human beings in society who can transform nature and society. The abilities of writers and artists to carry out aesthetic and artistic creation are not their natural instincts, but are products of mankind's historical practice and are determined by particular conditions of social life. Therefore, the freedom of writers and artists in creation must be relative. As the objective world is always changing as a result of man's labor, people's thoughts, feelings, morals, habits, and ways of life are also changing continuously. Many huge changes occur one after another in the process of historical development. Therefore, only writers and artists who can continuously transform and improve their aesthetic ability and artistic creativity can reach the realm of freedom. Social life in our country is experiencing many unprecedented and profound changes, so writers and artists must transform themselves and must truly become "engineers of men's souls." This task has been once again placed before us.

III

Here, I would like to emphatically discuss the relation between socialist creative freedom of literature and art and party spirit. For a period in the past, some writers and artists wittingly or unwittingly set party spirit against freedom of creation.

This problem is related to the long-standing influence of "leftist" ideology. In the past, the freedom of creation required by socialist writers and artists was called "bourgeois freedom." Thus, the freedom that socialist literature and art creation should enjoy became incompatible with communist party spirit. Of course, Lenin severely criticized the hypocrisy of the bourgeois slogan of "absolute freedom" in his famous thesis "Party Organization and Party Publications." He sharply pointed out that bourgeois writers, painters, and actors cannot be freed from the influence of the purse of the bourgeoisie, and that the slogan of "absolute freedom" is used to conceal the class nature of bourgeois literature and art.

However, this in no way means that Lenin also negated the freedom of creation of socialist and proletarian literature and art. On the contrary, he clearly pointed out that it is necessary to "use really free and open literature and art that are related to the proletariat" to fight against "bourgeois literature and art which pretend to be free." In his view, only socialist literature and art are really free, because they represent the unity of freedom of creation and the principles of communist party spirit. Therefore, it is completely unreasonable to link freedom of creation with the bourgeoisie. At the same time, it is incorrect to negate the communist party spirit of our literature and art because we detest the shackles of "leftist" ideology on our creation.

The party spirit principles for proletarian and socialist literature and art founded by Marx and Engels and developed by Lenin are one of the cornerstones of Marxist aesthetics and literary theory. According to these principles, literature and art should be an important component of the proletariat's cause and the party's cause. Today, socialist literature and art in our country should be part of the four modernizations program and the construction of spiritual civilization under the leadership of the party.

Proceeding from party spirit principles, socialist writers and artists should not regard literature and art as merely their personal affair, nor should they regard themselves as "onlookers" or "experts" who do not have to bear any responsibility for social life in reality. Instead, they should consciously take a position in line with party spirit, actively participate in the party's cause, closely link their creative activities with the communist ideal, use their work results to help train new socialists, improve the people's moral standards, and advance the socialist cause. The construction of the four modernizations, led by our party, is turning the social practice of the people in our country into really free activities. Only by plunging into this great cause can our writers and artists really enjoy freedom of creation. In this sense, we can say that communist party spirit is an important guarantee for freedom of creation in socialist literature and art.

Facts have proven that many outstanding writers and artists in our country have consciously insisted on communist party spirit principles in literature and art. For example, in the field of literary creation, a large number of writers have paid close attention to the development of economic reforms led by the party and have made efforts to reflect reforms in their works.

In the last 2 to 3 years, some successful novels have been published. They include "The Heavy Wings" by Zhang Jie, "Number Five Garden Street" by Li Guowen, "Man's Style" by Zhang Xianliang, "The New Star" by Ke Yunlu, "The Door to Paradise" by Wang Lixiang, and so on. These works successfully portray the images of communists and new socialists who are bent on reforms and also sharply expose various defects in the economic system and political life of our party and state. They reflect the tide of the times and the people's demand for reforms. Therefore, they display a deep sense of the times and provide rich food for thought. The success of these works is the result of the writers' efforts to link their artistic life closely with the party's cause. This shows that only by advancing together with the party's cause can we find the broad road which leads to the lofty realm of true artistic freedom.

BAN YUE TAN ON NEED FOR IMPROVING PARTY STYLE

HK241554 Beijing BAN YUE TAN in Chinese No 5, 10 Mar 86 pp 14-15

[Commentator's article: "Rouse Oneself With Vigorous Efforts To Improve Party Style"]

[Text] It is the desire of the people that party style be good, the people united, and the country prosperous. China is a socialist country under the leadership of the Communist Party and is engaged in a grand cause of socialist modernization, which has a bearing on the destiny of 1 billion people. The important historical mission has fallen on the shoulders of our party, and the people have placed high hopes on our party. The emergence of problems in party style has worried the party; such problems brought setbacks to our cause.

At the very beginning of the new year, the CPC Central Committee made up its mind to make great efforts to stop unhealthy trends and to create a healthy atmosphere. It held a meeting of more than 8,000 cadres and issued 5 circulars calling for examining and handling important major cases. Work in this respect has been grasped vigorously and speedily. People have come to understand clearly that the party Central Committee has attached great importance to work to improve party style and has made it the order of the day.

The investigation and handling of the major smuggling case involving the Ministry of Astronautics Industry has sounded the alarm for those who are seriously influenced by bureaucratism. The execution of three children of senior cadres in Shanghai for rape and taking liberties with women has manifested that everybody is equal before the law. The broad masses of the people clapped and cheered upon seeing this. They have seen, through this, the party's determination, the might of laws and discipline, and the hope of a change for the better in the party style.

Why is it that the party style has to be grasped so vigorously and speedily?

The purpose of grasping party style is to promote a fundamental change for the better in the common practice of the entire society. More than 3 years have passed since the convening of the 12th national party congress in September 1982. The goal of achieving a fundamental change for the better in party style and common societal practices within 5 years has not yet been attained. In the coming year and a half, we must vigorously grasp our work to attain this goal so that we can give an account of it to the whole party and the people of the whole country.

The purpose of grasping the work to improve party style is to eliminate interference with and obstacles to reforms. Economic reform in China, which has attracted world-wide attention, is being carried out in a thorough manner. Our party is leading the people in courageously forging ahead amid probing and exploration. In the historical tide of reform, it is inevitable that the waters are muddled, and the bad is mixed with the good. Many things have emerged in the guise of reform, and violations of laws and discipline have been found. These have affected the reputation of reform and the confidence of the people.

Only by improving party style will various kinds of unhealthy trends be dispersed and only by improving party style will the people resolutely follow our party to achieve success in the socialist modernization. The central organs have set an example in improving the party style for us to follow. The Central Committee has also formulated and published a series of regulations for improving party style for us to follow.

The leadership at various levels has grasped major important cases; this has shown us that the net of justice is merciless. If all communists and leading cadres actively respond to the call of the Central Committee, act as servants of the people, dedicate themselves to modernization, stand up for what is right, and remain uncorrupted, a fundamental change for the better in party style will be imminent.

It is now March. The cold winter is over, the snow has melted, and the spring breeze is blowing. Party style is changing for the better, and the common practices of society are changing for the better. Our motherland, with a territory of 9.6 million square kilometers, is full of vigor. The broad masses of the people have full faith in effecting a fundamental change for better party style and in the success of reform!

LIAOWANG ON FRESH UNDERSTANDING OF SOCIALISM

HK241207 Beijing LIAOWANG in Chinese No 9, 3 Mar 86 pp 22-23

[Article by Zhao Yao: "Gaining a Fresh Understanding of Socialism -- Part One"]

[Text] Editor's note: To gain a fresh understanding of socialism in practice is a very important task for communists in our time. Since the 3d Plenary Session of the 11th CPC Central Committee, our party has expounded many fresh viewpoints and established many new conclusions in this aspect. These major successes in acquiring a better understanding of socialism have enriched the treasure house of Marxist theory. This article aims at giving a trial explanation of these fresh viewpoints. [end editor's note]

Since the 3d Plenary Session of the 11th CPC Central Committee, our party has undergone a process of acquiring a better understanding of socialism. Its main content includes by and large the following questions.

On the Transition Period

In his book "Critique of the Gotha Program," published in 1875, Karl Marx advanced in integgated theory on the transition period, stating: "Between capitalist and communist society lies the period of the revolutionary transformation of the one into the other. There corresponds to this also a political transition period in which the state can be nothing but the revolutionary dictatorship of the proletariat."

In the book, however, Karl Marx time and again saw communism and socialism as similar concepts. Whether the transition period he described refers to a transition from capitalism to the high stage of communism, or to the first stage of communism, may lead us to a different understanding of the problem.

V. Lenin gave a clear explanation of Karl Marx' theory on the transition period. In his famous work "The State and Revolution," he expounded on the transition from capitalism to communism, to the first stage of communism, and to the high stage of communist society, as three different periods of time in three different chapters. This makes clear that the transition period covers the transition from capitalism to socialism.

Our party has been adhering to and developing the ideology of Karl Marx and V. Lenin. Not long after the founding of the republic, Comrade Mao Zedong pointed out: "The time from the founding of the PRC to the basic completion of socialist transformation constitutes a transition period."

In December 1953, when he checked and polished the outline for publicizing the general line for the transition period -- "Mobilize the Whole Nation and Go In for Building China into a Great Socialist Country," compiled by the CPC Central Committee Propaganda Department, Comrade Mao Zedong pointed out: "The interval from the founding of the PRC to the completion of the building of socialist society embraces the historical period of the transition from the new democratic society to socialist society in our country. This notion of the "transition period" was included in our first Constitution in 1954. However, this transition period was later viewed as a transition from capitalism to "communism in the full sense," and also termed the "great transition." This point of view actually equated the concept of "transition period" with the concept of "socialist society" and also provided the theoretical basis for widening class struggle.

After the 3d Plenary Session of the 11th CPC Central Committee, our party deepened its comprehension of socialism and once again acquired a better understanding of the question of the transition period according to the Marxist-Leninist standpoint. The "resolution on certain questions in the history of our party since the founding of the PRC" (hereinafter referred as the "resolution") noted: "China has undoubtedly established a socialist system and entered the stage of socialist society." This indicates that China has ended the transition period and entered the first phase of communist society.

On the Stages and Protracted Nature of Socialist Society

Karl Marx predicted that communist society includes the first stage and high stage of development, and socialist society should also be developed by stages. After the October revolution, V. Lenin expounded on and proved that socialist society covers a historical period of considerable length and should be developed by stages. He said: "The building of socialist society that we look forward to requires considerable time," and pointed out: There is an "early phase of development of socialism" and "developed socialism." He also used the terms "complete socialism," "perfect socialism," "consolidated socialism with ultimate victory," and "absolutely consolidated socialism." However, due to the successes and victories won by the Soviet Union in its socialist construction, people gradually neglected the protracted nature of building socialism and took a naive view of the realization of communism.

In socialist construction, our country also could not remain clearheaded for a time, and was inclined to think that socialism could be built in a short period. The resolution on the establishment of the people's rural communes, passed in 1958, said: The realization of communism in our country is no longer a matter of the distant future. At that time, some localities and units went so far as to chant the slogan of achieving communism within a few years. We finally understood the protracted nature of socialism, but we thus believed that for a long period of time, classes, class contradictions, and class struggles would remain in our country, there would be a two-line struggle between socialism and capitalism, and there would be danger of capitalist restoration. This point of view is categorically wrong. After the 3d Plenary Session of the 11th CPC Central Committee, we summed up the historical experience in earnest and acquired a better understanding of the protracted nature of socialism and its building by stages. The "resolution" adopted at the 6th Plenary Session of the 11th CPC Central Committee pointed out profoundly: "Our socialist system is still in its early phase of development," and "our socialist system will have to undergo a long process of development before it can be perfected." This point of view shows no difference from Lenin's ideology or from the notes that Comrade Mao Zedong took when he was reading a textbook on Soviet political economics. Comrade Mao Zedong then wrote: The stage of socialism also falls into two phases. The first phase refers to underdeveloped socialism, and the second phase takes the form of fairly developed socialism. The second phase is probably much longer than the first. Practice proves that this standpont is correct.

On the Principal Contradictions in Socialist Society

This is a major theoretical problem of overall importance to the socialist cause, which was not expounded in the works of Marx, Engels, and Lenin but which was put forth in the practice of socialism. Our party had a relapse in understanding the problem. The Eighth CPC National Congress, held in 1956, affirmed the following point: "Since socialist transformation was basically completed, the contradictions in our country are no longer those between the working class and the bourgeoisie, but the "contradictions between the people's demands for quick economic and cultural development and the failure to meet such demands," and the "essence of the contradictions is that between the progressiveness of the socialist system and the backwardness of the productive forces, when the socialist system is already established in our country." It must be noted that the basic guideline of the inference is correct, and the shortcoming is that the wording is not accurate enough.

As is known to all, this basic guideline was negated at the Third Plenary Session of the Eighth CPC Central Committee. The meeting declaring instead that the "contradictions between the proletariat and the bourgeoisie are the major contradictions in our country." This point of view was not only divorced from historical conditions in China but also ran counter to the basic tenets of scientific socialism. In addition, it also had a great effect on our social and political life in the 20 years following the meeting and provided the theoretical basis for the widening of the class struggle and the launching of the "Cultural Revolution."

The 3d Plenary Session of the 11th CPC Central Committee decided to shift the focus of the work of the whole party to economic construction. This actually solved the problem concerning the principal contradictions in our country. The "resolution" adopted at the 6th Plenary Session of the 11th CPC Central Committee theoretically summarized the principal contradictions in our socialist society. The "resolution" pointed out: "Since socialist transformation was fundamentally completed, the principal contradiction our country has had to resolve is that between the growing material and cultural needs of the people and the backwardness of social production. It is imperative that the focus of party and government work be shifted to socialist modernization centering on economic construction and that the people's material and cultural life be gradually improved by means of an immense expansion of the productive forces." This is an indication that our party has acquired a deeper understanding of socialism.

On the Essential Tasks of Socialist Society

What are the essential tasks of our party and the state in the historical period of socialism? This question was clearly explained long ago by classic works of Marxism. In the "Communist Manifesto," Marx and Engels pointed out: "The proletariat will use its political supremacy to increase the total quantity of productive forces as rapidly as possible." After the October revolution, Lenin also noted: "After seizing state power, the proletariat should take the increasing of industrial output and the immense expansion of productive forces as its most important and fundamental interests." However, for a period in the past, as a result of our incorrect comprehension of the principal contradictions in socialist society, we had a vague and even erroneous understanding of the essential tasks of socialist society. Such vague and erroneous understanding finds expression in the following aspects: First, the so-called "pauper's transition"; second, adherence to the principle of "taking class struggle as the key link; third, seeking the so-called "equality" of all members of society, which is actually egalitarianism; and fourth, criticizing the "thory of productive forces." After the 3d Plenary Session of the 11th CPC Central Committee, our party corrected the aforementioned mistakes one by one in the spirit of setting things right.

Comrade Deng Xiaoping penetratingly pointed out: "Marxists attach the highest importance to the development of productive forces. The communist principle of distribution of "from each according to his ability, to each according to his need" calls for a high level of development of productive forces and a lavish abundance of material wealth. Therefore, the most essential task in the historical period of socialism is to expand the forces of production." Taking the expansion of the forces of production as the most essential task is necessary in resolving the principal contradictions in socialist society, building a strong socialist country, and eliminating classes and class differences, as well as necessary in changing socialist society into communist society.

On Class Struggle in Socialist Society

After the socialist system was established in our country, we committed the mistake of broadening class struggle between 1957 and 1976.

The 3d Plenary Session of the 11th CPC Central Committee flatly negated the slogan of "taking class struggle as the key link." The "resolution" adopted at the 6th Plenary Session of the 11th CPC Central Committee theoretically summarized class struggle in the entire historical period of socialism with the following main points: Class struggle no longer constitutes the principal contradiction after the exploiters have been eliminated as a class. However, owing to certain domestic factors and influences from abroad, class struggle will continue to exist within certain limits for a long time, and may even grow acute under certain conditions. This indicates that the standing and role of class struggle in the historical period of socialism have greatly changed, and class struggle no longer constitutes the principal contradiction, but a secondary contradiction. The party should serve the needs of the central task of modernization. The 12th CPC National Congress also made it clear that in the new period of development of our socialist cause, we must attend, both in ideology and in action, to two aspects. On the one hand, we must persist in the policy of opening to the world, as well as in our policies for invigorating the domestic economy, and, on the other, we must resolutely strike at the serious criminal activities in the economic and other spheres that endanger socialism. Maintaining the aforementioned theoretical views on the problem of class struggle in the entire historical period of socialism is of great significance in practice because it can prevent us not only from repeating the mistake of broadening class struggle, but also from having the erroneous view that class struggle is dying out.

JINGJI RIBAO EXAMINES ALL-PEOPLE REFORM OWNERSHIP

HK240311 Beijing JINGJI RIBAO in Chinese 15 Mar 86 p 3

["Three Target Models for the Reform of the System of All-People Ownership"]

[Text] The reform of the all-people ownership system is a key link in the structural reform of ownership, and the purpose of such reform is to give better play to the superiority of public ownership. There may be three types of target models for the reform of the all-people ownership system.

The first target model is to perfect state ownership through economic structural reforms. This target model is based on the proposition that all-people ownership can only be effected in the form of state ownership. So, reform can only strengthen and perfect rather than weaken state ownership. the key to reform lies in various degrees of separation of ownership from operational power. Thus management and operation forms may be diversified. That is to say, enterprises, should be divided into a number of types according to their position and function in the national economy and to their character and size. Then, different systems are applied to different types of enterprises.

Some enterprises can be owned by the whole people and directly managed by the state; more enterprises which are owned by the whole people should be run by themselves, and the state should exercise indirect management over them through various economic means. Some small enterprises can be leased or contracted to collectives or individuals who must bear all responsibility for their profits and losses, as they have the authority to run these enterprises independently.

The second target model is to effect all-people ownership in the form of capital stock. The theoretical foundation for this model is that enterprises run on the basis of capital stock represent an organizational form of production and business operation developed in a commodity economy, and in the process of large-scale socialized mass production. The form of capital stock also enables laborers to directly own and use the means of production under the conditions of a commodity economy and, to a certain degree, play a role as capital owners. This can directly link ownership with laborers and demonstrate the economic relations in which laborers can have simultaneous economic authority and economic benefit by directly owning the means of production in the socialist commodity economy. Therefore, part of the assets of the enterprises owned by the whole people should be transferred to the enterprises themselves on a compensable basis, or workers should be encouraged to become stockholders of their enterprises so that the enterprises will be run jointly by the state, the enterprises, and the workers.

The third target model is to change all-people ownership into enterprise ownership. The reason for this is that the state is just a category of the superstructure. Although the state also has some economic functions, it is not in any way an economic entity. Under the state ownership system, laborers can only be indirectly linked with the means of production. This has been a major reason for the lack of enthusiasm among enterprise workers for many years and for the low economic efficiency of the enterprises. Therefore, all-people ownership should be gradually changed into enterprise ownership through reforms. Thus, enterprises can run themselves independently and bear sole responsibility for their profits and losses. The function of the state is to regulate enterprise activities by making use of various economic levers.

Which target model is most representative of the development orientation of socialist ownership? This is still a major issue meriting deeper discussion.

ENLIVENED, STRENGTHENED AGRICULTURE URGED

HK251536 Beijing RENMIN RIBAO in Chinese 19 Mar 86 p 1

[Commentator's article: "Adding Stamina to Agricultural Development"]

[Text] Document No 1 of 1986 issued by the CPC Central Committee has proposed that the improvement of agricultural production conditions is one of the major tasks in rural work. Production conditions are the material and technological basis for production and its development. Following a series of reforms with the contract system based on output as the main aspect, the potential of agriculture in our country has been tapped in a concentrated manner, and a favorable situation of a large, prolonged increase in output has appeared. It can now be seen that the continuous improvement of production conditions will determine whether or not agriculture can develop steadily and in a sustained manner and whether or not it will have stamina for its development.

At present the material and technological basis of agriculture in our country is still very flimsy. Since liberation, various localities have paid much attention to this problem and have done a great deal of work in the construction of water conservation works.

However, in the past few years, work in this respect has been weakened and the phenomenon of "living off one's past gains" has appeared in many localities. After years of operation, the existing agricultural basic facilities are in need of repairs and reconstruction. Their capacity to resist natural disasters has been reduced since they have not been properly maintained and managed, and their problems are increasing. Because of lax management and maintenance as well as damage, the effective irrigation and drainage area is decreasing. A large percentage of mechanical equipment is operating with problems and is outdated and ineffective.

If water conservation works are not built, agriculture will not be stable. To construct more water conservation works for irrigation and drainage is an effective measure to increase agricultural output in our country. The major tasks in the construction of rural water conservation works at present is to repair as soon as possible damaged wells, irrigation canals, ponds, weirs, and dams so that they can form a complete irrigation network. We should also perfect the management responsibility system in order to give play to the role of existing projects. In addition, we should build new water conservation works. In agricultural production, land is the most important means of production. We must adhere to the principle of increasing soil nutrients while using them in order to ensure the fertility of land. We must transform low-yield fields in a planned manner. We must give good protection to land resources and resolutely stop the phenomenon of indiscriminately using farmland for other purposes.

To develop farm machines and a service system is also indispensable in improving agricultural production conditions. We must develop farm machines in various ways and at various levels and pay attention to increasing their benefits. For example, we should develop small and inexpensive machines which serve many different purposes in order to meet the needs of peasant households. We should proceed from items which are most badly needed by the peasants and establish and expand a technical service system such as services for cultivating fine strains of crops, the prevention and treatment of insect pests, and other services. We should try our best to create a a good environment for production and management.

With the development of the commodity economy and the progress of agricultural modernization, we must also pay attention to building basic facilities for post-production work such as processing, storage, classification, packaging, transportation, marketing, and so on. On the one hand, we should give play to the role of existing facilities of the state-run commerce and increase their use ratio. On the other hand, we should help and encourage villages in localities where agricultural and sideline products are produced in a concentrated manner to build some necessary facilities scattered around production areas so that production, marketing, and storage can complement each other, purchasing and marketing can be more convenient, and the flow of products can be more rational.

To improve production conditions, funds are needed. In addition to increasing necessary investment made by state and local authorities, we should encourage pooling funds through various channels and at various levels. In most localities, it is necessary and possible at present to guide the peasants to appropriately increase the percentage of accumulation on the basis of gradual improvement in the living standard with each passing year so that they can invest more funds in improving production conditions. Funds from former collective properties and other funds should be mainly used for the construction of various basic facilities. Moreover, it is necessary to pay attention to labor accumulation, particularly in building small water conservation works. In pooling peasant funds and in labor accumulation, we must pay attention to the capacity of the peasants and should not burden the peasants. We should not take showy actions, even less should we repeat the mistake of egalitarianism and indiscriminate transfer of resources.

In its proposals on the Seventh 5-Year Plan, the party Central Committee has proposed that the state should appropriately increase its investment in the capital construction of agriculture. Since last winter, rural areas in various localities have attached greater importance to the construction of water conservation works and have made a good start. We must pay great attention to the work of improving agricultural production conditions and gradually lay a relatively advanced material and technological foundation for agriculture in order to add stamina to its development.

PROMOTION OF GRAIN PRODUCTION ENCOURAGED

HK240257 Beijing JINGJI RIBAO in Chinese 14 Mar 86 p 1

[Commentator's article: "Learn To Use Economic Means To Promote Grain Production and Circulation"]

[Text] As a large country with a population of one billion people, the grain issue has always been one of first priority related to the national plans and people's livelihood. In considering the development of grain we should first pay attention to grain production, and ensure that we give play to the peasants' initiative in growing grain. Second, we should pay attention to circulation and give play to localities' initiative in transferring grain away from their areas. In solving both problems, we should learn the way to apply certain economic means.

The practice of purchasing grain by contract is an important measure in applying economic means to pushing forward grain production. This year, the CPC Central Committee's Document No 1 decided to readjust and reduce the tasks of contracted purchases of grain in various areas, in the light of their different conditions. This will be more conducive to giving play to the peasants' initiative in producing and selling grain to the state in the areas that are suited to grain production.

According to the spirit of the CPC Central Committee's Document No 1, in areas where the commodity economy is developed, and where there are diverse channels to carry out diversified undertakings, we should satisfactorily grasp the work of subsidizing farm workers and grain farmers with industrial income and satisfactorily reduce the disparity of income between those engaged in industry and those engaged in agriculture, and thus ensure the fulfillment of the tasks of grain production and contracted grain purchases. In areas where there is potential to develop grain production, and where there are few sources of income from other undertakings, through reducing the tasks of contracted purchases and increasing the portion of grain purchased in the market at negotiated prices, we can enable these areas to earn more income from the increase in grain sold in excess of the ordered amounts. In major commodity grain production areas where there is relatively a lot of land and a relatively high commodity rate of grain, by refraining from reducing the amount of contracted purchases, we can, to the greatest possible extent, satisfy peasants' demands to increase their grain production. But in a very small number of poor areas, we should mainly adopt the method of purchasing grain in the market in order to increase peasants' income. We can expect that supplemented with necessary ideological work, the adoption of these measures will heighten grain farmers' initiatives in various areas and enable us to attain our goal of increasing grain production.

Besides giving play to peasants' initiative in grain production by our policies, another important problem is to rouse localities' initiative in transferring their grain away from their areas. In viewing the grain issue, we should pay attention to market and circulation as well as to production. On the one hand, the grain issue is difficult to solve because generally speaking, there is not much grain. On the other hand it is difficult because there is surplus grain in some areas and grain shortages in others, but we lack the necessary means of regulation to make up the shortage with the surplus.

Because of the all-round financial responsibility system, and the complicated relations of interests between various areas and departments, it becomes increasingly difficult to rely on administrative means to make up the shortages with the surplus. If the surplus grain in grain production areas cannot flow out, then it will be very difficult to make up the shortage in years of bad harvest with the surplus in years of bumper harvest, or to make up the shortage in some areas with the surplus in others. As a result, it will be very difficult to enliven the grain production sector. Therefore, we should regard the problem related to grain circulation as a practical problem of great importance and pay close attention to it.

The key to solving the problem related to blocked grain circulation is to straighten out relations of economic interests between grain supply and grain consumption areas. We should put an end to the unreasonable practice of eating out of the same big pot, that areas which supply grain suffer greater losses when they supply more grain for other areas, and that areas that get the supply of grain are not charged with payments for subsidies. If we satisfactorily solve this problem, we will also be able to push forward vigorously and encourage grain production, thus better solving our country's grain problems.

The grain problems have a bearing on the whole situation and on all sectors and spheres. It is necessary for us to attach sufficient importance to them and conscientiously and vigorously study the series of problems related to grain production and circulation in order to successfully develop our grain production.

SPORTS MINISTER COMMEMORATES HE LONG'S BIRTHDAY

OW222117 Beijing XINHUA in English 1636 GMT 22 Mar 86

[Text] Beijing, March 22 (XINHUA) -- A bust, built in memory of He Long, founder of China sports and late Chinese sports minister, was unveiled in the Beijing indoor stadium here today. The unveiling ceremony was held at the occasion of the 90th anniversary of He Long's birthday. And the stadium, site of the bust, was built in 1955, two years after the then vice-premier took the office of minister of the state physical culture and sports commission. It was the first indoor stadium in the Chinese capital. He left the post in 1966 and died in 1969. He Long, a late general of the Chinese Army, had been a sports fan since he served in the Chinese Red Army during the 1920s. During the eight-year war against Japanese aggression, he was a division commander of the eighth-route army. He founded the noted basketball team "Fight", the first ever for the communist-led Chinese Army.

Current Chinese Sports Minister Li Menghua spoke highly of the late general and minister, at today's ceremony. "A beloved founder and leader of sports cause of New China, he made painstaking efforts and obtained brilliant achievement in the development of the cause," Li said. The bust was designed by Shitu Zhaoguang, lecturer of the Central Fine Arts Institute here.

HUBEI VIEWS ON IMPLEMENTING CENTRAL DOCUMENT

HK240222 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 23 Mar 86

["Excerpts" from Views of Hubei Provincial CPC Committee and People's Government on Implementing Central Document No.1]

[Excerpts] In accordance with the arrangements and demands on rural work made by CPC Central Committee document No. 1, in rural work in Hubei this year we should, on the basis of summing up experiences and persevering in reform, get a good grasp of implementing the various economic policies, vigorously promote science and technology, strive to improve the production conditions, and strengthen the service setup. The provincial CPC committee and people's government demand that the leadership at all levels and the departments concerned firmly embrace the idea of taking agriculture as the foundation, strengthen their concept of the masses, and do a thoroughly good job in serving the rural areas, agriculture, and the peasants, so as to promote sustained, steady, and coordinated developming of the rural economy. We should:

1. Enhance the peasants' enthusiasm for growing grain, and maintain steady growth in grain output. In readjusting the rural production structure this year, we must continue to get a good grasp of grain production, stabilize the sown area, improve yields and quality, and maintain steady growth in output, to ensure that total output exceeds that of 1984. We should reduce the amount of grain purchased by contract and increase the proportion of grain purchased at negotiated prices. The peasants will thus gain advantage from producing more and selling more. We should gradually perfect the purchase contracts and strictly control and appropriately reduce the prices of production materials.

2. Rationally readjust the industrial crop pattern and stabilize cotton production.

3. Actively exploit the mountain and river resources and speed up the building of bases for forestry, animal husbandry, indigenous products, and fisheries, and accelerate infrastructural construction.

4. Consolidate and develop the township enterprises and strive to improve their product quality.

5. Improve the circulation setup and further enliven commodity circulation.

6. Further perfect the cooperative system, starting with services.

7. Actively popularize and apply advanced technology and speed up the technological transformation of all rural undertakings.

8. Get a good grasp of agricultural capital construction and continually improve the production conditions.

9. Enliven capital flow and improve the results of using capital. We must do well in using the existing loans and recover irrational loans. It is strictly forbidden to issue loans for private purposes. We should expand social savings deposits, and develop rural insurance. It is essential to strictly control non-productive construction, reduce the scale of capital construction, develop lateral ties, and bring in capital from elsewhere.

10. Step up supervision and inspection and seriously implement the various measures for supporting construction in the mountain areas.

11. Expand county-level decisionmaking powers and make the economy more lively, the county is the point linking the city with the village, and the point at which macroeconomic control and microeconomic regulation meet. We must gradually expand county-level decisionmaking powers, so that the county can better play its part in taking care of the overall situation. The departments in charge of various sectors at the provincial and prefectural levels should do a good job in providing professional guidance for the counties, and avoid random use of administrative intervention. The counties have the right to refuse to implement documents issued by the provincial departments that do not match the spirit of central and provincial CPC committee documents.

12. Tangibly improve leadership style and strengthen specific leadership for rural work.

HUBEI'S GUO ZHENQIAN SPEAKS AT ECONOMIC WORK MEETING

HK140937 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 12 Mar 86

[Excerpts] At the current provincial economic work meeting, Guo Zhenqian, deputy secretary of the provincial CPC Committee and acting governor, pointed out yesterday: This year, the province's industrial and communications fronts must take their services, consumptions and economic results as the major breakthrough points. They should make efforts in enterprise management.

Guo Zhenqian said: Poor product quality, high consumption of energy resources and raw materials, and poor economic results are the fatal weakenesses of the province's economic work. It is because of backward management, in addition to backward technology. For this reason, we should focus on the key products and closely integrate them with good quality and low consumption. We must develop a series of tasks for improving quality and reducing consumption. At the same time, by arranging work around the focal point of improving quality and reducing consumption, we should make great efforts to strenghten enterprise management. In management, we must stress quality, economic results and reserve forces.

Guo Zhenqian stressed: For this year's industrial and communications production, we must follow the principle of consolidation, assimilation, augmentation and improvement. We must make great efforts in the work of reforms, transformation and re-organization. When doing this, we must focus on large and medium-sized enterprises, and do well in it promptly. We must pay attention to transferring the production of components and spare parts to other areas, and practice specialization in production. Therefore, we shall promote both local industries and town and township enterprises, as well as help the large and medium-sized enterprises spend their efforts on product quality, the development of new products and the improvement of technology.

BEIJING: LI XIMING VISITS PRODUCT EXHIBIT OF HANDICAPPED

SK211410 Beijing BEIJING RIBAO in Chinese 5 Mar 86 p 1

[Text] On the evening of 4 March, Li Ximing, secretary of the municipal CPC Committee, accompanied by the leading comrades of the municipal CPC Committee, the municipal Advisory Commission, and the municipal people's government, including Jiao Rnoyn, Han Boping, Li Giyan, Zhang Mingyi, Ad Yu, Guo Xianrui, Zhang Baifa, Sun Fuling, and Bai Jiefu, visited a trade fair displaying products turned out by the municipal establishments set up under the municipal welfare program for supporting "handicapped and disabled" people.

The trade fair opened on 28 February and attracted a large number of people from various circles. As of the evening of 4 March, more than 30,000 people had visited the fair to buy commodities for production and livelihood. During his visit, Comrade Li Ximing was briefed by the responsible person of the municipal civil affairs bureau on the development of such establishments in the municipality and on their production situation. He also talked in front of the stalls with the handicapped tellers and urged them to refrain from allowing their will to weaken, although they are handicapped in order to make more contributions to building the four modernizations.

The trade fair will close on 7 March.

XINHUA REPORTS ON NEW PARTY HEAD IN NEI MONGGOL

OW251345 Beijing XINHUA in English 1310 GMT 25 Mar 86

[Text] Huhhot, March 25 (XINHUA) -- Zhang Shuguang, 63, is now secretary of the Chinese Communist Party Inner Mongolian Autonomous Regional Committee, XINHUA learned today.

He had been governor of Hebei Province and deputy provincial party secretary before he was appointed to the new post by the party central committee.

Zhou Hui, former party secretary of Inner Mongolia, will be transferred to a post in Beijing.

NEI MONGGOL PARTY SECRETARY VISITS PLA CADRES

SK260110 Hohhot Nei Monggol Regional Service in Mandarin 2200 GMT 25 Mar 86

[Text] On 21 March, leading comrades of the region, including Zhang Shuguang, Bu He, and Zhou Hui, accompanied by Cai Ying and Liu Yiyun, came to the No. 2 signal compnay of a certain PLA unit to visit the cadres and fighters.

The regional leading comrades cordially asked the cadres and fighters about their living and working conditions, and visited the automatic signal operation room. On behalf of the regional military district, Comrade Cai Ying thanked the leading comrades of the regional party and government organs for their concern and support for the work of the military region, and expressed the determination to better implement the party's line, principles, and policies under the leadership of the regional CPC committee, and to make new contributions to the four modernizations and to greeting the 40th anniversary of the founding of the autonomous region.

Other leaders who also participated in the visit were Qian Fenyong, Tian Congming, Zhou Rongchang, Ma Zhenduo, Wen Jing, (Liu Yunshan), Lin Weiran, Li Wen, and Shi Shengrong.

SHANXI 1985 SOCIAL, ECONOMIC STATISTICS

HK240140 Taiyuan SHANXI RIBAO in Chinese 25 Feb 86 pp 1, 2

["Communique of the Shanxi Provincial Statistical Bureau on Fulfillment of the Province's 1985 Economic and Social Development Plan, issued on 25 February 1986"]

[Text] Under the leadership of the Shanxi Provincial CPC Committee and Government, in 1985 the people of the whole province conscientiously implemented the principles of invigorating the domestic economy, opening up to the outside world and vigorously pushing forward the reform of the economic structure focused on the urban economy with the spirit of constantly blazing new trails and forging ahead. Reform invigorated the urban and rural economy and promoted the economic and social development. The total product of society (Footnote 1) (All figures for the total product of society and national income cited in the communique are calculated in terms of 1985 prices, and the rate of growth over the previous year is calculated on comparable prices) came to 38.42 billion yuan, 12.8 percent higher than in 1984. National income reached 16.64 billion yuan, an increase of 8.1 percent over 1984. The total output value of industry and agriculture was 28.47 billion yuan, 10.7 percent above the previous year. The major economic targets set by the Sixth 5-Year Plan were fulfilled in an all-round way. Along with the sustained growth of production, the market was brisk, revenue increased, living standards continued to rise, and the economic situation as a whole developed in a favorable direction.

I. Agriculture

In 1985 Shanxi's rural areas underwent the second stage reform in earnest and made remarkable progress in readjusting the production setup and reforming the system of state monopoly for the purchase and marketing of farm products. The rural areas presented a scene of all-round development. The social product of the rural areas totaled by 14.07 billion yuan, up 13.4 percent from 1984. The total output value of agriculture was 5.51 billion yuan, 7.8 percent less than the previous year. Of the sum, the total output value of industry and agriculture by villages was 9.43 billion yuan, up 8.7 percent from 1984; and the proportion of forestry, animal husbandry, sideline occupation, and fishery rose from 50.5 to 57.2 percent.

As the sown area of grain in 1985 was 4,103,000 mu less than the previous year, and owing to natural disasters and the fact that some areas relaxed their efforts on grain production, the total output of grain was 8,227,000 tons, a drop of 493,000 million tons. Nevertheless, it was the third bumper harvest year in the history of the province. While the total output of grain dropped, the output of wheat continued to increase. The total output of wheat reached 2,951,000 tons, 51,000 tons more than the previous year. The output of major industrial crops increased by a big margin, with the exception of cotton which decreased due to the planned reduction of the sown area.

The output of major farm products was as follows:

	1985	Percentage increase Over 1984
Grain	8,227,000 tons (16.45 billion jin)	- 5.7
of which:		
Wheat	2,951,000 tons (5.901 billion jin)	1.7
Cotton	73,000 tons (147 million jin)	-44.8
Oil-bearing crops	444,000 tons (889 million jin)	21.1
Hemp, jute, and flax	3,779 tons (7.56 million jin)	100.7
Tobacco	4,702 tons (9.4 million jin)	18.0
Vegetables	2,915,000 tons (5.83 billion jin)	4.3

Thanks to the further implementation of the forestry policies and to the situation of the masses' enthusiasm for afforestation, the whole province afforested an area of the 3.65 million mu and planted 280 million trees.

Animal husbandry continued to develop. Increases were registered in the numbers of hogs and large animals in stock at year end. But the number of sheep in stock at year end dropped.

Output of major animal by-products and the number of live-stock were as follows:

	1985	Percentage increase Over 1984
Output of pork, beef, and mutton	207,000 tons	- 3.0
Milk	83,000 tons	37.5
Sheep wool and goat hair	3,415 tons	-16.0
Hogs slaughtered	2,706,000 head	- 4.6
Large animals in stock at year end	2,604,000 head	4.1
Pigs at year end	3,711,000 head	9.9
Sheep and goats at year end	4,131,000 head	-18.6

At the end of 1985, the aggregate power capacity of the province's farm machines reached 11.185 million horsepower, a 6.2 percent increase over the previous year. The number of large and medium-sized tractors was 35,000, down 5.6 percent; small capacity and walking tractors, 113,000, up 18.3 percent; trucks, 30,000, up 18.9 percent; and irrigation and drainage equipment, 2.023 million horsepower, down 6 percent. A total of 398,000 tons of chemical fertilizers were applied during the year, 4.5 percent less than in 1984. The total consumption of electricity in rural areas was 1.51 billion kilowatt-hours, an increase of 5.7 percent over 1984.

II. Industry

In 1985 the reform of the industrial structure invigorated the enterprises, promoted the development of production, and brought about better economic results. The total industrial output value for 1985 was 22.96 billion yuan, an increase of 16.3 percent over 1984.

After deducting the output value of rural industry run by villages, the figure would be 19.04 billion yuan, an increase of 11.3 percent over the previous year. Of the total, the output value of state-owned industry increased by 9.1 percent over 1984. Collectively owned industry grew by 24.9 percent, individually owned industry went up 85 percent, and industry of other economic categories rose 200 percent. The output of 60 of the 89 major industrial products met or topped the planned quotas. Output of 25 industrial products including bicycles, tobacco, bulbs, and chemical fertilizers failed to meet their 1985 planned quotas.

The total output value of heavy industry in 1985 was 16.33 billion yuan, a 16.2 percent increase over the previous year.

The output of major heavy industrial products was as follows:

	1985	Percentage increase over 1984
Coal	214,220,000 tons	14.5
Electricity	18,46 billion kwh	10.2
Pig iron	2,294,000 tons	13.2
Steel	1,837,000 tons	4.2
Rolled steel	1,108,000 rons	7.6
Cement	4,587,000 tons	14.4
Plate glass	1,130,000 standard cases	-12.1
Sulphuric acid	161,000 tons	-42.9
Soda ash	21,000 tons	10.3
Chemical fertilizers	393,000 tons	-24.2
Chemical insecticides	2,947 tons	-48.7
Calcium carbide	194,000 tons	14.7
Machine tools	1,288	24.0
Walking tractors	15,993	-1.7
Internal combustion engines	210,000 horsepower	33.9
Transformers	1,616,000 kilovolt-amperes	31.9
Mining equipment	16,345 tons	83.8

The output value of light industry in 1985 was 6.63 billion yuan, a 16.5 percent increase over the previous year. Its proportion in the total output value of industry as a whole increased from 28.8 percent in 1984 to 28.9 percent.

The output of major light industrial products was as follows:

	1985	Percentage increase over 1984
Cotton yarn	77,762 tons	7.8
Cloth	375,55 million meters	8.4
Woolen piece goods	2.65 million meters	9.9
Silk fabrics	9.265 million meters	3.2
Machine-made paper and paper board	187,000 tons	25.3
Sugar	30,118 tons	12.5
Spirits	83,580 tons	38.1
Cigarettes	187,000 cases	-10.1
Chemical pharmaceuticals	1,280 tons	10.8
Bicycles	175,000	-12.1
Sewing machines	10,300	110.0
Television sets	180,000	58.1
Cassette recorders	29,000	630.0
Household washing machines	234,000	74.7
Furniture	3,360,000 pieces	47.6

Industrial economic results improved somewhat. Per-capita productivity for state-owned enterprises was 10,529 yuan, a 4.1 percent increase over 1984. Turnover period for working funds of budgeted state-owned industrial enterprises was 134 days, 1 day less than the previous year. Turnover in the forms of profit and taxes totaled 1.43 billion yuan, a 15.1 percent increase over 1984, outstripping the growth of output value. However, the total cost of comparable products went up 6.3 percent.

III. Energy

In 1985 the further acceleration of energy construction and production and of the pace of transportation alleviated the nation-wide long strain on energy supply.

Of the investment in capital construction, 1.93 billion yuan went into energy projects, a 10 percent increase or 180 million yuan more than in 1984. Of this sum, 1,301 billion yuan was channeled into coal mining industry, up 4.8 percent, adding 2.88 million tons of coal mining capacity; and 630 million yuan went into power industry, up 22.8 percent, adding 700,000 kilowatt-hours of power generating capacity.

In 1985 the output value of energy industry totaled 5.72 billion yuan (not including the output value of village-run coalpits), an increase of 8.3 percent or 443 million yuan more than in 1984. The annual output of primary energy production (converted into coal) was 182.35 million tons, up 13.5 percent; and the output of secondary energy production reached 16.69 billion tons, up 11.5 percent.

In 1985 Shanxi allocated and transfered 135 million tons of coal to 25 provinces, municipalities and autonomous regions. When added to the amount exported, the total figure would be 138 million tons, a 10.9 percent increase or 13.65 million tons more than in 1984. The sum accounted for 65.9 percent of the total coal production. During the year, a total of 2.207 billion kwh of power was transmitted, a 19.8 percent increase or 365 million kwh of power more than in 1984.

The province exported 3,408 million tons of coal in 1985, an increase of 11 percent or 338,000 tons more than the previous year. Foreign exchange earned through coal export was $144.51 million, 63.7 percent of the total foreign exchange earned through the export of commodities.

IV. Investment in Fixed Assets and the Building Industry

Total investment in fixed assets came to 9.45 billion yuan, 37.2 percent or 2.56 billion yuan more than in 1984. Of that total, investment in fixed assets of state-owned units came to 6.67 billion yuan, a 35.6 percent rise over 1984; of urban and rural collectively owned units, 1.26 billion yuan, up 3.7 percent; and of urban and rural individuals, 1.52 billion yuan, up 100 percent. Of the investment in fixed assets of state-owned units, 5.04 billion yuan went into capital construction, an increase of 36.3 percent or 1.34 billion yuan more than in 1984. Of that total, local investment reached 1.65 billion yuan, a 45.1 percent increase or 510 million yuan more than in 1984. Local investment in capital construction stood at 978 million yuan after deducting the amount not included in the plan, 8 percent more than the 906 million yuan planned by the province.

The tempo of the construction of 16 key projects arranged by the state was quickened, absorbing 2.43 billion yuan in investment, accounting for 102.4 percent of the annual plan. During the year, the province undertook 2,630 construction projects, 574 more than in 1984. Of the total, 1,257 were wholly or partly completed and put into operation was 47.8 percent.

In addition to coal and power, capital construction last year helped add the following production capacity: 204.9 km of new highways, 89.1 km of new railways already in use, and 77.1 km of new double-track railways already in use.

State-owned units in 1985 made use of a total investment of 1.64 billion yuan for equipment replacement, technical upgrading, and other purposes, a 33.5 percent increase of 410 million yuan more than in 1984. Of this amount, 1.41 billion yuan was invested in equipment replacement and technical upgrading, 79.7 percent of the annual plan figure 1.77 billion yuan. Of the investment in equipment replacement and technical upgrading, 200 million yuan was used to increase the variety of products and to raise the quality of products, up 83.8 percent; and 50 million yuan was used to save energy amd raw and semi-finished materials, up 0.2 percent. Of the 1,896 projects undergoing equipment replacement and technical upgrading last year, 763 were completed and put into operation.

The reform of the administrative systems of the building industry and capital construction further developed in 1985. Of the 6,736 state-owned building units, 5,263 implemented the various forms of contract responsibility systems. Reform brought about better economic results. The output value of the building industry in 1985 totaled 2.32 billion yuan, an increase of 23.9 percent over the previous year. Per-capita labor productivity increased by 18.6 percent over that of 1984.

Geological units discovered 16 mineral-bearing areas in 1985. Of this, marked progress was made in 3 areas and headway was made in surveying the other 13 areas. Tunnelling footage completed in the year outstripped the annual plan by 6 percent.

V. Transportation, Posts and Telecommunications

The total volume of goods transported by all means of transportation was 291.64 [as published] million tons, up 14.1 percent from 1984. Of this, the volume of railway freight was 160.92 million tons, an increase of 9.3 percent; and that of road goods was 130.71 million tons, up 20.6 percent. The various transportation departments handled 36.1 billion ton-kilometers of goods, up 16 percent from 1984. Of this, the railways handled 30.87 billion ton-kilometers, a 13.6 percent increase; and trucks handled 5.23 billion ton-kilometers, up 32.5 percent. The railways handled 160.92 million tons of coal, a 9.3 percent increase over 1984.

The various transportation departments carried 105.64 million passengers in 1985, up 12.6 percent from 1984. Of this, the railways carried 33.91 million passengers, down 3 percent; and public vehicles carried 71.73 million passengers, up 21.9 percent. The gross volume of passenger transportation was 9.326 [as published] billion person-kilometers, a 16.7 percent increase over 1984. Of this, the volume of railway passengers transportationwas 6.214 billion person-kilometers, up 13.3 percent; and that of road passenger transportation was 3.104 billion person-kilometers, up 24.1 percent.

Transactions in posts and telecommunications amounted to 67.467 million yuan, up 11.8 percent from 1984. Of this, the number of letters handled went up 21.8 percent, newspapers and magazines distributed went up 7.4 percent, the number of telegraphs went up 17.9 percent, and long-distance telephone calls were up 8.9 percent. The year-end number of telephone subscribers in urban areas reached 56,600, an increase of 10.5 percent over 1984.

VI. Domestic Trade

The total value of commodities purchased by state-owned commercial departments and the supply and marketing cooperatives reached 9.01 billion yuan in 1985, a 12.8 percent increase over the previous year.

Of this, net domestic purchases amounted to 5.58 billion yuan, up 9.6 percent; and the commodities allocated from other provinces totaled 3.43 billion yuan, up 18.4 percent. Of the net pruchases of commodities, the total value of farm and sideline products was 1.74 billion yuan, down 10.3 percent; and that of manufactured goods was 3.84 billion yuan, up 21.8 percent.

The province's 1985 retail sales reached 10.21 billion yuan, an increase of 20.7 percent or 12.2 percent after deducting the factor of price increases. Of the total retail sales, consumer goods grew 26.7 percent, while farming materials and equipment dropped 9.5 percent. Compared with the previous year, sales of most principal consumer goods were as follows: Grain, up 11.6 percent; edible oils, up 17.1 percent; pork, down 5.2 percent; eggs, up 28.6 percent; sugar, up 17.9 percent; cotton cloth, up 2 percent; synthetic fabrics, up 6.8 percent; woolen piece goods, up 19.7 percent; silks and satins, up 5.5 percent; knitting wool, up 32.9 percent; cotton jersey and trousers, down 9 percent; knitwear, up 6.3 percent; leather shoes, up 27.1 percent; bicyles, down 3.4 percent; electric fans, up 130 percent; television sets, up 62 percent; cassette recorders, up 240 percent; washing machines, up 60 percent; and refrigerators, up 2.760 percent.

Retail sales in all sectors of the economy increased. Total value of retail sales in the public-owned sector was 4.67 billion yuan, up 4.8 percent from 1984; the corresponding figure in the collective sector was 3.71 billion yuan, up 20.5 percent; and that in the joint-management sector was 16 million yuan, up 250 percent. Sales in the individual sector reached 1.28 billion yuan, an increase of 120 percent over 1984. Retail sales by peasants to non-agricultural residents totaled 540 million yuan, 57.3 percent over the previous year.

There were 1,295 commodity fairs in both the cities and the countryside at the end of the year, 172 more than in 1984. Volume of business of the commodity fairs totaled 1.35 billion yuan, a 65.7 percent increase over the previous year. The number of individuals in both urban and rural areas engaged in industry and commerce increased to 303,000 households or 614,000 people, 81,000 households or 203,000 people more than in 1984.

Purchases and sales of the material supply departments rose repectively by 21.4 and 19.8 percent over 1984. The supply of pig iron increased by 8.2 percent; rolled steel, up 6.1 percent; timber, up 1.1 percent; and cement, up 17.3 percent. Costs for distributing these materials dropped by 0.3 percent from 1984.

The general price indices for state purchases of farm and sideline products rose an average of 6.5 percent over the previous year. The overall level of retail prices went up an average of 7.6 percent. This included 8.5 percent in the urban areas and 6.6 percent in the rural areas. The price of fresh vegetable rose 35.9 percent; meat, poultry, and eggs, 20.7 percent; aquatic products, 18.6 percent; fruit, 29.6 percent; grain, 9.8 percent, Chinese medicines, 8.9 percent; books, magazines, and periodicals, 23.2 percent; and fuel, 15.5 percent. Prices for garments and daily necessities remained basically the same as in the previous year and prices for cultural and recreational goods dropped somewhat. The cost of living index for workers and staff rose 8.5 percent over 1984. Of this, prices for consumer goods rose 7.9 percent and those for services went up 15.8 percent.

VII. Foreign Economy and Tourism

Total value of imports and exports in 1985 came to $301 million, a 47.3 percent increase over the previous year. Exports totaled $227 million, 36.2 percent more than in 1984; and import totaled $74 million, up 96 percent. In exports, the proportion of manufactured goods dropped from 95.7 percent in 1984 to 88 percent; and that of farm and sideline products rose from 4.3 to 12 percent. Exports of major commodities in 1985 rose over the previous year. Coal exports rose 11 percent; alumina, 300 percent; nails, 340 percent; spirits, 26.4 percent; astragalus membranaceus, 54.9 percent; cloth, 61.3 percent; fur coats, 130 percent; and detergent, 41.9 percent. Exports of miscellaneous grain, garments, Glavber's salt, and yeast also increased by a big margin over 1984.

A total of 16,537 visitors came to Shanxi in 1985 on tours and visits and for trade, sports, scientific, and cultural activities, a 9.5 percent increase over the previous year. The figure included 14,785 foreigners, a 17.5 percent increase over 1984; and 1,752 Overseas Chinese and Chinese compatriots from Hong Kong and Macao, down 30.6 percent. Foreign exchange income from these sources was valued at 12.89 million yuan, an increase of 190 percent over 1984.

VIII Science, Education, and Culture

In 1985 Shanxi submitted 476 provincial scientific and technical research results to the state, a 5 percent increase over the previous year. During the year, 16 scientific and technical research results won prizes from the state and 7 innovations received national awards.

Institutions of higher learning enrolled 14,107 students, 2,430 more than in 1984. These institutions had a total enrollment in 1985 of 41,946 students, 5,608 more than the previous year. Adult higher education institutions enrolled 12,088 students last year, 8,571 more than in 1984. That increased the total student body to 30,244 last year, 21,497 more than the year before. Graduates from these schools totaled 8,499 and 7,162, respectively.

Senior middle schools had 229,000 students, 16,000 more than in 1984. Junior middle schools had 1,341,000 students, 51,000 more than in 1984. Secondary technical schools had 51,448 students, 4,732 more than the previous year. Apprentice schools had 18,569 students, 2,902 more than in 1984. Agricultural middle schools and vocational middle schools had 75,808 students, up 11,760. The students enrolled by agricultural middle schools and vocational middle schools accounted for 49.8 percent of those enrolled by senior middle schools. Adult middle schools had 259,000 students, an increase of 50,000 or so over 1984.

In 1985 there were 3,352,000 pupils in primary schools, down 4.6 percent. In the 36 counties that passed the acceptance test on popularizing primary education, the rate of children entering school rose from 98.76 percent in 1984 to 98.95 percent. A total of 7,731 kindergartens accepted 593,000 children, 108,000 more than in 1984. Headway was made in education for the blind, deaf, mute, and mentally retarded.

Last year the province had 6,680 cinemas and film projection teams, 175 performing art troupes, 128 cultural clubs, 103 public libraries, and 56 museums. There were 3 radio stations, 12 radio transmitting and relay stations, 6 television stations, and 16 television transmitting and relay stations, each with capacity of more than 1,000 watts. The province published 540 million copies of provincial, prefectural, and city newspapers, up 27.1 percent from 1984; 78.64 million copies of magazines and periodicals, down 22.8 percent; and 99.91 million copies of various kinds of books, up 1.7 percent.

IX Public Health and Sports

The number of hospital beds reached 82,000 by the end of 1985, an increase of 4.8 percent. Professional health workers numbered 110,500, up 3 percent as compared with 1984. The total included 48,600 doctors (including physicians trained in traditional Chinese and Western medicine), up 0.6 percent; and 16,500 nurses, a 0.8 percent increase over 1984.

In 1985 the province's athletes won 38 gold, 35 silver, and 47 bronze medals in the national games. Two of them broke 2 national records twice and 35 broke 48 provincial records on 64 occasions. A total of 1,072 sports meets were held at and above the county level with a participation of 318,000 athletes. A total of 1.31 million people met the requirements prescribed by the "State Standards for Physical Culture and Sports Training."

X. Living Standards

Living standards in both the cities and the countryside further improved in 1985. A sample survey of 2,100 peasant families in 35 counties showed an average annual per-capita net income of 358.3 yuan (including 319.21 yuan from productive activities and 39.09 yuan from cash and articles remitted or brought back by family members working away from home and relief funds issued by the state), a 5.8 percent increase of 19.52 yuan more than last year's 338.78 yuan (footnote 2) (net increase of the peasants in 1984 was 350.5 yuan); if calculated in terms of 1985 prices (excluding the case presented by the peasants to each other and the income from selling property), the figure should be 338.78 yuan). Average per-capital living expenses were 272.74 yuan, up 21.6 percent. A sample survey of 840 worker and staff households in 8 cities showed an average annual per-capita income of 580 yuan, a 15.9 percent increase. Living expenses reached 558.6 yuan, up 25.8 percent from 1984. Deducting the rise in the cost of living index, real income rose by 6.2 percent and expenses rose by 15.3 percent. A sample survey of 200 inhabitant households in 4 counties showed an annual per-capita income of 477 yuan and living expanese of 428.9 yuan.

In 1985 jobs were found for 134,000 people in urban areas. The province had 3,771,000 workers and staff by the end of the year, 193,000 more than in 1984. Self-employed workers in cities and towns totaled 83,000. The annual wages of workers and staff in 1985 totaled 4.01 billion yuan, up 12.7 percent from 1984. The average annual cash wage for workers and staff was 1,098 yuan, a 7.2 percent increase over the previous year.

By the end of 1985, urban and rural savings deposits totaled 5.29 billion yuan, 30.6 percent more than the 1984 year-end figure.

Social welfare work improved somewhat. There were 13 social welfare institutes run by the civil administration departments in 1985 which provided for 882 elderly, disabled, mentally retarded, and orphaned people who lost their ability to work, had no income, and had nobody else to support them. Rural collectives provided for 38,704 elderly, widowed, disabled, and orphaned people, 650 more than in 1984.

XI Population

According to a sample survey of 45,902 residents in 256 groups (village in 52 counties, the provinces birth rate in 1985 was 17.32 per thousand, the mortality rate was 6.36 per thousand, and the natural growth rate was 10.96 per thousand. By the end of 1985, the province had 26,265,000 people, 262,000 more than the previous year.

SHANXI PROVINCE UNVEILS 'AMBITIOUS' IMPORT, EXPORT PLANS

HK250413 Beijing CHINA DAILY in English 25 Mar 86 p 2

[By staff reporter Chen Zhisong]

[Text] Taiyuan -- Shanxi Province has mapped out ambitious plans for the development of its exports and imports over the next five years.

It is expected that by the year 1990, the province's exports will be worth $400 million, which represents an average annual growth rate of 13.2 percent during the Seventh Five-Year Plan (1986-1990).

"Shanxi's exports have a lot of potential because the province is blessed with rich natural resources," Li Shuangchai, deputy chief of the Shanxi Provincial Foreign Economic Relations and Trade Bureau Office told CHINA DAILY.

Reserves of six of the province's 86 mineral despoits are the largest in China -- coal, alumina, refractory rock, limestone, gypsum and perlite.

Its coal, farfural chemicals, and Huangqi (a Chinese herbal medicine) exports are the largest in China. Other major export goods include Fen and Zhuyeqing liquors, Meihua brand silk filament, and the traditional medicines Kwi Ling Chi Chiew and Dingkundan.

Being a major maize producer, Shanxi is also considering expanding its maize exports. This year, it has been licenced by the state to export 500,000 tons of maize, compared to 80,000 tons in 1985. Some of the province's major export producers will be allowed to import and export directly from this year. And export-oriented factories will receive priority in their construction. The province now has some 20 export products that are capable of earning $1 million that of foreign exchange in one year. [as published]

When asked about the province's import business, Li told CHINA DAILY that foreign capital and technology imports over the next five years should show no remarkable increase as the state had tightened up on spending in this field.

However, 58 key businesses have been listed for major technical modernization with foreign help during the next five years, including the Taiyuan Iron and Steel Complex, the Taiyuan Heavy Machinery Plant and the Shanxi Fertilizer Plant.

Imports of complete sets of industrial equipment will be reduced to a minimum. Attention will be focussed on the exploitation and consolidation of technology imported during the last five-year plan period. In that time, the province established 178 co-operative projects with foreign countries, involving turnover of $138 million. Of the projects, 115 involved technical improvements in the coal, metallurgical, machine, textiles, chemical, electronic and light industries. By 1985, 60 of the 178 projects had gone into operation, resulting in improve economic efficiency. A recent provincial survey on 30 of these businesses shows that they are yielding $3 for every one invested.

"Shanxi Province is a latecomer in the import and export field. Shares in foreign capital and technology import are small compared with the coastal provinces," said Li.

To date, the province has set up import and export agencies in the cities of Tianjin, Guangzhou, Shenzhen and in the U.S., Central Africa and Hong Kong.

TIANJIN MAKES ARRANGEMENTS FOR PARTY RECTIFICATION

SK260346 Tianjin TIANJIN RIBAO in Chinese 12 Mar 86 p 1

[Excerpts] A good job should be done in consolidating the party organizations at the grassroots levels, combating negative phenomenon inside the party, upgrading the ideological and political quality of broad masses of party members at the grassroots levels, building the party's basic organizations into strong combat bastions, and in enabling the broad masses of party members at the grassroots levels to play a vanguard and model role on the forefront of conducting production and reforms.

All these were the tasks adopted at the party rectification work conference sponsored by the municipal CPC Committee with regard to carrying out party rectification at the grassroots levels this year.

The work conference on party rectification sponsored by the municipal CPC Committee opened on 9 March and concluded on 11 March. At the conference, the responsible comrades of the municipal CPC Committee delivered reports on behalf of the leading group for party rectification.

At the conference the participating comrades held group discussions.

The conference pointed out: Our municipality scored marked achievements in carrying out second-stage party rectification work last year. According to the central arrangements and the work plan mapped out by the municipal CPC Committee, our municipality will carry out in an overall way party rectification work at the grassroots level this year. The number of units that should undertake party rectification work totals 10,644 with 215,658 party members. The party rectification work at the grassroots levels throughout the municipality will be basically concluded next spring.

The conference stressed: In line with the central spirit and the state of affairs in party organizations at the grassroots levels throughout the municipality, the work emphasis of party rectification among units at the grassroots levels should be as follows:

1. Efforts should be made to regard the work of straightening out party style as very important. It is necessary for every unit to earnestly deal with the prominent problems that have hindered the tasks of achieving a fundamental turn for the better in party style and social morale, correcting various malpractices, strictly enforcing party discipline, and earnestly investigating and dealing with serious cases.

2. A good job should be done in conducting education on party spirit, on ideals and discipline, on the spirit of serving the people wholeheartedly, and on the four basic principles.

3. Efforts should be made to straighten out understanding on the situation and policies, to eliminate "leftist" influence, to combat one-sidedness in ideology, and to correctly discern problems cropping up along the road of advance.

4. Efforts should be made to enhance the building of leading bodies in party organizations at grassroots levels and to build these bodies into institutions that are upright in ideology, political line, and workstyle, that can unite as one, that are full of vigor, and that can lead the masses to march forward along the socialist road.

Wu Zhen, deputy secretary of the municipal CPC Committee, attended the conference and delivered a speech, in which he stated: To make a success of party rectification work this year, it is imperative to regard the work of straightening out party style as an important political task and as the emphasis in conducting party rectification work and consolidating or developing the achievements scored in the party rectification drive, and to attach great importance to the work. All units that should take up party rectification work this year, or those who have completed the work must do a good job in grasping the important task of straightening out party style. In straightening out party style, efforts should be made to firmly grasp the three links of having leading cadres take the lead, earnestly dealing with the malpractice on one's own front, and upgrading the political quality of party members. In waging the party rectification drive, efforts should be made to promote and ensure smooth progress in the programs of conducting reforms and economic construction.

XINJIANG BOOSTS TRADE WITH USSR, OTHER COUNTRIES

OW260818 Beijing XINHUA in English 0758 GMT 26 Mar 86

[Text] Urumqi, March 26 (XINHUA) -- Xinjiang Uygur Autonomous Region will increase its total value of imports and exports by 11 percent this year to 323 million U.S. dollars, a foreign trade official here said today.

The official in this regional capital said Xinjiang would boost foreign trade with the Soviet Union, Pakistan and other neighboring countries over the next five years.

It would export 350 million U.S dollars of goods by 1990, up 94.4 percent over 1985 and import 150 million U.S dollars, up 36.4 percent.

To achieve this, regional authorities would set up several cotton and fruit export production centers, and factories to process animal by-products.

Cotton exports would increase by up to 20,000 tons a year to 140,000 tons by 1990, cotton cloth to 50 million meters, woolen fabrics to one million meters and carpets to 100,000 square meters. There would also be big increases in exports of animal by-products, minerals, machinery, fruit and other food.

Last year, Xinjiang's foreign trade was worth 291 million U.S. dollars, almost four times the 1980 figure.

The official said the total volume during the Sixth Five-Year Plan (1981-1985) came to 814 million U.S. dollars -- 17 percent above the quota.

KUANG CHIAO CHING ON FUJIAN LEADERSHIP CHANGE

HK230550 Hong Kong KUANG CHIAO CHING in Chinese No 162, 16 Mar 86 pp 6-7

[Article by contributing reporter Lu Li: "The Whole Story About Chen Guangyi Replacing Xiang Nan"]

[Text] Two Special Planes Carried Xiang Nan, Hu Ping, Hu Hong, and Chen Guangyi to Beijing, and Hu Yaobang and Zhao Ziyang Immediately Convened a Group Meeting

In mid-February, two special planes respectively took off from Fuzhou and Lanzhou, carrying leaders of Fujian Province and Gansu Province to Beijing. Those coming from Fujian included provincial party committee Secretary Xiang Nan, provincial party committee Deputy Secretary and provincial Governor Hu Ping, and provincial party Advisory Commission Chairman Hu Hong; from Gansu, provincial Governor Chen Guangyi was called to Beijing. Shortly after they arrived in Beijing, Hu Yaobang and Zhao Ziyang held a secret meeting with these people from the southeast and the northwest. Why did the CPC central leaders meet with these four local leaders at the same time? The answer has been brought to light: At that meeting, the top leadership in Beijing decided to assign Chen Guangyi to replace Xiang Nan as secretary of the Fujian Provincial CPC Committee.

The rumor that Xiang Nan will soon be transferred from Fujian has been circulated in overseas areas from time to time, but the rumor was merely guesswork. Now Xiang Nan's departure is a fact.

Because of his being overage, Xiang Nan has many times requested that the CPC central leadership let him retire from office. There are different reports about Xiang Nan's age in China and in overseas areas. It has been learned from authoritative sources that Xiang Nan was born in 1918, so he is nearing 70. He is now in good health and is full of vigor. He has been shouldering the arduous tasks of leading the party and government in Fujian for 5 years. However, it is just a matter of time before he retires to the second line according to the principle of rejuvenating the ranks of cadres and substituting the old with the young.

Beijing Transferred Jia Qinglin to Fujian

In light of the needs of actual work, the CPC central leadership asked Xiang Nan to continue working in Fujian for some time. At the same time, the central authorities and Fujian Province have also begun to readjust the leading body of the province. Last year the National Conference of Party Delegates, the people's congress, and the CPPCC meeting all made some readjustments in their leading organs, with some old people stepping down and some new people being promoted to fill in the vacancies. In particular, Beijing transferred Jia Qinglin, who is relatively young, to Fujian and appointed him deputy secretary of the provincial party committee. Jia is now the number three leader in the province next to Xiang Nan and Hu Ping.

Chen Guangyi Will Arrive in Fujian in Mid-March

Xiang Nan's retirement has been arranged. After repeated studies and discussions, the CPC top leadership has finally decided to transfer 52-year-old Chen Guangyi, who was born in Putian City of Fujian, back to his home province from Gansu to take over Xiang Nan's job. It is learned that the CPC central leadership is still discussing this transfer and other personnel arrangements with the Gansu provincial party and government leaders, and some formalities have yet to be gone through. It is expected that Chen Guangyi will not come to Fujian until mid-March. Xiang Nan and his wife Wang Zhiqing (director of the Fujian provincial cultural, educational, scientific, and public health committee) will move back to Beijing, but no new jobs have assigned to them yet.

Many cadres and ordinary people in Fujian are talking about Xiang Nan's departure. They all praise this broad-minded old secretary who dared to make explorations in reforms and to undertake responsibilities and who always sets strict demands on himself.

Xiang Nan came to his leading post in Fujian in January 1981, and has now stayed in this post for 5 whole years. The past 5 years coincided with the period of the Sixth 5-Year Plan, in which Fujian Province experienced major changes through the adoption of measures for setting things in all fields right and for various reforms and through opening up to the outside world and speeding construction.

As is known to all, during the disastrous 10-year Cultural Revolution, Fujian was well-known as a severely afflicted area. Moreover, there were many knotty and complicated problems left over from the previous 20 to 30 years. When coming to Fujian to shoulder the heavy task of leading this province in 1981, Xiang Nan faced a lot of difficulties. But he bravely went ahead together with cadres and people in the whole province to vigorously carry out the tasks, principles, and policies laid down by the central authorities for the new period. He has done a great deal of work for creating a new situation in Fujian. His achievements can be summarized into the following five points:

The Five Issues That Xiang Nan Has Solved in Fujian

First, as soon as Xiang Nan took office in Fujian, he began to grasp the key link of setting straight the guiding principle and emancipating people's minds so as to break through the "leftist" conventions and to eliminate the residual influence of the "leftist" ideology. He took the lead in resolutely promoting the agricultural production responsibility system, and this began to give rise to major changes in the Fujian countryside.

Second, Xiang Nan has made great efforts to ensure the implementation of various policies. He does not pay attention to the implementation of merely one or two policies, but he pays attention to the implementation of all policies. He has redressed many mishandled cases in Fujian, including those concerning the underground party organizations in Fujian, the urban work department, and other historical problems. He has personally dealt with affairs concerning the implementation of the policies toward Overseas Chinese and their relatives at home, toward cadres, and toward intellectuals. This has greatly gratified cadres' and people's feelings.

Third, in the past 5 years, Xiang Nan has done a great deal of work to implement the policy of "enlivening the domestic economy and opening up to the outside world." In particular, he has done much pioneering and exploring work. Fujian has built a special economic zone in Xiamen, has opened the Fuzhou area and the Minnan triangle areas, and has achieved good results in these opening areas by adopting various special and flexible measures.

Fourth, Xiang Nan has spared no effort to promote Fujian's economic construction. In the past, as a "forefront" province, there were no key construction projects in Fujian for more than 30 years, and the province could not free itself from the poor and backward conditions for a long time. This is a fact known to all. After coming to Fujian, Xiang Nan made many inspection tours in all parts of the province and instructed all localities to bring the advantages of the natural conditions of having mountains and seas and the advantages of having overseas relatives and special policies into full play. Proceeding from the actual conditions, Fujian has built eight major bases and successfully fulfilled the tasks of the Sixth 5-Year Plan. The economic growth rate of Fujian has exceeded the national average, and the living standards of the people in Fujian have been markedly raised.

Fifth, while making efforts to develop material civilization, Xiang Nan also pays full attention to the development of spiritual civilization. He attaches great importance to education, technology, scientific research, and management, and sets great store in the development of intellectual resources. Xiang Nan has made special efforts in all this regard. He has personally written editorials and articles for FUJIAN RIBAO, and this has deeply impressed the people.

Of course, no one will deny that Fujian Province has encountered various problems and made some errors in the past 5 years, and there are still many difficulties and contradictions that have yet to be solved in the process of advance. At the same time, we do not mean that all achievements of Fujian Province in the past 5 years must be attributed to the efforts made by Xiang Nan alone or by a small number of people. It is due to the joint efforts made by the 26 million people in Fujian, with whom Xiang Nan has worked, that the province has made such remarkable achievements. However, if one reviews the situation over the past 5 years, one may admit that the past 5 years represent the best period in terms of development in Fujian. In the past 5 years, a solid foundation has been laid for Fujian's future reforms, opening, and construction. This good situation is indeed valuable, because it has not come easily.

At the Meeting, Hu and Zhao Praised Xiang Nan

It has been learned that when holding a meeting with Xiang Nan, Hu Ping, Hu Hong, and Chen Guangyi, central leaders Hu Yaobang and Zhao Ziyang fully affirmed the results and achievements in the past 5 years that Xiang Nan made in Fujian. They particularly praised Fujian for resolutely carrying out the central authorities' principles, policies, measures for the new period. They expressed great expectations for Fujian's future development and hoped that Fujian will continue to make efforts, will maintain unity and stability, and will develop the good situation.

Chen Guangyi Graduated from Northeast Polytechnic College

On the part of Chen Guangyi, it is certain that he is now facing a heavy load of work. Chen Guangyi, 52, graduated from the Northeast Polytechnic College. In school, he majored in metallurgy. He graduated from the college in 1953. He belongs to the first generation of college graduates trained by New China.

Chen Guangyi Was a Leader of a Silver Refining Plant

After graduation, Chen Guangyi worked for a long time in the metallurgical department and lived in northwest China for a long time. He previously worked in a famous silver plant, and he has rich experience in dealing with technical affairs. A few years ago, he was promoted to the provincial leading body and was elected a member of the CPC Central Committee at the National Conference of Party Delegates in September last year. (Hu Ping also entered the Central Committee on that occasion.) Chen Guangyi was born in Putian City of Fujian Province. His mother still lives in his home town. Chen's wife is from Sichuan and is also a college graduate. As it is understood, the central leadership fully trusts Chen Guangyi in deciding to transfer him to Fujian, and Chen also expressed his determination to carry forward Fujian's work and develop the achievements made by Xiang Nan. It is expected that he will arrive in Fujian in mid-March. After meeting with other provincial leaders, it is expected that the first thing he will do is to make an inspection tour in various areas of the province as Xiang Nan did.

Zhou Hui, Secretary of the Nei Monggol Regional Party Committee, May Also Be Replaced

Reportedly, another overage provincial-level secretary -- Nei Monggol regional party committee Secretary Zhou Hui -- will also be replaced soon, and a younger cadre will take over his job.

At present the only overage provincial-level leader remaining in office is Xu Jiatun, director of the XINHUA Hong Kong Branch. However, according to the wishes of most people in Beijing and in Hong Kong, he is expected to continue in his important post for some time, because it is hard to find another suitable person who will also be accepted by Hong Kong people to take over his job. Therefore, Director Xu may still remain in his leading post in Hong Kong for a few years.

ATTITUDE TOWARD 'CULTURAL DISSENT' SEEN CHANGING

HK200923 Hong Kong SOUTH CHINA MORNING POST in English 20 Mar 86 p 2

[Article by K.C. Tsang: "China Eases Up on Cultural Dissent"]

[Text] Subtle changes are occurring in China's approach to dealing with "erroneous elements" in the cultural field, as a result of more open policies and continued pressure from overseas Chinese communities. There have been a number of cases in the past two years involving men of letters, whose thinking and works ran foul of the authorities. Some lost their jobs, others simply gave up writing or are writing less and, of course, still some others simply switched to the party line. But regardless of the nature of the "offences," the treatment of artists or writers has improved somewhat as the Government becomes more conscious of public opinion overseas, especially those in Hong Kong and the North American Chinese communities.

In the past, when a person was condemned for misconduct, either morally or by way of his writings, he would go into complete eclipse. He would be ostracised by the community, and all his past deeds, however glorious, would no longer be counted publicly. For a writer or novelist, this meant his works would not see daylight again once the author was condemned for a criminal offence or for political reasons. In those days it did not matter much whether the crime was political or criminal as there was often no distinction made between the two.

Such a policy, highly feudalistic in nature, was in fact inherited from imperial times, which officially ended with the demise in 1911 of the Qing dynasty under the infant Emperor Henry Pu Yi. In imperial times, the only way of getting into official-dom was through examinations on Confucian learning from the lowest grade in the village to the highest examinations in the emperor's court. For all those who failed the imperial exam, their fate -- at least that of the majority -- was sealed and they were destined to lead a miserable life. Those who became frustrated and incurred the wrath of the emperor or his officials through their words or writings could easily be condemned in what is known as "jailing for a literary offence." It has been very much a Chinese tradition to hold literature or writers with a dissident view in contempt.

In the case of communist China, the numerous struggles waged against the intellectuals in the anti-rightist campaign during the mid-1950s and the cultural revolution a decade later were to a large extent aimed at the thinking and writings of individuals. The "offences" arose from deviations in thinking from the official line. This is no different from offences committed in imperial times by those who were ostracised for having gone against Confucian beliefs. One exception was during the rule of Emperor Qin Shi Huangti, who ordered the burning of Confucian works and condemned thousands of Confucian intellectuals to death. Emperor Qin's mass clampdown was, again, ideologically based because at that time the learning of Confucianism was held in contempt.

The anti-rightist campaign and the cultural revolution reflected a struggle between two lines of thinking -- the capitalist and the socialist lines -- in addition to a struggle for political power. A new, more enlightened approach towards treating intellectuals and their work began to emerge only in the past couple of years. The communist authorities have become more sensitive to issues, notably those involving writers who have an appeal among overseas Chinese.

One must not underestimate the pressure generated by the intellectual class of Chinese people living overseas, particularly North America. Some Hong Kong-based periodicals regularly feature the life and work of intellectuals in China, which have attracted great attention among overseas Chinese. These articles often follow in great detail issues concerning controversial literary figures in China and have aroused concern among leaders in Beijing, which would not wish to upset the feelings of overseas Chinese intellectuals. China is working hard to win the goodwill of the overseas Chinese, many of whom have contributed towards the country's development and whose support would be significant in China's effort at unification with Taiwan.

Another reason for a more tolerant attitude is the open policy adopted by the Chinese authorities. Such a development is the result of a recognition of backwardness in the economic and cultural fields, although there is still a long way to go for China to become a land of free creativity in the sense we have come to know.

Despite high or excessive sensitivity towards critical literary works, such as those by popular writer Liu Binya, the policy these days does not go to the lengths of sending offenders into political exile. Mr Liu was spared the hardship of going into disgrace or becoming a "political untouchable," just because some of his works had incurred the wrath of those in power. Directly or indirectly, Mr Liu has now been muffled. But in the past, the stinging criticisms in his famous semifictional work, "Between Men and Devils," could have cost him his life or a long jail term for having written "anti-party materials." While Mr Liu continues to keep his pay and technically keeps most of his literary positions on committees, he has nevertheless come under enough pressure for him not to go further in his criticism. He has since vowed not to write more under the present atmosphere.

The treatment of Mr Liu and a few other literary figures in recent months suggests that subtle changes are occurring across the cultural front, although there is still plenty of room for relaxation.

The punishment meted out to famous writer Zhou Erfu in March is another case which throws new light on the current approach in disciplining offenders who are party members and have allegedly committed a misconduct which had nothing to do with their literary work. According to a CHINA NEWS SERVICE report on March 3, Mr Zhou, who had enjoyed high fame being vice-president of the Chinese People's Committee for Friendship With Foreign Countries, was also stripped of all his leading official positions in the cultural field. This was in addition to yet another punishment of expulsion from the party. Mr Zhou's offences arose from his visit to the Shintaro Shrine in Tokyo last October while he was in Japan as head of an official delegation. The report said Mr Zhou visited the shrine in spite of the strong advice against it by officials in the Chinese Embassy in Tokyo. Obviously, Mr Zhou, being a senior party member, put himself on the line by going against China's policy of condemning any honour accorded to the Japanese war dead, because of Japanese atrocities in China during the invasions before and during World War II. It seems, at least on the surface, that the action against Mr Zhou was justified on the grounds that being the leader of an official Chinese delegation, he had committed an act in a foreign country, which in the view of the Chinese Government was detrimental to the prestige of the state.

Agency reports also said that Mr Zhou was fired also for misconduct involving sex during his Tokyo visit. The first offence alone would be severe enough to have caused Mr Zhou to be sacked.

One major difference in the treatment of the writer is that despite the "heinous crimes" he had committed, his works such as "Morning in Shanghai" were not banned. This is clearly an attempt to make a distinction between the conduct of a person and his works. The same applies to writer Liu's works.

The CHINA NEWS SERVICE said there was no interruption on the broadcast of serialisation of his works on Central People's Radio, which began on December 29. Moreover, Chinese authorities promised that publication and sale of his other works will not be affected by the punishment. However, despite the more lenient treatment so far as the writer's works are concerned, there should be little doubt in anybody's mind that he will lose a lot of his friends.

What is inadequate in the balance of justice in this case is that Mr Zhou's version of the story, his defence, has yet to be heard, for details of the disciplinary hearings have not been disclosed. The question of accountability arises in Mr Zhou's case as he was a public official and the decision to expel him from the party was made by the central disciplinary committee -- the highest authority on party disciplinary matters in China. To those concerned about developments in China, any defence put up by Mr Zhou would be of great interest indeed. Attempts will be made by publications specialising in China to find out more about the case. Intellectuals in Hong Kong and North America, who are interested in cultural development in China, will be interested in the case. After all, sketchy details involving punishment against a well-known man of letters will not satisfy the public. A more open attitude on the part of the authorities will raise the level of accountability to the public and stop speculation.

It remains to be seen whether the treatment of Mr Zhou -- expelling him from the party for his act being "unworthy of a party member" but imposing no restriction on the circulation of his works -- will be an exception. The official CNS report did not say that the same treatment would apply to all others as a rule. It simply pointed out that the action against Mr Zhou "is different from the usual practice." Time will tell whether the treatment of Mr Zhou will establish a new practice that is more rational and which befits a more open society.

3 HONG KONG, 2 MACAO RESIDENTS ELECTED TO CPPCC

HK190212 Hong Kong SOUTH CHINA MORNING POST in English 19 Mar 86 p 10

[Text] Three Hong Kong residents and two from Macao were among 61 people elected yesterday to the Chinese People's Political Consultative Conference.

The Hong Kong members are prominent surveyor Mr F.Y. Kan, the chairman of the Hon Wing Book Co, Mr Shek King-yee, and the director and general manager of the Yue Hwa Chinese Products Emporium Ltd, Mr Yu Kwok-chun.

The two Macao residents are company chairman Mr Wong Hua-hang and the general manager of the Tai Fung Bank, Mr Ho Aajau-Wah.

Mr Ho is the son of the late Mr Ho Yin, who was also a CPPCC member and the former chairman of the Tai Fung Bank. Mr Ho, 31, will be the youngest CPPCC member. Mr Kan is president of the Hong Kong Institute of Surveyors and a member of the 180-strong Basic Law Consultative Committee which was set up in December to advise on the drafting of the Basic Law. The five were named in a dispatch from the China News Service, but they have yet to receive official confirmation from the New China News Agency. Mr Kan said last night he would be honoured to serve the body. The inclusion of the five new members will take the number of Hong Kong and Macao delegates to 54.

FBIS DAILY REPORT

China

CONTENTS

Vol I No 059 27 March 1986

PRC INTERNATIONAL AFFAIRS

GENERAL

Reportage on U.S.-Libya in Gulf of Sidra A 1
XINHUA Examines 'Feud' A 1
RENMIN RIBAO on Conflict [26 Mar] A 2
U.S. Press on Clash A 3
Gorbachev Criticizes U.S. A 4
Gorbachev Calls for Withdrawal A 5
U.S. Ignores Soviet Offer A 5
USSR's Policy Toward Afghanistan, Cambodia A 6

UNITED STATES

RENMIN RIBAO Comments on U.S. Policy on Nicaragua [25 Mar] B 1
U.S. Groups Lobby for Increased Exports to USSR B 2

SOVIET UNION

PRC Delegation to USSR on Nuclear Technology C 1
Roundup Views USSR Economic Reform Movement C 1

SOUTHEAST ASIA & PACIFIC

New Zealand's Prime Minister Continues Visit E 1
Zhao Ziyang Welcomes Lange E 1
Zhao, Lange Exchange Speeches E 1
Zhao, Lange Hold Talks E 2
Wan Li, Hu Qili, Lange Meet E 3
Li Hou Visits NPC Deputies From Hong Kong, Macao E 3
Roundup Views SRV Economic Disorder E 3
CHINA DAILY Backs CGDK Peace Plan for Cambodia [27 Mar] E 4
RENMIN RIBAO Denounces Vietnam on Cambodian Issue [21 Mar] E 5
CGDK Defense Coordination Committee Meets E 6

SOUTH ASIA

Meese Reaffirms U.S. Support for Afghans F 1
India Not To Renew Oil Contract With USSR F 1

WESTERN EUROPE

Han Nianlong Meets FRG Socialist Party 26 March G 1
Danish Prime Minister Schluter Arrives in Xian G 1
Italian Journalist Interviews Hu Qili G 1

EASTERN EUROPE

Husak Speaks on Foreign Policy at CPCZ Congress H 1

MIDDLE EAST & AFRICA

Li Xiannian Hosts Return Banquet for Ratsiraka I 1
Lays Wreath I 1
Presidents Hold Talks I 1
Leaves for Home I 2
Chen Muhua on Overseas Chinese Policy I 2

PRC NATIONAL AFFAIRS

Ten Sections of Seventh 5-Year Plan Summarized K 1
Drafting of Plan Explained K 1
Plan Highlights, Part One K 2
Part Two K 3
Part Three K 3
Part Four K 3
Yang Dezhi: Phase One of PLA Reorganizing Complete K 4
Song Ping Interviewed on Planning Work K 5
[LIAOWANG 24 Mar]
Appointing Cadres on Merits Stressed K 8
[RENMIN RIBAO 18 Mar]
Improper Means for Correcting Unhealthy Trends Seen K 9
[RENMIN RIBAO 24 Mar]
Creative Freedom, Social Obligations Examined K 10
[GUANGMING RIBAO 7 Mar]
Literature, Art Serving Two Civilizations Urged K 15
[HONGQI 16 Mar]
Supply Improvement, Demand Control Discussed K 16
[RENMIN RIBAO 10 Mar]
JINGJI RIBAO Discusses Price Problem Issues [15 Mar] K 22
LIAOWANG on PLA Contributions to World Peace [17 Mar] K 24
Tian Jiyun Inspects Hubei, Stresses Agriculture K 26
Commentary Urges Horizontal Economic Cooperation K 28
State Council Issues Economic Association Rules K 28
CYL Circular Stresses Ideological Education K 29
Wang Zhaoguo Attends CPPCC Group Discussion K 29
Former Vice Premier Chen Yonggui Dies at 72 K 29
XINHUA Report Identifies Marxist Scholar K 30

PRC REGIONAL AFFAIRS

EAST REGION

Jiangsu's Han Peixin, Gu Xiulian Present Awards O 1
Jiangxi: Wan Shaofen on Building Old Base Areas O 1
Zhejiang NPC Deputies Leave for Beijing O 2

CENTRAL-SOUTH REGION

Guangdong Reclamation Farms Enjoy Preferential Treatment P 1
Hubei To Switch People's Armed Forces Departments P 2
Hunan: Mao Zhiyong, Other Leaders Visit NPC Deputies P 2

SOUTHWEST REGION

Sichuan Leader on Machine-Building Industry Q 1
Sichuan Meeting Urges Support for Spring Farming Q 1
Xizang: Wu Jinghua Attends Rally on Party Style Q 1
Xizang Leaders Address 'Party Style' Rally Q 3
Xizang's Wu Jinghua at Opening of Sport Meet Q 5
Xizang Radio Commentary on Correcting Party Style Q 5

NORTH REGION

Beijing Rally on Transfer of Armed Forces Departments R 1
Hebei Starts Transferring Armed Forces Departments R 1
Shanxi 'Good Sons and Daughters' Deliver Reports R 2

TAIWAN

CNA Views Reasons for Convening Sixth NPC V 1
Editorial Studies ADB Membership Name Issue V 1
[CHINA POST 20 Mar]

HONG KONG MEDIA ON CHINA

HSIN WAN PAO Comments on Gulf of Sidra Incident [26 Mar] W 1
Ye Xuanping Says Ye Jianying in 'Stable' Condition W 2
[WEN WEI PO 26 Mar]
RENMIN RIBAO Chief Editor, Deputies Appointed W 2
[WEN WEI PO 25 Mar]

REPORTAGE ON U.S.-LIBYA CONFLICT IN GULF OF SIDRA

XINHUA Examines 'Feud'

OW261606 Beijing XINHUA in English 1546 GMT 26 Mar 86

["News analysis: Deeply-Seated Feud Stirs Up U.S.-Libya Clash" (by Bao Guangren) -- XINHUA headline]

[Text] Washington, March 25 (XINHUA) -- The Mediterranean has again become a grisly scene of regional conflict as a U.S. Navy fleet fired at four Libyan patrol boats, sinking three and damaging the other. U.S. Navy jets also bombed a Libyan missile base and a radar base yesterday.

A White House spokesman said the U.S. fleet, which began a military exercise last week in the Gulf of Sidra, launched the attack after Libya fired six missiles at U.S. aircraft. Libya, however, condemned the U.S. encroachment in its territorial waters and air space.

The bloody incident is apparently no accident. The United States has been at odds with Libya over the Gulf of Sidra for 13 years. The intensified hostility between the two countries recently has come to a head as the United States flexed its muscles on the doorstep of the North African state.

In 1973 Libya declared that the whole area of the Gulf of Sidra was under its jurisdiction. Libyan leader Mu'ammar al-Qadhdhafi threatened to attack any forces daring to cross what he called the "line of death" in the Gulf. But the United States and other Western nations have ignored Al-Qadhdhafi's warning and have insisted on recognizing only a 12-nautical-mile territorial limit and thus regard the Gulf of Sidra as part of the high seas that allow free passage by any country.

Clashes flared as U.S. Navy forces moved into the disputed Gulf in August 1981. The result: two Libyan aircraft were shot down by U.S. jet fighters.

For five years, almost from the very beginning of his presidency, U.S. President Ronald Reagan has tied Al-Qadhdhafi to worldwide terrorism. This accusation, however, has been denied in most cases by the Libyan leader. Since then, U.S. policy toward Libya has been a blend of economic sanctions and military blackmail.

President Ronald Reagan, in his first State of the Union message to Congress on January 26, 1982, vowed to "act with firmness" toward Libya, Cuba or any other nation that "would export terrorism and subversion." He depicted Al-Qadhdhafi as "enemy no. one" of the Western world on many later occasions.

Hostilities between the two countries heated up after Reagan blamed Libya for plotting the attacks in Rome and Vienna international airports last December in which 20 people were killed. Libya however denied any involvement in the attacks. After the Vienna and Rome insidents, President Reagan ordered Americans living in Libya to leave the country by February 1 and imposed economic sanctions.

Meanwhile, a U.S. fleet was sent to the Gulf of Sidra to begin a "demonstrative" war game in January. This action incurred strong condemnation from Libya and many other Third World countries, the Arab nations in particular.

The U.S. Government, which has always tried to find ways to punish Libya, was encouraged by its rival's military constraint. So, three U.S. aircraft-carriers steamed into the Gulf of Sidra last week for a 10-day exercise, which at last stirred up the exchange of fire between the two nations.

Despite White House explanations that the U.S. attacks are merely defensive and retaliatory actions, the American press here indicated that the U.S. attack is nothing but an outburst of its pent-up outrage against Al-Qadhdhafi.

It is apparent that the Americans' crossing the "line of death" was designed to provoke Libya into a military action so that the United States could teach Al-Qadhdhafi a lesson. A Pentagon source said that even several weeks before the incident U.S. forces were put on alert and were ready to act as soon as an opportunity arose.

The United States has also long been anxious to destroy Libya's air-defense base at Sidra built with the help of the Soviets. The missile base is on the top of a list of targets in a possible U.S. counterattack proposed by the White House staff after the Rome and Vienna airport attacks last year. But the Pentagon cannot justify its action since there has been no evident link between the base and the terrorists.

The U.S. Congress seems to condone the U.S. attacks. Still, there are some congressmen who criticized Reagan for violating the war powers act because he failed to consult with Capitol Hill before taking military action.

Many Americans are worried about the possible escalation of the U.S.-Libya conflict, which they think might cost a great number of American lives. Some others are also concerned that the U.S. punitive measures will backfire, triggering more hideous terrorist vengeance.

The Libyans are on a nationwide alert. Al-Qadhdhafi vowed yesterday that his country will "brave confrontation" with the United States as hundreds of thousands of Libyans took to the streets to protest the U.S. attacks. Suicide squads have been organized in the country which has also threatened to "execute all American experts" in the Arab world. Mounting tensions between the two feuding nations are drawing the attention of the whole world.

RENMIN RIBAO on Conflict

HK261134 Beijing RENMIN RIBAO in Chinese 26 Mar 86 p 6

[Roundup of reports by RENMIN RIBAO reporters' groups in Algiers, Cairo, Damascus, and Washington: "Grave Military Conflict Occurs Between the United States and Libya"]

[Text] Algiers, Cairo, Damascus, Washington, 25 Mar -- The Libyan news agency reported that the Libyan air defense forces yesterday brought down three U.S. fighters which invaded Libya's territorial airspace during a military exercise off the Libyan coast. Reports from Libya said a U.S. fleet yesterday invaded Libya's territorial waters in the Gulf of Sidra and U.S. fighters attacked the outskirts of Surt and some Libyan ships. In self-defense, the Libyan air defense forces brought down three U.S. fighters in the Gulf of Sidra.

The Libyan Government called UN Secretary General Javier Perez de Cuellar last night to lodge a strong protest against the U.S. air raid upon Libya, condemning the U.S. invasion of Libya as an act seriously threatening the peace and security of the region and the world, and pledging to exercise its legitimate right of self-defense to punish the United States for its invasion of the country. The Libyan Broadcasting Service said Libya would make good its pledge and deal "ruthless blows" to the invader. The Libyan people today held nationwide demonstrations against the United States.

The U.S. Government yesterday afternoon denied the report that three U.S. planes had been brought down by Libya, but announced that planes of the U.S. 6th Fleet had sunk a Libyan patrol boat and destroyed another in the Gulf of Sidra, and had raided a missile launch site in Libya proper. White House spokesman Speakes said the above U.S. operation was carried out after Libya fired six long-range missiles at planes of the U.S. 6th Fleet.

It is reported that U.S. Secretary of Defense Weinberger has announced that the current U.S. military exercise in the Gulf of Sidra will be continued, and has ordered all U.S. troops in the Mediterranean to be prepared for war. According to other reports, a spokesman for the U.S. Department of Defense said Libya fired at least six ship-to-ship missiles at U.S. warships in the Gulf of Sidra early this morning and the U.S. side "hit back at the enemy," destroying two Libyan vessels and some radar installations on the coast.

U.S.-Libyan relations have been very tense since the terrorist operations at the Vienna and Rome airports last December. The United States has repeatedly held massive military exercises near Libyan territorial waters this year. Since the beginning of this year, the serious confrontation between the two countries in the controversial Gulf of Sidra had threatened to break out into armed conflict at any moment. Libya has announced the waters in the Gulf of Sidra to the south of 32 degrees 30 minutes north latitude to be Libyan territorial waters, and intrusion of this zone by planes or warships of any country will be regarded as violation of Libya's sovereignty. However, the United States claims that the waters 12 nautical miles off the Libyan coast are high seas where U.S. vessels and planes have the right to enter. At present, 3 aircraft carriers with 240 aircraft and 30 warships of the U.S. Navy have assembled in the Gulf of Sidra to participate in the fifth military exercise this year off the Libyan coast.

Sources close to the U.S. Department of Defense revealed in private that the United States' purpose in holding military exercises is to lure Libya to wage war so that it can take the opportunity to retaliate against Libya. THE WASHINGTON POST pointed out: The United States "purposely provokes Libya to attack so that it can find an opportunity to retaliate against Libya." U.S. media also believe that the United States must have been well prepared for the conflict, in light of the capacity of the missiles used by the U.S. planes.

The current conflict has drawn the attention of all circles. Klibi, secretary general of the Arab League, denounced in Tunisia yesterday the military exercises by the U.S. fleet in the Gulf of Sidra as a violation of Libya's sovereignty. The French Government has expressed its "deep concern" over the current armed conflict and voiced its hope that the right of free communications in international waters will be "respected." Meanwhile, Italian Premier Craxi discussed the situation in the Mediterranean at a special cabinet meeting today.

U.S. Press on Clash

OW262141 Beijing XINHUA in English 2117 GMT 26 Mar 86

[Text] Washington, March 26 (XINHUA) -- The U.S. military confrontation with Libya in the Gulf of Sidra in the past two days was an action pre-arranged by the United States to "provoke" Libya into an attack on American planes so the U.S. could then retaliate, U.S. newspapers, such as THE WASHINGTON POST and THE NEW YORK TIMES said today. Press reports said U.S. President Ronald Reagan approved on March 14 the plan for the three U.S. aircraft carriers to manoeuver in the Gulf of Sidra.

Libya claims that the Gulf of Sidra is part of its territorial waters, but the United States and other Western countries refuse to recognize the claim. "U.S. officials said Reagan decided to send (U.S.) Navy vessels into the Gulf after being told it would almost certainly lead to a military confrontation with Libya", wrote THE NEW YORK TIMES.

At a national security policy group meeting on March 1, Reagan was told that Libya would probably attack the U.S. fleet by shooting first at U.S. planes with Soviet-built SA-5 missiles. Reagan decided to give the U.S. 6th Fleet's commander the discretion on how to respond, reports said. According to THE WASHINGTON POST, U.S. aircraft carrier operations north of Libya were first ordered in late January, but the Defense Department wanted to wait until three carriers were available near the Gulf of Sidra before testing Libyan leader Mu'ammar al-Qadhdhafi's claim that the entire Gulf is Libyan territory. U.S. officials said Al-Qadhdhafi's claim presented the U.S. with 'a golden opportunity' to test Libya but not undertake any preemptive or retaliatory action against targets that had not attacked U.S. forces first." They said in that case "any U.S. response would be defensive" and "international law and public opinion would be on our side".

Press reports said earlier that a report was presented to Reagan last July which said that Al-Qadhdhafi "threatened U.S. interests," and U.S. diplomatic pressure and economic sanctions had failed to curtail his "terrorism," and that "much stronger measures should be undertaken to thwart the Libyan leader." At that time the Central Intelligence Agency and Departments of State and Defense all agreed that an "unmistakable warning was to be sent" to Al-Qadhdhafi, although it was not yet clear how, where or when. A top-secret CIA study presented last July concluded that the U.S. "had an opportunity to redraw the map of North Africa," it is reported.

Last June, the U.S. airliner TWA flight 847 was hijacked with one American killed and 39 other held hostage for 17 days. Reagan said, according to the POST, that the televised humiliation aboard the TWA jet was too much to endure and that the U.S. would act in the future. The U.S. then decided a demonstration of U.S. resolve was necessary.

Reports also said Reagan approved a CIA covert operation designed to undermine Al-Qadhdhafi. He directed that the U.S. should coordinate with its allies in the Middle East to see Al-Qadhdhafi removed from power.

U.S. anger against Libya increased last December when Rome and Vienna airports were attacked by terrorists. The CIA claimed a strong Libyan connection in the attack and anti-Qadhdhafi planning was accelerated. In January, Reagan ordered that more money and attention be given to the covert CIA plan designed to undermine Al-Qadhdhafi publicy. Reagan ordered increased economic sanctions against Libya.

U.S. officials said "seeds were sown" for the clash with Libya after those terrorist attacks and the planning for a possible battle began about the same time Reagan was imposing the economic sanctions.

Gorbachev Criticizes U.S.

OW262142 Beijing XINHUA in English 2128 GMT 26 Mar 86

[Text] Moscow, March 26 (XINHUA) -- Soviet leader Mikhail Gorbachev today condemned the United States for its "act of aggression" against Libya.

At a dinner given for visiting Algerian President Chadli Bendjedid, Gorbachev said that the U.S. military action was "not an unexpected incident but a punitive operation conceived and planned in advance."

He said that before the military act the U.S. ships conducted "provocative and threatening manoeuvres off Libya's coast" and the U.S. Administration implemented" a trade, financial and technological blockade" of Libya.

The Soviet leader stated that his country "resolutely denounces the aggressive anti-Libyan actions of the USA" and "is in solidarity with the Libyan people."

Algerian President Chadli Bendjedid arrived in Moscow Tuesday for a friendship visit.

Gorbachev Calls for Withdrawal

OW270722 Beijing XINHUA in English 0705 GMT 27 Mar 86

[Text] Moscow, March 26 (XINHUA) -- Soviet leader Mikhail Gorbachev today promised to withdraw the Soviet Fleet from the Mediterranean if the United States will "do the same."

"If the United States, which is situated thousands upon thousands of miles from the Mediterranean, pulled its fleet out of there, the Soviet Union would simultaneously do the same," he stressed. Gorbachev was speaking at a dinner in the Kremlin in honour of Chadli Bendjedid, visiting president of the Algerian People's Democratic Republic. "The Soviet Union stands for making the Mediterranean, the cradle of many civilizations, into a zone of stable peace and cooperation," Gorbachev said.

He went on to say that the Soviet Union proposals included reducing armed forces, withdrawing ships carrying nuclear weapons from the Mediterranean, renouncing the deployment of such weapons in Mediterranean non-nuclear countries, and urging the nuclear powers to make a commitment not to use such weapons against any Mediterranean country. "We are prepared to go even further. For the Soviet Union in principle there is no need to have its naval fleet in the Mediterranean on a permanent basis. The Soviet Union has to keep its ships there permanently for this sole reason: The U.S. 6th Fleet armed with nuclear-missile weapons and threatening the security of the USSR, its allies and friends is in the immediate proximity of its borders.

"We are prepared without delay to enter talks with the United States on this issue," he announced.

Referring to the upcoming second congress by the non-aligned Mediterranean countries, Gorbachev suggested the organization be extended to cover the United States and all other related countries somewhat like the Conference on European Security and Cooperation.

U.S. Ignores Soviet Offer

OW270234 Beijing XINHUA in English 0151 GMT 27 Mar 86

[Text] Washington, March 26 (XINHUA) -- The United States actually refused the Soviet Leader's offer today to withdraw the Soviet Fleet from the Mediterranean if the United States withdraw its warships there.

Asked at a regular news briefing today how the U.S. will respond to the Soviet offer, State Department spokesman Charles Redman avoided a direct answer. Redman said, "We have briefed the Soviet Union as to why we're there. That's well understood. And as a consequence, I think I'd leave my answer at that."

He said that in Moscow there have been some contacts between the U.S. Embassy and the Soviet Ministry of Foreign Affairs on the issue. But he refused to go into details.

USSR'S POLICY TOWARD AFGHANISTAN, CAMBODIA

HK260849 Beijing BAN YUE TAN in Chinese No 5, 10 Mar 86 pp 56-57

[Article by Tang Tianri: "Moscow's Offensives Along Two Lines"]

[Text] Recently, Moscow has launched offensives along two lines in Afghanistan and Cambodia, where regional conflicts are going on. One is the peace offensive. It has repeatedly shown its willingness to see a political solution to the Afghan and Cambodian issues and expressed the hope that "substantive progress" will be made in this respect in the new year. The other is the military offensive. It has further intensified its war of aggression against Afghanistan and supported Vietnam in intensifying its war of aggression against Cambodia. It has also affirmed that the Afghan and Cambodian resistance forces will be wiped out in 3-5 years, making it possible for the Afghan and Cambodian issues to "vanish by themselves."

The key to political solutions to the Afghan and Cambodian issues lies in the total withdrawal of Soviet and Vietnamese troops respectively from Afghanistan and Cambodia. Although Moscow has continuously spread news of a "political solution," it has not shown any sign of "flexibility" on the crucial issue of troop withdrawal. Before and after New Year's Day, the Soviet leaders repeatedly declared that the Soviet Union would not unconditionally withdraw its forces from Afghanistan and that only by "completely ceasing, and pledging not to resume, external armed intervention and other interventions would it be possible to reach a political solution to the Cambodian issue." Soviet Deputy Foreign Minister Kapitsa even asserted that the Soviet Union would not make any concessions on this issue. On the Cambodian issue, the Soviet Union would not like to see Vietnam unconditionally withdraw its troops from Cambodia either. The Soviet leaders had to admit that the Democratic Kampuchean National Army is "a political force" and they called on Sihanouk and Son Sann to first "sever their relations" with the Democratic Kampuchean National Army and then "get into contact and hold talks" with the puppet Cambodian regime. The Soviet Union also held that Vietnam's withdrawal from Cambodia would depend on various conditions, such as the "increased combat effectiveness" of the puppet troops, the "gradual elimination" of the Democratic Kampuchean resistance forces, and a "pledge to realize a peace zone" in Indochina by the international community.

Obviously, the essence of such a "political solution" and Moscow's intention in desiging such a blueprint are that: First, Moscow is attempting to disintegrate, crush one by one, and finally wipe out the Afghan and Cambodian resistance forces with the tactics of defeating them without a battle in order to achieve the objective which it could not achieve on the battlefield. Second, through the so-called "international guarantee" it is attempting to lure the international community into giving up the community's support for the Afghan and Cambodian resistance forces and accepting the Soviet invasion and occupation of Afghanistan and the Vietnamese invasion and occupation of Cambodia as a fait accompli. This shows that the Soviet Union does not have the slightest desire or sincerity in reaching a political solution to the Afghan and Cambodian issues in accordance with the relevant resolutions of the UN General Assembly.

So far, the Soviet Union still persists in solving the Afghan and Cambodian issues by military means. Moscow asserts that if the road to a political solution leads nowhere, it cannot but "take the road of a nonpolitical solution." According to the estimates of the Soviet leaders, by persisting in the Soviet war of aggression against Afghanistan for another 4-5 years and Vietnam's war of aggression against Cambodia for another 2-3 years it will be possible to completely wipe out the Afghan and Cambodian resistance forces. By that time, the Afghan and Cambodian issues will "vanish by themselves" and the withdrawal of Soviet and Vietnamese troops from Afghanistan and Cambodia will naturally present no problems.

In order to attain this objective, the Soviet Union has launched a large-scale new winter offensive in the Afghan battlefields. The spearhead of this offensive is primarily directed toward the areas around of all major cities, important military bases and the eastern and western borders, as well as both sides of vital communication lines. It has especially stepped up attacks against key sectors in the eastern and southeastern parts close to the Pakistani border. The Soviet troops have also frequently dispatched small commando units to launch surprise attacks against the guerrillas in an attempt to wipe out the effective strength of the guerrillas. According to sources in the Afghan resistance forces, the battles this winter were fiercer than in any other winters in the past. Recently, the Soviet Union has reportedly transported to Afghanistan such advanced weapons as new types of aircraft, long-range artillery, and heavy tanks in preparation for a spring offensive. Moreover, the Soviet Union has doubled its economic and military aid to Vietnam since last year, drastically increasing the aid from $2 billion annually in the past to $4 billion. Large quantities of Soviet-made tanks, artillery, mines, rockets, aircraft, and so on have been continuously transported to the Cambodian battlefields by sea and air in order to help carry out the "operational plan" for annihilating the Democratic Kampuchean resistance forces in 2-3 years and step up the blockade of the border areas and the encirclement and suppression campaigns in the interior.

In the face of powerful enemy offensives and pressures, and Afghan and Cambodian resistance forces still have high morale. They have extensively and ingeniously launched guerrila warfare and constantly won fresh victories. At present, the guerrillas are very active in all parts of Afghanistan. They have particularly intensified their combat activities in the northern provinces close to the Soviet border and attacked military facilities behind the enemy lines. In various central provinces, where fighting has alwasy been relatively quiet, news of the guerrillas inflicting heavy losses on the enemy has also kept pouring in. Ever since they went deep into the interior, the Democratic Kampuchean resistance forces have relied on and mobilized the masses, extensively launched guerrilla warfare, continuously expanded the war zones, and attacked and destroyed the enemy's effective strength. Having to fight both on the border and in the interior, the Vietnamese forces have spread their forces so thin that they find it difficult to hold their own. The history and realities of the anti-aggression struggles by the peoples of Afghanistan and Cambodia show that even through the Soviet Union and Vietnam continue to take the path of conquering by force of arms, thier attempts to wipe out the Afghan and Cambodian resistance forces and to make the Afghan and Cambodian issues "vanish by themselves" will never succeed. The only way to solve the Afghan and Cambodian issues is for the Soviet Union and Vietnam to withdraw all their troops from Afghanistan and Cambodia respectively.

RENMIN RIBAO COMMENTS ON U.S. POLICY ON NICARAGUA

HK261537 Beijing RENMIN RIBAO in Chinese 25 Mar 86 p 7

[Commentary by reporter Jing Xianfa: "Another Setback for the Reagan Administration in Its Central America Policy"]

[Text] After 2 days of heated debate, on 20 March, the U.S. House of Representatives finally vetoed President Reagan's proposal to provide $100 million aid to anti-government forces in Nicaragua. Although, for more than a month, President Reagan has been traveling all round the country and making speeches, and has sent Philip Habib, an experienced diplomat, to several Central American countries in an effort to win support for the proposal, the proposal was finally vetoed by the House of Representatives. This is another setback for the Reagan administration in its Central America policy.

Since Reagan entered the White House, the United States has been increasing it military and other types of aid to the anti-government forces in Nicaragua. According to the report of U.S. NEWS & WORLD REPORT, over the past 5 years, the United States has provided $470 million military aid to the anti-government forces in Nicaragua, which is three times more than the total amount of aid provided by the Carter administration. According to the estimates of the relevant department, the anti-government forces in Nicaragua have only 4,000 to 5,000 people. So the scope of the military aid provided by the United States is already unprecedentedly large. However, on 25 February this year, Reagan again asked the Congress to approve $70 million military aid and a $30 million "humanitarian" aid to the anti-government forces in Nicaragua. Such an insatiable way of doing things was immediately and strongly opposed by the personages of insight in various circles and in the two parties in the U.S. Congress.

First, in the Congress, many Democratic congressmen opposed this proposal because they worried that such a military aid proposal would get the United States more involved in the Central American turmoil, and get the United States involved in "another Vietnam war." Thomas P. O'Neill, speaker of the House of Representatives, warned the Congress: "The shadow of the Vietnam war is still over our heads," the miliaary aid proposal "aims at sending American youth to the battlefield" (in Central America).

Because of the extensive coverage of the Nicaragua question by the U.S. media over the past few weeks, public opinion in the United States has begun to doubt the "legitimacy" of the American support for the anti-government forces in Nicaragua, which are trying to overthrow the Sandinista regime. The CHRISTIAN SCIENCE MONITOR pointed out that one-third of the so-called "freedom fighers" in the anti-government forces in Nicaragua are members of the National Guard of the former dictator Anastasio Somoza, and that "the opposition does not have a political leader agreed upon by all the opposition parties, and the political program of the opposition cannot get support from the Nicaraguan people." For the past few days, there have been mass demonstrations in Washington D.C., protesting the American Government's support for the subversive activities of the anti-government forces in Nicaragua.

That the United States has been providing military aid to the anti-government forces in Nicaragua has aroused serious concern among various countries in Central America. Those countries are worried that the American military support for the anti-government forces in Nicaragua will encourage the overthrown military dictators in those countries to stage a comeback. Those countries are also worried that the increased American military support for the anti-government forces in Nicaragua will finally result in a reduction in the amount of American economic aid to other Central American countries. What is more, Nicaragua has signed border agreements with

several neighboring countries, which do not like to see their relations with Nicaragua being harmed by the escalation of the anti-government military activities in Nicaragua.

The Contadora Group, which has been playing an important role in the political arena in Central America, always opposes direct or indirect American arena in Central America, always opposes direct or indirect American military involvement in the settlement of Central American issues. In February this year, the Contadora Group and the countries which support it sent their foreign ministers to Washington to meet the American Secretary of State George P. Shultz, demanding that the United States first delay the delivery of its military aid to the anti-government forces in Nicaragua and then resume negotiations with the Sandinista government so as to create conditions for the Nicaraguan Government and the opposition in Nicaragua to begin negotiations. But the United States refused the proposal put forward by the Contadora Group.

That the military aid proposal put forward by President Reagan has been vetoed by the House of Representatives shows that the American Government's Central America policy does not enjoy popular support either at home or abroad.

U.S. GROUPS LOBBY FOR INCREASED EXPORTS TO USSR

OW251141 Beijing XINHUA in English 1053 GMT 25 Mar 86

[Text] Washington, March 24 (XINHUA) -- American industrialists, anticipating increased business with the Soviet Union under its economic modernization plans, are stepping up pressure on the Reagan administration to relax trade curbs that they say are undermining their ability to compete, said a NEW YORK TIMES report today. The report said the Reagan administration has been torn by internal strife in recent years between hard-liners, who argue that practically all trade with Moscow enhances its military potential, and pragmatists, who stand for an increased trade to improve political ties. According to U.S. Commerce Department, U.S. exports to the Soviet Union totalled 2,423 million dollars last year, while U.S. imports from the Soviet Union amounted to only 443 million dollars.

The American Committee of East-West Accord, composed of eminent personalities from the business, academic and diplomatic circles, is now leading a new lobbying effort to dismantle the trade barrier, including a recent meeting with Commerce Secretary Baldrige to convey its trade message, the report said.

The business leaders want Washington to know that if the East-West political climate improves, there could be substantial Soviet markets for non-strategic American technology and equipment, electronics and telecommunications. Observers noted the Reagan administration has already taken modest steps to improve the trading climate, but it still maintains elaborate controls over the export of strategic goods and technology.

The U.S. Commerce Department has adjusted its licensing policy for controls on exports of oil, gas exploration and production equipment and technology to the Soviet Union. Total U.S. exports to the Soviet Union should amount to about 2,300 million dollars in 1986, while imports will probably reach 500 million dollars, according to commerce department estimates. Non-agricultural exports are expected to rise to about 800 million dollars, from 558 million dollars in 1985. The most possible new sales by U.S. companies involve food processing and packaging, agricultural machinery, construction, mining, oil and gas, and medical equipment, chemical and analytical and scientific instruments.

As for U.S. farm exports to the Soviet Union, under a current agreement, the Soviets agreed to buy a minimum of 9 million tons of U.S. wheat and corn annually.

PRC DELEGATION TO USSR ON NUCLEAR TECHNOLOGY

HK261438 Hong Kong AFP in English 1415 GMT 26 Mar 86

[Text] Beijing, March 26 (AFP) -- China confirmed Wednesday that it plans to send a delegation to the Soviet Union to study possibilities for Sino-Soviet cooperation in civilian nuclear technology.

During a meeting here last week with a Soviet delegation, "the Chinese side noted that it intended to send people to the Soviet Union for study and inspection first, after which the two sides might explore the possibility for technological cooperation in the field of nuclear power stations," a Foreign Ministry spokesman told AGENCE FRANCE-PRESSE.

Informed East European sources indicated Monday that Soviet First Vice-Premier Ivan Arkhipov proposed during his recent visit here that his country pass on to China, civilian nuclear technology, including reactors.

The sources, who said their information was based on the minutes of last week's talks, said China had indicated it would send a delegation of nuclear experts to visit sites in the Soviet Union soon, and that the Soviet side gave assurances that "all could be visited."

Almost all of China's nuclear experts received their training in the Soviet Union before Beijing and Moscow fell out in 1960. It was partly as a result of the earlier Soviet assistance that China was able to begin mastering nuclear technology for itself several years later and to explode its first atomic bomb in 1964, analysts here say.

Mr. Arkhipov led the Soviet delegation to last week's meeting, the first session of the Sino- Soviet Commission on Economic, Trade, and Technological Cooperation which was created last July in Moscow.

ROUNDUP VIEWS USSR ECONOMIC REFORM MOVEMENT

OW261644 Beijing XINHUA in English 1626 GMT 26 Mar 86

["Round-up: Reform Time in Soviet Union" (by Wang Chongjie) -- XINHUA headline]

[Text] Beijing, March 26 (XINHUA) -- A nationwide economic reform movement is underway in the Soviet Union -- and its timing is by no means fortuitous. Disclosures during the past 15 years indicate that the antiquated model of economic development created in the early 1930s has seriously hindered the country's economic growth.

Addressing the recent 27th Soviet Communist Party Congress, party leader Mikhail Gorbachev said that "the inertness and stiffness of the forms and methods of administration, the decline of dynamism in our work, and on escalation of bureacracy -- all this was doing no small damage." As a result, the country's "economy, which has enormous resources at its disposal, ran into shortages," and its "output of most types of industrial and agricultural goods fell short of the targets" set by the state for the last three five-year-plan periods covering 1971-1985.

"The situation today is such that we cannot limit ourselves to partial improvements, a radical reform is needed," he added. In fact, the economic-system reform has been a topic of discussion since 1983, when the then party leader Yuri Andropov began experiments of enlarging self-management power in industrial enterprises.

Since taking office as party general secretary a year ago, Gorbachev has repeatedly expressed his determination to reform the country's economic mechanism and the whole management system and taken a series of measures in this regard. The guidelines for reorganizing the economic system, defined by the 27th party congress three weeks ago under Gorbachev's leadership, will, according to Gorbachev, mainly lead to "strengthening the role of center in implementing the main goals of ecomomic strategy and in determining the rates and proportions of national economic growth, its balanced development," and to "overcoming the practices of interference by the center in daily activities of the lower economic links."

"A resolute enlargement of the framework of the autonomy of associations and enterprises" is another objective of the guidelines. Towards this end, Gorbachev said, it is necessary to "transfer them to genuine cost accounting, self-support and self-financing, and to make the income level of collectives directly dependent on the efficiency of their work."

According to the guidelines, the Soviet Government is believed to "go over to economic methods of guidance at all levels of the national economy" and "for this purpose to reorganize the system of material and technical supply, improve the ststem of price formation, financing and crediting, and work out effective incentives to eliminate overexpenditure."

The guidelines also call for "introducting modern organizational management structure, and taking into account the trends towards concentration, specialization and cooperation of production", thereby, "setting up complexes of interconnected industries, research and technological inter-sectoral centers, various forms of economic associations and territorial-production formations."

The experiments of economic reform have now actually spread into various areas. In industry, for instance, "beginning with the current year, new economic management methods which have gone through experimental testing have been introduced in enterprises and associations that turn out half of the total industrial output," Gorbachev said.

"Their introduction in the service sphere, in construction and in transport has begun," Gorbachev pointed out, adding that "collective forms of work organization and stimulation, and also economic contract systems, are being applied on an ever wider scale."

In agriculture, the switchover to new methods of administration and management has yet to be completed. "The establishment, in the center and in the localities, of unified management bodies of the agro-industrial complex is undoubtedly a step of fundamental significance," he said.

The Kremlin, Gorbachev said, will "substantially broaden the autonomy of collective farms and state farms, and give them a greater incentive and responsibility for the final results."

In addition, Gorbachev said, "The contract and job-by-job systems of payment at the levels of teams, groups, and families to whom means of production, including land, will be assigned for a period specified by contract, will become widespread." These surpass both in scope and quality. The reforms carried out in the 1950s and 1960s.

To ensure the success of the reforms a major personnel shake-up has been made by the Kremlin both at the center and in the localities. Officials, who "hoped that everything will settle down and return to the old lines," have been replaced by people, "who work actively and have a high level of professional skill and a feeling for the new."

About 150 top officials, including over two dozens government ministers, lost their jobs in the past year. The recent party congress also saw a major reshuffle of the party Central Committee, 44 percent of its 307 full members and most of its alternate members are new. Changes have also been made both in the Politburo and the Central Secretariat.

The reforms have many skeptics, both in the Soviet Union and abroad.

However, Gorbachev said: "We are only at the beginning of the road. Time and energetic efforts are needed to reorganize the economic mechanism in our country with its vast and complex economy. Difficulties may arise, and we are not guaranteed against miscalculations either, but still the main thing now is to move ahead purposefully, step by step, along the direction we have chosen."

NEW ZEALAND'S PRIME MINISTER CONTINUES VISIT

Zhao Ziyang Welcomes Lange

OW261215 Beijing XINHUA in English 1201 GMT 26 Mar 86

[Text] Beijing, March 26 (XINHUA) -- New Zealand Prime Minister David Lange, his wife and their party arrived here this afternoon after visiting Guangzhou, Guilin, Guiyang and Shanghai.

Late this afternoon, the Chinese Government held a welcoming ceremony for Prime Minister Lange at the plaza east to the Great Hall of the People. Cannons boomed a 19-gun salute as Zhao and Lange stood at attention for the two countries national anthems and then reviewed a guard of honor formed by the three services of the Chinese People's Liberation Army. Present at the ceremony were Chinese Foreign Minister Wu Xueqian, Minister of Textile Industry Wu Wenying, and Minister in Charge of the State Science and Technology Commission Song Jian. After the ceremony, Zhao and Lange tered the Great Hall of the People and had a cordial talk there.

Premier Zhao expressed his warm welcome to Lange on his visit to China. He said that the visit is a great event in the history of relations between the two countries, and will also contribute to the development of bilateral friendly relations.

Prime Minister Lange said his country is working to strengthen and expand the existing cooperation between the two countries.

Earlier today in Shanghai, the New Zealand guests visited a livestock farm and a carpet factory.

Zhao, Lange Exchange Speeches

OW261450 Beijing XINHUA in English 1434 GMT 26 Mar 86

[Text] Beijing, March 26 (XINHUA) -- Premier Zhao Ziyang said tonight that Sino-New Zealand relations rest on a solid foundation and have a broad prospect and that the continuous development of the relations accords with their mutual interests, adding that China is ready to make concerted efforts with New Zealand towards this end. He made these remarks at a banquet he gave in honor of visiting New Zealand Prime Minister David Lange.

Zhao said that since the establishment of diplomatic relations between China and New Zealand 13 years ago, bilateral friendly relations and cooperation have developed steadily. The exchange of visits by leaders and personnel in various walks of life of the two countries have increased their mutual understanding. Their two-way trade has expanded steadily and their cooperation in the fields of animal husbandry and light industry has scored encouraging progress.

Zhao spoke highly of the outstanding achievements the people of New Zealand had made in nation-building. He said that over the past few years, the New Zealand Government has carried out economic reform at home and is playing an increasingly important role in international affairs for seeking peace in the South Pacific region and the world at large and for strengthening regional cooperation. Zhao said that China is ready to make joint efforts, together with New Zealand and other peace-loving countries and peoples, for maintaining world peace and promoting the common prosperity of the world economy.

Lange said, "Two thoughts strike me when I reflect on our bilateral relationship. First, how pleasing it is that we have come so far in the relatively short time -- little more than 13 years -- since the establishment of diplomatic relations between us .

"Secondly, how much the relationship has flourished despite the many contrasts between our two countries and people."

Lange said, "We respect China's independence of mind in the conduct of its foreign relations, we like to think, too, that we in New Zealand have developed a more independent approach to foreign policy. Lange said, "Both of us are pacific countries with a common interest in ensuring that the great Pacific basin which holds so much economic potential for all those within it remains peaceful and stable. We can work together in future in pursuing that end." Lange said, "Both of us believe that a halt should be called to the dangerous arms race. And here I want to pay tribute to your government's decision, announced just a few days ago, not to undertake any further nuclear tests in the atmosphere."

Among those attending the banquet at the Great Hall of the People were State Councillor and Foreign Minister Wu Xueqian, Textile Industry Minister Wu Wenying, Minister in Charge of State Science and Technology Commission Song Jian, Minister of Public Security Ruan Chongwu and Minister of Light Industry Yang Bo.

Also present was Rewi Alley, a friend of Chinese people from New Zealand.

Zhao, Lange Hold Talks

OW271042 Beijing XINHUA in English 1031 GMT 27 Mar 86

[Text] Beijing, March 27 (XINHUA) -- Chinese Premier Zhao Ziyang and New Zealand Prime Minister David Lange expressed satisfaction with the development of relations between their two countries during talks here today.

Zhao said that cooperation between the two countries in various fields has seen great progress since the two countries established diplomatic relations in 1972. However, he said, there is still great potential for economic cooperation and trade between the two countries. He hoped that the two countries could expand their cooperation in light industry, animal husbandry and food processing.

Lange replied that New Zealand attaches great importance to developing its relations with China. He also made suggestions on possible cooperation projects in the fields of joint-venture enterprises and tourism.

The two leaders agreed in principle that the two governments should discuss agreements on the avoidance of double taxation, the protection of investment, and scientific and technical cooperation as soon as possible.

Lange briefed Zhao on the foreign policy pursued by the New Zealand Government. He said that New Zealanders are devoted to the promotion of disarmament so as to maintain world peace. He said that New Zealand appreciates China's support for its proposal to make the South Pacific a nuclear-free zone and for China's decision not to carry out another nuclear test in the atmosphere.

Zhao briefed Lange on China's stand advocating a total ban and complete destruction nuclear weapons, he said that China stood for the peaceful use of outer space, maintaining that it is highly dangerous to expand the arms race to space. On the situation on the Korean peninsula, Zhao said that China opposes any act that aggravates tension there. "We hope the dialogue between the North and the South of Korea will continue its momentum after the good start it has made," he added.

Lange said that New Zealand is also very concerned about stability on the Korean peninsula.

Zhao reiterated China's support for the recent proposal made by the Coalition Government of Democratic Kampuchea for a political solution to the Kampuchea issue. Lange in turn expressed his wish for a political settlement of the Kampuchea question.

Wan Li, Hu Qili, Lange Meet

OW271122 Beijing XINHUA in English 1113 GMT 27 Mar 86

[Text] Beijing, March 27 (XINHUA) -- Vice-Premier Wan Li expressed his pleasure today at being invited to visit New Zealand. He said this when he and Hu Qili, member of the political bureau of the Chinese Communist Party Central Committee, met visiting New Zealand Prime Minister David Lange, his wife and their party here at noon time. Wan Li old Lange that he had received a written invitation to visit the South Pacific country.

Lange said he was expecting his visit, and he was also very glad to meet Hu Qili again, who visited New Zealand last year.

After the meeting, a banquet was given in honor of the New Zealand visitors by the two Chinese officials.

LI HOU VISITS NPC DEPUTIES FROM HONG KONG, MACAO

HK261029 Beijing, ZHONGGUO XINWEN SHE in Chinese 1233 GMT 25 Mar 86

[Text] Beijing, 25 Mar (ZHONGGUO XINWEN SHE) -- Today Li Hou, deputy director of the State Council's Hong Kong and Macao Affairs Office, and Lu Ping, secretary general of the office, went to the western suburbs of Beijing, where NPC deputies from Guangdong are staying and visited the NPC deputies from Hong Kong and Macao who are also staying there.

The deputies said that they and the Hong Kong and Macao compatriots were very much conerned about Premier Zhao Ziyang's report on the draft Seventh 5-Year Plan and also about the second session of the Hong Kong basic law drafting committee that would be held in Beijing on 18 April, which would be closely related to Hong Kong people's interests.

Tang Pingta, permanent honorary chairman of the Hong Kong Chinese Chamber of Commerce, aid to this reporter that over the past few years, Li Hou and Lu Ping came to visit them every time they came to Beijing to attend an NPC session.

ROUNDUP VIEWS SRV ECONOMIC DISORDER

OW261851 Beijing XINHUA in English 1840 GMT 26 Mar 86

["Roundup: Hanoi Hard Put To Check Economic Disorder" (by Lan Tian) -- XINHUA headline]

[Text] Beijing, March 26 (XINHUA) -- Vietnam has taken some urgent measures recently to check the economic disorder which ensued from the government's "reform of price, wage and currency" since last August, according to reports received here.

In the first week of this month, the official Vientamese newspaper "NHAN DAN" admitted in five editorials and some other articles that "serious mistakes" were committed during the reform, resulting in "severe consequences" to the country's economic and social life. The consequences included soaring prices, confused markets, passive nd helpless state-owned commercial departments and other difficulties in production, currency circulation and people's daily life, the paper said.

"LAO DONG," the newspaper of the Vietnam Confederation of Trade Unions, noted in a survey report that the real income of the working people has dropped rapidly as prices are skyrocketing while their wages remain the same.

According to estimates of the authorities, the report said, a worker's living expenses accounted for 25 percent of his wage last August when the reform started, but the figure rose to 81 percent in February this year. Workers could not afford even the daily necessities for normal living and working, not to say other needs, the report complained, adding that some had to give up their jobs to engage in commercial transactions or side occupations.

Of the urgent measures Hanoi has taken, the top one is to resume the rationing of some daily necessities, such as stable foods, and to provide price subsidies. Other measures include reorganizing state-owned enterprises in the production of food and articles of daily use, allowing small properties to hire up to 10 workers, strengthening the control of markets by the state and transforming private traders.

The authorities also tried to boost the production of grain and other foods by extending the scope of responsibility systems among agricultural cooperatives and moving people from big cities to mountainous areas.

Some of the urgent measures, the official press said, were "special means under special circumstances" and had to be carried out within the first half of this year.

The foreign press reported from Hanoi that the residents there complained a lot about the current situation and had little confidence in the prospect of the reform. Since the resumption of the rationing, panic purchasing by long lines of people has become a common sight in front of state-owned shops in the capital.

A constant state of anxiety could be felt on the markets since the police often carried out mopping-up operations under the pretext of maintaining the order of commercial activities and the appearance of the city, the foreign press also reported.

CHINA DAILY BACKS CGDK PEACE PLAN FOR CAMBODIA

HK270337 Beijing CHINA DAILY in English 27 Mar 86 p 4

[Commentator's article: "Hanoi's Quagmire]

[Text] The eight-point proposal for a political settlement of the Kampuchean problems put forward by the Coalition Government of Democratic Kampuchea last week is both flexible and practical.

The main feature of the proposal is that it calls for the withdrawal of Vietnamese forces from Kampuchea in two stages under a UN-supervised cease fire and suggests the inclusion of Heng Samrin in a four-party coalition headed by Norodom Sihanouk pending free elections.

Vietnam's armed occupation is the root of the Kampuchean issue and the withdrawal of Vietnamese forces constitutes the key to the solution. Instead of demanding that Vietnam get all troops out immediately as before, the new proposal calls for a phased pull-out. The Heng Samrin regime is a Hanoi-installed puppet that the international community does not recognize. Yet, out of the spirit of national reconcilliation, it is now offered a place in a four-party coalition.

Thus, the proposal testifies to the modified stand of the Kampuchean Coalition and demonstrates their genuine desire for a peaceful solution to the matter.

The proposal also affirms that in the future Kampuchea, as an independent, united, peaceful, neutral and non-aligned country, will be ready to co-exist peacefully with Vietnam and establish economic and trade relations between the two neighbours. This again is a clear demonstration of sincerity.

The Kampuchean problem concerns not only Kampuchea but has direct bearing on peace and security in Southeast Asia and the Pacific region as well. Hanoi's regional hegemonist behaviour is looked upon with anxiety by the world community. Hence, the successive UN resolutions on the Kampuchean issue in recent years. Now that the resistance coalition has made an offer fully in keeping with the spirit of the relevant UN resolutions and the declaration of the International Conference on Kampuchea, it naturally has won sympathy and respect from peace-loving countries.

However, the proposal was summarily rejected by Vietnam.

This recalcitrant attitude shows Vietnam is still bent on carrying on aggression in Kampuchea and all its professed desire for a political solution is hypocritical. This can lead only to further isolation for Vietnam.

The Chinese Government has fully endorsed the latest initiative. A fair and practical way to solve the Kampuchean issue, the proposal is in accordance with the national interests of Kampuchea and makes full allowance for those of the Vietnamese people. By rejecting it, Hanoi has denied itself a way out of the quagmire it is in.

Ever since Vietnam launched its armed invasion, China has repeatedly pointed out that this action would only bog Hanoi down. About eight years have passed since the invasion started, but there is still no way for Vietnam to extricate itself.

The resistance forces of the three parties in the coalition are intensifying guerrilla operations in the inland provinces, especially around Lake Tonle Sap and the capital, Phnom Penh, inflicting heavy casualties on the enemy. The long-drawnout war of aggression has demoralized the Vietnamese troops and has had a devastating effect on its economy. Sticking to its policy of aggression against Kampuchea, Hanoi will sink still more helplessly into the quagmire. And the Kampuchean people can count on China's firm and consistent support in their just struggle for national salvation until final victory.

RENMIN RIBAO DENOUNCES VIETNAM ON CAMBODIAN ISSUE

HK271153 Beijing RENMIN RIBAO in Chinese 21 Mar 86 p 6

["Jottings" by You Jun: "High-Sounding Words Only"]

[Text] A recent article published by Vietnam's NHAN DAN says that Vietnam has fought wars for several decades and "eagerly hopes for and needs peace" in order to build its country.

These are merely high-sounding words. After Vietnam won its war of national salvation against the United States and unified with its southern part, it did have peace and could indeed vigorously build its country. But who has sent 200,000 of its troops to invade and occupy a sovereign state -- Cambodia --, has undermined peace, and has thrown all the country's limited financial and material resources in an unjust war? Can those who have impatiently launched another war after fighting wars for more than 10 years, even before they have recovered their country's strength, be regarded as people who "eargerly hope for and need peace?" It is precisely the Vietnamese authorities and no one else who have caused all these troubles. It seems that they have made a wrong estimate. They think that by relying on a superpower they can ride roughshod, annex Cambodia in one stroke, and be sure to gain hegemony in Indochina.

However, the situation has unexpectedly developed to the reverse of their desire. They are now in a predicament in Cambodia, just as the United States was when it was fighting on Indochinese battlefields -- a predicament described by Henry Kissinger as being "involved in a war which we neither know how to win nor how to end."

Of course, if the Vietnamese authorities really "eagerly hope for and need peace," it is not yet too late. They can immediately stop aggression against Cambodia and withdraw all aggressive troops from Cambodian territory. The UN resolution approved by over 100 countries and the proposal by the Coalition Government of Democratic Kampuchea have precisely pointed out the road leading to peace, but the Vietnamese do not want to listen to these proposals and have clung to their unpopular practices. This being the case, what they say about their "eager hope for peace" is nothing but a cheap lie.

CGDK DEFENSE COORDINATION COMMITTEE MEETS

OW271140 Beijing XINHUA in English 1056 GMT 27 Mar 86

[Text] Bangkok, March 27 (XINHUA) -- The meeting of the Coordination Committee for Defense under the tripartite Coalition Government of Democratic Kampuchea (CGDK) noted with satisfaction the progresses obtained in the battlefields by their troops. This was disclosed in a press communique available here today.

The meeting yesterday was presided over by CGDK Prime Minister Son Sann and attended by ministers of the Defense Coordination Committee and other personalities concerned from the three parties of the CGDK.

The meeting examined the setting up of the two new committees in accordance with the decision of the CGDK Council of Ministers held on March 17 in Beijing under the chairmanship of Norodom Sihanouk.

The establishment of the Military Coordination Committee and the Committee for Press and Information was aimed at assuring a better and more efficient coordination in the resistance operations undertaken by each party of the CGDK, the press communique added.

"The general resistance against the oppressors is increasing continuously with the heroic participation of the civilian population and the Khmer soldiers forcibly recruited by the Vietnamese in the big cities as well as in the lesser localities," the press communique stressed.

Tripartite representatives pledged at the meeting to push forward with their struggle in various fields in order to drive the Vietnamese aggressors out of their country.

MEESE REAFFIRMS U.S. SUPPORT FOR AFGHANS

OW261946 Beijing XINHUA in English 1939 GMT 26 Mar 86

[Text] Islamabad, March 26 (XINHUA) — The United States will continue to support the Afghan people in their struggle against Soviet aggression, visiting U.S. Attorney General Edwin Meese said in Peshawar today. Meese was addressing Afghan refugees at the Katcha Garhi Tentage village on the outskirts of Peshawar this morning.

Referring to the tragic consequences of Soviet domination in Afghanistan, Meese told the refugees that "we can assess these from your physical and mental scars of torture and other inhuman acts like genocide and famine." He said that the Soviets had been trying to suppress the facts from the eyes of the world people. To achieve this end, he added, they had been killing journalists in Afghanistan.

Meese said that the Afghan people will not submit to the might of the Soviets and will continue to resist and expel them from Afghanistan.

He expressed his appreciation of the efforts made by Pakistan in supporting and assisting the Afghan refugees. Meese also expressed his appreciation of Pakistan's efforts to curb drug production and trafficking at a press conference here later today.

Edwin Meese arrived here yesterday for a two-day official visit to Pakistan. He held talks with President Ziaul Haq, Prime Minister Mohammad Khan Junejo and other senior Pakistan Government officials.

INDIA NOT TO RENEW OIL CONTRACT WITH USSR

OW261250 Beijing XINHUA in English 1242 GMT 26 Mar 86

[Text] New Delhi, March 26 (XINHUA) — India has decided to go in for spot purchase of crude oil from international oil markets instead of a renewal of contractual purchase at higher prices from the Soviet Union, THE INDIAN EXPRESS reported today. Following the failure of the OPEC countries to come to an agreement on oil production cuts, the spot prices of crude dropped to 11.70 U.S. dollars a barrel, the lowest in recent years.

The issue of falling oil prices was reviewed by Prime Minister Rajiv Gandhi's cabinet recently and the Indian Government believed the steep fall in oil prices would be a big relief to India, and as a consequence, would help improve considerably its balance of payments position.

India has recorded during the first half of current fiscal year a trade deficit of 41.24 billion rupees (3.39 billion U.S. dollars). Increased imports of crude oil and oil products accounted for a large percentage of the deficit.

According to THE INDIAN EXPRESS, the Soviet Union was understood to be pressing India for renewal at a much higher price than the ruling price in international oil markets.

During the current financial year, India is expected to import some 14.3 million tons of crude oil to meet its domestic demands.

HAN NIANLONG MEETS FRG SOCIALIST PARTY 26 MARCH

OW261932 Beijing XINHUA in English 1926 GMT 26 Mar 86

[Text] Beijing, March 26 (XINHUA) -- Han Nianlong, president of the Chinese People's Institute of Foreign Affairs, met and feted Hans-Jochen Vogel, vice-chairman of the Social Democratic Party of Germany and chairman of the parliamentary group from the party, and his group here tonight. During the meeting, the host and guests exchanged views on international issues of common concern. The guests arrived here this afternoon at the invitation of the Chinese People's Institute of Foreign Affairs.

DANISH PRIME MINISTER SCHLUTER ARRIVES IN XIAN

OW261629 Beijing XINHUA in English 1603 GMT 26 Mar 86

[Text] Xian, March 26 (XINHUA) — Danish Prime Minister Poul Schluter and his party arrived here by plane in the company of Minister of Civil Affairs Cui Naifu at noon today.

This afternoon the guests visited a museum displaying hundreds of life-size terracotta horses and armoured warriors excavated from sites near the tomb of Qin Shi Huang, the founder of the Qin Dynasty (B.C. 221-B.C. 207). After the visit, Schluter wrote in a visitor's book, "we are happy to have seen this historic place."

The prime minister and his party were honored at a banquet given by Acting Governor Zhang Bin of Shaanxi Province at noon today.

ITALIAN JOURNALIST INTERVIEWS HU QILI

OW261751 Beijing XINHUA in English 1600 GMT 26 Mar 86

[Text] Beijing, March 26 (XINHUA) — Hu Qili, member of the Political Bureau and Secretariat of the Chinese Communist Party Central Committee, was interviewed here today by Bruno Peloso, member of the Party Affairs Commission of the Central Committee of the Italian Communist Party, and director general of EDITORI RIUNITI.

Hu answered Bruno Peloso's questions on China's foreign policy, achievements in economic construction, economic reform, culture and education.

The Chinese Communist Party attached great importance to the development of its relations with the Italian Communist Party, Hu said.

Hu described the EDITORI RIUNITI as "one of the influential publishing houses" in Italy as well as in Europe as a whole, adding that it has contributed to the understanding of China and the friendship between the two peoples and the two countries.

Bruno Peloso thanked Hu for the interview, saying that this would help promote the friendly relations between the two parties and the two peoples.

Bruno Peloso arrived in Beijing on March 22 for a visit to China.

HUSAK SPEAKS ON FOREIGN POLICY AT CPCZ CONGRESS

OW241923 Beijing XINHUA in English 1859 GMT 24 Mar 86

[Text] Prague, March 24 (XINHUA) -- The basic task of Czechoslovakia's foreign policy is to create favorable external conditions for building a developed socialist society, said Gustav Husak, general secretary of the Czechoslovak Communist Party, in his political report to the party's 17th congress today. "The first task of our foreign policy is to strengthen friendship with our fraternal socialist countries, especially the Soviet Union, and develop and strengthen cooperation with them", Husak said. He stressed that Czechoslovakia will look for a new and the most efficient way of such cooperation in political, economic, scientific and ideological fields so as to perfect the mechanism and activity methods of the Warsaw Treaty countries and the Council for Mutual Economic Assistance.

On relations with China, he said: "We prepare to fully normalize relations with the People's Republic of China and develop friendly and cooperative relations with it." On Soviet-U.S. relations, he pointed out that the peace-loving people welcome the resumption of the summit meeting of the two countries and link their dialogue with the hope to avoid the threat of nuclear war. He condemned the United States for not being willing to take the road to the reduction of nuclear arms.

Talking about relations with capitalist countries, he said Czechoslovakia is willing to develop relations with these countries on the basis of equality, mutual benefit, cooperation and non-interference in each other's internal affairs and stands for frank, earnest and effective, dialogue. He said that even the most complicated problem between the socialist countries and capitalist countries can be solved by talks. He expressed Czechoslovakia's will to firmly stand on the side of the people of various countries that are struggling for real independence and strongly condemned colonialism and racial discrimination in various forms.

LI XIANNIAN HOSTS RETURN BANQUET FOR RATSIRAKA

OW261320 Beijing XINHUA in English 1259 GMT 26 Mar 86

[Text] Antananarivo, March 26 (XINHUA) -- Visiting Chinese President Li Xiannian described here today his visit to Madagascar as "fruitful." He and his Malagasy counterpart share identical or similar views on various important issues and the aim of his visit to strengthen mutual understanding and friendship has been attained, Li said.

Li made the remarks at a return banquet he and his wife hosted for President Didier Ratsiraka and his wife in the Chinese Embassy here at noon. Li arrived here Monday on a four-day state visit, the first ever by a Chinese head of state since the two countries set up diplomatic relations in 1972. Li said that the two sides, satisfied with the fruitful cooperation in various fields and expressed the hope to continuously consolidate and develop the existing friendly relations of cooperation between the two countries. The Chinese president reiterated, "China treasures its friendship with Madagascar and, to develop Sino-Malagasy friendship and cooperation remains our firm and unshakable policy."

In his speech, Ratsiraka agreed with Li's remarks, saying the amicable encounter and exchange of views in the past few days have further strengthened the very solid existing ties between Madagascar and China. He said that leaders of the two countries at various levels have all along cooperated satisfactorily and are ready to develop a relation of mutual respect, commitment and effectiveness, treating each other amicably. The Malagasy leader said: "We have planted a robust seedling which will bear plentiful and sweet fruits. It is called friendship, unity and harmony." Present at the banquet were Malagasy Prime Minister Desire Rakotoarijaona, speaker of the National People's Assembly Lucien Andrianarahinjaka and other senior Malagasy officials. Chinese State Councillor Chen Muhua, and other Chinese officials were present at the banquet.

Lays Wreath

OW261625 Beijing XINHUA in English 1442 GMT 26 Mar 86

[Text] Antananarivo, March 26 (XINHUA) -- Visiting Chinese President Li Xiannian, accompanied by Malagasy Prime Minister Desire Rakotoarijaona, placed a wreath at the national martyrs mausoleum here this morning. The mausoleum was erected in September 1979 in commemoration of the heroes who had died for their motherland.

Presidents Hold Talks

OW262044 Beijing XINHUA in English 2039 GMT 26 Mar 86

[Test] Antananarivo, March 26 (XINHUA) -- Chinese President Li Xiannian and Madagascar's President Didier Ratsiraka met privately this afternoon at the Mahazoarivo Palace, where Li is staying during his four-day official visit. During the talks, which proceeded in a "very cordial atmosphere" according to an official accompanying President Li, the two leaders exchanged views on further strengthening the friendship and cooperation between the two countries, and other issues of mutual concern. Li who arrived here for a four-day state visit Monday, held the first round of talks with his Malagasy counterparty Tuesday morning. At noon today, Li hosted a return banquet in honor of President Ratsiraka at the Chinese Embassy.

Leaves for Home

OW271314 Beijing XINHUA in English 1305 GMT 27 Mar 86

[Text] Antananarivo, March 27 (XINHUA) -- President Li Xiannian left here for home this morning after concluding his five-nation Afro-Asian tour. The special flight carrying Li and his entourage took off at 11:05 local time.

Li arrived here Monday on a four-day state visit to Madagascar, the last leg of his marathon journey which took him to Bangladesh, Sri Lanka, Egypt and Somalia.

During his stay here, Li and his host, President Didier Ratsiraka held two rounds of talks on ways and means to strength friendship and cooperation between the two countries and on other issues of mutual concern. In a written speech issued at the airport before departure, the Chinese president described his visit as "very successful".

Ratsiraka, his wife and other Malagasy senior officials were present at an airport ceremony to give the guests a warm send-off. The Chinese Ambassador to Madagascar Yang Guirong, was also present to bid Li farewell. Ratsiraka today presented a pair of lemurs to the Chinese people through President Li. This precious animal, with a fox-like face and a monkey-like body, is found only in Madagascar.

Earlier this morning, three documents were signed between the two sides. In one, China donated 2,000 tons of cement to help the Malagasy people in cyclone-ravaged areas rebuild their homes. Another covers an agreement creating a mixed commission on fishing and aquatic products.

CHEN MUHUA ON OVERSEAS CHINESE POLICY

OW262128 Beijing XINHUA in English 2112 GMT 26 Mar 86

[Text] Antananarivo, March 26 (XINHUA) -- Visiting Chinese State Councillor Chen Muhua, speaking for Chinese President Li Xiannian, today urged the Chinese residents in Madagascar to observe Malagasy law and customs and live on good terms with the Malagasy people. Chen is a leading member of President Li's entourage, which arrived here Monday for a four-day visit.

Addressing more than 400 people representing the Chinese residents in Madagascar at the Hilton Hotel here this evening, Chen said the Chinese Government has been consistent in its policy on affairs concerning Chinese nationals living abroad and attached importance to the protection of these just rights and interests. Touching upon the issue of China's national reunification, Chen said the concept of "one country, two systems" put forward by the Chinese Government has not only successfully solved the problem of Hong Kong, but had also clearly shown the way to the solution of the problem of Taiwan. The Chinese state councillor called on the Chinese residents of Madagascar and those people who are of Chinese origin but have obtained Malagasy citizenship to make their contribution to the early reunification of Taiwan and the mainland of China. She expressed her hope that, by serving as links in the friendship between China and Madagascar: The Chinese residents and the people of Chinese origin will make fresh contributions to the development of friendly relations and cooperation between the two countries.

Madagascar, with more than 6,000 Chinese residents, has the largest Chinese community among African nations. Chinese began to come to the Indian Ocean island country in 1896.

TEN SECTIONS OF SEVENTH 5-YEAR PLAN SUMMARIZED

OW270100 Beijing XINHUA in English 0048 GMT 27 Mar 86

[Text] Beijing, March 27 (XINHUA) -- China's draft Seventh Five-Year Plan (1986-90), in the form of a ten-part document, is being discussed at the annual session of the National People's Congress. The introduction to the document lists the 11 principles of the country's economic and social development over the next five years.

The first part, in five chapters, sets forth the major tasks during the period. Included are economic growth rates and economic efficiency, production and distribution of the national income, finance, banking and foreign exchange, as well as targets for the expansion of science, technology, education and social development. The second part, in 10 chapters, deals with the industrial structure and policies. Involved are agriculture, the consumer goods, energy, raw materials, machine-building, electronics, construction and building materials, transport, and posts and communications industries, and commodity circulation. The third part, in seven chapters, entitled Regional Distribution and Economic Development Policies, specifies economic targets and policies for the eastern, central and western regions, as well as for areas inhabited by minority nationalities and border regions. The fourth part, in five chapters, outlines the tasks and policies for development of science and technology. The fifth part, also in five chapters, lists targets and measures for educational development.

The sixth part, in six chapters, outlines China's tasks in the fields of trade and economic cooperation, and technological exchanges with other countries. This sector covers imports and exports, use of foreign funds, technology imports, the four special economic zones and 14 coastal cities and three areas open to foreign investment, tourism, contracting for projects abroad, the export of labor services and international aid. The seventh part, in four chapters, specifies the investment pattern and policies. The eighth part, also in four chapters, lists goals and tasks for the reform of the economic structure. The ninth part, in six chapters, deals with the people's livelihood and social security, including population control measures, labor and employment, incomes, public health and environmental protection. The last part, in four chapters, is devoted to the task of developing socialist culture and morality while promoting material civilization. This involves cultural, ideological and political work, the furtherance of democracy and the legal system, and social order.

Drafting of Plan Explained

OW270148 Beijing XINHUA in English 0135 GMT 27 Mar 86

["How China's Seventh Five-Year Plan Was Drafted" -- XINHUA headline]

[Text] Beijing, March 27 (XINHUA) -- Nearly 3,000 legislators are now deliberating the 100,000-word draft of China's Seventh Five-Year Plan here. To outsiders, it may have looked like an instant motion presented for approval.

According to insiders in economic circles, the draft, which contains detailed strategies and numerous figures for China's social and economic development in the 1986-1990 period, has embodied three years of hard work and meticulous calculations by government officials with guidance from top Chinese leaders Hu Yaobang, Deng Xiaoping, Zhao Ziyang, Li Xiannian and Chen Yun.

Premier Zhao Ziyang, who directly oversaw the drafting, exchanged views with and solicited suggestions from visiting foreign business people, Overseas Chinese and such international organizations as the World Bank on China's economic development strategies and structural reform.

Although the formal drafting of the plan got underway in 1985, according to the sources, preparatory work including deliberations, investigations, calculations and feasibility studies, began nearly two years earlier. From 1983 on, the Secretariat of the Communist Party Central Committee, the central leading group in charge of finance and economy and the State Council called a train of meetings and symposiums to discuss the major tasks for the Seventh Five-Year Plan period and the policy measures that should be adopted to ensure the fulfillment of these tasks. These meetings involved thousands of people, including democratic personages, scientists of natural and social sciences, specialists in various fields, administrators at the provincial level and in charge of central government departments and large enterprises, economists who had participated in the drafting of previous five-year plans, as well as reform-minded people engaged in economic work.

From early 1983 to early 1985, planners at the central and provincial levels concentrated their efforts on such basic researches for the plan as investigations, calculations and feasibility studies. In September 1985, a national conference of the Communist Party passed a proposal for the Seventh Five-Year Plan for National Economic and Social Development, which set out the guidelines, principles, policies and tasks for the draft plan. Further studies and calculations were conducted again at the central and provincial levels along the line of the principles set in the proposal. In light of their researches, the various departments under the State Council and provincial governments submitted draft plans for specific sectors or fields of work to the State Planning Commission. Based on all this, an outline of the plan was worked out, and after several rounds of consultation and revision, the present draft plan finally took shape. Economists are of the opinion that the targets set in the draft plan are practical and feasible and the fulfillment of the plan will lay a sound foundation for vigorous development of China's economy in the 1990s.

Plan Highlights, Part One

OW270156 Beijing XINHUA in English 0148 GMT 27 Mar 86

["Highlights of Seventh Five-Year Plan (1)" -- XINHUA headline]

[Text] Beijing, March 27 (XINHUA) -- The value of China's industrial and agricultural output will increase 38.2 percent in five years to 1,677 billion yuan by 1990, according to the draft plan being discussed at the current session of the National People's Congress. The value is based on 1980 prices. The latest draft of China's plan for 1986-90 projects annual average increases of 6.7 percent.

Agricultural output is expected to reach 353 billion yuan by 1990, up 21.6 percent from 1985 -- an average annual increase of four percent. According to the draft, industrial output value will jump 43.4 percent to 1,324 billion yuan by 1990 -- an average annual increase of 7.5 percent. Of this, light industry will account for 661 billion yuan and heavy industry 663 billion yuan. Gross national product -- the total value of goods and services produced in China -- is expected to reach 1,117 billion yuan by 1990, up 43.6 percent -- an average annual increase of 7.5 percent.

Part Two

OW270818 Beijing XINHUA in English 0748 GMT 27 Mar 86

["Highlights of Seventh Five-Year Plan (2)" -- XINHUA headline]

[Text] Beijing, March 27 (XINHUA) -- China's national income will grow 38 percent from 1985 to reach 935 billion yuan in 1990, according to the draft Seventh Five-Year Plan (1986-90). Incomes will rise at an annual average rate of 6.7 percent.

During the five-year period, funds for consumption will total 3,007 billion yuan, with an annual ratio of 70 percent to the national income; and those for accumulation, 1,315 billion yuan, with an annual ratio of 30 percent. The real consumption standard per capita will increase to 517 yuan a year in 1990 from 404 yuan in 1985 -- an annual average rise of five percent.

Meanwhile, the country's investment in fixed assets will come to 1,296 billion yuan, with state-owned units accounting for 896 billion yuan. Such units will add new fixed assets worth at least 100 billion yuan over the next five years.

Part Three

OW270822 Beijing XINHUA in English 0751 GMT 27 Mar 86

["Highlights of Seventh Five-Year Plan (3)" -- XINHUA headline]

[Text] Beijing, March 27 (XINHUA) -- China's revenues will grow 6.7 percent annually over the next five years, to reach 256.7 billion yuan in 1990, according to the draft Seventh Five-Year Plan (1986-90). Altogether, revenues during that period will amount to 1,119.4 billion yuan -- up 64 percent from the total for the Sixth Five-Year Plan period (1981-85).

The country's expenditures will be 256.7 billion yuan in 1990 and will total 1,119.4 billion yuan during the five-year period. Spending (including foreign loans) on capital construction will be 349.9 billion yuan during the same period -- 31.3 percent of the total expenditures. Meanwhile, expenditure on education, science, culture, public health and sports will come to 201.6 billion yuan -- 18 percent of the total expenditure. Such expenses will rise eight percent annually over the next five years.

Expenditure on national defense will be 102.1 billion yuan during the same period, accounting for 9.1 percent of the total: this compares to 13.1 percent during the Sixth Five-Year Plan period.

Part Four

OW270828 Beijing XINHUA in English 0754 GMT 27 Mar 86

["Highlights of Seventh Five-Year Plan (4)" -- XINHUA headline]

[Text] Beijing, March 27 (XINHUA) -- Following are quotas for output of China's major crops, animal by-products, aquatic products and forestry in the draft Seventh Five-Year Plan (1986-1990):

The country will harvest an annual average of 415 million tons of grain (425 to 450 million tons by 1990) over the next five years -- up 12 percent from the average during the Sixth Five-Year Plan (1981-1985).

The annual average cotton output will be 4,250,000 tons -- slightly lower than the average for the past five years. Annual output of oil-bearing seed crops will average 17,120,000 tons (18,200,000 tons by 1990) -- a 42 percent rise over the average for the 1981-1985 period. China will keep its area sown to grain crops at roughly 110 million hectares over the next five years.

By 1990, annual meat output will be 22,750,000 tons, a 19.7 percent increase over 1985: dairy produce will total 6,250,000 tons, a rise of 110 percent; and 8,750,000 tons of eggs will be produced, up 65 percent. Output of aquatic products will rise by 29 percent to nine million tons a year by 1990. Trees will be planted on 27,670,000 hectares during the 1986-1990 period, with the aim of raising the country's forest cover to 14 percent in 1990 from 12 percent last year.

YANG DEZHI: PHASE ONE OF PLA REORGANIZING COMPLETE

HK261508 Beijing ZHONGGUO XINWEN SHE in Chinese 1244 GMT 26 Mar 86

[Report by Li Wei: "Yang Dezhi Describes First Phase of Streamlining and Reorganization of the Chinese Army as Having Basically Come to an End"]

[Text] Beijing, 26 Mar (ZHONGGUO XINWEN SHE) -- PLA Chief of General Staff Yang Dezhi today said the first phase of the plan to cut the Chinese Armed Forces by 1 million men has been successfully completed, and, as several thousand organizations at and above the regimental level have been abolished, the establishment of the Army has been further rationalized, and the Army has been further streamlined. Yang Dezhi made the above statement when talking about the PLA structural reform this afternoon at a meeting of the PLA delegation to the NPC to examine Premier Zhao Ziyang's report on the draft of the Seventh 5-Year Plan.

It has been reported that the process of streamlining and reorganization of the Chinese Army is divided into two phases. The main target of the first phase is to streamline the Armed Forces' organizations, the ground force units (namely, the field army units and provincial military districts), and the combat units of the Navy and the Air Force. The main targets of the second phase, which is currently under way, are to streamline the logistics sector, military institutes, and hospitals affiliated with the PLA, as well as to hand over all the people's armed forces units at the county (prefectural) level to local authorities.

In regard to the fine situation of the Army during the Sixth 5-Year Plan, Yang Dezhi listed the following points: The consciousness of political unity with the Central Committee has been strengthened; the professional and cultural stands of the contingent of cadres have been markedly upgraded, with two-thirds of leading cadres at and above the regimental level having been trained in military institutes or academies; weaponry and equipment have been gradually improved; a good job has been done in supporting national construction and safeguarding the lives and properties of the people, including rushing to deal with emergencies and providing disaster relief on more than 58,000 occasions during the 5 years, involving a force of more than 3.3 million men, and more than 9,000 missions of planes and naval vessels; and several dozen airports, docks, and ports have been transferred to civil use or for military-civil use.

Yang Dezhi agrees with Zhao Ziyang's report, believing that the draft Seventh 5-Year Plan conforms to China's actual situation, it has unified planning with due consideration for all concerned and with overall arrangements, attaches attention to focal points and key links, and has practical and feasible major targets which can be realized through hard work. He expressed that during the period covered by the "Seventh 5-Year Plan," the Chinese Army will stick to the policy of acting in light of the overall situation in the country's economic construction.

If the country's economic construction needs support, the Army should provide personnel, funds, and materials. On such grounds, the Army will try its best to carry out its self-construction. The Army will continue to accomplish the task of the reform of the Army structure and the simplification and reorganization of troops, and will smooth its relations and establish and perfect various rules and regulations. The Army will also strengthen the research on national defense technology and continue to improve its weaponry and equipment. He said that during the period covered by the "Seventh 5-Year Plan," it is not possible to see a big increase in the national defense expenditure. The Army should not demand more funds from the state, but instead should try to reduce the burden of the state as much as possible and try to control well and make the best and most proper use of the limited national defense funds.

SONG PING INTERVIEWED ON PLANNING WORK

HK270224 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 12, 24 Mar 86 pp 3-4

["State Councillor Song Ping Answers LIAOWANG Reporter's Questions on Planning Work During the Seventh 5-Year Plan Period"]

[Text] On the eve of the Fourth Session of the Sixth NPC, this LIAOWANG reporter interviewed Song Ping, a state councillor and director of the State Planning Commission, and asked him about the economic planning work during the Seventh 5-Year Plan period. Song Ping briefly answered these questions:

Question: It is said that the coming NPC session will deliberate and approve the Seventh 5-Year Plan. Will you outline the main tasks in China's socioeconomic development during the period of the Seventh 5-Year Plan?

Answer: In the period of the Seventh 5-Year Plan, our country is faced with three major tasks: First, to create fine economic conditions for the economic structural reforms so as to ensure the smooth development of the reforms; second, to prepare material and technical conditions and intelligent resources essential to maintaining the momentum of development in the future; and third, to further improve the people's livelihood on the basis of production development.

These three tasks are interrelated. In order to implement economic structural reforms, economic development must be stable, and economic plans cannot impose too strict a target construction arrangements. In order to lay a good foundation for future development, we must continue to prioritize the development of the energy, transport, and raw materials industries and need to start some necessary backbone projects. However, the scale of construction must not be too big; otherwise, economic stability may be affected. In addition, when raising the living standards of the people, we must also invest in light industry and agriculture. Although the three major tasks are interrelated, they are not parallel. Economic structural reforms should be placed in the primary position. We must succeed in economic reforms so as to open a new road for building socialism with Chinese characteristics. This is a matter of far-reaching significance.

Question: During the Seventh 5-Year Plan period, how will the planning department carry out its work?

Answer: In previous plans, centralized management by the state was too rigid and covered too wide a scope. Through economic structural reforms and measures for streamlining administration and devolution in economic management, the proportion of funds and materials directly controlled by the state has been gradually reduced, an increasing proportion of funds and materials has been put at the disposal of localities and enterprises.

Under these circumstances, the state will not be responsible for supplying all funds and materials needed in production and construction as before. According to the spirit of the central decision on economic structural reforms, the planning department will follow the principle of properly ensuring macroeconomic management and enlivening and decontrolling microeconomic activities, and will concentrate on keeping the major ratios in the national economy in an appropriate position and ensuring the balanced and proportionate development of the economy in general. Therefore, our planning work will be more complicated than before.

Question: Then, what are the things that we should pay special attention to in our planning work?

Answer: First of all, we should concentrate on reforming the planning system by narrowing the scope of mandatory plans and expanding the scope of guidance plans and market regulation. We should pay attention to both macroeconomic control and microeconomic decontrol. After more power is delegated to enterprises, we should give them better guidance so that enterpirses not only obtain power and benefits, but also undertake corresponding responsibility for bringing their operations into line with macroeconomic requirements. Rather than just caring about their own interests, enterprises must consider how to link their own interests with social interests. Some enterprises have earned profits illegally and have harmed the interests of the state and the people, mainly because they cannot properly handle the relationship between their own interests and the overall interests of the nation. So we must use the necessary administrative means, more effectively employ economic regulatory means, and formulate relevant economic regulations and laws. While practicing the market economy, capitalist countries are now also strengthening their state intervention in economic affairs in general so as to ensure the stable development of their economies.

In our country, we are pursuing a planned commodity economy, and we must consciously follow and apply the law and value in our economic work. Guidance plans are realized mainly through the use of economic levers, and the execution and formulation of mandatory plans must also follow the law of the value. Price is the most important and useful economic lever. However, prices for many goods in our country cannot realistically reflect the value of those goods, nor can they reflect the relation between supply and demand in society. For example, the price for coal is on the low side. Coal is needed in both industrial production and the people's livelihood. At present, we cannot immediately raise its price in an all-round way, because that will cause price rises and affect the people's daily lives. In order to bring the regulatory role of prices in production, circulation, and consumption into play better, we must further change the unreasonable state of prices. However, this is a highly sensitive issue, and we must be very cautious.

Moreover, as science and technology are playing an increasingly important role in the development of the modern economy, planning work should closely combine the development of science and technology with economic development. We cannot merely rely on the expansion of construction scale to promote economic development; we must also rely on technological transformation and the improvement of management. Industrial enterprises in our country can tap great potential in lowering energy and raw materials costs. At the same time, by means of upgrading products, improving product quality, and increasing the durability of products, we can also economize on raw materials in production. In short, we should ensure an appropriate growth rate, good product quality, and high economic efficiency through technological transformation.

Question: According to what you have said, planning work has become more difficult than before. Then, how can you ensure the realization of the guidance plans and ensure their role in macroeconomic control?

Answer: In order to ensure the realization of guidance plans, we must do our best to bring our plans into line with objective economic laws. At the same time, we should flexibly use economic levers. Credit, taxation, and other economic means should play an important role in macroeconomic control. At present, we do not flexibly and effectively make use of economic levers, and the regulatory role of credit and taxation is not obvious enough. Henceforth, we should reduce taxes to encourage the development of what we need, and increase taxes to restrain those we want to restrain. Similarly, when arranging loans, we should give priority to those we need to develop and should give preferential terms; otherwise, we should refuse to offer loans or raise interest rates. We still have to make great efforts in order to let planning work play a real role in macroeconomic control. At present, planning work is faced with many new problems. Although we have made substantial improvements, we still have to improve many things. The personnel in the planning department not only have to study the economic targets, they still have to study economic policies, ways to employ economic levers, and the states of prices, credit, taxes, and exchange rates. In short, the use of economic levers should be taken as an important part of planning work.

Question: In the period of the Seventh 5-Year Plan, as the scope of mandatory plans is narrowed and the scope of guidance plans is expanded, what kind of economic system will China have?

Answer: China's socialist planned economy is a planned commodity economy on the basis of socialist public ownership.

Fundamentally speaking, the economies in today's world can be divided into two major categories: the socialist category and the capitalist category. The economies in capitalist countries belong to the category of the market economy, and they are faced with contradictions inherent in the capitalist system. At present, many capitalist states have intervened in their national economies to different degrees so as to mitigate the contradictions. Ours is a socialist country, and our economy is a planned economy. The problems we encounter are completely different from the problems in capitalist countries. Our ongoing reforms will overcome the defects caused by rigid and excessive centralism, and will enable us to better follow the law of value, make use of market mechanisms, and invigorate the economy so as to open a new road in building socialism with Chinese characteristics.

Question: What other issues should we pay attention to in the period of the Seventh 5-Year Plan?

Answer: We should pay attention to many issues. For example, in the period of the Seventh 5-Year Plan, our country will continue to carry out the policy of opening up to the outside world and will actively develop foreign trade and expand economic and technological exchanges with other countries. Therefore, we should make efforts to increase exports and earn more foreign exchange by putting more products on international markets. Last year, I visited Japan, and Mr Yoshihiro Inayama told me when talking about balancing our trade: "Only when one can export more can one import more, and only when one has the ability to repay debts can one borrow money." I agreed with this remark. Only by increasing exports can we import more advanced technologies and equipment from abroad. When contracting foreign debts, we must consider our ability to repay debts. Only thus can we ensure of the health of our economy in foreign economic exchanges. In addition, our country has rich resources for developing tourism, and the tourist industry can also earn foreign exchange. So we should make great efforts to develop this industry. However, in some localities, although the development of the tourist industry has increased the gross income of foreign exchange, their net income of foreign exchange has decreased. This is because they imported large quantities of tourist articles, including cigarettes, wines, and tableware, and this increased foreign exchange expenses and reduced the net foreign exchange income.

Moreover, we must improve the people's livelihood during the Seventh 5-Year Plan. We not only should increase the workers' incomes, but should also improve our social welfare. At present, there are an increasing number of retired workers in our country. We should take care of their livelihood. Some of these people have been living in difficult conditions since some prices rose, and the enterprises which they served previously cannot help them in this regard. So we need to establish a nationwide social security system as soon as possible on a sound basis, because the average age of our population will increase after we adopt the policy for birth control. This will enable retired workers to lead a happy life in their remaining years.

APPOINTING CADRES ON MERITS STRESSED

HK260853 Beijing RENMIN RIBAO in Chinese 18 Mar 86 p 5

[Commentator's article: "Be Impartial and Honest, Appoint People on Their Merits"]

[Text] Over the past few years, under the guidance of the principle of the "four transformations" of cadres and in coordination with economic construction and reform, party organizations in many localities and departments have selected talented cadres and conscientiously readjusted their leading bodies. Marked achievements have been made in this respect. But at the same time, we should also be aware that problems pointed out by the "circular of the CPC Central Committee on selecting and appointing cadres strictly in line with party principles" still exist in some localities and departments. These unhealthy tendencies in organization and personnel work should be resolutely rectified.

The key to enabling the work concerning cadres to meet the needs of socialist modernization is to implement the principle of the "four transformations," to be impartial and honest, and to appoint people on their merits. Whether or not this is put into effect will produce a direct impact on whether or not socialist modernization can be successfully carried out, on whether or not the continuity of the party's Marxist line and policy can be maintained, and on whether or not the state can enjoy long-term peace and stability. Leading cadres at various levels will experience a severe test regarding this problem, which has an important bearing on the overall situation. They will face a test of whether they have strong party spirit, a high ideological level, and good political quality. Leading cadres who fail to stand up to such a test are not entitled to be qualified leaders, even though they do not have any problem with their conduct and money matters.

Some people say that they want to abide by the principle of the "four transformations" when appointing cadres, but in practice they select and appoint cadres by their own standards according to the feudal patriarchal clan system or kinship. This results from backward and outmoded ideas. So we are reminded that we should not underestimate the negative influence of erroneous ideas, and selfish ideas in particular, on the party's work concerning cadres. Only when leading cadres and cadres in charge of organization and personnel departments take the initiative in boldly ridding themselves of their backward and decadent ideas with regard to appointing people can they resolutely resist and overcome unhealthy tendencies in the work concerning cadres and appoint people on their merits. Ideological education in "appointing people on their merits and opposing appointing people by favoritism" should be earnestly and persistently disseminated among cadres at various levels, and in particular among leading cadres in party and government organs as well as in organization and personnel departments. This should be taken as an important component of education in party spirit. Sustained efforts should be made to rectify unhealthy tendencies in organization and personnel work, and this should be taken as an important component of the rectification of party style.

Whether one can appoint people "on their merits" instead of "by favoritism" depends on whether one is impartial and honest.

Problems of belittling talented cadres and practicing nepotism are always accompanied by unhealthy tendencies in organization and personnel work. Therefore, to enable cadres in charge of organization and personnel work to be impartial and honest in appointing people, it is necessary to constantly enhance their sense of keeping the public interest in mind and their responsibility for selecting talented people. Apart from reiterating the necessity for adhering to the basic principles and disciplines in the work concerning cadres, the central authorities have also promulgated a series of regulations for selecting and appointing cadres. For leading cadres and cadres in charge of organization and personnel work who abide by party discipline, there is absolutely no problem in implementing these regulations. These regulations will help stimulate their sense of responsibility for selecting and appointing talented people.

Exercising strict discipline over organization and personnel will be an important guarantee for holding firm to the principle of appointing people on their merits and for being impartial and honest. Whoever violates discipline concerning organization and personnel work must be criticized and dealth with without exception. People who ignore discipline concerning organization and personnel work and who abuse power for personal gain are not entitled to do leadership work or work concerning cadres. Party organizations at all levels are required to strengthen their supervision over the implementation of discipline concerning organization and personnel work. They should be impartial and incorruptible in solving whatever problems they discover. So long as leading cadres at all levels can follow the central authorities' circular and strictly abide by discipline concerning organization and personnel work, they will surely be able to stop unhealthy tendencies in appointing people, to shoulder the heavy responsibility for selecting and using cadres, which has an important bearing on the future and destiny of the party and the state, and to blaze a new trail in the work concerning cadres.

IMPROPER MEANS FOR CORRECTING UNHEALTHY TRENDS SEEN

HK270138 Beijing RENMIN RIBAO in Chinese 24 Mar 86 p 1

["Short" commentary: "Do Not Ask Everyone To Make Self-Examination in Correcting Unhealthy Trends"]

[Text] At present, the work of rectifying party style and correcting unhealthy trends is focused on the major, important cases and is progressing healthily. The central organs and the Beijing municipal authorities have set examples, and various localities have followed suit, in carrying out this work in accordance with the six requirements put forth by the General Offices of the CPC Central Committee and the State Council in their circular on solving the several serious problems currently existing in the work styles of the public organs. Leaders at various levels have taken the lead in seriously making examinations and have started to improve the work styles of the public organs. Initial results have been achieved.

In carrying out this work, a few units have inappropriately expanded the scope of investigation and adopted oversimplified methods. For instance, instead of concentrating on investigating some violations of law and discipline, they issue questionnaires and ask everyone to reply to them. Some localities even ask everyone to report to his organization on his daily life including on matters which are purely personal. This method of work reflects at least a serious misunderstanding of the CPC Central Committee's general and specific policies on rectification of party style and will inevitably have evil consequences. The CPC Central Committee does not approve of it. Nevertheless, the number of violators of law and discipline among the cadres is very small. "Asking everyone to reply to a questionnaire" is at variance with the policy of the CPC Central Committee. A correct way is to realistically investigate and handle the matters of those who have violated law and discipline.

The work will be messed up if the scope specified by the CPC Central Committee is overstepped and one's proper economic activities are investigated wantonly, and if everyone is involved and asked to make self-examinations. This phenomenon deserves attention although it is somewhat isolated. Those units which have acted in this way should adopt proper methods to make corrections.

In the course of rectifying party style and correcting unhealthy trends, the cadres at various levels, the leading cadres in particular, must take exemplary action to carry out the relevant instructions of the CPC Central Committee. We must show with facts the communists' determination to wipe out all incidence of corruption. At the same time, we must pay close attention to the party's policies. All localities and units must act according to the relevant stipulations laid down by the CPC Central Committee. They should neither formulate their own rules nor act willfully.

CREATIVE FREEDOM, SOCIAL OBLIGATIONS EXAMINED

HK25134C Beijing GUANGMING RIBAO in Chinese 7 Mar 86 p 3

[WENYI BAO commentator's article: "Freedom of Creation and Sense of Social Responsibility of Literature and Art Workers" -- originally published in WENYI BAO, February 1986]

[Text] Since the 3d Plenary Session of the 11th CPC Central Committee, the party has completed bringing order out of chaos where ideas guiding literature and art work are concerned. It has restored and developed the Marxist-Leninist guideline for the party's literature and art and exercised steady and correct leadership over literature and art. An unprecedentedly favorable situation has appeared in our socialist literature and art. Comrade Deng Xiaoping's congratulatory speech at the fourth congress of Chinese writers and artists and Comrade Hu Yaobang's speech at a forum on the writing of scripts are landmark documents on the party's literature and art in this period.

In a congratulatory speech given on behalf of the Secretariat of the CPC Central Committee at the fourth congress of the Chinese Writers Association held more than a year ago, Comrade Hu Qili once again emphasized the party's literature and art policy. This elicited a keen response from the comrades present at the meeting and from literature and art workers throughout the country.

After fully affirming the tremendous achievements scored on the literature and art front since the 3d Plenary Session of the 11th CPC Central Committee, the "congratulatory speech" pointed out that we must build socialism with Chinese characteristics and must judge all work on the basis of whether it contributes toward the state's prosperity and power and the people's wealth and happiness. Literature and art are manifestations of the spirit of the era and a driving force behind the advance of the era. Fundamental socialist tasks and the fundamental tasks of the party and the people are naturally also the fundamental tasks on the literature and art front. Striving to reflect our great era and use great communist ideals in educating the people is the most glorious mission of socialist literature. The "congratulatory speech" expressed the hope that our writers and artists would strive to become familiar with the interests of the state and the people and with the laws governing social development and changes, and to understand and fulfill their own social obligations; fight decadent capitalist thought and the remnant poison of feudalism, and use creations with high standards to serve the people and serve socialism. Mistakes and problems in creation can generally only be solved through literature and art criticism or comments, discussions, and debates. The "congratulatory speech" pointed out that creation must be free and comment should also be free. Without such freedom of expression of feelings and ideas, we cannot possibly produce works which have an aesthetic influence and the effect of acquainting people with ideas, thus educating them.

Therefore, the party and the state must provide the necessary conditions and create the necessary environment and atmosphere. Writers' individual thoughts and feelings and the whole process of creation must be compatible with such an environment of freedom provided by the party and the state.

The "congratulatory speech" reflects our party's firm principled stand and is full of understanding, love, and expectations when it comes to socialist literature and art. It is a continuation of a series of literature and art policies made since the 3d Plenary Session of the 11th CPC Committee. It also carries great realistic significance. Its fundamental spirit is entirely at one with the speech given on behalf of the CPC Central Committee and the State Council by Comrade Deng Xiaoping at the fourth congress of Chinese writers and artists in October 1979. This is to say that writers' freedom in writing is closely related to an inseparable from their sense of social responsibility. On 8 February 1985, Comrade Hu Yaobang, in an important speech entitled "On the Party's Journalism Work," reaffirmed the CPC Central Committee's guideline on freedom of writing and provided a penetrating explanation. After this, Comrade Hu Yaobang on many occasions gave repeated explanations of the party's literature and art guidelines. This has helped comrades within and outside the party, primarily writers and artists, to further deepen their understanding of the party's literature and art guidelines and the matter of creative freedom. It is precisely under the inspiration of the party's literature and art guidelines and under the stimulation of the modernization campaign and the overall reform begin launched throughout the country that an unprecedentedly lively and colorful situation has appeared in literature and art work. The positive, persevering spirit and revolutionary fervor displayed by the masses of literacy and art workers should also be fully affirmed.

In the past year, a noteworthy phenomenon in creation is that there has been gratifying development in writers' individual character and the features of art. Comprehensiveness in the choice of subject matter, novelty in approach to writing, and the variety of styles have exceeded levels in any previous given period. Some works oriented to reality have provided our era with rousing songs to forge ahead. Some emphasize revealing urgent social problems to arouse people's proper attention. Some are devoted to portraying matters of ethics and moral principles and subtle changes in social mentality. Some draw on modern Western concepts of literature and art and the means of depicting certain states of mind on the part of a number of young people today. Some have explored things in a search for the cultural mentality of our nation. The success or failure of these works as exercises in practice and as literature and art phenomena, and whether they help to fulfill our needs in building socialist spiritual civilization, depends on penetrating study and the judgment of history. But the many features shown by the large number of works (such as the trend toward ever increasing variety, multiple levels, and multiple angles (in creation) have very seldom been seen in previous works.

There has also been prominent progress in criticism in the theoretical field. The criticism of literature and art is no longer confined to the explanation and assessment of works. Instead we have begun to make an overall analysis of representative writers and artists and a comprehensive survey of literature and art phenomena. An exploratory spirit has appeared marked by the expression of individual views or the citing of what one has seen. The introduction, promotion, and application of certain viewpoints and methods related to modern Western literature and art theory or cultural theory (which obviously contains modern Western degenerate theory) and the inevitable controversy arising therefrom have aroused the widespead interest and concern of people in literature and art circles. This has initially shown the importance of the problem of exploring the laws governing literature and art and the necessity of a correct approach toward the influences of foreign thought.

The appearance and development of new people in literature and art are similarly marked with the features of this era.

Such people are not only numerous and widely distributed over different areas, but often reflect their individual traits of creation and unique styles formed on the basis of their own experiences in life once they emerge on the literary scene. Some writers' performance in practice may not be satisfactory and some commentators' suggestions may not be convincing, but thteir pursuit of art has really produced a certain stimulatory effect on the development of our literature and art. The past year has witnessed active participation in writing and criticism and the emergence of talent. This shows that the guideline for literature and art defined by the "congratulatory speech" is compatible with the laws and characteristics of the development of literature and art and is full of vitality. It has aroused enthusiasm and creativity in writers and artists and carved a broad path for the further emancipation of forces in the production of literature and art. Meanwhile, it also shows that most of the writers and artists support the "congratulatory speech" and are capable of consciously applying the spirit of the "congratulatory speech" as a guideline for their practice in life and creation.

Reviewing and making an overall assessment of the situation in literature and art, we must also note that there are still deficiencies in our literature and art efforts. We must admit that when it comes to statisfying the people's ever increasing demand for socialist literature and art, the activity of writers and artists has hardly reached the highest level of development. Of the large number of works which have appeared, there are still not many of those fine works that actively reflect many aspects of real life in the contemporary era, portray images of new socialist figures, help the healthy mental growth of the younger generation, and properly combine ideology and art. Some comrades show a certain degree of indifference and disdain the sizzling reality of modernization and reform. In a departure from socialist reality, some comrades favor preaching abstract human nature, favor social pessimism ridiculing everything and doubting all social progress, or even play up human sexuality in an isolated manner with social content omitted. Some comrades have tolerated a flood of vulgar reading material surging forth in a given period with disastrous consequences and with an impact on the healthy development of serious literature and art. In the matter of theoretical criticism, there have not been many effective comments which uphold the use of fundamental Marxist principles in penetratingly analyzing contemporary literature and art phenomena and foreign schools of literature and art or cultural philosophy (especially contemporary schools of thought which were for a time all the rage in the West and which have had an impact on a number of young people in our country, as chiefly represented by the writers Eliot, Joyce, Kafka, Faulkner, Sartre, Camus, Beckett, and others, and philosophers like Nietzsche, Bergson, Husserl, Freud, Spengler, Heidegger, and others). Some writers, commentators, and editors have consciously or unconsciously separated the freedom of creation and the freedom of criticism for literary and art workers' social responsibilities. They have onesidedly stressed the former to the neglect of the latter. They have even come out with the idea that the freedom of creation can be enjoyed without considering the interests of society and the public and their own social responsibilities. Of course, this falls into the category of nonessentials. A realistic solution to all the above problems is aimed at protecting the healthier development of essential matters.

The year 1986 has come. The Seventh 5-Year Plan has begun to be effected. Our socialist reform is being launched in an overall manner. The building of socialist material civilization is proceeding in a more active manner. The role of literature and art in building socialist spiritual civilization and the role of the latter in the cause of socialism as a whole have become increasingly more important. On the basis of the tremendous achievements we have scored, our literature and art should go a step further, making further contributions toward the building of socialist spiritual civilization in line with the demands of the era.

We must uphold the freedom of creation and further strengthen the sense of social responsibility on the part of writers and artists. The "congratulatory speech" concisely pointed out that there must be freedom of creation for writers and artists.

Only given the fullest development of an individual's creativity and imagination and of his unique life experiences, unique views, and unique skills of artistic expression can his mental efforts in creative literature and art produce fine works with style of their own and set people thinking. Any attempt to artificially tamper with the creative freedom of writers and artists can only be manifestation of bureaucratic ignorance of literary and art activity. Meanwhile, any writer or artist exercising creative freedom cannot depart from given social historical conditions and social criteria. Absolute, unconditional, and abstract freedom of creation does not actually exist. At present we are working on reform and modernization. The success or failure of the effort in reform and modernization has a bearing on the future of the state and the destiny of the people. Our literature and art workers can never assume an indifferent attitude.

We are building socialist spiritual civilization. The raising of spiritual civilization to a higher level bears on the spiritual outlook of our nation. Literature and art workers can never treat things with detachment. Our attitude is that we must fervently affirm all that is conducive to modernization and the building of spiritual civilization and fully negate all that is harmful to modernization and the building of spiritual civilization. Lu Xun said: Literature is militant. Today we must continue giving full play to the militant role of literature and art. Of course, the social functions of literature and art are multifaceted. All works that directly or indirectly help to raise people's ideological level, moral standards, and sense of values, and all works that contribute toward improving what are usually called the manners and morals of the times are what society needs. Writers enjoy full freedom in what they write and how to write. But the interests of the people are, in the final analysis, the starting point and the aim of all activities of creation in our socialist literature and art.

Any work of real value in history is a result of a writer's or an artist's creative freedom in a given historical environment. Such freedom of creation is also inseparable from a writer's solemn attitude toward creation, his deep understanding of the laws of social development, and his sense of responsibility toward society. In creating a work, some writers or artists may subjectively think that this is the way to satisfy themselves. Actually, except in extreme cases where there is basically no desire for publication or presentation (creation even in such cases is also unlikely to be free from the restraints of given social historical conditions), they cannot avoid considering what kind of readers, spectators, or listeners they will have and what kind of reaction is likely to result. The whole process of artistic creation is a process of freedom of creation and the sense of social responsibility acting upon each other, even though different writers in different societies will have different senses of social responsibility. Actually, given no recognition of or an escape from the sense of social responsibility, we can hardly be creative. For writers and artists with ideals and with passion, this is entirely inconceivable. Therefore, the argument on the social effects of works put forth by Comrade Deng Xiaoping at the fourth congress of Chinese writers and artists, the point raised in Comrade Hu Qili's "congratulatory speech" about writers and artists' sense of social responsibility, or the point raised at the National Conference of Party Delegates last September that we must base all ideological and cultural activities on social benefits as the only criterion and oppose bourgeois liberalization -- all these are compatible with th laws governing the development of socialist literature and art and reflect a correct understanding of inherent features in literature and art on the part of our party and the people of our country.

For writers and artists, entering a real state of creative freedom is not necessarily something that can be easily done. Apart from serving the people and complying with socialist rules, they must have the people's life at their fingertips and a real grasp of artistic means. Both life and art have their own objective laws. The realization of freedom is a process of understanding objective laws and successfully applying such knowledge to practice.

Only with the characteristics of the era, the interests of the people, the traits and mentalities of various types of figures, various social phenomena, and scenes of life brought before the eyes of a writer and inculcated upon his mind, and with his grasp of a certain means of artistic expression, is he able to rid himself of blindness and overcome the plight of having too many problems with which to cope. In regard to this, Comrade Zhang Guangnian provided a very good illustration in a report given at the fourth congress of the Chinese Writers Association on behalf of its presidium: "Only when he has thoroughly understood himself and thoroughly understood the people's life, wishes, and demands; only when the passion for creation that burns in him subjectively is derived from the tides of a wide-ranging era and is in step with the pace of the march of history; and only when his works can really reflect a given era and are understood and liked by the masses, can a writer's freedom of creation be developed most fully and effectively." This means that only when a writer or artist plunges into the masses vibrant life of actual struggle and uses Marxist viewpoints and artistic sensibilities to observe, become acquainted with, participate in, understand, and explain social life and to have social life at his fingertips can he achieve real freedom in creation, let his sense of social responsibility merge with and permeate his own writing with complete freedom, do away with anything superfluous, and be in his element in artistic creation.

Life is a source of creation. Deep involvement with life and with the masses provides the basis for realizing the combination of freedom of creation and the sense of social responsiblity. Life envisioned in the minds of writers and artists or what they see and hear around them in everyday life is also life and provides social significance and artistic value. This is a truth that cannot and should not be negated. But equally true is that no matter how beautiful, dewdrops that reflect sunshine cannot equal the brilliance of the sun itself, nor can they encompass everything in the world which is bathed in sunshine. We have heard writers and artists say more than once: We are in a great era of inheriting the past and ushering in the future, carrying forward the revolutionary cause and paving the way for the future. Unprecedentedly swift changes are occurring in the people's life and national spirit. In this great historical period of great change and great development, if we divorce ourselves from the masses and shut ourselves off from the world, missing the chance to personally live and observe contemporary life, we would live to regret it. Losses cannot be remedied where our artistic history and that of society is concerned. Such a state of mind is sincere and well justified.

Some writers and artists have headed for the forefront of urban reform and modernization. More writers and artists are readying themselves and are poised to enter the swift currents of life to participate in creating this great historical process. We believe that an upsurge in efforts to live among the masses will appear. Literary and artistic creation is complicated and exacting mental work. Recognizing and penetratingly reflecting new conditions and new problems in the process of urban and rural reform and modernization is not something any writer or artist or any artistic form can quickly achieve. We cannot be impatient for immediate success and impose requirements others can hardly accomplish. We cannot confine ourselves to collecting some caricature-like works as presentable. But a new situation has begun. A period of revitalization has started. The road to the building of socialism with Chinese characteristics has been found. A bright future is unfolding. There should be many new people devoted to reform and modernization that emerge from among the masses! There should be an upsurge of stirring new things appearing over our vast land! In distinguishing between true and false, between good and evil, and between the beautiful and the ugly, and distinguishing manifested features in the complicated phenomena of life, certain tough problems do exist. For that matter, even certain obstacles and undeserved accusations will be encountered. But what we need is loyalty to the people's cause, a true understanding of the facts of life, and the kind of courage that allows no turning back where honor is concerned.

This is in line with the actual situation on the literary and art front. We must continue increasing possibilities for literature and encourage all attempts at creating the new things that help the development of socialist literature and art. We must resolutely oppose anyone using the need to stress the social effects of works and the writers and artists' sense of social responsibility as an excuse to artificially restrain the freedom of creation and intervene in the activity of creation. Hard work that costs writers and artists in exploration is an important part of the people's activity to make history in socialist construction and naturally will win the respect of the people and the protection of the laws of the state. Under such an excellent situation and in an environment where the party and the people place full confidence and high expectations in our literature and art workers, we must actively plunge into the currents of reform and modernization, become acquainted with and cherish rich and complicated social life, raise the ideological level of discerning the phenomena of life, and uphold the Marxist stand, viewpoints, and methods in making criticisms in the theoretical field. This is something that should be done in continuously upholding the spirit of the "congratulatory speech."

In an important speech at a conference of cadres of central organs on 9 January this year, Comrade Hu Yaobang pointed out: "In a situation where we have a correct line, a clear-cut blueprint, and a set of favorable conditions, an extremely important problem is to further arouse the revolutionary spirit of the masses of party members and cadres and millions upon millions of people. Is not the title of the new year editorial of RENMIN RIBAO called 'Let the Spirit of the Foolish Old Man Who Removed the Mountains Fill the whole of China?' To promote the spirit of the foolish old man, in my opinion, is to turn the coming 5 years of the 1980's into 5 years of unity in struggle, 5 years of down-to-earth struggle, and 5 years of firm struggle." How can our literature and art workers not be moved by this and not do their utmost to make still more solid and more outstanding contributions?

LITERATURE, ART SERVING TWO CIVILIZATIONS URGED

HK261328 Beijing HONGQI in Chinese No 6, 16 Mar 86 p 2

["Forum" column: "Literature and Art Should Better Serve the Two Civilizations" -- article reprinted in the 15 March edition of GUANGMING RIBAO]

[Text] The general situation of China's literature and art circles is fine, with a number of good works and talented people emerging in recent years. The ideology and sentiments of the literature and art workers are sound on the whole. However, we must see that weakness and slackness in leadership and unclear guiding ideas still exist in this field, and that the influences of decadent schools of literature and art from capitalist countries and other erroneous things are not given due resistance or solutions. As a result, we have for some time witnessed such abnormal phenomena as blind worship of Western bourgeois literature and art and imitation of some vulgar styles in Hong Kong and Taiwan literature and art. The appearance of some literature and art works unhealthy in ideological essence and of low taste have affected some of our literature and art workers and produced some negative social effects. This is out of line with the building of socialist spiritual civilization and deserves the intense attention of the whole party.

In order to make literature and art better serve the building of socialist material and spiritual civilizations, the most important thing at present is the need to further clarify the guidelines of literature and art. The literature and art field has in recent years neglected propaganda and education about Marxist thought in literature and art. It has failed to analyze and criticize the bourgeois views belonging to various Western schools of literature and art which find their way into China.

Moreover, such bourgeois views have been adopted by some of our literature and art critics in their observation and discussion of Chinese literature and art. Such a practice has resulted in the corruption of some young people (including some promising young writers) by Western bourgeois decadent ideas, ideas of modern decadent schools in particular. Ours is a socialist country; we must adhere to Marxist ideological principles. Of course, Marxism should develp continuously with the march of the times, but the basic tenets and the many theses on literature and art and aesthetics in the Marxist ideological system are still of important guiding significance to our literature and art undertakings today. Therefore, in the building of socialist material and spiritual civilizations, Marxist theory in literature and art and aesthetics must be promoted and popularized in a big way; otherwise, literature and art work will go astray.

Strengthening propaganda and education about Marxist thought in literature and art must be linked with summing up and studying historical experiences. For decades, our revolutionary literature and art has played a tremendous role in invigorating a national militant spirit, resisting foreign invasion, dealing blows to aggressors, promoting the great unity of all nationalities, and building socialist New China vigorously in high spirits. It is entirely wrong to adopt a nihilist attitude towards the revolutionary traditions of literature and art. We should sum up our experiences in earnest, bring forward the fine traditions, and create more excellent works worthy of the expectations of our times and our people in the new historical stage of reform and construction.

Literature and art is an important component of the building of socialist spiritual civilization. Party committees and departments responsible for culture at all levels must strengthen leadership over literature and art work. Cadres, writers, and people in the performing arts who are engaged in literature and art work must take social benefits as the highest criterion and render service in the greatest interest of our nation and people at present -- realizing socialist modernization and upgrading the mental attitude of the people. We must be bold in criticizing some phenomena of partaking in spiritual pollution, and at exercising discipline. Of course, problems within the realms of politics and ideology should be solved with ideological education as the key and the correct unfolding of criticism and self-criticism. We must refrain from labelling others arbitrarily. It is necessary to further clarify that criticism, education, exercising discipline, solving existing problems in the contingent of literature and art, and overcoming some negative phenomena are precisely to make our contingent of literature and art workers still more purified and strong, and to make them still more reliable, cherishable, and respectable to the party and the people, and play a still greater role in socialist modernization.

SUPPLY IMPROVEMENT, DEMAND CONTROL DISCUSSED

HK230810 Beijing RENMIN RIBAO in Chinese 10 Mar 86 p 5

[Article by Wu Jinglian, Hu Ji, and Li Jiang: "On Control of Demands and Improvement of Supplies"]

[Text] On 13 January, at the national planning conference and the national economic work meeting, Premier Zhao Ziyang expounded the present economic situation and this year's tasks. He pointed out: Over the past year, the CPC Central Committee and the State Council adopted a series of measures for strengthening macroeconomic control and eliminating the unstable factors of economic life. They scored great successes in these areas and greatly improved the situation in which the general demands of society were greater than supply. At present there are still unstable factors in economic life. There was also the practice of acting "indiscriminately" last year when we withdrew money from circulation and controlled the amount of money introduced into circulation. In light of these conditions, he stressed that this year we should continue to strengthen macrocontrol and pay special attention to improving it.

We should control demand and improve supply, and should reduce the excessively rapid growth rate and maintain an appropriate growth rate on the basis of striving for economic results. The main purpose of economic reform is to "consolidate, assimilate, augment, and improve" those policies which were introduced last year, while making preparations for making further great achievements next year. It is of great importance for us to firmly grasp this point, for it plays an important part in this year's economic work.

The General Economic Situation Decides the Principles Which Should Be Followed

It is obvious that the series of measures taken in the latter half of 1985 for strengthening macrocontrol have been effective. They have relaxed the "over-employed" economy and the tension which had developed since the fourth quarter of 1984. On the other hand, however, the present national economy is just undergoing a change from a tense to a relaxed situation, rather than becoming totally relaxed. We have not completely eliminated the fundamental causes of the development of tension. The task of controlling the investment and consumption demands and stabilizing the economy is still very arduous. Since July 1985, the trend of increasing the investment in fixed assets has been weakened. Generally speaking, however, the scale of investment is still greater than what the national economy can bear. Furthermore, there is a danger of developing another increase of fixed assets investment. At present there are many large and new projects requiring a large amount of additional investment at a later stage. In particular, after October 1985, the scale of investment was increased again and the number of new projects was sharply increased, thereby exerting very great pressure for further expanding the investment scale in the future. The control over consumption funds should be more complex. In administrative unit and institution wage reform, many of the units and institutions returned to previous malpractices. Due to many unexpected factors, the consumption funds of enterprises face the possibility of loss of control, bringing the phenomena of irrationality and not getting happiness or bitterness as one deserves, as well as bringing strong repercussions in society regarding the differences in wages. These have made the control of consumption funds more difficult. Therefore, we must by no means treat lightly the issue concerning the increase of demands in economic life and that concerning the practice of putting too much money into circulation. For a considerable length of time in the future, we must continue to exert macrocontrol over total demands.

At the same time, we must realize such a situation: Under the circumstances last year when the economic structural reform had just started and the economic relationship was not yet in order, we could not but focus our macrocontrol on direct administrative control. Such a step was necessary at that time. However, it had an inevitable shortcoming of "acting indiscriminately." Moreover, it emphasized passively reducing the increased demands but had difficulties in positively improving supply by improving economic results and was unable to produce more with reduced investment. It also could not basically eliminate the profound cause of having the increase in demand greater than supply. In light of these problems, we must pay attention to improving macrocontrol and supply while continuing to strengthen macrocontrol.

To "Improve Supply," To "Expand Demand"

Some comrades hold that in the second half of last year, China excessively withdrew money from circulation. It should readjust the macroeconomic policy, which was rather tight, should take a relaxed attitude toward the control of total demands; and should improve the structure of the national economy under the prerequisite of increasing supply. This opinion is worth studying.

Over the years, China has been facing the problem of a dislocation of its national economic structure.

In other words, there have been many problems concerning the industrial structure, departmental structure, product structure, regional structure, the structure of scales, the structure of technology, and so on in the national economy; concerning the irrational allocation of natural resources; and concerning the damage caused in terms of social effects and economic results. Therefore, in the final analysis, our major task is to improve the economic structure. At the same time, since there are shortcomings in macrocontrol, which causes difficulties for some enterprises when circulating their liquid capital, we should also take measures to deal with this.

The point is: What should we do now in order to improve China's economic structure? There are two different methods of readjusting our current economic structure: One of them is to readjust the structures, to reduce the "surplus" amount, to solve "shortage" problems, and to improve the allocation of natural resources and the economic scale through various policies and measures, while continuing to strictly control total demand. The other is to readjust the structures under the prerequisite of taking a relaxed attitude toward the control of total demand; that is, we should on the one hand increase the purchasing power so as to absorb the surplus stock that has developed through control, and on the other, increase the supply of investment and goods for links which cannot cope with the demand of the production chain, thereby promoting the economic growth rate to a new plane. We hold that in order to make the right choice, we must first analyze our national economy and see if there is or will be a "recession," which has been predicted by some comrades. In terms of industrial production, the growth rate was gradually reduced after July 1985 until November 1985 when it reached the level of 8.8 percent. The rate bounced back to 10.2 percent in December, but fell again to the level of 5.6 percent in January 1986. What must be borne in mind is that the growth rate in the fourth quarter of 1984 was very high. Based on this level, the monthly average growth rate in the fourth quarter of 1985 was above 10 percent. Therefore, the daily output level was still high. Moreover, the word "reduction" here refers to the growth rate rather than the absolute level of production. Therefore, we must by no means confuse this situation with the zero or negative production growth phenomenon which occurs in the economic cycle of capitalist countries, or with China's absolute reduction of production value in 1958-1959 and 1967-1968. Otherwise we shall reach a conclusion that the principal direction of the macroeconomic policy should be changed and replaced with the adoption of "anti-recession measures."

Of course, since September 1985, the average industrial growth rate in China has dropped by more than 2.5 percent per month. We must treat this seriously when judging the speed of reduction. Even though we confirm that the speed of reduction has been too rapid, we must still specifically analyze the causes for this abnormal situation, rather than simply placing the blame on insufficient demand. We should realize that the economy of China is still restrained by resources. The effective restraining factor is the "shortage" of resources such as electricity, power, and raw materials. This differs from the situation of market economy in the West, which faces the "shortage" of demand, that is, insufficient purchasing power. Everywhere we can see that some comrades try to promote development speed. Therefore, the general situation of "overcooling" is by no means the principal danger. Under these circumstances, no matter whether we implement annual plans or mid-term plans, it will be easy for us to maintain the speed at an appropriate level by appropriately increasing the supply of money or other methods, in case there is the tendency toward insufficient demand.

It is more difficult to solve the issue of a reduction of the growth rate caused by the shortage of resources. The tightness of the "shortage" has made part of the productive forces lie idle. We cannot solve this by issuing more banknotes and increasing demand; neither can we use the method of importing the resources on large scale because of our limited foreign exchange resources. Instead we can only compensate for the situation by improving the use of the resources while increasing the production of resources which are in short supply. This requires us to improve the economic structure and the economic results.

The experience of China in socialist construction over the past 30-odd years has shown that under the situation of "overemployment," the contradictions of the structure are fully reflected. But since various sectors of the national economy are tightly restrained, it is very difficult to solve the structural contradictions at this stage. This is because we must implement correct economic development strategy and industrial policies in order to improve the economic structure. Specifically, we must switch the strategy from one of "catching up with and surpassing others," which only emphasizes speed but neglects economic results, to the strategy that, under the prerequisite of emphasizing the economic results, the speed is maintained at an appropriate level, and the people will get more practical benefits. We must switch the unbalanced strategy of putting undue emphasis on heavy industry and direct production capacity to that of coordinated development with focal points.

We must switch from the strategy that mainly depends on the increase of investment and extensively expanded reproduction to the one that mainly depends on the improvement of investment-output ratio and on intensively expanded reproduction. We must switch from the former foreign trade strategy which helps supply each other's needs, makes redistributions for goods in abundant and short supply, and meets demands by import, to the strategy of improving the foreign exchange earning capacity of products and promoting the growth of economic results of the national economy by using the international division of labor and the participation in international competition. All these can only be achieved with control of the growth rate and in relatively easy economic circumstances. For a long period in the past, the excessively large scale of capital construction greatly reduced the investment returns and the excessively high growth rate adversely affected the allocation of resources and the operation results, thereby affecting enterprise operations and management and the progress of technology. To put undue emphasis on the recent speed of construction also distracts us from attaching importance to the causes of science, technology, and education, thereby bringing about a series of problems. Therefore, we agree on this suggestion: We must change the tense situation into a resource for promoting economic results. Judging from this viewpoint, it is necessary for us to seriously handle the situation of early this year in which there has been the tendency for regional structures to deteriorate, which is reflected by the negative growth of industrial production in some large cities.

Some comrades liken the present situation in which the increase of demand is not yet completely under control and the increase of supply is just minimal, to the situation of "stagflation" which has appeared in Western countries. They hold that we should prevent this by increasing purchasing power. In fact, even though there is really "stagflation" in the national economy, to support the economic growth by manually expanding the effective demands is by no means a proven recipe for helping the good and driving out the evil. Rather, it is a remedy which is worse than the disease. The economic development history of some Western countries since World War II has clearly shown that the major reason for "stagflation" is because they adopted for a time some erroneous "antirecession" policies. The characteristic of these policies is to use inflation to make up for the insufficiency of effective demand. Though the policies maintain a temporary prosperity, they hinder the improvement of economic results. This made the countries resort to heavier and heavier doses of "stimulants" for inflation. Therefore, the economies sunk deeply and were unable to extricate themselves from "stagflation." Our economic development must focus on the improvement of economic results rather than on speed. Similarly, we must not simply "increase demand" or increase the growth rate at the expense of economic results. Instead, we must "improve supply" that is, make supply improve by basing it on the improvement of economic results.

To "Take a Relaxed Attitude Toward the Control of Total Amount" or To "Improve Macrocontrol"

Some comrades hold that at present, some enterprises do not have sufficient liquid capital, showing that the supply of money is insufficient.

They urge making the money supply easy in an all-round way. This proposal does not conform to the actual condition. Judging from the overall situation of society at present, the money supply is already easy instead of tight. Though the amount of last year's net cash investment fell short of the assigned target, the amount included such factors as the reduction of foreign exchange amount and the surplus stock of agricultural products. On the other hand, to a great extent, the amount shows that the total credit scale of gross money supply exceeded the growth rate ceiling by a big margin. If we make the money supply easy in a comprehensive way under these circumstances, we shall worsen the situation between the total supply and total demand of society, which is already not in tune. Some enterprises face the problem of having insufficient liquid capital because of the following reasons, which are not to be ignored: First, there are "definite gaps" of necessary liquid capital because the scale of fixed capital investment is too large; and second, there are loopholes in credit management so that some "suitcase companies," which bring negative social effects and which have no proper business, took with them the portion of credit that should be used to replenish the liquid capital. Therefore, under the prerequisite of strictly controlling the total amount of investment and credit, we should particularly increase the credit of liquid capital of some enterprises which bring about good social effects and really need the capital.

We should realize that under China's present economic system, there is an absence of an internal mechanism which can automatically reduce the flow of capital. Since the founding of the PRC, there have been several times when the national economy was "overemployed." These were eventually solved by the method of sharp braking. Consequently, the economy rose and fell sharply, and the losses were very great. As we followed the principle of "soft braking" this time, the intensity of the effect was not as great as before. Instead of rising and falling sharply, the economy rose sharply but fell only slightly. Instead of solving problems at one stroke, we solved them gradually. Therefore, time was needed. In other words, we resorted to the external force of administrative methods when dealing with the "overemployed" economy; whereas the administrative decisions were made under the condition of the resources being restrained. Our experience over the past 30-odd years has shown that because of the inherent tendency of the old system in which we pursued the growth rate of output, the scale of investment, and the increase in amount, we can manage to accomplish, without mass mobilization, the task of maintaing the economic growth rate at a considerably high level, even under the condition of excessively importing the resources and anticipating our revenue in order to meet the demands in those departments. On the other hand, to cut back the growth rate and cool down the "overemployed" economy to an appropriate level is not an easy job because this will affect the interests of various departments. In particular, under the present situation in which the decision-making power of departments is separated from the local administration, a situation formed in recent years, the interests of various departments and regions are closely linked to the economic growth rate. It is therefore very easy to promote a nationwide "overemployment" in the economy, under which the departments and regions vie with each other to increase the growth rate. It is not easy to cool down the situation in a comprehensive way, thereby shrinking production.

In other words, in light of these circumstances, our solution to the problem should be the improvement of macroeconomic management rather than taking a relaxed attitude toward it. We all know that the tendencies of expansion and investment are inherent weak points of the old system. In the 30 years since the founding of the PRC, we have suffered quite an ordeal brought about by the "inflation -- reduction" circulation of this system. Therefore, there is no way out if we return to this old system. In the first half of last year, we restored the practice of exercising direct administrative control over the situation of out of control supply and demand. It indeed brought remarkable short-term achievements. However, this method dampened, to a certain extent the vitality of the economy. Therefore, it is not favorable to fundamentally improve supply and completely eliminate unstable factors of the economy.

It seems that an important point of improving supply is to improve the method of exercising control under the prerequisite of strengthening macrocontrol, and to gradually switch the focal point from direct administrative control to indirect parameter control. All these can be achieved through the promotion of economic structural reform.

Under this year's conditions in which the economy is still tight, it is of course impossible to have reforms made headway. However, we should not entirely stay where we are in this year's reforms. Our reforms over the past years have no paid enough attention to the coordinated tasks, so that there is opening up and invigoration of the microeconomy and the management of the macroeconomy. We must promptly make up for this weak point so that the new economic mechanism will be complete and will bring about results at an earlier time. For this reason, we have carried out the work of consolidating and assimilating the price and wage reforms which were introduced last year. Moreover, in the area of imroving the control of fixed assets investment, we must check the projects under construction and readjust the structure of investment. We must also quicken the circulation of liquid capital. In regard to the financial system, we must conduct reforms in the areas of encouraging savings, improving services, and rationally using credit funds. In regard to invigorating enterprises, we should reduce the readjustment tax levied on large and medium enterprises and increase their rate of depreciation, so that these core enterprises possess the vitality for self-development. At the same time, we should promote the extensive economic links among regions and deparmtents and promote the rationalization of enterprise structure.

Strive To Make an Important Step Forward Next Year

The profoundly significant work of this year in reform is to make preparations for further reform in terms of theoretical study, formulation of plans, training of cadres, and the building of organizations, so as to ensure that measures that will affect a wider scope will be introduced next year.

In regard to measures that will be introduced next year to assist reforms, we should plan carefully in connection with our analysis of the present system, the need for further reform, and the provision of objective conditions. For example, we may propose reforms for assisting the work in three areas of the economic system:

First, further perfecting the system of a competitive market is the basic condition for ensuring that the spontaneous business activities of enterprises are constantly under macroeconomic restrictions and for ensuring measures for macroeconomically readjusting the enterprises through the market. We should try our best to arrange well the economic parameters (including commodity prices, tax, rates, interests rates, foreign exchange rates, and so on). We should put an end to the situation in which these parameters are seriously distorted. At the same time, we should eliminate the major causes of irrational distribution and not getting the happiness or bitterness that one deserves. At present the distortion of the prices of the means of production is the most serious problem in the national economy.

When the time is right, we shoudl reform this by adopting the method of linking the movement of prices to the amount they are taxed, so as to differentiate one product from another. However, just by readjusting and opening up the prices, we are unable to make the price signals become an effective lever for leading the enterprises to improve their operations. In order to achieve this point, we must also concentrate our efforts on perfecting the market mechanism and on establishing a normal order of marketing.

Second, adding vitality to enterprises and improving the rigidity of restrictions on their budgets play a decisive role in creating the microeconomic foundation for macroeconomic readjustment and improving the operation of the national economy as a whole.

In addition to strengthening the roles of large and medium state-run enterprises under independent operation and independent accounting, we can do more in the areas of creating patterns for small enterprises running their businesses independently.

Third, judging from the system of macroeconomic readjustment: 1) On the basis of introducing new taxes such as those on the use of land and the use of capital, and readjusting the regulations and rates of old taxes, we may follow the transitional financial system of "distinguishing revenue from expenditure and making contracts at all levels," in which the financial revenue is classified into central and local ones from some tax categories, and the scope of expenditure will be reassessed at various levels, so as to put an end to the situation of decentralizing decision-making power to various administraive levels; and 2) on the financial system, we may, on the basis of strenghtening the status of grass-roots banks under independent operation and independent accounting, gradually strengthen the role of interest rates in readjusting the demand and supply of capital while strengthening the management and readjustment functions of the central bank.

If we can base ourselves on the consolidation of reform achievements which were made last year and make an important step forward next year, our new economic system will be greatly improved and the inherent vitality of the socialist economy will be shown. This will enable us to win new victory in our socialist modernizations. While we wait for this moment, however, we must bear in mind: The greater the pace of reforms, the greater the demand for economic environemnt. Whether or not we can smoothly make an important step forward next year depends on whether or not the macrocontrol will be strengthened and improved this year and whether the economic environment will continue to become more relaxed, so as to reserve enough strength for taking such steps. We should work hard and strive to realize this arduous task.

JINGJI RIBAO DISCUSSES PRICE PROBLEM ISSUES

HK241228 Beijing JINGJI RIBAO in Chinese 15 Mar 86 p 3

[Article by Li Kemu: "The Price Problem in Real Life"]

[Text] The price problem is an important and sensitive issue involving the overall situation of the national economy and is closely linked to the people's daily life. For some time, the general level of commodity prices in our country has risen considerably. The state of affairs has drawn people's attention to the price problem. In our view, in the period of overall reform of the economic structure, the vast numbers of consumers should have some understanding about the mechanism of price changes while paying attention to the price problem.

Changes in the General Level of Commodity Prices

In China, the general level of commodity prices is primarily indicated by the general index of retail prices in the country as a whole. As an indication of the stability or instability of market prices, the general level of commodity prices is an important means by which the state exercises macroeconomic control. The general index of retail prices in our country rose by 17.7 percent in 1984 over 1978 (an average rise of about 2.7 percent annually) and the cost of living and price indexes of workers and staff members rose by 20 percent. In 1985, the general index of retail prices rose drastically, reaching a double-digit number in cities with a population of more than 1 million. Of the commodities for which prices have risen, it is nonstaple food that has conspicuously affected the people's life. What is the cause of the current price fluctuations? We should clarify this point when discussing the price problem.

There are many factors affecting the general level of commodity prices. Generally speaking, there are two important factors: One is commodity value and the other is currency value. Prices are the monetary form of value. The draw the prices of various commodities closer to their value and to maintain rational price ratios, it is necessary to conscientiously apply the law of value and, in light of production, demand, and other conditions, to frequently adjust the prices of various commodities. As a rule, this structural adjustment will not bring about a fluctuation in the general price level. However, if we rigidly retard rational price rises, resulting in a long and serious deviation between prices and value, the structural price adjustment made under such circumstances will probably lead to a rise in the general level of commodity prices. A change in currency value has a fairly great impact on the general price level. When the currency put into circulation exceeds the market demand, that is, when there is more money than commodities, the currency will depreciate and the prices of commodities will rise accordingly. The practical situation in our country is that the two phenomena affecting the general level of commodity prices exist to varying degrees.

Stablizing and Adjusting Commodity Prices

Stabilizing commodity prices is a fundamental principle of our party to which we must adhere. However, stabilizing commodity prices does not mean that prices cannot be changed; still less does it mean that prices should only be slashed and not increased. Prices are flexible and not rigid. Rigid prices can only lead to a loss in economic vitality and make it impossible for the market mechanism to give scope to its regulatory role. We should relatively stabilize commodity prices by increasing or reducing them. If price rises are caused by an excessive amount of currency in circulation, it is necessary to keep down prices by strengthening macroeconomic control. Our country has broad experience in successfully stabilizing prices. The price fluctuations in our country have been caused by an excessively large scale of capital construction and an excessively rapid growth in credit funds and consumption funds. This is extremely harmful to the normal development of the national economy and the improvement of the people's living standard. If the price fluctuations are caused by a structural price adjustment, it should be regarded as the cost of our fault. Curbing rational price rises will only lead to false stability in the general price level, which is generally called "concealed inflation" and which should accurately be called "concealed price rises." During the 10 years of turmoil, in an attempt to avoid great fluctuations in commodity prices, the state was forced to freeze prices, making the deviation of prices from value increasingly serious.

Due to their excessively low prices, neither the factories nor the peasants wanted to produce many commodities urgently needed in economic construction and the people's daily life. As a result, supply fell short of dmand. To maintain a stable situation whereby the prices were "kept down," the state spent a huge sum of money as subsidies for losses caused by the state purchasing farm and sideline products at higher prices than their selling prices and by the inability of the factories to increase the prices of their products despite the rising prices of raw and semi-finished materials. Given the very sharp contradictions caused by long-standing irrational prices, it is fairly difficult to rationalize prices through structural price adjsutment or to offset price rises with price reductions in some commodities. For tis reason, it will lead to a rise in the general price level. The practice of using state financial subisides to keep down prices, or "concealed inflation," is a potential factor in the rise of the general price level. The practice of our economic development tells us that it is necessary to adjust as soon as possible the irrational prices in order to reduce the state burden in giving financial subsidies and to put more of our limited capital into the development of the national economy; to arouse the initiative of producers and to meet the needs of the people; and to remove the hidden danger of "concealed inflation" causing price hikes.

Therefore, even though structural adjustment may lead to a certain rise in the general price level, it is still necessary to make the adjustment because this is in keeping with the fundamental interests of the consumers. This is completely different from the outcome of excessive currency in circulation. While making structural adjustment to planned prices, we should let most means of subsistence and a sizable number of production means be gradually regulated by the market mechanism so that the prices which have been "kept down" can become more rational through the function of the law of value.

Price Adjustment and Consumption Level

Price adjustment will help raise the people's consumption level. But how should we deal with the present condition affecting the consumption level in the course of price adjustment? We can cite the following points: First, by eliminating "concealed inflation" we do not mean simultaneously raising the prices of all commodities whose prices have been "kept down" but carrying them out gradually in light of changes in market supply and demand and other social factors, particularly the consumers' capacity to withstand strain. Second, the state should appropriately give or increase subsidies for commodities whose prices have been raised. Third, price adjustment should be made step by step and in coordination with wage system reform. The important thing is that the actual wage level of the people should not be reduced. Fourth, when making structural adjustments, we should also pay attention to the question of whether or not the structure of the commodities whose prices have been adjusted is rational. The current economic and financial situation has provided a good opportunity for the reform of the pricing system. We should take advantage of this opportunity to solve the price problem. Given a relatively small social impact, this will enable us to achieve without a hitch the objective of stimulating production and gradually improving the people's living standard.

LIAOWANG ON PLA CONTRIBUTIONS TO WORLD PEACE

HK261235 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 11, 17 Mar 86 pp 8-9

[Article by He Qizong, deputy chief of the PLA General Staff: "China's Army Makes Contributions To Safeguarding World Peace" -- Author is from Yingshan County, Sichuan. He was born in March 1943 and joined the Army in 1961. He studied in the PLA Military Academy in 1980 and was promoted to deputy chief of general staff of the PLA in 1985]

[Text] The 40th UN General Assembly designated 1986 as International Year of Peace and urged the people of various countries "to join UN efforts to safeguard peace and to guarantee a good future for mankind." This appeal is in keeping with the trends of our times. It has won the support of more than 100 countries and organizations, including China. It reflects the common desire for peace, disarmament, and opposing war of the people of all countries in the world. The Chinese Army sincerely hopes that world peace can be maintained.

On 4 June last year, Deng Xiaoping, chairman of the CPC Central Military Commission, announced at an enlarged meeting of the commission that the Chinese Government had decided to cut the number of soldiers by 1 million. This important strategic decision is a concrete contribution by China to opposing the arms race and safeguarding world peace. It has won the resolute and unanimous support of the whole Army and the people of the whole country. It is also welcomed and praised by all peace-loving countries and people of the world. Public opinion in the international coummunity has universally pointed out: China's disarmament is "not for the sake of propaganda." China is "safeguarding world peace by her concrete action."

In the past few years, the two superpowers have engaged in an increasingly intense arms race. Last year, the military spending of both of them reached an all-time high. While competing with one another in expanding conventional arms and updating their strategic offensive weapons in an overall manner, they have also begun military contention in outer space. The contention for military superiority and for world hegemony is the major cause of the turbulent international situation.

Together with the peace-loving countries and people of the world, China resolutely opposes the arms race between the superpowers and has unilaterally taken the concrete action of cutting its Army by 1 million soldiers to show its sincerity concerning peace. The purpose of cutting its Army is also to concentrate more financial and material resources on accelerating its economic construction so that China's economy will become prosperous, its political situation will become more stable, and China will be able to expand its role in safeguarding world peace.

As a matter of fact, China has been taking the initiative in cutting its Armed Forces in the past few years. On one occasion after another, the number of soldiers was reduced and the percentage of the state's financial expenditure represented by military spending was lowered. Much of defense production has been turned into civil production and some military ports and airports have been opened for civil use. At the same time, the Army has energetically given support to the Army and the people jointly building socialist spiritual and material civilization. In order to meet the needs of the country's economic construction, the Army is making great efforts to train qualified personnel who can do both military and civilian work so that large numbers of ex-servicemen can play an increasingly greater role in socialist modernization. At present, the first stage of the reduction-in-strength reorganization has been completed smoothly. Various Army units have been reorganized according to the newly stipulated sizes for Army units. The PLA General Staff Headquarters, General Political Department, and General Logistics Department, the National Defense Science, Technology, and Industry Commission, various arms and services, various military regional organs, and the major combat units are now carrying out their work according to the newly promulgated sizes for Army units. Large numbers of excess personnel have voluntarily subordinated themselves to the needs of the overall situation and are ready to be transferred to work to build the socialist economy with the help of local governments. According to the plan of the CPC Central Military Commission, this year's reduction-in-strength reorganization will mainly be conducted in all military schools and colleges, the logistics and convoy system, and the provincial military district system. It is certain that after 2 years of intense and orderly work, the arduous task of reducing Army troops by 1 million and of reorganization will be fulfilled in 1986 as scheduled. The Chinese Army will then be even smaller in number but better trained and the state's military expenditure will be further reduced. The capacity to resist aggression and safeguard the peace of China, a large, strong, and prosperous country with 1 billion people who are united as one, will also increase.

The PLA is a combat contingent for opposing aggression and defending the motherland. China has always pursued a policy of peace and strictly adhered to the five principles of peaceful coexistence. China has no military base in any foreign country. Nor is there any Chinese soldier stationed abroad. The sacred duty of the Chinese Army is to defend the motherland's inviolable sovereignty. At the same time, it is also an important force for defending world peace and has made unremitting efforts to safeguard world peace. It goes without saying that China is sincere and determined in disarmament. On the other hand, although they have expressed in words their desire to "accelerate the disarmament talks," the two superpowers have taken concrete actions which can only be interpreted as regarding talks as a means to restrict the opposite party and to strengthen oneself.

They have been arguing back and forth for a long time in talks on limiting offensive weapons as well as on limiting conventional weapons and their arms expansion in the meantime continued. People have an absolute right to demand that the two superpowers, which possess the world's biggest nuclear arsenals and the most powerful conventional arms, be sincere and take action to earnestly stop the arms race and take the lead in large-scale disarmament.

Nearly 41 years have passed since World War II. During this period, although imperialists and hegemonic powers have never stopped their aggression and expansion, and local conflicts and partial wars have occurred one after another, a new world war, about which the people of the world worry most, has not broken out after all. This can only be regarded as a great victory, as compared with a period of peace of only 21 years after World War I. This victory has not been bestowed by anyone on the international community, but is the outcome of the struggle to defend world peace of the people of the world, the people of the Third World countries in particular, who are more awakened and united than ever before. Historical experiences and lessons have told us that the people of all countries throughout the world must be united and that all peace-loving countries must be united. They must take action to prevent wars before they break out and must take effective measures to stop any war once the aggressors have started it. We should never tolerate or condone aggressors in the hope of seeking momentary peace. We should not try to avoid danger to ourselves at the expense of the security of other countries. So long as the people of the whole world make concerted efforts to control the constant growth of factors for war, a new world war can be prevented and there is much hope for lasting world peace.

TIAN JIYUN INSPECTS HUBEI, STRESSES AGRICULTURE

HK260147 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 25 Mar 86

[Text] Tian Jiyun, member of the Political Bureau of the CPC Central Committee, member of the CPC Central Committee Secretariat, and vice premier of the State Council, inspected Hubei and provided guidance for work in the province on 23 and 24 March. He stressed that it is essential to strengthen the agricultural foundation, develop grain production, stabilize cotton output, further develop the excellent situation, and thus create conditions for in-depth reforms.

Vice Premier Tian focused on getting to know the state of agriculture in the province. Reporting to him, responsible comrades of the provincial CPC Committee and government said that this year it is necessary to implement the spirit of CPC Central Committee Document No 1 in an all-round way, strengthen leadership over agriculture, take still more advantage of the province's strong points in grain, and stabilize cotton production. It is necessary to continue to vigorously develop township enterprises and give free rein to promoting diversification, so as to stimulate healthy development of the rural economy.

The provincial authorities have therefore taken the following measures: allocating 200 million yuan in discount revolving funds to support grain and cotton production; the price of prepurchased grain to be increased by 2 Fen per jin on the basis of an proportional price; chemical fertilizer to be awarded as a bonus for grain and cotton purchased by contract; the price of ammonium carbonate to be reduced, and the prices of other agricultural production materials to be stabilized; maintenance and management of water conservation facilities to be grasped to improve their capacity to resist natural disasters; and new technologies and strains to be popularized and applied.

Vice Premier Tian agreed with all this. He said: These policy measures are correct and effective. The whole year's effort depends on the spring. I hope that these measures will be implemented in the grass roots and rapidly become common knowledge among the peasants, so as to enhance their enthusiasm for growing grain.

He stressed: We must seriously implement the series of policies of the CPC Central Committee and State Council on agricultural production, and especially on stimulating grain production, and continue to develop grain production. We must also stabilize cotton output. We must certainly not have big fluctuations in cotton output. Agriculture is the foundation, and grain is the foundation of the foundation. A guaranteed grain output creates conditions for us to further develop the excellent situation and carry out reforms in depth.

He affirmed the methods applied by the provincial CPC Committee and government for actively developing township enterprises, pointing out: Developing township enterprises is an essential path for invigorating the rural economy. It is a path of great vitality. In developing township enterprises, we must persevere in the correct orientation and pay attention to reducing blindness in operation. China's population of 1 billion includes 800 million peasants. We cannot gradually narrow the gap between urban and rural areas, modernize agriculture, and extricate the peasants from poverty without developing township enterprises.

When listening to reports delivered by the Wuhan City CPC Committee and government, Vice Premier Tian praised the gratifying progress made by the city in comprehensive urban reforms. He expressed the hope that this year the city would further implement the economic responsibility systems in the enterprises, conduct appropriate ideological and political work for staff and workers in light of the actual conditions of each enterprise, pay attention to solving certain specific problems in production, operations, and daily life in the enterprises, and strive to go a good job in industrial production. Attention must also be paid to developing lateral economic ties. Efforts should be made to achieve relatively great progress in this respect in carrying out economic structural reform this year.

Vice Premier Tian also inspected the Dadongmen trading market in Wuchang and the small commodity market in Hanzheng Street in Hankou. He obtained direct information on the market and price situations. He demanded that market supply work be done well. He was extremely concerned about the situation in nonstaple food supplies, especially vegetables, for urban residents. He told the responsible comrades of the province and city that the size of the crop produced in the vegetable fields determines the prices of vegetables in the baskets. It is essential to guarantee the planting area for vegetables. Everything possible must be done to make proper arrangements for the masses' daily life.

Vice Premier Tian Jiyun pointed out after listening to reports from the province and city: The situation in Hubei Province is very good. This is the case all the way from agriculture and industry to the markets. The situation in agriculture is particularly good. He expressed the hope that the province would continue to develop its excellent situation. Hubei should strive for a relatively good harvest in agriculture and a suitable growth rate in industry. The province should vigorously improve economic results and create conditions for taking bigger strides in reform in the future.

Vice Premier Tian Jiyun was accompanied on his inspection by Yan Ying, deputy secretary general of the State Council; and Jiang Xi, vice minister of commerce. Guan Guangfu, Guo Zhenqian, Wang Qun, and other responsible comrades of the provincial and city CPC committees and governments reported on work to Vice Premier Tian.

COMMENTARY URGES HORIZONTAL ECONOMIC COOPERATION

HK251123 Beijing Domestic Television Service in Mandarin 1100 GMT 22 Mar 86

[Station commentary]

[Text] A great upsurge in cooperation between enterprises is emerging in China's economic life. Many and varied forms of horizontal cooperation are currently breaking down various barriers established under the traditional system, such as barriers between industries, barriers between regions, barriers between departments, and barriers between systems of ownership. These forms of cooperation are also promoting a rapid development of productive forces. This is an important achievement scored in the course of our country's urban and rural economic reforms for expanding the enterprises' decision-making authority and for giving full play to the regulative role of the law of value in our socialist economy. A basic characteristic of modern socialized mass production is the existence of stable and extensive horizontal economic ties between industries and enterprises, between industry, commerce and enterprises, and between industry, commerce, enterprises, and scientific research institutions. Specialized division of labor and coordination between enterprises are promoted through such ties, and the coordinated development of economic activities in different regions and departments is also promoted through such ties.

However, our old system severed horizontal ties between enterprises. As a result, the organizational structures of our enterprises have been very irrational and it has been difficult for us to carry out specialized division of labor. The severance of ties has also strengthened the dependence of enterprises on the government. Over the past few years, through the development of horizontal economic cooperation, enterprises have learned from others' strong points to offset their weaknesses and have increased economic returns. At the same time, this development has changed the situation in which enterprises are administrative organs' subsidiary bodies and are not separated from administrative organs, and in which there are barriers between higher and lower levels and between departments and regions. This shows that the development of horizontal ties not only can yield better economic returns but can also promote reforms. It is of great importance to achieving the healthy and stable development of our national economy.

STATE COUNCIL ISSUES ECONOMIC ASSOCIATION RULES

OW231040 Beijing XINHUA in English 1030 GMT 23 Mar 86

[Text] Beijing, March 23 (XINHUA) -- The State Council, in a regulation published today, calls for the promotion of horizontal economic association to break down barriers between departments and regions and spur economic development. The regulations between raw material bases and processing plants, between production enterprises and research institutes, among agricultural, industrial and trade departments, as well as among transportation units to link railway, highway, shipping and air transport. The ultimate aim is to tap all potential, rationalize the structure and distribution of enterprises, develop marketing and separate enterprise management from administration.

According to the regulation, the associations can be tightly or loosely knitted and it can be cooperation in either manpower, resources, capital, technology or marketing. The association must be formed voluntarily and no administrative coercion is allowed, the regulation said. It will not be restricted by the barriers between regions, administrative departments, economic sectors and ownerships.

Banks should support such horizontal economic association in loans; while these associations, with approval granted, can also issue debentures through banks or other financial organizations. Double taxations must be avoided on the horizontal economic associations, the regulation said. Tax might be reduced for five years on profits earned from investment in energy, transportation, old revolutionary bases, frontier and poor regions and areas lived by minority nationalities.

CYL CIRCULAR STRESSES IDEOLOGICAL EDUCATION

OW251447 Beijing Domestic Service in Mandarin 1200 GMT 21 Mar 86

[Text] The CYL Central Committee issued a circular today calling on CYL organs at all levels to further promote education on the current situation, policy, andmission and on the revolutionary tradition. The circular says since this year is the 67th anniversary of the May 4th Movement, the Pure Brightness Festival is at hand, and the Fourth Session of the Sixth NPC will open soon, CYL organs at all levels must make the best use of the situation to deepen the education on the current situation, policy, and mission and in the revolutionary tradition among the vast number of CYL members and other young people. In promoting these educational activities, the various localities should avoid large gatherings of people from a big area and should do away with formalism and superficiality. Instead, they should strive to imbue various activities with ideological education so that CYL members and other young people will really benefit from such education.

WANG ZHAOGUO ATTENDS CPPCC GROUP DISCUSSION

OW260944 Beijing Domestic Service in Mandarin 1200 GMT 25 Mar 86

[Excerpts] According to a report by this station's reporter, the Fourth Session of the Sixth CPPCC National Committee continued its group discussions on this morning. The participants generally maintained that there have been marked achievements and great improvements in the CPPCC work in the past year and that practice has proven that the CPPCC has played, and will certainly play, a greater role in the country's two civilizations. Liu Yandong, member of the Standing Committee of the CPPCC National Committee and president of the All-China Youth Federation, said that various groups of the CPPCC National Committee have carried out various forms of activities and brought their strength into full play. Wang Zhaoguo, member of the Secretariat of the CPC Central Committee, came to the CPPCC National Committee's All-China Youth Federation group to take part in its discussion this morning.

FORMER VICE PREMIER CHEN YONGGUI DIES AT 72

OW261615 Beijing XINHUA in English 1606 GMT 26 Mar 86

[Text] Beijing, March 26 (XINHUA) -- Chen Yonggui, once a national labor hero and leader of China's no. 1 model farming unit, died of lung cancer at 20:35 hours today. He was 72. He was advisor to the Dongjiao (east suburbs) farm of Beijing before he died. He was appointed to the post by the party Central COmmittee in 1983. From 1975 to 1980, he was one of China's vice-premiers.

When his condition deteriorated, party and state leaders Xi Zhongxun, Hu Qili, Hao Jianxiu and Wang Zhaoguo saw him in the hospital. Other visitors included Yang Dezhong, first deputy director of the General Office of the party Central Committee, Mayor Chen Xitong of Beijing, as well as friends from his native province, Shanxi, his native village, Dazhai, and the Dongjiao farm.

Chen was born in 1914 in a poor peasant family in Dazhai Village, Xiyang County, Shanxi Province, and joined the Communist Party in 1948. In the 1950's he pioneered the collectivization movement by helping set up an agricultural producers' co-operative in his village, Dazhai, which nestles deep in the arid, gully-strewn Taihang mountains. As party secretary of the village Communist Party branch committee, he got the villagers mobilized to change the farming conditions by filling gullies with earth to create land and build irrigation facilties and terraces on the Loess mountain-slopes. As the village was becoming better off, it won the praise of the party Central Committee and the top party leaders, Mao Zedong and Zhou Enlai.

The many years' strenuous efforts made Dazhai villagers under Chen's leadership to fight nature and the subsequent successes were publicized nationwide to encourage the rest of the Chinese population to work hard and make China strong and prosperous.

Meanwhile, Chen Yonggui, too, came into national limelight as a labor hero. He was deputy to the Third, Fourth and Fifth National People's Congress, member of the Ninth, Tenth and 11th party Central Committee, and member of the Political Bureau of the Tenth and 11th party Central Committee. He supported the basic line, principles and policies formulated at the Third Plenum of the 11th party Central Committee and worked in real earnest to sum up the experience and lessons in his past work. In 1983, he willingly accepted the party Central Committee's offer of an advisory post in the Dongjiao farm. For his care to others and his devotion to work, he became everybody's friend on that farm.

XINHUA REPORT IDENTIFIES MARXIST SCHOLAR

WA271600 [Editorial Report] Beijing XINHUA in English at 1329 GMT on 14 March transmits a report on "Breakthroughs in the Study of Marxism," published in the 25 March China DAILY REPORT, page K 27, under the headline "'Breakthroughs' in Marxist Study Examined." XINHUA notes that Deng Weizhong, author of the article, "works at the Shanghai branch of the Encyclopedia of China publishing house."

JIANGSU'S HAN PEIXIN, GU XIULIAN PRESENT AWARDS

OW251149 Nanjing Jiangsu Provincial Service in Mandarin 2300 GMT 22 Mar 86

[Text] With the approval of the provincial leading group for enterprise consolidation and the provincial planning and economic commissions, 196 enterprises and 207 individuals were designated advanced units or workers for their achievements in the province's enterprise consolidation.

At a provincial conference on planned economy yesterday, Han Peixin, Gu Xiulian, Ling Qihong, Yang Yongyi, and other leading comrades of the province presented awards to those advanced units and individuals.

JIANGXI: WAN SHAOFEN ON BUILDING OLD BASE AREAS

OW241130 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 17 Mar 86

["Excerpts" of report by Wan Shaofen, secretary of the provincial party committee and chairman of the provincial commission in charge of construction in old revolutionary base areas, at a provincial meeting held in Nanchang on 17 March on such construction: "Enthusiastically and Steadfastly Quicken the Pace of Construction in Old Revolutionary Base Areas"]

[Excerpts] Last August, a provincial conference on construction in old revolutionary base areas solved the questions of unifying our thinking and enhancing our understanding of the importance of such construction. This is most important. Keeping in mind the main subject of how to bring about noticeable changes in old revolutionary base areas this year, this meeting should sum up and discuss our work, further enhance our understanding, and effectively solve problems that need immediate solution in our work in this regard.

Since last year, especially since the eighth provincial party congress and a provincial conference on construction in old revolutionary base areas, people in various parts of the province have paid attention to the construction of old revolutionary base areas and have done a lot of work in this regard. As a result, the situation in those areas has developed rather rapidly.

In implementing the central authorities' and the provincial party committee's preferential policies toward particularly poor townships in old revolutionary base areas, relevant provincial-level departments, as well as prefectures, cities, and counties have paid special attention to implementing the policy of reducing or remitting agricultural taxes and several other policies in recent months. Meanwhile, the provincial, prefectural, city, and county authorities supported old revolutionary base areas with 101.67 million yuan last year. The supply of materials for construction projects in old revolutionary base areas is also better than before.

We are glad to note that new steps have been taken in the construction of the province's old revolutionary base areas since the eighth provincial party congress and a provincial conference on such construction last year. Now the construction of those areas has entered a new stage. Of course, there are still problems and difficulties in this regard. We must overcome such problems and difficulties through our unremitting efforts and to further bring about a new situation in the work of old revolutionary base areas.

At the conference on the work of old revolutionary base areas last year, the provincial party committee and the provincial government set the requirements for helping the people in those areas have enough to eat and wear in 3 years and shake off poverty in 5 years.

To achieve this goal, a big step should be taken in the construction of the old revolutionary base areas on the basis of last year's initial achievements; a noticeable change should be brought about in this regard. I think a noticeable change should mainly manifest itself in the following aspects:

1. Average per-capita net income in the particularly poor townships of the old revolutionary base areas this year should increase 20 percent over that of last year and the average per-capita net income of one-third of the households with particular material difficulties should reach or top 200 yuan.

2. As for a small number of households with particular material difficulties in old revolutionary base areas where people still do not have enough to eat and wear or adequate housing to shelter them from the wind and rain, it is necessary to basically solve such problems for them within this year. By basically solving such problems for them, it means that every possible effort should be made to enable them not to suffer from hunger or cold any more. This must be done for each such household.

3. It is necessary to select and start projects in counties, townships, and villages in old revolutionary base areas this year that can make full use of local resources to promote commodity production and that can help people shake off poverty and become better off.

4. Lateral economic ties between enterprises in old revolutionary base areas and those outside should be noticeably strengthened.

5. It is necessary to start or continue the building of basic and urgently needed facilties in transportation, circulation, energy, water conservation, education, and public health. Marked progress should be made in the prevention and cure of endemic diseases.

6. Administrative offices in charge of construction in old revolutionary base areas should be strengthened as soon as possible.

In our province, a vigorous situation has been brought about in which people concern themselves with, play an active part in, and contribute to the construction of our province's old revolutionary base areas. Under the correct leadership of the party Central Committee, we can certainly take a big step and bring about a noticeable change in the construction of such areas this year and contribute to the fulfillment of the tasks for the first year of the Seventh 5-Year Plan provided we rely on the cadres and masses, firmly pool our wisdom and efforts, work in unity, and advance in a pioneering spirit.

ZHEJIANG NPC DEPUTIES LEAVE FOR BEIJING

OW221317 Hangzhou Zhejiang Provincial Service in Mandarin 1000 GMT 21 Mar 86

[Text] Zhejiang Province's NPC deputies and members of the CPPCC National Committee left Hangzhou by plane for Beijing this afternoon to respectively attend the forthcoming Fourth Session of the Sixth NPC and the Fourth Session of the Sixth CPPCC National Committee.

They had gone deep into factories, rural areas, and schools to conduct extensive investigation and study and to listen to the opinions and needs of the masses of grassroots units. During their stay in Hangzhou, they seriously listened to a briefing by Governor Xue Jue on the Zhejiang provincial Seventh 5-Year Plan; they thus gained a better idea of the reform and development situation in the province. They were seen off at the airport by leading comrades of the provincial People's Congress Standing Committee, the provincial CPPCC Committee, and other departments concerned.

GUANGDONG RECLAMATION FARMS ENJOY PREFERENTIAL TREATMENT

HK241042 Beijing ZHONGGUO XINWEN SHE in Chinese 0247 GMT 21 Mar 86

[Text] Guangzhou, 21 Mar (ZHONGGUO XINWEN SHE) -- The 88 farms and more than 10 factories and enterprises set up by Guangdong's agricultural reclamation departments in Hainan are given preferential treatment similar to that of the special economic zones in opening to the outside world and importing foreign capital. The 15 mu of land in the Shantou Special economic economic zone and 30 mu of land in the Zhanjiang economic exploitation zone owned by the agricultural reclamation departments also enjoy the preferential treatment.

According to the people involved, Guangdong's agricultural reclamation departments welcome foreign businessmen's cooperation in farming, animal raising, the processing industry, and tourism in the above areas. The items of cooperation in the near future include prawn breeding, the planting and processing of coffee and tea, the growing and preservation of Hongjiang oranges, the processing of rubber products, the construction of tourist buildings in the Shantou Special Economic Zone, the construction of Nanhai International Hotel and Haixiu Restaurant in Haikou, the construction of Nanya Hotel and Nanxin Tourist Center in Sanya, the building of Taiyang Lake Resort in Wanning County, and the building of Nanyang hotsprings tourist area and sanatorium in Danxian County.

After 35 years in operation, China's largest base of tropical crops has been established on the barren hills and mountains in Hainan, Zhanjiang, and Shantou. Over the past 3 years, 25 contracts concerning economic and technological cooperation have been concluded with foreign, Hong Kong, and Macao businessmen by means of compensation trade, joint ventures, and other forms. Of these, 18 contracts are being implemented. The amount of foreign investment totals over US$12 million. Total investment in the nutriment factory of the Xianglian corporation, a joint venture run by Guangdong's agricultural reclamation departments, the Guangdong Food Center, and the U.S. XIANG [0078] Food Industrial Group, reached US$7 million. Construction of the project started last year and is expected to be completed and put into operation in the first half of this year. The Sanjiang farm, which is located in an Overseas Chinese hometown, imported improved varieties of coconut. Now it has become China's largest production base of coconuts.

Guangdong's agricultural reclamation departments used the US$100 million loan granted by the international exploitation association of the World Bank to plant and reforest 600,000 mu of rubber trees and afforest an area of 180,000 mu in Hainan and the Leizhou peninsula. By the end of 1985, the agricultural reclamation departments had planted and reforested 460,000 mu of rubber trees and afforested an area of 140,000 mu. According to the inspection made by the officials of the World Bank, both the quality of the trees planted and management level reached the required standard.

Guangdong's agricultural reclamation began in 1985. There are now 140 reclamation farms and 571 reclamation factories, with a total of 660,000 workers. These farms and factories have 5.05 million mu of rubber trees and tropical crops and an afforested area of 2.36 million mu. There are more than 1,400 kinds of industrial products manufactured by these farms and factories. The Wuzhishan black tea produced by the farms has fragrance and a good taste. More than 50,000 dan of black tea is supplied to the international market every year. It sells well in more than 40 countries and regions including the United States, Japan, and Australia. The total industrial and agricultural output of Guangdong's agricultural reclamation departments in 1985 was 1.53 billion yuan. Foreign exchange earned through the export of commodities in recent years was around US$31.35 million.

HUBEI TO SWITCH PEOPLE'S ARMED FORCES DEPARTMENTS

HK201211 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 17 Mar 86

[Text] The work of switching county and city level people's armed forces departments to the jurisdiction of local authorities will start in April and end in June in the province.

To strengthen leadership over the work, a provincial leading group has been set up. It began a pilot project in March to explore experience in this respect in (Ouanjiang) and (Yingshan) Counties, Suizhou City, and Wuhan's Hanyang District.

After being switched to the jurisdiction of local authorities, county and city level people's armed forces departments will mainly be responsible for people's militia and military service work in the areas under their administration. They will be under the leadership of county, city, and district CPC committees and governments and the military authorities at the higher level.

HUNAN: MAO ZHIYONG, OTHER LEADERS VISIT NPC DEPUTIES

HK270511 Changsha Hunan Provincial Service in Mandarin 1100 GMT 21 Mar 86

[Text] NPC deputies and CPPCC National Committee members from our province left for Beijing by plane today to attend the Fourth Session of the Sixth NPC and the fourth meeting of the Sixth CPPCC National Committee to discuss state affairs. Xiong Qingquan, deputy secretary of the provincial CPC Committee and governor; Shen Ruiting, provincial CPC Committee Standing Committee member; Huang Daoqi, Xu Tiangui, Xie Xinying, and Li Tiangeng, vice chairmen of the provincial People's Congress Standing Committee; Yin Changmin and Zhou Zheng, vice chairmen of the provincial CPPCC Committee; (Wu Aiting), deputy political commissar of Hunan Military District; and responsible persons of departments concerned went to the airport to see them off.

On the evening of 19 March, Mao Zhiyong, secretary of the provincial CPC Committee, and some responsible persons of the provincial CPC committee, provincial Advisory Commission, provincial Discipline Inspection Commission, provincial People's Congress Standing Committee, provincial people's government, provincial CPPCC Committee, and Hunan Military District went to the Hunan Guesthouse to visit the deputies and committee members.

SICHUAN LEADER ON MACHINE-BUILDING INDUSTRY

HK250217 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 24 Mar 86

[Excerpts] Vice Governor Gu Jinchi pointed out at the provincial machine-building industry work conference which concluded on 23 March: The machine-building industry must take the lead in development among the various sectors of the national economy, and a certain growth rate must be maintained.

He said: Investment in fixed assets in the machine-building industry in Sichuan ranks third in the whole country. The industry's production capacity and potentionals are great. Its growth rate should therefore be a bit higher, as appropriate. This is both necessary and feasible.

The meeting also decided on the goals of endeavor for the machine-building industry during the Seventh 5-Year Plan. It demanded that the machine-building industry system do a good job in pilot projects for reform, step up key construction work and technological transformation, develop new products, and improve management standards and economic results. It is necessary to bring into full play the role of the fruits of third-line construction and make contributions to the sustained, steady, and co-ordinated development of the province's economy.

SICHUAN MEETING URGES SUPPORT FOR SPRING FARMING

HK250215 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 24 Mar 86

[Excerpts] The provincial government held a telephone conference with responsible persons of departments concerned and of cities and prefectures on 24 March to make arrangements for supplying agricultural production materials and issuing loans so as to ensure the smooth progress of preparations for spring farming. Xie Shijie, member of the Standing Committee of the provincial CPC Committee, and (Jiang Heting), secretary general of the provincial government, spoke at the meeting.

The provincial government pointed out at the meeting: This year the province's spring-harvested grain and rapeseed are growing very well. Preparations for the spring-sown crops are also fully underway. The tasks are very arduous. There are shortages of chemical fertilizer, oil, and medium and small iron farm implements. It is necessary to concentrate forces to solve these problems. The provincial government called on the province to solve the problem of price reductions for the products of small chemical fertilizer plants and to map out price reduction measures as soon as possible.

At present there is a great shortage of oil. The limited supplies must therefore be used where they are most needed in the preparations for spring farming. Priority in diesel oil supplies must be given to spring farming. Oil used for drainage and irrigation must be used efficiently.

The provincial government reiterated that all levels must make proper arrangements regarding the plans for steel for iron farm implements, and ensure its supply.

XIZANG: WU JINGHUA ATTENDS RALLY ON PARTY STYLE

HK241215 Lhasa Xizang Regional Service in Mandarin 1130 GMT 17 Mar 86

[Excerpts] On the afternoon of 17 March, the regional CPC Committee held a rally on correcting the party style of the leading organs of the region. The rally mobilized and arranged the work of correcting the party style of the whole region, particularly correcting the party style of the organs of the region and Lhasa City. Some 1,200 party-member cadres of the organs of the region and all places in Lhasa City attended the rally.

Comrade Wu Jinghua, secretary of the regional CPC Committee, presided over the rally. Seated on the rostrum were comrades including Raidi, Doje Cering, Basang, Mao Rubai, Dangzin, and Zhang Shaosong. Comrade Pagbalha Geleg Mangya also was invited to sit on the rostrum. Nonparty leading comrades of the regional People's Congress, regional people's government, and regional CPPCC Committee, and CPPCC Committee members who were in Lhasa also attended the rally by invitation. Comrade Raidi, deputy secretary of the regional CPC Committee, delivered an important speech at the rally. Comrade Dangzin, deputy secretary of the regional CPC Committee, read the 10-article regulations of the Xizang Regional CPC Committee on strengthening party spirit, correcting party style, and strictly observing party discipline. Comrades including Wu Jinghua, Doje Cering, and Zhang Shaosong also spoke at the rally.

Comrade Raidi's speech dealt with three questions: 1) correctly appraising the situation in party style of our region and firmly grasping the main existing problems; 2) correcting party style being an important task confronting the party organizations in our region; 3) the arrangements for and methods of the work of correcting party style.

Comrade Raidi said: Over recent years, through the implementation of the series of important central authorities instructions on Xizang work, party rectification, and the implementation of the spirit of the enlarged meeting of the regional CPC Committee Standing Committee, party style in our region has improved markedly. However, we must clearly see that many problems still exist among some party member cadres in the aspects of ideology and work style. Some individual problems are fairly serious. Some have even committed crimes. Proceeding from the realities of our region, in correcting party style, we must especially stress the following problems:

1. Some party organizations and leading cadres have lacked revolutionary devotion to their work and sense of responsibility. Bureaucratism is serious. They are extremely irresponsible and have neglected their duties. This has caused serious losses to, and waste of, state property, and even endangered people's lives.

2. Individualistic ideology has become aggravated. People have taken advantage of their power to seek personal gain. Some have taken advantage of the functions and powers of their occupations to make things difficult for the masses. Some have indulged in unhealthy trends in the course of permanent residence registration, recruiting workers, enrolling students, and promoting cadres. Some have enjoyed privileges in life contrary to regulations. Some have given dinners and gifts and indulged in extravagance and waste.

3. There are malpractices of extorting and receiving bribes and embezzlement of public funds. Other serious violations of financial and economic discipline have frequently occurred.

4. Some party and government organs and party member cadres have engaged in commerce.

5. Politically, there is liberalism, organization and discipline are slack, individual interests come first, and democratic work style is bad.

Comrade Raidi pointed out: The above-mentioned five problems can be summarized into three main aspects, although the types, means, degrees, and forms of the violations of party discipline, political discipline, and legal discipline are many and varied: Individualistic ideological work style, serious bureaucratic ideological work style, and liberalistic ideological work style.

Bureaucratism and seeking good relations with all and sundry at the expense of principle are the points wherein the crux of the problems of the spreading of unhealthy trends lies and are the main reason for it.

Comrade Raidi said: The above-mentioned five unhealthy trends fully show that when the regional CPC Committee grasps the correction of party style, it does not shoot an arrow without a target and copy indiscriminately the experience of others, but must grasp it. In fact, the unhealthy trends have corrupted some cadres. Some cadres have been involved in evildoing and some cadres are in danger of being enticed into evildoing. The unhealthy trends have impaired the images of the party and government adversely affected the flesh-and-blood ties between the party and the masses, sabotaged national unity, and given certain people with ulterior motives opportunities that can be exploited to their advantage. The unhealthy trends have caused serious losses to economic construction in our region. If they are not corrected as soon as possible, still bigger losses will be caused.

Comrade Raidi said: The correction of the unhealthy trends is the continuation and penetrating development of going further in negating the Cultural Revolution, in eliminating leftist ideological influence, and in straightening out the ideological line. It is the continuation and profound development of the implementation of the spirit of the enlarged meeting of the regional CPC Committee Standing Committee; and is the important condition and guarantee for basing everything on Xizang's realities, doing everything to develop the productive forces, and doing everything for the well-being of the people of Xizang. In such a region of minority nationalities in the border area as Xizang, the correction of party style is of particularly important significance for keeping close ties between the party and the masses, strengthening nationality unity, upholding the unification of our motherland, and enhancing the prestige of our party. Our region is an economically underdeveloped region and its economy and culture have lagged behind our fraternal provinces and regions. Therefore, we must have still better party style and advocate the spirit of struggling hard and wholeheartedly serving the people. We can then use our limited manpower and material and financial resources to cause the masses to be lifted out of poverty and to get rich.

The rally concluded amid the solemn Internationale.

XIZANG LEADERS ADDRESS 'PARTY STYLE' RALLY

HK250222 Lhasa Xizang Regional Service in Mandarin 1130 GMT 18 Mar 86

[Excerpts] Wu Jinghua, secretary of the regional CPC Committee, delivered an important speech yesterday afternoon at a regional rally on correcting party style.

He said: In correcting party style and realizing a fundamental turn for the better in party style, we must combat left deviations and prevent right deviations. Comrade Wu Jinghua added: Combating left deviations and preventing right deviations has always been our party's guiding ideology and is the summation of our party's experiences in its long struggle. Last year, we held the enlarged meeting of the regional CPC Committee Standing Committee and carried out ideological education on doing more to negate the Cultural Revolution, to eliminate leftist ideological influence, and to straighten out the ideological line. We stressed combating left deviations. At the same time, we called attention to preventing right deviations. Judging from the five big problems which we have discovered still exist in our region's party style, combating left deviations and preventing right deviations is still very important.

Can we call the practices of violating party principles, being extremely irresponsible, causing serious losses to and waste of state property, and even endangering the safety of people's lives, left deviations? Can we call the practices of committing graft and theft, extorting and receiving bribes, earning money by hook or by crook, and doing harm to the state, left deviations? Therefore, in correcting party style we must pay attention to preventing right deviations. Looking at the situation objectively, we must determine our principles. We must continue to eliminate left deviations throughout the region. At the same time, we must pay attention to preventing and combating rightist things.

Comrade Wu Jinghua went on: In correcting party style and realizing a fundamental turn for the better in party style, we must build up a certain momentum, without which we cannot expose or deal with some evil things. We will not launch any movement, because we have suffered a great deal from movements. We must rely on the vitality of our party to attain the specific aim of putting our party on a sound basis. Every Communist Party member must have a strong party spirit and make good use of the sharp ideological weapons of criticism and self-criticism in order to wage a struggle of correcting unhealthy trends. We must resolutely investigate and deal with violations of the law and discipline, particularly big and important cases. Disciplinary action must be taken as appropriate. Those who should be punished in accordance with the law, must be punished according to the law. We warmly encourage nonparty comrades to present their views to the Communist Party and to help us correct the unhealthy trends.

In conclusion, Comrade Wu Jinghua stressed: All faithful and honest Communist Party members must go into action. In particular, party member cadres at and above the county level must consider well what they are prepared to do to restore and correct party style and what they should do. Each comrade must make his own necessary contribution toward restoring and correcting party style and toward accomplishing the tasks put forward by the 12th party congress.

Doje Cering and Dangzin, deputy secretaries of the regional CPC Committee, and Zhang Shaosong, political commissar of Xizang Military District, also spoke at the rally. In his speech, Doje Cering said: Correcting party style and unhealthy trends and eliminating corrupt phenomenon in our party is an important policy decision of the CPC Central Committee. Therefore, each Communist Party member and leading cadres of the party must fully understand and take vigorous action. This is a matter of attitude toward the CPC Central Committee and regional CPC Committee, and also has to do with one's sense of organization.

Doje Cering added: Our region's situation now is very good. However, there are many problems, which are mainly the problems of party style. Unhealthy trends and corrupt phenomenon have now corrupted our economic departments. Judging from the five big problems of party style in our region, as enumerated by Comrade Raidi, unhealthy trends, violations of the law, and even economic crimes in the economic sphere are especially conspicuous. This has drawn our attention.

Comrade Doje Cering said: The problems are serious, but that is not the only issue. It is not ordinary people that are indulging in unhealthy trends; it is the economic management department, economic law enforcement departments, and managing and law enforcement personnel that are indulging in unhealthy trends. We cannot disregard these known violations of discipline and the law, earning money by hook or by crook, and taking advantage of power to seek private ends. Therefore, CPC committees and governments at all levels must pay much attention to and maintain vigilance against the unhealthy trends, violations of law, and crimes in economic spheres. We must by no means pursue bureaucratism and adopt irresponsible attitudes.

In conclusion, Comrade Doje Cering emphasized: All party members and leading party cadres must carry out the spirit of the foolish old man who removed mountains and resolutely and persistently fight this battle well.

In his speech, Comrade Dangzin said: This is a year of down-to-earth implementation. Today, we are holding a rally to mobilize and organize the work of correcting party style throughout the whole region, particularly correcting party style in the region's organs and in Lhasa City. Comrade Dangzin said: Xizang's economic foundation is relatively weak. We have basically relied on state subsidies. If we do not use our money well, we will let the central authorities and the people down and be unworthy of the support given to us by the people of all nationalities throughout the country.

In conclusion, Comrade Dangzin said: Some 60,000 party members and some 2,000 leading cadres at and above the county level throughout our region must always remember the two phrases of "working for" and "serving" the people of Xizang.

Zhang Shaosong, political commissar of Xizang Military District, also spoke at the rally. He declared: The Army must learn from localities. The Army and localities must help, supervise, and promote each other. They must work unceasingly hard to achieve a fundamental turn for the better in the party style of the whole region.

XIZANG'S WU JINGHUA AT OPENING OF SPORT MEET

HK241140 Lhasa Xizang Regional Service in Mandarin 1130 GMT 17 Mar 86

[Excerpts] The third Lhasa City sports meet opened in the City People's Stadium on 16 March. (Jiangcun), chairman of the Lhasa City Physical Culture Committee, presided over the opening ceremony. Mayor of Lhasa City Dainba Gyaincain spoke at the opening ceremony. Taking part in this sports meet were 14 teams of all county, district, and city subordinate organs of Lhasa City, with a total of 221 players.

Leading comrades of the regional party and government, including Wu Jinghua, Pagbalha Geleg Namgya, Doje Cering, Dangzin, Shengqin Luosangjianzan, and Huokang Suolang Bianba, and the principal leading comrades of Lhasa City attended the opening ceremony and watched the exhibition match.

XIZANG RADIO COMMENTARY ON CORRECTING PARTY STYLE

HK241217 Lhasa Xizang Regional Service in Mandarin 1130 GMT 17 Mar 86

[Station commentary: "Correcting Party Style Has a Bearing on the Overall Situation"]

[Excerpts] The regional CPC Committee held a rally on correcting party style to mobilize and arrange the work of correcting the party style of our region, particularly correcting the party style of the organs of the region and Lhasa City. The regional CPC Committee has proposed that this be a year of down-to-earth implementation and that it is necessary to be subordinate to and to serve economic construction -- the center -- and to do well in grasping three important matters:

1. It is necessary to conduct education in going further in negating the Cultural Revolution, in eliminating leftist ideological influence, and in straightening out the ideological line; and to unify ideological understanding.

2. It is essential to carry out structural reform and to do well in organizational building.

3. It is imperative to correct party style and to realize a fundamental turn for better in party style.

The target of these three important matters is one -- basing everything on Xizang's realities, doing everything to develop the productive forces of Xizang, and doing everything for the well-being of the people of Xizang. Of these three important matters, unifying ideological understanding is the foundation, structural reform is the guarantee for organizational building, and correcting party style is the guarantee for correcting work style.

In the previous period, we conducted education in going further in three respects and unified thinking relatively well. This created a good foundation for structural reform and correcting party style. At present, we are stepping up structural reform. At the same time, we are grasping the correction of party style. The target of structural reform is in line with the target of correcting party style. A turn for the better in party style will speed up structural reform and structural reform will impel a further turn for better in party style. After we have done well in structural reform and correcting party style, a fundamental turn for the better in the general mood of society and high efficiency in social production will surely be brought about and the development of productive forces will be promoted, thus guaranteeing that the people of Xizang will get rich.

However, we must clearly see that many problems at present still exist among some party member cadres in ideology and work style. Some individual problems are fairly serious. These problems mainly show that some party organizations and leading cadres have lacked revolutionary devotion to their work and a sense of responsibility, that bureaucratism is serious, and that they are extremely irresponsible and have neglected their duties. This has caused serious losses to, and waste of, state property, and even endangered people's lives. Although these unhealthy trends have occurred among a small number of people, the influence is very bad. They have corrupted a number of cadres, impaired the party's prestige among the masses, and adversely affected our party's excellent tradition in the work concerning nationalities. They have hindered organs from giving play to their functions and roles and sabotaged the relationship between the party and the masses. At the same time, they have given some people with ulterior motives opportunities that can be exploited to their advantage. They have caused serious losses to our region's economic work.

Leadership organs and leading cadres must take the lead and set an example in correcting party style. We must begin grasping specific cases and resolutely investigate and deal with cases of violation of discipline. We must strengthen ideological education within our party, strenghten party spirit, straighten out discipline, put inner-party life on a sound basis, and, at the same time, strenghten leadership and strictly implement the policies. So long as we penetratingly and persistently grasp this work to the end, we can surely realize a fundamental turn for better in party style on schedule.

BEIJING RALLY ON TRANSFER OF ARMED FORCES DEPARTMENTS

SK221004 Beijing BEIJING RIBAO in Chinese 11 Mar 86 p 1

[Text] On 10 March the municipal CPC Committee and government and the Beijing Garrison cosponsored a mobilization rally to study and work out plans for the work of transferring district and county people's armed forces departments to the local organizational system.

After the transfer of district and county armed forces departments, their work personnel will be included in the local establishment, and their status and tasks will remain unchanged. They will be subject to the dual leadership of district or county CPC committees and governments and military organs at higher levels. In order to make the transfer smooth, the municipal CPC Committee and government and the Beijing Garrison recently established a municipal ad hoc leading group for the work, with Jin Jian, deputy secretary of the municipal CPC Committee, as its leader, and Fend Mingwei, vice mayor, and He Shangchun, deputy commander, and Wang Yancheng, deputy political commissar, of the Beijing Garrison as deputy leaders.

At the mobilization rally, Mayor Chen Xitong extended welcome to the cadres of the armed forces departments who will work in the locality on behalf of the municipal CPC Committee and government. He said: The transfer of district and county armed forces departments to the local organizational system is very significant to the strengthening of army and militia building. The municipality, as well as all districts and counties, should put this work high on their agenda, and carry it out conscientiously. All district and county CPC committees and governments should exert their utmost efforts to help solve the practical problems arising in the transfer, and make good arrangements for the cadres of the armed forces departments. He also praised these cadres for their contributions to the building of the two civilizations in the capital, and urged them to carry forward the fine traditions of the people's army continuously after being transferred to work in the locality, and make new contributions to the economic construction and the defense reserve strength of the capital.

Yan Tongmao, deputy commander of the Beijing Military Region and concurrently commander of the garrison, and Li Jinmin, political commissar of the garrison, also spoke. They set forth specific requirements for the transfer and for militia work after the transfer, and pledged to complete the transfer tasks efficiently, with high standards and with the best mental attitude, realizing first-rate achievements; to transfer to the locality good leading bodies which are of one mind and have sound trends and vitality, and with which both the military and the locality are satisfied; and to open up a new situation in the militia and reserve service work of the capital.

Jin Jian, deputy secretary of the municipal CPC Committee, presided over the rally. Attending were Feng Mingwei, vice mayor, and He Shangchun, deputy commander, and Wang Yancheng, deputy political commissar, of the garrison.

HEBEI STARTS TRANSFERRING ARMED FORCES DEPARTMENTS

SK201204 Shijiazhuang Hebei Provincial Service in Mandarin 2300 GMT 6 Mar 86

[Text] The work of transferring county, city, and district people's armed forces departments to the local organizational system has been started in our province. Recently the leading group in charge of the work of transferring county, city, and district people's armed forces departments to the local organizational system under the provincial people's armed forces department held the first meeting to conscientiously study the relevant documents of the central authorities; to determine the time, methods, and steps for carrying out the work; to study the plans for the work made by the county,

city and district people's armed forces departments, to decide on carrying out the work on a trial basis in Pingquan and Huanghua Counties and Shijiazhuang City's (Tangan) District; and then to sum up and study the experience. The work will be comprehensively carried out in April and finished by the end of May.

The meeting called on all prefectural and city military subdistricts and people's armed forces departments to conscientiously study the guidelines of the instructions of the central authorities and the Central Military Commission, to deeply understand the great significance of this structural reform, and to educate the broad masses of cadres, fighters, and workers of the people's armed forces departments to take the whole situation into consideration, to abide by discipline, and to conscientiously implement the decisions of the CPC Central Committee, the State Council and the Central Military Commission. Simultaneously, the meeting called on the people's armed forces departments at all levels to strengthen the leadership over the transfer work so as to ensure a successful accomplishment of the work.

SHANXI 'GOOD SONS AND DAUGHTERS' DELIVER REPORTS

HK250211 Taiyuan Shanxi Provincial Service in Mandarin 2300 GMT 24 Mar 86

[Excerpts] The Shanxi provincial "good sons and daughters are everywhere" report group held its first report meeting in Taiyuan on 24 March. The report group is composed of outstanding representatives of educated young people from Beijing and Tianjin who have been working in Shanxi for more than 10 years. Leading comrades of the provincial CPC Committee and government Li Ligong, Wang Jiangong, Bai Qingcai, Zhang Weiqing, and Guo Yuhuai attended the meeting.

Provincial CPC Committee Deputy Secretary Wang Jiangong presided. (Wu Zhengguo), deputy secretary general of the provincial CPC Committee and leader of the report group, spoke on the reports delivered in Beijing by some members of the group.

Comrade Li Ligong spoke after five members of the group had delivered reports. He said: The more than 15,000 educated young people from Beijing and Tianjin who have been working in Shanxi for many years have devoted great efforts in the spirit of pride as good sons and daughters. They have sweated with the people of the province to build up Shanxi and made major contributions in this endeavor. The provincial CPC Committee and government call on the people of the province, especially the young people, to learn from the comrades of this report group.

CNA VIEWS REASONS FOR CONVENING SIXTH NPC

OW270407 Taipei CNA in English 0245 GMT 27 Mar 86

[Text] Taipei, March 26 (CNA) -- The Chinese Communist Party has recently decided to convene the fourth meeting of the Sixth "People's Congress" after it encountered a series of setbacks in carrying on with its reform programs, improving its party discipline and easing conflicts between factions, an expert in mainland Chinese affairs said in Taipei Tuesday. The expert, who asked not to be identified, said the participants in this meeting, which opened in Peiping Tuesday afternoon, are expected to pass the so-called "Seventh Five-Year Plan", a very conservative program worked out by the Peiping regime after it discovered many defects and loopholes in its previous economic reform programs. Although Peiping has recently launched another propaganda campaign aimed at covering its mistakes and boasting of its economic achievements over the past few years, most political observers here believe that Peiping will never succeed in easing dissatification among the Chinese people who have been suffering from many side-effects of the economic reforms, such as rising commodity prices, he said. The expert also said that the Chinese Communist Party's discipline has worsened to a level that it has never experienced over the past 30 years. These problems derive from a wrong system not being capable of correction simply by eliminating a group of corrupt officials, he said in referring to a new wave of party rectification campaigns launched by Peiping. He predicted that disputes between pragmatists and conservatives in mainland China will continue or even become worse in the future, judging from the recent fight between leaders of the two groups -- Teng Hsiao-ping and Chen Yun -- over the leadership in the party.

EDITORIAL STUDIES ADB MEMBERSHIP NAME ISSUE

OW250643 Taipei CHINA POST in English 20 Mar 86 p 4

[Editorial: "No Name Change in Asian Development Bank"]

[Text] Foreign Minister Chu Fu-sung's statement Saturday that the Republic of China "should not and cannot" return to governmental world organizations by changing its name should be carefully noted by all concerned. Minister Chu made the above statement to the Legislative Yuan last weekend in answer to a question whether the ROC could accept the arrangement of the Asian Development Bank (ADB) and return to the other world organizations under the ADB formula. He also told the legislators that "We should not sacrifice our years of struggling for a short-sighted flexible policy." Minister Chu's opinion is quite right and there should not be any argument to the contrary. Otherwise, we would fall into the Chinese Communist trap of treating the Republic of China as a local government, thus seriously violating our sovereignty and integrity.

In this connection, we should warn the United States not to accept the secret agreement reached by the ADB authorities with the Peking regime. The U.S. Congress approved an amendment to the Appropriation Bill last year stating that if the Republic of China should be discriminated against by the ADB in its membership, the United States is required to withdraw from the ADB and cease to contribute to its funds. So far, the United States has not stated its position on the recent development in the ADB concerning the latter's five-point secret agreement with the Peking regime. It should lose no time in making its position known to the ADB authorities concerning the sacred status of the Republic of China in the ADB, which does not permit any tampering or change without its full agreement. The United States is also obliged by the Taiwan Relations Act (TRA) to protect the ROC's position in international financial institutions. Since the Reagan administration has paid so much lip service to its determination to observe the TRA, it is high time to do so through actual deeds. Meanwhile, we should not repeat the same mistake of accepting the Olympic formula in taking part in international sports events. The compromise was a great mistake and should not be done again.

HSIN WAN PAO COMMENTS ON GULF OF SIDRA INCIDENT

HK261304 Hong Kong HSIN WAN PAO in Chinese 26 Mar 86 p 1

["New Talk" column: "U.S. Motives in Its Second Armed Action Against Libya"]

[Text] The battle between the United States and Libya in the Gulf of Sidra has been going on for 2 days now. The action should be halted.

Let us look at these two countries: The United States has a population exceeding 200 million, while Libya has only 2 million. On one side is a Western superpower with great economic strength; on the other is an African nation covered by desert and with economy depending solely on oil. However, the two have opened fire dspite the sharp impalance in power. Moreover, this is the second conflict in recent years. Naturally there is something wrong in this.

The direct dispute is whether the Gulf of Sidra can be considered high sea. The Libyan strongman Al-Qadhdhafi says that the south of the 32 degrees north latitude in the Gulf of Sidra belong to Libya, and marks this point as Libya's "line of death." Whosoever croses it will be severely dealt with.

The United States asserts that all the waters of the Gulf of Sidra are high sea, and should U.S. warships be attacked on the high seas, they will counterattack.

The Gulf of Sidra is not the only disputed body of water in the world, so why should war have broken out in this place alone? The causes should be looked for elsewhere.

Plane and ship hijackings took place along the Mediterranean coast one after other at the end of 1985, and were said to be related to Libya. The United States was ready to take military action. However, taking various reactions into consideration, the action was temporarily put off and a blockade was imposed instead, with few nations following suit.

The United States refrained from armed action 3 months ago, but it has now sent three of its aircraft carriers along with several dozen warships to Libya's gate, provoking a fight. How did this change come about?

As is universally known, Libya is closely tied to the Soviet Union. The Geneva summit between U.S. Presdient Reagan and the Soviet leader Gorbachev just concluded in November 1985, and it was arranged that reciprocal visits of the two parties would take place in 1986. The atmosphere then was rather harmonious. Therefore, even if there was friction betwen the United States and Libya, the former would not take rash action.

Now the gap between the United States and the Soviet Union on nuclear disarmament has widened, and the U.S.-Soviet summit might hit the rocks. The United States has fewer misgivings in affecting U.S.-Soviet relations, and the armed action in Libya might serve as an antagonistic posture toward the Soviet Union.

Another reason may be the internal change in Israel. Since Labor's Shimon Peres took office, the voice for peace of the Israelis has grown stronger. The socialists are in power in those countries on the north Mediterranean coast such as Greece, Italy, and Spain. The United States knows very well that the governments of these south wing NATO countries do not wish to see danger on the Mediterranean coast; however, it has purposely made waves in the Mediterranean by means of the Sidra incident.

The United States is clearly assuming a posture such that one has to take into consideration the U.S. attitude toward the situation on the Mediterranean coast. Now that the United States has already made its showdown, the one who refuses to acknowledge the "line of death" has crossed it, and the one who proclaims resolutely safeguarding the "line of death" has counterattacked, it does not make any sense for the conflict to go on. This armed action of a big power like the United States will inevitably draw direct or indirect opposition and attacks from all sides.

YE XUANPING SAYS YE JIANYING IN 'STABLE' CONDITION

HK260310 Hong Kong WEN WEI PO in Chinese 26 Mar 86 p 1

[Report by reporters' group: "Ye Xuanping Tells Reporters That Marshal Ye Is in Stable Condition"]

[Text] Beijing, 25 Mar -- In view of a report from Tokyo about Marshal Ye being in criticial condition. a group of reporters today surrounded Ye Xuanping, who has come to Beijing to attend the NPC session, and asked him about his father's health. Ye Xuanping said that his father stays at home every day and that he is in a stable rather than critical condition.

RENMIN RIBAO CHIEF EDITOR, DEPUTIES APPOINTED

HK250506 Hong Kong WEN WEI PO in Chinese 25 Mar 86 p 1

["Special dispatch" from Beijing: "Tan Wenrui Recently Appointed Editor in Chief of RENMIN RIBAO"]

[Text] Authoritative sources here have confirmed that RENMIN RIBAO's Editor in Chief Li Zhuang has been replaced by former Deputy Editor in Chief Tan Wenrui and that three deputy editors in chief, namely, Lu Chaoqi [7120 6389 4388], Fan Rongkang [5400 2837 1660], and Li Renchen [2621 0088 5256], have also been appointed.

FBIS DAILY REPORT

China

CONTENTS

Vol I No 060 28 March 1986

PRC INTERNATIONAL AFFAIRS

GENERAL

PRC's Qian Qichen on Peace, Disarmament [LIAOWANG 17 Mar] A 1
PRC TV Commentary on U.S.-Libyan Conflict A 3
PRC Journal on Soviet Military Aid to Vietnam [SHIJIE ZHISHI 1 Mar] A 4

UNITED STATES

U.S. Announces End to Gulf of Sidra Operation B 1
PRC, U.S. Cooperate in Aircraft Production B 1
Chinese Art Exhibition Opens in New York B 1

NORTHEAST ASIA

PRC-Japan Cultural Association Anniversary Marked D 1
PRC-Japan Joint Ventures Increase in 1985 D 1
JAPIT To Promote Chinese Exports in Japan D 1

SOUTHEAST ASIA & PACIFIC

New Zealand's Prime Minister Continues Visit E 1
Zhao at Lange's Return Banquet E 1
Lange: Deng 'Well and Forceful' [AFP] E 1
Deng Xiaoping Receives Lange E 2
Hu Yaobang Receives Lange E 2
Song Jian Meets Lange E 3
Guizhou Governor Fetes Lange E 3
Australia Hails PRC Decision on Nuclear Tests E 4
Huang Hua Reaffirms Support for DK Government E 4
RENMIN RIBAO Views SRV's Attack on CGDK Proposal [28 Mar] E 5
PRC Army Officer Describes Fighting Vietnam E 6
Thai Army Chief Comments on His Dismissal E 7

SOUTH ASIA

Li Xiannian Stops in Pakistan En Route Home F 1
Ex Afghan Police Officer on USSR Atrocities F 1

WESTERN EUROPE

Chinese Rocket To Launch Swedish Satellite G 1
Hu Qili Meets Federal German Visitors 27 Mar G 1
Yao Yilin Meets West German Engineer G 1

MIDDLE EAST & AFRICA

Li Xiannian Continues Asia-Africa Tour I 1
Li Xiannian, Ratsiraka Talk I 1
Li Hosts Return Banquet I 1
Li on Sino-Somali Relations I 2
[RENMIN RIBAO 24 Mar]

PRC NATIONAL AFFAIRS

Zhao Ziyang Delivers Work Report at NPC Opening K 1
NPC Deputies Discuss Draft Seventh 5-Year Plan K 28
Plan Highlights, Part Five K 29
Part Six K 29
Part Seven K 30
Part Eight K 30
Part Nine K 30
Facts, Figures of Previous 5-Year Plans Detailed K 31
Money Allocated for 925 Projects in 7th Plan K 32
Foreign Trade Prospects Deemed Favorable for Plan K 33
Plan Earmarks Funds To Aid Underdeveloped Areas K 34
HONGQI Asserts 'No Decline' in Lu Xun's Works [16 Mar] K 34
Interview Examines Question of Creative Pursuits K 35
[RENMIN RIBAO 19 Mar]
Commentator's Article [RENMIN RIBAO 19 Mar] K 36
Hong Xuezhi on Strengthening Party Leadership K 37
[RENMIN RIBAO 17 Mar]
JIEFANGJUN BAO on PLA Unit's Party Rectification K 38

PRC REGIONAL AFFAIRS

CENTRAL-SOUTH REGION

Identification Cards Issued to Guangzhou Residents P 1
Henan Circular on Extravagant Wedding Ceremony P 1
Henan Tightens Control Over Newspapers P 1
Hubei Adopts Regulations on Rural Households P 2
Hunan CPC Committee Circular on Selection of Cadres P 2

SOUTHWEST REGION

Sichuan's Yang Rudai at Township Enterprise Meeting Q 1
Yang Rudai Speaks at County Leaders Training Course Q 1
Yang Rudai at Sichuan Family Planning Conference Q 2
Xizang's Wu Jinghua, Others Meet NPC, CPPCC Deputies Q 3
Xizang Military District Corrects Unhealthy Trends Q 3

NORTHEAST REGION

Jilin Holds Discipline Inspection Work Meeting S 1
Jilin Holds Conference on Commodity Prices S 2

NORTHWEST REGION

Qinghai's Song Ruixiang at Economic Conference T 1
Bai Jinian at Shaanxi Political, Legal Work Meeting T 1
Shaanxi Post Office To Check on Anomalies T 2

PRC'S QIAN QICHEN ON PEACE, DISARMAMENT

HK260912 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 11, 17 Mar 86 pp 6, 7

[Article by Yang Chaoling and Feng Lidong: "Peace, Disarmament, and Opposition to Hegemonism -- Qian Qichen, Vice Foreign Minister, Talks to LIAOWANG OVERSEAS EDITION Reporters"]

[Text] The Chinese people's gathering to uphold world peace will be held in Beijing on 21 March. Chinese party and government leaders will be present and deliver important speeches on the occasion. The event will bring about a climax in China's peace year activities. On the eve of the gathering, we had an interview with Qian Qichen, vice foreign minister and vice chairman of China's organizing committee for the International Year of Peace who spoke on peace, disarmament, and opposition to hegemonism. The following is what he said during the interview.

Peace Must Be Striven for by Making Joint Efforts

Last year, on 24 October, at the meeting marking the 40th UN founding anniversary, the Declaration on the International Year of Peace was solemnly passed and 1986 was designated International Peace Year. This is very meaningful. This is the first time since its founding in 1945 that the United Nations has organized such an activity. Although there has never been an end to unrest over the past 40 years, there has been no world war either. People have enjoyed 40 years of peace. In the face of changes on the international scene, people ask: Will peace continue to be upheld at the end of this century, in the next 40 years, and in the next century? The UN proposal for organizing an international peace year at this point indeed reflects the common aspiration of the world's peoples.

The International Peace Year is not an exclusively non-governmental activity. The United Nations also encourages active participation on the part of its member governments. The scale and influence of this activity will be greater than those of the activities organized by the United Nations in past years, such as the international Youth Year, the International Disabled People's Year, the World Forest year, and so on.

The Chinese Government attaches great importance to this activity. It has formed an organizing committee for the International Peace Year. The committee has more than 40 members. They are either responsible persons of government departments and mass organizations or celebrities from various circles. They will organize various forms of large-scale activities. It is our belief that through these activities, we will be able to mobilize the world's peoples into vigorous action and enable them to strengthen unity, to make joint efforts, and, by all means, to call on the superpowers to stop escalating the arms race and their expansion and interference in other countries' internal affairs. Only by doing this can world peace be upheld.

The United Nations Should Play an Even More Important Role

The founding of the United Nations was a reflection of the world peoples' common desire for prolonged peace in the postwar years. The purpose of the "UN Charter" is to uphold international peace and security, to stop aggression, to develop friendly relations, and to promote international cooperation. Thus, it contains the principles of equal sovereignty rights, noninterference in other countries' internal affairs, abstention from the use of force to threaten or invade other countries' territories or to violate their independence, and the settlement of international disputes by peaceful means. In spite of its past mistakes and its present weaknesses and shortcomings, it is today's most representative, most influential, and largest international organization.

It is also an international arena where the Third World wages its diplomatic struggle and expresses its views. Thus, it plays a irreplaceable role in reflecting public opinion, the will of the world's peoples, and social development trends. Some resolutions adopted by the United Nations in recent years, such as those on the Cambodian issue, the Afghan issue, the Middle East issue, the South African issue, and the Central American issue, can rather adequately reflect the will of the peoples of various countries and they are fair and reasonable. Thus, the superpowers have raised objections to them. In upholding world peace, China hopes that the United Nations, which has 159 members, will play an increasingly important role.

Prevent Nuclear Wars and Bring About Nuclear Disarmament

Today, everybody discusses peace. How can peace be upheld? Looking around, one finds that at present, only the two superpowers, which have vast quantities of nuclear arms at their disposal, have the ability to start and fight nuclear wars. This is neither subjective conjecture nor deliberate exaggeration. This is an objective, universally acknowledged fact. With their nuclear arms, they can destroy the world more than once. Even if they reduce their stocks of nuclear arms by half, they still have the ability to destroy the world and mankind. Even the Soviet Union and the United States admit this. It is written in the joint communique issued at the U.S.-Soviet Geneva summit that: "Both sides realize that any conflicts between the Soviet Union and the United States can produce disastrous consequences."

Thus, in October of 1964, when we tested our first A-bomb, we told the world that we advocated the total destruction of all nuclear arms and that we undertook not to use nuclear arms first whatever the time or circumstance. We have always suggested that the United States and the Soviet Union should first stop testing, producing, and updating their nuclear arms and then significantly reduce their stocks of nuclear arms in order to to create conditions for a broadly represented international conference attended by all nuclear powers.

This year, on 15 January, the Soviet leader Gorbachev proposed the destruction of all nuclear arms in 15 years in three stages. In his reply letter dated 24 February, President Reagan proposed the removal of all medium-range guided missiles in 3 years. It seems that both sides agree on reducing nuclear arms and claims the destruction of all nuclear arms as their ultimate goal. Of course, this is something positive. However, by analyzing their claims and proposals carefully, one will discover great differences between them. For example, the conditions they proposed differ and their views also differ on how nuclear arms should be counted and on the areas and regions involved. We welcome serious talks between the United States and the Soviet Union and hope that they can reach an agreement on major reductions in their nuclear arms because, by doing this, they can uphold world peace without infringing on the interests of other countries.

Support the Struggle by Third World Countries and Their People

Very often, Third World countries are directly invaded by foreign countries. Sometimes, they are victims of power politics and the superpowers contend for supremacy on their soil and at their expense. We oppose imperialism, colonialism, and racism and support the Third World countries' just fight for national liberation and independence. We should be able to see that superpower intervention and interference in others' internal affairs has made many countries suffering from conflicts, unrest, and economic difficulties. The "hot spots" in some parts of the world constitute a serious threat to peace and stability. Thus, in order to uphold world peace, it is necessary to oppose hegemonism and power politics. No one in this world supports hegemonism and power politics, whoever their pursuers may be.

In upholding peace, the peace movements initiated by the world's peoples constitute a force which must be given serious attention. Although these movements indicate different positions and tendencies, they generally reflect people's fundamental desires for peace. "Small streams converge to form mighty torrents." The peace organizations formed by the world's peoples can contribute to upholding world peace. We hope that these peace organizations will contribute to upholding world peace by making joint efforts.

China Is a Peace-Upholding Force

The Chinese people love peace and China needs it most urgently. At present, the whole country is completely preoccupied with the magnificient cause of socialist modernization. Prolonged international peace is an indispensable condition for its success.

In order to defend itself, China has conducted a limited number of nuclear tests. However, it announced before all others that it would not be the first to use nuclear arms and it has promised not to use nuclear arms against non-nuclear countries and regions. We advocate the total destruction of all nuclear arms. Our proposals are winning support from more and more countries and peoples.

China advocates disarmament and has taken a concrete step toward this goal. We have reduced the size of our Army by 1 million officers and men. Many enterprises in China's ordnanceindustry have switched to the production of civilian products and it has opened many of its military airfields and ports to civilian aircraft and civilian vessels. In addition, its Army is vigorously training people to do both army and civilian work. All this is China's concrete contribution to world peace.

All things China has done to uphold world peace are not intended to be interim measures. They are based on the fundamental interests of the Chinese people and other peoples in the world and are aimed at China's socialist modernization and world peace and stability. China, whose population is about one-quarter of the world's total population, is a factor for peace and a peace-upholding force. Growth in China's strength implies the growth of a factor for peace. This can only be favorable for peace. The more vigorous China's development is, the stronger the peace-upholding forces will be. In 1974, on behalf of China, Comrade Deng Xiaoping announced at the United Nations that China would never seek hegemony nor become a superpower. This still remains China 's national policy.

PRC TV COMMENTARY ON U.S.-LIBYAN CONFLICT

HK271523 Beijing Domestic Television Service in Mandarin 1100 GMT 26 Mar 86

[Announcer-read "station commentary" from the "News Hookup" program]

[Text] Over the past few months, the United States has assembled in the waters near Libya a massive naval force which is comprised of 3 aircraft carriers, more than 40 other vessels, and more than 200 planes. This year this naval force has conducted five military maneuvers in succession. This kind of unusual assembling of military forces and this kind of maneuvers for putting on a show of force caused a serious escalation of the tense situation in this region and finally brought about a U.S.-Libyan armed clash. It is common knowledge that in the field of international relations, it is very dangerous to make a show of force for a specific purpose. The traumas left over by a series of local wars since the close of the Second World War are still fresh in the memory of the people. Any kind of new military clash will bring unstable factors to this turbulent world. We hope that the two parties in the clash will break away from military contacts as quickly as possible so as to eliminate the shadow caused by this incident on the year of world peace.

PRC JOURNAL ON SOVIET MILITARY AID TO VIETNAM

HK270940 Beijing SHIJIE ZHISHI in Chinese No 5, 1 Mar 86 p 13

["International Jottings" by Yang Xuechun "A Look at Le Duan's Visit to Moscow"]

[Text] In January, Le Duan went to Moscow again, when it was extremely cold.

Since Vietnam invaded Cambodia in 1978, it has been a common occurrence for Le Duan and other influential Vietnamese figures to appear in Moscow. They visit Moscow under all sorts of pretexts, such as "going on vacation" attending a "big family meeting," or paying condolences. It was reported that Le Duan's last visit was for "medical treatment." Although their pretexts are different, they have one point in common: They go there empty-handed and return fully loaded. Just consider, which of the weapons they use to slaughter the Cambodian people, including tanks, artillery, and toxic chemicals, is not Soviet made?

With regard to its invasion of Cambodia, the Le Duan clique has found not everything has turned out as it wished. Seven years ago, it thought that it could gobble up Cambodia in one gulp. However, it has found it increasingly difficult to cope with the situation in the war and to realize its aim. Now it is launching the eighth dry-season offensive. The Le Duan clique has claimed that it will concentrate its forces for large-scale devastating attacks from the Cambodian-Thai border and in the Cambodian interior. To launch such large-scale attacks, there must be a constant supply of weapons, equipment, and fuel, and military expenditure must be increased. At this critical moment, as Le Duan has been to Moscow for medical treatment, he will surely take this opportunity to bring something back.

In fact, the Le Duan clique has not been in economic difficulties for just a day or two. Acting as the "world's third military power" in an attempt to dominate Southeast Asia, it now maintains an overloaded military apparatus and has dispatched 200,000 troops to invade its neighbors. As a result, its military expenditure accounts for over one-half of the country's financial expenditure. As construction is impossible and it wants to make itself look imposing in its "offensives," it cannot help but ask others for money. Vietnam is notorious for its unwillingness to repay its debts. Since 1983, some Western countries and international monetary organizations have stopped their aid and loans to Vietnam. Its economic difficulties have aggravated its political contradictions. As a result, the sixth Vietnamese party congress, which was originally scheduled for the end of 1985, has now been postponed until the end of 1986; and its parliamentary elections, which were originally arrange for 1986, have now been put off until 1987.

The most urgent problem for Vietnam is that of what Vietnam will rely on in its current dry-season offensive. The simplest thing to do is to ask big brother for help: Do you not support our invasion of Cambodia? Have we not let you use Cam Ranh Bay? You will have no objection to providing us with some weapons, money, and materials!

At the time, it was Soviet support that gave the Le Duan clique the courage to invade Cambodia. The hegemony over Southeast Asia Vietnam is seeking is part of the global hegemony the Soviet Union is attempting to establish. Therefore, the Soviet Union deems it inappropriate to turn down Vietnam's requests.

Indeed, what the Soviet Union has provided is by no means a small amount. Since Vietnam's invasion of Cambodia in 1978 alone, the Soviet Union has provided military aid ranging from $1 billion to $2 billion a year and economic aid totaling $500 million. However, dispatched without just cause, the Vietnamese troops have fallen deep into the mire and drained both human and financial resources. Still, Vietnam refuses to turn back, making for itself a bottomless pit that can never be filled. It requests the Soviet Union to continue providing supplies, but the Soviet Union is in difficulty, rather than being stingy. As everyone is aware, the main targets of the Soviet 11th 5-Year Plan, and in particular the targets for increases in agricultural production, have not been fulfilled. In addition, as it has to contend for hegemony with the other superpower, it has no choice but to continue increasing its military expenditure. Hanoi wants more, but will the Soviet Union be able to provide as much as Hanoi wishes? Hence the contradictions.

It was reported that the Soviet Union has imposed harsher terms regarding the aid it provides for Vietnam. In particular, it has provided less noncompensatory economic aid. Soviet economic aid for Vietnam is now provided in the form of technology and equipment; Vietnam will repay it with the products it produces by means of the technology and equipment the Soviet Union has provided. With regard to military aid, the Soviet Union has sent more and more advisers to exercise supervision over the use of the weapons.

But the Le Duan clique is quite experienced in dealing with Soviet demands for the repayment of loans. For example, its total debt to the Soviet Union accounts for 70 percent of its foreign debts. It has refused to pay, and the Soviet Union has no way of making it pay. Vietnam is well aware of "how matters stand." So long as the Soviet Union persists in seeking global hegemony and refuses to remove "one of the three obstacles" to Sino-Soviet talks, Vietnam always has "reasons" to ask Moscow for money and goods!

Moscow may bring Le Duan back to health, but can it cure him of his "mental disease"?

U.S. ANNOUNCES END TO GULF OF SIDRA OPERATION

OW271948 Beijing XINHUA in English 1941 GMT 27 Mar 86

[Text] Washington, March 27 (XINHUA) -- The U.S. Defense Department announced today that U.S. naval operations in the Gulf of Sidra ended this morning, but the three aircraft carriers operating there will remain nearby in the central Mediterranean Sea for several days. The Pentagon said the three U.S. carriers were steaming north out of the Gulf of Sidra at 10 a.m. and all the ships there were ordered out of the Tripoli flight information region by 11:30 a.m. However, the Pentagon said the 30-ship task force with three carriers among them will remain in the Mediterranean north of Libya at least through the middle of next week.

The U.S. announced last Saturday that its navy forces would start exercises on Sunday in the Gulf of Sidra, an area Libya claims as its territory but the U.S. considers international waters. Early this week U.S. planes sank three Libyan patrol boats, damaged another and twice hit a Libyan missile site after Libya launched Soviet-made missiles at the U.S. planes but failed to hit the targets.

The military confrontation has drawn world concern. Libya has threatened to retaliate against the U.S. with "death squads." The Soviet Union has also condemned the U.S. for the action.

Meanwhile, U.S. President Ronald Reagan sent a message to the commander-in-chief of the U.S. 6th Fleet in the Mediterranean this morning to praise the servicemen for their "bravery and tireless response to Libyan threats."

PRC, U.S. COOPERATE IN AIRCRAFT PRODUCTION

OW271851 Beijing XINHUA in English 1844 GMT 27 Mar 86

[Text] Shanghai, March 27 (XINHUA) -- Everything is now ready for China and the United States to begin jointly building a MD-82 plane here on April 1, according to Shanghai aviation industry company today. The plane, the first covered by a Sino-U.S. agreement on joint production of such planes, should have been built in the autumn of 1987 at the Shanghai aircraft factory. [as received]

The agreement, which came into effect last April, permits the Shanghai company to produce MD-82 planes by 1991, with parts purchased from the McDonnell Douglas Company. All the planes will be sold to the Civil Aviation Administration of China.

China has sent 140 technicians in the past year to the United States for training. Another 800 have been trained in China with help of American experts.

CHINESE ART EXHIBITION OPENS IN NEW YORK

OW271130 Beijing XINHUA in English 1100 GMT 27 Mar 86

[Excerpts] New York, March 26 (XINHUA) -- An art exhibition from Shanghai University opened today at the City University of New York to a highly curious and enthusiastic audience.

Li Tianxiang, president of the College of Fine Arts at Shanghai University, told XINHUA that "the Chinese traditional art is not so familiar in the United States and some Americans underestimate the paintings by Chinese painters. This exhibition will contribute to a better U.S. understanding of Chinese artworks, artistry and artistical viewpoint."

PRC-JAPAN CULTURAL ASSOCIATION ANNIVERSARY MARKED

OW271603 Beijing XINHUA in English 1554 GMT 27 Mar 86

[Text] Tokyo, March 27 (XINHUA) -- The 30th anniversary of the founding of the Japan-China Cultural Exchange Association was commemorated here today with more than 400 representatives from all walks of life in Japan hoping for more frequent exchanges between the two countries. During a dinner held on the occasion, Yasush Inofe, president of the association, said that his organization would continue to make efforts for the cultural exchange to further strengthen the friendship between the two countries. Present at the dinner were Zhang Wenjin, president of the Chinese People's Association for Friendship With Foreign Countries, and Wu Zuoren, vice chairman of the China Federation of Literary and Art Circles. Chinese Ambassador Zhang Shu was also present.

PRC-JAPAN JOINT VENTURES INCREASE IN 1985

OW261843 Beijing XINHUA in English 1838 GMT 26 Mar 86

[Text] Tokyo, March 26 (XINHUA) -- Japan and China signed 81 new contracts for joint ventures in 1985. The new contracts bring to 138 the number of joint ventures between the two countries during the past six years, according to the 1985 survey of Japan-China trade released today by the Japan Association for the Promotion of International Trade. The Japan-China cooperatively-run enterprises are established under the 1979 PRC law on joint ventures using Chinese and foreign investment. Most of the signed contracts are long-term ones dealing mainly with manufacturing industries.

JAPIT TO PROMOTE CHINESE EXPORTS IN JAPAN

OW271854 Beijing XINHUA in English 1846 GMT 27 Mar 86

[Text] Tokyo, March 27 (XINHUA) -- The Japan Association for the Production of International Trade (JAPIT) decided yesterday to place special emphasis on promoting imports from and technology transfer to China. The decision is incorporated in JAPIT's policies and plans passed at the organization's thirty-third conference which began on March 25. JAPIT said that according to the principles established by Japanese and Chinese Governments, it will make efforts to strengthen friendly relations and economic cooperation between the two countries by balancing Sino-Japanese trade. JAPIT, with 800 Sino-Japanese trade members, also pledged financial cooperation with China and promised help in solving the key problems of transportation in Sino-Japanese trade.

NEW ZEALAND'S PRIME MINISTER CONTINUES VISIT

Zhao at Lange's Return Banquet

OW271442 Beijing XINHUA in English 1430 GMT 27 Mar 86

[Text] Beijing, March 27 (XINHUA) -- New Zealand Prime Minister David Lange today described his talks with Chinese Premier Zhao Ziyang as "most useful", adding that they served to confirm that we share many common views. He said, "In particular we are both conscious of the continuing threats to world security posed by events in Kampuchea, in Afghanistan and the Middle East."

Lange made these remarks at a return banquet he gave here tonight. Among the guests at the banquet were Premier Zhao Ziyang and State Councillor and Foreign Minister Wu Xueqian.

Lange said, "We are both aware of the pivotal relationship between economic growth and global political stability, and we share a commitment to play a role within the global community to work for the joint objectives of peace and development."

"I hope we have been able to contribute something to further understanding between us," he said. He noted that New Zealand is ready to develop its trade and economic cooperation with some of China's provinces, cities and autonomous regions.

Zhao Ziyang said that Prime Minister Lange's current visit to China was a complete success. He said that both China and New Zealand are factors making for peace in the Asia-Pacific region and the world as a whole.

"Though with different systems," he said, "we both adhere to the five principles of peaceful coexistence and take economic development and higher living standards for our respective peoples as our primary task." The Chinese Government attaches importance to further developing Sino-New Zealand relations, he said. He also expressed the belief that through joint efforts bilateral relations will surely reach a new height.

This morning, Lange, accompanied by Minister of Textile Industry Wu Wenying, laid a wreath before the Monument to the People's Heroes at Tiananmen Square.

Lange: Deng 'Well and Forceful'

HK280338 Hong Kong AFP in English 0326 GMT 28 Mar 86

[Text] Beijing, March 28 (AFP) -- Top Chinese leader Deng Xiaoping and New Zealand Prime Minister David Lange chatted about smoking and health here Friday, with Mr. Deng saying there were good as well as bad points to the habit. "There is a Chinese scholar who recently published a special article on smoking," said Mr. Deng, 81, as he lit up one of his "Panda" brand cigarettes. "He said there are some bad points to smoking but there are ten good points," Mr. Deng continued.

Mr. Lange said there were some in the West who said that Mrs. Deng's health was not very good but he was pleased to see that this was not true, that the Chinese leader was in fact well and forceful. He also joked that it was easier to quit smoking if one smoked "Panda."

Mr. Deng said he had not had a cold in more than ten years and attributed his good health to swimming in the summer and cold baths in the winter.

Mr. Lange was to meet with Chinese Communist Party General Secretary Hu Yaobang later Friday and hold a press conference in the afternoon. He is to end his week-long official visit to China tomorrow, leaving for the Philippines via Hong Kong.

Chinese Communist Party Secretary General Hu Yaobang later presented New Zealand Prime Minister David Lange with a large framed embroidery of a Maori House Friday as the two leaders chatted about Mr Hu's visit to New Zealand last year.

Mr Lange said Mr Hu's New Zealand visit had been of "great significance," adding that the year following the visit had been especially important for the Communist Party chief's younger colleague, Hu Qili, who also took part in the trip.

The younger Mr Hu was among a handful of leaders promoted to the powerful Politburo at a watershed Communist Party conference last October.

Hy Yaobang replied that Hu Qili was only one of many young leaders to be promoted during the conference, which saw many older leaders relinquish their seats on the larger Central Committee to younger cadres.

Deng Xiaoping Receives Lange

OW280908 Beijing XINHUA in English 0858 GMT 28 Mar 86

[Text] Beijing, March 28 (XINHUA) -- The Seventh Five-Year Plan which began this year will be crucial to China's stability and progress for several decades, senior Chinese leader Deng Xiaoping said here today. He told visiting New Zealand Premier David Lange that China's success depended on two important conditions -- the continued pursuit of the country's present policies and the maintenance of world peace. China had achieved remarkable results over the past five years, he said. But this was only the beginning of a long march.

Deng, chairman of the Chinese Communist Party Central Advisory Commission, met Lange at the Great Hall of the People.

The Chinese leader said that during the next five years, comprehensive economic reforms would involve politics, education, science, technology and other areas. The success of these reforms would lay a foundation for continued stability for several decades to come. National construction defended on a peaceful environment, so China adhered to the pursuit of an independent foreign policy, aimed at maintaining world peace. China's progress would benefit peace, and the country would become an important force for preventing world conflict.

Lange congratulated China's achievements over the past few years, and said that relations between New Zealand and China had made great progress. He hoped their countries would expand their co-operation in the fields of trade and livestock farming.

Deng said that relations between the two countries were good, and he invited Lange to visit China often.

Present at the meeting were State Councillor and Foreign Minister Wu Xueqian, and Textile Minister Wu Wenying.

Hu Yaobang Receives Lange

OW280946 Beijing XINHUA in English 0941 GMT 28 Mar 86

[Text] Beijing, March 28 (XINHUA) -- General-Secretary Hu Yaobang, of the Chinese Communist Party Central Committee, and David Lange, prime minister of New Zealand, exchanged greetings here today on their second meeting within a year. Hu visited New Zealand last April, and invited Lange to visit China within one year.

Lange said his visit to China was "very significant," and he considered that New Zealand and China could strengthen their economic co-operation by launching joint venture enterprises.

Hu said that friendship between their countries had developed greatly, and suggested that the two countries could undertake various forms of co-operation in trade, textiles and light industry.

After the meeting, Hu and his wife Li Zhao, gave a luncheon for Lange and his wife, Naomi Lange.

Song Jian Meets Lange

OW271224 Beijing XINHUA in English 1215 GMT 27 Mar 86

[Text] Beijing, March 27 (XINHUA) -- Song Jian, Chinese minister in charge of the State Science and Technology Commission, said here today that China welcomes New Zealand to participate in its sparking plan which is designed to introduce science and technology into the countryside and covers the development of mountainous areas, aquatic production, livestock farming, animal husbandry and other fields.

Speaking at a meeting with New Zealand Prime Minister David Lange, Song said China could also cooperate with New Zealand in high-tech and other fields.

Lange said scientists in his country is interested in involving cooperation with China, hoping that scientific and technical departments at the two countries could enhance contacts. [paragraph as received]

Guizhou Governor Fetes Lange

HK280710 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 24 Mar 86

[Excerpt] Yesterday [24 March] evening, provincial Governor Wang Chaowen gave a banquet at the (Huaxi) guesthouse in honor of New Zealand Prime Minister David Lange, his wife and entourage.

Wang Chaowen proposed a toast at the banquet. On behalf of the Guizhou Provincial Government and the 30 million people of various nationalities in Guizhou, Wang Chaowen first extended the warmest welcome to His Excellency the Prime Minister, his wife, and all the distinguished New Zealand guests. He said: The province's Dushan pasture grass cultivation farm, which was built with the assistance of New Zealand specialists, is now in good shape. This joint venture has not only promoted technological cooperation, but has also deepened understanding, promoted technological cooperation, and contributed to the continuous development of the friendship between the people of the two countries. Prime Minister Lange's visit to our province will push the friendly relations and cooperation between the New Zealand and our province to a new level.

Prime Minister Lange replied to the toast. He said: I am very glad to be the first prime minister of a foreign country to visit Guizhou. We are very grateful to you for this. Your provincial government has attached great importance to and supported economic development in the province. A New Zealand company signed a contract with your province in 1984 on building a pasture grass cultivation farm in Dushan, southeastern Guizhou. This farm has been doing well. We hope that Guizhou will benefit from the farm for a long time.

In conclusion Prime Minister Lange proposed a toast to continuous economic prosperity in Guizhou, and to the lasting friendship and cooperation between the peoples of the PRC and New Zealand.

Attending the banquet were Wu Wenying, head of the Chinese escort group and textile industry minister; Zhang Longhai, Chinese ambassador to New Zealand; Zhang Yuqin and Xu Caidong, Guizhou provincial vice governors; (Wang Shouting), mayor of Guiyang City: (Liu Huide), secretary general of the provincial government; (An Ruitong), director of the provincial foreign affairs office; and responsible persons of relevant departments of the province and Guiyang City.

Rolleston, a New Zealand specialist working at the Dushan pasture grass cultivation farm, and (Heng Guangxia), the farm manager, were invited to attend the banquet.

AUSTRALIA HAILS PRC DECISION ON NUCLEAR TESTS

OW271523 Beijing XINHUA in English 1454 GMT 27 Mar 86

[Text] Canberra, March 27 (XINHUA) -- Australian Foreign Minister Bill Hayden today expressed his appreciation of Chinese Premier Zhao Ziyang's announcement that China would no longer conduct nuclear tests in the atmosphere. Zhao made the pledge on March 21 at a rally in Beijing to mark the international year of peace.

Hayden said in a statement here that China had not conducted nuclear test in the atmosphere since 1980, but the country had not officially stated its intention to refrain from atmospheric tests before.

HUANG HUA REAFFIRMS SUPPORT FOR DK GOVERNMENT

OW271606 Beijing XINHUA in English 1600 GMT 27 Mar 86

[Text] Beijing, March 27 (XINHUA) -- A high-ranking Chinese official said here today that China will support Democratic Kampuchea in its struggle against Vietnamese aggression. Huang Hua, vice-chairman of the Standing Committee of the Chinese National People's Congress, made this statement when he met the visiting Thai sports delegation in the Great Hall of the People here this afternoon.

The five-member Thai delegation is led by Chaisiri Rungkanchnaset, [name as received] minister attached to the prime minister's office.

Referring to the Kampuchean situation, Huang Hua said that Vietnamese aggression against Kampuchea was backed by a superpower but the resistance forces led by the Coalition Government of Democratic Kampuchea are growing steadily in strength and operating ever deeper in Kampuchea's heartland.

Facts showed that the Vietnamese authorities had not the slightest sincerity for the solution of the Kampuchean issue politically, Huang Hua pointed out, adding that under these circumstances, "There is need for us, together with all the justice-upholding countries the world over, to continue our firm support for the Kampuchean people's fight against Vietnamese aggression and support Thailand's struggle for safeguarding its territorial integrity and sovereignty."

Present at the meething were Li Menghau, minister of the Chinese State Physical Culture and Sports Commission, and the Thai ambassador to China Orachun Tanaphong. The Thai guests will leave here Friday for a tour of south China.

RENMIN RIBAO VIEWS SRV'S ATTACK ON CGDK PROPOSAL

HK280900 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 28 Mar 86 p 6

[Commentator's article: "An Outrageous Attitude"]

[Text] After the 8-point proposal of the Coalition Government of Democratic Kampuchea [CGDK] on a political solution of the Cambodia issue was announced, it was universally hailed and praised by the allies of Cambodia and the international community. It was pointed out that this proposal was unusually reasonable and was a good one that contributed to the solution of the Cambodia issue.

But the Vietnamese regime could not wait to issue an announcement. It flatly turned down Democratic Kampuchea's proposal and set the propaganda machine to work attacking this proposal as "a farce" aimed at "vilifying Vietnam" and "checking the trend toward dialogue quickly developing in Southeast Asia." It claimed that Vietnam could only recognize the Heng Samrin regime as "the only legitimate, real representative" and would not talk to CGDK. It again harped on unreasonable prerequisites for the withdrawal of troops from Cambodia and called for an end to so-called "foreign intervention in the internal affairs of Cambodia," and so forth. Obviously, the Hanoi authorities are still obstinately sticking to their stand, assuming an outrageous attitude, and acting very arrogantly.

The Vietnamese regime's haste in closing the door on negotiations and its willful attack on Democratic Kampuchea's proposal can only point to its apprehension and disturbed state of mind, because reason is not on its side. It also shows its complete lack of sincerity in seeking a political solution of the Cambodia issue. Greeting the reasonable and solemn proposal advanced by the CGDK with taunts and jeers is in itself a "farce."

A political solution of the Cambodia issue means ending Vietnam's invasion of Cambodia through negotiations and allowing the restoration of peace in Cambodia and its independence. Of course, the CGDK and the Vietnamese regime are the two parties directly involved. Talks or dialogue should first begin between the two sides. Moreover, the main problem of Vietnam's withdrawal of troops from Cambodia must be discussed first. Now Democratic Kampuchea has put forth a clear-cut proposal for the CGDK to hold talks with the Vietnamese Government. This is both reasonable and understandable. How can this be "checking the trend toward dialogue in Southeast Asia?" If such a reasonable proposal is considered as something checking the trend toward dialogue, then what kind of "a trend toward dialogue" do the Vietnamese authorities want? To be blunt, what the Vietnamese authorities want is not "dialogue" aimed at a fair and reasonable solution of a problem. Instead, they want dialogue to deceive public opinion, split up the CGDK, and wreck the unity of the international forces that are helping Cambodia and its resistance against Vietnam, thus standing to gain and putting their permanent occupation of Cambodia on a legitimate basis.

The Vietnamese regime claimed that it could only recognize the Heng Samrin regime as the "only legitimate real representative." Moreover, obsessed with this, it has again and again tried to exclude the patriotic forces of Democratic Kampuchea and break up the coalition government of the three Democratic Kampuchean parties -- in an attempt to bring things under the control of the Heng Samrin government. This is both absurd and ridiculous. It is common knowledge that the Heng Samrin government was set up under the bayonets of the Vietnamese aggressor troops. It has never been accepted by the people of Cambodia. Nor has it been recognized by the international community. It has basically no legal status. The CGDK suggested treating it as a political force in solving the Cambodia issue. This is a concession prompted by a lofty national spirit. This shows the generosity and sincerity of the CGDK.

Now, the Vietnamese regime still wants to impose the Heng Samrin group on the people of Cambodia. How can this work? It clearly indicates that the Vietnamese regime's aim in trotting out this group is to make it a stumbling block to bringing about a political solution of the Cambodia issue. As to the claim about "foreign intervention in the internal affairs of Cambodia," what is foreign is none other than the Vietnamese regime itself.

What is worth pointing out is that the Vietnamese regime displays such arrogance -- ignoring the proposal of Democratic Kampuchea, obstinately sticking to its stand in occupying Cambodia and refusing to withdraw its troops from Cambodia -- because it has the encouragement and support of a superpower. At the same time the Hanoi regime outrageously turned down Democratic Kampuchea's proposal the Soviet Union's PRAVDA came out attacking Democratic Kampuchea's proposal as what was called an attempt to "impose upon the People's Republic of Kampuchea." It said threateningly that the Cambodia issue, being "irreversible," had "thoroughly and unalterably been solved." What was actually meant was that with Soviet support, Vietnam could occupy Cambodia for good.

The proposal by the coalition government of three Democratic Kampuchean parties is undoubtedly a drastic test for the Vietnamese regime. The Hanoi government's outrageous attitude has again exposed its true face. From the CGDK's proposal and the Vietnamese regime's attitude, people can see who really wants to seek a peaceful solution of the Cambodia issue and who is actually thwarting the solution of the Cambodia issue under the pretext of a political solution. The Vietnamese regime's adhering to its stand can only result in its being increasingly isolated in the international community and ultimately defeated.

PRC ARMY OFFICER DESCRIBES FIGHTING VIETNAM

HK271532 Beijing ZHONGGUO XINWEN SHE in Chinese 1328 GMT 27 Mar 86

[Report by Li Wei': "A Senior Chinese Army Officer Describes Defensive Fighting Against Vietnam"]

[Text] Beijing 27 Mar (ZHONGGUO XINWEN SHE) -- Zhang Taiheng, deputy commander of PLA Chengdu Military Region, cited the following example: "Regarding our effective interference, the Vietnamese soldiers exclaimed at the 'toughness' of the Chinese Army in one of their radio conversations, and begged for a few minutes more to explain, so that they would not be executed by their commanders," to illustrate that the structural reform, streamlining, and reorganization of the Chinese Army have not weakened, but greatly strengthened its combat effectiveness. Zhang told reporters this in an interview this afternoon.

According to him, the Chinese Army conducted three battles of varying scale against the Vietnamese Army in the Laoshan area on the Sino-Vietnamese border between September and December 1985. The first battle was our counterattack aimed at recovering one of our sentry posts taken by the Vietnamese Army. The second battle was our offensive aimed at destroying one of their strongholds, and to deal blows at their arrogance. For the Vietnamese had frequently attacked and harasssed the normal production and life of our people inhabiting the border areas. And the third battle was the attack on several sentry posts (points) of the Vietnamese Army, causing the enemy great casualties. It was a counter-attack against the harassing by the Vietnamese Army of the normal patrols of our border defense guards and the normal life of our inhabitants in the border areas.

In these battles, our commanders at all levels were capable of making good judgments on the situation at the time, and of promptly drawing up lines of action based on the guiding ideas and concepts of operations in the war against Vietnam. Eventually great victories were won with the smallest price in all these battles.

The fighting qualities and the capacity for several arms of the service to fight in coordination were well displayed. And those were the good results of the structural reform, steamlining, and reorganization of the army.

This 54-year-old senior military officer believed that the structural reform of the Chinese Army, particularly the newly established combined group armies, further suited the needs of modern warfare. In the counterattacks against Vietnamese raids, he said, as well as the coordination between the infantry and the artillery, other service arms, including the special units, have also cooperated very well in the battles. For example, when the infantry needed aid form the artillery, they could obtain effective support within a minute after dispatching signals. When the communications of the Vietnamese Army headquarters were discovered, they were jammed as required. By doing this, the enemy would be confused and could only take action blindly.

Frank and straighforward, Deputy Commander Zhang Taiheng joined the Army 40 years ago. He has been promoted grade by grade from soldier to senior commander. During the early sixties, he spent more than 2 years receiving advanced training at the Nanjing Military Academy, and later became army commander of the Beijing Military Region. When the 11 military regions were merged into 7 last summer, he was transferred to the Chengdu Military Region. As one of the 268 PLA delegates to the NPC, he is now attending the Fourth Session of the Sixth NPC.

THAI ARMY CHIEF COMMENTS ON HIS DISMISSAL

OW271027 Beijing XINHUA in English 0851 GMT 27 Mar 86

[Text] Bangkok, March 27 (XINHUA) -- General Athit Kamlang-ek said here yesterday that he would abide by the prime minister's decision not to extend his military term and could cooperate with the military, government and people in helping develop the country even after he leaves the present posts. Speaking to about 300 representatives of various organizations and communities yesterday rallied at the Capital Security Command, the Supreme Commander of the Thai Armed Forces and Commander-in-Chief of the Thai Army General Athit said "I wholeheartedly accept my superior's decision as he made it in accordance with the correct principle."

Prime Minister Prem Tinsulanon announced at a press conference at the Government House on March 24 that he had decided in the capacity as defense minister not to extend General Athit's tenure for the second year. As is know, Athit had been granted last year one-year extension to his tenure. Prem's decision was lauded by leaders of some political parties and the parliament, as well as the local mass media.

In his speech, General Athit who is due to retire at the beginning of September this year, also said that rumors about political tension resulted from Prem's refusal to the extension of his tenure would "gradually fade away and that things will return to normal soon".

The representatives present at the meeting voiced full backing for Geneal Athit to enter politics after his retirement. The president of the National Congress of Thai Labor pledged that his 200,000 union members would support Athit should he contest in next year's general elections.

Local newspapers also reported that Prime Minister Prem and General Athit yesterday met and talked to each other during the royal cremation of the fallen soldiers presided over by the king.

It was their first meeting in public after Prime Minister Prem declared his decision not to extend Athit's tenure.

LI XIANNIAN STOPS IN PAKISTAN EN ROUTE HOME

OW271857 Beijing XINHUA in English 1851 GMT 27 Mar 86

[Text] Karachi, March 27 (XINHUA) -- Chinese President Li Xiannian was met at the airport by Pakistan President Ziaul Haq this evening during a stopover in Karachi on his way home. Li arrived at 8:40 p.m. local time after winding up his five-nation Asian and African tour, which has taken him to Bangladesh, Sri Lanka, Egypt, Somalia and Madagascar.

Two Karachi children presented bouquets to President Li and his wife, Lin Jaimei.

Present at the airport were Pakistani Foreign Minister Yaqub Ali Khan and Governor of Sind Province Jahandad Khan, Chinese Ambassador to Pakistan Wang Chanbin and Consul General in Karachi He Chanming.

President Li had a friendly meeting and a cordial conversation with President Zia at the governor's residence. Zia congratulated Li on his successful five-nation visit. Li expressed his heartfelt thanks for President Zia's coming to Karachi to greet him.

EX AFGHAN POLICE OFFICER ON USSR ATROCITIES

OW271653 Beijing XINHUA in English 1635 GMT 27 Mar 86

[Text] Islamabad, March 27 (XINHUA) -- The Afghan police is working under the direct control and supervision of Soviets, who have committed a lot of atrocities in Afghanistan, stated a former police officer of the Karmal regime. "After the Soviet military invasion of Afghanistan, all administrative and military affairs in the country have been under the control of the Russians," Ammanullah said in an interview in Peshawar which was published in the latest issue of the monthly "AFGHAN INFORMATION CENTER."

Ammanullah, who joined the Afghan mojahedin (holy war fighters) this year, said the police in Afghanistan were often sent by the Soviets to fight the mojahedin. "Despite the fact that the duty of our battalion was to guard the farms of Jalalabad (capital of Nangarhar Province in eastern Afghanistan), we were often sent to the fighting," said Ammanullah. "Where the Russians could not go, they would force the Afghan soldiers to go and those refused orders were executed," he added. He said when one rifle and one machine gun disappeared in his battalion on November 16, 1985, two soldiers of the battalion were arrested. "We saw the Russians giving electric shocks on their tongues to force them into confession of stealing the guns," he said.

In another case last September, he said, a soldier belonging to the second battalion of the guard regiment of Jilalabad was dragged by a running military vehicle for losing a wireless set and pieces of his skin were left on stones.

He also disclosed that "in 1985 when a group of Russians cut the breasts of a young Afghan girl in a village near Jalalabad because her brother was a mojahed, a number of Afghan women protested to the zonal head but the latter told the women that even Babrak Karmal cannot stop the Russians because he has no authority."

CHINESE ROCKET TO LAUNCH SWEDISH SATELLITE

OW280728 Beijing XINHUA in English 0719 GMT 28 Mar 86

[Text] Beijing, March 28 (XINHUA) -- The Sweden Space Company (SSC) has requested China to launch a Mailstar satellite, according to an announcement by the Chinese Ministry of Astronautics Industry today. An agreement to launch the satellite was signed in Stockholm earlier this year. But the specific launch date was not disclosed.

This will be the first time China has launched a satellite for a foreign customer since it announced last October that its launching vehicles would be put into international commercial service.

The satellite will be put into orbit by a China-made "long March-2" rocket, a large two-stage launching vehicle, using liquid fuel. It was developed in the middle of the 1970s. The most recent launching was the seventh.

HU QILI MEETS FEDERAL GERMAN VISITORS 27 MARCH

OW271340 Beijing XINHUA in English 1331 GMT 27 Mar 86

[Text] Beijing, March 27 (XINHUA) -- Hu Qili, member of the Political Bureau and Secretariat of the Chinese Communist Party Central Committee, met Friedrich Vogel, minister of state of the Chancellor's Office of Federal Germany, and his party here today.

Hu Qili briefed the guests on China's economic reform and policy of opening to the rest of the world, reiterating that China will continue to carry out the policy.

The guests arrived here March 25 on a visit to China as guests of the Chinese People's Association for Friendship With Foreign Countries. They were honored at a banquet given by President Zhang Wenjin of the host association that evening.

YAO YILIN MEETS WEST GERMAN ENGINEER

OW271546 Beijing XINHUA in English 1535 GMT 27 Mar 86

[Text] Beijing, March 27 (XINHUA) -- Chinese Vice-Premier Yao Yilin and State Councillor Zhang Jingfu met here today with Werner Gerich, a retired engineer from the Federal Republic of Germany and the first foreigner employed as director of a Chinese factory.

Since he took the position as director of the Wuhan Diesel Engine Factory in November 1984, Gerich has made a lot of efforts to improve the factory's management and the quality of its diesel engines.

At the meeting, Gerich put forward many candid suggestions on management, quality control and the training of technicians based on his experiences in China; Vice-premier Yao said that his suggestions were very good and important.

Gerich arrived here yesterday on his way back to Wuhan following home leave. Tomorrow he will give a report on quality control to 400 factory leaders in Beijing.

Yao and Zhang gave a dinner in honor of Gerich after the meeting.

LI XIANNIAN CONTINUES ASIA-AFRICA TOUR

Li Xiannian, Ratsiraka Talk

OW260959 Beijing XINHUA Domestic Service in Chinese 0155 GMT 27 Mar 86

[By reporter Huai Chengbo]

[Text] Antananarivo, 26 Mar (XINHUA) -- PRC President Li Xiannian, who is paying a state visit here, held private talks with Malagasy President Ratsiraka this afternoon at the Mahazoarivo Palace.

During the talks, which proceeded in a "very cordial atmosphere" according to a news information spokesman of the Chinese side, the two leaders "extensively exchanged views" on further strengthening the friendship and cooperation between the two countries and other issues of mutual concern.

On the morning of 25 March, the two leaders also held talks on bilateral relations, the international situation, and other issues of mutual concern.

Li Hosts Return Banquet

OW271349 Beijing XINHUA Domestic Service in Chinese 1606 GMT 26 Mar 86

[By reporters Xu Zhi and Lin Chengbo]

[Text] Antananarivo, 26 Mar (XINHUA) -- PRC President Li Xiannian and his wife Lin Jiamei today thank the Malagasy Government and people for their warm hospitality.

President Ratsiraka and his wife Celine attended the banquet by invitation.

President Li Xiannian and President Ratsiraka delivered warm and friendly speeches at the banquet. Both of them expressed satisfaction over the fruitful cooperation in all fields between the two countries, and hoped to consolidate and develop the existing friendly relations of cooperation between the two countries.

In his speech, Li Xiannian said: "Although my visit is short, it has been fruitful." "Our meetings and talks were extremely useful. Both sides share identical or similar views on various important issues and my visit's aim of strengthening mutual understanding and friendship has been attained," he added. He reiterated: "China treasures its friendship with Madagascar, and to develop Sino-Malagasy friendship and cooperation remains our firm and unshakable policy." President Li also expressed his sincere appreciation for the warm hospitality of the Malagasy Government, the people of all walks of life, and the masses.

In his speech, President Ratsiraka said: "The amicable encounter and exchange of views in the past few days have further strengthened the very solid ties between Madagascar and China." He added: "Leaders of the two countries at various levels have all along cooperated satisfactorily and are ready to develop a relationship of mutual respect, commitment, and effectiveness, treating each other amicably." He reaffirmed his "complete satisfaction" with Sino-Malagasy relations. He said: "We have planted a robust seedling which will bear plentiful and sweet fruits. It is called friendship, unity, and harmony. Our offspring will protect and cultivate it. We will do our best to safeguard it."

Attending the banquet were Andrianarahinjaka, speaker of the National People's Assembly, Rokotoarijaona, prime minister; (Rakotoarison), chairman of the Military Development Committee; and (Hunuray), president of the Constitutional High Court.

Present at the banquet on the Chinese side were members of President Li Xiannian's entourage Chen Muhua, Qi Huaiyuan, Lu Xuejian, Tang Longbin, and others. Also present at the banquet was Yang Guirong, Chinese ambassador to Madagascar.

The banquet was held in a warm and friendly atmosphere.

President Li arrived in Madagascar on 24 March for a state visit. After successfully completing their tour of five Asian and African nations, President Li and his entourage are scheduled to return home via Karachi tomorrow.

Li on Sino-Somali Relations

HK271525 Beijing RENMIN RIBAO in Chinese 24 Mar 86 p 6

[XINHUA report: "Text of Li Xiannian's Speech at a Banquet Hosted by President Siad"]

[Text] Mogadishu, 22 March (XINHUA) -- Chinese President Li Xiannian spoke at a banquet in his honor hosted by Somali President Mohamed Siad Barre. The full text of his speech is as follows:

Your Excellency Honorable President Mohamed Siad Barre and Madame Siad;

Ladies and gentlemen:

I am very happy to have the opportunity to come to Somalia on a state visit at the warm invitation of President Mohamed Siad Barre. It has been my long-cherished wish to visit our old friend President Siad and the Somali people in your country. The warm welcome of your government and people and the banquet hosted by Your Excellency President Siad on this occasion has made us feel quite at home. I should like to take this opportunity to express my heartfelt thanks and admiration for Your Excellency the President and Madame Siad on behalf of my colleagues in the name of my wife and myself.

The Chinese and Somali peoples have a long history of ties and profound traditional friendship. Back in the mid-15th century, the famous Chinese navigator Zheng He came to Somalia on several occasions across the ocean. After the establishment of diplomatic relations between the two countries, the then Premier Zhou Enlai paid a visit to Somalia, and Your Excellency President Mohamed Siad Barre has twice visited China. It has laid a solid foundation for the smooth development of Sino-Somali friendly relations and cooperation. I sincerely hope that my present visit will make contributions to the further promotion and development of Sino-Somali friendship.

The Chinese Government and people have always followed with interest Somalia's develop- and progress. We are happy to see that the Somali Government and people are continuously exploring a road of development suited to their national situation. They have made unremitting efforts in overcoming natural disasters, promoting economic development, and improving the living standard of the people, and have achieved gratifying results. Somalia has pursued a policy of nonalignment, opposed imperialism, colonialism, and racism, supported the just struggles of the South African and Arab peoples, stood for the establishment of a new international economic order, and done much useful work to safeguard the Third World's rights and interests and interests and world peace.

China is a developing socialist country. China has scored considerable accomplishments in economic construction in the 3 decades and more since the founding of the PRC. However, it has taken quite a tortuous road.

Both positive and negative experiences have told us that in order to make China's affairs successful, it is necessary to start from China's actual conditions in everything, to adopt practical and feasible measures, and to develop the national economy in proportion in a planned way. Since the late 1970's, we have focused our efforts on developing the social productive forces, implementing the policy of invigorating the domestic economy and opening up to the outside world, conducting economic reform step by step in a planned way, and doing our best to build socialism with Chinese characteristics. With the efforts over the past few years, China's economic reform has scored marked results and China's economy is now in the orbit of healthy development. In international affairs, China has firmly pursued an independent foreign policy of peace, opposed hegemonism of all descriptions, and worked to establish or develop normal relations with various countries on the basis of the five principles of peaceful coexistence. We will, as always, strengthen unity and cooperation with other Third World countries, support African people in their struggle against the racism practiced by the South African authorities, and support the just struggle of the people of other countries. We are resolute about making unremitting efforts to safeguard world peace and to promote common economic prosperity with the people of all countries in the world.

The basic interest of the people of all countries in our contemporary world is peace and development. To seek development in peace and to promote peace with development has become an irresistible historical trend. We are very happy to note that the 21st OAU summit meeting has listed a resolution of Africa's economic difficulties as a major item on the agenda, and has adopted appropriate resolutions to this end. The meeting has appealed to the OAU member nations to strengthen their collective efforts facing the "dual challenge of development and subsistence." We highly value the African countries' stand of unity and self-improvement. I believe that the African countries, with the support of the international community, will surely make steady progress in their efforts to restore and develop their economy, making still greater contributions to world peace and development.

Your Excellency the President, Sino-Somali friendship has stood the test of history and it has great vitality. It has been a quarter of a century since the two countries established diplomatic relations. With our joint efforts, the two countries have carried out sincere and efficient cooperation in the political, economic, trade, and cultural fields. China has always prized its friendship from Somalia. It is our wish to help supply each other's needs, to make up each other's deficiencies, and to continuously explore and open new realms for cooperation on the basis of equality and mutual benefit. We believe that through our joint efforts, the friendly cooperative relations between our two countries will be all the more fruitful.

Now allow me to propose a toast:

To the continuous development of the friendship between the Chinese and Somali peoples and friendly cooperation between the two countries;

To the prosperity of the Somalia Democratic Republic and the happiness of its peoples;

To the health of Your Excellency the President and Madame Siad;

To the health of other Somali leaders and their wives; and

To the health of the ladies and gentlemen present.

Cheers!

ZHAO ZIYANG DELIVERS WORK REPORT AT NPC OPENING

OW251320 Beijing Television Service in Mandarin 0704 GMT 25 Mar 86

[Report by Zhao Ziyang, premier of the State Council, on the Seventh 5-Year Plan for National Economic and Social Development at the opening of the Fourth Session of the Sixth NPC at the Great Hall of the People in Beijing on 25 March -- live]

[Text] Deputies: Now, on behalf of the State Council, I submit to the congress for your deliberation a report on China's Seventh 5-Year Plan for National Economic and Social Development.

As early as 1983, the State Council had begun work on the 1986-90 Seventh 5-Year Plan. It had organized the various departments concerned and experts to conduct discussions and forecast the major issues of economic and social development. In September 1985, the National Conference of Party Delegates adopted the proposal of the CPC Central Committee for the Seventh 5-Year Plan for National Economic and Social Development, and clearly pointed out the guiding ideology, major tasks, and a series of principles compatable with the new situation. On the basis of the proposal made by the CPC Central Committee, the State Council conducted an even more extensive study of the arrangements, held repeated discussions and calculations, and solicited views from various departments and localities. After more than 3 years of work, a draft Seventh 5-Year Plan has been completed and is hereby submitted for your examination.

Now I will report on the situation of implementation of the Sixth 5-Year Plan, because it is an important basis for formulating the Seventh 5-Year Plan. Then I will give the necessary explanations on the basic tasks and major construction principles for the Seventh 5-Year Plan, as well as economic structural reform and foreign policies during that period.

I. A Review of the Implementation of the Sixth 5-Year Plan. The Sixth 5-Year Plan, approved at the Fifth Session of the Fifth NPC, required that the principle of readjustment, restructure, consolidation, and improvement be promptly implemented in the 5 years from 1981 to 1985; that the various problems left over from the past which hindered our economic development be resolved one by one; that an overwhelming victory be won in bringing fundamental changes for the better to the financial and economic situation; and that a firm foundation be laid and good conditions created for the national economic and social development during the Seventh 5-Year Plan. Under the leadership of the CPC over the past 5 years, all the above requirements have been met, thanks to the concerted efforts of all people of various nationalities. An overwhelming part of the tasks and targets on industrial and agricultural production, communications and transportation, capital construction, technical innovation, domestic and foreign trade, education, science, culture, and the people's livelihood as set by the Sixth 5-Year Plan have been prefulfilled or overfulfilled.

China has made tremendous achievements in socialist modernization. Profound changes have taken place in the entire nation's economic and social outlook. These achievements and changes are all very remarkable whether they are compared with those in the several previous 5-year plans since the founding of the new republic or with those in other nations during that same period.

Over the past 5 years, China's total industrial and agricultural output has increased at an annual rate of 11 percent. During that period, the average annual industrial and agricultural growth rates were respectively 12 and 8.1 percent, while the gross national product increased at an average annual rate of 10 percent. Such high economic growth was only approached by that of the First 5-Year Plan and was higher than all previous 5-year plans. It is also higher than that in most nations in the world during that same period.

Particularly noteworthy was the fact that China's agricultural development was very fast in that 5 year period, with a growth rate higher than that of many other nations. In fact, the past 5 years saw the fastest agricultural growth rate since the founding of the new republic. In the 28 years from 1953 to 1986, [as heard] China's total agricultural output increased 3.5 percent annually. During the First 5-Year Plan, a period marked with relatively fast agricultural growth, or agricultural output had an average annual increase of 4.5 percent. During the Fifth 5-Year Plan, it increased at an annual average rate of 5.1 percent. Thus, during the Sixth 5-Year Plan, the agricultural growth rate was higher than both of the previously mentioned 5-year plans.

China's rapid agricultural development has created very favorable conditions for steady growth of the entire national economy. Over the past 5 years, the output of many important products vital to the entire national economy and the people's livelihood has increased by large margins. Compared with the Fifth 5-Year Plan, China's average annual plan grain output under the Sixth 5-Year Plan increased from 305.3 million metric tons to 370.62 metric tons; cotton from 2.24 to 4.32 million metric tons; and pork, beef, and mutton from 9.37 and 14.62 million metric tons. From 1980 to 1985, China's coal production increased from 620 million to 850 million metric tons; crude oil from 106 million to 125 million metric tons, electric power from 300 billion to 407 billion kilowatt-hours; and steel from 37 million to 46.66 million metric tons.

China has a population of over 1 billion. Its present per capita output of principal industrial and agricultural products is still quite low. However, because of the big increase in the output of the above-mentioned products over the past 5 years, total output was quite high by world standards. In fact, most of them ranked among the highest in the world. This shows that China's aggregate economic strength has become noticeably stronger. [applause]

Over the past 5 years, China has achieved significant successes in capital construction and technical innovation. During the Sixth 5-Year Plan, state-owned units invested a total of 530 billion yuan in fixed assets, acquired 383 billion yuan worth of new fixed assets, and completed 496 large and medium-sized projects, of which 103 were energy and communications projects. During those 5 years, the nation's power generating capacity increased by 19.5 million kwh, coal production capacity by 80 million metric tons, and crude oil production capacity by 50 million metric tons. Moreover, 1,500 kilometers of railways were opened for service, 1,500 kilometers were multiple tracked, 2,400 kilometers electrified, and deep-water berths' handling capacity was increased by 100 million metric tons. Over 200,000 projects were completed and put into production by our enterprises, which have quickened the pace of equipment replacement and technological transformation. The technical level of some trades and enterprises has noticeably improved. Over the past 5 years, the nation's mechanical and electronics industries have doubled their output of products of advanced international standard. Not only did this ensure steady economic growth during the Sixth 5-Year Plan, it also provided a relatively sound material base for economic development during the Seventh 5-Year Plan and into the 1990's.

Over the past 5 years, the nation has seen an upturn in its once decreasing revenue. During the last 3 years, in particular, a gratifying situation, where there was a significant, steady growth in receipts appeared. Near the end of the Fifth 5-Year Plan, the nation had a considerable deficit. The deficit in 1979 and 1980 totalled nearly 30 billion yuan. Thanks to readjustments and reforms during the last 5 years, the nation's production developed, distribution of goods expanded, and economic returns, as well as financial receipts, increased. In 1983, the nation's revenue increased by 12.7 billion yuan. In 1984, it increased by 25.5 billion yuan. The increase in 1985 was 36.2 billion yuan. In that year, total receipts reached 182.9 billion yuan, and revenue and expenditure were balanced. Of all the previous 5-year plans, the fifth registered the highest increase in revenue. Receipts for 1980 was 22.6 billion yuan higher than 1975, and the increase registered during the Sixth 5-Year Plan was significantly higher than that of the Fifth 5-Year Plan.

Revenue in 1985 was 78.6 billion yuan higher than in 1980. While the nation's revenue increased, there was also a drastic increase in nonbudgetary funds. The amount reached 143 billion yuan in 1985. In that year, the amount of budgetary and nonbudgetary funds doubled that of 1980.

During the past 5 years, a thriving and prosperous situation has appeared in our nation's scientific, technological, educational, and cultural spheres. During the Sixth 5-Year Plan, the state spent a total of 117.2 billion yuan on development in those areas. That doubled the 57.7 billion yuan spent in those areas during the Fifth 5-Year Plan. During the Sixth 5-Year Plan, a total of 33,000 major scientific research projects were completed, 937 of them receiving state awards for scientific and technological achievements, and some of the completed projects were among the world's forerunners or the most advanced in the world. Noticeable results were achieved through the popularization and application of scientific and technological achievements, as well as from the technical innovations carried out among the masses.

Higher education developed rapidly. The total number of students enrolled in regular schools of higher education increased to 1.7 million in 1985 from 1.14 million in 1980. Restructuring of secondary education began to achieve initial results. Development of vocational and technical education was fast. Progress was made in popularizing primary education. Adult education of all descriptions developed throughout the country on an unprecedentedly wide scale. All types of cultural services, including literature and art, education, newspapers, publishing, films, and radio and television broadcasts, grew.

Over the past 5 years, a new situation has appeared in the nation's economic relations, trade, and technical exchanges with foreign countries. Both in terms of depth and breadth, the nation has opened its door to the world wider than it has during any period in its history. During the Sixth 5-Year Plan period, the nation's import and export trade totalled $230 billion, twice that of the Fifth 5-Year Plan period. In terms of foreign trade, the nation's position is now ranked noticeably higher in the world. In 1985, the nation registered an increase in foreign exchange reserves compared with that of 1980. In one way or another, the nation spent 10.3 billion yuan of foreign loans, attracted 5.3 billion yuan of direct investment from foreign businessmen, and established a number of Sino-foreign joint ventures, cooperative undertakings, and foreign-owned enterprises in various parts of the country. During the 5-year period, the nation imported more than 10,000 items of foreign technology into the country. Some of them were advanced technologies and key equipment produced in the late 1970's or early 1980's. Through importing foreign technology and establishing Sino-foreign joint ventures and cooperative undertakings, many enterprises have noticeably upgraded their technology and management. Furthermore, we have made significant headway in winning foreign contracts, in providing labor services, and in developing tourism.

Over the past 5 years, the Chinese people's living standards have improved noticeably. The scope of improvement has been unprecedented since the founding of the republic. This can be observed from the following four aspects: First, the income of urban and rural inhabitants has increased considerably. After allowing for rising commodity prices, their per capita net income increased by an average of 13.7 percent annually, and the per capita income of working personnel in cities and towns increased by an average of 6.9 percent annually during the past 5 years. During the 5-year period, more than 35 million people have been settled and given jobs in cities and towns. Second, the level of consumption of urban and rural residents has increased rapidly and their pattern of consumption has also changed noticeably. People now eat better than ever before. Their clothing has become increasingly diverse. The sale of durable consumer goods, especially television sets, washing machines, radio tape recorders, refrigerators, and other household electrical appliances has increased dramatically. Third, people's living conditions have improved. During the Sixth 5-Year Plan period, living quarters with a total floor space of over 360 million square meters were built in cities and towns, and living quarters with a total floor space of 32 million square meters were built in the countryside.

Fourth, savings of people in urban and rural areas have increased considerably. By the end of 1985, the total savings had reached 162.3 billion yuan, tripling the amount recorded at the end of 1980. The aforesaid achievements and changes show that, during the Sixth 5-Year Plan period, we have quite successfully solved some longstanding economic problems that we had wanted but were unable to solve in the past.

China's agricultural development was slow in the past. Its grain output during the 1953-1978 period increased by an average of some 5 million metric tons annually, and its cotton output remained basically constant during the 1965-1978 period. Thus, solving the people's food and clothing problems has always been a formidable task for the nation. Since the 3d Plenary Session of the 11th CPC Central Committee, we have gradually found a path of developing the nation's socialist agriculture with distinctive Chinese characteristics, and have ultimately attained the goal of producing enough grain and more than enough cotton to meet the nation's needs. This is something of great historic and far-reaching significance. [applause] With the exception of the early 1950's when supply was quite sufficient, commodity supply on the nation's urban and rural market has, on the whole, been inadequate in the past. As such, many commodities had to be rationed according to coupons. In some localities and in certain areas, there were dozens of different types of coupons, and it was very common for people to stand in line in order to buy what they needed. During the Sixth 5-Year Plan period, the production of many industrial and agricultural goods significantly increased, and the supply of consumer goods became relatively abundant. With the exception of a (?few items), commodity supply has become basically unlimited throughout the country. Over a long period in the past, the nation's agriculture and light and heavy industries as well as its savings and consumption were seriously dispropportionate, greatly affecting the sustained and steady national economic growth and the improvement of the people's living standards. Thanks to readjustments and reforms during the Sixth 5-Year Plan period, agriculture and light industry were given greater emphasis in industrial and agricultural production, and the course of heavy industry was clearly charted. Consequently their relationship has became more proportionate. While the savings rate was as high as 36.5 in 1978, it was lowered to an average of approximately 30 percent during the Sixth 5-Year Plan period.

The improvement of proportions between major economic sectors has had, and will continue to have, a very significant effect on promoting and guaranteeing a sustained and healthy economic development in our country. The great achievements scored in various fields during the Sixth 5-Year Plan have fully testified to the correctness of our line, principles, and policies. [applause]

We have resolutely discarded the erroneous theory and practice of taking class struggle as the key link, consolidated and developed the political situation of stability and unity, unswervingly shifted the focus of all our work to socialist modernization, striven to promote the building of socialist material and spiritual civilizations, and persisted in formulating all policies by proceeding from reality. This is a fundamental guarantee and a major prerequisite for the sustained, steady, and harmonious development of the entire national economy.

Regarding economic work, the following strategic changes of far-reaching historical importance have taken place during the Sixth 5-Year Plan. This is also the radical reason for the various achievements we have made.

The strategy for our economic and social development has begun to change from one-sidely striving for an increase in the output value and production quantity of industry, especially heavy industry, to taking the improvement of economic benefits as the central task, paying attention the harmonious development of agriculture, light industry, and heavy industry, and attaching importance to the all-round development of the economy, science, technology, education, culture, and society.

In drawing up the Sixth 5-Year Plan, we proposed that earnest efforts be made to change the long-standing situation resulting from the guidance of the left ideology and characterized by a high amount of accumulation and high speed but low efficiency and slow pace in raising the people's living standards. We proposed that we really proceed from the actual situation in our country and embark on a new road, marked by a comparatively realistic speed, better economic results, and more substantial benefits to the people. Also, a (?10)-point economic construction principle, centered on raising economic benefits, was put forward. In making economic development plans, we have not only put emphasis on tapping potential and bringing the initiative of all quarters into play, but also stressed the need to base the plans on the capability of our country and to leave an appropriate leeway. Attention has also been paid to maintaining the basic balance of financial revenue and expenditure, credit funds, materials supply, and foreign exchange.

Within the national economy, we have persisted in taking as matter of great strategic importance the enhancement of agriculture, which is the foundation of our national economy, expediting the development of the consumer goods industry, and rationally adjusting the orientation of service in heavy industry. We have also made productive and nonproductive construction generally harmonious, and brought about a fairly quick development in tertiary industry.

While attaching importance to economic development, we have paid attention to integrating economic construction closely with the development of science and technology, culture, education, and all aspects of society, and made them promote each other. As a result, a fine situation of vigorous development has appeared in economic construction, science, technology, culture, education, and all areas of social work.

In economic structure, the staff system of excessive and rigid control has begun to change to a new system, full of vigor and vitality and meeting the needs of an organic development of the commodity economy on the basis of public ownership. The first major breakthrough in our economic structural reform was made in the countryside. The wide-scale popularization of the contracted responsibility system, based on households with remuneration linked to output, and the implementation of a series of other measures for reform have liberated the productive forces in rural areas to a great extent, with the result that our rural economy has begun to change in the direction of specialization, commodity production, and modernization.

In urban economic reform, we have focused closely on invigorating enterprises as the central task and have carried out reforms in varying degrees, with respect to planning work, financial work, taxation, pricing, banking, commerce, and labor wages, bringing an unprecedentedly vigorous situation in our urban economic activities. Enterprises have gradually increased their capability to transform and develop themselves. The socialist market has continued to expand. The multiform ownership systems and modes of operation have developed remarkably, and the lateral economic ties of one kind or another have been increasingly strengthened. The operational mechanism of the entire national economy has had many changes favorable to the enlivening of the economy. This has effectively stirred up the initiative and the creative spirit of the broad masses of staff members and workers.

Through the practice during the Sixth 5-Year Plan, in particular that over the past year and more since the CPC Central Committee had the decision on reform of the economic structure, the outline of building a socialist economic system with Chinese characteristics has become increasingly distinct, and the road to be taken increasingly clear.

Regarding our foreign economic relations, we have begun to change from a closed or semi-closed economy to an open type, actively using international exchange.

We have broken through the fetters of leftist ideology and the idea of a self-sufficient economy, overcome the erroneous understanding that sets self-reliance against opening to the outside world, and achieved remarkable results in utilizing domestic and foreign resources, exploring domestic and foreign markets, and grasping the methods of organizing construction work at home and developing economic relations broad. By properly persisting in the policy of opening to the outside world, we may use others' strong points to make up for our deficiencies, and speed the progress of China's modernization program. This can only enhance our ability for self-reliance instead of hampering it.

These changes of historical importance and the achievements which we have scored in making these changes and which have become the focus of world attention, are indicative that we have found the correct road for building socialism with Chinese characteristics. On the whole, the vast numbers of cadres and masses in our country are understanding more and more clearly and intensely how to continuously advance China's socialist modernization program, based on the conditions of our country and under the guidance of the basic Marxist theory. Party and state prinicples and policies are becoming increasingly coordinated and improved. Practical experience in all fields is being constantly accumulated and is attaining a higher and higher level. As we recall, when the implementation of the Sixth 5-Year Plan had just commenced, none of us expected that such achievements as we have made today would be possible. Now, people across the country are becoming more and more confident that the objective of quadrupling the gross value of industrial and agricultural production by the end of this century is absolutely attainable, and they are full of confidence and hope in the bright future of the motherland. All this is an enormous spiritual asset, which our people have already gained and which will play its due role for a long time to come. [applause]

While fully affirming our achievements, we must very soberly note that our work still has certain shortcomings and mistakes, and many difficulties and problems still exist in our course of advance, because time is required to understand the capability of our country and to accumulate experience in making profound historical changes. In the past few years, though we have paid attention to the overall balance and proportionate development of the national economy, we have sometimes failed to give enough attention to effectively controlling the excessive growth of total social demand. There have been neither strong measures for, nor effective supervision of, the improvement in economic benefits, and especially product quality, in dealing with the questions of quantity versus quality, or speed versus benefits. When emphasizing boosts to the vitality of enterprises, we have not taken timely measures to step up and improve macroeconomic management. In building the two civilizations, at certain times there have been instances where insufficient attention was given to building spiritual civlization. In particular, after the fourth quarter of 1984, a phenomenon of striving for overly high speed appeared with the improvement in the economic situation. There was a sharp increase in fixed asset investment and in consumption funds, too much currency had been issued, no strict control over imports was exercised, and certain factors causing instability came into being in economic life. In view of this situation, the State Council took a series of measures. Through the work of last year, some problems have been resolved, while others are being resolved. The economic environment is turning from a strained to a relaxed situation. We must make a serious effort to sum up our experience, achieve further success in carrying out reforms and construction work in all fields, advance unswervingly along the road we have opened, and strive to consolidate and develop the current fine situation, marked by prosperity and full of vigor and vitality. [applause]

II. The Basic Tasks and Main Construction Policies for the Period of the Seventh 5-Year Plan

The period of the Seventh 5-Year Plan is a crucial one when China's economic development strategy and economic structure will be further transformed from an old to a new mode.

We must continue to act in accordance with the general requirement of building socialism with Chinese characteristics, and the basic policy of enlivening the domestic economy and opening to the outside world, display a vigorous, enterprising spirit, and take solid and steady steps to put China's economy on the track of a self-sustained growth, full of vigor and vitality, and marked by high efficiency and great benefits. Based on the actual situation in economic and social development and the objective to be achieved by the end of this century, the basic tasks put forward in the draft Seventh 5-Year Plan are:

1) Further efforts should be made to create fine economic and social environments for economic structural reform and to strive to maintain the basic balance of total supply and demand in society, so that reform can be carried out more smoothly. We should see to it that a foundation for a new socialist economic system with Chinese characteristics is basically established in 5 years or over a longer period.

2) It is necessary to maintain a steady economic growth; make great efforts to build more key projects while controlling total investment in fixed assets; undertake technological transformation; develop intellectual resources; and prepare necessary material, technological, and personnel reserves for a steady economic and social development in the 1990's.

The aforesaid three tasks [as heard] are closely correlated. The first task is the most important of them. In consideration of the overall demands of these tasks, the draft of the Seventh 5-Year Plan calls for a 38 percent increase in the total value of China's industrial and agricultural output in the 5 years and a 44 percent increase in the gross national product while constantly improving economic efficiency. If calculated according to the 1980 prices, the total value of industrial and agricultural output by 1990 will reach 1,677 billion yuan, or increase by 130 percent as compared with 1980. The gross national product by 1990 will reach 1,117 billion yuan, up 160 percent from 1980. The total investment in the fixed assets of state-owned organizations in the next 5 years will be 896 billion yuan, nearly 70 percent increase over the Sixth 5-Year Plan. The draft plan calls for renovating, expanding, and building a number of key projects and transforming a number of key enterprises in order to substantially improve our energy and raw and processed materials production capability and our transport and communications capability and remarkably raise the level of production and technology of existing enterprises.

According to the draft plan, we should popularize a number of effective scientific and technological results, make a breakthrough in tackling certain new and crucial technological problems, and strive to make approximately 40 percent of our major industrial products attain the level of developed countries of the late 1970's and early 1980's in both characteristics and quality. We should gradually implement the 9-year compulsory education. At the same time, our regular colleges and adult colleges should train nearly 5 million highly specialized personnel in the next 5 years, twice as many as in the Sixth 5-Year Plan. The total volume of our import-export trade should increase 40 percent by 1990, as compared with 1985. We should accordingly use more foreign advanced technologies. The draft plan projects about 27 percent increase for the next 5 years in the actual level of consumption of urban and rural residents, and calls for further improvement in the quality of people's life and their environmental conditions. In the next 5 years, we will continue to maintain a basic balance in state finance, credit, supply, and foreign exchange. The fulfillment of the Seventh 5-Year Plan will enable us to make new, firm, and forceful strides on the road leading to a thriving, rich, and strong country and to prosperity and happiness for the people. [applause]

In the course of formulating the draft in accordance with the policies and principles put forward in the proposal of the CPC Central Committee for the Seventh 5-Year Plan, the State Council has emphatically considered and studied the following questions concerning economic construction.

1. We should project a moderate rate of economic growth and promote a proportionate and efficient development of national economy. Considering the constantly increasing demands of the society and summing up all possible production conditions, the draft of the Seventh 5-Year Plan calls for an average annual increase of 6.7 percent in the total value of industrial and agricultural output, with the total agricultural output value increasing by 4 percent and the total industrial output value increasing by 7.5 percent on an annual average. According to the draft plan, the gross national product should on an average rise 7.5 percent annually. The projected rates are lower than what we have actually attained during the Sixth 5-Year Plan. We project the rates this way mainly because we have considered the changes and demands of internal factors of economic life.

In order to develop agriculture in the days to come, we should continue to bring into play the effectiveness of correct rural policies. At the same time, we need to rely more and more on scientific and technological progress, rely on increasing material investment in agriculture, and improve conditions for agricultural production. The improvement of conditions for agricultural production is gradual, and it is impossible for us to make a drastic change in a short time. This fact cannot but affect the agricultural growth rate to a certain extent. As for industry, the excessively fast growth in the last 2 years of the Sixth 5-Year Plan was primarily stimulated by excessive investment and supported by a large quantity of imported raw and processed materials. It is difficult for us to hold out long in that situation.

At the same time, we lack the supply of energy resources and raw materials, and still badly need communications and transport facilities right now. The proper control of the excessively high growth rate in processing industry is conducive to bringing into line the proportion between the energy and raw materials industries on the one hand and the processing industry on the other and between production and transportation and to making the product mix more reasonable. Poor production quality and low economic efficiency are fatal weaknesses of China's economy. An appropriate growth of the total output value in industry and agriculture during the Seventh 5-Year Plan is conducive to diverting the attention of all sectors to improving production quality and raising economic efficiency. Particularly, the overall development of economic structural reform needs an environment in which all economic sectors must not be strained. Events both at home and abroad repeatedly prove that only by expanding economy appropriately will it be possible to avoid extreme tension in economic relations and ensure triumphant developments in carrying out reforms. The economic growth rate laid down by the draft Seventh 5-Year Plan is optimistic but not over ambitious. It is possible to exceed this rate of growth in the course of implementing this plan. On the question of the rate of economic growth, we must adopt the scientific attitude of seeking truth from facts. Naturally, we must strive to achieve a sustained and fairly high rate of growth while improving economic efficiency and production quality. However, we must not hold that the higher the rate of growth, the better it will be.

Still less must we blindly pursue high targets and seek even higher rates of growth at each level. However, we must not set the rate of economic growth too low, while ignoring favorable conditions in economic developments and the tremendous potential in social production, because this will adversely affect the effective utilization of the resources in production, fail to bring into full play the enthusiasm of the masses for production, hamper the health growth of economy, and prevent us from meeting social demand. We must have the necessary economic growth in order to enhance our national strength or raise the people's living standards. It is wrong to neglect this point. At the same time, we must also realize that if we unrealistically expect an excessively high rate of growth, it will be difficult to maintain this high level for a long period. Eventually this rate of growth will drop, even if it will stay high for a while. The drastic ups and downs of the growth rates are harmful to economic development. It often takes a considerably longer period to eliminate this kind of harmful effect.

Our past experiences repeatedly tell us that only by tackling problems by considering both the needs and possibilities, by looking ahead and behind, and by maintaining an appropriate rate of growth, will it be possible to develop our economy steadily and obtain the reliable guarantee of continuously raising the people's living standards.

2. To determine the appropriate scale of investment, rationally readjust the investment patterns, and improve economic results in making investments is a crucial issue in the Seventh 5-Year Plan. It directly affects the steady growth of economy and the rational readjustment of the setup of production in the Seventh 5-Year Plan. It will also affect the conditions for future economic development in the 1990's and beyond. Examining the economic growth rate from various aspects and repeatedly balancing the financial and material strengths, the draft Seventh 5-Year Plan sets the total basic investments by state-owned units in the 5-year period at 500 billion yuan, an increase of 49 percent over that in the Sixth 5-Year Plan period, and the total investments for equipment renewal and technical transformation at 276 billion yuan, an increase of 87 percent over the Sixth 5-Year Plan.

In consideration of the excessively sharp increases in fixed asset investments, especially capital construction investments, in the latter part of the Sixth 5-Year Plan, the scale of fixed asset investments forthe first 2 years of the Seventh 5-Year Plan should be largely maintained at the 1985 level, and such investments should only be slightly increased for the remaining 3 years of the plan. However, there should be no excessive increases. The scale of investment must be in conformity with the strength of the country, because such conformity is a decisive factor in ensuring economic stability and is an objective law of socialist economic construction. If such a law brings about an excessively large scale of investment, it will certainly create a major, serious disproportion and lead economic development onto a crooked road, thus delaying the progress of modernization. Regarding this question, we have learned profound lessons and should notice that, as a result of a large amount of work, the trend of excessive expansion of investments in the past 2 years has somewhat decreased. However, the work has not basically solved the problem as many localities and units are still blindly increasing the number of projects and activities, creating a potential danger of continued expansion of the scale of investments. If such a development is allowed to continue, the situation created by many years of efforts will probably be disrupted once again, and it will be difficult to continue to smoothly carry out the reform of economic structure which has already started. At the same time, the task of preparing conditions of material foundation for continuous economic development in the 1990's cannot be fulfilled. Therefore, to deal with this problem, we must keep a sober mind, unify our ideological understanding, and adopt resolute and powerful measures from the upper levels to the lower levels to make certain that the scale of investments during the Seventh 5-Year Plan is controlled and maintained at a level allowed by our national strength.

Currently, not only the scale of investment tends to be excessive, the investment structure is also irrational, as manifested mainly in the low proportion of energy, transport, communications, raw materials, and other basic facilities, as well as the investment in basic industry. Other manifestations include high proportion of investments in ordinary processing industry and construction of an intangible and nonproductive nature; as well as the fact that investments for renovation and remodeling activities are insufficient, with a considerable portion of such investments being used for capital construction. Failure to change such an irrational investment structure will result in either uncontrollable general scale of investments, or the lack of sustaining power to develop economy. Excessive expansion of ordinary processing industry and nonproductive construction will certainly increase the pressure on energy, transport, and raw materials. To demand additional investments in these areas will lead to daily-intensifying expansion of the entire scale of investments.

As the same time, while ordinary processing industry develops at a greater rate, construction of basic industry and basic facilities cannot be adequately strengthened because of shortage of funds, and the technological features of backbone enterprises cannot be changed at a relatively greater speed. As a result, there will be a lack of strong foundations and support for the development of the entire national economy and technological progress. Therefore, the crux of whether or not the general scale of investments can be properly controlled and sustaining power for continuing the economic development be increased lies in rational readjustment of investment structure.

During the Seventh 5-Year Plan, the readjustment of the investment structure should follow the following guidelines:

1) We should continue to increase investment in the basic facilities and basic industries of energy, transport, telecommunications, and raw and processed materials. We should appropriately increase investment in agriculture, science, and education. We should accordingly curtail investment in ordinary processing industry projects.

2) We should properly control the increase of investment in non-productive construction projects, so that same amount of investment will create more production capability and development capability. We should strictly control the construction of luxury buildings, except for the necessary facilities for tourism. A proper proportion of construction should be devoted to housing projects which should be built steadily. The focus of urban construction should be placed on building basic facilities serving production and the people's livelihood. Other urban construction projects may be built only when surplus resources are available. We should definitely not adhere to formalism in our construction.

3) We should spend more funds on technological transformation, renovation, and expansion of existing enterprises, and increase the proportion of investment devoted to renovation and transformation in the total investment for fixed assets.

4) Investment should be made in the eastern, central, and western regions in a proper ratio with emphasis placed on different projects according to the economic situation and resources of those regions, so that the more developed eastern region can be better linked to the development of the central and western regions.

We should control the size of investment in fixed assets and rationally readjust the investment structure when we make decisions on construction projects. A conspicuous problem at present is that too many projects are being built, they take a long time to complete, and the investment yields poor results. During the Seventh 5-Year Plan, we must change the situation in which people vied for more investment and started too many projects that they could not complete even after a long period of time. We must strengthen our sense of time, loan interest, and capital turnover, and resolutely undertake construction projects in accordance with a reasonable construction schedule. This is a key to shortening the building time and improving investment results. During the Seventh 5-Year Plan, we must ensure the availability of funds, materials, and equipment for any new large-and medium-sized projects before they are started; and materials and funds for the projects should be appropriated annually according to a reasonable building schedule. If funds, materials, and equipment are not available, the projects can only be regarded as reserve projects. We should seriously reexamine the large, medium-sized and small projects under construction, and readjust their precedence. We should work hard for several years to gradually ensure that all projects are built on a reasonable building schedule.

In order to control the size of investment and readjust the investment structure, the most important thing is that we must reform the policy-making and management system for investment in fixed assets.

We should study and formulate scientific and systematic rules and regulations for managing, regulating, and controlling investment, and implement them step by step. We should plan in a unified way the investment in fixed assets for the whole society, ensure an overall balance, and correctly delineate the limits of investment among central authorities, local authorities, and enterprises. We should pay attention to taking economic measures to guide the investment of different concerns in conformity with the macroeconomic objective.

Meanwhile, we must streamline the fundamental administration of investment, and reform the work with regard to making decisions, finding facts, designing, organizing construction, supplying equipment, and so forth, and promote and improve the bidding system in all areas. Only by doing this will we be able to bring a significant change in our country's capital construction as well as noticeably better economic returns from our investment.

3. We must consider making scientific and technological progress and developing intellectual resources as important strategic tasks and do a still better job in promoting scientific and educational work. A conspicuous characteristic of the Seventh 5-Year Plan is its attention to scientific and technological development so that China's economic growth can be charted on that basis. To promote scientific and technological development, we must concentrate our efforts on doing two things well: First, we must make efforts to develop and popularize the type of scientific and technological achievements which will produce economic results quickly, and actively assist our enterprises, including the rural enterprises, to improve their technology. This is an important way to forge closer ties between science and technology and production, and transform science and technology directly into productivity. Secondly, we must genuinely concentrate our financial and material resources and manpower on carrying out scientific and technological research in order to tackle key technical problems arising from economic construction and social development. At the same time, we must strive to achieve better results in the study and development of new, advanced technology, strive to transform our traditional industries with new technology, and continue to intensify applied and fundamental study.

Making efforts to master advanced, modern day technology is of far-reaching significance for our country's future economic and social development. In this respect, a contingent of relatively well-trained personnel has already been formed to tackle key scientific and technological problems. Henceforth, we must expand and improve this contingent by making continued efforts to train more proficient personnel, continue to work hard to catch up with the advanced technological development of the world, and strive to make new headway in electronics communication, biotechnology, astronautic technology, nuclear technology, new materials, and modern automated production technology, so as to create conditions for building our economy on a new technological foundation. We hope, and we believe, that the broad masses of workers, who have already dedicated themselves entirely to building our motherland, will continue to make still greater contributions to the people in the great cause of continuing to scale new heights in science and technology and making science and technology better serve the economy. [applause]

Whether or not the numerous problems confronting our economic construction can be effectively resolved depends on whether or not major breakthroughs can be achieved in scientific and technological areas. Similarly, whether or not our economic development can keep forging ahead also depends on the most profound source of stamina, namely scientific and technological development. We must realize, in particular, that a new technological revolution has been developing rapidly in the world today and that an increasingly large number of countries are focusing their attention on developing science and technology. Under such circumstances, if we fail to adopt correct policies for taking advantage of this opportunity to confront the challenge, the gap between us and developed countries will not be narrowed, but will be further widened instead, and the task of catching up with developed countries economically and technologically will become increasingly more difficult.

Of course, confronting us today are numerous scientific and technological problems, which cannot be resolved by one 5-year plan. As such, we must exert unremitting efforts for a long time. The most important requirement today is that we must uphold the strategic viewpoint of attaching great importance to scientific and technological development so that people in all quarters will have a sense of urgency, realizing that scientific and technological development must be accelerated.

We must set forth a clear-cut requirement, namely that the development of production, construction, distribution, and all other economic work must be firmly aligned with scientific and technological development. Scientific research departments and scientific research organs of institutes of higher education must continue to gear their work to the needs of economic construction. By means of technological transfer for recompense, as well as cooperation in developing new products and new technologies and in carrying out technical transformation, they should develop lateral ties with producers to form a new type of economic association of research and production. This will effectively correct such defects as regional barriers and departmental ownership, change the long-standing situation where research and production are not coordinated, and help promote a coordinated economic, scientific, and technological development.

We must earnestly implement the patent law and protect patent rights for inventions and creations so as to continue encouraging the enthusiasm of scientists, technicians, and workers to invent and create. We must continue to implement the policy of integrating military and civilian production so that more scientific and technological expertise in the defense departments can be more effectively applied to economic developments.

Scientific and technological development as well as the four modernizations as a whole cannot be accomplished without the training of proficient personnel and educational development. According great attention to education is our long-term strategy that must be upheld. We must make conscientious efforts to improve basic education, actively promote the 9-year compulsory education, energetically develop vocational and technical education, and continue to consolidate and improve higher education and adult education.

Over the past 5 years, the state has spent 116.6 billion yuan on education. That was an increase of 72 percent over that spent during the Sixth [as heard] 5-Year Plan period, and it exceeded the regular growth of revenue. Local governments at all levels, on the other hand, should earmark more funds for educational development. They must also widely mobilize various material resources and guide enterprises, collectives, and people in all social quarters to sponsor all types of educational services.

While continuing to restructure the educational system to keep up with the needs of the modernization drive, we must pay special attention to improving thequality of education in the course of promoting various types of education. Over the past few years, some secondary professional schools and some higher professional institutes and schools have been upgraded without justifiable cause. Some schools, regardless of their limited resources and capabilities, have enrolled more students than they can accommodate. Some adult students have been attending classes simply for the purpose of obtaining a diploma or a record of their schooling. All these problems must be dealt with earnestly.

All types of schools at all levels must earnestly implement the policy that moral, intellectual, aesthetic, and physical education must be attended to, give top priority to improving the quality of education and training competent personnel, and then appropriately increase the number of their students on this basis.

The administration of educational services must be strengthened, a system of assessing and supervising education must be established gradually, teacher training at various levels must be improved, and the retraining of teachers should be strengthened, so as to gradually build a steady contingent of teachers -- especially a contingent of teachers for secondary and primary schools -- which can basically keep up with our needs in terms of quality, quantity, and composition.

Governments and departments concerned at all levels must earnestly help teachers solve some actual problems concerning their working and living conditions, and should continue to heighten the consciousness of the entire society concerning respect for teachers and education so as to give full scope to teachers' enthusiasm, wisdom, and talents. [applause]

To bring vigorous development in scientific and educational work, we must continue to emancipate our minds and adopt effective measures to expedite the management of science and education in accordance with the CPC Central Committee's two decisions on reforming the management of science and technology and restructuring the educational system, and strive to achieve a decisive victory during the Seventh 5-Year Plan period.

4. We must develop foreign economic relations and trade and technological exchange in greater depth and breadth, with attention centered on raising our foreign exchange-earning capability through the promotion of exports. Our country has achieved great success in implementing the policy of opening to the outside world during the Sixth 5-Year Plan. It should be noted, however, that the steps we have taken in this regard have been quite insufficient as far as the needs and potentials of the economic development of our country are concerned. Also, the past few years have seen some problems with regard to our foreign economic relations and trade and technological exchange. The main problem has been that some localities and departments have violated the relevant state regulations on establishing many separate external contacts on their own [duo tou dui wai], blindly competing with each other, and duplicating their imports. Excessive quantities of some high-grade consumer goods were thus imported. These problems must be solved in a serious manner by earnestly strengthening and improving management. However, in no way should doubts arise regarding our policy of opening to the outside world. During the period of the Seventh 5-Year Plan, we must devote more efforts to expanding the scale of foreign trade, foreign-capital utilization, and technology imports. At the same time, we must actively develop tourism and initiate projects of international air and water transport services, insurance, foreign contract work, and labor cooperation.

Striving to increase exports so as to earn more foreign exchange is the foundation and crucial task for further expanding the scale of foreign economic relations and trade and technological exchange. Ours is a developing socialist country. Shortage of foreign exchange will remain a striking problem in our economic life for a considerably long time. Export trade is a principal source of our country's foreign exchange income. The ability of our country to earn foreign exchange through exports determines the scope and (?success) of our foreign economic relations and trade as well as technological exchange and conditions the scale and progress of our domestic economic construction. It is, therefore, a major strategic issue concerning the future of our work of opening to the outside. When exports are developed, there will be more room for the development of our economy as a whole.

In order to expand the foreign trade of exports so as to earn more foreign exchange, the most fundamental task is to adopt a correct strategy that meets international market demands and is in conformity with the conditions of our country. One task is to persistently give priority to improving the quality of exported products, gradually establishing and improving the marketing system and service network abroad, and trying to see that quality is stable, service is good, and attention is paid to good credit so as to increase our competitive edge in the international market.

The second task is to strive to improve the makeup of our exported commodities and to see that our main exports change from primary products to finished products and from roughly processed products to finely processed products. We should improve the quality of our exported light and textile industrial products and increase the exports of new food products, machines, and electric equipment. The third task is to further improve the location of production areas for exported commodities. In coastal areas and other places where conditions permit, we should establish various kinds of export commodity bases and factories exclusively for making export products, each with its distinctive characteristics, so that a perfect production system for exported commodities will be established step by step. This is a strategic measure of far-reaching importance for improving the economic results of exports and increasing the competitive edge of our exported commodities. Foreign trade departments should coordinate closely with localities and departments concerned so as to make scientific planning and reasonable overall arrangements (at any time). The fourth task is to open international markets. While continuing to consolidate and develop existing markets, it is necessary to further orient our work toward various countries and regions in the world in order to diversify our export markets. At present, for many products of our country, the profits from exports are less than the profits from domestic sales. This has seriously affected the enthusiasm of export enterprises for promoting production. It is imperative to take truly effective policies and measures to encourage and support in various ways the enterprises making products for export and see to it that those enterprises earning amounts of foreign exchange through the export of their products, and their staff members and workers, receive the real benefits that they deserve.

To sum up, all departments and localities should place increasing their ability to earn foreign exchange through the promotion of exports high on their agendas. They should make all-out efforts to grasp this task firmly and successfully so as to achieve remarkable results. Similarly, all enterprises making products for export should take it as their primary duty and responsibility to expand exports so as to earn more foreign exchange. They should gear their work to the international market and strive to start production of more competitive export products. In particular, the special economic zones and coastal cities and areas open to the outside world should play an even greater role in promoting exports and earning foreign exchange. The special economic zones should advance toward the goal of establishing an externally oriented economy.

Seriously summing up the experience over the past few years and earnestly improving import work is of vital importance to the persistent implementation of the policy of opening to the outside world. We must make rational adjustments in the composition of imported commodities on the principle of bringing about technological advance in our country, raising our foreign exchange-earning ability through the promotion of exports, and using foreign exchange economically. We must persistently emphasize the import of software, advanced technology, and key equipment and strictly control the ordinary processing equipment and consumer durables.

With regard to those products that can be produced domestically under present conditions, we should make positive efforts to develop them and rely basically on domestic production. Imports of production lines for processing and assembly work using foreign-supplied bulk parts, spare parts, and accessories should be subjected to strict scrutiny with a view to restricting their imports and averting duplicate imports. We should make positive efforts to develop substitutes for imported products and strive to raise the level of domestic production. It is imperative to resolutely correct all acts that waste the foregn exchange of our country.

On the basis of increasing foreign exchange income through exports and raising our ability to make payments and to absorb foreign capital, we should, in various ways, appropriately expand the scale of utilization of foreign capital.

In using foreign capital, emphasis should be on such construction projects as energy industry, transportation, telecommunications, supply of raw and semifinished materials, and especially electric power, harbors, and petroleum industry, on technological transformation projects of machine-building, electronics, and other industries, and on developing products for export and making substitutes for imported goods so as to increase our foreign exchange income or economize in the use of foreign exchange.

We should earnestly implement the policies, laws, and regulations related to the use of foreign capital, correctly adhere to the orientation for use of foreign capital, and go all out to improve economic results in this regard.

During the past several years we have carried out a number of initial reform measures in our foreign trade structure and have made some achievements. However, we are still unable to meet the requirements for expanding foreign trade and technological exchange. In the future, we must first pay attention to strengthening and improving macroeconomic control and management and using foreign exchange rates, customs duties, taxes, and other economic measures to promote exports. At the same time, we should reasonably regulate imports and exports by strengthening control over the issuance of import and exports by strengthening control over the issuance of import and export permits, the quota system, and other administrative measures. We should gradually improve centralized management and further whip up the enthusiasm of various localities and departments for increasing exports. We should expand the decision-making powers of export-oriented and foreign trade enterprises and promote direct associations between the principle of integrating production with marketing, integrating industry with foreign trade, and integrating technology with foreign trade in order to promote the further development of our country's foreign trade.

5. We should appropriately determine the scale of raising the people's living standards in accordance with the principle of giving consideration to both production and consumption. During the period of the Seventh 5-Year Plan, we should continue to increase the income of people in urban and rural areas and further improve the people's material and cultural life as we further develop production and increase economic results. We should strive to achieve the goal of raising our citizens' living standards to a prosperous level by the end of this century and develop production in the next 5 years.

The draft plan calls for raising the net income of peasants throughout the country by an average 7 percent each year, and the actual average wage of staff and workers by an average of about 4 percent each year. The toal number of employed people will increase, and the growth rate of the average annual income of urban residents will be higher. Along with the development of the national economy and the increase of people's income, the consumption level of people in urban and rural areas will also further increase. The quality of consumption will further improve accompanied by a greater variety. The scale of increase in consumption level as proposed by the draft plan is basically in line with the scale of increase in the people's average income during the same period.

We must adhere to correct principles and policies, and promote production and the improvement of living conditions in a coordinated manner. For a considerable time in the past we unduly emphasized production and construction work and overlooked people's living conditions. Practice has proven that this not only impedes the improvement of people's living standards but also seriously hampers production and construction work. Since the convocation of the 3d Plenary Session of the 11th CPC Central Committee, we have firmly corrected this tendency. In the future, we must continue to pay attention to avoiding this unhealthy tendency. China is a socialist country, so we must always attach great importance to improving the people's material and cultural life. At the same time, we must make sure that the improvement of the people's living conditions is based on actual conditions in our country and must do what we can on the basis of the development of production.

Our country has a population of 1 billion people and each year millions of people in cities and towns seek employment. For quite some time to come, the production index and labor productivity will remain at a relatively low level. Our country is at present in a period of building socialist modernization and all construction projects require the accumulation of funds. At this stage of economic growth, should we increase our consumption too fast, we could not avoid reducing the accumulation of funds, raising production costs, lowering the competitiveness of our products, and slowing down the pace of economic development.

Therefore, in raising the people's living standards, we should only rely on our efforts to develop production and not divert funds needed for construction purposes. The consumption growth rate must not exceed the growth rate of production and the rate of increase of staff and workers wages must not exceed the rate of increase of labor productivity. We must continue to carry forward the fine tradition of building our country through thrift and hard work.

As far as the question of distribution in society is concerned, we must continue to implement the policy of permitting a number of people to become rich sooner than others and pay attention to overcoming egalitarianism. At the same time, we should prevent excessive and unreasonable gaps in income among various enterprises and among people in society in order to ensure stability and unity in society and give better expression to the principle of to each according to his work. We must resolutely stop the current practices of competing with each other in wages and benefits and of issuing unwarranted allowances in cash or in kind. We must also strictly control consumption funds and prevent them from rising too fast.

While setting an appropriate speed in the growth of consumption, we should also adopt a correct consumption policy. We should guide the people's consumption in a planned manner and make changes in consumption patterns in line with the character of our society, the conditions of our country's resources, and our national characteristics. Our country has a large population but a relatively weak foundation. For quite a long to come, improvement of people's living conditions cannot be very rapid. We can increase the consumption of meat, poultry, eggs, and other animal food products only gradually. On the question of clothing, we should advocate the use of cotton, chemical fiber, and blend fabrics. We should increase the consumption of pure wool and leather products only if we can do so in an appropriate manner.

Because shortage of electric power supply will continue to last for a long time, we can increase consumption of household electric appliances only in a limited manner and must pay particular attention to controlling the production and import of air conditioners, coolers, and heaters, which consume a great deal of electricity.

Of course, we should continue to constantly improve people's housing conditions. However, we must not set standards too high in terms of space and construction quality. In short, the state must use economic policies, economic levers, and necessary administrative measures to guide the people's consumption in a reasonable manner.

Deputies, in addition to the above-mentioned five points, the draft Seventh 5-Year Plan has, on the basis of serious study, also made appropriate arrangements for regional economic planning, especially for assistance in the development of regions inhabited by people of minority nationalities and economic backward regions, and for cultural and public health work, sports work, population control, social security, and environmental protection. In the next 5 years, we must continue to follow the policy of coordinated development in economic construction and various social activities and make effective plans for those areas. [applause]

III. Reform of the Economic Structure in the Seventh 5-Year Plan

We must correctly implement the various policies for construction and successfully fulfill the various construction tasks in the Seventh 5-Year Plan period. The key lies in continuing the deep-going and meticulous economic structural reform, further promoting economic cooperation among various units, and fully arousing the initiative and creativity of all enterprises and working people. The significance of reforms not limited to the present. More important, it will have a bearing on economic development and prosperity in the 1990's and the complete realization of our country's grand goals within this century. It will also play a decisive role in and have an impact on efforts in approaching and catching up with the economic and technological levels of the developed countries of the world in the first half of the next century.

The various localities, departments, and enterprises must persist in giving priority to reform, promoting reform and construction in a coordinated and complementary manner, and working hard to lay a basic foundation for a lively socialist economy with Chinese characteristics in the next 5 years or so.

The major contents of the economic structural reform during the Seventh 5-Year Plan can be summarized into the following three points:

First, enterprises, especially large and medium-sized state enterprises, should be further invigorated so that they can become relatively independent economic entities, as well as producers and dealers of socialist commodities, with self-management and responsibility for their own profits or losses. In giving enterprises greater decision-making powers in production and management with the aim of imparting on them abilities of accumulation, transformation, and development and of improving and building the capability of self-control and self-restraint, it is necessary to continue to develop various forms of ownership and management while maintaining public ownership as the main aspect, and to continue to adopt, both externally and internally, practical and effective measures, including appropriate reduction of the scale of mandatory plans, exemption from regulatory taxes, raising of depreciation rates, improvement of the plant director's responsibility system, introduction of various economic responsibility stestems, and reform of the wage and bonus system and the labor system of enterprises. Except for a handful of enterprises, the majority should be able to assume responsibility for their own profits or losses. Enterprises that have shown poor management over a protracted period should be reorganized or ordered to shut down, suspend operations, merge with others, or switch to the manufacture of other products in accordance with the principle of survival of the fittest. In order to rationalize the structure of enterprises, special efforts should be made to vigorously encourage lateral economic ties among enterprises on a voluntary and mutually beneficial basis, and to gradually set up diverse forms of association of enterprises at various levels. While continuing to promote reform in all fields, it is necessary to facilitate the rational development of resources, utilization of funds and technology, and disposition productive forces through developing lateral cooperation. It is necessary to surmount obstacles to lateral cooperation by reasonably stipulating the rights and interests of all parties in this cooperation in order to ensure the wholesome development of various associations of enterprises with the support of policies and laws.

Second, the socialist commodity economy should be further developed, and the market system should be gradually improved. It is necessary to continue to reduce the variety and amount of products under state allocation, improve the contract system in purchasing farm and subsidiary products, actively develop commodity circulation covering various regions and departments, gradually set up diverse forms of commerce combining agricultural, industrial, and commerical undertakings, agricultural and commercial undertakings, industrial and commercial undertakings, and diverse trades in commerce, and continuously expand the consumer goods and production means market.

At the same time, it is necessary to systematically develop and establish the funds and technology market and facilitate the rational flow of labor forces. The key to establishing and improving the socialist market system lies in further reforming the pricing system and price management system. The focus of pricing reform during the Seventh 5-Year Plan should be resolving, in a planned and systematic manner, the problem of excessively low prices of production means for energy and raw and semifinished materials so that the disparity between the planned price and market price can be gradually reduced. While readjusting wages, it is also necessary to study and set reasonable rents and market prices for housing in order to facilitate the commercialization of residential housing. In order to encourage service trade undertakings, prices of labor services should be reasonably readjusted. With reform, except for the prices of a very few important products and labor services, which must be set by the state, the prices of most products and labor services should be determined by state guidance or by market regulation, thus brining into better play the regulating role of prices as levers. In the course of pricing reform, it is necessary to continue to adhere to the principles of making steady progress and combining relaxed control with readjustment, to fully consider the capabilities of the state, enterprises, and people to withstand strains, and to make commodity prices generally remain stable.

Third, in establishing a new socialist macroeconomic management system, state supervision over enterprises should be gradually changed from mainly direct to indirect control. During the Seventh 5-Year Plan, it will be necessary to improve various economic and legal means, supplemented by necessary administrative methods, to control and regulate economic activity. State planning should be the primary basis for exercising macroeconomic guidance and control to ensure a healthy development of the state economy. It is necessary to further reform the planning system by appropriately reducing the ratio of mandatory planning, increasing the scope of planning under state guidance and market regulation, and gradually shifting the focus of planning work in the direction of exercising overall management and regulation of the macroeconomy, using mainly economic policies and levers, including pricing, taxation, credit, interest rates, exchange rates, and wages. It is necessary to strengthen the major functions of banks in macroeconomic management, gradually establish a powerful, effective, and flexible system for controlling and regulating banks through reforming the banking system, and bring into full play the role of banks in collecting and circulating funds, guiding the movement of those funds, raising their efficiency, and regulating social needs. It is necessary to further improve the financial and taxation system, clearly define the source of financial revenues and the scope of financial expenditures for central and local governments, according to tax categories, and gradually carry out macroeconomic control at different levels, thereby raising the enthusiasm and sense of responsibility of local governments, especially those of medium-sized cities and above, for exercising effective macroeconomic management.

While carrying out the above reforms, it is necessary to pay close attention to strengthening the system of providing economic information and consulting for making policy decisions, set up and improve various economic regulations and legislation, and replenish and strengthen economic supervisory organs at all levels, in order to ensure healthy economic activities. These three aspects of reform are interrelated organic bodies, inseparable from one another. The first aspect is aimed at granting enterprises necessary decision-making powers and enabling them to use such powers correctly; the second is aimed at making enterprises effectively use an external economic environment with both vitality and pressure; and the third is aimed at helping microeconomic activities of enterprises better meet macroeconomic needs. Reforms in these three aspects should be carried out in a coordinated manner, and should supplement one another. None should be overemphasized or neglected. By conscientiously carrying out reform and gradually establishing a complete mechanism, which organically and properly combines planning with marketing, relaxation of microeconomic activities with control of macroeconomic activities, and centralization with decentralization, we shall be able to more effectively ensure unity of the interests of the state, the collective, and the individual, as well as in the economic growth rate and economic efficiency, and further promote the advances of social forces of production.

In view of the arduous and complex tasks of the comprehensive economic structural reform and the inevitable restriction of that reform by social and economic conditions and the qualifications of cadres, it is impossible to complete the reform in all three aspects during the Seventh 5-Year Plan. What we must do is establish a rough skeleton of the new economic structure and ensure that economic operations enter the orbit of the new system during this period. This requirement is realistic. Through practice over the last few years, we have set a correct goal, principles and policies for reform, and accumulated some experience in that reform. As long as we continue to integrate the pioneering and enterprising spirit with the scientific attitude of seeking truth from facts in doing a solid job, this requirement can materialize through our conscientious efforts.

In order to fulfill the task of reforming the economic structure in the new period, we must have a clearer understanding of some questions singled out here.

1. We must fully understand that reform of the economic structure must be in accord with the needs of the modern socialist commodity economy. The full development of a commodity economy is an indispensable stage in the economic growth of society. In the historical period of socialism, particularly in a socialist country with an underdeveloped economy such as China, it is necessary to vigorously develop the commodity economy in order to realize a highly advanced socialized and commercialized production, speed development of social productive forces and constantly improve the quality of our material and cultural life. This is an objective law, independent of man's will. It makes it mandatory to reform our original, rigid economic system which laid too much stress on centralized control. It also requires that the fundamental orientation of reform must be in line with the need to develop the commodity economy.

Of course, on the whole, the commodity economy we want to develop is a socialist commodity economy. This kind of commodity economy is based on public owernship and is guided by the principle of each according to his work. It is a planned and controlled economy. The decision on reform of the economic structure, adopted at the 3d Plenary Session of the 12th CPC Central Committee, clearly stated that socialist economy is a planned commodity economy, based on public ownership. This scientific thesis is reached on the basis of the experience in the practice of socialism in China and in the world, and represents a development of the Marxist theory of socialist economy. It raises the people's comprehension of scientific socialism to a new level. This is of far-reaching historical significance to China's drive for socialist modernization.

We must, in the theoretical field, deepen study of the inherent law of the operation of the socialist commodity economy. In practice, we should actively explore various ways to develop the socialist commodity economy and resolutely change all concepts, regulations, and rules running counter to our development of the socialist commodity economy. Currently, our study of economic theories lags behind our practice of reform and construction, and we are still not good at making a new generalization of our ample practical experience. We must continue to persist in the principle of combining theory with practice, and encourage, both in theory and practice, efforts to boldly explore and display the spirit of pioneering. At the same time, we must also, by discarding the dross and selecting the essence, seriously learn and draw lessons from all advanced experiences in operations and management accumulated by other countries in the world, including developed capitalist countries, experiences reflecting the law of large-scale socialized production to promote the development of China's socialist commodity economy.

In short, as long as we are always clear about this basic understanding throughout the entire course of reform, we shall be able to adhere to the correct orientation for reform and, after arduous practice and exploration, truly establish a socialist economic system with Chinese characteristics, both distinguished from our past rigid or semi-rigid forms and essentially different from capitalism.

2. We must fully understand that the change form an old to a new sytem is a difficult and complicated process. As far as reform in China is concerned, both the death of the old system and the shaping of the new can only a gradual process. Reform is inevitably a process of systematic progress, in which two different systems coexist and mutually influence each other. The new system will play an increasingly greater role in the operations of the economy, but it cannot replace the old system immediately and completely, and a considerable portion of the old system will have to continue to exist and operate for a certain period. That is why various problems will inevitably crop up in the course of reform, and various contradictions and complications will present themselves. Because the new system needs time to mature, while at the same time old system is losing its effectiveness in many areas, macroeconomic control will become more difficult. It will also be difficult for microeconomic regulation to become completely and instantly rational.

Managerial vacuums or loopholes of one kind or another will inevitably occur. Some lawless elements will take advantage of this situation to conduct speculation, graft and embezzlement, bribery, swindling, smuggling, and other criminal activities. Because the reform being carried out will inevitably (?affect) and readjust the existing relations of economic interests, while at the same time new relations of interest cannot be expected to become rational and conform all at once, there will necessarily be conflicts and contradictions between various interests and an unbalanced share of opportunities. Some units and individuals will likely take advantage of such circumstances to seek improper profits for small groups or individuals, at the risk of arousing resentment. Because reform cannot show progress without efforts at exploration, and experience can be accumulated only one step at a time through practice, it is hard to completely avoid making mistakes. Reform is fundamental change, widespread, deep-going, and protracted. It will have an unprecedented impact on existing forms, traditional concepts, and force of habit. In practicing reform, we inevitably undergo a process of gradually adapting to it. It is a very natural, historical phenomenon for different concepts and even opinions to be expressed about the problems cropping up in the course of reform.

These circumstances make it objectively necessary for our leaders at all levels, cadres, and the masses of the people to have a full understanding of the difficulty and complexity of the change from the old to the new sytem. We must be fully ideologically prepared for the emergence of one problem or another in the course of reform. We must never panic over a slight problem, much less abandon reform on account of that problem. On the other hand, when we are actually carrying out the various reforms, we must see to it that there is careful guidance, careful planning, all-out effort, and conscientious practice. We must improve our ability to predict what is going to happen, in order to cut down losses as much as possible and make timely efforts to discover and solve problems found in the course of our work. We should practice, sum up experience, and strive for progress simultaneously.

We should fully understand one fact: Although some problems are unavoidable in the course of reform, it is completed reform and ongoing reform that invigorate our economy, liberate our productive forces, improve the people's living standards, and bring an unprecedentedly prosperous situation in China's modernization. This is the essential aspect and main trend, as well as a fundamental indication that reform conforms to the historical trends and has great vitality. Reform represents the fundamental interests of all people in China. Therefore, we have all the reasons to believe that by persistently carrying out reform, we will surely be able to solve problems emerging in the course of shifting from the old structure to the new structure, and that problems concerning reform can be solved only in the course of constantly furthering and imroving reform. [applause]

In the course of reform, we should fully understand the necessity of considering both immediate and long-term interests, and both partial and overall interests. Whether our reform can proceed smoothly is determined to a great extent by whether or/nor we can properly readjust the relationship between various interests.

Successful solution of this problem will reduce resistance and bring the initiative of all quarters into full play. Otherwise, results will be the opposite. The purpose of our reform of the economic structure is to remove any obstacles to the development of our productive forces, to make our country prosperous, rich, and powerful, and to make the people well-to-do and happy. With the development of production in the course of reform, we should and can bring tangible material benefits to the broad masses. This has been fully proven by our practice in the last few years.

However, we should not expect that reform can immediately bring marked economic benefits to everyone in society; that would be impossible. Many reform measures must be practiced for a certain length of time before they can yield any effect. Some reform measures even require some localities, departments, enterprises, and masses to temporarily sacrifice some of their economic interests, but they will play a great role in our country's long-range economic development and in steadily improving the people's living standards. I hope that all our cadres and masses clearly understand this point, and conscientiously consider both immediate and long-term interests and subordinate immediate to long-term interests. Our reform must reasonably define the powers and interests of localities and departments, and in particular it should give enterprises greater powers and interests in order to bring into better play their initiative, thus invigorating their economy. However, only if we resolutely adhere to and implement the state's macroeconomic policy and ensure coordinated development of the national economy as a whole, can localities, departments, and enterprises correctly exercise their powers, fundamentally guarantee the realization of their interests, and avoid lack of judgment in displaying enthusiasm. For this reason, all localities, departments, and enterprises should conscientiously establish a concept of overall interest. They should never pursue private interests at the expense of overall interests. They may seek partial interests if their action helps promote overall interests.

4. We should fully understand the strict demands set on enterprises by the new situation in reform. In the course of reform in the last few years, we have gradually expanded the decision-making powers of enterprises, and initially changed the situation characterized by unified state purchases and marketing, unified receipts and allocations by the state, and sharing food from the same big pot. We have enhanced the vigor of enterprises while increasing their responsibilities.

With the furthering of the reform, enterprises should constantly increase the extent to which they assume sole responsibility for their profit and loss. It is inevitable that their responsibilities will become heavier, because they must not shirk their responsibility for losses while having the power to handle profits. As the new economic structure becomes operational, the survival and development of enterprises, and the improvement in the material interests of their workers and staff will be determined more and more by their managerial ability and by the results of their operations. This is a rigorous test for all enterprises and their leaders. In the past, we did not sufficiently stress this point. As a result, some people labored under the misconception that reform is just giving enterprises greater power and letting them retain more profits. Under the new situation of overall reform, all enterprises should strengthen their sense of quality and efficiency, of meeting the demands of the market and society, and of making more contributions to the country's prosperity and to the people's well-being. They should constantly improve their management, raise their technological level, stress the quality of products, reduce material consumption, improve their service attitude, and enhance economic efficiency. Otherwise, they will lag behind the situation of reform, or even be overwhelmed by the situation. The leaders, managers, workers, and staff members of enterprises must soberly understand this situation.

I hope that all our leading comrades will conscientiously understand and implement the principles and policies of the party and the state, resolutely rely on the party organizations, workers, and staff members, and make persistent and unremitting efforts to improve the quality of enterprises. I hope that the working class in our country will fully play, to a high degree, their role as masters of their own affairs, constantly enhance their ideological consciousness, improve their scientific and general knowledge, actively participate in democratic enterprise management, comprehensively offer rational suggestions and technological innovations, and make greater contributions to promoting socialist modernization. [applause]

5. We should fully understand the importance of the need for government organizations to change their management functions and improve their work style. In order to meet the demand of reducing state management of enterprises from direct to indirect control, government organizations should accordingly change their economic management functions. Government economic departments at all levels should change their past practice of putting their main efforts into setting targets, approving projects, and dividing funds and materials. They should gradually shift their main efforts to making overall plans, knowing policies, organizing and coordinating, providing service, using economic regulatory means, and strengthening their supervision. With the change in management functions, we should strengthen general economic management departments and economic supervisory organs, properly merging and streamlining specialized management. This is an important component of economic structural reform as a whole and an important condition for promoting and consolidating other economic reforms, as well as a major change in the socialist superstructure.

Staff members of government organizations at all levels must fully understand the need for, and historical significance of, the change, conscientiously adapt themselves to it, enhance their ideological understanding, and improve their vocational skills, working methods and work style. They should seriously study basic Marxist theories, economic and other specialized knowledge. They should go down to grass-roots units, immerse themselves among the masses, conduct investigation and study, enhance their ability to make decisions scientifically, and deal with problems. They must resolutely do away with bad bureaucratic habits, stop wrangling and empty talk, take action, and strive to improve working efficiency. Because loopholes are unavoidable during the shift from the old to the new economic structure, government personnel must raise their political awareness even further, abide by the law and discipline, be honest in performing their official duties, be faithful in the discharge of their duties, conscientiously protect the interests of the state and society, and serve the people wholeheartedly. [applause]

6. We should fully understand the role of a more effective legal system in enhancing and ensuring reform. To expedite a healthy development in socialist modernization, we must properly handle two things, namely simultaneously carrying out reform and construction and improving the socialist legal system. As economic reform and the national economy continue to develop, there is the growing need to codify into law the norms governing the ever-expanding economic relations and activities, and make these laws an important means for regulating economic relations and activities. An important aspect of building a new socialist economic system lies primarily in controlling and regulating economic operations by economic and legal means, as well as the necessary administrative measures. One of the important purposes of making the socialist legal system more effective is to expedite reform, ensure sound development, and consolidate achievements. Over the past few years, the National People's Congress and its Standing Committee have drawn up a series of important laws; the State Council has also drawn up a series of essential administrative rules and regulations. In the future, all types of legislative work, especially economic legislation, will be intensified, and every effort should be exerted to set up a relatively sound legal system in the economic sector during the Seventh 5-Year Plan, so that there will be laws to guide all types of economic activity.

A current outstanding problem lies in the fact that it is still quite common for work not to be done according to law. For example, (?it must be emphasized that) any organization or individual must obey whatever laws have been promulgated for implementation, and never should the implementation be affected because of a change leadership or a shift in attention. Governments at all levels and their staff members must consciously accept the supervision of the people, people's congresses at all levels, and their standing committees. At the same time, they must obey and enforce laws without fail. [applause] Reform-related projects are numerous during the Seventh 5-Year Plan. We must continue to carry forward the exploratory spirit and march forward courageously. In practice, we must do out work carefully, thoroughly, and meticulously, and consider its ramifications to ensure sound development of reform.

IV. Uphold an Independent and Peaceful Foreign Policy

China's Seventh 5-Year Plan is a program for peaceful development that engages the whole people in working singlemindedly for socialist modernization. To successfully implement this program and accelerate China's modernization drive, we must continue to uphold an independent and peaceful foreign policy, and strive for a prolonged peaceful international environment. The present international situation is turbulent and disturbing. The questions of primary concern to the people of all countries are safeguarding peace and developing the economy. The arms race and regional rivalry between the superpowers are the major threats to world peace and the security of all countries.

The resumption of dialogue and disarmament talks between the United States and the Soviet Union is a welcome development. However, what the people of the world expect of the United States and the Soviet Union are not their rhetoric of peace and disarmament, but practical actions that are truly conducive to peace and disarmament. Both of them should give up their pursuit of military supremacy and cease their aggression and intervention against other countries.

The Chinese people are concerned about the grim situation in the Asian-Pacific region and particularly the hot spots of Cambodia and Afghanistan, which have a direct bearing on China's own security. We have consistently held that foreign forces should withdraw from Cambodia and Afghanistan completely, and that the people in those countries should solve their own problems free from outside interference.

Because of the confrontation and rivalry between the superpowers, the danger of a world war still exists, and we must maintain necessary vigilance against this danger. It is a comfort to note that more countries are determined to hold their destiny in their own hands and reject the superpowers' manipulation. They have actively carried out activities to promote world peace and development. The large number of Third World countries, including China, and the broadly based Nonaligned Movement constitute a major force for safeguarding peace. The European countries, Japan, and other developed countries in Oceania are also in favor of peace and opposed to war. The people of the entire world desire peace ardently. We deeply believe that through the joint efforts of the people and the forces of peace, world peace can be maintained. We are optimists. Although the road ahead is tortuous, the future of the world is full of promise. [applause]

China has scored great diplomatic successes in the past 5 years. We have further consolidated and developed friendship and cooperation with many countries in all parts of the world. China's economic, trade, and technical exchanges and cooperation with all countries have been expanding. Cultural contacts and exchanges in other fields have also constantly increased.

Based on the idea of "one country , two systems," we have, through negotiations with Britain, successfully settled the Hong Kong question, left to us by history, thereby giving a big push toward the grand goal of the motherland's reunification and providing a new experience for settling disputes between countries. We have upheld principles, acted in good faith, matched our words with deeds, and remained open and aboveboard in foreign affairs. This has raised our international status and prestige, and has won us more friends. We can say that China has opened a new situation in foreign affairs, and it now finds itself in the best period since the founding of New China. [applause]

China's progress in foreign affairs is inseparable from the political stability and unity, fruitful reform, as well as the all-round steady economic development at home. It is also inseparable from the well-timed readjustments, reinforcement, and improvement in our foreign policy made in keeping with the objective developments in the international situation.

The main contents and basic principles of the foreign policy we uphold in maintaining independence and keeping the initiative in our own hands consist of the following 10 aspects:

1. Proceeding as it does from the fundamental long-term interests of its own people and the people of the whole world, China takes as the basic objective of its foreign policy to oppose hegemonism, maintain world peace, develop friendly cooperation with other countries, and promote common economic prosperity.

2. China holds that all countries in the world, big or small, rich or poor, strong or weak, should be treated as equals. It is firmly opposed to the big bullying the small, the rich oppressing the poor, and the strong dominating the weak. The affairs of a country should be managed by its own people, and the affairs of the world should be managed by all countries in consultation, and not by one or two superpowers having the final say. China itself will never seek hegemony and it resolutely opposes hegemonism, no matter who practices it and no matter what form it takes.

3. At all times and under all circumstances China will act independently, determining its own attitudes and policies on all world issues on the merits of each case. The criterion by which China judges whether an act is right or wrong is whether it helps to maintain world peace, develop friendly cooperation among nations, and promote world prosperity.

4. China will never attach itself to any superpower, or enter into alliance or strategic relations with either of them. China continues to seek the steady development of Sino-U.S. relations on the basis of strict adherence to the principles established in the joint communiques between China and the United States, and a true improvement in Sino-Soviet relations through the removal of the three obstacles by concrete actions.

5. China stands by the five principles of mutual respect for sovereignty and territorial integrity, mutual nonaggression, noninterference in each other's internal affairs, equality and mutual benefit, and peaceful coexistence. On the basis of these five principles, China strives to establish, resume and expand normal relations with all countries in the world, and to live in harmony and engage in friendly cooperation with them. China does not determine its closeness with or estrangement from other countries on the basis of their social systems and ideologies. China firmly opposes any country's using identity or difference of social system and ideology as an excuse to occupy the territory of others and to interfere in their internal affairs. China firmly opposes terrorist activities of all descriptions and believes that this problem can only be solved once for all by eliiminating the social and political root causes of terrorism.

6. China belongs to the Third World. A basic principle of its foreign policy is to strengthen its solidarity and cooperation with the Third World. China resolutely opposes imperialism, colonialism, and racism and supports Third World countries in their just struggle to achieve and safeguard national independence. It supports them in their efforts to develop their national economies, improve North-South relations, and further South-South cooperation. China earnestly hopes that Third World countries will strengthen their unity and settle their disputes peacefully through friendly consultations, so as to prevent the interference of outside forces.

7. China opposes the arms race and its extension to outer space. At the time of its first nuclear test, China proposed the complete prohibition and thorough destruction of nuclear weapons and declared that at no time and under no circumstances would China be the first to use such weapons. Today, it is of capital importance that the two superpowers should take the lead by drastically cutting back their nuclear arsenals, thus creating favorable conditions for nuclear disarmament by all nuclear countries. China is also in favor of the complete prohibition and thorough destruction of chemical weapons, and the substantial reduction of conventional arms along with nuclear disarmament.

8. China persists in a long-term policy of opening to the outside world and will continue to expand its economic, trade, and technological contacts and cooperation with other countries on the basis of equality and mutual benefits. China pursues a policy of opening to all countries. It not only opposes capitalist...[correcting himself] it is open to capitalist as well as socialist countries and to developed nations as well as the large number of developing countries.

9. In keeping with purposes and principles set forth in the UN charter, China supports the work undertaken by the United Nations in the spirit of the charter and participates in the activities for world peace and development sponsored by the organization and its specialized agencies. China has joined a wide range of international organizations, actively engages in multilateral diplomacy, and strives to promote international cooperation in all fields.

10. China attaches great importance to contacts among people of different countries. To further mutual understanding and friendship among the people of the world, the Chinese Government encourages mass organizations, nongovernmental associations, and people from all walks of life to have contacts with those of other countries and supports cooperation between them in the economic, cultural, educational, scientific, and technological fields and in matters relating to the press, public health, and sports.

All these are basic principles of China's foreign policy.

China's domestic and foreign policies are an organic identity. Construction is unitary and inseparable from peace. Likewise reform is inseparable from opening the country to the outside, and the maintenance of China's national dignity from the principle that all countries, big or small, should be treated as equals in international affairs.

China is a developing socialist country. It is also a large nation with over one billion people. We fully understand our due international obligations and the responsibilities which we must shoulder. On our two fronts, both at home and abroad, we must keep on working harder than ever to continuously develop China's socialist modernization drive and make even greater contributions to world peace and to promoting the progress of mankind. [applause]

Deputies: The goal of the Seventh 5-Year Plan is a magnificent one. The tasks, although formidable, can be accomplished by hard work. This plan has shown us an encouraging, bright future. When this plan has been accomplished, we can, by and large, bring economic relations in various sectors into better balance, basically bring the economic system onto a new track, significantly increase our country's economic strength and upgrade its scientific and technological level, and make major headway in modernizing the national economy as a whole, and the living standard of the people in the nation's urban and rural areas will be further improved. Then, we shall be able to achieve a quicker prosperity in the 1990's, and our great goals can be achieved more surely by the end of this century. [applause]

This is the first year of the implementation of the Seventh 5-Year Plan. Successful reform and construction in 1986 will be of the utmost significance in achieving a good beginning for the Seventh 5-Year Plan. The basic requirements for this year are: Regarding reforms, we should continue to consolidate, assimilate, replenish and improve the various reform projects started in 1985, conduct thorough investigation and study, and draw up plans, to be fully prepared for carrying out new and important reforms in the next 2 years. Regarding construction, we should continue to control overall social needs, work hard to improve supply, and continue to enliven production and distribution work. We must continue to guard against thoughtless expansion of construction, but maintain the necessary normal speed of construction on the basis of achieving better qaulity and economic returns, and strive to ensure the needs of key construction projects and renovate our enterprises' technology. We must adopt firm and effective measures to promote exports and conserve our foreign exchange, and make an effort to achieve a basic balance in foreign exchange receipts and expenditures. In light of these requirements, the State Council has drafted the 1986 National Economic and Social Development Plan, which is hereby presented to you deputies for deliberation.

We must emphatically point out here that, throughout the historical stage of socialism, we must intensify socialist spiritual construction as well as socialist material construction. This is our established, long-range strategic principle. In implementing the 1986 plan or in achieving the Seventh 5-Year Plan, we must firmly uphold the principle of carrying out spiritual and material construction at the same time. We must fully understand that economic work is our central task, and that ideological and political work guarantees its normal and healthy development. As our economic work improves and becomes livelier and after our nation has opened to the outside world, our people have broadened their field of vision and become more capable and knowledgeable about new ideas and modern concepts. Inevitably, however, certain negative and unhealthy ideas have also wormed their way into our country. Under the conditions of restructuring the economic system, opening to the outside world and enlivening the economy, ideological work must be conducted in a new way and under a new form so that it can keep up with the needs of the new situation, thus giving fuller play to its role. If we relax or weaken ideological work, our economic work will go astray.

We must fully develop our socialist commodity economy and persist in opening to the outside world; but we must firmly resist the inroads of decadent capitalist ideas and life style, as well as bourgeois liberal thinking. We must continue to give play to the role and acts of putting money above everything else or seeking private gains at the expense of public interests. By commending and publicizing the exemplary deeds of advanced personages and units as well as using other lively means, we should educate the broad masses of cadres and people on patriotism and collectivism, and on the need to uphold the four cardinal principles, to have lofty ideals, ethics, a sense of discipline and education, to foster the lofty communist ideals and to be conscious of public and professional ethics; and we should arouse their enthusiasm in dedicating themselves to building socialism. Government organs at all levels should set an example in intensifying socialist spiritual construction and in combating all unhealthy practices.

The broad masses of personnel of our government organs at all levels work hard to serve the people. They have worked actively and selflessly for reforms and have achieved significant successes. While the mainstream is good, certain serious irregularities have indeed appeared in some localities and units. Some have violated the regulations, taking advantage of their power to engage in trade and other commercial work; some have engaged in smuggling, trade in smuggled goods, and blackmailing; some have made pleasure trips or sent people abroad at public expense; and because of some people's serious bureaucratic attitude and malfeasance, they have incurred great losses in production and construction. We must firmly combat these misdeeds, which have tarnished the prestige of our government organs and corrupted society, naturally evoking complaints and indignation among the masses. Leading authorities must take the initiative in combating unhealty practices, and the task should begin with leading organs and leading cadres at all levels, especially among the central leading organs and senior cadres. They should set strict requirements for themselves and set examples with practical deeds. Cadres who have made mistakes should be criticized and educated, and those who have neglected their duties must have their responsibilities investigated. Those whose serious derelection of duty has constituted malfeasance, those who are involved in economic crimes or have committed other crimes, those who have bent the law for their own interests, and those who have harbored felons must be punished according to law. Without exception, their illegal income shall be confiscated.

We must effectively intensify ideological and political work among cadres at all levels and help them understand that, under new historical conditions, resisting and combating unhealthy practices and eradicating corruption is a long-term struggle against decadent bourgeois ideas and residual feudalistic thinking; it is also a new test for each and every cadre. We must encourage the good habit of supporting righteousness and condemn evil, commend and encourage the good cadres who firmly combat unhealth practices, firmly support those good comrades who dare to uphold principles and enforce law impartially. All acts of dealing blows, retaliation, slander, and framing must be handled seriously. While striving to achieve quick and noticeable successes in combating unhealthy practices, we must firmly strike at serious economic crimes and criminal offenses, intensify overall control of public order, and strive to achieve a fundamental improvement of social conduct as quickly as possible so as to create a better social environment favorable to socialist modernization.

PLA commanders, fighters, public security cadres, and policemen are defenders and builders of our socialist motherland. During the Sixth 5-Year Plan, while valiantly safeguarding the security of the motherland, the PLA kept overall interests in mind and scored tremendous achievements in carrying out reduction-in-strength reorganization; stepping up its revolutionization, modernization, and regularization; and playing an active role in building the socialist material and spiritual civilizations. Vast numbers of public security cadres and policemen made great efforts to safeguard social order and public security. It is hoped that during the Seventh 5-Year Plan, the PLA and the public security cadres and policemen will continue to carry forward their glorious and fine traditions and contribute even more to safeguarding and building the motherland. [applause]

China's Seventh 5-Year Plan embodies the fundamental interests of the people of all nationalities of our country, including compatriots in Hong Kong, Macao, and Taiwan as well as Overseas Chinese. Its smooth implementation will, no doubt, provide a powerful impetus to the sacred cause of rejuvenating China and reunifying the motherland. Taiwan is an inalienable sacred territory of the motherland. During the Seventh 5-Year Plan, we must continue to make joint efforts with our Taiwan compatriots and all descendants of the Yellow Emperor in supporting reunification of the motherland and actively promoting contacts and cooperation in diverse fields between the two sides of the strait. We must strive unremittingly for the peaceful reunification of the motherland according to the concept of one country, two systems. [applause]

People of all nationalities in the country, including workers, peasants, intellectuals, the vast numbers of cadres, PLA commanders and fighters, and public security cadres and policemen, as well as all democratic parties, people's organizations, nonparty democratic personages, and all laborers and patriots who warmly love the socialist motherland: Let us unite more closely under the leadership of the Communist Party of China, carry forward the hard-working pioneering spirit of the foolish old man who removed the mountains, and strive together for the successful fulfillment of the Seventh 5-Year Plan. [prolonged applause]

NPC DEPUTIES DISCUSS DRAFT SEVENTH 5-YEAR PLAN

OW271634 Beijing XINHUA in English 1605 GMT 27 Mar 86

[Text] Beijing, March 27 (XINHUA) — The draft Seventh Five-Year Plan worked out by the State Council is realistic and practical. This seems to be the consensus among deputies to the current session of the National People's Congress (NPC). The nearly 3,000 NPC deputies have been discussing Premier Zhao Ziyang's report on the draft 1986-1990 plan since Wednesday afternoon when the session broke into panels. Many deputies told XINHUA today they found Zhao's assessment of the Sixth Five-Year Plan -- with its achievements and its problems -- an accurate representation of their own experiences in China's cities and countryside.

Zhou Gucheng, vice-chairman of the NPC Standing Committee and a professor at Shanghai's Fudan University, called the new draft plan practical and appropriate becuase it was developed by people who had learned the lessons of the accomplishments and mistakes in the Sixth Five-Year Plan.

Sun Jiazheng, deputy secretary of the Jiangsu Provincial Communist Party Committee, said that the achievements scored in the past five years have not only laid a solid material groundwork for the new five-year plan, but also have provided rich and invaluable experiences. Most important, he said, is that we have learned we must deepen the economic restructuring even though there might be some undesirable results. Other party leaders have said the greater economic autonomy allowed by the reform program has produced successes far more significant than attendant problems of wealth disparity and anti-social behavior. Sun said Zhao's report to the NPC on the draft plan demonstrates the determination needed to push through the reform.

Deputies also seemed pleased with the projected economic growth rate set by the Seventh Five-Year Plan -- an average 6.7 percent a year.

Han Zheyi, a deputy from Shanghai and vice-chairman of the NPC Financial and Economic Committee, called the projected growth rate simultaneously active and steady. The draft plan, he said, shows we have learned from the excessively rapid growth of early 1985, which gave rise to some destabilizing economic effects -- including imbalances in resource allocation and tha inability of the country's facilities to make use of some of the growth.

According to Zhao Jun, vice-chairman of the Tianjin Municipal People's Congress Standing Committee, the draft plan for economic growth will help improve product quality and economic efficiency, and ensure the steady growth of China's economy.

Batubagen, a Mongolian and chairman of the Standing Committee of the Inner Mongolia Autonomous Region's People's Congress, said the plan presents a far-sighted blueprint for economic and social development which will enable people of all nationalities to advance toward common prosperity.

Deputies interviewed said they supported Premier Zhao's conclusion that the key to fulfillment of the draft plan's goals is continued intensive and systematic restructuring of the economy.

That is the only way China's economy can meet the requirements set by the draft plan, said Li Zhen, chairman of the Shandong Provincial People's Congress Standing Committee. And it's a very practical problem. Li said he had toured the country before coming to Beijing for the NPC annual session. People I talked to were for the reforms, he said. But some people need to be helped in their understanding of the matter, he added. For example, some people see the reform only as an opportunity to increase their income. They don't think about how it will release productive forces and expand the economy.

Government officials themselves need to learn more about the reform, said Chen Dingmao, 64, former deputy director of the Beijing motor vehicle plant. Many officials need more political awareness and they need to improve their performance, he said.

Li Qizu, a factory director in Tianjin, said the reform enabled his bicylce factory to release output by 16.5 percent last year over the year before. Sure there are problems cropping up because of the reform, he said. But I think they have to do with the fact that old and new economic systems are opearting at the same time and patience is needed for the kinks to be worked out.

NPC Vice-Chairman Rong Yiren said he was critical of those looking out only for themselves, of people who intend to reap fat profits by taking advantage of the weak links of the reform.

Bai Jiefu, an advisor to the Beijing municipal government, said he believed the overwhelming majority of the pouplation supports the reform. They won't allow anyone to take advantage of others for long by trying to increase any ill-gotten wealth. Bai said he was particularly pleased by Premier Zhao's stress on getting rid of bureaucracy and corruption in the government.

Plan Highlights, Part Five

OW280211 Beijing XINHUA in English 0159 GMT 28 Mar 86

["Highlights of Seventh Five-Year Plan (5)" -- XINHUA headline]

[Text] Beijing, March 28 (XINHUA) -- Output of China's primary energy (coal, petroleum, natural gas and hydropower) will be equivalent to 991 million tons of standard coal by 1990, according to the draft Seventh Five-Year Plan (1986-1990). This is 160 million tons more than last year's output, and will represent an average annual increase of 3.6 percent. Energy-saving measures will conserve 100 million tons of standard coal during the five-year period.

Part Six

OW280222 Beijing XINHUA in English 0208 GMT 28 Mar 86

["Highlights of Seventh Five-Year Plan (6)" -- XINHUA headline]

[Text] Beijing, March 28 (XINHUA) -- China's electricity output will rise 6.2 percent annually over the next five years, to reach 550 billion kwh by 1990, according to the draft Seventh Five-Year Plan (1986-90). This will be 142.7 billion kwh more than in 1985.

Work will begin on thermal power plants and hydroelectric power stations with a total generating capacity of 60 to 65 million kw during the 1986-90 period. Generating units with a total capacity of 30 to 35 million kw are expected to go into operation during the same period. Meanwhile, a 1,090-km D.C. power transmission line will be erected between Gezhouba in Hubei Province and Shanghai, the country's biggest manufacturing center.

Part Seven

OW280232 Beijing XINHUA in English 0220 GMT 28 Mar 86

["Highlights of Seventh Five-Year Plan (7)" -- XINHUA headline]

[Text] Beijing, March 28 (XINHUA) -- China will produce one billion tons of coal in 1990 -- 150 million more than in 1985 -- according to the draft Seventh Five-Year Plan (1986-90). This means an annual average increase of 3.3 percent over the next five years. During that period, development work will start on new mines which are expected to produce a total of 318 million tons a year: and mines with a total annual production capacity of 167 million tons will go into operation.

Part Eight

OW280236 Beijing XINHUA in English 0222 GMT 28 Mar 86

["Highlights of Seventh Five-Year Plan (8)" -- XINHUA headline]

[Text] Beijing, March 28 (XINHUA) -- China will pump out 150 million tons (1.05 billion bbl) of crude oil in 1990 -- 25 million tons (175 million bbl) more than in 1985, according to the draft Seventh Five-Year Plan (1986-90). The draft projects an annual average increase of 3.7 percent over the next five years.

Meanwhile, natural gas output is expected to reach 15 billion cubic meters by 1990, 2.14 billion cubic meters more than last year -- an annual average rise of 3.1 percent.

Over the next five years, the development of new oil wells will push up production capacity by 60 million tons (420 million bbl), and newly developed natural gas wells will add three billion cubic meters.

Part Nine

OW280244 Beijing XINHUA in English 0230 GMT 28 Mar 86

["Highlights of Seventh Five-Year Plan (9)" -- XINHUA headline]

[Text] Beijing, March 28 (XINHUA) -- Here are the 1990 output quotas for major raw material and semi-finished products in the draft of China's Seventh Five-Year Plan (1986-90):

-- steel, 55 to 58 million tons, up 17.9 to 24.3 percent from 1985.
-- rolled steel, 44 to 46.5 million tons, up 19.6 to 26.4 percent.
-- chemical fertilizers, 16.3 million tons, up 22.1 percent
-- soda ash, 3.5 million tons, up 75 percent.
-- ethylene, 1.2 to 1.4 million tons, up 84.3 to 115 percent.
-- timber, 68.18 to 72 million cubic meters, up eight to 14 percent.

According to the draft plan, over the next five years China will increase its steel-making capacity by 15 million tons, iron-smelting, 12 million tons, steel rolling, 14.5 million tons and iron ore mining, 42 million tons. Ethylene production capacity to be added will total 930,000 tons, soda ash, 2.6 million tons and timber, 3.04 million cubic meters.

FACTS, FIGURES OF PREVIOUS 5-YEAR PLANS DETAILED

OW271511 Beijing XINHUA in English 1435 GMT 27 Mar 86

["Facts and Figures: Output of Major Industrial and Agricultural Products" -- XINHUA headline]

[Text] Beijing, March 27 (XINHUA) -- Following are figures of the output of major industrial and agricultural products during each of China's previous five-year plans (the First Five-Year Plan, 1953-1957: the Second, 1958-1962: the Third, 1966-1970: the Fourth, 1971-1975: the Fifth, 1976-1980: and the Sixth, 1981-1985):

A. Agricultural products:

1. Grain: 1st -- 908,090,000 tons; 2nd -- 821,000,000 tons; 3rd -- 1,091,810,000 tons; 4th -- 1,315,350,000 tons; 5th -- 1,526,490,000 tons; 6th -- 1,853,090, 000 tons.

2. Cotton: 1st -- 6,843,000 tons; 2nd -- 6,291,000 tons; 3rd -- 11,401,000 tons; 4th -- 11,467,000 tons; 5th -- 11,185,000 tons; 6th -- 21,611,000 tons.

3. Pork, beef and mutton: 1st -- 7,385,000 tons; 2nd -- 1,940,000 tons; 3rd -- 11,925,000 tons; 4th -- 7,970,000 tons; 5th -- 46,846,000 tons; 6th -- 73,094,000 tons.

B. Textiles:

1. Cloth: 1st -- 25.1 billion meters; 2nd -- 25.12 billion meters; 3rd -- 37.66 billion meters; 4th -- 42.96 billion meters; 5th -- 55.64 billion meters; 6th -- 72.5 billion meters.

2. Chemical fibers: 1st -- 200 tons; 2nd -- 38,000 tons; 3rd -- 332,000 tons; 4th -- 703,000 tons; 5th -- 1,397,000 tons; 6th -- 3,270,000 tons.

C. Household appliances:

1. Television sets: 1st -- 0; 2nd -- 16,000; 3rd -- 24,000; 4th -- 406,000; 5th -- 4,807,000; 6th -- 44,412,000.

2. Recorders: 1st -- 1,000; 2nd -- 83,000; 3rd -- 48,000; 4th -- 104,000; 5th -- 1,046,000; 6th -- 30,468,000.

3. Cameras: 1st -- 100; 2nd -- 389,000; 3rd -- 207,000; 4th -- 476,000; 5th -- 1,261,000; 6th -- 5,353,000.

4. Washing machines: 1st -- 0; 2nd -- 0; 3rd -- 0; 4th -- 0; 5th -- 264,000; 6th -- 22,083,000.

5. Refrigerators: 1st -- 2,000; 2nd -- 12,000; 3rd -- 30,000; 4th -- 55,000; 5th -- 155,000; 6th -- 2,280,000.

D. Industrial products:

1. Coal: 1st -- 490 million tons; 2nd -- 1,530 million tons; 3rd -- 1,300 million tons; 4th -- 2,110 million tons; 5th -- 2,900 million tons; 6th -- 3,640 million tons.

2. Crude oil: 1st -- 5 million tons; 2nd -- 20 million tons; 3rd -- 97 million tons; 4th -- 280 million tons; 5th -- 497 million tons; 6th -- 540 million tons.

3. Electricity: 1st -- 68.4 billion kwh; 2nd -- 223 billion kwh; 3rd -- 441.4 billion kw; 4th -- 822.2 billion kwh; 5th -- 1,265.7 billion kwh; 6th -- 1,772.7 billion kwh.

4. Steel: 1st -- 16.67 million tons; 2nd -- 55.9 million tons; 3rd -- 65.77 million tons; 4th -- 114.94 million tons; 5th -- 147.58 million tons; 6th -- 202.91 million tons.

5. Rolled steel: 1st -- 12.64 million tons; 2nd -- 36.67 million tons; 3rd -- 45.33 million tons; 4th -- 77.22 million tons; 5th -- 105.2 million tons; 6th -- 156.95 million tons.

6. Cement: 1st -- 26.23 million tons; 2nd -- 49.43 million tons; 3rd -- 91.43 million tons; 4th -- 187.71 million tons; 5th -- 321.35 million tons; 6th -- 551.83 million tons.

7. Motor vehicles: 1st -- 9,700; 2nd -- 71,500; 3rd -- 242,000; 4th -- 580,000; 5th -- 818,000; 6th -- 1,367,000.

MONEY ALLOCATED FOR 925 PROJECTS IN 7TH PLAN

OW280750 Beijing XINHUA in English 0740 GMT 28 Mar 86

[Text] Beijing, March 28 (XINHUA) -- China will spend 200 billion yuan on 925 major development projects in 1986-90, according to the draft 1986-90 plan being considered by delegates to the on-going National People's Congress session. The projects, up from the 890 of the Sixth Five-Year Plan (1981-1985), are designed to help ensure steady economic growth in the coming five years and prepare for further advances of the economy in the 1990s, according to the State Planning Commission, which prepared the draft development plan for the NPC. The proposed 200 billion yuan allocation would constitute two-fifths of China's investment in capital construction over the next five years, the commission said.

About 70 percent of the projects -- and the money to fund them -- would involve energy, raw materials, transportation and postal and telecommunication services, key elements of the national economy. Among the projects proposed for the next five years are iron and steel plants, power plants and generating stations, coal mines, cement works, ethylene plants, ports, and railroad electrification projects. Work on 571 of the 925 projects was begun during the last five-year plan period (1981-85), while work on the rest would begin over the next five years. Nearly half of the projects would be completed by 1990, according to the draft plan.

Geographically, the commission said, the majority of the key projects would be located in eastern China, the most economically developed and technologically advanced region of the country.

According to the draft Seventh Five-Year Plan, generating units installed in 1986-90 would have a total capacity of 30,000 to 35,000 megawatts. Coal mines put into operation in the same period would have 167 million tons in production capacity. Planned new oil wells in the period will have a combined pumping capacity of 60 million tons. And 15 million tons of steel-making capacity and 14.5 million tons of rolled steel milling capacity would be added. China undertook a total of 890 large and medium-sized projects in 1986-90 and 496 were completed and put into operation.

FOREIGN TRADE PROSPECTS DEEMED FAVORABLE FOR PLAN

OW271230 Beijing XINHUA in English 1205 GMT 27 Mar 86

["News Analysis: China Faces Major Export Challenge" -- XINHUA headline]

[Text] Beijing, March 27 (XINHUA correspondent Chen Ming) -- China faces a big challenge over the next five years to boost exports in a world where international markets are suffering from sluggish demand, falling prices and keen competition. Plunging oil prices have made matters worse for China's foreign exchange earnings, and while Chinese businesses face a buyer's market overseas, big demand at home has created a seller's market -- attracting potential exporters. However, foreign trade officials here remain confident that measures being introduced to strengthen exports will enable the country to reach its 1990 foreign trade targets.

Premier Zhao Ziyang told the Fourth Session of the Sixth National People's Congress on Tuesday that by 1990, China's foreign trade should be worth 83 billion U.S. dollars -- 40 percent more than last year's figure. The targets for the draft Seventh Five-Year Plan (1986-1990) are for imports to increase to 45 billion dollars by 1990, averaging an annual growth of 6.1 percent, and for exports to rise to 38 billion dollars, averaging an annual growth of eight percent.

Officials in the Ministry of Foreign Economic Relations and Trade said China plans to boost invisible foreign exchange earnings from things such as contracted schemes and labor services for other countries, tourism, transport, telecommunications, banking and insurance. China plans to increase exports to Japan, the United States and West European countries to reduce its trade deficit, according to these officials. Meanwhile, it will continue to resume and develop trade ties with the Soviet Union and Eastern Europe and step up trade with Third World countries in the forms of barter, entrepot trade and multilateral trade.

Chinese officials point out that China has many advantages in developing its foreign trade. It has fundamentally improved its financial and economic situation and ensured a steady growth of agricultural and industrial production. China's exports in the first two months of this year increased by 17.1 percent over the same period last year, and this, in the view of foreign trade officials, is an encouraging sign. Since exports earn more than 80 percent of the country's total foreign exchange revenue, Foreign Trade Ministry officials stress that it is essential to meet the export target set in the draft Seventh Five-Year Plan.

The following measures are being taken in a bid to meet the target:

-- to encourage the production of export commodities by using such economic levers as prices, exchange rates, taxes and credits:

-- to step up the establishment and improvement of export-oriented centers manufacturing machinery and electrical products, textiles and light industrial goods, and farm and sideline produce, and raise the quality and competitiveness of these products:

-- to build and improve a system of sales promotion and service network abroad and promote business exchanges with foreign companies:

-- to further reform the country's foreign trade structure by giving more enterprises the powers to conduct business directly with foreign firms.

PLAN EARMARKS FUNDS TO AID UNDERDEVELOPED AREAS

OW280954 Beijing XINHUA in English 0935 GMT 25 Mar 86

[Text] Beijing, March 28 (XINHUA) -- China will spend 800 million yuan this year to develop its poorest areas, according to the draft of the state budget for 1986. The draft, being considered by the annual session of the National People's Congress here, would target aid to those areas -- primarily in the west -- where people cannot yet feed and clothe themselves without government support. Between 1980 and 1985, the government spent 3.2 billion yuan on its most underdeveloped areas, according to the Ministry of Finance. The state began to earmark funds in the budget for the underdeveloped areas in 1980. The special funds amounted to 500 million yuan each year between 1980 and 1983, and 600 million yuan in 1984 and 1985.

These funds have built highways, reservoirs and other water conservation projects to supply safe drinking water for local people and animals. They have also been used to improve irrigation facilities, plant trees and anchor dunes to restore ecological balance. For the most part scattered throughout western China, the underdeveloped areas include border areas, areas inhabited by ethnic groups and remote mountain areas. Because of their natural and social histories, these areas have been plagued by lack of communications facilities, backward economies and poor living standards since before the founding of New China in 1949.

According to the draft Seventh Five-Year Plan, the government over the next five years would increase its efforts to aid these areas with economic and cultural development programs. Including funds for economic construction in border areas and other subsidies, total assistance this year alone is expected to be three billion yuan.

HONGQI ASSERTS 'NO DECLINE' IN LU XUN'S WORKS

HK270927 Beijing HONGQI in Chinese No 6, 16 Mar 86 p 47

[Article by Chu Shaobai: "Will Theories Lead to a 'Decline' in Creative Work?"]

[Text] Some people say that Lu Xun's essays symbolize the "decline in Lu Xun's artistic creations." This "decline," they say, was caused by his "increasing tendency toward rationalism." In other words, Lu Xun's "artistic temperament (fervor) decreased" and his "philosophical temperament (thought) increased," and this led to a "decline" in his work which is characterized by "being dull and rigid." It is indiscreet of them to make such remarks!

Lu Xun, a great writer, thinker, and revolutionary, erected a monument to the history of modern China's culture and left valuable spiritual wealth for us. Essays are the most important part of Lu Xun's works. Lu Xun's essays embody the fine cultural tradition of the Chinese nation, give expression to the spirit of the new era, and will influence people for several generations. His essays still have a strong artistic appeal and play an important role in educating people. His essays reflect storms in the revolutionary struggle and have blazed a new era in terms of writing style. The profoundness of thought and exquisiteness of art in his essays are without parallel. In the "Preface to 'Collection of Lu Xun's Random Thoughts,'" Qu Qiubai said: "This collection embodies the history of ideological struggle in China since the May 4th Movement. Random thoughts, as a type of writing, will, because of Lu Xun, become a synonym for artistic (Freudian) theory."

Readers of Lu Xun's works understand that, as Lu Xun himself said on many occasions, he believed in the theory of evolution in his early years and that his early works were markedly affected by this theory. Lu Xun's acceptance of the theory of evolution as advanced thought in the ideological field did not lead to a decline in his creative fervor. In his later years, Lu Xun "corrected" his "bias toward the theory of evolution" and began to "seek knowledge from fundamental and practical social sciences." In the practice of the Chinese revolution, he gradually familiarized himself with Marxism and learned how to observe society and life with dialectical materialism. Bursting with youthful vigor, he continued to improve his work. His work (mainly essays) in his remaining years was more profound and convincing, with a higher degree of proficiency that led to an entirely new period. All these are irrefutable facts. How can we ignore them? How can we interpret to Lu Xun's familiarization with Marxism as his "increasing tendency toward rationalism" that brought about a "decline" in creative work? Taking the attitude of respecting objective facts, we might as well say that when a writer deviates from the guidance of correct theories (including progressive ideas in history), the influence of erroneous theories and ideas will certainly lead his works to a decline or even to moral corruption, and he will take the evil road. There have been many such examples, in the past and at present.

The above views seem to uphold creative work, but in reality they are harmful to creative work. These wrong views were refuted by Lu Xun long ago. I am of the opinion that although deprecatory remarks about Lu Xun are not numerous and their influence is not difficult to escape, such deprecation involves the major principled issue of whether Marxist theory should be applied to creative work. For this reason we must treat this problem carefully.

INTERVIEW EXAMINES QUESTION OF CREATIVE PURSUITS

HK280903 Beijing RENMIN RIBAO in Chinese 19 Mar 86 p 3

[Article by reporter Bai Sheng: "A Creator's Pursuit -- Interview With Zong Shaolu [1350 4801 6922], an Expert in Missile Guidance"]

[Excerpts] Sitting face to face with me was Zong Shaolu. Although over 50, he is still not very good at talking. I could really get very little from him when I asked him about himself. "Could you say something about your accomplishments in scientific research, please?" I had to ask the question a second time. "I'm working in a research center under the Ministry of Astronautics Industry. I haven't done much work." He was not answering the point of my question!

Since he graduated from the automatic control department of Tsinghu University in 1959 and first came contact with the Ministry of Astronautics Industry, Zong Shaolu has thought very little of his own personal fame and interests, but he has been very vigorous in his work. He has always been willing to remain behind the scenes. Now there is no denying the fact that Zong Shaolu has contributed his creative work to China's successful guided missile nuclear weapon test on 27 October 1966; the launch of the carrier rocket in the Pacific on 18 May 1980, and the launch of the experimental telecommunications satellite on 8 April 1984. The missile guidance plan designed by this senior engineer and his colleagues has been acknowledged as China's own and an advanced one, having made some theoretical breakthroughs.

Zong Shaolu, the missile guidance expert who has made outstanding contributions to China's space undertakings has always concentrated his mind on the vastness of space, but his living quarters are so small. When I visited his home, I found a shabby room, with five people, the young and old of three generations, crowded into it. Zong Shaolu has obtained very little "space." However, he has gained "time." He said, "I can't afford the time to apply for larger living quarters or to get a desk. To get them, you have to find connections, and I am not willing to land myself in distress over trifles."

I asked what forces have supported you to work so hard? He smiled, and said: "Ordinary people do not quite understand what we scientists and technicians are thinking about. China has spent 2 decades doing research in planning the rocket guidance system. At first, we were rather backward in science and technology, and the gaps were wide in the electronic industry, high-precision processing, and electronic computer technology, compared with world advanced levels. But missile guidance requires accuracy in hitting the target, and a satellite must enter orbit accurately and that was really a problem. To solve it, we couldn't possibly follow foreign ways; we had to take our own road. This pressed us to think and to explore, and to overcome a series of unimaginable difficulties -- it is the spirit of being unwilling to lag behind that has spurred us on!"

Over the past 2 decades and more, he has written many high-level research reports, and edited many papers for academic journals. However, he has rarely made public appearances because of his work. On several occasions, I asked about his work accomplishments but he always avoided the topic. In fact, he has rendered many meritorious services to China's space industry.

So I changed the topic: "It's said that between 1980 and 1982, when you went abroad as a visiting scholar researching on a space project, you mentioned your wish to become a CPC member to the party organization, didn't you?"

Zong paused for a while and said: "Yes. However, it was not in 1980, but in 1961 that I first sent in my application for party membership. During the past 2 decades and more, I have sent in a dozen applications. It's to my regret that I have not been up to the standards. But I am not depressed. I am always doing my best, so that I may become one some day."

Thus, I concluded the interview with Zong, and left the research center. On my way back, I was thinking about him and his deeds, and I lost my peace of mind. How to view the pursuit of a creator? How to help a creator realize his pursuit? I was lost in deep meditation.

Commentator's Article

HK280905 Beijing RENMIN RIBAO in Chinese 19 Mar 86 p 3

[Commentator's article: "Creating Conditions for Creators"]

[Text] Pursuing acomplishments in one's profession in order to make contributions to the motherland and refraining from the pursuit of personal fame while being willing to dedicate all one has to a cause: these are the fine qualities of China's socialist intellectuals. Today this paper carries a report about Zong Shaolu, a missile guidance expert, who is one of these outstanding intellectuals. In Lu Xun's words, Zong has worked like a cow: it takes in hay, but it yields milk and meat.

He lives in a shabby room, but his heart is flying in space. Observing Zong Shaolu's circumstances we find them really heartbreaking. All three generations of his family are crowded into a very "narrow" space. However, the space industry in which he is engaged is vast and infinite. Here is his explanation of this: Despite the smallness of "space" of our living quarters, "time" is gained. And time is so precious for him. He is not willing to waste his time on obtaining bigger living quarters or a desk, but he will forget about sleep and food for the state's space undertakings, dedicating all his energy.

The most important thing is to understand the intellectuals. When you understand them, you will do your best to create conditions for the cause to which they have dedicated themselves.

Today, many intellectuals feel the pressure of time and the transience of life. To an enterprising person, time means creative work, good results, and contributions. Intellectuals, middle-aged and old in particular, deeply regret the bygone years and are determined to make up for lost time. How they wish they had 48 hours a day and 24 months a year for their work! They really do not have time to think about their personal losses and sorrow. Take Zong Shaolu for example. As he has made such great contributions, it is reasonable for him to "ask for" some reward, or to take a rest, but there is always something pressing and more important for him to do. When a magnificent undertaking and historical mission falls on his shoulders, he has to seize every minute and every second to work hard on it, as always.

Now we are implementing policies for the intellectuals. What is most important is to create better working conditions for their undertakings to the best of our ability, so that their energy and attention will not be diverted nor their time wasted. Those who are engaged in some undertakings are always busy, and the intellectuals are often "aloof from politics and material pursuits." They simply will not ask favors for themselves when the situation does not involve their work. Even with the application for CPC membership, they would rather earn it with their actions than report to you on their ideological activities or by having their suggestions solicited. Leading organs and comrades should not leave things as they stand just because these intellectuals have never complained. Personal style is one thing, and organizational concern is another. They do not mean the same thing. In his speech at the national science conference in 1978, Comrade Deng Xiaoping proposed that necessary working conditions must be created for scientists and technicians and said that he was willing to be their director of support services. These words have played upon the heartstrings of the intellectuals. So look around yourselves, and find out what other difficulties exist for our creative comrades!

HONG XUEZHI ON STRENGTHENING PARTY LEADERSHIP

HK271143 Beijing RENMIN RIBAO in Chinese 17 Mar 86 p 4

[Report by Ma Jihong and Qiao Xiuqing: "Hong Xuezhi Calls for Efforts To Turn Party Organizations of PLA General Logistics Department Offices Into Leadership Cores"]

[Text] Since the beginning of last January, Hong Xuezhi, director and concurrently political commissar of the PLA General Logistics Department, has focused his energy on grasping the organizational development in the offices of the department itself, solved problems in one office after another, and conscientiously corrected party style. He has particuarly stressed turning the offices of the department into strong and vigorous administrative organizations that operate smoothly and have high efficiency. In light of the problems in various sections and bureaus, Hong Xuezhi has advanced concrete requirements for strengthening office organizations.

Hong Xuezhi has pointed out that some office party organizations do not have sufficiently satisfactory regulations concerning the regular activities of party organizations, that there is no sufficient inner-party democracy, that criticism and self-criticism are not satisfactorily carried out, and that party branches fail to focus on major issues in doing their work. Most of the cadres in our offices are party members, but some of these party members have failed to play the role of vanguard and model; they are still influenced by individualism and liberalism. In order to rectify our party work style, we should deal with the fundamentals and grasp the work to improve the office organizations. The key to this is to satisfactorily grasp party building in office party organizations and thus turn office party organizations into strong leadership cores.

Hong Xuezhi has repeatedly stressed that office party organizations should satisfactorily manage the following things: In promoting cadres, party branches and committees should carry out discussions to make an all-round analysis of cadres' performance in order to implement party principles and appoint to leading posts cadres who are really excellent; our party organizations should promptly learn party members' ideological tendencies and conduct satisfactory and relevant ideological work among them; our party members should consciously report to heads of party groups or members of party branches on their thoughts and correctly carry out criticism and self-criticism; our party branches ehould organize their members to conscientiously study basic Marxist theory, the party's principles and policies, and modern science and culture; cur party organizations should teach party members to strictly observe party discipline, keep party secrets, and resist various kinds of unhealthy practices; attention should be paid to unity among our comrades and departments, and our party organizations should grasp unity and encourage unity. We should not give ground on issues of principle, but should pay attention to mutual understanding and accommodation on non-principle issues; and our party members should be strict with themselves, refrain from sowing discord or listening to or spreading hearsay, and fight against any practice that is detrimental to unity.

JIEFANGJUN BAO ON PLA UNIT'S PARTY RECTIFICATION

OW280526 Beijing Domestic Service in Mandarin 2230 GMT 26 Mar 86

[Review of Beijing and local press reports on 27 March]

[Excerpt] JIEFANGJUN BAO frontpages a report on a proposal by a group army of the Nanjing Military Region that five clear policy demarcation lines be drawn immediately in order to ensure positive, steady, healthy, and intensive progress in rectifying party style. They are: 1) the demarcation line between showing concern about the collective welfare or cadres and the distribution of cash or other things indiscriminately and without authorization; 2) the demarcation line between receiving remuneration as stipulated in the regulations and misusing power for selfish ends; 3) the demarcation line between normal social contacts inside and outside the Army and establishment of connections for the sake of personal gains; 4) the demarcation line between warm hospitality and use of public funds for extravagant festing; and 5) the demarcation line between legitimate production and other operations on the one hand and making illegal profits on the other.

IDENTIFICATION CARDS ISSUED TO GUANGZHOU RESIDENTS

HK271352 Guangzhou Guangdong Provincial Service in Mandarin 1000 GMT 20 Mar 86

[Text] Today, Guangzhou City held meetings at (Lingnan) Street, Liwan District, and in (Shijing) District in the suburbs on issuing identification cards to residents.

More than 56,000 people living in the street and district were issued PRC resident identification cards. The State Council's decision on issuing resident identification cards throughout the country was made in the light of China's political and economic development. In September 1985, the 12th session of the 6th NPC Standing Committee adopted the regulations of the PRC on issuing resident identification cards. This has given the cards equal validity with the regulations in the country in terms of law. The identification cards help the residents in their social activities and protect their legitimate rights. In addition, the cards help discover, control, and punish criminals, thereby maintaining social order.

The provincial leading group office for issuing resident identification cards is working on the production of identification cards. It will issue them, by stages and in groups, to all residents who have submitted their applications for the cards.

HENAN CIRCULAR ON EXTRAVAGANT WEDDING CEREMONY

HK270849 Zhengzhou Henan Provincial Service in Mandarin 1030 GMT 23 Mar 86

[Text] Today, the Discipline Inspection Commission of the Henan Provincial CPC Committee issued a circular demanding that the whole province, particularly party organizations in rural areas and grass-roots factories and mines, take effective measures to resolutely curb and correct the unhealthy trends of holding extravagant wedding and funeral ceremonies and indulging in feudal superstitious and patriarchal activities. The circular by the provincial Discipline Inspection Commission was issued because (Xiao Lian), party member and former head of the processing division of the Hebi Mining Bureau's Fourth Mine, held an extravagant wedding ceremony for his son.

On 24 and 25 December last year, (Xiao Lian) held a wedding ceremony for his son. Prior to this, he asked people in turn to make a careful plan, on two occasions, and bought four kinds of food with a value of 3,761 yuan, of which 1,080 yuan was for meat which he sent people to get from other places. Contrary to regulations, he also used a large number of cooking utensils and 35 cooks from the miners' canteen. To indulge in ostentation and extravagance during the wedding ceremony, he installed 4 tweeters in his house and used 20 houses in the vicinity to receive guests without authority. He gave a 62 table banquet and at this time, (Xiao's) family received a large number of gifts and 3,110 yuan in cash.

While (Xiao Lian) was holding this extravagant wedding ceremony for his son, an accident had occurred in the Fourth Mine and the aftermath was being dealt with. The family members of deceased miners in the vicinity of (Xiao's) family were very sad, while (Xiao's) family was bustling with noise and excitement.

After this incident occurred, not only did (Xiao Lian) fail to examine his mistake but he also used mean tricks to obstruct investigation. The Hebi Mining Bureau CPC Committee decided to take disciplinary action against (Xiao Lian) by placing him on probation with the party for 1 year, administratively discharge him from his post as head of the division, and transfer him from the processing division.

HENAN TIGHTENS CONTROL OVER NEWSPAPERS

HK270507 Zhengzhou Henan Provincial Service in Mandarin 1030 GMT 22 Mar 86

[Text] On 20 March the provincial culture department issued a circular on

The circular pointed out that previously, some newspapers and magazines in the province, under the influence of doing everything for money, ignored their social effect and published some vulgar articles. The masses had many complaints about this. In accordance with the spirit of the central leadership on straightening out newspapers and magazines in the province and cancelled some unhealthy and unnecessary ones.

The circular stressed that to strengthen control over newspapers and magazines and to bring into play the active role of newspapers and magazines in building the socialist spiritual civilization, the provincial authorities will issue new registration permits to all newspapers and magazines still in circulation. The old registration permits will become null and void at the end of April.

HUBEI ADOPTS REGULATIONS ON RURAL HOUSEHOLDS

HK271105 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 19 Mar 86

[Text] The provincial People's Congress Standing Committee promulgated an announcement today about the implementation of the interim provisions adopted by the 20th session of the provincial People's Congress Standing Committee on the province's work of providing for rural households enjoying the five guarantees. The provisions are formulated in connection with the spirit of state laws and other regulations, as well as in light of the actual conditions in the province. There are 13 clauses in the provisions.

Among the clauses, the third one specifically explains the description and limits of households which are entitled to enjoy the five guarantees. It points out that the households should be those aged people, handicapped people or orphans under legal age living in the rural areas who have no work capability, have no one to depend on or have no source of income. The five guarantees refer to their food, clothing, housing, medical care, and burial expenses, which will be taken care of. Moreover, the orphans should receive allowances for their education.

The fourth and fifth clauses of the provisions clearly point out that no matter what kind of production responsibility system is adopted, all rural areas must provide the above guarantees to those who are entitled to enjoy them.

The standard of provisions offered to the households should not be lower than the average level of the local living standards. In addition, they should be improved in light of the economic development of the rural areas and the improvement of peasants' living standard.

The interim provisions stressed in the 9th and 12th clauses: We should really protect the private properties and other legitimate rights of the households. No unit or individual is allowed to infringe upon their rights or properties in any form or under any pretext. Anyone who discriminates against, deliberately makes things difficult for, or maltreats the households, or who infringes upon the rights of the households, should be criticized and educated, fined, handled by administrative measures, or held legally accountable according to the seriousness of the case.

Today's issue of HUBEI RIBAO carries the full text of the interim provisions on its second page.

HUNAN CPC COMMITTEE CIRCULAR ON SELECTION OF CADRES

HK280419 Changsha Hunan Provincial Service in Mandarin 2300 GMT 24 Mar 86

[Text] On 18 March the provincial CPC Committee issued a circular on implementing the circular issued by the CPC Central Committee on selecting and appointing cadres in strict accordance with the party's principles.

It urged party committees at all levels to earnestly study the spirit of the central circular, to seriously examine selection and employment of cadres, and to correct and prevent malpractices in selecting and employing cadres.

The circular of the provincial CPC Committee pointed out that party committees at all levels must conduct a serious examination on how their areas, departments and units have selected and employed cadres in recent years. They must fully affirm achievements on the one hand and notice existing problems on the other. Leading cadres must take the lead in examining their own malpractices in selecting and employing cadres, such as using social connections, using backstairs influence, sending gifts to others, or seeking private interest. Organizational and personnel departments must seriously examine and check cadres who were promoted and employed in violation of the party's principles and organizational and personnel discipline in recent years. Members of organizational and personnel departments must also examine whether they have upheld principle, fawned on or curried favor with others, abused power, or engaged in malpractices for selfish ends. Establishment departments must thoroughly examine and check all existing problems regarding the size of establishment and number of personnel and, through this examination and check, seriously sum up experiences and draw lessons; find out the main cause for the emergence of various problems; study measures for solving the problems; closely link the examination with the improvement of work; and deal with the problems discovered in the examination in a practical way and according to the different conditions.

The provincial CPC Committee circular also pointed out that in order to effectively correct malpractices in selecting and employing cadres, and to better implement the party's organizational line and cadre policy in the new period, we must uphold the party's basic principle on selecting and employing cadres. We must select cadres who have both ability and political integrity; to appoint people on their merits; to select cadres by adhering to the mass line, and in a fair, upright, and above-the-board way.

To attain this target, the provincial CPC Committee reaffirmed the following disciplinary measures: Leading cadres at all levels are not permitted to place their relatives or friends in violation of policies and regulations or to appoint people by favoritism. After their transfer to other posts, leading cadres are not permitted to interfere in personnel matters in their previous areas or units. Leading cadres who are transferred to other areas or units should not bring their subordinates with them or ask cadres in their original areas or units to work with them in the new areas or units. Selection and employment of leading cadres must be carried out instrict accordance with stipulated procedures and decided collectively by party committees after discussions. It is not permissible to raise extempore motions or to make personnel decisions in selecting and employing leading cadres. It is not permissible to promise posts or other favors, or to promote cadres by naming names. It is necessary to strictly execute security discipline. No individual leaders have the right to approve of the establishment of new organs, to upgrade the level of an organ, or to increase the number of leading cadres in an organ. On the issue of transferring cadres, lower levels must submit to higher levels, and individuals must submit to organizations, so as to put an end to the phenomenon that people cannot be moved in or out and cadres themselves refuse to submit to organizational decisions.

In conclusion the circular pointed out that all localities and departments must formulate corresponding regulations in connection with reality.

SICHUAN'S YANG RUDAI AT TOWNSHIP ENTERPRISE MEETING

HK271334 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 19 Mar 86

[Excerpts] The provincial conference on the work of township enterprises, which had lasted 6 days, concluded yesterday [19 March]. Leading comrades of the provincial CPC Committee and provincial government, including Yang Rudai, Jiang Minkuan, Liu Chunfu, and Xie Shijie, spoke at the conference.

In the work report, Xie Shijie, provincial CPC Committee Standing Committee member, fully affirmed the achievements in township enterprises last year. The gross output value of the township enterprises last year was 14.4 billion yuan, 62.4 percent more than in the preceding year. Their gross income was 12.86 billion yuan, recording an increase of 74.7 percent. Their net profits were 820 million yuan, an increase of 54.7 percent. They paid to the state taxes of 600 million yuan, recording an increase of 62 percent.

Comrade Xie Shijie said: This year is the first year of the Seventh 5-Year Plan. All township enterprises throughout the province must sum up last year's experiences, open up a new path, and advance. They must make a breakthrough in development.

In his speech, Governor Jiang Minkuan emphatically pointed out: In 1984, in accordance with the spirit of documents No 1 and 4 of the central authorities and on the basis of investigation and study, the provincial CPC Committee and provincial government formulated documents No 21 and 31. The implementation of these documents has played a very important part in creating a new situation in the township enterprises throughout the province. The provincial CPC Committee and provincial government have now reiterated that all policies which have proved to be constructive and which are beneficial to the development of township collective enterprises must be stable and that the policies which have held back township collective economic development must be readjusted and improved. It is also necessary to supplement some necessary policies and measures and to create conditions to promote the development of the township collective enterprises.

In his speech, Yang Rudai, secretary of the provincial CPC Committee, demanded: All places must seriously implement the spirit of this conference and do this year's work well. It is necessary to sum up experiences, carry forward achievements, overcome difficulties, and advance on the crest of a victory so that the township enterprises in our province can develop in a still greater manner and make more and still greater contributions toward invigorating Sichuan's economy.

At the closing ceremony, Vice Governor Liu Chunfu delivered the summing-up speech: It Is Essential To Unswervingly Grasp the Township Enterprises as an Important Pillar To Invigorate Our Province's Rural Economy.

YANG RUDAI SPEAKS AT COUNTY LEADERS TRAINING COURSE

HK280859 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 23 Mar 86

[Excepts] The training course of heads of the 35 countries selected for experiments in reform of the economic structure and of 24 large countries with a population of over one million each, concluded in Guanghan County yesterday [23 March]. Yang Rudai, secretary of the provincial CPC Committee, attended the meeting to deliver the graduation summing-up speech.

In his speech, Comrade Yang Rudai pointed out that the focal point of the provincial CPC Committee's rural work this year is to do well in grasping the work of the counties selected for comprehensive experiments in reform of the economic structure, and grasping the economic development of the large counties, particularly the large counties with hilly land.

It is profoundly significant to grasp the large counties with hilly land. When the work of these counties has been done well, it iwll fundamentally change the economic structure of our province.

Comrade Yang Rudai said emphatically: Ideological work, policies, planning, and ordering by contract must be carried out down to household level. This is both a reform of the method of rural work and of the guiding ideology. This embodies the aim of serving the people and is an objective and practical requirement. Leading comrades in all places must personally go down and set an example for all of us. This then is practical and realistic work.

Regarding how to speed up the economic development of the large counties, Comrade Yang Rudai pointed out:

1. It is essential to strengthen leadership groups, to build up leadership groups which are well versed in economics and management and can open up a new path, and to practically and realistically carry out all aspects of work down to household level.

2. It is necessary to correctly see the way for the economic development of the large counties with hilly land; to vigorously develop the farming, breeding, and processing trades; to develop labor work in other places; and to fully use non arable land to promote continuous, steady, and forward agricultural development.

During study at the training course, counties, including Guanghan, Xindu, and Qionglai, introduced their experiences in persisting in reform and enlivening the economy. Through studying and exchanging experiences, they felt that such a training course solved problems very well. They came to understand that in current economic construction, reform should be placed above everything else.

YANG RUDAI AT SICHUAN FAMILY PLANNING CONFERENCE

HK280716 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 26 Mar 86

[Text] The provincial family planning conference on grass-roots work concluded on 26 March in Chengdu. During the 5-day session, the participating comrades listened to reports on the spirit of the national family planning conference of advanced units and people, the conference of family planning directors, and the national family planning conference on exchanging experiences in grass-roots work. Furthermore, in connection with the actual conditions, they discussed on the issue and exchanged experiences.

In the course of meeting, Yang Rudai, secretary of the provincial CPC Committee, listened to reports of various localities on their family planning activities. He also made a speech.

On behalf of the provincial CPC Committee and the provincial government, he gave the comrades working on the family planning front assurances of his highest consideration. He said: To carry out family planning is a major undertaking of the whole party. We must therefore strengthen our leadership. The principal leaders of party committees at all levels must personally handle the work, and launch several movements every year. They should adopt a stable and continuous family planning policy, rather than having everyone minding his own affairs. At present, all localities must continue to implement the present policies.

In conclusion, Comrade Yang Rudai said: Since the population base of the province is quite large and the Seventh 5-Year Plan period is also the time when the province's birth rate will reach its climax, it is hoped that the cadres and masses will make joint efforts to maintain the achievements made and continue to carry out family planning.

Thus, the province will make further contributions.

At the closing session, the provincial government commended and presented gifts to the advanced collectives which had made achievements in the province's 1985 family planning work.

XIZANG'S WU JINGHUA, OTHERS MEET NPC, CPPCC DEPUTIES

HK271316 Lhasa Xizang Regional Service in Mandarin 1130 GMT 19 Mar 86

[Excerpts] On the morning of 18 March in the hall of the regional CPPCC, leading comrades of the regional party, government, Army, and CPPCC Committee cordially met our region's deputies to the Fourth Session of the Sixth NPC and committee members to the fourth meeting of the Sixth CPPCC National Committee and held a forum with them to seek their views on our region's work. The leading comrades of the regional party, government, Army, and CPPCC committee who met the deputies and committee members and held a forum with them were Wu Jinghua, Basang, Dangzin, Gyanincain Norbu, Xuekang Tudengnima, Cao Xu, Tudao Doje, Gong Daxi, Zhang Shaosong, Lhamin Soinam Lhunzhub, Jimzhong Gyaincain Puncog, Gaxoi Qoigyai Nyima, (Huokang Suolang Bianba), and (Tangsai Gongjiebaimu).

Regional CPC Committee Deputy Secretary Dangzin presided over the forum, which was also attended by Lhasa City CPC Committee Secretary Yang Youcai and Mayor Dainba Gyaincain. Pagbalha Geleg Namgya, vice chairman of the CPPCC national committee and vice chairman of the regional People's Congress Standing Commitee; Jiangzhong Zhaxiduoji, NPC deputy and vice chairman of the regional People's Congress Standing Commission; Shengqin Luosanggjianzan, CPPCC national committee member and vice chairman of the regional People's Congress Standing Committee; Lhalu Cewang Doje and (Gongbasa Tudeng Jizha), CPPCC national committee members and vice chairmen of the regional CPPCC Committee; and (Haomuzha), NPC deputy, spoke at the forum one after another. Gyibug Puncogcedain, NPC deputy and vice chairman of the regional people's government, also attended the forum.

Wu Jinghua, secretary of the regional CPC Committee, delivered an important speech at the forum. He said: This year, we must be determined to make concerted efforts to solve the problems of the two educational systems in our region: 1) the educational system for Tibetan characters and language, which is regarded as the main work; 2) the educational system for Han characters and language. We must first establish the system of Tibetan language and characters and, at the same time, establish the system of Han language and characters. Comrade Wu Jinghua hoped all deputies to the NPC and committee members of the CPPCC National Committee meeting will unite as one and be modest and prudent. He thanked all fraternal provinces, municipalities, and autonomous regions which had supported the building of Xizang.

The deputies and committee members left Lhasa for the capital -- Beijing -- on the morning of 19 March.

XIZANG MILITARY DISTRICT CORRECTS UNHEALTHY TRENDS

HK280702 Lhasa Xizang Regional Service in Mandarin 1130 GMT 25 Mar 86

[Excerpt] The Xizang Military District CPC Committee recently formulated measures to correct unhealthy trends initially found in itself and its organs and has now scored preliminary achievements.

Last year, the Xizang Military District successively spent 960,000 yuan to buy 11 imported cars, of which 5 were ordinary Blue Bird cars. It was originally decided to allocate two to the office for leaders on active duty and former military district leaders to use.

It has now been decided to allocate them to the military district guesthouse for use in reception and to seal the other three cars for safekeeping. It was originally decided that two ordinary Nissan cars be specially used by the commander and political commissar but it has now been decided to cancel the special cars. Another ordinary Crown car will be used in reception.

The military district CPC Committee came to understand that the importing of a large number of cars to go in for ostentation and extravagance and to display their wealth is an expression of incorrect party style. This time, apart from taking specific measures to correct unhealthy trends, the principal responsible comrades of the military district openly made self-criticisms at the telephone conference on correcting party style and at the enlarged meeting of the CPC Committee.

In September last year, when the Xizang Military District was readjusting its leadership group, the principal leading comrades of the military district accepted entertainment from the general offices of the Headquarters, Political Department, and Logistics Department. The Military District CPC Committee Standing Committee has now made a decision that, in accordance with the principle that whoever has the idea must pay and whoever takes part in the dinner must pay, the secretaries and deputy secretaries of the department CPC committees must each pay back 50 yuan and the other Standing Committee members must each pay back 30 yuan.

On 24 January this year, the military district spent 240 yuan on entertainment to hold a farewell party for a veteran comrade who was about to leave Xizang. Three Standing Committee members took part. In accordance with the principle that the unhealthy trends which have emerged since the meeting of the central organ cadres must be severely dealt with, the commander and political commissar of the military district have each paid back 100 yuan.

Last year, the upper level appropriated special expenses of 612,000 yuan to the Xizang Military District. Dut to various facts, such as entertaining beyond the standards the military district overspent by some 49,000 yuan. The military district CPC Committee Standing Committee has decided that, apart from that needed for united front worker, no public funds are to be used to give dinners or gifts or to entertain beyond the standards.

In January and February this year, when the military district held a conference on logistics work, it strictly enforced the above-mentioned regulations, and saved some 8,000 yuan.

JILIN HOLDS DISCIPLINE INSPECTION WORK MEETING

SK270401 Changchun Jilin Provincial Service in Mandarin 1030 GMT 26 Mar 86

[Text] After a 6-day session, the provincial work conference on discipline inspection affairs concluded in Changchun on 26 March. The conference stressed that efforts should be made to further mobilize the entire party to straighten out party style along with the task of conducting reforms in economic systems and economic construction in order to score marked achievements in creating a fundamental turn for the better in party style and to strive to achieve such a turn in 1987.

During the conference, Song Jiehan, member of the Central Discipline Inspection Commission, delivered a report relaying the spirit of the seventh plenary session of the Central Discipline Inspection Commission. Wang Xianjin, deputy secretary of the provincial CPC Committee, delivered a speech. (Li Deming), secretary of the provincial Discipline Inspection Commission, delivered a work report entitled: Know Well the Situation and Enhance One's Confidence in Order To Strive To Achieve a Fundamental Turn for the Better in Party Style as Soon as Possible.

The conference held earnest discussions and analysis on the situation prevailing in party style throughout the province and made concrete arrangements in line with the actual situation for straightening our party style this year.

The conference contended that party members and party-member cadres had strengthened their party spirit, upgraded their ideological and political quality, and had scored marked achievements in some fields of the work to straighten out party style over the past few years thanks to the positive effort exerted by the party organizations at all levels and by the broad masses of party members, and particularly thanks to carrying out the party rectification drive and education on ideals, discipline, the situation, and the policies and conducting the activities of rendering services in exercising leadership. Judging from the general situation, our province's party style is continuously achieving a turn for the better, the main trend of it is good, and the healthy force inside the party has held sway over all aspects. Though our province still has many problems in party style, they have only cropped up among a few units and party members. If leading organs and cadres at all levels take the lead in the work, the broad masses of party members will certainly be able to actively set examples in straightening out party style and to dare wage struggles against malpractices, and party style will certainly achieve a turn for the better.

The conference pointed out: A good job should be done in fulfilling the following three tasks in the work to straighten out party style this year:

1. The provincial-level organs should set examples in the work and a good job should be done in concentrating efforts on consolidating work style and discipline among the leading organs at or above the country level.

2. All-out efforts should be made to block the malpractices reflecting the characteristics of every trade and units that have completed their party rectification work should regard the task of blocking the malpractices on their own fronts as an important work to make up for the missed lesson in the party rectification drive. A good job should be done in grasping the work in a down-to-earth manner by integrating the work with the task of consolidating work style.

3. It is imperative to deeply deal strict blows to serious economic crimes, to implement in a down-to-earth manner the responsibility system in dealing with cases among leading personnel, and to do a good job in conducting education on combating corrosive influence.

The conference also put forward concrete measures and demands for the issue of how to enhance discipline inspection work and how to fulfill the task of straightening out party style.

Attending the conference were secretaries from the party committees of various cities, prefectures, autonomous prefecture, counties, and districts; secretaries from their Discipline Inspection Commissions; responsible comrades from the discipline inspection departments of the provincial-level organs and a number of key plants, mines, and high educational institutions.

JILIN HOLDS CONFERENCE ON COMMODITY PRICES

SK280940 Changchun Jilin Provincial Service in Mandarin 1030 GMT 27 Mar 86

[Text] The provincial commodity price conference, which concluded today, defined the most important task of the province's commodity price work as resolutely maintaining a basic stability in commodity prices, adopting coordinated measures for the price refor initiated last year, making good preparations for next year's reform, and upgrading th commodity price work to a new level.

The conference fully affirmed the achievements in reform scored last year, and studied and made arrangements for this year's commodity price work. It pointed out: The principle for this year's commodity price work is to consolidate, digest, supplement and improve the price reform measures that have already been put into effect. Using this principle as guidance, we should fulfill two major tasks: one is to maintain a basic stability in commodity prices, and the other is to make good preparations for next year's reform. To fulfill the first task, we should chiefly stabilize the prices of vegetables and nonstaple foods as well as those of industrial consumer goods and means of agricultural production. On the premise that market prices are basically stable, a small number of exceptionally irrational prices should be adjuested and controlled.

The conference noted: In order to successfully carry out the coordinated measures for the price reform initiated last year and to enable them to facilitate production and circulation, we should strengthen control over the prices of farm products, the prices of the means of production produced in excess of plans, and the prices of commodities sold in village fairs and by self-employed peddlers.

During the conference, leading comrades of the provincial government and the state pri bureau delivered speeches.

QINGHAI'S SONG RUIXIANG AT ECONOMIC CONFERENCE

HK270405 Xining Qinghai Provincial Service in Mandarin 2330 GMT 20 Mar 86

[Text] On 20 March, the provincial CPC Committee and people's government held an economic work conference in Xining. The conference will: Convey and act in the spirit of the relevant central meeting and act in the spirit of the fifth enlarged plenum of the sixth provincial CPC Committee; work out plans for this year's economic and rural work, make arrangements for this year's plans; and will study and readjust economic policies, methods and measures.

The conference breaks the traditional practice and combines meetings on planning, economic work and rural work into one. Song Ruixiang deputy secretary of the provincial CPC Committee and governor, made a speech at the opening ceremony.

He said: The combining of three meetings into one is made because work concerning economics is an organic entity. It parts must be closely related so that we can make plans in coordinated way. At the same time, it is also held for the sake of reducing the number of meetings held, improving work style, and laying stress on practical results.

He said: Chiefly speaking, the documents which will be proposed at the conference involve the policies, methods and regulations of the economic work. They will be proposed by acting in the spirit of the relevant regulations and instructions of the CPC Central Committee and State Council, and in the light of the province's actual conditions, particularly after summing up our experience over the years. This conference is significant in organizing this year's structural reform and economic work, as well as scoring successes in the first step of the Seventh 5-year Plan.

The conference was attended by provincial party and government leaders, including Yin Kesheng, Liu Feng, Huanjiecailang, Zhao Haifeng, Ma Wanli, Song Lin and (Lu Baoyin).

BAI JINIAN AT SHAANXI POLITICAL, LEGAL WORK MEETING

HK270243 Xian Shaanxi Provincial Service in Mandarin 2300 GMT 26 Mar 86

[Excerpt] A provincial political and legal work conference concluded on 26 March. The conference stressed that it is necessary to further strengthen the building of democracy and the legal system, crack down hard on serious economic and other crimes, promote a steady turn for the better in social order, and ensure social stability.

Li Senqui, member of the Standing Committee of the provincial CPC Committee and secretary of the Political and Legal Commission of the provincial CPC Committee, conveyed the spirit of the national political and legal work conference and outlined arrangements for this year's political and legal work in the province.

In the past few years, and especially since August 1983, Shaanxi has scored great success in the struggle to crack down on serious economic and other crime. There has been a marked turn for the better in social order, which is now in a relatively good state in the majority of counties and districts. Thirty-three counties and districts are approaching a fundamental turn for the better, and more than 50 have achieved a marked turn for the better. The masses have a much greater feeling of security than before.

The conference held that despite the marked turn for the better in social order in the province, imbalances and instabilities remain. At the same time, some new problems have cropped up in the new situation of economic reform.

There has been an increase in economic and civil disputes. Larceny is also on the rise.

Provincial CPC Committee Secretary Bai Jinian spoke at the conclusion of the conference, giving three views on the building of the political and legal work force. He said: Political and legal cadres and police must love the masses, constantly relieve the people's woes, and serve the people wholeheartedly. They must have the zeal to firmly carry out the party's line, principles, and policies and to boldly punish lawbreakers and criminals. They must act accordings to law, and strictly grasp the policies.

SHAANXI POST OFFICE TO CHECK ON ANOMALIES

HK270455 Xian Shaanxi Provincial Service in Mandarin 0200 GMT 27 Mar 86

[Text] According to SHAANXI RIBAO, (Zhang Zuoying), director of the provincial Posts and Telecommunications Administration Bureau, recently announced at a telephone conference of staff and workers of the provincial posts and telecommunications system that from now until national day, all posts and telecommunications bureaus will launch a drive to check on 10 things, crack down on 1 thing, and straighten out work style. The 10 things to be checked are: service; quality; discipline; embezzling and misappropriating payment for stamps and pilfering parcels; using telecommunications channels for smuggling and peddling contraband and for engaging in speculation; allowing telegrams to pile up, and delaying or misdirecting them; the shortage of newspapers and publications; deliberately cutting telecommunications links between customers; the practices of leading cadres in abusing their powers; and other unhealthy trends. It is necessary to crack down hard on economic criminals in light of the problem unearthed by this check.

DAILY REPORT
CONTENTS

China

Vol I No 061 31 March 1986

PRC INTERNATIONAL AFFAIRS

GENERAL

RENMIN RIBAO Views Li Xiannian's Foreign Visits [29 Mar] A 1
China Signs New Contract for Offshore Oil A 1
CPC Invites SWAPO, Belgian, SFRY Delegations A 2
PRC Spokesman on Relations With East Europe, USSR [AFP] A 2
World Bank Credit To Boost PRC Higher Education A 4
New Maritime Meteorological Forecast Services A 4

UNITED STATES

Deng, Yang Shangkun Meet U.S. Press Executive B 1
U.S. Presidential Assistant Meets PRC Scholars B 1
U.S. Notes USSR Proposal for Roundtable Talks B 1
U.S. Rejects Gorbachev's Test Ban Proposal B 1
U.S. Senate Approves Aid Package for Nicaragua B 2

SOVIET UNION

Gorbachev Makes TV Address on Nuclear Test Ban C 1
Gorbachev Calls for Five Powers Conference C 1
Soviet Union Sets Up Uygur Study Institute C 1
Paper Views Problems in Soviet Reform C 2
[SHIJIE JINGJI DAOBAO 17 Mar]

NORTHEAST ASIA

PRC To Issue Dual Currency Bonds in Japan D 1
Wang Zhen Meets Japanese Student Group D 1
DPRK Provincial Delegation Visits Liaoning D 1

SOUTHEAST ASIA & PACIFIC

New Zealand's Lange Wraps Up PRC Visit E 1
Calls on Rewi Alley E 1
Zhao Ziyang Bids Farewell E 1
Deng 'Extraordinarily Robust' E 2
[CHINA DAILY 29 Mar]
No Nuclear-Armed Ships [KYODO] E 2
Filipinos Express Concern Over Dissolving Parliament E 3
Philippines Mulls Repudiation of Some Debts E 3
Overseas Chinese Paper to Resume in Philippines E 4
Singapore Works To Keep Financial Center Status E 4
Shandong's Liang Buting To Visit Singapore 31 March E 5
Sino-Australian Smelter To Aid Production E 5

SOUTH ASIA

Xizang Economic Delegation Returns From Nepal F 1
Nepalese Prime Minister Praises Ties With PRC F 1

WESTERN EUROPE

Danish Prime Minister Completes China Visit G 1
Zhao Ziyang Phones Schluter G 1
Meets With Rui Xingwen G 1
Departs Shanghai for Home G 1
FRG Parliamentary Group Arrives for Talks G 2
Meet With Hu Yaobang G 2
Huang Hua Meets Group G 2
Talk With Zhu Liang G 3
FRG Defense Official Visits Shenyang PLA Units G 3
Wu Xueqian Meets Irish Cultural Delegation G 3
Wang Zhaoguo Meets Spanish Delegation 27 Mar G 3
Sino-French Economic Law Seminar Opens G 3
Qiao Shi To Head CPC Team to Italian CP Congress G 4
Dutch Naval Commander Feted in Beijing G 4
Mugabe Thanks PRC, UK for Military Training Help G 5

EASTERN EUROPE

SFRY President Meets Press on Eve of PRC Visit H 1
Begins Asia Tour H 1
SFRY Ministry Comments H 1
Zhang Jingfu Meets SFRY Party Study Group H 2
Li Peng Meets Hungarian Transport Minister H 2
CSSR Prepared To Normalize Relations With PRC H 2

MIDDLE EAST & AFRICA

Li Xiannian Meets Madagascar Amity Official I 1
Tour Museum, Park I 1
Moroccan Parliament President Leaves for PRC I 1
Somali Minister Praises Project Built by PRC I 2
Lebanese Deputy Speaker Receives Chinese Envoy I 2

PRC NATIONAL AFFAIRS

Zhao Others Welcome Li Xiannian on Return Home K 1
Zhao Ziyang, Peng Zhen at 2d NPC Plenary Meeting K 1
Wang Bingqian on State Budget K 1
Part Ten of Seventh 5-Year Plan Highlights K 3
Part Eleven K 3
Part Twelve K 3
Part Thirteen K 4
Part Fourteen K 4
Part Fifteen K 4
Part Sixteen K 5
Regional Development Goals Outlined in Plan K 5

NPC Deputy on Defense Aiding Civilian Sector K 6
Panel Discussions on Zhao, Other Reports K 7
Governors Praise Report K 8
Plan Termed 'More Comprehensive, Substantial' K 9
Local Leaders Advocate Attention to Agriculture K 10
Xinjiang Chairman on Zhao Ziyang Work Report K 11
Ren Zhongyi, Bainqen Erdini Comment in Panels K 11
Deputies Stress Reform in Group Meetings K 12
Three Harbin Officials Accused of Taking Bribes K 13
Commentator's Article [RENMIN RIBAO 28 Mar] K 14
Hard-working, Affluent Party Members Lauded K 14
[RENMIN RIBAO 22 Mar]
Affluence Through Personal Industry Defended K 16
[NONGMIN RIBAO 14 Mar]
Ban on Cadres' Business Activities Explained K 17
RENMIN RIBAO Urges Strictly Enforcing Discipline [25 Mar] K 19
College Graduate Job Assignment Report Approved K 22
Commentator Views Assignment of Graduates, Reform K 23
[RENMIN RIBAO 26 Mar]
Implementation of Mineral Resources Law Urged K 24
[RENMIN RIBAO 20 Mar]
Writers' Association Secretary on Liu Binyan K 26
Questioned on Wang Meng K 26
Yu Qiuli Urges PLA TO Aid Socialist Construction K 27
Deng Yingchao Attends CPPCC Panel Discussion K 28
Xi Zhongxun on Compiling CPC Historical Data K 28
Gu Mu on Zhejiang's Tourist Development K 29
Wang Zhen, Zhang Jingfu Receive Gold Producers K 29
Hao Jianxiu Congratulates Qingdao Drama Troupe K 30
Du Runsheng Inspects Shaanxi Hanzhong Prefecture K 30

PRC REGIONAL AFFAIRS

EAST REGION

Xiamen Issues Preferential Cards to Foreigners O 1
Anhui CPC Issues Circular on Cadre Selection O 1
Shanghai Party Secretary Comments on City's Goals [AFP] O 2
Zhejiang Outlines 1986 Party Rectification Tasks O 3

CENTRAL-SOUTH REGION

Guangdong Transport Ship Sinks; 22 Missing P 1
Guangxi: Chen Huiguang Calls for Commodity Production P 1
Henan PLA Meeting on Regimental Party Rectification P 1
Henan People's Bank Holds First Press Briefing P 2
Hubei Party Rectification Symposium Ends 26 March P 2

SOUTHWEST REGION

Sichuan's Yang Rudai Urges Developing Defense Industry Q 1
Yunnan Party Leader Discusses Province's Prospects Q 1
Yunnan Directive Urges Improved Leadership Style Q 2

NORTH REGION

Beijing's Li Ximing Calls for Learning From Model Worker R 1
Beijing People's Court Official on Economic Crimes R 1
[BEIJING RIBAO 17 Mar]
Nei Monggol's Zhang Shuguang Speaks at Agriculture Forum R 2
Shanxi's Li Ligong Speaks at Discipline Inspection Meeting R 2
Further on Meeting R 3

NORTHEAST REGION

Heilongjiang Secretary Views Technical Findings on Display S 1
Dandong City Brings Cadres to Public Trial S 1

NORTHWEST REGION

Shaanxi's Bai Jinian Speaks at Tourism Conference T 1

TAIWAN

Third Plenum of KMT Central Committee Opens V 1
Premier Yu Reports V 1
Participants Confer V 2
Locally Produced Missile Launched 26 March V 3
Defense Spokesman on U.S. Arms Sales to PRC V 3

HONG KONG MEDIA ON CHINA

Artists Discuss Attitudes Toward Sex, Criticism W 1
[SOUTH CHINA MORNING POST 30 Mar]
New Zealand's Lange Comments on PRC Trip W 2
[SOUTH CHINA MORNING POST 30 Mar]
Danish Prime Minister Reviews PRC Visit W 3

RENMIN RIBAO VIEWS LI XIANNIAN'S FOREIGN VISITS

HK290220 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 29 Mar 86 p 3

[Editorial: "Promoting Friendship, Strengthening Cooperation"]

[Text] Beginning on 8 March, President Li Xiannian paid state visits by invitation to five friendly Asian and African countries, namely Bangladesh, Sri Lanka, Egypt, Somalia, and Madagascar. President Li travelled over 31,000 kilometers in 20 days, during which he again sowed seeds of friendship and reached the predicted goal of promoting understanding and friendship and strengthening solidarity and cooperation, thereby writing a new page in the history of friendship and cooperation between China and the countries of the Third World. The visit was a compete success. We truly hail this.

Although the five countries visited by President Li during this trip are distant from China, the friendship between them goes back to ancient times. Long ago in history, our ancestors started various kinds of exchanges with these countries, and many stories of this friendship are still on everybody's lips today. After the founding of new China, Chairman Mao and Premier Zhou personally formulated the guideline of developing friendship and cooperation with the Third World on the basis of the five principles of peaceful coexistence, and relations between China and the Third World countries developed rapidly. This trip by President Li has further strengthened and developed the long-standing ties of friendship and cooperation between China and these countries.

During his trip, President Li was given a warm welcome and lavish hospitality by the governments and peoples of these countries. He had extremely cordial and thorough talks with the leaders of these countries on major issues of mutual concern, and also explored new fields and ways for strengthening mutual cooperation, achieving results satisfactory to both sides. During the trip, President Li and his party saw the notable achievements of the governments and peoples of these countries in developing their economy and improving people's living standards, and also learned many valuable experiences from them. We are all developing countries with the common task assigned by history of extricating ourselves from and changing our undeveloped status as quickly as possible. Strengthening cooperation between Third-World countries, that is, "South-South cooperation," is of great significance. Solidarity is the source of strength of the Third World, and cooperation is the essential path for common development in the Third World. Vigorously strengthening solidarity and cooperation with Third World countries is the fundamental base point of China's peaceful foreign policy of acting independently and retaining the initative in its own hands and is also an important aspect of China's open policy. China will, as always, continue to strive to strengthen "South-South cooperation" and promote "North-South dialogue."

At present the world faces the two big problems of peace and development. Preserving peace is closely linked to economic development and prosperity. This trip by president Li was a specific expression of China's efforts to preserve world peace and promote the common development of all countries. It can be stated with assurance that the friendship and solidarity between China and other Third World countries will be continually strengthened. The Third World will become a major force playing an ever greater role on the international scene.

CHINA SIGNS NEW CONTRACT FOR OFFSHORE OIL

OW281310 Beijing XINHUA in English 1252 GMT 28 Mar 86

[Text] Beijing, March 28 (XINHUA) -- Another contract for exploration and development of China's offshore oil was signed here today.

The contract was signed between the China National Offshore Oil Corporation (CNOOC) and a consortium made up of the American Occidental Easter, Inc. and Umocal Pearl River, Inc. and the Japan Petroleum Exploration Co. Ltd. Located in the Pearl River mouth basin of South China Sea, the contract area is 340 km, to the southeast of Guangzhou and covers an area of 5,470 square km. in water depth between 100 to 500 meters. The Occidental Easter, Inc. will be the operator.

Zhao Zongnai, vice minister of petroleum industry, was present at the signature ceremony of the contract, the seventh since the second round of bidding of CNOOC. Altogether, CNOOC has signed 31 contracts since China opened its offshore oil for foreign exploration in 1980.

CPC INVITES SWAPO, BELGIAN, SFRY DELEGATIONS

OW310918 Beijing XINHUA in English 0850 GMT 31 Mar 86

[Text] Beijing, March 31 (XINHUA) -- The Chinese Communist Party has invited delegations from the South-West African People's Organization (SWAPO) and the Flamand Socialist Party of Belgium to visit China, it was announced here today. Wu Xingtang, a spokesman for the party Central Committee's international liaison department, said the SWAPO delegation, led by its president, Sam Nujoma, would visit in the summer. The Flamand Socialist Delegation, which arrives tomorrow for a two-week visit, is being led by Party Chairman Karel Van Miert.

Meanwhile, a Chinese Communist Party delegation will leave in late April for a visit to Scandinavia at the invitation of the Left Party (communist) of Sweden, the Socialist Left Party of Norway and the Socialist People's Party of Denmark. The Chinese delegation will be led by Wei Jianxing, member of the party Central Committee and head of the Central Committee's Organization Department.

Wu also announced that Mitja Ribicic, member of the presidency of the Yugoslavian League of Communists, had been invited to visit China next month (April). He said the Chinese Communist Party now had contacts and relations with more than 30 socialist, social democratic and labor parties. The party did not believe in allowing ideological differences to prevent efforts to seek mutual understanding and co-operation with other parties. Contacts, co-operation and discussions with other parties on major international issues helped to safeguard world peace.

PRC SPOKESMAN ON RELATIONS WITH EAST EUROPE, USSR

HK310748 Hong Kong AFP in English 0724 GMT 31 Mar 86

[By Lawrence Mac Donald]

[Text] Beijing, March 31 (AFP) -- China seeks to restore relations with all East European Communist Parties but will not consider party links with Moscow as long as the "three obstacles" remain, a party spokesman said Monday. Wu Xingtang, spokesman for the Chinese Communist Party (CPC) International Liaison Committee, said that "so far as Eastern Europe [as received], China is ready to restore relations with all parties" but to do so with the Soviet Union was impossible because of the "three obstacles." Beijing holds that three obstacles standing in the way of normalization of relations with the Soviet Union are Soviet support for the Vietnamese presence in Cambodia, Soviet troops in Afghanistan and the Soviet military build-up on China's northern frontier.

China has often hinted it is willing to restore ties with Eastern European parties, but Monday's statement was the first official confirmation that the CPC was pursuing a two-tier strategy in relations with the Soviet Union and its Eastern European allies, analysts said.

Speaking at a briefing for the foreign press, Mr. Wu said restoration of party ties with Moscow was "out of the question now" and denied there had been discussion of resuming ties at recent meetings between Chinese and Soviet officials. "We're happy to notice development of relations with the East European countries in many aspects, political, economic, and cultural," he said.

Beijing has expanded trade and cultural relations with the Soviet Union over the past year while publicly insisting that there was no progress on political issues, observers said. China broke party ties with all of the Soviet Union's eastern allies except Romania in the early 1960's, after Beijing and Moscow split over ideological differences and mounting strategic suspicions. Eastern European diplomats said that countries in Eastern Europe would not resume party ties with Beijing until Moscow had done so.

China made overtures for resumption of party ties with East Germany during visits by East German officials here last year. East European sources said Beijing had invited East German party leader Erich Honecker to visit China, although Mr. Wu said he had no knowledge of such a visit.

Mr. Wu also announced a program of party visits that included the arrival here Monday of a delegation from the banned African National Congress (ANC) of South Africa and a CPC invitation to the South West African People's Organization (SWAPO), which is fighting for an independent Namibia. Mr. Wu did not say when the SWAPO delegation was expected to visit. China has regularly declared support for both organizations and in 1983 hosted a delegation from each.

Concerning plans for a visit by CPC General Secretary Hu Yaobang to France, West Germany and the United Kingdom this year, Mr. Wu said the dates were still under discussion.

The CPC was to send Qiao Shi, a member of the CPC Secretariat, as an observer to the Italian Communist Party Congress at the end of April, while a CPC delegation was to visit Sweden, Norway and Denmark about the same time, he said. China had made contact with the Japanese Communist Party Congress last year, he recalled, and was "looking forward with hope" to development of the relations.

On China's ties with the Communist Party of the Philippines, which has yet to make peace with President Corazon Aquino's new government, Mr. Wu reiterated that China's support was only "moral", adding that the CPC did not comment on the internal affairs of other parties.

Party to party ties are distinct from diplomatic links and are a largely symbolic demonstration of the strength of relations between two socialist countries. In addition to ties with a handful of ruling communist parties, the CPC maintains contacts with more than 30 social democratic and labour parties, Mr. Wu said.

The CPC, the largest Communist Party in the world, has 42 million members, Mr Wu said.

WORLD BANK CREDIT TO BOOST PRC HIGHER EDUCATION

OW281036 Beijing XINHUA in English 0800 GMT 28 Mar 86

[Text] Washington, March 27 (XINHUA) -- The International Development Association (IDA) today announced a credit of SDR (special drawing rights) 108 million (about 120 million U.S. dollars) to help China upgrade its higher education, especially in graduate programs. IDA, the concessionary lending arm of the World Bank, will use the money to help China add new facilities at 60 universities in 28 provinces and municipalities and to remodel some old buildings.

Technical assistance will be given to China's State Education Commission and the bureaus for provincial higher education in order to strengthen their planning and management capabilities. The Chinese Government will contribute 357 million dollars to the project. The IDA credit is for 50 years and is interest-free.

NEW MARITIME METEOROLOGICAL FORECAST SERVICES

OW300730 Beijing XINHUA in English 0714 GMT 30 Mar 86

[Text] Beijing, March 30 (XINHUA) -- The Chinese Central Meteorological Station is to inaugurate daily weather forecast services starting April 1 on its reporting areas designated by the U.N. World Meteorological Organization. The weather forecast will be broadcast worldwide by the Central Television Station, the Central Broadcasting Station and Radio Beijing.

The areas covered by the forecast are the Bohai Sea, northern and southern parts of the Yellow Sea, the East China Sea, the Taiwan Straits, northeastern, northwestern, central and southern parts of the South China Sea and the Beibu Gulf. The weather forecast for these areas used to be undertaken by on-shore radio stations at Dalian, Shanghai and Guangzhou.

The data will be collected from the meteorological stations in Dalian, Shanghai and Guangzhou and processed through electronic computers before they are broadcast worldwide. The television station will present a visual picture of the weather in these areas. The weather forecast mainly serves marine shipping, fishing and offshore oil exploration in these areas.

DENG, YANG SHANGKUN MEET U.S. PRESS EXECUTIVE

OW310718 Beijing XINHUA in English 0714 GMT 31 Mar 86

[Text] Beijing, March 31 (XINHUA) -- Deng Xiaoping, chairman of the Central Advisory Commission of the Communist Party of China, and Yang Shangkun, member of the political bureau of the C.P.C. Central Committee, met here today with Fu Chao-Chu, president of the Chung Newspapers Limited of the United States. Deng answered Fu's questions concerning the construction of the hydroelectric power station on the three gorges of the Yangtze River.

U.S. PRESIDENTIAL ASSISTANT MEETS PRC SCHOLARS

OW291006 Beijing XINHUA in English 0905 GMT 29 Mar 86

[Text] Washington, March 28 (XINHUA) -- John Poindexter, assistant to President Ronald Reagan for National Security Affairs, today received the Chinese senior scholars delegation, headed by Huan Xiang and Ling Qing. The delegation arrived in the U.S. capital on March 23 at the invitation of the Center for Strategic and International Study of Georgetown University in Washington, D.C.

A delegation from the American Center visited China in 1984. Zbigniew Brzezinski, former assistant to the President for National Security Affairs, led that group.

During a visit to Williamsburg, Virginia, the Chinese scholars and their American colleagues discussed international and bilateral issues. U.S. Assistant Secretary of Defense Richard Armitage and Deputy Secretary of State John Whitehead also met with the Chinese delegation. The Chinese scholars will leave for home tomorrow.

U.S. NOTES USSR PROPOSAL FOR ROUNDTABLE TALKS

OW291020 Beijing XINHUA in English 0756 GMT 29 Mar 86

[Text] Washington, March 28 (XINHUA) -- The United States said today it "noted" the Soviet proposal for roundtable talks of the permanent members of the United Nations' Security Council and refused to say whether it's a good idea. Soviet leader Mikhail Gorbachev in a letter yesterday to the U.N. Secretary-General suggested to hold roundtable talks or discussions among the five permanent members of the U.N. Security Council in an effort to seek ways to relax the present intense international situation.

Asked what the U.S. response is to the Soviet proposal, U.S. State Department Spokesman Charles Redman said the U.S. has "noted the Soviet proposal." He said the Soviets "have yet to elaborate what such a proposal might do." The spokesman said, "I would add that we are negotiating with the Soviets in a number of forums. We want progress in all of these negotiations and believe progress is possible." He refused to go into any details.

U.S. REJECTS GORBACHEV'S TEST BAN PROPOSAL

OW300504 Beijing XINHUA in English 0152 GMT 30 Mar 86

[Text] Washington, March 29 (XINHUA) -- The United States today rejected Soviet leader Mikhail Gorbachev's proposal to hold an immediate summit on banning nuclear weapons tests. The White House said in a statement today the United States turned down the Soviet proposal because a moratorium cannot be counted on to lead to the enhanced security desired. The statement said the Soviet Union should instead accept better verification requirements that could lead to U.S. ratification of two existing test treaties.

Gorbachev said earlier today that he will meet U.S. President Ronald Reagan anywhere in Europe to discuss a nuclear test ban and announced his country will continue its unilateral test moratorium unless the U.S. conducts further nuclear tests.

The White House statement issued today in Santa Barbara, California, where the U.S. President is spending his vacation, said, "The United States has repeatedly made it clear that the practical step now needed in the area of nuclear testing limitations is to enhance mutual confidence in the ability of the two sides to verify existing agreements, in particular the unratified Threshold Test Ban Treaty and the Peaceful Nuclear Explosions Treaty." The statement said Reagan is prepared to move forward toward ratification of the two pending treaties if the Soviet Union sends observers to next month's planned nuclear test in Nevada. It said the U.S. has not changed its position on a nuclear testing moratorium. The statement said the summit meeting should deal with the entire range of important issues between the two countries. The Soviet Union has not replied with a date acceptable to the U.S. on Reagan's invitation for Gorbachev to come to the U.S. for a summit, the statement said.

"If the Soviet Union desires to make serious progress on the question on nuclear testing limitations, it should accept the President's longstanding proposal that we have our experts meet and should respond positively to the President's most recent offer," said the statement.

The United States recently conducted a nuclear test in Nevada. Before the test, the United States invited observers from the Soviet Union but the Soviets refused the invitation.

U.S. SENATE APPROVES AID PACKAGE FOR NICARAGUA

OW281232 Beijing XINHUA in English 1218 GMT 28 Mar 86

[Excerpts] Washington, March 27 (XINHUA) -- The U.S. senate today approved 53 to 47 President Ronald Reagan's request for 100 million dollars in aid to U.S.-backed Nicaraguan rebels. The approval was made under the condition that most of the aid would be withheld for 90 days while the administration seeks negotiations with the Nicaraguan Government. The Republican-controlled Senate approved the request that would immediately release 25 million dollars to the rebels, and withhold 75 million dollars for 90 days.

After three days of debate in the Senate, the bill now returns to the Democratic-controlled House, where it faces strong opposition. The House is on recess until April 15. The Senate's vote had been scheduled for Wednesday, but was postponed to today because Senate Republican leaders under pressure from the Reagan administration wanted to lobby for an agreeement on the aid package. Reagan has been urging Congress to approve the aid since he proposed the package a month ago.

Last week, Reagan suffered a setback, when the House rejected his request 222 to 210. After the house vote, Reagan vowed he would never give up trying to get the package through Congress.

A WASHINGTON POST-ABC news poll published Wednesday showed that 60 percent of Americans disapprove of Reagan's request for renewing military aid to the Nicaraguan rebels. Most of American people, the poll indicated, oppose U.S. involvement in overthrowing the Nicaragua Government despite Reagan citing Nicaragua as a threat to the security of the United States.

GORBACHEV MAKES TV ADDRESS ON NUCLEAR TEST BAN

OW292007 Beijing XINHUA in English 2001 GMT 29 Mar 86

[Text] Moscow, March 29 (XINHUA) -- Soviet leader Mikhail Gorbachev said tonight he is ready to meet U.S. President Ronald Reagan in Europe as soon as possible to discuss a nuclear test ban. In a television address, Gorbachev said "I am ready to meet President Reagan in the nearest future in London or Rome, or in any other European capital that will agree to receive us, in order to reach agreement on this question." The Soviet Leader announced that his country would continue its unilateral moratorium on nuclear explosions after March 31 if the United States follows suit. He noted that the Soviet Union would resume nuclear testing if the U.S. does not join the ban.

On January 15, Gorbachev extended the nuclear test ban, self-imposed by Moscow last August, for another three months until March 31 and called on the United States to follow its example. The U.S. rejected the proposal and conducted an underground test in the Nevada desert on March 22 and is reportedly ready to conduct another test in the next few days. Gorbachev said today that "We are again giving the U.S. Administration a chance to take a responsible decision -- to end nuclear explosions. Failing which, the Soviet Union will resume testing."

GORBACHEV CALLS FOR FIVE POWERS CONFERENCE

OW281930 Beijing XINHUA in English 1925 GMT 28 Mar 86

[Text] Moscow, March 28 (XINHUA) -- Soviet Leader Mikhail Gorbachev Thursday repeated a call for an international conference involving the five permanent members of the U.N. Security Council to work out ways of diffusing international tension, according to a TASS report. In a message to U.N. Secretary General Javier Perez de Cuellar, Gorbachev welcomed declaring 1986 as an International Year of Peace by the U.N. and stressed the need to keep the world "free from weapons and violence."

"An accord on the complete elimination of the medium-range missiles of the Soviet Union and the United States in the European zone on a reciprocal basis could become a major event of the International Year of Peace," Gorbachev said. He added that Moscow "is prepared to come to terms on the issue, just as on nuclear testing, without any linkages."

Gorbachev said the five permament members of the U.N. Security Council -- the Soviet Union, the United States, China, Britain and France -- have a special responsibility for ensuring stability throughout the world. "This is why the Soviet Union suggests that the five powers gather at a round table to discuss what can and should be done to strengthen peace, and first of all to do away with nuclear weapons," he said. The Soviet Leader called on world leaders not to let 1986 pass without concrete disarmament agreements. The message followed an earlier call for an international conference in this regard in his political report to the 27th Soviet Communist Party Congress in Moscow last month.

SOVIET UNION SETS UP UYGUR STUDY INSTITUTE

OW271639 Beijing XINHUA in English 1620 GMT 27 Mar 86

[Text] Moscow, March 27 (XINHUA) -- An Institute of Uygur Studies has been established in Alam-Ata, capital of Kazakhstan, the official Soviet News Agency TASS reported today.

The institute is to sum up the achievements in basic Uygur studies, publish cultural relics of the Uygur and enlarge the scope of Uygur ethnology and literature. The Uygurs, numbering about 1.5 million, live mainly in Kazakhstan of the Soviet Union which has more than 100 minority nationalities.

PAPER VIEWS PROBLEMS IN SOVIET REFORM

HK280928 Shanghai SHIJIE JINGJI DAOBAO in Chinese 17 Mar 86 p 4

[Article by Wang Shouhai of the Institute of World Economy and Politics under the Academy of Soviet Sciences: "Contradictions Between Gorbachev's Concepts and Soviet Reform"]

[Text] The Soviet Union's economic reform can be viewed from four aspects: Large-scale economic experiments, Gorbachev's concepts, opinions of the theoretical circles, and the principles and policies specified by the official documents.

The outline of Gorbachev's concepts is as follows: Under the premise of strengthening centralized leadership and planning, it is necessary to improve the planning and management system, reduce state intervention and the overelaborate economic targets which seriously restrict enterprises, and extensively adopt economic norms so that corporations and enterprises can take the initiative in arranging their production and development. Administrative means should be reduced in economic management, and commercial methods and economic levers should be used more. At the same time, it is necessary to establish a sound economic accounting system and to implement the principle of material incentives in distribution by linking people's remuneration with the results of their work and eliminating egalitarianism and income not from labor.

In order to deepen the reforms, Gorbachev emphasized the necessity of reforming the organizational structure of management from the central level. He particularly demanded that the State Planning Commission improve its work and turn it into "an economic organ that concentrates on major scientists and economists." In order to meet the needs in economic development, he said, it is necessary to establish some large-scale and comprehensive management institutions to manage the national economy and to change the functions of various government ministries by concentrating on formulating long-term plans, ensuring the production of quality goods, and developing technologies. In the entire management system, it is necessary to enhance the role of the basic links -- corporations and enterprises and disband the intermediate link -- national industrial consortiums. This shows that Gorbachev's reform concept is to reform the organizational structure in a comprehensive way from "the high level to the low level." Through such readjustment, the country may streamline administration, raise efficiency, overcome bureaucratism, and all kinds of red tape.

The Problem of 10 Years Ago Remains Unsolved

The practice of the Soviet Union shows that even if reform is carried out under the premise of centralism, it is still very difficult to advance reforms smoothly. Last June, Gorbachev said at a meeting on developing technology: "Technological progress definitely requires profound reforms of the planning and management system and the whole economic mechanism. We have talked a lot about this for many years and have weighed various measures, but we have not made actual advances." "The problems we have to deal with today remain the same as those appearing 10 years ago, and the problems have become more serious." In fact, since the mid-1960's, the Soviet Union has conducted several rounds of economic readjustments and reforms, but the defects of the economy remain unsettled.

For example, previous reforms were all directed at the problem of the excessive degree of centralism, but after these reforms, the degree of centralism remained at a level "higher than the best level." For example, when an enterprise wants to use hundreds of rubles in production, it must submit this to the ministry in charge for approval. When people discuss the management of various economic departments, they can point out many defects in the management system. However, the barriers between the departments cannot be removed, and they are still sharply separated one from another. The contradictions between centralization and decentralization and between vertical economic ties and horizontal economic relations remain unsettled. The problem of the overstaffing and unwieldy state of many government institutions was also a target for previous reforms, but the administrative structure in the Soviet Union has not been streamlined; instead, it is still swelling. The rigid management system and the unwieldy administrative structure have caused low economic efficiency and seriously hindered the advance of intensive production and technological progress.

Various Contradictions in Reform

Why did reform in the Soviet Union make few advances in the past? As a matter of course, it is not easy to change a long-standing and ossified economic structure, and it is impossible to solve the complicated issue of properly managing a socialist economy in a single move. Problems can be solved only through continuous practice and explorations. In addition, some unfavorable factors remain in leading bodies, the ranks of cadres, and the organizational system, and these factors still affect reform. For example:

First, the Soviet Government has long been headed by old people who lack energy. From the later years of Brezhnev to Andropov and Chernenko, the Kremlin was ruled by senile old people, and such leading bodies, which lacked energy, could not but affect work efficiency.

Second, people who cling to old conventions and their vested interests always stand in the way of reform. Conservatism and inertia among Soviet cadres formed the main reason for the standstill in the reforms. In the field of theory, some scholars still cherish "outmoded concepts and old conventions." "Dogmatic concepts, negative forces, and conservative thoughts" often obstruct the development of theoretical studies. Another major obstacle comes from the vested interests. Structural reforms, the readjustments of economic relations, and the changes in organizational structures will certainly affect some people's vested interests or threaten their powers and positions. So some people will in fact oppose any change, although they also "support reform in words." Whenever the interests of their groups are affected, they will go all out to "resist" the reform. All signs show that the dispute and struggle between reformists and conservatives are still continuing.

Third, the administrative system in the Soviet Union is too cumbersome to be effective in implementing the orders of the central authorities. As a highly centralized country, the power of the central authorities can reach all remote villages and grass-roots units and enterprises. However, it is still hard to put every central instruction into actual practice in all parts of the country. Many places are too far away and beyond the reach of the central authorities. Frequently, the resolutions and major measures made by the party and government were simply cast aside in localities or were carried out perfunctorily.

PRC TO ISSUE DUAL CURRENCY BONDS IN JAPAN

OW261937 Beijing XINHUA in English 1932 GMT 26 Mar 86

[Text] Tokyo, March 26 (XINHUA) -- Three contracts under which the Bank of China will issue yen-dollar dual currency bonds totalling 20 billion yen (111.1 million U.S. dollars) in Japan for the first time were signed here today. A Chinese banker, who asked not to be named, told XINHUA that this is the first time China has issued such bonds to raise funds in international financial markets. The ten-year bonds will be issued in yen but will be subscribed for in U.S. dollars at par. They will be repaid in dollars at a 7.2 per cent interest rate. The bonds will be bought by five Japanese security companies -- Nikko, Nomura, Yamaichi, Daiwa and Nihon-Kangyokakumaru. China, the first country in the world to issue dual currency bonds in Tokyo's financial market, has issued bonds four times before in Japan with par value of about 540 million U.S. dollars.

WANG ZHEN MEETS JAPANESE STUDENT GROUP

OW291652 Beijing XINHUA in English 1634 GMT 29 Mar 86

[Text] Beijing, March 29 (XINHUA) -- Wang Zhen, honorary president of the China-Japan Friendship Association, met a delegation of middle-school students from Japan led by Hayashi Kohsuke, head of the Society of Japanese Students' Parents, here today. During the meeting, Wang welcomed the 58 middle school students from different Japanese cities to China, he hoped that youngsters of the two countries would make common efforts for world peace.

DPRK PROVINCIAL DELEGATION VISITS LIAONING

SK290439 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 28 Mar 86

[Text] The DPRK'S North Pyongan provincial delegation composed of seven foreign affairs workers and headed by (Kye Su-kil), director of the foreign affairs bureau under the provincial Administrative and Economic Guidance Committee, [title as heard] arrived in Shenyang by train on the afternoon of 28 March. Li Xishun, director of the provincial Foreign Affairs Office; Sui Xudong, deputy director of the provincial Foreign Affairs Office; and Luo Guochen, director of the Shenyang City Foreign Affairs Office, welcomed the delegation at the railway station. Bai Lichen, vice governor of the Liaoning Provincial Government, cordially met with and feted all of the members of the delegation that evening.

NEW ZEALAND'S LANGE WRAPS UP PRC VISIT

Calls on Rewi Alley

OW281004 Beijing XINHUA in English 0943 GMT 28 Mar 86

[Text] Beijing, March 28 (XINHUA) -- Visiting New Zealand Prime Minister David Lange called on Rewi Alley of New Zealand who now lives in China here this morning at Alley's residence. The 89-year-old Alley, who arrived in China in 1927, and has spent most of his life here has written many books, articles and poems on China.

Today Alley was in good spirits, wearing a cap of China's Uygur nationality and a grey suit. He greeted the Prime Minister at the entrance of his room, and then the two sat down for a chat in the guest room. Lange asked about his life, work and health in China. Alley told the prime minister that he was given the certificates making him an honorary citizen of Beijing and Gansu Province where he had worked for many years.

This afternoon, the Prime Minister and Mrs Lange joined two New Zealand Maori delegations here attending the opening of a Maori room of the New Zealand Embassy in Beijing. The opening ceremony was held in way of Maori tradition and customs by dancing and singing. Maori representatives from various parts of the country spoke at the ceremony to express their best greetings to the Chinese people. Chinese Minister of Textile Industry Wu Wenying was also present.

Zhao Ziyang Bids Farewell

OW281240 Beijing XINHUA in English 1228 GMT 28 Mar 86

[Text] Beijing, March 28 (XINHUA) -- Chinese Premier Zhao Ziyang went to the State Guesthouse here this afternoon to bid farewell to visiting New Zealand Prime Minister David Lange, who is scheduled to leave here tomorrow morning for the Philippines. Zhao told Lange that his visit to China had been a successful one, which would further promote the sound development of the relations between the two countries. Lange agreed that his visit had deepened their mutual understanding.

Speaking to Chinese journalists at the International Club here earlier this afternoon, Lange said that he had very useful talks with his counterpart Zhao Ziyang and his meetings with other Chinese leaders had been detailed and constructive. He said that New Zealand and China shared a commitment to peace and stability in the Asia and the Pacific region as well as an interest in the prosperity in that region. According to the prime minister, trade between the two countries had grown on a two-way basis, with its volume increased from one million U.S. dollars in 1972 to 185 million last year. Admitting there has been a four-to-one trade imbalance in New Zealand's favor, he said that New Zealand wants to see China sell to its market. "We are going to make sure that China has the best chance to sell in New Zealand," he promised.

Earlier this afternoon, the China National Aero-Technology Import and Export Corporation and the Beijing Institute of Aeronautics and Astronautics signed with Progeni, a New Zealand firm, contracts for joint technical development and for setting up a fourth generation learning system center.

Deng 'Extraordinarily Robust'

HK290144 Beijing CHINA DAILY in English 29 Mar 86 p 1

[By staff reporter Wang Gangyi]

[Text] The economic and social developments of the next five years are crucial to China's stability and progress in the following decades, Deng Xiaoping told New Zealand Prime Minister David Lange in Beijing yesterday. "China has achieved remarkable results over the last five years," Deng said during his talks with the visiting prime minister in the Great Hall of the People. "But this is only the beginning of a long march," said Deng, chairman of the Chinese Communist Party Central Advisory Commission. Deng told Lange that China's success depended on two important conditions, the continued pursuit of the country's present policies and the maintenance of world peace.

The Chinese leader said that during the Seventh Five-Year Plan (1986-90), comprehensive economic reforms would involve politics, education, science, technology and other areas. The success of these reforms would lay a foundation for continued stability for several decades to come. National construction depended on a peaceful environment, so China adhered to the pursuit of an independent foreign policy, which was aimed at maintaining world peace, he said. China's progress would benefit peace, he continued, and the country would become an important force for preventing world conflict.

The New Zealand prime minister yesterday also met Hu Yaobang, general-secretary of the Chinese Communist Party. Lange said that his visit to China was "very significant" and he considered that the two countries could strengthen their economic co-operation by launching joint venture enterprises. Hu noted that friendship between China and New Zealand had developed greatly, and suggested that the two countries undertake various forms of co-operation in trade, textiles and light industry.

The New Zealand prime minister told reporters at a press conference in Beijing yesterday that he didn't detect any policy differences among the Chinese leaders in his talks. To press on with the economic reforms, Lange said, was a consistent theme in the talks. There was absolutely no possibility of a deviation from existing policies, he asserted. He said: "The speculation that if one of the leaders were to go the commitment to the economic reform would be shattered, seems to me invalid.

"I must also say," he added, "that Chairman Deng seems to me to be extraordinarily robust." Yesterday afternoon, Premier Zhao Ziyang went to the State guesthouse to bid farewell to Lange who is leaving China today for a visit to the Philippines.

No Nuclear-Armed Ships

OW290045 Tokyo KYODO in English 0033 GMT 29 Mar 86

[Text] Beijing, March 29 KYODO -- Chinese leaders say China will not allow nuclear-armed ships from other countries to visit its ports, New Zealand Prime Minister David Lange told newsmen here Friday evening. Lange disclosed this after three days of talks with Chinese leaders, including senior leader Deng Xiaoping, party chief Yu Yaobang and Premier Zhao Ziyang. Lange is to leave here for the Philippines Saturday morning. The Chinese position on the issue was disclosed when Lange asked whether China had resumed talks with the United States about port calls by U.S. warships, he told the newsmen.

A scheduled call by U.S. Seventh Fleet ships at Shanghai last May was canceled after China demanded that they carry no nuclear arms. The U.S. never says officially whether its warships are nuclear-armed or not.

Previously, China only informally disclosed that the U.S. refusal to clarify whether the ships are nuclear-armed led to the cancellation of the port visit. And Lange was the first foreign premier to hear from Chinese leaders that China will keep out nuclear-armed ships from all countries and not only the U.S.

Chinese leaders, however, told Lange that Beijing showed its basic position on the problem to the U.S. side not from an aggressive intention but from an earnest wish to maintain good relations with Washington, Lange told newsmen.

FILIPINOS EXPRESS CONCERN OVER DISSOLVING PARLIAMENT

OW261916 Beijing XINHUA in English 1856 GMT 26 Mar 86

[Text] Manila, March 26 (XINHUA) -- The Official PHILIPPINE NEWS AGENCY (PNA) today reported mixed reactions to President Corazon Aquino's proclamation yesterday of the provisional constitution and the dissolution of the National Assembly. While ordinary citizens favorably reacted to the president's move, politicos of the old order were severe in their criticism of the chief executive's action, PNA said, adding that some of the opposition even declared they would join protests against Mrs Aquino's moves. But those newly-appointed to positions in local governments praised the president and told people in their localities that Mrs. Aquino's action was necessary to effect reforms, PNA said.

The Agency quoted Herminio Bautista, an engineer in Baguio City, as saying that the proclamation "is very encompassing to deliver the needed measures to help our community solve its manifold problems. Only by this means could President Aquino institute reforms both in the government and private sector. A sweeping reform could eradicate graft and corruption in our midst," Bautista said.

Twenty farmers, fishermen, housewives and market vendors interviewed by the agency said is does not matter if people will call Mrs. Aquino a dictator provided she does not steal and rob the government funds.

Command Brig. Gen. Ramon Montano, acting chief of the military's capitol region, along with his Chief of Staff Col. Emiliano Templo, expressed optimism that under the present setup, the government will pave the necessary changes in the country's "political, economic and military establishments."

MP Rafael Palmares, who had been deputy agriculture minister in the Marcos administration, however, said he has relayed his disagreement over the dissolution of the national assembly to his colleagues in Manila. He expressed the desire to join the nationwide protest over the president's move, PNA said. Palmares said he will attend the projected National Assembly session on April 14 and is willing to be arrested or shot as a consequence of his defiance.

Today some MPs expressed their opposition to the president's decision and threatened to set up a rebel legislature which will convene on April 14.

PHILIPPINES MULLS REPUDIATION OF SOME DEBTS

OW301310 Beijing XINHUA in English 1254 GMT 30 Mar 86

[Text] Manila, March 30 (XINHUA) -- The Philippines is considering selective repudiation of foreign loans, Economic Planning Minister Solita Monsod said today. "We're studying the possibility of repudiating foreign debts arising from overpricing," Solita Monsod said in a telephone interview. According to Monsod, local projects with Japanese funding were mostly overpriced.

One option, Monsod said, is for the Philippines to pay Japanese lenders of the actual loan and write off the portion arising from overpricing. Another option is to completely write off the debt, charging that there was "bad faith" in the loan arrangement, she said.

She said the national economic and development authority (NEDA), of which she is the director-general, will review all the government and private contracts related involving government financing and guarantees and Japanese lending. "We will determine if there are evidences of overpricing," she said, adding that she intends to raise the issue in the cabinet. She declined to give any figure arising from the overpricing.

Monsod made the statement following reports that Japanese firms overpriced their equipment they sold to local industries and gave multi-million dollar commissions to deposed President Marcos and his businessmen friends. A former executive of Galleon Shipping Corporation said today that Marubeni Corp. of Japan overpriced by as much as 70 million U.S. dollars for nine Japanese vessels it sold to Galleon in 1980.

OVERSEAS CHINESE PAPER TO RESUME IN PHILIPPINES

HK290744 Beijing ZHONGGUO XINWEN SHE in Chinese 1444 GMT 25 Mar 86

[Text] Hong Kong, 25 March (ZHONGGUO XINWEN SHE) -- News from Manila: Yu Chang-cheng, former publisher, and Yu Chang-keng, former chief editor of the Philippine OVERSEAS CHINESE COMMERCIAL NEWSPAPER [hua qiao shang bao 5478 0294 0794 1032], disclosed here yesterday that this paper will resume publication very soon and that preparations are being made now.

Referring to the paper's purpose, the Yu brothers said that, as in the past, the paper will preserve its character of daring to speak out and will offer constructive criticisms on the Chinese community, Philippine society, and China. It will also arouse its readers' interest in the future and trends of the Philippine Chinese community.

The OVERSEAS CHINESE COMMERCIAL NEWSPAPER was first run by Yu Yi-ting, father of the Yu brothers. It ceased publication after Yu Yi-tung was arrested and killed by Japanese troops when the Philippines fell into the hands of the Japanese. After the surrender of the Japanese, it resumed publication and was managed by Yu Chang-cheng and his brother. In 1970, the Yu brothers were deported to Taiwan by the Marcos government and the OVERSEAS CHINESE COMMERCIAL NEWSPAPER was then closed down in 1972. In 1972 and 1973, the Yu brothers were set free one after another. They left Taiwan and went to live in North America. In early March this year, after Marcos stepped down, they returned to the Philippines to reunite with their families. Yu Chang-keng said: We were born and brought up in the Philippines and will be happy to contribute to Philippine society.

SINGAPORE WORKS TO KEEP FINANCIAL CENTER STATUS

OW301314 Beijing XINHUA in English 1303 GMT 30 Mar 86

[Text] Singapore, March 30 (XINHUA) -- Singapore has recently set up a high-powered committee to ensure the country's position as a leading international foreign exchange center. The committee is aimed at meeting the growing challenge of other financial centers in the region, such as Tokyo and Hong Kong and improve professional and ethical standards here. It will look into ways of expanding and strengthening foreign exchange and financial markets, such as fund management. It would also tap more international business.

Singapore is a foreign currency market. Nearly 14 billion U.S. dollars in foreign currency, about 8 percent of the world's turnover, are traded each day in Singapore, ranking the country first in Asia and fifth in the world after London, New York, Zurich and Frankfurt. The world foreign exchange market has grown from about 40 billion U.S. dollars of daily turnover in 1974 to about 170-180 billion U.S. dollars a day at the end of last year. Other foreign exchange centers such as Tokyo, Hong Kong and Frankfurt were growing much faster than Singapore. Among more than 100 banks and about 50 merchant banks represented in Singapore, only about a dozen are said to be active market makers. So, one of the main tasks of the new committee is to increase the number of active participants.

SHANDONG'S LIANG BUTING TO VISIT SINGAPORE 31 MAR

SK310333 Jinan Shandong Provincial Service in Mandarin 2300 GMT 30 Mar 86

[Text] At the invitation of the relevant departments of Singapore, a 5-member Shandong provincial economic investigation group led by Liang Buting will leave Beijing for a week's tour of Singapore on 31 March. The group will conduct investigations on the situation of urban construction, social development, and tourist trade during its stay in Singapore. This is the first high-level visiting group dispatched by our province since last September when Lee Kuan Yew, prime minister of Singapore, toured our province during this visit to China. On the evening of 28 March together with Mr (Fu Jingguo), outgoing representative of the Singapore trade representative's office in China, (Li Yingjun), newly appointed representative of the Singapore trade representative's office, and his wife met with Liang Buting and his part at the office in Beijing. The two parties talked with each other in an atmosphere of cordial friendship. They unanimously expressed that from now on they will increasingly expand the cooperation and exchange in the cultural and education fields. Mr (Li Yingjun) wished Liang Buting and his party a successful visit.

SINO-AUSTRALIAN SMELTER TO AID PRODUCTION

OW300908 Beijing XINHUA in English 0648 GMT 30 Mar 86

[Excerpts] Canberra, March 30 (XINHUA) -- Australia's gross export income from bauxite, alumina and aluminum in 1985 is estimated to exceed 2,500 million Australian dollars (about 1,775 million U.S. dollars), which is about 25 percent higher than 1984's. According to the latest review by the bureau of mineral resources of the country's resources and energy department, Australia in 1985 exported 7,176,093 tonnes of alumina (including aluminum hydroxide) and 559,517 tonnes of aluminum refinery shapes.

Australia, the world's largest bauxite and alumina producer, is estimated to produce 32,400,000 tonnes of bauxite, 8,791,501 tonnes of alumina and 851,286 tonnes of aluminum in 1985, which respectively represent about 42, 36 and seven percent of the western world's production. Australian Minister for Resources and Energy Gareth Evans said a few days ago that his country's production and exports of aluminum are likely to increase substantially in the late 1980s when the Portland aluminum smelter comes on stream. The smelter, a joint project in which the China International Trust and Investment Corporation has ten percent equity, is planned to produce 600,000 tonnes of aluminum annually after it goes into full operation..

XIZANG ECONOMIC DELEGATION RETURNS FROM NEPAL

HK280953 Lhasa Xizang Regional Service in Mandarin 1130 GMT 24 Mar 86

[Excerpts] Headed by Gyamco, vice chairman of the regional people's government, the regional economic and trade delegation successfully concluded its visit to the Kingdom of Nepal and returned to Lhasa on the afternoon of 13 March. Doje Cering, acting chairman of the regional people's government; Puqung, Tudao Doje, and Gong Dzxi, vice chairmen of the regional people's government; and responsibile comrades of departments concerned went to the place where the members of the delegation were staying, to visit them.

With the aim of developing economic and trade contacts, carrying out cooperation in tourism, and strengthening friendship, our regional economic and trade delegation visited the Kingdom of Nepal, made extensive contacts with industrial, commercial, and tourism circles of Nepal, and disseminated our region's economic policy of opening up and its advantages for developing tourism and foreign trade.

The delegation concluded its visit to Nepal on 13 March. Prior to its returning home, the Government of the Kingdom of Nepal sent officials to see it off at the Youyi Bridge. When the delegation arrived in Xigaze Prefecture, it was welcomed by Buduoji, vice chairman of the regional people's congress standing committee and secretary of the Xigaze Prefectural CPC Committee: (zhen Zhu), commissioner of the prefectural commissioner's office; and others.

NEPALESE PRIME MINISTER PRAISES TIES WITH PRC

Beijing XINHUA in English 1431 GMT 30 Mar 86

[Text] Kathmandu, March 30 (XINHUA) -- Prime Minister Nagendra Prasad Rijal expressed here today his wish for further development of friendly relations and cooperation between Nepal and China.

While meeting a seven-member delegation of the Chinese People's Association for Friendship with Foreign Countries (CPAFFC) led by Li Lianbi, leader of the delegation and president of CPAFFC Shaanxi Province branch this afternoon, the prime minister said that Nepal and China have a very long history of friendship. He appreciated China's assistance to Nepal. He added that the two countries are helping each other.

Arrived here on March 22, the delegation was also received by Foreign Minister Ranadhir Subba. The Chinese visitors will leave here for home tomorrow.

DANISH PRIME MINISTER COMPLETES CHINA VISIT

Zhao Ziyang Phones Schluter

OW291516 Beijing XINHUA in English 1436 GMT 29 Mar 86

[Text] Shanghai, March 29 (XINHUA) -- Premier Zhao Ziyang made a phone call from Beijing to Danish Prime Minister Poul Schluter in Shanghai this afternoon, congratulating Schluter on his successful visit to China. Zhao told Schluter said that the visit had strengthened mutual understanding between China and Denmark, and has given an impetus to their friendly cooperation in the future. Zhao asked the prime minister to convey to the Danish people the good wishes of the Chinese people after his return to Denmark.

Schluter expressed his thanks for the hospitality accorded him during his stay in China. He described his visit to China as being "very successful", adding, "We've seen so much and we have had discussions with so many kind people." The Danish premier told Zhao that a highlight yesterday was his party's tour of the Baoshan steel works in Shanghai.

Schluter discussed with personnel from economic circles on further developing economic and technological cooperation between Denmark and Shanghai here this morning, and visited a township on the outskirts of China's biggest industrial city this afternoon. The guests enjoyed a theatrical program here tonight. They arrived from Hefei, capital of Anhui province, yesterday and are scheduled to leave for home tomorrow.

Meets With Rui Xingwen

OW300650 Shanghai City Service in Mandarin 0100 GMT 30 Mar 86

[Excerpts] Danish Prime Minister Schluter yesterday evening held a press conference at the Shanghai Jinjiang Guest House. He emphatically pointed out: My current visit to China is very successful. My two discussions with Deng Xiaoping and Zhao Ziyang in Beijing are the two most interesting discussions in my many years of political life.

Touching on the issue of how to maintain a trade balance between China and Denmark, Prime Minister Schluter said: China can export various things to Denmark. In recent years, China's exports to Denmark have increased over the past. In the future, China can export more to Denmark. Denmark has been importing textile, chemical industry, and some machinery products. Denmark can also help China export its products to other countries and we have actually done this.

Yesterday evening, Rui Xingwen, secretary of the Shanghai Municipal CPC Committee, met with Danish Prime Minister Schluter and accompanied the distinguished Danish guests to see a cultural performance especially prepared for them.

According to other reports, yesterday afternoon in Beijing, Premier of the State Council Zhao Ziyang, telephoned Danish Prime Minister Poul Schluter, who will soon leave Shanghai for home, to congratulate him on the complete success of his visit to China.

Departs Shanghai for Home

OW300858 Beijing XINHUA in English 0847 GMT 30 Mar 86

[Text] Shanghai, March 30 (XINHUA) -- Danish Prime Minister Poul Schluter and his party left here for home by air this morning at the end of their official visit to China.

Before his departure Schluter said in an interview with Chinese journalists that his journey had been a great success both politically as well as with regard to bilateral economic and industrial relations. He said his two conversations one with Deng Xiaoping and the other with Zhao Ziyang were almost the most interesting ones he had in many years of his political life.

Schluter said mutual cooperation between Denmark and China and other West European countries were based on a common desire of safeguarding world peace. He said China was a good trade partner with Denmark and there were great potentials in bilateral trade.

Schluter and his party were seen off at the airport by Minister of Civil Affairs Cui Naifu who had accompanied him on the visit and Vice-Mayor of Shanghai Municipality Zhu Zongbao.

FRG PARLIAMENTARY GROUP ARRIVES FOR TALKS

Meet With Hu Yaobang

OW291048 Beijing XINHUA in English 1030 GMT 29 Mar 86

[Text] Beijing, March 29 (XINHUA) -- Chinese Communist Party General Secretary Hu Yaobang met Hans-Jochen Vogel, vice-chairman of the Social Democratic Party of Germany and chairman of the parliamentary group from the party of Bundestag, and his group here today. Hu and Vogel exchanged views on international issues of common concern.

Speaking on world peace, Hu said the unity of people of all countries to fight against war and in defense of peace is the best way to safeguard world peace, adding that the bright future of world peace can be gained.

Sharing his view, Vogel said that the people of the world should embark on a long march for the cause of peace. The United States and the Soviet Union should spend the money, which they use for arms race, on eliminating the unjust phenomena in the world and on eliminating poverty, he said. Vogel praised the tremendous efforts China has been making in its economic restructuring, and wished its people still greater achievements in economic construction.

Present on the occasion was Hu Qili, member of the political bureau, and member of the secretariat, of the Chinese Communist Party Central Committee.

The Federal German visitors arrived here March 26 as guests of the Chinese People's Institute of Foreign Affairs, and will leave here tomorrow for a tour of Wuhan, Shanghai and Suzhou.

Huang Hua Meets Group

OW281858 Beijing XINHUA in English 1834 GMT 28 Mar 86

[Text] Beijing, March 28 (XINHUA) -- Huang Hua, vice-chairman of the National People's Congress Standing Committee, met Hans-Jochen Vogel, vice-chairman of the Social Democratic Party of Germany, and his group here this afternoon. Vogel is also chairman of the parliamentary group from the party.

Huang briefed the visitors on China's economic reform and the current session of the National People's Congress. Vogel and his group arrived here March 26.

Talk With Zhu Liang

OW27116 Beijing XINHUA in English 1108 GMT 27 Mar 86

[Text] Beijing, March 27 (XINHUA) -- Zhu Liang, head of the international liaison department of the Chinese Communist Party Central Committee, met Hans-Jochen Vogel, vice-chairman of the Social Democratic Party of Germany, and his group here today. Vogel is also chairman of the parliamentary group from the party.

FRG DEFENSE OFFICIAL VISITS SHENYANG PLA UNITS

SK280507 Shenyang Liaoning Provincial Service in Mandarin 2200 GMT 27 Mar 86

[Text] A 7-member group led by Dr Lothar Ruhl, state secretary of the FRG Ministry of Defense, who were accompanied by Song Wenzhong, director of the Foreign Affairs Bureau under the Ministry of National Defense, arrived in Shenyang by a special plane on the afternoon of 27 March for a visit.

Greeting the group at the airport were Shi Baoyuan, deputy commander the Shenyang Military Region; (Yang Guoping), deputy chief of staff of the military region; and (Jiang Zhen), deputy commander of the air force unit under the military region. On the evening of 27 March, Liu Jingsong, commander of the military region, received and feted the FRG guests.

WU XUEQIAN MEETS IRISH CULTURAL DELEGATION

OW281216 Beijing XINHUA in English 1212 GMT 28 Mar 86

[Text] Beijing, March 28 (XINHUA) -- Chinese Foreign Minister Wu Xueqian met an Irish Government Cultural delegation led by Edward Nealon, minister of state, here today. Wu briefed the Irish visitors on China's foreign policy and the ongoing economic reform.

Nealon told Wu that his country, though a small one, is similar to China in many ways, and the Irish people hope to develop friendship with the Chinese people. He added that the Chinese terracotta horses and armoured warriors being displayed in Ireland have aroused great interest of his people.

WANG ZHAOGUO MEETS SPANISH DELEGATION 27 MAR

OW271342 Beijing XINHUA in English 1330 GMT 27 Mar 86

[Text] Beijing, March 27 (XINHUA) -- Wang Zhaoguo, member of the Secretariat of the Chinese Communist Party Central Committee, met here this evening a delegation from the Union of the Communist Youths of Spain led by General Secretary Jesus Maria Montero. The delegation arrived here Tuesday at the invitation of the Central Committee of the Communist Youth League of China.

Leading officials of the Central Committee of the Communist Youth League of China and the international liaison department of the Chinese Communist Party Central Committee had met and feted members of the delegation in the last two days.

SINO-FRENCH ECONOMIC LAW SEMINAR OPENS

OW300856 Beijing XINHUA in English 0822 GMT 30 Mar 86

[Text] Beijing, March 30 (XINHUA) -- Sino-French Seminar on Economic Laws, sponsored jointly by China's Ministry of Justice, the China Law Society and L'Ordre des Avocats a la Cour de Paris (Parisian Law Society), opened here today. The purpose of the seminar is to enhance understanding between Chinese and foreign lawyers and to pave the way for economic cooperation between China and other countries.

During the four-day sitting, about 60 Chinese and French experts will discuss the legislation on joint ventures, contracts, patents, trade mark and arbitration.

Since China endorsed an open policy in 1979, it has promulgated over 50 laws and regulations governing its economic relations with foreigners.

Almost all courts in the country have economic courts. And the China Council for the Promotion of International Trade has set up here in the capital the commission for arbitrating foreign economic dealings and trade. Apart from its committee for examining trade marks, the State Administration for Industry and Commerce has committees at all levels for arbitrating economic disputes. The Chinese Patent Bureau has an examination office for patent rights. In addition, law offices have been set up in many major cities and coastal ports to provide services to foreign businessmen.

In order to learn from their foreign counterparts, Chinese lawyers have, in recent years strengthened exchanges with lawyers from Japan, the Federal Republic of Germany and the United States.

QIAO SHI TO HEAD CPC TEAM TO ITALIAN CP CONGRESS

OW310808 Beijing XINHUA in English 0801 GMT 31 Mar 86

[Text] Beijing, March 31 (XINHUA) -- A Chinese Communist Party delegation will attend the 17th National Congress of the Communist Party of Italy which will be held from April 9 to 13 in Florence. This was announced by a spokesman for the international liaison department of the Central Committee of the Communist Party of China (CPC) here at a news briefing earlier today. He said that the delegation will attend the Congress at the invitation of the Central Committee of the Communist Party of Italy. The delegation is led by Qiao Shi, member of the political bureau and member of the secretariat of the CPC Central Committee, the spokesman said.

DUTCH NAVAL COMMANDER FETED IN BEIJING

OW291627 Beijing XINHUA in English 1542 GMT 29 Mar 86

[Text] Beijing, March 29 (XINHUA) -- The Commander-in-Chief of the Royal Netherlands Navy, Vice-Admiral C.H.E. Brainich, and his wife were honored at a banquet given by Chinese Navy Commander Liu Huaqing here tonight. In a toast, Luu said, though China and the Netherlands are far apart geographically, both share the desire to safeguard world peace and develop bilateral relations.

The successful visit to Shanghai by a task group of the Royal Netherlands Navy earlier this month left a deep impression on the officers and men of the Chinese Navy, he said. He believed that the vice-admiral's current visit would further enhance mutual understanding and friendly relations between the two navies.

His Dutch counterpart said that, in addition to getting an insight into Chinese society and culture, he also hoped to see Chinese naval installations and to discuss matters of common interest with Chinese naval personnel during the visit. He also hoped his visit would strengthen the existing ties between the two navies.

Soon after the guests arrived here this afternoon, Liu Huaqing presided over a welcoming ceremony at the local naval headquarters. Later they held talks.

MUGABE THANKS PRC, UK FOR MILITARY TRAINING HELP

OW281658 Beijing XINHUA in English 1648 GMT 28 Mar 86

[Text] Harare, March 28 (XINHUA) -- Zimbabwean Prime Minister Robert Mugabe expressed thanks yesterday to the Chinese and British Governments for helping train the Zimbabwe National Army, Zimbabwe newspaper reported here today.

Speaking after reviewing a parade by the first field regiment of the Zimbabwe artillery near Chakari, the prime minister said that Zimbabwe's borders could have been extremely vulnerable to external aggression, particularly one by South Africa, had it not been for the assistance received from the country's friends.

The regiment was first trained by the Chinese for a year and received another year's training from the Birtish military advisory training team.

"In our attempts to achieve our desired goal of military discipline and excellence, we are fully aware that a weaker Zimbabwe could aggravate instability in our sub-region and so create seeds of international insecurity," the prime minister said. He said, "accordingly we salute those of our friends and allies who join hands with us in creating favorable conditions for regional stability and international peace and security."

The prime minister urged the regiment not to be complacent with the training they had received, but to continue training and keep abreast with the changing world of military technology.

There was also need for army cadres to be politically conscious of national, regional and international affairs, he stressed.

SFRY PRESIDENT MEETS PRESS ON EVE OF PRC VISIT

OW310712 Beijing XINHUA in English 0635 GMT 31 Mar 86

[Excerpts] Belgrade, March 31 (XINHUA) -- Yugoslav state leader Radovan Vlajkovic last week said that Yugoslav-Sino friendly relations have developed in a sound and comprehensive way. The relationship is built on the principle of full mutual respect and trust, and non-interference in each other's internal affairs. President Vlajkovic made the statement during a wide-ranging interview with Chinese reporters given as a prelude to his visit to China beginning April 2. But, the growth of bilateral economic cooperation, though steady in recent years, does not reflect the potential and the interest of both sides in this field. Vlajkovic predicted that his coming visit to China will result in new prospects for bilateral cooperation, especially in the economic field.

Referring to the Non-Aligned Movement, Vlajkovic said under the present international situation, people in the world naturally hope that the movement will adhere to its basic directions in major international issues such as peace and security, disarmament, democratic international relations and progress of the world. The eighth summit conference of the Non-Aligned States will convene in Harare this year. As one of the founders of the Non-Aligned Movement, the president said, Yugoslavia will continue to give its full support to the principles of the movement, and will help strengthen the movement, which was founded 25 years ago.

Begins Asia Tour

OW281656 Beijing XINHUA in English 1645 GMT 28 Mar 86

[Text] Belgrade, March 28 (XINHUA) -- The President of the Presidium of the Socialist Federal Republic of Yugoslavia Radovan Vlajkovic left here this morning for official visits to the Democratic People's Republic of Korea and the People's Republic of China. "I am very glad to pay the visits," Vlajkovic said to a Chinese reporter before getting on a special plane. "My visit to China is taking place at a time not only when the friendly relations between China and Yugoslavia are developing vigorously, but also when the political and economic situation in the world is serious." He said he will have a frank and detailed exchange of views with Chinese leaders on important relations between the two countries and on international problems. He believed the talks will be rich in content, he added. Vlajkovic will visit China after his five-day tour of Korea starting tomorrow.

He was seen off at the Belgrade airport by Sinan Hasani, vice president of the Presidium, Ilijaz Kurtesi, president of the assembly and Janez Zemljaric, vice president of the Federal Executive Council. Some officials from the Korean and Chinese Embassies here were also present on the occasion.

SFRY Ministry Comments

OW300838 Beijing XINHUA in English 0653 GMT 30 Mar 86

[Text] Belgrade, March 29 (XINHUA) -- The upcoming visit to China by Radovan Vlajkovic, president of the Yugoslavia's collective presidency, will further promote bilateral relations and cooperation and contribute to world peace and security, a Yugoslav Foreign Ministry spokesman said today.

The president will begin an official visit to China on April 2 after visiting the Democratic People's Republic of Korea. The spokesman, Leksandar Stanic, said in a statement that Yugoslavia attaches great importance to the visit as well as to its friendly relations with China which are growing on the basis of respecting independence and sovereignty, and non-interference in each other's internal affairs. He said that during the visit Vlajkovic will hold talks with President Li Xiannian and other Chinese leaders on bilateral cooperation and international issues and they are also expected to exchange views on their socialist economic construction.

ZHANG JINGFU MEETS SFRY PARTY STUDY GROUP

OW281627 Beijing XINHUA in English 1618 GMT 28 Mar 86

[Text] Beijing, March 28 (XINHUA) -- State Councillor Zhang Jingfu met and feted here tonight a study group from the League of Communists of Yugoslavia headed by B. Seijani, secretary of the Presidium of the Kosovo Provincial Committee of the Yugoslav Communists League. The guests arrived in China March 21. They have come to study the current urban economic reform in Beijing, Wuhan, Guangzhou and other cities.

LI PENG MEETS HUNGARIAN TRANSPORT MINISTER

OW290405 Beijing XINHUA in English 0222 GMT 29 Mar 86

[Text] Beijing, March 29 (XINHUA) -- Chinese Vice-Premier Li Peng met Hungarian Minister of Transport Lajos Urban and his party here this morning at the Great Hall of the People. Urban and his party arrived in Beijing March 22 as guests of the Ministry of Railways. They had visited Beijing, Shanghai and Guangzhou and exchanged views with departments concerned on developing cooperation between the two countries in the fields of railways, highways and civil aviation. Present at the meeting were Minister of Railways Ding Guangen and Hungarian Ambassador to China Laszlo Ivan.

CSSR PREPARED TO NORMALIZE RELATIONS WITH PRC

OW301220 Beijing XINHUA Domestic Service in Chinese 0243 GMT 29 Mar 86

[Excerpts] Prague, 28 Mar (XINHUA) -- The 17th Czechoslovak Communist Party [CPCZ] Congress was held in Prague from 24 to 28 March. Proceeding from the specific conditions of Czechoslovakia itself, this congress has laid down the strategy for accelerating the state's social and economic development. The congress fully expounded the CPCZ's foreign policy, reaffirming that the task of utmost importance in Czechoslovakia's foreign policy is to strengthen the friendship and cooperation with the Soviet Union and expressing the willingness to further expand economic and scientific-technological cooperation with capitalist countries.

The congress also took a positive attitude toward developing the Sino-Czechoslovak relations and was prepared to fully normalize relations with the People's Republic of China.

LI XIANNIAN MEETS MADAGASCAR AMITY OFFICIAL

OW281307 Beijing XINHUA Domestic Service in Chinese 0242 GMT 26 Mar 86

[By reporter Wang Wencheng]

[Text] Antananarivo, 25 Mar (XINHUA) -- President Li Xiannian met with (Rokotoniaina), chairman of the Madagascar-China Friendship Association and member of the Supreme Council of the Revolution, and other officials of the friendship association here this evening, and had a friendly talk with them. During the meeting, President Li praised the Madagascar-China Friendship Association for having done a tremendous job in promoting the friendship between the two countries. He said: The friendship association has helped promote the friendly relations between China and Madagascar.

Recalling the profound impressions that members of the friendship association got during their visit to China, (Raoktoniaina) thanked the Chinese Government for its assistance to the association, and pledged to contribute more to enhancing and strengthening the friendship and mutual understanding between the people of the two countries. On behalf of the friendship association, (Raoktoniaina) presented President Li Xiannian an oil painting of the scenery of the island country.

Present at the meeting were members of President Li's entourage, including Qi Huaiyuan, vice minister of foreign affairs; Tang Longbin, assistant to the foreign minister; and Chinese Ambassador to Madagascar Yang Guirong.

Tours Museum, Park

OW281211 Beijing XINHUA Domestic Service in Chinese 0252 GMT 25 Mar 86

[By reporters Xu Zhi and Huai Chengbo]

[Excerpts] Antananarivo, 25 Mar (XINHUA) -- Visiting president Li Xiannian toured the Queen's Palace Museum and (Zimbazaza) Park in Antananarivo this afternoon. When President Li and his wife Lin Jiamei arrived at the Queen's Palace Museum in the company of Mrs. Ratsiraka, wife of the president, and (Rakotoniaina), member of the Supreme Council of the Revolution and chairman of the Madagascar-China Friendship Association, they were greeted by well-wishers waving Malagasy and Chinese national flags and flowers. Some 20 Malagasy youths sang the Chinese song "In Praise of the Motherland." Then, President Li and his wife Lin Jiamei visited (Zimbazaza) Park, which is famous for its rare fox monkeys.

MOROCCAN PARLIAMENT PRESIDENT LEAVES FOR PRC

OW291712 Beijing XINHUA in English 1519 GMT 29 Mar 86

[Text] Rabat, March 29 (XINHUA) -- President of the Moroccan Chamber of Representatives Ahmed Osman and a Moroccan parliamentary delegation. He is leading left here this morning for a visit to China at the invitation of the National People's Congress of China. In a departure speech to XINHUA at the airport, Osman said: "The visit will certainly reinforce the existing relations between Morocco and China in various fields, including economy, trade and culture." This is Asman's second visit to China, he visited the country early in 1981 as a special envoy of Morocco's King Hassan II. Vice-President of the Moroccan Chamber of Representatives Mohamed Haddou Echiguer and Chinese Ambassador to Morocco Wei Dong bid farewell to Osman and his delegation at the airport.

SOMALI MINISTER PRAISES PROJECT BUILT BY PRC

OW301320 Beijing XINHUA in English 1307 GMT 30 Mar 86

[Text] Mogadishu, March 30 (XINHUA) -- Somali First Vice-President and Minister of Defense Mohamed Ali Samatar cut the ribbon for the completion of the Baidoa agriculture extension project which was contracted and constructed by a corporation from Jiangsu Province of China recently. The first vice-president expressed appreciation for the quality of the project.

The project includes an experiment station, a research station, a veterinary station as well as residences and offices. Covering a 7,000 square metres construction area, it was inaugurated in February, 1985. The World Bank invested in it some 3.7 million U.S. dollars. The project was build in Baidoa, capital of the Baidoa Region, one of the main agricultural areas in the southern part of the country. The completion of the project will boost agriculture in the area.

LEBANESE DEPUTY SPEAKER RECEIVES CHINESE ENVOY

OW301302 Beijing in Mandarin to Taiwan 1500 GMT 27 Mar 86

[Text] Vice President of the Lebanese National Assembly (Fadle) received Chinese Ambassador to Lebanon Wu Shunyu in Beirut on the afternoon of 26 March. He expressed his appreciation of China's consistent support for Lebanon's just cause. (Fadle) reiterated Lebanon's request for an extension of the UN interim forces stationed in Lebanon and demanded that Israel implement relevant resolutions of the UN Security Council and withdraw its troops from Lebanon. He hoped that the permament members of the UN Security Council will perform their share of responsibility in implementing relevant UN resolutions.

Wu Shunyu pledged China's support for the Lebanese people's stand on safeguarding independence and sovereignty. He stressed that Israel must unconditionally withdraw all troops from Lebanon.

ZHAO, OTHERS WELCOME LI XIANNIAN ON RETURN HOME

OW281236 Beijing XINHUA in English 1232 GMT 28 Mar 86

[Text] Beijing, March 28 (XINHUA) -- President Li Xiannian returned here this evening after concluding his five-nation tour, which has taken him to Bangladesh, Sri Lanka, Egypt, Somalia and Madagascar. Li and his party were greeted at the airport by Chinese leaders Zhao Ziyang, Yang Shangkun, Hu Qili, Wu Xueqian and Zhou Gucheng. Diplomatic envoys in Beijing from countries Li has just visited were also present. This morning when President Li and his party left Karachi where they had a stopover, they were seen off at the airport by Pakistan President Ziaul Haq, Foreign Minister Sahabzada Yakub Khan and Governor of Sind Province Jahandad Khan.

ZHAO ZIYANG, PENG ZHEN AT 2D NPC PLENARY MEETING

OW290434 Beijing XINHUA Domestic Service in Chinese 0827 GMT 26 Mar 86

[Excerpt] Beijing, 26 Mar (XINHUA) -- The Fourth Session of the Sixth National People's Congress held its second plenary meeting at the Great Hall of the People this morning. The meeting heard a report on the draft 1986 plan for economic and social development by Song Ping, state councillor and minister in charge of the State Planning Commission. It also heard a report on the implementation of the state budget for 1985 and the draft state budget for 1986 by Wang Bingqian, state councillor and and minister of finance. Chairman Peng Zhen and Premier Zhao Ziyang attended today's meeting. The executive chairmen of the meeting today were Wang Renzhong, Ngapoi Ngawang Jigme, Yan Jici, Yang Dezhi, Ma Qingnian, Batubagen, Sun Guozhi, Li Zhen, He Haoju, Zhang Zhengde, Zhao Xiu, Huang Huang, and Jiao Linyi. The deputies began group meetings this afternoon to deliberate the reports by Zhao Ziyang, Song Ping, and Wang Bingqian.

Wang Bingqian on State Budget

OW290421 Beijing XINHUA Domestic Service in Chinese 0754 GMT 26 Mar 86

[Text] Beijing, 26 Mar (XINHUA) -- In his report on the execution of the state budget for 1985 and on the draft state budget for 1986 to the Fourth Session of the Sixth National People's Congress, Finance Minister Wang Bingqian, who is also a state councillor, pointed out that as a result of carrying out the principle of invigorating the economy, opening to the outside world, and undertaking economic reform in economic and financial work while tightening control over macroeconomic operations, the country's economic situation had continued to improve in 1985.

Wang Bingqian said: According to present estimates, total state revenues in 1985 stood at 185.411 billion yuan (of the total revenues, domestic receipts amounted to 182.9 billion yuan), accounting for 120.8 percent of the budgeted figure; total expenditures stood at 182.594 billion yuan, accounting for 116.7 percent of the budgeted figure. As a result, there was a surplus of 2.817 billion yuan. Wang Bingqian noted that the following are the gratifying changes that had taken place in the country's financial situation:

1. There was a change from a deficit to a balance between revenues and expenditures in the state's finances.

The 1985 state budget predicted a deficit of 3 billion yuan, but in order to eliminate the financial deficit and stabilize the economy, the state adopted a series of measures and made concerted efforts to develop production, increase funds and revenues, and exercise control over expenses, thereby achieving a balance between revenues and expenditures despite a fairly large increase in both revenues and expenditures.

2. With the development of the economy and the expansion of financial sources, state revenues steadily increased. For years, China's state revenues lingered at around 100 billion yuan and generally increased at an annual rate of from 5 to 6 billion yuan. State revenues began to increase steadily beginning in 1983. Domestic receipts for 1983 and 1984 rose 12.7 and 25.5 billion yuan over 1982 and 1983, respectively. In 1985, domestic receipts again rose by 36.2 billion yuan over 1984, representing a rate of increase of 24.7 percent.

3. Rational distribution and utilization of funds ensured the construction of key state projects and the development of intellectual resources. In 1985, total state expenditures rose by 28.9 billion yuan, or 19 percent, over 1984. Of the total expenditures, the appropriation for domestic capital construction rose by 9 billion yuan, or 20 percent, over 1984; the appropriation for cultural, educational, scientific, and health undertakings went up by 5.399 billion yuan, or 20.5 percent, over 1984. The rate of increase of these two appropriations exceeded that of the total expenditures. New progress was made in construction in 1985, as the construction of key projects was completed at a quicker rate. Ninety-seven large and medium-sized projects were completed and put into operation in the same year, while another 134 individual projects were also completed.

4. With the development of production, people's living conditions further improved. In 1985, we made an important stride forward in wage reform. In state organs and institutions, we put a system into effect in which wages are related to specific work posts; in some large and medium-sized enterprises where conditions permitted, we tried out a system in which the total payroll of the workers and other employees was allowed to fluctuate with the economic performance of the enterprises. However, most of the enterprises continued to adopt the system of basic wages plus bonuses after having made proper wage readjustments. The state also subsidized a small number of enterprises that could not readjust workers' wages because they lacked bonus funds. Urban per capital income and peasants' per capita real income in 1985, after being adjusted for price increases, rose 10.6 and 8.4 percent, respectively, over 1984.

5. We achieved initial success in improving financial and economic discipline by launching a general inspection of taxation, financial work, and commodity prices.

Wang Bingqian said: This year is the first year of the Seventh 5-Year Plan. Making proper arrangements for the state budget for 1986 and fulfilling it is very important for accomplishing the economic and financial tasks for the 5-year plan period. The state budget for 1986 submitted to the current NPC session for examination has the total state revenues and expenditures in balance at 214.147 billion yuan. Wang Bingqian said: In order to successfully fulfill the state budget for 1986, to achieve a balance between revenues and expenditures and accomplish the financial and economic tasks for the first year of the 5-year plan period, we must seek ideological unity, pool the wisdom and efforts of the masses, and strive to accomplish the following tasks:

-- We must make vigorous efforts to increase production and practice economy, to raise economic efficiency, and to ensure a continued and steady increase in state revenues;

-- We must continue to tighten control over macroeconomic operations, act according to our capability, do the best we can, and exercise control over and reduce expenses;

-- We must strive to do a good job in restructuring the economy in accordance with the needs to consolidate, digest, and supplement the achievements of reform and to further improve our financial and taxation systems;

-- We must strengthen supervision over financial work, improve financial and economic discipline, and conscientiously curb unhealthy tendencies.

PART TEN OF SEVENTH 5-YEAR PLAN HIGHLIGHTS

OW290726 Beijing XINHUA in English 0714 GMT 29 Mar 86

["Highlights of Seventh Five-Year Plan (10)" -- XINHUA headline]

[Text] Beijing, March 29 (XINHUA) -- Here are the 1990 targets for China's transportation and postal-telecommunications sectors in the latest draft of the Seventh Five-Year Plan (1986-90):

-- freight carried by all means of transport, 9.4 billion tons -- up 44.6 percent from 1985.
-- passengers carried by all means of transportation, 8.5 to nine billion, up about 60 percent.
-- rail freight, 1.6 billion tons, up 25.5 percent.
-- rail passengers, 1.4 billion, up 36.4 percent.
-- cargo transported by vessels and barges, 600 million tons, up 23.2 percent.
-- ship passengers, 299 million, up 12.3 percent.
-- cargo handled by coastal ports, 500 million tons, up 51.5 percent.
-- freight carried over roads by transportation department, 900 million tons, up 38.5 percent
-- air freight, 2.5 billion ton-kilometers, up nearly 100 percent.
-- total value of postal-telecommunications services, five billion yuan, up 70.1 percent.

Part Eleven

OW290730 Beijing XINHUA in English 0717 GMT 29 Mar 86

["Highlights of Seventh Five-Year Plan (11)" -- XINHUA headline]

[Text] Beijing, March 29 (XINHUA) -- China will complete 3,600 km of new trunk railway lines over the next five years, according to the draft Seventh Five-Year Plan (1986-90). During the same period, 3,300 km of lines will be double-tracked and another 4,000 km electrified. Construction of 11,600 km of expressways and trunk highways and dredging of 5,000 km of inland navigation channels are planned. The country will increase harbor handling capacity by 200 million tons over the next five years following completion of 120 deep-water berths and 80 which will handle smaller ships. The draft projects the installation of 2.5 to three million telephones in urban areas.

Part Twelve

OW290734 Beijing XINHUA in English 0719 GMT 29 Mar 86

["Highlights of Seventh Five-Year Plan (12)" -- XINHUA headline]

[Text] Beijing, March 29 (XINHUA) -- China's retail sales will jump 50 percent to 646 billion yuan in 1990 from 1985 levels, according to the draft Seventh Five-Year Plan (1986-90).

The draft projects an average annual increase of 8.5 percent over the next five years. The volume of retail sales in rural areas will grow an average of 7.3 percent annually and in urban areas 10 percent during the same period, according to the draft. The number of outlets for retail sales, catering and service trades across the country would double to 25 million. Those outlets are expected to employ 50 million people -- a jump of nearly 100 percent from 1985.

Part Thirteen

OW290738 Beijing XINHUA in English 0727 GMT 29 Mar 86

["Highlights of Seventh Five-Year Plan (13)" -- XINHUA headline]

[Text] Beijing, March 29 (XINHUA) -- Crop cultivation will account for 62 percent of China's agricultural output value in 1990, compared with 66 percent last year, according to the draft Seventh Five-Year Plan (1986-90). The figure does not include the value created by village-run industries. Forestry, animal husbandry, aquatic product breeding and sideline production in rural areas will increase from 34 to 38 percent of all agricultural activity in the country, according to the draft. Overall, agriculture is expected to comprise 51 percent of the total rural output value by 1990, down from 57.1 percent last year. Grouped together, rural manufacturing, construction, transport, commerce and services are expected to increase from 42.9 to 49 percent.

Part Fourteen

OW300758 Beijing XINHUA in English 0746 GMT 30 Mar 86

["Highlights of Seventh Five-Year Plan (14)" -- XINHUA headline]

[Text] Beijing, March 30 (XINHUA) -- Here are the 1990 output quotas for major household electric appliances and foods in the draft of China's Seventh Five-Year Plan (1986-90):

-- television sets, 15 million, including five million or 22 percent more color television sets than last year.
-- refrigerators, 6.5 to 7.5 million, 4.7 to 5.4 times as many as in 1985.
-- washing machines, 12 million, up 36 percent from 1985.
-- sugar, 5.5 to six million tons, up 23.6 to 34.8 percent.
-- beer, 6.5 million tons (6.5 billion liters), up 110 percent.
-- soft drinks, three million tons (three billion liters), triple the 1985 figure.

In addition, according to the draft, Chinese-built parts and accessories for the electrical appliances are expected to replace most imported ones by 1990.

Part Fifteen

OW300800 Beijing XINHUA in English 0749 GMT 30 Mar 86

["Highlights of Seventh Five-Year Plan (15)" -- XINHUA headline]

[Text] Beijing, March 30 (XINHUA) -- China will be able to employ virtually all of the 30 million people expected to enter the urban labor force over the next five years, according to the draft Seventh Five-Year Plan (1986-90). The draft calls for creating jobs in enterprises owned by collectives and by individuals particularly in service industries.

According to the plan, workers in state units will by 1990 comprise 67.2 percent of the total urban employment, down from 69.9 percent last year; those in urban collectives will increase from 26.6 to 27.8 percent; and urban self-employed workes, 3.5 to five percent. In rural areas, according to the draft, farmers raising crops are expected by 1990 to accound for 50 percent of the rural workforce, down from 65 percent last year. Peasants engaged in forestry, livestock breeding, fisheries, and production and processing of goods related to agriculture will increase from 15 to 20 percent of the rural workforce; those working in rural factories or construction firms, 12 to 18 percent; and those in transportation and commerce, eight to 12 percent.

Part Sixteen

OW300812 Beijing XINHUA in English 0757 GMT 30 Mar 86

["Highlights of Seventh Five-Year Plan (16)" -- XINHUA headline]

[Text] Beijing, March 30 (XINHUA) -- The wages of Chinese workers and other employees will total 190 billion yuan in 1990, 54.5 billion yuan more than last year, according to the draft Seventh Five-Year Plan (1986-90). The draft projects an annual average increase of seven percent. By 1990, the net income of each peasant will 560 yuan, up 41.1 percent from 1985 -- an annual average rise of seven percent. Of this, earnings from farming will comprise around 60 percent, down from 70 percent last year, while those from other rural economic sectors will rise from 20 to around 30 percent. Compared with the previous five years, the expenditure on food of urban and rural residents will go down from 58 to 55 percent of their incomes; and on fuel, from four to three percent. Spending on other consumer goods will rise from 13 to 15 percent; and cultural entertainment and services, from four to five percent. Rents are expected to increase from eight to 10 percent, while spending on clothing will remain at much the same level of 12 percent.

REGIONAL DEVELOPMENT GOALS OUTLINED IN PLAN

OW290940 Beijing XINHUA in English 0849 GMT 29 Mar 86

["Five-Year Plan Sets Regional Development Goals" -- XINHUA headline]

[Text] Beijing, March 29 (XINHUA) -- China will speed up economic growth along its east coast region over the next five years and through the 1990s, according to the draft Seventh Five-Year Plan (1986-1990). Meanwhile, central and inland (?areas will) concentrate on developing energy and raw materials, while the western region will make further preparations for its future development. The east region includes the three big cities of Beijing, Shanghai and Tianjin, covers more than 1,300,000 square kilometers and has a total population of about 400 million. The central region, as defined in the draft plan, stretches north from Inner Mongolia, covers 2,700,000 square kilometers and has a population of 370 million, and the western region covers 5,300,000 square kilometers and has a population of about 230 million.

As the plan points out, the coastal region is the most developed, and China's economic development shows a tendency of spreading westwards. According to the plan, the eastern region should focus its economic growth on the technological modernization of traditional industries and existing factories. It should also develop new industries, such as high technology and industries making quality consumer goods.

During the next five years, China will step up construction of its four special economic zones, and 14 coastal cities and three other areas open to foreign trade and investment. They are all in the eastern region. The draft says: They should become China's base for trade with other countries, and should train senior engineers and managerial staff for and supply new technology, consultancy and information to other parts of the country.

Over the next five years, the eastern region will give top priority to technological modernization in old industrial cities such as Shanghai, Tianjin, and Shenyang and Dalian in Liaoning Province. It will continue efforts to attract foreign investment, new technology and advanced equipment.

During the 1986-1990 period, the central region will step up development of energy resources (electricity, coal and oil), non-ferrous metals, phosphorus and building materials. Development over the next five years could turn the area into the country's largest producer of energy, raw materials, major machinery, electrical products and grain. According to the draft, the region's coal output is expected to exceed 600 million tons a year by 1990 -- up 24 percent from 1985. The draft says: The central region should boost lateral economic ties with the eastern and western regions, while absorbing advanced foreign technology and managerial expertise.

During the 1986-1990 period, the western region will concentrate on expanding agriculture, forestry, animal husbandry and transportation. It will also develop energy and mineral resources and processing industries. It will build new railway lines connected with the central and eastern regions, and speed up road construction. Civil aviation will be greatly expanded in Xinjiang, Qinghai, Yunnan and Tibet. The draft proposes the establishment of energy and mineral development zones along the middle and upper reaches of the Yellow River and the upper reaches of the Yangtze River. Top priority will be given to expanding the iron and steel industry, non-ferrous metals, chemicals and electric power in the Sichuan-Yunnan-Guizhou border area. The draft plan says the western region should promote elementary education in areas inhabited by ethnic minorities, strengthen links with the eastern and central regions and expand trade with other countries, particularly border trade.

NPC DEPUTY ON DEFENSE AIDING CIVILIAN SECTOR

OW281528 Beijing XINHUA in English 1446 GMT 28 Mar 86

[Text] Beijing, March 28 (XINHUA) -- China's better-equipped defense industry will further switch to civilian production in the next five years, a Chinese official said here today. The focus will be on projects concerning the building of nuclear power plants, civil airliners, satellites for civilian use, and complete sets of equipment and key parts that civilian industry is presently unable to produce, said Nie Li, deputy director of the science and technology section under the Science and Technology Commission for National Defense. Nie, a deputy to the National People's Congress, said that the defense industry should make further efforts to share its advanced technology with all the other sectors of the economy by surmounting regional and departmental barriers, and developing various forms of cooperation in personnel, resources, funds and technology. The shift of technology developed by the defense industry to civilian use, according to Nie, is an important step in the strategic change of the defense industry and is of great significance in China's modernization drive.

In line with the principle of integrating military and civilian production, Chinese Premier Zhao Ziyang told the National People's Congress on Tuesday, we must continue to apply scientific and technological achievements in the defense industry more widely and effectively in other sectors of the economy.

In 1985, according to Nie, the output value of products for civilian use manufactured by the defense industry quadrupled that in 1980 and its proportion in the total output value of the industry rose from 16.3 percent in 1980 to 41.8 percent in 1985. In the past five years, Nie said, the defense industry's civilian production mainly focused on transport vehicles, medical instruments, machinery for the energy, food and light industries, optical instruments, electronic products, and durable appliances. Products turned out by the defense industry in those years included 1.97 million bicycles, 1.3 million motorcycles, two million washing machines, 5,500 motor vehicles, 5,000 sets of hydraulic props for the mining industry and 14.6 million watt-hour meters. Nie said that 63 varieties of the defense industry's civilian products won national quality awards and some have entered the international markets. A number of scientific and technological achievements have been transferred from the defense industry to other sectors of the economy and have brought about good economic results, according to Nie. Also, the defense industry has enagaged in research on and production of several key components of imported equipment and helped keep the equipment operating well.

PANEL DISCUSSIONS ON ZHAO, OTHER REPORTS

OW291255 Beijing Domestic Service in Mandarin 1200 GMT 28 Mar 86

[Excerpts] Deputies to the Fourth Session of the Sixth NPC continued panel discussions today to deliberate Premier Zhao Ziyang's report on the draft Seventh 5-Year Plan, Song Ping's report on the draft 1986 plan for national economic and social development, and Wang Bingqian's report on the execution of the state budget for 1985 and on the draft state budget for 1986. Over the past few days, the deputies have earnestly discussed the series of principles and measures put forward by Premier Zhao in his report on national economic and social development during the Seventh 5-Year Plan.

Geng Biao, deputy from Hunan and vice chairman of the NPC Standing Committee, said: Comrade Ziyang's report concerning the Seventh 5-Year Plan is a programmatic document for our struggle in the next 5 years. It is different from the previous reports in the following points: First, it is more realistic, in that it confirms the achievements as well as clarifies existing problems. Second, it stresses the importance of political and ideological work, which, along with the building of spiritual civilization, is indispensable to our modernization drive. Third, it cites 10 aspects of our independent peaceful foreign policy, which has been the basis for our diplomatic activities in recent years and has brought about an unprecedentedly excellent situation on the diplomatic front.

Ni Zhifu, deputy from Tianjin and secretary of the Tianjin Municipal CPC Committee, said: The most important task of the Seventh 5-Year Plan is to give priority to reform and explore new economic operational mechanism. Urban economic structural reform should start with reforms in enterprises and encouragement of lateral economic cooperation. He went on to say: At present, Tianjin Municipality is making preparations, together with the ministries of machine building and electronics industry, to try out an integration project for the machinery and electronics industries, in order to set up corporations of machinery and electronics enterprises in Tianjin.

Ni Zhifu pointed out that to revitalize Tianjin's industry it is necessary to reinforce the construction of basic links, improve final product quality, and accumulate necessary reserves in material technology and specialized personnel for the Seventh 5-Year Plan and beyond.

Pu Chaozhu, deputy from Yunnan and secretary of the Yunnan Provincial CPC Committee, said: My understanding of the need for moderate economic growth rate, as explained by Premier Zhao in his report, is that we must adopt a realistic and scientific approach. Take a province for instance. It is necessary to base the link between regional interests and the overall national interests on the actual condition in the province. Although Yunnan is weak in its foundations and backward in technology, it has rich resources and great potential. During the Seventh 5-Year Plan, we shall persistently make reforms, bring into full play our advantages, and encourage existing enterprises and the 37 million peasants to set up rural enterprises, so that the province's economic growth rate will be slightly higher than the national average.

The deputies agreed with Premier Zhao's principle of giving top priority to reform and carrying it out simultaneously with construction.

Ye Xuanping, deputy from Guangdong and its governor, said: During the Seventh 5-Year Plan, Guangdong will continue to steadfastly carry out the policies of opening to the outside world and making reforms. Although problems will crop up in the course of reform, as long as we try our utmost to overcome difficulties, we shall be able to push forward the reform.

The Fourth Session of the Sixth CPPCC National Committee also continued panel discussions on the reports by Premier Zhao, Song Ping, and Wang Bingqian.

Governors Praise Report

OW291321 Beijing Domestic Service in Mandarin 0200 GMT 28 Mar 86

[Excerpts] In deliberating over Premier Zhao Ziyang's report, the deputies of the Sixth National People's Congress unanimously held that it completely conformed with the actual situation in the country and was extremely inspiring.

Jiang Minkuan, an NPC deputy and governor of Sichuan, said: The report on government work completely conforms with the actual situation in Sichuan Province. During the Sixth 5-Year Plan, Sichuan scored new achievements in economic construction. Its total product increased by 10.2 percent each year on average, surpassing the 5 percent increase required by the Sixth 5-Year Plan. Its national income increased every year, surpassing the 5 percent increase required by the Sixth 5-Year Plan. With the situation becoming better each passing day, we have even greater confidence in the party and in the people's government.

Comrade Xue Ju, governor of Zhejiang, said: The favorable economic development in Zheijiang proves that the principles and policies laid down since the 3d Plenary Session of the 11th CPC Central Committee are absolutely correct. He said: The three major indices in Zhejiang during the Sixth 5-Year Plan -- Zhejiang's total output value in industry and agriculture, its total product values, and its national income -- more than economic development in the province has never been so fast since the forthcoming of the nation. During the Seventh 5-Year Plan, we must continue to bring into full play the predominant role of the light and textile industries, try our best to improve economic efficiency, and follow the new economic system as soon as possible.

PLAN TERMED 'MORE COMPREHENSIVE, SUBSTANTIAL'

OW291523 Beijing XINHUA in English 1501 GMT 29 Mar 86

[Text] Beijing, March 29 (XINHUA correspondent Wang Jinhe) -- China's draft Seventh Five-Year Plan (1986-90), now being considered by the on-going annual National People's Congress (NPC) session, is a "more comprehensive and substantial development plan" than the preceding one. This is the general view of deputies to the NPC session, which began Tuesday, while discussing the draft. What China achieved in the last five-year period has attracted worldwide attention, they noted, and the new plan is even more positive. A salient feature of the draft plan is that it has not only definite targets but also clear strategic principles and policy measures -- an illustration of the new style of stressing actual results in guiding China's economic work. The NPC deputies expressed their satisfaction with the fact that the current draft has been submitted for deliberation in the first year of the five-year period, whereas previously the draft plans were submitted in the second or the third year. This shows a marked improvement in government work and planning, they noted.

What is more important is that the draft sets the country's economic growth rate at 6.7 percent for the coming five years -- a more moderate one than that in the last five years. This will bring China's 1990 industrial and agricultural output value to 1,677 billion yuan (calculated on the 1980 constant price) -- 2.3 times the 1980 figure. In other words, China in 1990 will have completed more than 50 percent of the target of quadrupling the 1980 figure by the turn of the century.

Premier Zhao Ziyang said in his report, read to the congress previously, that the growth rate is optimistic but not over-ambitious, and it is likely to be exceeded. Both the NPC deputies and Beijing economists agree with this. A prevailing view in their group discussions is that the quadrupling target is sure to be realized ahead of time. Other outstanding features of the draft include an over-all arrangement of the country's economic construction work, improvement of the people's livelihood and of the country's immediate interests and long-term development needs. According to the draft, the rate of individual consumption will rise by around 27 percent in 1986-90, but at the same time efforts will be made to concentrate necessary financial and material resources on sectors which have a direct bearing on the further development of the country's economy and on the fundamental intersts of the people while controlling investment in fixed assets in general. The sectors include energy, posts and telecommunications, scientific research, education and the upgrading of existing enterprises.

The third salient point of the plan is a call for priority on restructuring in all regions, departments and enterprises. The 100,000-word draft devotes several chapters to this, elaborating the importance, tasks and targets for the effort to restructure the country's economic set-up, in addition to setting the targets for each sector, as well as policies and measures, so that the deputies to the current session may discuss, revise and add as they deem necessary. The previous five-year plans, in contrast, contained very few policy measures apart from targets for various industries.

The deputies also pointed out that the draft plan embodies the principle of equality among all minority nationalities, as it lists practical measures for development of areas inhabited by ethnic groups. Deputies from the minority nationalities describe the draft as "a program to promote the unity and prosperity of all the country's nationalities."

It is also a plan for peace and development, as China stresses that its modernization drive needs a long-term peaceful international environment. The draft plan also sets targets for appropriate brakes on the growth of national defense expenditure. The draft explains that China will make further efforts to open to the outside world in the next five years, while promoting socialist culture and morality, socialist democracy and the legal system to guarantee the implementation of the new five-year plan.

LOCAL LEADERS ADVOCATE ATTENTION TO AGRICULTURE

OW301146 Beijing XINHUA in English 1123 GMT 30 Mar 86

[Text] Beijing, March 30 (XINHUA) -- China should further consolidate agricultural production to make it a solid foundation of the national economy. This was a call from deputies from major agricultural areas of China at the on-going National People's Congress (NPC) session today. During the three-day examination of the Seventh Five-Year Plan (1986-1990) put forward by Premier Zhao Ziyang Tuesday, many local leaders called for more input in agriculture and fresh measures to stabilize grain production and introduce a new economic set-up in rural China. In his report, Premier Zhao said that China's future agricultural production will more and more depend on the progress of science and technology, and on increased material input to improve the conditions of agricultural production. This was supported by many local leaders.

Jiang Minkuan, governor of southwest China's Sichuan Province, said his province will allocate 30 million yuan more for agriculture this year. This, he said, will be used in building market grain producing bases, farming facilities and in spreading science and technology know-how. The province will also provide funds for more fertilizers, Jiang said.

The governor noted that the province set up a foundation to aid the processing of farm produce in 1982 and the funds were provided by local financial departments. In addition, he said, the provincial scientific and technological association has also provided funds for projects such as soil improvement and trial manufacture of new products. With a population of more than 100 million, Sichuan ranks first in agricultural output value. It produces ten percent of the grain of the country with the 1985 figure reaching 37 million tons. Jiang affirmed that his province will keep its present grain-growing hectarage. According to a provincial government decision, peasants must reclaim the same hectarage of land for grain crops if they designated the same size of land to growing cash crops.

Cheng Xi, a senior official from southeast China's Fujian Province, suggested that funds for agricultural production be covered by the state, collective and individuals, and the local large key projects should enjoy central government financial aid.

Li Zhen, chairman of the Shandong Provincial People's Congress Standing Committee, called for greater attention to be paid to agriculture in realizing the Seventh Five-Year Plan. He criticised those who belittle the importance of this sector. He admitted that the size of cultivated land the province loses each year equals to a medium-sized county due to reckless use of the land. Moreover, because water conservancy facilities are in a state of disrepair in recent years, rural areas have suffered imcreasing natural disasters, and the province loses 84,000 hectares of arable land a year, the chairman added.

XINJIANG CHAIRMAN ON ZHAO ZIYANG WORK REPORT

OW301245 Beijing XINHUA Domestic Service in Chinese 1131 GMT 28 Mar 86

[By reporter Hadir Umurdi and correspondent He Ruizhi]

[Excerpts] Beijing, 28 Mar (XINHUA) -- In a panel discussion to study Premier Zhao Ziyang's report on the draft Seventh 5-Year Plan, Tomur Dawamat, deputy to the Sixth National People's Congress and chairman of the Xinjiang Uygur Autonomous Region, said: The report made a correct appraisal of the current economic situation in the whole country and summed up the fulfillment of the Sixth 5-Year Plan. The details of the Seventh 5-Year Plan have greatly inspired the people. They will encourage the people of all nationalities through the country to work hard in unity to achieve the nation's magnificent goals.

He said: Under the Sixth 5-Year Plan, China scored tremendous achievements in developing the modernization drive. Great changes took place in carrying out economic work. Xinjiang, like other localities in the country, witnessed sustained, stable, and coordinated growth. The whole region overfulfilled the Sixth 5-Year Plan by 10.9 percent. The total output value of industry and agriculture in 1985 in the region reached 12.325 billion yuan, overfulfilling the target set by the state by 11.1 percent. Tremendous progress was made in animal husbandry. The total grain output reached 9.933 billion jin. The region became self-sufficient in grain and sugar.

The total value of retail sales in Xinjiang in 1985 reached 6.2 billion yuan. In foreign trade, the total value of imports and exports came to $290 million. Xinjiang's revenues rose for 4 consecutive years. New developments were made in implementing the policy of opening to the outside world. A total of 22 economic contracts were signed with foreign businessmen. Xinjiang also established relations of cooperation with various fraternal provinces, municipalities, and autonomous regions and with 13 ministries under the central government. Living standards of people of all nationalities in Xinjiang gradually improved. The total amount of saving deposits in the region reached 3.35 billion yuan in 1985, marking an increase of 550 million yuan over 1984. He said: All these achievements in Xinjiang show that our party's line, principles, and policies are correct. They conform with the aspirations of the people of all nationalities, laying a solid foundation for the overall fulfillment of the Seventh 5-Year Plan.

He said: During the Seventh 5-Year Plan period, Xinjiang must continue to raise the living standards of the people of all nationalities while developing production. Particular efforts must be made to help peasants and herdsmen in poverty-stricken areas drive off poverty and become well-to-do. At the same time, Xinjiang must further develop socialist spiritual civilization, and bring about a fundamental change for the better in party style and in the general mood of society.

REN ZHONGYI, BAINQEN ERDINI COMMENT IN PANELS

OW301345 Beijing XINHUA Domestic Service in Chinese 1459 GMT 28 Mar 86

[Excerpts] Beijing, 28 Mar (XINHUA) -- Deputies attending the Fourth Session of the Sixth National People's Congress held that the past 5 years were a period that witnessed the best economic and social development since the founding of the republic, that the next 5 years will be a critical period in which our economic development and reform should make tremendous progress, and that observing, analyzing, and appraising the current situation correctly and objectively is the most important guarantee for unifying the thinking and action of the people of the whole country and triumphantly fulfilling the "Seventh Five-Year" Plan.

The deputies today continued panel discussions of Premier Zhao Ziyang's report, the draft "Seventh 5-Year" Plan, and the reports made by Ministers Song Ping and Wang Bingqian. The panel discussions lasted the whole day. Yesterday and today the deputies focused their discussions on the current situation.

Deputy Ren Zhongyi, member of the Central Advisory Commission, said: In sizing up the situation, one must view the whole situation and make historical comparison and analysis. To make conclusions on the basis of individual, localized, or outward, temporary phenomena would be to make erroneous judgements which, in turn, would cause wavering or vacillation in policy, frustration of enthusiasm on the part of cadres and the masses, and serious and even irreparable political and economic loss.

He said: Tremendous achievements have been made in the past few years in all fields of work throughout the country. This is the main aspect. Some problems do exist. They are problems arising in the course of our advance. They are a minor aspect. Economic restructuring is a profound revolution. Each step forward may mean new contradictions, new problems, and new difficulties. But they are all temporary and can be solved in the course of our advance.

Deputy Bainqen Erdini Qoigyi Gyaincain, vice chairman of the NPC Standing Committee, said: The plan contained in Premier Zhao Zhiyang's report is a heartening plan. He said: The achievements we have made are tremendous. Of course, we have come across some difficulties. But they are difficulties in the course of our advance, and not problems of orientation or line. They can certainly be overcome.

Deputy Wan Shaofen, secretary of the Jiangxi Provincial CPC Committee, said: Premier Zhao presented the draft "Seventh 5-Year" Plan to the NPC deputies for discussion in the very first spring of the "Seventh 5-Year Plan" period. This shows that our party and government have achieved a more profound understanding of socialist economic laws and have the ability and resolve to master objective economic laws. We must do our work still better to meet the requirements of the "Seventh 5-Year" Plan. Internally, we must invigorate our economy still more boldly; externally, we must open to the outside world still more boldly.

Deputy Li Ruihuan, mayor of Tianjin, said: It is imperative to carefully sum up the experience gained during the "Sixth 5-Year" Plan period and earnestly use this experience to guide our work in the "Seventh 5-Year" Plan period.

DEPUTIES STRESS REFORM IN GROUP MEETINGS

OW301401 Beijing XINHUA Domestic Service in Chinese 1453 GMT 29 Mar 86

[Excerpts] Beijing, 29 Mar (XINHUA) -- Deputies to the Fourth Session of the Sixth NPC, in group meetings examining and discussing Premier Zhao Ziyang's report on the draft Seventh 5-Year Plan, emphatically pointed out that during the Seventh 5-Year Plan it is imperative to persist in placing reform in first place.

Chen Junsheng, secretary general of the State Council and deputy to the NPC, said: Our country's achievements during the "Sixth 5-Year Plan" were manysided. The biggest achievement among them was the successful implementation of reform of the economic structure in the rural areas and significant initial progress in reforming the economic structure in the cities. Chen Junsheng pointed out: In carrying out the reform work, we will naturally encounter some problems. Tactically, we must pay good attention to those problems and seriously study ways and means to properly solve them. However, strategically speaking, all those problems are nothing if compared with the great role of reform in promoting progress.

The problems that arise in the course of reform will gradually be solved as we deepen and improve our reform work.

Deputy Quan Shuren, governor of Liaoning Province, said: At the beginning of the "Sixth 5-Year Plan," Liaoning had all kinds of economic problems and could not make any progress. Through reform, especially in the past 3 years, we have seen bumper harvests in agricultural production and steady growth in industrial production. We have promoted coordination in developing the economy and made relatively big progress in opening to the outside world. The industrial base has been revitalized. In the "Seventh 5-Year Plan," the state regards Liaoning as a major region in carrying out technological transformation and capital construction. We must persist in placing reform in first place, further improve our economic work, stress carrying out technological transformation and building key construction projects, and concentrate our efforts on promoting Liaoning's economy.

Deputy Gao Di, secretary of the Jilin Provincial CPC Committee, said: The way out for our country lies in reform. The "Seventh 5-Year Plan" is a plan which places reform first. Some imbalances and unreasonable and unsatisfactory conditions that arise in the course of reform are unavoidable. The key to solving these problems is to seriously study and effectively solve these problems in the spirit of reform.

Deputy Li Qingwei, governor of Shaanxi Province, said: We must unify the cadres' and masses' understanding of reform and persist in placing reform in first place during the "Seventh 5-Year Plan" in order to ensure the healthy development of reform.

Deputy Zhou Keyu, deputy director of the General Political Department of the PLA, said: The "Seventh 5-Year Plan" was formulated in good time. Its explanations are quite full of adequate scientific proof. It has enable us to see a bright prospect. We must further unify our understanding of the situation and of policies, and especially raise our understanding in carrying out the three strategic changes in economic work. Army building should be subordinated to national economic construction and serve national economic construction. We must do a good job in streamlining the Army and use concrete actions of defending the security of the motherland's frontiers to promote the political situation of stability and unity. We should actively take part in building key construction projects of the state, do a good job in building spiritual civilization together with the people, cultivate more people who can do both military and civilian work, carry forward the fine tradition of the PLA's political work, and carry out the various tasks of the Army in a satisfactory manner.

THREE HARBIN OFFICIALS ACCUSED OF TAKING BRIBES

OW271008 Beijing XINHUA in English 0711 GMT 27 Mar 86

[Text] Harbin, March 27 (XINHUA) -- Three senior officials have been arrested in northeast China for allegedly taking bribes, a Harbin Public Security Bureau official said today. The three officials have been expelled from the Communist Party, and removed from their official posts. They will face prosecution when investigations have been completed.

Wang Zhengming, who was deputy director of the electric power bureau of Heilongjiang Province, is accused of abusing his authority by telling one of his bureau's plants to sell 50 tons of scarce rolled steel to a company in Shandong Province at a reduced price. He is alleged to have received a 10,000 yuan bribe from the Shandong company through one of his relatives, who is said to have secured the deal. Wang is said to have secretly returned the bribe last April when he began to fear that he might be found out.

Yang Cheng, party secretary and director of the Harbin municipal administration for industry and commerce, is said to have accepted bribes by granting trading licenses to two trade companies set up by state enterprises and several private businesses. Investigators say he took bribes of 16,000 yuan between the end of 1984 and last May. Yi Jingshan, party secretary of the Harbin municipal bureau of real estate, is accused of protecting some criminals and accepting 20,000 yuan in bribes from them.

Commentator's Article

HK310406 Beijing RENMIN RIBAO in Chinese 28 Mar 86 p 1

[Commentator's article: "Abuse of Power for Selfish Ends Is Definitely Not Allowed"]

[Text] Who gives power to our cadres at various levels? The people give such power. What is our power intended for? It can be used only to serve the people. These are two basic points in the elementary knowledge of communists. However, some cadres who are party members forget such elementary knowlege under the influence of feudalist ideology and corruption by capitalist ideas. They have used the power given by the people to seek personal gains and, in doing so, unscrupulously disregarded law and discipline and have even fallen into the criminal abyss. The cases of three bureau-level leading cadres in Heilongjiang Province who asked for and received bribes, reported by this paper today, are precisely typical examples in this regard.

By analyzing these cases, we can see that the leading cadres who misused their power for selfish ends were overcome by covetousness and blinded by lust for gain. They lost the elementary qualifications for state functionaries and completely discarded the Communist Party members' goal of serving the people wholeheartedly. Though they knew they were committing criminal offenses, what they had in mind was how to turn power into money, and they ignored everything in trying to achieve this goal. A telephone call or a brief note could bring them a stack of bank notes. This convenience made them more and more grasping. They lost their heads, became unscrupulous, and were finally directed by the road sign of abusing power for selfish ends and embarked on the vile road of committing serious economic crimes.

Undoubtedly, neither the party nor the people will allow such bad elements to corrupt our party style and harm the interests of the state and people. These kinds of acts of abusing power for selfish ends is bitterly despised by the masses and must be investigated and dealt with resolutely. For those who have violated the criminal law, expulsion from the party is not sufficient, and it is imperative to look into their legal responsibility. The serious action taken by Heilongjiang Province to investigate and deal with the three criminal cadres has not only manifested our determination to struggle against the unhealthy practice of abusing power for selfish ends but is also aimed at educating the vast numbers of party members and cadres to bear in mind the party's purpose and state functionaries' duties, to be strict in disciplining themselves, to rectify their style, and to lead the masses to work hard selflessly for the program of socialist modernization!

HARD-WORKING, AFFLUENT PARTY MEMBERS LAUDED

HK300206 Beijing RENMIN RIBAO in Chinese 22 Mar 86 p 2

[Commentator's article: "Party Members Who Take the Lead in Becoming Rich Through Hard Work Are Fine Examples"]

[Text] At present not many people will turn pale at the mention of becoming rich.

However, 4 or 5 years ago, when so many people did not have a clear understanding of the party's policy for making the people rich, party members in rural areas who took the lead in becoming rich through hard work had to take some risks. They needed the courage of those who "eat crabs" for the first time.

The "disease of being afraid of becoming rich" caused by "cutting off the capitalist tail" and "criticizing the upstarts" alone, which has lasted for a long time, could not be cured merely by several documents or calls of the authorities, let alone the confusion caused by traditional notions such as "the protruding part of a rafter rots first." Under such circumstances, without people who are like "the protruding part of a rafter" or " a treetop which stands higher than others," it would have been difficult to dispel the atmosphere in which 10,000 horses were all muted. What has actually happened is that many party members and peasants with broad vision and a relatively higher level of political consciousness and who have understood the spirit of the party's policies relatively faster than others, have given full play to their wisdom and ability, have seized and made use of all opportunities in developing production and in improving management, and have taken the lead in becoming rich. More and more people have followed their examples and a new situation in which the people are like the eight immortals crossing the seas, each one showing his or her prowess at becoming rich through hard work, has prevailed over the whole rural area. This is what people often say in places where the economy and the living standard have improved relatively quickly: Without the examples set by several courageous party members in the beginning, we could not have achieved today's prosperity.

In times of war in the past, party members charged under heavy fire. Likewise, in the course of rural economic reform, party members also dare to smash the "leftist" shackles and take the lead in becoming rich through hard work. This is the most practical spiritual encouragement and an effective call to the masses of people. It is a concrete manifestation of the value of being advanced as a communist.

To bring about common prosperity is our fundamental goal. This goal can only be attained step by step. Therefore, the party has put forward the policy of permitting some localities and some people to become rich through hard work before others so that they can bring along more people to become rich. Party members who have taken the lead in becoming rich through hard work have set an example in implementing this policy. Through what they have done, they have given impetus to the masses to take a concrete step forward toward the goal of common prosperity.

Of course, we should commend party members who have actively led the masses in becoming rich, and we hope that they will help and spur on more people to become rich by showing them the ways to do so and providing them with technological assistance, as well as helping them solve ideological problems and problems related to policies. Regarding party members who have used some improper methods to become rich, we should criticize them, educate them, and help them correct their mistakes. Regarding a few party members who have abused their power and violated the law to reap staggering profits, we should seriously punish them according to state laws and party discipline. We should never negate the role of party members who take the lead in becoming rich through hard work. Much less should we set "becoming rich earlier or later" against "common prosperity" to criticize party members who have become rich before others. When few dared to become rich, the masses had their eyes on those who did. Now that others have become rich, the masses still have their eyes on them. To fully affirm the positive role played by party members who take the lead in becoming rich through hard work is a concrete expression of upholding the policy of permitting some people to become rich before others. To protect them means to protect the peasants' enthusiasm for becoming rich through hard work.

It is very necessary to pay serious attention to this important question in the current rural party rectification work.

AFFLUENCE THROUGH PERSONAL INDUSTRY DEFENDED

HK290512 Beijing NONGMIN RIBAO in Chinese 14 Mar 86 p 1

[Commentator's article: "Do Not Set 'Getting Rich Together' Against 'Getting Rich Ahead of Others'"]

[Text] Recently, some readers have written this paper asking whether the policy of allowing some peasants to get rich ahead of others has changed, and whether some peasants will still be allowed to prosper ahead of others in the future. Some reflected that those who prospered in their areas were forced to donate money and materials to "foster style" and engage in a "getting rich together " plan; others said that some cadres in their areas asked prosperous household for food, drinks, and loans and brought their products at low prices. A representative of specialized households in Hubei Province's Zhijiang County said that a local civil administration cadre wanted him to put money "to do good deeds" in order to leave a way out for himself. Certain areas even confiscated properties of specialized households, conducting investigations against them as if they were "upstart households" or "economic criminals." Although such cases are few, they have, nonetheless, occurred in differing degrees in many places, and some continue to happen, producing a very pernicious effect and they are definitely a symptom worth watching.

The above-mentioned phenomena pose questions worth pondering: How exactly should one correctly look at peasants who get rich ahead of others? How should the relationship between some people getting rich ahead of others and that of everyone getting rich together be correctly handled?

As everyone knows, we are socialist country, but it is necessary to understand precisely what socialism is. Comrade Deng Xiaoping said: "Poverty is not socialism, and socialism must eliminate poverty." The primary task of socialism is to promote the forces of production and gradually raise the standards of the people's material and cultural lives in order to attain common prosperity. This is the goal of our party's struggle.

Now, how can common prosperity be attained? Facts have proven: To define getting rich together as a condition where all people achieve the same degree of prosperity at the same time, and to reach this state by "curbing the rich to help the poor" and "trimming the peak to fill the holes" will certainly result in "eating from the same big pot" and "stirring up communist winds," dampening the enthusiasm of the great mass of working people, and ultimately leading to common poverty. Without some people getting rich ahead of others, then common prosperity cannot be realized. Thus, since the 3d Plenary Session of the 11th CPC Central Committee, on the basis of popularizing a system of contracted responsibilities on the household basis, with payment linked to output, a new policy suitable to our country's condition was implemented: To allow some localities and some peasants to increase their income through industry and labor, and therefore, get rich before others. Subsequently, through the effects of definite economic transfers and impetus, more and more peasants and localities would grow rich together.

In recent years, with precisely the correct implementation of this party policy, there are already some peasants and localities which have started to get rich to varying degrees ahead of others, and have began to play an exemplary and motivating role for other peasants and localities.

The problem is: Due to the incorrect understanding of the relationship between "getting rich ahead of others" and "getting rich together," some people do not proceed from facts, engage in metaphysics, and think in terms of absolutes. When speaking of "getting rich ahead of others," they try hard to get rich to the extent of looking down on the poor and admiring the rich. When speaking of getting rich together, they refute "getting rich ahead of others" and even stir up communist winds. In short, they are always contradicting the two concepts.

Why does such phenomena occur? In the final analysis, this is due to the fact that "leftist" thinking has not been eliminated and that there is incorrect understanding of the party's policy of enabling the people to prosper and of today's peasants and rural reform. As of now, some people still use the "class viewpoint" from the democratic revolutionary period in viewing peasants who prosper under today's socialist system. In their opinion, regardless of how you prospered, "prosperity is necessarily malevolent." They could never bear the sight of people who got rich, and eyed them covetously, waiting for every opportunity to strike against them. This kind of erroneous understanding is extremely detrimental. Hence, party Central Committee Document No 1 in 1986 emphasized: "Our policy not only adheres to the direction of getting rich together, it also recognizes the difference in development. To allow some people and localities to prosper ahead of others is beneficial to advancing progress in society." This directive from the Central Committee once more clearly tells us: It is necessary to correctly view peasants who lead the way in attaining prosperity through industry. It is necessary to regard them as representatives of the advanced forces of production in rural areas and as pioneers of the concept of getting rich together as well as activists in following us in our thorough implementation of rural reforms. To refute them is to refute the path of getting rich together. Thus, it is imperative to support and care for them, protect their legitimate rights, and encourage them to continue working for prosperity through industry and within the law. At the same time, it is necessary to educate jealously-stricken people to transform envy to competitiveness, modestly learn from households which have earned prosperity through industry, and strive to catch up with them. As for those who "live off the big households," "exploit the big households," threaten and terrorize households which got rich ahead of others, and even plunder and persecute them, it is necessary to put a firm halt to this and deal with them severely according to party and state laws.

It should be pointed out that there is indeed a very small number of people who wrongly prosper through industry. Among them, there are some who abused power and grew rich by jeopardizing the interests of the country, the collective, and other people. Some took advantage of the reforms and engaged in dishonest practices and even in criminal activities. With these people, minor offenders should be criticized and educated and have economic sanctions taken against them; serious violators must be dealt with according to the law. This is essentially a different matter from getting rich through industry, and should not be confused with it. Moreover, it should not be equated with it.

BAN ON CADRES' BUSINESS ACTIVITIES EXPLAINED

OW310756 Beijing XINHUA Domestic Service in Chinese 0753 GMT 29 Mar 86

[Text] Beijing, 29 Mar (XINHUA) -- Since the distribution of the "regulations of the CPC Central Committee and the State Council on further prohibiting party and government organs and their cadres from engaging in commercial activities and opening their own business enterprises" (reference No Zhong Fa [0022 4099] (1986), hereinafter referred to as the "regulations"), some questions concerning implementation have been raised by certain units and localities.

In this connection, a XINHUA reporter has interviewed the spokesman of the General Offices of the CPC Central Committee and the State Council, who answered the reporter's questions.

Question: Why is it necessary to strictly prohibit any party or government organ and any party or government cadre from engaging in commercial activities and opening business enterprises?

Answer: This is due to the nature of party and government organs and the duties of party and government cadres. If party and government organs and their cadres were allowed to engage in commercial activities and open their own business enterprises, not only would these organs and cadres be hampered from properly implementing the party principles and policies and justly carrying out their duties, but they might misuse their authority to seek private gains, thus corrupting our government and party discipline and the general mood of our society and hurting the prestige of the party and government among the masses. This would cause considerable harm. The fundamental reason the CPC Central Committee and the State Council issued these "regulations" is to take resolute action to check the present unhealthy trend manifested by some party and government organs and their cadres in abusing their authority to seek private gains by engaging in commercial activities or opening their own business enterprises. This action will ensure that our country's policy of enlivening the domestic economy and opening to the outside world will be implemented thoroughly, that the economic structural reform will develop in depth, and that there will be a fundamental turn for the better in our party style and in the general mood in society. Therefore, it is imperative for party and government organs at all levels and their cadres to carry out in all seriousness these "regulations" issued by the CPC Central Committee and the State Council.

Question: What is meant by party and government organs and their cadres engaging in commercial activities and opening their own business enterprises?

Answer: This refers to the instances where party and government organs and their cadres use public funds (including funds for the disbursement of administrative expenses, operating expenses, special fees, and so forth), loans, and funds raised in one way or another to carry out commercial activities and open business enterprises for the private profit of their own units or of the individuals themselves. There are two exceptions, however: One involves the retail stores, laundries, barber shops, bath houses, hostels, auditoriums, printing shops, and so forth which party and government organs established and operate to improve their logistic service and to meet the daily requirements of their staff and workers and which are aimed mainly at serving their own needs but are also open to others provided that conditions permit. These facilities are not prohibited. The other exception involves the labor service companies and other business units established by party and government organs to provide employment to the children of their staff and workers. These companies and units, which have a positive effect on freeing the cadres, staff members, and workers of worries about their families and on ensuring the stability and unit of society, should continue to be established and operated. However, they should employ predominantly jobless youths and should focus on developing service trades and the proceessing industry. Such enterprises should abide by the relevant state rules and should engage in legitimate operations. The organs that established these enterprises are required to step up their leadership over them.

Question: Are scientific research and educational institutions permitted to engage in activities such as making technology transfers and providing consultation and other services?

Answer: According to the "decision of the CPC Central Committee on the reform of the science and technology management system," the "decision of the CPC Central Committee on the reform of the education system," and other relevant regulations promulgated by the state, scientific research and educational institutions may gear their work to society, and they may carry out operations such as technology transfers, technical consultations, technical services, and contracted technical work, provided that these operations will not adversely affect their fulfillment of the state plans. However, they are not permitted to engage in any operation that has nothing to do with their own fields of work or technology. Scientific and technical personnel may do technical work and render consultation services in their spare time after they have fulfilled their duties and provided that the spare time activities to not adversely affect the technological rights and interests and the economic benefits of their units. They can receive reasonable rewards for such work and service in accordance with the pertinent regulations.

Question: How should party and government organs sever themselves thoroughly from the enterprises they have established?

Answer: "Severing thoroughly" as stated in the "regulations" means that the management of the enterprises' personnel, financial, and supply work be separated from the party and government organs. The enterprises' personnel should not be included in the scope of administration of the organs. The enterprises should operate on their own, have independent accounting systems, pay taxes as required, and assume their own economic responsibility. Revenue earned by the enterprises should not be used by party and government organs. If enterprises use houses, equipment, or transportation means belonging to the organs, enterprises should compensate the organs, and the organs should collect fees for the use of such facilities at a reasonable rate.

Question: Can cadres of party and government organs hold concurrent posts in enterprises?

Answer: Cadres of party and government organs cannot hold concurrent posts in enterprises or any other units that have an economic income. In case they must do so to meet special work requirements, a request must be submitted to the party Central Committee and the State Council for approval according to the prescribed procedures. A cadre holding a concurrent post in another unit should not receive remuneration from that unit. However, a party or government cadre may serve as a part-time teacher, do translation work, write books to advance new ideas, and write articles for newspapers and periodicals after he has fulfilled his own duty and provided that such activities are not against the pertinent regulations. He may receive reasonable rewards for such activities.

Question: The "regulations" contain special provisions on leading cadres' children and spouses doing business and establishing enterprises. To which leading cadres do they refer?

Answer: The "leading cadres" referred to in the "regulations" are cadres above the county and regimental levels (inclusive of county- and regimental-level cadres), including incumbent cadres and those who have withdrawn to the second line.

RENMIN RIBAO URGES STRICTLY ENFORCING DISCIPLINE

HK290718 Beijing RENMIN RIBAO in Chinese 25 Mar 86 p 5

[Article by Qiang Xiaochu: "Discipline Is an Important Guarantee for Rectifying Party Style"]

[Text] The strength of the proletarian political party lies in its iron discipline.

Today, when we are carrying out socialist modernization construction, iron discipline is still an important guarantee for us to resisting and overcoming the corrosive influence of various nonproletarian ideologies, to set aright the party's ideological style, to smoothly develop the two civilizations, and to build socialism with Chinese characteristics.

Comrade Chen Yun has pointed out: "The party style of a ruling party is a matter of life and death for the party." This sharply pointed out the importance and necessity of setting the party style straight. However, not all people can so deeply understand this. Many people still think that "this may be important in words, but it may not be so important in deeds." If we cannot maintain a good party style and establish good public conduct, we will not be able to successfully carry out socialist economic construction. Even if the economy is developed, it may just add more fuel to capitalism. The degeneration of our spirit will lead to the decay of the entire economy. Therefore, we should be soberly aware of this danger and should always be on the alert. At any time and in any case, we must not neglect and relax the development of spiritual civilization and must first set aright the party style and social values. The party's discipline inspection organs should make a firm determination and adopt resolute measures to straighten out party style and to enforce party discipline.

Correcting unhealthy tendencies is not only a pressing matter of the moment, but is also a major long-term political task of the whole party. We must mobilize the whole party to fulfill this task. We should commend the good and punish the bad. Only by strictly following the rules for rewards and punishment can we encourage healthy trends and severely check corrupt and evil practices. Only thus can we maintain the dignity of party discipline and bring about a fundamental turn for the better in our party style.

A serious problem that we must notice at present is that party organizations in some localities and organizations are weak and slack in the enforcement of party discipline. This state also exists in some party discipline inspection organs. In a small number of units and departments, the phenomena of violating discipline and breaking laws have developed to a very serious degree. For example, some people use their official power to do business and engage in speculative transactions to reap staggering profits; some people take advantages of the opportunities of attending meetings or making business trips to make pleasure tours in scenic spots, or use public money to give dinners and gifts to each other; some people indulge in making counterfeit goods, including fake medicines, in order to make big money, and they do not even care about people's safety; some people collude with evil persons in society to conduct black market currency transactions, give and take bribes, smuggle goods and resell smuggled goods, and evade customs duties; some people neglect their duties and even commit the crime of malfeasance; some people copy, sell, project, and watch pornographic video tapes and degenerate morally; and some people do immoral things when they visit foreign countries and humiliate the national dignity and cause heavy political and economic losses to the party. They disregard the party central leadership's repeated instructions and orders and cling to their perverse behavior and even purposely go against discipline and law. The unhealthy tendencies and lawbreaking activities have not only disturbed and disrupted our ongoing economic structural reforms and our "four modernizations" program, but have also seriously corroded people's minds and ruined a number of our cadres. Apart from other ideological and social reasons, the most important reason for the appearance of these problems is that we have not strictly enforced party discipline and laws. This is a profound lesson that we must learn. If we fail to strictly enforce party administrative discipline and laws, the improvement of party style and public conduct will merely be empty talk, and the building of the two civilizations will fail. Therefore, we must really do the following things in the future:

First, we must strictly enforce laws and discipline. During the 10 years of domestic turmoil, the two counterrevolutionary cliques headed by Lin Biao and Jiang Qing wantonly trampled on party discipline and state laws. They misrepresented, destroyed, and abandoned the discipline and laws of the party and the state. Their practice left a serious "sequelae" to our party and state. In order to eliminate the residual influence of these bad things, we must keep the party in order by strictly enforcing party discipline. In general, when people inside and outside the party commit the same mistake, more severe punishment should be meted out to those inside the party; similarly, leading cadres, especially senior leading cadres, who commit mistakes should be punished more severely than ordinary party members, because a senior leading cadres' mistake may be more harmful. Their mistakes not only affect their personal reputations, but more importantly also hurt the reputation and image of the party. Therefore, by taking more serious disciplinary measures against them, we may better retrieve the party's reputation. Of course, we do not mean that punishment should be unreasonably severe, and we must not repeat the previous methods of mercilessly attacking erring people. Our severe measures should be taken in a reasonable and lawful way and should serve the purpose of rescuing people who err and educating other people.

Second, the purpose of severely punishing these evils is to educate all people. Punishment is not our final aim, it is just a means of education. We consistently hold that education should precede the enforcement of law and that it is necessary to first let people know the rights and wrongs and guide them according to the rules and regulations before enforcing discipline and the law against them. We do not hold that severe punishment can solve all problems. However, we should take the measure of "executing one as a warning to a hundred" and "eliminating an evil to satisfy the public." Only thus can be effectively check evil tendencies, straighten out the party style, encourage honest and upright practices, win the people's trust, and ensure the party's cause and the continuous development of work in all fields. If people do something wrong in a field which is not governed by any clear policy in the course of exploration for lack of experience, we should mainly use the method of education to distinguish right from wrong so that people may draw a lesson from their experience, and we should not excessively affix responsibility to individuals. However, if some people knowingly go against the clear instructions of the central leadership and deliberately violate the law and discipline, thus causing serious political and economic losses to the party, they must be severely punished. No one can use this or that pretext to condone them. Only thus can the evildoers be deterred from continuing their evil practices and other people be warned against bad examples.

Third, all party members are equal before party discipline. In society, all people are equal before the law, and this is also the case inside the party. Party discipline and the party's rules should function in the same way as state laws. If anybody in a unit does something harmful to socialist interests and the party's reputation in violation of discipline and the law, not only must that evildoer be punished according to the law, but the party committee and the discipline inspection commission in that unit should also bear the responsibility. Responsibility should also be affixed to people who obstruct or disturb the investigation and handling of the cases and who shield or absolve wrongdoers. In some serious cases, they should also be punished according to law. Party discipline and state law apply to all people, no matter what position they hold. Evildoers should be dismissed from office as they deserve. Criminal offenders should be arrested and tried by the judicial department according to the law and should be put into prison or executed as they deserve. We must never tolerate evil and abet it, otherwise we will leave endless trouble for the future. At present, a small number of criminal offenders perversely continue their lawbreaking activities in the knowledge that they have strong backing, and we often encounter disturbances and obstruction when handling these cases.

Some people only pay attention to human relations and disregard the law, discipline, and principles. They even bend the law for the benefit of their relatives or friends or use their official power to shield and defend each other. They obstruct the handling of some cases or mitigate the seriousness of cases involving senior officials or people who have close relations with them. Enforcing party discipline and improving party style are basic tasks for the discipline inspection organs. All discipline inspection cadres should faithfully perform their sacred duties. They must hold a firm position and show a clear-cut attitude when dealing with major cases, must have the spirit of fighting against all evil things through to the end and struggling for a fine social and political environment, for a fundamental turn for the better in party style, and for the building of the two civilizations.

COLLEGE GRADUATE JOB ASSIGNMENT REPORT APPROVED

OW302046 Beijing XINHUA Domestic Service in Chinese 1452 GMT 25 Mar 86

[Text] Beijing, 25 Mar (XINHUA) -- The State Council recently approved and transmitted the State Education Commission's "report on improving the work of job assignment for 1986 graduates of institutions of higher learning." In a circular accompanying the report, the State Council said: In making job assignments for 1986 graduates of higher learning institutions, it is necessary to continue to develop last year's experience in reform, adhere to the orientation of reform, implement the principle of compatibility between study and practice to ensure that everyone is able to fully apply the special knowledge he has learned, do well in ideological and political work, and assign the limited number of graduates to work posts where they are most needed and can best give play to their roles.

The State Education Commission's report said that the number of 1986 graduates from all regular institutions of higher learning is expected to reach more than 308,000. The handling of job assignments for these graduates should be carried out in accordance with the guidelines and basic principles for state economic construction and the guidelines of the decision on restructuring the education system and by adhering to the principles of making unified arrangements and rational use and reinforcing the key areas while taking the rest into consideration. It is necessary to continue to meet the requirements of and step up assignments to the energy, transportation, communication, agriculture and forestry, education, light and textile industry, and raw materials departments and the key military industry and national defense projects. It is especially necessary to pay attention to the needs of the existing enterprises in improving management, increasing economic results, and carrying out technological transformation. In principles, all graduates from the border and remote provinces and regions (including units directly under the various ministries and state commissions that are located on the border and remote provinces and regions) should be assigned to their places of origin.

Regarding the formulation of plans for job assignments for the graduates, the report said: In principle, assignments for graduates of local institutions of higher learning should be made by the various provinces, autonomous regions, and municipalities themselves within their localities. Coastal and inland provinces and municipalities should encourage some of their graduates to get job assignments on the border and in remote provinces and autonomous regions -- particularly those with which they have established cooperative links -- to support construction there. With regard to graduates of higher learning institutions of the various central operations departments, aside from those transformed by the state in accordance with the need for their specialties to beef up the strength of key departments, all the rest should be assigned by the respective departments in charge of their schools to job positions in the units directly under these departments or in the units of compatible trades and professions.

The State Education Commission will be responsible for job assignments for graduates of the higher learning institutions directly under the commission. In making the assignments, the State Education Commission should first start from the top by working out a plan itself that spells out assignment quotas for the various departments and areas. Under the guidance of this plan, the schools will submit specific plans for assignments based on the different specialties and the needs of the various units. In doing so, the schools should first, acting in light of the needs reflected by the employing departments and localities and considering both the specific conditions of the individual graduates and the requirements for their specialities, consult with the departments, localities, and employing units and adopt the method for arranging meetings between the supply and the demand sides.

The report said: Shanghai Jiaotong University and Qinghua University will continue to experiment, under the guidance of the state plan, with the method where students choose the jobs they desire, the schools make recommendations, and the employing units hold examinations and employ the best.

The report said: The job assignment policy for 1986 graduates should mainly aim at solving the following problems:

1. Make further efforts to implement the system of fixed-time service for the graduates. The first problem that should be solved well is the transfer of graduates who have completed their service period in the border and remote provinces and regions after being assigned there from the large or medium-size cities in the inland areas.

2. Take effective measures to stop the detaining of graduates. The report stipulates that no locality or unit is permitted to make graduates assigned jobs by the plan stay longer than they are required and it is necessary to resolutely stop any unhealthy practices in handling job assignments.

3. Seriously study the problem of assignments with compensation. The scope will no longer be expanded in 1986 for the trial practice of assignments with compensation. In places where this was experimented with last year, the experiment may be continued.

The report clearly noted: For graduates who do not comply with assignments made to them, the relevant past documents and regulations will still apply. In conclusion, the report emphasized; All concerned departments and higher institutions should pay attention to ideological and political eduation among graduates. They should, in view of the characteristics and actual thinking of the graduates, carry out effective ideological education work among them in connection with education on the situation and policies. The purpose is to inspire their patriotic enthusiasm and pioneering spirit, encourage them to foster the concept of a life of serving the people, and consciously obey their assignments and strive to work for the cause of socialism.

COMMENTATOR VIEWS ASSIGNMENT OF GRADUATES, REFORM

HK300922 Beijing RENMIN RIBAO in Chinese 26 Mar 86 p 3

[Commentator's article: "Uphold the Direction of Reform in Assigning Graduates of Institutes of Higher Learning"]

[Text] In recent years, some reforms have been made in the matter of assigning graduates of institutes of higher learning. Increased authority has been vested in schools and employment units. Links involved in the business of assignment have been reduced.

Enthusiasm of the three sides -- the school, the employment unit, and the student -- has been aroused, bringing life to the whole effort. The assignment of school graduates this year will begin soon. This year's work chiefly calls for unifying thought, upholding the direction of reform, and further trying to do work in conscientious and proper manner. Graduates of institutes of higher learning are cultivated by the state in a planned manner. In the present situation marked by a shortage of skilled personnel, problems in supply and demand, and an extremely great imbalance in economic and cultural development between areas, it is still necessary for the state to strengthen macroeconomic control over employment of school graduates and enforce assignment in planned manner. This approach helps to ensure the fulfillment of the needs of key state construction projects, strengthen forces in remote areas and weak departments, and improve the irrational state of distribution of skilled personnel marked with overly great differences. This is in line with important prerequisite for upholding the correct direction of reform. Some people set enforcement of plans in opposition to reform. They consider that since there must be reform, it is no longer necessary to talk about planning. They suggest that the state drop any kind of control, giving schools full authority and freedom in the matter of assignment, or that students be allowed to find work themselves. This is obviously a wrong idea. It is incompatible with the spirit of the economic reform and the reform of the educational system and incompatible with national conditions.

Institutes of higher learning offer numerous specialties. The targets of training and the content of study vary. The same specialties offered by different schools have their own features. There are also differences in the quality, skills, and interests of graduates. Needs of employment units across the country vary greatly. Given such a complicated situation, if only a small number of people are allowed to formulate all-inclusive unified assignment plans, freely assigning college graduates as "pawns" at the same grade and exercising rigid planned controls, we will inevitably depart from reality, restrain enthusiasm in various quarters, fail to give full play to the proper enthusiasm of graduates, and interfere with the healthy development of the reform in assigning graduates. Conditions in the above two fields dictate with in the assignment of graduates, simultaneous with the strengthening of macroeconomic control, we must seek further microeconomic revitalization. The two supplement each other. Only with macroeconomic control excercised and properly taken care of can there be microeconomic revitalization free from chaos. Similarly, only with microeconomic liberalization can there be a guarantee for the implementation of macroeconomic plans. Concretely speaking, the state has an overall plan for assignment of graduates specifying targets of control based on departments, provinces, cities, and schools. As to which are the most suited to units to which numerous graduates with different conditions are assigned, full freedom is given schools, employment units, and the departments in charge in individually taking care of graduates, with actual conditions in mind and through the method of keeping prospective employers and employees in contact. In the process of doing so, if the state plan is found not to be fully compatible with reality, we must carry out proper readjustment in a down-to-earth manner after full consultations, in order to perfect it. Thus, not only is the spirit of reform realized, but seriousness of plans is upheld. Not only are social needs properly taken care of, but vitality is stimulated in various fields and increased responsibilities are assumed by various quarters. By following this road, a still better job can definitely be done in the assignment of graduates.

IMPLEMENTATION OF MINERAL RESOURCES LAW URGED

HK270938 Beijing RENMIN RIBAO in Chinese 20 Mar 86 p 2

[Commentator's article: "Supervise and Use Mineral Resources Well According to Law"]

[Text] "The Mineral Resources Law of the PRC" has been adopted by the 15th Session of the Sixth NPC Standing Committee.

This happy event is in line with the people's ardent expectations. China is rich in mineral resources. Over the last 30 years and more since the founding of the PRC, significant achievements have been scored in the prospecting and exploitation of mineral resources. However, the growth rates of prospecting and exploiting mineral resources still fail to meet the needs of socialist construction. The phenomena of mineral resources being destroyed and wasted can be found almost everywhere in some parts of the country. "The Mineral Resources Law," which explicitly defines the management of mineral resources in the form of law, is of extremely great significance in further accelerating the prospecting, exploitation, and use of mineral resources, strengthening mineral resources protection, in raising the growth rates and economic results of the prospecting and exploitation of mineral resources, and in ensuring the present and long-term needs of the socialist modernization program.

The Chinese Constitution stipulates that mineral resources are owned by the state. "The Mineral Resources Law," reaffirming this principle, clearly stipulates: "The state ownership of mineral resources on the earth's surface or underground will not change with the various rights to own or use the land containing the mineral resources." In other words, mineral resources are owned by the state and there is no question of collective or individual ownership of mineral resources. According to the stiuplations of "the Mineral Resources Law," no unit or individual shall seize, destroy, buy or sell, lease out, or transfer in any form the state's mineral resources.

"The Mineral Resources Law" stipulates that a system of putting mineral resources prospecting under unified registration management, under which those who intend to open up mines should undergo a process of submitting applications and getting approval through examination before obtaining a license, is to be introduced. "The law" also lays down clear stipulations on the handling of unlawful practices. These stipulations provide a legal guarantee for "decontrol, invigoration, and sound management," as well as the rational exploitation and use, of mineral resources. Our mineral resources are limited. Therefore, we must cherish them very much. Cherishing or protecting our mineral resources is aimed at exploiting and using them in a rational and planned way. This will not only be conducive to the present development of the national economy but will also benefit our coming generations.

While stipulating that state-owned mines are the main body designated to exploit mineral resources, "the Mineral Resources Law" also clearly lays down that the principle of active support, rational planning, correct guidance, and strengthened management should be practiced among the collectives and individuals in towns and villages engaged in mining. The present development of mining by town and village collectives and individuals has played a positive role in promoting regional economic prosperity and helping the people in poor mountainous areas become prosperous through the elimination of poverty. However, some regions are vying with state-owned mines for mineral resources, indiscriminately opening up mines and neglecting production safety and environmental protection. "The Mineral Resources Law" allows and encourages licensed mining by town and village collectives and individuals of minerals resources within the areas permitted by state stipulations. By conscientiously implementing these stipulations, we will be in a better position to determine the limits of mining areas for such purposes, to avoid disputes, to implement the measures for production safety and environmental protection, to raise the utilization ratio and the economic results of the use of mineral resources, to give guidance to the healthy development of mining by town and village collectives and individual, and to quicken the pace of exploiting mineral resources.

"The Mineral Resources Law" provides an essential basis for the prospecting, exploitation, and protection of mineral resources. We must thoroughly understand, repeatedly propagate, and firmly implement it. People's governments at all levels must strengthen leadership and management over the prospecting and exploitation of mineral resources, conduct publicity and education work among the masses of poeple in various forms, and correctly handle the relationship of interests between the state, the locality, and the individual.

They must also institute or perfect their administrative organs for mineral resources development and solve the law-enforcement problem satisfactorily. In brief, with regard to "the Mineral Resources Law," we must ensure that the law is observed and enforced strictly and that lawbreakers are dealt with, so that mineral resources can be better and more effectively used in the service of the socialist modernization program.

WRITERS' ASSOCIATION SECRETARY ON LIU BINYAN

HK300220 Beijing ZHONGGUO XINWEN SHE in Chinese 0936 GMT 28 Mar 86

[Text] Beijing, 28 Mar (ZHONGGUO XINWEN SHE) -- This morning, at a meeting with Hong Kong reporters covering the NPC and CPPCC sessions in Beijing, Deng Youmei, a secretary of the secretariat of the Chinese Writers' Association, said: Over the past few years, we have refrained from stating our position on what is right and what is wrong concerning the problems pointed out in Liu Binyan's articles. In addition, we have never commented on his writing methods, his style, or the problems he discussed.

Deng Youmei said: Those who have shown their disagreement with Liu Binyan are those characters mentioned in his articles. If, in my articles, I refer to a certain person without being faithful to the facts, how can I not allow this person to step forward and defend himself?

In reply to the question of how Chinese writers view criticism abroad, Deng Youmei said: There are three types of criticism abroad: The first type is both accurate and lucid. We accept correct criticism whether it is published in left-wing or right-wing newspapers. The second type is inaccurate and is full of conjecture. We can exchange views with these critics in order to understand each other better. There is also a third type. There are individuals who want to discover new subject matter and trends from Chinese articles, with extraliterary motives. Their articles have had no effects on the mainland.

When a reporter asked Deng Youmei why some intellectuals who have suffered so resolutely wanted to join the CPC, Deng Youmei said: I am also a "rightist." Chinese intellectuals love their nation and their country. Their sense of responsibility toward their nation and their country has been inherited from their forebears. Even when our circumstances were the most difficult, they did not forget to serve their motherland. They want to join the party because they firmly believe that this party can fulfill the important task of leading the Chinese people to bring about the four modernizations. Of course, I was labelled a "rightist," but not because the person who made me suffer had evil designs on my wife; his wife is even more beautiful than mine.

Questioned on Wang Meng

HK281539 Beijing ZHONGGUO XINWEN SHE in Chinese 0856 GMT 28 Mar 86

[Report: "Deng Youmei's Response to the Rumor That Wang Meng Has Become Minister of Culture"]

[Text] Beijing, 28 Mar (ZHONGGUO XINWEN SHE) -- It is rumored that Wang Meng has been appointed minister of culture by the Chinese Government. This morning, Hong Kong reporters reporting on the Fourth Session of the Sixth NPC and the Fourth Session of the Sixth CPPCC in Beijing asked Deng Youmei questions on this. Deng Youmei is a secretary of the Secretariat of the Chinese Writer Writers' Association.

Deng Youmei said: I telephoned Wang Meng and asked him this question. He said: "No comment." However, he did not deny it either. "Thank God I am spared from this disaster." Deng described Wang Meng as a vigorous young man with many new ideas. However, Deng said, it is very difficult to be a good minister and a good writer simultaneously. If I were given such a job, I would not be able to be a writer at the same time because I would not have time to write anything.

YU QIULI URGES PLA TO AID SOCIALIST CONSTRUCTION

OW301430 Beijing XINHUA Domestic Service in Chinese 1418 GMT 29 Mar 86

[By reporter Hu Nianqiu]

[Text] Beijing, 29 Mar (XINHUA) -- Yu Qiuli, director of the General Political Department of the PLA and also deputy to the NPC, spoke today at the PLA delegation's group meeting to examine and discuss Premier Zhao Ziyang's report on the draft Seventh 5-Year Plan. He called on commanders and fighters of the whole Army to carry forward the PLA's honorable tradition; continue their efforts, show concern for, support, and take part in socialist construction, further improve their work; and struggle for the accomplishment of the "Seventh 5-Year Plan" together with the people of the whole country.

He said: The goals set forth by the "Seventh 5-Year Plan" are grand and far-sighted. They are realistic and can be fulfilled through hard efforts. Yu Qiuli pointed out several main tasks which the PLA should accomplish during the "Seventh 5-Year Plan."

It is necessary to completely fulfill the task of streamlining the PLA and reducing its strength by 1 million troops to make the Army more suitable for modernized and regularized building and to enable the state to concentrate more financial, material, and human resources on economic construction.

It is necessary to take an active part in key construction projects according to the needs of the state and capabilities of PLA units. We must ensure that the construction projects undertaken by PLA units are of good quality, and we must complete such projects on time or ahead of schedule. PLA units should do their best to undertake any new construction projects as requested by the state and various localities, according to the actual situation of the various PLA units. We should take the initiative to support, much as possible, social public works in areas where the troops are stationed.

We should further organize cadres and fighters to study culture and scientific knowledge, cultivate people who can do both military and civilian work, and provide more capable people for national construction. In recent years, all PLA units have achieved significant results in studying culture and scientific knowledge and in cultivating people for both military and civilian work. A large number of retired servicemen who had received training in both military and civilian work are now playing a positive role in the development of urban and rural economy and in political, judicial, educational, and cultural work. In the next 5 years, we should truly include this work in the regular reduction and training of the various PLA units.

We should further unfold the activities of building socialist spiritual civilization together with the people. In recent years, the armymen and people have worked together to build socialist spiritual civilization. It has played a positive role in fostering fine social morality and customs and improving social order. In the future, all units with the necessary conditions should launch such activities are quickly as possible.

Those units which have already started such activities should further improve their work under the leadership of local party committees and government. In unfolding such activities, we should publicize the party's line, principles, and policies; disseminate communist ideology, morality, and style; promote a fundamental improvement of party conduct and social customs at an earlier date; create a better environment of stability and unity for economic construction; encourage the masses to build the four modernizations with concerted efforts; spread economic information and help the masses develop production and become rich through hard work; and assist the masses in learning cultural and scientific knowledge and professional skill in order to raise labor productivity.

DENG YINGCHAO ATTENDS CPPCC PANEL DISCUSSION

OW281328 Beijing XINHUA in English 1317 GMT 28 Mar 86

[Text] Beijing, March 28 (XINHUA) -- Deng Yingchao, leader of China's consultative body, today called on her colleagues from minority areas to suggest ways and means for the development in their areas. She said that leaders in these areas should earnestly carry out government policies toward minority areas so that such areas will be able to catch up with other parts of the country in the level of economic develpment. This afternoon, Deng, chairwoman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), attended a panel discussion on Premier Zhao Ziyang's report delivered earlier this week concerning the draft Seventh Five-Year Plan.

Eight CPPCC members spoke at the discussion. They all said that the new five-year plan, with realistic goals, embodies the desire of all nationalities in the country for common prosperity. Three of them are from Inner Mongolia, Tibet and Ningxia Hui (moslem) Autonomous Region, and one is of She nationality from Fujian Province. The four suggeted that the central government give more aid to remote and border areas where most minority people live. The said these areas need more funds to develop education, and train cadres and teachers from among local inhabitants.

Deng Yingchao assured her colleagues representing different nationalities, the central Government is very much concerned with development in your areas and how policies are implemented there. Although I'm over 80, the chairwoman said, I still hope to do someting for the minority people.

XI ZHONGXUN ON COMPILING CPC HISTORICAL DATA

OW301050 Beijing XINHUA Domestic Service in Chinese 1506 GMT 29 Mar 86

[By reporter Zhang Sutang]

[Excerpts] Beijing, 29 Mar (XINHUA) -- "CPC Organizational History Data", a set of historical data books which record and reflect, systematically, accurately, and in an overall manner, the founding, development, and growth of the Communist Party of China and compile historical data concerning the party's organizational developments at the central, provincial, prefectural and county levels, will be jointly edited and published by the commision for collecting party historical data and the organization department under the CPC Central Committee and the Central Archives Center during the Seventh 5-Year Plan.

This afternoon at Zhongnanhai's Huairen Hall in Beijing Xi Zhongxun, member of the Political Bureau of the CPC Central Committee; Deng Liqun, and Hao Jianxiu, members of the Secretariat of the CPC Central Committee, met with all the comrades attending a forum on compiling and editing data for this set of books.

In his speech, Comrade Xi Zhongxun expressed his vigorous support for compiling and editing this set of books. He hoped that everyone will try to compile and save all data in a systematical way, adhere to the principle of accuracy first, and do a good job in compiling and editing this set of books. According to the current plan, the "CPC Organizational History Data" will have two parts. The first will contain documents, while the second will outline changes and developments.

The forum on compiling and editing data on CPC organizational history was jointly sponsored by the commission for collecting party historical data and the Organization Department under the CPC Central Committee and the Central Archives Center and held on 27 March. During the forum, Feng Wenbin, member of the Central Advisory Commission and chairman of the commission for collecting party historical data under the CPC Central Committee; Li Rui, member of the Central Advisory Commission; Wang Zhaohua, deputy head of the Organization Department of the CPC Central Committee; and Wang Mingzhe, head of the Central Archives Center, delivered speeches on how to do the job of compiling this set of books.

GU MU ON ZHEJIANG'S TOURIST DEVELOPMENT

OW280632 Beijing XINHUA Domestic Service in Chinese 1755 GMT 25 Mar 86

[By reporter Guo Shuochuan]

[Text] Hangzhou, 25 Mar (XINHUA) -- After an inspection tour of some scenic spots in Hangzhou, Ningbo, Shaoxing, and Tonglu, Gu Mu, state councillor and head of the tourism coordination group of the State Council, made the following remarks on 23 March to leading comrades of Zhejiang Province and Hangzhou City: Zhejiang has rich resources for developing tourism. It is a key province for simultaneous development of the economy and tourism. Unified overall planning should be made to develop tourism in the province with the Xi Hu scenic area and other places of beauty and historical interest in Hangzhou as a tourist center. Gu Mu pointed out: Development of tourism in Zhejiang Province may be carried out in two steps: The first step is to make Hangzhou a tourist center and do a good job in preserving the natural beauty of Xi Hu as well as the adjacent scenic spots and places of historical interest, make necessary renovations, and open them to the public. Work should be done to solve the relevant problems concerning restaurants, hotels, transportation, and recreational facilities, including the problem of civil air transportation service within the province, and to develop the production of those items that may serve as souvenirs. We should make Hangzhou, a city long known as a "paradise," even more attractive to tourists both at home and abroad. The second step is to integrate Hangzhou's tourist work with that of eastern and western Zhejiang so that they will promote each other.

Gu Mu showed a keen interest in Hangzhou City's proposal for the establishment of silk and tea museums. In building the museums, he said, attention should be paid to economy and practical use, the economic benefits to be produced, and the harmony between the museum buildings and their surroundings. Buildings of several stories are not necessarily required, he added.

WANG ZHEN, ZHANG JINGFU RECEIVE GOLD PRODUCERS

OW281149 Beijing XINHUA Domestic Service in Chinese 0224 GMT 26 Mar 86

[Excerpts] Beijing, 26 Mar (XINHUA) -- Some 300 "gold diggers" who contributed to the rapid development of China's gold industry went to Zhongnanhai today to receive awards from the party and the people.

At 1000 Wang Zhen, vice chairman of the CPC Central Advisory Commission; Zhang Jingfu, state councillor; and other leading comrades appeared before the "gold diggers." Wang Zhen congratulated them on their glittering achievements and called on the gold industry to contribute even more to China's prosperity during the Seventh 5-Year Plan. Zhang Jingfu told them that the party Central Committee and the State Council attach great importance to gold production. He urged cadres and workers of gold mining enterprises and local people who mine gold to produce more gold for the state in support of the four modernizations.

HAO JIANXIU CONGRATULATES QINGDAO DRAMA TROUPE

OW301254 Beijing XINHUA Domestic Service in Chinese 0747 GMT 29 Mar 86

[By reporter Yin Hongzhu]

[Excerpts] Beijing, 29 Mar (XINHUA) -- Since its premiere in Beijing on 20 March, the drama "Fly, Storm Patrols" performed by the Qingdao City Drama Troupe of Shandong Province has been widely acclaimed by young audiences. Many middle school students said: This drama not only reflects the ideals and goals of middle school students in 1980's but also indicates that we must also display the spirit of working harder than ever as pioneers.

After the performances, Hao Jianxiu, member of the Secretariat of the CPC Central Committee, met with the leading comrades, actors and actresses, and staff members of the drama troupe and with the responsible comrades of the cultural and propaganda departments in Qingdao City. She hailed the comrades of the drama troupe for performing an excellent drama for the broad masses of young people. She said: The whole party and the entire society must pay attention to work on promoting ideals and education among young people and must help them grow healthily. Right now, there are not very many dramas that reflect the young people's lives, learning, and ideals. The broad masses of literary and art workers should concern themselves with young people and write more and better creative works for them.

Since March last year, this drama has been performed more than 120 times in Qingdao and Jinan. Over 100,000 middle school students, fifth and sixth graders of various primary schools, as well as teachers and parents watched the performance. The Qingdao Drama Troupe gave the Beijing performances at the invitation of the Ministry of Culture.

DU RUNSHENG INSPECTS SHAANXI HANZHONG PREFECTURE

HK310243 Xian Shaanxi Provincial Service in Mandarin 0200 GMT 31 Mar 86

[Text] According to NONGJIA XINSHI BAO [PEASANT MESSENGER], Du Runsheng, director of the Rural Policy Research Office of the CPC Central Committee Secretariat, and Wu Xiang, deputy director of the Rural Development Research Center of the State Council, headed an investigation team which carried out on-the-spot inspections in Hanzhong Prefecture, Shaanxi, from 10 to 13 March.

The team pointed out after its investigation: It is first necessary to arrange market relations properly. Regulation by market mechanism should be stepped up and lateral ties strengthened in order to solve the exising difficulties in buying and selling things. Second, it is necessary to speed technological progress and transformation. Third, it is necessary to continue to explore reforms and promote diversification in production modes. We should find new ways of jointly using the masses' investment and labor, and organize the production relations still better. With these three things done well, we will have a bright future and excellent prospects.

XIAMEN ISSUES PREFERENTIAL CARDS TO FOREIGNERS

HK290402 Beijing ZHONGGUO XINWEN SHE in Chinese 0843 GMT 27 Mar 86

[Text] Xiamen, 27 Mar (ZHONGGUO XINWEN SHE) -- According to reports by reporters at the Xiamen Border Inspection Station, since 1 March, preferential exit/entry cards have been issued by the Xiamen Border Inspection Station to dozens of businessmen, specialists, and professors from foreign countries and from Hong Kong and Macao who are now working in Xiamen.

Priority will given to these card holders when they go through the formalities at the Xiamen Border Inspection Station. This has made it more convenient for people from foreign countries and from Hong Kong and Macao who come to Xiamen to make investments, run factories, negotiate business, or exchange technology and culture.

ANHUI CPC ISSUES CIRCULAR ON CADRE SELECTION

OW203042 Hefei Anhui Provincial Service in Mandarin 1100 GMT 27 Mar 86

[Excerpts] The Anhui Provincial CPC Committee recently issued a circular calling on party committees at all levels to seriously implement the CPC Central Committee circular on selecting and using cadres in strict accordance with party principles.

The circular of the provincial party committee says: The CPC Central Committee circular on selecting and using cadres in strict accordance with party principles is a very important document. It is an important set of rules formulated by the party Central Committee to improve the party style, as well as a fundamental measure to ensure selection and use of cadres in strict accordance with party principle and to organizationally ensure a smooth proceeding of the socialist modernization and all reforms. Party committees at all levels must seriously study and resolutely implement it.

The circular of the provincial party committee puts forward six opinions concerning implementation of the Central Committee circular:

1. It is necessary to take further step to study the documents of the central authorities.

2. Party committees at all levels must exemplarily adhere to party principles and enforce the organizational and personnel discipline.

3. Party committees at all levels should firmly guarantee the implementation of all regulations promulgated by the Central Committee on selecting and using cadres strictly in accordance with party principles.

4. Party committees at all levels should immediately conduct a general inspection of their respective localities and departments with regard to selection and use of cadres, establishment of new organizations, and the composition of leading bodies.

5. It is necessary to strengthen the organization and personnel departments, and bring their role into full play.

6. In order to more strictly enforce demands for leading cadres and to strengthen organizational supervision over them, whenever the sons, daughters, or spouses of leading cadres of cities and provincial departments and bureaus are to be promoted more than one grade at a time, the planned promotions must be submitted to the provincial party committee for approval and the appointments must be made according to the jurisdiction of cadre management.

SHANGHAI PARTY SECRETARY COMMENTS ON CITY's GOALS

HK300524 Hong Kong AFP in English 0430 GMT 30 Mar 86

[By Bernard Degionni]

[Text] Shanghai, China, March 30 (AFP) -- Shanghai's leaders hope that residents will be earning ten times as much by the year 2000 and that they will be reaping those rewards according to policies that link income to output.

Rui Xingwen, secretary of the Communist Party's Shanghai municipal committee, told AGENCE FRANCE-PRESSE that the average annual per capita income in the city ought to be 10,000 yuan (3,125 dollars) by the year 2000.

The goal is ambitious. Official figures show that the average income in the city last year was only 1,017 yuan (325 dollars), and that this huge metropolis of more than 12 million people is due to grow by more than one million over the next 14 years. "We will introduce into the city the experiments that have succeeded in the countryside," Mr Rui said, noting that the innovations would include linking wages to productivity. "The time in Shanghai when the state and city would systematically make up for all deficits is now gone," Mr Rui explained.

Foreign businessmen based here feel that only by encouraging personal initiative will it be possible to revive an economy which has been backsliding for the past 30 years. "Either it works or it will all collapse," said one foreign banker, adding that the situation could become no worse then it already is.

The liberalized economic policies pursued by Beijing since late 1978 were not welcomed in Shanghai, a traditional bastion of hardline Maoism. City leaders hostile to the reforms were ousted about eight months ago. The reasons for Shanghai's economic decline are also historical. In 1950, soon after coming to power, the new communist leaders sought to halt the expansion of the city which accounted for half the country's wealth and which, in their eyes, was tainted by its capitalist past. Shanghai's economy was dismantled and its leading industrial and intellectual figures dispatched to other regions.

As a result, heavy industry here, once the city's strong point, is now obsolete. Shanghai's new leaders are now counting on an economic revival coming from the advanced technology industries, and the tertiary and banking sectors.

A foreign businessman here offered other explanations. "Too proud and too sure of themselves, Shanghai people show intransigence in negotiations. Other Chinese regions, more flexible, have no difficulty in taking over the markets." As one Chinese manufacturer commented: "Many of us are resistant to collaborating withthe outside world, feeling that if there are profits to be made, there is no sense in sharing them with others."

Despite its difficulties, Shanghai is still China's most prosperous city. On a national level it accounts for 30 percent of exports and 20 percent of state revenue. In 1980 the city accounted for 16 percent of the nation's total industrial production, Western sources estimated.

Mr Rui pointed to the fact that 164 Sino-foreign joint ventures had been or were about to be set up in Shanghai and that 46 percent were now operational. Official figures show that 1.27 billion dollars of foreign capital has been invested in Shanghai over the past five years by businessmen from Hong Kong (35 percent), the United States (32.9 percent), Japan (16 percent) and Europe (13.4 percent).

Volkswagen produces cars here, with 15,000 of its "Santana" model to be turned out for the domestic market this year. The U.S. company McDonnell-Douglas assembles DC-9 aircraft here. Belgium is providing telephone exchanges, in line with the goal of one telephone for every 10 people here by the year 2000. Foreign partners in joint ventures frequently complain of "little return on Chinese personnel," and the resulting poor quality of goods produced.

To help in its economic revival, Shanghai received 300 million dollars from the central government at the beginning of the year. The city will also be allowed to retain 84 percent of its fiscal receipts and is the first city in China to sell bonds abroad.

Shanghai's economic progress will be linked to its ability to update its transport infrastructure. The Seventh Five-Year Plan for 1986-1990 now being considered by the Chinese parliament contains plans for the construction of a second airport and the expansion of port facilities here which last year handled one-third of Chinese maritime traffic. Shanghai will also have to double its energy output -- the city's industry suffers frequent power cuts. However, Beijing has just postponed indefinitely construction of a nuclear power plant at Sunan, not far from here.

ZHEJIANG OUTLINES 1986 PARTY RECTIFICATION TASKS

OW290237 Hangzhou Zhejiang Provincial Service in Mandarin 1000 GMT 24 Mar 86

[Text] The Discipline Inspection Commission of the Zhejiang Provincial CPC Committee recently outlined this year's major tasks in rectifying the party's work style. It asked party committees and discipline inspection commissions at all levels to seriously implement the series of important instructions of the CPC Central Committee and the guidelines of the seventh plenary session of the Central Discipline Inspection Commission and to strive to create a situation in which everyone in the party works to improve the party work style.

The basic requirements for theis year's work are as follows: During the first half of this year, organs at the county level or above that have completed party rectification should stop the practice of procuring new or replacing old cars and of using public vehicles in violation of regulations; generally control foreing trips by groups or individuals by coordinating the review and approval of their applications; curb the unhealthy practice of cadres using public funds for sightseeing, either openly or secretly; change the practice of lavish receptions, entertainment, and gift-giving; resolve the question of party and government cadres seeking illicit income and of their children or spouses using their connections to engage in business in violation of the relevant regulations; and correct the actions of leading cadres that violate organzational and personnel discipline and contradict party principles. Districts, towns, and townships still in the process of party rectification should quickly stop the unhealthy practice of building houses in violation of discipline, pay compensation to the state for building materials already used, draw up a repayment schedule for the debts owed to the state, and compensate the state for funds spent that had been confiscated or collected as fines. Enterprises should seriously rectify their managerial thinking, approach, and style. They should overcome the idea of putting money above all else. They should particularly resolve such questions as taking a second job by some people to seek additional income, demanding or accepting kickbacks in official or business activities, creating dummy companies or projects, evading taxes, falsifying production costs, indiscriminately distributing bonuses or awards, and engaging in other wasteful activities.

GUANGDONG TRANSPORT SHIP SINKS; 22 MISSING

HK281323 Guangzhou Guangdong Provincial Service in Mandarin 1000 GMT 28 Mar 86

[Text] Last night, the "Humen," a dredger of the Guangzhou channel bureau, collided with No 311 transport ship of the Hainan shipping company on the river near (Jinshoupai) at the mouth of the Humen. No 311 ship of the Hainan shipping company sank at once and 22 persons on board the ship were missing as of this morning. The country's departments concerned and naval forces have sent personnel, ships, and boats to help look for the missing persons.

GUANGXI: CHEN HUIGUANG CALLS FOR COMMODITY PRODUCTION

HK290659 Nanning Guangxi Regional Service in Mandarin 1100 GMT 27 Mar 86

[Excerpts] While recently conducting investigation and study in some townships and towns in Pubei County, Comrade Chen Huiguang, secretary of the regional CPC Committee, pointed out: If we have firm confidence, carry forward the spirit of the foolish old man who removed the mountains, and vigorously develop commodity production according to our local advantages, we should stand a good chance of success in increasing our income and getting rich.

On 25 March, Comrade Chen Huiguang went to (Beitong) township, Pubei County, and listened to the reports of responsible comrades of the township and villages. He visited a firecracker plant, a food processing factory, and banana and lychee farms in this township. He expressed satisfaction with economic work and the building of spiritual civilization there. He hoped that they would do well in grasping spring farming, planting trees, combating drought, and sowing seeds without losing any time.

Summing up on-the-spot visit and investigation, Comrade Chen Huiguang held: (Beitong's) plan for future economic development and its guiding ideology are defined and the road it has taken is correct. It is worth emulation by all places, and there is much in (Beitong's) method that all places can apply.

He said: Qinzhou Prefecture has excellent conditions for developing subtropical fruits, and the masses also have rich experiences in and urgent demands on its production. Their foundation for developing township enterprises is relatively good. So long as we further strengthen leadership, clearly understand the situation, work out a good plan, set an example to enlighten and lead the masses, rely on technology, provide service before, in the course of, and after production, develop economic relations among enterprises and regions, and work in a down-to-earth manner, we can turn into reality what Comrade Hu Yaobang expected of us while he was inspecting Qinzhou Prefecture.

HENAN PLA MEETING ON REGIMENTAL PARTY RECTIFICATION

HK300317 Zhengzhou Henan Provincial Service in Mandarin 1030 GMT 29 Mar 86

[Text] Henan Military District held a telephone conference yesterday evening, which called on all units to concentrate efforts, clear away interference, and fulfill party rectification at regimental-level with assured quantity and quality. Commander Zhan Jingwu put forward the following specific demands:

1. Get a good grasp of ideological education and party rectification to lay a good ideological foundation for transferring the people's armed forces departments to local authorities.

2. Devote great effort to education in specific topics, and further strengthen the party spirit concept of party members, so that they will correctly handle the relationship between the interests of the revolution and personal interests, take a correct view of the transfer of people's armed forces departments to local authorities, and spontaneously obey the requirements of the organization.

3. Have a clear idea on the main problems to be solved in party rectification.

4. Persistently conduct simultaneous rectification and correction. Problems that can be solved must be solved without delays and haggling. A start must be made with tackling major cases.

5. Further strengthen leadership over party rectification work. The CPC committee and leaders of the units must concentrate their main energy on party rectification, and also go down to find out the situation and help solve problems.

HENAN PEOPLE'S BANK HOLDS FIRST PRESS BRIEFING

HK281021 Zhengzhou Henan Provincial Service in Mandarin 2300 GMT 24 Mar 86

[Text] Yesterday [24 March], the provincial People's Bank held the first press briefing on finances to introduce the current financial situation in our province and several main measures which financial departments will take.

At the briefing, (Jia Tanyu), a press spokesman of the provincial People's Bank said: Last year, the provincial People's Bank and all specialized banks on the one hand strengthened extensive financial control and on the other, strived to enliven finances. They scored marked achievements. However, the financial situation confronting our province this year is still relatively severe. This year, credit funds are running short, enterprises' savings deposits are less than last year, contradiction between supply of credit and demand is more conspicuous, and it is harder to ensure a balance of supply of credit funds and demands.

In the face of this situation, the principle of the work of the financial system is that on the one hand, we must strengthen macroeconomic control and on the other, improve macroeconomic control. Concentrating on three focal points -- increasing saving deposits, improving service, and rationally using funds, we must do a good job in reform of the financial structure. Vigorously organizing savings deposits is the most important measure to mitigate the contradiction between supply of funds and demand and is the major task for banks this year. In supplying credit funds this year, we must do very well in supplying loans for the floating capital need by enterprises so that industrial production can maintain a suitable increase; we must also issue all kinds of loans which are related to agricultural production to guarantee the development of agricultural production, particularly grain production.

In addition, the financial departments must improve the method of settling accounts this year and strengthen control over foreign exchange, consolidation of financial organs, and the guidance of the capital market. At the same time, they must use the lever of credit interest to speed up enterprises' capital turnover and to reduce lockup capital.

At the press briefing, responsible comrades of the provincial People's Bank, all provincial specialized banks, the Zhongyuan Development, Trust, and Investment Corporation, and the Henan International Trust and Investment Company answered many queries from reporters on the spot.

HUBEI PARTY RECTIFICATION SYMPOSIUM ENDS 26 MARCH

HK290635 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 26 Mar 86

[Text] The provincial symposium on party rectification in districts and townships which lasted 5 days concluded in Wuchang today.

Some 100 responsible persons of the party rectification offices of all prefectural, city, autonomous prefectural, and county CPC committees and departments and bureaus concerned at the provincial level attended this symposium, which summed up and exchanged experiences in party rectification in districts and townships, analyzed the current situation in party rectification in districts and townships and the main problems existing, and made arrangements for the next step in party rectification in districts and townships.

During the symposium, Qian Yunlu, deputy secretary of the provincial CPC Committee and deputy head of the party rectification guidance group, held a forum with some representatives attending the symposium. Liu Qizhi, member of the provincial CPC Committee Standing Committee and director of the party rectification office, made a report entitled "Further Strengthen Leadership and Do Party Rectification Work Well in Districts and Townships."

Xiaogan Prefectural CPC Committee; Qichun, Guangji, and Gongan County CPC Committees; (Yangdian) District CPC Committee in Xiaogan City; and (Dajupu) Township CPC Committee in Daye County introduced their experiences in strengthening leadership and doing well in party rectification in districts and townships. Units including the provincial supply and marketing cooperative and grain department, introduced their experiences in helping the CPC committees in all places do well in grasping party rectification in the grass-roots units of their own systems.

The symposium held: Our province has made a good start in party rectification in districts and townships and the development is healthy. However, in comparison with the requirements of the central authorities and the provincial CPC Committee, many problems still exist. The symposium demanded: We must do work well and complete our tasks of party rectification in districts and townships in the following several aspects:

1. From the plane of the overall situation, CPC committees at all levels must further enhance understanding of party rectification in districts and townships, tangibly reinforce the party rectification leadership forces, and establish the system of responsibility for party rectification work. The No 1 men of the county CPC committees must personally grasp this work and the deputy secretaries in charge of this work must go all out to grasp it.

2. We must set a high standard and strict demands and avoid carrying out party rectification perfunctorily or superficially.

3. We must give prominence to the key points, really strengthen party spirit, correct party style, and strictly enforce party and legal discipline.

4. We must closely link party rectification with reform and economic work and use party rectification to promote the economy and reform.

SICHUAN'S YANG RUDAI URGES DEVELOPING DEFENSE INDUSTRY

HK290703 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 27 Mar 86

[Text] On 26 March, at the provincial ideological and political work conference of science, technology, and industry for national defense, Yang Rudai, secretary of the provincial CPC Committee, pointed out that we should give play to the advantages of the defense industry to invigorate the province's economy.

Comrade Yang Rudai pointed out: The defense industry is one of the province's strong points. In order to strengthen its third-line construction, the state has invested in many large-scale key projects in the province. At present, the province has formed an industrial system marked by large scale, advanced equipment, strong technological force, and availability of necessary facilities. This is a unique favorable condition for us to develop the national economy.

Since the 3d Plenary Session of the 11th CPC Central Committee, the province has scored successes in the areas of integrating military and civilian production and transferring some military technology to civilian use while ensuring defense needs. However, we have not given full play to the advantages of the defense industry. Thus, we must overcome our outmoded thinking and promptly switch our defense industry enterprises from the traditional economy to the commodity economy. Otherwise, there is no way out for us.

Comrade Yang Rudai said: The main way of transferring part of the military technology to civilian use is to extensively develop lateral economic ties. Thus, we can achieve great and rapid benefit with relatively small investment. In particular, the defense industry enterprises and civilian enterprises can stimulate each other and give play to each other's strong points through cooperation [word indistinct]. We should take the lateral economic ties as the breakthrough point for reforming the structure of the defense industry. Therefore, we must do this well. Local governments at all levels must also create conditions for the defense industry enterprises to transfer some military technology to civilian use while ensuring defense needs, and to develop lateral economic ties.

YUNNAN PARTY LEADER DISCUSSES PROVINCE'S PROSPECTS

HK290557 Beijing ZHONGGUO XINWEN SHE in Chinese 0228 GMT 29 Mar 86

[Text] Beijing, 29 Mar (ZHOGNGUO XINWEN SHE) -- Pu Chaozhu, Secretary of the Yunnan Provincial CPC Committee and an NPC deputy, told ZHONGGUO XINWEN SHE in an interview yesterday that by 1990 Yunnan's total industrial and agricultural output value will reach 30 billion yuan; gross domestic product will reach 24.4 billion yuan, rising at an annual average of 9.3 percent; and export volume will reach $300 million, more than double last year's figure.

Although these goals are slightly higher than the national average growth during the seventh 5-year plan, Pu Chaozhu holds that they are attainable.

Pu Chaozhu was born and raised in Yunnan. He was secretary of a county CPC committee and county governor for a long time, and later undertook leadership work in a prefecture for more than 10 years. Three years ago he was appointed deputy secretary of the provincial CPC committee and governor. He assumed his present post last year.

Pu Chaozhu said that the economic growth rate and the actual achievements of the province in the past 5 years were the best since the founding of the new China. Despite some of the worst natural disasters for 30 years last year, including drought, floods, frost, and earthquakes, total industrial and agricultural output value rose from 12 billion yuan in 1980 to 20.4 billion yuan last year, showing an average annual growth of 11.2 percent; average peasant income rose to 340 yuan, an increase of 238 yuan over 1980; and [words indistinct] growth was registered in all sectors of the national economy except for grain, in which output fell by 1.4 billion jin compared with the previous year.

The CPC Central Committee is extremely concerned for the development of the southwest border region. General Secretary Hu Yaobang has inspected Yunnan three times in the past 5 years. He has demanded that the cadres of Yunnan "climb upwards," that is, study theory, and "go deep downwards," that is, go deep into the grassroots to investigate and study. He stressed tht Yunnan must do well in taking advantage of its three strong points: abundant mineral resources; the tropical and southern subtropical zone covering about 100,000 square kilometers or one-quarter of the province; and forestry, animal husbandry, and medicinal herbs in the high mountains.

Pu Chaozhu revealed that the provincial CPC committee and government have accordingly formulated a six-point development strategy, including the following: speeding up the development of the tropical zone, and developing tropical crops such as rubber, sugar, shellac, spices, medicinal herbs, and fruit into significant undertakings; promoting specialization, commodity production, and modernization in the agricultural economy; and clearing the export channels and the transport links with other areas, and increasing the number of export points.

On the question of further improving work style, Pu Chaozhu said that the provincial CPC committee has recently decided that the cadres should spend more than 3 months a year in the grassroots; within 3 years the members of the standing committee of the provincial CPC committee and the governor and vice governors should visit all the 128 counties in the province, while the party and government leaders of prefectures and cities should visit all districts in their prefecture or city, and the country-level leaders should visit all the townships in their county. This 56 year-old provincial CPC committee secretary is determined to visit this year all the 26 counties that he has not visited in the past 3 years.

YUNNAN DIRECTIVE URGES IMPROVED LEADERSHIP STYLE

HK290257 Kunming Yunnan Provincial Service in Mandarin 2300 GMT 28 Mar 86

[Excerpts] The Yunnan provincial CPC Committee recently issued a decision on tangibly improving leadership style and going deep into reality to investigate and study. The decision pointed out: Comrade Hu Yaobang's recent important instruction on paying attention to two aspects in leadership work emphasized again. From the plane of the Marxist theory of cognition, the very great importance of combining theory with practice and book knowledge with practical knowledge. It profoundly set forth the close relationship between the party's work style and its ideological line. This is the important prerequisite for our leading organs and cadres in exercising correct leadership. It is a basic element in cadre maturity.

The cadres must adapt to the new situation, actively strive to improve themselves in light of the new realities, and work hard to study and master basic Marxist theory, knowledge of modern management, and knowledge of science and technology. While striving to improve themselves, they must not forget to go deep down into the grassroots. They should do very well at integrating these two aspects.

To bring about a big improvement in leadership style at all levels in Yunnan, so as to meet the needs of creating a new situation in the four modernizations the provincial CPC Committee's decision makes the following points:

1. Leading cadres of the province and of the prefectures and counties must take the lead in going deep into reality to investigate and study. They should get to know the state of the country and of the province, counties, and townships, acquire practical knowledge, and exercise face-to-face leadership in the grassroots. Provincial-level and department and bureau-level and department and bureau-level leading cadres should spend not less than 3 months a year in going down to the rural areas and factories. Leading cadres of prefectures and counties should spend still more time in this endeavor.

Beginning this year, within the next 3 years, the members of the provincial CPC Committee Standing Committee and the governor and vice governors should visit every county in the province. The principal party and government leading cadres of the prefectures and cities should visit all the districts in their prefecture or city. The leading cadres of the county CPC committees and governments should visit all the townships in their county.

The leading cadres at all levels should set up their own more or less permanent liaison point or points in the grassroots. They should frequently get to know and become familiar with what is going on there. In particular, in implementing certain major policies and carrying out certain major reforms, they should as far as possible directly take part in practice at those points and get to know what happens throughout the entire process, so as to gain relatively systematic experiences for guiding the overall effort.

2. Continue to send large numbers of organ cadres and science and technology personnel to the rural areas and factories to launch the masses to unfold a drive to get rich through increasing income and [words indistinct] through increasing output. This should be done three times a year, once in February, March and April, once in July and August, and once in December and Janaury. The main tasks of the cadres and personnel sent down are to publicize the policies, investigate and study, formulate plans, firm up measures, carry out inspection and supervision, and provide specific assistance. They should sum up experiences, popularize typical examples, and provide service work for the rural a reas in developing commodity production and for enlivening the enterprises.

At the same time, a number of young cadres with good political quality, a certain ideological and policy level, a certain educational standard, and a certain amount of work experience should be transferred from the provincial organs to counties in serious difficulty to be steeled through holding posts there. They should be rotated every 2 years.

4.[Number as heard] In going down to the rural areas and the factories, the cadres at all levels must stress practical results and avoid formalism.

5. Apart from the original arrangements for this year's theoretical studies for cadres, leading cadres at and above county-level must, while going deep into reality, make efforts to restudy Comrade Mao Zedong's "On Practice," "On Contradiction," and "Where Does the People's Correct Thinking Come From?" Together with important party documents since the 3d Plenary Session of the 11th CPC Central Committee. They should integrate book study with conducting investigation and study to solve practical problems, and further strengthen their sense of principle, system, integration, and creativity in work.

6. In the future the leaders must personally write their own important speeches and reports. Leaders must personally put forward ideas and viewpoints for important documents of the leading organs, and personally preside over and guide the drafting of these documents. After the initial draft is completed, they should seek people's views within a suitable scope, organize democratic discussion, and pool people's knowledge and views. On this basis, the leaders should personally amend the draft for its final form.

7. To ensure that the leading cadres at all levels can devote their main efforts to investigating and studying and solving various practical problems, it is necessary to greatly reduce the number of meetings and documents.

BEIJING'S LI XIMING CALLS FOR LEARNING FROM MODEL WORKER

OW301206 Beijing XINHUA Domestic Service in Chinese 1805 GMT 28 Mar 86

[Excerpts] Beijing, 28 Mar (XINHUA) -- Today Li Ximing, secretary of the Beijing Municipal CPC Committee, spoke at a report meeting on Zhang Jieshi's advanced deeds. Li Ximing called on the leading cadres at all levels in Beijing to learn from Zhang Jieshi, an outstanding communist who was bold in reform and honest in the discharge of his official duties. He urged the leading cadres to promote socialist modernization in the spirit of the Foolish Old Man who removed the mountains.

Zhang Jieshi was the manager of the Changcheng Raincoat Company in Beijing, a special-class model workers, and winner of the "1 May" Labor Medal. He died of illness on 22 March.

Before his death, leading comrades of the Ministry of Light Industry, the Beijing Municipal CPC Committee, the Beijing Municipal Government, and the All-China Federation of Trade Unions Yang Bo, Li Ximing, Jin Jian, and Zhang Fuyou visited him in the hospital. The leading party group of the Ministry of Light Industry recently made a decision on learning from Zhang Jieshi.

BEIJING PEOPLE'S COURT OFFICIAL ON ECONOMIC CRIMES

SK310706 Beijing BEIJING RIBAO in Chinese 17 Mar 86 p 2

[Text] Liu Yunfeng, acting president of the municipal Higher People's Court, delivered a report on seriously dealing blows to the economic criminal activities at the 27th Standing Committee meeting of the 8th Municipal People's Congress on 4 March.

He said: Last year we adopted legal means to firmly and heavily deal blows to the serious economic offenders in light of the spirit of strictly dealing blows to economic crimes. In the period from last August to September, the people's courts at all levels throughout the municipality heard, concluded, and held preliminary trials on 543 economic criminal cases, and sentened 623 criminals. Economic losses worth 940,000 yuan were retrieved for the state, a 12.7-fold increase over the first 7 months of last year.

Liu Yunfeng stressed: The stuggle against economic crimes is a long-term, arduous task. In order to further deal blows to economic criminal activities, we should grasp the following few tasks. First, leaders and judicial officers of the people's courts at all levels should understand the essence, importance, and urgency of the struggle against economic crimes; get rid of confused ideas, make a clear distinction between crimes and innocence; and adopt legal means to strictly punish serious economic criminal offenders. Second, we should organize more powerful forces to handle economic criminal cases only and to firmly hear and handle major and appalling cases. In handling cases, we should thoroughly grasp facts, gain completely reliable evidence, correctly determine the nature of the cases, appropriately mete out penalties, and go through legal procedures so as to ensure the equality of the work of handling cases. Third, we should hold rallies to overtly handle chosen typical cases.

We should adopt the methods of overtly hearing and judging cases to deal blows to and frighten criminals. Efforts should be made to disseminate knowledge of the legal system and educate the masses so as to promote the progress of the activities of dealing blows to economic crimes. Fourth, along with the progress of handling cases, some existing problems will be opposed, and relevant units should set up and perfect rules and regulations on strengthening the work of tackling problems in a comprehensive manner so as to reduce the occurrence of criminal cases. Fifth, in line with the new situation and problems of economic crimes, we should strengthen investigations and studies, and work closely in cooperation with relevant fields to determine the nature of crimes and mete out penalties in line with policies so as to give guidance to the implementation of the trial work.

NEI MONGGOL'S ZHANG SHUGUANG SPEAKS AT AGRICULTURE FORUM

SK310755 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 30 Mar 86

[Text] On the afternoon of 25 March, Zhang Shuguang, secretary of the regional CPC Committee, held discussions with the directors of agricultural, animal husbandry, and forestry departments of various leagues and cities, who were attending the regional work conference on agriculture, animal husbandry, and forestry. During the discussion he delivered a speech on the current and future work in this regard.

Attending the discussion were Bu He, deputy secretary of the regional CPC Committee and chairman of the regional people's government; Tian Congming, deputy secretary of the regional CPC Committee; and Bai Junqing, vice chairman of the regional people's government.

During the discussion, comrades including Zhang Shuguang inquired about their work situtations while carefully hearing the reports given by the directors of agricultural, animal husbandry, and forestry departments of various leagues and cities. They held discussions together when questions were encountered. This discussion was lively and harmonious.

In concluding the discussion, Comrade Zhang Shuguang delivered a speech in which he praised the comrades for their very harmonious discussions and [words indistinct], that were very helpful for him to understand the region and to discern the situation in the region. The undertakings of agriculture and animal husbandry constitute the region's foundation. Therefore, it is imperative to firmly grasp these undertakings, to spend funds chiefly on building production bases in this retard, and to strengthen science and technology. He urged various leagues and cities to do things in line with objective laws and their actual situation and to make a success of the work and to be responsible for the work. To this end, it is necessary for us to successfully deal with in a timely manner the problems that most concern the masses.

In the discussion, Comrade Zhang Shuguang also put forward issues concerning the future development of the region in order to solicit their opinions. The participating comrades also held discussions on the policy of enforcing the responsibility system in animal husbandry on a long-term basis and further [word indistinct] and improving the double contract system in raising animals and planting grass.

SHANXI'S LI LIGONG SPEAKS AT DISCIPINE INSPECTION MEETING

HK260201 Taiyuan Shanxi Provincial Service in Mandarin 2300 GMT 25 Mar 86

[Excerpts] The provincial discipline inspection work conference held a full session on 25 March. Provincial CPC Committee Secretary Li Ligong delivered a speech in which he first affirmed the achievements of the province in straightening out party style and correcting unhealthy trends since last winter.

He stressed that straightening out party style is not just a theoretical issue. The leading comrades at all levels must begin with themselves and set a good example. It is also necessary to do a good job in investigating and dealing with major and important cases, and produce results in this work.

On the relationship between correcting unhealthy trends and promoting economic reform, Comrade Li Ligong said that our aim is to apply party discipline and the legal system to ensure the smooth progress of reform of the economic structure and the implementation of the policy of opening up to the world and invigorating the domestic economy, so as to spur economic development. We must continue to crack down on illegal activities such as swindling, bribery, and corruption.

Comrade Li Ligong also stressed that, in investigating and handling cases, the discipline inspection departments must uphold the principle of seeking truth from facts and apply the policy of dealing with cases in discriminating says according to their seriousness.

Further on Meeting

HK280814 Taiyuan Shanxi Provincial Service in Mandarin 2300 GMT 26 Mar 86

[Excerpt] The 4-day provincial discipline inspection work conference was concluded on 26 March. Li Ligong, secretary of the Provincial CPC Committee; and Zhang Bangying, Provincial CPC Committee Standing Committee member and secretary of the Provincial Discipline Inspection Commission, attended the conference and made speeches. (Zhang Xindao), deputy secretary of the provincial discipline inspection commission, made further plans for this year's activities for improving party style.

The conference pointed out the tasks of this year's activities for party style. First, we should concentrate our efforts onhandling major cases and malpractices. Party committees and discipline inspection departments at all levels must concentrate their efforts on this activity. They should assign special staff to accomplish it within a specific time. In particular, they should promptly investigate and seriously handle those cases which have been frequently complained about by the masses, and which involve leadership at and above county department level or celebrities.

Second, we should really hit seriously at economic crimes, and act in the spirit of handling cases seriously and promptly. We should overcome obstructions and handle spots as yet untouched by previous work. We should tackle the problems and make judgements as the case may be, and should not treat it leniently. We should investigate and hit at economic crimes by cooperating with the departments concerned.

Third, we should further strengthen education on party spirit, style, and discipline. In addition, we should strickly enforce discipline. In coordination with the investigation results to educate the masses, so that the party members would draw lessons from these cases. Thus, the party's discipline concerning politics, personnel affairs, confidentiality, and propaganda will be improved.

Fourth, we should strengthen the building of the discipline inspection staff, and constantly improve their quality. Cadres in charge of discipline inspection must set examples for others, take a proper attitude, and have good methods.

The conference stressed: Party committees and discipline inspection departments at all levels must have a sense of urgency when improving party style. Party committees at all levels must strengthen their leadership. In particular, the principal and deputy leaders must set examples for others in two areas. First, they should take the lead in improving party style. Second, they should be bold in handling and struggling against unhealthy tendencies. They should resolutely oppose the unhealthy work style of only indulging in empty talk while doing no practical work.

HEILONGJIANG SECRETARY VIEWS TECHNICAL FINDINGS ON DISPLAY

SK290330 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 28 Mar 86

[Text] Leading comrades, including Sun Weiben, Chen Yunlin, Liu Chengguo, Huang Feng, Wang Fei, Wang Zhao, and Lin Min, viewed the technical findings on display at the first provincial technical findings transaction meeting this afternoon. While viewing the technical findings on display, leading comrades, including Sun Weiben, talked with scientific and technological personnel, producers, and enterprise managerial personnel.

After viewing the exhibits, Comrade Sun Weiben said: We must not underestimate the scientific and technological level of Heilongjiang. Our technical findings are pretty good in both quantity and quality. How can we turn scientific research findings into functions for vitalizing Heilongjiang's economy? We must create conditions for popularizing and applying scientific and technical findings in order to achieve this work. From now on, we should sponsor more and more activities such as technical findings transaction meetings, to display, popularize, and study science and technology. This is a benign cycle and has many advantages for production.

DANDONG CITY BRINGS CADRES TO PUBLIC TRIAL

SK310245 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 27 Mar 86

[Text] On the afternoon of 27 March, the Dandong City CPC Committee of the city People's Government held a rally on straightening out party style in order to consolidate organs. More than 1,000 cadres from the organs attended the rally.

At the rally, cases involving 16 cadres, including (Song Bin), former director of the general office under the city People's Government, who had seriously violated the law and discipline, were openly dealt with.

During the party rectification drive, (Song Bin), former director of the general office under the city People's Government, diverted 50,000 yuan of public funds to arrange for two houses for his children without the approval of the leadership and by taking advantage of his position and power. His case has exerted bad influence among the masses.

The Dandong City CPC Committee has decided to give him a strict disciplinary warning within the party, to dismiss him from his administrative post, and to force him to return one of the two houses.

In addition, by openly violating the state policy on the unified purchase and sale of grains, (Zhang Jinxiang), secretary of the party organization under the Dandong City material supply and trade center, and (Zhang Dongming), and (Wang Wenzhu), deputy managers of the trade center, illegally purchased and sold 450,000 jin of rice at negotiated prices and extorted grain coupons amounting to 400,000 jin. They then obtained 19,798 yuan of illegal income by selling the grain coupons, privately opened a treasury to shield the money, and finally shared out the income in the form of bonuses.

The party organization under the Dandong City Material Supply Bureau has decided to dismiss (Zhang Jinxiang) from the post of secretary of the party organization, to give (Wang Wenzhu) a strict disciplinary warning within the party, and to dismiss (Zhang Dongming) from the post of deputy manager and void his application for party membership.

Of 16 convicted cadres openly dealt with on 27 March, 5 are from the banking units, 1 is a public security cadre, and 1 is a policeman. All of them have been punished by receiving party or government disciplinary warnings. Some of them have also been booked by the judicial organs for further investigation.

SHAANXI'S BAI JINIAN SPEAKS AT TOURISM CONFERENCE

HK280921 Xian Shaanxi Provincial Service in Mandarin 2300 GMT 23 Mar 86

[Excerpts] The provincial conference on tourism work concluded in Xian yesterday [23 March]. On the basis of discussing and studying the plan for developing the tourism work in our province during the Seventh 5-year Plan period, the conference put forward the target of struggle and main measures to invigorate the tourism work in our province. Bai Jinian, secretary of the provincial CPC committee, spoke at yesterday's conference.

The target of the development of the tourism work is the whole province during the Seventh 5-year Plan period is that after 5 years' hard work, by 1990, the province will be able to receive 600,000 tourists from abroad and 15 million domestic tourists, that the total income from tourism will reach 2.4 billion yuan, and that tourism will become one of the economic pillars of the whole province.

The main tasks of the construction of basic tourism facilities and of training qualified personnel are that the development and utilization of the cultural relics must be regarded as the main work and that Xian must be regarded as the center from which tourism work should develop in all directions. Nine different styles of tourist regions must be gradually set up. An airport must be built at Xianyang. An expressway from Xian to (Xirongguan) and a grade one road from Xian to Xianyang must be built. International communications facilities and long-distance telephone lines must be erected and 14 new hotels built. A number of qualified tourism personnel of high and middle grades must be trained so as to make the tourism work in the whole province attain the domestic advanced level during the Seventh 5-year Plan period. We must create conditions for building our province into an international tourist spot by the end of this century.

The representatives present at the conference carried out a full discussion, centered on the above-mentioned target and tasks.

Bai Jinian, secretary of the provincial CPC committee, talked about four aspects of work at the conference yesterday:

1. It is necessary to further strengthen the publicizing of tourism work and to arouse the enthusiasm of leading cadres at all levels and of all departments for developing tourism work.

2. It is essential to adhere to the principle of protection, development, and utilization and to give play to the advantages of the tourism resources of our province so as to to make them serve the four modernizations and benefit our future generations.

3. It is imperative to strengthen the building of the tourism forces and to work hard to train ranks of tourism workers whose ideology and work style is good and who are professionally competent.

4. It is necessary to really strengthen leadership over the tourism trade.

THIRD PLENUM OF KMT CENTRAL COMMITTEE OPENS

OW291025 Taipei CNA in English 0956 GMT 29 Mar 86

[Text] Taipei, March 29 (CNA) -- The Third Plenary Session of the 12th Kuomintang Central Committee and the third conference of its Central Advisory Committee opened here Saturday morning to review party works in the past two years and to map out policy guidelines for the future. President Chiang Ching-kuo, in his capacity as chairman of the party, presided over the opening ceremony of the three-day plenum. Nearly 900 ranking party officials, including members and alternate members of the Central Committee and members of the Central Advisory Committee, and KMT members holding senior government positions, took part in the session which will last through March 31. In his address entitled "China's Reunification and World Peace" to the opening ceremony, President Chiang said that China must be reunified, but only under the Three Principles of the People.

Immediately after the opening ceremony, a preparatory meeting was held to discuss and decide on the agenda for the three-day session, and the namelist of the Presidium. The meeting was presided over by Chairman Chiang. The 12 members of the Presidium are Yen Chia-kan, Li Teng-hui, Yu Kuo-hua, Huang Shao-ku, Ku Cheng-kang, Nieh Wen-ya, Wu Po-hsiung, Soong Chang-chih, Chiu Chuang-huan, Henry Hsu, Huang Tsun-chiu, and Wang Yah-chuan.

At noon, members of the Presidium, headed by former president Yen Chia-kan, visited Tzuhu, temporary mausoleum of the late President Chiang Kai-shek, to pay respects to the late national leader on behalf of all the participants of the plenary session. In the afternoon, participants heard a report on party affairs from Central Committee Secretary General Mah Soo-lay, and a mainland affairs report from Pai Wen-tsiang, director of the Department of Mainland Operation.

During the next two days, the plenary session will hear a report on government administration by Premier Yu Kuo-hua, in addition to reviewing written reports from the Legislative, Control, Examination and Judicial Yuans Sunday. It will also hear reports on military affairs and the international situation. Panel discussions are held in the evening to draft resolutions and recommendations. The Central Advisory Council will hold a separate meeting Monday morning while the Central Committee will re-elect new members of the Central Standing Council in the afternoon.

Premier Yu Reports

OW310329 Taipei CNA in English 0240 GMT 31 Mar 86

[Text] Taipei, March 30 (CNA) -- Premier Yu Kuo-hua said Sunday that the successful implementation of the three principles of the people in the Republic of China has provided a model for the developing countries of the world to follow in their national development. Yu, in his capacity as a member of the Kuomintang's Central Standing Committee, made an administrative report to the Kuomintang's ongoing Third Session of the 12th Central Committee at the Chungshan building on Yangmingshan.

Under the brilliant leadership of President Chiang Ching-kuo and the joint efforts of the government and the people, the ROC has successfully overcome many difficulties the nation has faced since the second session on the party held in February of 1984, Yu said. "The nation is moving steadily toward implementing a constitutional democratic system, expanding economic growth on the basis of liberalization and internationalization and creating a open, harmonious and prosperous society", the premier said.

Commenting on the administration of the Executive Yuan over the past years, Yu said that nation has successfully deterred the Peiping regime's united front offensive aimed at isolating the nation from the international community. And its staunch anti-communist stand has won great admiration from many countries of the world. To assure the security of the national revival bastion on Taiwan and to pave the way for accomplishment of mainland recovery, stepping up efforts to develop a self-sufficient defense industry is necessary, Yu said.

Politically, the nation successfully conducted two local elections according to the principles of fairness, openness and justice late last year and early this year, laying a solid foundation for the constitutional democratic system, Yu pointed out. Furthermore, much emphasis has been put on social welfare programs such as social insurance and assistance programs for the needy, Yu said. Currently, 5.39 million, or 28 percent of the total population in the Taiwan area, are covered by the insurance programs for government employees, laborers and farmers, he said, adding that the government is actively promoting the establishment of group medical centers in rural areas to help assure public health.

Referring to economic development, Yu said that the rapid economic growth in the past has made the ROC a modern nation with per capita income reaching U.S. dollar 3,14 last year. The nation is now the world's 17th and the 10th largest nation in terms of the volume of two-way trade and exports respectively, he said. Outlining the major points of administration for the coming year, Yu said his Yuan will:

-- Expand friendly relations with foreign countries in accordance with the principles of maintaining the nation's dignity and interests;
-- Beef up national defense to assure the security of the nation;
-- Carry out the constitutional democratic system throughly;
-- Establish a stable and harmonious society with fair and equal opportunity for everyone; and
-- develop a prosperous economy featuring the equitable distribution of wealth.

Participants Confer

OW310333 Taipei CNA in English 0252 GMT 31 Mar 86

[Text] Taipei, March 30 (CNA) -- Participants in the Kuomintang's Third Plenum of the 12th Central Committee have looked critically at the performances of the government's five branches, including the executive, legislative, judicial, examination and control yuans, over the past two years. They also urged Premier Yu Kuo-hua to make renewed efforts to move the nation toward forward-thining, new horizons. Members of the KMT Central Committee on Sunday morning listened to an oral report by Premier Yu on the government administration over the past years and then took part in a seminar presided over by Vice President Lee Teng-hui for discussion of what should be done by the government to cope with a new situation in the future. During the discussion, some participants suggested that the government improve communication with the opposition parties and non-partisans so as to broaden the KMT's popular base.

They also urged some political organizations which have refused to register with the government to reconsider their decision for the sake of social harmony, and not to misunderstand the government's tolerance of their existence as weakness. Some members suggested that the government step up its effort to eliminate criminal syndicates and work out more social welfare programs to help maintain the social order.

Referring to the government's attitude toward the nation's membership in the Asian Development Bank, most members expressed their support of the government's stand on not accepting the ADB's decision to change the nation's name in the bank, but they also suggested that the government take appropriate actions to resolve this problem. Some other members, however, suggested that the government improve its international public relations activities so as to help more countries in the world understand the political and economic progress in the country and continue to demonstrate the strength of the nation's armed forces. This, they said, would increase the people's confidence in the nation's future.

LOCALLY PRODUCED MISSILE LAUNCHED 26 MARCH

OW290155 Taipei Domestic Service in Mandarin 2300 GMT 27 Mar 86

[Excerpts] President Chiang Ching-kuo has expressed gratification over the successful launching of a Tien Kung [Sky Bow] missile developed by the National Armed Forces [NAF]. He also hailed the NAF's scientists and technicians who took part in the development and launch of the missile. The Ministry of National Defense has announced that the NAF successfully launched an all purpose [Chuan Kung Neng] missile, the Tian Kung surface-to-air missile, on 26 March, saying that it accurately destroyed a drone. The surface-to-air missile, developed and manufactured by the Chinese people, was successfully launched for the first time last year, according to an announcement made by the Ministry of National Defense last July.

Meanwhile, Defense Minister Song Chang-chih has stressed that the government will continue to develop sophisticated weapons to replace the NAF's weaponry so that the NAF will continue to be an up-to-date revolutionary, anticommunist armed force capable of achieveing the sacred task of reunifying China under the three principles of the people.

DEFENSE SPOKESMAN ON U.S. ARMS SALES TO PRC

OW290200 Taipei CNA in English 1432 GMT 28 Mar 86

[Text] Taipei, March 28 (CNA) -- Defense Ministry Spokesman Gen Chang Hui-yuan said that if the United States provides sophisticated arms and technology to the Chinese communists, it would threaten the security and stability of non-communist nations in the west Pacific area. Chang made the remarks while commenting on foreign wire service reports that 19 U.S. Republican congressmen have recently sent a letter to President Ronald Reagan, strongly opposing sales of advanced military equipment and technology to Communist China.

Chang pointed out at a press conference that the Chinese Communists have long been warmongers and have repeatedly talked about the possibility of taking over Taiwan by force. If democratic nations supply the communist regime with sophisticated military equipment and technology, Chang said, it may endanger the security of the Asian Pacific region. Chang indicated it is in the interest of the United States to maintain peace and stability in the west Pacific area and the Taiwan straits. He thus called on America not to sell state-of-the-art technology and arms to the Chinese Communists in order to maintain the military balance in the Taiwan Straits.

ARTISTS DISCUSS ATTITUDES TOWARD SEX, CRITICISM

HK300556 Hong Kong SOUTH CHINA MORNING POST in English 30 Mar 86 p 5

[By Terry Cheng]

[Text] Beijing: China should not be too sensitive about overseas reaction to its literary developments, said a noted writer in Beijing yesterday. Zhang Shenliang, one of the few contemporary Chinese writers who discusses sex in his novels, said literary works about sex, if written well, could be valuable. His novels on sexual psychology when China was in political turmoil have generated controversy in the country and aroused interest in Hong Kong and elsewhere. He said he did not intend his novels to be about sex. "I just wanted to reflect that period of China when the psychology of people was distorted," he said. He denied he came under pressure from the authorities over his works on sex.

Zhang, who is chairman of the Writers Association at Ningxia and a member of the National Committee of the Chinese People's Political Consultative Conference, talked to Hong Kong reporters and three CPPCC members who are literary people. They were Deng Youmei, Miss Zhang Ruifong and Miss Liu Changyu.

Author Deng, who is a member of the secretariat of the National Writers Association, said whether sex was discussed or not should not be a criterion on which to judge the literary value of a work. He said the traditional Chinese attitude towards sex was different to that of the West. He said books on sex published in Taiwan attracted less reaction from overseas countries than those published in mainland China. "Some people overseas stirred things up," which had little to do with the literary merit of the works themselves," he said. "They wanted to dwell on political issues." Deng said some overseas criticism was due to misunderstanding of the developments on the mainland. Other criticism was pertinent to real literary discussion, he said.

Zheng said he believed, however, that most criticism initiated abroad was made with good intentions. "We should not be too sensitive about overseas reaction," he said. He said there might be misunderstanding on the part of foreigners. But if literary developments continued smoothly, misunderstandings might vanish one day, he said.

Deng Youmei, when asked to comment on reports that Wang Meng, a writer and a vice-chairman of the National Writers' Association, would soon become the next minister of culture, replied: "Thank God it's not me!" He said if he were appointed minister of culture, he could not continue to be a writer at the same time. Deng said Mr Wang was an appropriate choice for the job. He was a young, cultured man who had new concepts.

Miss Zhang, a famous actress, said the number of movies produced each year fell short of demand for the people of China. She said films today were becoming more true to life, reflecting people's feelings. There were more young directors whose films tended to be more experimental. She said the social effects of films were considered more important than economic gain.

Miss Liu, who is a Beijing opera actress and played in eight "exemplary revolutionary operas" highly publicised during the Cultural Revolution, said she was pleased to be appointed a CPPCC member this year. It showed the Government placed faith in her which was an honour, she said. The eight so-called "exemplary operas" were not all bad, she said. Nor were they the sole accomplishment of Jiang Qing, widow of Mao Zedong. Many people were involved. Some of the eight operas were banned several years ago. However, late last year sections of the operas were broadcast on radio. The operas ran into opposition from people who objected to being reminded of the oppression suffered under the gang of four led by Jiang Qing.

Miss Liu said contemporary life is being portrayed in Beijing opera today. She favoured experimentation in opera, such as using electronic music and staging Shakespearean plays. However, she would rather portray things traditionally Chinese in her operas.

NEW ZEALAND'S LANGE COMMENTS ON PRC TRIP

HK300614 Hong Kong SOUTH CHINA MORNING POST in English 30 Mar 86 p 1

[Text] Chinese premier Deng Xiaoping hopes to live until the year 2,000, but he "would settle for five days after a certain date in 1997." The cigarette-smoking 81-year-old told Mr David Lange of his wish to see Hong Kong finally restored to China during the New Zealand Prime Minister's week-long visit to Beijing. Mr Lange talked of his meeting with the veteran leader when he stopped off in Hong Kong yesterday on his way to Manila to meet new Philippines president Mrs Cory Aquino.

He described Mr Deng's health as "fairly robust" and said: "He is certainly very physically active. He seemed very controlled and there is no question of any respiratory problems. He spoke vigorously." Mr Deng had been pleased when Mr Lange said his buoyant appearance would be good for the stock market.

Mr Lange spoke enthusiastically about his time in Beijing, even describing Communist Party chief Mr Hu Yaobang as being so "dynamic in his gestures" that he threatened to take off. His discussions with the Chinese leadership had "achieved more than he hoped for."

The New Zealand Prime Minister was fluent and quick off the mark as he faced a press conference at the Foreign Correspondents Club in Icehouse Street. But he was stopped in his tracks just once, when the SUNDAY MORNING POST put to him the possibility of a nuclear free zone in Hong Kong, of the type he favours for his own country and the surrounding South Pacific. Mr Lange said: "It is certainly novel because I had not considered it. I don't know who decides these things in Hong Kong." The British Royal Navy had decided not to make port calls to New Zealand during a Pacific tour because ships carrying nuclear capability had been banned. But he said: "This is not considered by New Zealand in any way a weakening of our security relations."

Mr Lange said that China had repeated its support of a nuclear free zone in the South Pacific. He had welcomed the announcement of the end of Chinese nuclear atmospheric tests and said he had made a plea for China to cease all nuclear testing.

When New Zealand recognised the Beijing Government in 1972 the two-way balance of payments between the two countries was US$1 million. Last year it was US$185 million. The two countries would be undertaking joint ventures in the textile and prawn industries and could offer a wealth of technology and expertise in animal husbandry, grassland management and forestry. New Zealand would import good quality manufactured goods from China, said Mr Lange. The two sides had agreed to negotiate agreements covering the avoidance of double taxation, investment protection and science and technology.

Mr Lange said that China's view of stability in the region and its relationship with the United States had moved from a "strong sentiment in 1981 that war was inevitable" to a stage where "they see themselves and the United States as practical partners." He said: "They can pursue economic goals and work together for the benefit of China and the region. China doesn't like to see any place becoming unstable even if the revolution is in the interests of socialism."

DANISH PRIME MINISTER REVIEWS FRC VISIT

HK300520 Hong Kong Commercial Radio in English 0430 GMT 30 Mar 86

[Text] Danish Prime Minister Poul Schluter has arrived in Hong Kong after a week-long visit to China. He told newsmen at Kai Tak Airport that he had useful and positive talks with the Chinese leaders during his stay there.

[Begin Schluter recording] Our political talks with the Chinese communists and Deng Xiaoping were very open, and both of them stressed to me that one should expect that the open-door policy is going to be continued. They stressed this very vigorously. And, as you can see in China today, this was also the message of the prime minister to the congress yesterday, where he, in a great speech, emphasized that, all right, there have been some minor problems involved in the open-door policy, but this is the line they will stick to. And I think this is very positive to the rest of the world. [end recording]

Mr Schluter added that senior statesman Deng Xiaoping was in good health, walking fast, and energetic. The prime minister will stay here for 2 days, and will held talks with political advisor John Boyd and Danish businessmen. He will also give a news conference before leaving tomorrow night.

FBIS DAILY REPORT

China

Vol I No 062 1 April 1986

PRC INTERNATIONAL AFFAIRS

GENERAL

CPC Spokesman on Party Relations With CPSU, Others A 1
PRC UN Delegate Scores U.S. Action Against Libya A 1

UNITED STATES

Publisher Cites Deng on Three Gorges Project [AFP] B 1
U.S. Oil Company Exploratory Well Producing B 1

NORTHEAST ASIA

Kim Il-song Reportedly Visited PRC in December [KYODO] D 1
PRC Denies Report [KYODO] D 1
Japanese Court Verdict on PRC 'Property' Protested D 1
Vice Premier Yao Yilin Meets Japanese Delegation D 2
DPRK Rejects South's Call for Talks Resumption D 2
Qiao Shi Meets DPRK Procuratorate Delegation D 3
Nakasone Cautious on Japan's SDI Participation D 3

SOUTHEAST ASIA & PACIFIC

Hu Yaobang Meets Australians; Hu Qili Present E 1
Philippine Secretary Refutes Marcos Presidency E 1
Philippine Civilian Home Defense Force Dismantled E 1

SOUTH ASIA

IAEA Lauds Pakistan's Use of Nuclear Energy F 1
Afghan Guerrillas Attack Soviet-Karmal Troops F 1

WESTERN EUROPE

CPC Delegation To Attend Italian CP Congress G 1
Danish Prime Minister Welcomes PRC Open Policy G 1
Cui Yueli Hosts Banquet for Finnish Minister G 1
Yang Dezhi Meets Netherlands Navy Commander G 2
FRG-GDR Joint Contribution to Arms Talks Urged G 2
Thatcher Suggested as Nuclear Test Ban Mediator G 2

EASTERN EUROPE

Wan Li Meets Romanian Deputy Prime Minister H 1
SFRY Official on Superpowers in Mediterranean H 1

MIDDLE EAST & AFRICA

Moroccan Parliamentarians Arrive for Visit I 1
NPC Welcome Banquet I 1
Meet With Peng Zhen I 1
Talk With Yao Yilin I 2
Xi Zhongxun Addresses CPC Banquet for ANC Group I 2

PRC NATIONAL AFFAIRS

State Council Regulations on Lateral Economic Ties K 1
Plant Director Responsibility System Considered K 6
[RENMIN RIBAO 17 Mar]
Trade Union Participation in Government Explored K 10
[GONGREN RIBAO 27 Feb]
Unions Encouraged To Enhance, Promote Policy K 13
[GONGREN RIBAO 27 Feb]
Direction of Marxist Theoretical Studies Seen K 15
[RENMIN RIBAO 21 Mar]
Marxist Writer Ai Siqi, Works Remembered K 17
[RENMIN RIBAO 21 Mar]
Further Reportage on Sixth NPC Meeting K 20
Huang Hua on Foreign Policy K 20
Xu Jiatun Speaks K 21
Ideo-Political Work Stressed K 21
'Law for Public Servants' Urged K 22
Wang Enmao at Dance K 23
Hong Kong, Macao Deputies Feted K 23
Reform of Supply, Marketing Cooperatives Viewed K 24
[RENMIN RIBAO 24 Mar]
State Council Circular on Electronics Industry K 25
State Council Circular on Forest Fire Prevention K 26
State Council Circular on Production Safety K 27
Zhang Jingfu Addresses Production Safety Meeting K 28

PRC REGIONAL AFFAIRS

EAST REGION

Wang Yuzhao Backs Anhui Auditing Practice O 1
Fujian To Step Up Struggle Against Crime O 1
Han Peixin Addresses Jiangsu Economic Forum O 2
Jiangxi's Wan Shaofen on Jobs for Graduates O 2

SOUTHWEST REGION

Sichuan Takes Measures To Solve Petroleum Shortage Q 1
Yang Rudai Addresses Sichuan Publishing Units Q 1
Xizang's Wu Jinghua Speaks at Tourism Meeting Q 1

NORTH REGION

Beijing Officials Get Jail Sentences for Corruption [CHINA DAILY 31 Mar] R 1
Beijing Official on Handling Economic Crimes [BEIJING RIBAO 17 Mar] R 1
Beijing Radio on Extravagant Wining, Dining R 2
Tianjin Meeting on Struggle Against Economic Crimes [TIANJIN RIBAO 19 Mar] R 3
Tianjin Brings Convicts to Public Trial [TIANJIN RIBAO 19 Mar] R 3

NORTHWEST REGION

Ningxia Writer Defends Controversial Novel T 1
Yin Kesheng Speaks at Qinghai Economic Conference T 1
Shaanxi Official Jailed for False Accusation T 2
Shaanxi Readjusts Grain Procurement Policies T 3
Xinjiang Commentary on Improving Party Style T 4

PRC MEDIA ON TAIWAN AFFAIRS

Appeals for Change Reported at KMT Meeting U 1

TAIWAN

KMT Central Advisory Committee Holds Session V 1
Elects 31 Members V 1
Chiang Ching-kuo Addresses KMT Closing Session V 1
Resolution Passed V 2
Spokesman Rules Out Nuclear Arms Development [LIEN HO PAO 29 Mar] V 2
U.S. Cautioned Against Wrong Approach to ROK V 2
U.S. Policy on Nicaraguan Contras Endorsed V 3
Further Cooperation With Philippines Noted V 4

FBIS DAILY REPORT

China

CONTENTS

Vol I No 063 2 April 1986

PRC INTERNATIONAL AFFAIRS

GENERAL

Foreign Ministry Spokesman Holds Weekly Briefing A 1
Denies U.S. Monitoring Soviets A 1
Normalizing PRC-USSR Relations A 1
Praises Chiang on 'One China' A 1
Wu Xueqian To Visit Japan A 2
Burmese Prime Minister To Visit A 2
No Decision on Asian Games [KYODO] A 2
UN Secretary General Welcomes Gorbachev Proposal A 3

SOVIET UNION

Gorbachev Comments on U.S. Approach to Summit C 1
Soviet Official Cited on Nuclear Test Ban Proposal C 1

NORTHEAST ASIA

Hu Yaobang Meets DPRK NODONG SINMUN Group D 1
XINHUA Hosts KCNA Delegation in Beijing D 2
Japan To Counter Soviet Military Buildup D 2

SOUTHEAST ASIA & PACIFIC

Lange Says New Zealand To Boost Trade With PRC E 1
Philippine President Favors Active Role in ASEAN E 1
Palau Islands Open Door to U.S. Military Bases E 1
Vanuatu Considering Fishing Pact With USSR E 2
Malaysia Welcomes CGDK 8-Point Proposal E 2

WESTERN EUROPE

Italian Naval Escort Vessels Visit Shanghai G 1
PRC, Italy To Build Language Center in Beijing G 1
Chinese Artist Receives Italian Medal in Beijing G 1

EASTERN EUROPE

SFRY President Begins 7-Day 'Formal, Friendly' Visit H 1
Zhang Jingfu Welcome H 1
Li Xiannian Holds Welcoming Ceremony H 1

WESTERN HEMISPHERE

Geng Biao Meets Venezuelan Political Leader J 1
UN Secretary General on Central American Issue J 1
Brazilian Trade Fair Opens in Beijing 30 Mar J 1

PRC NATIONAL AFFAIRS

Hu Qili January Speech at Central Party School K 1
[LILUN YUEKAN 25 Feb]
Sixth NPC Meeting Activities Continue K 9
Lateral Economic Ties Discussed K 9
Plan Discussion Ends K 10
Draft Law Session Convened K 12
Foreign Enterprises Law Viewed K 14
Zheng Tuobin Speaks K 14
Li Peng on Education Law K 15
Chen Pixian Reviews Work K 16
Chen Pixian on Larger Committees K 17
Xu Dixin Outlines Reform K 17
Dong Furen on Economic Changes K 18
Sidelights From Recent NPC, CPPCC Meetings K 20
Reform With Development Perspective Encouraged K 21
[GUANGMING RIBAO 17 Mar]
JINGJI RIBAO Editorial Urges Deepening Reform [20 Mar] K 23
RENMIN RIBAO on Technical Cadre Management Reform [21 Mar] K 25
Household Contract, Cooperative System Links Seen K 27
[NONGMIN RIBAO 21 Mar]
Tian Jiyun Inspects Jiangxi 25-30 March K 28
Bainqen Erdini Qoigyi Gyaincain Inspects Fujian K 31
[FUJIAN RIBAO 23 Mar]
Fang Yi Attends Meeting on Mineral Resources K 32
Zhang Aiping Writes Preface for Defense Directory K 33
Scientists Stress Technology Efforts at CPPCC K 33
PLA Demobilization To Be Completed by Year End K 34
[CHINA DAILY 2 Apr]
Qinghai Editors Dismissed Over Lu Xun Article K 35
Wan Li, Hao Jianxiu Award Kitefliers 1 April K 36

PRC REGIONAL AFFAIRS

EAST REGION

Anhui's Huang Huang on Commodity Circulation O 1
Jiangsu's Han Peixin Attends Sports Forum O 1
Jiangsu Issues Provincial Circular on Militia O 2
Jiangxi's Wan Shaofen Interviewed on Base Areas O 2
Rui Xingwen, Jiang Zemin Attend Shanghai Meeting O 3

CENTRAL-SOUTH REGION

Guangxi's Chen Huiguang Attends Conference on Political Work P 1
Guangxi Party Leader Urges Improved Information Sharing P 2

SOUTHWEST REGION

Sichuan's Yang Rudai Urges Improved Performance Q 1
Xizang Establishes Group To Send Cadres To Rural Areas Q 1

NORTHWEST REGION

Gansu Office To Coordinate Economic Development T 1
Gansu's Li Ziqi Calls For Improving Party Style T 1
Shaanxi's Bai Jinian on Intellectuals Policies T 2

TAIWAN

Commentary Notes Development of Modern Arms V 1
Premier Yu on Diplomatic Operations Guidelines V 1
Conference Attendees Named V 2
Chiang Ching-kuo Receives U.S. Legislators V 2
Commentary on Philippines Minister's Visit V 3

HONG KONG MEDIA ON CHINA

PRC Will Not Issue Special Zone Currency W 1
[TA KUNG PAO 1 Apr]
Shenzhen Special Economic Zone Opens New Border W 1
[SOUTH CHINA MORNING POST 1 Apr]

FBIS DAILY REPORT

China

CONTENTS

Vol I No 064 3 April 1986

PRC INTERNATIONAL AFFAIRS

GENERAL

Questions Answered for Foreign Investors in PRC A 1
[CHINA DAILY 1 Apr] A 2
GDR Criticizes FRG for SDI Participation A 2

UNITED STATES

RENMIN RIBAO on Shultz' European Trip [1 Apr] B 1
Work Begins in Shanghai on Sino-U.S. Airplane B 2
U.S. President Shortens Duty-Free List B 2
Effects of Cheap Oil on U.S. Economy Assessed B 3
U.S. Professor Awarded 'Highest Academic Degree' B 4

SOVIET UNION

Soviet Trade Delegation Arrives in Heilongjiang C 1
Gromyko Meets DPRK Assembly Leader in Moscow C 1
Soviet Hijacker Unwilling To Meet Soviet Diplomats [AFP] C 1
PRC Professor Recalls Visit to USSR C 2

NORTHEAST ASIA

KCNA Statement Notes South's False Propaganda D 1
NODONG SINMUN Condemns U.S.-South Military Ties D 1

SOUTHEAST ASIA & PACIFIC

Li Peng Meets Noted Hong Kong Personage E 1
Li Peng Meets Hong Kong Educationists 1 Apr E 1
CGDK's Khieu Samphan on Cambodian Solution Plan E 1
'Not Talking From Weak Stand' E 1
Hopes For ASEAN Support E 2
RENMIN RIBAO Criticizes 'Vietnamization' of Cambodia [31 Mar] E 2
Kunming-Bangkok Air Service Inaugurated E 4
Yunnan Government Delegation Visits Burma E 4
Singapore Signs Double Taxation Avoidance Accord E 5

WESTERN EUROPE

Li Peng Meets Italian Labor Minister 2 April G 1
Exchange of Views G 1
Training Accord Signed [ANSA] G 1
NPC's Zhu Xuefan Meets Finnish Health Minister G 1
Chinese, Finnish Scholars To Study Dong Folklore G 1
PLA Official Meets British Defense Minister G 1
Turkey Increases Textile Exports to PRC G 2
Netherlands Opposes Gorbachev Summit Proposal G 2

EASTERN EUROPE

Li Xiannian, SFRY President Vlajkovic Meet H 1
Speak at Banquet H 1
Hold Talks H 2
Beijing Reception Marks Hungary's Liberation Day H 2
Romania Elects New Political Committee Members H 3

WESTERN HEMISPHERE

NPC Delegation Leaves for IPU Session 2 Apr J 1
Antiguan Premier Praises PRC Farming Aid Team J 1
U.S. Plays Up Honduras-Nicaragua Border Clashes J 1

PRC NATIONAL AFFAIRS

Li Peng, Yao Yilin Hold Press Conference K 1
Nuclear Study Group to USSR K 1
Oil, Japan Trade Viewed K 1
Remarks on Yangtze Gorges K 1
Comments on 5-Year Education Funds K 2
No NPC Personnel Changes K 2
Drafting Bankruptcy Law K 3
Sixth NPC Evaluations, Discussions Ongoing K 3
Chen Pixian on Plan K 3
Chen Xitong on Price Reform K 4
PLA Deputies Meet K 6
Civil Code Detailed K 7
More Funds for Scientific Research in 7th Plan K 8
State Council Rules on SEZ Goods Control, Part I K 9
[CHINA DAILY 1 Apr]
Part II [CHINA DAILY 2 Apr] K 10
NONGMIN RIBAO Views Household Contract System [17 Mar] K 11
Sixth Plan Economic Construction Reviewed K 13
[RENMIN RIBAO 24 Mar]
RENMIN RIBAO Carries HONGQI Table of Contents [30 Mar] K 20

PRC REGIONAL AFFAIRS

EAST REGION

Chen Guangyi Addresses Fujian Secretaries Meeting O 1
[FUJIAN RIBAO 24 Mar]
Fujian Officials Visit Xiamen, Other Cities O 5
[FUJIAN RIBAO 22 Mar]
Shanghai's Rui Xingwen, Jiang Zemin Attend Meeting O 6
Wang Fang Views Aircraft Show in Hangzhou O 7

CENTRAL-SOUTH REGION

Henan Secretary on Strengthening Unity Among Cadres P 1
[LILUN YUEKAN 25 Feb]
Henan Party Secretary Inspects Village P 6

SOUTHWEST REGION

Sichuan Outlines Structural Reform Tasks Q 1
Xizang's Doje Cering on Regional Economic Issues Q 1

NORTHEAST REGION

Li Giuxian, Others Inspect Liaoning Units S 1
Liaoning Holds Public Security Work Conference S 1

NORTHWEST REGION

Gansu Expects Power Shortage To Last 4 Years T 1
'Urgent' Shaanxi Meeting Views Farming Problems T 1
Xinjiang Adopts Measures To Control Price Hikes T 2

TAIWAN

Foreign Minister on Foreign Policy Strategy V 1
New Administrative Vice Defense Minister Named [AFP] V 1

HONG KONG MEDIA ON CHINA

CHENG MING on Deng Xiaoping, Factional Struggles [1 Apr] W 1
TA KUNG PAO Interviews Writer Zhang Xianliang [3-9 Apr] W 5
Special Economic Zones Try To Improve Exports W 6
[TA KUNG PAO 3-9 Apr]
CPPCC Members 'Asked Not To Discuss' Subjects W 8
[SOUTH CHINA MORNING POST 1 Apr]

DAILY REPORT

China

CONTENTS

Vol I No 065 4 April 1986

PRC INTERNATIONAL AFFAIRS

GENERAL

CPC Spokesman on Foreign Party Relations A 1
PRC Hosts International Hydropower Seminar A 1
[CHINA DAILY 4 Apr]
U.S. Changes Measurement Procedures of Soviet Tests A 2
UN Declines To Release 'Secret' Waldheim File A 2
UN Year of Peace Torch To Cross China A 3

UNITED STATES

Wu Xueqian Meets U.S. Senator DeConcini 4 Apr B 1
Guangdong, U.S. Lawyers Sign Cooperation Compact B 1
U.S. Pushing To Oust Libya's Al-Qadhdhafi B 1

SOVIET UNION

Roundup of Soviet Scientific, Technical Progress C 1
XINHUA 'Roundup' on Soviet Agricultural Reforms C 2

NORTHEAST ASIA

PRC-DPRK River Shipping Committee Meets D 1
U.S. To Enhance Military Capability in South Korea D 1

SOUTHEAST ASIA & PACIFIC

Zhang Jingfu Meets Australian Businessman E 1
Shandong, South Australia Form Sister City Ties E 1
ASEAN Discusses CGDK's 8-Point Proposal E 1
Philippines Discusses Foreign Debt Options E 2
Philippines Hopes for New Standby Agreement E 2
PRC, UK Agree on Hong Kong GATT Membership E 3

WESTERN HEMISPHERE

Hu Yaobang, Italian Minister Discuss Cooperation G 1
Qiao Shi Meets British Labor Party Visitors G 1
Hu Qili Meets With Belgian Socialist Group G 2
Norwegian Delegation Meets With Wang Renzhong G 2
Meets Li Peng G 2

EASTERN EUROPE

Further Reportage on Visit of SFRY President H 1
Meets With Deng Xiaoping H 1
Holds Talks With Hu Yaobang H 2
Talks With Zhao Ziyang H 2

MIDDLE EAST & AFRICA

Li Xiannian Meets Moroccan Parliamentarians I 1
ANC Delegation Joins Beijing Rally Against Racism I 1
Assistant Foreign Minister Meets Lesotho Envoy I 2

PRC NATIONAL AFFAIRS

Further on Li Peng, Yao Yilin Press Conference K 1
Li Views Sino-Soviet Relations K 1
Comments on Tiananmen Anniversary K 1
Abolition of FECs Announced K 2
Currency Success Noted K 2
Grain Potential Seen K 2
Forum Urges Remembrance of Tiananmen Incident K 3
Presidium Meetings, Debate Continue at NPC K 4
Councillor, Vice Premier Soon Added K 4
Li Peng, Chen Pixian Speak K 4
Li Peng on Education Law K 6
State Council To Revise Plan K 7
Yang Dezhi on Legal System K 8
Wan Shaofen Addresses NPC Women K 9
Peng Zhen 28 January Speech on Marxist Philosophy K 9
[HONGQI 16 Mar]
History of 'Serve the People' Policy Evaluated K 13
[CHINA DAILY 3 Apr]
Bo Yibo Discusses Reform Issues in Hubei K 15
RENMIN RIBAO on Horizontal Economic Ties [31 Mar] K 17
Shaanxi, Sichuan, Henan, Hubei Coordinate Trade K 19
Measures Against Illegal Publishing Announced K 19
Yu Qiuli on Compiling Military Encyclopedia K 20

PRC REGIONAL AFFAIRS

EAST REGION

Chen Guangyi, Hu Ping Attend Fuzhou Meeting O 1
[FUJIAN RIBAO 26 Mar]
Jiangxi Leaders Visit Photographic Exhibition O 2
Shandong Circular on Fertilizer Inducement Sale O 2
Shanghai Steps Up Plans To Build 'Silicon Valley' O 3

CENTRAL-SOUTH REGION

Shenzen Starts New Entry Control Procedures P 1
Chen Huigang on Guangxi's Economic Development P 1
Hainan County Improves Family Planning Results P 3
Henan Sets Up Provincial Education Commission P 4
Hunan Work Conference on Political, Legal Work P 4
Hunan Issues Regulations on Radio Communications P 5

SOUTHWEST REGION

Yunnan Discipline Inspection Meeting on Tasks Q 1

NORTHWEST REGION

Gansu's Li Ziqi at Party Rectification Forum T 1
Shaanxi Discipline Inspection Meeting Concludes T 1
Shaanxi's Bai Jinian Meets New CYL Leaders T 2

PRC MEDIA ON TAIWAN AFFAIRS

KMT Meeting Seen Continuing 'Inflexible Stand' U 1

TAIWAN

Speech By Taiwan's Chiang Ching-kuo on Reunification V 1
[CHINA POST 30 Mar]
Foreign Minister Warns Against PRC Strategy V 8
[CHINA POST 31 Mar]

HONG KONG MEDIA ON CHINA

'Text' of Li Peng, Yao Yilin Press Conference W 1
[TA KUNG PAO 4 Apr]
Li Peng 'Got Into Trouble' for USSR Visit W 9
[CHIU SHIH NIEN TAI 1 Apr]

FBIS DAILY REPORT

China

CONTENTS

Vol I No 066 7 April 1986

PRC INTERNATIONAL AFFAIRS

GENERAL

Additional Report: Spokesman on PRC-USSR Relations A 1
Report on Monitoring USSR Tests 'Groundless' A 1
USSR, U.S. Differ Over Summit A 1
Checking of Arms Race Urged at UN Conference A 3
International Hydropower Seminar Closes 4 Apr A 4

UNITED STATES

Moscow Believed Ready To Discuss Summit Date B 1
Yao Yilin Meets U.S. Senator DeConcini 4 Apr B 1
Song Ping Meets General Electric's Bossidy B 1

SOVIET UNION

Special Envoy Begins Moscow Consultations C 1
Leaves Beijing 6 Apr C 1
Met by Leonid Ilichev C 1
Li Peng on Nuclear Cooperation With USSR C 1
Gorbachev Remarks on U.S. Post-Summit Behavior C 2
Soviet Politburo Member on Agro-Industrial Change C 2
USSR, SFRY Sign Cooperation Accords for 1986-90 C 3
'Peculiar' USSR-FRG Relationship Analyzed C 3

NORTHEAST ASIA

PRC May Take Part in Asian Games in Seoul [KYODO] D 1
Artists Participate in DPRK Festival D 1
Nakasone on Overcoming Trade Problems With PRC D 1
Wang Renzhong Meets Japanese Calligraphy Group D 1
Marked Increase in Japanese Tourists to PRC D 2
DPRK Rejects Seoul's Proposals for Dialogue D 2

SOUTHEAST ASIA & PACIFIC

CGDK's Sihanouk Prepares for DPRK Trip E 1
Deng Yingchao Visits E 1
Wu Xueqian at Farewell Banquet E 1
SRV Rejection of CGDK Proposal Condemned E 1
Khieu Samphan Notes Support for CGDK Proposal E 2
Auditor General Heads Delegation to Sydney Talks E 3
Hong Kong 'Unofficials' Fete Xu Jiatun, Others E 4
First Xizang-Hong Kong Joint Venture Noted E 4

WESTERN EUROPE

Greece's Papandreou Arrives for Official Visit G 1
Leaves Athens Airport G 1
Arrives in Beijing G 1
Wu Xiuquan Meets Austrian Provincial Governor G 1
Qiao Shi, Delegation to Italian Communist Congress G 2
PLA Naval Commander Hosts Italian Navy Chief G 2

EASTERN EUROPE

More Reportage on Visit of SFRY President H 1
Exchange of Views With Deng H 1
Leaves Beijing for Xian H 2
Welcomed by Guangdong Officials H 2
Bulgarian Leader Opens 13th Party Congress H 2
Agriculture Minister Hosts Polish Counterpart H 3
Deceased Chinese Workers Remembered in Albania H 3

PRC NATIONAL AFFAIRS

RENMIN RIBAO Editorial Views 1976 Tiananmen Incident [5 Apr] K 1
Beijing Meeting Marks Tiananmen Incident K 2
Bo Yibo Speech K 3
Deng Xiaoping, Other Leaders Plant Trees 6 April K 5
Sixth National People's Congress Continues K 6
Presidium Holds 2d Meeting K 6
Peng Zhen on Legal System K 8
Economists Discuss Reform [CHINA DAILY 5 Apr] K 9
More Laws Being Drafted K 10
Wang Hanbin on Civil Code K 11
Zhang Youyu on Civil Code K 12
Deputies on Foreign Enterprise Law K 13
Lin Jiamei on Education K 13
Panel Discussions View Education K 13
Ni Zhifu Meets Hong Kong Delegates K 15
5-Year Plan Highlights, Part Seventeen -- Health K 15
Part Eighteen -- Population K 15
Part Nineteen -- Housing K 15
Part Twenty -- TV, Films K 16
Part Twenty-One -- Education K 16
CPPCC Session Holds Fourth Meeting 5 April K 16
Healthy Cultural Atmosphere Urged K 17
CHINA DAILY Commentator Examines Future Reforms [4 Apr] K 18
JINGJI RIBAO Stresses Checking Unhealthy Trends [22 Mar] K 19
Xue Muqiao on Recent Economic Development [LIAOWANG 24 Mar] K 20
RENMIN RIBAO Urges Students To Study 'Realities' [1 Apr] K 22
Customs Official Urges Curbing Parallel Goods K 23
Li Peng Praises Nankai University Founder K 23
Xi Zhongxun, Others Attend 3 April Party K 24
Wan Li, Hao Jianxiu Inspect Qingdao, Shandong K 25

DAILY REPORT

China

Vol I No 067 8 April 1986

CONTENTS

PRC INTERNATIONAL AFFAIRS

GENERAL

Song Jian Addresses International S&T Meeting A 1
Huang Hua Attends Tokyo Meeting of Former Leaders A 1

UNITED STATES

Kang Keqing Meets California Women's Delegation B 1
CIA's Casey Says USSR Helped PDRY Coupists B 1
U.S., USSR Academies Sign Cooperation Accord B 1

SOVIET UNION

LIAOWANG Article on PRC-USSR Commission Work C 1
RENMIN RIBAO Highlights Soviet Industrial Reforms [2 Apr] C 2
Qian Qichen in USSR for Political Consultations [cross-reference] C 4

NORTHEAST ASIA

DPRK Papers Condemn U.S.-South Korean Military Talks D 1
Long-Term Trade Agreement Signed With MPR D 1

SOUTHEAST ASIA & PACIFIC

Philippine's Laurel Supports One-China Policy E 1
South Australian Premier Hosts Banquet in Shandong E 1
Sihanouk Seen Off by Ngapoi Ngawang Jigme E 2
Readjustment of ASEAN Nations' Economies E 2

WESTERN EUROPE

Reportage on Greek Prime Minister's Visit G 1
Welcomed by Zhao Ziyang G 1
Comment on Disarmament G 1
Zhao Ziyang Hosts Banquet G 2
Zhao, Papandreou Hold Talks G 3
Qiao Shi CPC Delegation Arrives in Rome G 4
Naval Commander Welcomes Italian Officers G 4
FRG Official Predicts Growing Trade With USSR G 5
European Students of Chinese Feted at Reception G 5

PRC NATIONAL AFFAIRS

GUANGMING RIBAO Considers Correct Reform Evaluation [22 Mar] K 1
LIAOWANG Commentator on Common Affluence [24 Mar] K 6
Science, Technology Investment by Enterprises Urged [JINGJI RIBAO 31 Mar] K 8
State Council Circular on Land Management K 9
RENMIN RIBAO on Checking Abuse of Farmland [3 Apr] K 13
Proper Management of Farmland Emphasized K 14
Sixth Plan Land Reclamation Achievements Reported K 15
Wang Zhen Attends Land Reclamation Meeting K 16
Zhou Gucheng Says NPC No Mere 'Rubber Stamp' K 16
NPC Bank Officials on Local Monetary Reform K 17
Deng Yingchao Stresses Compulsory Education K 18
Bainqen Erdini Speaks on Xizang Issues K 19
Supports 'One Country, Two Systems' K 19
Dalai Lama Invited K 19
Urges Investment K 20
Chen Pixian Eulogizes Late Shanghai Mayor [WEN HUI BAO 27 Mar] K 21
Gu Mu Inspects Wuxi Work 30 March-2 April K 22
Fang Yi Visits Sichuan Hydropower Station Site K 23
Fang Yi on Establishing Zigong Titanium Base K 23
Xi Zhongxun, Others Attend Memorial Meeting K 23
Yu Qiuli Sends Wreath to Ex-General's Memorial K 24
Peng Zhen Inscribes Book Commemorating Educator K 24

PRC REGIONAL AFFAIRS

EAST REGION

Fujian Urges Stronger Economic Reform Organs O 1
Jiangsu Government Calls for Field Management O 1
Jiangsu Bans Unauthorized Use of Land O 1
Jiangxi's Wan Shaofen Responds to Complaint O 2
Jiangxi Commentary Stresses Grain Production O 2
Shanghai's Rui Xingwen on Economic Cooperation O 3

CENTRAL-SOUTH REGION

Meng Qingping Reported as 'New' Hainan Leader P 1
Hainan Discipline Inspection Commission Praised P 1
Henan Holds Report Meeting on 5 April Movement P 3
Hunan's Mao Zhiyong on Rural Public Health Work P 4

SOUTHWEST REGION

Guizhou Organs Straighten Out Anomalies Q 1
Xizang Concludes Conference on Foreign Trade Q 1
Mao Rubai Views Leftism Q 2

NORTH REGION

Hebei CPC Leaders Give Guidance to Reporters R 1
Nei Monggol Holds Forum To Mark 5 April Incident R 1
Li Ligong Speaks on Shanxi Political, Legal Work R 2

NORTHEAST REGION

Heilongjiang CPC Work Conference Opens 4 Apr S 1
Sun Weiben at Heilongjiang Support Meeting S 1
Jilin Holds Political, Legal Work Conference S 1

HONG KONG MEDIA ON CHINA

TA KUNG PAO on Sino-Soviet Negotiations [7 Apr] W 1
'Child of Senior Cadre' on Beijing Factions W 2
[CHENG MING 1 Apr]
Wang Meng Reportedly Tapped for Culture Minister W 6
[MING PAO 8 Apr]
Former Hotelier Arrested for Economic Crimes W 7
[WEN WEI PO 3 Apr]
Further Details [SOUTH CHINA MORNING POST 4 Apr] W 8

FBIS DAILY REPORT

China

CONTENTS

Vol I No 068 9 April 1986

PRC INTERNATIONAL AFFAIRS

GENERAL

Foreign Ministry Spokesman Holds Weekly Briefing A 1
Delegation To Attend UNESCAP Session A 1
Refutes 'Threat Against India' A 1
PRC Denies Report on Asian Games Participation [KYODO] A 1
PRC Endorses G-24 Analysis, Says Li Peng A 1
Bank Official Discusses PRC Stake in ADB A 2
[JINGJI RIBAO 4 Apr]
Foreign Correspondents' Visit to Afghanistan A 3

SOVIET UNION

Russian Deputy to NPC Session Interviewed C 1
USSR Forms New Bureau on Space Technology C 1

NORTHEAST ASIA

Heilongjiang, Japanese Company To Cooperate D 1
LIAOWANG Sees Political 'Storms' in South Korea [31 Mar] D 1

SOUTHEAST ASIA & PACIFIC

Deported Chinese Newspapermen Revisit Philippines E 1
Manila Residents on Changed Political Situation E 2

SOUTH ASIA

Afghan Rebel Leader Says Soviets Must Leave F 1

WESTERN EUROPE

Further Reportage on Visit by Greek Prime Minister G 1
Papandreou Tours Great Wall G 1
Wu Xueqian, Greek Counterpart Talk G 1
Kang Keqing Meets Papandreou's Wife G 1
Li Xiannian, Papandreou Hold Talks G 1
Meeting With Deng Xiaoping G 2
FRG Official Hails PRC's Economic Successes G 3
Italian Naval Vessels End 'Unofficial' Visit G 3
Zhao Ziyang Meets European Scholars of Chinese G 4
Zheng Tuobin Meets Danish Delegation 8 Apr G 4

EASTERN EUROPE

More Reportage on Yugoslav President's Visit H 1
Feted in Guangdong H 1
Departs for Home H 1

MIDDLE EAST & AFRICA

Moroccan Parliamentarians Leave for Home I 1
Qiao Shi Meets Tanzanian Home Affairs Minister I 1
African National Congress Delegation in PRC I 1
Welcomed in Wuhan I 1
Feted by Hunan CPC Secretary I 1
Ni Zhifu Meets Egyptian Trade Unionists I 2
Trade Union Leader Meets African Delegations I 2

WESTERN HEMISPHERE

Mexican Senate President Meets NPC Delegation J 1
NPC's Zhou Guchen Meets Brazilian Trade Group J 1
PRC Culture Minister, Others Meet Chilean Official J 1
RENMIN RIBAO Hails Latin American Statement J 2

PRC NATIONAL AFFAIRS

Minister Says No Nuclear Plant Imports [KYODO] K 1
Peng Zhen, Others Hear NPC Reports 8 April K 1
Zheng Says Order Improving K 1
More Pressure on Economic Crime K 2
Civil Jurisdiction Viewed K 3
Yang Details Crime Fight K 3
Xu Jiatun Says Hong Kong To Benefit From Plan K 4
CPPCC Committee To Add 3 Vice Chairmen K 4
'Good Start' in Correcting Unhealthy PLA Trends K 5
Advantages, Disadvantages of Reform Considered K 6
[RENMIN RIBAO 28 Mar]
JINGJI RIBAO Urges Further Technical Innovations [27 Mar] K 9
New Plan Stresses Technical Transformation K 10
Trade Union Official Urges Support for Plan K 11
Xi Zhongxun, Others Mourn Noted Writer K 11

PRC REGIONAL AFFAIRS

EAST REGION

Fujian Personnel Meeting on Cadre Appointments O 1
[FUJIAN RIBAO 27 Mar]
Fujian Congress Standing Committee Meeting Ends O 1
[FUJIAN RIBAO 29 Mar]
Jiangxi Leaders at Political, Legal Meeting O 2
Rui Xingwen, Others Attend Shanghai Law Lecture O 4
Zhejiang's Wang Fang Meets Plant Director 3 Apr O 4

CENTRAL-SOUTH REGION

Guangdong Official Urges Fighting Economic Crime [KAIFANG 8 Mar] P 1
Henan Conference on Reform of Titles Ends 31 Mar P 5
Henan Encourages Ordering Grain by Contract P 5
Mao Zhiyong, Cadres Work in Hunan Rural Areas P 6

SOUTHWEST REGION

Sichuan University Oversees Student Organizations Q 1
Xizang's Doje Cering on Developments in Work Q 1
Yunnan Holds Political-Legal Conference on Crime Q 3

NORTHWEST REGION

SHAANXI RIBAO on Reform, Party Style Issues [9 Apr] T 1
Xinjiang Circular on Agriculture, Livestock T 1
Xinjiang Issues Regulations on Peasants' Burdens T 2
Wang Enmao Expresses Desire to Stay in Xinjiang T 3

HONG KONG MEDIA ON CHINA

Qiao Shi, Song Jian Reportedly Nominated for Posts [WEN WEI PO 5 Apr] W 1
Xiang Nan Challenges Draft Law on Foreign Firms [SOUTH CHINA MORNING POST 9 Apr] W 1
Former Health Minister on Deng Xiaoping's Health [TA KUNG PAO 9 Apr] W 2
PRC Views on Nuclear Plant Imports Examined [SOUTH CHINA MORNING POST 6 Apr] W 3

FBIS DAILY REPORT CONTENTS

China

Vol I No 069 10 April 1986

PRC INTERNATIONAL AFFAIRS

GENERAL

Delegate Addresses Interparliamentary Conference A 1
Health Minister Fetes WHO Director General A 1
JINGJI RIBAO on PRC Joining Asian Development Bank [4 Apr] A 2
Group of 24 Urges More Aid to Third World A 3

UNITED STATES

U.S., USSR Agree To Prepare for Second Summit B 1
Yao Yilin Meets U.S. Labor Secretary Brock B 1

SOVIET UNION

Gorbachev Calls for Second Summit With Reagan C 1
Soviet Union Denounces FRG Part in SDI C 1

NORTHEAST ASIA

Zhao Ziyang Views Relations With Japan as 'Good' D 1
Paper Views Opposition Campaign in South Korea D 1
[ZHONGGUO QINGNIAN BAO 1 Apr]
DPRK Accuses ROK of Aggravating Tensions D 3
DPRK Finance Minister Discusses FY 1986 Budget D 3
DPRK Condemnation of Weinberger's ROK Visit D 4
[RENMIN RIBAO 8 Apr]

SOUTHEAST ASIA & PACIFIC

Burmese Prime Minister Begins Visit E 1
Hong Kong's Religious Freedom Assured After 1997 E 1

WESTERN EUROPE

More Reportage on Greek Prime Minister's Visit G 1
Holds Press Conference G 1
Hosts Banquet for Zhao Ziyang G 1
Comments on Angelopoulos Death G 2
Seen Off by Zhao Ziyang G 2
Qiao Shi Attends Italian CP Congress Opening G 2
CPC Greets Opening of Italian CP Congress G 3

PRC NATIONAL AFFAIRS

Sixth Plan Economic Structural Reforms Reviewed K 1
[RENMIN RIBAO 28 Mar]
Cadres Urged To Work With Grass-Roots Units K 6
[BAN YUE TAN 25 Mar]
Enterprise Ownership of Differential Profit Seen K 8
[GUANGMING RIBAO 29 Mar]
Problems in Individual Economy Development Viewed K 9
[WENZHAI BAO 30 Mar]
RENMIN RIBAO on Criteria for Appraising People [31 Mar] K 10
Shaanxi, Ordnance Ministry Sign Economic Accord K 11
Shaanxi Radio Commentary K 11
NPC Deputies Continue Draft Law Discussions K 12
Foreign Enterprise Law Considered K 12
Further Provisions Recommended K 13
Law Enforcement Discussed K 13
Crackdown on Crime Urged K 14
Hao Jianxiu Recommends Plant Director Book K 15
Tian Jiyun Greets Xiamen University Anniversary K 15

PRC REGIONAL AFFAIRS

EAST REGION

Fujian Hydropower Station Planned on Min Jiang O 1
Jiangxi's Ni Xiance Meets Inspection Group O 2
Jiangxi's Wan Shaofen on Backward Areas' Growth O 2
Shandong Political, Legal Conference Opens O 3

CENTRAL-SOUTH REGION

Shenzhen CPC Secretary on Economic Reform P 1
Henan Leaders Inspect Conditions in Counties P 2
Hubei Commodity Grain Bases Areas Completed P 3

NORTH REGION

Beijing Discipline Organs Rectify Party Style R 1
Li Ximing at Beijing Discipline Inspection Meeting R 2

NORTHEAST REGION

Heilongjiang's Sun Weiben Attends Work Meeting S 1
Heilongjiang Broadcasting Management Meeting Ends S 1
Jilin Secretary Views Army Transfer Work S 2
[JILIN RIBAO 25 Mar]

NORTHWEST REGION

Ningxia Garrison Corrects Formalistic Style T 1
[NINGXIA RIBAO 28 Mar]

TAIWAN

Chief of General Staff Reports Readiness V 1
[CHINA POST 31 Mar]
Commentary on KMT Central Committee Plenum V 1
Editorial Lauds Success of Kuomintang Plenum V 2
[CHINA POST 1 Apr]
U.S. Plan To Sell Avionics to PRC Opposed V 3
Commentary Criticizes Proposed U.S. Sale V 3
Taiwan Security Seen Important to U.S. Defense V 4

FBIS DAILY REPORT

China

CONTENTS

Vol I No 070 11 April 1986

PRC INTERNATIONAL AFFAIRS

GENERAL

Zhao Ziyang Meets Chinese, Foreign Scientists A 1
NPC Vice Chairman Liao Hansheng Meets WHO Leader A 1
Banker at IMF Meeting Calls for Economic Reforms A 2
Former World Leaders' Conference Ends in Japan A 3
Mayor Says Foreigners Prospering in Shenzhen A 3

UNITED STATES

Reagan 'Inept Remark' at News Conference Noted B 1
U.S. Nuclear Test Used for SDI, MX Experiments B 1
XINHUA 'Analysis' on U.S. Diplomacy in Arab Gulf B 2
Li Peng Meets U.S. Army Delegation 10 April B 3

SOVIET UNION

USSR Announces Shultz-Shevardnadze Meeting C 1
RENMIN RIBAO on USSR's Scientific Development [6 Apr] C 2

SOUTHEAST ASIA & PACIFIC

Zhao Ziyang Welcomes Burmese Prime Minister E 1
More Civil Aviation Cooperation With Burma Sought E 1
Philippines' Laurel Outlines Foreign Policy E 1
LIAOWANG on SRV's Rejection of CGDK Proposal [31 Mar] E 2

EASTERN EUROPE

Warsaw Pact Appeals for European Nuclear-Free Zones H 1
Further on Visit by Polish Agricultural Group H 1
Received By Jilin Governor H 1
Leaves for Beijing H 2
Minutes on Talks Signed H 2
Meeting With Tian Jiyun H 3
Bulgarian Communist Party Report Reviews Past Work H 3

PRC NATIONAL AFFAIRS

Gu Mu on Open Policy, Special Economic Zones K 1
Aid to Joint Ventures K 2
3 SEZ Currencies Ruled Out K 3
Ulanhu at Nei Monggol NPC Deputies' Discussion K 3
NPC Proposes Foreign Ownership of Enterprises K 4
Wan Li Fetes Hong Kong, Macao NPC Deputies K 5
CPPCC Session Concludes; Officials Elected K 5
National Committee 6th Meeting K 5
Members on Reunification K 6
New Officials Named K 6
Leaders at Closing Ceremony K 7
LIAOWANG Considers Feasibility of 7th 5-Year Plan [31 Mar] K 8
GUANGMING RIBAO on Rural Cooperative Economy [29 Mar] K 10
RENMIN RIBAO on Hebei Ecological Problems [1 Apr] K 13
Commentator's Article [RENMIN RIBAO 1 Apr] K 15
State Council Approves Farm Exports Report K 16
State Council Circular on Railway Contracts K 17

PRC REGIONAL AFFAIRS

EAST REGION

Shandong Military Holds Skill Demonstration O 1
Shanghai Leaders Visit Soong Ching Ling's Tomb O 1
Shanghai Releases Industrial Output Figures O 2
Zhejiang Circular on Public Funded Sight-Seeing O 2

SOUTHWEST REGION

SICHUAN RIBAO on Cooperative Organizations [22 Mar] Q 1
Xizang Urges Singing National Anthem in Tibetan Q 1

NORTH REGION

Nei Monggol Conference on Political, Legal Work R 1
Bu He Speaks R 2

NORTHEAST REGION

Heilongjiang Emergency Conference on Safety Work S 1
Liaoning Report Views 1986 Budget Tasks, Goals S 2
[LIAONING RIBAO 24 Mar]

NORTHWEST REGION

Ningxia's Li Xuezhi Stresses Party Education T 1
[NINGXIA RIBAO 25 Mar]
SHAANXI RIBAO Stresses Need To Cherish Masses T 2

PRC INTERNATIONAL AFFAIRS

GENERAL

Zhang Zhixiang Addresses Interparliamentary Forum A 1
Interparliamentary Conference Ends in Mexico City A 1
Beijing Banquet Honors UN Development Official A 2
Foreign Banks Funding Agricultural Development A 2
Superpower 'Misuse of Space Exploration' Noted A 3
XINHUA Reports on 'Tense U.S.-Libyan Relations' A 3

UNITED STATES

Commentator on Possible U.S. 'Neo-Interventionism' B 1
U.S. Naval Chief of Operations Visits B 2
Feted in Beijing B 2
Meets Zhang Aiping B 2
Meeting on Agricultural Cooperation Technology Held B 3
United Airlines To Aid U.S.-PRC Arts Groups B 3
Great Wall Hotel Makes Profit as Joint Venture B 3

SOVIET UNION

USSR Announces End to Nuclear Testing Ban C 1
Shevardnadze Says U.S. 'Undermined' Arms Control C 1
USSR, Mongolia Sign 5-Year Trade Agreement C 1
Gorbachev Walkabout in Kuybyshev Noted C 2

NORTHEAST ASIA

Foreign Minister Wu Xueqian Visits Japan D 1
Plans Week-Long Visit D 1
Talks with Abe D 1
Continues Talks with Abe D 2
Meets with Nakasone D 3
Talks with Japanese Amity Official D 3
Huang Hua Speaks on Security at Tokyo Meeting D 4
Wang Zhen Leads Delegation to Japan D 4
Li Peng at Airport Departure D 4
Thanks Amity Promoter D 4
Hu Qili Meets DPRK Journalists' Delegation D 5
Envoy to DPRK Greets Cambodian New Year's Day D 5

SOUTHEAST ASIA & PACIFIC

Further on Visit of Burmese Prime Minister E 1
Meets With Zhao Ziyang E 1
Zhao Hosts Banquet E 1
Meets With Li Xiannian E 2
Meets Deng Yingchao E 2

Talks With Deng Xiaoping E 3
Visits Buddhist Shrine E 3
Hosts Return Banquet E 4

PRC NATIONAL AFFAIRS

Fourth Session of Sixth NPC Concludes Work K 1
Decree Names Qiao Shi, Song Jian K 3
Vice Chairman, New Members Elected K 3
Namelists of NPC Committees K 3
Resolution Approves 7th Plan K 4
Resolution on 1985, 1986 Budgets K 4
Resolution on Standing Committee Work Report K 5
Resolution on Supreme People's Court K 5
Resolution on Supreme People's Procuratorate K 5
5-Year Plan Report Amended K 6
Presidium Endorses Drafts K 7
Law Committee Suggests Changes K 9
'Text' of Law on Foreign-Owned Enterprises K 13
Provincial Governors Address Reform Issues K 16
Li Xiannian Meets Hubei NPC, CPPCC Delegates K 16
RENMIN RIBAO Editorial Hails NPC, CPPCC K 17
Beijing Papers Hail Success of NPC, CPPCC K 19
CPPCC Meeting Releases 'Political Resolution' K 20
New CPPCC Standing Committee Members Named K 22
BAN YUE TAN on Crime of Divulging State Secrets [25 Mar] K 22
Two Sentenced for Leaking Secrets to Foreigners K 24
Importance, Prospects of Overall Reform Viewed K 25
[LIAOWANG 31 Mar]
First Technology Export Fair Opens in Shenzhen K 26
[CHINA DAILY 11 Apr]
State Council Regulations on Product Quality K 27
Surprise Inspection of Product Quality Conducted K 29
PRC Said Likely To Launch Space Shuttle by 2000 K 29
Scientific Information Policy Meeting Held K 30

PRC REGIONAL AFFAIRS

EAST REGION

Anhui Military District Chief on Militia Work O 1
[ANHUI RIBAO 27 Mar]
Jiangxi Towns, Villages Damaged by Storms O 3

CENTRAL-SOUTH REGION

Henan Official Stresses Need For Family Planning P 1
Guan Addresses Hubei Political-Legal Meeting P 1

SOUTHWEST REGION

Xizang Urges Discussion on Basing Work on Reality Q 1
Wu Jinghua on Realism Q 2

NORTH REGION

Nei Monggol's Bu He Stresses Cultural Work R 1
Nei Monggol Urges Crackdown on Economic Crime R 2

NORTHEAST REGION

Sun Weiben at Heilongjiang Security Meeting S 1
Wu Guangcai Elected New Jilin City Mayor S 1
[JILIN RIBAO 3 Apr]

FBIS DAILY REPORT

China

CONTENTS

Vol I No 072 15 April 1986

PRC INTERNATIONAL AFFAIRS

GENERAL

Zhao Ziyang Meets World Food Program Chief A 1
Yao Yilin Meets UN Disaster Relief Official A 1

UNITED STATES

Reportage on U.S. Raid Against Libya B 1
U.S. Spokesman Announces Strike B 1
Reagan Addresses Nation B 2
Weinberger Remarks B 2
Tripoli Says Three Planes Down B 3
Events Leading to Strike Described B 3
Reaction to U.S. Attack on Libya B 4
PRC Condemns Attack B 4
Attack Called 'Flagrant Violation' of Law B 5
USSR Criticizes Attack B 5
BEIJING REVIEW on Shultz' Mediterranean Visit [14 Apr] B 5

SOVIET UNION

Shevardnadze, Qian Qichen Meet on Normalization C 1
Shevardnadze Receives Qian C 1
Exchange of Views C 1
'Text' of Communique C 1
Report on Communique C 2
Contradiction of Views [AFP] C 2
Qian Qichen Returns Home C 3

NORTHEAST ASIA

Further Coverage of Wu Xueqian Visit to Japan D 1
Meets Political Leaders D 1
Holds Press Conference D 1
Xi Zhongxun Attends Kim Il-song Birthday Party D 2

WESTERN EUROPE

Hu Yaobang Meets Belgian Party Delegation G 1
Papandreou Returns to Greece Following PRC Visit G 1
Italian Communist Party Congress Closes G 1
PRC Foreign Policy Viewed G 1
Leader on Uniting Party G 2
New Central Committee Elected G 3
Congress Ends 13 Apr G 3

EASTERN EUROPE

Reportage on Yugoslavia's Ribicic Delegation Visit H 1
Meets with Hu Yaobang H 1
Visits Shanghai H 1
Returns to Beijing H 1
Bid Farewell by Hu Yaobang H 2
Polish Minister 'Impressed' by PRC Agriculture H 2

PRC NATIONAL AFFAIRS

Sixth NPC Resolution on Seventh 5-Year Plan K 1
Commentary Views Challenges of 7th Plan Reforms K 3
Further Clarification of Foreign Enterprise Law K 4
Details of Qiao Shi's Career Provided K 5
Song Jian's Posts, Appointments Enumerated K 6
NPC Reportedly To Name Wang Meng Culture Minister K 6
[LIAOWANG 7 Apr]
Economist Qian Jiaju on Prices, Capital Projects K 7
Zhao Ziyang Meets Science, Technology Workers K 8
Science Academy Said 'Key' to Science, Technology K 9
[CHINA DAILY 11 Apr]
Civilian-Defense Industry Cooperation Urged K 10
[GUOJI SHANGBAO 27 Mar]
Transferred Army Cadres Meeting Set for June K 11
GUANGMING RIBAO on Controlling Investment [29 Mar] K 11
Senior Advisory Commission Members Plant Trees K 14
Qiao Shi, Peng Chong Urge Children To Observe Law K 14

PRC REGIONAL AFFAIRS

EAST REGION

Jiangsu County Leaders Punished for Dereliction O 1
Jiangsu Sends 600 Cadres to Countryside O 1

CENTRAL-SOUTH REGION

Henan Conference on Autumn Grain Production P 1
Hubei Safety Inspection Group Finds Many Problems P 1
Hubei Leader on Rural Tasks, Peasants Association P 2
Hunan Meeting Views Armed Forces Departments P 2

SOUTHWEST REGION

Guizhou Holds Political-Legal Work Conference Q 1
Guizhou Conference Stresses Spring Farmwork Q 1
Sichuan Holds Land Management Work Conference Q 1
Xizang Meeting Views Cadre Selection Principles Q 2

NORTHWEST REGION

Gansu Circular on Indiscriminately Felling Trees T 1
Ningxia Secretary at PLA Commendation Rally T 1
[NINGXIA RIBAO 31 Mar]
Qinghai Radio Stresses Planned Parenthood Work T 2
SHAANXI RIBAO Urges Improving Party Style [11 Apr] T 3
Xinjiang Urges Fighting Drought in Spring Farmwork T 3

HONG KONG MEDIA ON CHINA

'Text' of Gu Mu Press Conference on SEZs W 1
[TA KUNG PAO 11 Apr]
Nuclear Ministry To Manage Daya Bay Nuclear Plant W 6
[HONG KONG STANDARD 11 Apr]
PRC To Supply Fuel for Nuclear Power Plant W 7
[SOUTH CHINA MORNING POST 11 Apr]
General Manager on Nuclear Plant's Current Tasks W 8
[SOUTH CHINA MORNING POST 12 Apr]
WEN WEI PO Reports on PRC Uranium Resources [12 Apr] W 9
Personnel Transfer in Nuclear Ministry Reported W 10
[WEN WEI PO 11 Apr]
State Council To Set Up Reform Plans Study Group W 10
[TA KUNG PAO 9 Apr]

FBIS DAILY REPORT CONTENTS

China

Vol I No 073 16 April 86

PRC INTERNATIONAL AFFAIRS

GENERAL

Foreign Ministry Spokesman Holds Weekly Briefing A 1
Meetings With USSR 'Unrealistic' A 1
Canadian Prime Minister To Visit A 1
Foreign Ministers To Visit A 1
Chen Muhua to ADB Session A 2
Zhao Ziyang Meets UNDP Official in Beijing A 2

UNITED STATES

More Reportage on U.S. Strike Against Libya B 1
RENMIN RIBAO Condemns Attack [16 Apr] B 1
Further Criticism by RENMIN RIBAO B 1
XINHUA on 'Violation' of Norms B 2
XINHUA Report on Strikes B 3
Asian, African Students Protest [AFP] B 4

SOVIET UNION

Moscow Cancels Shevardnadze-Shultz Talks C 1
U.S. Says Cancellation 'Mistake' C 1
Soviet Officials React to U.S. Raid on Libya C 1
Gorbachev States 'Strong Concern' C 1
Gorbachev,Ryzhkov Denounce Raid C 2
New Swedish Prime Minister Arrives in USSR C 2
Qian Qichen Comments on 'Useful' Talks in Moscow [AFP] C 3
PRC To Hold Summer Trade Exhibition in Moscow [AFP] C 3

SOUTHEAST ASIA & PACIFIC

Burmese Prime Minister Continues Visit E 1
Zhao Bids Farewell in Beijing E 1
Arrives in Tianjin E 1
Tours Tianjin Environs E 1
Philippine President Hopes To Visit China E 1
Philippine Parliamentarians Hold Protest Meeting E 2
Vice Foreign Minister Meets Guests From Tonga E 2

EASTERN EUROPE

Belgrade Radio Interviews Qian Qichen H 1
XINHUA Expects GDR Policy to Remain Unchanged H 2

MIDDLE EAST & AFRICA

Hu Yaobang Meets African National Congress Leader I 1
Zambia's Kaunda: China 'Trustworthy Friend' I 1

PRC NATIONAL AFFAIRS

RENMIN RIBAO Comment on Revealing Secrets Reported K 1
Presidential Order on Civil Code Principles K 2
Zhao Ziyang Inspects Zhejiang Nuclear Plant K 2
Zhao Ziyang on Shanghai Nuclear Plant Production K 3
Nuclear Industry To Undergo Reorganization K 3
[CHINA DAILY 15 Apr]
WENYI BAO Interviews Writers' Association Official [22 Mar] K 4
Beijing Bishop Condemns Vatican 'Interference' K 7
Relations With Vatican Viewed [AFP] K 8
RENMIN RIBAO Reports Development of Family Farms [4 Apr] K 9
Commentator's Article [RENMIN RIBAO 4 Apr] K 10
BAN YUE TAN Urges Better Services for Agriculture [25 Mar] K 11
Tian Jiyun Inspects Fujian 31 March-8 April K 13
Wan Li, Hao Jianxiu Inspect Zhejiang's Wenzhou K 16
State Council Official Urges Farm Mechanization K 17
Fang Yi on Alloy Steel Production, Research K 17

PRC REGIONAL AFFAIRS

CENTRAL-SOUTH REGION

Guangzhou Hosts Export Commodities Fair P 1
[CHINA DAILY 15 Apr]
CHINA DAILY on Work of Second Shenzhen Border [12 Apr] P 1
Shenzhen Economic Zone Cadres Study Marxist Theory P 2
Guangxi Circular on Building Civilized Villages P 3
Guangxi Cadres Sent to Rural Areas To Help Poor P 4
Henan's Yang Xizong Views Rural Economic Issues P 5
Henan Circular on Safety Inspection in Production P 5
Henan Calls for Progress in Industrial Production P 6
Henan Lists Construction Projects for Completion P 6
Hunan Industrial Output Falls Short of Target P 7

SOUTHWEST REGION

Guizhou Mass Discussion on Production, Revenue Q 1
Sichuan Lists Regulations on Minority Autonomy Q 1
Yunnan Public Security Bureau Holds Mass Meeting Q 2

NORTHWEST REGION

Gansu Leaders Plant Trees in Lanzhou 11 Apr T 1
Qinghai on Implementation of Grain-Sowing Plans T 1

HONG KONG MEDIA ON CHINA

TA KUNG PAO Comments on U.S. Strike Against Libya [16 Apr] W 1
CHING PAO Reportedly Changes Stance on Hong Kong W 2
[HONG KONG STANDARD 11 Apr]

FBIS DAILY REPORT

China

CONTENTS

Vol I No 074 17 April 1986

PRC INTERNATIONAL AFFAIRS

GENERAL

Further Reportage on U.S. Attack on Libya A 1
Roundup Views Aftermath A 1
'Planned Military Aggression' A 2
Pentagon Reports Damage A 3
Al-Qadhdhafi Survives Raid A 3
Possible Internal Power Struggle A 4
USSR Charges U.K. Complicity A 4
Thatcher Defends Raid A 4
U.S. Blames USSR A 5
Libya Seeks End to Hostilities A 6
UNSC Discusses Tensions A 7
PRC, Other Envoys Address UNSC A 7
LIAOWANG on U.S.-Libyan Clash in Gulf of Sidra [7 Apr] A 8
Possibility of Reagan-Gorbachev Summit 'Lessened' A 11
Commentary on Effects of Oil Price Drop on China A 11
UN Food Program Head on Chinese Cooperation A 12
Preview of Nonaligned Foreign Ministers Meeting A 14
UNFPA Official on Impact of U.S. Funding Cutoff [AFP] A 14

SOUTHEAST ASIA & PACIFIC

Burmese Prime Minister Continues Visit E 1
Tianjin Banquet Held E 1
Feted in Guangdong E 1
Zhao Ziyang Meets Malaysian Finance Minister E 1
Buddhist Leader Meets With Thai Delegation E 2
Philippine Spokesman on Support for Aquino E 2
Marcos Said Planning To Return to Philippines E 3
DK Ambassador to China on Victories Over Vietnam E 3

PRC NATIONAL AFFAIRS

Presidential Order on Compulsory Education Law K 1
Presidential Order on Foreign Enterprises Law K 1
Central Organs Discuss NPC, CPPCC Proposals K 1
Bank Says 'No Change' in Foreign Currency Rules K 2
'Fundamental Indicators' of Progress Examined K 2
[BAN YUE TAN 25 Mar]
'Voluntary' Horizontal Economic Association Seen K 4
[RENMIN RIBAO 7 Apr]
Economics Official on Horizontal Combinations K 5
Forum on Cooperative Economic Relations Held K 6
[RENMIN RIBAO 7 Apr]
Breaking Localities, Departments Barriers Urged K 7
[RENMIN RIBAO 7 Apr]

Need for Social Bookkeeping System Explained [GUANGMING RIBAO] K 9
Newsletter Profiles Peasant Entrepreneur K 10
XINHUA Commentator K 11
Regulations Issued on Research Units' Taxes K 12
RENMIN RIBAO Carries HONGQI Table of Contents [15 Apr] K 13

PRC REGIONAL AFFAIRS

EAST REGION

Fuzhou Holds Party Style Rectification Meetings O 1

CENTRAL-SOUTH REGION

Guangdong Provides Berths for Taiwan Fisherman P 1
Lin Ruo Addresses Guangdong Legal Conference P 1
Guangdong's Ye Xuanping Interviewed in Beijing P 2
Henan Holds Political-Legal Work Conference P 3
Hunan Governor Stresses Grain Work Improvements P 5

NORTHWEST REGION

Gansu Sets Quarterly Industrial Output Record T 1
Ningxia Hui Transporting Rice to Shanghai T 1

HONG KONG MEDIA ON CHINA

HSIN WAN PAO Sees Raid on Libya as 'Global Strategy' [16 Apr] W 1
WEN WEI PO Terms U.S. Air Raid 'Unpopular' [16 Apr] W 2

FBIS DAILY REPORT

China

CONTENTS

Vol I No 075 18 April 1986

PRC INTERNATIONAL AFFAIRS

GENERAL

Li Peng on Normalizing Relations With USSR A 1
PRC Urges Prompt Measures To Prevent Nuclear War A 2
Chen Xitong Attends Meeting on 1990 Asian Games A 3
Li Peng Opens Instrumentation Conference 16 Apr A 3
Interview With Former PRC Envoy to UN [BAN YUE TAN 25 Mar] A 4
UN Speakers 'Reject' U.S. Self-Defense 'Pretext' A 6
Nonaligned Coordinating Bureau Meeting Opens A 7
Mideast Issues Discussed A 7
USSR-Japan Economic Talks Begin in Moscow A 9
NODONG SINMUN Urges Korea-U.S. Peace Treaty A 9

UNITED STATES

LIAOWANG on U.S. Space Program After 'Challenger' [7 Apr] B 1
U.S. Aerospace Exhibit in Beijing 15-21 May B 2
U.S. To Consult Asia, Europe on Arms Control B 3
U.S. To Explain Libyan Raid to NATO Members B 3

SOVIET UNION

USSR Urges UN Measures To Stop U.S. Aggression C 1
Gorbachev Leaves To Attend SED Congress C 1

NORTHEAST ASIA

Further on Visit by Non-Governmental Delegation to Japan D 1
Wang Zhen Views Relations D 1
Delegation Hosted at Reception D 1
Nakasone Stresses Friendship Ties D 2
RENMIN RIBAO on Closing of DPRK Assembly Session [10 Apr] D 2
South Korean Democratic Movement 'Forges' on D 3

SOUTH ASIA

King of Bhutan Receives PRC Envoy to India F 1
India Self-Reliant in Nuclear Technology F 1

WESTERN EUROPE

Hu Yaobang Meets Belgian Socialist Delegation G 1
Qiao Shi, ICP's Natta on U.S.-Libyan Conflict G 1
PRC, Turkey Sign Accord for Joint Venture G 2

EASTERN EUROPE

PRC-Polish Shipping Links 'Flourishing' H 1
Honecker Notes Improvement in Ties With PRC H 1

WESTERN HEMISPHERE

Canada's Trudeau, Businessmen Welcomed in Beijing J 1
Meet Deng Xiaoping J 1
Zhao Ziyang Hosts Dinner J 1

PRC NATIONAL AFFAIRS

'Excerpts' of Seventh 5-Year Plan Released K 1

PRC REGIONAL AFFAIRS

EAST REGION

Jiangsu's Changshu Merges Urban, Rural Areas O 1
[RENMIN RIBAO 9 Apr]
Shanghai's Rui Xingwen on Public Security O 2

CENTRAL-SOUTH REGION

Shenzhen CPC Secretary Discusses Zone's Industry P 1

SOUTHWEST REGION

Sichuan Conference on Industrial Output Decline Q 1

NORTH REGION

Beijing's Li Ximing on Discipline Inspection R 1
[BEIJING RIBAO 3 Apr]
Shift of Hebei Armed Forces Departments Progresses R 2
Nei Monggol Conference on Public Security Tasks R 3

NORTHEAST REGION

Jilin Cracks Case of Embezzlement, Bribery S 1
Liaoning Bans Illegal Organizational Expansion S 1

NORTHWEST REGION

Ningxia Reports Success in Opening to Outside T 1
[NINGXIA RIBAO 1 Apr]
Qinghai Urges Improved Industrial Performance T 2

HONG KONG MEDIA ON CHINA

HONG KONG STANDARD Views 'Missile Diplomacy' [16 Apr] W 1
HONG KONG STANDARD on Terrorism, U.S. Policy [17 Apr] W 2
SOUTH CHINA MORNING POST Views Libyan Bombing [16 Apr] W 3
UK Role in Libya Raid Criticized W 4
[SOUTH CHINA MORNING POST 17 Apr]
TA KUNG PAO Views Western Europe Reaction to U.S. Raid [17 Apr] W 5
Libya Raid, Soviet, European Reaction Viewed W 6
[HSIN WAN PAO 17 Apr]

FBIS DAILY REPORT

China

CONTENTS

Vol I No 076 21 April 86

PRC INTERNATIONAL AFFAIRS

GENERAL

Chen Muhua Thanks Asian, African Ambassadors A 1
World Bank, IDA Credit To Boost PRC Transport A 1
Beijing International Book Fair in September A 1
PRC Continues To Modernize Marine Salvage Network A 2
[CHINA DAILY 18 April]
Minister Opens Beijing Electronics Exhibit A 3
International Fish-Raising Course Opens in Wuxi A 3
World Bank Extends Loan for Hunan Orchards A 3
UNESCAP Concerned About Rapid Urbanization A 4
Nonaligned Ministerial Conference Continues A 4
Adopts Economic Resolution A 4
Adopts Political Declaration A 5
Ministerial Meeting Concludes A 6
XINHUA Analysis Views NAM A 6
Soviet, GDR Leaders Meet in East Berlin A 7

UNITED STATES

Further Reaction to U.S. Attack on Libya B 1
XINHUA on U.S. Motive B 1
'Tarnished' U.S. Image B 2
U.S. Pays 'Dearly' B 3
Raid 'Probe' for Moscow Reaction B 3
Gorbachev: Raid Will Affect Ties B 4
Soviet Still Hopes for Meeting B 5
UNSC Fails To Adopt Resolution B 5
XINHUA on U.S. Farm Exports' Continued Decline B 6

NORTHEAST ASIA

Wu Xueqian Ends Visit With Japan's Abe D 1
No Formal Document D 1
Arrives in Beijing D 1
LIAOWANG Cites Yao Yilin on Economic Issues D 1
PRC-Japan Nongovernmental Meeting Ends in Tokyo D 2
Wang Zhen, Delegation Pay Visit to Hiroshima D 2
Wan Li Meets Korean University Delegation D 3
Deng Yingchao Meets Japanese Calligraphers D 3

PRC NATIONAL AFFAIRS

ZHONGGUO QINGNIAN BAO Views April 5th Incident [5 Apr] K 1
LIAOWANG on Last Days of Dazhai's Chen Yonggui [7 Apr] K 3
State Council Appoints, Removes Officials K 5
Hu Qili in Shanghai on Conditions for Artists K 6
Sentencing of Economic Offenders Draws Comment K 6

Discipline Inspection Official on Major Cases K 7
[LIAOWANG 7 Apr]
'Full Text' of Song Ping NPC Economic Report K 9
Propaganda Director on Literature Development K 20
[WENYI BAO 12 Apr]
NONGMIN RIBAO on Proper Handling of Grain Production [11 Apr] K 22

PRC REGIONAL AFFAIRS

EAST REGION

Huang Huang Attends Anhui CPPCC Meeting Opening O 1
Nanjing Military Region Relays NPC Guidelines O 1
Wang Fang Addresses Zhejiang Political Meeting O 2

CENTRAL-SOUTH REGION

Guangdong Prepares Transfer of Armed Forces P 1
Henan Notice Urges Crackdown on Larceny P 1
Henan Radio Commentary P 1
Hunan Governor on Developing Lateral Ties P 2

SOUTHWEST REGION

Two Xizang Cadres Arrested on Corruption Charges Q 1
Xizang Radio Commentary Q 1
Pu Chaozhu Conveys NPC Session Spirit to Yunnan Q 2

NORTH REGION

Hebei Discipline Commission Holds Plenary Session R 1
[HEBEI RIBAO 7 Apr]
Tianjin Congress Standing Committee Session Ends R 2

NORTHWEST REGION

Qinghai Meeting Urges Crackdown on Economic Crime T 1
Qinghai Radio on Practicing Planned Parenthood T 1
Shaanxi Leader Decries Feudal, Patriarchal Ideas T 1
'Rude' Behavior of Shaanxi Law Enforcers Criticized T 2
Xinjiang: Song Hanliang, Wang Enmao Plant Trees T 2

HONG KONG MEDIA ON CHINA

Deng Xiaoping Discusses Reform, Other Issues W 1
[TA KUNG PAO 20 Apr]
Hu Qili Remarks on Royal Navy Visit, USSR Cited W 2
[SOUTH CHINA MORNING POST 20 Apr]
Dissenting Votes at NPC Session Reported W 4
[SOUTH CHINA MORNING POST 13 Apr]
Dissenting Voters 'Required Great Courage' W 5
[WEN WEI PO 13 Apr]
CHING PAO Profiles New Fujian CPC Secretary [10 Apr] W 6
Minister on Laws for Foreign, Joint Ventures W 10
[SOUTH CHINA MORNING POST 16 Apr]

DAILY REPORT

China

CONTENTS

Vol I No 077 22 April 1986

PRC INTERNATIONAL AFFAIRS

GENERAL

XINHUA on 'Arafat, Gorbachev Meeting in Berlin A 1
Nonaligned Foreign Ministers Arrive in Libya A 1
XINHUA on Terrorism, Power Politics A 1

UNITED STATES

XINHUA Sees West Europe-U.S. Ties at New Low B 1

NORTHEAST ASIA

Criticism of ROK Suppression of Signature Drive D 1
[RENMIN RIBAO 19 Apr]
Japanese Expert Aiding Tianjin Harbor Project D 2

SOUTHEAST ASIA & PACIFIC

Deng Xiaoping Praises Hong Kong Entrepreneurs E 1
Briefing in Beijing E 1
Comments on Hong Kong's Future E 1
Ji Pengfei Reaffirms Policies on Hong Kong E 2
Zhao Ziyang Asks Yue-Kong Pao To Advise Ningbo E 2
Li, Zhao Joint Greetings to DK Leaders E 3
Beijing Reception Marks Cambodian National Day E 4
Commentary on Maung Maung Kha's 'Successful' Visit E 4
Philippines To Emphasize Ties With ASEAN E 5
Commentary Views Philippine-U.S. Relations E 5
Qian Quchen Leaves for Bangkok ESCAP Meeting E 6

SOUTH ASIA

Pakistan President Satisfied With PRC Ties F 1
India Buys More Spot-Market Oil, Less From USSR F 1

WESTERN EUROPE

Qian Shi at Italian Communist Party Congress G 1
Hosts Reception G 1
Leaves for PRC G 1
Stopover in Bonn G 1
Arrives in Beijing G 1

MIDDLE EAST & AFRICA

RENMIN RIBAO on Antiracist Trend in South Africa [15 Apr] I 1
Qaddumi PLO Delegation Arrives in Beijing I 1

PRC NATIONAL AFFAIRS

Hu Qili Conducts Inspection in Shanghai K 1
'Full Text' of Wang Bingqian NPC Budget Report K 3
XINHUA Carries Compulsory Education Law K 17
Management of Water Conservancy Funds Viewed K 20
[RENMIN RIBAO 8 Apr]
Yang Dezhi on Compilation of Military History K 21
JIEFANGJUN BAO Article on Strict Management K 21
Rules on Employment by Foreigners Issued K 22
[CHINA DAILY 21 Apr]

PRC REGIONAL AFFAIRS

CENTRAL-SOUTH REGION

Guangdong Experiences 1st Quarter Export Boom P 1
Guangxi Meeting on Rectification, Ideological Work P 1
Hubei Issues Circular on Zhao's 5-Year Plan Report P 2
Hubei Party Secretary Inspects Jianghan Oilfield P 3

NORTH REGION

Beijing Holds Meeting To Commend Teleplay Group R 1
[BEIJING RIBAO 13 Apr]
Beijing Military Region Improves Party Conduct R 1
Beijing Scores Achievements in Training Cadres R 2
[BEIJING RIBAO 10 Apr]
Nei Monggol CPC Committee Relays NPC Guidelines R 3

NORTHWEST REGION

Gansu Leader Addresses Political, Legal Meeting T 1
Qinghai's Yin Kesheng Attends CPPCC Opening Session T 1
Shaanxi's Bai Jinian Recommends Plays to Cadres T 2
[SHAANXI RIBAO 4 Apr]
Xinjiang's Song Hanliang Attends Grass-Sowing Rite T 2

HONG KONG MEDIA ON CHINA

MING PAO Cites Hu Yaobang Remarks on Intellectuals [18 Apr] W 1
Zheng Tuobin Interviewed on Foreign Trade W 2
[WEN WEI PO 2 Apr]

FBIS DAILY REPORT

China

CONTENTS

Vol I No 078 23 April 1986

PRC INTERNATIONAL AFFAIRS

GENERAL

Foreign Ministry Spokesman Holds Weekly Briefing A 1
Wu Xueqian's Japan Visit Assessed A 1
Wu To Visit Europe A 1
UN Security Council Split on U.S. Raid on Libya A 1
U.S. Seeks 'New Jersey' Port Call in Japan A 2
LIAOWANG on Soviet-U.S. Military Contention [7 Apr] A 2

UNITED STATES

Hu Yaobang Discusses Sino-American Relations B 1
U.S. President Speaks of Summit With Gorbachev B 1
U.S. President Interviewed on Tokyo Summit B 2
U.S. Conducts Third Nuclear Test in Month B 2

SOVIET UNION

Arkhipov Comments to IZVESTIYA on PRC Visit C 1
Shevardnadze Says Resuming Talks Depends on U.S. C 1
PRC, U.S., USSR Arms Policies Reviewed C 2

NORTHEAST ASIA

Chinese Leaders Meet With Japan's Fukuda D 1
Deng on Army Reduction D 1
Deng Professes 'Good Health' [KYODO] D 1
Hu Yaobang Welcomes Criticisms D 2
Offer to Host Meeting [KYODO] D 3
Wang Zhaoguo Fetes Visitors D 3
Wang Zhaoguo Meets Japanese Writer D 3
Gu Mu on Trade Issue With Japanese Visitors D 3
PRC To Send Large Trading Delegation to Japan D 4
XINHUA Follows Japanese Yen's Continued Rise D 5
DPRK Minister Views Economic Cooperation D 5
Pyongyang's Energy Policy Remains Unchanged D 6
DPRK Condemns Weinberger's Visit to S. Korea D 6
DPRK Foreign Minister Calls for Reunification D 6
DPRK Protests 'Repeated Invasions' of U.S. Jets D 7
Constitutional Revision Drive Grows in S. Korea D 7
S. Korea Opposition Holds Rally in Taejon D 8
South Korean Students Mark 1960 Uprising D 9
South Korea's Chon UK Visit Protested D 9

PRC NATIONAL AFFAIRS

RENMIN RIBAO on Party Style in Rectification [22 Apr] K 1
Hu Qili on Problems in Social Psychology, Reform K 2
Wang Meng's Collected Essays Published K 4
[GUANGMING RIBAO 10 Apr]
Wang Hanbin Explains Principles of Civil Code K 4
RENMIN RIBAO Commentary Hails Civil Code [17 Apr] K 11
GUANGMING RIBAO Views NPC, CPPCC Closings [13 Apr] K 13
Commentary Views Foreign-Owned Enterprises Law K 15
[RENMIN RIBAO 18 Apr]
RENMIN RIBAO on Proper Use of Agricultural Funds [8 Apr] K 20
Commentator on Merging Urban, Rural Areas K 21
[RENMIN RIBAO 9 Apr]
Hu Yaobang, Zhao Ziyang Praise Shanghai Plant K 22
Ye Jianying, Others Send Memorial Wreaths K 23
Hu Qiaomu at Premier of Beijing Orchestra K 23

PRC REGIONAL AFFAIRS

EAST REGION

Jiangsu Leaders Attend Late Official's Centenary O 1
Shandong's Liang Buting Sods Lawns in Jinan O 1

CENTRAL-SOUTH REGION

Guangdong To Give Coal Production Subsidies P 1
[NANFANG RIBAO 16 Apr]
Chen Huiguang Writes on Boosting Guangxi Economy P 1
[GUANGXI RIBAO 18 Apr]

SOUTHWEST REGION

Guizhou's Hu Jintao Inspects Nayong County Q 1

NORTH REGION

Hebei Article Views Straightening Out Party Style R 1
[HEBEI RIBAO 7 Apr]
Nei Monggol Improves Lateral Economic Ties R 2
Tianjin Holds Political Science, Law Conference R 3
[TIANJIN RIBAO 31 Mar]

NORTHEAST REGION

Heilongjiang Procurators Conference Concludes S 1
Liaoning: Wu Disheng Elected Shenyang City Mayor S 1

NORTHWEST REGION

Xinjiang Leader Stresses Current Work Tasks T 1
Shaanxi Circular on Selecting, Appointing Cadres T 1

TAIWAN

Taiwan Not To Attend ADB Meeting in Philippines V 1
Yuan Issues Statement V 1
Indirect Trade With Mainland Increases V 1
[CHINA POST 20 Apr]
Group Formed To Discuss Satellite Technology V 2
Briefs: Service Industry Foreign Investment V 2

HONG KONG MEDIA ON CHINA

Body To Safeguard Foreign Investors Interests W 1
[SOUTH CHINA MORNING POST 21 Apr]
Minister Interviewed on Oil Industry, Prospects W 1
[WEN WEI PO 2 Apr]

FBIS DAILY REPORT CONTENTS

China

Vol I No 079 24 April 1986

PRC INTERNATIONAL AFFAIRS

UNITED STATES

Reverse Effects of Libyan Raid Outweigh Gains B 1
U.S. Rejects Dissolving Warsaw Pact, NATO B 2
Reagan Decides To Dismantle Two Submarines B 2
Zhu Qizhen Meets U.S. Disarmament Official B 3
Fang Yi, Song Jian Meet American Visitors B 3
Congress Urges No Missile Sales to Saudis B 3

NORTHEAST ASIA

Beijing Commentary on South Korean Opposition D 1

SOUTHEAST ASIA & PACIFIC

Reportage on ESCAP Meeting in Bangkok E 1
Qian Qichen Presides E 1
Qian on Asian Peace, Security E 1
Thai, PRC Deputy Ministers Support CGDK Proposal E 2
CPPCC Delegation Welcomed at Melbourne Reception E 2
SRV Resolution Calls for Economic Reform E 3
Hong Kong Basic Law Committee Ends Session E 3
Committee Members Satisfied E 3
Group Issues Communique E 4

WESTERN EUROPE

Wang Bingqian, FRG Finance Minister Hold Talks G 1
Ye Fei Meets Delegation From Norway 23 April G 1
Western 'Rift' Results From U.S. Attack on Libya G 1

EASTERN EUROPE

Polish Monthly Hails PRC Reform Achievements H 1
Communications Delegation Visits Poland H 1
Meets Vice Premier H 1
Ends 'Friendly' Visit H 2
Poland Supports Soviet Arms Reduction Proposal H 2
Chu Tunan at PRC-Bulgaria Sports Pact Signing H 2

MIDDLE EAST & AFRICA

Iranian Delegation Arrives in Beijing [IRNA] I 1
Meeting With NPC Official [IRNA] I 1
Zhang Jingfu Arrives in Iraq for Talks I 1
'Satisfaction' Over Cooperation Noted I 1
Zhang Jingfu Meets Iraqi Leader I 2
INA Report on Meeting I 2
Wu Xueqian Reiterates PRC Support for PLO I 3
Chen Muhua Meets Suez Canal Administrator I 3
Xi Zhongxun Receives Visitors From Seychelles I 3

PRC NATIONAL AFFAIRS

Hu Yaobang Inspects Hebei Mountain Area K 1
Li Xiannian Appoints, Removes Ambassadors K 3
RENMIN RIBAO on Eliminating Feudal Practices [18 Apr] K 3
Currency Recovery Demonstrates Sound Economy K 6
Forced Sales of Undesirable Goods Banned K 7
Zhao Ziyang on Science Supporting Defense Work K 8
Yu Qiuli Stresses Party Rectification in PLA K 9
PLA Opens Tactical Training Center in East China K 9
Li Peng Explains Draft Compulsory Education Law K 10
RENMIN RIBAO Commentary [18 Apr] K 17
Questions on Foreign-Owned Companies Law Answered K 19
[CHINA DAILY 23 Apr]
Commentator on Best Use of Existing Funds K 20
RENMIN RIBAO on Grasping Grain Production Links [16 Apr] K 20
RENMIN RIBAO Views Socialist Capital Market [7 Apr] K 22
No Change Seen in Specialized Households Policy K 27
[RENMIN RIBAO 19 Apr]
Leaders Write for Beijing Science Monograph K 28
[BEIJING RIBAO 31 Mar]
Central Leaders, Others Honor Late CPC Adviser K 29
Tian Jiyun Meets Rural Employment Seminar Group K 29
Zheng Tuobin Attends Guangzhou Fair Opening K 30
Nie Rongzhen Greets New Gerontology Society K 30

PRC REGIONAL AFFAIRS

EAST REGION

Huang Huang Meets With Non-CPC Personnel in Anhui O 1
Fourth Session of Anhui People's Congress Opens O 1
Han Peixin Attends Jiangsu CPC Meeting 19 April O 2
Jiangsu City Attracts More Foreign Investment O 3
Jiangsu: Commander Addresses Nanjing PLA Meeting O 3
[ZHEJIANG RIBAO 14 Apr]
Nanjing Opens Training Center for 'Group Armies' O 4
Shandong's Liang Buting Relays NPC Guidelines O 4
Shanghai's Rui Xingwen at Commendation Meeting O 5
Shanghai: Computerized System for Chinese Developed O 5
First Optical Fiber Communications Line in Shanghai O 6
Shanghai Targets Major Industries for Expansion O 6

CENTRAL-SOUTH REGION

Guangxi: Shanghai Group Arrives for Economic Talks P 1
Hainan To Establish Export Production Base P 1

SOUTHWEST REGION

Guizhou Meeting Stresses Lateral Economic Ties Q 1
Sichuan Holds Political, Legal Work Conference Q 1
Sichuan Commentary Views Improving Social Order Q 2

NORTH REGION

Beijing To Check Unhealthy Sales Practices R 1
Nei Monggol 16th Standing Committee Meeting Ends R 1
Tianjin's Ni Zhifu Visits With CPC Participants R 2
Tianjin People's Congress Session Opens 22 April R 2

NORTHWEST REGION

Qinghai Security Official Discusses Public Order T 1
Xinjiang Cadre Meetings Convey NPC Session Spirit T 2
Briefs: Shaanxi Machine-Building Industry; T 2
Shaanxi Rural Specialized Households

TAIWAN

President Receives Pacemaker in Successful Operation V 1
Taiwan Official Urges Japanese Investment Incentive V 1

HONG KONG MEDIA ON CHINA

Hong Kong Paper Analyzes Basic Law Session Results W 1
[SOUTH CHINA MORNING POST 23 Apr]
KUANG CHIAO CHING Assesses Wang Meng Appointment [No 163, 16 Apr] W 2
PRC Struggle For Law and Order Considered W 5
[SOUTH CHINA MORNING POST 10 Apr]

FBIS DAILY REPORT CONTENTS

China

Vol I No 080 25 April 1986

PRC INTERNATIONAL AFFAIRS

GENERAL

Italian Daily Interviews Vice-Premier Qiao Shi A 1
[AVANTI! 22 Apr]
UNWFP To Deliver 350,000 Tons in Food Aid A 2
[CHINA DAILY 24 Apr]
Time 'Ripe' for Honecker Visit to Bonn A 2
USSR Calls for Cooperation Through ESCAP A 3

UNITED STATES

U.S. Symposium Discusses Investment in PRC B 1
Newspaper Reviews Philip Habib's Political Career B 1
[ZHONGGUO QINGNIAN BAO 19 Apr]
Reagan on Military Action Against Libya, Syria B 2

NORTHEAST ASIA

DPRK Appeals for Resumption of Dialogue D 1
DPRK Army Day Marked at Embassy Reception D 1
Deng Liqun Meets DPRK Publishing Group D 1

MIDDLE EAST & AFRICA

Hu Yaobang Criticizes U.S. Bias Toward Israel I 1
Zhang Jingfu Received by Iraqi Deputy Premier I 1
GCC States Suffering 'Severe Recession' I 2
Japan Studying Participation in SDI Research I 3

WESTERN HEMISPHERE

Reportage on Visit of Surinamese Foreign Minister J 1
Briefed by Wang Hanbin J 1
Wu Xueqian Praises Prospects J 1
Meets With Wan Li J 1
Signs Economic Agreement J 2
Leaves for Home J 2
Yao Yilin Meets Former Argentine President J 2
Vice Premier Yao Yilin Meets Canadian Visitors J 2
Chinese Exploring New Socialist Economic Models J 2
Trade Deficit With Brazil To Continue To Increase J 3
[CHINA DAILY 23 Apr]

PRC NATIONAL AFFAIRS

Chen Pixian Report on NPC Committee Work K 1
RENMIN RIBAO Commentator on Crime in Postal Work [21 Apr] K 14
RENMIN RIBAO Stresses Horizontal Economic Ties [18 Apr] K 16
Article Discusses Macroeconomic Control Targets K 18
[RENMIN RIBAO 14 Apr]
RENMIN RIBAO on Macroeconomic Management [18 Apr] K 24
Officials To Get Modern Agricultural Training K 27
Zhao Ziyang Visits Shanghai Plants, Science Unit K 27

PRC REGIONAL AFFAIRS

EAST REGION

Fujian Official Punished for Abusing Authority O 1
Jiangxi Deputy Secretary on Party Rectification O 1
Rui Xingwen Attends Shanghai CPPCC Meeting O 2
Shanghai Launches Grass Roots Party Rectification O 2
[JIEFANG RIBAO 1[illegible] Apr]

NORTHEAST REGION

Heilongjiang Relaxes Economic Cooperation Policies S 1
Liaoning: Dalian CPC Notes Serious Economic Crime S 1
Northeast Economic Zone Holds Joint Conference S 2

NORTHWEST REGION

Qinghai People's Congress Session Opens 23 Apr T 1
Shaanxi: Examining Cadres Political Qualities Urged T 1
Shaanxi Defense Industry Production To Be Shifted T 2

HONG KONG MEDIA ON CHINA

TA KUNG PAO Analyzes Results of U.S. Raid on Libya [24-30 Apr] W 1
WEN WEI PO Reports Tang Wensheng's New Post [24 Apr] W 2
Personnel Changes in Beijing Press Circles Viewed W 3
[KUANG CHIAO CHING No 163, 16 Apr]
Part I: Foreign Trade, Investment Policy Detailed W 6
[WEN WEI PO 17 Apr]
PLA To Adopt Western-Style Military Uniforms W 10
[WEN WEI PO 22 Apr]

FBIS DAILY REPORT

China

CONTENTS

Vol I No 081 28 April 1986

PRC INTERNATIONAL AFFAIRS

GENERAL

Li Peng on Sino-U.S., Sino-Soviet Relations A 1
Fang Yi Meets Thermophysics Conference Members A 1
Wan Li Meets International Trade Unionists A 1
Olympic President Arrives in Beijing 27 April A 2
Greeted by Li Menghua A 2
Meets Peng Zhen A 2
PRC Representative Addresses UNICEF Meeting A 3

UNITED STATES

'Political Significance' of Reagan Bali Visit B 1
Reagan To Try 'Peddling U.S. Politics' at Summit B 2
Reagan To Raise Cambodian Issue on Asian Tour B 3
Reagan Phones Aquino To Discuss Aid Package B 3
Yang Dezhi Discusses U.S. Tour, Defense, Economics B 4
[CHINA DAILY 28 Apr]
Fang Yi Entertains U. of California Professor B 5
Electronics Industry Minister Leaves for U.S. B 5

NORTHEAST ASIA

PRC To Try To Persuade DPRK to Seoul Asian Games D 1
[HONG KONG STANDARD 28 Apr]
South Korean 'Warships' Sink DPRK 'Fishing Boat' D 1
Seoul-U.S. Maneuvers Create Tension D 2
Beijing Military Region Celebrates DPRK Army Day D 2
[RENMIN RIBAO 23 Apr]
Criticism of Japanese Court's Decision on Hostel D 3
[LIAOWANG 20 Apr]
Japanese Steel Exports to PRC, U.S. Decrease D 4

SOUTHEAST ASIA & PACIFIC

Chen Muhua To Lead Delegation to ADB Meeting E 1
Hong Kong Becomes Contracting Party to GATT E 1
CGDK Official Urges Vietnam To Negotiate E 2

MIDDLE EAST & AFRICA

Wu Xueqian at Tanzanian Envoy's Banquet I 1
PRC-Algerian Cooperation Commission Meets I 1
Zheng Tuobin Speaks I 1
Tian Jiyun Entertains Algerian I 1
RENMIN RIBAO on Israel's Trial of Demjanjuk [19 Apr] I 1

PRC NATIONAL AFFAIRS

Deng Xiaoping Honors Mao Zedong's Brother K 1
Hu Yaobang Encourages Development in Southwest K 1
[BAN YUE TAN 10 Apr]
Hu Yaobang Urges Beijing-Tianjin Tree Planting K 3
Zheng Tianxing Report on Supreme Court Work K 4
LIAOWANG on Second Step in Rural Reform [14 Apr] K 16
LIAOWANG Views Changes Wrought by PLA Reforms [21 Apr] K 21
PLA Opens 1st Combined Tactical Training Center K 24
State Council Urges Improving Vegetable Production K 24
RENMIN RIBAO Views Agricultural Policy [19 Apr] K 26
Commentator's Article K 26

PRC REGIONAL AFFAIRS

EAST REGION

Fujian's Jia Qinglin Examines Party Rectification O 1
[FUJIAN RIBAO 11 Apr]
Rui Xingwen Addresses Shanghai Cultural Forum O 3

CENTRAL-SOUTH REGION

Guangxi's Chen Huigang Attends CPC Session P 1
Guangxi People's Congress Session Opens 25 Apr P 1
Handling Capacity Increased at Haikou Harbor P 2
Changing Prevailing Habits, Customs Emphasized P 3
Hunan's Mao Zhiyong Meets Basic Law Study Cadres P 3
Briefs: Hebei Meteorite Shower P 3

SOUTHWEST REGION

Sichuan's Yang Rudai Attends S&T Forum 14-18 Apr Q 1
Sichuan Secretary Addresses Political-Legal Meeting Q 1
Xizang Destroys Confiscated Pornographic Articles Q 2
Xizang Official Arrested; Charged With Embezzlement [AFP] Q 2

NORTHEAST REGION

Li Guixian Inspects Eastern Liaoning Mountains S 1
Liaoning Governor Stresses Lateral Economic Ties S 2

NORTHWEST REGION

Ningxia Sends Cadres To Perform Grass-Roots Work T 1
[NINGXIA RIBAO 16 Apr]
Urumqi Meeting Commends Demobilized Army Cadres T 2

HONG KONG MEDIA ON CHINA

Power Politics Method To Combat Terrorism Denounced W 1
[WEN WEI PO 22 Apr]
Part II: Foreign Trade, Investment Policy Detailed W 2
[WEN WEI PO 18 Apr]

FBIS DAILY REPORT

China

CONTENTS

Vol I No 082 29 April 1986

PRC INTERNATIONAL AFFAIRS

GENERAL

PRC Gives Disarmament Verification Views to UN A 1
Further Reportage on Visit of IOC's Samaranch A 1
Wan Li Gives Banquet A 1
Lectures Sports Students A 2
LIAOWANG on High-Level U.S.-Soviet Dialogue [21 Apr] A 3

UNITED STATES

World Watching Reagan Latin America Policy B 1

NORTHEAST ASIA

Conflicting Reports on Participation in Games D 1
Spokesman Says Still Undecided [KYODO] D 1
Applies for Asian Games [KYODO] D 1
Participation in Seoul Olympics [Seoul] D 1
DPRK's Kim Yong-nam on Relations With PRC D 1

SOUTHEAST ASIA & PACIFIC

Li Xiannian Supports Sihanouk's Coalition Proposal E 1
DK's Khieu Samphan Interviewed on Peace Plan E 2
SRV 'Poor Showing' in Dry-Season Offensive Noted E 3
Anniversary of Sino-Lao Diplomatic Relations E 4
Peng Chong, NPC Delegation Leave for Australia E 5

WESTERN EUROPE

Yao Yilin, Chen Muhua Meet FRG Finance Minister G 1
Analysis of U.S. Raid Affect on Thatcher G 1

PRC NATIONAL AFFAIRS

Hu Qili Speech on Seventh 5-Year Plan Goals [HONGQI 16 Apr] K 1
Yang Yichen Procuratorial Work Report to NPC Session K 11
GUANGMING RIBAO on Literary, Art Problems [17 Apr] K 19
Household Management System To Remain Unchanged [BAN YUE TAN 10 Apr] K 21

PRC REGIONAL AFFAIRS

EAST REGION

Fujian Leaders Address Educational Work Conference O 1
[FUJIAN RIBAO 18 Apr]
Chen Guangyi, Hu Ping Inspect Poor Fujian Areas O 2
[FUJIAN RIBAO 18 Apr]
Han Peixin Attends Jiangsu Provincial Congress O 3
Jiangxi's Liu Fangren Speaks on Family Planning O 3
Radio Commentary O 4
Briefs: Fuzhou Silk Exports O 4

CENTRAL-SOUTH REGION

Guangdong: Lateral Economic Ties Strategy Viewed P 1
Guangxi Governor on Sixth 5-Year Plan Achievements P 1
Henan Holds Economic Reform Work Conference P 3
Briefs: Guangdong Offshore Oil Well P 3

NORTH REGION

Beijing Experience-Exchange Meeting on Party Reforms R 1
[BEIJING RIBAO 19 Apr]
Ni Zhifu Attends Tianjin CPPCC Closing Session R 2
Tianjin: Ni Zhifu Outlines Economic Reform Tasks R 3
[TIANJIN RIBAO 17 Apr]
Over 1,700 Tianjin Criminals Surrender to Police R 4

HONG KONG MEDIA ON CHINA

Yao Yilin Examines Current Economic Situation W 1
[LIAOWANG OVERSEAS EDITION No 16, 21 Apr]
Ji Pengfei Stresses No Socialism in Hong Kong W 4
[WEN WEI PO 26 Apr]

FBIS DAILY REPORT

China

CONTENTS

Vol I No 083 30 April 1986

PRC INTERNATIONAL AFFAIRS

GENERAL

Ministry of Nuclear Industry Studying Soviet Accident [AFP] A 1
Radiation Affects Scandinavia A 1
Cui Yueli Addresses World Health Meeting in U.S. A 1
USSR-U.S. Air Service Resumes After 4 Years A 2

UNITED STATES

Yang Dezhi Leaves for U.S. Visit 29 April B 1
News Analysis Views U.S. Stand at Tokyo Summit B 1
Increased Sino-U.S. Trade; Up 27 Percent in 1985 B 2
PRC To Import Rubber Technology From U.S. B 3
Shipping Service to Alaskan Harbors To Open B 3

NORTHEAST ASIA

XINHUA Views Issues for Upcoming Tokyo Summit D 1
NPC Vice Chairman Welcomes Japanese Musicians D 2
IOC President Meets North Koreans in Beijing [KYODO] D 2

SOUTH ASIA

Banqen Lama Departs for Australia [AFP] F 1
Indian President on Friendship With PRC F 1
India's Progress in Nuclear Programs Noted F 1

EASTERN EUROPE

Ceausescu Interviewed on Human Rights, Other Issues H 1
Zheng Tuobin Meets GDR Foreign Trade Official H 1

MIDDLE EAST & AFRICA

Zhang Jingfu Holds Talks With QAR Officials I 1
Meets Deputy Prime Minister I 1
Talks With Prime Minister I 1
Guinea Bissau Parliamentarians Arrive for Visit I 1
Meet Peng Zhen I 1
Feted at Banquet I 2
Sino-Iraqi Cooperation Accord Signed in Baghdad I 3
Algerian Minister Attends Economic Meeting in Beijing I 3
Meets Ulanhu, Wu Xueqian I 3
Trade Protocol Signed I 3

WESTERN HEMISPHERE

Xi Zhongxun Meets Venezuelan Socialists J 1
Canadian Leader Pleased With Coming PRC Visit J 1
LIAOWANG on U.S. Dual Tactics Toward Latin America [14 Apr] J 1

PRC NATIONAL AFFAIRS

Licences of Party, State-Run Enterprises Revoked K 1
'Roundup' Views Ups, Downs of Economic Reforms K 1
XINHUA Urges Eliminating 'Unhealthy Tendencies' K 2
LIAOWANG Examines Reform Tasks for 1986 [21 Apr] K 3
RENMIN RIBAO Advocates 'Realistic' Reporting [25 Apr] K 5
LIAOWANG Hails Completion of NPC Session [14 Apr] K 6
HONGQI on Eradicating Superstitious Activities [16 Apr] K 8
Production of Goods Meeting Consumer Needs Emphasized [RENMIN RIBAO 26 Apr] K 10
JINGJI GUANLI on Unhealthy Trends in Coal Mining [5 Feb] K 11
Zhang Jingfu on Recruiting 'Foreign Intellect' K 15

PRC REGIONAL AFFAIRS

EAST REGION

Jiangsu Provincial Congress Session Ends 29 Apr O 1
Liang Buting Unveils Shandong Martyrs Monument O 1
Liang Buting Praises Shandong Workers on Progress O 2
Shanghai's Rui Xingwen at People's Congress Meeting O 2
Zhejiang: Wang Fang Addresses Defense Work Meeting O 3

SOUTHWEST REGION

Yunnan People's Congress Session Opens 25 Apr Q 1
Yunnan Meeting Reviews United Front Achievements Q 1

NORTHWEST REGION

Qinghai Governor Outlines Seventh 5-Year Plan Goals T 1
Bai Jinian Details Shaanxi Water Conservancy Work [SHAANXI RIBAO 18 Apr] T 1
Shaanxi Defense Industry Production Meeting Concludes T 2

TAIWAN

Former PRC Air Force Pilot Arrives From S. Korea [CNA] V 1
Further Report [AFP] V 1
USSR-Type Nuclear Accident Unlikely in Taiwan V 2
Nuclear Power Plant Gas Leak Injures 6 People [AFP] V 2

HONG KONG MEDIA ON CHINA

PRC Applies for Participation in Seoul Olympics [HSIN WAN PAO 29 Apr] W 1
KUANG CHIAO CHING Analyzes PRC's 'Tiger-Beating' Drive [16 Apr] W 2

FBIS DAILY REPORT

China

CONTENTS

Vol I No 062 1 April 1986

PRC INTERNATIONAL AFFAIRS

GENERAL

CPC Spokesman on Party Relations With CPSU, Others A 1
PRC UN Delegate Scores U.S. Action Against Libya A 1

UNITED STATES

Publisher Cites Deng on Three Gorges Project [AFP] B 1
U.S. Oil Company Exploratory Well Producing B 1

NORTHEAST ASIA

Kim Il-song Reportedly Visited PRC in December [KYODO] D 1
PRC Denies Report [KYODO] D 1
Japanese Court Verdict on PRC 'Property' Protested D 1
Vice Premier Yao Yilin Meets Japanese Delegation D 2
DPRK Rejects South's Call for Talks Resumption D 2
Qiao Shi Meets DPRK Procuratorate Delegation D 3
Nakasone Cautious on Japan's SDI Participation D 3

SOUTHEAST ASIA & PACIFIC

Hu Yaobang Meets Australians; Hu Qili Present E 1
Philippine Secretary Refutes Marcos Presidency E 1
Philippine Civilian Home Defense Force Dismantled E 1

SOUTH ASIA

IAEA Lauds Pakistan's Use of Nuclear Energy F 1
Afghan Guerrillas Attack Soviet-Karmal Troops F 1

WESTERN EUROPE

CPC Delegation To Attend Italian CP Congress G 1
Danish Prime Minister Welcomes PRC Open Policy G 1
Cui Yueli Hosts Banquet for Finnish Minister G 1
Yang Dezhi Meets Netherlands Navy Commander G 2
FRG-GDR Joint Contribution to Arms Talks Urged G 2
Thatcher Suggested as Nuclear Test Ban Mediator G 2

EASTERN EUROPE

Wan Li Meets Romanian Deputy Prime Minister H 1
SFRY Official on Superpowers in Mediterranean H 1

MIDDLE EAST & AFRICA

Moroccan Parliamentarians Arrive for Visit I 1
NPC Welcome Banquet I 1
Meet With Peng Zhen I 1
Talk With Yao Yilin I 2
Xi Zhongxun Addresses CPC Banquet for ANC Group I 2

PRC NATIONAL AFFAIRS

State Council Regulations on Lateral Economic Ties K 1
Plant Director Responsibility System Considered K 6
[RENMIN RIBAO 17 Mar]
Trade Union Participation in Government Explored K 10
[GONGREN RIBAO 27 Feb]
Unions Encouraged To Enhance, Promote Policy K 13
[GONGREN RIBAO 27 Feb]
Direction of Marxist Theoretical Studies Seen K 15
[RENMIN RIBAO 21 Mar]
Marxist Writer Ai Siqi, Works Remembered K 17
[RENMIN RIBAO 21 Mar]
Further Reportage on Sixth NPC Meeting K 20
Huang Hua on Foreign Policy K 20
Xu Jiatun Speaks K 21
Ideo-Political Work Stressed K 21
'Law for Public Servants' Urged K 22
Wang Enmao at Dance K 23
Hong Kong, Macao Deputies Feted K 23
Reform of Supply, Marketing Cooperatives Viewed K 24
[RENMIN RIBAO 24 Mar]
State Council Circular on Electronics Industry K 25
State Council Circular on Forest Fire Prevention K 26
State Council Circular on Production Safety K 27
Zhang Jingfu Addresses Production Safety Meeting K 28

PRC REGIONAL AFFAIRS

EAST REGION

Wang Yuzhao Backs Anhui Auditing Practice O 1
Fujian To Step Up Struggle Against Crime O 1
Han Peixin Addresses Jiangsu Economic Forum O 2
Jiangxi's Wan Shaofen on Jobs for Graduates O 2

SOUTHWEST REGION

Sichuan Takes Measures To Solve Petroleum Shortage Q 1
Yang Rudai Addresses Sichuan Publishing Units Q 1
Xizang's Wu Jinghua Speaks at Tourism Meeting Q 1

NORTH REGION

Beijing Officials Get Jail Sentences for Corruption R 1
[CHINA DAILY 31 Mar]
Beijing Official on Handling Economic Crimes R 1
[BEIJING RIBAO 17 Mar]
Beijing Radio on Extravagant Wining, Dining R 2
Tianjin Meeting on Struggle Against Economic Crimes R 3
[TIANJIN RIBAO 19 Mar]
Tianjin Brings Convicts to Public Trial R 3
[TIANJIN RIBAO 19 Mar]

NORTHWEST REGION

Ningxia Writer Defends Controversial Novel T 1
Yin Kesheng Speaks at Qinghai Economic Conference T 1
Shaanxi Official Jailed for False Accusation T 2
Shaanxi Readjusts Grain Procurement Policies T 3
Xinjiang Commentary on Improving Party Style T 4

PRC MEDIA ON TAIWAN AFFAIRS

Appeals for Change Reported at KMT Meeting U 1

TAIWAN

KMT Central Advisory Committee Holds Session V 1
Elects 31 Members V 1
Chiang Ching-kuo Addresses KMT Closing Session V 1
Resolution Passed V 2
Spokesman Rules Out Nuclear Arms Development V 2
[LIEN HO PAO 29 Mar]
U.S. Cautioned Against Wrong Approach to ROK V 2
U.S. Policy on Nicaraguan Contras Endorsed V 3
Further Cooperation With Philippines Noted V 4

CPC SPOKESMAN ON PARTY RELATIONS WITH CPSU, OTHERS

HK311552 Beijing ZHONGGUO XINWEN SHE in Chinese 1440 GMT 31 Mar 86

[Text] Beijing, 31 Mar (ZHONGGUO XINWEN SHE) -- Today, at a news briefing, Wu Xingtang, a spokesman for the CPC Central Committee's International Liaison Department, answered questions raised by Chinese and foreign reporters on the relations between CPC and the communist parties of other countries.

[Reporter] Have relations between the two parties been discussed in Beijing or Moscow?

[Wu] The problem to be solved by China and the Soviet Union now is the problem of eliminating the three major obstacles. The resumption of relations is still out of the question now.

[Reporter] Has China given thought to the problem of establishing relations with the communist parties of Eastern European countries?

[Wu] China has not resumed its relations with some communist parties. Our principle is that we are willing to resume relations with any communist party on the basis of the principle of independence and taking the initiative in one's own hands in interparty relations. We are pleased to see that in recent years, the political, economic, and cultural relations between China and some Eastern European countries have been developing significantly.

[Reporter] How about the relations between China and the Portuguese Communist Party?

[Wu] In mid-March, the Portuguese Communist Party sent a delegation to China. General Secretary Hu Yaobang met and held cordial talks with the delegation. The delegation was the first one sent by the Portuguese Communist Party to China over the past 20 years or so. The delegation came to pay a return visit to the CPC, which sent a delegation to visit Portugal last year. The CPC and the Portuguese Communist Party respect each other's domestic and foreign policies. We believe that, in the future, we will strengthen contacts and exchanges in order to give impetus to the development of the relations between the two parties.

[Reporter] What is the present state of the relations between the CPC and the Communist Party of the Philippines [CPP]? Can you say something on which CPP policies and goals are acceptable to the CPC?

[Wu] Like the relations between the CPC and other communist parties, the relations between the CPC and the CPP are moral ones. China will not comment on CPP internal policies because this is their own affair.

[Reporter] Has the CPC been in contact with the Korean Party and Kim Il-song of late? Does the CPC plan to this year?

[Wu] There are close relations between the CPC and the KWP. The leaders of the two parties frequently contact each other and discuss international issues and matters of common concern. However, the timing of future meetings and contacts will depend on the circumstances.

PRC UN DELEGATE SCORES U.S ACTION AGAINST LIBYA

OW281128 Beijing XINHUA in English 0706 GMT 28 Mar 86

[Text] United Nations, March 27 (XINHUA) -- Representatives of more than 20 countries spoke today in the U.N. Security Council as it entered the second day of deliberations on the situation in the southern Mediterranean.

The council first met yesterday at the request of Malta, the Soviet Union and the Arab group on the tense situation in the Gulf of Sidra off the Libyan coast where the U.S. Naval forces fired on Libyan vessels and territory earlier this week.

Ambassador Li Luye, China's permanent representative to the United Nations, addressed the council this afternoon. He noted that since the beginning of this year, the U.S. Navy had conducted frequent military maneuvers in the waters near Libya, subjecting the country to military threat and aggravating the tension in the Mediterranean. "The Chinese Government is deeply concerned over these developments," he stated. "The recent attack by the United States on the territory of Libya, a sovereign state, constitutes a violation of the norms governing international relations." He said that it is the consistent position of the Chinese Government to oppose and condemn all acts that violate the norms guiding international relations and encroach upon the territorial sovereignty of other countries.

In this regard, he reminded the council that peaceful settlement of international disputes is a universally recognized principle in modern international law, and one of the important principles of the U.N. Charter. "It is therefore the common obligation of all countries to strictly abide by this principle in handling international relations and not to resort to force or threat of force," he said. Proceeding from this principle, he said, "We call on the United States to cease forthwith its military threat against Libya so as to alleviate the tension in the Mediterranean and restore peace and stability in the region." He also called on both sides to resolve their differences peacefully in accordance with the means and procedures as provided in the U.N. Charter. He further emphasized that the Mediterranean countries, particularly those non-aligned countries, have, in recent years, been actively working for and promoting peace, security and cooperation in the region. He urged all countries to respect the aspirations and efforts of these countries and people.

Among the other speakers this afternoon was the Charge d'Affaires of Libya, Rajae A. Azzarouk. [name as received] He told the council that in this month alone, the U.S. had already conducted four military exercises off the Libyan coast and, since 1981, 18 such exercises. He said that small states in the Mediterranean region were confronted with the choice of either being subjected to the hegemonistic designs of the United States or standing up to the U.S. aggression. The presence of the U.S. 6th Fleet in the Gulf of Sidra should be condemned, he said. "Let us condemn hegemony," he said, adding that all actions contrary to the rule of law should be condemned.

The council will meet again on Monday, March 31. The parties concerned will work through the weekend on draft resolutions. At the moment, three drafts are being considered by Malta, the non-aligned countries and the Soviet Union respectively.

PUBLISHER CITES DENG ON THREE GORGES PROJECT

HK311204 Hong Kong AFP in English 1201 GMT 31 Mar 86

[Text] Beijing, March 31 (AFP) -- Top Chinese leader Deng Xiaoping said that a controversial giant dam on the Yangtze River would have more advantages than disadvantages, a Chinese-American publisher who met with Mr Deng said Monday. "He said the final decision had yet to be made, but taken to togetherthere were more advantages than disadvantages" publisher Fu Chao-chu told AGENCE FRANCE-PRESSE after a meeting with Mr Deng.

Mr Fu, a publisher of Chinese-language newspapers in the United States, Canada and Hong Kong, said Mr Deng had told him during the 45-minute meeting that China would solve all problems concerning the dam before proceeding. "Our newspapers have published many reports about the dam and urged the Chinese Government not to decide about it too lightly. He wanted to reassure me that China was considering the question very carefully indeed," Mr Fu said.

The huge project, which would be built on the Yangtze River's scenic Three Gorges, has drawn criticism within China and abroad for its high projected cost, anticipated problems with silting, and the large number of people -- an estimated 10 million -- that would need to be resettled.

Mr Fu quoted Mr Deng as saying that problems of silting and resettlement would be solved before the project was allowed to proceed.

Mr Deng also spoke about his health, repeating, as he recently said to visiting leaders from Denmark and New Zealand, that he had deliberately avoided making public appearances during three months this winter to show that China's policies did not depend on him alone, Mr Fu said. "He likes to joke," said Mr Fu, who quoted Deng as saying "I think I can probably live a few more years. Medical science is very developed now, it's not so easy for a person to die."

Also participating in the meeting was Yang Shangkun, vice chairman of the powerful party Military Commission headed by Mr Deng, who inquired about Mr Fu's stay in China but did not otherwise join in the conversation, Mr Fu said. The general had hosted Mr Fu at a banquet during a previous visit and sat in on Monday's meeting as a friend, Mr Fu said.

Mr Fu's Chung newspapers, which have a circulation of 70,000 in the United States, are considered relatively neutral in their reporting of Chinese news events, analysts said.

The U.S.-based publisher, who arrived here March 12 for a tour of China that included the Three Gorges, was previously received twice by Mr Deng, once on his first visit in 1981 and once last year.

U.S. OIL COMPANY EXPLORATORY WELL PRODUCING

OW311946 Beijing XINHUA in English 1849 GMT 31 Mar 86

[Text] Guangzhou, March 31 (XINHUA) -- An exploratory well drilled by the Occidental Eastern Oil Company of the United States in the eastern part of the basin off the Pearl River mouth is producing oil, the Nanhai (South China Sea) Eastern Petroleum Corporation announced here today. The well spouted 2,100 bbl during a trial operation last Friday. Some 370 km southeast of this capital of Guangdong Province, it is the first oil-producing well drilled by the U.S. firm in the basin and the sixth in the Huizhou depression, where large amounts of oil and gas are believed to be deposited.

KIM IL-SONG REPORTEDLY VISITED PRC IN DECEMBER

OW010008 Tokyo KYODO in English 0002 GMT 1 Apr 86

[Text] Tokyo, April 1 Kyodo -- North Korean President Kim Il-song visited China in December for talks with Chinese leaders, the Japanese newspaper ASAHI SHIMBUN said Tuesday.

The South Korean-U.S. joint military exercise "Team Spirit '86" and dialogue between North and South Korea were major topics of his discussion with Chinese leaders including party General Secretary Hu Yaobang, the mass circulation daily quoted an expert on international affairs as saying. In a dispatch from Beijing, ASAHI said Kim's China visit coincided with a trip to Moscow by North Korean Premier Kang Song-san, a move intended to maintain Pyongyang's "equal distance" with both China and the Soviet Union. There have been indications that North Korea has been moving closer to the Soviet Union.

Quoting a reliable Chinese source, the daily also said Beijing authorities earlier this year imposed a press blackout on the 1986 Asian games and 1988 Olympics, both to be held in Seoul. The action was taken so as not to upset North Korea, ASAHI added.

North Korea says it will boycott the 1988 Olympics if South Korea does not accept its porposal that the games be sponsored jointly by the two Koreas.

PRC Denies Report

OW010838 Tokyo KYODO in English 0833 GMT 1 Apr 86

[Text] Beijing, April 1 Kyodo -- A foreign ministry spokesman Tuesday denied a report that North Korea's President Kim Il-song had visited China for talks with communist party general Secretary Hu Yaobang at the beginning of last December. The spokesman described the report as "groundless." He added that the ministry had denied the rumors when they first surfaced in late December. East European diplomatic sources here also discounted the report.

JAPANESE COURT VERDICT ON PRC 'PROPERTY' PROTESTED

OW311844 Beijing XINHUA in English 1830 GMT 31 Mar 86

["Chinese Residents' Leader in Japan Protests Court Verdict on PRC Property" -- XINHUA headline]

[Text] Tokyo, March 31 (XINHUA) -- Chairman of the Tokyo Association of Chinese Residents Chen Kunwang said here today that the Kyoto local court's verdict on a Chinese students residence in Tokyo goes completely against the principles of the China-Japan Peace and Friendship Treaty. The Kyoto local court on February 4 adjudged the Chinese student residence named "Kokatyo" in Tokyo, a lawful property of the People's Republic of China (PRC), to the Taiwan authorities.

The student residence was at first rented by the Kyoto University from a joint venture to house overseas Chinese students there. In 1961 the residence was bought by the Taiwan authorities and registered in the name of "the Republic of China." Chen Kunwang, in an interview with XINHUA, pointed out that all properties in Japan, including the student residence, registered in the name of "the Republic of China" should automatically belong to the People's Republic of China following the establishment of diplomatic relations between Japan and China.

The local court of Kyoto, he added, flagrantly interfered in China's internal affairs and made clear its intention to creat "two Chinas" in passing the verdict by claiming that the inheritance of the People's Republic of China is "incomplete" since the "Government of the Republic of China still rules Taiwan and its surrounding islands." He said the unjustifiable judgement has caused widespread indignation and concern among the Chinese residents and also Japanese friendly personages and organisations. He pointed out that Taiwan is in inalienable part of the People's Republic of China and the Government of the People's Republic of China is the sole legal government of China.

Japanese courts, too, should unexceptionally abide by the principles of the joint statement and the peace and friendship treaty signed by the two countries. He expressed the hope that Japan should realize that under no circumstances and in no form can the so-called "Republic of China" be regarded as existent, and that the authority concerned handles the student residence issue fairly and properly. It is learnt that the Chinese side is making representations to Japan through diplomatic channels.

VICE PREMIER YAO YILIN MEETS JAPANESE DELEGATION

OW311639 Beijing XINHUA in English 1448 GMT 31 Mar 86

[Text] Beijing, March 31 (XINHUA) -- Chinese Vice-Premier Yao Yilin met with a delegation from Kyushu, Japan, here this afternoon at the Great Hall of the People. The delegation is led by Saburo Nagakura, president of the Economic Federation of Kyushu Yamaguchi and chairman of the West-Japan and China Cultural Exchange Association.

At the meeting, Yao answered questions about China's economic development and bilateral trade and economic cooperation between the two countries. Present at the meeting was Liu Seqing, director of China Institute of Contemporary International Relations.

The Japanese visitors arrived in Beijing March 28 as guests of the institute on a study tour of China's economy. They have exchanged views with departments concerned on strengthening exchanges between the two sides in the fields of economy, trade, culture, science, technology and education.

DPRK REJECTS SOUTH'S CALL FOR TALKS RESUMPTION

OW311728 Beijing XINHUA in English 1655 GMT 31 Mar 86

[Text] Pyongyang, March 31 (XINHUA) -- The Democratic People's Republic of Korea (DPRK) Monday dismissed as "not worthy of consideration" South Korea's proposal for resumption of the North-South parliamentary contacts. According to the KOREAN CENTRAL NEWS AGENCY, Chon Kun-chol, head of the DPRK delegation to the North-South parliamentary talks, said in a telephone message to his South Korean counterpart, Kwong Chong-tal, that Seoul "is not entitled at all to talk about the dialogue."

South Korea last Wednesday proposed to resume the third round of North-South preliminary parliamentary talks on May 14. The talks, originally scheduled for February 18, were suspended after the South Korea-U.S. joint military exercises began. The DPRK has insisted that South Korea is responsible for breaking the North-South contacts. Pyongyang has repeatedly charged Seoul for organizing the joint military exercise with the United States, despite the DPRK urging military maneuvers on both sides be stopped.

"It cannot be said that to talk about the resumption of the contact sounds reasonable to anyone at a time when the 'Team Spirit 86' joint military exercises have not yet been brought to an end," Chon said.

QIAO SHI MEETS DPRK PROCURATORATE DELEGATION

OW311404 Beijing XINHUA in English 1324 MT 31 Mar 86

[Text] Beijing, March 31 (XINHUA) -- Qiao Shi, Political Bureau and Secretariat member of the Chinese Communist Party Central Committee, met here today a delegation from the central procurator's office of the Democratic People's Republic of Korea led by Han Sang-kyu, procurator general of the office.

Qiao told the visitors that China had done a lot to strengthen its legal system in recent years, thus having ensured smooth development of its economic restructuring and maintenance of a political situation characterised by stability and unity.

Both Qiao and Han expressed the wish to strengthen exchanges between the procuratorates and judicial workers of the two countries. Yang Yichen, procurator-general of China's Supreme People's Procuratorate, and Sin In-ha, Korean ambassador to China, were present on the occasion.

NAKASONE CAUTIOUS ON JAPAN'S SDI PARTICIPATION

OW311100 Beijing XINHUA in English 1035 GMT 31 Mar 86

[Text] Tokyo, March 31 (XINHUA) -- Japanese Prime Minister Yasuhiro Nakasone has decided not to clarify Japan's position on participating in the Strategic Defense Initiative program, during his coming April meeting with U.S. President Ronald Reagan. According to reports carried in the Japanese press today, Nakasone will only express Japan's willingness to take part in the SDI program in a "tacit", or implied way, and will not spell out exactly what form his country's participation may take.

The prime minister's cautious attitude is said to result from the fact that controversy about whether Japan should play a role in the "star wars" program still exists within the Japanese Government and ruling Liberal Democratic Party.

Nakasone expressed the hope that his coming meeting with President Reagan, slated to take place April 13 and 14 will concentrate on the theme of the forthcoming Tokyo Summit Conference of the seven major industrialized countries, U.S.-Japanese economic problems and other outstranding questions that exist between the two countries.

HU YAOBANG MEETS AUSTRALIANS; HU QILI PRESENT

OW010950 Beijing XINHUA in English 0940 GMT 1 Apr 86

[Text] Beijing, April 1 (XINHUA) -- Chinese party leader Hu Yaobang, in a meeting today with a visiting Australian delegation, said that he hoped for a continued expansion of trade between the two countries. Hu, general secretary of the Chinese Communist Party Central Committee, made this remark to John Charges Bannon, premier of the state of South Australia. Hu visited the state last April.

Hu was concerned about the trade between China and Australia, which amounted to over one billion U.S. dollars last year, an increase of three percent over 1984. "The increase is too small," Hu said. He is hopeful that the trade volume can be doubled during the seventh five-year period (1986-90).

Bannon hopes to establish links between his state and China's Shandong Province. The aim is to "not only develop cultural interflow between the two places, but also to expand economic cooperation between the two sides."

After the meeting, Hu and the Australian visitors took a walk along Chongnanhai lake. Present on the occasion were Hu Qili, member of the Political Bureau, and member of the Secretariat of the Chinese Communist Party Central Committee, and Ross Garnaut, Australian ambassador to China. The Australian visitors arrived here March 30 and will leave here April 2 for a visit to Shandong Province.

PHILIPPINE SECRETARY REFUTES MARCOS PRESIDENCY

OW311949 Beijing XINHUA in English 1859 GMT 31 Mar 86

[Text] Manila, March 31 (XINHUA) -- Philippine Executive Secretary Joker Arroyo here today refuted Ferdinand Marcos' allegation that he still considers himself the president. Reacting on the remarks of Marcos in Honolulu that Mrs. Aquino's government is a dictatorship and that he still considers himself the president, Arroyo said "he is still daydreaming. He has not yet waked up to the reality." He said the downfall of Marcos indicated that he had lost popular support and that he should step down. President Aquino will step down from the presidency should she lose popular support, Arroyo said.

PHILIPPINE CIVILIAN HOME DEFENSE FORCE DISMANTLED

OW312034 Beijing XINHUA in English 1837 GMT 31 Mar 86

[Text] Manila, March 31 (XINHUA) -- 40,000-strong Civilian Home Defense Force (CHDF) all over the Philippines was dismantled today on order of Executive Secretary Joker Arroyo, presidential palace sources said. The CHDF was created in the 70's by then President Marcos with an aim to help the military in the counter-insurgent movement in the villages. Later, some of its members had reportedly become private armies of political warlords. Office of the Armed Forces Chief of Staff General Fidel Ramos did not confirm the news but the appointments of all CHDF members were terminated today, the sources said.

Early last year, 58 opposition party members (now the ruling party) filed a resolution for the abolition of the CHDF at the National Assembly, but it was voted down by the then ruling New Society Movement (KBL). The resolution was revived again when the CHDF figured in the killing of Italian Priest Fr. Tullio Favali and the massacre of 21 protesters in Escalante, Negros Occidential Province.

IAEA LAUDS PAKISTAN'S USE OF NUCLEAR ENERGY

OW312040 Beijing XINHUA in English 1923 GMT 31 Mar 86

[Text] Islamabad, March 31 (XINHUA) -- Emeritus Director General of International Atomic Energy Agency (IAEA) Sigvard Eklund today lauded Pakistan's efforts and progress in the peaceful use of nuclear energy. Addressing a news conference at the airport before his departure for India, he said, "We will contribute in further development of nuclear energy in Pakistan, especially for use in power generation." He noted that in medical centers in Lahore and Peshawar a large number of patients were being diagnosed and provided with nuclear medical treatment.

Sigvard arrived in Pakistan on March 27. He visited facilities for peaceful use of nuclear energy in Pakistan, including power generation station, agricultural research institute and medical centers. He was received by President Ziaul Haq earlier today.

AFGHAN GUERRILLAS ATTACK SOVIET-KARMAL TROOPS

OW311320 Beijing XINHUA in English 1239 GMT 31 Mar 86

[Text] Islamabad, March 31 (XINHUA) -- Dozens of Soviet-Karmal troops were killed in a number of raids carried out by the Afghan guerrillas this month, AGENCY AFGHAN PRESS reported today. On March 21, guerrillas in eastern Paktia Province destroyed three long-range BM-13 guns and military installations at the Jaji front. On March 19, the guerrilla forces in eastern Paktia Province shot down a Soviet transport plane carrying ammunition for the besieged troops in Jaji district and Khost cantonment. The plane crashed near Khost town with the Soviet pilot and the crew killed on the spot.

On March 18, during a missile attack on Jalalabad airport in Ningarhar Province, the guerrillas damaged two helicopters on the runway and inflicted several casualties upon the Karmal troops. On March 17 the guerrillas in the western province of Farah ambushed a military convoy which was moving towards the provincial capital, killing six Soviet-Karmal troops and destroying one tank and one truck. On March 7, 37 Soviet-Karmal troops were killed and 26 others injured when Afghan guerrillas stormed into the subdivisional town of Chah Ab in the northern Afghan Province of Takhar bordering the Soviet Union.

Some 250 muslim guerrillas took part in the eight-hour fierce fighting, during which they captured 16 Kalashnikov automatic rifles. The remnant Soviet-Karmal troops fled towards Taloqan, the provincial capital. Ten guerrilla fighters lost their lives in the fighting.

CPC DELEGATION TO ATTEND ITALIAN CP CONGRESS

HK010716 Beijing ZHONGGUO XINWEN SHE in Chinese 1444 GMT 31 Mar 86

[Text] Beijing, 31 Mar (ZHONGGUO XINWEN SHE) -- A CPC delegation headed by Qiao Shi, a member of the Political Bureau and Secretariat of the CPC Central Committee, will attend the 17th National Congress of the Italian Communist Party to be held 9 - 13 April in Florence.

This was announced by Wu Xingtang, a spokesman for the International Liaison Department of the CPC Central Committee, at a news briefing here earlier today. Wu said that the delegation will attend the congress at the invitation of the Italian Communist Party. The members of the delegation include Li Shuzheng, an alternate member of the CPC Central Committee and deputy head of the International Liaison Department, and Zhu Dacheng, head of the International Liaison Department.

At the invitation of the CPC, Wu Xingtang announced at the news briefing, a 4-member delegation of the African National Congress of South Africa led by Secretary General Alfred Nzo will arrive in Beijing today for a friendly visit to China. During their stay here, China will hold a mass rally to express the just stand of the CPC and the Chinese people in resolutely supporting the struggles of the South African people against racial discrimination and segregation and for racial equality and emancipation.

DANISH PRIME MINISTER WELCOMES PRC OPEN POLICY

OW311930 Beijing XINHUA in English 1911 GMT 31 Mar 86

[Text] Hong Kong, March 31 (XINHUA) -- Danish Prime Minister Poul Schluter said here today that he felt convinced that China will continue its open policy, and the economic reform in China will proceed as planned. After a one-week visit to China, during which he met Chinese leaders Deng Xiaoping and Zhao Ziyang, Schluter made a short stopover here. He told a press conference that the Chinese leaders stressed that the reforms, though with minor problems, will go on. He added that this is a positive sign for countries all over the world.

Schluter said that the trade volume between Denmark and China has increased tenfold since 1978. The business delegations with him on his visit wanted to develop contacts with China's mainland and Hong Kong. He said a number of young Chinese are working in Denmark as trainees. His delegation invited Chinese provincial representatives to visit Denmark. Danish businessmen have confidence in Hong Kong's future, and in the coming decade Hong Kong will no doubt play an important role in linking the mainland with other parts of the world, the prime minister added. Schluter was to leave for home tonight.

CUI YUELI HOSTS BANQUET FOR FINNISH MINISTER

OW311646 Beijing XINHUA in English 1519 GMT 31 Mar 86

[Text] Beijing, March 31 (XINHUA) -- Finnish Minister of Social Affairs and Health Eeva Kuuskoski-Vikatmaa and her party were honored at a banquet given by Cui Yueli, Chinese minister of public health, here tonight at the State Guest House. Both the two ministers hoped for an increase of friendly exchange and cooperation in areas of common interests between medical circles of the two countries. This morning Cui Yueli met the Finnish guests and briefed them on China's on-going reform of medical service, China's medical system, medical education and research as well as the traditional Chinese medicine.

YANG DEZHI MEETS NETHERLANDS NAVY COMMANDER

OW311204 Beijing XINHUA in English 1154 GMT 31 Mar 86

[Text] Beijing, March 31 (XINHUA) -- Yang Dezhi, chief of general staff of the Chinese People's Liberation Army, met the commander-in-chief of the Royal Netherlands Navy, Vice-Admiral C.H.E. Brainich and his party here today. He briefed the visitors on the building of the Chinese Army. He and Brainich also exchanged views on the strengthening of friendly relations between the two armies. Chinese Navy Commander Lie Huaqing was present on the occasion.

FRG-GDR JOINT CONTRIBUTION TO ARMS TALKS URGED

OW010322 Beijing XINHUA in English 0240 GMT 1 Apr 86

[Text] Bonn, March 31 (XINHUA) -- Federal German Foreign Minister Hans-Dietrich Genscher has called for joint contributions by the two Germanies to future disarmament talks. In an article issued by the Foreign Ministry today, Gensched said the two Germanies were more concerned than any other country about the prevention of war in Europe, including a conventional war. He said the two countries should cooperate as closely as possible to work out a joint proposal in the Vienna follow-up conference on European security and cooperation in November.

On the road mapped out by the European security conference the two Germanies should actively cooperate instead of confrontation, he stressed. The security of each country should be equal, he said, and only by cutting conventional and chemical weapons and destroying nuclear arms at the same time can greater stability be brought about, Genscher said.

THATCHER SUGGESTED AS NUCLEAR TEST BAN MEDIATOR

OW311828 Beijing XINHUA in English 1615 GMT 31 Mar 86

[Text] London, March 31 (XINHUA) -- David Owen, leader of Britain's opposition Social Democratic Party (SDP), has urged the Prime Minister Margaret Thatcher to act as an honest broker between the Soviet Union and the United States in order to get an agreement on a comprehensive nuclear test ban treaty. According to today's TIMES newspaper, Owen said yesterday the conservative prime minister should write privately to the leaders of the Soviet Union and the United States suggesting a resumption of trilateral talks.

Owen's remarks came after U.S. President Ronald Ronald Reagan's immediate rejection of Soviet leader Mikhail Gorbachev's weekend proposal to meet in any European capital to negotiate such a ban. "After all, a comprehensive test ban treaty is the only negotiation where Britain is directly involved with the Soviet Union and the United States," he said. Owen said, "The danger is that if nothing is done to bridge the gap between Gorbachev and Reagan the spirit of the fireside chat of the U.S.-Soviet summit in November will go up in smoke." Owen, who was foreign secretary from 1977-1979, said President Reagan was wrong to dismiss Gorbachev's latest offer of summit talks.

EASTERN EUROPE

WAN LI MEETS ROMANIAN DEPUTY PRIME MINISTER

OW290754 Beijing XINHUA in English 0742 GMT 29 Mar 86

[Text] Beijing, March 29 (XINHUA) -- Vice-Premier Wan Li met Ion Dinca, first deputy prime minister of Romania, here today to exchange views on economic cooperation and trade between the two countries. During the meeting, Wan said that China and Romania as well as the communist parties of the two countries have maintained sound relations.

"China is willing to develop trade with Romania on the basis of equality and mutual benefit and in the spirit of mutual understanding and accommodation," he added. Dinca expressed satisfaction with the development of trade between the two countries since they signed a long-term trade agreement during Romanian President Nicolae Ceausescu's visit to China last October. He hoped that the two countries will make further efforts to boost their trade. They also briefed each other on the economic development of their respective country.

Wan gave a luncheon for Dinca and his party after the meeting. Dinca and his party arrived here yesterday after visiting the Democratic People's Republic of Korea. They will leave here tomorrow for home.

SFRY OFFICIAL ON SUPERPOWERS IN MEDITERRANEAN

OW010203 Beijing XINHUA in English 0149 GMT 1 Apr 86

[Text] Damascus, March 31 (XINHUA) -- "Yugoslavia will not allow the military presence of any big power in the Mediterranean nor any military action in the region, which may jeopardize the security of the Mediterrean countries," declared Dimce Belovski, secretary of the presidum of the Central Committee of the League of the Communists of Yugoslavia (LCY), here today. The LCY secretary made the remark to newsmen upon his arrival at the Damascus airport at the head of a LCY delegation on an official visit at the invitation of the Syrian Arab Ba'th Socialist Party.

Referring to the situation in the Mediterranean, he said that "Yugoslavia is firmly opposed to solving disputes by force and retaliation" in the region. He said that Yugoslavia and Syria have friendly relations and they are now working for social progress, the development of international relations and the promotion of the non-aligned movement.

During the visit, the delegation will hold talks with the Arab Ba'th Socialist party and leading members of the Syrian Government on bilateral relations between the two countries and the international situation.

MOROCCAN PARLIAMENTARIANS ARRIVE FOR VISIT

NPC Welcome Banquet

OW311925 Beijing XINHUA in English 1851 GMT 31 Mar 86

[Text] Beijing, March 31 (XINHUA) -- Leaders of the Chinese National People's Congress and the Moroccan Parliament agreed here today to strengthen ties between the two countries. Speaking at a banquet welcoming a delegation from the Moroccan Chamber of Representatives led by President Ahmed Osman, Zhou Gucheng, vice-chairman of China's National People's Congress Standing Committee, spoke highly of Morocco's domestic achievements and foreign policy.

He said that Morocco supports the just struggles of the peoples of Palestine and southern Africa, and has contributed to the unity of the Arab and Islamic countries, safeguarding the national rights of the Palestinian people and supporting a just and peaceful solution of the Middle East question. He reiterated that the Chinese people are willing to work together with peoples of other countries for easing world tension, maintaining world peace and achieving common prosperity. He expressed the belief that the visit of the delegation will play an important role in futhering relations between the two countries, the peoples of which have maintained traditional friendship.

Osman said that Morocco and China, though separated by a long distance, have been strengthening their ties all the time. Their cooperation in various fields is exemplary. He told his hosts that Morocco is willing to contribute to world peace and stability as well as to people's happiness. He praised China for its consistent efforts in supporting the African people in their struggle against racial discrimination, opposing exploitation of the resources of the Third World, supporting South-South cooperation, and relaxing world tension.

The delegation arrived here today for a friendship visit at the invitation of China's National People's Congress Standing Committee.

Meet With Peng Zhen

OW011104 Beijing XINHUA in English 1046 GMT 1 Apr 86

[Text] Beijing, April 1 (XINHUA) -- Peng Zhen, chairman of the National People's Congress (NPC) Standing Committee, today described the economic reform as the key to China's development: "It is imperative to carry out the reform in order to build socialism with Chinese characteristics."

These remarks were made at a meeting with the visiting Moroccan parliament delegation headed by President Ahmed Osman in the Great Hall of the People.

Peng called the reform a revolution and a historical trend in China's socialist economic development. It enjoys support from the great majority of the Chinese people, he said. Without such a reform, he stressed, it is impossible for China to bring into full play the superiorities of its socialist system and speed up its socialist modernization As the reform is a hard and complicated task, Peng said, difficulties and problems in China's development can only be resolved in the spirit of seeking truth from facts. He said the party and the nation are confident they will solve these problems and keep the reform moving forward.

Briefing the guests on the on-going session of the National People's Congress, he said the draft for the Seventh Five-year Plan made by Premier Zhao Ziyang stressed the development of the economy, social development, and construction of a material and spiritual civilization. Opening to the outside world is part of the reform, he added.

Osman said Morocco is very concerned about China's on-going economic reform and open policy, believing China will overcome all difficulities and problems in its reform.

Speaking of bilateral relations, Peng said China and Morocco are friendly countries which have no conflict of interests but share desires in safeguarding world peace, developing their economies and improving the living standards of their peoples. Peng said the two countries should meet each other's needs and learn from each other's strong points so as to further their cooperation in all fields.

Osman agreed that the two countries have identical views on bilateral relations and issues of international importance. Morocco hopes to expand its exchange with China and economic cooperation in particular.

Peng was assisted at the meeting by Zhou Gucheng, Wang Hanbin and Song Chengzhi, vice-chairman, secretary-general and member of the NPC Standing Committee.

This morning Zhou Gucheng and Osman held talks. They briefed each other on their respective parliamentary work, the political and economic situation and the foreign policies of their countries.

On behalf of the NPC Standing Committee, Zhou invited Osman and his party to visit the NCP session tomorrow morning.

Talk With Yao Yilin

OW011152 Beijing XINHUA in English 1148 GMT 1 Apr 86

[Text] Beijing, April 1 (XINHUA) -- Vice-Premier Yao Yilin met a delegation from the Moroccan chamber of representatives led by President Ahmed Osman, here today. Yao said China and Morocco are friendly countries, hoping that their friendly, cooperative relations will continue to expand.

Osman noted that the visit by his delegation is the continuation of the contacts between the two governments. His parliament supports any efforts and plan aimed to strengthen cooperation with China, he added. They also exchanged views on the prospects of bilateral economic cooperation and trade.

XI ZHONGXUN ADDRESSES CPC BANQUET FOR ANC GROUP

OW311632 Beijing XINHUA in English 1559 GMT 31 Mar 86

[Text] Beijing, March 31 (XINHUA) -- A senior Communist Party of China (CPC) official reiterated China's support for the black people of South Africa in their struggle against racism, at a banquet welcoming a delegation from the African National Congress (ANC) of South Africa here today.

The delegation led by Alfred Nzo, general secretary of the ANC, arrived here today at the invitation of the CPC.

Speaking at the banquet, Xi Zhongxun, member of the Political Bureau of the CPC Central Committee, said that the black people in South Africa, who have further awakened, are attacking South Africa's racist system forcefully despite violent suppression by the apartheid regime. He said that their struggle has won sympathy and support from the colored people of South Africa and quite a number of white people, and the international community as a whole. "This has bogged the South African racist regime down in an unprecedented dilemma," he added.

He said that China has always sympathized with and supported the struggle of the ANC against apartheid and racial discrimination, and for basic human rights and racial equality.

He condemned the atrocious apartheid policies of the South African authorities, their cruel suppression of the South African people, their invasion and harassment of neighboring countires, and their obstruction of the independence of Namibia. He expressed the belief that the visit by General Secretary Nzo will promote the mutual understanding, trust and friendship between the CPC and ANC.

In his reply, Nzo said that the racist regime of South Africa is now getting into an unprecedented crisis. He said that conditions are now becoming ripe for the victory of the South African people, with the growth of international solidarity movements supporting them.

Zhu Liang, head of the International Liaison Department of CPC Central Committee, was among those attending the banquet.

During its stay here, the delegation is expected to exchange views with CPC officials on the situation in southern Africa, as well as on other issues of common concern.

A solidarity rally is also planned to express the support of the CPC and the Chinese people for the South African people's struggle against racial discrimination and apartheid, and for racial equality and emancipation.

STATE COUNCIL REGULATIONS ON LATERAL ECONOMIC TIES

OW310818 Beijing XINHUA Domestic Service in Chinese 0750 GMT 23 Mar 86

[State Council Regulations Governing Several Questions on Further Promoting Lateral Economic Ties (promulgated on 23 March 1986]

[Text] Beijing, 23 Mar (XINHUA) -- Following the implementation of the policy of enlivening the domestic economy and opening to the outside world since the 3d Plenary Session of the 11th CPC Central Committee, regions and departments started to remove divisive barriers, and all types of lateral economic ties have been developing rapidly in production, distribution, science, and technology spheres. On the basis of delegating enterprises greater decision-making authority, various types of lateral economic ties have appeared between enterprises. This new development in our country's economic life has already demonstrated its great superiority and powerful vitality.

An important part of economic reform, lateral economic ties are essential for developing social productivity. They have enhanced the development of resources and the rational use of capital, promoted the circulation of commodities and the formation of a centralized socialist market, expedited technological development and the rational flow of personnel, and acclerated the rationalization of the economic structure and regional distribution. Lateral economic ties, which are an objective requirement for developing the socialist commodity economy, an inevitable course toward large-scale socialized production, and a powerful rebuff to the barriers between departments and regions, are of far-reaching significance in expediting the restructuring of the entire economic system as well as socialist modernization.

To further promote the healthy development of lateral economic ties, the following regulations are hereby prescribed for the relevant issues.

Principles and Objectives of Lateral Economic Ties

1. Associations between enterprises are the basic form of lateral economic ties and the focal point of development. On the basis of voluntary participation, and guided by the principles of "diversity, reciprocity, common growth, and making the best use of the advantages and bypassing the disadvantages," lateral economic ties between enterprises should not be restricted by regional, departmental, and professional differences, or by differences in ownership. Positive efforts should be made to promote ties between production of raw and semifinished materials and processing enterprises, between production enterprises and research units (including universities and colleges), between civilian and military enterprises, and between industrial, agricultural, commercial, and trading enterprises, as well as joint operations among railway, highway, shipping, and civil aviation enterprises. The ties in these areas may be cooperation between specialized departments or cooperation in terms of personnel, resources, capital, technical expertise, and procurement and marketing of commodities. By means of lateral economic ties between enterprises, a new type of economic association and a number of conglomerates or enterprise groups should be established.

2. Preferably, economic ties between enterprises should be organized in a way that large and medium-sized enterprises are the mainstay, and that quality brand-name goods should be the lead products. The ties can be closely, semiclosely, or loosely organized. They may take the form of joint venture, cooperative production, processing on order, or various alternatives. All types of economic ties should be based on contracts or agreements.

3. The development of economic ties should be centered around the following objectives and requirements: 1) They should be conducive to fully tapping enterprises' potentials so that they can increase the output of quality goods, achieve quick technological progress, and yield high economic returns with limited investment; 2) they should be conducive to expediting the rationalization of enterprises' organizational structure, production structure, and regional distribution; 3) they should be conducive to the formation and development of the commodity market, the money market and the technological market; 4) they should be conducive to removing regional and departmental barriers, separating responsibilities between government and enterprises, streamlining administration, delegating enterprises greater decision-making power, and separating ownership and the rights of operation.

4. Developing lateral economic ties is an important strategic managerial decision for enterprises. It is necessary to study the feasibility of forming lateral economic associations in light of the requirements of the country's macroeconomic development. It is necessary to pay attention to their economic and technological appropriateness. One must not rush headlong into action.

Safeguard Enterprises' Decision-making Power in Forming Lateral Economic Associations

5. It is necessary to safeguard the decision-making power of enterprises in forming lateral economic associations and to allow enterprises to form or withdraw from such associations on a voluntary basis. An association's structure and its management mode should be decided by the parties through consultation.

6. Relevant departments under the State Council and governments at all levels should further implement the State Council regulations governing the expansion of the enterprise's decision-making power, actively push and guide enterprises to develop all kinds of economic associations, especially those that cross the regional, departmental, and trade boundaries. They should not try to interfere in their own departmental interests. It is necessary to guard against the previous practice of using administrative measures to lump groups together that are economic associations only in name. It is necessary to seriously study the various malpractices in management that appear in economic association and some of the policies and regulations that hamper economic association. It is necessary to take active measures to stop the malpractices and readjust or reform policies and regulations.

7. A lateral economic association formed by enterprises is an enterprise in nature. It should not become an administrative body. Adding an administrative corporation on top of the economic association or changing the name of an existing administrative corporation and calling it economic association is not allowed. Administrative corporations are not allowed to interfere in the economic association of enterprises.

Improved Planned Management and Statistical Methods

8. In developing lateral economic ties, it is necessary to avoid acting blindly. It is necessary to encourage joint efforts in developing energy resources, increasing the production of raw and semifinished materials, and comprehensively using natural resources. It is necessary to encourage joint endeavors to develop communications and to increase the production of market goods in short supply. It is particularly necessary to encourage industry and agriculture to cooperate with commerce and increase the production of goods for export and import substitution, thereby creating and saving more foreign exchange for the state. At the same time, it is necessary to restrict the production of goods in excessive supply and the development of products that are technologically backward, qualitatively inferior, and which require large expenditures.

9. Developing lateral economic ties is an important path to controlling the scale of investment in fixed assets, improving the investment structure, and raising investment returns. There is no need to start a new project if a certain demand can be satisfied in quantity, quality, and variety through the establishment of lateral economic association. Priority should be given to cooperation projects undertaken by enterprises to carry out technological transformation through technology import or otherwise that will bring quick returns with minimum investment.

10. The state, departments, and regions should reserve a portion of the investment in fixed assets approved by the state for enterprises' use in developing energy resources, communications, and raw and semifinished materials in cooperation with each other. Capital construction and technological transformation projects jointly undertaken by enterprises should go through a review and approval process as required by the state. When enterprises or units invest their existing factory buildings, equipment, technology, patent rights, and trademarks in the economic association at market prices, the invested amount will not be counted toward the approved total investment.

11. Enterprises forming lateral economic associations must ensure the fulfillment of the state mandatory plans and strictly abide by their contracts. The responsible department or the regional authorities may assign mandatory production tasks to the economic association through member enterprises, using the existing channels of communication. They may also do so by informing the association directly. The quotas of materials to be distributed to the association under the unified distribution plan shall be relayed along with production or construction plans. Production or construction tasks and the distributed materials are trnasferrable within the association.

12. All economic and technical information regarding economic associations' production, construction, labor, materials, financial affairs, and costs are subject to computation by the state either as statistics of associations subjected to centralized accounting, or as statistics of basic-level enterprises authorized to conduct independent accounting. These economic associations should collect the statistics of their affiliated enterprises and report them to their responsible departments and local statistical departments to be used as statistics of "localities where these associations are located" or "localities to which these associations belong." Statistical departments should analyze the statistics of these economic associations' economic activities and should compile the relevant information at regular intervals.

Promote Lateral Circulation of Commodities

13. Departments in charge of materials management should promote lateral economic ties. All localities should gradually broaden and develop the market of production materials, and central cities should sponsor materials trade centers and encourage production, materials, commercial, and foreign trade enterprises to take part in their activities so as to promote cooperation in materials trade and enliven materials circulation. Units providing storage, transportation, and loading and unloading services should also strive to socialize their operation and operate like enterprises through carrying out lateral economic ties so as to improve their operation and achieve better economic returns.

14. Enterprises may market the additional products produced through carrying out lateral economic ties, with the exception of those specially prescribed by state regulations, as long as those products are not produced with state investment or raw and semifinished materials provided by the state according to plan. Materials departments should not reduce the enterprises' supply of energy and raw and semifinished materials on the basis that these enterprises have acquired additional goods and conserved energy and raw and semifinished materials through carrying out economic ties.

When the production of goods with high energy consumption has been relocated to energy-rich areas, energy supply for the original areas should not be reduced.

15. With regard to raw and semifinished materials subject to state distribution produced by enterprises of these economic associations for their own consumption, the responsible departments or the regions where these enterprises are located should reassess the supply of these materials. After the materials ordering departments have made overall arrangements, the materials may be directly allocated among the enterprises. In case the quantity of materials needed by economic corporation is huge, departments concerned should make overall planning and incorporate them into transport plan.

Sttengthen Integration of Production and Science and Technology

16. Effective measures should be adopted to promote close integration of production and science and technology, and association between production enterprises and research units. This association may be sponsored by research units with production enterprises as partners; it may also be sponsored by production enterprises with research units as partners. In both cases they should have active and positive support from the responsible departments.

17. To expand their capacity for technological development, economic associations may recruit research units as research organs to serve their technological development. These research units should also be permitted to serve other enterprises and units. As members of the associations, research units should continue to enjoy preferential tax treatment as independent research units, and their operations budgets will not be affected.

18. Active support should be given to production enterprises and research units in carrying out intermediate experiments. Responsible departments should make arrangements in their plans, and banks should draw up incentive credit measures. Those who have difficulty paying taxes may apply to departments for tax deductions or exemptions.

19. Technical achievements accomplished with economic associations' investment belong to the associations and will be enjoyed by their members. Achievements accomplished by individual members belong to them. Achievements accomplished through the mutual commission of partners belong to the investors and the technology developers. The distribution of benefits should be clearly set forth in contracts or agreements according terms governing financial and intellectual investment.

Promoting Lateral Circulation of Capital

20. In accordance with regulations governing the division of services and the opening of bank accounts, all specialized banks should accept the accounts of economic associations which have registered with industrial and commercial administrative departments.

21. Within the limits of investment in fixed assets and the limits of credit stipulated by the state, specialized banks may extend loans to economic associations of all trades and in all regions. Specialized banks of different trades an in different regions may also organize themselves into bank groups to provide credit services. The banks' decision-making authority in this regard should not be violated. Economic associations, or enterprises and units taking part in various forms of cooperation, may invest their bank loans for fixed asset investment on fixed assets among themselves. Economic associations may extend the circulating funds they have borrowed from banks in a collective manner.

Member enterprises of an association may borrow money individually and extend it, and the enterprise which borrows the money shall be responsible for repaying it. However, the money may not be invested in fixed assets or shared as profits.

22. All specialized banks and other banking organs may support economic association by means of various types of credits. The holder of a commercial bill signed by an economic association, after having been endorsed by a paying enterprise or a bank, may apply for a discount payment from any banking facility in any region.

23. In accordance with the relevant regulations of the People's Bank of China and after having been approved, an economic association may issue bonds to its staff members as well as people in society through banks and other banking facilities.

Readjusting Taxation Measures

24. Double taxation on the economic associations must be avoided. Goods exchanged between members of an economic association subject to centralized accounting and produced through cooperation among the members are tax-free. While goods marketed outside the association should be taxed, tax rates should be computed according to the percentage of the taxes various units paid prior to their cooperation in external sales. Except for such high tax products as cigarettes, wines, and cosmetics, value-added taxes may be collected from products produced by economic associations not subject to centralized accounting. Measures for collecting the value-added tax will be tentatively drawn up by departments concerned of taxation bureaus of various provinces, autonomous regions, municipalities directly under the central government, and selected cities, and reported to the General Taxation Bureau of the Ministry of Finance for the record. Taxes may be deducted or exempted for goods produced through cooperation, from which the value-added tax cannot be collected, according to the regulations of the General Taxation Bureau.

25. When an economic association repays, by installments, the capital and equipment of a client with products by means of compensatory trade, it should, upon handing over the products, pay a product tax (value-added tax) and a resource tax locally on the basis of the revenue from actual sales.

26. Economic associations and enterprises participating in all types of association should pay product tax (value-added tax) and business tax locally according to law. The partners of the association then, in accordance with the principle "distribution first, tax second," should distribute profits according to their agreement, and pay their income tax locally. State-owned enterprises need not pay a regulatory tax for their profits acquired from economic association, but they must continue to pay regulatory tax on their other profits.

27. Income taxes on profits earned by enterprises or units as a result of their investment in the energy and communications sectors and in the old revolutionary base areas, minority regions, border regions, and poverty-stricken areas may be reduced by half for 5 years. Income taxes may be exempted entirely if the investing enterprises or units reinvest the profits earned from their joint undertaking in the sectors or areas mentioned above. Product taxes on additional electricity generated by power plants (excluding diesel power plants) set up by enterprises or units with joint investment may be exempt for a given period. The product tax (value-added tax) on new products developed by economic associations may be reduced or exempted in accordance with the relevant tax regulations. The reduced or exempted amount of tax shall be used solely for technological development.

Income taxes on revenues received by enterprises from technology transfer may be exempted for the time being, provided that the revenues are less than 300,000 yuan for the whole year. Income taxes shall be paid on the portion of revenue exceeding 300,000 yuan in accordance with the law.

Safeguard the Legitimate Rights of Economic Associations

28. Economic associations shall register with the industry and commerce administration in accordance with the relevant regulations once they are approved by the authorized local government department. Economic associations must observe state law and the relevant policies and regulations. Their legitimate rights and interests, such as capital, interest, profit, products, and retained foreign exchange, shall be protected by state law.

29. The charter of an economic association is its fundamental code. It shall be drawn up by participating units and equally observed by them. The charter shall specifically stipulate the rights and obligations of each party, the distribution of benefits and the assumption of risks, the procedures for joining the association and for withdrawing from it, the formation of its leading body, and the terms of the leading personnel.

30. If a party to the association does not abide by the charter and does not carry out the contract or agreement accordingly, or if disputes arise in implementing the contract or agreement, the responsible local department shall help resolve the disputes if they involve administrative and managerial matters. If the responsible local department cannot resolve the disputes, they should be resolved by the relevant provincial departments if the parties are from the same province, or by the relevant departments of the State Council if the parties are from different provinces or sectors. The disputes may be arbitrated by the State Industry and Commerce Administration if they are related to an economic contract. They may also be brought to the court for legal action.

These regulations will take effect upon their promulgation. Provinces, autonomous regions, municipalities, and special economic districts may draw up specific implementation measures on the basis of these regulations.

PLANT DIRECTOR RESPONSIBILITY SYSTEM CONSIDERED

HK281315 Beijing RENMIN RIBAO in Chinese 17 Mar 86 p 5

[Article by Xiao Liang: "Implementing the Plant Director Responsibility System Is a Major Reform in the Leadership System of Enterprises"]

[Text] China's industrial and communications departments are now implementing the plant director responsibility system step by step under guidance. It may be appropriate to say something about the necessity of implementing the system at this time.

The Plant Director Responsibility System Was Formulated After Summing Up Our Past Experiences and Lessons

Since the founding of the PRC, many types of leadership systems have been practiced in China's enterprises. The earliest one was the system of plant administrative committee and the workers' representative assembly. Being the unified leading administrative organ in an enterprise, the administrative committee, with the plant director as its chairman, had to discuss and decide all major problems concerning the enterprise's production and management, and its decisions were promulgated and put into effect in the form of an order of the plant director (or manager).

Later, a "system of one-man leadership," or the plant director responsibility system, was adopted by the state-owned enterprises in some areas, under which the plant director was the supreme authority in charge of enterprise activities. He was responsible for the production and management of his enterprise. These two systems played a positive role in rehabilitating and developing our national economy and in our socialist construction. Of course, they also had some defects. However, after the "leftist" guiding ideology gained ground, the "system of one-man leadership" was inappropriately held to be negating the party leadership.

For this reason, since 1956, the system of responsibility of plant director under the leadership of the party committee has been widely adopted by enterprises throughout the country. Once in this period, a system of unified leadership of the revolutionary committee was also adopted. Since the system of responsibility of plant direct under the leadership of the party committee has been practiced for a long time, it has the greatest influence on cadres. This system also played a good role under specific conditions in the past. Now when we look back into that period, we find that we had no other choice at that time but to adopt this system.

However, through past practices, especially since the 3d Plenary Session of the 11th CPC Central Committee, as a result of mental emancipation, many comrades have gradually found that this system has the following defects: 1) as the party's political leadership is mixed with, and regarded as a part of, the administrative organ, it naturally leads to the phenomena of making no distinction between party leadership and enterprise administration and substituting the former for the latter; 2) although in name the plant director is responsible for routine work under the collective leadership of the party committee, in fact everything has to be decided by the secretary of the party committee personally. As a result, nobody is nor can possibly be, really responsible for the enterprise's administrative work, the decisions of the enterprise are usually made slowly, and efficiency is low; 3) as a result of the party monopoly for administrative affairs, the trend of the party not running party business is widely prevalent in enterprises, thus weakening the party's ideological and political work and party building. In the final analysis, these defects, which are difficult to avoid under the system of plant director responsibility under the leadership of the party committee, have made enterprises unable to suit the needs of modern production. Along with the smooth progress of economic structural reform in our country, it is also imperative to carry out a reform of this system.

In order to reform this leadership system, as early as in 1980, not long after the 3d Plenary Session of the 11th CPC Central Committee, a central leading comrade proposed that the system of plant director responsibility under the leadership of the party committee be replaced by the plant director responsibility system placing the party committee in a position of guarantor and supervisor in the enterprise. However, under the influence of traditional habit, some comrades misconceived it as an attempt to weaken party leadership in the enterprises and found it difficult to accept. Thus, an interim measure was adopted a few years ago, combining "the collective leadership of the party committee, the democratic management of the workers, and the administrative command of the plant director" and separating the plant director's power in commanding production and management from the leadership of the party committee. Meanwhile, experiments have been made in an active manner to substitute the system of responsibility of the plant director under the leadership of the party committee with the plant director responsibility system (various experiments were also carried out on other systems, such as the system of plant director responsibility under the leadership of the plant management committee and the system of plant director responsibility under the leadership of the workers' representative assembly, in order to compare them).

Now, through the experiments and impelled by reform of the economic structure, more and more people have accepted the plant director responsibility system.

Even in those units where no experiments have been made, marked progress has also been achieved in separating party leadership and enterprise administration. People have already seen that in all those enterprises which have realized centralized and unified command in production and management and which have selected, through consolidation, entrepreneurs adept at blazing new trails as their plant directors and managers, labor discipline has been enhanced, management improved, and both the labor productivity and economic returns increased. It was under such circumstances that the "decision of the CPC Central Committee on reform of the economic structure," adopted by the 3d Plenary Session of the 12th CPC Central Committee, clearly proposed the implementation of the plant director responsibility system. This was not just necessary but imperative. It is appropriate to say that this system was formulated in light of China's current situation on the basis of summing up our experiences and lessons in many past years and after long-term deliberations and consultations. Therefore, the implementation of this system will certainly become an important content in reform of the entire economic structure in the cities and an important link in reinforcing the vitality of enterprises.

The Plant Director Responsibility System Conforms to the Needs of Modern Production

The purpose of replacing the system of plant director responsibility under the leadership of the party committee with the plant director responsibility system is to overcome the defects of the original leadership systems, enhance the centralized and unified leadership power of the plant director, enhance the sense of organization and discipline in the enterprises, and raise labor efficiency, so as to suit the needs of modern production and the development of the socialist commodity economy. Just as the "decision" points out: "Modern enterprises have a minute division of labor, a high degree of continuity in production, strict technological requirements, and complex relations of cooperation. It is therefore necessary to establish a unified, authoritative and highly efficient system to direct production and conduct operations and management. This calls for a system with the plant director (or manager) assuming full responsibility. "But for a long time we did not have a clear understanding of this. This perhaps has something to do with the fact that China was originally a country in which small producers occupied a dominant position and that many comrades have scant knowledge of modern production. Therefore, while implementing the plant director responsibility system, we must tell our cadres and workers: In order to raise labor efficiency and ensure the unified command in production and operation, it Is necessary to implement this system.

Judging from the situation in many experimental units, the plant director responsibility system has many advantages: 1) It can help harmonize relations between the party committee, the plant director in charge of administrative affairs, the workers' representative assembly, and the trade union within the enterprise and draw a clear line of demarcation between their obligations and power so that they can better discharge the obligations of their specific posts and do a better job in various fields. 2) As unified leadership over production, operation, and management has been realized, with the plant director assuming full responsibility, and the responsibility system has been implemented in the leading body, production has been directed in a more flexible way and decisions have been made more quickly, resulting in the increase of both work efficiency and economic returns. 3) The CPC committees of the enterprises, which have been freed from merely grasping routine work, are able to concentrate their strength on implementing the party's line, policies, and principles, and on strengthening party building and ideological and political work. 4) By practicing the plant director responsibility system and reorganizing leading bodies at various levels, conditions have been created for further streamlining the administrative structure, using talented people capable of blazing new trails, and training a contingent of new-type enterprise administrative cadres.

All this has helped improve the quality of enterprises and enhanced their vitality. Judging from a long-term point of view, the practice of the plant director's responsibility system is of far-reaching significance in quickening the pace of reform in enterprises and blazing a new trail to establish a system of Chinese-style socialist enterprise administration.

Efforts Should Be Made To Do a Good Job in Ideological and Political Work and To Strenghten Democratic Management While Adopting the Plant Director Responsibility System

The purpose of adopting the plant director responsibility system is to enable the plant director to exercise unified control over enterprise production and management. It is aimed at improving, rather than weakening, party leadership. In the enterprises, party leadership is not expressed by issuing orders to the masses or directly guiding administrative work at various levels throgh party organizations, but by using the exemplary role of the party members to influence and educate the masses. The main task for the party organizations in enterprises is to ensure and supervise the implementation of various policies and principles of the party and the state, to strengthen the party ideologically and organizationally in the enterprises, and to carry out ideological and political work among staff and workers. Comrade Deng Xiaoping has made many remarks on this question. He said: "The CPC committee of a factory should ensure the fulfillment of production plans in terms of quantity, quality, and costs of its products; ensure the adoption of advanced technology and administrative methods and the management in a democratic way; ensure that all administrative personnel have the power to work efficiently and with good discipline; ensure that all staff and workers enjoy democratic rights and reasonable conditions for their work, life, and study; and ensure that all outstanding and competent people, either party members or non-party members, will be trained, selected, and promoted and that their roles be brought into full play. If all this is ensured, party leadership is efficient and competent." ("Selected Works of Deng Xiaoping," p 235) Thus, to give play to the role of guarantee and supervision is a way to strengthen and improve party leadership, and to take over everything, to substitute party leadership for enterprise administration, and to mix up the two are actually acts to weaken party leadership in the enterprises.

While implementing the plant director responsibility system, it is also necessary to perfect the system of the workers' representative assembly and the system of democratic management in the enterprises. Of course, in implementing the plant director responsibility system, it is necessary to enhance the prestige of the plant director and give full play to his role. However, the plant director must also pay attention to relying on the party and the masses in his work and conscientiously accept the latter's supervision. On major problems concerning the operation and management of the enterprise, the plant director has the duty to report to the party organization and the workers' representative assembly and listen to their opinions. Under the socialist system, the masses of workers are the masters of the country and the enterprises. This should also be reflected by the leadership system of our enterprises, that is, by the system of the workers' representative assembly and the system of democratic management. The workers' representative assembly is an organization for the workers to exercise their right in democratic management. Strengthening democratic management does not contradict the plant director responsibility system. On the contrary, they supplement each other. In many enterprises where the plant director responsibility system has been adopted, in order to strengthen democratic management, a method of combining the workers' representative assembly with certain trade union organizations has been tried, according to which some trade union organizations have taken charge of the routine work of the workers' representative assembly. Thus, a system of democratic management, with the workers' representative assembly as the basic form and the trade union organization as the main body, and with responsibility combined with authority, has been established in these enterprises. This method should be affirmed.

The Plant Director Responsibility System Should Be Gradually Perfected in Practice

Every system needs to be further perfected after it is established, and the plant director responsibility system is no exception. This is because it has only been a short while since we began to adopt this system; there will certainly be some problems which need to be resolved through our practice, and because the plant director responsibility system is only a basic system of the entire leadership system, which needs to be supplemented and coordinated by a series of other systems. All these systems have yet to be gradually established and perfected in our practice. Particularly, since China is a large country, and the situation of various enterprises varies in thousands of ways, the problems the have encountered in implementing the plant director responsibility system will also vary from place to place. Thus, it is necessary to proceed from reality. According to the experiences of some enterprises both at home and abroad, since modern production is very complicated and the market situation is intricate and volatile, a plant director or a manager, however capable he may be, is unable to know everything and be an expert in every field.

Thus, it is very necessary to establish an advisory or consultative organization, such as a brain trust, as it is often called, after the plant director or manager becomes the policymaker and director in production, operation, and administration, to ensure correct policy decisions and to combine the personal ideas of the factory leader with collective wisdom. Organizations set up for this purpose may be different from enterprise to enterprise, and there are also a series of problems to study how to establish such organizations. Moreover, after adopting the plant director responsibility system, other problems, such as the necessity to set a tenure of office for the plant director, to establish a system of rewards and punishments, and so forth, also need to be further discussed and solved. The purpose of studying these problems is to further perfect the plant director responsibility system and give fuller play to its role, rather than taking the road back. On the question of leadership system of the enterprises, to persist in the reform means to firmly carry out the plant director responsibility system.

TRADE UNION PARTICIPATION IN GOVERNMENT EXPLORED

HK300830 Beijing GONGREN RIBAO in Chinese 27 Feb 86 p 4

[Article by Tong Chengmin: "A Discussion on Questions Concerning Urban Trade Unions Participating In and Discussing Government Administration"]

[Text] The restructuring of the whole national economy with an urban focus is being conducted on a wide scale. This has not only set new demands, but also given an unprecedentedly good opportunity to the workers movement and trade unions. Here I would like to discuss my views on the questions concerning urban trade unions participating in and discussing government administration.

1. Why Should Trade Unions Participate In and Discuss Government Administration?

First, from the viewpoint of the theory concerning trade unions, the practice of trade unions participating in the discussing government administration is an important component of Marxist trade union theory. A hundred years or more ago, when dealing with the future nature, role, and functions of the trade unions at the early stage of the workers movement, Marx said: "Trade unions, no matter what their objective at the most preliminary stage was, must now learn to willingly carry out their activities as the center of the working class organization and regard the thorough emancipation of the working class as their own great mission. They must support all social and political movements in this connection."

They must "demonstrate in concrete deeds that they represent the working class as a whole and fight for its interests." In other words, as the representative of the working class, trade unions must participate in all social and political activities so that they can bring the role of the working class into better play and safeguard its interests.

Following the victories of the October revolution, in his article entitled "The Role and Function of Trade Unions," Lenin pointed out: The relationship betwen trade unions and the government of the proletarian state is that all the Soviet government's "political and economic activities are guided by the class-conscious vanguard of the working class -- the Communist Party. Trade unions must collaborate closely and constantly with the government." Lenin also formulated four tasks for the trade unions' role in government activities: trade unions should help staff business and administrative bodies connected with economics and nominate candidates for them; they should promote and train factory managers from among the workers and the masses of the working class in general; they should take a far greater part in the activities of all planning bodies of the state and in drawing up economic plans and programs for production and expenditures of stocks of material supplies for the workers; and they should draw up the wage and supply scales. Lenin maintained that the trade unions must "also, on an increasing scale, enlist the working class and the masses of the working people in general for all branches of the work of building up the state economy through these activities" and "give the workers and all working people practical training in the art of managing the economy of the whole country." This is "the key to the development of the national economy and the consolidation of the Soviet government bodies."

The CPC has persistently attached importance to the status of trade unions in the state's political life. Since the 3d Plenary Session of the 11th CPC Central Committee, the party Central Committee has stressed that trade unions should participate in managing government and social affairs, urging trade unions at various levels to give powerful backing to and collaborate closely with the administrative departments of the party, the government, and the enterprises and to play a greater part in carrying out the socialist modernization program.

Judging from the nature of our country, the practice of trade unions participating in and discussing government administration is determined by the status of the working class and the role trade unions play in the political system of the proletariat. In our country, the working class is the representative of the advanced productive forces and advanced relations of production, the leading class of the state, and the main force for the modernization program. Trade unions are the prominent representative of the working class and serve as a bridge between the party and the masses of workers. The practice of trade unions participating in and discussing government administration will enable the party to promptly hear the voices of the masses of the workers and to maintain regular and close ties with the working class, helping to combine the top-to-bottom administration of the government with the bottom-to-top participation of the vast numbers of staff members and workers in government administration. The practice of the communist movement has proven that to complete its own historical mission, the working class must adhere to the proletarian dictatorship (called the people's democratic dictatorship in China), which is the comprehensive political system of a socialist state, a system composed of the party of working class, the government under its leadership, and such mass organizations as trade unions. Under the system, the trade unions, which play a very important role, are the pillar of the state government.

In terms of the needs of the development of the situation, the practice of trade unions participating in and discussing government administration is also the objective demand of the urban economic structural reform.

A modern city is not only an important industrial production base, but also the hub of commodity interflow and the commercial, trade, information, financial, scientific, technological, cultural, educational, and political center of a certain region. The aim of urban economic structural reform is to reform links and aspects of the relations of production and of the superstructure, which are incongruous with the development of productive forces, and to bring the role of key cities into full play. Who should we rely on in accomplishing such an extensive and profound change? We should rely without question on the working class. How to conduct economic restructuring in a city depends on the enthusiasm and initiative of the masses of staff members and workers to a great extent. Representing the aspirations and demands of the masses of staff and workers, the federation of trade unions in a city participates in discussing the city's work of overall importance and in the state's political, economic, and social life. This will help turn party principles and policies into willing action by the masses of staff members and workers and proceed to ensure the smooth execution of reform. In particular, urban economic structural reform will surely involve the urban economic and social development plan, the reform of the price, wage, and enterprise leadership systems, and the revision and enactment of related principles, policies, laws, and regulations. The practice of trade unions participating in and discussing government administration will enable trade unions to safeguard the long-term and immediate interests of the working class and to protect their legitimate rights and interests.

II. Aspects on Which the Federation of Trade Unions in a City Should Focus in Participating In and Discussing Government Administration

The practice of urban trade unions participating in and discussing government administration covers a wide range. In my opinion, this is mainly as follows:

First, trade unions should participate in the discussion of major problems facing the state and social life and make proposals for the national economic plan and social development of cities and the development plans for the local economy, construction of cultural and public facilities, enterprises, and institutions. Government departments concerned should maintain regular ties with trade unions and keep the urban federation of trade unions or industrial trade unions informed of the latest developments, and they should create conditions for trade unions to participate in such activites. In the meantime, the federation of trade unions should energetically organize staff members and workers of the whole city to carry out various effective mass production activities under the economic contract responsibility system so as to ensure the completion of the national economic plan and various social development plans. To make things easier for trade unions to participate in and discuss government administration, it is good to use the experiences of some socialist countries in Eastern Europe for reference to initiate a system under which trade unions and the government may hold joint meetings.

Second, trade unions should participate in the whole process of the government departments enacting related local laws and regulations. They should, in particular, take a direct part in the drafting of laws, decrees, and regulations which have a bearing on the immediate interests of staff members and workers. The trade unions should participate in the study, drafting, and implementation of all major and specific principles concerning urban and enterprise economic reforms. Trade union cadres should be included in the commissions (offices) for restructuring the urban economic system both as leaders and working personnel so that they can more directly make proposals for urban economic structural reform. Meticulous guidance should be given to grass-roots trade unions so that they can participate in, through the staff and workers congress, making major policy decisions for the enterprises.

This should include matters ranging from the production, operation, and development plan, the plan for technological transformation and technological progress, the distribution of income from labor, such as wages and bonuses, and welfare services.

Third, trade unions should supervise the implementation of the regulations, contracts, and agreements which concern the interests of working people. Government departments concerned and enterprises have a responsibility to help trade unions in this respect. Trade unions are entitled to directly ask enterprises to brief them on related developments and to investigate and affix the responsibility for those concerned if necessary. If enterprise leaders fail to correct their mistakes promptly, trade unions are entitled to ask the departments concerned at the higher level to take relevant steps against them or to appeal to judicial departments. The trade unions must be particularly empowered to supervise the matters of enterprises such as safety production, labor protection, wage rewards, and labor insurance. When violations of work regulations occur which seriously endanger the health of staff members and workers of their safety, trade unions have the right to organize staff members and workers to quit or not to work in dangerous production posts. Without the trade unions' approval, the already checked new, reconstruction, expansion, or technological transformation projects of enterprises should not be put into production.

Fourth, trade unions should safeguard the status and legitimate rights and interests of staff members and workers as the masters of the country. They should accept and hear the appeals of masses of staff members and workers and participate in the investigation and handling as well as arbitration of labor disputes by hiring legal consultants. They should promptly reflect the views and demands of the masses of staff members and workers through lecturing on special topics and distributing information bulletins, and they should conscientiously correct the erroneous practices of encroaching on staff members' and workers' interests on the basis of investigations and studies. The departments concerned should seriously answer and handle proposals or suggestions raised by the trade unions in this regard. Trade unions in citics should have a considerable say in matters concerning staff members and workers, such as wage rewards, labor protection, labor insurance, safety production, and punishment of workers.

UNIONS ENCOURAGED TO ENHANCE, PROMOTE POLICY

HK311020 Beijing GONGREN RIBAO in Chinese 27 Feb 86 p 4

[Article by Xiao Tuo: "Inherent Attributes of Trade Unions and Their Participation in and Discussion of Government Administration"]

[Text] Under socialist conditions, why should a trade union participate in and discuss government administration? This is, in the final analysis, determined by a trade union's inherent attributes. Only by fully defining a trade union's inherent attributes can we strengthen its consciousness, activism, and initiate in government administration and relevant discussions.

A trade union is a class organization and a mass organization of the working class, a mass organization of workers willingly joining together, and a mass organization of the working class. This scientific summation points not only to a trade union's class nature but also to its mass character. This carries great theoretical and realistic significance in giving full play to a trade union's positive role in state and social life. But this is not the end of our understanding of a trade union. Only by revealing the inherent attributes of a trade union as the sociopolitical organization of the working class an our understanding of it be complete. And only in this way can we further uncover underlying social factors behind the need for trade union involvement in government administration and relevant discussions and a proper theoretical basis.

Trade unions are products of class struggle and the workers' movement under capitalist conditions. Especially since the integration of Marxism and the workers' movement, under the guidance of Marxism and the leadership of the political party of the relevant class, trade unions, "with the thorough emancipation of the working class as their own great task," have further strengthened the unity of the working class, raised its consciousness, and started and organized and well-led struggle to seize state power, overthrow the capitalist system and bring socialism into being. As mass organizations of the working class, trade unions have thus fully demonstrated the inherent attributes of sociopolitical organizations.

With the working class seizure of state power, the trade unions' position, role, and tasks have of course undergone fundamental changes. But as the class organization and mass organization of the working class, the trade union still retains the inherent attributes of a sociopolitical organization. Lenin pointed out: "As the most wide-ranging proletarian organization in the world of classes, it is exactly now and especially after the proletarian seizure of state power through political revolution that trade unions should produce a particularly great effect, should occupy a most important position politically, and should become political organs with a certain degree of imporrance." Here Lenin treated the trade union as a mass organization and sociopolitical organization "with a very special role" in the system of proletarian dictatorship.

Trade unions in China were born in semicolonial and semifeudal old China. Their birth and development have always beem linked to the process of our national democratic revolution. Since they first appeared on the stage of political history, China's trade unions, as an independent political force, have always consciously accepted the leadership of the vanguard of the relevant class -- the CPC. Under the leadership of the CPC, China's trade unions organized and educated the working class, waged an arduous and remarkable protracted struggle against imperialism, feudalism, and bureaucratic capitalism, and made major contributions in the struggle to establish New China. In the period of socialist revolution and construction, China's trade unions played an increasingly important role in domestic and international affairs as the most important mass and sociopolitical organizations in the state's political system. In the period of socialist modernization and economic reform, China's trade unions are not only builders of material civilization but also of spiritual civilization. They take an active part in the management of state and social affairs and in the democratic management of enterprises and institutions. They play a positive role in various aspects of the state's political, economic, cultural, and social life.

Our party has always attached importance to and supported trade union participation in government administration and relevant discussions. Not long ago, the CPC Central Committee Secretariat and the State Council further created the necessary conditions for the State Council further created the necessary conditions for the trade union organizations to play a still better role in the state's political and social life and in economic reforms. In line with the request of the party group of the All-China federation of Trade Unions, the following was agreed: 1) If there is anything concerning the personal interests of workers in the study and formulation of plans on the state's economic and social development and important guidelines or general and specific policies by the CPC Central Committee, the State Council, and relevant ministries and commissions, notice will be sent to the All-China Federation of Trade Unions about participation in the necessary meetings or relevant work; 2) trade unions will be encouraged to participate in leadership organs responsible for various major reforms involving the workers' interests; 3) various industrial departments and localities should also refer to the above-mentioned principles and encourage industry-related trade unions and local trade unions to particpate in relevant work and activities. In line with the above spirit, urban trade union councils and industry-related trade unions must actively participate in urban reform, concentrating especially on leadership organs responsible for various major reforms involving workers' interests and their relevant activites.

Through various channels, such as the people's congress, the CPPCC, and so forth, they must constantly reflect the workers' wishes and demands. In examining or discussing plans, programs, policies, and laws and regulations, they must propose views and suggestions. This fully shows that the CPC Central Committee recognizes the trade unions' important role in the state's political, economic, cultural, and social life and shows keen support for continuously increasing their capacity to participate in government administration and relevant discussions. This important measure from the CPC Central Committee Secretariat and the State Council shows that, in the scope and role of our trade union participation in government administration and relevant discussions, a new trend of high-level development marked with cooperation from top to bottom and systematic exploration -- a trend from involvement in taking good care of the lower levels and stimulating enterprises to involvement in research and in urban reform and construction as a whole -- has begun.

Simultaneous with a continuous effort to strengthen basic-level democratic management, trade unions are strengthening research at the top and are actively participating in government administration and relevant discussions where the highest decisions on matters of policy are concerned. Thus, they can better strengthen basic guidance, pave the way for basic involvement in stimulating things, and play a still greater role in urban construction and urban economic reform as a whole and even in the life of the whole state and of society. They can also better represent and support the democratic rights and material interests of the masses of workers and more effectively speak and act for the workers, thus further cementing ties between the party and the government on one hand and the masses of workers on the other, giving fuller play to the role of the trade union as a link, as a pillar of society, and as a communist control school. In this way, the inherent attributes of our country's trade unions as the sociopolitical organization of the working class will have added glamor and benefit from further enrichment and development. The working class position in the state's political, economic, cultural, and social life will be further elevated. The spirit of the working class as the master of the state will also definitely be increasingly enhanced.

Trade unions as mass sociopolitical organizations of the working class can thereby more consciously and fully exercise their special social functions on the extremely wide-ranging sociopolitical stage of our country's socialist modernization and urban economic reform.

DIRECTION OF MARXIST THEORETICAL STUDIES SEEN

HK310417 Beijing RENMIN RIBAO in Chinese 21 Mar 86 p 5

[Article by Liu Yiyun: "Thoughts Related to Theoretical Studies"]

[Text] I

Some comrades made an investigation and said that quite a few people were not interested in theory and show no concern about politics. I do not agree with this view. I think that through the study of the four basic principles and the historical experience gained since the founding of the PRC, the discussion on negating the "Great Cultural Revolution," the discussion and practice of the rural production responsibility system; and the current economic structural reform, the vast number of cadres' and people's understanding of Marxist theory and thoughts has been greatly, rather than generally, improved, compared with the past.

In particular, in the process of bringing order out of chaos and at the turning point of the new situation, new task, and new historical period, new things are emerging in turn.

People always hove lots of ideas about these new things. Some of them doubt, make speculative forecasts, worry about, favor, or oppose these new things. They talked about these new things everywhere. I think that this is a good phenomenon. However, some of our comrades think that this situation shows that people's minds are confused and that wrong, or at least what they call muddled, ideas have surfaced in people's minds. They only see the negative side and the surface trends of people's thoughts, but what they see is not the essence of people's thoughts. Deeper, under the so-called muddled ides, there lies the people's concern about politics and their demand for clearly reasoned theoretical answers to these questions. Are we, therefore, not justified in saying that the masses have an urgent interest in politics and theory? If you judge the people's interest in theory by the number of workers and peasants who urgently want to read the works of Marx and Lenin and textbooks on Marxist-Leninism, you will, perhaps, never realize the tremendous interest of the masses in theory. We should understand that when people are all talking about something, it provides a very good chance for us to carry out education in Marxist theory among our cadres and people, continually improving their understanding of Marxism through practice. Such chances often emerge, but we often fail to seize them. I want to ask, with indignation, of those who believe that the masses of people are not interested in theory: Does this show that people are not interested in theory and have no concern about politics, or that some of our cadres, in particular those in charge of leadership or propaganda work, do not know what it means to be interested in theory and to have concern about politics, and do not know by what means we can foster and heighten the whole nation and all our people's interest in theory?

II

Currently, we are studying reform in Marxist theoretical courses taught in our universities and colleges. This is very important and good. I have not studied this issue. However, I have reviewed the process whereby people of my generation (those who became cadres during the war of resistance against Japan) became followers of Marxism. We can learn something from this historical experience.

When we were young, out interest in and good impression of Marxism was not taught by the CPC. At that time, we had not met any party members and knew only very little about the party via reactionary propaganda in newspapers and magazines. It was in the first place the KMT who "trained" us to have contact with and choose Marxism. We studied for more than 10 years in schools under KMT rule and almost everyday, the counterfeit three principles of the people, idealism, and the political ideas that combine these theories with practice, such as the idea that "civil disorder must first be overcome before foreign aggression is resisted" were forced upon us. Compared with the situation at that time, when we were faced with the choice between resisting Japan and fighting for the survival of our country or becoming slaves without a country, these theories of counterfeit three principles of the people and idealism roused increasingly greater doubt, disgust and even indignation. THerefore, we wondered whether there was any other theory that could satisfy our demands for resisting Japan and national salvation. So we ran around on Sundays to look for what we wanted in second-hand bookstalls and libraries, among dust-covered and moth-eaten books. To our surprise, we found some. Later, books and magazines such as Ai Siqi's "Dazhong Zhexue" ["Popular Philosophy"] became available. We read these books stealthily in our classrooms or in our beds at home with great interest. Though we read some of them with little understanding, we finally found some light before our eyes and could not help but exclaim: "So, truth is in these old books." We then took the risk of recommending these books to our intimate classmates.

"Do not worry about now knowing much about the goods; just compare and you will see which is better." It was through our own brains, over a fairly long period of comparison and consideration, and through our own choice, that we became familiar with Marxism.

Because it was a choice made after conscientious and serious consideration, we had amazing courage at the very beginning. We did not fear being scolded or expelled from our schools, and we even formed groups to argue with the groups formed by our schoolmates who believed in the counterfeit three principles of the people. Later, we simply left our homes and mothers and went far away to Yanan where we could study Marxism publicly and where we devoted ourselves to the revolution. I always think that it will not do if we merely rely on forcing Marxism down our students' throats to make them choose Marxism. We should have confidence in the force of Marxist theory as a truth, and believe that it is the trend of the times and the desire of the people that at present we should regard the four modernizations as a general task related to the whole situation, make our country prosperous and our people rich, and strive for world peace. In order to achieve these goals, we can only rely on the application of basic Marxist principles; no other principles can help us. My opinion is that we should let the students face the world and brave the storm in studying theory. Only by applying the dialectical methods of Marxism can we learn Marxism satisfactorily. In addition to making the students particularly study books about Marxism, we should also encourage them to read representative books that are not Marxist and that oppose Marxism, and guide students into considering and comparing them on their own. As long as they are patriotic and as long as they pursue truth, I am confident that most of them will choose Marxism and quite a few of them will become firm Marxists.

III

A man always has many interests and interest in theory is a kind of high-class interest. It is an interest to probe into the laws that govern the development of man, nature and society. No matter what kind of work one is engaged in, as long as one has this kind of high-class interest, one will certainly be conscious in studying Marxist theory. We, the Communist Party, rely on the principle of integrating theory with practice in developing our undertakings. If we satisfactorily integrate theory with practice, we will win great victories, but if we do not, we will commit serious mistakes and suffer great losses. This is an important historical experience and lesson that we all bitterly remember. Therefore, it is particularly important for our party committees at all levels, in particular, those at and above provincial and municipal level, to be interested in theory. Some party committees at and above provincial and municipal levels seldom put discussion of theoretical issues on their agenda and even less seldom take the initiative in discussing these issues. As they seldom discuss the issues, they fail to make sufficient theoretical and mental preparations and rely only on "books" and "instructions from upper levels." If they cannot find an answer in their "books," they can rely on "instructions from upper levels." When the central authorities say something, they become nervous and are at a loss what to do because they are not prepared. We should consciously maintain political identity with the CPC Central Committee and correctly implement its line, principles and policies. It is not easy to do so if our cadres, in particular the leading cadres at various levels, fail to have the necessary level of understanding of Marxist theory. I hope that by mentioning these problems, I will urge the leading comrades of our provincial and municipal CPC committees to think deeply, and thus improve and intensify the party's leadership over the work of studying and publicizing Marxist theory.

MARXIST WRITER AI SIQI, WORKS REMEMBERED

HK310138 Beijing RENMIN RIBAO in Chinese 21 Mar 86 p 5

[Article by Wang Huide and Jia Chunfeng: "Commemorating the 50th Anniversary of the Publication of 'Dazhong Zhuxue' [Popular Philosophy]"]

[Text] The year 1986 marks the 20th anniversary of the death of Comrade Ai Siqi, China's well-known Marxist philosopher.

It is also the 50th anniversary of the publication of his book "Dazhong Zhexue," which has attracted numerous readers and tugged at the heartstrings of thousands upon thousands of young readers throughout the years.

Comrade Ai Siqi was only 56 when he died. In pursuit of truth, he had fought unremittingly to spread Marxism since his youth, and dedicated his whole life to the theoretical study of Marxism, theoretical propaganda, and theoretical education. Ai was a loyal communist fighter who worked diligently all his life in the direction indicated by the party and who scored outstanding accomplishments in ideological and theoretical fields.

The journal DUSHU [STUDY], a Shanghai publication, carried "Zhexue Jianghua" [Talks on Philosophy] written by Comrade Ai Siqi between November 1934 and October 1935. When the talks were first printed in book form in 1936, the title was changed to "Dazhong Zhexue." Since then, the book has been closely linked with Ai Siqi and spread all over China. This is how the author came to be called "philosopher of the masses." "Dazhong Zhexue" had 32 reprints between 1936 and 1948. It was a rare accomplishment in China's philosophy circles to have so many reprints of a single book by a philosopher in a short span of a little more than a decade. In this book, the author linked the daily life of the people with the basic tenets of dialectical materialism, explaining the profound in simple terms. The author was not satisfied with the accomplishments of the first edition of the book. He revised it on several occasions with the development of practice and his own understanding. The last revision was in 1950. The book available today in Xinhua Bookstore, published by the Joint Publishing Company in 1978, was typeset according to the last revised manuscript. When "Dazhong Zhexue" first appeared, it exerted a profound influence on young people and the intellectual circles. In their spiritual famine, many young people obtained their long-awaited spiritual bread with this book and saw the light of hope in their spiritual depression. Many young students and intellectuals became interested in Marxist theory because of this book and eventually dedicated themselves to the revolution. Some young people devoured this book when they were thrown into the enemy's prison. Others carried it in their fieldpacks on their way to Yanan and other revolutionary base areas.

The fate of philosophy and theory is always determined by the extent to which they satisfy the needs of the times, social practice, and the peopele. It was not by chance that "Dazhong Zhexue" became a best-seller among young people and the intellectual cricles at the critical juncture of our national crisis on the eve of the outbreak of the war of resistance against Japan as well as during the years of the war of resistance against Japan and the war of liberation. Comrade Ai Siqi said that the objective reasons for this book to have become a bestseller on the eve of the war of resistance against Japan were: 1) the political line for the party's united front at that time was correct; 2) the victories of the Long March and the northern expedition in resistance against Japan; and 3) the theoretical and practical needs of educated young people in the national salvation movement. It was precisely for the above reasons that people's interest in the new philosophy (Marxist philosophy) was stimulated. In addition, he said that without a revolutionary situation in the movement of resistance against Japan and national salvation, there would not have been so many young readers who were in urgent need of revolutionary theory. True, the success of "Dazhong Zhexue" is precisely owed to the efforts of the author. It was the explanation and discussion of Marxist theory in simple terms that met the needs of practice in struggle and the needs of the readers and the intellectual circles, particularly a young generation in the movement of resistance against Japan and the national salvation, and their pursuit of emancipation and truth. Just as Comrade Mao Zedong puts it, "Dazhong Zhexue" is a book "written in simple terms, but it is valuable."

It is no easy job to communicate with a generation of young people about Marxist philosophy, allowing theory to exert an influence over them and urging them to forge ahead courageously.

In Li Gongpu's preface written for the book before the war of resistance against Japan, he said: "Philosophy exists in people's lives, and everyone has his own philosophy. There is really nothing mysterious about this. But many philosophers have dealt with philosophy in sophisticated language, which confuses ordinary people, who think philosophy too difficult to grasp and beyond them. Such an erroneous concept has actually been caused by those who talked about philosophy in the past." He believed that Ai's book on philosophy was one to be grasped by laymen, not kept in the expert's private study. Then he went on to express his doubt that "popular philosophical works might lead to vulgarism," and Ai's book has provided supporting evidence. Writing correct theory in simple terms will by no means lead to vulgarism so long as the theory is not distorted and correct. Ai's work has served well as evidence to prove this point. Self-styled highbrows may disdain the book, but if philosophy is to be accepted by the masses, it has to be written in their terms. Li Gongpu's suggestion that philosophical works be written in simple terms while refraining from vulgarism is reasonable. It requires great effort to make philosophical theory popular. Just as Comrade Ai Siqi wrote in "How I Wrote 'Dazhong Zhexue,'" a popular work should be written specifically and easily, linked closely to the realities of life. This demands our grasping the sentiments of the masses, understanding the logical way of life in its development, and starting from the experiences of the people in their life, in order to get the truth to the masses and affect them in a form they will accept.

In the half century since the publication of "Dazhong Zhexue," earthshaking changes have taken place in China. Marxist philosophy has been widely spread, popularized, greatly enriched, and developed. With the advance in the practice of revolution and contruction, Comrade Ai Siqi made unremitting efforts to propagating and explaining such important philosophical works as "On Practice," and "On Contradictions" by Comrade Mao Zedong, and in pushing forward research and education in Marxist philosophy.

Any genuine philosophy is the quintessence of the spirit of the times. Since the 3d Plenary Session of the 11th CPC Central Committee, China has entered a new stage of historical development with socialist modernization as its center. It was at this session that Comrade Deng Xiaoping evaluated the discussion of the criterion for testing truth. He said: "In fact, the current debate about whether practice is the sole criterion for testing truth is also a debate about whether people's minds need to be emancipated. Everybody recognizes that this debate is about what is important and necessary. The importance of the issue is becoming clearer all the time. When everything has to be done by the book, when thinking turns rigid and blind faith is the fashion, it is impossible for a party or a nation to make progress. Its life will cease and that party or nation will perish. Comrade Mao Zedong said this time and again during the rectification movements. Only if we emancipate our minds, seek truth from facts, proceed from reality in everything, and integrate theory with practice can we carry out our socialist modernization program smoothly, and only then can our party further develop Marxism-Leninism and Mao Zedong Thought. In this sense, the debate about the criterion for testing truth is really a debate about ideological line and about the future and the destiny of our party and nation."

Comrade Deng Xiaoping dealt with the discussion of the criterion for testing truth from the realistic practice and the future and fate of the party and the nation, which was a very incisive and enlightened view. Now we have come to see more clearly that the profound and widespread social influence of the discussion has really demonstrated the historical demand for bringing order out of chaos since the fall of the "gang of four," and people's strong aspirations for breaking the bonds of dogmatism and the personality cult, as well as the basic trends of correcting the "leftist" error of taking class struggle as the key link and realizing historical change.

At present reforms and the four modernizations have advanced a series of topics for the study and propaganda of Marxist philosophy. Philosophy, in turn, needs to absorb ideological nutrients from such vigorous socialist practice with originality and be enriched and developed. Regarding philosphy and theory both specialized academic works and popular philosophical readers are needed. The social function of philosophy lies in providing people with a scientific world outlook and methodology to improve people's capability in theoretical thought, so that people may obtain a scientific means of understanding the numerous and complicated social phenomena and the practical activities of creating a new life. Popular philosophy readers should bring into play such a function more effectively. This requires those who work on the forefront of reforms and the four modernizations to go more often into the new realities of life, be good at capturing the new things emerging everywhere in the practice of the masses, and link philosophy with life and the minds of young people in lively and vigorous forms.

One book after another of new popular philosophy, popular economics, popular politics, popular legal science, popular ethics, popular psychology, popular sociology, and popular aesthestics, with new essences and new ideas in new language guided by Marxism and directed at new practice, to be presented to people who are exerting their efforts in reforms and construction, especially the young generation bent on invigorating the Chinese nation and dedicating themselves to socialist modernization -- this should be the lofty social responsibility of our theoretical workers and the practical action and important aspect when implementing the principle of making theory serve socialist modernization. Let us learn from Comrade Ai Siqi his praiseworthy spirit in writing "Dazhong Zhexue!" We should make new efforts worthy of these great times and the great practice of today!

FURTHER REPORTAGE ON SIXTH NPC MEETING

Huang Hua on Foreign Policy

OW010829 Beijing XINHUA Domestic Service in Chinese 1238 GMT 31 Mar 86

[By reporter Ji Naifu]

[Text] Beijing, 31 Mar (XINHUA) -- Huang Hua, vice chairman of the NPC Standing Committee, spoke in his capacity as NPC deputy at an NPC group discussion of the Hebei delegation today. He pointed out: In his report on the draft Seventh 5-Year Plan, Premier Zhao put forward a very scientific Marxist thesis, "China's domestic and foreign policies are an organic entity." This thesis is of great significance for the accomplishment of the Seventh 5-Year Plan and the strengthening and defense of world peace.

Huang Hua said that in recent years our party and government have readjusted our foreign policy in accordance with the development and transformation of the international situation and the needs of our domestic economic construction. He said: Firmly pursuing an independent foreign policy for peace and persistently opening itself to the outside world, our country has stepped up its economic and technological exchanges and cooperation with other countries on the basis of equality and mutual benefit. At present we have more friends, and our country has been enjoying increasingly higher international status and prestige, establishing diplomatic relations with 133 countries. These facts fully show that our foreign policy is absolutely correct. China is playing a more and more important role in the current struggle to defend world peace and promote common development.

After expounding his views, Huang Hua added: An important reason for the tremendous achievements made by our country in foreign affairs during the Sixth 5-Year Plan was our great success in restructuring the economy, which promoted steady economic development and provided powerful backing for our foreign affairs. He said: In his report to the NPC, Premier Zhao expounded China's foreign policy in a more systematic and comprehensive way, and pointed out the main contents and basic principles in 10 aspects. This will further promote our foreign affairs. We should seriously implement these principles and join the countries of the Third World and other peace-loving countries in making joint efforts to strive for a long peaceful international environment.

Xu Jiatun Speaks

OW311034 Beijing in Mandarin to Taiwan 1500 GMT 29 Mar 86

[Text] Xu Jiatun, NPC deputy and director of the Hong Kong Branch of the XINHUA NEWS AGENCY, joined Hong Kong and Macao deputies of the Guangdong delegation on the afternoon of 28 March in examining and discussing Premier Zhao's report. Xu Jiatun said during the discussion: At a symposium on Hong Kong's economic problems in Taiwan recently, some economists expressed a pessimistic view with regard to Hong Kong's future. They also said that China's reform of its economic structure and its policy of opening to the outside world were failures. Premier Zhao's report has wisely refuted this pessimistic view.

Xu Jiatun said: Premier Zhao's report contains sufficient data regarding China's achievements in reform and opening to the outside world. The report reflects a breakthrough in summing up how to learn from and use the experience of developed capitalist countries. It shows that in a situation of one country and two systems there can be not only peaceful coexistence but also peaceful competition and peaceful development.

Xu Jiatun said: Our country's economic construction has been in its best form since the birth of New China. During the Sixth 5-Year Plan, China's socialist construction began a favorable cycle as a result of our bold reforms made in light of actual conditions. All views at home and abroad that express doubt about or negate our reforms are unfounded.

Ideo-Political Work Stressed

OW310824 Beijing XINHUA Domestic Service in Chinese 1313 GMT 30 Mar 86

[Excerpts] Beijing, 30 Mar (XINHUA) -- In studying Premier Zhao Ziyang's report, NPC deputies attending the Fourth Session of the Sixth National People's Congress emphatically pointed out: The focus of the Seventh 5-Year Plan is economic construction. However, ideological and political work constitutes an important guarantee for economic construction. The deputies pointed out: While strengthening socialist material civilization, it is necessary to vigorously strengthen socialist spiritual civilization.

Geng Biao, vice chairman of the NPC Standing Committee, said: In his report, Premier Zhao Ziyang attached great importance to ideological and political work. We completely agree. He said: During the past few years, ideological and political work and the spirit of self-reliance and arduous struggle have been less emphasized. In addition, propaganda work has often been carried out onesidedly. Some people, particularly some young people, are quite confused in their minds. Some localities have solved their problems fairly well after strengthening ideological and political work. The reports on the heroes of the Laoshan front in particular have had a wide-ranging impact among young people.

He said: In developing the four modernizations program, we must advocate Marxism and adhere to the socialist orientation. We must not relax ideological and political work while paying full attention to socialist spiritual civilization.

NPC deputy Song Lin of the Qinghai delegation said: The "Seventh 5-Year Plan" advocates the simultaneous development of material and spiritual civilization. He said: The on-going reform in our country is a great but arduous task. It will certainly bring profound changes in our economic and social life, work methods, and mental outlook. All this demands that, while carrying out economic construction, we must strengthen ideological and political work and persistently develop material and spiritual civilization at the same time.

NPC deputy Ye Ganyun of the Jiangsu delegation said: Over the past few years, unhealthy tendencies have begun to prevail in some localities where spiritual civilization has not been developed well. Recently things have begun to improve, because efforts have been made to vigorously promote spiritual civilization. He called for efforts to continue paying attention to spiritual civilization and give widespread publicity to advanced individuals in all fields of endeavor.

NPC deputy Tian Jingqi of the Sichuan delegation said: Right now there are some issues that should not be ignored by workers. Some workers do not regard themselves as masters of their own affairs, while others tend to attach importance to making money. Some of them believe that all people, be they advanced or backward, work because they must make a living and support themselves; they are not interested in politics. Others only crave diplomas, saying "life is important, but a diploma is even more important." Still others fail to understand the significance of implementing the policy of opening to the outside world, the wage policy, and the policy on contract workers. He said: In view of this situation, we should vigorously strengthen ideological and political work among workers and staff and bring into full play the role of workers congresses in this respect.

NPC deputy Yang Mo, who is also a writer, completely agrees that while developing material civilization, it is also necessary to strengthen efforts to promote spiritual civilization. She said: Literary and art works of all types can greatly affect people's minds, particularly those of young people.

NPC deputy Guan Shanfu of the Jilin delegation said: Our newspapers, magazines, and books should be oriented to serving socialist spiritual civilization. Influenced by the thinking of attaching great importance to making money, some publishing houses allow a number of filthy books and journals to flood the market in order to make money, while people cannot afford to buy good books because they are too expensive. All this will directly influence the development of socialist spiritual civilization. He suggested the restoration of traditional measures to subsidize the publishing of educational books and journals with educational funds and the publishing of literary books with cultural funds in order to reduce the prices of books, newspapers, and journals.

'Law for Public Servants' Urged

OW311224 Beijing XINHUA in English 1146 GMT 31 Mar 86

[Text] Beijing, March 31 (XINHUA) -- National People's Congress deputies from the Taiwan delegation suggested that a "law for public servants" be formulated to facilitate a better examination, use, and monitoring of state officials.

During the panel discussion of the Seventh Five-Year Plan, the deputies expressed their support for Premier Zhao Ziyang's recommendation that China's legal system be strengthened and that government officials at all levels serve the people wholeheartedly.

Li Caiping, associate research fellow of the Zijinshan observatory in Nanjing, said th the appointment of government officials should be based on state requirements, nc the impressions of a few individuals. Liu pointed an accusing finger at the wa ting of money by state officials and questioned why grafting of 10,000 yuan is a crime, but wasting 10 million yuan is not. "It is unreasonable," he said.

Ma Liesun, a Moslem deputy from the Ningxia Hui Autonomous Region, held that there should be a benchmark for what is considered wasteful. He asked if "the badly planned projects, indiscriminate use of foreign exchange for importing, poor quality goods, and other symptoms of bureaucracy" are demonstrations of wastefulness. "A law should be formulated to punish those who waste money," he urged.

NPC deputies from other parts of the country also noted what Premier Zhao said in his report that serious corruptions exist in some places. They said that the central and local governments should take forceful measures to stop such practices.

Wang Enmao at Dance

OW291432 Beijing Domestic Service in Mandarin 0200 GMT 28 Mar 86

[Excerpts] On 26 March NPC deputies from Xinjiang and Gansu attending the Fourth Session of the Sixth National People's Congress held a get-together with local staff members at the regional office of Xinjiang and Gansu in Beijing to celebrate the convocation of the session.

Wang Enmao, NPC deputy and chairman of the Advisory Commission of the Xinjiang Uygur Autonomous Region, 70 years old, danced happily with the other deputies. Our station reporter (Hu Zhijian) interviewed him there, and asked Comrade Wang Enmao to give his impression of the session.

Comrade Wang Enmao said: The Fourth Session of the Sixth NPC marks the end of the Sixth 5-Year Plan and the beginning of the Seventh 5-Year Plan. Under the leadership of the party Central Committee, we have successfully fulfilled the Sixth 5-Year Plan, thanks to the joint efforts of the people of all nationalities throughout the country. The Sixth 5-Year Plan period was the best in promoting the nation's social and economic developments. We believe we will definitely score even greater achievements in promoting economic and social developments during the Seventh 5-Year Plan period. We NPC deputies from Xinjiang are elated at the nation's tremendous achievements. We are happy to gather here today to celebrate the convocation of the Fourth Session of the Sixth NPC.

The reporter thanked Comrade Wang Enmao for his remarks.

Hong Kong, Macao Deputies Feted

OW290221 Beijing XINHUA Domestic Service in Chinese 1504 GMT 26 Mar 86

[Text] Beijing, 26 Mar (XINHUA) -- The China Democratic National Construction Association and the All-China Federation of Industry and Commerce gave a dinner at a Beijing restaurant this evening for NPC deputies and members of the CPPCC National Committee from Hong Kong and Macao who had come to Beijing to attend the fourth sessions of the Sixth NPC and the Sixth CPPCC National committee. In his toast, Hu Ziang, chairman of the Federation of Industry and Commerce, praised the industrial and commercial circles in Hong Kong for their work in promoting stability and prosperity in Hong Kong since the signing of the Sino-British joint statement on Hong Kong.

He urged industrial and commercial circles in inland China and Hong Kong to step up cooperation and contribute to the revitalization of the Chinese nation. Attending the dinner were Vice Chairman of the NPC Standing Committee Rong Yiren, Vice Chairmen of the CPPCC National Committee Yang Jingren, Liu Lantao, Wang Guangying and Liu Jingji, and Director of the United Front Work Department of the CPC Central Committee Yan Mingfu, as well as Ping Jiesan, Li Hou, and Lu Ping.

REFORM OF SUPPLY, MARKETING COOPERATIVES VIEWED

HK300942 Beijing RENMIN RIBAO in Chinese 24 Mar 86 p 2

[Commentator's article: "Semi-Official and Semi-Private Supply and Marketing Cooperatives Should Also Be Reformed"]

[Text] Under the guidance of Central Documents No 1, issued in past few years, supply and marketing cooperatives in rural areas have been carrying on reform and have done a great deal of work achieving good results in serving peasants. "The 1986 rural work arrangements by the CPC Central Committee and the State Council" point out: Supply and marketing cooperatives shoulder arduous tasks for purchasing large quantities of farm produce and supply producer and consumer goods. In order to meet the nees of the peasants in developing the commodity economy, they should speed the pace of reform and thoroughly turn themselves into cooperative commercial enterprises owned by the peasant masses. This shows that it is now necessary to further advance the reform of supply and marketing cooperatives.

In the final analysis, reform of the supply and marketing cooperatives should completely restore their nature of being run by local people. Since 1982, through such measures as expanding shares and delegating power to cooperatives, supply and marketing cooperatives have improved their relations with local peasants and have strengthened their position of being run by local people. However, they are still far from being thoroughly turned back into cooperative commercial enterprises run by local peasants for themselves. Many supply and marketing cooperatives remain in the state of being run half by the state and half by local people. This state of affairs is not in line with the requirements of the development of the rural commodity economy. At present we are reforming the system of state monopoly over farm produce purchases. The purchases of grain, cotton, and other major farm products have been based on a contract system. The marketing of most farm products has been decontrolled. With the rise in agricultural productivity and the increase in the quantity of marketable farm produce, peasants, as independent commodity producers, will require more and more supply and marketing services. In order to expand their operational scale, stabilize relations between production and marketing, and ensure various social services, the peasants need an economic organization of their own which can provide timely services for themselves and can deal with economic relations with state institutions on their behalf. Supply and marketing cooperatives should be such peasant economic organizations. If they are not thoroughly turned into peasants cooperative commercial enterprises, they will not be able to satisfy the peasants requirements. Some people fear that once supply and marketing cooperatives are completely run by local people, their social status will be lowered and the scope of their functions will be narrowed. On the other hand, if supply and marketing cooperatives in the whole country become a huge cooperative economic group of the 800 million peasants, they will certainly bring great vigor to the socialist rural commodity economy and will hold bright prospects for development.

At present, more and more comrades have come to realize the importance and necessity of turning supply and marketing cooperatives into cooperative commercial enterprises run by local people and have become more conscious in advancing reform in this regard.

However, our task of thoroughly restoring the supply-marketing cooperatives nature of being run by local people is still arduous. We have yet to overcome the old conventions and old ideas and to remove the old obstacles caused by vested departmental interests. At present, the primary task for cadres and workers in the system of supply and marketing cooperatives is to deeply understand the spirit of the instructions of the party central leadership and the State Council, bring their thoughts into line with the requirements of economic reform, take initiative in providing necessary services, and promote the development of horizontal economic combinations so as to help supply and marketing cooperatives change into commercial enterprises completely run by local people. This represents the desire of the 800 million peasants.

STATE COUNCIL CIRCULAR ON ELECTRONICS INDUSTRY

OW290533 Beijing XINHUA Domestic Service in Chinese 0809 GMT 24 Mar 86

[Excerpt] Beijing, 24 Mar (XINHUA) -- On 8 March, the State Council approved and distributed a report submitted by the Ministry of Electronics Industry on reforming the management system in the electronics industry. In a circular attached to the report, the State Council pointed out: In reforming economic management in industries, we must adhere to the principle of separating government functions from business management, of achieving a simpler, decentralized administration, and carry out reforms with emphasis on enhancing the enterprises' vitality. The idea of the Ministry of Electronics Industry in reforming the economic management system in electronics industry conforms with the guidelines laid down in the "decision of the CPC Central Committee on reform of the economic structure." It has followed a correct orientation, and its method, steps, and measures are feasible.

The circular also pointed out: The Ministry of Electronics Industry is a department which plays the role of making overall plans and managing the entire electronics industry in the country. The State Council entrusts the ministry with the necessary authority and regulatory means. After transferring the enterprises directly under this administration to a lower administrative level, the Ministry of Electronics Industry must gradually orient itself toward serving the whole industry and earnestly strengthen its management in the electronics field. Management departments at all levels in the electronics industry must also change their role from departments in charge of the enterprises into government organs in charge of electronics trade in the local district. People's governments at all levels must give full support to and coordinate with the various departments concerned in reforming the management system in the electronics industry and take due actions in carrying out this work on a solid basis.

In its report, the Ministry of Electronics Industry said: The basic task in reforming the electronics industry is to form and economic management system in the electronics industry -- a system full of vitality -- so as to promote even greater developments in the industry, meet the requirements in developing new technologies, attain even greater social and economic benefits, and ensure that the electronic industry will serve the four modernizations drive and the people even better. It is for this reason that the report put forward the following four tasks in carrying reforms for 1986 and 1987:

1. Achieve a simpler, decentralized administration and revitalize enterprises.

2. Separate government administration from enterprise management and put enterprises under a lower administrative level.

3. Promote enterprise integration and reorganization and change the structure of enterprises. Enterprises may be put under a lower administrative level after being integrated. They may become integrated while they are being placed or after they have been placed under a lower administrative level.

4. Change the role of the ministry and manage the industry well. After separating government administration from enterprise management, the Ministry of Electronics Industry, as a department under the State Council, is responsible for making overall plans and managing the entire electronics industry in the country. Administrative departments at all levels in the electronics industry must strengthen macrocontrol while continuing to improve microflexibility. They must make full use of economic and legal means, gradually employ less administrative measures, vigorously strengthen their indirect control over various economic activities, and step by step improve the system and methods in exercising such indirect control.

The report of the electronics industry also suggested that the state support the major projects in the overall plans in the electronics industry as well as the key enterprises in the industry by encouraging investments, extending loans, and reducing the regulatory tax.

STATE COUNCIL CIRCULAR ON FOREST FIRE PREVENTION

OW310728 Beijing XINHUA Domestic Service in Chinese 1215 GMT 29 Mar 86

[Excerpts] Beijing, 29 Mar (XINHUA) -- The State Council recently issued an "emergency circular concerning effective and intensified efforts in forest fire prevention." The circular calls on all provinces, municipalities, and autonomous regions to strengthen leadership over forest fire prevention work for ensure the safety of forested areas.

The circular said: Some provinces and autonomous regions in the south, where rain and snow were scarce last winter and dry weather has prevailed since this spring, are still in the fire prevention season, while the north, where it seldom snowed last winter, has already entered the spring forest fire prevention season. In this connection, the emergency circular urged all localities to pay attention to the following matters:

1. People's governments at all levels should effectively step up work in spring forest fire prevention. It is necessary to conduct a general inspection of fire prevention. It is necessary to conduct a general inspection of fire prevention work, take effective measures to deal with existing problems, and assign a leading comrade to take personal charge of the work.

2. It is necessary to strictly abide by regulations concerning the use of fire in open fields and to tightly control sources of fire.

3. It is necessary to unfold extensive publicity and education on preventing forest fires.

4. It is necessary to organize and increase the number of full-time fire fighters in areas prone to forest fires.

5. In accordance with the "Forest Law," it is necessary to strengthen organizations for forest protection and fire prevention and staff them with full-time personnel to take charge of extinguishing forest fires.

STATE COUNCIL CIRCULAR ON PRODUCTION SAFETY

OW291416 Beijing XINHUA Domestic Service in Chinese 1318 GMT 26 Mar 86

[Excerpts] Beijing, 26 Mar (XINHUA) -- In transmitting the national production safety committee's "opinion concerning attaching great importance to production safety and checking the increase in accidents involving deaths and injuries," the General Office of the State Council recently issued a circular, which said: Last year, there was relatively big increase in accidents resulting in deaths and injuries to workers in the country, including some very serious ones. Leaders at all levels should attach great importance to production safety and adopt effective measures to ensure safety and to eliminate such an undesirable phenomenon as quickly as possible.

The national production safety committee's "opinion concerning attaching great importance to production safety and checking the increase in accidents involving deaths and injuries" said: For a few years following the 3d Plenary Session of the 11th CPC Central Committee, production safety was relatively good, and the number of deaths decreased by a big margin for 3 consecutive years, averaging 10.5 percent annually. However, the decrease has slowed down since 1983, and the number of accidents picked up again in 1985. We must pay close attention to production safety and take effective measures to check the rise in accidents and get rid of such an undesirable trend in order to ensure smooth progress of the modernization drive.

The "opinion" said: Causes for the serious increase can be attributed to the following: Some leading comrades still lopsidedly pursued a high output quota, while neglecting quality and safety in production; in introducing the contract economic responsibility system, quite a few units listed only economic and technical targets and excluded production safety, or just had safety slogans without concrete measures to ensure it in the contract; production safety was not observed and violations of regulations and operations by those in authority took place in some units; and some other units failed to keep up with training for cadres and safety education for workers during the transitional period between new and old leading bodies and the reform of labor system, which resulted in a drastic increase in the number of negotiated workers and shift workers and a relative decline in the quality of workers.

The "opinion" said: As this year is the first year of the Seventh 5-Year Plan, we must strive to achieve a good start in production safety. The general goals of safety work should be to basically check major accidents involving deaths and injuries, greatly reduce the number of general accidents involving deaths and injuries, and markedly increase the rate of those who have passed the test allowing maximum density of dust and poisonous elements. Mines and transportation, as well as fire, dust, and poison prevention should remain the focus of this year's safety work.

The "opinion" pointed out: To accomplish the goals of production safety this year, it is necessary to resolutely carry out the following measures:

First, leaders at all levels should earnestly implement the principle of "putting safety above anything else and focusing on prevention.

Second, safety measures should be reinforced in production.

Third, factories, mines, and enterprises should step up the construction of safety facilities.

Fourth, safety management should be intensified, and violations of regulations and operations by those in authority should be strictly forbidden.

Fifth, safety education and technical training for new workers and those who have changed jobs should be conducted according to the regulation.

Sixth, it is necessary to organize an effective investigation team to duly handle a number of grave accidents to arouse the attention of various quarters and educate cadres and people.

ZHANG JINGFU ADDRESSES PRODUCTION SAFETY MEETING

OW290207 Beijing XINHUA Domestic Service in Chinese 1525 GMT 26 Mar 86

[By reporter Zhang Jinsheng]

[Excerpts] Beijing, 26 Mar (XINHUA) -- According to an announcement of the fifth enlarged plenary session of the national production safety committee, to ensure a good beginning in the first year of the Seventh 5-Year Plan, effectively lower the number of casualties in production and reduce occupational hazards, the national production safety committee will dispatch six inspection groups to inspect production safety in some regions at the end of this month.

The enlarged session, which opened today, pointed out: Thanks to the impetus of economic reform, the situation of the nation's economic development has been good. Authorities concerned, however, should pay great attention to the situation of production safety, which is highly incongruous with the current new situation. Statistics show that the number of people injured or killed in accidents in the industrial, communications, and construction sectors in 1985 was higher than that in 1984, and major accidents were frequent. Occurrences of occupational diseases also increase. The situation in the first quarter of this year is also unsatisfactory.

Zhang Jingfu, state councillor and chairman of the national production safety committee, addressed the meeting, which he also chaired. He said: The party Central Committee and the State Council have always attached great importance to production safety. We must realize the importance of production safety, improve the safety system, and implement the safety measures. The inspection of production safety is an important measure for changing the inert situation in that area. We must seriously investigate the causes of accidents and see whether safety measures are included in production plans, and whether precautionary measures against hazards are specified in economic and technical policies. All regions and departments must also take similar measures to improve production safety.

WANG YUZHAO BACKS ANHUI AUDITING PRACTICE

OW290447 Hefei Anhui Provincial Service in Mandarin 1100 GMT 20 Mar 86

[Excerpts] The Organization Department of the Anhui Provincial CPC Committee, the provincial economic commission, the provincial personnel bureau, and the provincial auditing bureau recently issued a joint circular calling on the auditing bureaus in all parts of Anhui Province to audit the books of large and medium-sized state enterprises before any principal responsible administrative persons of the enterprises are transferred from their posts.

The pre-transfer auditing practice is a useful experiment that has been affirmed by the leading comrades of the State Council, the Auditing Administration, and the Organization Department of the CPC Central Committee.

In his speech at an Anhui provincial auditing work meeting, Governor Wang Yuzhao also urged all localities to popularize the practice.

FUJIAN TO STEP UP STRUGGLE AGAINST CRIME

OW311142 Fuzhou Fujian Provincial Service in Mandarin 1130 GMT 29 Mar 86

[Excerpts] The Fujian provincial meeting on the work of the public security, the procuratorate, and the judiciary was held in Fuzhou from 25 to 29 March. The meeting conveyed the guidelines of the national meeting on the work of the public security, the procuratorate, and the judiciary and studied and made arrangements for such work in our province in 1986.

The meeting said that the guidelines and the general requirement of the work of the public security, the procuratorate, and the judiciary in our province this year were to strike a severe blow at the serious criminal and economic offenses, resolutely prohibit and stop the various ugly practices that harm the social ethics, and fully implement the various measures for the comprehensive treatment of social order in order to render even better service to the economic restructuring and the building of two civilizations.

The meeting held that social order in our province has taken a marked turn for the better since we began the campaign to strike severe blows against criminal activities. However, we are currently facing new problems in social order. In the course of economic restructuring, opening to the outside world, and invigoration of the domestic economy, economic crime soared, cases of violent crime increased, and repugnant social phenomena resurfaced.

The meeting proposed that for these reasons, the struggle to strike severe blows at criminal offenses must be continued this year. The quickest and heaviest possible punishment must be meted out according to law to serious criminals who endanger the people's lives and disrupt the social order such as murders, arsonists, people who bomb, rapists, robbers, and hoodlums. All repugnant phenomena that seriously pollute the social atmosphere must be resolutely banned and stopped.

Regarding the struggle against economic crimes, the meeting said: Party committees and governments at all levels must strengthen their leadership. Public security organs, procuratorates, courts, and judicial departments at all levels must closely coordinate and cooperate with and support each other. Anyone involved in economic offenses must be investigated and punished regardless who he is.

Jia Qinglin, deputy secretary of the Fujian Provincial CPC Committee, spoke to the meeting.

He stressed that strengthening socialist democracy and the legal system is the fundamental guarantee for perfecting the socialist system, promoting spiritual and material civilization, and bringing about long-lasting peace and stability in our country.

HAN PEIXIN ADDRESSES JIANGSU ECONOMIC FORUM

OW290443 Nanjing Jiangsu Provincial Service in Mandarin 1100 GMT 22 Mar 86

[Excerpts] A provisional conference on planned economic work successfully concluded today after 7 days in session. The conference asked the whole province to get mobilized and work in concert to ensure stable economic growth this year.

In his summing up report to the conference, Secretary Han Peixin of the provincial party committee dialectically and realistically analyzed the current economic situation. He said: The question of speed needs to be brought up in analyzing the current situation. We should correctly realize that our industrial growth in both January and February was slow. The main objective causes were shortages of electric power, funds, and raw materials, big market fluctuations, and the stockpiling of certain products. The subjective causes were the lack of a comprehensive understanding of speed and our inadequate efforts. We must not take these causes lightly and continue to act carelessly. Neither should we become panic-stricken and blame subordinates. Still less should we return to our past one-sided approach of pursuing only output. We must try to achieve growth while raising the social and economic benefits and maintaining the current level of capital investment, loans and credit, foreign exchange, and consumption funds.

Comrade Han Peixin pointed out: To carry out our economic tasks, we must continue our reform, earnestly strengthen ideological-political work, push forward party rectification, and arouse the initiative of all quarters.

Governor Gu Xiulian also spoke at the closing session. She urged all localities to work out measures suitable to the local conditions and realistically carry out the guidelines of the conference in practical work.

JIANGXI'S WAN SHAOFEN ON JOBS FOR GRADUATES

OW290451 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 21 Mar 86

[Excerpts] The provincial party committee and the provincial people's government dispatched 7 work teams led by cadres at the department or bureau level to visit students from Jiangxi Province studying at 139 institutes of higher learning in 22 provinces and municipalities and to invite them to come back to work in Jiangxi after completing their studies.

After hearing briefings by the work teams on 1 March, Comrade Wan Shaofen, secretary of the provincial party committee, summoned responsible comrades of the provincial party committee's office and organization and propaganda departments, the provincial government's office, the planning commission, the scientific and technological commission, the education department, the labor and personnel department, and the Nanchang City party committee to study concrete measures together regarding this matter.

Comrade Wang Shaofen called on all localities and departments to attach great importance to employing talented personnel. Leading comrades should take personal charge in attracting, employing, and utilizating talented personnel and strive to invite more college graduates from Jiangxi to come back to their hometowns to join in construction.

SICHUAN TAKES MEASURES TO SOLVE PETROLEUM SHORTAGE

HK290643 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 26 Mar 86

[Text] According to XINXI BAO [INFORMATION JOURNAL], the provincial government has recently decided to adopt emergency measures for solving the shortage of petroleum. It urged all localities and departments to seriously implement them.

Any place which has access to natural gas must greatly develop these energy resources for back up purposes. These places should try their best to cut back their demand for petroleum.

Provided that the conditions are available, public vehicles and buses running on short-distance routes should quickly switch their source of energy to natural gas. All localities should give priority to automobiles when supplying natural gas. Other localities should try to create conditions for supplying natural gas, alcohol and formaldehyde as back-up energy resources. We must give diesel fuel priority to the peasants for the purposes of irrigation and transporting necessary goods. Whenever the conditions permit, we should try to transport goods to distant places by rail and water. Also, if possible, we should transport goods to nearby places by man or animal power rather than automobiles.

In connection with the nature of their tasks and the annual assigned quota of petroleum, all localities and departments should make appropriate arrangements for the use of petroleum and introduce a responsibility system in this respect. We should properly control the use of petroleum by taxis. We should strengthen market supervision and strictly ban the speculation in petroleum. The automobile management offices at all levels must coordinate with the transport and petroleum departments. They should scrap old gas-guzzling automobiles.

YANG RUDAI ADDRESSES SICHUAN PUBLISHING UNITS

HK281051 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 25 Mar 86

[Text] Yesterday [25 March], Yang Rudai, secretary of the provincial CPC Committee, said to some 100 comrades of news publishing units and of publications of literature theory: Unhealthy trends must be resolutely curbed and the production and exchange of commodities normally carried out. When some places and departments are correcting party style, they dare not engage in the production and circulation of commodities. This is wrong.

Comrade Yang Rudai said: In the course of correcting party style, we must grasp the problems generally existing; solve the problem of liberalism in the sphere of politics, of individualism in ideology, and the problems of bureaucratism in work; and arouse our enthusiasm. Leading cadres must go down, find, study, and solve problems vigorously and on their own initiative; and strive to develop the excellent situation.

Comrade Rudai also stated his views on how our province can do well in grasping the work in the first year of the Seventh 5-Year Plan and on the current situation in production and reform.

XIZANG'S WU JINGHUA SPEAKS AT TOURISM MEETING

HK261601 Lhasa Xizang Regional Service in Mandarin 1130 GMT 25 Mar 86

[Excerpts] The regional meeting on tourism work opened in Lhasa on 25 March. Some 100 representatives are attending this meeting. Leading comrades of the regional party and government, including Wu Jinghua and Doje Cering, attended the opening ceremony. Doje Cering and Wu Jinghua delivered important speeches one after the other.

In his speech, Comrade Doje Cering said: This meeting on tourism work held by the regional people's government is the first meeting as well as a regionwide meeting, to completely study and solve the problems of tourism work in Xizang. He said: To do a good job in tourism, it is necessary to first solve the problem of understanding. Xizang abounds in tourism resources. Leading comrades of the central authorities have given instructions on many occasions on developing tourism work in Xizang. Therefore, we must clearly understand the status and role of Xizang's tourism work, understand its strategic role, and create a new situation in developing tourism in Xizang.

Comrade Doje Cering said: The enlarged meeting held by the regional CPC Committee Standing Committee last year put forward the target of struggle -- going further in negating the Cultural Revoluation, in eliminating leftist ideological influence, and in straightening out the ideological line, and basing everything on Xizang's realities, doing everything to develop the productive foces, and doing everything for the well-being of the people of Xizang. Xizang's tourism work is a pillar of its economic development. When tourism work is done well, we can promote the development of the communications, transport, and food processing trades, commerce, and the nationality handicraft industry. Therefore, we must lay a good foundation this year and, at the same time, do well in grasping other work related to tourism work, as well as reception work, so that Xizang's tourism work will undergo relatively great development.

In his speech, Comrade Wu Jinghua laid stress on the problem of understanding. He said: We must further deepen our understanding of tourism work, as well as Xizang work. Comrade Wu Jinghua said: If we want to promote Xizang's economy, we must regard tourism work as the central work. It can then be said that we proceed from Xizang's realities. When tourism work is done well, we can not only bring along other economic work but also open our region, which was in a closed or semiclosed state over a long period of time, and promote cultural exchanges and scientific and technological contacts between Xizang and the interior and the peoples of all countries in the world. Therefore, we must unify our thinking and understanding and try in every possible way to grasp Xizang's tourism work in a down-to-earth manner and to the end.

Representatives of the Economic Advisory Group of the State Council, China International Travel Service, China Travel Service, and China Youth Travel Service are also attending the meeting.

At the meeting, (Li Guangbi), assistant chief manager of the regional tourism corporation, also conveyed the spirit of the national conference on tourism work.

BEIJING OFFICIALS GET JAIL SENTENCES FOR CORRUPTION

HK310416 Beijing CHINA DAILY in English 31 Mar 86 p 3

[Text] Seven Beijing cadres, including the former head of the city's Public Utility Bureau and five officials of the Beijing Gas Company, have been sentenced to jail terms ranging from three to 15 years by the Beijing Intermediate People's Court 15 years on corruption charges.

More than 400 people attended the open trial on Saturday afternoon held at the Beijing court in the East City District.

Ma Shuiliang, former director of the Public Utility Bureau, was charged with taking bribes totalling 6,300 yuan ($2,000), pocketing a colour TV set and an electronic organ -- which he bought in Japan with public funds -- and dereliction of duty that caused the State to lose more than four million yuan ($1.25 million). He received a six-year jail term.

Huang Yuqian, former party secretary of the Beijing Gas Company's pipeline agency, was charged with pocketing more than 23,000 yuan ($7,200) of public funds and taking bribes of more than 2,000 yuan. He was jailed for 15 years.

The former manager of the Beijing Gas Company, Zhang Shengyuan, was jailed for 11 years on charges of embezzling 4,000 yuan ($1,200), illegally securing a colour TV set and an electronic organ, taking bribes totalling more than 10,000 yuan ($3,100) and dereliction of duty.

Liang Guoan, the gas company's pipeline agency director, was jailed for 10 years on charges of embezzling 18,000 yuan ($5,300) and taking a bribe of 1,200 yuan ($370).

Tian Wenbo, the gas pipeline agency's operation chief, was jailed for 12 years for embezzling and taking bribes totalling 20,000 yuan ($6,200). Zhao Yuhai, the agency's Party official, got a 11-year jail term for taking bribes totalling more than 30,000 yuan ($9,000).

The last of the seven jailed, Guo Shengfu, agency's deputy operation chief, got the shortest sentence -- three years on similar charges involving 8,000 yuan ($2,300) in ill-gotten funds.

Zhang Guobin, an eighth person in the case, was released by the court for "good behavior and cooperation with the judicial authorities", according to BEIJING DAILY. Zhang had already returned the embezzled 9,200 yuan ($2,800), the court said.

BEIJING OFFICIAL ON HANDLING ECONOMIC CRIMES

SK310856 Beijing BEIJING RIBAO in Chinese 17 Mar 86 p 2

[Text] In his report on the situation of work to seriously deal blows to economic crimes to the 27th Standing Committee meeting of the 8th municipal People's Congress on 4 March, He Fangbo, acting chief procurator of the municipal People's Procuratorate, called for efforts to firmly crush the arrogance of economic criminals in the coming year or so.

He said. While never ignoring the work of dealing blows to criminal offenses, procuratorial organs at all levels have regarded the work of dealing blows to economic crimes as a major task and have vigorously strengthened the investigations into economic crimes.

The 1985 figure for economic criminal cases which were placed on file for investigation showed an increase of 220 percent over that of 1984. Of this, the number of major and appalling cases was 11 times the 1984 figure. Economic losses worth more than 25 million yuan were retrieved for the state and the collectives. In view of the situation of the units and individuals involved in these cases, we found that progress was made in both the range and quality of the struggle against serious economic crimes.

He said: The characteristics of the current economic criminal activities are as follows: First, some state organs, mass organizations, and state-owned and collectively-owned enterprises and establishments flaunted the banner of "carrying out reform" and "enlivening the economy" to indulge in illegal business for the interests of small groups -- in reality, for private ends. Some turned state property into collective property and then privately divided it among themselves under all sorts of pretexts. Some responsible persons and persons involved in these activities lined their pockets by doing so. Second, some "companies" and "centers" without funds, sources of goods, fixed employees, working places, equipment, or financial and management systems engaged in speculation and profiteering by making fake contracts or not honoring contracts. Third, some persons from different trades and from different areas ganged up together, some even acting in collaboration with foreign businessmen, to engage in criminal activities. Fourth, some persons with bad or previous criminal records were placed in important positions for being mistaken for "able persons" and "the god of wealth." Thus, they rampantly engaged in economic criminal activities. Fifth, cadres engaged in economic criminal activities. More and more cadres committed economic crimes.

BEIJING RADIO ON EXTRAVAGANT WINING, DINING

SK310938 Beijing City Service in Mandarin 1000 GMT 17 Mar 86

[Text] Fellow listeners: The CPC Central Committee has issued repeated injunctions strictly banning the practice of using public funds to give banquets and gifts and to indulge in extravagant wining and dining. Some units and some leading comrades, however, have turned a deaf ear to the repeated injunctions of the central authorities, and have stuck to their old way of doing things. We must strictly investigate and deal with those acts in defiance of the organization and discipline.

Such acts as indulging in extravagance and waste and giving banquets and gifts run counter to socialist spiritual civilization. They not only cause losses to the state and the people, but also seriously damage the reputation of the party, as well as party style and social conduct. Such corrosive acts have been bitterly hated by the large number of the masses. Why do these acts continue to take place after the issuance of the repeated injunctions of the central authorities? There are many reasons. A very important reason is that some cadres have lacked an understanding of the seriousness and harmfulness of such acts. They have erroneously maintained that extravagant wining and dining is a minor matter which should not be regarded as a mistake; and without giving banquets and gifts, things cannot be done well. They do not understand that indulging in extravagant wining and dining and giving banquets and gifts are an expression of a corrosive bourgeois work style, nor do they know that extravagant wining and dining will unconsciously destroy the fine tradition of our party and the flesh-and-blood ties between the party and the masses.

To eliminate such corrosive situations, we must conscientiously implement the relevant stipulations of the central authorities and mobilize the whole party to conduct supervision over the practice of arbitrarily using public funds to give banquets and gifts.

Once inappropriate actions come to light, they should be corrected immediately without any tolerance.

TIANJIN MEETING ON STRUGGLE AGAINST ECONOMIC CRIMES

SK310948 Tianjin TIANJIN RIBAO in Chinese 19 Mar 86 p 1

[Text] On the morning of 18 March, the municipal Discipline Inspection Commission and the municipal Commission on Political Science and Law held a conference with the participation of responsible persons from the districts, counties, bureaus, companies, and key plants. The conference made concrete arrangements for further dealing blows to serious economic crimes.

At present a good trend in struggle against serious economic crimes throughout the municipality has taken shape by actively launching an attack and making a breakthrough in succession with major or serious cases. However, activities violating the law are still serious. This has shown that our municipality has not achieved even development in the struggle against serious economic crimes, and that in some departments and localities the phenomena still exists in which the work of investigating and dealing with serious economic cases has not been grasped firmly and the attack on them has not been carried out effectively.

The conference urged leading personnel of party and government organs at all levels to unswervingly implement the guideline issued by the CPC Central Committee with regard to "grasping construction on the one hand and legal systems on the other hand," to adopt resolute measures, and to vigorously make up their mind in dealing strict blows to serious economic crimes in order to strive to puncture the arrogance of economic crimes within 1 or 2 years.

Lu Xuezheng, vice mayor of the municipality, attended the conference and delivered a speech. He pointed out: At present efforts should be made to regard the task of dealing strict blows to economic crimes as an important work item, to firmly conduct investigations and deal with major and serious cases, to thoroughly deal with the cases involving huge sums of illegal gains and profits and with serious offenses, to thoroughly conduct investigations into the cases no matter how complicated they are and what organs and which cadres are involved in them, and to deal with them seriously in line with the law. More efforts should be made to firmly investigate and deal with the cases involving more children of leading cadres and the cases that have involved more leading cadres and noted figures. We should persistently follow the principle of dealing sure, accurate, and relentless blows to these crimes, give priority to dealing "accurate" blows to them, and should integrate the task of dealing blows to them with the work of conducting criminal prevention and with that of publicizing the legal system. Efforts should be made to make use of positive and negative typical cases in conducting education on the "four haves" among cadres, staff members, and workers in order to upgrade their ability to consciously resist the influence of bourgeois ideology. We should discover leading personnel who are to blame for the cases in which units have ineffective leadership and have refused to conduct investigation and examination, and should strictly deal with those who have sought private gain by violating the law and have harbored or shielded criminal elements.

Attending the conference were responsible persons from the municipal CPC Committee and the municipal people's government.

TIANJIN BRINGS CONVICTS TO PUBLIC TRIAL

SK010721 Tianjin TIANJIN RIBAO in Chinese 19 Mar 86 p 1

[Text] On 18 March, 13 convicts who had committed serious economic crimes or had neglected their duties were escorted onto the trial platform for an open trial held by the municipal Intermediate People's Court.

Wang Cunshan, president of the municipal Intermediate People's Court, presided over the open trial. In line with the law, the court sentenced Zhang Zhixin, former chief of the general section of the administrative department under the electric machinery equipment company of the municipal Material Supply Bureau, and Xie Dalai, deputy chief of the general section, to 1 and 1/2 years in prison on charges of receiving bribes by taking advantage of their power. The court sentenced He Zhike, former manager of the Baihua Department Store, to 3 and 1/2 years in prison; Li Xinqiu, clerk of the store, to 5 years in prison; and Qiao Qiusheng, clerk of the store, to 10 years in prison; on charges of illegally obtaining and embezzling a huge sum of money. The court sentenced Mu Ping, former clerk of the municipal branch of the China National Machinery Import and Export Corporation, to life in prison on charges of seeking bribes from foreign businessmen by taking advantage of his power and bringing serious losses to the state economy. In line with the law, the court sentenced Lu Youquan, former worker of the electric machinery and installation company, to 13 years in prison; and Liu Yougong, peasant of Taiping village in Wuqing County, to 5 years in prison; on charges of embezzling a huge sum of public funds by illegally selling public goods and collaborating with outside units. The court sentenced Yu Peilin (jobless) and Zheng Fuxiang to 2 years in prison on charges of swindling and speculation and profiteering by operating an agency involved in selling products in short supply and reselling motor vehicles. The court sentenced Li Enjiang, former deputy manager of the third sales section under the first friendship department store, to 1 year in prison term; and Cai Lijun, member of the plant public security team, to 3 years in prison; on charges of causing a 60,000 yuan loss to state property by neglecting their duty and giving an opportunity to criminals.

At the open trial, the court announced its first-trial decision on the cases involving 12 persons. If the defendants do not admit that they are guilty, they can appeal to the municipal higher People's Court within 10 days of the written decision.

At the open trial, the court also announced its final decision of capital punishment on robber convict Sun Xiangjun, who was immediately executed on 18 March (whose case on stealing expensive and important goods and articles from the first friendship department store was published by TIANJIN RIBAO).

NINGXIA WRITER DEFENDS CONTROVERSIAL NOVEL

OW271029 Beijing XINHUA in English 0909 GMT 27 Mar 86

[Text] Yinchuan, March 27 (XINHUA) -- Zhang Xianliang, who has written a controversial novel, said here today that there are no restrictions at all on what he wants to write.

"Of course, writers must be responsible for the social effects of their works and must not have pernicious works published," said Zhang, 50, who is the president of the writers association of the Ningxia Hui Autonomous Region. "I'm going to start writing a new novel about China's reforms in the second half of this year," said Zhang. He said that he planned to write a novel about the work and life of intellectuals every two years.

Senior Chinese Communist Party leader Hu Qili has told the party and government to guarantee writers' freedom of literary creation and freedom of literary criticism.

Zhang's controversial novel entitled, "A Woman Is Half of a Man", published in October, last year, tells how a college graduate persecuted during the 1966-76 "Cultural Revolution" falls in love with a rural woman, cohabits with her and finally leaves her.

The work provoked a storm of controversy when it appeared. Letters from readers, carried in the "BEIJING DAILY", criticized the novel for "having committed a grave mistake in literature" and "having produced adverse social effects". They agreed that the novel's sexual descriptions only suited vulgar tastes. "As a woman, I can't tolerate the descriptions of sex in the novel," said writer Wei Junyi in an article in the "LITERARY GAZETTE". She is of the opinion that the novel describes women only as sex symbols, which poses an insult to human beings.

Meanwhile, other readers aired the view in newspapers that the novel exposes the damage done to human nature by the remnants of feudal attitudes during the "Cultural Revolution".

Zhang Xianliang, who himself was persecuted during the "Cultural Revolution", said, "literary criticism is normal because it reflects the vigor of literary creation and writers' creative freedom. Different views on literary works will promote literature and social progress," he added. "In my opinion, it is not a good thing when a work provokes no response from society after it is published," said Zhang, three of whose have won top national prizes since 1980. He said he welcomed all sorts of criticism, adding, "I was serious in writing the novel and I believe my novel can stand the test of the times and history."

YIN KESHENG SPEAKS AT QINGHAI ECONOMIC CONFERENCE

HK280159 Xining Qinghai Provincial Service in Mandarin 2330 GMT 27 Mar 86

[Excerpts] The provincial economic work conference has called on the party and government departments to persevere in reform, do their work in a practical way, and spur the sustained and steady development of the urban and rural economy.

This conference, jointly convened by the provincial CPC Committee and government, conveyed and implemented the spirit of relevant central meetings and the spirit of the fifth enlarged plenary session of the sixth provincial CPC Committee. It made arrangements for economic and rural work this year and studied and readjusted a number of economic policies, methods, and measures.

Provincial CPC Committee Secretary Yin Kesheng and Deputy Secretaries Song Ruixiang and Liu Feng attended the conference and made speeches.

Comrade Yin Kesheng said: As a result of the fifth enlarged plenary session of the sixth provoncial CPC Committee and this provincial economic work conference, the whole party has a clearer idea of the importance of grasping economic work, and the tasks and measures have been made more explicit. The current problem is that we must unify our thinking, do our work in a practical way, and truly implement the spirit of the conference well, so as to create a new situation in economic work in Qinghai.

Comrade Yin Kesheng pointed out that the most fundamental thing in unifying people's thinking is to bring the thinking of the cadres and masses into line with the CPC Central Committee's line, principles, and policies. As far as doing work in a thoroughly practical way is concerned, we require that the cadres at all levels, especially the leading cadres, have the spirit of uttering less empty talks and doing more practical things. They must have the spirit of facing the grass roots and providing good service.

Comrade Yin Kesheng gave the following views: 1) We must rely on policies to invigorate the economy. 2) We must rely on good economic results to lay the foundation for economic development. 3) We must rely on service work to stimulate economic development. 4) We must rely on ideological and political work to ensure the correct orientation of economic construction.

Comrade Yin Kesheng pointed out that it is a fact that at present certain cadres, staff, and workers look for money in everything instead of stressing the overall situation and comparing each other's contributions. This idea has even penetrated into their business activities. Some areas, departments, and units are often stretching out their hands for assistance and doing little to rely on their own efforts. They indulge in bargaining and haggling when they are assigned tasks, simply laying stress on the difficulties. We must pay attention to guarding against and correcting these abnormalities.

Through carrying out effective ideological and political work, we should fully mobilize the positive factors of all sectors and stimulate the cadres and masses to display the spirit of struggling hard amid difficulties.

SHAANXI OFFICIAL JAILED FOR FALSE ACCUSATION

HK280337 Xian Shaanxi Provincial Service in Mandarin 2300 GMT 27 Mar 86

[Excerpts] (Di Bingcheng), former deputy section head in the fire-fighting office of the provincial public security department, made false accusations against and framed others, causing serious consequences. Under the personal concern and urging of a responsible comrade of the provincial CPC Committee, the departments concerned have unearthed the facts of (Di Bingcheng's) crime. On 10 March, the people's court of Lianhu District in Xian City sentenced (Di) to 3 years in jail for the crime of making a false accusation. Two others with responsibility in the case have been disciplined by the party and government.

The provincial CPC Committee issued a notice to all party organizations on 27 March, demanding that the party-member cadres and the political and legal cadres and policemen regard the case as an example of education by negative example, seriously sum up its experiences and lessons, and resolutely curb the malpractice of laying false charges against others.

In 1982, a dispute developed between (Di Bingcheng) and (Yang Dongyun), manager of the Xian Beiguan District battery plant, over problems of environmental pollution at the plant. To attain his personal aims, (Di Bingcheng) started in November 1983 to lay false charges against (Yang Dongyun) and to frame him. In March 1984, (Di) personally compiled some exposure material fabricating charges against (Yang Dongyun). (Di) said that the evidence against (Yang) was ironclad, there was plenty of circumstantial evidence also. He demanded that the public security organs severely punish (Yang Dongyun).

(Di) also took advantage of his standing as a public security cadre and made use of improper relationships to instruct the people's police to keep (Yang's) movements under surveillance.

Due to the false case fabricated by (Di Bingcheng), plus serious bureaucratism and extreme lack of responsibility in work in the departments concerned, distinctions between [words indistinct] were blurred, and (Yang Dongyun) was sentenced to 3 years' education through labor in August 1984.

In July 1985, when the principal responsible comrade of the provincial CPC Committee received a letter of appeal from (Yang Dongyun), he demanded that the departments concerned clarify the proceedings and the whys and wherefores of the case. The provincial and city political and legal departments organized a work group to carry out a serious reexamination of the case. In the end (Yang Dongyun) was rehabilitated and the verdict on him corrected. (Di Bingcheng), who had made false accusations, was punished as he deserved.

SHAANXI READJUSTS GRAIN PROCUREMENT POLICIES

HK280241 Xian Shaanxi Provincial Service in Mandarin 2300 GMT 27 Mar 86

[Excerpts] Shaanxi is readjusting the grain purchase and sales policies this year in order to further perfect the grain contract purchase system. The main aspects of the readjustment are that the contract purchase quota is reduced and the amount to be purchased at negotiated prices is to be increased, contractual management methods are to be instituted for grain purchase, sales, and allocation, handling charges are to be increased for grain shipments, and grain is to linked to chemical fertilizer.

Following the readjustment, the province's grain contract purchase quota for the year is to be reduced compared with last year, while the amount of grain to be purchased at negotiated prices by agencies commissioned by the state is to be increased.

As a result of this policy readjustment, the enthusiasm of the peasants for producing and selling grain can be protected and encouraged.

Beginning this year, the provincial authorities will institute contractual management for all prefectures and cities for grain purchase, sales, and shipments. Grain purchase and sales quotas are to be firmed up for all prefectures, cities, and counties, and decision-making powers are to be delegated to the prefectures and cities.

Prefectures, cities, and counties can gain more economic income for purchasing grain in excess of the contract and negotiated price purchase quotas.

To ensure that areas shipping grain elsewhere do not suffer loss, beginning this year the state is increasing handling charges for grain shipments. This will be done in a unified way.

The state will award high-quality chemical fertilizer at par to peasant households and agricultural production units that sign grain purchase contracts, and will also give them priority in agricultural loans.

XINJIANG COMMENTARY ON IMPROVING PARTY STYLE

HK270839 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 23 Mar 86

[Station commentary; "Dare To Tackle Tough Problems in Improving Party Style"]

[Excerpt] The importance of improving party style has been discussed frequently over the years. Now, the cadres and masses urgently require party organizations at all levels to fulfill their worlds. They should dare to tackle tough problems and really handle cases where people have engaged in malpractices and violated the law and discipline.

Following the 3d Plenary Session of the 11th CPC Central Committee, our party style has really undergone a great change. However, unhealthy tendencies and corrupt practices, which have been complained about frequently by the masses, still exist. Why is it that some people turn a deaf ear to the repeated injunctions of the central authorities? Why is it that some unhealthy tendencies become more, instead of less, serious.

There are many reasons for this situation when judged from the objective viewpoint. It is just as the CPC Central Committee pointed out, however. Over a long period of time some of our leading organs and leading cadres did not dare handle problems concerning unhealthy tendencies. Second, they spoke a lot about it but did little practical work. Therefore, unhealthy tendencies could easily spread.

This has exposed the crux of the problem. Facts have shown that it is impossible to quickly promote a fundamental change for the better in party style: If we only chant the slogan of improving party style but do little work or are not brave enough to tackle tough problems; if we are not determined to deal with the people and cases that involve unhealthy tendencies and violations of law and discipline; and if we do not educate the cadres and people who engage in malpractices.

At present, the CPC Central Committee is determined to carry out this work and, in addition, it promptly implemented it. Following a recent rally held in Beijing, the CPC Central Committee handled a number of cases immediately, and punished some cadres at the middle and senior ranks. This shows that the party takes a serious attitude toward party style and advocates practical work. Under these circumstances, leading cadres at all levels must dispel their worries and be bold in tackling tough problems, so as to make their proper contributions to improving party style.

APPEALS FOR CHANGE REPORTED AT KMT MEETING

HK310721 Beijing ZHONGGUO XINWEN SHE in Chinese 0358 GMT 27 Mar 86

[Commentary by reporter Wang Jie: "A Wave of Appeals For Change Surges High on the Eve of the 3d Plenary Session of the 12th KMT Central Committee"]

[Text] Beijing, 27 Mar (ZHONGGUO XINWEN SHE) -- The 3d Plenary Session of the 12th KMT Central Committee will be held in Taibei on 29 March. Over the past 6 months or so public opinion inside and outside the island has urged the KMT to change over to new ways. This has now gained impetus. Members of the legislative branch jointly addressed inquiries, scholars held meetings, and newspapers and periodicals published relevant articles. They have voiced opinions one after another. The most powerful voice they have raised is to urge the authorities to change their policy toward the mainland.

Public opinion in Taiwan has maintained that the KMT's "3d Plenary Session" will be held under "unprecedentedly difficult conditions." The political situation is "dangerous and very difficult," economic development is "fluctuating," and public order in society has "increasingly deteriorated." Diplomatically, Taiwan is "increasingly isolated." Under such circumstances, men of insight, inside and outside the island, have given forthright admonitions one after another, and earnestly hope that the KMT will discuss "matters of primary importance on reforms" at the session, so that Taiwan can "extricate itself from a difficult position, and open up a new path." Just as Taiwan's CHUNG-KUO SHIH-PAO [CHINA TIMES] has pointed out, people hope that the KMT will "truly review what happened in the past, correct mistakes, overcome defects, work out major plans for the future, gain instant results, and put the plans into effect."

The appeal for changes presented by the masses has involved a wide series of important questions, including key political guiding principles, specific policies, or even certain conservative and outmoded "concepts." Taiwan's MING-CHUNG JIH-PAO has repeatedly published editorials, putting forward proposals to the third plenary session for "four changes" in policy toward the mainland. These four changes include a change in implementing "policy" toward the mainland, a change in the method of "study;" a change in the island's propaganda and "education" concerning the mainland; and a change in "attitude" toward the mainland. While expounding the necessity of change, the editorials point out that after the implementation of the policy of opening to the outside world, "everything is changing" on the mainland, and Taiwan is the first to be "affected" by such "changes." The editorials emphasize: "If we stand still and refuse to make progress, or think that we can remain the same despite all the changes, the consequences will be too ghastly to contemplate." They also maintain that with regard to our "methods" of studying the mainland, we should change previous measures of "paying too much attention to the inside of things," so that we can avoid overestimating ourselves and underestimating the mainland. Otherwise, there will be "a great deviation in our policy decisions." Besides, we should overcome the previous "morbid fear of communism." We should "allow our people to visit the mainland," and "never fear what happens on the mainland."

We are now in an era of development and change. The mainland is changing, and so is the situation in the straits, and the common aspiration of the people on the island. The policy of opening to the outside world implemented by the mainland has produced great influence across the world. Some international figures maintain that "thanks to the policy of opening to the outside world, the mainland has become enlightened and progressive, and is full of vitality." This has substantially promoted its economy, trade, cultural exchanges, and tourism. There's no denying the fact that the policy of opening to the outside world has also exerted influence over Taiwan, and attracted Taiwan's industrialists and businessmen.

Some scholars are optimistic about the economic structural reform on the mainland, and believe that the "mainland will become systemized and stable" as a result of reform, and that reform will "bring about the development of production and construction, and the enhancement of people's living standards." They also believe that if the present situation continues to develop over a long period of time, "both sides of the straits will gradually trust each other, and narrow their gaps," and that "this will produce the practical result of scoring successes when conditions are ripe with regard to the problem of peaceful reunification." Some other scholars have pointed out practically that the reform on the mainland has constituted a "severe test of peaceful reunification" to the Taiwan authorities.

With regard to foreign relations, Taiwan is also facing the same severe test. Latin American countries which were formerly in the "diplomatic stronghold," have abandoned Taiwan one after another, and some partners in Asia are also intending to "drift away." Even some "old friends" in the United States are changing their attitud People throughout the island show their concern for and are sensitive to this matter. Official circles are in constant fear, whereas scholars discuss the issue one after another. Some people think that "vitally important changes" have taken place in U.S. policy toward Taiwan. Instead of "hating the CPC," the United States is "becoming friendly to it." It has regarded Taiwan as a "stumbling block" rather than an "ally." Some other people point out that it is "not easy for Taiwan to maintain its present relations with the United States," unless it changes its "basic policy." Therefore, people urge the Taiwan authorities to "work out a rational policy toward the mainland."

In the face of an ever changing reality, the Taiwan authorities have still persisted in their rigid policy. Recently, some concerned leaders have reiterated that the policy of "three-nots" will remain unchanged. Furthermore, they put forward the "principle of four no-changes." That is, the "nationalist system" and "opposing communism" will remain unchanged, and there will be no compromise with the CPC, and so on. Their purpose in doing so is perhaps to set the tone for the "third plenary session," or to blot out the voices appealing for change, which have become increasingly loud.

Nevertheless, people do not neglect some facts which have happened on the island. For example, they know about the "pattern of Olympic Games," and "non-interference in entrepot trade" and so on. In addition, the authorities seem to turn a blind eye to certain contacts between relatives from both sides of the straits. Of course, such insignificant flexibility does not conform with what the situation and popular feelings have demanded. However, one point is, at least, clear: In such a changing situation, the KMT cannot but readjust its steps.

Nothing in the world remains unchanged. There are various kinds of things in the world. Change is absolute, whereas no change is relative. Society, life, and nature are always changing. It is only the KMT which sings the song of "no change," and states that it will "stand still despite all changes." The main theme of the "third plenary session" this time is to "inherit the past and usher in the future, and open up a bright future for the state." At present, things in the world are changing, and people do desire a change. If everything "remains unchanged," how will Taiwan open up its "bright future?" If everything "remains unchanged," how can the KMT protect itself and retain its position? A doctor of philosophy in Taiwan told the KMT: "History has repeatedly proven that in the face of a changing situation, only by blazing new trails can one find a way out. Sticking to the old ways only means bottling ourselves up." His remarks afford food for thought. The KMT should think about this seriously.

KMT CENTRAL ADVISORY COMMITTEE HOLDS SESSION

OW311247 Taipei CNA in English 0940 GMT 31 Mar 86

[Text] Taipei, March 21 (CNA) -- The 12th Central Advisory Committee of the Kuomintang held its third conference Monday morning with Gen. Ho Ying-chin acting as chairman. The committee, consisting of 147 party leaders headed by Madame Chiang Kai-shek, discussed 17 subjects ranging from the modernization of traditional Chinese medicine to the Three Principles of the People. In the afternoon, the party's Central Committee will resume discussions on the party's work programs and hear reports on the various aspects of governmental affairs. The party meeting will adjourn late Monday afternoon after the election of a new Central Standing Committee. Most of the 31 incumbents are expects to remain in the policy-making arm of the ruling party. The few who will be replaced are likely to be those who no longer hold important government posts.

President Chiang Ching-kuo will preside over the closing ceremony of the meeting.

Elects 31 Members

OW311245 Taipei CNA in English 1025 GMT 31 Mar 86

[Text] Taipei, March 31 (CNA) -- The third plenary session of the 12th Kuomintang Central Committee Monday passed the namelist of 31 new members of the Central Standing Committee as proposed by Chairman Chiang Ching-kuo.

They are: Yen Chia-Kan, Shieh Tung-min, Lee Teng-hui, Ku Cheng-kang, Huang Shao-Ku, Yu Kuo-hwa, Nieh Wen-ya, Yuan Shou-Chen, Kao Kuei-Yuan, Shen Chang-huan, Li Kuo-ting, Wang Ti-wu, Lin Yang-kang, Yu Chi-chung, Hwang Tsun-chiu, Hung Shou-nan. Soong Chang-chih, Hau Pei-Tsun, Lee Huan, Chiu Chuang-Huan, Wu Po-hsiung, Lien Chan, Shih Chi-yang, Koo Chen-fu, Tsao Sheng-fen, Chen Li-an, Irwine W. Ho, Lin Ting-sheng, Kao Yu-jen, Hsu Shui-teh, and Clement C.P. Chang.

CHIANG CHING-KUO ADDRESSES KMT CLOSING SESSION

OW010309 Taipei CNA in English 0235 GMT 1 Apr 86

[Text] Taipei, March 31 (CNA) -- President Chiang Ching-kuo, in his capacity as chairman of the ruling Kuomintang, has called on all party members to break through adversities ahead and work out concrete measures to promote national development. Chiang made the call while presiding over the closing ceremony of the third plenum of the Kuomintang's 12th Central Committee at the Chungshan Building on Yangmingshan in suburban Taipei. Speaking to some 900 participants in the third plenum, the largest Kuomintang gathering in two years, Chiang said he hopes that Kuomintang members will do their best to pool together the strength of the Chinese people at home and abroad to jointly fight for the goal of reunifying China under the three principles of the people.

Later, Chiang asked Mah Soo-lay to read a message on his behalf. In this message entitled "A New Milestone to Victory," Chiang said first of all, he would like to express his sincere gratitude to all members of the Central Committee and the Central Advisory Committee for providing many valuable suggestions to improve the Kuomintang's operations during the three-day meeting. He urged all party members to understand more about the problems at the grassroots levels and work out solutions to those problems so as to push ahead the national development.

Ideologically, Chiang said all party members should consolidate their belief that the three principles of the people, which were conceived by Dr. Sun Yat-sen based on benevolence, are superior to communism and are the best buidelines for building China into an advanced nation of the people, by the people and for the people. At last, the ruling party chairman said he hopes all party members will become more determined to follow Dr. Sun's and the late president Chiang Kai-shek's directives on national recovery and to search inside themselves for the courage to carry out all difficult tasks while the nation is striving to achieve higher goals.

Resolution Passed

OW010543 Taipei CNA in English 0241 GMT 1 Apr 86

[Text] Taipei, March 31 (CNA) -- After three days of heated discussion, the Third Plenary session of the Kuomintang's [KMT] 12th Central Committee and the Central Advisory Committee ended successfully Monday. The session opened last Saturday at the Chungshan Building on Yangminshan in suburban Taipei with the participation of nearly 900 ranking KMT officials.

Besides electing new members to the Central Standing Committee, a resolution with the theme of "reviwing the past and planning for the future to create a promising tomorrow for this nation" was approved during the three-day session. Besides praising the KMT Central Committee and the five yuans of the central government respectively for the achievements they have made in promoting party affairs and national development over the past years, the resolution also mapped out guidelines for the renovation of party affairs and government administration in the future. It emphasized that the ruling party is determined to pursue an overall renovation to help create a new vista for this nation.

The session also approved 28 proposals submitted by members of the Central Committee and Central Advisory Committee. These proposals are mostly related to the national policy on the economy and culture, education, social affairs and promotion of Chinese herbal medicine.

SPOKESMAN RULES OUT NUCLEAR ARMS DEVELOPMENT

OW010833 Taipei LIEN HO PAO in Chinese 29 Mar 86 p 1

[Text] According to a 28 March CHUNWEN SHE [MILITARY NEWS AGENCY] dispatch from Taipei, Ministry of National Defense military spokesman Major General Chang Hui-yuan has reiterated that the Sky Bow [tian gong 1131 1712] all-purpose defense missile, which was successfully launched recently, can be used in real combat. Chang Hui-yuan also emphatically pointed out: In accordance with our country's established national defense policy, we will never develop or manufacture nuclear weapons. Maj. Gen. Chang Hui-yuan solemnly made the above remarks at a military press conference today when answering questions raised by reporters concerning the Sky Bow missile and the development of nuclear weapons.

U.S. CAUTIONED AGAINST WRONG APPROACH TO ROK

OW301244 Taipei International Service in English 0200 GMT 29 Mar 86

[Station commentary]

[Text] White House spokesman Larry Speakes said Monday: The United States has urged the South Koreans to find a solution to their political problems without resorting to violence.

Commenting on reports from Seoul that some 20,000 people staged the largest antigovernment demonstration in 6 years in Pusan to press their demand for democratic reform, Speakes said: The United States has always urged reconciliation and dialogues. He added here, and we quote: We are glad the Government of Korea had allowed the meeting to take place by opponents. We certainly propose a peaceful resolution to anything and condemn violence, unquote.

The White House statement sounded like interference in the internal affairs of a sovereign state. It may also be interpreted as a warning to the government and the opposition in South Korea not to resort to violence. Whether one likes it or not, the United States cannot stay completely out of the internal politics of its free world allies because American interests are often inseparably intertwined with theirs. Therefore, the question is not whether the United States should be hands-off about the domestic affairs of its allies. Rather, it is a question of whether Washington exercises its influence judiciously.

International politics being what it is, there is no way for the United States to strictly observe the (?nicety) of non-interference. History shows that America uses its clout quite often to influence the internal politics of other nations. But, more often than not, the United States uses the wrong approach, which resulted in the great harm to the American nation as well as the countries involved.

The most notable American failure in this respect is the fall of the Chinese mainland. If Washington had not been taken in by the Chinese Communists as their fellow travelers during the 1st years of the Second World War and the immediate postwar years, and had given full support to the government of President Chiang Kai-shek, the Chinese mainland would have remained a loyal member of the democratic camp, and the threat from the Soviet Union would have been more containable.

Probably the United States has learned a lesson from its past failure. It seems to be acting more cautiously in dealing with political disputes of its allies. In the Korean case, the Chon Tu-hwan government is not certainly a paragon of democracy. But nobody can deny the fact that Seoul is fully justified to take precautionary measures in view of the threat it faces across the demilitarized zone. If the current political dispute in South Korea gets out of hand, its security would be gravely jeopardized. Neither the government nor the opposition would be the victor in such a scenario. By warning the Koreans not to resort to violence, the United States is dropping a broad hint to the Korean opposition that it cannot expect American support if they try to topple President Chon Tu-hwan by taking to the streets.

U.S. POLICY ON NICARAGUAN CONTRAS ENDORSED

OW010915 Taipei International Service in English 0200 GMT 31 Mar 86

[Station commentary]

[Text] U.S. President Ronald Reagan really believes that, if the United States does not provide assistance to the contras of Nicaragua, the Sandinistas will take over and Central America will be plunged into a communist versus anticommunist war. In that event, the Americans would not have much choice. Before the Vietnam War, which was 10,000 miles away, they lost only because they had one hand tied behind their back. Besides, the Sandinistas are not exactly on a fighting par with the North Vietnamese or even the Viet Cong. Americans could not doubt win the war in Nicaragua. However, Reagan said no dispatch of troops is contemplated. He asks only 100 million U.S. dollars to help the contras and assures Congress and American voters that this is sufficient to prevent the Soviet Union from establishing a beachhead in North America.

Regardless of the stand of Congress, President Reagan is not going to give up trying to save Nicaragua from Communism and the enemies of the United States that hope to use Central America as a beachhead. He rejectes the Democratic position that the Sandinistas can be negotiated with, saying this has been tried ten times without any progress toward peace. Democrats want to try more talks and warn that, if Americans are used to train the contras, they inevitably will be drawn into conflict.

It is the memory of Vietnam that brings votes against Reagan. President Reagan has recently toned down the harshness of rhetoric addressed to the Soviet Union. At the same time, there is no doubt that his view of Communism has not changed, and that he is prepared to take a firm stand in Central America or anywhere else red aggression becomes a threat. The U.S. Congress is not necessarily opposed to controlling Communism in Central America, but has its doubt about the military feasibility of assigning this task to the contras. Other Central American republics share that feeling. Of four neighbors of Nicaragua, three or four are said to oppose sending military aid to the contras. The four are Costa Rica, El Salvador, Honduras, and Guatemala. Possibly Central American states pose no serious threat to the United States, but the Sandinistas are dedicated to the thesis that the road to victory leads to Mexico, which is an entirely different proposition.

The Republic of China is of the view that President Reagan is right about the Communist threat. Our only lack of understanding concerns his exemption of the Chinese Communists as the danger, not only to the United States, but to free Asia. There are no good and bad communists -- all are aggressors who speak the destruction of the free world. None of them can be trusted. President Reagan's stand would be more consistent if he linked Red China with the Soviet Union, as he does the Sandinistas with Castro.

FURTHER COOPERATION WITH PHILIPPINES NOTED

OW281101 Taipei CNA in English 1006 GMT 28 Mar 86

[Text] Taipei, March 28 (CNA) -- The Ministry of Foreign Affairs welcomed Friday the assignment of Joaquin Roces Sr., former publisher of the MANILA TIMES newspaper, as the new representative to the Philippines' Asian Exchange Center in Taipei. Spokesman Cheyne C.Y. Chiu said Friday at a new conference that since the setup of the new Philippine Government, the Republic of China [ROC] has, through various channels, expressed its sincerity in furthering cooperative programs between the two countries. Philippine Tourism Minister Jose Antonio Gonzales' recent visit here indicated the new relations between two countries are developing, Chiu said.

The government has always concerned itself about the safety of the ROC fishing boats which were detained in the Philippines marine zone that they mistakenly entered owing to engine trouble, irresistible natural disasters or other unexpectable reasons, Chiu said. The crewmembers of the detained fishing boats have been taken care by the ROC personnel stationed at the Pacific Economic and Cultural Center in Manila. Most of them were released in a short time after the personnel managed the matter with the Philippine authorities, he said. Since 1981, he pointed out, tha 102 of the 103 ROC fishing vessels detained by the Philippine patrolling ships were freed. The ROC personnel are trying their best in seeking the release of the remaining boat and its five crewmen, he added.

FBIS DAILY REPORT

China

CONTENTS

Vol I No 063 2 April 1986

PRC INTERNATIONAL AFFAIRS

GENERAL

Foreign Ministry Spokesman Holds Weekly Briefing A 1
Denies U.S. Monitoring Soviets A 1
Normalizing PRC-USSR Relations A 1
Praises Chiang on 'One China' A 1
Wu Xueqian To Visit Japan A 2
Burmese Prime Minister To Visit A 2
No Decision on Asian Games [KYODO] A 2
UN Secretary General Welcomes Gorbachev Proposal A 3

SOVIET UNION

Gorbachev Comments on U.S. Approach to Summit C 1
Soviet Official Cited on Nuclear Test Ban Proposal C 1

NORTHEAST ASIA

Hu Yaobang Meets DPRK NODONG SINMUN Group D 1
XINHUA Hosts KCNA Delegation in Beijing D 2
Japan To Counter Soviet Military Buildup D 2

SOUTHEAST ASIA & PACIFIC

Lange Says New Zealand To Boost Trade With PRC E 1
Philippine President Favors Active Role in ASEAN E 1
Palau Islands Open Door to U.S. Military Bases E 1
Vanuatu Considering Fishing Pact With USSR E 2
Malaysia Welcomes CGDK 8-Point Proposal E 2

WESTERN EUROPE

Italian Naval Escort Vessels Visit Shanghai G 1
PRC, Italy To Build Language Center in Beijing G 1
Chinese Artist Receives Italian Medal in Beijing G 1

EASTERN EUROPE

SFRY President Begins 7-Day 'Formal, Friendly' Visit H 1
Zhang Jingfu Welcome H 1
Li Xiannian Holds Welcoming Ceremony H 1

WESTERN HEMISPHERE

Geng Biao Meets Venezuelan Political Leader J 1
UN Secretary General on Central American Issue J 1
Brazilian Trade Fair Opens in Beijing 30 Mar J 1

PRC NATIONAL AFFAIRS

Hu Qili January Speech at Central Party School K 1
[LILUN YUEKAN 25 Feb]
Sixth NPC Meeting Activities Continue K 9
Lateral Economic Ties Discussed K 9
Plan Discussion Ends K 10
Draft Law Session Convened K 12
Foreign Enterprises Law Viewed K 14
Zheng Tuobin Speaks K 14
Li Peng on Education Law K 15
Chen Pixian Reviews Work K 16
Chen Pixian on Larger Committees K 17
Xu Dixin Outlines Reform K 17
Dong Furen on Economic Changes K 18
Sidelights From Recent NPC, CPPCC Meetings K 20
Reform With Development Perspective Encouraged K 21
[GUANGMING RIBAO 17 Mar]
JINGJI RIBAO Editorial Urges Deepening Reform [20 Mar] K 23
RENMIN RIBAO on Technical Cadre Management Reform [21 Mar] K 25
Household Contract, Cooperative System Links Seen K 27
[NONGMIN RIBAO 21 Mar]
Tian Jiyun Inspects Jiangxi 25-30 March K 28
Bainqen Erdini Qoigyi Gyaincain Inspects Fujian K 31
[FUJIAN RIBAO 23 Mar]
Fang Yi Attends Meeting on Mineral Resources K 32
Zhang Aiping Writes Preface for Defense Directory K 33
Scientists Stress Technology Efforts at CPPCC K 33
PLA Demobilization To Be Completed by Year End K 34
[CHINA DAILY 2 Apr]
Qinghai Editors Dismissed Over Lu Xun Article K 35
Wan Li, Hao Jianxiu Award Kitefliers 1 April K 36

PRC REGIONAL AFFAIRS

EAST REGION

Anhui's Huang Huang on Commodity Circulation O 1
Jiangsu's Han Peixin Attends Sports Forum O 1
Jiangsu Issues Provincial Circular on Militia O 2
Jiangxi's Wan Shaofen Interviewed on Base Areas O 2
Rui Xingwen, Jiang Zemin Attend Shanghai Meeting O 3

CENTRAL-SOUTH REGION

Guangxi's Chen Huiguang Attends Conference on Political Work P 1
Guangxi Party Leader Urges Improved Information Sharing P 2

SOUTHWEST REGION

Sichuan's Yang Rudai Urges Improved Performance Q 1
Xizang Establishes Group To Send Cadres To Rural Areas Q 1

NORTHWEST REGION

Gansu Office To Coordinate Economic Development T 1
Gansu's Li Ziqi Calls For Improving Party Style T 1
Shaanxi's Bai Jinian on Intellectuals Policies T 2

TAIWAN

Commentary Notes Development of Modern Arms V 1
Premier Yu on Diplomatic Operations Guidelines V 1
Conference Attendees Named V 2
Chiang Ching-kuo Receives U.S. Legislators V 2
Commentary on Philippines Minister's Visit V 3

HONG KONG MEDIA ON CHINA

PRC Will Not Issue Special Zone Currency W 1
[TA KUNG PAO 1 Apr]
Shenzhen Special Economic Zone Opens New Border W 1
[SOUTH CHINA MORNING POST 1 Apr]

FOREIGN MINISTRY SPOKESMAN HOLDS WEEKLY BRIEFING

Denies U.S. Monitoring Soviets

OW021052 Beijing XINHUA in English 1033 GMT 2 Apr 86

[Text] Beijing, April 2 (XINHUA) -- A Foreign Ministry spokesman reiterated at the weekly news briefing here today that projects of cooperation between China and the United States on research of seismology "are of the nature of scientific research." The projects were carried out in accordance with the Protocol of Scientific and Technological Cooperation on Seismic Study between the United States and China, he added.

When asked on the claim in the U.S. side that China and the United States had cooperated in installing seismic equipment in China, the spokesman pointed out that the Sino-U.S. research projects has nothing to do and is not to be mixed up with a groundless report by the U.S. WASHINGTON POST March 19. The paper reported about the so-called discussion between the United States and China on the installation of seismic equipment in China to monitor the Soviet underground nuclear tests. On March 20, the Foreign Ministry spokesman refuted the report saying it was groundless.

Normalizing PRC-USSR Relations

OW021047 Beijing XINHUA in English 1029 GMT 2 Apr 86

[Text] Beijing, April 2 (XINHUA) -- A Foreign Ministry spokesman said today the removal of obstacles to the normalization of Sino-Soviet relations will not harm the interests of any third country. "The normalization of Sino-Soviet relations after the removal of major obstacles is precisely to correct those wrongdoings which harm the interests of a third country and will benefit all the parties concerned," he stressed.

The spokesman made these remarks in commenting on the statement in Mikhail Gorbachev's political report to the 27th Party Congress that the improvement of Sino-Soviet relations should not harm the interests of a third country at the request of the correspondent. The spokesman said that "not to harm the interests of a third country" should not have a specific interpretation.

The spokesman also confirmed that at the request of the Soviet side, I.A. Rogachev, director of the first department of Far East Asian Affairs of the Ministry of Foreign Affairs of the Soviet Union, and his aides came to Beijing as the guests of the Soviet Embassy in China. He held consultations with Li Daoyu, director of the Department of International Affairs and Conferences of China's Foreign Ministry, on the outcome of the 40th session of the General Assembly of the United Nations on March 22 and 25, he said. During his stay in China, the spokesman added, Vice-Foreign Minister Qian Qichen gave a banquet in honor of Rogachev.

Praises Chiang on 'One China'

OW020856 Beijing XINHUA in English 0850 GMT 2 Apr 86

[Text] Beijing, April 2 (XINHUA) -- A Foreign Ministry spokesman today appreciated Mr. Chiang Ching-kuo's one China stand. Responding to questions of correspondents at the weekly news briefing, the spokesman said "We appreciate Mr. Chiang Ching-kuo's remarks 'there is only one China and China is bound to be reunified.'"

"We believe that the "one China, two systems" is the realistic approach to peaceful reunification," the spokesman added. Commenting on Chiang's recent high-noted anti-communism remarks, the spokesman said "This is what we expected. He had to say so."

Wu Xueqian To Visit Japan

OW020900 Beijing XINHUA in English 0856 GMT 2 Apr 86

[Text] Beijing April 2 (XINHUA) -- Wu Xueqian, Chinese state councillor and minister of foreign affairs, will pay a visit to Japan from April 11 to 18 at the invitation of Japanese Foreign Minister Shintaro Abe. This was announced by a Foreign Ministry spokesman here this afternoon at the weekly news briefing. The spokesman said, during his visit, Wu will hold talks with Foreign Minister Abe on bilateral relations and international issues of common concern. He will also meet with Prime Minister Yasuhiro Nakasone, personages from political and economic circles of Japan and some old friends.

Burmese Prime Minister To Visit

OW020920 Beijing XINHUA in English 0913 GMT 2 Apr 86

[Text] Beijing, April 2 (XINHUA) -- U Maung Maung Kha, prime minister of the Socialist Republic of the Union of Burma, will pay an official goodwill visit to China from April 10 to 18 at the invitation of Premier Zhao Ziyang. This was announced by a spokesman for the Chinese Foreign Ministry at the weekly news briefing here this afternoon.

U Maung Maung Kha visited China in 1979. The spokesman expressed his conviction that his forthcoming visit to China would further enhance the Pauk Phaw friendship between the two peoples and friendly relations and cooperation between the two countries. He disclosed that during his visit to China, U Maung Maung Kha will visit Beijing, Tianjin, Guangzhou and the Shenzhen Special Economic Zone. He noted that the friendly relations and cooperation between China and Burma have developed continuously over recent years and the leaders of the two countries exchanged visits frequently.

The economic cooperation between the two countries has developed smoothly. The construction of Rangoon-Syriam highway and railway bridge, a project of economic cooperation between the two sides, is planned to begin this year, and the first joint inspection of Sino-Burmese border will be over in the near future, he said.

No Decision on Asian Games

OW021253 Tokyo KYODO in English 1244 GMT 2 Apr 86

[Text] Beijing, April 2 KYODO -- China has not yet made a final decision on whether to participate in the Asian Games in Seoul this autumn, Foreign Ministry spokesman Ma Yuzhen told newsmen Wednesday. The matter is still under study at the offices concerned, the spokesman said. The 10th Asian Games will be held in Seoul from September 20 to October 5.

UN SECRETARY GENERAL WELCOMES GORBACHEV PROPOSAL

OW020806 Beijing XINHUA in English 0655 GMT 2 Apr 86

[Text] United Nations, April 1 (XINHUA) -- U.N. Secretary-General Javier Perez de Cuellar today expressed cautious welcome to the latest proposal by Soviet leader Mikhail Gorbachev on a ban on all nuclear testing. "The prohibition of all nuclear test explosions would significantly limit both the qualitative and quantitative development of nuclear weapons," said the secretary-general in a statement distributed here. "In view of this," he said, "All efforts towards achieving a ban acceptable to all parties concerned are welcome and deserve careful study.

He said he felt that "in view of its relevance in the process of nuclear disarmament, the question of the conclusion of a nuclear test ban continues to be of great importance."

Meanwhile, Soviet ambassador to the U.N. Yuriy Dubinin told a press conference here today that Moscow hopes the United States "has not said the final word on the Soviet proposal" to discuss with U.S. President Ronald Reagan for an end to all nuclear testing.

The Reagan administration has rejected the proposal made by Gorbachev on the Soviet television last Saturday on the ground that a moratorium cannot be counted on to lead to the enhanced security desired. Secretary of State George Shultz said that the U.S. would prefer doing things quietly through diplomatic channels rather than through public propaganda.

Dubinin stressed at the news conference that Gorbachev's proposal was not designed to score propaganda points nor did his idea that the Soviet and American leaders meet in an European capital now supercede the summit in the U.S. later this year which both sides had agreed upon earlier.

Washington and Moscow have so far failed to reach a definite date for the Soviet-American summit in the United States, according to diplomatic sources here today. The Soviets have rejected an American-proposed date in June for fear that the United States might put pressure on the Soviet Union for give-ups in the intermediate nuclear forces talks then going on in Geneva. While President Reagan is said to be in disagreement with the Soviet-proposed date in November "because the President would not like to see the U.S. congressional election be disturbed as a result of Gorbachev's speeches to the American democrats." The sources said that the most possible date for the summit now appears to be either in August or December.

Dubinin disclosed that his country had proposed through diplomatic channels that the United States and the Soviet Union discuss a comprehensive test ban in April but so far had not received a "positive response" from the United States. Noting that since World War II the United States, Britain and France have carried out 962 nuclear tests as against 565 by the Soviet Union, the Soviet envoy made it clear that Moscow could not extend "interminably" its current ban on nuclear testing because, in his words, the Soviets are being "damaged militarily by not testing."

GORBACHEV COMMENTS ON U.S. APPROACH TO SUMMIT

OW101318 Beijing XINHUA in English 0236 GMT 1 Apr 86

[Text] Moscow, March 31 (XINHUA) -- Soviet leader Mikahil Gorbachev urged U.S. President Ronald Reagan to "take a responsible approach" to his proposal of a summit on banning nuclear tests. In his speech Monday at a Kremlin dinner honoring Mozambican President Samora Moises Machel, Gorbachev brought up the proposal of an ad hoc summit with Reagan in a European capital to discuss ways to ban nuclear tests but he did not mention Washington's initial rejection of his initiatives, which were unveiled two days ago.

"Today there is a realistic opportunity to show goodwill in practice rather than in words," Gorbachev said. "We expect Washington to take a responsible approach to our proposal." The Soviet leader strongly attacked Washington for what he called U.S. interference in other countries' affairs and accused Washington of acting with cynical cruelty. "Look how openly the U.S. imperialists are interfering in the affairs of Nicaragua, Angola, Libya and some other countries. Look at the cynical cruelty with which they act," Gorbachev said.

The Soviet Union will continue to support Mozambique which is facing "relentless pressure" from Washington, Gorbachev assured President Machel, who arrived in Moscow Sunday for a five-day visit.

SOVIET OFFICIAL CITED ON NUCLEAR TEST BAN PROPOSAL

OW011743 Beijing XINHUA in English 1512 GMT 1 Apr 86

[Text] Moscow, April 1 (XINHUA) -- A senior Soviet official said today Gorbachev's proposed summit meeting in a European capital on nuclear test ban is not intended to supplant the planned Soviet-U.S. summit in Washington this year. First Deputy Foreign Minister Georgiy Korniyenko told a press conference here that the Washington summit, agreed upon by the two leaders in Geneva, "has not been withdrawn from the agenda." However, he said there is no "concrete planning" for a Washington summit and that the Soviet Union continues to insist there be a real chance of a specific accord on arms control before the second meeting is scheduled.

Korniyenko reiterated Gorbachev's statement made Saturday on national television that the Soviet's unilateral test suspension, scheduled to end on March 31, would remain in effect as long as the United States did not conduct a test. The next U.S. test is set for this month. The deputy minister repeated Moscow's refusal to accept Washington's invitation to the Soviets to inspect U.S. nuclear tests in Nevada.

U.S. President Reagan had turned down Gorbachev's proposal of a test ban summit, saying a superpower meeting should "deal with the entire range" of U.S.-Soviet relations.

However, Korniyenko said the Kremlin received no formal reply through the diplomatic channels and added, "we would like to hope that Mr. Reagan has not said his final word."

The Soviet media today described the U.S. response to Gorbachev's televised speech as "not to be optimistic about." The U.S. administration's "negative response indicates it does not want to reduce nuclear arms," one paper charged. A commentary in the party paper "PRAVDA" said Gorbachev's speech has offered a new chance which the United States should not miss.

HU YAOBANG MEETS DPRK NODONG SINMUN GROUP

OW011512 Beijing XINHUA in English 1444 GMT 1 Apr 86

[Text] Beijing, April 1 (XINHUA) -- Hu Yaobang, a top leader of the Communist Party of China (CPC), said here today that China has achieved fairly coordinated development in various fields since the middle of last year. He attributed this to the efforts to correct some improper methods used in economic work in the first half of 1985.

Hu, who is general secretary of the CPC Central Committee, made these remarks at a meeting with a delegation from the Korean newspaper "NODONG SINMUN", led by its Editor-in-Chief, Yi Sung-pok, here this afternoon. Hu told the visitors that China's economic situation this year is excellent. The draft Seventh Five-Year Plan for Economic and Social Development is being examined and discussed by the ongoing meetings of the National People's Congress and the Chinese People's Political Consultative Conference.

He said that coordinated development, however, does not mean there are no more difficulties or problems. China's economic relations are not yet in complete order, its infrastructure is still rather inadequate, its production of raw materials falls short of the demand, and its technological level is quite low. "To solve these problems demands painstaking efforts," he added.

He predicted that it will take China at least 30 to 40 years to get close to the world advanced level. However, the Chinese people are confident of catching up.

Yi, who is also a member of the Central Committee of the Korean Workers Party, said that the members of his delegation have seen with their own eyes the achievements of the Chinese people in their socialist construction. He said that great changes have taken place in Chinese factories and rural areas in the past five to six years. China has laid a foundation for its modernization. Yi said that both the Korean and Chinese peoples wish to continue their friendship from generation to generation. Journalists of the two countries should serve as a bridge between the two peoples, contributing to the development of their friendship.

Hu reiterated the consistent stand of the CPC and the Chinese Government for strengthening Sino-Korean friendship. He said that the Chinese and Korean peoples have shared their destinies in the past few decades. History has decided that the two peoples have to continue sharing their destinies, he noted.

Qian Liren and Tan Wenrui, director and editor-in-chief, respectively, of the "PEOPLE'S DAILY", were present on the occasion.

The delegation arrived in China March 21 at the invitation of the "PEOPLE'S DAILY". It has visited Guangzhou, Shenzhen and Shanghai.

Yi, who is also chairman of the Central Committee of the Korean Journalists union, called on Wu Lengxi, chairman of the All-China Journalists Association, here yesterday. They signed an agreement on cooperation between their two organizations.

XINHUA HOSTS KCNA DELEGATION IN BEIJING

OW011655 Beijing XINHUA in English 1440 GMT 1 Apr 86

[Text] Beijing, April 1 (XINHUA) -- Guo Chaoren, deputy director-general of XINHUA NEWS AGNECY, on behalf of Director-General Mu Qing, gave a banquet for a delegation from the KOREAN CENTRAL NEWS AGENCY here this evening.

Led by Han Chong-sop deputy director-general of the Korean agency, the delegation arrived here this morning at the invitation of the host agency. In their toasts both Guo Chaoren and Han Chong-sop expressed the hope for further developing the friendship between the journalists of the two countries and cooperation between the two news agencies. This afternoon the Korean delegation visited the host agency.

JAPAN TO COUNTER SOVIET MILITARY BUILDUP

OW010954 Beijing XINHUA in English 0841 GMT 1 Apr 86

[Text] Tokyo, April 1 (XINHUA) -- Japan will undertake a large-scale restructuring of its Ground Self-Defense Force to counter a ongoing Soviet military buildup in the Far East, says a leading Japanese newspaper. NIHON KEIZAI SHIMBUN, or the ECONOMIC NEWS, today quoted figures released by the U.S. defense ministry on March 25 showing that the number of Soviet troops stationed in the Far East rose to 53 divisions, four of which pose a serious threat to the northern islands and the Chishima Islands of Japan.

Guided by the concept of "destroying the threat from the north in the frontline," the plan under consideration will concentrate on restructuring the current formation of Japan's 13 divisions and improving mobilization procedures and the effectiveness of missile units. A group studying details of the restructuring will be set up within the council of staff of the Ground Self-Defense Forces, and a comprehensive plan will come out in July this year.

LANGE SAYS NEW ZEALAND TO BOOST TRADE WITH PRC

OW010904 Beijing XINHUA in English 0750 GMT 1 Apr 86

[Text] Wellington, April 1 (XINHUA) -- New Zealand is looking forward to booming its trade with China, though it would be unrealistic to expect the same with Indonesia, which had been ravaged by declining oil prices. This was stated by Prime Minister David Lange in Auckland airport Monday after a two-week tour of Indonesia, China and the Philippines. Lange said that New Zealand will sell more meat to the Philippines after the disbandment of what he described as a corrupt meat-buying company which had run under the deposed Marcos regime.

The prime minister said that his visits to the three Asian countries were very successful. Major local newspapers today carried detailed stories about Lange's activities in China, highlighting the significance of his visit in the context of furthering the existing friendly relations between the two countries.

PHILIPPINES PRESIDENT FAVORS ACTIVE ROLE IN ASEAN

OW011922 Beijing XINHUA in English 1613 GMT 1 Apr 86

[Text] Manila, April 1 (XINHUA) -- Philippine President Corazon Aquino said here today that she considered a more active role by her governmnet in the Association of Southeast Asian Nations (ASEAN) very necessary. Mrs. Aquino made this statement during her talks with visiting Singapore Foreign Minister Suppiah Dhanabalan.

After his meeting with the president, Dhanabalan told reporters that in the meeting Mrs. Aquino expressed her surprise that for the last two years or so there was a rather subdued role played by the Philippines in ASEAN, and she saw a more active role by her government in the future. Dhanabalan said they also discussed the proposal to hold an ASEAN summit. President Aquino was favorable to the proposal. They agreed that there should be a summit. Dhanabalan said ASEAN officials are meeting this week to work out details of the next ASEAN summit meeting. He said it will be the turn of the Philippines to host the summit which was last held in Kuala Lumpur.

Dhanabalan said the presence of U.S. military bases in the Philippines is "very important to regional peace and security." However, he said that it should be decided by the Filipino people and their government whether the bases stayed or not. Dhanabalan left here today after a three-day visit to the Philippines.

PALAU ISLANDS OPEN DOOR TO U.S. MILITARY BASES

OW311326 Beijing XINHUA in English 1317 GMT 31 Mar 86

[Text] Beijing, March 31 (XINHUA) -- Palau, a group of Pacific islands, has decided to open the door for American military bases in exchange for partial independence and more U.S. aid, according to reports reaching here Sunday. The decision has, in fact, allowed the United States to complete an arc of defense installations in the western Pacific, comprising also the Northern Marianas, Guam and the Marshall Islands.

Palau, a United Nations trust territory under U.S. administration for the past 40 years, voted last month to accept a "compact of free association" which will give it semi-independence but leave defense to the Pentagon for at least 50 years. Palau's President Lazarus Salii described the deal, worth more than three billion U.S. dollars in aid, as vital in helping turn his islands into a "paradise on earth" in the next decade. Under the agreement, two strategic areas on Palau islands will be carved initially for exclusive use by U.S. military forces.

VANUATU CONSIDERING FISHING PACT WITH USSR

OW011207 Beijing XINHUA in English 0712 GMT 1 Apr 86

[Text] Canberra, April 1 (XINHUA) --Vanuatu, a small South Pacific island country, is considering to give Soviet vessels access to the waters of its maritime resources zone, following the fishing contract signed between the central Pacific nation Kiribati and the Soviet Union last year. A report reaching here today quoted a spokesman for Vanuatu's Prime Minister Father Walter Lini as saying that a committee had been established under the foreign affairs department to seek further information from the Soviets relating to the estimates of the country's tuna resources and royalties. "The government will be examining every aspect of this matter before a final decision is made," he said.

General Secretary of the ruling Vanuaaku Party Barak Sope said he expected the deal to be concluded by mid-year.

He said Vanuatu was keen to conclude an agreement with the Soviets because of the poor record of the United States in negotiating equitable fishing contracts with the South Pacific countries. "They (the U.S. fishermen) have a history of ignoring our maritime boundaries and they like to bully the people around," he added.

Situated at the northeast of Australia, Vanuatu is an archipelago of 73 islands with a population of about 140,000. At the moment, Vanuatu has no diplomatic relations with either the U.S. or the U.S.S.R. The Soviet Union has signed a 12-month fishing contract worth 2.4 million U.S. dollars with Kiribati last August. It was reported that Moscow had made similar approaches to Fiji and Tuvalu, but were rejected.

MALAYSIA WELCOMES CGDK 8-POINT PROPOSAL

OW011917 Beijing XINHUA in English 1609 GMT 1 Apr 86

[Text] Hong Kong, April 1 (XINHUA) -- Malaysian Foreign Minister Tengku Ahmad Rithauddeen said that Malaysia welcomes an eight-point proposal offered by leaders of the Coalition Government of the Democratic Kampuchea for political solution to the Kampuchea issue.

"I feel that Vietnam's unwillingness to talk is the main stumbling block to efforts for peace in Kampuchea and also in the region," Rithauddeen told reporters yesterday after talks with Gaston Sigur, U.S. assitant secretary of state for East Asian and Pacific Affairs who was on a visit to Malaysia. "Without Vietnam's involvement, there can be no peace in Kampuchea." he added.

He said, "Malaysia will study and give its fullest cooperation in solving the problem."

The eight-point proposal was put forward by Samdech Norodom Sihanouk, Son Sann and Khieu Samphan, leaders of the Coalition Government of Democratic Kampuchea on March 17. It calls on Vietnam to make a two-stage withdrawal of its troops from Kampuchea and for a four-party negotiation by the three resistance factions and the Heng Samrin regime for setting up a four-party coalition government for Kampuchea.

ITALIAN NAVAL ESCORT VESSELS VISIT SHANGHAI

OW011817 Beijing XINHUA in English 1625 GMT 1 Apr 86

[Text] Shanghai, April 1 (XINHUA) -- Two missile escort vessels belonging to the Italian Navy arrived here today for an eight-day unofficial visit to China. The two vessels -- the "Scirocco" and the "Grecale" -- are under the command of Captain Luigi Lillo. Lillo and other officers were welcomed at a banquet given by the Shanghai Naval Unit and Shanghai Garrison of the Chinese People's Liberation Army (PLA), here this evening. Before the banquet, Deputy Mayor of Shanghai Liu Zhenyuan, commander of the Shanghai Naval Unit of the PLA Liu Xingwen and Commander of the PLA Shanghai Garrison Ba Zhongtan met Lillo and his fellow officers.

The Italian officers and men are scheduled to visit local factories, a handicrafts and arts institute and a children's palace, as well as local scenic spots. They will later visit Suzhou and Hangzhou.

PRC, ITALY TO BUILD LANGUAGE CENTER IN BEIJING

OW010940 Beijing XINHUA in English 0932 GMT 1 Apr 86

[Text] Beijing, April 1 (XINHUA) -- The Chinese and Italian Governments signed a memorandum on setting up a modern Italian language training center here today. Signing the document on behalf of the two governments were Zheng Tuobin, minister of Foreign Economic Relations and Trade, and Gianni de Michelis, Italian minister of Labor and Social Security.

The training center will be set up in the Beijing University of Foreign Economic Relations and Trade [as received]. The Italian Government will supply equipment and help training teachers for the center. Before the signing, Zheng and Michelis exchanged views on further cooperation in the fields of personnel training between the two countries. Michelis and his party arrived here yesterday at the invitation of the Ministry of Labor and Personnel.

CHINESE ARTIST RECEIVES ITALIAN MEDAL IN BEIJING

OW011839 Beijing XINHUA in English 1538 GMT 1 Apr 86

[Text] Beijing, April 1 (XINHUA) -- Huang Yongyu, a noted Chinese painter, has been awarded the Order of "Commendatore" by Italian president Francesco Cossiga for his achievements in fine art and contribution to cultural exchanges between China and Italy. The medal was presented to Huang by visiting Italian Minister of Labor and Social Security Gianni de Michelis at a reception given by Italian Ambassador to China Raffaele Marras here today.

Huang, a 62-year-old professor at the Central Academy of Fine Arts and Vice-Chairman of the Chinese Artists Association, is a noted specialist in engraving and Chinese painting. Speaking at the reception, he thanked the Italian people and government for the honor. Huang is going to give a one-man show in Italy in October.

Among those present at the reception were Vice-chairman of China's National People's Congress Standing Committee Huang Hua and Vice-chairman of the National Committee of the Chinese People's Political Consultative Conference Lu Zhengcao.

SFRY PRESIDENT BEGINS 7-DAY 'FORMAL FRIENDLY' VISIT

Zhang Jingfu Welcome

OW020722 Beijing XINHUA in English 0652 GMT 2 Apr 86

[Text] Beijing, April 2 (XINHUA) -- President of the Presidency of the Socialist Federal Republic of Yugoslavia Radovan Vlajkovic and Mrs Vlajkovic and his party flew in here this morning starting a seven-day formal friendly visit. They are guests of President Li Xiannian.

Accompanying Vlajkovic on the visit are Raif Dizdarevic, federal secretary for foreign affairs, and Mijat Sukovic, vice-president of the Federal Executive Council and chairman of the Yugoslav side of the Chinese-Yugoslav Mixed Committee for Economic, Scientific and Technical Cooperation. The Yugoslav guests were greeted at the airport by State Councillor Zhang Jinafu, Vice Foreign Minister Qian Qichen, and Yugoslav Ambassador to China Zvone Dragan.

President Li Xiannian will host a welcoming ceremony for Vlajkovic and his party this afternoon and a grand banquet for them in the Great Hall of the People this evening.

Li Xiannian Holds Welcoming Ceremony

OW021124 Beijing XINHUA in English 1106 GMT 2 Apr 86

[Text] Beijing, April 2 (XINHUA) -- President Li Xiannian held a welcoming ceremony here today for Radovan Vlajkovic, president of the Presidency of the Socialist Federal Republic of Yugoslavia. The ceremony was held at the plaza at the east of the Great Hall of the People, surrounded by flags of China and Yugoslavia.

Vlajkovic, his wife and their visiting party arrived at the plaza in the company of State Councillor Zhang Jingfu. They were welcomed by Li, who shook hands with them and gave them his best regards. At four in the afternoon, the ceremony began with a 21-gun salute and the playing of national anthems of the two countries. Accompanied by Li, Vlajkovic reviewed a guard of honor formed by the three services of the Chinese People's Liberation Army.

Present at the ceremony were Li's wife Lin Jiamei, Geng Biao, vice-chairman of the National People's Congress Standing Committee, and Wu Xueqian, state councillor and foreign minister. Afterwards, Li and the Yugoslavian guests held talks in the Great Hall of the People.

Li met Vlajkovic in 1984 during his visit to Yugoslavia. The two old friends were very glad to meet again. On behalf of the Chinese Communist Party and Government, Chairman Deng Xiaoping, Communist Party General Secretary Hu Yaobang, and Premier Zhao Ziyang, Li welcomed Vlajkovic and his wife to visit China.

Vlajkovic conveyed to Li and other Chinese leaders regards from the presidency of the Socialist Federal Republic of Yugoslavia and the Presidency of the Central Committee of the League of Communists of Yugoslavia.

Li said the parties and governments of the two countries have close and friendly links, and the exchange of visits between leaders of the two countries has been frequent. The increasing exchange of visits helps to enhance mutual understanding, Li added. Vlajkovic said this was very important.

GENG BIAO MEETS VENEZUELAN POLITICAL LEADER

OW011634 Beijing XINHUA in English 1541 GMT 1 Apr 86

[Text] Beijing, April 1 (XINHUA) — Geng Biao, Standing Committee member of the Chinese Communist Party Central Advisory Commission, met and feted here today Luis Pinerua, leader of the Venezuelan Democratic Action Party, and his wife. Geng, who is also a vice-chairman of China's National People's Congress Standing Committee, briefed Pinerua on the ongoing session of the Congress. The Pineruas arrived here March 28 at the invitation of the International Liaison Department of the CPC Central Committee. Zhu Liang, head of the liaison department, met them the next day.

UN SECRETARY GENERAL ON CENTRAL AMERICAN ISSUE

OW020918 Beijing XINHUA in English 0858 GMT 2 Apr 86

[Text] Brasilia, April 1 (XINHUA) -- U.N. Secretary-General Javier Perez de Cuellar said here today that the Central American problem should be solved without foreign interference. Perez de Cuellar told reporters at a news conference here that the United Nations is following developments in Central America "with great interest." He said he will strongly support efforts by the Contadora Group for a peaceful settlement to conflict in the region.

Earlier, speaking to the Brazilian Chamber of Deputies, the U.N. Secretary-General urged the industrialized nations to abolish trade protectionism so that debtor countries can increase exports and achieve a favorable balance of trade. Perez de Cuellar ended his two-day official visit to Brazil today and will now travel to Argentina on the second leg of his current Central American trip.

BRAZILIAN TRADE FAIR OPENS IN BEIJING 30 MAR

OW300834 Beijing XINHUA in English 0819 GMT 30 Mar 86

[Text] Beijing, March 30 (XINHUA) -- A Brazilian economic trade and technology exhibition opened here today. Nearly 200 Brazilian companies have displayed their equipment and technology relating to aviation, space, energy, transport, machine-building, electronics, and light and textile industries as well as agriculture and forestry. Among the exhibits are also building machinery, telecommunications equipment and medical apparatus.

The week-long exhibition was sponsored by the Foco-fairs, Exhibition and Congresses Ltd. of Brazil. Danillo Dos Santos, President of the Brazil-China Friendship Association, attended the opening ceremony.

Brazil is China's biggest trade partner in Latin America. Bilateral trade totalled 1.44 billion U.S. dollars last year, 600 million dollars more than in 1984.

It is learnt that a Chinese trade fair is to be held in Brazil in the near future.

HU QILI JANUARY SPEECH AT CENTRAL PARTY SCHOOL

HK310635 Beijing LILUN YUEKAN in Chinese No 2, 25 Feb 86 pp 1-7

["Excerpts" of speech delivered by Comrade Hu Qili at graduation ceremony of Central Party School on 18 January 1986 -- edited transcript -- capitalized passages published in boldface]

[Text] Our revered Comrade Wang intended to invite Comrade Yaobang to today's graduation ceremony, but Comrade Yaobang has asked me to meet all of you because he has a prior appointment. On behalf of the Central Committee Secretariat, first of all allow me to extend warm congratulations to you on your successful study at the party school, and I ardently hope that you will score greater success when you return to your posts.

As you all know, the aim of study is to apply theory to practice. Therefore, today I would like to say something about the general ideas envisaged by the party Central Committee for this year's work so that you will solve problems in practical work with a better application of the Marxist stand, viewpoint and methods and justify the hopes that the party Central Committee places on you.

The first 5 years of the 1980's have passed and the second 5 years of the 1980's, which just cover the period of the Seventh 5-Year Plan, have started. This year is the first year of the Seventh 5-Year Plan. What the tasks for this year? When he spoke at the meeting attended by cadres from the central party and government offices on 9 January, Comrade Yaobang put it clearly: "While paying close attention to economic construction in the second half of the 1980's, we must work hard for our economic restructuring and the building of socialist civilization and achieve some results in both so that our socialist modernization will develop in a sound, steady, and balanced way." These constitute our tasks in the second half of the 1980's and establish the orientation for this year's work. Centering on this subject and in line with the guidelines of some instructions made recently by the Central Committee Secretariat and the State Council, I will focus on the following three questions.

I. Economic Construction and Reform

1. THE CURRENT ECONOMIC SITUATION. At present, our economic situation is excellent, of a nature never seen since the founding of the republic. With regard to this question, Comrade Tian Jiyun delivered a detailed report at the cadre meeting of the central party and government offices; I believe you have read it in the newspaper. Now I would like to speak on two points for your reference.

First, the total output value of industrial and agricultural production in 1985 reached approximately 1,200 billion yuan. With this figure, I want to explain a major issue. As you know, in setting the general objective of quadrupling the gross annual value of industrial and agricultural production from 1980 to the end of this century, the 12th National CPC Congress assumed that the annual growth rate in the first 10 years of this period would be below 7.2 percent, that is to say, we cannot double the gross annual value of industrial and agricultural production in this 10 years, but in the second 10 years of this period, the annual growth rate will be above 7.2 percent and total industrial and agricultural output value will be quadrupled. Now it appears that it will be possible to double the growth value in the first 10 years of the period or even ahead of schedule. This is because the total industrial and agricultural output value this year will increase by 8 percent and may reach about 1,300 billion yuan. Taking the 1980 industrial and agricultural output value totaling 700 billion yuan as the base figure, there would be 1,400 billion yuan if it were doubled. Now there are 4 years left but it is only about 100 billion yuan short.

That is why we say that we may double the gross output value ahead of schedule. Of course, we should not blindly pursue a higher rate of development. What I mean is that if we do not commit any serious mistakes, it is sure that we will be able to attain the strategic objective set by the 12th National CPC Congress.

Second, the situation over the past year has shown that the measures we adopted to gradually mitigate the contradictions that emerged in our economic development sometime in the past by strengthening control of macroeconomic activities are quite suitable. The whole economic situation is changing from strain to relaxation. However, viewing the country as a whole, the investment in fixed assets is a bit excessive and consumption funds have increased considerably. Controls have been somewhat tightened, but the problem has not been solved properly. Last year the national price index was kept under about 9 percent, but the rate of price increases in major cities was a bit higher than this figure and the masses have a lot of complaints about this. Instability in our economic life remains and general social demand exceeds general supply. This situation may get worse, if there is the slightest imprudence. In controlling the money supply, it has often been found that things are done rigidly regardless of the actual conditions. Our economy can hardly develop soundly without improvements in all this.

2. FOCAL POINTS OF THIS YEAR'S ECONOMIC WORK. At a plenary session of the State Council and the national planning and economic work conference held a few days ago, Comrade Ziyang delivered an important speech on this year's economic work. He pointed out that the guiding ideology of this year's economic work is as follows: We should maintain and develop the good tendencies in the current economic work and make continuous efforts to remove instability from economic life. In further relaxing controls over microeconomic activities, we should further strengthen and improve macroeconomic control, and we should not only control general social demands but also improve general social supplies. Meanwhile, we should, on the one hand, keep the tendency of attaining an excessively high rate of development from returning and, on the other, maintain the proper rate by achieving better economic results. In a word, the economy should develop steadily, and this year we should focus on improving management, efficiency, and product quality. In line with this guiding ideology, the original plans for increasing the industrial and agricultural total output value by 8 percent this year will not change. According to an estimate made by the departments concerned, provided we do a good job, the gross output value is forecast to rise by 10 percent, and the industrial growth figures may be 10 to 12 percent. This growth rate will still be fairly high, but it would be beneficial for us, because it can avoid some new problems which might arise due to a drastic decline in economic growth. We should pay special attention to the following points in this year's economic work:

First, effectively control the scale of investment in fixed assets and readjust the investment structure. This is the key to maintaining steady economic development. The general scale of investment in fixed assets this year should, by and large, be kept at the level of last year, the investment structure should be readjusted, and projects under construction should be put in order so as to ensure the completion of the key projects in energy, transport, and raw and semifinished materials industries and projects that can earn foreign exchange through exports.

Second, control the swelling of consumption funds. The increase in consumption funds in the past few years was quicker than the expansion of production and the increase in the people's incomes. This situation should not exist for long. The actual state of our country is marked by high employment but low efficiency, and we, therefore, have to apply the low-pay system. This year we should make continuous efforts to control the scale of investment in consumption funds. At present, different trades and enterprises are competing with each other for increasing wages and welfare funds, and this practice is also found between enterprises and institutions. While conducting political and ideological work in earnest, we should adopt corresponding measures. Not only should we oppose egalitarianism in distribution, but we should also alleviate the great disparity in people's incomes.

Third, improve agricultural production. Adhering to the principle of promoting diversification of the rural economy without allowing grain production to fall off, we must further readjust the structure of agricultural production and stress production of such nonstaples as vegetables, meat, poultry, and eggs. We must exercise control over town enterprises in rural areas and render support to major projects.

Fourth, we must make further efforts to revitalize production and increase production of readily marketable goods so as to satisfy market demands and the export needs.

Fifth, promote foreign trade and exports. To achieve this, we must deal with three problems: 1) Work out a series of policies which can arouse the enthusiasm of enterprises and workers for increasing the output of export goods; 2) establish integrated industry-trading and agriculture-trading enterprises in various forms; and 3) departments in charge of foreign trade should shift the focus of work to promote sales in world markets instead of purchasing farm and sideline produce at home.

3. ARRANGEMENTS FOR REFORM OF THE ECONOMIC STRUCTURE

Last year we made a big stride forward in reform of economic structure in the urban and rural areas, and this year we should put reform on a sound basis and should not advance any ambitious plans. In following the principle of consolidation, digestion, replenishment, and improvement, we must discard the disadvantages and select the advantages and make efforts to solve some outstanding problems. At the same time, we must make preparations for taking major steps in carrying out reform in 1987 and 1988. Our tentative ideas are as follows:

No drastic measures will be adopted this year for reform of the price system. We will try as far as possible to keep the prices of vegetables and nonstaples stable. A two-track system will be applied to the prices of steel products; those listed in the state plan will be supplied at government prices and those not listed in the state plan will be subject to regulation through the market within a maximum price limit.

With regard to wage reform, we must solve some major problems left over in government offices and institutions in the execution of wage reform last year and the problem concerning the introduction of the system in which people are employed according to the titles of their technical and professional posts. This year enterprises should take some coordinating measures for wage reform and work out plans for reform in the days to come. In the policy of distribution, we have to solve two problems: one is the unequal benefits and burdens among social members and the other is the great disparity in incomes between different trades as well as between different enterprises as a result of differences in external conditions. The basic principles for solving the problem are: First, we must adhere to the principle of distribution according to work and must not practice egalitarianism any longer; second, there should not be a great disparity in incomes, as it may lead to social problems.

We must further stimulate large and medium-sized enterprises. The vitality of enterprises in urban areas is a matter of vital importance to our economy as a whole and to the realization of the objective of quadrupling the gross annual value of industrial and agricultural production by the end of this century, which was set at the 12th National CPC Congress. Invigoration of enterprises, especially large and medium-sized enterprises owned by the whole people, is the key link in restructuring the national economy as a whole with a focus on urban economy. This year we must make further efforts to solve the problem by reducing regulatory taxes, increasing depreciation funds, and minimizing intermediate links so that enterprises will be able to really exercise the decision-making power delegated to them. At the same time, we should improve and perfect the economic responsibility system within enterprises so that large and medium-sized enterprises will be able to develop through their own strength.

Special attention must be paid to developing economic alliances transcending regions and departments. On the basis of delegated decison-making power, enterprises, in order to meet the needs of production and circulation, should smash the obstacles between regions and departments to strengthen horizontal ties between themselves and rationalize their structure. This effort should be supported by policies and guaranteed by law. Meanwhile, we will establish on a trial basis some new types of integrated agriculture-industry-commerce, agriculture-commerce or industry-commerce enterprises and create some new commercial channels and forms.

While further relaxing controls over microeconomic activities this year, we must continue to tighten macroeconomic control and particularly improve macroeconomic control. We will tighten controls but will not do things rigidly. We should control the general scale of capital construction and the total amount of credit and, at the same time, we should start the capital construction projects that we should start, grant loans to those to whom they should be granted, and curb credit where it should be curbed so as to improve investment patterns and economic results.

The policy of "consolidation, digestion, replenishment, and improvement" is positive not passive; it is realistic and in line with the actual state of our economic reform. Last year we took major steps in reform of the price and wage systems. Generally speaking, reform was successful. However, we still have something to do in straightening out the price system and perfecting the wage system. The adoption of the policy of "consolidation, digestion, replenishment, and improvement" and discarding the disadvantages and selecting the advantages itself represents a step forward. Things always advance in waves and in spirals, not in straight lines.

II. Build Spiritual Civilization and Improve Party Conduct

While striving for a high level of material civilization, we must strive to build a high level of socialist spiritual civilization. This is a strategic principle for building socialism. The history of socialism and the present situation in China both tell us that the success or failure of socialism depends on whether or not we adhere to this principle.

At the National Conference of Party Delegates, Comrade Xiaoping pointed out: "At present, in building spiritual civilization we must first concentrate on bringing about a fundamental improvement in party conduct and in general social conduct," and "the improvement of party conduct is the key to improving general social conduct." In the spirit of Comrade Xiaoping's instruction, the first party Secretariat meeting held after the National Conference of Party Delegates decided: While formulating major policies and principles for economic work, from now on, the central Secretariat should concentrate more effort on strengthening political and ideological work and bringing about a basic improvement in party conduct and general social conduct.

In promoting the building of spiritual civilization, the Central Committee follows the guiding ideology that we should not wait until documents are issued to begin, but we should, on one hand, prepare documents, and on the other, start work on this aspect in a down-to-earth manner. Through new experiences gained in practice, we can prepare documents better. To this end, the Secretariat has adopted the following measures:

1. STRENGTHEN EDUCATION ON THE SITUATION AND POLICIES. Having a correct understanding and analysis of the situation provides the scientific basis for making policies and seeking unity and thinking and action under the guidance of the party's line, principles, and policies. When things are increasingly improving, why should we stress education in the situation and policies? This is because as the situation improves, we are apt to be unrealistically optimistic and ignore veiled problems .

Experience teaches us that when a good situation arises, we would go wrong and commit mistakes while on the other hand, this good situation would bring shortcomings and lessons. We must have a correct understanding of these nonessentials. The situation with which we are now confronted is much the same as that mentioned above. At present, the general situation is very good, but new problems are cropping up one after another and the people bitterly complain of arbitrary price hikes, the network of relationships, and other unhealthy tendencies. We are now reforming the economic structure in an all-round way. In a certain sense, this is the practice of readjusting power and interests to some extend, consequently people's thoughts, understanding, and concepts should also change. Reform needs a course of exploration and people's understanding of reform cannot attain the same level. As a result, intricate and complex contradictions certainly appear. Under such circumstances, education on the situation and policies becomes more important.

At a certain time after the National Conference of Party Delegates last year, a small number of unversity students put up big-character posters and took to the streets and demonstrated. One of the weighty reasons attributed to the events was a lack of understanding of the good situation, reform, and the policy of opening up to the world and invigorating the domestic market. The demonstrations, staged by a small number of students, revealed the fact that our political and ideological work is weak and incompatible with the new situation. The countermeasures we adopted were to explain things to the students and educate them, the principal leading cadres personally went to the universities and colleges to meet the students, chatted with them, and answered their questions. In so doing, results were good and the tumult quickly subsided. Thanks to the correct policies and principles adopted by the central authorities, bad things have been turned into good things and the students were reeducated about the party's policy of opening up to the world and invigorating the domestic economy extensively and thoroughly. In carrying out the reeducation, we tried our best to clear up doubts and suspicions among the students and shot the arrow at the target; ideological education was conducted in accordance with their special characteristics and was persuasive. From now on, we should conduct education in the situation and policies as a regular practice. Some time ago, we mainly conducted education in sectors; now we must develop it in depth and carry it out among all cadres, workers, and other employees as well as intellectuals by reviewing our experience in the 10 years after the smashing of the "gang of four" and getting a clear understanding of the current good situation. We must seek unity of thought so as to step up reform.

2. PAY SPECIAL ATTENTION TO PARTY CONDUCT. With regard to the basic situation in this aspect and the central principles, policies, demands, and arrangements, Comrades Yaobang, Shangkun, and Zhaoguo put them very clearly at the recent meeting of cadres from central organizations, and all of you have studied them. Now I would like to propose two new requirements for you: first, you should set an example; and second, you should help to improve party conduct in the offices, areas, and units of which you are in charge.

In improving party conduct, we should not agree only in words. On the one hand, we should do solid work and on the other, we should not be softhearted. All lawbreakers must be dealt with according to the law, being jailed or executed by shooting as the case may be. We must execute one as a warning to a hundred and redeem a number of cadres. We must pay special attention to major and important cases regardless of who is involved, whether children of senior cadres, or senior cadres themselves, or else eminent persons. We must investigate and handle these cases without delay and grasp typical cases. As long as this is achieved, small potatoes can be dealt with easily.

Improving party conduct and social conduct at large is a long-term task. We will launch no political campaigns, but we must persevere with the task and "take action in earnest."

While working for economic construction, we must improve our legal system, including party discipline and state law. We must uphold the people's democratic dictatorship. Without it, it would be impossible for us to maintain political stability and unity and build socialist modernization. If there is no good party conduct or general social conduct, we can hardly ensure the unimpeded progress of our reforms and the development of the productive forces will be hampered.

3. STRAIGHTEN OUT GUIDELINES FOR THE IDEOLOGICAL, CULTURAL, AND THEORETICAL FRONTS. The principal aim of building spiritual civilization is to provide the broad masses of the people with rich and high-quality mental nourishment. In recent years' comrades working on the ideological, cultural, and theoretical fronts have been hard-working and have made outstanding accomplishments, thus making positive contributions to the building of socialist civilization. However, there also appeared some sub-standard products with bad artistic style, or even some poisonous products of bad taste with vulgar and obscene content. Films, television programs, broadcasts, newspapers, and books are widely distributed among millions and millions of people and directly affect their thinking, moral character, and mental outlook. To strengthen the building of spiritual civilization, we must therefore spare no efforts to improve production of mental products and strengthen the work of propaganda departments.

Since the fourth quarter of last year, the CPC Central Committee Secretariat has listened to work reports made separately by the departments in charge of broadcasting, television, film, publishing and the protection of cultural relics as well as the Academy of Social Sciences, and studied and solved their problems one by one. As a result, some departments have been reorganized and some leading bodies readjusted. Meanwhile, some principles have been made clearer than before and the ranks of cadres have been reinforced. We are also ready to listen to work reports from the departments in charge of literature and arts, the press, education, science and technology, and posts and telecommunications. The CPC Central Committee calls on all departments and units in charge of production of mental products and propaganda work to straighten out their guiding ideology, understand well their position and role in the building of socialist spiritual civilization, raise the political and professional quality of their cadres, strengthen and improve party leadership, and produce more and better mental products so as to make greater contributions to the building of the two civilizations.

Departments and units producing mental products should uphold the four cardinal principles and the principles of serving the people and give top priority to social benefit. Good mental products are loved by the people and also yield good economic results. Under the socialist system, social benefit and economic results are consistent with each other and do not conflict with each other. We must achieve better economic results, while attaching importance to social benefit.

Comrades engaged in production of mental products and propaganda work should pay attention to their own political and ideological progress.

4. IMPROVE POLITICAL AND LEGAL WORK. Our political and legal front is very important. The strengthening of our socialist state apparatus and the stability of our socialist society mainly depend on the efficiency of our political and legal work.

The functions of political and legal departments must change along with the development of the situation. First, departments of public security the procuratorate, and the judiciary must protect the life and property as well as legitimate rights and interests of the people; second, they must strike at the very few criminals who jeopardize public security and must check all crimes.

In the new historical period, political and legal work should strive to meet the needs of the four modernizations and serve the building of the two socialist civilizations, the policy of opening to the world, and our reform measures.

The objective of our political and legal work is to build our country into one which enjoys the best public security in the world. This objective we can certainly achieve, though it will take many years to do so.

This year, a national political and legal work conference is planned for after the Spring Festival in order to make arrangements for the third offensive campaign against economic criminals.

III. The Question of Integrating Theory With Practice

Integrating the basic tenets of Marxism with the legal state of the four modernizations and increasing the ability to apply Marxism to the solution of practical problems are a matter of prime importance for leadership work. We need correct theoretical guidance in building both material and spiritual civilization. At the National Conference of Party Delegates last year, Comrade Xiaoping once again called on cadres at various levels, and particularly leading cadres, to study Marxist theory. This is because Marxist theory is not dogma, but a guide to action. It calls on people to proceed from its basic principles and methodology and apply them to the changing conditions to devise solutions to new problems. In the spirit of the speeches by Comrade Xiaoping and Comrade Yaobang, this year we must make great efforts to study and apply Marxist theory and blaze new trails in this aspect so that the Marxist theoretical level of our party, and especially of senior and middle-ranking cadres, will reach new heights.

To achieve it, I think there are three points for you to consider:

1. UNDERSTAND WELL THE IMPORTANCE OF RAISING THE LEVEL OF MARXIST THEORY. What is the criterion of assessing the level of Marxist theory? In his speech delivered at the opening of the CPC Central Committee Party School on 1 February 1942, which is known as the article entitled "Rectify the Party Style of Work," Comrade Mao Zedong pointed out: "It is necessary to master Marxist theory and apply it, master it solely for the purpose of applying it. If you can apply the Marxist-Leninist viewpoint in elucidating one or two practical problems, you should be commended and credited with some achievement. The more problems you can elucidate and the more comprehensively and profoundly you can do so, the greater will be your achievement. Our party school should also lay down a rule to grade students as good or poor according to how they look at China's problems after they have studied Marxism-Leninism, according to whether or not they see problems clearly and whether or not they see them at all." It can thus be seen that to raise our Marxist theory level, we must read books, and what is more important is that we must know how to apply it and know well how to answer and tackle problems arising from the Chinese revolution and economic construction. In combining the basic tenets of Marxism with the actual conditions in China, we must concentrate our efforts on integrating theory with practice.

Experience has repeatedly taught us that whenever we successfully combined the basic tenets of Marxism with the Chinese revolution and economic construction, we made progress in our revolution and construction; otherwise, we committed errors, and our revolution and construction suffered setbacks. At present, the tasks of restructuring the economy and building the two civilizations are very hard. New conditions and problems are emerging one after another, with many problems we have never approached or heard before, but this only increases the need for us to raise our Marxist theory level so as to approach and tackle the new problems arising under new historical conditions.

This provides an important guarantee and basic measure for the building of the two civilizations. Without the guidance of the basic tenets and methodology of Marxism, our action will have nothing to go by, our thinking will waver, our action will become blind, and our modernization drive and reform will deviate from the correct path.

2. TAKING A SCIENTIFIC ATTITUDE TOWARD MARXISM. In reviewing the development of Marxism, we can find that all staunch Marxists usually matured during the low tide of revolution and in adverse circumstances. Lenin and Comrade Mao Zedong did so, as did our Comrade Xiaoping, who upheld and developed Mao Zedong Thought through the adversity of the 10 years of turmoil and finally led the whole party to create a new situation. All of them are especially noted for their ability to adhere to the basis tenets of Marxism under the most complicated situations and to negate certain outdated Marxist theses and tenets in order to meet the needs of the times. To adhere to the basic tenets of Marxism, to discard certain outdated tenets or those which have been proven not positively correct through practice and replace them with new tenets, and to enrich and develop Marxism with experiences gained in the new times and the new historical period and push it forward -- this is the way to take a scientific attitude toward Marxism. On this point, Lenin made a brilliant analysis: "We should in no case regard Marxist theory as an immutable and inviolable thing. Quite to the contrary, we firmly believe that it only provides a foundation for a science. If socialists are unwilling to lag behind actual life, they should push forward the science from various aspects."

If we agree with this viewpoint, then, our theorists, no matter whether they are old or young and no matter whether they work for the party's departments of theoretical work or social science research instituties, should all stick to the basic orientation for theoretical work. This means that they should integrate theory with practice. In other words, they should apply the Marxist stands, viewpoints, and methods to study China's problems, and especially the problems concerning our socialist modernization as well as world affairs. These are cardinal principles for theoretical work.

If we agree with this viewpoint, then we must recognize that the line, principles, and policies formulated after the 3d Plenary Session of the 11th CPC Central Committee are Marxist in nature and the important documents drawn up by the party Central Committee are included in the category of Marxist theory. This is because they have scientifically summed up experiences gained in the socialist revolution and construction since the founding of the republic and they are a scientific crystallization of combining the basic tenets of Marxism with actual conditions in China, thus adding new wealth to the treasure house of Marxism.

If we agree with this viewpoint, then all militant Marxists must resolutely criticize the ideological trend of censuring, doubting, and attacking Marxism, defend the basic tenets of Marxism and usher in a new tide of Marxist development.

Processing from such requirements, how should we appraise the present state of our ranks of theoretical workers and our theoretical work? First, we have had a sizable contingent of theoretical workers, including Marxist theoretical workers outside the party as well as a number of younger theoretical workers inside and outside the party. They are a very valuable treasure. Second, the political quality of most comrades in the contingent is good. Many comrades have fought for the victory of our cause for decades, sharing a common fate with the party, and they are considerably combat-worthy. Third, over the past few years, much has been done and marked success has been scored on the fronts of economics, history, politics, and law. However, there are a lot of deficiencies in our ranks of theoretical workers, which is incompatible with practical activities and cannot meet the demands and expectations of vast numbers of cadres and the masses.

Here once again I quote Comrade Mao Zedong: "Generally speaking, our theory cannot as yet keep pace with our revolutionary practice, let alone lead the way as it should. We have not yet raised our rich and varied practice to the proper theoretical plane." It must be noted that if comrades engaged in theoretical work are cold toward and not interested in actual conditions in China today, and if they evade problems of immediate significance and turn a deaf ear to anti-Marxist remarks, then their stand is not Marxist. Now we must encourage people to create a firm and unwavering belief in Marxism.

3. THE CENTRAL PARTY SCHOOL SHOULD MAKE GREATER CONTRIBUTIONS TO ENHANCING THE LEVEL OF MARXIST THEORY IN THE WHOLE PARTY. The central party school is an important place for our party to train party and government leading cadres and the backbone of the theoretical contingents, and also an important organ of our party's theoretical work. In the new historical period, the party has entrusted to the Central Party School glorious and important tasks. In order to fulfill the important historical mission imposed by the party, all those working at the Central Party School should take the lead in integrating theory with practice, striving for greater unity and serving the people wholeheartedly, and rectifying the style of study, of party relations, and of writing. The party Central Committee has called on central organizations to set an example for the nation. I think the Central Party School should encourage all teachers to set an example for their students. The aim of the proposal is to intensively educate and nurture all comrades studying in this party's institute of higher learning in the spirit of the party's basic work style so that their days in the school will be memorable all their lives. Of course, improving the party's work style, study, and writing is a matter for the whole party, not merely for the party school and its students. What I mean is that the party school should take the lead.

Comrades, your study at the party school has come to an end, but your task of studying Marxism is yet to be fulfilled. The party school is a classroom for studying Marxism, but the execution of reform and the fiery struggle for the four modernization are also a classroom for studying Marxism, and a larger classroom. Now you will soon be leaving the party school; you should take your graduation from the school as stepping from a small classroom to a large one. I hope all of you will compete with each other and see who will study better and achieve greater success in the larger classroom. In conclusion, I wish you good health and good work.

SIXTH NPC MEETING ACTIVITIES CONTINUE

Lateral Economic Ties Discussed

OW011400 Beijing XINHUA Domestic Service in Chinese 0851 GMT 31 Mar 86

[Article by XINHUA reporters Li Anding and Ge Daxing: "Follow the Major Trend of Establishing Association -- NPC Deputies Talk About Lateral Economic Ties"]

[Excerpts] Beijing, 31 Mar (XINHUA) -- Lateral economic association, which is centered on enlivening enterprises, is becoming a powerful motive force, giving impetus to comprehensive reform of the economic structure and national economic development. In reviewing the achievements of the "Sixth 5-Year Plan" and looking into the prospects of the "Seventh 5-Year Plan" during their examination and discussions of Premier Zhao Ziyang's report on the draft Seventh 5-Year Plan, none of the deputies attending the Fourth Session of the Sixth NPC has failed to focus his attention on this innovative activity which has brought such profound changes in our country's economic life.

Leap Onto a New Level of Lateral Association

The draft "Seventh 5-Year" Plan has mapped out separate plans for the economic development of the three economic regions in the eastern, central, and western parts of our country's mainland, with the demand that they bring into full play their respective advantages, develop lateral economic ties with each other, and gradually establish a network of economic zones with major cities as centers, displaying their respective characteristics at various levels and on various scales. Judging from the remarks of the deputies, it is obvious that lateral economic association in our country has been "escalating" from association and cooperation among enterprises to large-scale regional association at higher levels.

Qian Min, NPC deputy and deputy director of the State Council's Office for Readjustment and Reform of Third-Front [san xian 0005 4848] Construction, stated that lateral economic association is becoming a lively way for economic and technological cooperation between the first front [yi xian 0001 4848] and the third front in our country's eastern and western sectors. The third front concerns the nearly 2,000 military industrial, energy, raw materials, transport enterprises, and installations established by the country in the central and western areas over the past 30 years with a total investment of over 200 billion yuan. Mechanical processing capability of the third-front area alone accounted for about 60 percent of such capability in the whole country. However, for historical reasons and because of the difference in natural geographical conditions, there has been a great difference in the level of development between the first front and the third front. Although coastal areas have higher scientific and technological levels, relatively better development of commodity economy, convenient transport, and readily available information, they suffer from a lack of resources. Although interior provinces and regions have abundant resources and better equipment for their new enterprises, their transport is inconvenient, information is not readily available, and management levels are relatively low. Therefore, if the first and third fronts can cooperate closely and learn from each other's strong points to make up for their shortcomings, they could enable our country's economy to develop more rapidly.

A Major Premise for Bringing About Prosperous Commodity Economy

Lateral economic association is a product of reform, and reflects an objective demand in the development of socialist commodity economy. This was the view of Xiao Yang, mayor of Chongqing City and NPC deputy. Xiao Yang maintained: The development of rural commodity production, the further enlivening of production, circulation, and enterprises in cities, and the economic structure in urban centers which have carried out the policy of opening to the outside world have brought a further expansion of the role of market mechanism in the economy. All these reforms will enable enterprises to break through regional and departmental limitations and organize the most rational form of commodity production and circulation based on the principle of voluntarism and mutual profit, thereby gradually realizing a high degree of socialization and modernization of production aimed at achieving the greatest consolidated economic results. Thus, our reform will be carried out better and better in the correct direction, and our country will become more and more prosperous with each passing day.

Plan Discussion Ends

OW011542 Beijing XINHUA in English 1517 GMT 1 Apr 86

[Text] Beijing, April 1 (XINHUA) -- China's economic growth rate during the 1986-90 period, and its economic and administrative restructuring were among the highlights of the panel discussions of the current National People's Congress session.

Other highlights involved China's policy of opening to the rest of the world, agriculture, science, technology and education.

About 2,800 NPC deputies began deliberating Premier Zhao Ziyang's report on the country's draft Seventh Five-Year Plan March 26. The 57-page report, in the Han (Chinese), Mongolian, Tibetan, Uygur, Kazak, Korean and Yi languages, was distributed to the deputies when the NPC annual session opened March 25. The opinions and proposals of the deputies were collected by 31 delegations and then transferred to the State Council via the NPC session Secretariat.

Meanwhile, 1,600 members of the Chinese People's Political Consultative Conference, who are attending the organization's annual session, also broke into panel discussions of Zhao's report and the draft.

Many deputies described as "realistic and practical" the projection of an annual average increase of 6.7 percent in the combined value of industrial and agricultural output set in the draft plan. Some local leaders voiced the view that localities should not continue to pursue excessive growth rate out of their own interests. At the same time, they said, the growth rate should not be exactly the same for all areas. The underdeveloped areas, for instance, should be permitted to achieve a higher rate, they urged.

A Tianjin deputy said that over the past five years, the economic growth rate had greatly exceeded the 4-5 per cent rate set by the Sixth Five-Year Plan. In the next five years, he stressed, the fixed growth rate should be (?closely) followed to keep the credibility of the state plan. A deputy from Shanxi Province complained about the race for higher economic growth and larger capital construction in some places and called for strict control of the problem by the State Council and effective supervision of banks. Deputies from the mainly agricultural provinces like Jiangsu, Anhui, Shandong, Hunan, Hubei and Jilin warned of over-optimism about agricultural achievements. "Grain output must not be overlooked at any time and under whatever circumstances," they said. They called for full attention to be paid to the following problems: use of land for capital construction, the increase in illiteracy, lack of agro-technicians and neglect of farm machinery and water conservancy works. Deputies from Hubei Province asked that a law on land be promulgated as soon as possible so as to stop indiscreet use of land. Deputies from Hebei suggested that the state promote the production of fertilizers, composite feeder, pesticide, and plastics; rural education and services directed at farming be strengthened; and suitable farming machines be produced to quicken the pace of agricultural modernization.

Deputies agreed that the tasks set by Premier Zhao for economic restructuring over the next five years were "positive and careful." Those from the major industrial cities of Shanghai, Tianjin, Chongqing and Shenyang discussed ways to invigorate enterprises, particularly major state-run ones. Enterprises will become even more vigorous and assume greater responsibility, with the expansion of cooperation among them, bigger decision-making powers and a higher degree of responsibility for their profits and losses, they agreed. In this new situation, one said, the existence and development of an enterprise, and the improvement of the material interests of its employees will depend all the more on the enterprise's management and operation standards. "This is indeed a rigorous challenge for all business executives," he noted.

Deputies from across the country pledged to support the government in carrying through the policy of opening to the outside world. Some expressed the opinion that it is imperative to emphasize protecting and aiding national industry while pursuing the open policy. They proposed that this should be inserted into Premier Zhao's report.

Deputies from Beijing, China's cultural center, showed a particular interest in education. Many of them viewed that although the state budget for education during the five-year plan period will rise by 72 percent over the previous five years to reach 116.6 billion yuan, the funds for the improvement of educational facilities are still not enough, for half the budgeted funds will be used to raise teachers' wages. Qiu Weifan, a professor at the Beijing Agricultural University, said that at least 1.6 billion yuan will be needed to improve the basic facilities for the country's primary and middle schools, but the state has budgeted only one billion yuan for this purpose. He suggested that the prices of cigarettes and liquor be raised by one percent or two so as to raise about 700 million yuan for education.

Deputies from Liaoning and Hebei Provinces and the Guangxi Zhang Autonomous Region urged that the streamlining of the government organs be implemented in tandem with the economic structural reforms. Although a lot of noise has been made about streamlining government organs over the past few years, they claimed, the number of offices remains virtually the same and they are mostly over-staffed. There should be clearly-defined purposes and deadlines for the streamlining of government organs, said deputies from Hebei Province. They held that it is quite possible to trim one-third to a half of the present government staff.

Also, many deputies suggested that "regulations for public servants" be formulated and an inspection body for administrative disciplines be established.

Tomorrow NPC deputies will begin to examine three draft laws.

Draft Law Session Convened

OW020154 Beijing XINHUA in English 0146 GMT 2 Apr 86

[Text] Beijing, April 2 (XINHUA) -- Some 2,700 deputies to China's National People's Congress (NPC) gathered here this morning to hear explanations of three draft laws following six days' deliberation of China's draft Seventh Five-Year Plan. The draft laws submitted today to the NPC annual session for examination are the general princples of civil code, which provide norms for China's civil acts, a law on nine-year compulsory education, and another concerning enterprises with exclusive foreign investment in China.

The deputies also heard a report on the work of the NPC Standing Committee in the past year.

They are scheduled to break into groups to deliberate the three draft laws this afternoon.

A delegation from the Moroccan Chamber of Representatives led by President Ahmed Osman attended today's NPC plenary meeting as guests.

Civil Code Deliberated

OW020236 Beijing XINHUA in English 0216 GMT 2 Apr 86

[Text] Beijing, April 2 (XINHUA) -- A new law protecting the legitimate rights and interests of citizens and businesses in their inter-relations was submitted today to the present National People's Congress (NPC) session for deliberation and approval. Wang Hanbin, secretary general of the NPC Standing Committee, gave an explanation of the draft general principles of the civil code to the plenary session here this morning. Wang, who is also director of the Legislative Affairs Commission of the NPC Standing Committee, said the general principles have been formulated in line with China's socialist principles, and reflect characteristics of the country's socialist economy.

New experiences gained during the economic reform, the implementation of the policy of opening to the outside world and enlivening the domestic economy have been taken into consideration in formulating the commonly observed rules governing civil acts. The characteristics include China's planned commodity economy, development of lateral economic links, expansion of the decision-making powers of state-owned enterprises, contracting of businesses by collectives or individuals on the basis of the socialist public ownership, and individual businesses which are a supplement to the socialist economy, Wang said.

The civil code is drawn up mainly to adjust the relations between citizens and businesses in their civil acts, the secretary general added. Citizens' rights to reputation, portrait [as received], health and life as well as the businesses' rights to title and reputation are protected by both the criminal and civil codes. The establishment of the legal person system is significant to China's economic restructuring and the implementation of the policy of opening to the outside world. This status will be granted to Chinese enterprises, both state-owned and collectively-owned, as well as to Sino-foreign joint ventures, Sino-foreign co-operative enterprises and wholly foreign-financed enterprises in China if they meet the requirements called for and go through the necessary registration formalities, Wang noted.

The general principles provide stipulations governing the healthy association of institutions and enterprises in various forms. The code provides legal protection of the legitimate rights and interests for the country's 10 million households engaged in industrial and commercial undertakings, while defining their economic liabilities to ensure their healthy development.

According to the principles, Wang Hanbin said, government institutions and functionaries will be liable for causing damage by infringing upon the legitimate rights and interests of citizens and businesses in the course of performing their duties. Manufacturers and sellers of inferior products will also have civil liabilities if their products cause damage to property or persons.

The general principles also contain provisions governing the application of laws in handling issues involving foreigners.

China began to draft a civil code in the 1950s. The draft general principles were based on the fourth civil code draft prepared in 1982 -- the work of the joint efforts of the Civil Affairs Commission under the NPC Standing Committee, the Supreme People's Court and law experts nationwide, Wang said. The public was consulted, and several revisions made.

Foreign Enterprises Law Viewed

OW020244 Beijing XINHUA in English 0228 GMT 2 Apr 86

[Text] Beijing, April 2 (XINHUA) -- A draft law which aims at expanding China's foreign economic cooperation and technical exchanges, and attracting overseas investment was submitted to the on-going session of the National People's Congress (NPC) for deliberation here today. The draft dealing with the wholly foreign owned enterprises has 23 articles, covering their legal person qualifications, operations, supply of raw materials, and foreign exchange balance. Such enterprises with exclusive foreign investment are those established in China by foreign investors (foreign firms and other economic entities or individuals) with entirely their own capital in accordance with the present law. But this does not include the affiliates of foreign firms and other economic entities in China. The People's Republic of China permits foreign investors to set up their enterprises in China and protect their legitimate rights and interests. Such enterprises set up in China must be conducive to developing the country's national economy, according to the draft provisions. They should use advanced technology and equipment, and they should sell all or most of their products outside China.

The foreign-funded enterprises may remit abroad their legitimate profits and other lawful earnings, as well as the funds left over after the business is liquidated or transferred. Foreign employees of such enterprises may remit home their wages and other legitimate earnings after paying their income taxes in accordance with relevant Chinese laws. Enterprises with 100 percent foreign investment shall pay taxes in according with the provisions of relevant Chinese laws. They may apply for preferential treatment, such as tax reduction or exemption.

The draft requires the entirely foreign-funded enterprises to keep up-to-date account books in China, conduct independent accounting and, in conformity with relevant regulations, submit their fiscal reports and statements to Chinese financial and tax authorities for supervision.

The foreign investor should apply for the operation term of such an enterprise and get the approval of the Chinese authorities in charge of examination and approval. The investor should apply for extension of the term of the enterprise 180 days ahead of time when the enterprise term expires.

While offering legal protection for their lawful rights and interests in China, the draft requires these foreign-funded enterprises to abide by Chinese laws and decrees, and they must in no way do harm to the public interests of the Chinese society.

The draft also includes provisions on employing Chinese workers by such foreign enterprises and establishment of trade union organizations in such enterprises.

Zheng Tuobin Speaks

OW020304 Beijing XINHUA in English 0245 GMT 2 Apr 86

[Text] Beijing, April 2 (XINHUA) -- The formulation of the law on enterprises established in China exclusively with foreign capital shall protect the lawful rights and interests of foreign investors, and provide a legal basis for their activity within China, a senior economic official said here today.

Zheng Tuobin, minister of foreign economic relations and trade, on behalf of the State Council, explained the draft at the current session of the National People's Congress. He said that it will also facilitate the efforts of the Chinese Government to control and supervise those enterprises. He told the session that the establishment of enterprises with exclusive foreign capital is a "suitable form" of import of foreign funds and technology. China uses direct foreign investment through three forms: establishment of Sino-foreign joint ventures, cooperative businesses and enterprises with exclusive foreign capital, according to Zheng. The country had 2,300 Sino-foreign joint ventures, 3,700 cooperative businesses and 120 foreign-funded enterprises by the end of 1985, he said.

China has enacted a series of laws and decrees on Sino-foreign joint ventures. But, it is urgent to formulate a law on foreign-funded enterprises as there is at present no legal basis for handling issues involving these enterprises. Talking about the duration of operation of foreign-funded enterprises, he said that as development of the national economy has different priorities at different stages and the feasibility study of a foreign-funded enterprise will become invalid after a certain period of time, it is necessary for the foreign-funded enterprises to apply for and secure approval of their operational duration. Such enterprises may apply for extension of operational period when the previous term expires. The draft is flexible on this question, he said.

Zheng said that, in tandem with the ongoing policy of opening to the outside world, the legal rights and interests of foreign investors must be protected according to law, so as to attract more foreign investment and promote the development of China's national economy. Zheng Tuobin elaborated on the provision that a foreign-funded enterprise may apply for preferential treatment for reduction of taxes or exemption from them in accordance with the provisions of Chinese law. Zheng said that the relevant provisions are contained in the income tax law of foreign enterprises, provisional regulations of the State Council concerning the reduction of and exemption from the enterprise income tax and the unified industrial and commercial tax for the special economic zones and the 14 coastal port cities as well as other relevant tax provisions. The detailed regulations for implementation of the law are being drafted by the Ministry of Foreign Economic Relations and Trade. The regulations will be implemented after approval by the State Council, he said.

Li Peng on Education Law

OW021000 Beijing XINHUA in English 0947 GMT 2 Apr 86

[Text] Beijing, April 2 (XINHUA) -- Vice Premier Li Peng today introduced a draft law to require most Chinese children to attend school for nine years. Li Peng, who is also minister of the State Education Commission, said he was representing China's highest governing body, the State Council in his call to deputies to the ongoing National People's Council [as received] here to support the 18-article draft at today's meeting. "With unremitting efforts," he said, "we can expect most school-age children to receive a nine-year education by the turn of the century."

The draft law says penalties for organizations or individuals employing children of school age will range from criticism to cancelling business licenses. It establishes three sets of compulsory education standards. Comparatively developed areas such as east China would require universal nine-year education by 1990. The most undeveloped areas in west China would seek only to popularize primary education as much as development of their economies permitted. Areas in between would require universal nine-year education by 1995.

Li said 90 percent of China's elementary school-age children are in school, compared with 20 percent 36 years ago. He said the number of junior middle schools has jumped 17 times while the number of middle school students has increased 46 times to 40 million. But, said Li, "in general, China's elementary education program is weak and cannot meet the needs of the socialist modernization drive." He said primary education has not yet been popularized in many of the country's villages. "Many school-age children, especially girls, have not completed the set schooling," according to Li. "As a result, illiterate and semi-literate people continue to be found among young people and adults." At the same time, he said, many primary and middle school teachers "are not qualified, and some classrooms are old and have been in disrepair for years." These factors have affected the quality of education, said Li.

Other methods have been tried, said the vice-premier, but legislating compulsory education "marks a new stage in Chinese education that will enhance the scientific and cultural proficiency of all Chinese." Since numerous dialects exist in China, it needs to promote the use of the common speech, Putonghua. Meanwhile, the languages of its different ethnic groups should be respected, he said. That is why the draft law requires both that schools should popularize the standard Chinese speech and that schools which enroll mainly students of minority nationalities may use the local common language in teaching, said Li.

Chen Pixian Reviews Work

OW020250 Beijing XINHUA in English 0236 GMT 2 Apr 86

[Text] Beijing, April 2 (XINHUA) -- The Standing Committee of the National People's Congress (NPC) has formulated seven laws since last April and submitted three drafts to the on-going NPC session for deliberation, according to Chen Pixian, vice-chairman of the NPC Standing Committee. When addressing the 2,800 deputies at the current NPC session here today, he said that the NPC Standing Committee has made new headway in making economic laws aimed at protecting and developing natural resources such as grasslands, fish and mineral resources. Laws governing the exist and entry of Chinese citizens and foreigners and the draft law concerning wholly foreign owned enterprises in China are designed to facilitate the implementation of China's policy of opening to the rest of the world. The other laws deal with metrology and ID card for Chinese citizens. The draft law on the 9-year compulsory education and draft of the principles of the civil code are under deliberation at the current NPC session.

The vice-chairman of the NPC Standing Committee singled out last June's decision on the composition of the Hong Kong basic law drafting committee and the addition of a basic law consultative committee in Hong Kong.

Chen said the five new economic laws have justified some important economic relations, principles on economic activities and the successful experiences of the economic restructuring.

He stressed the importance of the draft principles of the civil code in China's effort to build its legal system. Since 1979, the NPC and the NPC Standing Committee have enacted 47 laws in addition to the current Constitution. The State Council has worked out more than 400 administrative decrees and regulations as well as provisional regulations on the economic reform and the opening to the outside world. China has enacted laws in major fields, he said, but legislation in the economic field cannot meet the needs of the modernization drive and the economic restructuring. The important economic laws under consideration cover land, state industrial enterprises, customs, corporation, bankruptcy, township industries, labor, and maritime law. China is also preparing or drafting laws on government workers, copyright, technological contracts and on education, science, culture and health. As some localities did not strictly abide by law, the Standing Committee has strengthened the enforcement of the Constitution and laws. For example, some local governments transferred officials elected in counties and townships without following procedures. The NPC Standing Committee has urged those localities to correct their practices. In order to help all citizens understand the legal system, and enable them to use the laws to protect their legal rights and interests, the Standing Committee has approved the decision of the State Council to spread knowledge of the law among all citizens.

Chen Pixian on Larger Committees

OW021006 Beijing XINHUA in English 0931 GMT 2 Apr 86

[Text] Beijing, April 2 (XINHUA) -- The National People's Congress will expand its six specialized committees to include as many NPC Standing Committee members as possible, a senior official said here today. Chen Pixian, vice-chairman of the NPC Standing Committee, was speaking at a full meeting of the current NPC session. The six committees, set up two years ago, deal with ethnic minorities; law; finance and economy; education, science, culture and health; foreign affairs; and Overseas Chinese. About 80 NPC Standing Committee members now sit on these permanent committees. They all have permanent addresses in Beijing so that they are able to attend to the affairs of the specialized committees on a regular basis.

To enable more NPC Standing Committee members to join the specialized committees, Chen Pixian said, the NPC Standing Committee had proposed to the full NPC session that all the members of the NPC Standing Committee residing in Beijing should be made members of the six specialized committees. This means that another 20 Standing Committee members will join the specialized committees. The 3,000-strong National People's Congress meets annually while its Standing Committee, comprising around 150 members, usually meets every other month. The vice-chairman explained that the expansion of these specialized committees would help strengthen the efficiency of the NPC Standing Committee and ensure the continuity of its work. They had been playing an important role in helping the NPC and its Standing Committee effectively exercise their legislative powers.

Xu Dixin Outlines Reform

OW311517 Beijing XINHUA in English 1430 GMT 31 Mar 86

[Text] Beijing, March 31 (XINHUA) -- China's new economic structure should involve eight aspects, leading economist Xu Dixin said at a panel discussion of the National People's Congress here today.

"The first aspect refers to separating the ownership of state-owned enterprises from the right to use them," he told the Guangdong provincial delegation. This is aimed at turning them into real economic entities, with full authority for management and responsibility for their profits and losses. The second centers on application of the law of value and the function of market force regulation to help boost the commodity economy. "This means the state should reduce the scope of mandatory quotas while expanding that of guidance so as to achieve a balance between production and demand," he explained. The third involves a change from direct state control of state-run enterprises to indirect control. "Indirect control tools are taxes, prices, loans and credits, as well as interest rates," Xu explained, adding that education in the legislative system, administrative measures and socialist ethics are also indispensable in this regard. "The fourth marks a shift from a closed-type economy to an open-type one," Xu pointed out. Competition is inevitable in the open-type economy, he explained, but it can impel enterprises to upgrade technology and product quality. "Competition does not exist only in capitalist society," he said.

The fifth covers expansion of association among enterprises and regions. This form of association will help speed up production and commodity circulation. Such association among rural groups and individuals who have contracted land and businesses from the collectives is very likely to become a new form of cooperation, he pointed out. "In the sixth aspect, the new economic structure is aimed at tapping the productive forces," he noted. So advanced technology must be adopted, and workers must observe labor discipline and undertake production according to operational rules. "In the seventh, the new structure requires that the purpose of production is to meet demand," he said. "That is why it is wrong to seek output or output value to the neglect of quality." Xu added: "In the last aspect, it is imperative, in establishing the new structure, to take care of both immediate and long-term interests, and both interests of the part and the interests of the whole."

However, he stressed, immediate interests must be subordinated to the long-term interests, and the interests of individuals (or parts), to the interests of the whole. The smooth progress of China's reforms depends largely on the appropriate relations between various interests. "I think the new structure is based on applying cardinal Marxist principles of economics to the actual conditions of China's national economy." He went on to stress that there will be difficulty and complexity in transforming the old structure into the new. "That's why the structural reform can only be a gradual process," he pointed out. "China will possibly achieve initial successes in reforms during the Seventh Five-Year Plan Period (1986-90)," he said, "but it will take more than five years for the new structure to entirely replace the old."

Dong Furen on Economic Changes

OW010918 Beijing XINHUA in English 0734 GMT 1 Apr 86

[Text] Beijing, April 1 (XINHUA) -- For decades, 75-year-old Lu Hongping and his family had led a self-sufficient life in east China's Shandong Province, in much the same way as his ancestors had lived for centuries. One of the very few commodities he ever bought was salt from a government-run co-operative. But over the past few years, the Lus' lifestyle and workstyle -- like those of millions of other Chinese peasants -- have greatly changed.

"Now in my home village," said Lu, a deputy to China's current annual session of the National People's Congress (NPC) in Beijing, "people purchase nearly everything from the market, from steamed bread, fried bread rolls and other staple foods to clothes and shoes. They do not make these items themselves any more."

Last year, according to statistics released by the government, Chinese peasants earned 234.3 billion yuan by trading commodities and providing labor services, 150 percent more than the 1980 figure. Dong Furen, director of the Economics Research Institute under the Chinese Academy of Sciences, said: "China's economy has begun to change into a new socialist commodity economy based on public ownership." Last year, 81 percent of China's state-owned enterprises paid taxes to the state rather than hand over all their products, as was the case in the past. More than 3,000 small enterprises have been contracted or leased out to their employees. They are responsible for their own profits or losses and act as independent manufacturers and traders.

The government's policies to encourage various forms of economic operations have also pushed collectively-owned and township enterprises, the self-employed, joint ventures and foreign-financed enterprises into market competition, thus breaking the monopoly of circulation by state-owned enterprises. The turnover made by collective and individual traders and that by peasant traders last year, for instance, accounted for 36.7 and 22.4 percent respectively of the total volume of retail sales in the country. Supplies of raw materials, machinery and technology are becoming more abundant. Even the once tightly-controlled labor has begun to flow more freely to where it is needed. On the market, state-fixed prices sometimes have had to compete against fluctuating market prices of popular goods. Meanwhile, banks raised interest rates five times last year to regulate demand for funds and supply. Departments and enterprises have broken down communications and trading barriers by establishing various lateral economic links.

Dong said: "These phonemena would have been unthinkable had the traditional theory that set the commodity economy against the planned economy still dominated the scene." In the past, he said, Chinese economists had long believed that a commodity economy would inevitably lead to cut-throat competition and polarization, and eventually to capitalism. In their view, all socialist enterprises belonged to the state and, therefore, they should not behave as commodity dealers. This concept was largely due to the misunderstanding that commodity exchanges and private ownership -- phenomena coinciding historically -- were indispensably interrelated. "Actually," Dong said, "these two phenomena are products of the division of labor in society, and commodity exchanges can exist and develop in any society."

As practice has proved, a mammoth state planning system is slow in responding to market feedback and vulnerable to decision-making errors, thus leading to economic losses. Also, as raw materials and finished products are all purchased and sold by the state, enterprises lack incentives to develop production. However, Dong said, a commodity economy is not immaculate, for commodity pruducers are tempted to compete on the market to go after their own interest. Therefore, the state should step in to make long-term and overall plans to regulate economic operations in advance, and reduce possible economic losses if market forces were left to run havoc. Dong said that the government's efforts to further invigorate enterprises, expand the commodity market and control the enterprises through the use of economic levers would "create the necessary conditions for the development of a socialist commodity economy."

SIDELIGHTS FROM RECENT NPC, CPPCC MEETINGS

HK310811 Beijing ZHONGGUO XINWEN SHE in Chinese 1457 GMT 26 Mar 86

[Report: "Sidelights on NPC, CPPCC Sessions"]

[Text] Beijing, 26 Mar (ZHONGGUO XINWEN SHE) -- The Fourth Session of the Sixth NPC held its second plenary meeting this morning. After making an appointment for an interview with former Shanghai Mayor Wang Daohan, a reporter asked the former mayor where he could find Hu Lijiao, chairman of the Standing Committee of the Shanghai Municipal People's Congress. Pointing at the meeting hall, Wang Daohan said: "Comrade Lijiao is on the rostrum." Because of changes in the situation, adjustments have been made involving 12 members of the current session's presidium, of which consists of responsible members of delegations from various provinces, municipalities, and autonomous regions. No change has been made in the Shanghai municipal delegation, and Hu Lijiao remains a member of the Presidium.

When he met with Zhu Ermei, vice mayor of Ningbo City, a reporter asked about the special wharf for berthing 100,000-ton ore carriers in Beilun port under the management of the Ningbo port affairs bureau. People will remember what was happening 2 years ago when there were no ships at the wharf and the grab buckets were being operated without any ore, for fear that they might rust. Zhu Ermei smilingly said: "That is something of the past. The volume of freight handled by Ningbo port last year was 10.41 million tons; it has become one of China's big ports in terms of volume of freight handled." At this, a deputy from Shanghai joined in: "Things have really changed very fast."

At the Guangdong NPC delegation's group discussions, witty remarks made by Ren Zhongyi, Ye Xuanping, and Xu Shijie evoked roars of laughter among the deputies from time to time. Ren Zhongyi compared temporary setbacks emerging in the course of reforms to a child growing permanent teeth. He said: "As a child grows, he is bound to lose some teeth. The price paid caused by such a process may last a few days after which, a new tooth will appear. My case is different. After I have lost a tooth, no new one will ever appear." Ye Xuanping added: "Never mind. You can have an artificial tooth inserted."

"I agree with the call to strengthen macroeconomic control put forward by Premier Zhao in his report concerning the draft Seventh 5-Year Plan. It won't do if we do not exercise macroeconomic control. Of course, we must proceed from reality. Things are like fish, and some swim faster than others. If we slash at them with a sword, the heads of those which swim slowly and the tails of those which swim quickly will be cut off." This remark was made in an orderly manner by a middle-aged woman in Western style clothes at today's group discussion of NPC deputies from Jiangxi Province.

"Who is she?" a reporter asked a deputy sitting next to him in a low voice.

"Don't you know her? She is Wan Shaofen, our provincial secretary," was the reply.

The 12 episode television series "New Stars," which reflects the structural reform in a certain county in north China, had aroused the interest of Xia Meng and Xu Simin, members of the CPPCC National Committee. When they met with Xie Wenqing, vice minister of Radio, Film, and Television, they asked, "Would you mind showing us the series?"

"All right," was the reply.

Wubingya Weinqiang, a newly-elected member of the CPPCC National Committee and Buddha of Xiaocheng Buddhism, has strictly observed all canons and has never shaken hands with women. Therefore, when some female reporters, CPPCC members, and waitress try to show their respect for him by shaking hands, he feels embarrassed. According to the Buddhist canons, he is not allowed to eat beef or mutton. He is not allowed to have any meal after noon and he usually drinks some fruit juice in the afternoon. Being aware of this, waiters bring a special lunch for him in his room at 11:30 every day.

REFORM WITH DEVELOPMENT PERSPECTIVE ENCOURAGED

HK300714 Beijing GUANGMING RIBAO in Chinese 17 Mar 86 p 1

[Commentator's article: "View Reform in an All-Round Way and From a Development Outlook"]

[Text] Reform is a matter of primary importance which concerns the future and destiny of our country. It is natural enough that cadres and the masses urgently require reform and pay close attention to it. They are taking an active part in reform and their enthusiasm is commendable. This year, the main work we are doing is to consolidate, digest, replenish, and improve measures for reform which have been taken; to solve key problems; to maintain good points; and to overcome the bad points so that these measures will play an even better role. At present it is vitally important to adopt a scientific ideological method, namely Marxist dialectics, and view problems from a development outlook.

We are carrying out reform under the prerequisite of upholding socialism, and the substance of reform is the self-improvement and development of the socialist system. The practice of reform has shown that we have stuck to the socialist orientation because we have upheld public ownership of the means of production and the principles of distribution according to work, common prosperity, the development of a socialist planned commodity economy (which is completely different from the capitalist commodity economy), and proceeding from the actual conditions in our country. It is utterly groundless to worry about whether our reform will depart from the socialist orientation and lead to capitalism.

Propelled by reform, our country's entire national economy is growing in a more rapid, sustained manner, and our economic results have been considerably enhanced. Our scientific, technological, and educational undertakings have developed more adequately and our people's living standard has been generally improved. The staying power of the national economic development has been strengthened. All this has shown that through reform we will be able to overcome the defects of the old economic system so that the superiority of the socialist system will be brought into play and the development of the social productive forces will be speeded up. Only by proceeding from such an all-round and intrinsic understanding of things can we correctly solve contradictions and problems arising in reform, accurately weigh the advantages and disadvantages of reform, avoid being misled by transient and rare phenomenon, or prevent jumping to onesided conclusions.

Our reform is an unprecedented and very complicated undertaking. In the course of reform, various kinds of contradictions will inevitably occur, including the problem of understanding and the matter of gains and losses. In regard to those comrades who have ideologically failed to keep pace with the development of the situation, we should adopt a method of persuasion and education and be patient with them. We should help them solve their problems through enhancing their understanding in practice. An all-round economic structural reform means, in a certain sense, the readjustment of power and interests.

This will also give rise to a series of contradictions, including contradictions between the central authorities and local governments, contradictions among the state, collectives, and individuals, contradictions among departments, contradictions between localities and departments, and contradictions among individuals. It is appropriate to say that the fundamental and long-term interests of various parties involved in these contradictions coincide. However, they might conflict with each other in regard to their partial and immdiate interests. In other words, reform will, in a certain sense, go against the partial and immediate interests of some individuals, departments or localities.

When such things happen, the parties concerned should follow the principle of proceeding from the general situation and making overall plans with due consideration for all involved so that partial and immediate interests are subordinated to overall and long-term interests. Under such a prerequisite, we should do our best to give consideration to partial and immediate interests. Taking the overall and long view, we believe that reform will benefit the whole country and the entire people. However, a process is needed to reflect the results of reform. The progress of various reforms is uneven. Sometimes we achieve quick results, but sometimes it takes longer to make an achievement. Sometimes we have to wait for a longer period of time before we can produce the desired results. Some reform measures are aimed at reserving strength for our economic reinvigoration in the future. We should view problems in an all-round way and from an outlook of development. We should not be eager for quick success and instant benefits in the process of dealing with things. We should avoid an impetuous attitude while commenting on the success or failure of reform.

For example, vegetable prices have generally increased as a direct result of decontrolling vegetable prices in the cities. Consumers have to pay more because of this. However, this measure will stimulate the development of vegetable production. When there are plenty of vegetables on the market, prices will drop. But judging from the situation in cities where vegetable prices have been decontrolled such things will only happen after a few years. It is obvious that some problems arising in reform are transient in nature and that they can be solved in the course of reform.

We should also take a historical standpoint to comprehensively view the advantages and disadvantages and the gains and losses of reform. Reform is a complicated social practice. We have no precedent to go by in this country, and cannot copy everything from books or follow indiscriminately the experiences of foreign countries. What we can only do is to make constant explorations. Therefore, it is impossible to avoid all deviations and faults in reform (of course, it is necessary for us to take a prudent attitude in order to avoid major mistakes). We should specifically analyze faults and mistakes occurring in the course of reform.

First, we should seek truth from facts and avoid attributing irrelevant problems to reform. For example, we are now correcting unhealthy trends in the party and the society. Some unhealthy trends occurred a long time ago and some others run rampant by taking advantage of reform. The encroachment of decadent capitalist and feudal ideas is the root cause of these mistakes. We should neither attribute them to reform nor treat faults and defects occurring in reform as unhealthy trends. Second, we should also view in an all-round way the advantages and disadvantages and the gains and losses of reform. We should not seize upon one point and ignore the overall picture. The main contribution of reform is to stimulate economic vitality and promote the development of the productive forces. However, certain negative things will inevitably occur. We should make a distinction between the principal aspects and the secondary ones, and differentiate what is primary from what is secondary. Generally speaking, the advantages of reform outweigh the disadvantages and the gains outweigh the losses. We should not reverse the order of importance. We should neither entertain doubts nor waver because of certain negative factors occurring in the course of reform.

Third, the problems of reform are problems arising in the course of progress. They can only be solved in the process of reform and through the further improvement of reform. We should on no account take the road back. If we give up eating for fear of choking or turn the clock back because of negative factors in reform, the old mechanisms will be revived. This means greater chaos will occur and we will suffer further setbacks.

With regard to cadres and masses who take the lead in reform, we should consider their merits and negative aspects in the context of the overall situation in reform. "There is neither pure gold nor a perfect man." It is impossible for those who take the lead in reform to avoid all defects. They might also commit mistakes in the course of reform. While dealing with their problems, leaders at all levels should help them seriously sum up experiences, carry forward their achievements, overcome their defects, learn a lesson from their mistakes, and protect their enthusiasm in reform with the exception of those violators of law and discipline who should be dealt with according to the law. At the critical moment when they are unjustly blamed or groundlessly accused, leaders should support and encourage them and help them withstand pressure. It is very important for them to do so. This concerns not only the success or failure of individuals, but also whether reform in an area or unit can continue. Therefore, this problem should be conscientiously treated.

JINGJI RIBAO EDITORIAL URGES DEEPENING REFORM

HK300850 Beijing JINGJI RIBAO in Chinese 20 Mar 86 p 1

[Editorial: "Unify Awareness, Deepen Reform"]

[Text] An important task set forth at the national work conference on urban economic reform called by the State Council calls for further analyzing the situation in the current economic reform, correctly understanding new conditions and new problems as the new system replaces the old, unifying the ideological awareness of the masses of cadres and people, having clear idea about our direction, strengthening confidence, and deepening the reform. The economic reform being launched in urban and rural areas throughout the country, which has achieved remarkable results, has won the understanding. and support of the masses of cadres and people. But the reform is a profound revolution of a comprehensive nature. It calls for not only major readjustments in the relations of responsibility, authority, and benefits in various segments of society, but also a change in people's deeply entrenched ideological concepts, work methods, and living styles. Therefore, different ways of thinking have arisen among cadres and people. Especially now, when we are in a period of the new and old systems existing at the same time and taking over from each other, certain contradictions and conflicts inevitably arise in the process of the switchover. Certain difficulties and problems will also unavoidably crop up in economic life. Faced with this situation some comrades impatient to get things done hope to make the quickest possible transition to the new system so that it is the only one in existence. Some comrades also take difficulties and problems too seriously and have at times developed doubts. To properly solve these problems of ideological awareness is of unusually great importance when it comes to strenghtneing our confidence in reform and actively and steadily stimulating the process of a switchover to the new system.

A common factor responsible for certain one-sided ideas on the part of a number of comrades is underestimating the protracted, arduous, and complicated nature of the economic reform. Our reform calls for acting according to the laws of a socialist planned commodity economy and finding a new path that organically combines planning with market forces and microeconomic devotion to revitalization efforts with macroeconomic control.

This is a great experiment never witnessed in the world before. There is no ready-made pattern to follow. Everything depends on our applying fundamental Marxist principles and proceeding from the realities in China in exploring and creating things. The reform of the system involves the relations of production and the various areas of the superstructure. It is a social system-related project on a large scale that is intricate and complicated. Different levels, different links, and different fields impose particular demands on reform. It is no simple task to take good care of various reform measures that call for being linked or made to work as a whole. It should be noted that the existing system has been in operation for more than 30 years. Our cadres and management personnel are relatively well accustomed to using chiefly administrative means to exercise direct control and are relatively unaccustomed to chiefly using economic and legal means to exercise indirect control.

Therefore, there is a process of restudy and gradual adaptation. Meanwhile, the influence of the idea of a natural economy and a product economy is relatively deeply ingrained and widespread in our country. New concepts and systems required in developing a socialist commodity economy can be gradually established only through reform. In addition, the economic reform is inevitably restrained by a given period of economic and social capacity for absorption. These many factors dictate reform being a very arduous and complicated affair. We must have not only firm and unwavering faith, but also a tough and unshaken will. We must do well in becoming ideologically prepared for a long-term struggle. The trend toward impatience to achieve immediate success or a display of a lack of confidence is incompatible with such a demand.

To solve problems of ideological awareness, we must at present strengthen education on the prevailing situation so that everyone can grasp the fundamental ideological method in observing the situation. As far as the business of reform itself is concerned, it is impossible to have no setbacks, no troubles, and no loss of a single drop of water [as published] in such a widespread and profound revolution. The important thing is that we should correctly understand the nature of a problem and distinguish between what is important and what is less important, what is essential and what is nonessential, and between what can and what cannot be overcome. In the past few years, rural and urban economic reforms have been crowned with achievements that have become the focus of world attention. The existing rigid economic mechanism and management system have been broken through. The economy has come alive. The people's enthusiasm has soared. Production and construction have been marked with development. The people's living standard has improved.

What is more important, through practice in reform and theoretical exploration, we now have a more scientific understanding of the inherent characteristics of the socialist economy. We have really seen with increasing clarity the outline of a new socialist system with Chinese characteristics. The direction of reform and the road to reform have become increasingly clear. This is the main aspect of reform and the essence of the problem. This is something that has a lasting effect on the modernization of our country. By comparison, difficulties and problems of all kinds are only nonessential and transient. So long as we pay adequate attention and take realistic and effective measures, things can be easily taken care of. This has been proved by experience over the past 2 years. We can never let our confidence in reform be shaken just because of some problems cropping up in reform. Still less can we have cold feet, staying put for fear of trouble.

In solving any problem of ideological awareness, we cannot consider something as it is or treat a case as it stands. This often brings poor results. Instead, we must work from a strategically advantageous position and basically raise our awareness of reform. Toward this end, we should further strengthen education about the economic reform, so that the direction of reform, relevant principles, and fundamental policies can be imprinted more deeply on people's minds.

In line with reality, we must guide the masses of cadres and people in correctly understanding and handling the relations between microeconomic devotion to revitalization efforts and macroeconomic control, between immediate and long-term interests, between distribution according to work and common prosperity, between pioneering efforts in creating the new and the need to abide by laws and discipline, and other relations. We must not only foster the new concept of developing a socialist commodity economy, but also resist the corrosive effects of decadent bourgeois thought. In doing ideological work, we must make a point of focusing on problems that directly concern the interests of the masses. In carrying out ideological education, we must reason things out and show common sense. Only in this way can ideolcgical and political work be rewarded with good results. We firmly believe that after the current national work conference on urban economic reform, under the leadership and the command of the CPC Central Committee and the State Council, cadres at all levels and the masses of people will surely unify ideological awareness, strengthen their confidence and determination, and show the spirit and perseverance of the foolish old man who removed the mountains in making their way forward. Thus, they can definitely overcome various difficulties in forging ahead and continuously achieve new victories in reform and construction.

RENMIN RIBAO ON TECHNICAL CADRE MANAGEMENT REFORM

HK310441 Beijing RENMIN RIBAO in Chinese 21 Mar 86 p 1

[Commentator's article: "A Major Reform in the System Governing the Management of Professional Technical Cadres"]

[Text] The CPC Central Committee and the State Council have decided to reform the system of deciding on professional titles on the basis of appraisals, and to put into effect the system of employing specialized technical workers according to the requirements and nature of works. Starting this year, this reform will be carried out throughout the country in a planned, guided, and step-by-step manner.

The country's 14 million intellectuals have been looking forward to this good news. However, some comrades still do not fully understand the purpose and significance of this reform. They simply regard this as the resumption of the system of deciding on professional titles on the basis of appraisals and they think that "the gates are about to be opened again." This is a misunderstanding.

Between 1978, when the conferring of technical titles was resumed, and 1983, when this was again suspended, 5.95 million people received professional titles of various types. The system of deciding on professional titles on the basis of appraisals has contributed much to stimulating the growth of talented people; to implementing the party's policy toward intellectuals; to giving the technical workers a better sense of responsibility and a pioneering spirit; to stabilizing the contingents of technical workers; and to discovering some more young and middle-aged talented people.

However, practice has demonstrated that some knotty problems exist in connection with the system of deciding on professional titles on the basis of appraisals. This system was introduced under a particular historical circumstance. Professional titles are designations suggestive of their holders' responsibilities. Since professional titles are designations, there should not be a limit to the number of titles conferred. All qualified people are entitled to appropriate titles. Titles will be kept by their recipients for the rest of their lives once they have been conferred. Titles, as designations and nothing else, are separate from responsibilities. However, titles as designations suggestive of their holders' responsibilities are closely related to responsibilities.

In this case, there should be a limit to the number of titles conferred and such titles should be associated with fixed terms of office and fixed responsibilities. This paradox is a source of trouble in our practical work.

The system of deciding on professional titles on the basis of appraisals is not quite in keeping with the current situation. The reform of the economic structure, the reform of the system governing scientific and technological work, and the structural reform of the educational service require us to correspondingly reform the system governing the management of our technical personnel. For example, in practicing the system of personal responsibility, in implementing the principle of distribution according to work, and in putting an end to the practice of "eating from the same big pot," egalitarianism, and other malpractices, we find it difficult to combine obligations with rights and benefits, given the system of deciding on professional titles on the basis of appraisals. Another problem is that at present, we are making an effort to put an end to the life tenure of party and government cadres. Thus, it would be quite inappropriate to allow some specialized technical cadres to keep their titles for the rest of their lives. From this, it can be seen that the reform of the system of deciding on professional titles on the basis of appraisals, and the application of the system of employing people according to the requirements and nature of work, are not simply a problem of "opening the gates," but a major step in the structural reform of the system governing scientific and technological work and of the educational service, as well as an essential part of the reform carried out since the 3d Plenary Session of the 12th CPC Central Committee.

The fundamental purpose of the application of the system of employing specialized technical workers according to the requirements and nature of work is to respect knowledge and talented people and, in particular, to help young and middle-aged specialized technical workers make the best use of their talents and wisdom. In recent years, thanks to the attention given by the party and the government, technical workers of various categories in the country have been playing an increasingly important role in the four modernizations. However, the problem of having too many talented people in some parts of the country and not enough in other parts has yet to be thoroughly solved. In some parts of the country, there are not enough pioneers in scientific and technological work nor are there enough qualified teachers. However, in other parts, the high concentration of professors makes it difficult for them to display their talents. Our cause cannot advance very far if we do not change this unreasonable distribution of talented people. The application of the system of employing specialized technical workers according to the requirements and nature of work can help talented people of different categories to play their respective roles more satisfactorily. Specialized, technical responsibilities differ from professional titles in that the former implies well-defined responsibilities and the setting up of posts in light of actual needs, and that the number of posts and tenure of office are fixed. Holders of specialized, technical posts must have the appropriate systematic knowledge and skills. Units with a concentration of talented people and more qualified workers than vacancies may encourage and help some of them to join other departments and units. In this way, more specialized technical workers can find jobs commensurate with their knowledge, talents, interests, and objective needs and all intellectuals can find ample scope for their talents.

The application of the system of employing specialized technical workers according to the requirements and nature of work, constitutes an important reform in the system governing the management of our technical personnel. At present, the reform of China's economic structure, the reform of the system governing scientific and technological work, and the structural reform of its educational service are developing in an in-depth manner. We must take this golden opportunity to strengthen and centralize leadership in order to put an end to the malpractices in the system governing the management of the country's technical personnel.

We should put an end to the stagnant situation where talented people are prevented from displaying their talents, and gradually establish a lively system for managing the country's technical personnel.

HOUSEHOLD CONTRACT, COOPERATIVE SYSTEM LINKS SEEN

HK010721 Beijing NONGMIN RIBAO in Chinese 21 Mar 86 p 1

[Commentator's article: "Do Not Think of the Cooperative System as Conflicting with the System of Contracting Responsibilities on the Household Basis with Payment Linked to Output"]

[Text] In order to meet the requirements in the development of the rural commodity economy, this year's Central Document No 1 specifies the task of developing and improving the cooperative system. In order to fulfill this task smoothly, we should properly handle the relationship between the cooperative system and the household contract system. This is the most important point in this issue.

At present, there are two tendencies that we should notice in the process of developing and improving the cooperative system in some localities: First, some people hold that the cooperative system should not be encouraged or mentioned, otherwise, the household contract system may be negated and the peasants may be upset. Second, some people hold that the household contract system should be replaced by the cooperative system. The two tendencies come from the same thinking: they set the cooperative system and the household contract system against one another. In the eyes of these comrades, the development of the cooperative system will inevitably negate the household contract system; and the maintenance of the household contract system will allow no room for the development of the cooperative system. Obviously, without correcting this erroneous viewpoint, we will not be able to correctly put the requirements of Document No 1 into practice.

Why do some comrades set the cooperative system and the household contract system against one another? An important reason is that they excluded household contract operations from the cooperative economy. They do not understand that the household contract system is itself part of the cooperative economy and is different from the practice of "distributing the land to households for individual farming." The term "contract" also fully demonstrates the economic character of this system. The household contract system only negates the practice of "eating from the same big pot" and it does not negate the cooperative system. Moreover, the household contract system still falls into the category of cooperative economy, and forms a cooperative economy which can combine the initiative and positive roles of both collectives and individuals. Household contract operations become a marked characteristic of this cooperative economy. Therefore, when we call for developing and improving the cooperative system, we do not mean that we will discard the household contract system and backtrack to the old convention of "everyone eating from the same big pot"; instead, we mean to develop and improve the cooperative economy which includes household contract operations.

Practice shows that the development and improvement of the cooperative system is closely related to household contract operations rather than being contradictory to them. At present, producers are also functioning as commodity handlers and business operators at the same time. The form of household contracting which links responsibility with rights and benefits is most readily accepted by the peasant masses and is most effective in strengthening the enthusiasm and sense of responsibility of the peasants. So it is also most favorable to the development of the agricultural productive forces. Only by founding the cooperative organizations on the basis of household contract operations can our agriculture and rural economy become vigorous in development.

This is a truth we have come to realize in summing up both positive and negative experiences over past years. However, we also know that household contract operations cannot be separated from cooperative organizations. In the development of the rural commodity economy, peasants in various localities may encounter some difficulties which cannot be overcome by the strength of individual households, and they all need preproduction and postproduction services in irrigation, farming machines, plant protection, crop breeding, transport, information, and technical support from cooperative organizations. Some peasants say: "As we long to become rich, we particularly need services." This remark vividly reflects the wishes of the peasants after undertaking contracts. At present, these services do not yet meet the needs of the peasants. This state of affairs has to a certain extent prevented peasant households from tapping their potential in developing production. In this sense, the improvement of cooperative organizations is a necessary condition for the further development of the household contract system and for fully tapping production potential.

In view of the relationship between cooperative organizations and household contract operations, we should pay attention to "services," which form the most important link in this relationship. We must tightly grasp the link of services in the course of developing and improving the cooperative system, and need not worry that household contract operations may be affected. As we all know, when pursuing the household contract system, the two things that the peasants are most interested in are: 1) decision-making power in production: and 2) decision-making power in distribution. Increasing "services" not only satisfies peasants' needs in the development of commodity production, but also ensures their decision-making power in the two fields which they most treasure. No one will intervene in the peasants' arrangements for planting, sideline operations, and disposal of products and incomes (as long as they turn over the due part to the state and the collective according to the contracts and subject their operations to the state's guidance plans). What cooperative organizations will do is provide services for them and to help them overcome difficulties. How could the peasants not welcome such a form of cooperation?

That is why Document No 1 emphasizes the need to provide services for household contract operations when mentioning the improvement of the cooperative system. If we indeed act in light of this spirit to the full, we will certainly be able to continuously and deeply carry forward rural economic reforms.

It is also necessary to emphasize that measures for developing and improving the cooperative system must be in line with local conditions and must be realistic. No arbitrary uniformity can be imposed on grass-roots units, still less can anyone stir up any kind of "communist winds." Everything should be done on the principle of voluntary participation and mutual benefit. No marriage can be arranged by force; similarly, no cooperative system can be performed by force. We must bear painful historical lessons in mind!

TIAN JIYUN INSPECTS JIANGXI 25-30 MARCH

OW011239 Beijing XINHUA Domestic Service in Chinese 1149 GMT 31 Mar 86

[By reporter Jiang Qiusheng]

[Text] Nanchang, 31 Mar (XINHUA) -- Tian Jiyun, member of the CPC Central Committee Political Bureau and vice premier of the State Council, recently pointed out, while making an inspection tour of Jiangxi: It is necessary to firmly establish the guiding ideology of "agriculture is the foundation of the national economy, and grain is the foundation of this foundation."

It is necessary to accurately and comprehensively implement the party Central Committee's 1986 Document No 1, and to lose no time in starting spring farming in order to wrest an even better harvest this year.

Accompanied by Ni Xiance, deputy secretary of the Jiangxi provincial party committee and governor of the province, Comrade Tian Jiyun inspected Nanchang City and the old revolutionary base area of Jian, with its glorious revolutionary tradition, from 25 to 30 March. During the inspection, he invited responsible comrades of Yongxin, Lianhua, Ninggang, Suichuan, Wanan, Taihe, Xingguo, and Ruijin Counties and rural cadres of Niggang County to hold separate discussions; he also visited rural areas and peasant households.

During the inspection, Tian Jiyun pointed out: The current situation in Jiangxi is very good, and that in its rural areas is even better. First, cadres' mental attitudes are good, and they are full of confidence and vigor; second, the party Central Committee's 1986 Document No 1 was transmitted earlier than before, and it has been implemented in good time; and third, the enthusiasm of the broad peasant masses is running high. These three basic conditions are very important for doing rural work well and wresting a good harvest this year.

Feeling that spring was very much in the air, Comrade Tian Jiyun was very happy to see that a large number of peasants were transporting chemical fertilizer and other materials for agricultural use, by car or boat, and that they were starting an upsurge in spring farming. He said: The whole year's work depends on a good start in spring. People in various localities can lay a solid foundation for reaping a good harvest this year, provided they promptly, comprehensively, and accurately implement the guidelines laid down in the party Central Committee's 1986 Document No 1 and do a really good job of spring farming.

During the inspection, Comrade Tian Jiyun emphatically pointed out: Leaders and large numbers of cadres at various levels should firmly establish the guiding ideology of "agriculture is the foundation of the national economy, and grain is the foundation of this foundation," and ensure the stable and sustained development of agricultural production. He said: To achieve the goal of the four modernizations set by the 12th National CPC Congress, we must first bring about a stable and sustained development in agriculture, especially a stable increase in grain production. In our country, with a population of 1 billion, achieving the grand goal of the four modernizations will be out of the question if we do not lay a solid foundation in agriculture and first solve the problems of feeding and clothing the people. To undertake the four modernizations, it is of course necessary to produce more petroleum and coal and to generate more electric power in order to have sufficient energy. To the people, however, foodstuffs are all-important; the people live on grain; and meat, eggs, and milk are also produced basically through the consumption of grain. In this sense, grain is the most fundamental "energy source" for undertaking the four modernizations. It is from this standpoint that we should understand the important of strengthening agriculture as the foundation, developing grain production, and putting agriculture in an extremely important place.

He pointed out: In judging agricultural economic benefits, we should consider, not simply its direct benefit, but its social benefit as well. Grain production has developed considerably in our country in recent years. From a long-term viewpoint, however, grain in our country is not in excess, but inadequate. A few years ago, it was difficult to sell grain, mainly because of a shortage of storage facilities, and weak ability to change the planting of grain crops to the cultivation of other crops, and a poor performance in the circulation of grain. This year, basic quotas in grain contracts have been properly reduced in some areas.

The state has reduced grain purchasing quotas, not because there is an excess of grain, but because the state wants peasants to have more grain to sell at negotiated, or higher, prices, in order to further promote grain production. It is necessary to explain this clearly to peasants, so that they will be accurately informed. After seeking unity in thinking, practical measures should be taken to support agriculture and to effectively engage in grain production.

He emphasized: It is necessary to further improve relevant policies and measures designed to encourage the development of grain production. In economically developed areas, where village and town enterprises have been growing rather rapidly, efforts should be made to solve the problem of industry subsidizing agriculture, to gradually increase investment in agriculture, and to further rationalize the prices of agricultural products in order to increase peasants' enthusiasm for planting grain crops. At the same time, people in all trades and professions should support agriculture. By paying close attention to grain production, it does not of course mean neglecting the development of a diversified economy. It is essential to comprehensively implement the principle of "never relaxing efforts in grain production and vigorously developing a diversified economy." Vigorous efforts should be made to develop a diversified economy while developing grain production. It is necessary to develop village and town enterprises in a planned and systematic way, according to local natural resources, and to do a good job in processing farm and sideline products in order to better promote the comprehensive development of the rural economy.

In view of the new circumstances found in the course of the inspection, Comrade Tian Jiyun stressed that cadres at all levels should accurately and thoroughly carry out the contents of this year's Document No 1 of the party Central Committee and do intensive and meticulous ideological work to promptly remove any unnecessary doubt or misgivings from the minds of the peasants. He said: While relaying and implementing the contents of this document, all localities should clearly explain to the masses that, in order to promote development of the rural commodity economy, the document points out the need for good pre- and post-production cooperation and service. But this in no way means the formation of such "cooperative" organizations as in the past. Even in the case of a cooperative arrangement to render service to meet the peasants' urgent needs, it must be entirely voluntary on behalf of the peasants. Under no circumstances must it be tantamount to trying to help the shoots grow by pulling them upward, as the saying goes. Nor should there be any kind of coercion or commandism.

Touching on the question of how to improve the various services in rural areas, he hoped that no cadres at any level would ignore the role of rural supply and marketing cooperatives. Since supply and marketing cooperatives have numerous personnel, are widely scattered, and possess certain facilities and adequate capital, all counties and cities should further step up their leadership over these organizations, so that currently available channels are fully utilized to provide the peasants with pre- and post-production services in developing commodity production, he said.

When conducting inspection in Jian prefecture, Comrade Tian Jiyun braved the drizzling spring rain to travel to villages and towns and call on peasants in their homes to probe and discuss with the grass-roots cadres and peasants how to exploit the resources and speed up the pace of discarding poverty and becoming well off in this mountainous and old revolutionary base area. He said: In the past, the people of the old revolutionary base areas made great contributions. Leadership at all levels in Jiangxi has deemed it a major task to help the old revolutionary base areas change their outlook as quickly as possible, and has taken many effective measures to this end. This is very good. Jiangxi has a number of old revolutionary base areas. In the days to come, it is imperative to grasp this work even more firmly and earnestly, and to see to it that fruitful results are achieved in a relatively short period.

Most of the old revolutionary base areas are mountainous, and some of them are still rather poor. On the other hand, the mountainous areas are rich in surface and underground resources -- a very favorable condition for the development of commodity production. To exploit the resources of the mountainous areas, it is necessary to bring the local strong points into full play by adopting measures suited to local conditions, in addition to the implementation of a more flexible policy. In poor localities in the old revolutionary base areas, not only should work be down to utilize the already-known favorable conditions for growing grain crops and raising hogs, but attention should also be paid to exploration of their undiscovered strong points. On the basis of the actual situation, efforts should be made to improve management of mountain forests, promote processing industries using bamboo and wood as raw materials, and develop small hydroelectric power projects as well as other undertakings suited to the characteristic local conditions, such as plant growing and animal breeding.

Referring to the disbursement of funds provided by the state for supporting construction work in old revolutionary base areas, Comrade Tian Jiyun said: No locality should "scatter" the funds. Instead, the disbursement of such funds should be relatively concentrated on a few selected projects capable of producing a positive effect in invigorating the local economy, and only after one project has been completed should another be started. This is the only way to achieve greater results. Extension of bank loans should be linked with the work of helping the poor. The so-called "extending loans to the best" means that loans should be extended to support the best projects, and in no way should they be extended to the rich only, and not the poor. Economically underdeveloped old revolutionary base areas should open their doors and go all out to develop internal and external economic associations of one kind or another, to get capital, technology, and competent personnel from outside to bring about the economic development of their own localities.

Comrade Tian Jiyun encouraged cadres at all levels working in the old revolutionary base areas to carry forward the glorious revolutionary tradition and make still greater achievements in invigorating the economy and transforming the outlook of the old revolutionary base areas by displaying the same spirit and perseverence as the foolish old man did in "unceasingly digging the mountain."

BAINQEN ERDINI QOIGYI GYAINCAIN INSPECTS FUJIAN

OW311348 Fuzhou FUJIAN RIBAO in Chinese 23 Mar 86 p 1

[Dispatch by reporter Liu Ruizhou]

[Excerpts] Bainqen Erdini Qoigyi Gyaincain, vice chairman of the NPC Standing Committee, left Fujian for Beijing on 22 March after winding up his 11-day inspection tour in this province.

Vice Chairman Bainqen arrived in this province on 11 March. Accompanied by Cai Liangcheng, vice chairman of the provincial People's Congress Standing Committee, he inspected Xiamen, Zhangzhou, Chuanzhou, Huian, and Fuzhou and met with leading party and government comrades of these localities. He expressed satisfaction with the economic development of the province.

On 15 March when touring Xiamen, Vice Chairman Bainqen went up Yunding Yan and looked at Jinmen Dao in the distance. He said that Taiwan is an inalienable part of China's territory and that the reunification of the motherland is a common aspiration of the people of all nationalities in the country. He firmly believed that the great cause of reunifying the motherland would surely be realized and expressed the hope that the people of our province would make even greater contributions to promoting the contracts between the two sides of the strait.

Vice Chairman Bainqen visited the Zheng Chenggong memorial hall, Jimei academic district, and Chen Jiageng's former residence.

On the afternoon of 20 March, Vice Chairman Bainqen went on the office of the provincial People's Congress Standing Committee and called on the comrades of this organization. He said: I have come from Xizang to Fujian; that is, from the southwest corner to the southeast corner of the motherland. I have been deeply impressed that the people of both places cherish a warm love for our motherland despite their different geographic conditions and different nationalities. As long as the people of all nationalities across the country unite as one and step up their efforts to build material and spiritual civilizations, our country is bound to prosper and develop.

While Vice Chairman Bainqen was in our province, Chen Guangyi, Xiang Nan, Hu Ping, Cheng Xu, and other leading party and government comrades visited him and had cordial conversations with him.

FANG YI ATTENDS MEETING ON MINERAL RESOURCES

OW301122 Beijing XINHUA Domestic Service in Chinese 0049 GMT 29 Mar 86

[By reporter Li Can]

[Excerpts] Dukou, 29 Mar (XINHUA) -- Great progress has been made in the comprehensive utilization of resources including iron, vanadium, and titanium in the Panzhihua and Xichang areas. These resources are playing an increasingly important role in the economic construction of our nation.

The scientific and technological work conference on the comprehensive utilization of resources in Panzhihua, which was held recently in Dukou City, Sichuan, fully affirmed the achievements in the comprehensive utilization of this region's resources. Fang Yi, member of the Political Bureau of the CPC Central Committee and state councillor, attended the meeting and made an important speech.

The conference held that except for those which cannot be applied in the near future, all projects classified as key state scientific research projects in 1978 have either completed or have yielded positive results.

Last year, Panzhihua steel company's pig iron output topped 2 million tons, and its steel output was 1.75 million tons. The combined industrial output of the steel company and Panzhihua mining company topped 1 billion yuan, and their profits and revenues totaled 376 million yuan. While the steel output was increasing by big margins year after year, Panzhihua mining company also did a better job in recovering and making use of vanadium resources. The output of vanadium dregs [fan zha 9940 3275] increased from 15,000 tons in 1977 to more than 70,000 tons, accounting for 80 percent of the national output.

The conference also worked out a strategic plan for the comprehensive utilization of Panzhihua resources during the Seventh 5-Year Plan: Raising the various technical and economic indexes by continuously relying on technical progress, making constant efforts to improve production process, and transforming, as quickly as possible, scientific research results into productive force, paying special attention to comprehensively utilizing titanium resources well, and making greater contributions to the fulfillment of the grand goals by the end of the century.

ZHANG AIPING WRITES PREFACE FOR DEFENSE DIRECTORY

OW011005 Beijing XINHUA Domestic Service in Chinese 0116 GMT 31 Mar 86

[Text] Beijing, 31 Mar (XINHUA) -- The first large business reference book in our country, containing information and materials on production of civilian goods by military enterprises, using national defense science, technology, and industry and on military industrial technologies which may be transferred to civilian use -- "Civilian Products Made by the National Defense, Science, Technology, and Industry, a Special Volume of the Directory of Chinese Industrial and Commercial Enterprises" -- has been published by the Xinhua Publishing House.

The preface, written by Deputy Secretary-General of the Central Military Commission and Minister of National Defense Zhang Aiping for the book, states: Our country's national defense, science, technology, and industry have been relatively developed and have attained a certain high level. They have become a major force in our national economic construction. There is ample a major force in our national economic construction. There is ample scope and much to be accomplished in making full use of the strong points and productive potential of our national defense science, technology, and industry to develop economic construction and translate them into a social productive force to promote economic growth and technological advance. The preface also states: This book, "Civilian Products Manufactured by the National Defense, Science, Technology, and Industry, a Special Volume of the Directory of Chinese Industrial and Commercial Enterprises," will provide a favorable condition for the exchange of information, stimulation and development of cooperation, and coordination of production and sales between national defense, science, technology, and industry on the one hand, and civilian science, technology, and industry on the other. It will make due contributions to opening a new situation in developing production of civilian goods by combining the efforts of military and civilian industries, and in transferring national defense science and technology to civilian use.

This reference books lists 1,100 enterprises, carries 33 advertisements, and contains a total of approximately 400,000 characters. For each enterprise listed in the book, there is a brief account, focusing on the civilian goods it produces, as well as its specialized field or technological expertise. The appendixes contain six special articles, entitled "A General Review of the Work of Production of Civilian Goods, Scientific Research, and Technological Development of Nuclear Industry," "Aeronautics Industry Strives To Develop Civilian Products by Instituting the System of Military-Civilian Combination," "A General Review of the Development of Civilian Products by the Ordnance Industry," "Astronautics Industry Serves the Needs of National Economic Development," "A General Review of China's Electronics Industry," and "Production of Civilian Goods by China's Shipbuilding Industry and the China State Shipbuilding Corporation." Some military regions (services) of the Armed Forces also give brief accounts of their production activities. All these will assist people in further understanding the technological strong points of our national defense industry, its characteristics in developing civilian production, and the overall situation in its production work.

SCIENTISTS STRESS TECHNOLOGY EFFORTS AT CPPCC

OW011609 Beijing XINHUA in English 1430 GMT 1 Apr 86

[Text] Beijing, April 1 (XINHUA) -- Noted Chinese scientists have urged the nation to meet new technological challenges in the next five years. They said that effective solutions to many of the major problems of China's economic development lie in major breakthroughs in science and technology. Likewise, the advance of science and technology is the profound source of the vitality of China's further economic development. The remarks were made by a group of representatives from science and technology circles at the ongoing annual session of the Chinese People's Political Consultative Conference.

China faces the urgent task of concentrating its efforts on tackling key scientific and technological problems, popularizing scientific and technological achievements and accelerating the training of qualified personnel in the Seventh Five-Year Plan (1986-1990) period, they said. "Now that we are forced to face the challenge from the worldwide technological revolution," said Lu Jiaxi, president of the Chinese Academy of Sciences, "Chinese scientists should make great efforts to achieve notable progress and breakthroughs in research on and development of new and high technologies. This is of long-term importance to China's economic and social development," he said.

Li Naiji, senior engineer at a research institute under the Astronautics Industry Ministry, called for more attention to be paid to the construction of basic facilities and basic industry. "Without a solid foundation, there will be no enduring economic strength," he said.

The import of advanced technology and key equipment from other countries is an important step in accelerating China's scientific and technological progress, and, therefore, deserves great attention, said Tan Zhenxiong, a senior engineer at the Beijing metallurgy machinery research institute. On the other hand, he said, "reckless imports, repeated importation of the same items and waste involved in imports" should be avoided.

The scientists also urged the development of the micro-electronics industry. An expert in the field from the Astronautics Industry Ministry said that micro-electronic technology is one of the mainstays of the modern technological revolution, and the construction of such a basic industry is essential to China's modernization drive.

On the development of precision instruments in China, Wang Dezhao, honorary director of the acoustics research institute affiliated to the Chinese Academy of Sciences, suggested that a ministry be established to take care of this sector. He said that China spent 300 million U.S. dollars importing precision instruments for scientific research in 1984 -- a sum that equals the total amount the state invested in the industry from 1958 to 1985. "But half the imports have not been well utilized due to our poor management and bottlenecks in the supply of spare parts," he said. He added that, since China already has a specialized force of technicians in precision instrument production, it should be able to manufacture most of the instruments it needs in three or five years and some items of international standard by the year 2,000.

PLA DEMOBILIZATION TO BE COMPLETED BY YEAR END

HK020654 Beijing CHINA DAILY in English 2 Apr 86 p 1

[By staff reporter Liu Dizhong]

[Text] China's demobilization of one million military personnel is expected to be completed as scheduled by the end of this year, Han Huaizhi, deputy chief of the General Staff, announced yesterday. Large numbers of army officers have been demobbed over the past year without disrupting the service, Han told CHINA DAILY in an exclusive interview. The decision to cut down the number of People's Liberation Army personnel was announced by Deng Xiaoping, chairman of Central Military Commission, in May last year, as part of the modernization of the national defence forces. Han said the modernization efforts focused on streamlining the administration, reducing staff, strengthening various branches of the services and replacing out-of-date weapons.

More than half of the PLA's older veterans in all the seven military areas have been retired and the average age of cadres at army level and above has dropped by between three and five years. More than 65 percent by the officers in the combat units have been replaced by others who have had regular training in military institutes, Han said. Priority will be given to improving weaponry and training officers after the large-scale demobilization is completed.

Han said that in some ways, officers training is the most important and investment in this field will be increased by a bigger margin. He said the Central Military Commission would be issuing a new directive stressing the need for reform of the military academies and their strategic importance to the training of army cadres.

The PLA has about 100 military institutes and schools throughout the country which have provided more than 200,000 officers in the past five years. The Central Military Commission has planned to bring all chief officers in the combat troops up to higher education level by the end of 2000. Those who are promoted in the field must receive re-education in military academies afterwards, he said.

Military education must be geared to national defense needs and to the possibility of future conflicts. "It is hard to win any future war without a larger number of revolutionized and younger army officers who are better educated and professionally competent," He said, adding that it was important to upgrade training methods in military academies and schools, particularly by using electronic and laser technology and simulation techniques. So far more than 650 million yuan has been earmarked in 1984-1988 period by the Central Military Commission to develop simulators which are ready to enter the world market, Han said.

To prepare against a future war, the PLA should not only improve its studies of the policies and strategies of China's national defence but also of those used by the major military blocs on a global level. Academic and information exchanges with foreign countries will be increased to learn new military methods in the establishment of army units, officer ranking systems, management, technology, science and equipment, Han said. China has planned to exchange military students with foreign countries and more foreign military experts will be invited to watch manoeuvres or give lectures in China.

During the Seventh Five-Year Plan period (1986-1990), China will import some armaments urgently needed for its national defence, but Han said that emphais will be placed on mostly importing modern technology. "We'll rely on our own efforts to upgrade the weapons and equipment of the army," he said. The newly-released national defence budget amounts to more than 20 billion yuan this year, nearly 10 percent of the total revenues in the 1986 state budget. Asked whether some defence expenditures were hidden under other budget items, Han said categorically that the budget was realistic and not meant to be deceptive.

QINGHAI EDITORS DISMISSED OVER LU XUN ARTICLE

HK020445 Xian Shaanxi Provincial Service in Mandarin 0200 GMT 2 Apr 86

[Text] Today's SHAANXI RIBAO reports the following item from ZHONGGUO BAOKAN BAO [CHINA PRESS AND PUBLICATIONS JOURNAL]: The Qinghai provincial literature and art federation recently decided to terminate the appointments of chief editor (Liu Hongliang) and deputy chief editor (Qian Peiheng). In its Issue No 8 of 1985, QINGHAI HU WENXUE YUEKAN [Qinghai Lake Literary Monthly] published an article entitled "On Lu Xun's Writing Career," which aroused strong reaction in society by its censure and negation of Lu Xun.

RENMIN RIBAO and WENYI BAO published articles criticizing this piece, branding it as a conspicious example of the trend of negating Lu Xun. The provincial literature and art federation has now appointed a new chief editor.

WAN LI, HAO JIANXIU AWARD KITEFLIERS 1 APRIL

OW011050 Beijing XINHUA in English 0757 GMT 1 Apr 86

[Text] Weifang, Shandong Province, April 1 (XINHUA) -- The Third International Kite Festival and the First Chinese National Kiteflying Invitational Tournament opened in this east China's city today.

After the mayor of Weifang City declared open the festival and tournament, kitefliers from 16 Chinese provinces and municipalities and the People's Liberation Army filed into the stadium. Kite hobbyists and tourists from overseas and some 30,000 home spectators watched a gala song and dance performance given by 6,000 local students, workers, farmers and office workers.

Speaking on the occasion, Li Changan, governor of Shandong Province and chairman of the organizing committee, expressed the sincere hope that the annual event, which started in 1984, would be crowned with sucess. He called on the kite lovers from home and abroad to join efforts in the promotion of friendship and swap experience in kiteflying.

Wan Li, vice-premier; Hao Jianxiu, member of the Secretariat of the Central Committee of the Chinese Communist Party; and He Zhenliang, vice-minister of the Chinese State Physical Culture and Sports Commission; attended the opening ceremony. Prior to the performance, Wan Li, Hao Jianxiu, He Zhenliang and Li Changan presented the representatives of the kitefliers from afar with souvenir awards.

The inaugural kiteflying contest will start tomorrow morning while overseas kite hobbyists, in the capacity of non-contestants, will fly their kites together with the home entrants.

ANHUI'S HUANG HUANG ON COMMODITY CIRCULATION

OW311406 Beijing XINHUA Domestic Service in Chinese 1336 GMT 29 Mar 86

[Text] Beijing, 29 Mar (XINHUA) -- Deputy Huang Huang, secretary of the Anhui Provincial CPC Committee, said: The next important step in Anhui's economic restructuring is to make every effort to invigorate commodity circulation. He said: The Anhui Provincial CPC Committee and the Anhui Provincial Government have completely agreed to this step.

Anhui started rural economic restructuring earlier than other regions of the country. In the past few years, agriculture and industry have developed tremendously, and new problems have also cropped up. For instance, the supply of production means needed by the peasants was not sufficient, the cost of grain production kept rising while peasants enjoyed no price protection, and peasants had "difficulty selling grain." To sell grain, some peasants had to bring their bedrolls and sleep in long open-air lines in front of the purchasing stations. Huang Huang said: This shows that we must reform commodity circulation so as to further arouse the peasants' enthusiasm for production and promote the development of production.

Huang Huang said: Anhui has a high population density and an average of 1 mu of cultivated land per person, leaving a large idle labor force in the countryside. Therefore, invigorating commodity circulation to develop trade is a desirable way for Anhui because it makes the best use of Anhui's strength to mend its weakness.

He told reporters that while on a study tour of Yeji in Western Anhui last year, he suggested that Yeji concentrate on developing trade. Recently, he noticed that Yeji had many more stores and shops, a new street 20 meters wide, and a new country fairgrounds occupying some 50 mu. In less than a year, this small township of less than 10,000 has become a business center for several nearby countries of more than 400,000. He said: This fully testifies to the peasants' eagerness for and the need to develop commodity circulation. It also shows that much can be done in this area.

Huang Huang said: In the past, we always tended to respect production and neglect commodity circulation. Even today, many people still despise businessmen, thinking that doing business is an improper thing. In fact, if we take a good look at many developed countries and some advanced provinces of our own country, we will see that developing trade is one of the important things to do for economic takeoff. We should look at it this way.

A county Commerce Bureau director told Huang Huang that although his county had only 500,000 people, it had to run commerce for 1 million. Huang Huang told reporters excitedly: If all counties can do the same, how can Anhui fail to become rich?

JIANGSU'S HAN PEIXIN ATTENDS SPORTS FORUM

OW281248 Nanjing Jiangsu Provincial Service in Mandarin 1100 GMT 22 Mar 86

[Excerpts] At the closing session of a provincial forum on sports today, the provincial Physical Culture and Sports Commission announced its decision to award the cities, counties, collectives, and individuals who have made major contributions to the development of physical culture and sports.

Governor Gu Xiulian spoke on behalf of the provincial party committee and government.

Secretary Han Peixin of the provincial party committee also spoke at the forum.

Vice Governor Yang Yongyi attended the forum.

JIANGSU ISSUES PROVINCIAL CIRCULAR ON MILITIA

OW312152 Nanjing Jiangsu Provincial Service in Mandarin 1100 GMT 25 Mar 86

[Text] The Jiangsu Provincial CPC Committee, Provincial Government, and Provincial Military District issued a joint circular recently, making specific arrangements for our province to do a good job in transferring the country, city, and district level People's Armed Forces departments to control of local governments as part of their establishment and set forth clear-cut requirements with regard to matters relevant to the transfer.

The circular decided that the work of transferring county, city, and district People's Armed Forces departments to local government control will be carried out in three stages of (?active) preparation, actual transfer, and summing up of experiences, concluding all work before the end of June this year. To ensure the success of this work, the People's Armed Forces departments of Shazhou, Huaian, and Xinghua Counties and Baixia District of Nanjing City will be selected as trial areas so as to obtain experience with which to offer guidance for the work throughout the province.

The circular calls on the party committees, governments, and People's Armed Forces deaprtments in various cities and counties to deeply understand the great significance of the Army's structural reform and the transfer of People's Forces departments to control by the local governments. It is necessary to vigorously strengthen ideological and political work for the transfer, strictly adhere to the principle of streamlining the organization to adjust the assignments of cadres to the People's Armed Forces departments -- with particular attention to building a strong leading body -- and carefully handle the actual problems of the substitutes for those away from their work or administrative posts. It is necessary to strictly adhere to financial and economic discipline to do a practical and good job in the inventory and turnover of the weapons, equipment, facilities, and funds and supplies of the People's Armed Forces departments.

JIANGXI'S WAN SHAOFEN INTERVIEWED ON BASE AREAS

OW011031 Beijing Domestic Service in Mandarin 0200 GMT 29 Mar 86

[Interview with Jiangxi Provincial Party Secretary Wan Shaofen by correspondent (Li Chunsheng); date, place not given -- recorded]

[Excerpts] [Li] Secretary Wan, could you tell us why it is necessary to attach strategic importance to stepping up construction of the old revolutionary bases in Jiangxi?

[Wan] I was especially inspired by the statement in Premier Zhao's report calling for more vigorous efforts to help accelerate the development of old revolutionary bases. That is because Jiangxi, a famous old revolutionary base itself, tops other parts of the country in having the largest area of, population in, and number of martyrs from, old revolutionary bases. In addition to the 15 million population, Jiangxi's old revolutionary bases are rich in the natural resources of agriculture and mining. The overwhelming majority of the 126 kinds of mineral ore verified in the province are deposited in the old revolutionary bases. However, a number of areas and a few farm households in the old revolutionary bases still do not have enough to eat or wear, are unable to get rid of poverty, and face relatively grave difficulties in production and everyday life.

The backward old revolutionary bases, which have great economic potential, have affected the economy of the province as a whole. To help the impoverished old revolutionary bases become better off is not only an economic, but also a political, issue. This is a demand on us set by the party Central Committee. The party Central Committee has shown kind concern for Jiangxi's old revolutionary bases and the people there. At the same time, it is also the fervent aspiration of the people of the old revolutionary bases to get rid of poverty and become prosperous. They do not want to depend on relief, but want to rely on themselves, with only a little assistance from the state to help them overcome poverty and become better off. That is why we attach strategic importance to this question.

[Li] What are the goals for the construction of the old revolutionary bases during the Seventh 5-Year Plan?

[Wan] Our fighting goals for the construction of the old revolutionary bases are to find enough to eat and wear within 2 or 3 years, get rid of poverty in 5 years, and strive to catch up as quickly as possible, with the average of the province's economic development, that is, an average per capita annual income of around 500 yuan. The goal for this year is to take a bigger stride on the basis of the new step we made last year. To this end, we have outlined six tasks, including the following two major ones. First, the average per capita annual income of households receiving preferential treatment in the old revolutionary bases should increase by 20 percent over last year, including that of one third of the households exceeding 200 yuan. Second, problems concerning the small number of the most impoverished households which do not have enough to eat or wear should be basically resolved this year.

[Li] What are the measures for accelerating construction of the old revolutionary bases?

[Wan] We shall primarily take the following 5 measures: 1) We shall further emancipate our minds in implementing the policy of reducing the burden, relaxing control, and enlivening the economy of the old revolutionary bases. 2) We shall rely on ourselves in building up the strength of the old revolutionary bases. 3) We shall optimally utilize the old revolutionary bases' natural resources and work out a couple of development projects. 4) We shall mobilize and organize efforts in all quarters to support construction of the old revolutionary bases. 5) We shall effectively manage and use funds to subsidize the development of old revolutionary bases, and raise efficiency in use of the funds.

RUI XINGWEN, JIANG ZEMIN ATTEND SHANGHAI MEETING

OW290227 Shanghai City Service in Mandarin 0100 GMT 25 Mar 86

[Excerpts] The Shanghai urban district work meeting closed on the afternoon of 24 March. The meeting pointed out: In urban district work we should further unify our thinking, put emphasis on priority work, focus on economic construction, pay attention to building socialist material and spiritual civilizations, perform actual deeds for the people, and make new contributions to implementing the strategy for transforming and developing Shanghai. The meeting, co-sponsored by the municipal party committee and the municipal government, began on 22 March.

Comrade Rui Xingwen and Jiang Zemin seriously listened to briefings from various districts on their situations and their requests and suggestions. They also addressed the meeting.

GUANGXI'S CHEN HUIGUANG ATTENDS CONFERENCE ON POLITICAL WORK

HK010927 Naning Guangxi Regional Service in Mandarin 1100 GMT 30 Mar 86

[Excerpts] From 25 to 30 March, the political and legal commission of the regional CPC committee held a conference in Nanning on political and legal work throughout the region. The conference studied and made arrangements for our region's political and legal work for 1986, stressing that it was necessary to further strengthen the building of the socialist legal system, to severely crack down on serious crimes and economic crimes, to vigorously and comprehensively tidy up social order, to realize a steady turn for the better in social order, and to guarantee the smooth progress of economic reform and economic construction.

Leading comrades of the regional CPC committee and regional people's congress standing committee, including Chen Huiguang, Tao Aiying, Gan Ku, and Lin Chaoqun, spoke at the conference.

The conference held: In 1985, under the leadership of CPC committees and governments at all levels, political and legal departments at all levels throughout the region cracked down severely on serious crimes and economic crimes and scored very great achievements in comprehensively tidying up social order and in strengthening the building of the ranks. The situation in social order, on the whole, markedly improved. However, social order in our region was not tidied up evenly and consolidated. Therefore, we must not relax our vigilance because of an apparent, turn for the better in social order.

The conference pointed out: Strengthening the building of the socialist legal system is a reliable guarantee and necessary conditions for upholding good social order in our country over a long period of time and for building socialist material and spiritual civilization, is a principle the whole party must follow over a long period of time, and is the guiding ideology for strengthening and reforming political and legal work. It is necessary to overcome the trend toward despising the building of the socialist legal system; to enhance the conscientiousness in putting the legal system on a sound basis and in upholding the legal system; and to really ensure that people will act in accordance with the law, if any, that the law must be strictly enforced, and that offenders' responsibility must be investigated and affixed.

The conference pointed out: To promote a further turn for the better in social order, it is essential to continuously and severely crack down on serious crimes. Serious criminals guilty of murder, robbery, causing explosions, rape, organizing gangs of hooligans, inflicting grievous bodily harm, and serious theft must be punished severely and quickly in accordance with the law. It is imperative to crack down on, ban, and prohibit such evil social phenomena as prostitution, gambling, and feudal and superstitious practices.

The conference pointed out: Economic crimes do great harm to the building of the two civilizations. We must be determined to stamp out the arrogance of the economic criminals within a year. The situation in economic crime is complicated. CPC committees and governments at all levels must strengthen leadership over cracking down on economic crime. In coordination with one another, all departments concerned must make concerted efforts to step up investigating and dealing with the important and especially big economic criminal cases, particularly the big and important cases involving leading cadres and their children. We must impartially enforce the law, be bold in handling the tough cases, break through obstacles, investigate the cases to the end, and mete out punishment in accordance with the law.

The conference pointed out: To effectively prevent crime and reduce the number of crimes, it is imperative to mobilize the forces of the whole party and whole society to comprehensively tidy up social order. In the course of comprehensively tidying up social order, we must seriously and extensively implement various forms of the system of contracted responsibility for social order within this year. We must really do well in popularizing the legal system and seriously do well in helping and educating young people and juveniles who violated the law.

The conference pointed out: The tasks confronting the political and legal front are arduous and complicated. The key to accomplishing these tasks lies in enhancing the quality of the whole of the political and legal ranks. Political and legal departments at all levels must strengthen the building of the political and legal ranks and improve the political and professional quality of the political and legal cadres and policemen to meet the needs of the struggle.

The conference emphatically pointed out: CPC committees and governments at all levels must strengthen leadership over the political and legal work, support the work of the political and legal departments, and help them resolve their practical difficulties in their work.

GUANGXI PARTY LEADER URGES IMPROVED INFORMATION SHARING

HK010733 Nanning Guangxi Regional Service in Mandarin 1100 GMT 30 Mar 86

[Excerpts] Not long ago, while being interviewed by a reporter from this station, Chen Huiguang, Secretary of the Regional CPC Committee, talked about the importance of information work. He believed that whether or not we have quick access to information is the key to whether or not we can vigorously develop the commodity economy. Chen Huiguang said information work is very important and plays a very great part in promoting the circulation of commodites and helping the poor; fruits, sugar-cane, water chestnuts, jute, ambary hemp, ginger, and bananas have been kept in stock too long in many places in our region, and found no sale. One of the reasons is that we do not have quick access to information. Therefore, to vigorously develop the commodity economy, one of the very important problems is to grasp information work. When we have quick access to information, we can promote production and consumption.

Comrade Chen Huiguang stressed that the focal point of information work is to serve the development of the rural commodity economy. This is because the development of production of all commodities is quick after rural areas readjusted the production structure during the past few years. However, due to the fact that peasants do not have quick access to information and do not understand the overall situation well enough, they have carried out production blindly. Some products which are very much needed by society have not been produced, while other products which are not much needed by society have been mass-produced, resulting in overstocking of products and a dampening of peasants enthusiasm. We must do service work well by providing information and in accordance with the demands of the market, develop commodity production. Therefore, it is hoped that the propaganda department will publicize the importance of service work by providing information and better serve the readers and listeners.

SICHUAN'S YANG RUDAI URGES IMPROVED PERFORMANCE

HK010343 Chengdu Sichuan Provincial Service in Mandarin 0030 GMT 1 Apr 86

[Text] According to Sichuan Ribao, Comrade Yang Rudai stressed at a recent meeting of responsible persons of journalism units in the Chengdu area convened by the provincial CPC Committee's Propaganda Department, and also at a number of other meetings, that Sichuan must do its work during the Seventh 5-Year Plan even better than during the Sixth 5-Year Plan. This is the first year of the Seventh 5-Year Plan. We must work hard and fight a successful first battle.

Comrade Yang Rudai specifically analyzed the current production situation in Sichuan and pointed out the current problems and the work to be grasped. He stressed: Certain leading comrades have become blindly negligent and failed to get a tight grasp on current production. They do not attach importance to economic growth rate.

He said: We are not chasing a high growth rate. The sort of high growth rate attained by relying on loans and the use of more foreign exchange cannot be sustained for long. However, we must have a certain growth rate. In particular, we must have a rate that produces good economic results and has reserve strength, and a rate that can ensure coordinated economic development. Such an economic growth rate is not attained easily. We cannot become blindly negligent. The leading cadres at all levels must bring their subjective initiative into full play, devise ways to overcome difficulties and solve problems, and ensure healthy and coordinated economic development.

Comrade Yang Rudai said: While straightening out party style, we must grasp the problems that exist everywhere. Apart from solving problems of abuse of power, economic problems, and so on, we must solve the problems of political liberalism, bureaucratism in work, and ideological individualism. At present the majority of cases of bad party style are problems of lack of spiritual vigor, a weak concept of providing service, and serious bureaucratism. Bracing our spirits and transforming our work style are extremely important in fighting the first battle in the Seventh 5-Year Plan. The leading cadres must go deep into [words indistinct] study and solve problems as they find them.

XIZANG ESTABLISHES GROUP TO SEND CADRES TO RURAL AREAS

HK010701 Lhasa Xizang Regional Service in Mandarin 1130 GMT 29 Mar 86

[Text] A regional leadership group for sending cadres down to rural areas has been set up, with Hu Songjie, Regional CPC Committee Standing Committee member, as the head and Gong Daxi, Vice Chairman of the Regional People's Government, as deputy head. The leadership group comprises seven members: (Zhaxi Pingcuo), regional Civil Affairs Department Director; Pingcuo, Organization Department Deputy Director of the Regional CPC Committee; Ma Guanghua, deputy Secretary general of the General Office of the Regional CPC Committee Yang Zhiqing, deputy Secretary General of the General Office of the Regional People's Government; and (Ni Ma), regional Agricultural and Animal Husbandry Department deputy director.

The leadership group has set up a general office and eight comrades have been transferred from the Organization department, Propaganda Department, and General Office of the Regional CPC Committee as working personnel. The general office is sited in the Regional Agricultural and Animal Husbandry Department.

The leadership group has decided the number of cadres to be sent to rural areas from all regional departments. Regional subordinate organs will send 815 cadres to rural areas and will be organized into 33 working groups. Of these, 25 will go respectively to 25 counties in 7 prefectures and cities; 2 will investigate party grassroots organizations and the building of the grassroots political power; 1 will investigate factories, mines, and enterprises: I will inspect rural areas; and the other 4 will go down to rural areas to undertake the tasks of meteorological zoning, building new villages, investigating farms, and so on. The regional leadership group held a meeting on the afternoon of 28 March on sending the cadres from all regional subordinate organ units to rural areas.

GANSU OFFICE TO COORDINATE ECONOMIC DEVELOPMENT

OW011100 Beijing XINHUA in English 0830 GMT 1 Apr 86

[Text] Lanzhou, April 1 (XINHUA) -- An office to coordinate the economic development of northwest China -- about one third of China's land mass -- opened today in this capital of Gansu Province.

It will prepare the three northwest provinces -- Qinghai, Gansu and Shaanxi -- and two autonomous regions -- Xinjiang and Ningxia -- for a planned economic take-off at the turn of the century, an office spokesman said. Chinese leaders have announced the intention to give northwest top priority in China's economic development by the end of this century.

The office will coordinate the economic planning of the northwest provinces and regions. While tapping the economic potential of each area, it will try to promote economic, technical and personnel exchanges with coastal areas, according to the spokesman.

The northwest is rich in mineral resources such as oil, coal and nickel, yet the provinces and regions remain undeveloped -- and poor -- compared with coastal areas.

The spokesman said the provinces and regions will exchange information, establish trade agencies in each other's areas and jointly manufacture goods for ethnic and foreign markets. The office also plans to oversee improvement of transport and telecommunication service. It will open a chain of tourist services along the ancient "silk road" from Xian, capital of Shaanxi Province, through Lanzhou to Urumqi, capital of Xinjiang Uygur Autonomous Region.

GANSU'S LI ZIQI CALLS FOR IMPROVING PARTY STYLE

HK290703 Lanzhou Gansu Provincial Service in Mandarin 1100 GMT 27 Mar 86

[Excerpts] This morning, the provincial CPC Committee held a report meeting of leading cadres at and above the departmental level of the organs of the provincial CPC Committee on correcting party style. At the report meeting, responsible persons of departments concerned of the provincial CPC Committee reported on or introduced the situation in recently beginning to correct party style.

Leading comrades of the provincial CPC Committee, including Li Ziqi, Liu Bing, and Lu Kejian, spoke at the meeting. They also put forward specific demands on correcting party style in the organs of the provincial CPC Committee. They emphatically pointed out: In the course of correcting party style, the leadership organs or the provincial CPC Committee must first ensure that their political quality is good. All departments of the provincial CPC Committee must do really well in grasping ideological and political work. In the course of correcting party style, all cadres of the organs of the provincial CPC Committee must ensure a good mental outlook, firmly establish the idea of wholeheartedly serving the people and the grass roots, work selflessly for the public interest, and work diligently and hard. They must constantly enhance their own political quality.

In conclusion, the leading comrades of the provincial CPC Committee emphatically said: In the course of realizing a fundamental turn for better in party style and the general mood of society throughout the province, the organs of the provincial CPC Committee shoulder especially important duties. Therefore, they must set an example, give play to the role of vanguard, and, with their own practical actions, bring along the grass roots and influence the whole province.

SHAANXI'S BAI JINIAN ON INTELLECTUALS POLICIES

HK020243 Xian Shaanxi Provincial Service in Mandarin 0030 GMT 2 Apr 86

[Excerpts] Comrade Bai Jinian stressed in a speech at a provincial forum on implementing policies on intellectuals that it is essential to strengthen leadership and set a deadline for completing the task of implementing the policies.

This forum was convened by the provincial CPC Committee at the end of March. The meeting seriously studied the speeches and comments of leading central comrades on implementing the policies on intellectuals and a recent central document on this question.

Comrade Bai Jinian said in his speech: The work of implementing the policies has still not been completed even now. There are still many unsolved problems that should have been resolved. He said: Why do some problems drag on without solution? Why do some people take no action on implementing policies? I think that in most cases the reason is that people are haunted by erroneous leftist thinking, and the pernicious influence of leftism has not been eliminated. Some comrades have followed leftist ways for several decades and will not give them up. If they are not grabbing intellectuals by the pigtail, they are seizing them by the ear. We must, therefore, as before, avoid underestimating the pernicious influence of leftism. We can only implement the policies properly designed to eliminate leftism, get rid of old things, and resolutely clear away the pernicious influence of leftism.

Bai Jinian said: Implementing the policies means handling problems regarding people who were mishandled in the past under the erroneous leftist guiding ideology. This involves all sectors, and it is essential to strengthen leadership and have everyone taking part in the work of implementing the policies.

Bai Jinian stressed: There are many aspects to implementing the policies, but there are three key aspects. The conspicious ones at present are, first, the policies on intellectuals; second, the united front policies; and third, cases involving court decisions and organizational measures. The provincial CPC Committee is determined to thoroughly solve the problems left over from history and complete the task of implementing the policies by the time of the 13th Party Congress next year.

COMMENTARY NOTES DEVELOPMENT OF MODERN ARMS

OW011328 Taipei International Service in English 0200 GMT 1 Apr 86

[Station commentary]

[Text] According to a budget proposal for the next fiscal year just unveiled by the government of free China, 37 percent of the budgeted spending will go to national defense and diplomacy. The percentage is roughly the same as in the previous year. It indicates that the country has not relaxed its vigilance in the face of Peking's deceitful smiling offensive.

Maintaining a military establishment of half a million men for a population of 19 million can by no means be cheap, especially when the Republic of China is trying to keep the qualitative edge of its armed forces by upgrading its own defense industry. Substantial progress has been made in this vital area. The Ministry of Defense last week announced the latest breakthrough in support of Defense Minister Song Chang-chih's report at the Legislative Yuan a couple of weeks ago. Military spokesman Major General Chang Huiyuan said at a press conference the ROC-developed guided missile was successfully test-fired with an armed warhead for the first time last Wednesday. The missile not only hit the target drone but also blasted it into pieces. General Chang displayed the fragments from the destroyed target [words indistinct] from the exploding missile.

Military experts said the Sky Bow missile is similar to the U.S. Patriot missile in performance, and is superior to the U.S.-manufactured Hawk missile used bv the ROC ground forces. All major components and parts of the Sky Bow missile are developed and manufactured in Taiwan. It means the ROC can mass-produce the weapon without recourse to outside help.

Deployment of the surface-to-air missile will be of great importance to the air defense of Taiwan. It also represents a quantum jump in the ROC technical sophistication since the accuracy of the missile fired at a higher flying target traveling at supersonic speed involves many factors.

The Chung Shan Institute of Science, which is responsible for free China's defense research and development, has several other accomplishments to its credit, including the development of a supersonic jet trainer and attack plane, and several types of ground-to-ground and ship-to-ship missiles. The institute is also expected to turn out the first prototype of a new jet fighter comparable to the U.S. FX series in a couple of years.

As free China has pledged not to build nuclear weapons, it has to (?depend) on equally effective deterrence in the form of high-performance missiles, jet fighters, and modern naval craft. The ROC is fortunate in having a (?thriving) computer and electronics industry and is on the way up developing its own electro-optics industry, both of which will go a long way toward upgrading the nation's weapons system.

PREMIER YU ON DIPLOMATIC OPERATIONS GUIDELINES

OW012126 Taipei CNA in English 1506 GMT 1 Apr 86

[Text] Taipei, April 1 (CNA) -- Premier Yu Kuo-hwa directed the Ministry of Foreign Affairs Tuesday to coordinate with other agencies in working out proper diplomatic strategies according to the nation's present situation and to help the people understand how the government works out its foreign policies.

Speaking at the opening of the conference of chiefs of the ROC's diplomatic missions, Yu said he would like to express his sincere gratitude to all personnel stationed abroad for their hardships in fighting for the nation's interests over the past years. On the nation's future diplomatic work, Yu gave the following directives:

-- The government will continue to uphold its basic national policy and will never compromise with the Chinese Communist regime.

-- The Foreign Ministry should strengthen its analyses of international issues and the situation on the China mainland, and coordinate with other agencies in working out feasible strategies so as to consolidate and upgrade the nation's status in the international community; and

-- Government agencies should do their best to help the people understand how the government works out its foreign policies and why it has to stick to certain principles in promoting its foreign relations.

After Yu left, Foreign Minister Chu Fu-sung invited officials, including Economics Minister Lee Ta-hai, Tseng Kwang-shun, chairman of the Overseas Chinese Affairs Commission, Chang King-yuh, director of the Government Information Office, and Chen Hsin-Hsiung, director of the KMT Department of Overseas Affairs, to report to the participants on the nation's current situation. After the meeting, chiefs of the diplomatic missions attended a dinner hosted by Nieh Wen-ya, president of the Legislative Yuan. They will jointly attend a press conference on April 3 to answer reporters' inquiries about the nation's foreign affairs.

Conference Attendees Named

OW011105 Taipei CNA in English 0930 GMT 1 Apr 86

[Text] Taipei, April 1 (CNA) -- Nearly 40 officials of the Foreign Ministry, including 15 ambassadors and overseas mission chiefs, attended a meeting for Chinese envoys and mission heads abroad at the Foreign Ministry Tuesday afternoon. Premier Yu Kuo-Hwa delivered an opening speech at the gathering, while Dr. Chang King-yuh, director general of the Government Information Office, made a report at the opening. The meeting was presided over by Foreign Minister Chu Fu-sung. Vice Foreign Ministers Ding Mou-shin, Edward Y. Kuan and Charles Shu-Chi King were also present at the meeting. An official of the ministry said that the two-day meeting this year is larger in scope, including Chinese ambassadors and mission chiefs stationed in foreign countries.

Among the participants will be Adm. Ma Chi-chuang, mission head in Japan; Fredrick Chien, mission leader in Washington, D.C.; Chinese Ambassador to Korea Hsueh Yu-Chi; Ambassador to the Holy See Chow Shu-kai; and Shen Chi, mission chief to West Germany.

CHIANG CHING-KUO RECEIVES U.S. LEGISLATORS

OW020311 Taipei CNA in English 0244 GMT 2 Apr 86

[Text] Taipei, April 1 (CNA) -- President Chiang Ching-kuo received separately three groups of United States legislators at the presidential office Tuesday morning. The American congressmen are Senate minority whip Alan Cranston, D-California, and members of the House of Representatives Roy P. Dyson, D-Maryland; John R. Kasich, R-Ohio; Albert G. Bustamante, D-Texas; Patrick L. Swindall, R-Georgia; Charles F. Hatcher, D-Georgia; and Robert G. Terricelli, D-New Jersey.

Besides extending his hearty welcome, President Chiang exchanged opinions with them comprehensively on issues of mutual concern. Since most of the visiting American legislators are in the Republic of China for the first time, they expressed appreciation for being received by the president, who talked with them about their mission and their impressions of the ROC during the visit.

COMMENTARY ON PHILIPPINES MINISTER'S VISIT

OW291225 Taipei International Service in English 0200 GMT 27 Mar 86

[Station commentary]

[Text] During the weeks of chaos that led to the downfall of the corrupt Marcos regime the people of free China watched the development in the close neighboring country with grave concern. Later on, they and their government also expressed the readiness to extend a helping hand to the new Philippine president in her effort to rebuild her country.

Now a positive response has come from the government of President Corazon Aquino. Last week, she sent her Tourism Minister Jose Antonio Gonzales to the Republic of China as her personal representative. On the surface, Gonzales' trip to Taipei was linked specifically with the promotion of tourism. He called on ROC citizens on Taiwan to visit the Philippines, assuring them that the country is now back to normal and safe to visit. But it was more than that. The fact that Gonzales is a cabinet minister and personal representative of the new Philippine president shows that Manila is better informed than her predecessor about the ROC's capability and willingness to help. Mr Gonzales made it clear when he said: "I am personally not qualified to comment on diplomacy. But, the fact that I am here surely indicates we look up the existing relationship in a positive way."

During his stay in free China, the Philippine official also called on Vice President Li Teng-hui. It was further indication that Manila is interested in ROC's offer of help, even though there is no official ties between the two countries. Free China can be of help to the Philippines in a large variety of ways. Beijing the most experienced bountry in coping with communist conspiracies and subversion, the ROC is best qualified to give the Filipinos some pointers regarding how to deal with the insurgency of the communist New People's Army. Equally important is the ROC's experience and know-how in socio-economic development. Starting from almost nothing, the ROC has become a front-runner among developing countries, and is expected to become a fully modernized country in the coming decade.

The Philippines is in a much better position than the ROC was in the 1950's. It is rich in natural resources and has the sympathy and support of the entire free world. Now the Filipinos have a new government, dedicated to democracy and socio-economic reform. The ROC has tried to help the Philippines in the past. But the scale was too small to be effective, and the long tenure of the rotten Marcos regime hampered the development of closer Taipei-Manila ties. Now, a fresh start can be made. The ROC has the best wished for the success of the new Philippine Government because a free and prosperous Philippines will contribute enormously to the security of the whoe world, the ROC in particular.

PRC WILL NOT ISSUE SPECIAL ZONE CURRENCY

HK020737 Hong Kong TA KUNG PAO in Chinese 1 Apr 86 p 1

["Special dispatch" from Beijing by Kung Shuang-yin: Qian Jiaju Disclosed Yesterday That A Special Economic Zone Currency Will Not Be Issued And That Foreign Exchange Certificates Must Be Abolished"]

[Text] Beijing, 31 Mar -- Qian Jiaju, noted economist and a member of the CPPCC, told reporters today that China has decided not to issue a special economic zone currency because of its drawbacks.

Qian said that it would be abnormal for a country to have two currencies or to allow the circulation of foreign currencies. It is estimated that the circulation of Hong Kong dollars in mainland China, mainly in Guangdong, totals 3 to 4 billion. During my stay in Hong Kong last October, Qian continued, the Heng Seng Bank explained to me that the amount of Hong Kong dollars issued totaled 18 billion, including 2.7 billion in bank savings and a circulation of over 15 billion, an average of over $2,800 per Hong Kong inhabitant. According to the usual practice, Hong Kong people do not keep so much cash on hand. As a result, the surplus Hong Kong dollars flow to the mainland which is bound to affect the state's income from overseas remittances. The loss is colossal.

Qian Jiaju also discussed the question of foreign exchange certificates. He disclosed that the central authorities had decided to ban the use of foreign exchange certificates in 1983. The plan was shelved because it encountered opposition from certain regions. In my opinion, Qian Jiaju said, foreign exchange certificates must be abolished.

SHENZHEN SPECIAL ECONOMIC ZONE OPENS NEW BORDER

HK010616 Hong Kong SOUTH CHINA MORNING POST in English 1 Apr 86 p 16

[By Tim Jim]

[Text] The 130 million yuan (about HK$325 million) border cutting the Shenzhen Special Economic Zone off from the rest of China is to be commissioned today. All inward-moving goods will be subject to new customs restrictions, but travellers face no major changes -- at least for the time being.

Meanwhile, the opening hours of the Lowu customs and immigration border checkpoints will be extended to 10 pm from today.

The second Shenzhen border has been tested quietly during the past year and results have been favourable, according to Shenzhen authorities. While China has a series of simplified procedures in store to streamline passenger traffic from Hong Kong into Shenzhen, no dramatic changes are being contemplated. The second border is designed to enable China to open Shenzhen more freely to outside investors without causing too much disturbance to its domestic economy. Construction of the 86.15 km fence began in June 1982 and was completed in 1984.

It was expected that the inauguration of the second border will also enable the Shenzhen authorities to impose tighter control on illegal immigration to Hong Kong and smuggling activities into mainland China.

DAILY REPORT

China

CONTENTS

Vol I No 064 3 April 1986

PRC INTERNATIONAL AFFAIRS

GENERAL

Questions Answered for Foreign Investors in PRC A 1
[CHINA DAILY 1 Apr] A 2
GDR Criticizes FRG for SDI Participation A 2

UNITED STATES

RENMIN RIBAO on Shultz' European Trip [1 Apr] B 1
Work Begins in Shanghai on Sino-U.S. Airplane B 2
U.S. President Shortens Duty-Free List B 2
Effects of Cheap Oil on U.S. Economy Assessed B 3
U.S. Professor Awarded 'Highest Academic Degree' B 4

SOVIET UNION

Soviet Trade Delegation Arrives in Heilongjiang C 1
Gromyko Meets DPRK Assembly Leader in Moscow C 1
Soviet Hijacker Unwilling To Meet Soviet Diplomats [AFP] C 1
PRC Professor Recalls Visit to USSR C 2

NORTHEAST ASIA

KCNA Statement Notes South's False Propaganda D 1
NODONG SINMUN Condemns U.S.-South Military Ties D 1

SOUTHEAST ASIA & PACIFIC

Li Peng Meets Noted Hong Kong Personage E 1
Li Peng Meets Hong Kong Educationists 1 Apr E 1
CGDK's Khieu Samphan on Cambodian Solution Plan E 1
'Not Talking From Weak Stand' E 1
Hopes For ASEAN Support E 2
RENMIN RIBAO Criticizes 'Vietnamization' of Cambodia [31 Mar] E 2
Kunming-Bangkok Air Service Inaugurated E 4
Yunnan Government Delegation Visits Burma E 4
Singapore Signs Double Taxation Avoidance Accord E 5

WESTERN EUROPE

Li Peng Meets Italian Labor Minister 2 April G 1
Exchange of Views G 1
Training Accord Signed [ANSA] G 1
NPC's Zhu Xuefan Meets Finnish Health Minister G 1
Chinese, Finnish Scholars To Study Dong Folklore G 1
PLA Official Meets British Defense Minister G 1
Turkey Increases Textile Exports to PRC G 2
Netherlands Opposes Gorbachev Summit Proposal G 2

EASTERN EUROPE

Li Xiannian, SFRY President Vlajkovic Meet H 1
Speak at Banquet H 1
Hold Talks H 2
Beijing Reception Marks Hungary's Liberation Day H 2
Romania Elects New Political Committee Members H 3

WESTERN HEMISPHERE

NPC Delegation Leaves for IPU Session 2 Apr J 1
Antiguan Premier Praises PRC Farming Aid Team J 1
U.S. Plays Up Honduras-Nicaragua Border Clashes J 1

PRC NATIONAL AFFAIRS

Li Peng, Yao Yilin Hold Press Conference K 1
Nuclear Study Group to USSR K 1
Oil, Japan Trade Viewed K 1
Remarks on Yangtze Gorges K 1
Comments on 5-Year Education Funds K 2
No NPC Personnel Changes K 2
Drafting Bankruptcy Law K 3
Sixth NPC Evaluations, Discussions Ongoing K 3
Chen Pixian on Plan K 3
Chen Xitong on Price Reform K 4
PLA Deputies Meet K 6
Civil Code Detailed K 7
More Funds for Scientific Research in 7th Plan K 8
State Council Rules on SEZ Goods Control, Part I K 9
[CHINA DAILY 1 Apr]
Part II [CHINA DAILY 2 Apr] K 10
NONGMIN RIBAO Views Household Contract System [17 Mar] K 11
Sixth Plan Economic Construction Reviewed K 13
[RENMIN RIBAO 24 Mar]
RENMIN RIBAO Carries HONGQI Table of Contents [30 Mar] K 20

PRC REGIONAL AFFAIRS

EAST REGION

Chen Guangyi Addresses Fujian Secretaries Meeting O 1
[FUJIAN RIBAO 24 Mar]
Fujian Officials Visit Xiamen, Other Cities O 5
[FUJIAN RIBAO 22 Mar]
Shanghai's Rui Xingwen, Jiang Zemin Attend Meeting O 6
Wang Fang Views Aircraft Show in Hangzhou O 7

CENTRAL-SOUTH REGION

Henan Secretary on Strengthening Unity Among Cadres P 1
[LILUN YUEKAN 25 Feb]
Henan Partv Secretary Inspects Village P 6

SOUTHWEST REGION

Sichuan Outlines Structural Reform Tasks Q 1
Xizang's Doje Cering on Regional Economic Issues Q 1

NORTHEAST REGION

Li Giuxian, Others Inspect Liaoning Units S 1
Liaoning Holds Public Security Work Conference S 1

NORTHWEST REGION

Gansu Expects Power Shortage To Last 4 Years T 1
'Urgent' Shaanxi Meeting Views Farming Problems T 1
Xinjiang Adopts Measures To Control Price Hikes T 2

TAIWAN

Foreign Minister on Foreign Policy Strategy V 1
New Administrative Vice Defense Minister Named [AFP] V 1

HONG KONG MEDIA ON CHINA

CHENG MING on Deng Xiaoping, Factional Struggles [1 Apr] W 1
TA KUNG PAO Interviews Writer Zhang Xianliang [3-9 Apr] W 5
Special Economic Zones Try To Improve Exports W 6
[TA KUNG PAO 3-9 Apr]
CPPCC Members 'Asked Not To Discuss' Subjects W 8
[SOUTH CHINA MORNING POST 1 Apr]

QUESTIONS ANSWERED FOR FOREIGN INVESTORS IN PRC

HK010744 Beijing CHINA DAILY in English 1 Apr 86 p 4

["Legal Adviser" column: "Q and A for Foreign Investors" -- Capitalized passages published in boldface]

[Text] Question: Which Enterprises Are Encouraged To Attract Foreign Investment?

Answer: On condition that it is beneficial to China's modernization, foreigners are welcome to invest in energy production, building materials, chemicals, metallurgy, manufacture of machinery and communication networks as well as installations for recovering offshore oil, electronics, computers, light industry, textiles, food and packaging industries and medicine and medical apparatus. Units involved in farming, animal breeding, travel and service trades can also seek foreign funds. In the 14 open coastal cities the range is even broader. Engineering, port construction, transport and communication facilities, and even handicraft are open to foreign investments. Investors can seek advice from the Ministry of Foreign Economic Relations and Trade or local councils of foreign trade and economy.

Q: Once Foreign Investors Have Obtained Permission To Use a Piece of Land, They Can Erect Buildings and Sell Individual Offices or Apartments. How Is the Right To Use The Land Settled?

A: Any joint venture that wants to sell buildings to other joint ventures, co-operative enterprises or individual foreigners living in China should apply for approval from local departments in charge of real estate. The right to use the land is shared by any buyer according to the floor space and site of his apartment. And the expanses should be collect by the holding company according to the contracts signed with individual buyers. Local departments in charge of real estate must region the right to use the land on the expiration of the contract.

Q: What Kind of Assistance Can the Bank of China Offer Sino-Foreign Joint Ventures?

A: The Bank of China [BOC], which has business contacts with more than 150 countries and areas in the world, specializes in handling Sino-foreign exchanges. In addition to credit settlement services, the bank is ready to help foreign investors solve any problem relating to the establishment or management of joint ventures, either by playing the role of initiator or coordinator or middleman.

The BOC is also ready to act as guarantor for any foreign investor who is borrowing from a foreign bank so long as the investor can provide collateral in the form of his own assets and equipment invested in China. Letters of guarantee can also be obtained from BOC when foreign investors wish to remit their profits and capital out of China. Investors who are able to produce guarantees from other banks and offer assurance with related invested assets can approach BOC for loans to cover a temporary shortage of funds when setting up a new operation. Joint ventures may apply to the bank for loans to make up their working capital to invest in fixed assets; discounts for settlement funds are also available.

Q: Under What Circumstances Can Joint Ventures Break Up?

A: 1. If contract expires, and its extension has not been approved.

2. If serious losses mean the enterprise is unable to continue operation.

3. If one side of the joint venture breaks the conditions of the contract or regulations, so that it is impossible to continue operation.

4. If natural disasters or war damage the enterprise so that it cannot continue.

5. If the joint venture has failed to reach its target and there is little prospect that it never will.

6. If other clauses for break-up that have been stipulated in the contracts emerge.

Q: What Chinese Laws Are There That Protect Foreign Investors?

A: The 18th clause of China's Constitution stipulates: The law of the People's Republic of China protects the legal right of foreign investors. The second clause of China's Joint Venture Act says: The Chinese Government, according to law, protects foreign investment, just profits and other legal interests based on agreements and contracts approved by the Chinese government.

Foreign businessmen are allowed to remit profits abroad, as stipulated in the 10th clause of the Joint Venture Act. China's Economic Contract Act, passed by the 10th session of the Standing Committee of the National People's Congress, went into effect on July 1, 1985.

The act stipulates that contracts for joint ventures, co-operative business and joint exploration of natural resources, as approved by the Chinese Government, can be carried out in the absence of more precise law.

China is currently drafting new laws for joint ventures and wholly foreign-owned businesses. Before those laws are promulgated, the respective rights and obligations of Chinese and foreign partners must be specified in contracts, which have the effect of law once approved by the Chinese Government. If subsequent law is at variance with signed contract language and to the detriment of a foreign investor's interest, the contract will prevail.

GDR CRITICIZES FRG FOR SDI PARTICIPATION

OW030736 Beijing XINHUA in English 0718 GMT 3 Apr 86

[Text] Berlin, April 2 (XINHUA) -- Parliamentary leader of Democratic Germany Horst Sindermann said today that Federal Germany's participation in the U.S. Strategic Defense Initiative Program "will not be conducive to the relations between the two Germanys." The remarks by Sindermann, president of the People's Chamber, represent his country's first reaction to the issue since Federal Germany signed an agreement last weekend with the United States on its joining in the SDI program.

He told a press conference that his country will not change its policy toward Federal Germany even after the mid-April party congress. The two Germanys have a common responsibility to prevent the bursting out of a war on the German soil, he said. He deplored that the latest step taken by Federal Germany has made it difficult for Democratic Germany to pursue this policy. Asked if Erich Honecker will visit Federal Germany this year, Sindermann said the matter will not be decided until the party congress is held. But he believed the visit "will be made only after the party congress."

RENMIN RIBAO ON SHULTZ' EUROPEAN TRIP

HK011010 Beijing RENMIN RIBAO in Chinese 1 Apr 86 p 7

["Roundup: by Zhang Qihua: "Shultz Visits Four Countries"]

[Text] On 29 March U.S. Secretary of State George Shultz finished his 10-day visit to France, Turkey, Greece, and Italy. His trip was aimed this time at coordinating relations between the United States and its allies with the focus on discussing problems related to the defense of NATO's southeastern flank. However, according to reports from foreign news agencies, the trip achieved limited results.

The trip was carried out at a time when tension had emerged in the Mediterranean after the incident of the explosion at Rome airport at the end of last year. During his visit, military clashes occurred between the United States and Libya. Therefore, the Mediterranean situation and cooperation in dealing with terrorism become important themes of discussion during Shultz' visit abroad. It is reported that when Shultz held talks with the leaders of these countries, he stressed these problems and expressed the United States' hopes that its allies would support its stand and acts. All the southern European countries showed concern about the situation in the Mediterranean, but their attitudes differed. The communique on the talks between Shultz and Italian Prime Minister Bettino Craxi said that the two sides "are willing to make efforts to ease tension in the Mediterranean" and were considering signing an accord to "formalize cooperation" in fighting terrorism. However, some countries did not agree with the U.S. way of dealing with Libya. Greek and Italian leaders directly criticized the United States for its military actions in the Gulf of Sidra. Some countries worried that U.S. action might involve them in uncontrollable clashes and were also unwilling to see U.S. intervention undermine Western Europe's Middle East policy and relations with Libya.

Shultz spent most of the time visiting Greece and Turkey. Both Greece and Turkey are NATO members. They are situated on the eastern coast of the Mediterranean, hold a strategic point for communications between Europe, Africa, and Asia, and are in an important strategic position. However, so far, the two countries have each stuck to their stand in their disputes over the problems related to the peoples of Greek and Turkish origin on Cyprus and over the division of the Aegean Sea area. They are deeply hostile to each other and this has had an impact on NATO itself. The United States has concluded defense and economic cooperation treaties with both Greece and Turkey. It has established Naval and air bases in the territories of the two countries, the lease on which expires in 1985 and 1988 respectively. Shultz emphatically expressed to the Turkish and Greek leaders U.S. concerns for peace and stability in that area and said that the United States favored the draft proposal that the UN secretary general had advanced not long before and regarded it as a "way" to solve the Cyprus issue and realize reconciliation between Greece and Turkey. But Shultz failed to bring the leaders of the two countries round. Greece insisted that Turkey withdraw its troops from Cyprus and criticized the UN draft proposal for its omission of the troop withdrawal, while Turkey held that as long as the security of the people of Turkish origin was not ensured, it had no intention of withdrawing its troops and it openly rejected the draft proposal by the UN secretary general.

The negotiations between the United States and Turkey on the military bases issue have lasted 6 months. The United States asked to extend the related agreements and to continue using the existing military bases while Turkey hopes to sign a new agreement which would be more to its advantage.

The two sides are still bargaining and no breakthrough has been made in their efforts so far. After the visit, Shultz told reporters that the negotiations would be continued by lower-ranking officials. As far as Greece is concerned, the Greek Government has repeatedly asserted in the past that the U.S. military bases should be closed down on the expiration of the contract. Anti-American mass activities have been staged in succession in Greece in the past few days. All this has caused the United States to feel anxious and disturbed. Recently American officials have continued visiting Athens and the United States has decided to endorse the sale of fighter planes to Greece. Hence, there is an easing in U.S.-Greek relations. Through Shultz' current visit to Greece and talks between the United States and Greece, although the two sides have not reached any specific agreement on the military bases issue, both Shultz and Andre Papandreou expressed optimistic views to some extent, asserting that the U.S.-Greek talks were "quite satisfactory" and "a big stride" had been made toward improving relations.

In the meantime, the United States has made some gestures to the Greek and Turkish demands for increased economic aid and expanded economic cooperation. Shultz indicated to Greece that in the future, cooperation in investment, tourism, and information and technology transfers would be encouraged. According to the Western press, the quarters concerned in the United States proposed "an additional $236 million in aid" be given to Greece and Turkey in the next fiscal year but they were worried whether Congress would approve the package. The facts show that the relations between the United States and Greece and Turkey are delicate and complex. Shultz' current visits have created a certain climate for the development of relations between the United States and Greece and Turkey. However, before the issues are really solved, a lot of haggling will still be needed.

WORK BEGINS IN SHANGHAI ON SINO-U.S. AIRPLANE

OW011729 Beijing XINHUA in English 1658 GMT 1 Apr 86

[Text] Shanghai, April 1 (XINHUA) -- Riveting on the first Sino-American joint-venture MD-82 airplane began today at the Shanghai aircraft factory. Officials here said the riveting marks the beginning of the actual production of 25 of the airplanes, which were designed by the McDonnell-Douglas Aircraft Corporation of the United States.

The joint assembly of the 150-seat airplanes is the largest technical cooperative project ever conducted between China and the United States. It is also one of China's major projects for the Seventh Five-Year Plan (1986 to 1990). According to a general agreement which came into effect on April 15, 1985, China and the United States will jointly assemble 25 MD-82 airplanes, whose full-load range is designed to be 3,600 km. The first of the planes will be completed by the fall of 1987, and all the 25 will be put into use in China's civil aviation by the year 1991, said the officials. Shanghai has so far produced 160 MD-82 main undercarriage doors and 110 front undercarriage doors.

U.S. PRESIDENT SHORTENS DUTY-FREE LIST

OW022121 Beijing XINHUA in English 1933 GMT 2 Apr 86

[Text] Washington, April 2 (XINHUA) -- U.S. President Ronald Reagan has removed certain imported goods from duty-free list and refused to reinstate some other import items removed last year from the list. The President removed 839 million U.S. dollars worth of goods Tuesday from the duty-free list under the so-called Generalized System of Preferences (GSP) started in 1976.

Reagan refused on the same day to use his authority to reinstate some other items removed by a decision last year. The goods covered by that removal are worth 2.4 billion dollars at current estimates.

The actions will mainly affect five developing exporters -- Taiwan, Hong Kong, South Korea, Singapore and Mexico -- who together account for more than two-thirds of U.S. imports under the GSP and will lose about 2.8 billion dollars of exports this year. Since 1980, the United States has adopted a "graduation" policy for the GSP, under which developing exporters that have become "advanced" or competitive will no longer be eligible for the preferential GSP status on certain exports.

Currently, the United States imports about 3,000 products from 140 countries and regions under the GSP, with total GSP imports reaching 13.3 billion

EFFECTS OF CHEAP OIL ON U.S. ECONOMY ASSESSED

OW030744 Beijing XINHUA in English 0722 GMT 3 Apr 86

[News Analysis: Cheap Oil -- A Boon for the U.S.? -- XINHUA headline]

[by Liu Zhi Guang]

[Text] Washington, April 2 (XINHUA) -- The sharp, over 60 percent plunge in oil prices in the dramatic three-month long price war has been a windfall, a disaster and a threat to the United States, depending on how you approach the question.

To tens of millions of American consumers the sharp oil price plummet from 27 dollars a barrel in last December to less than 12 dollars a barrel at present is a windfall. For the first time in seven years, gasoline at pumping stations is selling for less than one dollar a gallon in much of the country. The average American home energy costs are expected to drop five to 10 percent as more electric utilities switch from other fuel back to cheaper oil.

With world oil prices plunging, the U.S. economic outlook for 1986 brightens up. Resulted from lower fuel prices, the U.S. consumer price index, a gauge for inflation, registered a 0.4 percent decline in February, its biggest monthly dip in more than 32 years. Additionally, lower oil prices were a principal reason for the nation's declined foreign trade deficit last month which shrank by four billion dollars to 12.5 billion dollars.

It was estimated that if oil prices average 15 dollars a barrel for all of 1986, the real U.S. economic output will rise an extra 1.4 percent, inflation drop by 1.5 percent and consumer purchasing power increase by 25 billion dollars. And half a million new jobs will be created. Generally speaking, the oil price slump is favorable for the U.S. economy as a whole.

But to U.S. domestic oil industry, cheap oil means a disaster. Slumping prices have prompted U.S. leading oil companies to announce, one after another, huge cuts in their 1986 exploration budgets, totalling over one billion dollars. The number of drilling rigs in operation has fallen 40 percent below the 1985 level and hundreds even thousands of low-volume "stripper" wells have been abandoned. The rig count is 75 percent below the peak in 1981. Tens of thousands of oil workers have been laid off. Producers, drillers and suppliers are struggling to avoid bankruptcy.

It is predicted that current prices will cut U.S. oil output by one million barrels a day or 11 percent within a year. The U.S. daily oil production now stands at about nine million barrels a day. A production drop in the country would mean a comparable rise in the demand for imported oil, most likely from the organization of petroleum Exporting Countries (OPEC). One oil business executive wrote in the NEW YORK TIMES that "cheap oil threatens our security and economic vitality by crippling the petroleum industry."

Obviously, world price slides tend to expose the United States to the danger of over dependence on foreign oil imports and thus to run the risk of a renewal of the supply disruptions of the 1970s. Thanks to sustained efforts in the past few years, the United States has not only succeeded in cutting its dependence on imports to just under 30 percent in 1985, from the 1977 peak of 8.5 million barrels a day, or 46 percent of its needs; it has also shifted the source of the bulk of the imports from the Middle East to countries in the Western Hemisphere.

With tumbling oil prices, now there is growing concern among U.S. economists that America could again become vulnerable to supply disruptions because oil imports are increasing and import patterns are shifting back. According to a commerce department report, the United States actually increased its volume of petroleum imports in January to 6.2 million barrels a day, up one million barrels a day from the 1985 average. Saudi Arabia, which was not among the 10 top American oil suppliers during much of last year, is back up to no. 3 behind Canada and Mexico.

Lower oil prices have begun to spur demand, generating fears that old energy-guzzling ways might be revived and energy conservation concept be eroded. Detroit, it was said, is again making and selling big cars. Several proposals have already been offered to prevent the U.S. from slipping back into a dangerous high level of dependence of foreign oil, including the proposal of imposing an oil import fee advanced by senators from recession-stricken energy producing states. However, chances of enactment remain slim.

Another development worth noting is that the Reagan administration seemed to have shifted away from its hands-off policy on energy markets and it has sent signals to Saudi Arabia that the time has come to stabilize oil prices. U.S. Vice President George Bush said Tuesday he would tell the Saudi Government in his upcoming Middle East trip that price slide is hurting the U.S. domestic oil industry.

U.S. PROFESSOR AWARDED 'HIGHEST ACADEMIC DEGREE'

OW011842 Beijing XINHUA in English 1836 GMT 1 Apr 86

[Text] Xian, April 1 (XINHUA) -- Jiaotong University in this capital of Shaanxi Province awarded honorary doctorate to noted U.S. scholar Leslie Eric Cross today for his contributions to cooperation between Sino-U.S. scientists. Cross is the sixth foreign scholar to receive the highest academic degree in China. He is working at a research institute of the university, which has received more than 20 Chinese scholars and students.

SOVIET TRADE DELEGATION ARRIVES IN HEILONGJIANG

SK020644 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 1 Apr 86

[Text] A four-member Soviet trade delegation headed by (Hueski), deputy general manager of the Soviet Far East foreign Trade Corporation, has arrived in Suifenhe City, Heilongjiang Province, at the invitation of the Heilongjiang Provincial Foreign Trade General Corporation. In the city the delegation held talks on 1986 trade and economic relations with provincial representatives from 23 to 30 March. During the talks, the two parties reached agreements on a number of import and export commodities and signed some contracts.

GROMYKO MEETS DPRK ASSEMBLY LEADER IN MOSCOW

OW030242 Beijing XINHUA in English 0237 GMT 3 Mar 86

[Text] Moscow, April 2 (XINHUA) -- President of the Supreme Soviet of the Soviet Union Andrey Gromyko today stressed that his country is ready to go immediately to a Soviet-American summit meeting in Europe in order to reach agreement on the termination of nuclear testing. However, the Soviet Union has not yet received a positive reply to its proposals from the United States, he said in a meeting with Yang Hyong-sop, chairman of the Standing Committee of the Supreme People's Assembly of the Democratic People's Republic of Korea.

Yang, who arrived here on March 26 for an official visit, said that his country supports the Soviet Union's stand on reducing nuclear arms and banning nuclear tests which was expressed by Soviet leader Mikhail Gorbachev in a statement on January 15 and in a TV speech on March 29.

Gromyko also reaffirmed the Soviet Union's "firm support" to the Korean people in their just struggle to stabilize the situation in the peninsula of Korea and in their strive to create favorable conditions for a peaceful reunification of the nation.

Yang Hyong-sop said that Korea will do its best to strengthen its friendship and cooperation with the Soviet Union and other socialist countries. Yang's trip is another top-level visit to Moscow by Korean officials in the past two years following a visit by President Kim Il-song in May 1984 and one by Premier Kang Song-san in December 1985.

SOVIET HIJACKER UNWILLING TO MEET SOVIET DIPLOMATS

HK021120 Hong Kong AFP in English 1116 GMT 2 Apr 86

[Text] Beijing, April 2 (AFP) -- A Soviet flyer jailed for eight years for hijacking a Soviet jet to China is unwilling to meet with Soviet Diplomats, a Chinese official said Wednesday.

"So far as I know, it's not a question of whether China will allow Soviet diplomats to meet with the hijacker, but rather a question of whether the Soviet hijacker is ready to meet with them," Foreign Ministry spokesman Ma Yuzhen said when asked if the hijacker had met representatives from his embassy here.

The hijacker, Alimuradov Shamil Gadji Ogly, was co-pilot of the Antonov 24 aircraft which landed with 43 people abroad in pasture in northeastern China on December 19. Nobody was injured and the plane and all passengers and other crew were returned to the Soviet Union.

A Soviet Embassy spokesman said last month that the hijacker had been sentenced to eight years in prison by a Chinese court. No motive for the hijacking has yet been revealed by either the Chinese or Soviet sides.

PRC PROFESSOR RECALLS VISIT TO USSR

OW011349 Beijing in Russian to the USSR 1800 GMT 29 Mar 86

[From the "Pages of Friendship" program]

[Excerpts] A 5-man Chinese economists' delegation paid a visit to your country at the end of 1985. Recently, our radio correspondent visited Professor Luo Yuanzheng, counselor of that delegation, in Beijing. Listen to his interview: "We are Again in the Soviet Union a Quarter of a Century Later."

The professor invited us into his well-appointed study, and then produced photographs and material and started giving a detailed account of his visit to the Soviet Union. Luo Yuanzheng said:

[Begin Luo Yuanzheng recording in Mandarin, fading into Russian translation] I shall begin my story on the current visit to the Soviet Union with a short episode. Before the trip to Moscow, I attended the conference of experts on social evaluation of the new technology of developing countries, organized by UNESCO in Nairobi, capital of Kenya. After the conference, I proceeded to Moscow on board a Soviet airliner. Comrade Dobrov, chief of the Scientific Center for the Study of Scientific and Technical Resources of the Ukrainian Science Academy, the Soviet delegate who attended the Nairobi conference, was aboard the same aircraft. With his help, I was admitted to the special building of the hotel for foreign scientists. It was long after midnight, and I was very glad.

On the morning of the second day, when I went to the service office to phone the Chinese Embassy, two women on duty there, on learning that I came from China, were very surprised and glad. One of them, a middle-aged woman, started a friendly conversation. She said that they had not seen guests from China for many years, and that they were very glad to meet a Chinese scientist. She also remembered former close contacts between the people of the two countries. I told her that the Chinese people have always had deep feelings of friendship for the Soviet people, and that mutual visits between the two countries have now become more frequent. On hearing this, she said: It should have been so a long time ago, and then started singing the "Moscow-Beijing" tune. She said that she used to sing this tune when she was a young girl, and that it was a very good tune. The deep feelings of friendship displayed by this woman for the Chinese people left an indelible impression on me. [end recording]

Later, Professor Luo Yuanzheng said: Last time I visited the Soviet Union was in 1960. Now, a quarter of a century later, I was again in the Soviet Union. I am sincerely glad about the huge changes which have taken place there during this period, and the new successes of the Soviet people. Professor Luo Yuanzheng speaks:

[Begin Luo Yuanzheng recording in Mandarin, fading to Russian translation] This time, in addition to Moscow, we visited Leningrad, Vilnyus, Tbilisi, and Tashkent. In these cities, we were warmly received by the leaders of local science academies, science academies, scientists and scientific workers in economics departments of higher educational, and economic scientific research establishments. We informed each other of the economic development of our countries and scientific problems being dealt with by economists.

We noted that mutual visits by Chinese and Soviet economists are useful, and that these relations must be further developed. In Moscow, we also met Fedosyev, vice president of the USSR Academy of Sciences and Medvedev, CPSU Central Committee secretary and chief of the Science and Technology Department of the CPSU Central Committee. In the conference hall of the Presidium of the USSR Academy of Sciences, Medvedev told me that both attended the economics department at Leningrad University. [End recording]

Luo Yuanzheng's account was so interesting that we did not notice that half a day had passed, and the professor is a very busy man. Recently, he was elected member of the CPPCC National Committee. At present, he is senior scientific worker at the Institute of World Economy and Politics at the Chinese Academy of Social Sciences; Professor (extraordinary) of economics departments at Beijing University and some other higher educational establishments; counselor of research establishments of some government organs.

As we were about to leave, Professor Luo Yuanzheng said:

[Begin Luo Yuanzheng Recording in Russian] The recent visit to the Soviet Union was very useful. I am certain that mutual visits by scientists of our two countries are absolutely necessary for strengthening friendship. Taking this opportunity, I want to use Beijing Radio to thank the appropriate organizations in the Soviet Union and Soviet colleagues for the cordial reception given to the delegation of Chinese economists, and also to send sincere greetings to my old friends, wishing them health and happiness in life. [end recording]

KCNA STATEMENT NOTES SOUTH'S FALSE PROPAGANDA

OW301855 Beijing XINHUA in English 1843 GMT 30 Mar 86

[Text] Pyongyang, March 30 (XINHUA) -- The Democratic People's Republic of Korea (DPRK) Sunday accused South Korea of worsening North-South Relations and creating tension on the Korean peninsula.

The KOREAN CENTRAL NEWS AGENCY (KCNA) said in a statement that the South Korean authorities were "laying grave obstacles to peace" in Korea and its peaceful reunification through false propaganda charging the DPRK with "obstruction of the olympics" and with a "southward invasion."

"By spreading the fiction of a southward invasion from the North, the (ruling) Chon Tu-hwan group is trying to invent a pretext beforehand to provoke a war in the worst case in future," the statement said.

The official statement said that the campaign launched against the DPRK "is a reflection of the political confusion created within South Korea."

KCNA added that the recent political unrest in South Korea and the movement for constitutional reforms pose "a serious socio-political problem" to the regime in Seoul. The statement called on the South Korean authorities to stop "suppressing" the people and warned the United States against encouraging such acts.

NODONG SINMUN CONDEMNS U.S. -SOUTH MILITARY TIES

OW031104 Beijing XINHUA in English 1056 GMT 3 Apr 86

[Text] Pyongyang, April 3 (XINHUA) -- The Korean official newspaper NODONG SINMUN today lashes out at U.S. -South Korean military meetings, saying that they are creating new obstacles to the peaceful reunification of Korea.

The United States and South Korean authorities reportedly held the 18th annual Security Consultative Meeting on Wednesday and the eight Military Committee Meeting the day before. Among the issues discussed at the meetings were the U.S. Military buildup in the Pacific, assistance to South Korea in resisting the so-called North's "invasion" and the continuation of joint military exercises.

A commentary published in the paper pointed out that one of the two purposes of the meetings is to strengthen the U.S. military forces in South Korea and the Far East on the pretext of "security." The other is to help sustain the existence of South Korean authorities in a political crisis and to threaten the opposition parties, the commentary said.

LI PENG MEETS NOTED HONG KONG PERSONAGE

OW021637 Beijing XINHUA in English 1517 GMT 2 Apr 86

[Text] Beijing, April 2 (XINHUA) -- Li Peng, China's vice-premier and minister in charge of the State Education Commission, met Henry Ying Tung Fok, president of Hong Kong's Chinese General Chamber of Commerce here today. Fok is also a member of the Standing Committee of the Chinese People's Political Consultative Conference National Committee.

During the meeting, Fok told Li Peng that he had decided to donate 100 million Hong Kong dollars (about 12 million U.S. dollars) to the motherland to establish a fund aimed at developing China's education.

Li thanked Fok for the contributions he has made over the past years to China's education. Last year, Fok donated one million U.S. dollars to Li's commission for a scholarship for students going abroad. He also provided money to Zhongshan University for building a gymnasium.

Fok suggested to Li that China pay more attention to the training of talented people and specialists, in administration and management in particular.

Li said China has made great efforts to train such people and has given various kinds of on-the-job training to large numbers of managers and factory directors. In addition, he said, China was considering adding faculties of management and administration to some universities and attaching more importance to the training of teachers and to adult education.

LI PENG MEETS HONG KONG EDUCATIONISTS 1 APR

OW011156 Beijing XINHUA in English 1150 GMT 1 Apr 86

[Text] Beijing, April 1 (XINHUA) -- Vice-Premier Li Peng met an education study delegation from Hong Kong here this afternoon. Li Peng, who is also minister in charge of the State Education Commission, briefed the visitors on the education in China's mainland and answered their questions. The delegation consists of 25 people representing 17 educational organizations in Hong Kong. They arrived here March 30 at the invitation of the State Education Commission. Earlier, they visited various types of schools in Shanghai and Jiangsu Province.

CGDK'S KHIEU SAMPHAN ON CAMBODIAN SOLUTION PLAN

'Not Talking From Weak Stand'

OW021238 Beijing XINHUA in English 1050 GMT 2 Apr 86

[Text] Bangkok, April 2 (XINHUA) -- Khieu Samphan, vice-president of Democratic Kampuchea, said here yesterday that the Kampuchean Resistance Forces want a political solution to the Kampuchean problem but they are "not talking from a weak stand." He told the local paper "BANGKOK POST" in an exclusive interview that the Coalition Government of Democratic Kampuchea (CGDK) had displayed flexibility through its recent eight-point proposal. The proposal, made in mid-March, calls for a phased withdrawal of Vietnamese troops from Kampuchea and the formation of a national reconciliation government with the participation of the Heng Samrin regime.

The Democratic Kampuchean side favored such steps towards a settlement through "genuine national reconciliation of the Khmer people," Khieu Samphan said.

"National unity is primordial," he said. "We are fighting for the survival of our beloved Kampuchea. This is more important than any other consideration, than any ideological differences we may have had in the past." The vice-president said, "We are definitely not talking from a weak stand. Our progress inside the country is real. But peace in our main objective it is what our people want.

Referring to Vietnam's outright refusal of the proposal, Khieu Samphan said it would be wiser for Vietnam to negotiate now. "It is in their interests, because we are making progress on the ground. We are slowly dismantling the pro-Heng Samrin administration in the villages," he said. "Vietnam is trapped in the net of guerrilla war," Khieu Samphan said. "Since 1983 we have been sending our troops deep inside. We are about to end another dry season and the Vietnamese have been unable to defeat us."

Hopes For ASEAN Support

OW021310 Beijing XINHUA in English 1257 GMT 2 Apr 86

[Text] Manila, April 2 (XINHUA) -- Vice-President of Democratic Kampuchea in charge of Foreign Affairs Khieu Samphan said here today that the eight-point proposal for the solution of the Kampuchean problem by the Coalition Government of Democratic Kampuchea (CGDK) will get the support from the ASEAN countries. He expressed the conviction upon his arrival at the Manila airport. He came to attend the ASEAN senior officials meeting scheduled from April 3 to 4 in Manila.

ASEAN groups Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand. Senior officials from the six countries at the meeting will discuss, among other things, the eight-point proposal and the preparation for the ASEAN foreign ministers meeting in Bali, Indonesia, in May.

The CGDK in its proposal put forward on March 17 called on Vietnam to make a two-stage withdrawal of its troops from Kampuchea and for a four-party negotiation by the three resistance factions and the Heng Samrin regime for the setting up of a four-party coalition government for Kampuchea. Khieu Samphan said the eight-point proposal was proclaimed before the world by President Sihanouk and "we hope that the whole world would contribute to the political solution of the Kampuchean problem." Khieu Samphan told reporters that he came to thank first of all for the support ASEAN gave to the CGDK and meet the ASEAN officials to find out what they can do for CGDK.

RENMIN RIBAO CRITICIZES 'VIETNAMIZATION' OF CAMBODIA

HK021322 Beijing RENMIN RIBAO in CHINESE 31 Mar 86 p 6

[Article by Yan Yi: "Vietnamization -- a Sinister and Deceitful Neocolonial Method"]

[Text] While trampling upon Cambodia's sovereignty and carrying out naked military occupation, the Vietnamese authorities have tried by every possible means to implement a "Vietnamization" policy, to bring the Heng Samrin regime under strict control politically, economically, ideologically, and culturally, and to establish a colonial rule over the Cambodian people.

The first measure of "Vietnamization" taken by the Vietnamese authorities was to resettle a large number of Vietnamese in Cambodia. Since 1979, more than 700,000 Vietnamese have reportedlymoved to Cambodia and the number has tended to increase enormously. These immigrants have seized the most fertile land in Cambodia. For example, plots belonging to the immigrants can be found in "almost every mile" of land in some areas around the Tonle Sap and along the Tonle Sap river. The local residents have been forced to supply the immigrants with housing and food while some indigenous Cambodians have had to leave their native place and earn a living in other places. The authorities have stipulated that Vietnamese advisors should be "consulted with" before any action relating to the Vietnamese immigrants is taken. All the Vietnamese immigrants enjoy extraterritoriality.

The second measure was to carry out cultural enslavement. Under the guidance of Vietnamese "experts," all types of schools in Cambodia are run according to the Vietnamese style. Courses in Vietnamese language and history are given in the schools. All Cambodian children learn the language of the colonialists in primary schools. Moreover, scores of thousands of children have also been sent to Vietnam to receive "training." All this is aimed at "enslaving" these childish hearts from the very beginning. Vietnamese also has to be used in the Cambodian puppet government organs.

The third measure was to inculcate Vietnamese customs and habits and to infiltrate through blood ties. The Vietnamese and the puppet authorities have energetically publicized and popularized Vietnamese life styles, done their utmost to advocate intermarriage between Vietnamese and Cambodians, and forced the Khmer people to change their long-standing habits and customs in an attempt to gradually assimilate the Khmer nationality into the Vietnamese. A Vietnamese official disclosed that there are more than 10,000 children of mixed blood in Battambang and Siem Reap Provinces alone.

Ironclad evidence has proven that the Vietnamese authorities in Cambodia are practicing neocolonialism with "Vietnamization" as its distinctive feature. The Vietnamese colonialist rule has brought serious disasters to Cambodia. Not only have vast stretches of good land been laid waste with several hundred thousand people wandering destitute far from home, but Cambodia is faced with the real danger of genocide. More and more Cambodians have seen through Hanoi's scheme and many officials of the puppet regime have crossed over to the side of the Coalition Government of Democratic Kampuchea or fled the country. Many puppet soldiers have voluntarily ceased fighting the patriotic armed forces and the number of deserters has increased year after year. The situation has even developed to such an extent this year that hundreds of puppet soldiers mutinied and clashed with Vietnamese soldiers. It can be asserted that the neocolonialist plan of "Vietnamization" pursued by Hanoi is bound to meet with ignominious defeat.

In addition to setting up a headquarters for the Vietnamese aggressor troops, the Vietnamese authorities have also installed the so-called "478 Working Committee" directly dispatched by the CPV Central Committee to act as an "overlord" in command of everything in Cambodia. In the party and government organs of Heng Samrin Clique, from the central and provincial to the village levels, and in the Cambodian puppet army units at the company level and above. Vietnamese advisors and experts either assume personal command or pull the strings behind the scences. Not only should the puppet regime take orders from Vietnam on the formulation and implementation of important plans, principles, and policies, but doctors are also subject to the control and supervision of Vietnamese "experts" on such trivial matters as writing prescriptions and performing operations.

Hanoi is even carrying out a policy of "those who submit will prosper and those who resist shall perish" toward the Cambodian puppet officials. Those who are loyal to their Hanoi masters may be sent to the senior party school or other political schools in Vietnam to "get gilded" in preparation for their "promotions" or "appointements to important positions." While those who show the slightest dissatisfaction or who are not absolutely obedient, however, are often charged with "expressing national sentiments" or "refusing to cooperate." They are either ruthlessly attacked or purged. Over the past few years, many senior officials of the puppet regime, including governors, ministers, and Pen Sovan, former general secretary of the Cambodian puppet party and former chairman of the Council of Ministers [zong li] of the Cambodian puppet regime, have not escaped this fate.

The Vietnamese rulers have even strengthened controls over the Cambodian people. They have planted a large number of agents and plainclothesmen among the residents. Those who show dissatisfaction toward Vietnamese rule will be immediately arrested on charges of "collaborating with the Khmer Rouge." Subjected to inhuman treatment, many people have been crippled or even beaten to death. Some Vietnamese soldiers admitted that in Cambodia they may at will plunder the common people, take liberty with or rape women, and shoot at them. In the rural areas, the villagers are forcibly concentrated in places similar to the "strategic hemlets" set up by the United States and the South Vietnamese puppet regime in South Vietnam many years ago. Males between 18 and 45 years of age are dispatched by groups to the western border areas to undertake forced labor. They build field fortifications and repair roads in places where the circumstances are adverse and malaria is rampant. Having failed to fulfill their quotas, some provinces have even rounded up women to make up the numbers.

Economically, the Vietnamese occupation army wantonly plunders Cambodia of its property by annually transporting large quantities of rice, valuable timber, rubber, and coffee to Vietnam. The Vietnamese aggressor troops also plunder grain, food, and other materials on the spot in order to meet the needs of "supporting the war effort."

In recent years, in an attempt to "Vietnamize" the Cambodian residents. Vietnam has been implementing a policy of national assimilation, which is a very sinister and deceitful method. This issue has aroused the concern of world public opinion.

KUNMING-BANGKOK AIR SERVICE INAUGURATED

OW021909 Beijing XINHUA in English 1852 GMT 2 Apr 86

[Text] Kunming April 2 (XINHUA) -- An air service between this capital of southwest China's Yunnan Province and Bangkok was opened today. A Boeing 737-200 passenger plane will fly the return route every Wednesday.

Travel agencies in Kunming jointly gave a banquet this evening in honor of the first group of tourists to fly the route. They are from Thailand, Singapore, Japan and the United States.

YUNNAN GOVERNMENT DELEGATION VISITS BURMA

HK021258 Kunming Yunnan Provincial Service in Mandarin 2300 GMT 1 Apr 86

[Text] On the afternoon of 1 April, the provincial People's Government held the first press briefing. Pan Dingsu, director of the provincial Foreign Affairs Office, briefed the province's press units about the visit by the provincial government delegation, led by Governor He Zhiqiang, to Burma.

Comrade Pan Dingsu said: At the invitation of the government of the socialist Republic of the Union of Burma, the 10-member Yunnan Government delegation, led by Governor He Zhiqiang, arrived in Rangoon on 12 March and paid a friendly visit to Burma. On 19 March, the government delegation concluded the visit and returned to Kunming via (Menggu). This was the first visit by a provincial government leader to Burma in the past 20 years. Recently, Sino-Burmese friendship has greatly developed. The leaders of the two countries have conducted frequent friendly visits to each other. The two countries have further strengthened their relations of friendship and cooperation in the areas of politics, economics, and culture. Under these circumstances, the provincial government delegation visited the friendly neighboring country of Burma, bringing with it the profound sentiments of friendship of the province's people of various nationalities. It was hoped that through the visit, the traditional friendship between the two countries would be further promoted, and the economic and cultural links between Burma and Yunnan Province would be strengthened.

During the visit, He Zhiqiang, leader of the delegation and governor, as well as other members of the delegation, expressed to the leader and other officials of Burma that they highly valued the development of Sino-Burmese friendship, and they would unremittingly maintain this traditional friendship. They also introduced the province's economic construction situation and its achievements scored in the course of carrying out the opening-up policy to them. The visit was a successful one.

The press briefing was presided over by (Wu Guangfan), deputy secretary general of the provincial government. He said that the provincial government has decided that it will hold either regular or irregular press conferences to inform various press units in the province about the situation in such areas as economics, culture, science and technology, and foreign affairs.

SINGAPORE SIGNS DOUBLE TAXATION AVOIDANCE ACCORD

OW021216 Beijing XINHUA in English 1153 GMT 2 Apr 86

[Text] Beijing, April 2 (XINHUA) -- A comprehensive agreement for the avoidance of double taxation between China and Singapore was initialled here today after negotiations were concluded.

Jin Xin, director-general of the General Taxation Bureau of China's Ministry of Finance, and Mr. Hsu Tse-kwang, commissioner of Inland Revenue of Singapore initialled the agreement.

The agreement covers a wide range of economic activities and (?types) of income and adequately deals with their tax consequences, it is learned here. It provides, for example, that either country would reduce its tax on dividends, interest and royalties received by residents of the other country. It also secures the Singapore entrepreneurs investing in China to enjoy any benefits such as exemption from and reduction of Chinese tax grafted by China. When the agreement becomes effective after having been officially signed and ratified by both governments, it will remove double taxation and provide concessions for any incentives designed to encourage economic development.

By now, China has signed agreements on avoidance of double taxation with its major trade partners including Japan, the United States, Britain, Federal Germany, France, Belgium, Malaysia, Norway and Denmark, according to Chinese taxation officials.

LI PENG MEETS ITALIAN LABOR MINISTER 2 APRIL

Exchange of Views

OW021322 Beijing XINHUA in English 1310 GMT 2 Apr 86

[Text] Beijing, April 2 (XINHUA) -- Vice-Premier Li Peng met Gianni de Michelis, minister of labor and social welfare of Italy, here today. They exchanged views on bilateral cooperation in vocational training, economy and technology.

Training Accord Signed

AU011404 Rome ANSA in English 1355 GMT 1 Apr 86

[Text] (ANSA) Beijing April 1 -- Italian Labor Minister Gianni de Michelis today signed an accord with the Chinese Government here to increase professional training courses in Italy for Chinese personnel. De Michaelis arrived in Beijing Monday for a four-day official visit aimed at increasing contacts at all levels between the two countries.

Under the new accord, around fifty Chinese officials will travel to the international labor office in Turin at Italy's expense to take courses in management, statistics and health and retirement programs. A linguistic laboratory in the Italian language will also be opened in Beijing.

The accord was signed on the Chinese side by Foreign Trade Minister Zheng Tuobin. During his sojourn in China, de Michaelis will have a series of meetings with government officials and with the Secretary-General of the Chinese Communist Party Hu Yaobang.

NPC'S ZHU XUEFAN MEETS FINNISH HEALTH MINISTER

OW021326 Beijing XINHUA in English 1308 GMT 2 Apr 86

[Text] Beijing, April 2 (XINHUA) -- Zhu Xuefan, vice-chairman of the Standing Committee of the National People's Congress, met Finnish Minister of Social Affairs and Health Eeva Kuuskoski-Vikatmaa, and her party here today. They exchanged views on the strengthening of cooperation in health and other fields between the two countries. Cui Yueli, minister of public health was present on the occasion.

CHINESE, FINNISH SCHOLARS TO STUDY DONG FOLKLORE

OW011845 Beijing XINHUA in English 1835 GMT 1 Apr 86

[Text] Nanning, April 1 (XINHUA) -- Sixty-two Chinese and five Finnish scholars started here today a joint program to study the folk literature of China's Dong minority nationality. The scholars will first spend six days attending lectures in this capital of southwest China's Guangxi Zhuang Autonomous Region. Then they will spend six weeks in the Dong Autonomous county of Sanjiang to study the folk literature of the Dong nationality. China has a Dong population of more than 1.4 million. However, their literature remains to be further studied and developed, said the scholars.

PLA OFFICIAL MEETS BRITISH DEFENSE MINISTER

OW021641 Beijing XINHUA in English 1525 GMT 2 Apr 86

[Text] Beijing, April 2 (XINHUA) -- He Qizong, deputy chief of General Staff of the Chinese People's Liberation Army, met and feted here this evening N. Lamont, British minister of state for defense.

Speaking at the banquet, both he and Lamont expressed the wish to further the cooperation between the two countries in military-related industries. Lamont and his party arrived here today at the invitation of the Chinese Ministry of National Defense.

TURKEY INCREASES TEXTILE EXPORTS TO PRC

OW020858 Beijing XINHUA in English 0708 GMT 2 Apr 86

[Text] Ankara, April 1 (XINHUA) -- Turkish textile export to China, Arab and other Islamic countries has increased considerably in recent years, an authoritive sources in charge of Turkish foreign trade told XINHUA here today. He said his country's textile export to China has increased by 150 folds in the past three years from 140,000 dollars in 1983 to 21.7 million dollars in 1985. He pointed out that turkish textile export to Mideast, Gulf and North African countries have registered a more than one hundred percent increase in 1985 over that of 1983. Meanwhile, its textile export to the European Economic Community has shown a decrease of 139 million dollars from 1,299 million dollars in 1984 to 1,160 million dollars in 1985, a reduction of 10.6 percent. The main cause of the reduction is the EEC policy of restriction and discrimination against Turkey's textile.

NETHERLANDS OPPOSES GORBACHEV SUMMIT PROPOSAL

OW021240 Beijing XINHUA in English 1219 GMT 2 Apr 86

[Text] The Hague, April 2 (XINHUA) — The Dutch Government shares the U.S. objection to the Soviet proposal to hold a U.S.-Soviet summit in Europe in the near future to work on a nuclear test ban, a Dutch Foreign Ministry spokesman said today. The Dutch Government took this stand because it saw the Soviet-proposed summit as "intended to replace the Reagan-Gorbachev meeting planned for later this year in Washington."

Last week, the Soviet leader called for an early Soviet-U.S. summit in Europe to discuss a nuclear test ban. The United States has rejected the Soviet offer.

"We are not sure whether the Soviet proposed summit on a nuclear test ban is useful because everyone knows that the U.S. is against a nuclear test ban at the moment," the spokesman said. "We think that it is better to continue to prepare for a summit meeting in Washington as agreed upon at the (U.S.-Soviet) Geneva Summit last year," he said, adding "The Netherlands is in favor of a summit that will lead to a positive result." He said that his country shared the U.S. objection to focussing such a meeting only on one issue -- the nuclear test ban. It should be raised, but not as the sole issue, he explained.

LI XIANNIAN, SFRY PRESIDENT VLAJKOVIC MEET

Speak At Banquet

OW021516 Beijing XINHUA in English 1444 GMT 2 Apr 86

[Text] Beijing April 2 (XINHUA) -- Chinese President Li Xiannian said here today that all-round friendly cooperation between China and Yugoslavia is developing smoothly, with marked results already achieved. The two countries have deepened their mutual understanding and trust, while their economic cooperation and trade have also grown, he added. Li made these remarks at a banquet welcoming Radovan Vlajkovic, president of the Presidency of Yugoslavia here this evening. Speaking at the banquet, the Chinese and Yugoslav presidents pledged to further Sino-Yugoslav cooperation in various fields.

Li noted that the present world situation is disturbing. Although the resumption of the U.S.-Soviet dialogue has eased world tension to a certain extent, the arms race between the two superpowers is still going on. Not a single one of the "hot spots" has been eliminated, while the irrational international economic order is seriously harming the economic rights and interests of the developing countries and affecting world stability, he said. He pointed out that world peace and economic development are two overwhelming issues which concern the rights and interests of peoples of all countries. He paid tribute to the domestic achievements of Yugoslavia as well as its role in and contributions to international affairs.

He said that the Nonaligned Movement, as an important political force in the world arena today, has greatly contributed to the efforts of the people of the world for securing peace and development. He praised Yugoslavia, a founder of the Nonaligned Movement, for its efforts in promoting the movement. He reiterated that China will work together with all peace-loving countries and peoples to ease world tension, achieve the common development of all countries, and make the world peaceful and secure.

Vlajkovic said that all countries and their peoples have the right to choose their own course for political, social and economic development. Both Yugoslavia and China are following the principle of building socialism in their own ways. He said that the Yugoslav people are watching China's development and feel pleased with its achievements.

On the world situation, Vlajkovic said that group confrontation, the arms race, the use of force, and policies of pressure and interference may result in dangers and threats to the basic interests of the world as far as development and stability are concerned. He pointed out that any one of the crisis-ridden spots and conflicts in any part of the world may lead the world to disaster. He expressed concern over the recent escalation of tension in the Mediterranean region and said that such a turn of events would lead to turbulence in a wider area and reduce the hope for a peaceful and just solution to the problem. He also called for a just and enduring political settlement of the Kampuchea and Afghanistan questions by the withdrawal of foreign troops from those countries and creating other conditions to let the Kampuchean and Afghan peoples decide their own destinies without outside interference.

Hold Talks

OW031046 Beijing XINHUA in English 1037 GMT 3 Apr 86

[Text] Beijing, April 3 (XINHUA) -- Chinese President Li Xiannian and his Yugoslav counterpart Radovan Vlajkovic both expressed hope today for an expansion of friendly co-operation between the two countries. Li and Vlajkovic, president of the Presidency of the Socialist Federal Republic of Yugoslavia, said at a meeting here that they shared similar views on a wide range of international issues.

Vlajkovic said Yugoslavia and China, both believed that the safeguarding of world peace and economic development were the most important issues in the world today. Many people were disturbed by disputes and conflicts which threatened world peace. The recent troubles in the Mediterranean region had led to tension and unrest in the region. Yugoslavia and other countries were making efforts to ease the tension through the Nonaligned Movement.

The Yugoslavian president said that as one of the founders of the Nonaligned Movement, his country would strive to contribute more to the development of the movement, which was set up in 1961. He restated Yugoslavia's views on Kampuchea -- that all foreign troops should withdraw. Regarding bilateral relations, Vlajkovic said that a further strengthening of co-operation between Yugoslavia and China would benefit both sides.

Li said China supported policies which benefited peace and development. People in the world wanted peace, not war -- especially people in the developing countries, as they needed to develop their national economies. He said that China hoped sincere talk would be held between the United States and the Soviet Union, which conformed with people's demands.

Li called Yugoslavia a comrade-in-arms which shared a common goal. He said that the Chinese Communist Party and government had paid high attention to the development of all-round, long-term and stable friendly relations and co-operation with Yugoslavia.

The exchange of visits between leaders of the two parties and two countries, exchange of experiences on the two countries' reform and construction, and the cooperation on international issues had led to the further development of bilateral relations.

Li also spoke highly of the policies drawn up by the Central Committee of the League of Communists of Yugoslavia, which were worked out according to the country's condition. He wished the forthcoming eighth session of the summit conference of the nonaligned countries success, and hoped to see an increasing development of the movement.

Present on the occasion were Wu Xueqian, state councillor and foreign minister, Zhang Jingfu, state councillor, as well as Yugoslav senior officials accompanying Vlajkovic to China.

BEIJING RECEPTION MARKS HUNGARY'S LIBERATION DAY

OW021400 Beijing XINHUA in English 1320 GMT 2 Apr 86

[Text] Beijing, April 2 (XINHUA) -- The Chinese People's Association for Friendship With Foreign Countries gave a reception here today to mark the 41st anniversary of the liberation of Hungary.

In his speech, Ling Qing, vice-president of the association, said that the friendly relations and cooperation between China and Hungary have further developed and interflow between their friendly organizations have also enhanced. The expansion of bilateral relations conforms with the fundamental interests of the two peoples, he added.

Present were Laszlo Ivan, Hungarian Ambassador to China, his wife, as well as other Hungarian friends in Beijing.

ROMANIA ELECTS NEW POLITICAL COMMITTEE MEMBERS

OW020932 Beijing XINHUA in English 0721 GMT 2 Apr 86

[Text] Bucharest, April 1 (XINHUA) -- The Romanian Communist Party Central Committee Plenary Session today elected Vasile Milea, minister of national defence, Mihai Marian, first secretary of Constanta County and Ilie Matei, first secretary of Timis County, to alternate membership of the Executive Political Committee of the party's Central Committee. Nicolae Migalache, former first secretary of Constanta County, was relieved of his position as alternate member of the committee.

The Central Committee Plenum, presided over by President Nicolae Ceausescu, has discussed economic problems, cadre policy, organization of the party and foreign policy, according to the Romanian news agency, AGERPRES. The session will end tomorrow.

NPC DELEGATION LEAVES FOR IPU SESSION 2 APR

OW021120 Beijing XINHUA in English 1012 GMT 2 Apr 86

[Text] Beijing, April 2 (XINHUA) -- A delegation from the National People's Congress (NPC) headed by Zhang Zhixiang, member of the NPC's Standing Committee, left here today for the 75th session of the Inter-Parlimentary Union in Mexico City.

Members of the delegation are Qian Min, member of the NPC's Standing Committee, and Cheng Siyuan and Qiu Shaoheng, NPC delegates.

ANTIGUAN PREMIER PRAISES PRC FARMING AID TEAM

OW020832 Beijing XINHUA in English 0820 GMT 2 Apr 86

[Text] Bridgetown, Barbados, April 1 (XINHUA) -- Prime Minister of Antigua and Barbuda Vere Bird praised a Chinese technical team today for its "excellent job" in bringing into the country new species of vegetables and hoped his country will learn successful Chinese farming methods. During an inspection of the diamond irrigation project in central Antigua where the Chinese are assisting the local people in vegetable cultivation, the prime minister was quoted by team leader Sheng Nengli as saying his country will follow China's example to feed its people with its own produce.

The 14-man team, which is carrying out a two-year two-million-yuan (about one million U.S. dollars) aid program, has succeeded in growing several vegetables that were unable to take root in the twin-island Eastern Caribbean state before. They include broccoli, white potato and cabbage apart from a line of Chinese vegetables. The program, which started in November 1984, also includes technical assistance and equipment supply for a new laboratory and aid in teaching facilities.

U.S. PLAYS UP HONDURAS-NICARAGUA BORDER CLASHES

OW021213 Beijing XINHUA Domestic Service in Chinese 1404 GMT 29 Mar 86

[Excerpts] Beijing, 29 Mar (XINHUA) -- Early this week, Nicaraguan Government troops engaged the Contras in fierce fighting along the Honduran-Nicaraguan border. Then, with the assistance of U.S. troops stationed in Honduras, Honduran troops were sent to the border to repel the Nicaraguan "intruders." The flareup of the border war suddenly intensified the protracted conflict in Central America.

The border conflict was first played up in a big way by the United States. On 24 March, the U.S. Government announced that a Nicaraguan Sandinist unit of between 1,000 and 1,500 soldiers had "intruded" onto Honduran territory. However, the Honduran authorities, a party directly involved, denied this. Even at the emergency National Security Council meeting called by President Azcona that evening, the Honduran Army still insisted it had received no report from the border units on the alleged "incursion."

However, immediately following the arrival of John R. Galvin, commander of the U.S. Southern Command, in Tegucigalpa the next day, the Honduran authorities changed their original stance and confirmed the "incursion." They also requested U.S. aid. On the same day, the Reagan administration approved $20 million in emergency military aid to Honduras, and the Pentagon also ordered U.S. troops stationed in the country to fly 18 helicopters to help transport 850 Honduran infantrymen to the border area. After arriving in the border area that evening, the advance troops exchanged fire with the "intruders" and began their mission of "chasing out" the enemy troops."

The battle along the Honduran-Nicaraguan border has subsided. The Honduran side announced that it had chased out the "intruders" while Nicaragua made public its battle victories against the antigovernment forces, stressing that there had been no fighting between Nicaragua and Honduras.

It is worth noting that Washington's report on the border incident was made 2 days before the U.S. Senate debate and vote on President Reagan's request for $100 million in aid to the contras and 10 days before the scheduled meeting between the Contadora and Lima groups and the representatives of five Latin American countries for settling the Central American conflict. It was certainly no coincidence. The meeting between the Contadora and Lima groups and the representatives of the five Latin American countries was scheduled to discuss specific issues on organizing a committee to supervise the Nicaraguan-Costa Rican border and thereby to prevent border incident arising from the activities of U.S.-supported contras in the area. The meeting was also to discuss a proposal on forming a similar supervisory committee along the Nicaraguan-Honduran border. The intention of the United States in choosing such a time to make a big issue out of the Nicaraguan troops' chasing the contras is obvious.

LI PENG, YAO YILIN HOLD PRESS CONFERENCE

Nuclear Study Group to USSR

OW030302 Beijing XINHUA in English 0250 GMT 3 Apr 86

[Text] Beijing, April 3 (XINHUA) -- Chinese Vice-Premier Li Peng disclosed here today that China will soon send a delegation to the Soviet Union to study nuclear power stations there. In a rare press conference Li and his colleague Yao Yilin gave here this morning, Li said that this matter was decided at the meeting of the Sino-Soviet commission on scientific and technological cooperation earlier this year. Similar study groups from China have been sent to Japan, the United States, Great Britain, France, Federal Germany and Brazil, he added.

Responding to a question, Li Peng said that China will go ahead with its nuclear power station project. The country is now able to design and build medium nuclear power stations with a capacity of 300,000 to 600,000 kw each. He added China will continue to cooperate with other countries in this field, although she will mainly rely on her own efforts to build nuclear power stations.

Power shortage is one of the major problems in China's development program and the country relies heavily on coal to generate electricity. The building of nuclear power stations can help meet China's enormous need for power, the vice-premier noted. On the postponement of the plan to build a nuclear power station in Wuxi, east China's Jiangsu Province, Li Peng said that studies show the expansion of the nuclear power station at Qinshan is more desirable than the building of another one at Wuxi. But, he was quick to add, that will not affect China's cooperation with France and Federal Germany.

Oil, Japan Trade Viewed

OW030306 Beijing XINHUA in English 0301 GMT 3 Apr 86

[Text] Beijing, April 3 (XINHUA) -- Chinese Vice-Premier Li Peng said here today that world oil price cut is "both loss and gain for China." Li said at the press conference here this morning that the cut will affect China's income from oil export, although China is not a major oil export country, with just 30 million tons exported a year. On the other hand, he noted, the cut will reduce the price of some of the commodities that China needs to be imported.

When asked about Sino-Japanese trade, Li admitted that there is a serious trade deficit in China's trade with Japan, which, he said, should not continue for a long time. Noting that Japan is China's number one trade partner, he said he hoped the two countries will make concerted efforts to reduce the deficit by increasing China's exports to Japan.

Remarks on Yangtze Gorges

OW030339 Beijing XINHUA in English 0331 GMT 3 Mar 86

[Text] Beijing, April 3 (XINHUA) -- The Chinese Government has adopted a "positive and cautious" attitude toward a huge water conservancy project on the gorges of the Yangtze River, Vice-Premier Li Peng said here today. Speaking at a press conference, Li said that the project, combining electricity generation, navigation and flood control, would have a bearing not only on China's modernization program but also on the well-being of the generations to come.

For this reason, he said, the government has not yet decided whether or not to start the construction. Although preparations had been made over the past 30 years, the vice-premier said, there are still a number of problems, such as the control of silt and navigation on the Yangtze, that need further feasibility studies. Li disclosed that the State Council plans to set up a special committee for feasibility studies and invite experts in various fields to join in. Views from foreign experts in hydroelectric power stations would also be heeded, he said.

In the process of feasibility studies, the State Council would constantly report to the National People's Congress and the National Committee of the Chinese People's Political Consultative Conference, and the final results would be submitted to the NPC Standing Committee. He said that there is not yet a plan to establish a Yangtze Gorge province. There is a preparatory office of the State Council to consider the matter, but it is a functional organ to make investigations and experiments with resettling local inhabitants to other places.

Comments on 5-Year Education Funds

OW030344 Beijing XINHUA in English 0336 GMT 3 Apr 86

[Text] Beijing, April 3 (XINHUA) — Improper use of education funds should be checked and severely punished, said a high-ranking Chinese official here today.

Chinese Vice-Premier Li Peng said at a press conference that the Chinese Government will allocate 116.6 billion yuan for education during the country's Seventh Five-Year Plan period from 1986 to 1990. "This is still not enough," he said, "although it represents a 72 percent increase over the previous five-year period and higher than China's economic growth rate."

He said that China's plan to enforce nine-year compulsory education faces two major problems -- lack of qualified teachers and shortage of fund. Regretfully, he said, some government organs have diverted fund for education to other use, thus aggravating this situation. The government will take severe measures to stop and punish such practice. On the implementation of the country's plan of nine-year compulsory education, he said that since China is a large country with economic development differing from area to area, the plan should be carried out step by step. For the developed areas, the nine-year compulsory education should be materialized in five year, while for the developing and underdeveloped areas, it will take 10 and 15 years respectively.

No NPC Personnel Changes

OW030352 Beijing XINHUA in English 0346 GMT 3 Apr 86

[Text] Beijing, April 3 (XINHUA) -- Chinese Vice-Premier Li Peng said here today that there will be no major personnel changes at the current National People's Congress. Li, also a member of the Communist Party Central Committee's Political Bureau, added that it was premature to forecast personnel changes at the next party congress, due in 1987.

Asked to appraise the results of the major administrative restructuring in 1982 at a press conference, Li Peng said that there are now altogether 45 ministries and commissions under the State Council. The number has not increased since, he said, stating that "the trend is to further reduce the figure rather than to increase it."

Li said, "The principle for administrative restructuring is to shift the system from a direct control to an indirect control of the country's economic activities." In other words, he said, "it is aimed at strengthening its macro-economic control."

Drafting Bankruptcy Law

OW030412 Beijing XINHUA in English 0404 GMT 3 Apr 86

[Text] Beijing, April 3 (XINHUA) -- China is drafting a bankruptcy law, confirmed Vice-Premier Yao Yilin here today. He said this at a two-hour press conference here this morning sponsored by the Secretariat of the ongoing session of the Chinese National People's Congress. Responding to the question if such a law was feasible in China, Yao said: "China needs a bankruptcy law." But, he added, its content will not be completely the same as the bankruptcy laws in capitalist countries.

SIXTH NPC EVALUATIONS, DISCUSSIONS ONGOING

Chen Pixian on Plan

OW020559 Beijing XINHUA Domestic Service in Chinese 1318 GMT 1 Apr 86

[By reporter Ge Daxing]

[Text] Beijing, 1 Apr (XINHUA) -- Chen Pixian, vice chairman of the NPC Standing Committee, said that the Seventh 5-Year Plan is ambitious, realistic, and feasible. If we actively and steadily implement the all-round reform of the economic structure in a planned way, the Seventh 5-Year Plan will certainly be successfully fulfilled.

Chen Pixian visited the Hubei office in Beijing this morning and, together with the nearly 100 people's deputies of the Hubei delegation, discussed Premier Zhao Ziyang's report on the draft Seventh 5-Year Plan and explained to them how the draft plan was drawn up. He said: Drawing up the Seventh 5-Year Plan is a huge system engineering and social project whose central guideline is to push forward national economic and social development by persistently proceeding from the actual conditions of our country and by deepening the all-round economic structural reform.

According to Chen Pixian, it took 3 years from the inception to the completion of the Seventh 5-Year Plan, which can roughly divided into three stages. The first stage was from early 1983 to early 1985. During that time, the State Council organized relevant departments to conduct investigations and research on the major questions of economic and social development during the period of the Seventh 5-Year Plan and to make some preliminary estimates, discussions, and verifications. The second stage was between April and September last year when the CPC Central Committee put forward systematic proposals for drafting the Seventh 5-Year Plan and clearly outlined the guiding ideology and major tasks for drafting the plan, setting a series of principles and policies suitable to the new situation. The third stage was from last October to the eve of this NPC session. During that time, the State Council, in accordance with the CPC Central Committee's proposals, made further in-depth investigations and research on all the arrangements involved in the plan, subjected them to repeated overall balancing, computation, and verification, and finalized the plan after soliciting opinions from all departments and localities.

Chen Pixian said: One of the prominent characteristics in drawing up the Seventh 5-Year Plan was that we recruited scientists, experts, and scholars in all fields to study and discuss the plan together. The State Council and relevant departments alone directly invited thousands of people to such discussions and studies.

They each contributed their knowledge and offered advice, playing a positive role in raising the scientific level of the plan.

While discussing the contents of the Seventh 5-Year Plan, Chen Pixian emphatically pointed out: Since we started the all-round economic structural reform in 1984, the situation in which the old system played a dominant role has already come to an end. We are entering a period of confrontation between the old and new systems, and there will be a great deal of contradictions, conflicts, and friction in all areas. With the actual conditions of our country in mind and weighing the pros and cons, the CPC Central Committee and State Council proposed that during the period of the Seventh 5-Year Plan, we must put an end to confrontations as quickly as possible and push our country into a development stage in which the new system plays a dominant role; that is, build the framework of the system and basically lay the foundation for a socialist economic system with Chinese characteristics brimming with vitality and vigor.

Chen Pixian further pointed out: According to the intent and arrangements of the CPC Central Committee and State Council, the first 3 years of the Seventh 5-Year Plan is the crucial period for achieving this historic transition. If we carry out the reform work well in these 3 years, things will be much smoother in the future, and we will be able to avoid a passive situation. We took rather big strides in reform last year. The main task this year is to consolidate, assimilate, replenish, and improve on the reform measures that have already been taken. At the same time, we must also lay the foundation and make preparations for the bigger, new reform steps to be taken in the next 2 years. Comrades in all localities and departments must understand that this year is a crucial year, a connecting link between reform measures already taken and those yet to be taken, and make adequate preparations, both in ideology and in work of all fields, to usher in new reform measures. They should pay particular attention to constantly improving macroeconomic management and bringing the market prices and investment in fixed assets under control to create a relatively better environment and conditions for further reform measures.

The deputies of the Hubei delegation mentioned that Hubei is also drawing up its own provincial seventh 5-year plan. Chen Pixian expressed the hope that in drawing up regional plans, the localities would refer to the methods of the state used in drawing up the Seventh 5-Year Plan, regard the drafting of the plans as a huge system engineering and social project, draw on collective wisdom and absorb all useful ideas, respect science, persistently take reform as the central task, and, on the basis of all-round considerations and arrangements for the nation as a whole, realistically draw up the regional plans in the light of local conditions.

Chen Xitong on Price Reform

OW021032 Beijing XINHUA Domestic Service in Chinese 1625 GMT 1 Apr 86

[By reporter Yu Huiyin]

[Text] Beijing, 1 Apr (XINHUA) -- In his speech at a group discussion of the Beijing delegation, Chen Xitong, NPC deputy and Beijing mayor attending the Fourth Session of the Sixth NPC, discussed the following issues of common concern of the masses and NPC deputies: price reform and the prices of vegetables, the problem of infrastructure construction lagging behind urban development, and the excessively rapid mechanical growth of the urban population [cheng shi ren kou ji xie zeng zhang guo meng 1004 1579 0086 0656 2623 2750 1073 7022 6665 3718] in Beijing Municipality.

Chen Xitong said: Beijing Municipality has conscientiously implemented the four-point directive issued by the Secretariat of the CPC Central Committee on the construction of the capital and the official written reply given by the CPC Central Committee and the State Council to Beijing Municipality regarding its overall construction plan. As a result, it has made tremendous achievements in its various undertakings. Industrial and agricultural production has been steadily increasing at a rate suited to the characteristics of the capital, and the living standards of the people have noticeably improved. In urban construction, vigorous efforts have been made to tackle problems of disorderliness, sloppiness, and inefficiency. Thus, urban construction has entered a new stage of development. Now top priority is given to urban infrastructure construction, and municipal administration has been put on the right course guided by the legal system. A new atmosphere of vigorous development has occurred in science, culture, and education.

Chen Xitong said: Everybody is concerned about price reform and the prices of vegetables in Beijing Municipality. After the prices of farm and sideline products were readjusted and cut loose, vegetable prices as a whole remained fairly stable. Because of our lack of experience, however, some mistakes were made. When vegetable prices were cut loose, they rose too high for a while because we had not done enough preparatory work in this regard. This situation was quickly rectified by emergency measures, but harmful effects were already felt by the masses. This is a lesson we should bear firmly in mind. At the same time, it should also be noted that the range of increased state retail prices of vegetables in Beijing was in the middle as compared with that in other major cities throughout the country. Because of the difference in area and climate as well as the different factors of the off seasons and peak periods, vegetable prices in Beijing sometimes are higher or lower than those in other cities, depending on the season. This is normal. As far as major nonstaple foodstuffs are concerned, the prices of eggs, milk, and apples are lower than those in other major cities in the country. In the first 4 years of the Sixth 5-Year Plan, the rates of price increases were relatively low. Although the state permitted Beijing to readjust or cut loose the prices of some commodities, it did not do so in consideration of various effects. Thus, many problems have piled up. Since the prices of farm and sideline products were readjusted, the price index has risen somewhat, but the prices of many commodities in Beijing are about the same as those in other major cities.

Chen Xitong said: The problem of infrastructure construction lagging behind urban development has become increasingly serious: The amount of investment in construction in Beijing has been loo large for a long time, and this has not yet been kept under control. Construction projects which have started or are to start this year will build more than 60 million square meters of floor space, twice the floor space of housing completed during the Sixth 5-Year Plan and three times the area of Beijing City before liberation. This is obviously infeasible. And this does not correspond with our construction forces, supply of raw and semifinished materials, and urban infrastructure construction. Even if the more than 60 million square meters of floor space could be built, they could not be put to use because of lack of water supply and electric power. It is therefore necessary to strictly control the amount of investment in construction. We must act according to our capabilities and build what is urgent first. I hope we will have the understanding and support of various quarters.

Chen Xitong said: During the Seventh 5-Year Plan, Beijing is planning to concentrate its financial and material resources to build a number of key projects serving people in production and daily life, with stress on water, gas, heating, road, and communications projects. It is necessary to have a stable source of funds in order to develop urban infrastructure construction, and local financial resources are far from being adequate for this purpose. Beijing Municipality is closely cooperating with relevant central departments in studying and formulating policies for attracting funds.

Chen Xitong said: The mechanical growth of urban population has been too fast in Beijing. During the Sixth 5-Year Plan, the population in the municipality increased by more than 720,000, 258,000 of which fell under the category of mechanical growth. Permanent residents in the municipality numbered 9.58 million by the end of last year. Now there are no effective methods to control the mechanical growth of the population, and this calls for the joint efforts of various central departments, PLA units stationed in Beijing, and Beijing Municipality. He suggested that things which can be arranged to be done in places other than Beijing be done so as much as possible.

PLA Deputies Meet

OW020020 Beijing XINHUA Domestic Service in Chinese 1304 GMT 1 Apr 86

[By reporter Hu Nianqiu]

[Text] Beijing, 1 Apr (XINHUA) -- In the course of examining and discussing Premier Zhao Ziyang's report on the draft Seventh 5-Year Plan, the deputies from the PLA attending the Fourth Session of the Sixth NPC spoke glowingly of the current situation and looked forward to the future. Full of confidence in the motherland's future, they expressed their determination to improve their work even further and make new contributions to accomplishing the tasks outlined in the Seventh 5-Year Plan and to defending and carrying out the motherland's four modernizations.

Han Huaizhi, an NPC deputy and PLA deputy chief of General Staff, said that Premier Zhao's report has indicated the direction for the work on all fronts and also put forward new demands for the PLA. Reviewing the achievements made by the PLA in last few years, he happily pointed out: The achievements made by our country in economic and social development during the Sixth 5-Year Plan have attracted the attention of the whole world. The PLA, like other organizations in the country, has been constantly making progress in its work in last few years. For instance, we have had clear and definite guidance for military affairs. With the efforts made by the commanders and fighters during the Sixth 5-Year Plan, the PLA has made great progress in organizational reform, education and training. Particularly since last year, the PLA has adopted a series of reform measures for its work in conjunction with a large-scale reduction-in-strength reorganization. It has thus created favorable conditions for meeting the demands of a modernized national defense. He said: During the Seventh 5-Year Plan, we should follow the guidelines of Premier Zhao's report, continue to reform our work in a thorough and systematical way, harmonize all relations, and create a more vigorous situation in the PLA's revolutionization, modernization and regularization.

In last few years, the Lanzhou Military Region has developed an educational program on loving the vast northwestern region, and has thus further enhanced the affection of the commanders and fighters for the people of various nationalities in the northwestern region. They have done a great deal of work in helping local people acquire scientific and general knowledge, develop a commodity economy, obtain economic information, and improve the structure of local industrial and agricultural production. According to incomplete statistics, the units under the military region have joined local people in establishing approximately 4,000 cooperative projects for building spiritual civilization. In 1,095 of these alone, the PLA units there either undertook or helped to undertake the building of some 230 local large, medium-sized and small construction projects. They also dispatched a large number of personnel, machinery and motor vehicles to energetically help local authorities plant trees, deal with emergencies and natural disasters, and protect the people's lives and property. They have won the praise from local people of various nationalities.

Among those who examined and discussed Premier Zhao Ziyang's report during a group meeting were Li Xuanhua, an NPC deputy and political commissar of the military region; and Zhao Xianshun, also an NPC deputy and commander of the military region. On the PLA's actual work, they pointed out: The PLA's participation in and its support of the state economic construction not only benefit the country and the people, but also temper and strengthen the PLA itself. The Seventh 5-Year Plan is a splendid plan. The PLA shoulders the dual task of defending and building the motherland. We should devote more strength to supporting economic development and construction of the vast northwestern region in accordance with the demand for "integrating in an even better way the development of the eastern region with the development of the central and western regions" put forward in Premier Zhao's report.

At group meetings, the PLA deputies from the national defense science, technology, and industry front pointed out: In the last few years, the national defense science, technology, and industry front has been producing civilian goods and transferring military industrial technology to civilian industries to meet the needs of national construction, and has achieved remarkable success in this respect. However, this is just the beginning. With the implementation of the Seventh 5-Year Plan, military industrial enterprises and scientific research department will play a greater role in serving the national economy.

Nie Li, an NPC deputy and the vice chairman and secretary general of the National Defense Science, Technology, and Industry Commission, said: China's military industrial enterprises have their unique strong points and a great potential. In accordance with the principle of "Army-people cooperation" and the concept put forward by Premier Zhao, we will include in our long-range development plan items that are of great benefit to national economic development and of remarkable significance to socialist construction and will intensively develop them. At the same time, we will break the barriers among trades, regions and departments, strengthen lateral ties, fundamentally develop the linkage between national defense building and civilian economy, and turn the national defense science, technology, and industry force into a new shock brigade for national scientific and technological development.

The NPC deputies from the Shenyang, Beijing, Nanjing, Guangzhou and Chengdu Military Regions, the Navy, the Air Force, the General Departments, the Academy of Military Sciences, and the National Defense University have also been active in speaking during the discussion over the last few days. They put forward many opinions and suggestions on how to further step up the building of spiritual civilization, do a good job in the PLA's organizational reform and logistic work, and bring about closer Army-government and Army-people relations. Zhao Nanqi, an NPC deputy and deputy director and deputy political commissar of the General Logistics Department, said: It is unlikely that the military budget will drastically increase during the Seventh 5-Year Plan. We should broaden sources of income and reduce expenditures, ensure proper management and spending of state-allocated funds, further tap our potential, do a good job in agricultural and sideline production, strive to improve the troops' living standards, and consolidate and enhance their combat effectiveness.

Civil Code Detailed

OW030124 Beijing XINHUA in English 0108 GMT 3 Apr 86

[Text] Beijing, April 3 (XINHUA) -- A new Chinese law is now being written to deal with illegal seizure of public or private property, insult, libel, or failure to fulfill legal obligations. The draft General Principles of Civil Code, intended to provide more and better protection to Chinese citizens' private property and civil rights, was submitted yesterday for deliberation to the ongoing session of the National People's Congress. Consisting of 156 articles in nine sections, the draft sets forth regulations regarding property rights, intellectual property, personal rights and other civil rights.

The draft stipulates that the property of the state, collectives, and individuals are protected by the law, and forbids any organizations or individuals to appropriate or damage that property.

Citizens have the right to prevent other from using their names or portraits for commercial purpose without permission. The proposed law also protects people from insult and libel and forbids mercenary or arranged marriages or other forms of intervention in marriages. The new law will protect the citizens' legal rights to sign contracts to use the land, natural resources, property of the state, as well as scientific and technological achievements. Also protected by the law are the citizens' right to inheritance, copyright, patent, trade mark and invention.

Legal liabilities will be held for violation of the contract or failure to fulfill other obligations, damage to public property or ther people's property or personal rights. Manufacturers and sellers will be held responsible for low quality products that cause damage to people's property or life.

The draft stipulates that ways to bear legal liabilities including the return of appropriated property, compensation, rehabilitation, apology and others. The court can impose a fine or forfeit or confiscate illegal income, the draft stipulates.

All citizens are equal in terms of civil rights, the proposed law says. Citizens aged 18 and above as well as those aged between 16 and 18 who live on their own can participate in independent civil acts. Civil acts must be conducted in accordance with the law and social ethics and should not harm public interests. Citizens are required not to disturb social economic order and disrupt the state economic plans.

The new law will also be applicable to foreigners and residents with no definite nationality living in China, unless otherwise provided for by the law.

MORE FUNDS FOR SCIENTIFIC RESEARCH IN 7TH PLAN

OW171001 Beijing XINHUA in English 0938 GMT 17 Mar 86

[Text] Beijing, March 17 (XINHUA) -- China will increase its investement in major scientific research projects in the Seventh Five-Year Plan period (1986-90) by 1.3 times are compared with the last plan, today's ECONOMIC DAILY reported.

The investment in the major projects will account for 44 percent of the total funds the government will allocate in science in the new period, said the paper quoting an official of the State Planning Commission. The official said that the administrative structure must be further simplified to make management at different levels a project more effective.

On science funding, he said priority will be given to projects involving labor protection, meteorological science, medicine, family planning and agrotechnology. The State Planning Commission also calls for strengthened cooperation in resolving problems in major scientific research so as to achieve high speed and good quality, and reduce repetitive research of low standard, the official said. A research department must transfer more than 20 percent of government investment to other researchers for cooperative research-production, he said.

STATE COUNCIL RULES ON SEZ GOODS CONTROL, PART I

HK020910 Beijing CHINA DAILY in English 1 Apr 86 p 2

["Rules Governing the Control Over Goods, Means of Conveyance, Luggage and Postal Articles Entering or Leaving the Special Economic Zones by the Customs General Administration of the People's Republic of China" -- promulgated by the Customs General Administration on 15 March 1986 with the approval of the State Council on 21 March 1986 -- capitalized passages published in boldface]

[Text] Chapter 1: General Principles

ARTICLE 1: These rules have been formulated with a view to promoting the development of Special Economic Zones [SEZ], safeguarding the national interests and protecting the socialist construction.

ARTICLE 2: These rules shall apply to the four Special Economic Zones of Shenzhen, Zhuhai, Shantou and Xiamen (hereinafter referred to as SEZ)

ARTICLE 3: The goods, means of conveyance, luggage and postal articles entering or leaving the SEZ shall go through the railway stations, road passes, sea ports, airodromes of post offices where there are Customs establishments and shall be subject to declaration to the Customs and subject to the supervision and control by the Customs authorities concerned.

ARTICLE 4: All companies and firms within SEZ engaged in import or export business shall accomplish the formalities of registration at the Customs office against the documents of approval issued by the foreign economic and trade administrations at provincial level and above, or by the People's Government of SEZ. Where deemed necessary, the Customs officers may be dispatched to the afore-mentioned firms for the performance of supervision and control and the conduct of Customs procedures; any such firms shall furnish necessary offices and accommodations with no charges. Regular written reports on the end-use, sales and inventory of the import goods shall be submitted to the Customs office by the firms mentioned in Paragraph I of this article. Auditting may be conducted by the Customs offices.

ARTICLE 5: Any smuggling and illegal activities by taking advantages of preferential treatments granted to the SEZ by the State are strictly prohibited. The Customs office is entitled to search, in accordance with the Provisional Customs Law, any premises in SEZ which are under the suspicion of concealing the smuggled goods.

ARTICLE 6: The relevant State regulations on the control over importation and exportation shall be complied with in respect of goods, means of conveyance, passenger's luggage, and postal articles destined to non-SEZ area from foreign countries and areas such as Hong Kong and Macao (hereinafter referred to as the outside of the territories from non-SEZ area via SEZ).

ARTICLE 7: Statistics shall be collected by the Customs office in SEZ, on the inward and outward goods, means of conveyance, luggage and postal articles in terms of their importation, exportation and traffic between SEZ and non-SEZ area respectively.

Chapter II: The Control Over Goods Entering or Leaving SEZ

ARTICLE 8: The consignee or consigner or his agents shall declare to the Customs office in respect of goods entering or leaving SEZ, and submit the license and other relevant documents and papers in accordance with relevant regulations.

ARTICLE 9: The Customs duties as well as industrial and commercial consolidated taxes (produce tax and value added tax) on goods imported, upon approval of the competent authorities specified by the State's regulations, by the administrative organs, institutions and enterprises in SEZ for consumption within SEZ shall be dealt with as follows: (to be continued)

Part II

HK020912 Beijing CHINA DAILY in English 2 Apr 86 p 2

[Text] (a) The Customs duties shall be exempted on the machines, equipment, spare parts, components, materials fuel and vehicles for transportation imported for construction and production in SEZ, and on foodstuff for tourism and catering trade as well as articles for office use and means of conveyance imported in reasonable quantities by the enterprises, institutions and administrative organs for their own use.

(b) The Customs duties shall, according to the law, be levied at specified rate on goods, spare parts, components which are subject to import limits set by the State, unless they are imported by enterprises for their own use in production and business transaction as well as by the administrative organs and institutions for their own use.

(c) The Customs duties shall be levied on the goods beyond those listed in items (a) and (b) in this article at a specified rate reduced by half where they are within the import limits set annually by the department authorized by the State but those over the import limits shall, according to regulations, be liable, to the duties and taxes.

ARTICLE 10: Exemption from export duties shall be granted to the export goods produced by the firms within the SEZ.

ARTICLE 11: When the finished products manufactured in SEZ are transferred to non-SEZ area upon approval in accordance with the relevant State regulations, the consigner or his agents shall declare to the Customs by filling out a declaration form for transference of goods to non-SEZ area from SEZ and submit it together with the approval documents and other relevant papers to the Customs in conformity with the regulations. The above mentioned products shall be released by the Customs after examination. The goods imported into SEZ are strictly prohibited to be transferred to non-SEZ area for sale unless the State otherwise stipulates.

ARTICLE 12: Where the finished products mentioned above are transhipped, upon approval, to non-SEZ area, payment of duties and taxes shall be calculated on the basis of the imported materials and spare parts employed in the products; where the products are sold within SEZ, exemption from and payment of duties and taxes on the imported materials and spare parts shall be carried out in accordance with the requirements provided for in Article 9 of these rules. In the case when the consigner or his agents fail to clarify the description, quantities and value of imported materials and spare parts employed in the products, payment of duties and taxes shall be calculated on such a rate as if finished products had been imported.

ARTICLE 13: The consignee or his agents shall declare to the Customs in respect of goods introduced into SEZ from non-SEZ area and the Customs shall release such goods after examination.

Chapter III: The control over means of conveyance entering or leaving SEZ

ARTICLE 14: All ships, trains, vehicles and aircraft entering or leaving SEZ shall be declared to the Customs by the owners or their agents, and subject to Customs inspection.

ARTICLE 15: All vehicles engaged in the transport of good or passengers or those owned by enterprises or persons in SEZ for transportation shall be registered with the Customs by the owners of the vehicles on producing the approval documents issued by the relevant competent authorities of SEZ together with a list starting the total number, the licence number and driver's name of the vehicles, and vessels.

Chapter IV: The control over luggage and postal articles entering and leaving SEZ

ARTICLE 16: Luggage carried by passengers entering from abroad and going abroad from SEZ and personal articles sent by post from the outside of the territory into SEZ or from SEZ to the outside of the territory shall be dealt with in the light of the Customs Rules Governing the Control over the Luggage and Articles Carried by the Passengers or Postal Articles Entering or Leaving Chinese Territories.

ARTICLE 17: The persons from outside of the territory shall apply to the Customs for importation of household wares on producing the certificate issued by the competent authorities of SEZ in the event that he will purchase houses or permanently reside in SEZ. The household wares shall be imported free of duties and taxes after examination by Customs where they are, to the satisfaction of the Customs, within the reasonable quantities for personal use.

ARTICLE 18: Luggage carried by passengers to and from between SEZ and non-SEZ area shall be released by the Customs after examination and be subject to reasonable quantities for personal use.

ARTICLE 19: The personal postal articles from SEZ to non-SEZ or from non-SEZ to SEZ shall subject to the range of the reasonable quantities.

ARTICLE 20: Smuggling and other infringements upon these rules shall be dealt with by Customs in accordance with the Customs Law and other relevant regulations. Violation of the criminal laws shall be handled by the judicial authorities for penal responsibilities.

ARTICLE 21: The Customs General Administration is in charge of the interpretation of these rules. The local Customs offices are authorized to formulate specific regulations enforcing the rules and putting it into force after approval by the Customs General Administration.

ARTICLE 22: These rules shall enter into force on the date of 1st April, 1986.
(IN CASE OF DEVIATION FROM THE ORIGINAL TEXT, THE CHINESE VERSION PREVAILS.)

NONGMIN RIBAO VIEWS HOUSEHOLD CONTRACT SYSTEM

HK021546 Beijing NONGMIN RIBAO in Chinese 17 Mar 86 p 1

[Commentator's article: "The System of Contracting Responsibilities on a Household Basis With Payment Linked to Output Is the Party's Long-Term Policy"]

[Text] Will the system of contracting responsibilities on a household basis with payment linked to output be changed?

Document No 1 issued by the party Central Committee this year explicitly points out: "The system of contracting responsibilities on a household basis is our party's long-term policy and it should not be changed at will and in disregard of the needs of the people." However, an argument raged recently in some areas, saying: "The system of contracting responsibilities on a household basis with payment linked to output can not be relied on, and the farmland contracted to the peasants will be amalgamated as before." As a result, some peasants worry about such hearsay and they even hesitate to apply chemical fertilizer to farmland for fear that the farmland contracted to them will be "communized" again. Some specialized households are also afraid of having too much money, saying that once policies change, there will be "troubles." All this has dampened their enthusiasm in running their businesses.

Several Central Documents No 1, including the one issued this year, have all made it clear that the system of contracting responsibilities on a household basis with payment linked to output will not change, nor will the policy of encouraging some areas and some people to get better-off ahead of others. Then, why do some people still have such doubts and misgivings? Some people have not studied the central documents in earnest and do not have a sound understanding of the guidelines specified in these documents, and some local authorities have failed to implement the party's policies properly, thus creating misunderstandings among the people.

At present, the peasants worst fear is that the means of production will be "turned over to the collective" and the practice of "eating from one big pot" will be imposed again on the system of distribution. That is why whenever we call for improving the cooperation system, some people think that we probably will slip back into the old rut. As a matter of fact, the cooperation we are calling for is entirely different from the practice of "turning over to the collective" and "eating from one big pot." In the later period of agricultural cooperativization in the 1950's, taking no consideration of the development level of the productive forces, political consciousness of the people, or aspirations of the peasants, we were hasty in introducing the excessive transformation of the ownership of the means of production, advancing a single pattern of collectivization of agricultural production, and launching the people's commune campaign, which was "large in size and collective in nature." All this imposed acute sufferings on the peasants. Of course, the peasants are afraid of the resurrection of those years. However, we now stress perfecting the cooperative system with the purpose of serving the peasants and helping smooth out problems that the peasants cannot solve in expanding production on the basis of mutual benefit. The cooperation may vary in content, form, scale and degree and can be established at various levels. The peasants have the right to participate in the cooperation or to withdraw from it. Such cooperation is on no account the amalgamation of the means of production and does not call for concentrating labor force and practicing egalitarianism in distribution.

Perfecting the cooperation system is not a "new idea" suddenly formulated by the higher authorities; it has been proposed by the masses through production practices. Along with the development of commodity production and the expansion of operations, peasants know the advantages of the system of contracting responsibilities on a household basis with payment linked to output, but they also discover that individual households are not strong enough to run some businesses. Therefore, on the basis of the system of contracting responsibilities on a household basis, different types of specialized economic alliances have emerged as the times require. This is good for developing the forces of production and benefits the peasants. We must therefore sum up experience, supplement and perfect it, and spread it step by step. On the other hand, the system of dual-level business operations that we are introducing not only arouses the enthusiasm of the peasants in business but also reinforces the strong points of collective unified management.

In some areas, unified management is relatively weak, and service work falls short of the demands of the times. For this reason, we must make further efforts to perfect collective unified management so that organizations for developing the cooperative economy among regions will be able to give full play to their strong points. Perfecting organizations for developing the cooperative economy among regions and developing other types of economic alliances all aim at serving the peasants better and improving the dual-level business system which combines unified management with household business, and not at shaking the foundation of household business, still less at negating the system of contracting responsibilities on a household basis.

Some peasants fear that a certain "campaign" will be launched to impose something on them. According to the party's policies, no new campaigns may now be launched. However, this situation gives a warning to our cadres engaged in rural work that they should not work rigidly and by administrative orders. In promoting economic alliances, we should respect the willingness of the peasants and should not force them to do this or not to do that, nor should we elevate their unwillingness to the level of principles and think that uniting in economic alliances represents socialism and disapproval of it means capitalism. Actually, the essence, scale, and form of economic alliances vary with economic and technological development. In line with the actual state of their situation, the peasants know how to choose. What is more, due to different social and economic conditions, we must suit measures to local conditions and deal with different things or people in different ways.

In rural economic work, leaders chiefly serve the grass-roots units and peasants. To serve well, we should not rely only on administrative measures and the usual work methods, but should go down to the grass-roots units to publicize the party's policies, answer questions of concern to the peasants, help the peasants overcome difficulties in production, and really do something for townships and villages so as to dispel the misgivings of the peasants with their own deeds. In recent years, some localities have established certain types of economic associations. Some associations have yielded good results only because we stressed serving the peasants. We did not repeat the practice of "eating from one big pot" and force through a certain type of economic association by means of "campaigns." We encouraged peasants to distinguish by comparing before they made decisions and did not force them to do anything they were unwilling to do. Facts are more persuasive. To approach this problem, we hope the peasants will firmly believe the party's policies and will not listen to hearsay. They should avail themselves of the good situation to work out plans and make proper arrangements for the tasks contracted to them and the businesses they run, to increase production, and to improve their business operations so as to make greater contributions to the building of a new socialist countryside.

SIXTH PLAN ECONOMIC CONSTRUCTION REVIEWED

HK310830 Beijing RENMIN RIBAO in Chinese 24 Mar 86 p 5

[Article by the Sixth 5-Year Plan experience research group of the Chinese Academy of Social Sciences: "Reviewing and Pondering Economic Construction During the Sixth 5-Year Plan Period"]

[Text] Editor's note: This article was collectively written by some research workers of the relevant research institutes of the Chinese Academy of Social Sciences who had a division of labor in writing the article under the leadership of Liu Guoguang. The original title was "Review and Ponder Construction and Reform During the Sixth 5-Year Plan Period." The article was divided into three sections and published in the 1986 Issue No 2 of ZHONGGUO SHEHUI KEXUE. We are printing the summary of its first two sections in two issues. The subheads are ours. [end editor's note]

Comrade Deng Xiaoping put forth the idea of building socialism with Chinese characteristics, and corrected our previous mistakes in copying foreign experience without taking into consideration the reality in China and starting from definitions and concepts in doing our work. This was a major theoretical development in our country's modernization. Under the guidance of this idea, during the Sixth 5-Year Plan period our country scored outstanding achievements in both its economic construction and reform. Reviewing and pondering the achievements and progress in the Sixth 5-Year Plan period will make us clearer in our thought, firmer about our orientation, and more conscious in our actions, and enable us to score even greater achievements in building socialism with Chinese characteristics.

An Initial Transformation From the Model of a Quantitative Increase To That of Improvement of Economic Results in Our Developmental Strategy

The Sixth 5-Year Plan period was one of the best periods since the founding of the PRC. It was also a period of transformation in our country's economic developmental strategy. In 1981, the first year of the Sixth 5-Year Plan, Premier Zhao Ziyang delivered a government work report to the Fourth Session of the Fifth NPC in which he summed up the historical experience gained in our country's economic construction and put forth 10 principles on the development of our national economy, with the improvement of our economic results as the core. This marked the beginning of a transformation in our country's economic development from the traditional strategy of blindly pursuing a high growth rate to a new developmental strategy. Over the past 5 years, we have indeed changed some aspects of our developmental strategy, but we are still in the initial period of the change; therefore, we are not sufficiently conscious in carrying out these changes and even hesitate to carry them out. During the Sixth 5-Year Plan period our country's economy developed under such a situation. The achievements we scored in our economic construction, such as the rapid development of our agriculture and light industry and the substantial improvement in people's living standard, were all due to the implementation of the new developmental strategy. The errors and problems that have emerged, such as the excessive investment and growth rate, were all due to the continuous influence of the traditional developmental strategy. As the degree of transformation varies, so do the achievements obtained and problems that emerge. The only way out for our country's economic development is to continue to realize this radical change in our development strategy and to thus really embark on a new route characterized by a relatively practical speed, relatively satisfactory economic results, and more actual benefits for our people.

The original target of the Sixth 5-Year Plan was that under the prerequisite of improving our economic results, we were to achieve an annual average growth rate of 4 percent, and in actual implementation of the plan, we were to strive to achieve an annual average growth rate of 5 percent. The actual growth rate achieved in the Sixth 5-Year Plan period greatly exceeded the planned target. This was somewhat within reason, but also partially abnormal and unreasonable. Because of structural readjustments, some major proportional relations were more harmonized, and we have implemented reform and the policy of opening up and thus imbued our economy with some vitality. This has inevitably quickened our economic growth. However, there have also been some false factors. In some years, the growth rate in some sectors fluctuated. This excessive growth rate was achieved to a fairly great extent by relying on investment expansion, allowing small enterprises to seize the market share of large ones and backward enterprises to seize the market share of advanced ones, importing a large amount of raw materials, and assembling imported components. Judging by this situation, in order to achieve sustained, stable, and harmonized development, we have lots of work to do in the future.

The above situation shows that the development of our country's economy has not yet been entirely freed from the influence of old concepts of economic growth and the traditional developmental strategy.

that this traditional concept and strategy upholds is a model of development through quantitative increase, characterized by regarding the increase in production output as the traget, the increase in accumulation and input as its means, and development by extension as its method. It overlooks many other factors such as the improvement of product quality and economic results, balance, coordination, structural reform, technological progress, and technological transformation. We should foster a new concept about economic growth and transform the old model into the model of developing the economy by improving economic results as soon as possible.

From our practice in the Sixth 5-Year Plan period, we can see that in order to complete the transformation from a model of development by quantitive increase into the model of development by improving economic results, we should first see the shortcomings and defects of the index of gross industrial and agricultural output value. We should no longer use the rate of increase in our output value as a major yardstick to measure the achievements in our economic development nor as a basis in assessing the performance of and selecting our cadres. We should pursue a higher growth rate by improving our economic results, use the indices that can reflect in an all-round manner our economic activities and their economic results, and prohibit the practice of inflating our targets level by level and competing with each other for a large growth rate. In formulating our plans, we should leave some margin for unexpected dificulties in order to facilitate prompt readjustment. We should put an end to the habit of indiscriminately encouraging and calling for overfulfillment of plans.

The growth rate and economic results are two aspects of economic development. During the Sixth 5-Year Plan period, we put forth the correct idea, with great foresight, that we should switch our economic development to the orbit centered on improving our economic results. We have done so in some spheres; for example, we have paid attention to conserving energy and, compared with the Fifth 5-Year Plan period, we have, to some extent, improved some indices related to our economic results such as social labor productivity, energy use rate, ratio of national income to funds accumulated, floating funds use rate, and rate of fixed assets delivered for employment. However, over the pase 2 years, we have laid excessive stress on our growth rate and thus relaxed our requirement for improving economic results. During the Sixth 5-Year Plan period, we improved some indices of our macroeconomic results. This was mainly due to the readjustment of our production structure. However, we failed to substantially improve microeconomic results in our enterprises. Generally speaking, our country's economic development is still at the initial stage of the transition from extensive operation with low economic results to intensive operation with high economic results.

The key to the transformation from the practice of regarding growth rate as the core to that of regarding economic results as the core is to grasp quality improvement and cost reduction. This is a very difficult task. The shortages in our country's economy strongly urge people to pursue a quantitative increase; surplus labor makes it possible to conduct expansion by extension and to carry out extensive operations; technological progress and transformation are clearly difficult and risky; and there are now few mechanisms for the improvement of our product quality and economic results. Under this situation, if people at upper and lower levels are not very clear about the guiding thought of regarding improvement of economic results as the key link, if we fail to adopt very resolute and vigorous policies and measures, and if we fail to substantially change our economic mechanisms and the behavior of our enterprises, then our economic results will continue to be imperfect, as they were in the Sixth 5-Year Plan period.

Readjustment of Production Structure

As we began the transformation from the strategy of imbalanced development to that of relatively balanced development, during the Sixth 5-Year Plan period, we readjusted our production structure and achieved some good results.

The proportional relationship between our agriculture and industry and between our light and heavy industry and the structure of these sectors becomes more rational than in the past. In the future, while persisting in grasping our agriculture and ensuring the development of our light industry, we should make new arrangements in light of the changes in circumstances in order to gradually give rise within a certain period of time to a situation in which our industry grows more quickly than our agriculture and our heavy industry grows more quickly than our light industry, but the difference in their growth rates is not too big.

The production structure is a complicated system with many branches, levels, and aspects. Regarding the transformation of our production structure merely as an readjustment of the proportional relationship among agriculture, light industry, and heavy industry has become a view that does not meet the demand for the all-round development of our country's economy. Practice requires us to look for new theories and methods and to view the problem of readjusting and rationalizing our production structure from a wider and more all-round angle.

For a long time our country's tertiary industry developed slowly. From 1953-1980, it grew at an annual rate of 5.3 percent and its proportion in our GNP dropped sharply. During the Sixth 5-Year Plan period, we attached some importance to our tertiary industry; therefore, its growth began to pick up. From 1981-1984, its annual growth rate was 11.5 percent on average, but this was only a beginning in reversing a prolonged decline. Judging by the situation of our tertiary industrial development, our country still lags far behind many low-income countries. This is obviously irrational. Therefore, in order to realize the rationalization of our production structure and in order to follow a path of balanced and harmonized development, we must regard the development of our tertiary industry as a key to the development of our production and the transformation of our production structure. We should realize that speeding the development of our tertiary industry is indispensable for us in achieving a change in our strategy, improving our economic results and production structure, and attaining the goals of a comparatively well-off living standard and modernization. We should break various kinds of improper restrictions on the development of our tertiary industry and for a period of time we should maintain a greater growth rate for our tertiary industry than that of both our primary and secondary industries. We should also pay attention to rationalizing the internal structure of our tertiary industry and gradually establishing developed service networks.

The practice of our Sixth 5-Year Plan once more proved that in order to switch to a balanced and harmonized development and in order to realize the rationalization of our structure, for a certain period of time in our modernization, we must maintain a quicker development of our basic facilities than other sectors. Our country's basic facilities fall far short of the demand; therefore, it is even more imperative to speed their construction. During the Sixth 5-Year Plan period, the main reason there was an increasingly serious shortage of basic facilities and in the raw materials industry was not because they themselves develop slowly, but because the direct production sectors, in particular the processing industry, developed excessively fast. Therefore, in order to realize the switch to a balanced development, we must pay attention to controlling the excessively quick development of our industry, in particular our processing industry.

During the Sixth 5-Year Plan period, the transfer of labor from our agricultural sector to our nonagricultural sector began to quicken. In the process of "transferring labor from the agricultural to nonagricultural sector" we have developed our township and town enterprises, strengthened the construction of our rural fairs and towns, and thus charted a new path for the transfer of labor from the agricultural to nonagricultural sector, which is characterized by making rural laborers "leave their land without leaving their homeland."

This is an important part of the modernization transformation of our country's economic structure. It will be a long process to "transfer labor from agricultural to nonagricultural sectors." From the point of view of long-term development, the pace of this process is determined by the development of specialization, socialization, commercialization, and modernization in our rural economy. During this process, we should prevent the "development malady" that injures agriculture and causes a depression in agriculture, a malady that has been common in developing countries.

During the Sixth 5-Year Plan period, there was some blindness in the process of "transferring labor from agricultural to nonagricultural sectors."
This was mainly shown in the excessively quick development of the tertiary township and town enterprises in some localities, the slow development of the tertiary industry, and the problems related to the developmental orientation of some township and town industries. During the development of our township and town enterprises, some localities failed to pay enough attention to technological progress and ecological environment; some backward technology and some products that had been eliminated by competition were again used and produced in our township and town enterprises; our natural resources were relatively seriously destroyed; in many areas pollution developed in direct proportion to the development of our township and town industry; and there was confusion in the administration and management of quite a few of our township and town enterprises. In view of the above, the state should strengthen its administration and guidance over the development of our township and town enterprises and thus make it possible to solve these problems as soon as possible.

Another problem related to the production structure is the regional layout of production. During the Sixth 5-Year Plan period, we corrected the tendency of laying too much stress on the construction of third line areas and overlooking that in eastern areas. We switched to the strategy of tapping the potential of our eastern coastal areas while systematically exploiting natural resources in central and western China. By so doing, we have taken a new step toward the rationalization of our economic layout.

In a country like ours with a vast territory, uneven economic development, and relatively weak economic strength, it is necessary to make prolonged efforts to achieve even development in various areas, and it is impossible to substantially change the situation of uneven development within one or two 5-year plan periods. With our limited financial and material resources, what is now urgent for us to do is to replenish, upgrade, and give full play to the role of our coastal areas, which have economic and technological advantages, and our large energy and raw material industrial bases, rather than to prematurely carry out a new strategy related to the regional layout of our production in order to realize a "balanced distribution of production" as soon as possible. Conditions differ for these three areas; therefore, strengthening the dialogue between eastern and western China, conducting a rational division of labor and exchange of resources, and preventing them from each forming a separate and closed system are conducive to developing their advantages and overcoming their disadvantages and improving our national and regional economic results. Our coastal areas should transfer some industries of great energy consumption and traditional products to the hinterland. Only by so doing can they be provided with better conditions for developing toward the orientation of producing high-quality, precision, and advanced products. Central and western China should continue to lay a satisfactory foundation for agriculture, develop their communications and education, exploit their advantage of a developed military industry, help their local medium and small enterprises, collective enterprises, and township and town enterprises, turn "blood transfusion" into "blood-making," and heighten their own internal vitality. By so doing they can also improve their economic results and their people's living standard and create conditions for their large-scale future development.

Accumulation and Consumption

During the Sixth 5-Year Plan period, on one hand we began to correct the previous practice of maintaining a high rate of accumulation and investment by restraining people's consumption in order to achieve a high growth rate. On the other hand, we paid attention to maintaining an appropriate rate of accumulation and reduced and controlled our investment scale as soon as we found that it was excessively large. From 1981-1984, our accumulation rate had a relatively large drop compared with the Fifth 5-Year Plan period, and the level of people's consumption was substantially increased. This was also one aspect of the change in our strategy.

However, this change in strategy was limited. We did not entirely overcome the traditional tendency of an excessively great demand for accumulation and an excessive scale of investment. We kept our accumulation rate around 30 percent on average in the 5 years, which can not be regarded as a high rate. But there was a trend for it to rise year by year and there was excessive increase in our investment in fixed assets. This was the main reason why our national income continued to be overdistributed in the Sixth 5-Year Plan Period. In the process of spending our national income, the demand for accumulation was excessive. This gave rise to the problems of excessive reduction of our stock level, expansion of imports of material goods, inflation, prices rises, and a shortage of foreign exchange. During the Sixth 5-Year Plan period, the scale of our investment grew out of control twice, giving rise to two fluctuations of our investment scale. As we adopted emergency measures, we finally managed or began to effectively control our investment scale. However, there was blind investment, squandering, and waste each time investment expanded, and we suffered great losses each time we reduced our scale of investment. As we only controlled the annual scale of our investment and overlooked the total scale of investment, there is now still a latent trend for investment to excessively expand at any time.

In addition to influences from the traditional economic system, the excessive demand for accumulation and the scale of investment was also caused because of our traditional economic development strategy, which has accustomed us to carrying out expanded reproduction mainly by extension and failing to resolutely and promptly switch to the new path of expanded reproduction by intension. We should admit that the transformation from expanded reproduction mainly by extension to that mainly by intention is very arduous and complicated work, more arduous and complicated than a revolution. We must discard many traditional concepts, methods, and organizational forms, and learn a full set of new ideas, new technology, and new management methods.

During the Sixth 5-Year Plan period, the income of all the strata of our urban and rural people increased in various degrees, and their material and cultural living standard improved in various degrees. This was indeed a clear change compared with the traditional economic development strategy adopted in the past. It attached importance to accumulation and overlooked consumption. During the change in strategy, as the problem related to consumption is complicated and as we lack understanding of objective laws, some problems have emerged: 1) Our consumption funds once grew out of control, interacted with the growth of our accumulation funds, and became another factor in the excessive distribution of our national income. 2) While people's incomes and consumption levels rose, we failed to correspondingly change our production composition and product mix. This has also further aggravated the contradiction between supply and demand. 3) As people's incomes rose, bank deposits rose even more quickly. This could become an important source for the accumulation of funds, but the problem was that we had to strengthen our guidance work. For example, we can consider the practice of turning residential flats into commodities to absorb idle funds, and we may set up non-government credit organizations, raise funds from the community, and develop means to directly raise funds. All these can reduce the pressure that the excessive growth of the volume of currency bears on the supply of consumer goods.

In handling consumption problems, we should continue to improve our people's living standard and should not freeze wages, but we should also control the growth of our consumption funds and thus coordinate it with the growth in our labor productivity and the means of consumption.

Technological Transformation of Existing Enterprises

During the Sixth 5-Year Plan period, we made some progress in the technological transformation of our existing enterprises and the proportion of investment in technological transformation, and renewal of equipment in our investment in fixed assets continued to rise. In the first 4 years in that period, the average annual growth rate of this proportion was 18 percent and the investment in technological transformation and renewal of equipment accounted for one-third of the total investment in fixed assets. In technological transformation, we paid attention to using foreign capital and introducing technology from abroad. Clear results have been achieved in the technological transformation in some key industries and key enterprises such as the Anshan iron and steel complex, the No 2 automobile plant, and the textile industry in Shanghai. There have in all been several thousands of technological transformation projects, including those in medium and small enterprises.

The problem is that we have not yet entirely overcome the traditional strategy of attaching importance to capital construction and overlooking technological transformation. A fairly large proportion of budgeted funds for investment in renewal and transformation was in fact spent on increasing equipment, expansion of factory buildings, and even building housing areas for staff members and workers. A very large portion of loans for technological transformation was spent on capital construction. Some enterprises even failed to spend their own funds for overhauling equipment and for production development in the renewal of their equipment or in their technological transformation. Under the circumstances of a shortage of supply in our markets, backward equipment, technology, and products not only were not eliminated by competition, but actually increased.

We should mainly rely on our enterprises to carry out technological transformation; therefore, we must give play to the initiative of our enterprises in doing so. As we failed to give full play to the role of competition and the market mechanism, our enterprises' interests were seldom directly affected by the questions of whether their products were marketable, whether their product variety met the demand, whether the quality of their products was fine, and whether the prices of their goods were cheap. Prices of new products were fixed within small ranges of variation, and no preferential prices were fixed for products of fine quality. By so doing, we not only protected backward enterprises but damaged the initiative of advanced technological transformation to gain little or even to suffer losses. The excessive growth rate of our economy and the worsening shortage of supply may also give rise to the activities of investing in expansion of the production capacity of low-grade products and thus give rise to a downgrading of our production and technology composition. All these run counter to the goal of our modernization program and we should think out ways to overcome them.

To put it in a nutshell, the experience that we have summed up in the economic construction during the Sixth 5-Year Plan period tells us that we must continue to carry out the transformation of our economic development strategy, but the transformation of our economic development strategy, but the transformation of strategy cannot be separated from the economic structural reform.

RENMIN RIBAO CARRIES HONGQI TABLE OF CONTENTS

HK021416 Beijing RENMIN RIBAO in Chinese 30 Mar 86 p 8

["Table of Contents for HONGQI No 7, 1986"]

[Text] Forum: "Correctly Approach the New Conditions and New Problems in the Course of Reform"

Article by the Propaganda Department of the Baoding Prefectural CPC Committee: "Do a Good Job of Rural Ideological and Political Work in the Form of 'Three Visits'"

"Investigation Report" by the Propaganda Departments of the Weifang City and the Linqu County CPC Committees: "Fresh Troops for Rural Cultural Undertakings -- An Investigation of Cultural Households in Linqu County, Shandong"

Article by Jing Ping: "Promptly Implement the Policy, Grasp Grain Production"

Article by Wu Rong and Li Peng: "On Supplementing Agriculture with Industry"

Article by Xu Dixin: "The Modern Significance of 'Das Kapital'"

Article by Zhong Jiwu: "The Lesson of the Hainan Automobile Incident"

Article by Tao Dun: "Reform Ballad Singing by Orienting It Toward the Public"

Article by Liu Fonian: "Improve the Quality of Teaching in the Course of Universalizing Compulsory Education"

Article by Zhang Jing: "The Limitation of Ability by Defects in the Method of Thinking"

Article by Jia Chunfeng: "Life Is Waiting in Expectation -- A Talk, Commencing With the New Book by Yu Xinyan, on the Compilation of Popular Theoretical Readings"

Article by Xin Shouliang and He Fu: "Integrate Theoretical Study With Learning Professional Knowledge"

Article by Zheng Wen: "What Are the Goals, Characteristics, and Means of Socialist Macroeconomic Control?"

Article by Zong Han: "How are the Values and Prices of Intellectual Products Determined?"

Article by Ru Di: "A Brief Discussion on 'Emptiness' and 'Reality'"

Article by Peng Jiajin: "A Beautiful World Is Greeting Us -- Watching the Teleplay 'The World Rediscovered'"

Article by Li Zhun: "It Is Proposed That More Articles Correctly Introducing Foreign 'New Ideas' Be Published"

CHEN GUANGYI ADDRESSES FUJIAN SECRETARIES MEETING

OW020057 Fuzhou FUJIAN RIBAO in Chinese 24 Mar 86 p 1

[Excerpts] The Fujian Provincial CPC Committee held a meeting of secretaries of prefectural and city party committees on 22 and 23 March to transmit the guidelines of the central instructions on economic work, party rectification, public security, procuratorial and judicial work, discipline inspection, and the workers' ideological education. The meeting discussed the tasks in light of Fujian's reality and made arrangements to implement the guidelines. Comrades Chen Guangyi, Xiang Nan, Hu Ping spoke at the meeting.

Chen Guangyi said: This meeting is very important. The provincial party committee and government have called serveral meetings to plan this year's work, and this is just another of our efforts to plan Fujian's work for this year. He spoke on the following three points, centering on the theme of "working in unity to develop the excellent situation."

1. Stability and Unity Are Prerequisites for the Development of the Excellent Situation.

[Chen Guangyi said: The current situation in our province is excellent. This is chiefly the result of stability and unity. This environment is also necessary if we want to further develop the excellent situation.

In accordance with the guidelines of the National Conference of Party Delegates, I suggested the need of "unity, stability, pioneering, and progress" at my first meeting with responsible comrades of the various sectors of our province. Many comrades have expressed approval. People in Fujian demand stability and unity, and Fujian's opening and economic construction dictate that we have stability and unity.

The first requirement is unity. To achieve unity, we must foster three viewpoints. The first is to adopt an overall point of view. Every comrade must take the general interests of the party, the state, and the province into account. Everyone must subordinate himself to the organization, and the partial interest must be subordinated to the overall interest. We must use this to achieve unity in our understanding and actions. We must keep this in mind when we speak or act. By doing so, the whole province will become more united, our ranks will be orderly, and our work will be more successful. The second is to acquire the party spirit and principle. Everyone should refrain from speaking or acting in a way harmful to unity. Our leading cadres should refrain from doing so themselves and, in addition, educate other cadres and the masses to observe this principle. The third is to deal with people on an equal footing regardless of where they come from. Our ranks come from all quarters. Fujian's cause depends on the common efforts of all the people in the province and the vast numbers of overseas compatriots. Therefore, we must bring every positive factor into play and unite with all the forces that can be united. We will achieve greater success if we can arouse the initiative of all our comrades, both inside and outside the party, pool the efforts of all quarters, mobilize the overseas compatriots' patriotic feelings toward the motherland and their native place, and unite with our democratic and nonparty personages and other well-known figures. From Now on, the provincial party committee members and the responsible comrades here at this meeting should strive to become leaders in working toward unity.

The second requirement is stability, that is, to stabilize the leading bodies at various levels, the cadre contingent, the party policy, and the situation.

Only with stable cadres, policies, and public feelings can our economic construction and opening develop in a sustained, steady, and balanced way. I want to point out here that the changes in the duties of Comrade Xiang Nan and myself were routine changes of duty. They will not affect the leading bodies of the provincial departments, prefectures, and cities. There will be no changes at other levels, either. The changing of the principal responsible comrade of the provincial party committee should not affect our work.

The third requirement is pioneering.

The fourth requirement is progress. It means speeding up economic development while emphasizing economic benefits. It means making relentless efforts to fulfill the goal put forward by Comrade Yaobang when he said that "our hope is that Fujian marches in the vanguard of the four modernizations." This demands that we fully understand the central guidelines, integrate the party Central Committee's line, principles, and policies with Fujian's practice, firmly grasp the key link to produce tangible results, carry out the Seventh 5-Year Plan more successfully than the Sixth 5-Year Plan, and improve our work every year.

2. Persisting in Carrying Out Reform, Opening to the Outside World, and Enlivening the Domestic Economy Are Major Tasks in Developing the Excellent Situation.

Chen Guangyi said: Fujian is a province which carries out special policies and flexible measures. The way for Fujian to be in the vanguard of the four modernizations lies in carrying out reform, opening to the outside world, and enlivening the domestic economy. This is where the hope of rejuvenating Fujian lies. We have no reasons whatsoever to vacillate in our determination to carry out reform, open to the outside world, and enliven the domestic economy. Our door should open wider and our policies should continue to relax instead of being rigid. Our policy of opening to the outside world should be carried out better and better through supplements and improvements. This is the core issue as to whether or not the excellent situation can be developed.

The central authorities' policy for reform this year is "consolidate, digest, supplement, and improve," consolidating and developing the achievements of reform while making proper preparation for taking an important step in the next year. The provincial party committee and the provincial government have already presented their concrete opinions and have made arrangements on how to implement these guidelines of the central authorities. It is hoped that everyone will firmly grasp the implementation. Here, I would like to stress four points.

First, it is necessary to develop lateral ties in a larger sphere and in a more deep-going way while conducting imports from abroad and internal association. Developing lateral economic ties is a new thing emerging from the reform of the economic structure, which is of tremendous significance in giving further impetus to the reform of the economic structure and to the development of social productivity.

Second, it is necessary to persist in opening to the outside world and in using the methods of reform to solve the problems emerging from the policy of opening to the outside world. Currently, our reform and policy of opening to the outside world are being carried out in a situation in which the new and old structures coexist in a transitional period. It is not unusual that microeconomic enlivening and macroeconomic control are continually out of sync and even contradict one another.

Third, it is necessary to positively seek and study the strengthening and improvement of the laws and methods of macroeconomic control. We are relatively more familiar with enlivening microeconomy, but controlling macroeconomy is still a new thing. It is particularly necessary to study the question of how to achieve "activity without disorder, managing without rigidity" in a deepgoing way and succeed in unifying the enlivening of microeconomy and the control of macroeconomy. It is hoped that everyone will seek and sum up his experience in practice.

Fourth, it is necessary to concentrate our energy on doing a good job in dealing with Overseas Chinese and with Taiwan. In the course of visiting several coastal cities to familiarize ourselves with their situation, it was noted that Overseas Chinese compatriots abroad, Hong Kong and Macao compatriots, and Taiwan compatriots have contributed to our province's economic development and construction. How to do a good job in dealing with Overseas Chinese and bring the superiority of Overseas Chinese capital and personnel into play remain a major question in our province's work.

The party rectification work is being carried out smoothly in accordance with the provincial party committee's arrangements. The major task of our province's party rectification for this year is to perform grassroots-level party rectification well; namely, to perform party rectification well in the rural areas, county-run enterprises, middle and primary schools, neighborhoods, and other grassroots-level units. In general, the cities, counties, and villages that we recently visited were relatively serious in grasping party rectification work. This is a capital construction task that should be continuously grasped by all prefectures, cities, and counties without letup. First of all, it is necessary to set strict demands and avoid perfunctoriness in strict accordance with the central authorities' decision on party rectification and this year's Document No 1 of the central authorities. Second, in carrying out party rectification, it is necessary to push the correcting of the party's workstyle, promote economic work, and solve the main practical problems existing in the rural areas. Third, it is necessary to practically strengthen leadership over party rectification in the rural areas. It is necessary to note that party rectification in the rural areas is great in quantity, extensive in area, complex, and a matter of policy. The provincial party committee and the prefectural and city party committees must attach great importance to it. County party committee members should personally grasp the matter, and the committee should assign a deputy secretary exclusively to such work in order to actually take the matter in hand. Forces for grasping party rectification in the various localities can only be strengthened, not weakened. Fourth, the timely study of the policy demarcation issue is necessary during party rectification. It is necessary to persist in seeking truth from facts and proceed from the characteristics of our province's rural areas in order to achieve a strict policy, educate party members while uniting the majority of cadres and masses, and solve the problems while avoiding disorder.

In building a spiritual civilization, it is necessary to pay close attention to two important aspects, for example, education on the situation and policies and improvement of party style. In conducting the education on the situation and policies, efforts should be concentrated on problems concerning ideology and understanding among the workers and staff. Due to wage reforms in enterprises and overemphasis of material incentive, there have been quite a few problems among the workers and staff recently. All prefectures, cities, and departments should intensify the ideological and political work on enterprises, especially among enterprise cadres.

"It is necessary to intensify the education on the four cardinal principles, the policies of persistantly making reforms and opening to the outside world, and on law and discipline. It is necessary to combine education on the situation and policies with activities surrounding "Five Stresses, Four Beauties, and Three Loves," teach the cadres and masses of people to conscientiously oppose and resist bourgeois liberalization and feudal superstitions, publicize and advocate socialist ethics and spiritual civilization, and pay keen attention to sanitation and a clean environment in order to solve problems of filth, chaos, and poor service in cities and towns. In improving party style, it is necessary to resolutely implement the guidelines of the meetings of cadres of central organs and the five documents recently issued by the central authorities and correct and handle problems in accordance with the six points put forth in the two circulars of the general offices of the party Central Committee and the State Council. Leaders should play an exemplary role in improving the party style of leading cadres and leading organs in particular. It is necessary to first investigate major, grave cases and make relentless efforts to carry out the investigations through to the end. At the same time, it is necessary to conduct positive education among the large numbers of cadres and improve office ideology and organizational discipline. If the above-mentioned two aspects are properly handled, we will be able to inspire the ranks of cadres and bring about an improvement in general social conduct.

3. Strengthening and Improving the Leadership Is an Important Guarantee for Developing the Situation

Chen Guangyi said: Further strengthening and improving the leadership is a very important factor for developing the current excellent economic and political situation, accelerating the pace of economic growth, and performing better work this year. As Comrade Xiaoping said, leadership means service. In my opinion, we should dedicate ourselves to wholeheartedly serving Fujian's economic prosperity and advancement and its people's happiness and improved livelihood specifically by making efforts in the following three areas:

First, it is necessary to serve conscientiously. Leaders at all levels should always bear in mind the goal of serving the people wholeheartedly and performing the job earnestly.

Second, it is necessary to serve in a solid manner. Cadres should enhance their sense of responsibility, observe the job responsibility system, and carry out the work in a down-to-earth manner.

Third, it is necessary to work hard and not be upset by criticism. All cadres should uphold the party spirit, set strict demands on themselves, and play an exemplary role in improving office workstyle and party style.

In his speech, Xiang Nan said: The current meeting has been successful. It is hoped that all participants will support Comrade Chen Guangyi and the work of the provincial party committee. So long as we are united as one and make persistent efforts to carry out the policies of reform and opening to the outside world and invigorate the economy, we will surely be able to do a better job in the Seventh 5-Year Plan than we did in the Sixth 5-Year Plan.

In his speech, Hu Ping particularly discussed this year's economic work. He said: The mainstream of Fujian's economic development over the last few years has indeed been good, and we have scored remarkable achievements in restructuring the economic system, opening to the outside world, and invigorating the economy. Social stability and unity have prevailed in the province, the economy has developed in a sustained manner, and the people's livelihood has been markedly improved.

Hu Ping discussed 10 major tasks of this year's economic work. They are: Ensuring the fulfillment of the grain production task and vigorously developing the commodity economy in rural areas; earnestly improving quality, raising efficiency, and increasing exports of industrial products; strictly controlling the scale of capital construction and increasing investment returns; striving to create a new situation in economic relations with foreign countries and the work on Overseas Chinese affairs; overcoming circulation, difficulties, ensuring market supply, stabilizing commodity prices, continuing to actively and prudently carry out the urban economic reform; striving to strike a balance between financial revenues and expenditures and improving the circulation of funds; continuing to implement the central authorities' decisions on reforms of the educational system and the science and technology management system and intensifying the development of intellectual resources, paying close attention to family planning work; and strengthening the leadership over and mapping out specific requirements for the economic work.

FUJIAN OFFICIALS VISIT XIAMEN, OTHER CITIES

OW311430 Fuzhou FUJIAN RIBAO in Chinese 22 Mar 86 p 1

[Excerpts] Comrades Chen Guangyi and Xiang Nan made a joint visit to Xiamen, Zhang Zhou, Quanzhou, and Putian Cities and Zhangpu, Anxi and Datian Counties between 14 and 20 March. They carried out in-depth investigations in some factories and townships and towns there. They also visited Xiamen University and Jimei School, called on the soldiers stationed in Xiamen, and inspected Meizhou Wan. The leading comrades of the provincial CPC Committee carried out discussions with the comrades of these cities and counties on how to further implement the policies for opening to the outside world, reforms and enlivening the economy, how to develop an export-oriented economy and make good use of the local mountain and coastal resources, and how to enable the counties in hilly areas to break free of poverty and become rich. Comrade Chen Guangyi arrived in Fujian on 10 March to take over the secretaryship of the provincial CPC Committee.

Xiamen was the first place that the leading comrades of the Provincial Party Committee visited. In his discussions with the comrades in Xiamen, Comrade Chen Guangyi emphasized the need to make serious and good efforts in the work aimed at Overseas Chinese and Taiwan and unite with the Overseas Chinese and Taiwan compatriots to work in concert for economic construction. On 16 March, the leading comrades of the provincial party committee arrived in Zhangzhou and Zhangpu. Comrade Chen Guangyi was impressed by the results and experiences gained in these places in their successful efforts to tap mountain and sea resources. The leading comrades held a discussion with the leading comrades of Zhangzhou City the same evening. Comrade Chen Guangyi said: In making use of the mountain and sea resources, as in any exploration venture, no significant development can be expected simply by equally distributing a fraction of a mu of land to each individual. Only when we act as Zhangpu did to develop the barren hills and make use of the vast sea resources can we expect to see our undertakings expand.

The leading comrades of the provincial party committee spent 17 March traveling through Anxi, Datian, Dehua, and Yongchun and did not arrive in Quanzhou City until nightfall on 18 March. In their discussions with the leaders of Quanzhou City, the comrades of the provincial party committee noted that Quanzhou has the largest population, the most Overseas Chinese, and the most Taiwan compatriots. If the city can pay attention to these characteristics to vigorously promote work among the Overseas Chinese and the work aimed at Taiwan and to create conditions for the investment of foreign capital and for export, then the city's work will be enlivened.

On the afternoon of 19 March, the leading comrades of the provincial party committee took a boat trip around Meizhou Wan. They were deeply impressed by the favorable conditions in the bay, where there is no silt or ice and the water is deep and tranquil. After the firsthand look and discussions with the leaders of Putian City, they agreed that Meizhou Wan is rich in natural resources and should be developed with determination. Comrade Chen Guangyi said: Althoug it is too early to talk about the large-scale construction of the port facilities on Meizhou Wan, it is necessary to make active preparations now instead of waiting. It is necessary to promote construction. Build small piers if larger ones are beyond reach now. There are commercial docks already, so let us build coal docks now. The leading comrades of the provincial party committee also proposed the development of sea transport. When told that village and town enterprises in Putian City have developed very fast and that a number of townships or towns have an output value reaching 100 million yuan, they hoped that the city will be able to maintain this good development momentum.

During their visit, the leading comrades of the provincial party committee noticed that the rural areas in Quanzhou and Putian Cities still have quite serious problems preventing farmland from being diverted to housing construction. They also noticed that some of the houses are built flush with either side of the highways, which will pose an enormously difficult problem when it comes time to widen these highways. They hoped that the local leaders there will take swift action to stop the practice.

SHANGHAI'S RUI XINGWEN, JIANG ZEMIN ATTEND MEETING

OW290203 Shanghai City Service in Mandarin 0100 GMT 26 Mar 86

[Text] The Shanghai Municipal People's Government sponsored a cadre meeting yesterday afternoon to relay the guidelines set forth by the State Council's First National Conference on Restructuring the Urban Economic System.

Addressing the meeting, Mayor Jiang Zemin said: This year, we must consolidate and develop the achievements of our reforms carried out over the past few years in accordance with the principle of consolidation, assimilation, replenishment, and improvement. In particular, we must regard developing economic ties with other localities as an important project.

Jiang Zemin reminded comrades in Shanghai that they must work actively and positively to forge closer ties with fraternal provinces and municipalities and cooperate with them in all fields on a long-term basis according to the principles of voluntary participation, reciprocity, and common development. Jiang Zemin urged cadres at all levels to work hard to accomplish this year's economic plan, continue to experiment with reform projects at selected units, and be well prepared for next year's reforms.

Rui Xingwen, secretary of the Shanghai Municipal CPC Committee, also made a brief speech at the meeting on promoting horizontal economic ties with other areas.

During the meeting, Vice Mayor Zhu Zongbao conveyed Premier Zhao Ziyang's speech at the National Conference on Restructuring the Urban Economic System, as well as Vice Premier Tian Jiyun's report on the situation and tasks of the current economic reform.

WANG FANG VIEWS AIRCRAFT SHOW IN HANGZHOU

OW301132 Hangzhou Zhejiang Provincial Service in Mandarin 1000 GMT 27 Mar 86

[Text] On the morning of 27 March The Ministry of Astronautics held a flying demonstration of Chinese-made civil aircraft over the Hangzhou Airport. Leading comrades of Zhejiang Province and Hangzhou City Wang Fang, Wu Ming, Shen Zulun, Li Fengping, Li Debao, Li Qing, and Zhong Boxi watched the flying demonstration and inquired about the details of the performance of the aircraft.

The demonstation was sponsored by the Ministry of Astronautics. Three Chinese-made civil airplanes took part in the demonstration. They were the Yun-7-100, Yun-12-2, and (Haiyan) types. Their special features are safety, comfort, and economy.

The Yun-7-100-type aircraft, equipped with advanced communications and navigational equipment and meteorological radar, is suitable for passenger transport.

The Yun-12-2-type aircraft is a small multipurpose transport. It is suitable for short-distance cargo and passenger transport, geological prospecting aerial survey, forest fire-fighting, search and rescue, airdrop, and parachuting.

The (Haiyan) type special-purpose aircraft may be used in sowing, pesticide-spraying, sea observation, air patrol, and flood-control command.

HENAN SECRETARY ON STRENGTHENING UNITY AMONG CADRES

HK281441 Beijing LILUN YUEKAN in Chinese No 2, 25 Feb 86 pp 8-11

[Article by Yang Xizong [2799 2649 4844]: "Strengthening the Unity of Cadres is an Important Guarantee for the Realization of the Four Modernizations"]

[Text] When inspecting Henan Province some time ago, a principal responsible comrade of the CPC Central Committee encouraged all the cadres to thoroughly study the basic theory of Marxism and take the lead in adopting lofty ideas, maintaining moral integrity, raising their educational level, cultivating a high sense of discipline, and fostering the fine style of "taking the interests of the whole into account, attaching importance to unity, emphasizing practical results, and competing with each other to make great contributions." These are the CPC Central Committee's ardent expectations and new requirement for the vast number of cadres in our province, which are of great significance to strengthening the unity of the contingent of cadres in our province, to straightening out party style and cadres' work style, and to building the two civilizations.

Unity is a matter of life and death to a proletarian political party. Without unity and unification, a party cannot survive and develop. In the history of our party, whenever we are united, we will be successful in the party's and the people's cause; whenever the unity of the party is destroyed, the party's and the people's cause will suffer losses or even fail. "The unity of the party, the unity of the proletariat, the unity of the laboring people, and the unity of all the people -- these are the basic guarantee of the triumph of revolution." It was thanks to the unity of the whole party and all the Chinese people that our party survived untold hardships and dangers and led all the Chinese people to defeat the Chinese and foreign reactionary forces and win the victory of revolution during the war years; and overcome numerous difficulties and achieved great successes again and again during the period of socialist construction. The "Great Cultural Revolution" brought the national economy to the verge of collapse. However, thanks to the unity of the party, our ranks of cadres, and the broad masses not only smashed the "gang of four" but also saved the socialist revolutionary cause of China at the critical moment and soon pushed it to a new development stage. Therefore, we must cherish the unity of the party, the unity of cadres, and the unity of the people as we do our eyes.

Since the 3d Plenary Session of the 11th CPC Central Committee, after the process of setting things to right, our party has adopted anew a correct political and ideological line. What is more, we have carried out education in party style, party spirit, and party discipline and have taken action to totally negate the Great Cultural Revolution through overall party rectification, and thus unified the thinking and will of the whole party, achieved a new unity and unification of the whole party on the basis of Marxism, and brought about a lively political situation characterized by stability and unity throughout the country. All our province's achievements in political and economic fields in recent years should also be attributed to the concerted efforts for the four modernizations by the broad masses of cadres and people throughout the province. As our party and country are now in a specific historical period, the strengthening of the unity of the whole party and the whole society is even more important. For one thing, we launched many political movements and made many mistakes in the past under the wrong guidance of the theories of "taking class struggle as the key link" and "persevering in continuing the revolution under the dictatorship of the proletariat." Every political movement hurt some people or other, leaving discord between cadres. And ideological issues cannot be solved in a short time although we have indeed made tremendous efforts to clear the aftermath. For another thing, we are now faced with extremely arduous tasks. We have to carry out an overall reform and build socialism with Chinese characteristics.

As this is a profound revolution, we will inevitably encounter many new problems and contradictions, and there may be differences of opinion among our cadres. Under such circumstances, differences in understanding and action can hardly be avoided. All the historical and practical conditions mentioned above require us to attach importance to the unity of the ranks of cadres.

Learning how to use the Marxist method of thinking to understand and solve historical issues from a historical point of view and using a dialectic approach is of great importance to strengthening the unity of the ranks of cadres. Generally speaking, historical issues are related to the historical conditions, objective environment, and limitations of people's understanding of the times. Therefore, in considering and handling all these issues, we must not ignore their historical background and rashly draw an oversimplified conclusion. Neither can we attribute historical and social problems to personal resentment. In this regard, the "Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC" adopted by the 6th Plenary Session of the 11th CPC Central Committee has provided us with the basic principles and guidelines to be followed. We must learn how to apply these principles and guidelines to correctly treat and handle historical issues, especially those issues left over by the "Great Cultural Revolution."

If we continue to quibble over old scores, we will not be able to concentrate on the reform and the four modernizations. Therefore, while totally negating the "Great Cultural Revolution," we must educate all our party members and cadres to uphold party spirit and thoroughly eliminate factionist influence. In handling old scores, it is definitely necessary to adhere to the principle of seeking truth from facts and looking forward in everything; and, in considering and handling problems, it is definitely necessary to submit to the primary prerequisite for stability and unity and to proceed in everything from the interests of the party's unity and cause. Directly related to these is the question concerning the correct attitude toward cadres who have made mistakes. Treating cadres who have made mistakes, we must adhere to the principle of "learning from past mistakes to avoid future ones and curing the sickness to save the patient." We must help them out of goodwill, never desert and exclude them, still less push them out of goodwill, never desert and exclude them, still less push them to oppose us. We should accept any one who has made mistakes, so long as he has the sincere desire to correct his mistakes and has really made a self-criticism. Some comrades made mistakes in the past due to the influence of "leftist" ideology and especially the historical conditions during the "Great Cultural Revolution." We should treat these comrades correctly, take the initiative in uniting them, use them in a rational manner, bring their initiative into full play, and commend all those who have made contributions. The main criterion to assess a comrade who has made mistakes is his actual performance. We should no longer quibble over those issues which have already been investigated and solved. This is the only way which can help to overcome factionalism, enhance party spirit, and strengthen the unity of cadres and party members.

It is necessary to uphold the principle of persuasion and education and to use correct methods to solve ideological problems within the party and the masses in a correct way. This is of great significance to strengthening unity. The line, principles, and policies drawn up by the CPC Central Committee in the past few years completely conform with the basic principles of Marxism-Leninism and are well supported by the people. However, just like the emergence and development of other new things, it takes time to understand and implement a new policy and, in addition, to overcome the influence of various old concepts and the force of habit. People's views on each question cannot possibly be identical.

In the course of the reform, some cadres and masses may have some one-sided or erroneous views if they fail to thoroughly understand the party's policies for the time being, or are not well informed of the situation, or even simply consider the matter concerned from partial or personal interests. We can neither ban these cadres and masses from voicing their views nor take a laissez-faire attitude toward them. Instead, we must adhere to the positive principle of persuasion, educate them, inspire them to realize their mistakes, and thus solve the problem correctly. We must make specific analysis of specific problems, distinguish rights from wrongs, and unite with comrades. Our party organizations, in particular our leading comrades, must maintain close ties with the broad masses of cadres and people, be their faithful friends, try to find out what they are thinking about and what they are demanding at all times, and always be ready to listen to their appeals. Correct opinions should be affirmed and supported. Legitimate and reasonable demands should be appropriately satisfied wherever conditions permit. If some problems cannot be solved for the time being, we must explain the reasons to these cadres and masses and persuade them to take the whole situation into consideration. As for those who have voiced erroneous views, we must not put labels on them, bludgeon them, and criticize them on the higher plane of principle. Instead we must do a patient and meticulous job of educating them. Both commendation and criticism must be based on facts. We must persuade others by reasoning and convince them of our sincerity. In all cases we must have confidence that the majority of cadres and masses are supporting the line, principles, and policies of the party and are longing for stability, unity, and prosperity of the country, and that the whole party, all the cadres, and the broad masses will reach a common understanding, a common will, and unity of action and will steadfastly follow the guidelines laid down by the CPC Central Committee, so long as we can clearly explain the party's line, principles, and policies to them and tell them the actual situation in the province and the country.

The unity that we expect is the most extensive unity which is aimed at the realization of the party's general goal. Therefore, it is necessary to particularly emphasize and uphold the principle of "selecting cadres from every corner of the country" when appointing cadres. Our cadres gather together from all corners of the country to work for the cause of the party and to build the four socialist modernizations. In selecting and appointing cadres, we must start from the interests of the party and the people, adhere to the principle of "four transformations" for cadres, and appoint cadres according to their political integrity and ability. Only in this way can we enhance unity and boost the morale among cadres. As far as this matter is concerned, if we deviate from the party's principles, proceed in all cases from personal and factional interests, and are affected by the relations of fellow townsmen, schoolmates, old subordinates, or old colleagues, the initiative of cadres and masses will be dampened and the unity of our ranks of cadres will be undermined.

In the ranks of our cadres, everyone, whether in a higher or lower position, shares the common responsibility and obligation to the party's cause, and dependence of any person on another should not and can never be tolerated. Therefore, it is a violation of the organizational principle to say that someone is another person's man. All our cadres are cadres of the party but not the private property of any individual. No party member or cadre must think he or she belongs to any individual but must be loyal to the party organization and the party's principles. Our leading cadres must have communists' breadth of vision.

They should select cadres in accordance with the principle of attaching importance to both political integrity and ability as well as the criteria to select cadres who are "more revolutionary, younger in average age, better educated, and more professionally competent," They should never be swayed by personal feelings, practice factionalism, classify people by factional affiliation, cultivate relations with the aim of forming a small coterie, shield their supporters, and exclude those who disagree with them. It is necessary to uphold an aboveboard, honest, upright, and fair style, adhere to the principle of appointing people according to their political integrity and ability, and oppose the practice of appointing people according to favoritism. The broader our vision the better, and the more people being united the better.

The unity of the leading body is the key to the unity of the ranks of cadres. Therefore, we must especially attach importance to the unity of leading bodies and leading cadres at all levels. If there is discord among the leading bodies and leading cadres of a certain locality or unit, the cadres and masses there can hardly unite with each other. On the contrary, if the leading bodies and leading cadres unite as one, the unity of cadres and masses can be easily achieved. Thus, obstacles to unity, if any, can be readily removed; and those who harbor evil intentions and sow discord can achieve nothing. Therefore, the unity of leading bodes and leading cadres is extremely important. In order to strenghten the unity of leading bodies and leading cadres, the most important thing is to give full play to democracy and correctly implement the principle of democratic centralism, with political unanimity with the CPC Central Committee as a precondition. It is necessary to cultivate a lively democratic atmosphere within the party and the ranks of cadres and to encourage people to voice their innermost feelings. In our work, we must try our best to listen to various opinions and, in particular, to the opinions that disagree with ours. The ancients said: "If one listens to both sides, one will be enlightened; if one heeds only one side, one will be benighted." Therefore, our leading cadres should not heed and trust only one side and form coteries. The party and people have vested heavy responsibilities in us as leading cadres. In order to fulfill our tasks, we have to exercise some power. But we should only exercise our power to seek the interests of the people rather than act as lords and masters. And we should never put on bureaucratic airs, trample on democracy, make arbitrary decisions, and ignore opinions that disagree with ours, as soon as we are appointed to leading posts. "Patriarchal" behavior is an expression of residues of feudal autocracy and the product of the small-scale peasant economy. Practice has proven that if democratic centralism is properly practiced and a democratic atmosphere prevails in a party committee at a certain level or in an enterprises, unity will be consolidated there. Conversely, in those discordant places and units, democracy is completely ignored, with the "patriarchal system" and the practice of making arbitrary decisions prevailing; or there is too little democracy -- although it seems that everything is in good order and stable, there are in fact numerous hidden contradictions between leading cadres and between the leadership and subordinates, and many problems are covered up. This being the case, it is impossible to reach the correct unification and centralism and it is hard to accomplish a real unity among cadres. While paying attention to the above, we must also correctly carry out criticism and self-criticism, which is a means for our party to reach unity and make progress and one of our party's fine traditions. The vast majority of the party organizations, party members, and cadres in Henan can correctly use this means. But there are also some deficiencies.

First, some localities and units stress face and relations rather than truth and principles. Someone who makes mistakes should be criticized and punished. However, there will always be some person or other stepping forward to plead for mercy for him. Meanwhile, those comrades who firmly uphold the principles are satirized and slandered. This is a very abnormal phenomenon. Second, the process of criticism is vulgarized and oversimplified. Starting from personal feelings, some people vent personal spite under the pretext of criticism. They actually use criticism as a means of unprincipled attack. Other people fail to pay attention to the form and method of criticism, thus missing the goal of education and unity despite their good intentions. Therefore, in enhancing unity at present, we must restore and carry forward the fine tradition of criticism and self-criticism through ideological education within the party and the ranks of cadres, and thus make criticism and self-criticism a genuine weapon for our party and the leading bodies and cadres at all levels to overcome shortcomings, correct mistakes, and strengthen unity.

Third, it is necessary to encourage leading bodies and leading cadres to hold heart-to-heart talks and exchange information. If leading cadres do not exchange information, do not open their hearts to each other, and do not thoroughly consult each other when handling major issues, there may be misunderstandings between them and unity may be undermined as time goes by. At present, we are faced with very arduous tasks and have to handle many affairs every day. Due to our different working experiences and habits, it is natural that we may have different opinions on certain issues and may intend to handle them in different ways. As long as these differences do not affect the situation as a whole and are not of principle importance, we should never stubbornly adhere to our opinions but seek common ground on major issues while reserving differences on minor ones, enhance mutual understanding, and support each other. Some enterprises which have implemented the plant director responsibility system have done a good job in handling the relations between plant director, party committee secretary, and trade union chairman. An important conclusion that has been drawn from their experience is that these enterprises are getting more and more prosperous because their members do not mind who is appointed head of an enterprise, who is vested with more power, and who is vested with less; they just concentrate all their attention on work instead, with everybody taking charge of his own job and fulfilling his own duty; and they adhere to the principles on major issues and take a good attitude in minor ones, consulting each other and uniting and cooperating with each other. At present, we are in a period when new cadres are succeeding and cooperating with veteran ones, our new and veteran cadres, as well as different departments, should support each other and closely coordinate with each other. This is an aspect not to be neglected in our efforts to strengthen unity between cadres.

An essential task to consolidate unity of the ranks of cadres is the unremitting education in ideals and discipline among the vast number of cadres. The CPC Central Committee has repeatedly emphasized that the communist ideal is our Party's spiritual pillar and iron discipline is the guarantee of the realization of the ideal. To enhance unity we depend first on ideals and second on discipline. Without the communist ideal and iron discipline, China will turn out to be a sheet of loose sand. All communists who join the revolution, no matter where they come from and what their occupations are, strive for a common goal -- communism. This common ideal serves as a strong centripetal force and attraction, which help our cadres to proceed in everything from the interests of our common cause and to understand each other even if there are some inevitable contradictions and differences in opinion between them. The communists' goal determines that the communist party must enforce iron discipline to bind, coordinate, and unify all its members and cadres in words and deeds and thus combine all party members, cadres, and party organizations at all levels into a unified combat collective.

At present, under the new circumstance that the policy of opening up to the outside world and enlivening the economy at home have created, some people within our ranks of cadres who have not taken a firm stand are unable to resist the influence of the capitalist life style and values. They have forgotten the Party's purpose and principle, forsaken the communist ideal, and given fuller and fuller play to egoism. Some individuals have even indulged in the pursuit of personal interests. They have not only sought personal interests by making use of their power but have also scrambled for power, fame, and gain within the Party and the ranks of cadres, caused troubles in violation of [party] principles, and thus jeopardized the Party's reputation among the masses and undermined the unity of the Party and the ranks of our cadres. Although cases like these are rare, they remind us that we must never lower our guard against the decadent capitalist ideology's corrosion of our cadres' ranks and overlook education in the communist ideal and discipline.

We adhere to the principles in uniting with comrades. The four basic principles are basic for all the internal and external policies of the Party and the political basis of our unit as well. Every comrade and every leading organization must do a good job in safeguarding unity on this basis. It is necessary to make sure every party member and every cadre understands that all the principles and policies that our Party is currently implementing and the reform and the four modernization program which are under way are part of the communist cause. No matter what difficulties we are faced with, we must keep in line with the CPC Central Committee ideologically and politically. The Party's and the people's interests must be placed before everything, and the work of every department and every unit must be subordinated to and serve the national construction and reform as a whole, and all personal, local, and short-term interests must be subordinated to the overall and long-term interests of the whole. This is a moral requirement for every communist party member and an important condition for the unity of the whole party and the ranks of cadres.

It is likely that as long as the whole Party, all the cadres, and the masses closely unite together, the socialist cause under our party's leadership will become more and more prosperous, and our magnificent goal of socialist modernization with Chinese characteristics will surely be fulfilled.

HENAN PARTY SECRETARY INSPECTS VILLAGE

HK030447 Zhengzhou Henan Provincial Service in Mandarin 2300 GMT 2 Apr 86

[Excerpts] Provincial CPC Committee Secretary Yang Xizong said after inspecting Shawan village in Huaibin County that so long as they base their work on local realities, come up with correct macropolicy decisions, and follow the proper path, it is completely possible for the masses to get rich in low-lying areas along the Huai which are prone to waterlogging.

On 28 March, Comrade Yang Xizong, Provincial CPC Committee Deputy Secretary Zhao Di, and Provincial CPC Committee Standing Committee member and Vice Governor Zhang Zhigang listened to a work report delivered by the Shawan village party branch and inspected the situation in the masses' production and daily life.

This village, which was often flooded by the Huai He in the past, has built a drainage and irrigation station in a low-lying place, and sunk mechanically-operated wells on dry land. As a result, the 5,000 mu of farmland in the village can yield good harvests irrespective of flood or drought, so long as the Huai does not burst its banks.

SICHUAN OUTLINES STRUCTURAL REFORM TASKS

HK030257 Chengdu Sichuan Provincial Service in Mandarin 0030 GMT 3 Apr 86

[Text] The provincial government recently made arrangements for this year's economic structural reform work. It demanded that all areas and departments implement the principle of consolidation, digestion, replenishment, and improvement, and do a good job in economic structural reform, with the focus on the following points:

1. Vigorously develop lateral economic ties. We should regard the development of various multilevel, multichannel, and multiform lateral economic ties between enterprises, between urban and rural areas, between areas, between production and scientific research, and in circulation as a focal point in invigorating the enterprises and the province's economy. We must take full advantage of the province's strong points in heavy and light industry, resources, and manpower and organize ties with similar or related enterprises under various system of ownership. We should also vigorously develop exchanges and cooperation with areas outside the province, especially the coastal areas, in technology, capital, raw materials, talent, and information.

2. Continue to invigorate the enterprises. We must vigorously promote and perfect the plant managerial responsibility system. We must readjust the regulating tax on large and medium enterprises in a planned and measured way, strengthen the enterprises' self-development capacity, and tap new sources of finance.

While consolidating and improving the reform pilot project in state-owned commercial enterprises, we should organize pilot projects in [words indistinct] in small state-owned industrial enterprises.

3. Gradually establish a socialist market setup. The provincial government demands that all parts of the province seriously implement the central guiding ideas and principles on economic structural reform, tangibly strengthen leadership, regularly analyze the new situation and problems in reform, and ensure that reform of the economic structure proceeds in an all-round and coordinated way.

XIZANG'S DOJE CERING ON REGIONAL ECONOMIC ISSUES

HK010315 Lhasa Xizang Regional Service in Mandarin 1130 GMT 31 Mar 86

[Excerpts] Doje Cering, acting chairman of the regional government, made an important speech on the region's national economic and social development plan and on the budget at the recent regional conference on planning and finance. He gave the following three views:

1. Have a clear understanding of the situation, implement in depth the spirit of the enlarged meeting of the regional CPC Committee Standing Committee, and further correct the guiding idea for economic work.

2. Face reality, seek truth from facts, and do a good job in arranging planning and finances.

3. Emphasize practical results and get a good grasp of a number of major items in economic work this year.

Comrade Doje Cering pointed out: Generally speaking, the situation in Xizang is very good. This is one of the best periods in the more than 30 years since Xizang's liberation. However, we are also facing a great number of problems.

He said: The region's national economy has maintained a certain growth rate during the past year. The major production targets were fulfilled better than expected. The region has reaped a bumper harvest in agriculture for 2 years in succession. Grain output set a record. Animal husbandry has been revived and developed amid reform. The peasants and herdsmen have derived tangible benefit from the price readjustments for agricultural, animal, and sideline products, and the masses' living standards have further improved.

We must also clearly realize that there are indeed many problems in our economic work. Viewed in the light of the overall situation in the region's national economy, our guiding idea on economic work has not been sufficiently straightened out, and economic relationships require further harmonizing. The agricultural and animal husbandry economy is rather brittle. Grass-roots work is extremely weak. We have failed to thoroughly investigate and study the new situations and problems in economic structural reform. Some comrades display insufficient confidence in reform. In the grass roots, there are conscious or unconscious tendencies to go back to the old road. Quite a number of enterprises are finding life difficult in the tide of reform and opening up, and some of them are on the verge of collapse. The circulation channels are still not clear enough. Agricultural and animal products cannot be directly converted into commodities, while certain production and daily life materials urgently needed by the masses are in short supply. It has not been possible to procure some products that should have been procured. Some prefectures and counties are in financial deficit. Capital construction, which already exceeded financial feasibility, is currently tending to expand.

There are many reasons for these problems. For instance, the economy is not strong enough, reforms are incomplete, and management cannot keep up with requirements. But the most fundamental reason is that our guiding idea on economic work has not been sufficiently straightened out, leftist influences have not been completely eliminated, and people's minds are not sufficiently emancipated.

Comrade Doje Cering said: Leftist influence and expressions are mainly manifest in the region's economic work in the following respects:

1. In guiding ideas, our work focus has not been completely shifted to the central task of doing everything to help the people get rich. In recent years, we have thought a lot about wages and welfare for the cadres, staff, and workers, but not much about the enrichment of the peasant and herdsmen masses. Whether in planning, budgeting or in commodity supply, we have not truly focused on enriching the masses.

2. We have been divorced from Xizang realities. Xizang has a weak economic foundation, its level of productive forces is low, it is short of energy, and its communications are poor. The quality of its staff and worker contingent is rather poor, management standards are low, and economic results are very bad. The region also has a unique natural environment. However, we have frequently ignored these realities in our economic work and copied the policies and methods of the interior, with the result that we have sought a false reputation while actually getting the worst of things.

3. In running enterprises, we have enthusiastically focused on the idea of being large in size, having a higher degree of public ownership, and being complete. The moment the establishment of enterprises is mentioned, we want them on a large scale, state-owned, and complete. We attach much importance to having them run by the government and little to having them run by the people.

4. The practices of eating out of the same big pot and egalitarianism in distribution caused by a long period of reliance on others and of practicing a supply economy have still not been changed. In organizing construction or running undertakings, no matter on what scale, we want to have everything taken care of, rely on the state in everything, and treat everyone the same way in wages and welfare irrespective of the circumstances.

5. Impatient for success, we fail to respect science or act according to economic laws. We fail to carry out feasibility studies and assessments, lay no stress on economic results, and blindly launch projects based on our subjective desires. The resulting waste is very serious. In addition, some people raise certain unrealistic slogans in production and set excessive targets, causing falsification and exaggeration of production figures. The consequences of this are bad.

6. We lack sufficient understanding of the importance of practicing the open policy, our minds are not sufficiently emancipated, our vision is not broad enough, our understanding is not sufficiently united, and we have been unable to get going.

Comrade Doje Cering stressed that whatever we are doing in economic work, we must first solve the fundamental problem of further straightening out the guiding idea on economic work. Currently, this means that we must destroy and establish. To destroy means to seriously eliminate leftist influence in economic work. To establish means to apply the relevant central and regional documents to unify our thinking. We must regard the spirit of the enlarged meeting of the regional CPC Committee Standing Committee as the major content in planning and financial work and in arranging work in all units. In close connection with the reality of economic work, we must reveal the manifestations of leftism, discuss the harm done by them, and uproot them.

Through eliminating leftism, we should straighten out the guiding idea of economic work, and better and more spontaneously implement the guiding idea of one emancipation and two changes. One emancipation means further eliminating the influence of leftist ideology, totally emancipating our minds, and basing all our work on Xizang reality and on helping to mobilize the enthusiasm of the peasants, herdsmen, staff, and workers for developing production. We should take full advantage of Xizang's strong points, dare to explore, be skilled at reform, and formulate principles and policies suited to Xizang's actual conditions.

Two changes mean, first, changing from a closed to an open-style economy, invigorating the economy, and gradually achieving a benign cycle in Xizang's urban and rural economy. Second, we should change from a supply to an operational economy, and strive to enhance the enthusiasm of the operators and to improve economic results.

LI GUIXIAN, OTHERS INSPECT LIAONING UNITS

SK300239 Shenyang Liaoning Provincial Service in Mandarin 2200 GMT 29 Mar 86

[Text] Recently, about 2,000 cadres of provincial-level organs went to the countryside and factories to conduct investigation and studies and to help them solve problems. In order to improve the workstyle of provincial-level organs and to better serve the grass-roots units, the provincial CPC Committee decided to transfer about 2,000 cadres from provincial-level organs to the countryside and factories. Among these cadres were 9 Standing Committee members of the provincial CPC Committee and vice governors and 160 leading cadres of the commissions, offices, departments, and bureaus. Headed by Standing Committee members of the provincial CPC Committee, vice governors, and principal responsible comrades of the provincial-level commissions, offices, departments, and bureaus, these cadres respectively conducted investigation and studies on the situation of party style rectification and the reform of the economic structure, and the current production situation among the grass-roots units, including rural factories and mines.

At present, Li Guixian, secretary of the provincial CPC Committee, and Dai Suli, chairman of the provincial Advisory Commission, respectively are conducting investigation in the eastern and southern parts of the province. Investigation groups organized by some commissions offices, departments, and bureaus will set out in succession.

The provincial CPC Committee called on the comrades who went or will go to the grass-roots units to work in line with the guidelines of rectification so as to prevent the occurrence of new unhealthy practices and bureaucratic workstyle in the course of straightening out party style and eliminating bureacratism.

LIAONING HOLDS PUBLIC SECURITY WORK CONFERENCE

SK020745 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 1 Apr 86

[Excerpts] The provincial work conference on political science and law concluded on 1 April. The conference presented the 1986 work target that is to be determined in achieving a steady turn for the better in public security on the basis of an obvious turn scored in 1985 in this regard.

Wang Julu, Standing Committee member of the provincial CPC Committee and secretary of the provincial Commission of Political Science and Law, delivered a speech at the conference to sum up the achievements scored by the province in the work of political science and law and to make work arrangements for 1986. In his speech, he first called for successfully grasping public security work among cities with more than 300,000 people, further making progress in steadily achieving a turn for the better in public security work in both urban and rural areas throughout the province, blocking the rising trend of violent cases, and bringing under control the number of general criminal cases and cases concerning public security. He also called for enhancing the work to consolidate public security in a comprehensive way in order to further reinforce the people's sense of safety, to resolutely combat or block the reoccurrence of hideous social phenomena, and to bring about an clear decrease in factors that attract crime. A few units and localities that are poor in public security should vigorously strengthen their work in establishing social peace and deal with the backward situation in public security within the given date.

At the conference, Li Zeming, deputy secretary of the provincial CPC Committee, also delivered a speech.

The conference also announced the namelist of 50 pacesetter units emerging in the work of consolidating public security in a comprehensive way, 625 advanced units, and 150 advanced individuals, all of whom were commended by the provincial CPC Committee and the provincial People's Government.

GANSU EXPECTS POWER SHORTAGE TO LAST 4 YEARS

HK011554 Lanzhou Gansu Provincial Service in Mandarin 1100 GMT 31 Mar 86

[Text] In an interview with station reporters on 29 March, a responsible comrade of the provincial electric power bureau revealed that the province's power supply this year has been very strained. He urged the industrial and communications enterprises, as well as the whole society, to continue their successes in consuming power in an economizing and planned way.

Over the years, the province has gradually increased its electric energy production, which totalled 14,661,000,000 kWh last year. However, as a result of a sharp increase in power consumption for industrial and agricultural production, as well as for the people's livelihood, and the shortage of water at the Longyangxia hydroelectric power station in the upper reaches of the Huang He, the province's electric energy production has been considerably affected, it is expected that there will be a shortfall of about 1.25 billion kWh for this year. The power shortage situation will last about 4 years. The strain will not be eased until 1989 when the Jingyuan power station and the Lanzhou Thermal Power Plant No 2 are put into operation.

At present, we are solving the problem mainly by saving power and consuming electricity in a planned way. Since last year, the province has started consuming power in an economical and planned way. Enterprises adopted the method of assigning power consumption quotas before production. They have scored remarkable successes in the work.

The responsible comrade in the provincial electric power bureau said: In order to further do well in consuming power in an economical and planned way this year, the power departments will adopt the method of giving priority in power consumption to the best industrial enterprises. That is, those enterprises that have a high output value, low power consumption, and make quality products can enjoy privileges in power supply. However, it will also ensure power supplies for the public. When working out plans for distributing power, it will ensure the improvement and economic results of the power supply network.

'URGENT' SHAANXI MEETING VIEWS FARMING PROBLEMS

HK030357 Xian Shaanxi Provincial Service in Mandarin 0030 GMT 3 Apr 86

[Excerpts] The provincial government held an urgent meeting in Changan County yesterday, attended by participants from six prefectures and cities in the Guangzhong region and Shangluo Prefecture, to discuss fighting drought and combating insect pests in the wheat crop.

In view of the scant rainfall and the spread of sucker pests in the wheat crop, this year's summer grain production is facing a serious situation. According to investigations, in the six prefectures and cities represented at the meeting, there is a great density of sucker pests in the wheat this year, and 8.28 million mu of wheat in those areas are already affected.

Vice Governor Xu Shanlin said at the conference that it is now imperative to immediately organize and mobilize the masses to wipe out the sucker pests in the wheat crop. While carrying out propaganda and mobilization, we must hurry to train technicians, so as to improve the results of the action.

Xu Shanlin also said that the province must base its efforts on fighting drought to win the bumper harvest. A good grasp must be made of spring irrigation and manuring.

XINJIANG ADOPTS MEASURES TO CONTROL PRICE HIKES

HK281026 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 24 Mar 86

[Excerpts] The regional Price Bureau recently decided to adopt eight measures to curb price hikes and keep retail prices basically stable this year. The eight measures are as follows:

1. Regional authorities and all localities must sign contracts on specific targets in price control and must not exceed the targets.

2. In the course of readjusting prices, price and other departments in all localities must not exceed the limits set by the regional authorities, and must not increase prices arbitrarily.

3. Great efforts should be made to grasp the fair markets in the places where prefectural, autonomous prefectural, and city authorities are located, with stress on maintaining stable prices in non-staple food, particularly vegetables, meat, and eggs.

4. Various methods should be adopted to basically maintain stable prices of industrial consumer goods.

5. The prices for means of industrial and agricultural production should be set by the state, and the prices of products which are not covered by the state plan should be strictly readjusted.

6. Prices in tertiary industry will not be readjusted this year in principle.

7. It is necessary to properly guide and strengthen control over the prices in urban and rural fair markets.

8. It is necessary to strengthen price examination organs, to perfect price supervision and examination networks combining professional personnel and the masses as soon as possible, to regularly conduct price supervision and examination, and to resolutely curb the unhealthy trend of arbitrarily increasing prices.

FOREIGN MINISTER ON FOREIGN POLICY STRATEGY

OW030405 Taipei CNA in English 0230 GMT 3 Apr 86

[Text] Taipei, April 2 (CNA) — Foreign Minister Chu Fu-sung said Wednesday that the government will be flexible in carrying out its foreign policy, but no expedient measure should run against the nation's basic policy and anti-communist stand.

Speaking at a meeting of the conference of chiefs of the ROC's diplomatic missions, Chu said the Peiping regime has been trying vigorously to isolate this from the international community since one of its leaders, Yeh Chieh-ying, brought up a "nine-point peace proposal' in 1981.

On the government's attitude toward its membership in the Asian Development Bank, Chu pointed out that the ADB issue is not an independent incident, but an important link in Peiping's overall effort to materialize its scheme of "one nation, two systems."

He also explained why the government cannot adopt the "Olympic formula" in handling its ADB membership. In non-governmental organizations, the nation will not avoid confronting Red China, but in governmental organizations, the nation's attitude is that it will not compromise with Red China, he said.

Chu cited President Ching-kuo's message at the opening of the Kuomintang's third plenum and his directive that "there are some things that can be changed and some things that cannot be changed" as the highest guidelines for the government in carrying out its foreign policy.

Any expedient measure in carrying out foreign policy must not run against the nation's basic policy of mainland recovery and its anti-communist stand, he said, pledging that under no circumstance will the government compromise with the Chinese Communist regime.

Following Chu's remarks, Vice Foreign Minister Ding Mou-shih gave a report on the foreign ministry's general affairs and work over the past two years. After the meeting, the participants attended a dinner hosted by Premier Yu Kuo-hwa.

NEW ADMINISTRATIVE VICE DEFENSE MINISTER NAMED

HK030824 Hong Kong AFP in English 0803 GMT 3 Apr 86

[Text] Taipei, April 3 (AFP) — The Taiwan cabinet Thursday named Lieutenant-General Ma Tsu-yuan, deputy comannder of Quemoy Island, new administrative vice defense minister, a cabinet source said. Gen. Ma, 56, is to replace Lieutenant-General Yu Yen-Sheng, who is to retire, the source said.

CHENG MING ON DENG XIAOPING, FACTIONAL STRUGGLES

HK030345 Hong Kong CHENG MING in Chinese No 102, 1 Apr 86 pp 6-8

["Notes on a Northern Journey" by Lo Ping: "The NPC Session and Disputes Behind the Scenes"]

[Text] The "National Treasure" Is Living Under Pressure

A friend who returned from Macao after a business trip brought back a riddle: "A Panda" -- Name a contemporary big shot who fits this description. The editor of an American magazine can certainly guess right: That is Deng Xiaoping.

"Deng Xiaoping has three points similar to pandas. First, he is from Sichuan, the only province where pandas can be found; second, he is short and plump like a panda; and third, he is also a 'national treasure.'"

This made me think of two things: First, people indeed treasure Deng Xiaoping and place great hopes in him; and second, his personal role has become too prominent; this is not favorable to political stability. In a Western country, the death of the head of state would not have any disastrous impact on state life. However, when the "national treasure" at Zhongnanhai dies, a serious earthquake could occur, and Hong Kong's Hang Sang Index could fall more than 100 points. For the sake of future stability, CPC authorities should do their best to avoid giving prominence to one person in their propaganda. Then, if Deng Xiaoping suffers from any slight illness, they do not need to worry that this will be known by people all over the world. It is said that China recently invited a foreign specialist doctor to evaluate Deng's health. If that is true, Chinese authorities do not need to cover it up or deny it. When the president of a foreign country suffered from cancer, his health conditions were made public to the whole world, and this did not cause any trouble for that country. This indeed calls for deep thought.

Deng Xiaoping, a man at the advanced age of 82, can still skillfully tackle various problems, even though he is involved in complicated political situations. This indeed compels people's admiration. For example, in the course of drawing up the guideline for the Seventh 5-Year Plan, which will be discussed and approved by the Fourth Session of the Sixth NPC, Deng Xiaoping was under great pressure. This was an event that occurred a few months ago. After that, he encountered a chain of troubles, including some antireform demonstrations staged by some university students and the exposure of the criminal activities of some children of senior cadres. The case of Zhou Erfu also enraged him. Despite these circumstances, Deng is still in good health and only suffers from some slight illness. This is indeed admirable.

A Heated Dispute Over the Guiding Principle for the Seventh 5-Year Plan in the Political Bureau

The "Seventh 5-Year Plan" which will be approved by the NPC was formulated in light of the "CPC Central Committee's proposal for the formulation of the Seventh 5-Year Plan." This shows how important the "proposal" is. The reformist faction and the orthodox faction of the CPC were involved in many rounds of dispute over the "proposal."

The debate on the "proposal" lasted for more than 1 year. The discussion meetings were chaired by Hu Yaobang and Zhao Ziyang in the CPC Central Secretariat and the State Council. From April to September 1985, the "proposal" went through nine drafts. It was finally approved by the National Conference of Party Delegates in September last year, after the drafting groups had again and again revised the draft based on the discussions.

Among the nine drafts, the preparation of the seventh draft underwent many twists and turns. On 20 August last year, the CPC Central Political Bureau heatedly argued over the sixth draft at an enlarged meeting (which was also attended by members of the Central Secretariat). The dispute was focused on some issues which were reported by CHENG MING No 96, and I do not want to repeat them here. In short, the "proposal" was a product of compromise between the two factions respectively headed by Chen Yun and Deng Xiaoping. If both sides did not make some concessions to mix the "cocktail" which includes both reform ideas and conservative viewpoints, the seventh draft would not be written, and the "Seventh 5-Year Plan" would not be drawn up. The communists would just hand in a "blank exam paper" to the NPC.

However, last September's argument between the reformist faction and the orthodox faction has not ended.

"Colonization Without Colonists"

— The orthodox faction is still resentful of excluding the concept of "ensuring the planned economy as a dominant factor and making market mechanisms a supplementary factor" from the 24,000-character "proposal." Chen Yun's supporters do not agree that the concept of "ensuring the planned economy's dominant position" has become outmoded. They maintain that this concept still applies today and should be implemented, otherwise there is a danger of sliding down a capitalist road.

— Chen Yun's supporters continue to play the same old tune that the opening up measures have corrupted social values. Chen Yun has criticized Hu Yaobang for relaxing ideological work and weakening Deng Liqun's authority when Deng was director of the CPC Central Propaganda Department. Chen Yun's opinion was then repeatedly spread by Deng Liqun and his supporters. They condemned Hu Yaobang for "yielding to capitalism" in private.

Following Hu Qiaomu's argument about "concessions" (he likened the special economic zones to the concessions in old China), some people recently attacked by innuendo the modernization program initiated by people who support the opening policy, saying that this will lead to "colonization without colonists." An article by Pang Pu carried by BEIJING WANBAO on 10 February aired such viewpoints as emphasizing traditions and rejecting foreign things.

-- Because of the industrial overgrowth, the industrial output value in 1984 exceeded the 1983 figure by 14 percent and the growth rate in 1985 remained a double digit figure. The "new great leap forward" affected the balanced conditions of the national economy and reforms. Some people tried to put the blame on the reformists. Chen Yun's followers upheld Chen Yun's argument that the pace of reform should be slowed and economic readjustment should be prolonged, but the reformist faction opposed the concept of "readjustment." Finally, the principle for guiding economic structural reforms in 1986 became eight characters -- "consolidating, digesting, replenishing, and improving."

The Knife Is at the Throat

The magazine QINGNIAN LUNTAN [YOUNG PEOPLE'S FORUM] run by Hu Deping, Hu Yaobang's son, often carries some articles written by sober-minded young theorists who have insight. Recently an article entitled "The Knife Is at the Throat" sharply pointed out the situation of the reformists. This article said: "The waves of reform surged high in 1984 and early 1985, but the tide of reform ebbed from 1985 to 1986. Facing this situation and recalling the events of the past year, we find that all sorts of feelings well up in our minds, and we deeply realize one point: The knife is at the throat!

"By saying that the knife is at the throat, I mean two things: First, the knife of reform is pressing on the crucial points of the old structure. Problems appearing in the course of reform do not come from reform itself, but from the deeply rooted resistance and torsional force of the old system which has not been fundamentally transformed and which still deeply influences all parts of life. The strong influence of the feudal and bureaucratic defects, dogmatic ideas, and traditional culture and mentalities is disturbing and disrupting the reforms.

"By saying that the knife is at the throat, I also mean the knife of pressure is closing in on reforms. I do not mean that reforms have been caught in a dilemma, because reform represents an inevitable trend and will still press ahead. However, perhaps most reformers did not expect that they would encounter so much resistance and pressure. Power, even revolutionary power, cannot change people's thinking, overcome traditional habits, or disregard vested interests. Otherwise, all these things will gather around the object of reform -- the old system -- and will shiver and struggle together with the old system to stage counterattacks on reform."

"The knife is at the throat." This indeed shows the perilous position of the reformists.

Criticizing Deng by Criticizing Mao

In recent years. the orthodox faction has been cautious of affecting the reputation of Mao Zedong and his thought. However, in order to attack the "new great leap forward" and Deng Xiaoping's autocratic behavior, they made an exception to criticize Mao Zedong's mistakes in staging the "Great Leap Forward." Such a method of insinuation is frequently used by the communists. Not long ago, the magazine DANGSHI YANJIU [PARTY HISTORY STUDIES] carried an article to expose and criticize Mao Zedong's arbitrary behavior during the period of the "Great Leap Forward." This article was, in fact, an insinuating sign.

The article said: "In January 1961, the Ninth Plenary Session of the Eighth CPC Central Committee adopted the principle of readjusting, consolidating, perfecting, and improving, and began to correct 'leftist' mistakes in the 'Great Leap Forward.' At that time, Comrade Mao Zedong admitted his own mistakes and also allowed other people to talk about mistakes. He decided to stop the Great Leap Forward and agreed with the readjustment arrangements. At the central work conference in December 1960, which made preparations for the Ninth Plenary Session of the Eighth CPC Central Committee, Mao Zedong said: In recent years we have started too many things and advanced too fast. It is inevitable that we have been forced into a dilemma. We should work at a slower pace for a number of years and should avoid incurring losses for the reason of seeking false fame. It seems that we should not be overanxious in socialist construction. Perhaps it will take us half a century to filfill this task... However, Mao Zedong did not change his 'leftist' guiding ideology. At the central work conference held in August and September 1961 in Lushan, which was to discuss the '60-point regulations for agriculture,' he suddenly raised the question of 'whether the three red flags are correct or not.' He was disgusted with people's criticism of those things. When Zhou Enlai talked about industrial production at the Lushan conference, Mao chipped in that there was just a small mistake, and it was not so serious. Then he declared that he had retreated to the bottom of the valley and the situation had begun to improve day by day. In the eyes of Mao Zedong, considering the situation left over by 'Great Leap Forward' as serious was equal to throwing mud at the 'three red flags.'"

The exposure of Mao Zedong's arbitrary and domineering behavior was not seen before. It might not be a literary work that was created according to some people's order, but it could be used by the orthodox faction as a bullet.

The orthodox faction also knows that without carrying out reform, the country as well as the Communist Party will not have a future. Still, their minds are bound by the dogma of Marx, Engels, Lenin, Stalin, and Mao Zedong, so they are apt to stand in the way of reform. Of course, some of their opinions are correct. For example, they are correct in warning against overheated economic activities, against "a new great leap forward" staged wittingly or unwittingly, and against "personal decisions on everything" (as Chen Yun has said). However, if reform is stopped and policies backpedal to the old road of placing and planned economy in a dominant position and tightening centralized administrative control, there will be a danger that the vitality of the economy will be completely sapped. The present cocktail is not the most effective medicine for curing economic maladies.

It seems almost impossible to perfectly combine plans and markets and integrate macroeconomic control with dynamic microeconomic activities. In the first 7 months of last year, national industrial output value sharply increased by 22.8 percent. This was certainly an "overheated" economy. When Japan's economy was undergoing major development in postwar years, the average growth was not more than 15 percent, and when the U.S. economy underwent recovery in 1984, the growth rate was merely 6.75 percent. So China began to emphasize "macroeconomic control," and economic growth was then sharply slowed. The growth rate in January this year was brought down to 5.6 percent. This phenomenon went against the principle of "enlivening the economy." An economics expert told me: "It is not gratifying if a 'great leap forward' appears in our economy, nor will it be good if there is a 'great leap backward.' Economic activities will die down under the 'strengthened macroeconomic control,' and a historical mistake will be made." His words are not unreasonable.

The Influence of Chen Yun Is Growing

Recently, some intellectuals in Beijing were discussing : Why must the reformists make concessions to the demands of the orthodox faction? Why does Hu Yaobang talk about the "communist ideal" and emphasize "political and ideological work" everywhere? Are they trying to demonstrate that the reformist faction does not deviate from the orbit of Marxism-Leninism?

In fact, Deng, Hu, and Zhao made such concessions only because they were under strong pressure, which mainly came from the growing influence of Chen Yun in the Political Bureau. It is said that people who formerly worked in the northwest region are not convinced of the measures for opening up and reform and are inclined toward Chen Yun's viewpoint. NPC Standing Committee Chairman Peng Zhen previously assumed an ambiguous attitude, but he has talked much more about studying Marxism and adhering to the four principles than Hu Yaobang and Deng Xiaoping in recent months. He made a speech on 28 January, conveyed through internal channels, saying: "Reform must be subject to the guidance of Marxism-Leninism. It seems to some people that whenever people emphasize the guiding role of Marxism-Leninism, that must be conservative and must be opposing reform. This is a kind of misunderstanding." "Without ideological reform, how can there be reforms of the economic structure and of the educational and research systems?" The implications of Peng Zhen's remarks are clear to all.

Another survivor in China's political wrestling ring is Li Xiannian, who is a "neutral" figure in the Standing Committee of the Political Bureau. He never expresses an opinion rashly, but this does not mean that he lacks a political position. His position is sometimes ambiguous or vacillating. Reportedly, he seldom supports any side in arguments at Political Bureau meetings. In the course of rectification, none of his children have been involved in any economic or criminal cases. His son-in-law wrote a controversial novel, but this does not affect the father-in-law. His son-in-law is Liu Yazhou, and he wrote a short story entitled "The Story About a Woman and 1 and 1/2 Men."

Chen Yun's influence has grown in recent years. It is believed that the problem in late 1984 and early 1985 (when industry grew too rapidly, capital investments increased excessively, consumption funds increased too sharply, and prices rose too much) played into Chen Yun's hands. Whenever people talk about the problems appearing in reform, they naturally think of Chen Yun.

I believe that the Seventh 5-Year Plan will be smoothly adopted by the Fourth Session of the Sixth NPC. However, will the people's deputies be able to offer advice and make suggestions to the reformists and help them over the difficulties?

TA KUNG PAO INTERVIEWS WRITER ZHANG XIANLIANG

HK030441 Hong Kong TA KUNG PAO in English 3-9 Apr 86 p 7

[Article by Ye Zhongmin: "Past and Present of a Chinese Intellectual -- An Interview With Zhang Xianliang"]

[Text] Swarthy as an old peasant and looking much older than his years, the scars of 22 years of labour reform, prison and exile are evident in author Zhang Xianliang. Yet when he speaks, one feels the presence of a vital intellectual spirit in this former "Rightist."

Since his rehabilitation in 1979, Zhang has concentrated his efforts on a novel sequence chronicling the gradual acceptance of true socialism by a Chinese intellectual besieged by the twists and turns of modern Chinese history. The second novel in the series, "Half of Man Is Woman," has engendered a storm of response both favourable and critical since its appearance in the literary journal HARVEST in May, 1985. The controversy has centered on the wealth of detailed sexual description and motivation found in the novel. Critics say the author has disregarded the social function of literature in a socialist society. No matter how serious his intentions, they claim, the results will be harmful to young readers. The novel's supporters, on the other hand, see the pervasive sexual imagery as symbolic of the prevailing morality of the Cultural Revolution years. The impotence of the main character, the perversion of the basic human sexual needs and desires, are indicative in this interpretation of the perversion of human relationships on a larger scale.

Zhang himself prefers to let the novel stand on its own. "Everything I wanted to say is there. I don't intend to offer explanations outside the work itself. What I do wish to clarify is that my approach to the material was extremely rigorous. The twisting of human sexuality, the inhibition of the physical, reflects the terror of the times. China has been through such an experience and we cannot allow it to recur. This was my approach. Some people have called it a sex novel and I feel very insulted by this."

Zhang feels that most of the debate surrounding the novel has been well-intentioned, including that from overseas. "People are concerned about policy toward literature and the arts in China because this has long been seen as a barometer of political events."

During a recent visit to the United States, Zhang observed that criticism of his work "is a normal literary event, a phenomenon to be found in every nation with a flourishing literature. Such criticism should be welcomed by authors."

Actually, to understand "Half of Man Is Woman," one need only understand Zhang's own background. From the family of a bourgeois bureaucrat, Zhang was prevented from entering university by his class background.

Instead he opted to go to a remote village in Ningxia. Zhang had begun writing poetry at the age of 13 and in 1959, the PEOPLE'S DAILY commented favourably on a long lyric poem of his, "Wind Song". Zhang saw the poem as an expression of the enthusiasm of Chinese youth for the new society, but a spate of critical essays called it a "dream of the lost bourgeois era." Zhang was branded a "Rightist" and sent to labour reform camp. Released in 1961, he was quickly upgraded to "counter-revolutionary" in 1962. With the Cultural Revolution he became a "counter-revolutionary revisionist" and was imprisoned once more.

Describing these 22 absurd, frightening years, Zhang shows not the least agitation. "In the beginning, I asked myself where I was anti-Party or anti-socialist, but I never questioned the Party. I truly believed guilt ran in my veins. But later, my thinking changed. In 1960, I discovered that we in the labour reform team were not alone in our hunger. The entire society was going hungry. I began to wonder whether this was really socialism, whether the Communist Party might not be capable of error...."

The lesson Zhang draws from all this is an unexpected one. He has applied for party membership and encourages others to do so. "I lived at the lowest levels of this society for 22 years...China needs reformation. But the nation can only be reformed if the party is reformed first. If the party continues to be composed of people whose cultural level is so low they are almost illiterate, this creates a frightening situation. China's hope lies in having those with knowledge, culture and a spirit of dedication as Communist Party members." Zhang feels that there is hope for the Party today because it has dared to openly admit its mistakes before the world. Since the Third Plenum, it has followed a correct path, the only one that can lead to modernization.

Speaking of these things, Zhang does become excited. Today, chairman of the Ningxia branch of the Chinese Writers' Association and member of the National CPPCC, Zhang Xianliang wants to continue to write of his past and of his future.

SPECIAL ECONOMIC ZONES TRY TO IMPROVE EXPORTS

HK030443 Hong Kong TA KUNG PAO in English 3-9 Apr 86 p 14

[Article by Wang Kui: "China's SEZ's Emphasize Exports" -- first two paragraphs published in italics]

[Text] After spending six years building infrastructure facilities, China's four special economic zones [SEZ] are now concentrating on improving their export-oriented economies. One prime example of this is the largest SEZ, Shenzhen, in Guangdong Province. Figures released recently show that the Shenzhen zone reported an industrial output value of 2.58 million yuan (about US$800 million) in 1985, an increase of 53.5 percent over 1984. Shenzhen, once a small frontier town, now has more than 750 industrial enterprises, involving electronics, textiles, building materials, petrochemicals, machine building and food industries. High-rise buildings have sprung up, and industrial estates and commercial centres dot the area.

The other special economic zones -- Zhuhai and Shantou in Guangdong Province and Xiamen in Fujian Province -- also have reported rapid growth in their industries and economies as a whole. For example, Zhuhai's industrial output value was more than 530 million yuan in 1985, five times higher than in 1979.

The special economic zones are an important component of China's policy to attract overseas investment. When Chinese leader Deng Xiaoping inspected the special economic zones in early 1984, he said: "The achievements and experiences gained in Shenzhen have justified our policy regarding the establishment of special economic zones."

Since 1980, the four zones have used US$1.28 billion in foreign capital for their development, accounting for about one fifth of the total foreign investment in China during the period. Shenzhen has used US$850 million, Zhuhai, 200 million and Xiamen, 183 million. The Shantou Special Economic Xone, which started in 1983, has utilized US$48 million to date.

The zones have imported advanced technology and equipment, including laser disc technology for TV screening from the Netherlands, vacuum glass technology from Austria, technology for producing multi-layer circuit boards and Kodak films from the United States, and technology for producing Sony video-recorders from Japan. The technology and equipment have promoted the technical transformation of existing enterprises and boosted the export-oriented economy. Most of the zones' Sino-foreign joint ventures and enterprises with 100 percent foreign capital have been successful. A survey showed that more than 85 percent of these enterprises have an average profit rate of 15 percent. In addition, the four zones have improved investment conditions by spending about eight billion yuan (US$2.7 billion) in infrastructural construction in the past six years. Energy, transportation and telecommunication facilities have been improved and cultural, tourist and commercial centres set up. Industrial estates, including Shekou, Shangbu, Shahe, Bagualing and Shuibei in Shenzhen, Jida and Nanshan in Zhuhai, Longhu in Shantou and Huli in Xiamen, have been constructed. Meanwhile, dozens of laws and regulations to ensure the rights of investors have been approved.

While increasing economic and technical links with enterprises overseas, the zones also have carried out economic and technical cooperation with numerous Chinese enterprises. Shenzhen has signed more than 440 industrial project agreements, with 25 central governmental departments and 27 provinces, municipalities and autonomous regions, involving about 500 million yuan.

In cooperation with electronic departments in the interior, Shenzhen has set up more than 160 electronic enterprises with more than one billion yuan in output value annually. The Ministry of Textile Industry has built 14 factories in the zone, covering spinning, knitting, garment, printing and dyeing, and spare parts for textile industry. Ten of them have gone into operation. According to statistics from January to November 1985, their total output value amounted to more than 160 million yuan, including 150 million yuan in exports.

Through such cooperation, the special economic zones have made up for shortages of natural resources, funds, technology and personnel. Domestic enterprises have used the zones as "windows" to get infomation about the world market, advanced technology and management experience.

Encouraging progress has been made in the zones' economies, In the past, they mainly processed materials supplied by foreign partners. But now they have started turning out their own products, and the export commodities have increased.

A case in point is Shenzhen, which can produce more than 800 products. The volume of direct-export commodities accounted for 43 percent of Shenzhen's total sales in 1985. In the Shekou industrial estate, 70 percent of industrial products were for export in 1985. To build a better export-oriented company, the zone's developers are concentrating on an all-round reform of the management system and the training of personnel, aiming to tie the zone's development to overseas markets. An experiment has been conducted with regard to the reform. The Shenzhen Electronics Group Co, has united with more than 160 other electronic enterprises in the zone to jointly develop new products and improve surveys of the world market, aimed at increasing exports.

Zone officials also have noticed that capital construction in the zones is overextended and investment in projects is uneven. Too many commercial, real estate and tourist hotel projects have been started. Their proportion far surpasses industrial projects, which need more funds and energy supply. Much of the zones' imported equipment and technology are not up-to-date. As a result, some of their products lack competitiveness on the world market. However, all these problems have been brought to the attention of zonal officials. They plan to improve the infrastructural facilities, particularly in energy, telecommunications and transportation and implement economic laws and regulations so as to create a better investment environment. In addition, efforts will be made to readjust the structure of industries, use more foreign funds to import advanced technology and to train additional competent workers and technicians to improve management.

CPPCC MEMBERS 'ASKED NOT TO DISCUSS' SUBJECTS

HK010618 Hong Kong SOUTH CHINA MORNING POST in English 1 Apr 86 p 16

[By Terry Cheng]

[Text] Beijing: Members of the Chinese People's Political Consultative Conference have been asked not to discuss certain touchy subjects at the current session. This was claimed yesterday by a Hong Kong member, Mr Xu Si-min, who also spelt out journalists' fears that over press freedom in Hong Kong after 1997. Mr Xu said in a group meeting of the Hong Kong and Macao members that some CPPCC members had been asked not to raise the question of the controversial project at the three gorges of the Huang He. He said that a short while before that the Chinese press was instructed not to report crimes committed by children of high-ranking officials.

His remarks appeared to be corroborated by the fact that another CPPCC member, Prof Qian Jiaju, commented on the three gorges project without actually naming it.

Mr Xi said the CPPCC members had the right to know the policies of the Government. Mr Xu also said that an organization established to draft China's laws on journalism has been abolished. Last year, a senior Chinese official met Hong Kong journalists in Shenzhen to solicit their views on laws governing the press. Mr Xu said the decision to draft the laws was made by the central government and he questioned who was responsible for ordering the organization's abolition. He said circulation of many major newspapers and other publications had dropped drastically in recent years. Mr Xu said Hong Kong compatriots feared that China's traditional practices would affect Hong Kong. He said many journalists in Hong Kong feared they might not be able to carry on their jobs as normal after 1997.

FBIS DAILY REPORT

China

CONTENTS

Vol I No 065 4 April 1986

PRC INTERNATIONAL AFFAIRS

GENERAL

CPC Spokesman on Foreign Party Relations A 1
PRC Hosts International Hydropower Seminar A 1
[CHINA DAILY 4 Apr]
U.S. Changes Measurement Procedures of Soviet Tests A 2
UN Declines To Release 'Secret' Waldheim File A 2
UN Year of Peace Torch To Cross China A 3

UNITED STATES

Wu Xueqian Meets U.S. Senator DeConcini 4 Apr B 1
Guangdong, U.S. Lawyers Sign Cooperation Compact B 1
U.S. Pushing To Oust Libya's Al-Qadhdhafi B 1

SOVIET UNION

Roundup of Soviet Scientific, Technical Progress C 1
XINHUA 'Roundup' on Soviet Agricultural Reforms C 2

NORTHEAST ASIA

PRC-DPRK River Shipping Committee Meets D 1
U.S. To Enhance Military Capability in South Korea D 1

SOUTHEAST ASIA & PACIFIC

Zhang Jingfu Meets Australian Businessman E 1
Shandong, South Australia Form Sister City Ties E 1
ASEAN Discusses CGDK's 8-Point Proposal E 1
Philippines Discusses Foreign Debt Options E 2
Philippines Hopes for New Standby Agreement E 2
PRC, UK Agree on Hong Kong GATT Membership E 3

WESTERN HEMISPHERE

Hu Yaobang, Italian Minister Discuss Cooperation G 1
Qiao Shi Meets British Labor Party Visitors G 1
Hu Qili Meets With Belgian Socialist Group G 2
Norwegian Delegation Meets With Wang Renzhong G 2
Meets Li Peng G 2

EASTERN EUROPE

Further Reportage on Visit of SFRY President H 1
Meets With Deng Xiaoping H 1
Holds Talks With Hu Yaobang H 2
Talks With Zhao Ziyang H 2

MIDDLE EAST & AFRICA

Li Xiannian Meets Moroccan Parliamentarians I 1
ANC Delegation Joins Beijing Rally Against Racism I 1
Assistant Foreign Minister Meets Lesotho Envoy I 2

PRC NATIONAL AFFAIRS

Further on Li Peng, Yao Yilin Press Conference K 1
Li Views Sino-Soviet Relations K 1
Comments on Tiananmen Anniversary K 1
Abolition of FECs Announced K 2
Currency Success Noted K 2
Grain Potential Seen K 2
Forum Urges Remembrance of Tiananmen Incident K 3
Presidium Meetings, Debate Continue at NPC K 4
Councillor, Vice Premier Soon Added K 4
Li Peng, Chen Pixian Speak K 4
Li Peng on Education Law K 6
State Council To Revise Plan K 7
Yang Dezhi on Legal System K 8
Wan Shaofen Addresses NPC Women K 9
Peng Zhen 28 January Speech on Marxist Philosophy K 9
[HONGQI 16 Mar]
History of 'Serve the People' Policy Evaluated K 13
[CHINA DAILY 3 Apr]
Bo Yibo Discusses Reform Issues in Hubei K 15
RENMIN RIBAO on Horizontal Economic Ties [31 Mar] K 17
Shaanxi, Sichuan, Henan, Hubei Coordinate Trade K 19
Measures Against Illegal Publishing Announced K 19
Yu Qiuli on Compiling Military Encyclopedia K 20

PRC REGIONAL AFFAIRS

EAST REGION

Chen Guangyi, Hu Ping Attend Fuzhou Meeting O 1
[FUJIAN RIBAO 26 Mar]
Jiangxi Leaders Visit Photographic Exhibition O 2
Shandong Circular on Fertilizer Inducement Sale O 2
Shanghai Steps Up Plans To Build 'Silicon Valley' O 3

CENTRAL-SOUTH REGION

Shenzen Starts New Entry Control Procedures P 1
Chen Huigang on Guangxi's Economic Development P 1
Hainan County Improves Family Planning Results P 3
Henan Sets Up Provincial Education Commission P 4
Hunan Work Conference on Political, Legal Work P 4
Hunan Issues Regulations on Radio Communications P 5

SOUTHWEST REGION

Yunnan Discipline Inspection Meeting on Tasks Q 1

NORTHWEST REGION

Gansu's Li Ziqi at Party Rectification Forum T 1
Shaanxi Discipline Inspection Meeting Concludes T 1
Shaanxi's Bai Jinian Meets New CYL Leaders T 2

PRC MEDIA ON TAIWAN AFFAIRS

KMT Meeting Seen Continuing 'Inflexible Stand' U 1

TAIWAN

Speech By Taiwan's Chiang Ching-kuo on Reunification V 1
[CHINA POST 30 Mar]
Foreign Minister Warns Against PRC Strategy V 8
[CHINA POST 31 Mar]

HONG KONG MEDIA ON CHINA

'Text' of Li Peng, Yao Yilin Press Conference W 1
[TA KUNG PAO 4 Apr]
Li Peng 'Got Into Trouble' for USSR Visit W 9
[CHIU SHIH NIEN TAI 1 Apr]

CPC SPOKESMAN ON FOREIGN PARTY RELATIONS

OW031255 Beijing In Russian to the USSR 1800 GMT 1 Apr 86

[Text] Wu Xingtang, spokesman of the International Liaison Department of the CPC Central Committee, said on 31 March: The issue of resumption of party relations between China and the Soviet Union cannot be placed on the agenda at present. Wu Xingtang made these remarks when answering reporters' questions at a press conference in Beijing on 31 March. He said the issue to be solved now in Sino-Soviet relations is that of eliminating the three obstacles to normalizing relations between the two states.

Speaking about relations between the CPC and East European communist parties, the spokesman said that the CPC is ready to exchange views with the communist parties of these countries and establish relations with them on the basis of the principles of independence and sovereignty, full equality, mutual respect, and noninterference in each other's internal affairs. He added that it is gratifying that in the last few years multilateral contacts have increased greatly between China and East European countries.

PRC HOSTS INTERNATIONAL HYDROPOWER SEMINAR

HK040421 Beijing CHINA DAILY in English 4 Apr 86 p 2

[By staff reporter Li Huahong]

[Text] Hangzhou -- A major international seminar on the development and use of small hydropower stations opened here this week, giving experts from about 40 countries and regions a chance to swap experiences and technical information. The meeting is being held at a time when the whole world is placing greater emphasis on hydroelectric power and the Chinese Government is paying attention to the development of small hydropower stations to supply its vast rural areas. Yang Zhenhuai, vice-minister of Water Resources and Electrical Power, said during his opening speech. The conference is co-sponsored by the Hangzhou-based Asian and Pacific Regional Centre for Small Hydropower (known as HRC) and the British magazine INTERNATIONAL WATER POWER AND DAM CONSTRUCTION.

HRC, whose foundation in 1981 was assisted by the United Nations Industrial Development Organization, is the centre of the Asian-Pacific regional small hydropower network, which now has 17 members. It carries out research, trains personnel, provides consultancy services and collects data. The magazine, which was set up 100 years ago and circulates in about 100 countries, is an authority in this field, according to Zhu Xiaozhang, director of the HRC. The four-day seminar is being attended by 251 specialists, including 101 Chinese, and will hear 35 papers on hydropower.

Alison Bartle, editor-in-chief of the British magazine and the British executive chairwoman of the conference, told CHINA DAILY that since China has pioneered the use of small hydropower stations, it is an ideal location for foreign experts to learn from China's experience and for Chinese experts to learn advanced techniques from the developed nations. She predicted a bigger development of small hydropower stations throughout the world despite the drop in oil prices because hydropower does not case environmental problems. "Hydropower is a clean and benign source of energy," she said.

In his paper to the conference, Deng Binli, deputy director of the Department of Rural Electrification under the Ministry of Water Resources and Electric Power, noted that China has the highest potential of any country in the world for the development of hydropower. "Medium and small rivers crisscross the whole country," he said.

Of the more than 2,200 counties in China, 810 are supplied mainly by small hydropower stations and more than 279 have more than 10 megawatts of installed capacity. Deng added that more than 100 pilot counties are to be electrified during the next five years with the aim of gathering experience for future rural electrification projects.

U.S. CHANGES MEASUREMENT PROCEDURES OF SOVIET TESTS

OW030858 Beijing XINHUA in English 0832 GMT 3 Apr 86

[Text] Washington, April 2 (XINHUA) — Previous U.S. estimates of Soviet nuclear test yields were too high and the Central Intelligence Agency (CIA) has changed its procedures for estimating such yields, THE NEW YORK TIMES reported today. Reports said the CIA will lower estimates of the yield of Soviet tests by about 20 percent.

The United States has claimed that Soviet tests had probably violated the Threshold Test Ban Treaty signed in 1974 which limits underground nuclear tests to 150 kilo-tons. Atmospheric nuclear tests were banned by both superpowers in the 1960's. The Soviet Union has denied such violations. The U.S. charges were made on the basis of the CIA previous estimates on the Soviet yield. Asked to comment on the report, White House spokesman Larry Speakes said in Santa Barbara, California later today that the U.S. hasn't changed its method for estimating yields of Soviet tests. However, he added that "as a part of the verification process, we are constantly refining our techniques in an effort to improve our understanding of Soviet testing activities." He said the fact of continuing uncertainties in this area argues for improvement in verification of the Threshold Test Ban Treaty such as that the U.S. has recently proposed to the Soviets regarding on-site inspections.

Speakes again ruled out the possibility for U.S. President Ronald Reagan to meet in Europe with Soviet leader Mikhail Gorbachev on a nuclear test ban. He said this issue should be discussed at an appropriate forum. It should be discussed in a summit between the U.S. and the Soviet Union in the United States this year as proposed and accepted at the summit meeting in Geneva last November, he added.

UN DECLINES TO RELEASE 'SECRET' WALDHEIM FILE

OW031158 Beijing XINHUA in English 1130 GMT 3 Apr 86

[Text] United Nations, April 2 (XINHUA) -- The United Nations will not release to "the proper investigative agencies" a secret file reported to detail the wartime activities of former U.N. Secretary General Kurt Waldheim until governments of the 17-member War Crimes Commission or the government directly concerned with the issue ask the U.N. to do so. A U.N. spokesman said at a news briefing today that "as of now no government has requested access to the file," and even declined to acknowledge the existence of such a file among the 40,000 war crimes commission files kept in the U.N. archives in New York City.

The spokesman's comments came in the wake of yesterday's rally at the U.N. headquarters by four Jewish organizations and some American congressmen demanding the secretary general "make public to the proper investigative agencies all records concerning Kurt Waldheim's hidden past."

Quoting a statement made by the legal office of the U.N. Secretariat last week, the spokesman said that the secretary general is bound, as is the Secretariat, by the rules laid down by the War Crime Commission which stipulate that the Secretariat "cannot be called upon to reply to inquiries regarding persons charged of suspected of war crimes. To change the rules would require a vote by the U.N. General Assembly, certainly not a decision of the Secretariat," the spokesman added when asked if the United Nations could change the rules and provide access to the files in the face of mounting revelations about Waldheim's war-time record in the United States and the Yugoslav press in the past few weeks.

The War Crimes Commission, a panel of representatives from 17 allied nations, including Britain, France, Belgium, India, Norway, Poland, Canada, the United States and China, deposited its records with the United Nations for safekeeping when it was disbanded in 1948. In more than 30 years the United Nations has made public only three files: that on Adolf Eichmann to Israel, and those on Josef Mengele and Klaus Barbie to the United States. The United Nations turned down a request by the United States in 1981 to gain blanket access to all the 40,000 files, the spokesman revealed.

UN YEAR OF PEACE TORCH TO CROSS CHINA

OW031754 Beijing XINHUA in English 1524 GMT 3 Apr 86

[Text] Nairobi, April 3 (XINHUA) -- To mark the U.N.-sponsored International Year of Peace, a torch will be lit at the U.N. headquarters on September 16 and passed from person to person until it circles the earth. Kingsley Dube, regional director of the U.N. Center serving Kenya, the Seychelles and Uganda, announced the plans for the torch relay here today at a meeting for 25 representatives from Tanzania and Kenya who will organize the relay in the Southeast African Region.

The U.S. General Assembly designated 1986 as the International Year of Peace to inspire the spirit of cooperation among people. Dube said all the people in the world want peace and happiness. "Peace is not just talks in the U.N. corridors in New York, Geneva, Vienna, Paris and Nairobi, nor is it only the business of the two superpowers," he said.

According to Dube, the torch, starting from New York, will pass through 39 countries of Europe, Africa, Asia, Oceania, and South America. Its route also winds across China. When it comes back to New York on December 31, the torch will light an "eternal flame." People in every part of the world will be invited to light candles simultaneously as a commitment to the spirit of cooperation. It is estimated that at least one billion people will participate this climactic moment of connectedness. The closing ceremony will be televised live globally.

WU XUEQIAN MEETS U.S. SENATOR DECONCINI 4 APR

OW040940 Beijing XINHUA in English 0931 GMT 4 Apr 86

[Text] Beijing, April 4 (XINHUA) -- State Councillor and Foreign Minister Wu Xueqian met U.S. Senator Dennis DeConcini and his group here this afternoon. The visitors arrived here April 1 at the invitation of the Chinese People's Institute of Foreign Affairs.

GUANGDONG, U.S. LAWYERS SIGN COOPERATION COMPACT

OW041043 Beijing XINHUA in English 0849 GMT 4 Apr 86

[Text] Guangzhou, April 4 (XINHUA) -- The Guangdong Lingnan law office has signed a cooperation agreement with the American Buxbaum Bar, XINHUA learned today. The agreement, signed this week, obliges each side to help the other's trustees in lawsuits. The two sides will also jointly undertake cases or act as legal advisors.

Li Kangmin, director of the Lingnan office, expressed the hope that the cooperation between his office and the Buxbaum would be beneficial to foreign and overseas litigants. Lingnan has 47 lawyers, who are concurrently professors, associate professors and lecturers at Zhongshan university's law department. Some have degrees offered by universities in the United States, Britain or France. The office participated in the contract negotiations for Guangdong nuclear power station, a Sino-British joint venture.

Based in California, the Buxbaum Bar has offices in New York, Hong Kong and Guangzhou. Its head, Dr. D. C. Buxbaum is law professor at America's Northwestern University.

U.S. PUSHING TO OUST LIBYA'S AL-QADHDHAFI

OW040248 Beijing XINHUA in English 0235 GMT 4 Apr 86

[Text] Washington, April 3 (XINHUA) -- The U.S. decision to send ships and planes into the Gulf of Sidra for a military confrontation with Libya is part of an effort to oust Libyan Leader Mu'ammar al-Qadhdhafi, THE NEW YORK TIMES reported today. The paper quoted sources in Congress and in the executive branch as saying the United States took it for granted that Al-Qadhdhafi would respond with force against the U.S. ship action in the Gulf before the U.S. ships were sent. The TIMES said the United States welcomed the chance to strike back not because it thought the attacks in themselves would deter Libyan terrorism but because they would help convince senior Libyan officers of the folly of Al-Qadhdhafi's policies.

Another part of the U.S. campaign to oust Al-Qadhdhafi was an effort to persuade Egypt to agree to a joint U.S.-Egyptian military operation either to oust Qadhdhafi or to weaken him enough that the Libyan military disloyal to him would do the job, the paper said. According to the report in the TIMES, both the talks with the Egyptians and the clashes in the Gulf of Sidra should be viewed in the context of a "broad" U.S. policy of opposing Qadhdhafi.

"The basic objective is to impose enough costs, in various ways, to force him to change his behavior," the TIMES quoted a senior U.S. official as saying, "If that goal is not met, then the U.S. has considered other measures that could induce a change in government from within the country." However, the paper said European leaders criticized the U.S. attacks against Libya, saying the attacks would only bolster the Libyan leader in the eyes of the Libyan people in his country.

ROUNDUP OF SOVIET SCIENTIFIC, TECHNICAL PROGRESS

OW031210 Beijing XINHUA in English 1148 GMT 3 Apr 86

["Roundup: Scientific-Technological Progress -- Moscow's Top Priority" (by Zhang Tiegang) -- XINHUA headline]

[Text] Beijing, April 3 (XINHUA) -- The Soviet leadership has continued pushing ahead with scientific-technological progress, since the party's 27th Congress three weeks ago, as its top priority in the effort to accelerate the country's sluggish economic development. The development of science and technology is being given such an importance by no means as a fortuitous measure but out of imperativeness. Since the early 1970s, the rate of the country's economic growth has obviously slowed down and most targets of three five-year plans have been missed. The failure was attributed mainly to slipping back of science and technology and the obsolete economic-mangement system on an extensive basis created in the 1930s. The Soviet Union is now at least ten years behind the United States and other major industrialized countries in the west.

This serious situation has driven the Kremlin leadership to the conclusion that "it is impossible to effect cardinal changes with the previous material and technical basis" and "the way out lies in thorough modernization of the national economy on the basis of the latest scientific and technological advances, breakthroughs on the leading avenues of scientific and technological progress, and restructuring of the economic mechanism and management system."

The former Soviet leaders Leonid Brezhnev and Yuriy Andropov had paid no smaller attention to scientific and technological development but they failed to achieve notable results for the lack of effective measures to put their plans into practice. Since becoming the party general secretary last March, Mikhail Gorbachev has taken the acceleration of scientific-technological progress as his number one concern. A party Central Committee meeting last April and the National Conference of Science in June confirmed his determination to speed up scientific-technological advance as the main lever to intensify economic development.

In his speech at the 27th Party Congress, Gorbachev criticised the inertness, stagnation, conservatism and bureaucratic practices for the slowdown of scientific and technological progress. Many institutes, he said, are concerned more about their "departmental interests," and "no few scientific discoveries and major inventions fail to find practical application for years, and sometimes for decades." He asked the party through the congress to fulfill the following tasks: Change the structural and investment policy to speed up the development of research-intensive industries, i.e., to concentrate substantial funds and resources on the industries that play a key role in scientific and technological progress and economic growth. Other tasks include merging research institutions, designing units and industrial enterprises into transdepartmental organizations, further development of the machine-building industry, wider use of computers and overall automation of production and re-equipping existing plants.

Gorbachev called upon the Academy of Sciences and economic departments to pay more attention to basic research and the application of its findings in production. The Soviet leader also stressed the need of joint efforts by the member states of the council for mutual economic assistance in the scientific and technological development.

Moscow also wishes to broaden its ties with developed western countries in scientific and technological field. It has reportedly planned to attract western companies to participate in Soviet construction projects and contracts of this nature involving billions of rubles are under negotiations.

In the past year, the Soviet Government has drawn up and implemented a series of integrated programs and decisions, such as the national modernization program for machine-building industry, the decision to set up inter-sectoral research-and-technological complexes and raising wages for scientific and technical personnel and a long-term scientific and technological cooperation program of Comecon countries. Under these decisions, 200 billion more rubles than the previous ten years would be allocated as capital investment for modernizing and reequipping production in the current five-year plan period and the money to be invested in machine-building industry will be 80 percent more than in the previous five years. At the same time, the Academy of Sciences has set up an information science and computer technologies division to serve the development of computer software and management information systems, and the Soviet Union and other Comecon countries have agreed on further cooperation in electronics, mechanization of production, atomic energy and biological projects.

However, experts said, the prospects of scientific and technological progress in the Soviet Union will heavily depend on the results of economic reforms being carried out in the country. Gorbachev said, "All these tasks are gigantic in scale and significance. How they are carried out, in the final analysis, determines the fulfilment of our plans and the rates of our growth." "Difficulties may arise, and we are not guaranteed against miscalculation either," but the country will move ahead "step by step" along the path already chosen, he added.

XINHUA 'ROUNDUP' ON SOVIET AGRICULTURAL REFORMS

OW021422 Beijing XINHUA Domestic Service in Chinese 0857 GMT 29 Mar 86

["Roundup" by reporter Ju Mengjun: "The Soviet Union Takes a New Step in Reforming its Agriculture"]

[Text] Beijing, 29 Mar (XINHUA) -- After years of stagnation, the Soviet Union now takes a new step in reforming its agriculture. Agriculture has been a weak link in the Soviet national economy. A large sum of foreign exchange has been spent on importing grain to solve food shortage caused by poor grain harvest for 7 consecutive years. In view of the severity of the situation, the Soviet Union cannot but embark on the road of reforming its agriculture.

The Soviet Union explored and wavered on the road of agricultural reform for several years. A plenum of the CPSU Central Committee held in May 1982 approved the "USSR Food Program," which set the task of "ensuring stable supply of various foodstuffs to the people within the shortest possible time." In 1983, the agro-industrial complex was set up at various levels in the country. It is an economic association that consists of agricultural, food industrial, and agriculture-related light industrial departments at the same level, and that maps out unified planning for and exercises management over them. In recent years, vigorous efforts have also been made to popularize a collective contract system in the country. However, these reforms have failed to achieve a breakthrough in the backward agriculture. Gorbachev, general secretary of the CPSU Central Committee, admitted at the recent 27th CPSU Congress: "Agricultural backwardness is being overcome slowly."

Gorbachev emphatically pointed out: "Agricultural departments must undergo a big change." Following are measures for reforming agriculture that were put forth by Gorbachev in his report at the 27th CPSU Congress and by the CPSU Central Committee before and after the congress:

-- Improve the agricultural management system:

Last November, the Soviet Union adopted a "decision on further improvement of the agricultural complex," abolishing the ministry of agriculture and five other departments and merging them into the newly founded USSR State Agro-Industrial committee. Agricultural organizations of all republics, krays, and oblasts should also undergo reorganization and set up appropriate agro-industrial committees. Gorbachev said: "The creation of unified administration organs for the agro-industrial complex at central and local levels is a principled step," which will "ensure the real and effective integration" of agriculture with the branches of industry linked to it. Experiments in some localities show that the integration of basic units of agricultural production has created the possibilities for improving the planning system and centralizing manpower, material, financial, and technological resources, and turned problems that were between departments into those that are within one department.

-- Apply economic means to manage agriculture:

In his report at the 27th CPSU Congress, Gorbachev said: "Agriculture will make a transition to new management methods." A regular meeting of the Politburo of the CPSU Central Committee held on 20 March pointed out: It is necessary to firmly implement the new economic management methods in order to ensure ample food supply to workers. The regular meeting also urged collective farms and state farms to introduce a contract system and economic accounting system. Stressing the importance of an economic accounting system in his report at the 27th CPSU Congress, Gorbachev said that genuine economic accounting and the dependence of an enterprise's income on its final results must become the norm of all links in the agro-industrial complex and, first and foremost, for kolkhozes and soukhozes. According to Gorbachev's report, the state will allocate additional materials in high demand and adopt other measures to stimulate above-plan grain sale to the state.

-- Broaden the decisionmaking powers of farms:

"It is necessary to significantly broaden the decisionmaking powers of kolkhozes and sovkhozes in order to raise their level of interest and responsibility for the final results," said Gorbachev time and again in his report at the 27th CPSU Congress. The CPSU Central Committee and the USSR Council of Ministers recently decided that in order to raise the level of concern of local organs for increasing food production and food supply to the people, they may retain, for their own distribution, meat, powdered milk, and other products after they fulfill the plan for selling such products to the central storages. Kolkhozes and sovkhozes may sell above-plan products and a significant portion of potatoes, fruits, and vegetables through cooperative commerce or farm markets.

These measures will provide greater flexibility to production and marketing of kolkhozes and sovkhozes. From now on, the state will only establish 5-year plans for kolkhozes and sovkhozes for procurement of grain and other agricultural produce. Though annual quotas for procurement of agricultural produce are decided by the state, other matters will be decided by producers themselves.

-- Popularize the family and collective contract systems on a wide scale:

In his report to the 27th CPSU Congress, Gorbachev said: "The contract and piece-work system will be widely disseminated at the level of teams, links, and families." The family contract system had long been regarded as a "non-socialist and backward" operational method in the Soviet Union. Gorbachev's affirmation of the family contract system was a breakthrough in this respect.

-- Improve the wage system, appropriations of funds, and work on economic credit:

As pointed out at a recent regular meeting of the Politburo of the CPSU Central Committee, efforts will be made to improve the wage system as well as the appropriation of funds and work on economic credit of all enterprises run by kolkhozes, sovkhozes, and agro-industrial complexes. Gorbachev also elaborated on this at the 27th CPSU Congress. He said: "We must develop production, increase profits and revenue, and provide work incentives by relying entirely on our own resources. The work on bank credit must be earnestly altered so that it will provide incentives to raising the level of activity of kolkhozes and sovkhozes."

The Soviet Union has taken a new step to reform its agriculture. This will have a positive effect on promoting its agricultural production. However, the fundamental improvement of the Soviet agriculture will depend on more reformative measures to be adopted.

PRC-DPRK RIVER SHIPPING COMMITTEE MEETS

OW031011 Beijing Xinhua Domestic Service in Chinese 1242 GMT 1 Apr 86

[Text] Changchun, 1 Apr (XINHUA) -- The 25th meeting of the Sino-Korean River Shipping Cooperation Committee recently ended in Changchun. During the meeting, both sides discussed problems concerning the management of navigation marks on the Yalu Jiang and dredging of the river course in 1986 as well as other matters. This year marks the 25th anniversary of the Sino-Korean shipping cooperation. Over the past 25 years, China and Korea have developed and built up the Yalu Jiang under the principle of owning, using, and managing the river together, thus ensuring good order on the international waterway as well as shipping safety for the ships of the two countries. When the meeting was in session, members of the Korean Delegation visited Changchun, Jilin, Beijing, Xian, and Guangzhou.

U.S. TO ENHANCE MILITARY CAPABILITY IN SOUTH KOREA

OW031701 Beijing XINHUA in English 1642 GMT 3 Apr 86

[Text] Beijing, April 3 (XINHUA) -- The United States and South Korea have agreed to enhance the U.S. military capability in South Korea against what they called the northern provocation, according to reports reaching here Thursday. U.S. Defense Secretary Caspar Weinberger and his South Korean counterpart Yi Ki-taek said in a joint statement issued after a two-day security meeting that the U.S. and South Korea will continue to upgrade their defense posture by introducing new weapons and holding joint military maneuvers. The two defense officials agreed that the "security" of South Korea "is pivotal to the peace and stability of Northeast Asia which, in turn, is vital to the security of the United States," the statement said. The 13-point statement claimed that the United States and South Korea cannot "tolerate" any "provocation against them."

Weinberger, who arrived in Seoul Tuesday for the 18th U.S.-South Korean Military Consultative Meeting, timed his visit to coincide with the annual U.S.-South Korean joint military exercises dubbed "Team Spirit '86."

The Democratic People's Republic of Korea (DPRK) Thursday denounced the annual U.S.-South Korea military consultations as heightening tension in Korea and obstructing the course of the country's peaceful reunification. Pyongyang has repeatedly accused Washington and Seoul of worsening North-South relations by staging the joint military exercises. The DPRK suspended all three dialogues through which the two sides have channelled their economic, Red Cross and parliamentary contacts after the "Team Spirit" military maneuvers began in early February. It also rejected Seoul's proposals for resumption of the three discussions, saying that it cannot consider the proposals as long as Seoul and Washington continue with their war games.

Weinberger and his 12-member delegation left Seoul for Japan Thursday afternoon to continue a two-week Pacific trip, which also includes Thailand, Australia and the Philippines.

ZHANG JINGFU MEETS AUSTRALIAN BUSINESSMAN

OW031440 Beijing XINHUA in English 1436 GMT 3 Apr 86

[Text] Beijing, April 3 (XINHUA) -- Chinese State Councillor Zhang Jingfu met here today John Gough, chairman of the Pacific Dunlop Ltd. of Australia, and his party. During the meeting, Zhang expressed appreciation for the continued efforts of the Pacific Dunlop Ltd., one of the largest industrial development corporations in Australia, to promote Sino-Australian trade and economic cooperation. After the meeting, Gough and senior executives of the China National Silkicorporation and the Beijing International Trust and Investment Corporation signed an agreement on setting up an economic development company.

SHANDONG, SOUTH AUSTRALIA FORM SISTER CITY TIES

OW031726 Beijing XINHUA in English 1651 GMT 3 Apr 86

[Text] Jinan, April 3 (XINHUA) -- China's Shandong Province and the state of South Australia today formed ties of sistership with the support of the government of the Commonwealth of Australia and Chinese Communist Party leader Hu Yaobang. Shandong Governor Li Chang'an and John Charles Bannon, visiting premier of the Australian state, signed the agreement.

Li said Shandong has abundant resources of petroleum and nonmetal minerals, cotton and other farm and sideline products, manpower and markets, and the potential for economic cooperation with foreign countries is great. Bannon said that the Australian Government has decided to take Shandong as a target province under its "China Action Plan". The State of South Australia plans to conduct cooperation with Shandong in 14 fields, including improvement of alkaline soil, animal husbandry, wine and beer making, telecommunications iron and steel, and the textile industry.

At talks held this afternoon, the two sides agreed to start cooperation with animal husbandry and the process of farm produce, textiles and aquatic products. Bannon and South Australian trade delegation he is leading will tour Shandong until April 11.

ASEAN DISCUSSES CGDK'S 8-POINT PROPOSAL

OW031923 Beijing XINHUA in English 1831 GMT 3 Apr 86

[Text] Manila, April 3 (XINHUA) -- Vice-President of the Coalition Government of the Democratic Kampuchea (CGDK) Khieu Samphan said here this afternoon that discussion on the DGDK's eight-point proposal by senior officials from the Association of the Southeast Asia Nations (ASEAN) were fruitful. He made this comment after attending today's meeting of the ASEAN senior officials. He told the newsmen that he had elaborated in the meeting on the CGDK's eight-point proposal.

The CGDK's proposal put forward on March 17 called on Vietnam to make a two-stage withdrawal of its troops from Kampuchea and for a four-party negotiation by the three resistance factions and the Heng Samrin regime for the setting up of a four-party coalition government for Kampuchea. Khieu Samphan said there was very helpful exchange of views. The ASEAN officials "are very supportive to the proposal," he added. Asked what the next step the CGDK will take, he said "we will try our best to contribute to the political solution to the Kampuchean problem "by combining struggle on the ground with efforts to gain more and more support from the part of the international community."

The ASEAN senior officials began their meeting this morning under the chairmanship of The Philippine Vice Foreign Minister Jose Ingles. The meeting which is scheduled to close tomorrow concentrated its afternoon session on the discussion of the Kampuchean problem. The CGDK delegation attended the afternoon session.

PHILIPPINES DISCUSSES FOREIGN DEBT OPTIONS

OW031943 Beijing Xinhua in English 1844 GMT 3 Apr 86

[Text] Manila, April 3 (XINHUA) -- Philippine President Corazon Aquino did not rule [out] selective repudiation of foreign debts as a "possible option" and she has an "open mind" on the issue, Finance Minister Jaime Ongpin said here today. According to Ongpin, the Philippine Cabinet remains divided whether to adopt a selective repudiation of foreign debts as a national policy.

Ongpin told newsmen the issue of selective debt repudiation was discussed in yesterday's Cabinet meeting presided over by President Aquino but Cabinet members failed to come out with a consensus. He said the president opted to make a decision upon the return of Ongpin and Central Bank Governor Jose Fernandez, Jr. from their two-week trip to the United States and Japan.

Ongpin and Fernandez will leave for Washington on April 6 to discuss with foreign lenders for a new standby agreement and the restructuring of the country's remaining unstructured debts. Ongpin said a big number of Cabinet members led by Economic Planning Minister Solita Monsod favors non-payment of a portion of the country's 26 billion dollar debts, arising from overpricing of equipment and goods which foreign firms sold to the country. According to Monsod, local projects with Japanese funding were mostly overpriced.

The favorers of selective debt repudiation argued that there was "bad faith" and conspiracy" in this kind of foreign loans. But Ongpin said he and Fernandez opposed the proposed selective debt repudiation, saying that they were against any "stridently aggressive posture".

Fernandez, meanwhile, said he favors filing of court charges against local officials and businessmen, who either diverted portions of its foreign loans or received commissions from foreign firms, out of "patently fraudulent contracts". He said a selective debt repudiation would make the Philippines a virtual "leper" in the international financial community as foreign lenders would refuse extending new credit lines to the country. In filing court charges, he said the government would not hesitate to include "erring" foreign firms, should available evidences prove they conspired with local officials and businessmen in any fraudulent contract, fund diversion or bribery.

PHILIPPINES HOPES FOR NEW STANDBY AGREEMENT

OW032035 Beijing XINHUA in English 1953 GMT 3 Apr 86

[Text] Manila, April 3 (XINHUA) -- The Philippine Central Bank Governor Jose Fernandez, Jr. and Finance Minister Jaime Ongpin will leave for Washington on April 5 for talks on April 7 with officials of the International Monetary Fund(IMF) for a new standby agreement from foreign lenders.

Jose Fernandez, Jr. said here today that their mission is to negotiate with IMF officials whether they would present a new economic recovery program or continue with the present one. The present standby agreement would end on October 17, 1986 and a new one is deemed necessary, since the country is still incapable of paying the more than 25 billion dollars in external debt.

In a separate press conference, Ongpin said he favors a new agreement because the old one is "too contrictive, restraining possible growth". He said he and Fernandez would have to come out with a new program. Fernandez said he and Ongpin will also confer with IMF officials for the setting-up of a mini-consultative meeting of donor countries in mid-May in Japan.

From Washington, Fernandez said he and Ongpin would proceed to New York to confer with the 12-bank advisory committee to set the stage for the granting of the last two of the 615 special drawing rights (SDRS) standby credit which the IMF has extended in 1984. He said he and Ongpin would sign an agreement for the restructuring of the remaining nine percent of the country's public sector debt, amounting to 330 million dollars. He said the restructuring of public sector debts, estimated at around 5 billion dollars, ends in September 30, 1986. He said the Philippines would also renegotiate for a possible extension of the three billion dollars in trade credit which had a two-year term and would end in end-1986.

Fernandez also said the Philippines would also negotiate with the foreign lenders the restructuring of six to seven billion dollars in public and private sectors loans that would mature from 1987 to 1990. He expected the Philippines would complete its drawings of the standby credit and the restructuring of all loans that would mature by end-1986.

PRC, UK AGREE ON HONG KONG GATT MEMBERSHIP

HK030643 Beijing ZHONGGUO XINWEN SHE in Chinese 1228 GMT 2 Apr 86

[Text] Beijing, 2 Apr (ZHONGGUO XINWEN SHE) -- Spokesman for the Chinese Foreign Ministry Ma Yuzhen today said China and Britain have agreed to adopt specific measures to ensure that the Hong Kong Special Administrative Zone will continue to retain its status as a member of the GATT, but no details about these measures is available for the moment.

The Sino-British Joint Liason Group Group issued a communique on 14 March after its third meeting. The communique said: The Joint Liaison Group has further discussed what arrangements are to be made to ensure that the Hong Kong Special Administrative Zone will continue to retain its GATT membership and to take part in the international textile trade. The Chinese and British sides have also reached unanimity on the method and procedures to be adopted, and have agreed to take some specific measures regarding of this matter.

Referring to a statement made by Ke Zaishuo in Kong Kong, that China and Britain had already reached an agreement on Hong Kong's GATT membership, which would not be publicized before its submission to the GATT secretariat, a reporter today asked whether the secretariat had made any concrete reaction yet. Ma Yuzhen made the above remarks in response.

HU YAOBANG, ITALIAN MINISTER DISCUSS COOPERATION

OW031249 Beijing XINHUA in English 1239 GMT 3 Apr 86

[Text] Beijing, April 3 (XINHUA) -- China's top Communist Party leader Hu Yaobang expressed his satisfaction with the relations between China and Italy at a meeting here today with Italian Minister of Labor and Social Security Gianni de Michelis.

The bilateral cooperation in trade, economy and technology has developed greatly over the past few years, he added. He hoped that the trade volume of the two countries would continue to increase. There is still room for China to carry out economic cooperation with other countries, but the cooperation must develop steadily.

The view that overestimates China's market and the view that China is decreasing its economic cooperation with foreign countries are mistaken, he said. Michelis said that cooperation between the two countries has been conducted in many fields, and his ministry has cooperated well with the Chinese Ministry of Labor and Personnel in vocational training.

Present on the occasion was Zhao Dongwan, Minister of Labor and Personnel. The Italian minister will leave for home tomorrow.

QIAO SHI MEETS BRITISH LABOUR PARTY VISITORS

OW031525 Beijing XINHUA in English 1505 GMT 3 Apr 86

[Text] Beijing, April 3 (XINHUA) -- Qiao Shi, Political Bureau member of the Chinese Communist Party Central Committee, met here today two visitors from the British Labor Party.

The visitors are Stuart Holland, member of the Parliament and representative of the Labor Party leader Neil Kinnock, and Ken Coates, member of the labor party and a noted activist of peace movement.

Qiao told the visitors that the Chinese Communist Party and the British Labor Party have strengthened their mutual understanding through the exchange of visits by members of the two parties. He expressed the wish to further relations between the two parties.

Holland said that he was glad to be here as a representative of Kinnock. He has held useful talks with senior officials of various Chinese departments in the last few days.

Zhu Liang, head of the International Liaison Department of the Chinese Communist Party Central Committee, held talks with Holland here yesterday. The visitors arrived here March 31 at the invitation of the International Liaison Department.

HU QILI MEETS WITH BELGIAN SOCIALIST GROUP

OW031335 Beijing XINHUA in English 1317 GMT 3 Apr 86

[Text] Beijing, April 3 (XINHUA) -- Hu Qili, member of the Political Bureau and Secretariat of the Chinese Communist Party Central Committee, met here today a delegation from the Flamand Socialist Party of Belgium led by its Chairman Karel van Miert.

Hu, on behalf of the Chinese Communist Party Central Committee, expressed a warm welcome to the delegation, which is the first one sent to China by the Flamand Socialist Party. Hu praised the Belgian party for its unswerving efforts in strengthening the friendship between the two countries and the two peoples over a long period of time. Noting that the two parties share identical or similar views on many important international issues, Hu said the two parties, through friendly cooperation, would contribute more to world peace and the progress of mankind.

Karel van Miert said that the two parties share much common ground on disarmament, peace, development and other international issues. He said his party attaches great importance to the visit by the delegation, adding that he is proud of what his party has done in promoting the relations between the two countries.

The delegation arrived here April 1 at the invitation of the Chinese Communist Party.

NORWEGIAN DELEGATION MEETS WITH WANG RENZHONG

OW031637 Beijing XINHUA in English 1626 GMT 3 Apr 86

[Text] Beijing, April 3 (XINHUA) -- Wang Renzhong, vice-chairman of China's National People's Congress Standing Committee, met here this evening a delegation from the Committee for Industry and Energy of the Norwegian Parliament led by Reidar Due. The financial and economic committee of the National People's Congress later held a banquet to welcome the Norwegian visitors. Wang Renzhong attended the banquet. The NPC Financial and Economic Committee held talks with the visiting Norwegian delegation here this morning.

Meets Li Peng

OW031644 Beijing XINHUA in English 1639 GMT 3 Apr 86

[Text] Beijing, April 3 (XINHUA) -- Vice-Premier Li Peng met here today a delegation from the Committee for Industry and Energy of the Norwegian Parliament led by Reidar Due.

Li briefed the visitors on China's draft Seventh Five-Year Plan for economic and social development, which is being discussed by the ongoing session of China's National People's Congress. The vice-premier said that during the period covered by the Seventh Five-Year Plan, China will spend great efforts to develop its energy-related industries, especially electric power production. He hopes that the two countries will strengthen their cooperation in this respect.

Due said that Norway is willing to provide China with advanced technologies used in hydro-electric power generation and off-shore oil exploration.

FURTHER REPORTAGE ON VISIT OF SFRY PRESIDENT

Meets With Deng Xiaoping

OW041054 Beijing XINHUA in English 1043 GMT 4 Apr 86

[Text] Beijing, April 4 (XINHUA) -- China's senior leader Deng Xiaoping said today that the economic reforms and open policy kept the country firmly on the socialist road. He was speaking at a meeting at Beijing's Great Hall of the People with Radovan Vlajkovic, president of the Presidency of the Socialist Federal Republic of Yugoslavia.

Deng said all the policies and principles China had adopted since the third plenary session of the 11th Central Committee of the Chinese Communist Party in 1978 served two purposes. One was to adhere to the socialist road and the other was to oppose hegemonism and safeguard world peace. It was of vital importance for China to uphold socialism and peace, Deng stressed.

"As long as China, which has a billion population, pursues socialism and peace, it will make relatively great contributions to mankind. If China embarks on a capitalist road or practises hegemonism, it will bring calamities for mankind," he said. Deng regarded the adherence to socialism and support for peace were criteria on which to judge whether China had embarked on a right road.

He said during the "Cultural Revolution" the total equalitarianism was practised, and the theory of so called rather needing poor communism than rich capitalism was advocated. He said: "We cannot say that the views of not wanting capitalist riches is incorrect. But the poverty in communism does not exist according to the Marxist viewpoint." The communist principle of distribution was "from each according to his ability, to each according to his needs."

Communist society was one with extremely material wealth, but how could it have such wealth if the productive forces had not been developed? "Therefore", he said, "Our main task is to develop our social productive forces and realize our final goal of communism." Deng said it is impossible to develop productive forces if we close our country to international intercourse and do not carry out the policy of opening to the outside world and it is also impossible to develop productive forces without enlivening our domestic economy and giving full play the enthusiasm of the people. Socialism, he stressed. [last two sentences as received]

Vlajkovic shared Deng's views and said that China is taking a correct road, adding that China's adherence to the socialist road is significant to the world.

Deng briefed the guests on China's ongoing economic restructuring and said China must practise reform as it wants to build a socialism with its own characteristics. The Seventh Five-Year Plan beginning this year is crucial to an all-round economic restructuring. Reform in urban China is much more complicated than in rural China. Now China is watching every step taken, and must make resolute decision with steady step. Deng was convinced of China's success in its reform.

Present on the occasion were Wu Xueqian, state councillor and foreign minister, and Zhang Jingfu, state councillor. Afterwards, Deng gave a luncheon in honor of Vlajkovic, his wife and their party.

Holds Talks With Hu Yaobang

OW040950 Beijing XINHUA in English 0939 GMT 4 Apr 86

[Text] Beijing, April 4 (XINHUA) -- Communist Party leader Hu Yaobang said here today two trends mark present world events -- "dialogue and the economic reform of socialist countries." Hu, general secretary of the Central Committee of the Chinese Communist Party, was speaking at a meeting with Radovan Vlajkovic, president of the Presidium of Yugoslavia, at Zhongnanhai, headquarters of the CPC Central Committee and of the State Council, China's highest governing body.

Some countries have engaged in dialogue "only reluctantly," he said. "But past experience has shown that only dialogue can avoid confrontation, and to engage in confrontation and the arms race is to ask for trouble." At the same time, Hu said, "Without reform, socialist countries cannot progress." He said reform was a "continuous process -- it may lead to this or that shortage, and, when the old reform is over, it will be superseded by the new." Hu spoke highly of Yugoslavia's history of successful reforms. Along with dialogue between nations, he said, reforms are bound to continue to develop.

Vlajokvic said he shared Hu's views. "Confrontation is no good, and it is necessary for socialist countries to reform if they want to make progress." The Yugoslav leader praised China's ongoing economic restructuring. He told Hu that Vidoje Zarkovic, president of the Presidium of the Central Committee of the League of Communists of Yugoslavia, wished China's reform greater success, and also wished expansion of cooperative relations between China and Yugoslavia.

Talks With Zhao Ziyang

OW031509 Beijing XINHUA in English 1450 GMT 3 Apr 86

[Text] Beijing, April 3 (XINHUA) -- Chinese Premier Zhao Ziyang called on Radovan Vlajkovic, president of the Presidency of Yugoslavia, at the State Guesthouse here today. Zhao told Vlajkovic that China and Yugoslavia, and their two ruling parties, which have maintained sound relations, share a consensus on many international issues. They also share a lot of ideas on socialist construction and economic reform. He said that China sets great store by its all-round cooperation with Yugoslavia. He expressed the belief that the visit of the Yugoslav president will promote relations between the two countries.

Vlajkovic said that Yugoslavia shares China's wish to strengthen cooperation between the two countries in various fields. He hopes that the two countries will expand their economic cooperation in the interests of both.

Zhao briefed Vlajkovic on China's economic restructuring. He also congratulated the Yugoslav president on the achievements of Yugoslavia in stabilizing its economy. He said that Yugoslavia's experience in economic reform is useful for other socialist countries.

Vlajkovic said that his country is paying great attention to China's economic reform, and the two countries can benefit by sharing experiences in this respect. Vlajkovic and his party were entertained at a performance of acrobatic shows, which have won medals at international competitions in recent years, here this evening.

LI XINNIAN MEETS MAROCCAN PARLIAMENTARIANS

OW031323 Beijing XINHUA in English 1304 GMT 3 Apr 86

[Text] Beijing, April 3 (XINHUA) -- Chinese President Li Xiannian expressed satisfaction with the development of Sino-Moroccan relations while meeting a Moroccan parliamentary delegation led by President Ahmed Osman here today. He expressed the belief that the visit of President Ahmed Osman will promote relations between the two countries.

Osman, who previously visited China in 1981, told the Chinese president that he has seen with his own eyes on his present visit the great changes that have taken place here in the last few years. He expressed the hope that Morocco and China, which have maintained fruitful cooperation, will strengthen their economic cooperation and trade.

On the world situation, Li said that the rivalry between the two superpowers is the cause of instability in the world. Following the U.S.-Soviet summit, relations between the East and the West have relaxed to a certain extent, but no substantial issues have been solved He said that the U.S. and the Soviet Union have now come to the stage of both confrontation and dialogue, which is better than that with only confrontation but no dialogue. He expressed the hope that the two superpowers would cool down and carry out serious negotiations for an agreement but not at the expense of the interests of other countries.

Osman agreed with Li's view on the world situation and expressed his appreciation of China's independent and peaceful foreign policy. Osman also conveyed to Li greetings from King Hassan II, and Li also asked him to give his best regards to the Moroccan king.

Zhou Gucheng, Vice-chairman of China's National People's Congress Standing Committee, was present at the meeting. Osman gave a return banquet at the Moroccan Embassy here this evening.

ANC DELEGATION JOINS BEIJING RALLY AGAINST RACISM

OW031226 Beijing XINHUA in English 1211 GMT 3 Apr 86

[Text] Beijing, April 3 (XINHUA) -- More than 1,000 people joined a delegation from the African National Congress (ANC) here today in a rally against racism in South Africa. Participants at the rally at the Nationalities Palace of Culture pledged support for the South African people in their struggle for racial equality and against apartheid.

Speaking at the event, Zhu Xuefan, Vice-chairman of the National People's Congress Standing Committee, said the Chinese people "condemn the South African regime for its obstinate persistence in racism." And, he said, "We condemn its bloody suppression of the black people of the country and its unscrupulous incursions into and intimidations of neighboring countries."

ANC Secretary-General Alfred Nzo told the rally that "in reality, South Africa is at war." Every day, he said, "At least one black South African is killed by the forces of racial repression, and last week 33 people were brutally murdered in the space of 24 hours in one of the most bloody massacres." The "war which the racists are waging against the people of South Africa is a war in defense of colonialism, national oppression and exploitation," he said. "And it is a threat to world peace and security."

Zhu, who is also Vice-President of the Chinese Association for International Understanding, urged the South African authorities to release imprisoned ANC leader Nelson Mandela at once and unconditionally. He said over the past two years, the "struggle of the broad masses of black people in South Africa against apartheid and racial discrimination has rapidly intensified." Student and worker strikes as well as "waves of mass demonstrations" have assaulted the racist system, according to Zhu. He spoke highly of the ANC's "relentless work in the South African people's struggle against apartheid."

Nzo said ties between the peoples of China and South Africa are "of long standing and have grown and expanded since the early 1950s." He said people in South Africa "today are united as never before by their common determination to be free. With death defying courage, they are prepared to confront armoured cars with thousands of people and the best equipped army on the African continent with sticks and stones. "This unequal battle, led by the ANC, has already won the hearts of millions throughout the world."

The racist regime is increasingly isolated, according to Nzo. "During the past 12 months, 1,500 people have been killed; more than 25,000 have been arrested and detained without trial. Yet despite all this, the apartheid regime has been unable to crush our people's resistance." The "day of liberation of South Africa is not far off," he said.

Mainza Chona, Zambian ambassador to China told rally participants the African countries on the frontline of the South African border "commend the strenuous efforts the ANC is making to mobilize the South African masses to rise against the racist oppressor." He called on the international community to intensify the campaign isolating South Africa and to impose mandatory economic sanctions against it.

J.S. Odanga, dean of the African diplomatic group in China and Kenyan ambassador to China, paid tributes in his speech to the Chinese Government and people for the "selfless, moral and material assistance you have rendered in the struggles of the downtrodden people of the world."

Today's rally was sponsored by the Chinese Association for International Understanding, the Chinese People's Association for Peace and Disarmament, and the Chinese People's Association for Friendship with Foreign Countries.

Among the more than 1,000 participants were Xi Zhongxun, member of the Political Bureau of the Chinese Communist Party Central Committee, and other Chinese high-ranking officials. Diplomatic envoys and students in Beijing from African countries were also present.

ASSISTANT FOREIGN MINISTER MEETS LESOTHO ENVOY

OW031154 Beijing XINHUA in English 1136 GMT 3 Apr 86

[Text] Beijing, April 3 (XINHUA) -- Chinese Assistant Foreign Minister Zhou Jue met here today with Mokhali Alfred Lithebe, charge d'affaires ad interim of Lesotho Embassy in Beijing. The diplomatic relations between China and Lesotho was established in 1983. Lithebe is here to help set up the embassy.

FURTHER ON LI PENG, YAO YILIN PRESS CONFERENCE

Li Views Sino-Soviet Relations

HK031536 Beijing ZHONGGUO XINWEN SHE in Chinese 1427 GMT 3 Apr 86

[Text] Beijing, 3 Apr (ZHONGGUO XINWEN SHE) -- At a press conference of Chinese and foreign reporters held here today, Vice Premier Li Peng made the following remarks on Sino-Soviet relations: We have taken note of the section on Sino-Soviet relations in Gorbachev's report on the 27th CPSU Congress. Regarding the question that the measures taken to improve Sino-Soviet relations should not harm the interests of a third country, we hold that "not harming the interests of a third country" should not have a specific meaning. We hope that Sino-Soviet relations will improve in earnest, Li Peng said, because they will benefit the peoples of the two countries and also peace in the world and the Far East. China's position is that the Soviet side should take practical moves and truly improve relations between the two countries based on removing the three major obstacles. Li Peng said that China was satisfied with the improved relations between the two countries in the fields of trade, economy, science, technology, culture, and eduation.

When a reporter asked Li Peng to make an appraisal of his meeting with Gorbachev last year, Li Peng replied: Following my visit to Bulgaria and Czechoslovakia, I held talks with Gorbachev in Moscow. We expounded our respective positions on issues concerning international problems and Sino-Soviet relations.

Comments on Tiananmen Anniversary

OW031305 Beijing XINHUA in English 1227 GMT 3 Apr 86

[Text] Beijing, April 3 (XINHUA) -- Vice-Premier Li Peng announced here today that the tenth anniversary of the Tiananmen incident will be marked on an appropriate scale. Li Peng described the incident, occurring on April 5, 1976, as one in which the broad masses of people, under the influence of the Communist Party's correct line, gathered on the Tiananmen Square in the heart of Beijing to challenge the "gang of four", cherish the memory of the late premier Zhou Enlai and support Deng Xiaoping. An appropriate appprasisal of the role of that incident was given five years ago by the Chinese Communist Party Central Committee in its decision on some questions in its history since 1949, he said. The Communist Party has followed a correct line since the Third Plenary Session of its 11th Central Committee held toward the end of 1978 and has won the support of the people, he went on. The rapid economic development in recent years is a handy proof of this.

"Times have changed and the tasks facing us are different now," he stated, "to solve our present problems, we don't need to use the method as employed during the Tiananmen incident." Chin'a modernization program requires internal stability and unity as well as a peaceful international environment, he explained.

Responding to a question about Chinese youth, Li Peng said that Chinese college students and other young people are in favor of socialism, support the Communist Party and back the ongoing economic restructuring. He admitted that some students in a few colleges made some trouble last autumn. "We did not favor such actions. We adopted the method of guidance and persuasion with good effects," he said.

Abolition of FECs Announced

OW031006 Beijing XINHUA in English 0929 GMT 3 Apr 86

[Text] Beijing, April 3 (XINHUA) -- China is preparing to abolish foreign exchange certificates, but the move will require long preparations. Vice-Premier Yao Yilin told a press conference here today that the circulation of the U.S. dollar and the Hong Kong dollar would have to be halted as well, he said, enabling the Chinese currency, renminbi (rmb), to be the only currency in the country. Foreign currency certificates, he added, "should also help China's trade with other countries and mutual exchanges in other areas, as well as assist the growth of tourism." "No date has been fixed, but the preparations are underway," he stated.

Currency Success Noted

OW031336 Beijing XINHUA in English 1321 GMT 3 Apr 86

[Text] Beijing, April 3 (XINHUA) -- China's effort last year to withdraw currency from circulation through sales of imported consumer durables was successful, a senior Chinese vice-premier said here today. Vice-Premier Yao Yilin made the point at a press conference sponsored by the Secretariat of the current National People's Congress session today when he was asked what had been achieved in China's currency recouping last year. The state did not put the profits from the sales into the state revenue, but into the bank, he said. "The money is still in the bank now," he added.

This sum of money may be used to make up the government deficit or may allow the bank to invest it if the government does not need it any more, the Chinese vice-premier said. Anyway, he stressed, the success in withdrawing currency from circulation helped reduce the issue of the Chinese currency renminbi and constituted a very important factor in stabilizing prices. China is not going to do it again this year, the vice-premier said, adding that there are still several billion yuan worth of goods imported last year in stock.

Grain Potential Seen

OW031350 Beijing XINHUA in English 1330 GMT 3 Apr 86

[Text] Beijing, April 3 (XINHUA) -- China is fully able to meet the domestic demand for grain through its own efforts, a senior Chinese agricultural specialist told a press conference here today. "Meanwhile, it does not exclude necessary grain trade with foreign countries," said Du Runsheng, director of the Rural Development and Research Center of the State Council. China's grain trade with other countries serves the need of regulating its grain varieties, he explained.

Du told Chinese and foreign reporters that a decrease of tens of million tons in the country's grain output last year was caused largely by natural disasters. "It is only in a few places that peasants showed less interest in growing grain crops, because rural industries are fairly well developed there," he said. The Chinese Government will continue adopting effective measures to encourage peasants for increased production, he stressed, adding that "continuing rural economic reforms is the most effective way of arousing peasants' initiative for production."

Du said the Chinese Government pays close attention to the income of grain growers and sees to it that they do not suffer losses. For this reason, the government will list prices to protect the interests of grain growers and this policy will be improved constantly. The state will increase investment in agriculture during the Seventh Five-Year Plan period (1986-90), he said, adding: "What is more important is that peasants should be encouraged to raise money themselves for agricultural development." He said that the Chinese Government always keeps to the principle of taking agriculture as the foundation of the national economy, adding that the prosperity of the 800 million rural residents will spur the growth of the national economy as a whole.

FORUM URGES REMEMBRANCE OF TIANANMEN INCIDENT

OW040708 Beijing XINHUA in English 0637 GMT 4 Apr 86

[Text] Beijing, April 4 (XINHUA) -- A senior Chinese official today urged all citizens, especially the young people, to work hard for the modernization drive in the spirit of the April 5th revolutionary mass actions of ten years ago. Bo Yibo, vice-chairman of the Communist Party's Central Advisory Commission, said the party knew that the success of the modernization drive depended to a large extent on the young people. The historic responsibility in building a powerful socialist country would be on their shoulders. He called on young intellectuals to grasp the basic theories of Marxism and Mao Zedong Thought, and to use this knowledge practically in working among the workers and peasants and solving problems arising from economic construction, restructuring and reform. The veteran official was addressing a forum held here to mark the tenth anniversary of the April 5th revolutionary mass activities.

At the beginning of April, 1976, around the time of the Chinese "Qing Ming" festival, when people traditionally mourn the dead, more than a million people gathered in Tiananmen Square in the center of Beijing to mourn the late Premier Zhou Enlai. Their activities touched off gigantic protests throughout the country against the gang of four, which soon led to their downfall. Bo pointed out in his speech that the main theme of the activities had been the support for correct party leadership as represented by Deng Xiaoping. Deng had been in charge of the party Central Committee's day-to-day work in 1975, and had tried many measures to eliminate the chaos of the Cultural Revolution and repair the damaged national economy.

Today's forum was organized jointly by the All-China Federation of Trade Unions, the Central Committee of the Communist Youth League, the All-China Women's Federation, and the Beijing Municipal Party Committee. The state and party leaders Hu Qili, Li Peng, Wang Zhen and 400 people attended the forum. Speakers included Cao Zhijie, a representative of those who took part in the activities ten years ago, who is now manager of a Beijing taxi company. The speakers all made the point that China was now in a new period of historic development, which was in line with the wishes of the people 10 years ago.

PRESIDIUM MEETINGS, DEBATE CONTINUE AT NPC

Councillor, Vice Premier Soon Added

OW040330 Beijing XINHUA in English 0321 GMT 4 Apr 86

[Text] Beijing, April 4 (XINHUA) -- A new vice-premier and a state councillor will soon be added to China's State Council. Candidates for the nominations were discussed at a presidium meeting of the ongoing National People's Congress session here today. The meeting held in the Great Hall of the People also discussed a draft list of the candidates to fill vacancies in the NPC Standing Committee -- a new vice-chairman and some members of the NPC Standing Committee. Also discussed were candidates for additional vice-chairmen and members of the special committees of the National People's Congress. The draft lists are to be discussed by the deputies before approved by the full session.

Today's meeting also agreed upon several draft resolutions prepared for the session. One draft resolution concerns the 1986 plan for national economic and social development and another, the implementation of the 1985 state budget and the 1986 state budget. The two resolutions are to be sanctioned by the session. The meeting decided to pass around among the deputies a draft resolution for approving Premier Zhao Ziyang's report on the draft Seventh Five-Year Plan. This draft resolution is subject to approval at the Presidium's next meeting before it is sent to the full session.

Wang Renzhong, chairman of the NPC Committee of Finance and Economy, delivered a report on examining the implementation of the 1985 state budget and on the draft 1986 state budget. Wang called for continuous efforts to limit China's scale of investments in fixed assets. He said: "We have not yet completely halted the tendency shown by some localities and departments to expand capital construction." It is therefore necessary to manage well both the investment covered by the state budget and the extra-budgetary investment, in accordance with the state plan, he explained. Wang also called for tightening financial discipline to correct misconduct in the economic field.

Li Peng, Chen Pixian Speak

OW030801 Beijing XINHUA Domestic Service in Chinese 1152 GMT 2 Apr 86

[Text] Beijing, 2 Apr (XINHUA) -- The Fourth Session of the Sixth NPC held its third plenary meeting at the Great Hall of the People this morning. The meeting heard explanations by Wang Hanbin, secretary general of the NPC Standing Committee and chairman of the Legislative Affairs Commission, on the draft general principles of the civil code of the People's Republic of China; explanations by Li Peng, vice premier of the State Council and minister in charge of the State Education Commission, on the draft compulsory education law of the People's Republic of China; explanations by Zheng Tuobin, minister of foreign economic relations and trade, on the draft law of the People's Republic of China governing enterprises with exclusive foreign investment; and a report by Chen Pixian, vice chairman of the NPC Standing Committee. on the work of the NPC Standing Committee. The NPC Standing Committee examined the above-mentioned three draft laws and decided to submit them to the Fourth Session of the Sixth NPC for examination and approval. Chairman Peng Zhen attended the meeting.

At 0900, Peng Chong, executive chairman of the session and vice chairman of the NPC Standing Committee declared the meeting open. He said: At the invitation of the NPC Standing Committee, a delegation of the Moroccan Chamber of Representatives headed by its president, Ahmed Osman, arrived in Beijing on 31 March on a friendly visit to our country. Today we have invited the members of the delegation to attend our meeting as observers. In the name of the presidium of the session and all deputies, Peng Chong extended a warm welcome to President Osman and all other members of the Moroccan delegation and wished them a successful visit. Then, a warm applause broke out in the hall.

Following this, Wang Hanbin gave explanations on the draft general principles of the civil code. He said: The civil code is one of the country's basic laws, and formulating the civil code is a major event in the legal system of the country. In the past few years, a number of special laws governing civil acts or concerning the readjustment of civil relations have been enacted. However, we still lack legal provisions dealing with problems of a common character in civil activities. By summing up the experience gained in the past several years, it is now possible to formulate legal provisions regarding problems of a common character in civil activities. Hence, the draft general principles of the civil code have been drawn up. Wang Hanbin explained its contents and related questions in the following seven areas: Basic principles in formulating the general principles of the civil code and the scope of adjustment; legal persons; individual households engaged in industrial and commercial undertakings, rural contracting households, and individual partnerships; civil legal acts; civil rights; civil liabilities; and the application of laws in handling issues involving foreigners.

Then Vice Premier Li Peng, entrusted by the State Council, gave explanations on the draft compulsory education law in the following 10 areas: The need of formulating the law on compulsory education, the nature of compulsory education, the age for starting compulsory education, the system of compulsory education, implementation of the party's principles on education, measures for instituting the 9-year compulsory education system, responsibility of local authorities for elementary education and encouragement of social forces in running schools, exemption of tuitions in compulsory education, funds and conditions for running compulsory education, and teachers.

Li Peng said: Tremendous developments have been made in primary and secondary school education in our country since he founding of the PRC. On the whole, however, elementary education in our country is still rather weak, and does not meet the requirements of the great drive for socialist modernization. Therefore, our country urgently needs to enact a law on compulsory education. With the law as a basis, compulsory education can be conducted step by step throughout the country. This is a major measure of strategic significance bearing on the future of the country and the nation.

Entrusted by the State Council, Zheng Tuobin gave explanations on the draft law governing enterprises with exclusive foreign investment. He said: Setting up enterprises with exclusive foreign investment is a feasible method of importing foreign funds and technology, and enacting a law governing such enterprises will protect their legitimate rights and interests and provide a legal basis for them to operate in our country. It will also make it convenient for our government to administer and supervise such enterprises.

Zheng Tuobin said: The draft law governing enterprises with exclusive foreign investment provides that the establishment of enterprises with exclusive foreign investment must be restricted to those that are beneficial to China's national economy by using advanced technology and equipment and exporting all or most of their products.

He then gave specific explanations on such questions as: Legal qualifications of enterprises with exclusive foreign investment, taxes on them, duration of their operation, administration and supervision of them, trade unions in such enterprises, and protection of the legitimate rights and interests of foreign investors.

Entrusted by Chairman Peng Zhen and the NPC Standing Committee, Vice Chairman Chen Pixian made a report on the work of the NPC Standing Committee at today's meeting. He said: In the past year, the NPC Standing Committee strengthened its supervision over the enforcement of the Constitution and other laws as well as its supervision over administrative, judicial, and procuratorial work; it strengthened its legislative work, improved the organization and system of the NPC Standing Committee, and strengthened the work of its various special committees. New progress was made in developing socialist democracy and the socialist legal system.

Chen Pixian said: Since the Third Session of the Sixth NPC, the NPC Standing Committee has improved or strengthened its work in various fields. It must be noted, however, that there still is quite a big gap between the NPC Standing Committee's actual work of one hand and the functions and powers entrusted to it by the Constitution and the hopes the people of the country are placing on it on the other. We should further sum up our experience, continue to improve our work, and strive to fulfill the Seventh 5-Year Plan, to carry out the party's general task and goal in the new period, and to build our country into a modern socialist state with a high level of civilization and democracy.

Other executive chairman for today's meeting were Bainqen Erdini Qoigyi Gyaincain, Liao Hansheng, Wang Shufeng, Liu Minghui, Yan Kelun, Li Dengying, Song Lin, Zhang Zaiwan, Luo Tian, Zhao Pengfei, Hu Lijiao, Fei Yimin, and Han Ningfu. According to the session's agenda, delegations will begin to hold group discussions this afternoon to deliberate the draft general principles of the civil code, the draft law on compulsory education, the draft law governing enterprises with exclusive foreign investment, and the report on the work of the NPC Standing Committee.

Li Peng on Education Law

OW030636 Beijing XINHUA Domestic Service in Chinese 0900 GMT 2 Apr 86

[Text] Beijing, 2 Apr (XINHUA) -- Li Peng, vice premier of the State Council and concurrently chairman of the State Education Commission, explained the "compulsory education law of the People's Republic of China (draft)" to the Fourth Session of the Sixth NPC today. He said: China has a pressing need to enact a compulsory education law in order to provide a legal basis for systematically introducing compulsory education throughout the country. This is needed to build socialist material and spiritual civilization, as well to inspire the broad masses. He said: Since the founding of the country, we have made much headway in promoting primary and secondary education in China, radically changing the extremely backward elementary education of old China. However, in general, China's elementary education is weak and cannot meet the needs of the gigantic socialist modernization program. Primary education has not yet been popularized in the considerably large area of the countryside. Many school-age children, especially girls, have not completed the set schooling. As a result, there are still illiterate and semi-illiterate young people and adults. Therefore, enacting and implementing the "compulsory education law" and vigorously popularizing elementary education is a strategic measure concerning the future of the country and people. He said: The introduction of compulsory education is an obligation of the country toward the people, as well as the parents toward the country and society. The state and society should set the conditions for all Chinese children to complete the legally mandated schooling, and parents should ensure that their children complete the schooling.

Li Peng pointed out: Compulsory education is mandatory. Therefore, the"draft law" sets penalties for failure to fulfill this obligation. He said: Motivated by immediate and temporary economic interests, some parents are making their school-age children leave school to engage in productive labor or take up employment, while some enterprises are employing school-age children. Such practices hinder the rights of children and youngsters to receive education, and is harmful to the development of the country and people as well as the long-range interests of children, youngsters, and their families. Therefore, the penalties are a necessary means to enforce compulsory education.

After explaining the age and school system for compulsory education and party's education policy, Li Peng introduced the steps for instituting compulsory education. He said: The country can roughly be divided into three categories. The first category consists of areas with a comparatively developed economy and culture, which are required to popularize 9-year compulsory education by around 1990. The second category consists of areas with a medium level of economy and culture, which are required to popularize the elementary compulsory education by 1990 and actively create conditions for making the 9-year compulsory education universal by 1995. The third category consists of areas with an underdeveloped economy and culture, which should strive to popularize the elementary compulsory education as much as their economic development permits before the end of this century.

On the responsibility of local governments for elementary education, Li Peng said: The prosperity, social stability, and unity of a locality and its building of spiritual civilization are closely related to the development of elementary education. All local governments should give top priority to promoting elementary education. Along with the economic development of a locality, it is necessary to appropriate more funds for education. This is an obligation of a local government toward local people, as well as a need for developing local economy.

He also pointed out: An important aspect of our experience in popularizing elementary education in the country is that it is necessary to adhere to the principle of "walking on both legs" in running a school. It is impossible for the state to shoulder the entire responsibility for compulsory education. Enterprises, institutions, and other organizations should undertake, according to the law, the obligation of running schools, and regard such obligations as identical with their interests and not as an unreasonable burden. Workers and peasants should be commended for voluntarily donating , within their capabilities, funds for schools. On the expenditures for compulsory education and conditions for running schools, Li Peng said: To ensure the funds needed for compulsory education, the "draft law" stipulates: "The increase of state financial appropriation for compulsory education should be higher than the increase of regular financial revenues, and should be made along with the growth of the average expense of students enrolled in schools." He added: Both central and local governments should give financial support to ensure the increase in these two aspects. Li Peng also discussed the question of qualified teachers in his report. He said: The key to instituting compulsory education lies in training a large, rationally structured, and relatively stable contingent of qualified teachers. The promulgation and enactment of the "compulsory education law" will create better conditions for as well as set higher demands on teachers, who should play an exemplary role in implementing the "compulsory education law."

State Council To Revise Plan

OW040905 Beijing XINHUA in English 0856 GMT 4 Apr 86

[Text] Beijing, April 4 (XINHUA) -- Peng Zhen, chairman of the Standing Committee of China's National People's Congress (NPC), said here today that the State Council will revise the Seventh Five-Year-Plan (draft) in accordance with the views and suggestions of NPC deputies.

Addressing the second meeting of the Presidium of the current NPC session this morning, Peng Zhen said that many valuable suggestions have been made by the deputies while mulling over the five-year plan in the past few days. And the State Council will revise and supplement the draft plan accordingly, he promised. The draft was prepared by the State Council at the suggestion of the Communist Party Central Committee after soliciting opinions from various quarters.

Yang Dezhi on Legal System

OW032313 Beijing XINHUA Domestic Service in Chinese 1458 GMT 3 Apr 86

[Text] Beijing, 3 Apr (XINHUA) -- On afternoon of 2 April, deputies attending the Fourth Session of the Sixth National People's Congress began to screen the draft general principles of the civil code, the draft law on compulsory education, and the draft law on foreign-funded enterprises. In the course of examining the draft laws, the deputies emphatically pointed out: The formulation of these laws is of great significance in improving and strengthening China's legal system, meeting the needs in reforming China's economic system, implementing the policy of invigorating domestic economy and opening to the outside world, raising the scientific and cultural level of the whole nation, and promoting socialist material and spiritual civilizations.

The deputies believed: To strengthen socialist democracy and the socialist legal system constitutes a reliable guarantee that the state will enjoy a long period of order and stability. This is also our fundamental goal and one of our basic tasks. During the past several years, China has scored remarkable achievements in developing its socialist legal system. As far as legislation is concerned, China has formulated 47 laws and more than 400 administrative rules and regulations. China's socialist legal system has been formed in a preliminary way and is being gradually improved. The formulation of the aforementioned three draft laws is an important step in improving the legal system. Naturally, there are many laws that need to be formulated. Particularly, our work on economic legislation fails to keep pace with the developing situation. We will need to pay full attention to our legislative work.

The deputies held: When we have laws, we must act according to law. Deputy Yang Dezhi of the PLA delegation said: In order to ensure that laws are observed, that their enforcement is strict, and that law breakers are dealt with, we must help all cadres and people to strengthen their conception of the legal system and broaden their legal knowledge. Those who enforce the laws must remain impartial, honest, incorruptible, and upright in performing their official duties. Party members and cadres must become models in observing party discipline and state laws. Deputy Xing Yimin of the Shanxi delegation said: Efforts must be made to popularize legal knowledge and help the broad masses of cadres and people understand the law and act according to law. It is necessary to attach importance to the publication of law books and meet the needs of the broad masses of cadres and people in studying law.

The NPC deputies pointed out: We must correct the situation in some localities in which some people are not acting according to law; strengthen our supervision in enforcing the law; ensure the implementation of laws of all types; and truly achieve the goal that everyone is treated equal before the law. Deputy Wen Mingxian said: Due to lack of supervision, our economic laws are often not observed. For example, in the course of enforcing tax laws and the regulations on industrial and commercial administration, there are always some deviations in the development of commodity economy, because there are no supervisory organs to oversee the implementation of the laws and regulations. He suggested setting up specific organs to provide legal supervision and carry out effective supervision on how economic laws are being enforced.

Deputy Zhang Zaiwang of the Tianjin delegation said: In his report, Premier Zhao Ziyang pointed out that it is necessary to strengthen the role of the legal system in promoting and insuring reforms. This is an important conclusion drawn by summing up our experiences since the founding of the nation. We must vigorously strengthen our supervision over law enforcement work and firmly adhere to the principle of acting according to law. In conducting inspection tours, NPC deputies must attach importance to their role in supervising how economic laws and regulations are being enforced. After the state plans and budgets are adopted, they are of the same nature as laws. The people's deputies should also maintain supervision over how these state plans and budgets are being implemented.

Wan Shaofen Addresses NPC Women

OW031634 Beijing XINHUA in English 1610 GMT 3 Apr 86

[Text] Beijing, April 3 (XINHUA) -- Some of the women delegates attending the NPC and CPPCC sessions gathered here today at the headquarters of the All-China Women's Federation to discuss the present status of Chinese women. The 120 women delegates present on the occasion include provincial and municipal government officials, and women leaders of various levels.

Wan Shaofen, an NPC delegate and also secretary of the Jiangxi provincial party committee, said that many people doubted her ability when she took office in June last year. She said, "I was really not prepared for taking the position, but once I took it, I never took a step backward." She first strengthened the leading organizations, then went down to the poor areas of the province to make investigations and seek methods to handle the problems.

The total output value of the provinces' industry and agriculture last year increased 19.3 per cent over the previous year.

Liang Shufen, also an NPC delegate and vice-governor of Hubei Province, said that women now make up 21.2 percent of the total number of NPC delegates and 12.8 per cent of the CPPCC delegates. In the family, he said, the woman has won equal say with her husband, based on her contributions both to society and family life. She said that with the increase in the number of women leaders in every field, women's legal rights have been better protected. The traditional discrimination against women in employment, promotion and university enrollment are now being adjusted gradually.

The delegates praised the work of the All-China Women's Federation and thanked it for its consistent support for them. Zhang Guoying, vice-chairman of the All-China Women's Federation, and many other leaders of the federation also attended the meeting.

PENG ZHEN 28 JANUARY SPEECH ON MARXIST PHILOSOPHY

HK021555 Beijing HONGQI in Chinese No 6, 16 Mar 86 pp 3-6

[Speech by Peng Zhen on 28 January at Zhejiang University: "Be Good at Wielding the Weapon of Marxist Philosophy" -- corrections and additions made by Peng Zhen prior to HONGQI publication]

I congratulate you comrades of the Zhejiang University on your gratifying successes in work, and I wish you greater achievements.

You want me to speak -- on what ? I hope you will be good at wielding the weapon of Marxist philosophy on transforming both the objective and subjective worlds, as this weapon enables us to have a correct stand, views and methods in observing and handling problems. We take it as a guide to observing and handling social problems as well as problems in the natural world. Whether or not we master and apply Marxist philosophy and whether or not we consciously do so, makes a world of difference in our actual work results. Therefore I would like to discuss this problem with you and hope that you will master and apply it more consciously.

After the "gang of four" was smashed, we criticized the mistaken viewpoint of the "two whatever's," which seriously hampered the work of bringing order out of chaos, and emphasized again and again that the only criterion for judging truth was practice. Marxist philosophy, which refers to dialectical materialism and historical materialism, has undergone the test of practice. It is the summation of the historical process of human understanding. As everyone is aware, materialism and dialectics had emerged long before Marxist philosophy came into being. Hegel was the master of dialectics. He was the first one to explain the general form of movement of dialectics. Hegel held firm to the viewpoint that matters move in the course of contradictions, that is, the viewpoint of development. However, his dialectic was idealism. The "absolute concept," he maintained, was the subject of the world and the source of all matters, and development started from the "absolute concept" and finally returned to the "absolute concept." Here he put dialectics upside down and made it mysterious. Feuerbach criticized Hegel's dialectics and at the same time abandoned it. As his dialectics could not go beyond the limits of metaphysics and continue through to the end, Hegel still remained an idealist on matters concerning understanding society and history. Marx and Engels critically inherited Hegel's and Feuerbach's philosohpical achievements, brought them forward, and founded dialectical materialism and historical materialism. This was an epoch-making philosophical attainment in human history.

Since Marx and Engels founded dialectical materialism and historical materialism, they had all along used it to observe and handle problems. Also, they handed this great tool of understanding to the working class. This philosophy , Marx said in his early years, took the proletariat as its material weapon and, similarly, the proletariat looked upon this philosophy as its spiritual weapon. Dialectical materialism and historical materialism are the theoretical manifestations of the fundamental interests of the proletariat and the laboring people. The interests of the proletariat correspond with the objective law governing social development, therefore it can boldly seek and uphold truth. The scientific truths of dialectical materilism and historical materialism are in complete unanimity with the stand of the proletariat. Therefore, the proletariat finds it easy to accept and thoroughly apply dialectical and historical materialism.

Social practice over the past century has proven that Marxist philosophy is correct. When capitalism was still in its prime Marx already foresaw that bourgeois dictatorship would inevitably lead to the proletarian revolution and proletarian dictatorship and pointed out that proletarian dictatorship would finally result in its self-negation, that is, the extinction of classes, the abolition of the state, and the dying out of the proletarian political party . At that time, mankind would enter an advanced society -- communist society. Was this scientific prediction right or wrong? History proved that it was right. Although the Paris Commune existed for a short time and did not have much experience, it already proved the correctness of this prediction. Subsequently, the October Revolution broke out. In the October Revolution, Lenin used Marxist philosophy, viewpoints, and methods to anlyze domestic and international situations. Then he mobilized and led the working class, the peasant class, and other laboring people in overthrowing the czar and the rule of the landlord class and the bourgeoisie. The first socialist state under proletarian dictatorship was founded in a backward Russia. The October Revolution was a major test for Marxism, and the result proved that Marxism was correct.

After the October Revolution, many people said that Soviet Russia could not last long. However, not only did it smash foreign armed intervention and grow stronger, it also withstood the severe test of the cruel World War II. At that time, Hitler seemed terrifying. He occupied most of the countries in Europe and invaded the Soviet Union, first conquering Leningrad. Then fighting all the way to Stalingrad, and finally pressing on toward Moscow. Stalin said at that time that the motherland was enveloped by a crisis. But how did it turn out? Hitler was smashed in the Soviet war to defend the motherland and in the antifascist struggle of the people of the world. World War I led to the founding of the first socialist country under proletarian dictatorship -- the Soviet Union. Revolution soon took place in countries such as Germany and Hungary, but they finally failed. After World War II, many countries were victorious in their revolutions. In particular, China, a country with the largest population in the world, achieved victory in the new democratic revolution and the socialist revolution under the guidance of Marxism. These victories further suggested the correctness of Marxism and Marx's prediction. History develops on its own path regardless of whether or not people agree with Marxism. This proves that Marxist philosophical theory is correct and that Marxist economics and political science derived from this theory are correct.

Zhejiang University comrades have made great achievements in their work. You have boldly carried out explorations and resolutely gone in for reforms, and you are making constant progress and new achievements in various fields. For example, you have done well in ideological and political work. Why have you made such marked achievements in various fields? In my opinion, the most important reason is that your understanding is unified and correct, and you have held firm to the four basic principles. The four basic principles are included in the party and state Constitutions. Of the four principles, party leadership and socialism are the central issues without which the principles would have no backbone. The CPC is a proletarian political party armed with Marxism-Leninism-Mao Zedong Thought. One of the four basic principles is to persist in Marxism-Leninism-Mao Zedong Thought. We should never be capitalist-minded but should be socialist-minded. We are now carrying out material and spiritual civilizations, and these two civilizations must be guided by Marxism-Leninism-Mao Zedong Thought. There is only one "ism" in the two civilizations, that is, socialism. This is what the party adheres to.

One fundamental requirement of Marxist philosophy is to observe and handle problems in the light of their actual conditions. In understanding things, people must use their brains, through which actual conditions are reflected. The purpose of understanding actual conditions is to transform them. In short, we must proceed from actual conditions both in the study of social and natural sciences and in actual work. Actual conditions are very complicated, but most complicated are the realities of social life, as this sphere deals with relations between people. Although man is part of nature, not only is he different from natural things and animals, but he also has subjective activity. This subjective activity is intricate and volatile. However, no matter how complicated things are, we can acquire an understanding and comprehension of them, as there is always a law governing their movements. Understanding and transforming actual conditions is a manifestation of subjective activity. To bring into play the role of subjective activity, it is necessary to base it on objective realities. In other words, subjective thinking must correspond with objective realities. Man's brain sometimes goes astray. In such cases, he will tumble and be thrown into confusion. Therefore, we should proceed from actual conditions when observing and handing problems.

To proceed from actual conditions, first, it is necessary to be objective. We should not be subjective and should look at objective realities as they are. Second, it is necessary to take an all-round view and avoid being one-sided. We should take an all-round view of both the past and present with emphasis on the present.

In addition, we should take an all-round view of the development of things, that is, of their future. This is what we mean by taking an all-round view. The subjective will conform with the objective provided we observe problems objectively and in an all-round way. Furthermore, matters have their appearance and essence. In observing matters, we can only see their appearance, whereas their essence is concealed and invisible. Only through scientific analysis can it be revealed. The appearance reflects the essence and is different from the essence. The appearance may reflect truth or falsehood. It distorts facts when it reflects falsehood. When observing problems, we touch of their appearance but must not stop at their appearance; we must be able to see through their appearance to their essence. This requires us to obtain the necessary material and analyze it. When analyzing it, we discard the dross and select the essential without making comparisons or eliminating the false and retaining the true. It is impossible to have a good knowledge of the relations between matters or to understand the essence of matters.

Marxist philosophy seems simple, but in fact it is not. Marxist philosophy is a branch of science. Since the beginning of recorded history, mankind has spent several thousand years gaining understanding in this branch of science. It was Marx and Engels who established this philosophy in line with the development of production and science and technology. In ancient times, long before Marx and Engels, there were already dialectical and materialist theories, but owing to limitations of historical conditions, it was impossible for them to reach such a high level as Marxist philosophy. Therefore we say that dialectical materialism and historical materialism are the ideological weapons of the proletraiat and of the era as well. Have some comrades not said that they want to engage in ideological modernization? They must have a good grasp of this weapon. So long as they have a good grasp of this weapon, they will find it easier to cope with the difficulties arising in socialist modernization and economic structural reform as well as in the work concerning construction and other reforms.

Now there is a view which regards the study of the fundamental theory of Marxism-Leninism as being conservative or opposing reforms. This view is basically a misunderstanding. If we had not used Marxism-Leninism to analyze our problems, how would it have been possible for us to suggest the carrying out of economic structural reform? In which direction would our reforms have developed if we had deviated from the guidance of Marxism-Leninism? At the National Conference of Party Delegates last year, Comrade Deng Xiaoping said that "reforms are the self-consummation of the socialist system." Reforms require the guidance of Marxism-Leninism, and problems in reforms should be studied and solved according to the basic principles and method of Marixism-Leninism. How can we set reforms against Marxism-Leninism? As to interpreting the study of Marxism-Leninism as being conservative, this is, basically, also a misunderstanding. In terms of its essence Marxism is critical and revolutionary. Marxist materialist dialectic maintains that all matters in the universe are in contradiction and never stop moving, the would end if they stopped moving. People in ancient Greece said that the same person cannot jump into the same river twice, as the river water never stops flowing. The affirmative explanations of materialist dialectics on things simultaneously contain negative factors. Therefore, according to materalist dialectics, not only will the capitalist system and the bourgoisie become extinct, but the proletarian state and the proletariat will also die out. Mankind will enter communist society through socialist society, and communist society will have to develop further. How can we say that Marxism is conservative and opposes reforms? Only communists with a good grasp of Marxism really understand that society needs to make constant changes and continuous progress and that the purpose of building the proletarian party and the proletarian state is to finally eliminate this party and this state so as to Marx held that man transformed his subjective world in the course of transforming the objective world and that only through transforming the objective world could he fundamentally transform his subjective world.

In this respect, the founders of Marxism set us a good example. Following the development of social practice, they corrected their mistakes and made additions to their work. Take the famous "Communist Manifesto" as an example. There are many prefaces to this great work, several of which point out that some parts should be revised. For example, the German edition of the preface published in 1872 said that on the whole, the general basic principles explained by the manifesto were correct but that some detailed measures contained in the basic principles could vary over according to historical condition in a given period. This did not bear any special significance. If this passage were to be written now, the wording would be very different in many aspects. The most important point is the experience of the Paris Commune, that is, the working class should not simply take over the existing state machine and use it for its purpose. Therefore, it was inadequate for the manifesto just to mention the necessity for the seizure of political power by the proletariat; it should also point out that the proletariat must smash the old political power and establish proletarian political power. As Lenin said, this was a fundamental revision of the manifesto.

Lenin inherited and developed Marxist theory. Discovering that the role of the law of the disequilibrium of capitalist development had further strengthened in the period of imperialism, Lenin negated Marx's old conclusion that victories in the proletarian revolution could be simultaneously achieved merely in main capitalist countries, and replaced it by the new inference that victory could be achieved in one country, which guided the Russian proletariat in successfully staging the October revolution and founding the first socialist country.

Comrade Mao Zedong established the theory of the new democratic revolution and led the Chinese people in overthrowing the reactionary rule of the three great enemies and in founding the PRC. The theory of the new democratic revolution was not copied from Marx' or Lenin's works but was a major development of Marxism-Leninism in line with China's conditions and revolutionary practice.

From the above facts we know that Marxism-Leninism is revolutionary and not conservative, and is developing and not rigid. Of course, if we take a dogmatic attitude toward Marxism-Leninism, divorce it from practice, do not study and solve problems according to actual conditions, and merely memorize conclusions and formulas, our minds will really become rigid and lag behind the development of the situation. Founders of Marxism opposed such an attitude toward their theories. In fact, mouthpieces of the bourgeoisie and their theories are conservative and rigid. The seemingly fresh and fashionable bourgeois ideological trend is protecting the current capitalist order. Even outstanding figures among early bourgeois thinkers, such as political economists Adam Smith and David Ricardo, maintained that the capitalist system was eternal and unchangeable.

Marxism-Leninism should and will inevitably undergo constant development. Marxism-Leninism is revolutionary thought. It will continously develop with the expansion of production the progress of science and technology, and the development of revolutionary movements and socialist construction.

HISTORY OF 'SERVE THE PEOPLE' POLICY EVALUATED

HK030838 Beijing CHINA DAILY in English 3 Apr 86 p 4

["It Seems to Me" column by Zhang Bian: "Better Ways to 'Serve the People'"]

[Text] When he met with New Zealand Prime Minister David Lange in Beijing last week, China's senior statesman Deng Xiaoping made some very interesting remarks on our country's economic and social development programme for the next five years.

The Seventh Five-Year Plan (1986 - 90) right now is undergoing examination at the National People's Congress (NPC) session. While Deng said the new Five-year Plan would be very crucial for the implementation of China's current major policies, he pointed out rightly that our all-round economic structural reforms will mean much more than purely economic endeavour and would involved many other fields -- politics, education, science and so forth. There has been ample discussion dealing with how the reforms will affect our educational system and management of scientific and technological research. But it seems at least for the time being, that some of us have yet to think about the reforms' political implications.

Perhaps this is why Premier Zhao Ziyang, in his report to the NPC on the New Five-year plan, called on the nation to better understand, among other things, the change of government departments' administrative functions. The Premier has outlined clearly how the reforms will touch our nation's political institutions. He said that since the State would be changing its management of the enterprises from mainly direct to indirect control, the government departments concerned would have to change their functions accordingly. He emphasized that government economic departments should no longer devote all their energy to assigning quotas, approving construction projects and allotting funds and materials. Instead, they should be concerned with overall planning, implementing policies, organization and co-ordination, providing services, economic regulations, inspection and supervision.

I think that all in all, this means but one thing: That is, in the familiar expression, better ways to "serve the people." The Communist Party has always urged all its members to serve the people and it has mostly followed that line; apart from a few recent, disastrous occasions.

The "cultural revolution" was a case in point. When "serve the people" was painted as a popular slogan in every corner of the country, the people were actually divided into countless factions each accusing the other of being the "class enemy," totally ignoring many of their common interests, such as maintaining peaceful economic development. Much worse were the cases where "serve the people" was reduced to an excuse for not serving anybody. Many who protested against shop assistants' nasty manners were upset by the short, highly politically sensitive retort: "Who knows if you really represent the people!" Having gone through such an ordeal of consciousness, we have come to realize that "serve the people" should not merely remain a moralistic cliche. It should be institutionally effected.

This is not easy, however, even though we have reached the consensus that what we need to do is to develop our economy. More work has to be done to make our government's economic departments efficiently serve our interest in modernizing the country. Some of our economic offices were set up to deal with problems and shortages rather than development. Many tasks, such as allocation of finance, manpower, material supplies and marketing, were only taken on when our economy was confronted by severe problems.

Now that the problems that have long agonized China, such as how to feed and clothe the people, have been fundamentally solved, and more and more consumer and producer goods have entered the newly-broadened market, the managers of our economy no longer need to worry about the basics. Keeping the old ways of managing the economy generates bureaucratism. People don't want unnecessary administrative interference. The best way to serve their interests is to guarantee their workplaces adequate decisionmaking powers and to serve them efficiently. The important point about "serve the people" is not who the people are or its moral connotation (since all of us don't object to it morally), but the "service" itself and how best to render it. Our economic offices' service to our enterprises will have to be largely associated with the understanding of our nation's longterm goals.

Naturally, the most important work is to steer them in the right direction, to form enterprise groups, to buy new technology, or to drop an old item of production, or a combination of all these. Then the power of our economic offices will turn from the power to control into an intellectual power focused on how to best realize our long-term goals.

This is why the premier said that, during the next few years, economic departments in charge of overall management, inspection and supervision should be better staffed while offices of specialized management should be merged or streamlined as appropriate. This is why there have been so many articles discussing economic affairs in the press, and why so many intellectuals have been invited to participate in the decisionmaking process at all levels. This is, too, the reason for the emergence of so many policy research bodies and social science research institutions within the last few years.

Contrasting all these with the memories of my teenage days during the "cultural revolution," when trains were painted with the slogan "serve the people" but were always delayed, when theatres said "serve the people" but staged the same show year in and year out, when schools were supposed to "serve the people" but were closed, and when offices had signs reading "serve the people" but were closed, and when offices had signs reading "serve the people" but were notoriously inefficient, I must say: Our present reforms have really been a service to the people.

BO YIBO DISCUSSES REFORM ISSUES IN HUBEI

HK040243 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 3 Apr 86

[Text] From 25 March to 1 April, Central Advisory Commission Vice Chairman Bo Yibo, together with responsible comrades of the Hubei Provincial and Wuhan City CPC Committees and Governments, held forums and listened to reports on urban economic structural reform, party rectification, straightening out party style, economic work, putting the legal system on a sound basis, and studying theory. During this period, Comrade Bo Yibo also inspected the Wuhan iron and steel corporation and met the director and some of the actors of the television drama "Zhuge Liang."

On the morning of 1 April, Comrade Bo Yibo made a speech at a gathering of responsible party-member cadres of Hubei Province. He said: The situation in Hubei is extremely good. He then gave his views on reform, building the two civilizations simultaneously, strengthening the building of the legal system, and studying theory. He said: The present situation in our country is very good. We have already found a way of building socialism with Chinese characteristics. We have a situation of stability and unity throughout the country. The leadership groups at all levels have acted in accordance with the spirit of the National Conference of Party Delegates last year and put into effect cooperation of new and old and replacement of old by new by forming an echelon structure. This has laid a very good foundation for doing away with the life-tenure system for leading cadres which indeed exists. This is the core of stability and unity.

The situation in Hubei Province is very good. This is shown by the fact that the leadership groups of the provincial CPC Committee and of the Wuhan City CPC Committee are united as one. China's economy has registered great development, people's living standards have improved somewhat, tremendous successes have been scored in rural reform, and initial results have also been obtained in reform of the urban economic structure. All this shows that the line, principles, and policies since the 3d Plenary Session of the 11th CPC Central Committee are correct.

Internationally, our influence is also extremely great. The present is one of the best periods in party history. Our party's new economic policies, including reform of the economic structure, are sincerely supported by the cadres of the whole party and the people of the whole country. He said: We will certainly persevere in the great guideline of opening up to the world, invigorating the domestic economy, and reforming the economic structure. We will certainly be able to persevere in this guideline. Reform is a great revolution for emancipating the social productive forces. It is without parallel in history. There are no ready-made experiences to which we can refer. We must rely entirely on our own efforts in integrating the universal truth of Marxism-Leninism with the concrete practice of China's socialist construction, and in continually probing, summing up experiences, and forging ahead in a truth-seeking way. This is socialist self-improvement.

Since reform is a great revolution, we have to take some risks. We cannot flinch when we encounter risks. We should hold our ground despite pressure of opposition. So far as specific measures are concerned, if problems occur, we must resolutely and promptly correct things. To do a good job in reform, we must provide careful guidance, act with caution, stop for a look at every step we take, and sum up experiences in good time. The State Council has decided that the reform guideline for this year is consolidation, digestion, replenishment, and improvement. This matches the current actual situation in China, and is extremely correct. It is essential to profoundly appreciate this guideline and seriously implement it.

We are now in the process of switching from the old to the new setup. Contradictions and friction are inevitable. The old setup has not yet been completely discarded. Parts of the new one have been established, but it is not yet complete. This may cause a certain amount of confusion, with some loss of control as a consequence. The only fundamental way to solve this problem is to persevere in reform, constantly find ways of solving problems in practice, continually probe and forge ahead, and gradually establish a completely new method of managing the economy to replace the old method. In this process, we must also pay attention to absorbing and adopting certain successful experiences gained since the founding of the state which have been proven correct.

Comrade Bo Yibo said: We must persistently grasp the building of material and spiritual civilization at the same time. On the one hand we must carry out reform and improve the economy, and on the other we must do a good job in rectifying our party. We should bring about a turn for the better in social mood by straightening out party style. In particular, we must resolutely crack down on economic criminals and oppose bourgeois liberalization. We must grasp material and spiritual civilization at the same time. At present we must focus on consolidating the fruits of party rectification. We are the ruling party. Doing a good job in building the ruling party is a long-term task. At present, we must do a good job in party rectification, first straightening out party style. At the same time we must complete the four tasks stipulated in the decision on party rectification. Ideology, work style, discipline, and organization must all be rectified properly. I hope that those places that have carried out party rectification in the province and the prefectures and counties will undertake a review. Only by rectifying the party well can we ensure the smooth progress of reform and socialist modernization and lay a good foundation for future party building.

Comrade Bo Yibo also focused on the question of building the legal system. He said: A current rather outstanding problem is there is a serious degree of replacing the law by the individual and by power in certain places. Many problems in party style and social mood are related to slackness in party discipline and in law in many places. And certain problems that have appeared in economic work are related to the fact that economic legislation is not on a sufficiently sound basis.

To bring about a fundamental turn for the better in party style and social mood and make a success of reform, we must on the one hand strengthen and perfect the socialist legal system, including economic legislation. We must strictly enforce party and government discipline and the legal system in all aspects of social and economic life, and follow the path of the legal system. At the same time, we must guide the party-member cadre, and first the party's leading cadres, to acquire knowledge of law, to understand the Constitution, laws promulgated by the state, and regulations announced by the State Council, to learn how to act according to law, and to set an example in respecting discipline and observing the law. In this way we will have an important guarantee for a turn for the better in party style and social mood and for the success of reform and construction.

Comrade Bo Yibo called on the cadres to step up theoretical studies. He said: Leading cadres must read several important works of Marx, Engels, Lenin, Stalin, and Mao Zedong. At the same time, he must study the CPC Central Committee's important documents and the important speeches of central Standing Committee [zhongyang changwei] comrades since the 3d Plenary Session of the 11th CPC Central Committee. All these must be studied in an integrated way.

I agree with the method of the Hubei Provincial CPC Committee. All levels have set up central study groups which carry out study in a planned way.

Comrade Bo Yibo spoke in conclusion on the question of the criteria for cultivating, selecting, and promoting cadres. He said: In selecting and promoting cadres, we must uphold the principle of having both ability and political integrity. One without the other will not do. In particular, ability without political integrity must be totally avoided. By political ability, we mean the strong ideal of striving all one's life for the communist cause, staunch party spirit, and loyal and honest service for the people. By ability, we mean work ability, good educational standard, and knowledge. Both ability and political integrity have to be learned.

After comrade Bo Yibo had spoken, Hubei Provincial CPC Committee Secretary Guan Guangfu spoke on behalf of the committee. He demanded that the comrades at the gathering seriously study and implement the spirit of Comrade Bo Yibo's important speech, spur the development of urban and rural reforms in Hubei, step up the building of the two civilizations, unceasingly work to straighten out party style, and consolidate and develop the province's excellent political and economic situation.

RENMIN RIBAO ON HORIZONTAL ECONOMIC TIES

HK031110 Beijing RENMIN RIBAO in Chinese 31 Mar 86 p 1

[Editorial: "Grasp Horizontal Economic Ties To Promote the Reform of the Economic Structure"]

[Text] In the economic life of our country, horizontal economic ties between enterprises, between localities, and between trades are rapidly developing. They are regulating and improving mutual economic relations in light of economic laws so as to more reasonably distribute such production factors as funds, raw material, equipment, technologies, and labor force and further develop social productive forces. The development such horizontal economic ties between localities, between different economic departments, and between economic units under different forms of ownership has forcefully attacked the old management system which is characterized by "barrier between localities and between economic departments," and has effectively promoted the reform of those relations of production and superstructure which are no longer suited to the development of the productive forces. This is of far-reaching significance in further advancing economic structural reforms and speeding up the development of the national economy.

In order to further promote the healthy development of horizontal economic combinations, the State Council has recently laid down a number of concrete stipulations on some issues concerned.

The development of horizontal economic ties will greatly promote economic development. In the process of modern mass production, horizontal economic relations must be built between various enterprises and between various localities so that they can concentrate their respective advantages to form a new and stronger capacity for commodity production. This is completely different from our previous "small and comprehensive" or "big and comprehensive" mode of economic development. An enterprise or a locality must have its own strong points as well as weak points. If they are completely separated from one another in their operation, or if they have no direct economic relations, their strong points may always be set off by their weak points. For example, many old enterprises in our coastal areas have technological and business advantages, but they are short of raw materials and power supply, and their plant space is too small. All this leaves them little room for development. On the other hand, enterprises in the interior have sufficient raw materials and plant space, but they remain backward as they lack advanced technology and proper management. These problems can be solved through the establishment of horizontal economic ties, and the deadlock can be broken: Advanced enterprises can gain the opportunities for further development; backward enterprises can acquire conditions for upgrading; and enterprises which are on the brink of bankruptcy can be revived. Economic combination can not only raise enterprises' microeconomic results, but can also bring about useful results in a wider scope so as to improve the macroeconomic conditions of the whole country. In short, combination can raise economic efficiency and productivity. and it is favorable to all parties concerned and to society as a whole.

At present, the ongoing urban economic structural reforms require us to break through the outmoded traditional system of "separating economic ties between various economic departments and between various localities" so as to form a united socialist market system as soon as possible and to build a socialist planned commodity economy with Chinese characteristics. The development of horizontal economic ties is in line with the historical requirement in one course of superseding the old with the new.

A characteristic of the old system is that horizontal economic ties between enterprises are ruptured by administrative means. Under the old system, enterprises were merely subject to the vertical administrative relations which could not ensure their economic results. At present, according to the objective needs in the development of the commodity economy, some enterprises hope to break through the limits of the vertical administrative relations and conduct commodity production and do business on a wider scale. However, their efforts are still often blocked by the old system. In this sense, the process of replacing the old system with a new system is in essence a process of extensively developing horizontal economic ties and breaking barriers between departments and between localities. Horizontal economic combination will strongly attack the old system and will thoroughly expose the defects of our existing system which hinders the development of the socialist commodity economy, thus advancing economic structural reforms through exposing and solving contradictions.

A precondition for developing horizontal economic ties is the further invigoration of enterprises, especially large and medium-sized ones. At present, many enterprises are still subject to unreasonable administrative control in the distribution of equipment, raw materials, energy, and transport facilities and in the fields of product distribution, financial affairs, and taxation. Enterprises have not been really functioning as independent economic entities which produce and deal in commodities, so they still cannot develop horizontal economic ties on the basis of equality, mutual benefit, voluntary participation, and common development, and they still encounter many difficulties in the course of advance.

In order to develop horizontal economic ties, we should first ensure that business operation power is indeed delegated to enterprises. Government departments in charge at all levels should continue the work of streamlining administration and economic management devolution, support and promote the horizontal economic combinations between enterprises, and actively reform the corresponding parts of the financial, taxation, and planning systems so as to create favorable external conditions for horizontal economic combination.

Horizontal economic ties should be developed in light of the principle of "giving play to one's strong points and avoiding one's shortcomings" and should always ensure good socioeconomic results. Better guidance should be given to such economic combination so as to bring it into line with the needs in the development of the national economy. Concretely speaking, it is necessary to guard against unreasonable expansion of capital investment and overlapping construction; to encourage the development of energy, transport, communications, and raw materials industries and the development of export goods and goods in short supply; to promote the combination between processing industrial enterprises and raw materials production enterprises, between military industrial enterprises and civilian industrial enterprises, between production enterprises and research institutes and colleges, between enterprises in coastal areas and interior areas, and between industrial, commercial, and foreign trade enterprises. We should not take arbitrary administrative measures to force any economic combination or rig up any "combination bodies." Only thus can we ensure the healthy development of horizontal economic combination.

SHAANXI, SICHUAN, HENAN, HUBEI COORDINATE TRADE

HK310247 Xian Shaanxi Provincial Service in Mandarin 0200 GMT 31 Mar 86

[Text] According to SHAANXI RIBAO, seven prefectures and cities including Ankang Prefecture in Henan, and Shiyan and Xiangfan cities in Hubei have broken down regional boundaries and recently set up a joint trade coordination commission for these provincial border areas. These areas will promote a variety of joint operations and agency activities by means of the commission. At the same time the prefectures and cities will take turns to hold an annual trade fair. The first such fair will be held in Xiangfan City in April.

MEASURES AGAINST ILLEGAL PUBLISHING ANNOUNCED

HK021506 Beijing XHONGGUO XINWEN SHE in Chinese 0612 GMT 31 Mar 86

[Report: "China Takes Measures To Ban Illegal Publishing Activities"]

[Text] Beijing, 31 Mar (XHONGGUO XINWEN SHE) -- Recently, the State Publication Administration Bureau, the State Administration for Industry and Commerce, and the Ministry of Public Security jointly issued an urgent circular demanding that various local governments concentrate their time and effort on taking effective measures to resolutely ban illegal publications and forbid the printing and circulation of illegal tabloids, magazines, and books. The department concerned revealed that the mainland now has unearthed illegal publishing activities conducted by 45 false publishing houses, 34 counterfeit publishing houses, and 64 units usurping the names of nonpublishing units or simply without names. They have already impressed and circulated over 170 types of magazines and books which publicize fighting, sex, murder, and feudal superstitions.

The circular says that the publications and illegal income of these illegal units and individuals must all be confiscated, that a fine must be imposed on them, and that leaders of the units and the persons concerned must be held responsible for what they have done.

With regard to units engaged in deceptive activities such as printing, publishing, and circulating reactionary, preposterous, and obscene books and magazines by assuming the names of publishing houses, public security departments will punish them according to the laws on public security or affix the responsibility for the offenses they have committed.

The circular provides that book and magazine dealers, be they units or individuals, are not allowed to buy or sell illegal publications and that printing (binding) factories are forbidden to undertake the printing (binding) of illegal publications.

YU QIULI ON COMPILING MILITARY ENCYCLOPEDIA

OW040351 Beijing XINHUA Domestic Service in Chinese 1721 GMT 3 Apr 86

[Text] Beijing, 3 Apr (XINHUA) -- Yu Qiuli, director of the PLA General Political Department, spoke this afternoon at the fourth editorial work conference on compiling the military section of the "The Great China Encyclopedia." He pointed out: In order to meet requirement of our Army's modernization drive, we should recruit a large numbers of comrades who have received a relatively high degree of military training and have had field experience to compile various types of quality military encyclopedia.

Yu Qiuli said: Compilation of a military encyclopedia is an important task and a major event in building modern science and culture. An encyclopedia can be said to be a treasure trove of knowledge and crystalized experience. It reflects a nation's scientific and cultural levels and promotes development and exchange of science and culture. Compiling a military encyclopedia will play an important role in raising the Army's military theory, upgrading military scientific and technological levels, and strengthening national defense. In engaging in the modernization drive in the Army and in national defense, we should, on the one hand, greatly strengthen research work on militray science; starting out from our country's practical situation, we should constantly make fresh explorations in military field and strive the gradually reach world's advanced level. On the other hand, we should vigorously do a good job in popularization of military science and adopt the most effective way to impart military knowledge to the broad masses of cadres and fightes in our Army so that comrades at various posts will quickly acquire military knowledge for their jobs. Compiling and publishing of the encyclopedia is just one of the important methods to help broad masses of fighters study scienfitic knowledge and raise their military and political quality. He urged comrades responsible for the compiling work to continuously carry forward the hard-studying and exploring spirit and do a good job in compiling China's first military encyclopedia so as to make fresh constributions to revolutionize, modernize, and regularize our Army.

CHEN GUANGYI, HU PING ATTEND FUZHOU MEETING

OW031314 Fuzhou FUJIAN RIBAO in Chinese 26 Mar 86 p 1

[Excerpts] At a meeting held in Fuzhou on 24 March, leading members of the Fujian Provincial Party Committee and the Provincial Government heard reports given by leading members of the Fuzhou Municipal Party Committee and the municipal government. They discussed Fuzhou's plan for 1986 and set forth some guidelines for Fuzhou's future work.

After hearing the reports given by Yuan Qitong, member of the Standing Committee of the Fujian Provincial CPC Committee and secretary of the Fuzhou Municipal CPC Committee, and other leading comrades, the leading members of the provincial party committee and the Provincial Government unanimously endorsed Fuzhou's accomplishments during the past several years and its future plans. Speaking at the meeting, Chen Guangyi, secretary of the Fujian Provincial CPC Committee, said: Fuzhou's situation and work are both satisfactory. Thanks to its achievements in reform and opening to the outside world over the past several years, Fuzhou has found a relatively quick way to achieve better economic results. The people in Fuzhou are quite satisfied with these successes achieved.

He said: Fuzhou, the provincial capital, is Fujian's political, economic, and cultural center and "showcase," whose advantages include easy accessibility by land, sea, air, and river; its mountain and sea resources; its being a hometown of many Overseas Chinese; its economic zones; and its subtropical weather. Henceforth, Fuzhou should continue to open to the outside world and should pay attention to reform, development and transformation. At the same time, Fuzhou must continue to set an example for other parts of the province in material and spiritual construction. In particular, Fuzhou should play a leading role in the following areas: its work in various fields should be ahead of other parts of the province; its output of major industrial and agricultural products should be higher than other parts of the province; and its urban construction and administration should keep up with an open city's needs. This includes planting more trees to beautify the city and maintaining urban cleanliness. Fuzhou must also serve as a "showcase" of Fujian's spiritual construction. Furthermore, Fuzhou should play a leading role in promoting Fujian's economic development, especially the economic development of its eight affiliated counties, where there are rich mountain and sea resources and favorable economic conditions. Fuzhou and these counties should pay attention to developing lateral economic -- not administrative -- ties. Fuzhou should develop its processing industry to bring along production of raw and semifinished materials, and its large and medium-wize enterprises should provide guidance for small rural enterprises and neighborhood or family-operated industry.

During the meeting, Governor Hu Ping urged Fuzhou to properly handle the relationship in five areas: the relationship between the open-door policy and reform and planned economy; between long-range plans and immediate projects; between overall planning and ensuring the needs of major projects; between cities and counties; and between striving for progress and operating according to ability. The governor also emphasized the following requirements: 1) Cities and rural areas alike must give top priority to production; 2) old enterprises' outmoded equipment should be replaced so that their operation will become more profitable; 3) Fuzhou should develop new technology, new products, new resources, and new markets; 4) it should speed up utilizing Overseas Chinese and foreign capital; 5) it should give its enterprises greater decision-making authority to carry out lateral economic ties, but should provide them guidance so that the project can proceed according to plan.

Lateral economic ties should be promoted in such a way that all partners can be called upon to contribute their resources to achieving common growth. Besides, there should be "limits" for raising capital, and administrative measures should not be used; 6) attention should be given to the development of teritiary industry; and 7) urban administration should be modernized.

Also present at the meeting were Jia Qinglin, deputy secretary of the provincial party committee; Zhang Yumin, secretary general of the provincial party committee; Cai Ninglin, member of the Standing Committee of the provincial party committee; You Deqing and Wang Yishi, provincial vice governors; and Wen Fushan and Zhang Gexin, vice chairmen of the Advisory Commission of the provincial party committee. They also presented their opinions at the meeting.

JIANGXI LEADERS VISIT PHOTOGRAPHIC EXHIBITION

OW021036 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 1 Apr 86

[Text] According to our correspondent Chen Shanxi, the Blue-Shield-Is-Shining photographic exhibition, cosponsored by the provincial Public Security Department and the Jiangxi chapter of the Chinese Photographers Association, opened today in the exhibition hall of the provincial Federation of Literary and Art Circles.

Leading party, government, and Army comrades of this province, including Wang Zhaorong, Wang Baotian, Peng Shengxi, and (Chen Guisun), visited the exhibition.

The exhibition is the first of its kind in our province showing the work and life of cadres and members of the public security, armed, and protective [Bao Wei] police forces. The exhibition includes 130 photographs, both in color and black and white. After these photographs are judged, the prize-winning works will be sent to the national Glory-of-Guards photographic exhibition.

SHANDONG CIRCULAR ON FERTILIZER INDUCEMENT SALE

SK031303 Jinan Shandong Provincial Service in Mandarin 2300 GMT 1 Apr 86

[Text] The provincial People's Government recently issued a circular to readjust the existing policy on the inducement sale of fertilizer in the purchase system of farm and sideline products.

The circular states: Phosphate fertilizer and ammonium hydrocarbonate turned out by the local plants can be sold without restriction and will no longer be counted in the fertilizer quota sold for inducement. Those engaging in production of grains, cotton, peanuts, and flue-cured tobacco, whose production is covered by the 1986 plan for contract purchase system, will enjoy the privilege of buying fine-quality fertilizer. Products that are not covered by the contract purchase system, such as bluish dogbane, best, sesame, and hogs, will not be eligible for the inducement sale of fertilizer.

The circular states: The concrete criteria for the privilege enjoyed by those engaging in production of grains, cotton, peanuts, and tobacco are as follows:

Those engaging in grain production may enjoy the privilege of buying 30 kilograms of fixed-price and fine-quality fertilizer for every 100 yuan earned from selling their grains.

Those engaging in cotton production may enjoy the privilege of buying 20 kilograms of fixed-price and fine-quality fertilizer for every 1-dan sale of ginned cotton.

Those engaging in peanut production may enjoy the privilege of buying 15 kilograms of fixed-price and fine-quality fertilizer for every 1-dan sale of shelled peanuts.

Those engaging in tobacco production may enjoy the privilege of buying 35 kilograms of fertilizer of every 1-dan sale of high-class flue-cured tobacco, 10 kilograms of fertilizer for every 1-dan sale of middle-class flue-cured tobacco, and nothing for the low-class flue-cured tobacco. The regulations and rules on supplying fertilizer to the bases of fine-quality tobacco remain unchanged.

The circular also stipulates that the accounting work of fertilizer inducement sales should be carried out at every level and that the inducement sale system should be implemented at every level in order to ensure that those who have sold their products will be able to obtain fertilizer in a timely manner.

SHANGHAI STEPS UP PLANS TO BUILD 'SILICON VALLEY'

HK031326 Beijing ZHONGGUO XINWEN SHE in Chinese 0856 GMT 31 Mar 86

[Text] Shanghai, 31 Mar (ZHONGGUO XINWEN SHE) -- Shanghai is stepping up the preparations for constructing its silicon valley. Representatives of more than 10 foreign companies and business groups from America, Europe, and Asia have visited Shanghai to sound out the possibility of cooperation.

The silicon valley is located in the Coahejing area southwest of Shanghai. According to the plan, it will occupy 170 hectares of land. An industrial estate will be built there to develop high technologies, including computers, large-scale integrated computers, and optical fiber communications facilities.

Experts hold that the Caohejing district is a good place for developing high-tech industries, because "the air and water are clean and noise pollution is not serious." The surroundings of silicon valley are "smokeless areas" where there are many research institutes, new electronics plants, and parks with dense vegetation. In general, the environment is favorable. Another favorable aspect which interests foreign investors is the convenient transportation conditions. The silicon valley is just 7 kilometers away from Hongqiao international airport, and many public transport services link it with downtown. A newly built 220,000-volt transformer substation, three large gas tanks, and a new telecommunications station will soon be put into operation.

The blueprint for the Shanghai silicon valley also shows that apart from factories, new office buildings, information centers, warehouses, transport facilities, banks, insurance companies and commodity inspection bureaus, customs organs will also be built or set up there. There will also be some residential buildings, shops, restaurants, and other entertainment facilities. Eight hundred mu of land in silicon valley will be used to plant trees.

At present, the authorities in Shanghai are requisitioning land and inviting tenders for the construction projects.

SHENZHEN STARTS NEW ENTRY CONTROL PROCEDURES

HK030955 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 2 Apr 86

[Excerpts] Shenzhen Special Economic Zone formally opened the new administrative line at 0800 on 1 April.

Yesterday, this station's reporters went to three major checkpoints at Nantou, Shawan, and Buji to cover the inspection situation.

The Shenzhen Administrative Line has a total length of 86 km. There are six checkpoints on highways and two on waterways, as well as 29 passages.

The checkpoint at Nantou is the major one linking Shenzhen and Guangzhou, as well as other places in China. It is therefore fully equipped. According to (Hong Changming), head of the special economic zone office for customs inspection, with the inauguration of the administrative line, the standards of management have been greatly improved. Things have been made more convenient for travellers and vehicles. He said: At present, the time needed to inspect a 40-seat vehicle has been reduced from over 5 minutes to about 3 minutes.

Later, the reporters interviewed (Liu Wenjie), deputy chief of Jiulong customs service, on the issue of articles travellers are allowed to carry. He said: as previously stated, when traveling in and out of the special economic zone, travelers are allowed to bring with them some items of clothing, a small amount of food, and one or two home electric appliances, including color television sets and refrigerators, provided that the goods are for their own use.

CHEN HUIGUANG ON GUANGXI'S ECONOMIC DEVELOPMENT

HK031544 Nanning Guangxi Regional Service in Mandarin 1100 GMT 31 Mar 86

[Excerpts] Dear listeners! Judging from the level of the economic development, our region now ranks third from the bottom in the whole country. However, our region abounds in resources endowed by nature and has natural advantages. How can we give play to these advantages and promote our region's economy? Not long ago, a station reporter visited and interviewed Comrade Chen Huiguang, secretary of the regional CPC Committee.

In the course of conversation, Comrade Chen Huiguang wittily said to the reporter at the very beginning: A short person cannot grow tall all at once, can he? I think that there is no shortcut to developing our region's economy. The key to promoting our region's economy lies in giving full play to our region's advantages, in fostering the strong points, and in circumventing the weak points. We must do work well and in a down-to-earth manner. We must be confident but not impetuous.

He said: First, we must lead the cadres and the masses to correctly analyze our region's situation. Our region has excellent conditions for natural resources and natural conditions. It not only abounds in mineral resources but also has a subtropical climate. It can vigorously develop sugar crops, many kinds of subtropical fruits, many kinds of rare Chinese medicinal herbs, and aromatic crops. Many of these industrial crops are not grown in other places. In addition, our region has a vast mountainous area and grassland. The total area of the whole region is nearly 400 million mu, some 300 million mu of which is mountainous regions. All this is very beneficial to the development of forests, forage grass, and the breeding trade. We must fully understand these regional advantages.

Second, in accordance with demands presented by Comrade Hu Yaobang while in Guangxi this time, and in the course of developing our region's economy, we must persist in grasping various reforms, continue to implement the policy of invigorating the domestic economy and opening to the outside world, emancipate our minds a little more, and take flexible and varied measures to stimulate economic development. We must now concentrate our energy to do well in grasping several aspects of work:

1. It is necessary to get a good grasp of industry -- a backbone task. In accordance with our region's resources, we must set up a large number of light and textile, building material, and food industrial enterprises and township enterprises which require little investment and a short construction period and which produce quick results. In addition, we must seek the Central Authorities' support in building many large industrial projects and hydroelectric power stations, such as the Pingguo aluminum mine, (Dachang) Mining Bureau, and (Yuantan Tianshengqiao) Hydroelectric Power Station. In industrial production, we must grasp the central link -- invigorating enterprises and promoting circulation, constantly perfect all forms of the economic responsibility system, constantly perfect all forms of the economic responsibility system, strengthen enterprise management, and step up enterprises' technological transformation and renewal of equipment.

2. It is essential to have a good grasp of agriculture -- a foundation. While further perfecting all forms of the production responsibility system, in the light of our region's characteristic of having many uncultivated mountainous areas, we must continue to grasp well the readjustment of the rural production structure. We must not relax grain production. We must cultivate grain everywhere grain can be cultivated. Through scientific farming, we must increase the per-mu yield and gross output. We must mobilize the masses to exploit and utilize the untilled mountain areas, vigorously cultivate all kinds of subtropical industrial crops and fruits, and plant economic forests and commercial forests. We must especially and vigorously cultivate anise, cassia, pseudo-ginseng, tung trees, pomelos, litchi, longan, pineapples, oranges, bananas, and so on. The region is prepared to formulate some policies and measures which are beneficial to the development of fruits, in order to encourage the masses to develop fruit production. Beginning this year, the whole region will plan to increase subtropical fruit production by 10 percent each year.

3. It is imperative to vigorously develop foreign trade and to strive to earn more foreign exchange. This year, we must make full use of our region's advantages of facing Southeast Asia with our backs to the great southwest of China and give play to the role of the coastal ports along the coasts, including Beihai and Fangcheng, and the inland ports, including Guixiang County and Wuzhou ports in foreign trade. We must also vigorously develop our region's unique export products to earn foreign exchange. Our region has been called the third Overseas Chinese hometown. Through the implementation of the policies of Overseas Chinese affairs, we must extensively make friends with them, keep wide contacts with them, and utilize the advantages -- their staying abroad -- to introduce foreign capital and to establish contacts for us. At the same time, we must vigorously develop tourism work and strive to earn more foreign exchange this year. In addition, we must strengthen contacts with Jiangsu, Yunnan, Guizhou, Sichuan, and Guangdong Provinces and do a good job in economic cooperation.

In conclusion, Comrade Chen Huiguang stressed: Changing the leadership style is the job of promoting our region's economy which cannot be neglected. Leading cadres at all levels must scale heights and go deep into the grass roots as proposed by Comrade Hu Yaobang. Every leading cadre must study Marxism-Leninism and modern scientific management knowledge well.

After going down, leaders at all levels must do ideological and political work well from door to door, encourage the masses to get rich through hard work, and seriously do well in helping the poor. We must strive to basically solve the masses' problems of clothing and food in the poor places within a few years.

When the interview was about to come to an end, Comrade Chen Huiguang said with deep feeling to the reporter: Of course, when we work, we must always keep a clear head. When we talk about advantages, we must not be unrealistically optimistic. We must sufficiently understand our region's history. Our region's economic foundation is relatively poor. The amount of investment in construction during the Seventh 5-Year Plan period is limited. Some projects can only be put into operation after several years' construction. It is therefore, impractical to change our region's backward outlook in a very short time. In a word, we must be confident but not impetuous. However, I believe that so long as the cadres and the masses of all nationalities throughout the region will work with one heart and one mind, are united, and work hard and in a down-to-earth manner for 8 or 10 years, Guangxi's backward outlook will change and the strategic target of promoting Guangxi's economy as a whole will surely be realized.

When the reporter got up and took leave of Comrade Chen Huiguang, the latter said with a hearty laugh: I have full confidence in this.

HAINAN COUNTY IMPROVES FAMILY PLANNING RESULTS

HK030641 Haikou Hainan Island Service in Mandarin 0400 GMT 1 Apr 86

[Text] Lingao County has worked hard in perfecting family planning service organizations. In addition to establishing the county propaganda and technical service center for family planning, it has set up similar centers in its 17 districts and towns, thereby achieving good results in the family planning work.

Previously, Lingao County had a rather high birth rate and natural population growth rate, and a high rate of births in families already having children. In order to do well in the work, the county established, in April 1984, the county propaganda and technical service center for family planning. Then, it also set up similar centers in various districts and towns.

In addition to publicizing the principles and policies concerning family planning through broadcasts, the staff of these centers go to various towns and villages to propagate these principles and policies among couples of childbearing age. They carry out painstaking ideological and political work, educating the couples in observing the principles and policies. The staff also visit couples who have just had sterialization operations. They promptly offer free medical services when they discover that a couple is affected by sequelae of the operation.

Following the establishment of family planning organizations, Lingao County has greatly promoted the family planning work. Thus, the county's rates of birth, of natural population growth, and of births in families already having children have been sharply reduced. Last year, the number of newborn babies in the county was reduced by 1,505 compared with the previous year. This was 1,434 people less than the birth control quota assigned by the region.

From 26 to 28 March, the regional family planning committee held an on-the-spot meeting in the county to commend the county's work of perfecting the family planning organizations and promoting the work.

HENAN SETS UP PROVINCIAL EDUCATION COMMISSION

HK030807 Zhengzhou Henan Provincial Service in Mandarin 2300 GMT 31 Mar 86

[Text] The Henan Provincial Educational Commission has been set up and will formally begin work for the public on 1 April. The former provincial Education Department will be abolished at the same time.

This decision was announced by Vice Governor Hu Tingji at a plenary meeting of all working personnel of the Provincial Education Commission on 25 March. Comrade (Yu Youxuan) will hold the post of chairman of the Provincial Education Commission and be concurrently the secretary of its party group. (Xu Yuchun), (Zeng Jianrong), (Zhang Haiting), (Li Chunxiang), and (Kang Lizhen) will hold the posts of vice chairmen.

The establishment of the provincial Education Commission is an important policy decision which the provincial CPC Committee and rovincial Government have adopted to strengthen leadership over the educational work throughout the province.

Vice Governor Hu Tingji hoped that from its establishment, the provincial Education Commission would adhere to the guiding ideology -- doing a good job in macroeconomic control and macroflexibility and strengthening service work -- harmonize internal and external relations, make good arrangements for this year's work, and create a new situation in our region's education work.

(Yu Youxuan) spoke at the meeting.

HUNAN WORK CONFERENCE ON POLITICAL, LEGAL WORK

HK030801 Changsha Hunan Provincial Service in Mandarin 2300 GMT 31 Mar 86

[Excerpts] The provincial conference on political and legal work opened in Changsha on 31 March. The main aim of the conference is to convey and act in the spirit of the national conference on political and legal work and to discuss and work out plans for this year's work.

The conference was attended by over 110 people, including responsible comrades of various prefectural, autonomous prefectural, and city CPC committees, and of public security bureaus, procuratorates, courts, judicial departments, and provincial departments concerned.

In the afternoon of 31 March, Dong Zhiwen, Standing Committee member of the provincial CPC Committee and secretary of the provincial Political and Legal Committee, made a work report at the conference.

At the conference, Comrade Dong Zhiwen proposed this year's tasks and work goal.

He said: In 1986, our tasks and work goals are: On the basis of fundamentally changing for the better in social order, we should strive to further improve and maintain social order. In order to achieve this goal, we must continue to seriously hit at serious crimes, be determined in seriously hitting at serious economic crimes, and seriously handle the major cases. No matter what the obstacles and whoever is involved in the cases, we must thoroughly investigate each of them. We must treat the work of popularizing legal knowledge and perfecting the social order responsibility system as the focal point, while implementing various measures in an all-round way. In order to score achievements in the work of popularizing legal knowledge, we must focus on the work among leading cadres and youths, particularly those who have previously made mistakes.

Moreover, we must help departments do well in their work of providing guidance, so as to promote development in an even way. We must perfect various types of responsibility system concerning social order and security, so as to cause various measures to be really implemented down to the grass roots. Reform and education through labor are also part of the work. Therefore, we should seriously handle them well. When carrying out the comprehensive measures concerning social order, we must also strengthen the building of political power and organizations at the grass roots. We should strive to improve the fighting capacity of such organizations as party braches, public security and judicial departments, and so on at the grass roots.

Comrade(Dong Zhiwen) stressed: We must strengthen the building of the ranks of political and legal staff, and strive to improve the cadre-policemen's political and professional quality so as to improve their efficiency.

HUNAN ISSUES REGULATIONS ON RADIO COMMUNICATIONS

HK030859 Changsha Hunan Provincial Service in Mandarin 2300 GMT 1 Apr 86

[Text] According to HUNAN RIBAO, the provincial People's Government has approved the promulgation of interim procedures for radio communications so as to strengthen the supervision over and maintain the order of radio communications and to keep the communications channels clear. The procedures became effective on 1 April.

The procedures stipulate that all radio stations must apply for an operation permit from the administrative committees for radio communications at provincial, prefectural, and city levels. Upon approval, they will be issued a license for operating a station and a certificate for using radio channels. All projects of studying and producing radio receivers and transmitters must be planned in a centralizated way by the provincial electronics industry department. Only the assigned research and production units are allowed to undertake the projects, and no other units or individuals are allowed to purchase and assemble radio receivers and transmitters without authorization. All units that sell radio equipment with transmitting power as strong as that stated in the law must, before starting their operations, submit their application for approval from the commercial supply and marketing departments at and above country level, get approval from the local administrative committee for radio communications, and be issued a business license from the administrative department for commerce and industry. No other units or individuals are allowed to sell or resell without authorization the radio equipment with transmitting power as strong as that stated in the law. The radio equipment with transmitting power as strong as that stated in the law can only be purchased with the approval from the local administrative committee for radio communications and with the province's permit for purchasing radio equipment.

YUNNAN DISCIPLINE INSPECTION MEETING ON TASKS

HK030443 Kunming Yunnan Provincial Service in Mandarin 2300 GMT 2 Apr 86

[Excerpts] The second enlarged plenary meeting of the Yunnan Provincial CPC Discipline Inspection Commission which concluded in Kunming on 2 April stressed that the party committees and discipline inspection commissions at all levels and the whole body of party members must brace their spirits, be filled with confidence, strengthen their sense of the cause and of responsibility and urgency, get a resolute and ustained grasp of curbing malpractices and correcting party style, and strive for a fundamental turn for the better in party style.

The meeting held: We must have a clear picture of how stubborn the various malpractices are and how they keep on appearing. We must realize how arduous and complex is the work of curbing malpractices, and carry out work to curb malpractices and correcting party style for a long time without relaxing for a single day. Only thus can we bring about a fundamental turn for the better in party style.

The meeting held: In connection with reality, we must pay attention to grasping the following issues this year:

1. Uphold the party's political discipline, and resolutely correct political liberalism and the unorganized and undisciplined conduct of failing to carry out orders or impose curbs and of going one's own way.

2. Resolutely correct malpractics with sectoral characteristics in making use of the powers of one's particular sector to make things difficult for the masses and impose on them and violate the interests of the state and the masses. We must seriously investigate and deal with violations of law and discipline in taking advantage of the province's strong point in natural resources to get hold a materials and engage in illegal speculation aimed at making vast profits. We must deal hard blows at speculation, swindling, smuggling and peddling contraband, bribery and corruption, and other serious economic crimes.

3. Resolutely correct malpractices in arbitrarily using money and material and randomly occupying farmland to build houses and so on.

4. Strengthen ideological and political work and be concerned for the masses' weal and woe. We must resolutely correct malpractices of issuing compulsory orders and arbitrarily fining and imposing charges on people.

5. Resolutely correct the practice of party-member cadres participating in feudal superstitious activities. We must resolutely ban leading party-member cadres from organizing lavish weddings and funerals and spending public funds on extravagance and buying gifts.

6. Resolutely correct malpractices of abusing power in organizational and personnel work.

The meeting stressed that in order to fulfill this year's discipline inspection work tasks, under the unified leadership of the party committees, it is necessary to mobilize and organize the forces of the whole party and truly form a situation in which the whole party acts to improve party style.

GANSU'S LI ZIQI AT PARTY RECTIFICATION FORUM

HK030811 Lanzhou Gansu Provincial Service in Mandarin 1100 GMT 30 Mar 86

[Excerpts] The provincial CPC Committee leading group for party rectification urges leading comrades at all levels in charge of party rectification work to go down to the grass roots, to conduct research, to strengthen specific supervision, and to help the grass roots party organizations solve practical problems concerning party rectification.

This was proposed at the provincial forum on party rectification work in towns and townships of the rural areas, which was held in late March.

Most of the province's prefectures and counties started the party rectification work among towns and townships after the Spring Festival. The forum held that the province had made a good start in the work. However, the development was uneven and there were some problems yet to be solved. Therefore, the forum put forward six issues concerning the party rectification work at the town level.

First, when carrying out party rectification among towns and townships of the rural areas, we must focus on strengthening party spirit and correcting party style. We must strive to accomplish the requirements in four areas. While handling economic work, we must also grasp party rectification work.

Second, we must seriously administer the party. On matters concerning ideology and education, we should set strict demands. When handling cases of violating discipline and taking disciplinary measures, we must strictly follow party discipline. On registration of party members, we must strictly enforce the requirements for party members. We must uphold the effective system concerning party activities.

Third, we must particularly study policies and grasp them well.

Fourth, we must do well in the party rectification work of propaganda and supervision units.

Fifth, we must do well in building the CYL organizations in the rural areas, and give full play to their role of being the assistant and the reserve force. We must ask the responsible CYL cadres to recruit new members from the town and township enterprises, so as to perfect the CYL organizations at the grass roots and to develop their activities.

Sixth, party committees at county, city, and district levels must take responsibility in an all-round way and strengthen their leadership over the party rectification work among towns.

The closing session was presided over by Wang Zhanchang, while Li Ziqi and Liu Bing made speeches. They urged the party organizations at all levels to strengthen their leadership over the party rectification work among towns and townships, to stress education in party spirit, to strengthen the party building in the rural areas, and to accomplish in an all-round way the party rectification work among towns and townships.

SHAANXI DISCIPLINE INSPECTION MEETING CONCLUDES

HK300147 Xian Shaanxi Provincial Service in Mandarin 2300 GMT 29 Mar 86

[Excerpts] The 6-day provincial discipline inspection work conference concluded in Xian on 29 March. The conference conveyed and studied the spirit of relevant central documents, analyzed the current state of party style in the province, and made arrangements for this year's work.

At the conclusion of the meeting, speeches were made by Zhou Yaguang, deputy secretary of the provincial CPC Committee and secretary of the Discipline Inspection Commission, and Li Sengui, member of the standing committee of the provincial CPC Committee and deputy head of the provincial CPC Committee's leadership group for cracking down on serious economic crime. Provincial CPC Committee Secretary Bai Jinian also spoke.

Zhou Yaguang pointed out in his speech that certain serious unhealthy trends have still not been curbed, and many new problems have arisen in the new circumstances. Although these problems have only occurred among a few people, we must certainly not take them in a light or leisurely fashion; we must summon up great resolve and devote great energy to seriously solving them.

Zhou Yaguang said: In straightening out organ work style, we must first start with the provincial organs, so as to set an example for the whole province.

Zhou Yaguang demanded that the party committees strengthen leadership over the effort to straighten out party style and assign this work an important place on their agenda. He pointed out: The party organizations at all levels and their leading members must clearly understand that failure to improve party style is the greatest dereliction of duty. Failure to do a good job in party style in an area of unit is one of the main expressions of lack of competence in that unit's work. The provincial CPC Committee has proposed that in the current work of straightening out party style, anyone who fails to attach importance to this work, works ineffectively, and does not correct serious malpractices is to be resolutely relieved of his duties. Whether the masses are satisfied or not should be the criterion for determining whether the work of straightening out party style has been effective.

Bai Jinian said in his speech: The most fundamental thing in straightening out party style is to strengthen the cadres' ideological feeling of love for the masses. At present certain cadres lack this feeling, do not listen to the masses' cries, and do not act to solve the problems that concern them. This is a sign of rottenness. We hope that every party member and the cadres at all levels will staunchly carry out the party's line, principles, and policies.

SHAANXI'S BAI JINIAN MEETS NEW CYL LEADERS

HK030803 Xian Shaanxi Provincial Service in Mandarin 0030 GMT 1 Apr 86

[Text] The Seventh Shaanxi Provincial CYL Committee yesterday held its first plenary meeting to elect its leadership organ. (Hu Changcheng) was elected secretary of the provincial CYL Committee and (Yao Yu) and (Zhang Zhengqiu) were elected deputy secretaries. The meeting also discussed and adopted the decision on really strengthening and improving the CYL grass roots work.

Leading comrades of the party and government, including Bai Jinian, secretary of the provincial CPC Committee, yesterday met all newly elected committee members of the Seventh Shaanxi Provincial CYL Committee. Comrade Bai Jinian encouraged them to learn from books and practice and to master theoretical, scientific, and cultural knowledge through many channels. They must temper themselves and grow up in the course of practice in society.

KMT MEETING SEEN CONTINUING 'INFLEXIBLE STAND'

OW021425 Beijing XINHUA Domestic Service in Chinese 1614 GMT 1 Apr 86

[Text] Beijing, 1 Apr (XINHUA) -- According to news reports from Taibei, the 3d Plenary Session of the 12th Kuomintang Central Committee was held in Taibei from 29 to 31 March after a delay of more than a year. The plenary session turned a deaf ear to the ardent expectation of Taiwan public opinion that the Kuomintang might make changes and adopt new policies, and it stuck to the inflexible stand of no contact or talks with the mainland.

Since the 2d Plenary Session of the 12th Kuomintang Central Committee in February 1984 and particularly since last year, a series of major events have taken place in Taiwan. These events have caused strong repercussions in the political situation and public feelings of Taiwan. Public opinion in Taiwan "eagerly called for changes and new policies" and offered many constructive suggestions in connection with the Third Kuomintang Plenary Session. At a recent "forum on the expectations and suggestions for the Third Plenary Session of the party in power" sponsored by ZILI WANBAO, Tao Baichuan, national policy adviser to the president, criticized the Kuomintang authorities' policy of no contact, no talks, and no compromise with the mainland and said the policy "will not be conducive to peaceful reunification." Xiang Diguang, director of the Mainland Problems Research Institute at Wenhua University, said at a forum that "reunifying China is the responsibility of the Chinese people. China must reunify. This is the trend of history." In an article entitled "Some Straight Talk About the 80 Years of My Taiwan," public figures Zhou Heyuan urged to put an end to the confrontation across the strait so that the children of the Chinese nation on both sides of the strait do not have to be lonely for each other. He said that "considering the roots of history, I believe that blood is thicker than water. Taiwan's economic development needs a market and resources. There will be great prospects for development if Taiwan has access to the mainland's broad market and resources." Some people also urged the Kuomintang authorities to lift martial law, put an end to rule by special agents, and practice political democracy on the island of Taiwan.

The Kuomintang authorities decided that the central subject of the plenary session would be "to review the past, prepare for the future, and open up bright prospects for the nation." However, although Chiang Ching-kuo's opening address, which was read on his behalf by Ma Shuli, secretary general of the Kuomintang Central Committee, asserted that "there is one China" and "China will certainly be reunified," the address also declared that "China must be reunified under the Three Principles of the People. This stand must never be changed."

According to a report by Taiwan's "Central News Agency," some 950 persons attended the plenary session either as voting or nonvoting members. They heard nine work reports on party affairs, administrative work, the situation on the mainland, and other subjects.

The plenary session made some slight changes in the Kuomintang Central Standing Committee. Four new members were elected to replace Sun Yunxuan, Ma Jizhuang, Yan Zhenxing, and Zhao Ziqi, and who were relieved of their posts. The four new members are 69-year-old "Minister of Education" Li Huan, 49-Year-old "Minister of Interior" Xu Boxiong, 51-year-old "Minister of Justice" Shi Qiyang, and 49-year-old Chen Luan, "Chairman of the National Science Council of the Executive Yuan." Two of them are natives of Taiwan Province, bringing from 12 to 14 the number of the Central Standing Committee members who are natives of Taiwan Province.

SPEECH BY TAIWAN'S CHIANG CHING-KUO ON REUNIFICATION

OW030553 Taipei CHINA POST in English 30 Mar 86 pp 6, 7

[Excerpts] Address of Party Chairman Chiang Ching-kuo at the opening of the Third Plenary Session of the Twelfth Central Committee of the Kuomintang on 29 March 1986 -- [Hong Kong AFP at 0809 GMT on 29 March reports that Chiang Ching-kuo's "40-minute speech was read by KMT Secretary General Mah Soo-lay because doctors had advised Mr. Chiang, who is 76 and suffering from chronic neuritis caused by diabetes, not to put much weight on his left foot."]

Gentlemen, comrades:

The Third Plenary Session of the Twelfth Central Committee of the Kuomintang opens today concurrently with that of the Third Central Advisory council.

Surveying, now, the ever-changing situation of the world around us; observing the turmoil across the Strait on the mainland; directly confronting our mainland compatriots' intense longing for stability; and pondering, with great concern, the unfulfilled wishes of the Tsungli (Party Founder), Dr. Sun Yat-sen, and of the Tsungtsai (Party Leader), the late President Chiang Kai-shek, I am deeply struck by the urgency and significance of our mission for combating the communists and reviving the nation.

Over all these years, the question of China's future has been constantly in our people's minds, to be thought of, explored, and talked about. Like all others, I have always pondered questions concerning the kind of future China might have, the direction and specific routes we should follow, the proper way to achieve long-term stability and security for our country, and the initiatives which will bring to all our compatriots permanent freedom and happiness and will make our share of contributions to the world. All these questions concern the whole of China.

Taiwan, ruled by the Japanese militarists for half a century, was devastated as a result of World War II. Immediately following the restoration of Taiwan to China, everything lay waste, and full-scale reconstruction was urgently needed. Agricultural production fell short of the minimums required to feed the population; industry was almost nil; per capita income was extremely low; and people with elementary education or above accounted for less than one-third of the total population.

By 1949, the situation on the Chinese mainland had seriously deteriorated, and the people were in a state of desperate anxiety -- that was a time of imminent peril and chaos. Yet, because of our calm persistence and courageous effort, not only were we able to stabilize the rapidly shifting situation, but from July 1950, to quickly institute here a democratic system of local self-government. In 1953, the government initiated its first four-year economic development plan. And now, after more than 30 years of dedication and hard work by our people to implement the ideals of the three Principles of the People, we witness the creation of what the international community so very often terms the "Taiwan miracle."

Indeed, we fully realized that this "miracle" has not come about miraculously at all: It has risen from the combined will, intelligence, sweat and toil of our government and people. It was achieved by good leadership, constant effort, and hard, dedicated work. It directly reflects the processes through which we have overcome numerous challenges and hardships.

Here, rather than listing those statistics that highlight our progress, I will, instead, present a few important facts -- implications that have involved almost all the people of Taiwan, Penghu, Kinmen, and Matsu, and many patriotic overseas Chinese; each and all have devoted themselves to the task of national revival, one more proof for the axiom, "unity is strength".

First, we note that the last three and a half decades have been, for our country, an extraordinary period marked by constant confrontation with a formidable enemy. During this period, while we have spared no effort to strengthen our military muscle and reinforce our national defense, we have engaged in an immense variety of developmental tasks in order to attain a prosperous society. Politically, we have remained a firm member of the democratic community, and regularly held fair, open, and impartial elections at different levels to facilitate the smooth operation of a constitutional democracy and assure our great goal of "the people with sovereignty, the government with ability." This is surely the very foundation of our country's unity and stability.

Second, we have always, and continue to harbor the belief that man can triumph over nature. On the basis of such a belief and our people's industry, we have developed a strong economy with a per capita income more than 10 times that of our mainland compatriots. Most of all, the distribution of wealth in our society is notably equitable. All those willing to bear hardships and work hard are able to enjoy full self-development opportunities. Moreover, since our natural resources are limited, we have successfully exploited our unlimited spiritual resources. On the basis of such continuous effort, we now rank the 15th in terms of trade among the world's more than 160 countries. Our economic development as an implementation of the Principle of the People's Well-Being has proved very fruitful.

The third, and perhaps the most important, point is that our society is full of vigor. In concert with the moral concepts from our traditional ethics, our compatriots, military and civilian alike, have developed a consciousness of "people in the same boat, helping each other." When faced with challenges, all keep in mind that "we are sons of China and should try to win credit for the Chinese people." The "win credit" motivation has not only stimulated everyone to greater striving, but has solidified into a spiritual force behind the love for his country and continued national progress. It stems naturally from the emotional wellspring of "pride in being born Chinese."

Of course, in addition to the numerous obstructions and difficulties we have encountered in our national development, three have also been mistakes and defective programs. Nevertheless, because we have adhered to our cardinal national principles, we have attained equality of political rights for every citizen as well as economic opportunities for prosperous livelihoods. This situation starkly compares with the extreme suppression and abject poverty on the mainland -- the fruits of over 30 years of capricious power struggles under the Chinese Communist tyranny. Such sharp contrasts between the visible results of the applications of Marxism-Leninism on the one hand, and the doctrines of Dr. Sun Yat-sen on the other, have given responsible people of the world food for thought:

Why, for instance, does China currently remain divided, and why cannot it be reunified? Separated from us only by the Taiwan Strait, why do our fellow Chinese on the mainland have to endure an impoverished, backward, totalitarian, fear-ridden society, while their counter-parts in Taiwan, Penghu, Kinmen, and Matsu enjoy free, happy, peaceful, and prosperious lives? Being all Chinese, why are their lots so different?

In a nutshell, the differences result from the gap between our system, based on the three Principles of the People, and the communist system: between benevolent government and tyrannical government. It is the two different systems that have divided China, not the Taiwan Strait or any other factor.

Recently, as you know, the Chinese Communists have gone all out to propagate their "one country, two systems" idea. In fact, this scheme is doomed to failure for several obvious reasons: the Chinese people on this free island will never compromise their system with the communist system; the Chinese overseas will never accept the communist system; and the Chinese people on the mainland will not tolerate communist rule forever.

Just think for a moment about the scenario in which our experiences and achievements in Taiwan were being applied to the mainland which would then be turned into a free, democratic, and reunified new China under the three Principles of the People. Considering the huge territory, population, and natural resources of the mainland, how much greater well-being would the Chinese people then enjoy? How much greater contribution would they make to the world?

In today's world, there still exist immense differences between the rich and the poor, the strong and the weak, the advanced and the backward; and between democracy and totalitarianism, and freedom and slavery. These widening differences have become the reason behind global instability. It is our view that whether these problems can be solved or not depends upon what the political, economic, and social systems adopted in the affected nations are.

Take the experience of this Party's course of development for example. We have grasped a very key point: the people's well-being is the core factor of history. We have resorted to rational, moderate, and gradual reforms without class struggles or social conflicts and contradictions; instead, the different interests of a pluralistic society have been reconciled. As a result, we continue to progress, moving our society from among the less-developed to the status of a rapidly developing, technologically advancing country. As we have developed a successful path, our experiences are naturally worth the attention and reference of other countries.

Today, a great many people in the world are now aware that after over 30 years of practice on the Chinese mainland, Marxism-Leninism and the communist system have recorded only complete failure. But what a disaster that failure has been for the Chinese people! What a terrible toll in lives, in blood, and in tears that failure has taken! And even now, the catastrophe continues.

The Chinese Communists, indeed, have been finally forced to grudgingly confess that "Marxism-Leninism cannot resolve all the problems of China." Regardless of how sincere that limited admission may be, it abjectly fails to cloak the evident, unsavory record of Chinese Communism -- such massive calamity for our country and people. It is not only for lunging the mainland into its bottomless abyss of poverty that the Chinese Communists have now to answer; there are also:

-- The inherent Chinese Communist manifestations of constant struggle, which have involved all the people of the mainland in a cycle of ceaseless feuds, including not only the factional power struggles among the communists themselves, but also even between parents and children, families and relatives, and teachers and students: Such struggles have ruined traditional Chinese ethics and morals and ravaged the Chinese cultural heritage, and are, accordingly, despised and rejected by all Chinese people.

-- The rigorous Chinese Communist totalitarian rule, which has deprived the people of their basic freedoms, including the freedoms of both speech and silence; most of Chinese Communism's opponents have either been purged or killed. According to statistical estimates from numerous sources, tens of millions of lives have been taken by the tyrannical Chinese Communist regime in the past three-plus decades -- an atrocity unparalleled in human history.

-- Attempts to carry out "world-wide revolution," which the Chinese Communists have launched, beginning in Asia, by exporting revolution to other countries through infiltration and subversion: they fought with North Korea against the United States, became involved in the Vietnam war, supported communist rebels in Southeast Asian countries, stirred up troubles in other areas of the Third World, and generally did great damage to the cause of world peace -- they became a wellspring for world afflications.

All Chinese people with consciences condemn the Chinese Communists for their offenses. Still, the communists are very good at covering their tracks. They manipulate the so-called dialectics and contradictions to confuse people around the world and to mislead the Free World into adopting injudicious policies as a result of misguided impressions of the true Communist essence, many free countries, for instance, have been deceived into seeing the Chinese Communist Party as somehow different from its Communist peers, and thereby as some kind of counterweight against its sister regimes in the international balance of power. This misguided thinking has already sowed the seeds for future world problems.

We Chinese, having directly suffered from the misdeeds of the Chinese Communists, are in the best position to understand them. The lessons learned from our bitter experiences and from the course of our anti-Communist struggles have served to unmask their customary united-front strategy. In addition, we want specifically to expose other Chinese Communist ploys:

-- The Chinese Communists constantly point to the strawmen of "true" and "pseudo" Marxism. Their own atrocities of the past are now shrugged off as some kind of "deviant executionism," or "pseudo-Marxism." This is a verbal smoke-screen, a sophistry to cloak the bankruptcy of Marxism.

-- The Chinese Communist regime now pretends to be "open-minded," criticizing areas of Marxist-Leninist doctrine as out-moded. In reality, it hopes to cover up its failures and sins, and weaken the determined resistance of the anti-communist communities. Also evident now are those Communist Chinese internal power struggles arising from their attempted "economic-reforms." The regime is on the brink of a critical dilemma: whether or not it should continue to implement Marxism-Leninism. For fundamentally, within the strait-jacket of Marxism-Leninism, the Chinese Communists will never be able to become truly "open-minded."

-- In order to deceive people around the world, the Chinese Communists fabricated the grotesque slogan, "developing a socialism with Chinese characteristics," and coupled it with a strawman of "modernization." It has also appealed to "patriotism" and "nationalism" in an attempt to woo overseas Chinese. However, we Chinese are not blind; we know fully well that Marxism-Leninism know of no concept of country and national consciousness -- that although the Peking regime calls itself China, it is actually anti-China.

-- Among the most imprudent of the Chinese Communist's ploys is their propaganda-labeling of Dr. Sun Yat-sen's nation-saving philsophy as the "old-fashioned three principles of the People."

And they have tagged Dr. Sun Yat-sen's short-term policies of 1924 -- of "allying with the Soviet Union, accommodating the Chinese Communist party, and assisting farmers and workers" -- as a "new three Principles of the People." That is indeed an absurdity. In reality, Dr. Sun had long before unequivocally rejected the violent means advocated by Karl Marx, and had pointed out quite emphatically that the communist system was unsuitable for China. How can people around the world possibly be deceived by such spurious labeling -- "old-fashioned" or "new?"

Despite all Peking's maneuvers, the fact remains that the communist system has run into a blind alley. If the communist regime does not fundamentally reform itself, it is doomed to growing chaos. However, if the communist regime does make fundamental reform, it is bound for self destruction. History, in recording those events behind human successes and failures, enables us to better understand ourselves and others. From our bitter experiences with the Chinese Communists, we have come to understand our enemy and have learned some hard lessons.

History has specifically taught us this lesson: freedom cannot co-exist with slavery, nor can democracy with totalitarianism. Accordingly, we declare we will never compromise with the Chinese Communists. We are firm in this stance because this Party is responsible for the fate of our country, for the security of this bastion of national revival, and for fulfilling the aspirations of all of the Chinese people. In fact, it is our insistence and persistence that have defeated the Chinese Communist united-front tactics and those communist strategy intended, in effect, to reverse the mandate of "survival of the fittest" as it surely applies to our two contending systems.

China must be reunified, by only under the Three Principles of the People. This position will never change!

Looking back to World War II, the Allied victory wiped out Axis dictatorships led by the Nazis. Unfortunately, on another battlefield of ideology and political strategy, the free countries retreated and were defeated again and again. We allowed Marxism-Leninism and the communist regimes -- which are more tyrannical than the Nazis and have done greater damage to world peace and welfare of mankind -- to take over one country after another.

More unfortunately still, although the communist regimes have greatly expanded since World War II, taking over one-third of the world in both population and area, the Free World's determination to unite against this patent communist threat is far weaker than during the War against the Nazis. This is a key problem in today's world situation.

Many people believe that as far as international relations are concerned, pluralism has now replaced polarized rivalry. They contend that divisions within the communist camp, conflicts of interest in the democratic community, the rise of the so-called "Third World" countries, and impasse in the nuclear arms race have completely transformed the global strategic situation.

The consensus of members of our party, on the other hand, is that although the world situation today appears complex, the underlying conflicts of democracy versus dictatorship and freedom versus slavery remain unchanged. The distinction is essence is so profound and so incompatible that they leave no room for compromise and appeasement. To defend democracy and freedom, therefore, one has to be staunchly anti-communist.

If we allow communist forces to expand, we in fact allow freedom and democracy to shrink. That is why the Republic of China has not only identified fully with the democratic community, but insisted on an anti-communist national policy.

Now looking at the significance of the Republic of China's continuing struggle in Taiwan and its influence on the world situation, the opinion of our party is that in the strength and firmness of the Republic of China, there are the following solemn and encouraging implications:

1. The backwardness of the Chinese mainland, after over 30 years under oppressive rule, not only demonstrates that the Communist system is a total failure, but also highlights the superiority and suitability of the Three Principles of the People. The Chinese people are confident that the torch of Chinese culture has passed on to the Republic of China on Taiwan and the success there has revived their hope for the future of China.

2. The Chinese Communists' inability to subjugate Taiwan, Penghu, Kinmen, and Matsu thwarted their expansion in southeast Asia, and blocked their ambition to communize all Asia. The Republic of China has indeed proved itself a bulwark of freedom and democracy in the Pacific.

3. The Republic of China is the key to the return of the Chinese mainland to the Free World. The Chinese on the mainland are unwilling to be enslaved by the communists forever. They will not be indefinitely misled by the communists' "reforms." Nor could they, in the Marxist context, actually emulate the political and economic models of the West. However, they do long for the progress and prosperity achieved on Taiwan. s fellow Chinese they deserve the same quality of life. The appeal of the "Taiwan experience" will become the motivating force of the mainland people as they overthrow the communist tyranny.

In recent years, the Free World has been hoping that the Chinese Communist regime would truly open its door and mind as it accepted various forms of assistance from the West. But as history has shown, although the West provided enormous military and economic assistance to the Soviet Union, especially from the 1920s to the 1940s, it remained an implacable enemy. From our many years of hard experience with the communists, we can say with certainty that all that hope that the Chinese Communist regime will one day really open up will come to nothing. The assistance extended toward such a transformation is once more mistaken, and may well help it, instead, to consolidate another giant communist empire which poses an even greater threat to the Free World.

Of course, a strong and prosperous China would be a boon to world peace; but that should not be a China under the communist system. The Chinese Communist regime cannot possibly modernize its political structure and system and remain communist, hence we cannot expect any change of its essence. If the free World assists not the people in slavery, but the regime which enslaves them, it will not only prolong the suffering of the enslaved but may finally extend that suffering to other peoples. The Republic of China on Taiwan enjoys prosperity and progress and gets along well with other countries. Therefore, there is no such thing as the "Taiwan problem:? What we have is a "China problem" -- a problem of how to reunify China.

Yes, there is only one China. It is a China that must be reunififed, but only under a system in clear accord with the Three Principles of the People, which would benefit both the nation and the people. Only in that way can there even a truly free and democratic China to make a positive contribution to world peace.

We affirm what day is coming soon. From the rise and decline of Dynasties, we have learned that it is a rule of Chinese history that "Those rulers who win the hearts of the people will prosper, and those who lose them will perish," and that "benevolence is invincible, and tyranny is fated to perish." The Chinese Communists will not escape this mandate.

When China is reunified under the Three Principles of the people, we are sure it would make a very positive contribution to the Free World: Such a China would dedicate itself to Dr. Sun Yat-sen's ideas -- that "the world is for all" and usher in the "age of a Great Global Commonwealth of Peace and prosperity." We will cooperate with the international community on the basis of equality and reciprocity and in the spirit of moderation, honesty, and sincerity implicit in Chinese culture. And to the best of our abilities, we will shoulder all our international responsibilities and contribute to long-lasting world peace.

In recent centuries, the Chinese people have endured much distress. As we meditate on Dr. Sun Yat-sen's cause of national revival, and review the revolutionary process of nation-building over the past century, we see the way has been hard and rough, but pervaded with high hopes and ideals.

And now the Kuomintang wants to reiterate in all sincerity the following statements:

-- Our friends in the Free World should realize that current global disturbances bear a direct relationship to communist expansionism. In particular, the Free World, misled by Communist Chinese duplicity, underestimates the long-term threat of an Asia being communized -- a certain disaster for all free men. The Republic of China's firm anti-communist policies are directed toward preventing such an occurrence, and also to achieve the reunification of China under the Three Principles of the People, thereby eliminating Asian communism at its roots. The community of democratic nations should make an effort to understand the significance of our endeavors on this bastion of national revival, and the fact that the ROC'S basic security has a direct relationship to the Free World remaining free. It would be a great benefit to all mankind if the free nations were able to realize a common anticommunist strategy as a result of such understanding.

-- Chinese all over the world, especially our suffering compatriots on the mainland, must be aware of the evil nature of the Chinese Communists and disastrous results of communist rule in China. All Chinese should join in our efforts to strengthen the overall anti-communist position via concrete actions. Let us raise high the banner proclaiming that "Patriotism requires anti-communism, and anti-communist action means patriotism." Today, a reunified China under the Three principles of the People has become the universal aspirations of all Chinese, at home and abroad, as well as the basic national policy of the Republic of China government. We hope all will dedicate themselves to working together to achieve this historic mission, so that our national flag may fly over the China mainland at the earliest possible date!

-- I want to put all Chinese Communist Party members and cadres of the regime on notice, that in the false name of the "People's Republic," you have persecuted and slaughtered many fellow Chinese in implementing the "communist dictatorship," only to maintain your own privileges and satisfy your greed for power. Thirty-odd years of communist rule on the Chinese mainland has brought only extreme suffering and poverty.

And, also, you must be aware that traditional Chinese culture is deeply rooted in the minds of our people, it is impossible for the Chinese to accept Marxism-Leninism. Regardless of your endless propaganda gimmicks, whether it is "one country, two systems," or "persistence in the Four Cardinal (Marxist-Leninist-Maoist) Principles," you will not be also to deceive them forever. It only shows that you are running out of your tricks and are wasting your time. Your only viable recourse is to denounce Marxism-Leninism and switch to the Three Principles of the People for the reunification and reconstruction of China.

To sum up, there is only one wish for us all: that is to rebuild a united, free, and democratic China so that all Chinese may live and work in peace and contentment. Such a China, reunified under the Three Principles of the People, would contribute significantly to Asian and world peace and stability. I earnestly hope all Chinese, everywhere, should unite and strive for the realization of this wish.

In the meantime, I hope the Free World will take due note of the fact that the Republic of China's efforts are laying the foundation for world peace and the welfare of mankind, and that it will offer much-needed support and encouragement to the billion-plus Chinese of the world so that we can better accomplish our vital historical goal of a China reunified.

FOREIGN MINISTER WARNS AGAINST PRC STRATEGY

OW030726 Taipei CHINA POST in English 31 Mar 86 p 12

[Text] Minister of Foreign Affairs Chu Fu-sung yesterday warned that mainland China is trying to isolate the ROC [Republic of China] from world communities, to downgrade it into a local government, to seal off the Taiwan Straits to force peace talks and finally to occupy the ROC. The ROC government, in the face of this malicious enemy, should stick to its "no compromise, no contact and no talks" policy to defeat Peking's united front tactics. Chu made the remarks in his report to the Third Plenum party caucus yesterday afternoon. The world situation is unstable, Chu analyzed, because of the free world's fear of nuclear war and its delusions about communism. According to Chu, mainland China has four aims in launching united front tactics against the ROC.

First, Peking tries to undermine the ROC's official ties with friendly nations as evidenced by the severance of diplomatic relations by Bolivia and Nicaragua. Second, Peking also stepped up its efforts to damage the nation's unofficial ties with several countries that have switched their diplomatic recognition from Taipei to Peking. Its intention to undermine Taiwan Relations Act by calling on the U.S. to suspend arms sales to the ROC is an example. Mainland China also has tried to banish the ROC from world communities like the Asian Development Bank (ADB).

Chu reiterated that the ADB's admission of Peking as a member and that it request for the ROC to change its name to "China Taipei" has violated the ROC's national policies. He elaborated that through the ADB formula, Peking was trying to use the "one country, two systems" ploy on the ROC. "If the ROC accepts the arrangement, Peking will force us to peace talks," he asserted. He warned that both Teng Hsiao-Ping and Hu Yao-pang have more than once declared that Peking will not rule out the use of force against Taiwan when they find it impossible to take over Taiwan peacefully. Thus, though measures may be changed in the future, none of the policies should violate the nation's fundamental positions, he added.

The minister reiterated that though the ROC withdrew from the United Nations in 1972 and only 23 nations maintain diplomatic ties with the ROC, the nation's contribution to the world has been recognized. He stressed that in addition to reinforcing diplomatic and unofficial ties, the ROC will augment support for newly risen nations and upgrade the ROC's status in the world.

'TEXT' OF LI PENG, YAO YILIN PRESS CONFERENCE

HK040736 Hong Kong TA KUNG PAO in Chinese 4 Apr 86 p 7

["Special dispatch" by reporters Hou Donghai and Gong Shuangyin: "Yao Yilin, Li Peng, and Du Runsheng Answer Reporters (Full Text)"]

[Text] Beijing, 3 Apr -- Vice Premiers of the State Council Yao Yilin and Li Peng and director of the agricultural development research center [as published] of the State Council Du Runsheng this morning held a press conference at the Great Hall of the People and answered the questions raised by Chinese and foreign reporters.

At the beginning of the press conference, Yao Yilin gave a brief speech. He said: First, we welcome all of you today; second, you may raise questions; and third, Vice Premier Li Peng will be the main speaker today.

Then, Zeng Tao, who presided over the conference, required the reporters to use 15 minutes to concentrate on raising questions. Chinese and foreign reporters raised more than 20 questions about the Sanxia project, nuclear power stations, financial and monetary affairs, the Tiananmen Square incident, and the rectification of party style. The text of the questions and answers are as follows:

Li Peng: In accordance with Comrade Yao Yilin's proposal, your questions will first be answered by me. If I say anything wrong, he will give a correction. He is a senior vice premier.

Question About Compulsory Education

Question: The formulation of the law on compulsory education is a good thing, but people may ask how China will implement this law in such a large country. It is said that some localities have even diverted funds earmarked for education to other purposes.

Li Peng: Yesterday, we submitted the law on compulsory education to the NPC session, and I explained this law to the meeting. China is a large country with a population of 1 billion people, and economic and cultural development in all parts of the country is uneven. Therefore, it is not realistic to require all localities to effect 9-year compulsory education at the same time. The policy we have adopted is to seek truth from facts and to make arrangements in light of local conditions. In economically developed areas, we expect 9-year compulsory education will be effected by 1990; in areas where the economy is developed to an intermediate degree, we will strive to effect 9-year compulsory education by 1995; and in some economically underdeveloped areas, we will complete the popularization of elementary education by the end of this century.

There are two issues that must be solved in order to effect compulsory education. One is the issue of funds, and the other is the issue of teaching staff or the quality of teachers. To solve these two issues, we have yet to do a lot of work. During the Seventh 5-Year Plan, our educational funds will reach 116.6 billion yuan, or increase by 70 percent. This growth rate will exceed the growth rate of our national economy. Even so, we do not think that the funds for education are sufficient. We are prepared to impose an additional taxation for education in cities and in the countryside. At the same time, we will mobilize all the strengths in society, including enterprises, institutions, and individuals, to give financial support to our educational undertaking. Of course, we also welcome contributions from our overseas compatriots, Chinese nationals residing abroad, and other overseas people who are willing to help China develop her education undertaking.

It is a pity that a number of units and organs indeed have diverted our insufficient funds to other purposes. We will fight against this kind of bad thing and will take concrete and strict measures to check such things.

The Number of Ministries and Commissions in the State Council Has Not Been Increased

Question: At present, the number of central organs in China is even larger than that in 1982, before China began streamlining her administrative structure, and there are more state functionaries. Will China carry out any further structural reforms?

Li Peng: As far as the administrative structure is concerned, we have a general principle for guiding our structural reforms. That is, our government organs will gradually change from organs which directly manage enterprises and institutions into organs which merely perform administrative functions and play a role in macroeconomic management and control. For example, the Ministry of Machine-Building Industry and the Ministry of Electronics Industry have handed over all enterprises which were previously under their direct management to localities. At present, there is a total of 45 ministries and commissions in the State Council, and this number has not been increased. With the in-depth development of the reforms, I think that the number of these organs will be reduced rather than increased.

Question: Will the Sanxia project be started? When will it be started? Will Sanxia Province be founded?

Li Peng: The Sanxia project will be a great project which will achieve comprehensive results in preventing floods, generating electrical power, and facilitating navigation. This project is not only related to our present modernization program, but will also have a great bearing on the well-being of our future generations. In general, the Chinese Government's attitude toward this project is first, positive and second, very prudent.

At present, no official decison has been made on whether to start this project. We have taken more than 30 years to do preparatory work and to collect a great deal of scientific and technical expertise; we still have to appraise some matters. For example, silt remains a technical question, and we must appraise its influence on navigation. The State Council will set up a special assessment commission to deal with various technical questions concerning the Sanxia project, and will invite many famous domestic experts to participate in the commission. At the time of making assessment, we will listen fully to all different opinions. We will not only listen to the opinions of our domestic experts, but will also consult some experts in other countries which have experience in building hydropower stations. The results of all the assessment will be promptly submitted to the NPC Standing Committee and the CPPCC National Committee for consultation. The final results will also be submitted to the NPC session.

At present, there is no plan to set up Sanxia Province. The preparatory group for Sanxia Province is merely a functional organ within the State Council and no real administrative authority has been granted to it. Its main task is to make investigations, plan economic development, and carry out some pilot projects for population resettlement.

A Delegation Will Be Sent to the Soviet Union to Inspect the Construction of Nuclear Power Stations

Question: During the Seventh 5-Year Plan, will China go all out to develop nuclear power stations? Will China plan to cooperate with the Soviet Union in building some nuclear power stations?

Li Peng: China's electricity generation will still mainly rely on thermal power stations and hydropower stations. Nuclear power stations will be merely a supplementary means, and there will be no large-scale nuclear power generation program. However, as China has established an integrated nuclear industrial system and as nuclear power generation is a rather advanced means of energy production, China will develop some nuclear power stations and will develop the nuclear power industry to an appropriate degree. This principle has not changed. For example, we will mainly rely on our own strength to build the first medium-sized nuclear power station, with a generating capacity of 300,000 kilowatts, in Qinshan District, Haiyan County or Zhejiang Province; this power station will be designed and manufactured by us. We will also build two 900,000-kilowatt nuclear power stations [as published] at Daya Bay in Guangdong Province by making joint investment with Britain [as published]. We have now delayed the plan to build a large-scale nuclear power station on the banks of the Chang Jiang in southern Jiangsu, a place near Wuxi City, although we have held preliminary negotiations with the FRG and France on the construction of this power station. The reason is that after comparing the sites in Qinshan and in southern Jiangsu, we found that the Qinshan site has more favorable conditions for future expansion. At the same time, our investigations also show that China possesses the necessary abilities to build nuclear power stations with a generating capacity of 300,000 to 600,000 kilowatts on its own. Therefore, we will mainly rely on our own strength in the construction of nuclear power stations, while seeking technical support and cooperation from other countries, and will change the method of purchasing whole plants from abroad. That is to say, we will continue technical cooperation with the FRG and France in future nuclear power projects.

Recently, China and the Soviet Union held the first meeting of their economic, trade, scientific, and technological cooperation committee. The issue of building nuclear power stations was also mentioned at this meeting. The two sides agreed that China will send a delegation to visit Soviet nuclear power stations. I do not think that there is anything surprising in this plan. This kind of inspection is of a purely technical character. We have inspected many nuclear power stations in the United States, Japan, the FRG, France, Britain, and Brazil. It is now still too early to say whether we will cooperate with the Soviet Union in constructing nuclear power stations. Any plan will be made only after the inspection, and no cooperation plan has been put on our work agenda yet.

Question: Will China decide to build a nuclear power station with a capacity of 10 million kilowatts by the end of this century?

Li Peng: We have not gone so far as to decide anything about now many nuclear power stations we will build by the end of this century. Everything concerning this is merely under discussion. After we adopt the principle of mainly relying on our own efforts, we may quicken the pace of nuclear power station construction, and may build more. But all this has to be determined by how things develop.

Decline in Oil Prices Has Advantages and Disadvantages

Question: What influence has the decline in oil prices on economic construction and the foreign exchange revenue of China?

Li Peng: Of course the slump in oil prices will affect our foreign exchange revenue somewhat, but we think the slump has both disadvantages and advantages. The disadvantage is the decrease in China's foreign exchange revenue derived from the export of oil. Anyway China is not a major oil exporting country -- we export only about 30 million tons a year. But the slump in oil prices will, in consequence, also bring about changes in the prices of some commodities that China needs to import.

Question: What do you think about the deficit in Sino-Japanese trade?

Li Peng: The trade between China and Japan ranks first in volume of trade between China and other countries. The tremendous deficit in trade between China and Japan, in our opinion, should not exist for long. We hope that both the Chinese and Japanese sides will take joint action to increase China's exports to Japan.

Development of Cooperation Between China and Brazil

Question: What is China going to do to strengthen economic cooperation with Brazil?

Li Peng: China is now implementing a policy of opening up to the outside world and is willing to enter into cooperation with all countries. We implement the opening-up policy to both capitalist and socialist countries, and to both developed and developing countries. Brazil is a big Latin American country which has made tremendous progress in economic and technological fields in the past few years. We believe that there are broad prospects for economic and technological cooperation between China and Brazil. Premier Zhao Ziyang's visit to Brazil last year was successful, and, as a result of this visit, economic relations and trade between our two countries will boom.

Question: Why were you in Shanghai rather than Beijing earlier this year when the 8,000-people conference [as published] was held?

Li Peng: This is a really interesting question. I think this was a coincidence as I was then handling some issues in Shanghai by order of the State Council. In fact not all the members of the State Council, the CPC Central Committee, and the CPC Central Committee Secretariat participated in this conference. As a member of the State Council and the CPC Central Committee, I wholeheartedly support this conference. In my opinion, this was a very important conference. In the months since the conference, we have found that the conference has had far-reaching influence on and has played a very useful role in the rectification of party style, and the processing of major and important cases. The masses are satisfied with the results.

Normal Business Operations Is Protected

Question: China has banned children and spouses of cadres from doing business. Will this slow down the process of invigorating the economy?

Li Peng: Our purpose in rectifying unhealthy tendencies within the party and society and in dealing blows at criminal activities in the economic field, is not to change our policy of opening up to the outside world but to ensure a healthier development of the policy. We do not indiscriminately oppose establishing companies and doing business but oppose the practice of using one's official power to seek staggering profits in violation of the laws, doing business in an unlawful way, and opening such companies. Therefore, all normal economic activities, all normal operation of companies, and all normal commercial activities are subject to protection by law.

We will take measures to rectify what should be rectified and protect what should be protected, so as to ensure that the operation of dealing blows at criminal activities in the economic field and the drive of rectifying unhealthy tendencies will proceed along the right track. For example, some of our state organs and enterprises are allowed to do business. These organisations have their own auditoriums and bathhouses, and they also have to take care of some youths awaiting jobs. They are allowed to organize these youths to run tertiary industries and to open their auditoriums and bathhouses to the public. All these legal activities relating to tertiary industry should not be banned but protected. There will be a clearer and clearer demarcation line between what should be supported and what should be banned.

On Sino-Soviet Relations

Question: You met Gorbachev in Moscow on your way home from your visit to Eastern Europe last year. How do you think Sino-Soviet relations will develop?

Li Peng: We hope that Sino-Soviet relations will really improve because this will be beneficial to both the Chinese and Soviet peoples as well as to the peace of Far East and the world. Some progress has been made with regard to the relations between China and the Soviet Union in the fields of economics, trade, science, technology, culture, and education. We are satisfied with these developments. Our standpoint is to strive for substantial improvement in relations between the two countries, provided that the Soviet Union takes real action to remove the obstacles to the normalization of bilateral relations. We have noted the remarks which General Secretary Gorbachev made on Sino-Soviet relations in his report to the 27th CPSU Congress, stating that improvement of Sino-Soviet relations should not harm the interests of a third country. We do not think the principle of no harm to a third country should have any specific interpretation. In other words, we do not think this statement should be related to the removal of the three major obstacles. Last year, after my visit to Bulgaria and Czechoslovakia, I visited Moscow on my way home and met General Secretary Gorbachev. We elaborated on our own standpoints on some international issues and Sino-Soviet relations during our talks.

Question: Will China organize any activities to mark the 10th anniversary of the Tiananmen Incident this year?

Li Peng: We plan to organize some activities on an appropriate scale to mark the anniversary. The Tiananmen incident was a movement organized by the broad masses of the people, inspired by the party's correct line, to protest against the perverse acts of the "gang of four," to commemorate Premier Zhou, and to support the correct line representated by Comrade Deng Xiaoping. A comprehensive evaluation of the role of this incident is available in the "resolution on certain questions in the history of our party since the founding of the PRC" adopted by the 6th Plenary Session of the 11th CPC Central Committee. The party has adopted the correct line, principles, and policies, and has achieved great economic successes since the downfall of the "gang of four" and the 3d Plenary Session of the 11th CPC Central Committee. All this is obvious to all. As times change and we are faced with different tasks, there is now no need to solve China's current problems in the same way as in the Tiananmen incident. It is based on this understanding that we are going to commemorate the 10th anniversary of the Tiananmen incident.

We believe that Chinese youths and college students support the socialist road, the CPC leadership, and the current reform. It cannot be denied that a small number of students at a small number of schools made trouble last autumn. We were against these activities, but, instead of dealing blows at them, we tried to persuade and educate them and the results were excellent. As for opinions voiced by students, we are ready to accept those correct criticisms and suggestions and to join the students in fighting evil practices, such as unhealthy tendencies and economic offenses. We have identical views in this regard.

The 5 April Movement and the 5 April Spirit

Question: We hear that in your document commemorating the 10th anniversary of the Tiananmen incident, you do not mention the "5 April Movement" and the "5 April spirit." Why?

Li Peng: I should like to reiterate that the historical role played by the Tiananmen incident has been completed, and that it is over. At that time, it opposed the erroneous line.

We are now implementing a correct line and a correct policy, which both enjoy the support of the support of the people. Although we have some shortcomings and made mistakes, they can be overcome in various ways. China is carrying out its construction. It needs a peaceful environment with regard to its foreign relations. It also needs a situation characterized by stability and unity at home. Without all these, it is impossible for China to smoothly carry out its four modernizations program.

We will have commemorative activities tomorrow, and important speeches will be delivered. If you are not satisfied with my expalanation, you will get more explanations and information from those activities.

The Problems of Personnel Changes

Question: Will there be any major personnel changes in the present NPC session, or the 13th CPC National Congress next year?

Li Peng: There will not be any personnel changes in the present NPC session. As for the 13th CPC National Congress, I think that it is too early to predict what will happen at that time.

Question: Will China take part in the Asian games in Seoul this year?

Li Peng: China has not yet made any decision on this matter. China's State Physical Culture and Sports Commission is consulting with the departments concerned on this matter.

Question: The 3d Plenary Session of the KMT in Taiwan stated that the principle of "one country, two system" is not feasible . Have you any comment on this?

Li-Peng: Today, our broadcasting station has broadcast the statement of the foreign ministry spokesman on this issue. I have nothing now to add. I have answered all question which should be answered, and do not hold back any facts. Am I right?

How Should the Problem of Grain be Solved?

Question: How will China solve the problem of grain in the future? Did some peasants give up grain production?

Du Runsheng: Let me answer the question on grain raised by the AP reporter. Experiences over the past few years have proved that China has the conditions to rely on its own efforts to satisfy internal market demand with regard to grain supply. According to the present food composition of residents, generally speaking, it is good enough to maintain the per capita level of 800 jin annually. It is expected that we can maintain this level. However, we do not rule out necessary international trade in grain. We need the readjustment of grain varieties. We need more of some kinds of grain need but less of others. Therefore, we need international exchanges. Under certain conditions, it is more beneficial to import grain. It is more convenient for certain areas to export grain. We should make use of these conditions in a flexible way.

Last year our grain output dropped by over 10 billion jin due mainly to natural calamities. Peasants were not too interested in planting grain. But this happened only in a very small number of places, and was not a general phenomenon. In places where rural industry and commerce developed, and the value and remuneration of labor changed, the benefits gained from planting grain dropped a bit. But this kind of thing did not happen throughout China. We will continue to use our former effective methods to solve the problem of grain, and rural economic reform should be continued.

These are the most effective and most fundamental measures for enhancing peasants' enthusiasm in production. Our government is always paying attention to changes in the benefits peasants gain from grain production. It pays attention to using price readjustment to protect their interests so that peasants engaged in grain production will not suffer any losses. Such protective policy is being improved day by day. On the basis of reform, we will carry out agricultural technical reform, and improve basic agricultural facilities. We will make use of modern science and technology results. Our present NPC session will approve the Seventh 5-Year Plan, and we are preparing to make more investment in agriculture. This plan is being submitted to the NPC session for examination and approval. What is more important is that we will make use of the funds accumulated by peasants themselves. Our party and government have always adhered to the slogan: Our national economy should be based on the development of agriculture. I believe that no matter what happens, we will always attach importance to agriculture, because peasants amount to 800 million of our population. When they get rich and their purchasing power has been enhanced, our entire national economy will develop.

Yao Yilin: Vice Premier Li Peng left some questions for me to answer. I will continue to answer these questions now. (Li Peng chips in: Apart from that, I also would like you to correct those incorrect points in my answers).

Question: At the NPC session last year, Vice Premier Yao Yilin said that the government had spent $2 billion importing high-grade commodities in order to withdraw 8 billion yuan from circulation. What results have been achieved? Do you intend to use the same method to withdraw currency from circulation this year?

Yao Yilin: The reporter from CHINA DAILY asks whether we have achieved results in spending a certain amount of U.S. dollars on buying some high-grade commodities in order to draw currency from circulation. My answer is that we have achieved the results. The reason why we have achieved results is that after withdrawing the capital, we do not regard the profits we gained as financial revenues. We deposited them in the bank. Up to now, we have not used the money. With regard to the ways of using the money, there are, of course, two possibilities. The first possibility is that when our financial budget is not balanced, we will use the money to make up the deficiency. The other possibility is that if the balance of our financial budget can be maintained, we may use the money to pay back funds overdrawn from banks. Anyway, the money is deposited in the banks, and this has reduced the currency amount issued by the banks. At present, this is an important factor contributing to the stability of the prices of goods. Should we also do so this year? Since things have returned to normal this year, it is not necessary to adopt this special measure. This year, we have not yet completed selling imported goods valued at several billion yuan. We will continue to sell them.

The Enterprise Bankruptcy Law Is Being Drafted

Question: China wants to make enterprises which lose money in their business bankrupt. This is a capitalist method. We should like to ask whether it is possible to enforce bankruptcy law in China?

Yao Yilin: TIME magazine asks about bankruptcy law. The law is being drafted. The State Council has not yet officially approved the law, and neither has it been submitted to the NPC for discussion. Whether this law can be enforced, my answer is: 1) China needs a bankruptcy law; 2) The contents of our bankruptcy law will not be entirely the same as those of the bankruptcy law of the capitalist countries. Now, I am not able to answer whether the bankruptcy law which is being drafted is enforceable. It is because first, this bankruptcy law has not yet been completely enacted. We are now in the process of discussing, amending and drafting it. I can't answer the question whether it is enforceable, because this is determined by our discussions and practice.

Foreign Exchange Certificates and Renminbi

Question: Is China going to abolish foreign exchange certificates?

Yao Yilin: In regard to the question by the UNITED PRESS reporter whether we are to abolish foreign exchange certificates, we are to abolish them, but it takes a fairly long time to make preparations for the abolition of these foreign exchange certificates. For this is not an isolated issue, but is aimed at enabling China's renminbi to become the only currency in circulation within China's territory and abolishing the circulation of not only the foreign exchange certificates, but also all other foreign currencies, such as the U.S. dollar or Hong Kong dollar, in Chinese territory. Moreover, this abolition should facilitate transactions in our foreign trade, tourism, and the exchange of visits among the people. Therefore, it is necessary to do a large amount of preparatory work for this. As for the actual time for the abolition, we have not made any final decision on it, but the preparatory work is underway.

Question: Will renminbi become a convertible currency?

Yao Yilin: As for the question by the reporter from the FAR EASTERN ECONOMIC REVIEW, in my opinion, it is now too early to turn renminbi into a convertible currency. This issue cannot be considered in connection with the issue of the abolition of our foreign exchange certificates. For the former is an issue of greater and more far-reaching significance than the latter. We have not yet given any consideration to this issue.

Question: What is the situation of unemployment in China? Is this a secret? How is this problem to be solved?

Yao Yilin: First, there is nothing secret about this question. Second, at present, unemployment is not serious. Since the third plenary session, we have provided jobs for a lot of people every year. Therefore, as a percentage, the number of unemployed is very small. In some of our cities, a labor shortage can already be felt. Third, China continues to be faced with the necessity of providing jobs for a large number of laborers. Every year, a fairly large number of our rural laborers will move from agriculture to industry and tertiary industry. Therefore, the number of laborers for whom we have to provide jobs remains fairly large. This is due to the rise in agricultural labor productivity and the gradual reduction in the labor force needed in our agriculture. This perhaps will last for a fairly long time in China. At the same time, advanced mechanization suited to China's national conditions continues to be necessary for our agriculture. This process of mechanization also means a process of reduction in the agricultural work force. Our policy for solving this problem is: On the one hand we vigorously develop animal breeding and cultivation farming in our rural areas, and on the other hand, we must vigorously develop township industry and establish small towns so that only a small number of our peasants move to our large cities. Over the past few years, we have constantly been working in accordance with this principle and I assume that in the future we have to continue to act in accordance with this principle.

Turning Houses into Commodities

Question: Clashes have occured in the Gulf of Sidra in the Mediterranean, and is it possible that clashes will occur in the Black Sea? What is your opinion on this? If a similar incident occurs in an area near China, what will be China's response?

Li Peng: As for the issue of the Gulf of Sidra situation, the Ministry of Foreign Affairs spokesman has already given an answer to the question, and I have nothing new to add. As for the second hypothetical question, I think that we had better not answer hypothetical questions.

Question: In Premier Zhao Ziyang's report, he mentioned the issue of concerning turning houses into commodities. Is there any specific time schedule for this?

Li Peng: As for turning houses into commodities, it is a tentative idea in our reform and also a great step to take. We have not yet studied the plan for this reform or decided when to carry it out.

Rumors About Shen Tu

Question: There are now many rumors about Mr Shen Tu. Can you tell us something about his state of affairs and where he lives now?

Li Peng: What the reporter from the Voice of America asked about were rumors about Mr Shen Tu. As an official of the Chinese Government, I think it is improper to help you to continue to spread these rumors. What I should do is to give responsible answers.

Yao Yilin: I can tell you something which is a fact. Not long ago, I met Comrade Shen Tu at a reception given by the Kuwaiti ambassador.

Question: In the budget for this year delivered by Wang Bingqian, only 6.2 billion yuan was allocated for technological transformation and the development of new products, but more than 10 billion yuan was allocated in the preceding year. Why is there such a great drop at a time when China attaches importance to technological transformation?

Yao Yilin: As for the question put forward by the SOUTH CHINA MORNING POST reporter about our budget, I have not made sufficient study of it. If you want to know more about this question, you can contact Comrade Wang Bingqian's office. I will write down this question and ask Comrade Zeng Tao to pass it to him.

Question: Since Premier Zhao's visit to South America, how many more countries have established diplomatic relations with China? What are the trends of development in this respect for countries who have not yet established diplomatic relations with China?

Yao Yilin: This had better be answered by our Ministry of Foreign Affairs. As far as I can remember, since Premier Zhao's visit to South America, only one more country -- Nicaragua -- has established diplomatic relations with us.

LI PENG 'GOT INTO TROUBLE' FOR USSR VISIT

HK020959 Hong Kong CHIU SHIH NIEN TAI in Chinese No 195, 1 Apr 86 p 6

[From the "Wind Vane" column by Yu Shi-wen: "Li Peng Gets into Trouble by Visiting Soviet Union"]

[Text] According to well-informed sources, there are signs of a downward slip in the official status of Li Peng, the superstar of the third echelon who has been continuously promoted within the CPC top echelons. And news spreads that in the name-list of vice premiers, Li Peng might have fallen behind Tian Jiyun in order.

Other sources have it that Li Peng got into trouble at the end of 1985. Li Peng began his visit to Europe in December 1985, touring first Western Europe, then Eastern Europe. At a Hungarian official banquet, the Soviet ambassador to Hungary invited Li Peng to stop off in Moscow for a brief stay on his homeward trip, which Li Peng promptly accepted.

As soon as the banquet was over, Li Peng returned to the Chinese Embassy and reported the Soviet invitation to Beijing, asking for instructions, but telling them at the same time that the invitation had already been accepted. The authorities said that as the invitation had already been accepted, he might as well go. So on his homeward trip, Li Peng met Gorbachev. It is said that Deng Xiaoping became very angry when he learned about it, and issued a particular instruction that from now on all officials at and above vice ministerial level must first obtain approval for any brief stay in the USSR during trips before leaving the country. Among the four current vice premiers, the original order of the namelist was Wan Li, Yao Yilin, Li Peng, and Tian Jiyun. Both Li Peng and Tian Jiyun joined the Political Bureau during the National Conference of Party Delegates last year. In the Secretariat namelist, Tian Jiyun comes before Li Peng. Although it is said that Li Peng has "got into trouble," he has continued making appearances of late. He first met the U.S. secretary of energy, and then Arkhipov, first vice-chairman of the Council of Ministers of the USSR, in mid-March.

When Chernenko, the former CPSU chairman, passed away in March 1985, Li Peng was sent to the Soviet Union to attend the funeral, and it was thought he would then be further promoted. Although the CPSU has adopted a more relaxed attitude in its external policies since Gorbachev took office, and repeatedly expressed the wish to improve its relations with Beijing, the news that Li Peng, who studied in the Soviet Union in the fifties (attending the same university as Gorbachev) has "got into trouble" for visiting the Soviet Union is no small matter to the CPC top echelons.

FBIS DAILY REPORT

China

CONTENTS

Vol I No 066 7 April 1986

PRC INTERNATIONAL AFFAIRS

GENERAL

Additional Report: Spokesman on PRC-USSR Relations A 1
Report on Monitoring USSR Tests 'Groundless' A 1
USSR, U.S. Differ Over Summit A 1
Checking of Arms Race Urged at UN Conference A 3
International Hydropower Seminar Closes 4 Apr A 4

UNITED STATES

Moscow Believed Ready To Discuss Summit Date B 1
Yao Yilin Meets U.S. Senator DeConcini 4 Apr B 1
Song Ping Meets General Electric's Bossidy B 1

SOVIET UNION

Special Envoy Begins Moscow Consultations C 1
Leaves Beijing 6 Apr C 1
Met by Leonid Ilichev C 1
Li Peng on Nuclear Cooperation With USSR C 1
Gorbachev Remarks on U.S. Post-Summit Behavior C 2
Soviet Politburo Member on Agro-Industrial Change C 2
USSR, SFRY Sign Cooperation Accords for 1986-90 C 3
'Peculiar' USSR-FRG Relationship Analyzed C 3

NORTHEAST ASIA

PRC May Take Part in Asian Games in Seoul [KYODO] D 1
Artists Participate in DPRK Festival D 1
Nakasone on Overcoming Trade Problems With PRC D 1
Wang Renzhong Meets Japanese Calligraphy Group D 1
Marked Increase in Japanese Tourists to PRC D 2
DPRK Rejects Seoul's Proposals for Dialogue D 2

SOUTHEAST ASIA & PACIFIC

CGDK's Sihanouk Prepares for DPRK Trip E 1
Deng Yingchao Visits E 1
Wu Xueqian at Farewell Banquet E 1
SRV Rejection of CGDK Proposal Condemned E 1
Khieu Samphan Notes Support for CGDK Proposal E 2
Auditor General Heads Delegation to Sydney Talks E 3
Hong Kong 'Unofficials' Fete Xu Jiatun, Others E 4
First Xizang-Hong Kong Joint Venture Noted E 4

WESTERN EUROPE

Greece's Papandreou Arrives for Official Visit G 1
Leaves Athens Airport G 1
Arrives in Beijing G 1
Wu Xiuquan Meets Austrian Provincial Governor G 1
Qiao Shi, Delegation to Italian Communist Congress G 2
PLA Naval Commander Hosts Italian Navy Chief G 2

EASTERN EUROPE

More Reportage on Visit of SFRY President H 1
Exchange of Views With Deng H 1
Leaves Beijing for Xian H 2
Welcomed by Guangdong Officials H 2
Bulgarian Leader Opens 13th Party Congress H 2
Agriculture Minister Hosts Polish Counterpart H 3
Deceased Chinese Workers Remembered in Albania H 3

PRC NATIONAL AFFAIRS

RENMIN RIBAO Editorial Views 1976 Tiananmen Incident [5 Apr] K 1
Beijing Meeting Marks Tiananmen Incident K 2
Bo Yibo Speech K 3
Deng Xiaoping, Other Leaders Plant Trees 6 April K 5
Sixth National People's Congress Continues K 6
Presidium Holds 2d Meeting K 6
Peng Zhen on Legal System K 8
Economists Discuss Reform [CHINA DAILY 5 Apr] K 9
More Laws Being Drafted K 10
Wang Hanbin on Civil Code K 11
Zhang Youyu on Civil Code K 12
Deputies on Foreign Enterprise Law K 13
Lin Jiamei on Education K 13
Panel Discussions View Education K 13
Ni Zhifu Meets Hong Kong Delegates K 15
5-Year Plan Highlights, Part Seventeen -- Health K 15
Part Eighteen -- Population K 15
Part Nineteen -- Housing K 15
Part Twenty -- TV, Films K 16
Part Twenty-One -- Education K 16
CPPCC Session Holds Fourth Meeting 5 April K 16
Healthy Cultural Atmosphere Urged K 17
CHINA DAILY Commentator Examines Future Reforms [4 Apr] K 18
JINGJI RIBAO Stresses Checking Unhealthy Trends [22 Mar] K 19
Xue Muqiao on Recent Economic Development [LIAOWANG 24 Mar] K 20
RENMIN RIBAO Urges Students To Study 'Realities' [1 Apr] K 22
Customs Official Urges Curbing Parallel Goods K 23
Li Peng Praises Nankai University Founder K 23
Xi Zhongxun, Others Attend 3 April Party K 24
Wan Li, Hao Jianxiu Inspect Qingdao, Shandong K 25

ADDITIONAL REPORT: SPOKESMAN ON PRC-USSR RELATIONS

HK021448 Beijing ZHONGGUO XINWEN SHE in Chinese 1227 GMT 2 Apr 86

[Report: "PRC Holds That the Normalization of Sino-Soviet Relations Is Precisely To Correct Those Wrongdoings Which Harm the Interests of Any Third Country"]

[Text] Beijing, 2 Apr (ZHONGGUO XINWEN SHE) -- The PRC has noted the statement in Gorbachev's political report to the 27th party congress that the improvement of Sino-Soviet relations should not harm the interests of a third country, PRC Foreign Ministry spokesman Ma Yuzhen said today. The PRC does not think the passage "not to harm the interests of a third country" should have a specific interpretation. The removal of obstacles to the normalization of Sino-Soviet relations is precisely to correct those wrongdoings which harm the interests of a third country, and will benefit all the parties concerned. Ma Yuzhen made the foregoing statement when asked by reporters to comment on Gorbachev's statement at a press conference held today.

A reporter asked: It has been said in Hong Kong that the PRC has directly or indirectly proposed summit talks to the Soviet side. Has there been any discussion between the two countries on any meeting above the foreign ministerial level?

Ma Yuzhen responded "no comment" to this question.

REPORT ON MONITORING USSR TESTS 'GROUNDLESS'

OW051123 Beijing in Russian to the USSR 1800 GMT 2 Apr 86

[Excerpt] Answering a journalist's question about the construction of a seismological station in China in cooperation with the United States, the Foreign Ministry spokesman said that the construction of such a station in China is the object of bilateral cooperation in accordance with the Protocol on Scientific and Technical Cooperation in the Field of Seismological Research signed by China and the United States. It is of a scientific research nature. The report of the U.S. newspaper THE WASHINGTON POST of 19 March alleging that the United States and China are discussing the question of building in China a seismological station for monitoring Soviet underground nuclear tests is absolutely groundless.

USSR, U.S. DIFFER OVER SUMMIT

OW060742 Beijing XINHUA in English 0647 GMT 6 Apr 86

["Round-up: Five Months Without a Date for Summit -- A Tug-of-War Between Superpowers (by Bao Guangren)" -- XINHUA headline]

[Text] Washington, April 5 (XINHUA) -- Five months have passed since the United States and the Soviet Union agreed at the Geneva summit last November that a second U.S.-Soviet summit would be held in Washington. No date has been set for the summit so far. Words came Friday from Moscow that the Soviet Union is ready to discuss with the United States to set the date for this year's summit. This may mean an end to the nearly five-month long deadlock. To spend five months to set a date for the summit is too long -- it is a tug-of-war and test of patience between the two superpowers.

The United States first suggested that the summit be held in June or July, while the Soviet Union wanted it to be held in November.

Then the United States turned it down saying November is the month the country will hold congressional elections. The deadlock has remained ever since. During this period, the United States appeared to be more aggressive -- it pushed hard on many occasions for the Soviets to respond, but the Soviet Union kept silent. The difficulty to set a summit date demonstrated a slide in U.S.-Soviet relations since the Geneva summit last fall.

In mid-January, Soviet leader Mikhail Gorbachev suggested eliminating nuclear weapons in the world by the end of the century. On February 24, U.S. President Ronald Reagan counter-proposed to eliminate medium-range missiles in three years. The two sides failed to reach an agreement. The United States also took several actions which pushed the down-slope slide faster.

On March 7, the United States ordered a 38 percent cut of the personnel of the Soviet mission to the United Nations and charged that Soviet diplomats there were engaged in espionage activities. The Soviet Union said the move would directly damage relations between the two countries and affect the U.S.-Soviet summit. Late last month, the United States Navy planes sank three Libyan patrol boats and damaged another in the Gulf of Sidra and attacked twice a Libyan missile site. The Soviet Union strongly condemned the U.S. action.

In Latin America, the United States redoubled its efforts to rally support for the 100 million dollars in military aid to the anti-government rebels in Nicaragua to counter what the United States said is the "threat" from the Soviet Union. The United States also decided to ship Stinger missiles to guerrillas in Afghanistan and anti-government forces in Angola. Despite Soviet calls for a stop of nuclear tests, the United States conducted its first test this year and will schedule another soon. The United States also rejected the Soviet call for an immediate summit in Europe to discuss the nuclear test ban. However, the Soviet Union seemed to have shown some patience this time. On no occasion did the Soviet Union threaten to cancel the summit.

Judging from the remarks by the two leaders, one can see that the two countries differ on the purpose for the summit. The Soviet Union is seeking to make nuclear arms control the focal point, while the United States is resisting this narrow focus and wants to focus on the settlement of regional disputes such as the issues of Afghanistan and Angola.

The Soviets are said to believe that the United States has yet to express willingness to reach any agreement at the summit. They think the United States only wants a "get-together" type without much concrete achievements. Gorbachev stated late February that "If there is a readiness to seek agreement, the question of the dates of the meeting will resolve itself. But there is no point in carrying on idle conversations."

On the other side, the United States accused Moscow of trying to impose a precondition on the summit. Reagan declared that if Gorbachev won't come to Washington for the summit this year, "there won't be an 87 summit in Moscow."

Observers here hold that if nothing unusual happens, the U.S.-Soviet summit will be held in Washington this year. Gorbachev told U.S. congressmen in Moscow Friday that he is confident he will meet the U.S. president. Press reports here said over the past week three events occurred which will propel the United States to go ahead with the summit.

U.S. intelligence reports said the Soviet military spending has been relatively constant over the last decade and is likely in the near future to remain constant and may even decline. Pentagon reports said the United States is leading the Soviet Union in the 14 most important areas of military technology. Also, the U.S. Central Intelligency Agency recently revised its method for calculating Soviet nuclear tests. Before, the United States said the Soviets are cheating on the tests, but the new method showed they may not cheat.

The surfacing of these changes in Washington's evaluation of the Soviet "threat" means that a less ominous picture of the situation is reaching both the Congress and the upper-levels of the White House. That helps to clear the way for another summit, as the CHRISTIAN SCIENCE MONITER said.

CHECKING OF ARMS RACE URGED AT UN CONFERENCE

OW050848 Beijing XINHUA in English 0818 GMT 5 Apr 86

[Text] United Nations, April 4 (XINHUA) -- China said today that the checking of the arms race and realization of disarmament are conducive not only to the alleviation of international tension but also to the growth of international economy and social progress. Addressing the second session of the preparatory committee for the international conference on the relationship between disarmament and development here, Liang Yufan, Chinese deputy permanent representative to the United Nations, urged the Soviet Union and the United States to take the lead in drastically reducing at an early date all types of their armaments, nuclear armaments in particular.

The two superpowers should also "refrain from conducting the arms race in outer space and divert the resources thus saved to domestic development and assistance to developing countries for their economic and social development," he said. The aggregated military expenditure of the whole world has reached 1,000 billion U.S. dollars and weapons of all kinds are developing at an unprecedented scale and speed, seriously menancing world peace and security and gulping down enormous resources that are essential for economic and social development.

At the same time, the world economy has been growing at a sluggish pace. Perennial international economic problems are troubling various countries, leaving a serious adverse effect on the development process of the developing countries.

"Pending the realization of complete and thorough disarmament," Liang said, "The United Nations should encourage all the countries, particularly the militarily significant countries," to effect a curb of their own accord on their military expenditures when conditions permit and adopt measures that are conducive to the economic and social development of their own countries.

The Chinese ambassador reiterated that "China pursues a foreign policy of peace, opposes arms race and does not participate in it." "We need a long-standing and peaceful international environment to develop our economy and build up our own country," he added. He said that since 1979, the percentage of China's military expenditure in the whole government budget has been declining year after year, and "no major increase in this regard is expected in the next five years". Liang stated that the Chinese delegation "is ready to join the other delegations in making good preparations so as to ensure a complete success for the conference.

The International Conference on the Relationship Between Disarmament and Development, which was decided upon by the 40th session of the U.N. General Assembly, is to be held from July 15 to August 2 in Paris. High-ranking political leaders from various countries are expected to attend the conference.

INTERNATIONAL HYDROPOWER SEMINAR CLOSES 4 APR

OW041959 Beijing XINHUA in English 1917 GMT 4 Apr 86

[Text] Hangzhou, April 4 (XINHUA) -- After four days of academic exchanges, the International Seminar on the Development and Use of Samll Hydropower Stations closed here today. In 35 papers to the conference, specialists from various countries and regions have approached subjects like design, construction and operative management of small hydropower stations.

Mr. Fabian Acker, advisor of the British magazine "INTERNATIONAL WATER POWER AND DAM CONSTRUCTION", told XINHUA today that China has accumulated rich experience on the construction of small hydropower stations, but it should raise the level of their operative management. He also proposed that Chinese technicians assimilate more foreign technologies to further the development of small hydropower stations in China. Of the more than 2,200 counties in China, 810 are supplied mainly by small hydropower stations and more than 279 have more than 10 megawatts of installed capacity.

Foreign delegates are much impressed with China's rural electirfication and they show great interests in China's mini power generation sets and water-turbine pumps. The four-day seminar was attended by 251 specialists, including 101 Chinese.

MOSCOW BELIEVED READY TO DISCUSS SUMMIT DATE

OW051930 Beijing XINHUA in English 1918 GMT 5 Apr 86

[Text] Washington, April 5 (XINHUA) -- U.S. officials believe that the Soviet Union is ready to discuss the date for the next U.S.-Soviet summit and both sides may agree to holding the meeting in the middle of this year. Local reports said today that U.S. Ambassador to the Soviet Union Arthur Hartman was told by Soviet Foreign Minister Eduard Shevardnadze Friday that Anatoliy Dobrynin, the outgoing Soviet ambassador to the United States, will be empowered next week to work out a date for the Soviet foreign minister to meet his counterpart, U.S. Secretary of State George Shultz, in Washington.

Dobrynin, who is now a member of the Secretariat of the Soviet Communist Party Central Committee and takes charge of foreign relations, will return to the United States to bid farewell to the top U.S. officials and will meet U.S. President Ronald Reagan next Tuesday at the White House. He will also meet Shultz later. It is expected that Dobrynin will carry a message for Reagan from Soviet leader Mikhail Gorbachev, which might clear up the uncertainty about the next summit.

U.S. officials were quoted by press reports as saying that if the Soviet foreign minister came here before Reagan and Shultz leave for the Tokyo economic meeting on April 25, the summit could possibly be held in June or July as suggested by the United States. However, it is also possible that the summit could take place some months later.

The United States and Soviet Union agreed at the summit in Geneva last November that they would hold the second summit this year in Washington and the third in Moscow next year. However, the two sides differ on the date for the summit. The United States wants it held in June or July, but the Soviets want it in November, which Reagan says is unsuitable for him because of the congressional election.

YAO YILIN MEETS U.S. SENATOR DECONCINI 4 APR

OW041210 Beijing XINHUA in English 1202 GMT 4 Apr 86

[Text] Beijing, April 4 (XINHUA) -- Chinese Vice-Premier Yao Yilin met Senator Dennis DeConcini of the United States here today during the meeting. Yao Yilin exchanged views with DeConcini on the Sino-U.S. economic and technical cooperation. DeConcini and his party arrived here Tuesday at the invitation of the Chinese People's Institute of Foreign Affairs.

SONG PING MEETS GENERAL ELECTRIC'S BOSSIDY

OW061158 Beijing XINHUA in English 1044 GMT 6 Apr 86

[Text] Beijing, April 6 (XINHUA) -- Chinese State Councillor Song Ping met here today with a delegation from the General Electric Company headed by its Vice Chairman and Executive Officer Lawrence Bossidy. The U.S. visitors arrived here yesterday at the invitation of the Huaneng International Power Development Corporation.

SPECIAL ENVOY BEGINS MOSCOW CONSULTATIONS

Leaves Beijing 6 Apr

OW060232 Beijing XINHUA in English 0225 GMT 6 Apr 86

[Text] Beijing, April 6 (XINHUA) -- Qian Qichen, special envoy of the Chinese Government and vice-minister of foreign affairs, left here by air this morning for Moscow to attend the eighth round of consultations between the special envoys of the governments of China and the Soviet Union. Before his departure, Qian told reporters that like the previous rounds of consultations, the main topic of the eighth round will be the discussion on the question of normalization of the relations between the two countries by removing the obstacles.

"If the two sides are sincere and do not evade the question, I believe that progress can be achieved in the consultations between the special envoys of the two countries." Qian said.

Asked whether the eighth round of consultations will deal with the exchange of visits by the foreign ministers of the two countries, Qian said both sides may raise any questions for discussion during the consultations. Qian said the eighth round of consultations will end in mid-April.

Met by Leonid Ilichev

OW061330 Beijing XINHUA in English 1319 GMT 6 Apr 86

[Text] Moscow, April 6 (XINHUA) -- Chinese Special Envoy, Vice Foreign Minister Qian Qichen, arrived here today for the eighth round of Sino-Soviet consultations due to start tomorrow on the normalization of relations between the two countries. Qian was met at the airport by the Soviet Special Envoy Foreign Minister Leonid Ilichev, and Chinese Ambassador Li Zeqang. The 7th round of Sino-Soviet consultations was held last October in Beijing.

LI PENG ON NUCLEAR COOPERATION WITH USSR

OW061241 Beijing in Russian to the USSR 1800 GMT 4 Apr 86

[Excerpts] Zeng Tao, spokesman of the Fourth Session of the Sixth NPC, addressed a 3 April press conference for Chinese and foreign correspondent at which State Council Vice Premiers Yao Yilin and Li Peng, and Du Runsheng, director of the China Rural Development Research Center answered correspondents' questions on the Seventh 5-Year Plan.

Dealing with the construction of nuclear power stations, Li Peng said that China will satisfy its power requirements mainly through the use of coal, as well as hydroelectric and thermoelectric stations with nuclear power plants playing only an auxiliary role. A relatively integrated nuclear industry system has already been created in China; and as the power produced by nuclear power plants is relatively an advanced type of energy, we are ready to build (?several) electric stations.

Dealing with the question of whether China is ready for technical cooperation with the Soviet Union in the field of constructing nuclear power stations, Li Peng said that this will be determined only after further study, and this issue has not yet been placed on the agenda. He said that the recent conference on the question of economic, trade, technical cooepration between China and the Soviet Union dealt with the question of technical cooperation in the field of nuclear power plants. China, he said, following an agreement between the two sides,will send delegations to the Soviet Union for a purely technical study of Soviet nuclear power stations.

GORBACHEV REMARKS ON U.S. POST-SUMMIT BEHAVIOR

OW050244 Beijing XINHUA in English 0227 GMT 5 Apr 86

[Text] Moscow, April 4 (XINHUA) -- Soviet leader Mikhail Gorbachev Friday described the post-Geneva summit behavior of the United States as being in conflict with the accord on fundamental issues reached there and said a further meeting should result in concrete steps to end the arms race.

At a Kremlin meeting with U.S. House Foreign Affairs Committee Chairman Dante Fascell and Congressman William Broomfied, Gorbachev said his country is prepared to reach agreement, on an equal footing and without detriment to anyone, on any problems and expects Washington to have the same attitude, according to the Soviet news agency TASS. Gorbachev characterized the conduct of the Americans after the November Geneva U.S.-Soviet Summit as being contrary to accord reached at the meeting on the fundamental issues: the inadmissibility of nuclear war and of seeking superiority over each other. Gorbachev was apparently referring to Washington's refusal to join Moscow's unilateral ban on nuclear testing and rejection of his proposal to hold a special summit in a European capital to discuss ways to halt nuclear testing. Gorbachev stressed the need to carry on the summit dialogue started in Geneva, but said it should be an effective dialogue providing for concrete steps to end the arms race and eliminate the danger of a nuclear catastrophe, TASS said.

However, Fascell told reporters after the meeting that Gorbahcev made clear during the talks the proposal for a meeting on ending nuclear testing is not a "substitute" or a "precondition" for the scheduled summit in Washington. Fascell, who on Friday ended on eight-day visit to the Soviet Union, said he had handed Gorbachev a letter from President Ronald Reagan, but said he did not know what message it contained. Fascell said he has the impression that a meeting between U.S. Secretary of State George Shultz and his Soviet counterpart Eduard Shevardnadze was "about to take place."

SOVIET POLITBURO MEMBER ON AGRO-INDUSTRIAL CHANGE

OW060304 Beijing XINHUA in English 0253 GMT 6 Apr 86

[Text] Moscow, April 5 (XINHUA) -- A senior Soviet party official today said that the Soviet Union's agro-industrial complex wishes to make its enterprises, beginning with state and collective farms, entirely self-supporting. Yegor Ligachev, a member of both the Politburo and the party Secretariat, told a meeting of the party's Central Committee that "switching over all sectors of the agro-industrial complex and, first of all, collective and state farms, to self-repayment, self-funding, self-sufficient running of enterprises is the high road to development of the agro-industrial complex".

According to the Soviet news agency TASS, the party Central Committee and Council of Ministers on March 28 adopted new guidelines "on further refinement of the machinery of economic management in the country's agro-industrial complex."

"The most characteristic feature of the document, adopted by the party and government on matters of the economic machinery of the agro-industrial complex, is not only an extension of economic rights, an increase in economic incentives, but also a rise in the responsibility" of the productive units "for an improvement of the supply of local population with foodstuffs", TASS quoted Ligachev as saying.

USSR, SFRY SIGN COOPERATION ACCORDS FOR 1986-90

OW050734 Beijing XINHUA in English 0717 GMT 5 Apr 86

[Text] Moscow, April 4 (XINHUA) -- The Soviet Union and Yugoslavia signed here today a new economic and technological cooperation agreement for 1987-1990, the Soviet news agency TASS reported. Under the agreement, the two countries will cooperate in building and reconstructing 21 projects covering various industrial fields, including building two thermal power stations with a total capacity of 800 megawatts, and an open coal mine with an annual output of more than 1.7 million tons.

The Soviet Union is a leading trade partner of Yugoslavia. Their trade volume totaled seven million U.S. dollars last year, and it is expected to reach 37 billion U.S. dollars in the next five years, according to a trade agreement signed earlier this year between the two countries.

'PECULIAR' USSR-FRG RELATIONSHIP ANALYZED

OW051610 Beijing XINHUA in English 1548 GMT 5 Apr 86

["News analysis: Moscow Maintains Good Economic Relations With Federal Germany While Attacking Its Foreign Policy (by correspondent Tang Xiushang)" -- XINHUA headline]

[Text] Moscow, April 5 (XINHUA) -- Political disputes have not prevented the Soviet Union from maintaining with Federal Germany a good economic and trade relationship, which has developed rather smoothly in recent years. The 14th conference of the Soviet-Federal German Committee of Economic and Scientific cooperation, which ended here Friday, had this to say: "Economic accords signed between the two countries have been implemented smoothly," and the two sides will "further develop economic ties."

The conference was reportedly focussing on closer cooperation in machine-building industry, and exchanges in metallurgical industry and the production of daily necessities. For some time the Soviet Union has stressed the importance of expanding these industries as part of its strategy to accelerate the economy, and seen it as imperative to meet people's great demand for daily necessities.

Federal Germany is the biggest Western trade partner of the Soviet Union, and one of the vital sources for imported advanced technology and equipment. The trade volume last year between the two countries exceeded seven billion roubles (about eight billion U.S. dollars).

Political relations between the two countries, however, have been quite delicate and complicated. The Soviet Union kept denouncing Federal Germany for "reviving militarism" and for allowing the deployment of U.S. missile on its soil. It strongly condemned Bonn for its participation in the U.S. Strategic Defense Initiative, also known as the star wars program. On this issue, the Soviet Union lodged a formal protest to the Federal German Government, which was published in today's party paper "PRAVDA."

That economic ties could be furthered steadily in such a political climate was because such ties would benefit both. Federal Germany needed contracts from the Soviet Union in great amount to ensure its economic growth and employment at home. For this reason, it can be predicted that such a political-economic relationship, peculiar though, will continue.

PRC MAY TAKE PART IN ASIAN GAMES IN SEOUL

OW071031 Tokyo KYODO in English 0842 GMT 7 Apr 86

[Text] Hong Kong, April 7 KYODO -- China has decided to participate in the 10th Asian games in Seoul this autumn, the ZHONG BAO, Hong Kong's independent newspaper, reported Monday quoting informed sources in Beijing. The newspaper said the decision was made in a top meeting of the All-China Sports Federation in January in Beijing, and China will send 300 athletes, led by He Zhenliang, deputy secretary general of the Chinese Olympic Committee. China's Vice Premier Li Peng told reporters earlier this month that China was still undecided about its participation in the Asian games, but the Hong Kong newspaper said China has informed North Korea of the decision and asked for its approval. Based on the decision, China will proceed with preparations for the games -- to be held in September 20 to October 5 -- and the representatives are to be finally determined in July, according to ZHONG BAO.

ARTISTS PARTICIPATE IN DPRK FESTIVAL

OW051730 Beijing XINHUA in English 1449 GMT 5 Apr 86

[Text] Pyongyang, April 5 (XINHUA) -- The Spring Art Festival, an international gathering of performing artists, opened here today. During the two-week-long annual festival, inaugurated in 1982, 76 art troupes from 44 countries will give musical, dance and acrobatic performances in major theatres and in some factories of the capital. Addressing the opening ceremony of the art festival, Korean Premier Kang Song-san said that the prupose of the gala is to promote friendship and unity among artists from various countries. Kang said the festival will play a positive role in opposing wars and nuclear weapons and maintaining peace. A Chinese art delegation led by Li Ying was present at the ceremony. Li said that the Chinese artists and their foreign counterparts will be working to promote friendship among artists of the various countries. The art festival ends April 18.

NAKASONE ON OVERCOMING TRADE PROBLEMS WITH PRC

OW051652 Beijing XINHUA in English 1644 GMT 5 Apr 86

[Text] Tokyo, April 5 (XINHUA) -- Japanese Prime Minister Yasuhiro Nakasone today said that although there exists many difficulties in economic exchange between Japan and China, efforts must be made to overcome them. Nakasone made these remarks at a meeting at his official residence with Zhang Wenjin, president of the Chinese People's Association for Friendship with Foreign Countries. Zhang and his party, who are here to attend celebrations for the 30th anniversary of the establishment of the China-Japan Cultural Exchange Association, left for home this afternoon.

WANG RENZHONG MEETS JAPANESE CALLIGRAPHY GROUP

OW051400 Beijing XINHUA in English 1315 GMT 5 Apr 86

[Text] Beijing, April 5 (XINHUA) -- Wang Renzhong, vice-chairman of China's National People's Congress Standing Committee, met here today a Chinese calligraphy group from Japan's Jeng An Association. The group is led by 84-year-old J.S. Ma, who was once a follower of Dr. Sun Yat-Sen and a lieutenant general of the Kuomintang Army. Ma, who has lived in Japan for over 30 years, founded the Jeng An Association to study the artistic style of Chinese traditional calligraphy.

During the meeting, Wang praised Ma and the Japanese calligraphers for their continued efforts to promote friendship between the Chinese and Japanese peoples through calligraphic exchanges. After the meeting, the Beijing Zhong Shan Painting and Calligraphy Society and the visiting Japanese group held a forum to exchange experience in calligraphy. Vice-Chairmen of the Central Committee of the Chinese Kuomintang (RCCK) Zheng Dongguo, Jia Yibin and Hou Jingru, who have been Ma's friends for years, met Ma at the forum. Noted Chinese painters and calligraphers and the Japanese calligraphers visited a Sino-Japanese calligraphic works exhibition after the forum. The Central Committee of the RCCK gave a dinner here this evening for the visiting Japanese group. Zhu Xuefan, vice-chairman of the NPC Standing Committee and the Central Committee of RCCK, was among those present on the occasion.

MARKED INCREASE IN JAPANESE TOURISTS TO PRC

OW061606 Beijing XINHUA in English 1506 GMT 6 Apr 86

[Text] Tokyo, April 6 (XINHUA) -- For today's Japanese, traveling abroad has become a popular way of relaxation. According to a report today in the NIHON KEIZAI SHIMBUN, or JAPAN ECONOMIC NEWS, nearly one out of every 25 Japanese went overseas in 1985. More than 4,948,000 Japanese traveled abroad in 1985, a 6.2 percent increase over 1984. The number of Japanese visiting China showed a marked increase in 1985, with 287,000 Japanese tourists going to China, 26.4 percent more than in 1984.

As a way to minimize its trade deficit, the Japanese government has encouraged people to travel abroad by providing them with complete tourism services and itineraries. Japanese travelers spent more than four billion U.S. dollars for trips abroad in 1984, according to the Bank of Japan. The number of Japanese who tour abroad is expected to continue to grow this year, the report predicted.

DPRK REJECTS SEOUL'S PROPOSALS FOR DIALOGUE

OW011757 Beijing XINHUA in English 1639 GMT 1 Apr 86

[Text] Pyongyang, April 1 (XINHUA) -- The Democratic People's Republic of Korea (DPRK) today rejected South Korea's proposals to resume the North-South economic and Red Cross talks on the ground that Seoul and Washington are continuing with their war games. The Korean Central News Agency (KCNA) said in a dispatch that leaders of the DPRK delegations to the North-South economic and Red Cross talks, Yi Chong-ok and Chong-yul, informed their South Korean counterparts on the telephone that the DPRK cannot agree to their proposals. South Korea suggested last Wednesday that the two sides reopen their economic talks on April 30 and the Red Cross meeting on May 27. The proposals put forward by South Korea are "unreasonable" and "deserving no consideration," the two Northern delegation chiefs said in their telephone messages.

Officials from Pyongyang and Seoul have kept their contacts through three channels, economic talks, Red Cross discussions and parliamentary negotiations, all of which were suspended after the United States and South Korea started their joint military maneuvers in early February. DPRK parliamentarians Monday turned down Seoul's proposal for restarting the preliminary parliamentary talks, saying that it is "not worthy of consideration." Pyongyang has repeatedly stated that the South Korean authorities have no right to talk about resumption of North-South contacts at a time when the U.S.-South Korean joint military exercises are still going on.

CGDK'S SIHANOUK PREPARES FOR DPRK TRIP

Deng Yingchao Visits

OW061441 Beijing XINHUA in English 1433 GMT 6 Apr 86

[Text] Beijing, April 6 (XINHUA) -- Deng Yingchao, chairman of the National Committee of the Chinese People's Political Consultative Conference, called on Prince Norodom Sihanouk, president of Democratic Kampuchea, and Madame Sihanouk here this afternoon. Sihanouk and his wife will leave here soon for the Democratic People's Republic of Korea.

When Deng reached Sihanouk's residence, the Prince warmly shook her hands and said, "It is my great honor that you are here to see me." Deng and Madame Sihanouk exchanged flower baskets. On behalf of the Coalition Government of Democratic Kampuchea (CGDK) and the Kampuchean people, Sihanouk extended his gratitude to the Chinese Government and people for their support for the Kampuchean people's struggle when they are in the most difficult situation.

Deng said, "This is our duty." China and Kampuchea are good neighbours, and the Chinese people will do their utmost, both politically and materially, to support the Coalition Government of Democratic Kampuchea and the Kampuchean people in their struggle against the Vietnamese aggression and for national salvation and firmly oppose big and small hegemonism, she said. "We are very glad to learn that the tripartite Coalition Government of Democratic Kampuchea is very united to fight the enemy and has won new victory recently, "Deng said. She described the eight-point proposal for a political solution to the Kampuchea question which was put forward at a cabinet meeting of the Coalition Government of Democratic Kampuchea as a wise idea. The proposal has won support of the members countries of ASEAN and some other countries, Deng said. Deng wished the Kampuchean people under the leadership of Sihanouk would achieve greater victory in their just struggle.

Democratic Kampuchean Ambassador to China Chan Youran was present.

Wu Xueqian at Farewell Banquet

OW041726 Beijing XINHUA in English 1501 GMT 4 Apr 86

[Text] Beijing, April 4 (XINHUA) -- State Councillor and Foreign Minister Wu Xueqian gave a farewell banquet here this evening for Prince Norodom Sihanouk, president of Democratic Kampuchea, and Madame Sihanouk, who will leave here soon for Democratic People's Republic of Korea. Democratic Kampuchean Ambassador to China Chan Youran also attended the banquet.

SRV REJECTION OF CGDK PROPOSAL CONDEMNED

OW061005 Beijing in Vietnamese to Vietnam 1100 GMT 5 Apr 86

[Unattributed commentary: "The Vietnamese Authorities' Refusal To Hold Talks Has Created Obstacles to a Solution of the Cambodian Problem"]

[Text] The eight-point proposal of the Coalition Government of Democratic Kampuchea [CGDK] on a political solution to the Cambodian issue has enjoyed the international community's acclamation and support, but has been unreasonably rejected by the Vietnamese authorities.

Through this, one can see clearly who has impeded the settlement of the Cambodian issue. Malaysian Minister of Foreign Affairs Rithauddeen recently said: Vietnam's refusal to hold negotiations constitutes the main obstacle to the settlement of the Cambodian issue. This remark is quite correct.

It is very irrational that Vietnam has refused to hold talks with the CGDK. As everyone knows, it was Vietnam's armed invasion of Cambodia at the end of 1978 that created the Cambodian problem. To solve the Cambodian problem, Vietnam must withdraw its troops from Cambodia. This is the key to the problem.

To peacefully solve the Cambodian problem, on 17 March the CGDK advanced its eight-point proposal, requesting negotiations with Vietnam on the process of its troop pullout. This proposal is rational and sensible because the Cambodian war has been waged between Vietnam and the CGDK. To restore peace in Cambodia, it is necessary to hold negotiations between the two warring sides. If one side refuses to negotiate, it is impossible to talk about the restoration of peace in Cambodia. Vietnam is one of the two warring sides, but it has refused to hold talks. This proves that it has no intention at all of solving the Cambodian problem politically. The so-called desire to settle the Cambodian issue politically as propagandized previously by Vietnam is but a political trick in coordination with its military action.

In rejecting the CGDK's rational proposal, the Vietnamese authorities have pleaded that Cambodia's internal affairs must be settled by the Cambodian people themselves and that Heng Samrin is the only genuine and legitimate respresentative of the Cambodian people. This means that to solve the Cambodian problem, negotiations must be conducted between Heng Samrin and the resistance forces, without Vietnam's involvement. This argument of Vietnam is extremely absurd. In fact, the Heng Samrin administration was set up following Vietnam's invasion of Cambodia. How can such an administration, which can survive only with Vietnam's military support, decide whether or not Vietnam must withdraw its troops.

In consideration of the national cause, the CGDK has agreed on Heng Samrin's participation in the negotiations on the formation of a quadripartite coalition government. This is an important concession made to Vietnam.

Defying the CGDK's good will for peace, the Vietnamese authorities have persisted in their aggressive stand while using Heng Samrin as a shield, refusing to hold talks, and stubbornly impeding a political settlement of the Cambodian issue. This only isolates them more in the international arena.

KHIEU SAMPHAN NOTES SUPPORT FOR CGDK PROPOSAL

OW051918 Beijing XINHUA in English 1901 GMT 5 Apr 86

[Text] **Bangkok, April 5 (XINHUA) -- Khieu Samphan, vice-president of Democratic Kampuchea, said here today that his visit to the Philippines was "quite successful" and** all ASEAN countries had granted full support to the latest eight-point proposal put forward by the Kampuchean Coalition Government for a political solution to the Kampuchean problem. He made these remarks upon his arrival at the Don Muang Airport here from a three-day visit to the Philippines, where he participated in an ASEAN senior officials' meeting. ASEAN groups Brunei, Indonesia, Malaysia, Singapore, the Philippines and Thailand.

This is his first appearance before the press here since the formation of the Coalition Government of Democratic Kampuchea (CGDK). Khieu Samphan and some other senior officials of the CGDK explained their position on the recent eight-point proposal to the ASEAN representatives who met in Manila yesterday.

Khieu Samphan, flanked by Boun Say, member of the Coordination Committee for Finance and Economy of the CGDK, and Prince Norodom Ranariddh, personal representative of President Norodom Sihanouk in Kampuchea and Asia and commander-in-chief of the Nationalist Sihanoukian Army, reaffirmed to Thai and foreign journalists gathered in the VIP room of the airport, the eight-point proposal released by Norodom Sihanouk, Son Sann and Khieu Samphan on March 17 in Beijing.

The latest proposal calls for a two-stage withdrawal of Vietnamese troops from Kampuchea, and for four-party negotiations among the three resistance factions and the Heng Samrin regime to set up a four-party coalition government in Kampuchea. Khieu Samphan said, "after the completion of the first stage of Vietnamese troop withdrawal, there will be negotiation between CGDK and the Heng Samrin regime to form a four-party coalition government which will be in charge of organizing the general elections under the supervision of the United Nations." "The Kampuchean people will decide what kind of government is most suitable to their country," he added.

When asked whether the National Army of Democratic Kampuchea will merge with other resistance forces after the general election, Khieu Samphan said, "We know very well Vietnam's strategy of Indochina federation. So we have to be able to defend our country. We should find a way to ensure good cooperation among the military forces of every faction." He also confirmed recent coordinated military operation by the resistance forces of the three factions of CGDK against Battambang City. "Now we cooperate better and better," he said.

AUDITOR GENERAL HEADS DELEGATION TO SYDNEY TALKS

OW051135 Beijing XINHUA in English 1111 GMT 5 Apr 86

[Text] Beijing, April 5 (XINHUA) -- Chinese auditors have been increasing their international contacts "to help China build its own system" for checking financial accounts, a leading auditor said here today.

As part of this effort, said Yang Po, deputy director of the Auditing Administration, China's Auditor General, Lu Peijian, will lead a delegation to the 12th Assembly of the International Organization of Supreme Audit Institutions in Sydney April 7 to 16. China joined the organization in 1982. The country became a member of the Asia Organization of Supreme Audit Institutions in 1984. Before 1983, China did not have independent auditing departments. Since auditing became more needed as the economic development accelerated, the Auditing Administration was set up in September, 1983.

Auditing experts from abroad have made extensive visits to China to train auditors here. And Chinese auditors have studied throughout the world. Australia alone has helped train more than 300 Chinese auditors, Yang said, and Canada has agreed to help train 480 more and to provide advanced computer auditing equipment.

HONG KONG 'UNOFFICIALS' FETE XU JIATUN, OTHERS

OW052054 Beijing XINHUA Domestic Service in Chinese 1814 GMT 4 Apr 86

[Text] Hong Kong, 4 Apr (XINHUA) -- The unofficials of the legislative and executive councils in Hong Kong hosted a banquet to fete the responsible persons of the XINHUA Hong Kong Branch tonight.

Director Xu Jiatun; deputy directors Li Chuwen, Zheng Hua, Chen Daming, and Chen Bojian; Secretary General Yang Qi; and Deputy Secretaries General Qiao Zonghuai and Mao Junnian and others of the XINHUA Hong Kong branch attended the banquet on invitation.

More than 40 unofficials of the two councils including Zhong Shiyuan and Deng Lianru also attended the banquet. The banquet proceeded in a cordial atmosphere.

FIRST XIZANG-HONG KONG JOINT VENTURE NOTED

OW041946 Beijing XINHUA in English 1902 GMT 4 Apr 86

[Text] Lhasa, April 4 (XINHUA) -- The Tibet Autonomous Region will soon open its first joint venture -- the China Tibet International Travel Service -- together with Hong Kong's China Merchants Steam Navigation Group Co. Ltd. Local officials said here today agreement on the travel service was signed here April 3.

The Hong Kong-stationed service will attract overseas tourists to Tibet. The Tibet autonomous region received more than 15,000 tourists in 1985.

GREECE'S PAPANDREOU ARRIVES FOR OFFICIAL VISIT

Leaves Athens Airport

OW051120 Beijing XINHUA in English 1045 GMT 5 Apr 86

[Text] Athens, April 5 (XINHUA) -- Greek Prime Minister Andreas Papandreou left here this morning for a five-day visit to China at the invitation of Chinese Premier Zhao Ziyang. This is the Greek prime minister's first visit to China since taking office in 1981.

Papandreou is accompanied by Foreign Minister Karolos Papoulias, Undersecretary of Commerce Yeoryios Katsifaras and other Greek Government officials, as well as more than 100 Greek journalists and business people.

He is expected to have talks with Chinese leaders on a wide range of subjects related to both the international situation and bilateral relations. He will also visit Shanghai, the largest port and industrial city of China. Speaking to Fan Chengzuo, charge d'affaires of the Chinese Embassy, at the airport, the Greek prime minister said "China is now carrying out a great cause in which I, as an economist, take a great interest. I am very pleased to have my visit to China realised now. I have long been looking forward to it."

Papandreou and his party will have a short rest in Bangkok before flying to Beijing on Monday.

Sino-Greek relations have been developing steadily since the two countries established diplomatic ties in 1972. Trade between the two is also on the increase, with the volume jumping from 1.6 million U.S. dollars in 1973 to more than 85 million dollars last year.

Arrives in Beijing

OW070908 Beijing XINHUA in English 0737 GMT 7 Apr 86

[Text] Beijing, April 7 (XINHUA) -- Greek Prime Minister Andreas Papandreou arrived here by special plane this afternoon on a five-day official visit to China at the invitation of Chinese Premier Zhao Ziyang.

He was greeted at the airport by Zhu Xun, chairman of the Chinese Government reception committee and minister of geology and mineral resources. Papandreou is accompanied by Foreign Minister Karolos Papoulias, Under Secretary of Commerce Yeoryios Katsifaras, and other Greek government officials, as well as more than 100 Greek journalists and businessmen. Later this afternoon the Chinese Government will give a grand welcoming ceremony for the Greek Prime Minister. A state banquet in honor of him will be held this evening in the Great Hall of the People.

WU XIUQUAN MEETS AUSTRIAN PROVINCIAL GOVERNOR

OW051141 Beijing XINHUA in English 1115 GMT 5 Apr 86

[Text] Beijing, April 5 (XINHUA) -- Wu Xiuquan, Standing Committee member of the Central Advisory Commission of the Chinese Communist Party, met Dr. Josef Krainer, governor of the Austrian federal state of Styria, and his party here today.

Wu is also chairman of the Beijing Institute for International Strategic Studies. The Austrian visitors will leave here tomorrow for a tour of other Chinese cities.

QIAO SHI, DELEGATION TO ITALIAN COMMUNIST CONGRESS

OW061442 Beijing XINHUA in English 1430 GMT 6 Apr 86

[Text] Beijing, April 6 (XINHUA) -- A Chinese Communist Party (CPC) delegation left here this evening for Italy to attend the 17th National Congress of the Italian Communist Party. The delegation is led by Qiao Shi, member of the Political Bureau and member of the Secretariat, of the CPC Central Committee.

Seeing the delegation off at the airport were Li Peng, member of the Political Bureau and Member of the Secretariat of the CPC Central Committee, and Zhu Liang, head of the International Liaison Department of the CPC Central Committee.

PLA NAVAL COMMANDER HOSTS ITALIAN NAVY CHIEF

OW041735 Beijing XINHUA in English 1600 GMT 4 Apr 86

[Text] Beijing, April 4 (XINHUA) -- Liu Huaqing, Naval commander of the Chinese People's Liberation Army (PLA), gave a banquet here this evening to welcome Vice-Admiral Giasone Piccioni, Italian Naval chief of staff, and his wife. Speaking at the banquet, Liu said that with the continued development of Sino-Italian relations, friendly contacts between the Navies of the two countries have also increased.

"The fact that we are receiving the Italian Naval chief of staff in Beijing and two Italian Naval vessels in Shanghai testifies to our friendly relations," he added. Piccioni agreed, saying, "Although Italy and China are separated by a long distance, we feel at home here."

The Piccionis arrived here today at the invitation of Liu Huaqing. They will join Naval officers and men from their two missile escort vessels on a visit to Shanghai. They will also visit Qingdao and Guangzhou.

MORE REPORTAGE ON VISIT OF SFRY PRESIDENT

Exchange of Views With Deng

OW041515 Beijing XINHUA in English 1432 GMT 4 Apr 86

[Text] Beijing, April 4 (XINHUA) -- China's senior leader, Deng Xisoping, said today that the economic reforms and open policy have kept the country firmly on the socialist road. He was speaking at a meeting in Beijing's Great Hall of the People with Radovan Vlajkovic, president of the Presidency of the Socialist Federal Republic of Yugoslavia.

Deng said all the policies and principles China had adopted since the Third Plenary Session of the 11th Central Committee of the Chinese Communist Party in 1978 served two purposes. One was to adhere to the socialist road and the other was to oppose hegemonism and safeguard world peace. It was of vital importance for China to uphold socialism and peace, Deng stressed.

"As long as China, which has a billion people, pursues socialism and peace, it will make relatively great contributions to mankind. If China embarks on a capitalist road or practises hegemonism, it will bring calamities for mankind," he said. Deng regarded the adherence to socialism and support for peace as criteria on which to judge whether China had embarked on a right road.

He said, during the "Cultural Revolution" (1966-76) total egalitarianism was practised, and the so-called theory of rather needing poor communism than rich capitalism was advocated. He said, "We cannot say that not wanting capitalist riches is incorrect. But the Marxist viewpoint definitely does not equate communism with poverty". The communist principle of distribution is from each according to his ability, to each according to his needs," he said. Communist society can only be built up on an abundance of material wealth. But how can it have such wealth if the productive forces have not been developed? he asked.

"Therefore", he said, "our main task is to develop our social productive forces and realize our final goal of communism." Deng said, "It is impossible to develop the productive forces if we close our country to international exchanges and do not carry out the policy of opening to the outside world. And it is also impossible to develop the productive forces without enlivening our domestic economy and giving full play to the initiative of the people."

Vlajkovic shared Deng's views and said that China is taking a correct road, adding that China's adherence to the socialist road is of worldwide significance.

Deng briefed the guests on China's ongoing economic restructuring and said China must practise reform as it wants to build socialism with its own characteristics. The Seventh Five-Year Plan, beginning this year, is crucial to an all-round economic restructuring. Reform in urban China is much more complicated than in rural China, he pointed out. Now China is carefully watching every step taken, and must make resolute decisions at every stage. Deng said he was convinced that China would succeed in its reform.

Present on the occasion were Wu Xueqian, state councillor and foreign minister, and Zhang Jingfu, state councillor. Afterwards, Deng gave a luncheon in honor of Vlajkovic, his wife and their party.

Leaves Beijing For Xian

OW050730 XINHUA in English 0719 GMT 5 Apr 86

[Text] Beijing, April 5 (XINHUA) -- President of the Presidency of the Socialist Federal Republic of Yugoslavia Radovan Vlajkovic and his wife left here by plane on a visit to Xian this morning. President Li Xiannian and his wife Lin Jiamei saw the guests off at the State Guesthouse before their departure.

Li Xiannian said that the Yugoslavia President's visit had been a great success and strengthened the friendship between the two parties, the two countries and the two peoples.

Vlajkovic said the two sides share views on major international issues. "I have experienced the good feelings and friendship of the Chinese people for the Yugoslav people," he added. State Councillor Zhang Jingfu accompanied the guests on their visit to Xian.

Welcomed By Guangdong Officials

OW061636 Beijing XINHUA in English 1627 GMT 5 Apr 86

[Text] Guangzhou, April 5 (XINHUA) -- Radovan Vlajkovic, president of the Presidency of Yugoslavia, his wife and their party arrived here this evening from Xian, in the company of Chinese State Councillor Zhang Jingfu. They were greeted at the airport by Lin Ruo, secretary of the Chinese Communist Party Committee of Guangdong Province, and Yang Li, vice-governor of Guangdong.

When the Yugoslav visitors arrived at the garden hotel, they were greeted by a shower of rose petals tossed to them by the hotel employees. Vlajkovic and his party arrived in Xian from Beijing this morning. They were welcomed at a luncheon given by Bai Jinian, secretary of the CPC Shaanxi Provincial Committee. They were taken to the museum displaying excavated terracotta horses and warriors as well as the city's western gate and its embrasured watchtower, two historic relics dating back to the Ming Dynasty (1368-1644), in Xian this afternoon.

BULGARIAN LEADER OPENS 13TH PARTY CONGRESS

OW031849 Beijing XINHUA in English 1629 GMT 3 Apr 86

[Text] Sofia, April 3 (XINHUA) -- The U.S. administration's new global strategy has turned the world equilibrium, and therefore pushed the world situation to the brink of a nuclear confrontation, Bulgarian leader Todor Zhivkov said Wednesday. In the opening address of the party's 13th Congress, Zhivkov condemned the United States for continuing nuclear tests and its Strategic Defense Initiative, also known as "star wars." He said problem of peace and war is the number one issue in today's world. The Bulgarian leader said the development of relations with Socialist countries is of special importance under the present international situation.

Zhivkov also stressed that Bulgaria supports developing countries in their demand to change the present international relations and to establish a new international economic order. Relations with capitalist countries, Zhivkov said, should be built on the basis of mutual benefit. Bulgaria advocates political dialogues and nondiscriminating cooperation in the fields of economy, science and culture.

AGRICULTURE MINISTER HOSTS POLISH COUNTERPART

OW041732 Beijing XINHUA in English 1602 GMT 4 Apr 86

[Text] Beijing, April 4 (XINHUA) -- Polish Minister of Agriculture, Forestry and Food Industry Stanisaw Zieba and his party were honored tonight at a banquet given by his Chinese counterpart He Kang at the State Guest House. This morning, the two ministers exchanged views on expanding cooperation in agriculture between China and Poland.

DECEASED CHINESE WORKERS REMEMBERED IN ALBANIA

OW060354 Beijing XINHUA Domestic Service in Chinese 1445 GMT 5 Apr 86

[Text] Tirana, 5 April (XINHUA) -- On the occasion of the traditional Chinese tomb-sweeping festival, Chinese Ambassador to Albania Xi Zhaoming visited the Tirana cemetery and swept the tombs of three Chinese engineers and technicans who died while helping with Albania's economic construction.

The three Chinese comrades are: Peng Guiwen, Zhang Baoyu, and Li Dexiong. Of them, Comrade Zhang Baoyu was posthumously honored by the Albanian People's Assembly's Presidium as an "Albanian Socialist Labor Hero."

On the same day, Ambassador Xi Zhaoming went to Durres to sweep the tombs of Ou Xiande and Song Shuhang, two Chinese sailors who sacrificed their lives there.

RENMIN RIBAO EDITORIAL VIEWS 1976 TIANANMEN INCIDENT

HK060724 Beijing RENMIN RIBAO in Chinese 5 Apr 86 p 1

[Editorial: "Socialist Modernization -- a Lasting Message in History -- In Commemoration of the 10th Anniversary of the 'April 5th Incident'"]

[Text] A mass activity in memory of Comrade Zhou Enlai and in protest of the scheme to usurp party leadership and state power by the "gang of four" erupted in the capital in early April 1976. This mass activity was conducted under the influence of the correct party line. It was, in essence, support for the correct leadership of the party represented by Comrade Deng Xiaoping. The appeal for modernization, ardently cherished by the people, was a mighty punitive force against the "gang of four." It laid a mass foundation for the party's triumphant smashing of the "gang of four." It was the first spring thunder as the 10-year catastrophe drew to a close. Almost without our realizing it, 10 years have passed. The course of history over the past decade has left a brilliant record. The general aim is to build a strong, modern socialist country with a high level of civilization and democracy.

Through discussions on "practice is the sole criterion for testing truth" over the past decade, the shackles of the "two whatevers" were shattered. Through the convocation of the 3d Plenum of the 11th CPC Central Committee, which is of great historical significance, and the convocation of the 6th Plenum of the 11th CPC Central Committee in 1981, the party triumphantly set things right in its guiding ideology. At the same time, we have shifted the focus of the whole party's work to socialist modernization. We have launched arduous economic reforms and economic development. Great achievements have been scored in rural economic reform. A bold step has also been taken in the all-round reform of the economic structure with emphasis on the cities, and achievements scored have attracted worldwide attention. We have also carried out other major reforms, including reform of educational, science and technology management, and cadre systems. Looking back on the past decade, we can proudly boast that the speed and steadfastness in progress toward modernization have far surpassed the greatest extent imaginable 10 years ago.

Fundamental changes have occurred in China's political and economic situation compared to that of 10 years ago. History long ago entered a new era. In this new era, the central task of the whole party and the entire people of the nation is to realize the four modernizations step by step and to build socialism with Chinese characteristics. To achieve this great task, the party calls on people of the entire nation, especially the younger generation which shoulders the future, to carry forward the spirit of the foolish old man who removed the mountains and to work and study hard. It is by no means easy to modernize a large and backward country. Economically, we are faced with a move from the old to the new economic structure. This is an extremely complicated social and economic movement. It calls for great courage, persistence, patience, and drive. Politically, we must constantly overcome salient, hidden, structural, ideological, and other obstacles in order to strengthen and perfect socialist democracy and the socialist legal system. This will be a fairly long historical process. Ideologically, we are in an environment with stinking feudalist residue and decadent capitalist influences. To accomplish the grand task of building socialist spiritual civilization calls for sustained efforts by the whole party and the entire people and a tenacious battle by some outstanding people in particular. Fundamentally speaking, moreover, the perfection of socialist democracy and the building of the socialist legal system and ideology also hinge on a high degree of development in productive forces and great enhancement of the quality of the national culture. These problems cannot be resolved by step under party leadership. To provide a good social and political environment for modernization and reform, we must particularly treasure the hard-won excellent situation characterized by stability and unity.

We must take good care of the situation, in the same way we take care of our eyes. The people stand by and support the party; the party cherishes and serves the people. The one heart of the people, the party, and the military echoes the call to unite and work hard to revitalize China.

The younger generation played a particularly salient role in the "April 5th" Tiananmen Incident 10 years ago. In the decade that followed, the overwhelming majority of young people from that time have diligently and conscientiously contributed to the four modernizations. Many of them have grown into the most reliable backbone force of the party and into valuable people on various fronts. In lessons drawn from their personal positive and negative experiences, they profoundly realized that only under the leadership of the CPC can young people fully bring their talents into play and grow up to benefit society by devoting themselves to building a prosperous and strong motherland and working for the people's well-being. To carry forward today the spirit of the "April 5th Incident," educated youths must consciously close ranks with the broad masses of workers and peasants. They must learn from books, as well as from practice. They must go to the grass-roots units and undertake construction tasks and scientific experiments. They must plunge into and promote reform, temper themselves into able people for construction of the motherland, and strive to become an educated and disciplined new generation with lofty ideals and moral integrity.

Socialist modernization is the strongest message of the "April 5th Incident" and also of the times. Let us continue to carry forward this strongest message and strive to build China into a strong, modern socialist country with a high degree of civilization and democracy!

BEIJING MEETING MARKS TIANANMEN INCIDENT

OW050607 Beijing XINHUA Domestic Service in Chinese 1248 GMT 4 Apr 86

[By reporter Wu Jincai]

[Excerpts] Beijing, 4 Apr (XINHUA) -- People from all walks of life in Beijing held a meeting at the Great Hall of the People this morning to mark the 10th anniversary of the Tiananmen Incident, which took place in April 1976 and represented a movement to mourn the demise of Premier Zhou Enlai and lodge a strong protest against the "gang of four."

Bo Yibo, vice chairman of the CPC Central Committee Advisory Commission, delivered a speech at the memorial meeting.

Yu Qinghe, Li Yuanchao, and Wang Qingshu, responsible persons of the All-China Federation of Trade Unions, the CYL Central Committee, and the All-China Women's Federation, also delivered speeches at the meeting. They called on workers, young people and women throughout the country to follow the trend of the times, shoulder their historical responsibilities and make due contributions to promoting reforms and the four modernizations program, fulfilling the "Seventh 5-Year Plan," and developing the two socialist civilizations.

The memorial meeting was presided over by Li Ximing, secretary of the Beijing Municipal CPC Committee. Attending the memorial meeting were more than 400 people, including Hu Qili, Li Peng, Wang Zhen, Wang Shoudao, Wu Xiuquan, Xiao Ke, Duan Junyi, Lu Zhengcao, Mayor Chen Xitong of Beijing Municipality, and the representatives of all walks of life in the capital.

Bo Yibo Speech

OW050458 Beijing XINHUA Domestic Service in Chinese 1259 GMT 4 Apr 86

[Speech by Bo Yibo at 4 April memorial meeting in Beijing at the Great Hall of the People to mark the 10th anniversary of the April 5th Incident]

[Excerpts] Beijing, 4 Apr (XINHUA) -- Comrades : Today we are happy to gather here to mark the 10th anniversary of the Tiananmen Incident in April 1976 which represented the movement to mourn the demise of Premier Zhou Enlai and lodge a strong protest against the "gang of four."

The Tiananmen Incident took place under the party's correct leadership and under the party's correct guidance. The "resolution" of the 6th Plenum of the 11th CPC Central Committee pointed out: The essence of this movement was to support the party's correct leadership with Comrade Deng Xiaoping as its representative. Among the masses and young people participating in the movement, many CPC and CYL members, who were educated by the party for many years and endured the political turmoil, economic upheavals, and miserable sufferings during the "Cultural Revolution" without a single peaceful day, had fully realized the harmful effects of the ultra-leftist line advocated by the "Cultural Revolution" and the ugly features of Jiang Qing and her cohorts. They ardently cherished the correct proposal to develop the four modernizations program as put forward by the party. They had particularly seen hope in the series of correct measures taken by Comrade Deng Xiaoping when he was in charge of the day-to-day work of the CPC Central Committee. They had hoped that such measures would be persistently carried out, while realizing that only by eliminating chaos, achieving stability and unity, firmly implementing the correct principles and policies of the party with Comrade Deng Xiaoping as its representative, and developing the four modernizations program, would it be possible for us to take the only correct path for rejuvenating the nation and making our nation more prosperous and powerful. The party's correct stand had become the great banner of the Tiananmen Incident. It was precisely under the guidance of this banner of great significance that millions of the masses and young people had congregated in Tiananmen Square. Our experience in the past has proven that only under the correct leadership of the party and the influence of the party's correct guidance will it be possible to mobilize and completely unite the Chinese people and youth to forge ahead toward a common goal. Although the Tiananmen Incident occurred under special historical conditions, it also carried forward the glorious revolutionary traditions which had been upheld by many mass and youth movements in the current history of the revolution launched under the leadership and the influence of our party.

At a time when we mark the 10th anniversary of the "April 5th" Incident, we are happy to see that as compared with ten years ago, basic profound changes have already taken place in our country. Since the 3d Plenum of the 11th CPC Central Committee, the party Central Committee has made a series of policy decisions; led the whole party, the entire Army, and people of all nationalities throughout the country to fulfill their arduous task of eliminating chaos and restoring order in their guiding ideology; brought about great historic changes; found a correct road to build socialism with Chinese characteristics; and scored tremendous achievements that have been universally-acknowledged. Right now, China's political situation is stable and its economy is being rejuvenated. The government functions well, and the people enjoy peace. The people's living standards are gradually rising, while socialist democracy and the legal system are being continuously improved. Reforms of all types have vigorously developed. The Chinese people have not had the opportunity to build their own country, as they wished for so many years. A decade ago, the primary task of the whole party and all the people in the country was to end the 10-year domestic turmoil and save our socialist motherland from calamity.

This task has already been fulfilled. Now a new page of history has turned. The historic mission entrusted to our people by the new period is to build our great motherland. This is the strong aspiration of the one billion Chinese people. It is also the most fervent wish of all the heroic martyrs who laid down their lives in various stages of the revolution and the proletarian revolutionaries of the older generation.

Currently the Fourth Session of the Sixth National People's Congress is in session. The magnificent "Seventh 5-Year" Plan will be adopted by this session. The formulation and implementation of the "Seventh 5-Year" Plan signify that China's socialist construction has entered another new and important stage. This year is the first year of the "Seventh 5-Year" Plan. In reforming the economic structure this year, we must attach importance to consolidating, assimilating, replenishing, and improving reform measures and make preparations for the new steps to be taken each year from now on. People throughout the country, particularly young workers, peasants, scientists, and technicians on the forefront of construction and reform, will further strengthen their sense of the historical mission, work harder than ever on their respective posts, and do a good job in reforming the economic system and developing the two civilizations.

Right now, the political and economic situation in China is the best since the founding of the nation. However, there are some things which are not so ideal, and there remain many problems in party style and social ethics. With regard to shortcomings and unhealthy trends, the party and the government are taking positive measures to earnestly solve these problems. They have already brought marked results. We welcome all people to work with the party and the government to tackle issues concerning construction, reform, party style, social ethics, and other issues affecting the future and destiny of the state. We also welcome everyone to offer his criticisms and proposals according to democratic and legal procedures an in line with organizational principles. Under the leadership of the party and the people's government, we must bring into full play the spirit of tenaciously waging struggles; strengthen socialist democracy and the legal system; and firmly and persistently wage struggles against unhealthy tendencies and criminal offenses. However, we must never do anything in the form of any movement or in the form of the "Cultural Revolution", because these forms will inevitably bring new chaos. Such chaos would undermine and interfere with the four modernizations drive. Nor would they truly correct the unhealthy trends and achieve anything in combating criminal offenses.

In conclusion, I would like to say something to the intellectuals. The motherland and the people pin great hopes on intellectuals. Intellectuals must master one specialty, and become specialists and experts in that field. They must do a good job in study Marxism and Mao Zedong Thought as well as the party's line, principles, and policies. We do not require that a specialist know all the subjects in various fields, but we demand that every specialist understand the basic theories of Marxism and Mao Zedong Thought. They must not only learn from books, but also pay attention to practical knowledge. Intellectuals, particularly young intellectuals, must maintain close touch with reality; identify themselves with workers and peasants; penetratingly carry out structural reforms, economic construction, and scientific experiments; go deep among the masses of workers and peasants to link the knowledge they have taken from books with practice to build the country, and turn themselves into competent people for the development of the motherland's four modernizations program in the course of carrying out practices.

Comrades, a great era is calling us. Let us embark on a new journey and plunge into a new battle, and work hard to make contributions in fulfilling the lofty task of making the motherland prosperous and powerful and helpful the people become affluent.

DENG XIAOPING, OTHER LEADERS PLANT TREES 6 APRIL

OW061451 Beijing XINHUA Domestic Service in Chinese 1140 GMT 6 Apr 86

[By reporter Li Shangzhi]

[Text] Beijing, 6 Apr (XINHUA) -- Comrade Deng Xiaoping, who is an initiator of the nationwide campaign for obligatory tree planting, along with Comrades Hu Yaobang, Zhao Ziyang, Li Xiannian, and Peng Zhen, took part in the obligatory tree-planting drive this morning involving 1 million people in the capital. Together with the gardeners, they planted 116 pine trees and cypresses at Tiantan [Temple of Heaven] Park.

Tiantan Park is one of the renowned tourist attractions in the capital, and each year about some 10 million sightseers, both Chinese and foreign, visit this place. Today is Sunday, and Beijing experienced fine weather with gentle breezes and a bright sun. There were a large number of Chinese and foreign visitors in Tiantan Park, where green buds have appeared on the plants and the peach trees are in full blossom. At 0930 several minibuses stopped on the northern side of the Qinian Hall. From one of the minibuses, Comrade Deng Xiaoping, dressed in a dark grey tunic suit, came down hand in hand with his small granddaughter. In high spirits, he said to the granddaughter: "Yangyang, we are here again to plant trees. How beautiful this place has become after trees have been planted!" He said this because last year, on the morning of 12 March -- Arbor Day -- he took his small granddaughter, Yangyang, to this same place to plant trees. It was in that tree-planting activity that Comrade Hu Yaobang made a suggestion to Beijing Municipal CPC Committee Secretary Li Ximing and Mayor Chen Xitong to postpone Beijing's all-people tree-planting day to the first Sunday of April each year because spring comes comparatively late in this municipality. This suggestion was later adopted by the Beijing Municipal People's Congress. Today when some 1 million people in Beijing Municipality were taking part in the obligatory tree-planting drive, leading comrades at the central level came again to plant trees in Tiantan Park.

While planting trees, Comrade Hu Yaobang chatted with Li Ximing and Chen Xitong about the work of Beijing Municipality. Comrades Deng Xiaoping and Peng Zhen, with spades on their shoulders, came to a spot where a hole had been dug in the ground for planting the tree sapling. These two elder revolutionaries, both over 80, chatted with each other while shoveling earth around the roots of the sapling. Seeing his small granddaughter working in real earnest, Deng Xiaoping stood up straight and said with a smile: "She is 6 years old now. She has accompanied me in planting trees for 3 years." At this time, Comrade Yang Shangkun also came here to plant trees with his 5-year-old granddaughter Jingmei. In great delight, Comrade Deng Xiaoping said: "Children have also come to participate in the tree-planting drive."

In another area, Comrades Zhao Ziyang and Li Xiannian worked so hard that sweat appeared on their faces. Comrade Li Xiannian straightened his back and wiped the sweat on his face. He said: "Planting is only the first step. The key task is to make sure that the saplings we have planted will survive." Comrade Zhao Ziyang said: "To make sure that they will survive, we have to step up the work of managing them." Then, he said to the gardeners working by the side; "After we have planted these saplings, we will go away. The future work of managing the saplings will be left to you. Please take care of them." Both Comrades Zhao Ziyang and Hu Qili were in sportswear today. When several old comrades saw the many trees planted by Comrade Hu Qili, they smiled and praised him as a strong and tough young fellow.

Comrades Xi Zhongxun, Qiao Shi, Li Peng, Yang Dezhi, Wu Xueqian, Yu Qiuli, Yao Yilin, Ni Zhifu, Chen Muhua, Chen Pixian, Deng Liqun, and Wang Zhaoguo also came to Tiantan Park to plant trees. They shoveled earth spade by spade and then watered the newly planted saplings.

Some deputies to the Fourth Session of the Sixth NPC, some members attending the Fourth Session of the Sixth CPPCC National Committee, as well as cadres, staff members, and workers of the organs directly under the CPC Central Committee and the central state organs also took part in the tree-planting drive carried out by the people of the capital today.

Comrades Wan Li and Hao Jianxiu, on an inspection tour in Wenzhou, Zhejiang, also participated in the tree-planting activities at Jingshan mountain in the western suburbs of Wenzhou City together with the local cadres.

SIXTH NATIONAL PEOPLE'S CONGRESS CONTINUES

Presidium Holds 2d Meeting

OW041130 Beijing XINHUA Domestic Service in Chinese 0839 GMT 4 Apr 86

[Text] Beijing, 4 Apr (XINHUA) -- The Presidium of the Fourth Meeting of the Sixth NPC held its second meeting at the Great Hall of the People this morning. Peng Zhen, chairman of the NPC Standing Committee and executive chairman of the Presidium, addressed the meeting, which was chaired by Chen Pixian, vice chairman of the NPC Standing Committee and another executive chairman of the Presidium.

The Presidium meeting today decided to pass among the deputies a draft resolution concerning the Seventh 5-Year Plan to see if they have any opinions on revising the draft before it is adopted by the next Presidium meeting. The meeting also adopted the draft resolution concerning the 1986 national economic and social development plan, and decided that, after the meeting, copies of the draft resolution will be distributed to all delegations for discussion before it is examined at the full session.

During the meeting, Wang Renzhong, chairman of the NPC Financial and Economic Committee, made a report on the examination of the implementation of the 1985 state budget and the draft 1986 budget. He said: My committee learned from the examination that the implementation of the State Council's 1985 state budget was generally satisfactory. On the basis of achieving a sustained, stable and coordinated economic growth, the budgeted revenues and expenditures were accomplished better than expected. The nation's thriving economic growth -- achieved on the basis of reform, opening to the outside world and enlivening the economy -- can be seen from the fact that 1985 revenues were 36.2 billion yuan higher than those of 1984. The distribution of capital basically ensured the needs of key projects concerning development of energy and intellectual resources and construction of communications facilities. On the basis of developing production, initial success was achieved in reforming the wage system of state organs and institutions, and the wage scale of workers and staff members of enterprises was also readjusted. Compared with that of 1984, the living standards of people in cities and rural areas was improved in various ways. The nationwide inspection of tax collection, fiscal work, and commodity prices not only increased revenues and helped balance the budget, more importantly it disciplined financial and economic work and helped straighten out party and social conduct even further. Meanwhile, it should also be pointed out that attention should be directed to certain problems in the implementation of the 1985 state budget. We should continue to analyze the situation, sum up our experiences, and improve our financial management sc as to bring sounder economic growth and ensure the normal progress of economic reform. He said: The draft 1986 state budget presented by the State Council is a budget of balanced revenues and expenditures. The financial and economic committee maintains that the draft is a proper one, and those changes and policies advocated in drawing up the budget are essential.

The financial and economic committee proposes the NPC approve the report on the implementation of the 1985 state budget and the draft 1986 state budget made by Wang Bingqian, state councillor and minister of finance, and approve the State Council's figures of the state's 1984 final account and the 1986 state budget. The committee also proposes that the NPC Standing Committee be authorized to approve the 1985 final account after it has been drawn up.

Wang Renzhong said: The financial and economic committee maintains that special attention should be paid to the following areas in fulfilling this year's financial and economic work: achieving an overall financial balance; continuing to control the scale of investments in fixed assets; pushing enterprises to achieve better economic returns, ensure revenue and continued stable growth, keep up with the new situation of reform, opening to the outside world, and enlivening the economy, fully utilize and develop the existing financial resources, and actively explore and create new financial resources; and taking effective measures to improve supervision over fiscal, credit and auditing matters in order to discipline financial and economic work, combat unhealthy economic practices, and carry forward the glorious tradition of plain living and building the country through thrift and hard work.

The Presidium meeting adopted the Financial and Economic Committee's report today. It also adopted a draft resolution on the implementation of the 1985 state budget and the 1986 state budget, and decided that after the meeting, the draft resolution will be printed out and distributed to all delegations for deliberation before being submitted to the full session for approval.

Zhao Ziyang, premier of the State Council, made a proposal to the Fourth Session of the Sixth NPC on the appointments of a vice premier of the State Council and a state councillor. Based on Zhao Ziyang's proposal, the meeting adopted a draft namelist of candidates for vice premier of the State Council and state councillor who it had deceded to appoint. It decided to print out this draft namelist and distribute it to all delegations for discussion.

Because of the deaths of Shi Liang and Hu Yuzhi, vice chairmen of the NPC Standing Committee, and Wu Maosun, Chen Yongkan, Hua Luogeng, and Ma Bi, members of the NPC Standing Committee, the Presidium's permanent chairman proposed candidates for the additional vice chairmen and members of the NPC Standing Committee. The Presidium meeting adopted a draft namelist of candidates for the additional vice chairman and members of the Sixth NPC Standing Committee, and decided to print out the namelist and distribute it to all delegations for deliberation.

The NPC organic law stipulates that candidates for the constituents of the special committees of the NPC are nominated from among the deputies and approved by the NPC session. After hearing the explanation by Chen Pixian, the Presidium's permanent chairman, concerning the election of additional constituents of the special committees of the NPC, today's Presidium meeting adopted a draft namelist of candidates for additional vice chairmen and members of the special committees of the NPC, and decided to print out this namelist and distribute it to all delegations for deliberation.

In conclusion, Peng Zhen, chairman of the NPC Standing Committee, spoke at the meeting. He said: In the past few days, while deliberating the draft Seventh 5-Year Plan and Premier Zhao Ziyang's report, the deputies have offered many good suggestions and opinions, on the basis of which the State Council will make the necessary revisions and supplements to the report and the draft plan. Peng Zhen said: The formulation of the Seventh 5-Year Plan started with the CPC Central Committee making suggestions after extensively soliciting opinions. Based on the CPC Central Committee's suggestions, the State Council drafted the Seventh 5-Year Plan, which is now being discussed by the NPC before making a decision. This demonstrates the high-level of centralism based on the country's highly-developed democracy.

Peng Zhen on Legal System

OW060937 Beijing XINHUA Domestic Service in Chinese 1426 GMT 5 Apr 86

[Text] Beijing, 5 Apr (XINHUA) -- Peng Zhen, chariman of the NPC Standing Committee, attended a meeting of the Beijing delegation to the Fourth Session of the Sixth NPC this morning and made an important speech concerning the Seventh 5-Year Plan, the legal system, and spiritual civilization. Comrade Peng Zhen is a deputy of the Beijing delegation.

Chairman Peng Zhen said: The draft plan on national economic and social development for the next 5 years submitted by Premier Zhao Ziyang to the current session is a good draft, produced as a result of repeated study by the party Central Committee and the State Council, reflecting opinions from all quarters. Judging from the deliberation by various delegations over the last few days, deputies have endorsed the draft plan. Of course, in order to implement the plan, there still are many questions that need to be studied and resolved. In my opinion, there are two economic questions: first, in accordance with the objective demand of socialized production, how to rationally distribute labor forces, funds, and means of production, that is, manpower, and financial and material resources; and second, how to rationally distribute means of subsistence according to the principle of to each according to his work. These questions can be resolved only by continuing study in the course of reform.

Chairman Peng Zhen said: Comrade Deng Xiaoping recently called for promoting national construction while building the legal system. This is an important instruction with which I agree. A socialist legal system with Chinese characteristics is needed to ensure the building of socialism with Chinese characteristics. As far as this question is concerned, the PRC Constitution and the CPC Constitution have made completely identical and clear provisions. The PRC Constitution stipulates that "people of all nationalities, all state organs, the Armed Forces, all political parties and public organizations, and all enterprises and undertakings in the country must take the Constitution as the basic form of conduct" and "must abide by the Constitution and the law," and that "no organization or individual may enjoy the privilege of being above the Constitution and the law." "All political parties" here include, or course, the Communist Party. The party Constitution stipulates that "the party must conduct its activities within the limits permitted by the Constitution and tha laws of the state" and that party members "must conscientiously observe party discipline and state laws." In this way, our socialist democracy and legal system are ensured. Some people raise the question: "Which goes first, the PRC Constitution or the party Constitution?" In my view, the party guides the people in formulating the national Constitution and the law, it leads the people in observing and enforcing them, and it must act within the framework of the national Constitution and the law. Otherwise, there will be no socialist democracy or law to speak of in China.

Chairman Peng Zhen said: It is very important that Premier Zhao's report has stressed the necessity of building socialist material and spiritual civilization simultaneously. In building socialist spiritual civilization, it is necessary to achieve unity in thinking. Without unity in thinking, nothing can be accomplished smoothly. How can unity be achieved, and what should be the basis for unity? In my opinion, all citizens should achieve unity under the national Constitution, and all party members under the party Constitution and the national Constitution. These are provisions laid down by the party and the state. Many of you present today are Communist Party members. I wish to stress that the key to developing socialist democracy, perfecting the socialist legal system, intensifying the building of socialist spiritual civilization, and correcting unhealthy tendencies lies in the party. As you know, the prerequisite for joining the party is the willingness to "accept the party's program and Constitution."

The party Constitution stipulates that "the CPC takes Marxism-Leninism-Mao Zedong Thought as its guide to action." Unity in thinking of the party members must be based on the principles of Marxism-Leninism-Mao Zedong Thought, as well as on its stand, views, methods, and spiritual essence. In recent years, we have devoted our effort at restoring order and setting things right and have failed to pay due attention to the basic education on the party. As a result, some people went so far as to say that reform meant "de-Maoism" [fei mao hua 7236 3029 0553] and that study of Marxism-Leninism meant opposing reform. Such a view is, at least, a misunderstanding. As Lenin said long ago, the essence of Marxism means criticism and revolution. That is to say that it is necessary to tranform one's subjective world and take the inevitable road of history in the course of trasnforming the objective world. In order to solve this problem, it is necessary to strengthen the party's basic education. With unity in thinking comes unity in action, and work in all fields can be done smoothly.

Economists Discuss Reform

HK051012 Beijing CHINA DAILY in English 5 Apr 86 p 4

[Capitalized Passage published in boldface]

[Text] THREE FAMED ECONOMISTS AMONG THE DEPUTIES TO THE NATIONAL PEOPLE'S CONGRESS (NPC) AND THE CHINESE PEOPLE'S POLITICAL CONSULTATIVE CONFERENCE (CPPCC) NOW IN SESSION PARTICIPATED IN PANEL DISCUSSION OF ECONOMIC REFORM FOLLOWING PREMIER ZHAO ZIYANG'S REPORT TO THE NPC.

Xue Muqiao said that, as the premier had pointed out, during the Seventh Five-Year Plan (1986-1990) new and old economic set-ups will co-exist and interact with each other. The transition is difficult and involves many twists and turns. The demise of the old and the birth of the new both take time. Problems can be solved only in the course of the reform. Xue observed that an economy is so complicated that the old cannot be turned into the new overnight. Quite likely, things will get out of control temporarily because of the loosening up of the old management while the new is settling in. The solution lies in improving the new, not in restoring the old, he said, although temporarily resorting to some old management methods may be necessary if there is serious disorder. The excessive extension of credit in the fourth quarter of 1984 is an example, he said. Strengthening of monetary management was used to reinforce the State bank's function as an economic regulator, not to weaken it.

Beginning with the second quarter of 1985, the bank reduced the funds available for loans. As a result, the excessively high growth rate of industry began to slow down, although last year's 18 percent was still a bit too high. When the industrial growth rate continued to decline in the first quarter of this year, some began to worry about a landslide. The bank responded by increasing circulating funds. The rate this year is expected to average to 10 percent, which is ideal, Xue said.

He said the root cause for an excessively high growth rate is the drastic increase of investment in fixed assets. To curtail production rather than investment in fixed assets would be simply putting the cart before the horse. It would further strain both the supply of productive means and the market. If the increase in consumer funds can be kept in proper proportion by the State plan while keeping industry operating at full capacity, the strain in the supply of productive means and on the market will be gradually eased. This, in turn, will not only ensure steady and harmonious growth of production but also create a favourable environment for economic reform. Now that the trend toward loose credit has been headed off, many enterprises are feeling a pinch of circulating funds. They should tough it out through such inevitable but minor difficulties. Otherwise, inappropriate increase in credit will create major disequilibrium in the economy.

Xue Muqiao said, I feel obliged to say that the bank was no doubt responsible for the excessive credit, but many others also share responsibility. They tried to outdo each other in building up their fixed assets, which put enormous pressure on the bank.

Wu Dakun said that the theory of a socialist commodity economy which was addressed by the premier in his report, accommodates two traditionally conflicting theories, planned and market economy. "This is a daring theoretical breakthrough," Wu said. Theoreticians previously held the former as socialist and the latter as capitalist, he said. This long confined the ideological imagination of Chinese socialist.

Wu's view was shared by many practical economic workers at the NPC session. One from Jiangsu Province, East China, said that China has launched several reforms before, but since they largely skirted around the problem of division of power between the central and local governments, they came to naught. He attributed this to negating the possibility of a market economy existing within a socialist economy and the ensuing effort to accommodate all economic activities in centralized plans and to implement these plans merely by administrative orders. He said that the current reforms have been turning various enterprises into relatively independent commodity manufactures and dealers, thus giving workers an incentive to produce more and utilizing the intrinsic energy of a socialist commodity economy.

Wu pointed out that the commodity economy China is developing differs from a capitalist commodity economy in that China's is based on public ownership and is planned on that basis. Public ownershp Wu said, guarantees that small producers will be organized in socialist collectives to achieve common prosperity rather than risk bankruptcy.

Xu Dixin said China's new economic structure should involve eight aspects. "The first is separation of ownership of State enterprises from the right to use them," he said. This is aimed at turning them into real economic entities with full authority for management and responsibility for their profits and losses. The second centres on the law of value and the function of market force regulation. "This means the State should reduce mandatory quotas while expanding guidance so as to achieve a balance between production and demand," he explained. "The third involves a change from direct State control. Indirect control tools include taxes, prices, loans and credits, and interest rates," Xu explained, adding that education in legal and administrative measures and in socialist ethics are indispensable in this regard. "The fourth marks a shift from a closed type of economy to an open one," Xu said. The fifth covers expansion of association among enterprises and regions. This will speed production and commodity circulation. Such association among rural groups and individuals who have contracted land and businesses from the collectives is very likely to become a new form of co-operation, he said.

More Laws Being Drafted

OW041049 Beijing XINHUA in English 0933 GMT 4 Apr 86

[Text] Beijing, April 4 (XINHUA) -- China is presently drafting several economic laws, including the corporation law and the customs law, an official of the National People's Congress Standing Committee said here today. Gu Angran, deputy director of the Legislative Affairs Commission under the NPC Standing Committee, told a press conference here this afternoon that other laws being drafted are the state-owned industrial enterprise law, labor law, the maritime law, the bankruptcy law and the township-run enterpirse law. "Next in line will be the copyright law and the technical contract law," he said, adding that the quickened peace of economic legislation is aimed at meeting the needs of the country's economic restructuring and the policy of opening to the outside world.

Over the past year, Gu recalled, the NPC Standing Committee has enacted seven laws, including the mineral resources law, the grassland law, the fishery law and the measurement law, as well as regulations concerning the entry and exit by foreigners, the exit and entry by Chinese citizens and identity cards. The three draft laws presently under deliberation at the NPC session have been closely examined and revised by the NPC Standing Committee, he explained. They are the General Principles of the Civil Code, the Law on Compulsory Education and the Law on Enterprises with Exclusive Foreign Investment. The NPC Standing Committee has also preliminarily gone over the draft land law and the draft regulations on maintaining public order, he added. "Since 1979, we have enacted, in addition to the Constitution, 47 laws and made 19 decisions on the revision of and supplement to existing laws and another 29 decisions on legal issues," he told Chinese and foreign reporters. These laws have laid a good foundation for improving China's socialist legal system, he noted.

Wang Hanbin on Civil Code

OW061203 Beijing XINHUA Domestic Service in Chinese 0840 GMT 2 Apr 86

[Excerpts] Beijing, 2 Apr (XINHUA) -- The Civil Code is one of the basic laws of the state and its formulation is a major event in building the state's legal system. This was pointed out by Wang Hanbin, secretary general of the NPC Standing Committee and chairman of the committee's Legislative Affairs Commission, when he explained the "General Principles of the Civil Code of the People's Republic of China (Draft)" at the Fourth Session of the Sixth NPC. It is of great significance in safegarding the lawful rights and interests of citizens in civil activities, meeting the needs of carrying out the reform and the open-door policy, invigorating the economy, and stepping up the application of legal means to manage the economy and ensure the smooth progress of the drive for socialist modernization.

On the subject of the fundamentals and the areas covered by the General Principles of the Civil Code, he said: The Civil Code should reflect social and economic relations and its criterion is to manifest in a legal form the conditions of economic life of society. China's Civil Code is a socialist civil code that serves the economic base of socialism. The provisions of the General Principles of the Civil Code must be written by proceeding from the actual situation in China, giving expression to the socialist principles and studying new situations, problems and experiences arising from the efforts to carry out reforms and the open-door policy and invigorate the economy. They must provide the norms for everyone to observe in the course of civil activities. They must also embody the characteristics peculiar to China's socialist economy.

He said: It is stipulated in the draft that the Civil Code serves to adjust the property relations and personal relations between citizens, between corporate bodies and between citizens and corporate bodies as equal entities. The right of reputation, right of portrait and right of life and health of a citizen and the right of name and right of reputation of a body corporate, and so forth, should be protected not only by the Criminal Law but also the Civil Code. He said: Rights and obligations concerning civil affairs are the very essence of civil relations.

Regarding corporate bodies, Wang Hanbin said: The same as a person, a corporate body is also a principal entity to civil rights. A corporate body is an organization possessing the capacity for civil rights and civil acts and independently enjoying civil rights and undertaking civil obligations in accordance with the law.

All enterprises established in China that operate with joint Chinese and foreign investments, as a joint Chinese and foreign venture or as a foreign-owned venture can acquire the status of a corporate body in China if they meet the qualifications of a corporate body, have the approval of the responsible organs in China, and register with the registration organ for corporate bodies.

Speaking about civil rights, Wang Hanbin said: The civil rights of a citizen and a corporate body mainly include property ownership, creditor's rights, authorship rights (copyright), patent rights, trademark rights and other knowledge ownership rights and personal rights. It is stipulated in the draft that the lawful rights of a citizen and a corporate body are protected by law and cannot be violated by any organization or individual.

Wang Hanbin also gave concrete explanations with regard to the application of the law in civil relations involving foreigners.

In conclusion, Wang Hanbin said: The draft provides that the people's congresses in nationalities' autonomous areas may -- in accordance with the principles laid down in this code and in connection with the characteristics of their local nationalities -- draw up separate and adapted or supplementary regulations and rules.

Zhang Youyu on Civil Code

OW051225 Beijing XINHUA Domestic Service in Chinese 0733 GMT 4 Apr 86

[Newsletter by XINHUA reporter Li Shangzhi: "The Basic Civil Law of China at the Present Stage -- Jurist Zhang Youyu on the General Principles of the Civil Code"]

[Excerpts] Beijing, 4 Apr (XINHUA) -- "What is the Civil Code? What are the General Principles of the Civil Code? What is the status of the General Principles of the Civil Code in China's laws? What roles do these principles play? What are their characteristics?"

At the Fourth Session of the Sixth National People's Congress, Jurist Zhang Youyu, vice chairman of the Law Committee of the NPC Standing Committee, answered these question from reporters. The public is interested in these questions. The 87-year old jurist said: "The civil law is the most important basic law, indispensable to all modern countries. In China, the civil law serves to adjust the property and personal relationships between citizens, between corporations and between the citizen and the corporation, all being principals of equal status." He explained: A complete civil law, which is also called a civil code, generally includes general principles and special provisions. In our country, conditions are still lacking for formulating a civil code. Therefore, the General Principles of the Civil Code are drafted first.

Zhang Youyu said: In 1979 the legal affairs committee of the NPC Standing Committee set up a civil law drafting subcommittee, which successively prepared four drafts. However, since the civil law was a widely-involved and extremely complex matter, and we lacked experience when economic restructuring had just begun, we could only go on drafting the civil code while promulgating and enforcing some parts as separate laws, parts which were urgently needed and comparatively better prepared. They are the economic contract law, the law of economic contract with a foreign partner, the patent law, the trademark law, and the inheritance law and other separate civil laws prepared in the past few years. We also revised the marriage law of the 1950s. However, these separate laws make no stipulation about a number of common probelms and norms, and occasionally are not conducive to takling civil disputes, because these laws overlap and contradict each other.

Zhang Youyu pointed out: To solve these problems, it is good to first formulate the General Principles of the Civil Code to set out the basic regulations to be followed in the implementation of separate laws in lieu of promulgation of the Civil Code.

Showing the draft law [General Principles of the Civil Code] of 9 chapters and 156 articles to reporters, Zhang Youyu explained: "The so-called common problems are merely such things as the legal status of the citizen and the corporation, civil-rights and civil-action liability, acts in law, proxy, civil rights, civil responsibility, prescription, and so on. The draft contains stipulations on all these. In this sense, the General Principles of the Civil Code have the same status as the Civil Code." He added: Satisfying the needs of reform, opening to the outside world, and invigorating the domestic economy, the General Principles of the Civil Code play an important role in promoting the use of legal means to manage the economy, and in facilitating the four modernizations drive. Zhang Youyu said: In both content and form, the General Principles of the Civil Code have intrinsic Chinese characteristics. Zhang Youyu held: The draft General Principles of the Civil Code have been submitted to the NPC Congress for deliberation. If approved by the Congress, they will greatly help promote our socialist modernization program.

Deputies on Foreign Enterprises Law

OW061213 Beijing Domestic Service in Mandarin 1200 GMT 5 Apr 86

[Excerpt] Deputies attending the Fourth Session of the Sixth NPC continued their group discussions today to deliberate the draft General Principles of the Civil Code, the draft Law on Compulsory Education, and draft Law on Enterprises With Exclusive Foreign Investment, as well as the work report of the NPC Standing Committee.

Song Rufen, vice chairman of the Legislative Affairs Commission of the NPC Standing Committee, said in an interview with this station's reporter: Formulating the Law on Enterprises With Exclusive Foreign Investment is dictated by the need of our nation to open to the outside world, and expand economic cooperation and technological exchanges. Some people may say that in opening to the outside world, it is enough to have Sino-foreign joint ventures and cooperative enterprises, and ask why it is necessary to allow foreign investors to set up wholly-owned enterprises. This is because our nation is still at the initial stage of utilizing foreign capital. It has been proven through practice in recent years that these three forms of utilizing foreign capital each have their own important functions under different circumstances.

Xiang Nan, deputy from Fujian Province, said: The general principle of the Law on Enterprises With Exclusive Foreign Investment should be to encourage foreign firms to bring in capital and advanced technology. Too many restrictions will lower the interest of foreign firms. Encouraging foreign-funded enterprises to adopt advanced technology and equipment is a general direction, but it takes time. At present, we should be realistic and allow the establishment of foreign-funded enterprises requiring intensive labor, and then gradually transform them into enterprises requiring intensive knowledge and technology.

Lin Jiamei on Education

OW051626 Beijing XINHUA in English 1430 GMT 5 Apr 86

[Text] Beijing, April 5 (XINHUA) — Lin Jiamei, wife of China's President Li Xiannian, called for concerted efforts by the whole of society to make nine-year compulsory education a success.

A veteran child-care worker, Lin Jiamei said at a panel discussion of the current session of the National People's Congress today that promoting nine-year compulsory education among the nation's one billion people needs the efforts of the government, all organizations and all families in China. For example, writers, artists, journalists and scientists should create better works for children, and workers should produce attractive products. Retired officials, workers and teachers should also help train youngsters.

She noted the difficulty of bringing universal education in the countryside. She hoped rural families would strive to create favorable conditions for education of their children. It is necessary to consider various difficult factors and adopt effective measures to solve them in implementing the law on compulsory education, which is vital for China's future and the cultural proficiency of the nation, said Lin Jiamei, an NPC deputy and advisor to the China children's development center.

Talking about the feudal idea regarding boys as superior to girls, she said that is was a misunderstanding to think that illiteracy does not matter for girls simply because their roles are domestic ones. On the contrary, the intelligence and quality of coming generations depend heavily on mothers who are the first teachers of children. "How can illiterate mothers educate their offspring well? The situation must change", she said. In her view, the law on compulsory education has offered new opportunities and provided lawful guarantee for education of children, especially rural girls. She stressed the importance of inculcating the new law among the people. If they understand that education will be good for the children, for the family as well as for the country, the parents and guardians of children will be only too keen to create the conditions for their education.

She also called for more care and support, including increase of funds, facilities and teachers, for education of the blind, deaf and mute, mentally handicapped, and other handicapped children.

As some regions have instituted five-year primary schooling and three-year junior middle schooling, She suggested to have one year of pre-school education "with music, painting and other subjects to arouse children's early interest in nature," she said. She also suggested that Shanghai and other developed areas enrich the content of compulsory education and raise teaching quality at the same time as less-developed areas are making compulsory education universal.

Panel Discussions View Education

OW050810 Beijing XINHUA in English 0750 GMT 5 Apr 86

[Text] Beijing, April 5 (XINHUA) -- The government will spend more than one billion yuan over the next five years on establishing compulsory education in economically underdeveloped areas, a Chinese official said here today. During the panel discussions at the current National People's Congress session, to which a draft Law on Compulsory Education has been presented, Liu Bin, vice-minister of the State Education Commission, asked authorities at all levels to take steps to support elementary education in poorer areas often inhabited by ethnic minorities. Liu, who has responsibility for elementary education, said that China first began promoting the concept of education for all in 1951. But, he admitted, it has not fully materialized. In addition to political poblems and fund shortages, he said, the major reason for this was the lack of a law to enforce the program. The new law, when passes, would guarantee that education was included on the agendas of authorities at all levels, and serious consideration would therefore be given to the provision of funds, materials and teachers.

Liu Bin, 48, a former headmaster from Jiangxi, said, "The amount of money allocated to primary schools is usually too small to meet their needs." Funds and facilities were vital to the establishment of nine-year compulsory schooling for all children. The draft law provided for a growth rate of educational funds higher than the country's overall economic growth rate, and for the average amount of money spent on each pupil to be gradually increased. "Our key task over the next five years is to train an army of qualified teachers," he said. "It will take five to seven years to train enough teachers for the program."

Ni Zhifu Meets Hong Kong Delegates

OW041741 Beijing XINHUA in English 1517 GMT 4 Apr 86

[Text] Beijing, April 4 (XINHUA) -- Ni Zhifu, president of the All-China Federation of Trade Unions, met and gave a banquet today for some delegates and members from Hong Kong and Macao who are here for the Fourth Session of the Sixth National People's Congress and the National Committee of the Chinese People's Political Consultative Conference. Among the participants were Yang Kuang and Poon Kwong-wai, president and chairman of the Hong Kong and Kowloon Federation of Trade Unions, and Tang Xingqiao, director of the Federation of Trade Unions of Macao.

5-YEAR PLAN HIGHLIGHTS, PART SEVENTEEN -- HEALTH

OW030828 Beijing XINHUA in English 0818 GMT 3 Apr 86

[Text] Beijing, April 3 (XINHUA) -- The following are some health statistics released in the draft of the Seventh Five-Year Plan (1986-1990):

-- Eighty percent of the 800 million Chinese rural residents should have access to clean drinking water by 1990.
-- The national immunization rate is expected to exceed 85 percent in 1990.
-- There will be an increase of 400,000 hospital beds over the next five years.
-- There will be an increase of 770,000 professional health personnel in the five years, including 560,000 doctors of both traditional Chinese and Western medicine.

Part Eighteen -- Population

OW030908 Beijing XINHUA in English 0859 GMT 3 Apr 86

[Text] Beijing, April 3 (XINHUA) -- Following are population statistics from the draft of the Seventh Five-Year Plan (1986-1990):

-- The total population of the Chinese mainland will be kept at within 1,113 million at the end of 1990.
-- The natural average growth rate will be limited to around 12.4 per thousand a year.

Part Nineteen -- Housing

OW030920 Beijing XINHUA in English 0821 GMT 3 Apr 86

[Text] Beijing, April 3 (XINHUA) -- Following are statistics on housing as contained in the draft of the Seventh Five-Year Plan (1986-90):

-- 3,000 million square meters of new housing will be built in rural areas over the next five years.
-- 650 million square meters of new housing will be completed in cities and towns during the same period.
-- By 1990, cooking gas will be available in 40 percent of urban families; each urban resident will have an average of four meters of public green space.

Part Twenty -- TV, Films

OW030928 Beijing XINHUA in English 0837 GMT 3 Apr 86

[Text] Beijing, April 3 (XINHUA) -- The following statistics on television and the motion picture industry came from the draft of the Seventh Five-Year Plan (1986-1990).

-- Seventy-five percent of all Chinese will be able to pick up television programs by 1990.
-- 80 percent of the population will have access to broadcasting programs by then. This means broadcasting services will be available in almost every village, except those in sparsely-populated outlying areas.
-- China plans to produce 130 feature films a year by 1990.

Part Twenty-One -- Education

OW031012 Beijing XINHUA in English 0850 GMT 3 Apr 86

[Text] Beijing, April 3 (XINHUA) -- China will spend 72 percent more on education over the next five years than during the previous five years, according to the draft Seventh Five-Year Plan (1986-90). The expenditures will total 116.6 billion yuan during the 1986-90 period. The nine-year compulsory educational system will be introduced gradually during the same period. By 1990, primary school education is expected to be in the main universal across the country and junior middle school education universal in cities and economically developed areas.

Regular colleges and universities will enroll 750,000 students in 1990, a 21 percent increase from last year; and 55,000 postgraduates, up 17 percent. The institutions of higher learning will turn out 2.6 million graduates and 180,000 postgraduates over the next five years. Meanwhile, colleges for adults will train another 2.1 million specialists, 2.5 times as many as during the previous five years. In 1990, vocational secondary schools are expected to recruit 3.6 million students, up 65 percent from 1985. Nearly 10 million graduates will be turned out during the five-year period, an increase of 110 percent from the previous five years.

CPPCC SESSION HOLDS FOURTH MEETING 5 APRIL

OW052216 Beijing XINHUA Domestic Service in Chinese 1224 GMT 5 Apr 86

[Text] Beijing, 5 Apr (XINHUA) -- The Fourth Session of the Sixth CPPCC National Committee held its fourth meeting this afternoon at the Great Hall of the People during which members continued to deliver speeches.

Addressing today's meetings were CPPCC members Wu Daguan (on behalf of Shen Zuixian), Wang Youhui (on behalf of Wang Xujie), Yao Xueyin, Ma Dayou, Zheng Xiaoxie, Chen Xian (on behalf of Zhong Shitong, Ou Mianyu, Zheng Minzhi, and Weng Qingzhang), Du Tong, Wang Kuancheng, Huang Daneng, Ma Jianyou, and Zhang Chengzong.

In their speeches, they expressed their views on developing China's air transportation; cultivating woody plants in the production of grain and oil-bearing crops; paying attention to ideological and cultural work, to social ethics, and to urban construction in the capital; vigorously promoting sports; popularizing new construction materials; and making more friends overseas. Members who submitted written statements to the meeting included Luo Yunzheng, Tan Yizhi, Xu Shigao, Chen Hui, Chen Hankui, and Xia Bengying.

Today's meeting was presided over by Vice Chairman Kang Keqing, Deng Zhaoxiang, and Zhao Puchu of the CPPCC National Committee. Vice chairmen who attended today's meeting included Yang Jingren, Liu Lantao, Pagbalha Geleg Namgya, Yang Chengwu, Chen Zaidao, Lu Zhengcao, Burhan Shahidi, Fei Xiaotong, Qu Wu, Ma Wenrui, and Liu Jingji.

Healthy Cultural Atmosphere Urged

OW051316 Beijing XINHUA in English 1257 GMT 5 Apr 86

[Text] Beijing, April 5 (XINHUA) -- China should create "a cultural atmosphere and a psycho-cultural environment" that are harmonious with its modernization program, a literary researcher said here today. "The modern socialist country the Chinese people are building should be an open, dynamic society," Liu Zaifu, a member of the Chinese People's Political Consultative Conference (CPPCC), told a CPPCC plenary meeting. For this reason, cultural work should be conducive to the promotion of the country's reforms and the policy of opening to the outside world, said Liu, an associate research fellow of the literature institute of the Chinese Academy of Social Sciences. He added that it should also help stimulate the vitality of the whole society, and cultivate people's "consciousness of modernization".

Liu is one of the 20 CPPCC members who aired views on the execution of China's Seventh Five-Year Plan at plenary meetings held this afternoon and yesterday afternoon. In his speech, Liu suggested that more concert halls, art galleries, museums and other cultural venues be built to enrich people's cultural life and avoid what he called the "possible emergence of a cultural vacuum". He stressed the importance of building "cultural facilities for fostering children's appreciation of esthetics", noting that such facilities are too few at present. He also called for improvement of and guidance for cultural work, particularly rural cultural activities including recreational festivals. "China should organize international cultural festivals to promote cultural exchanges with other countries," he told the meeting.

In his speech, writer Yao Xueyin expressed the hope that the central authorities would promptly formulate guidelines for the ideological and cultural fronts. "China's socialist culture ought to battle both feudal dross and decadent capitalist culture," he said. "Our culture should strike roots in the thick national soil and serve the needs of the broad masses." He said that the country's literature and art should cover subjects which interest the people in forms they can accept, adding: "They should help cultivate a healthy taste in entertainment." Yao called for opposing the practise of creating works which pander to the depraved tastes of the minority, simply in order to make money.

Other CPPCC members aired their views and put forward suggestions on economic reforms, and reforms in other areas such as science and technology, personnel training, public health and urban construction. They are experts and scholars in the fields of industry, agriculture, science, education and public health.

CHINA DAILY COMMENTATOR EXAMINES FUTURE REFORMS

HK040753 Beijing CHINA DAILY in English 4 Apr 86 p 4

[Commentator's article: "Looking Forward"]

[Text] The ongoing sessions of the National People's Congress (NPC) and the Chinese People's Political Consultative Conference (CPCC), have made much favourable comment on Premier Zhao Ziyang's report on the economic and social development programme for the next five years, the 1986-90 Seventh Five-Year Plan. This is not merely because the proposed plan came out of three years of careful preparation. More important, it has articulated the understanding of the nation's present and future by the leadership, and its realistic work style.

The most distinctive feature of the new development strategy is that it is a good combination of foresight as to how to eventually attain the goal of building a socialist system with China's own characteristics and concern over the economic and social growth in the next five years. According to the nation's long-term goal, when the public sector still remains predominant, the government's economic plan will be enforced mainly be using economic levers instead of direct administrative orders. This will be coupled with a lively unified socialist market. When this major reform is completed, the economy and the quality of the people's lives will have improved substantially.

It should be noted that efforts will be devoted to keeping the growth rate somewhat slower than in the 1981-85 Five-Year Plan, although the proposed growth rate is good enough. The aim is to bring society's demands more in line with supplies.

Agriculture will stress using new techniques and investing in the farm infrastructure. Industry will be urged to handle capital investment well and raise technical standards. Science and education will get more support than ever. Export earnings will be ploughed back mainly into imports of advanced technology. Improvement of the people's living standard must not exceed production growth. All these will contribute to a more relaxed economic situation so that the current reforms, now in a crucial stage, can proceed successfully and bring about greater changes in the economic structure.

On the other hand, the reforms will grant nearly all State-run enterprises adequate decision-making power and make them entirely responsible for their profits and losses. According to the premier, they will become socialist manufacturing and commercial businesses. The socialist market will be broadened to cover more consumer and producer goods, gradually include finance and technology. Personnel transference will be encouraged. The government will manage the national economy by improving its economic policies, arranging for co-ordination, and using the leverage of prices, taxation, credits, interest rates, exchange ratios and wages. These reforms will enable the State-run enterprises to use their decision-making power responsibly, bring on an environment that will provide them motiviation as well as challenge, and ensure that enterprises will react properly to the government's macro-economic management.

China faces a long and arduous road of development. The new Long March to modernization has just begun. It is therefore necessary to show sufficient concern for its long-term goals when planning for the near future. It is thus expected that economic growth in the next five years will lead to greater growth, both sustained and balanced, well into the decades ahead. The success of the entire programme is attainable, as pointed out by the premier, so long as the nation continues to follow its present course.

By carefully scrutinizing the programme, the NPC, the highest decisionmaking body in the People's Republic, is expected to strengthen it and bring about a still more successful integration of the nation's aim to develop, its determination to reform, and its interests in the future.

JINGJI RIBAO STRESSES CHECKING UNHEALTHY TRENDS

HK041014 Beijing JINGJI RIBAO in Chinese 22 Mar 86 p 1

[Editorial: "The Reason for Correcting Unhealthy Trends Is To Better Carry Out Reform"]

[Text] Recently, the party central leadership adopted a series of effective measures to straighten out party style. Some major and serious cases which remained outstanding for a long time have been rapidly handled, and various unhealthy tendencies have been effectively checked. This development is welcomed by cadres and the general public. This has made people more confident in bringing about a fundamental turn for the better in our party style and public conduct.

However, when we seriously correct various irregularities and severely punish the criminal offenders, some comrades have confused ideas or doubts. They may ask: Is there any relationship between the unhealthy tendencies and the policy of reform and opening up? To answer this question in a dialectical materialist sense by means of combining theory with practice, we can promote ideological unity and gain a correct understanding, thus encouraging cadres and ordinary people to more consciously participate in reforms and make greater contributions to the cause of the four modernizations.

We should say that reforms and opening up measures in recent years have in fact promoted an improvement in our party style. A correction of the unhealthy trends will in turn provide a better social environment for the healthy development of reforms and opening up. The two sides complement each other. However, some comrades attribute the unhealthy tendencies which have appeared in recent years to reforms and opening up measures. They say: "Reform not only makes the economy prosperous, but also causes unhealthy tendencies." It is obviously incorrect to attribute the unhealthy tendencies to reforms and opening up measures.

Admittedly, some irregularities and lawbreaking activities became rather serious for a while inside the party and in society over the past 2 years. However, we cannot conclude that the bad things in our social life are all due to reforms and opening up measures. Such misdeeds as using official positions and power to seek private gains, giving and taking bribes, and doing speculative business, as well as other lawbreaking activities, have long existed in our social life and are nothing new. In pursuing the policy of opening up to the outside world and enlivening the domestic economy, our country in recent years has developed a planned commodity economy, superseding the old system with a new system. This has profoundly changed people's attitudes. People in general have strengthened their sense of responsibility and have become more dedicated toward their work; they are more enthusiastic about studying, expanding their knowledge, and mastering new technologies; they are becoming more and more conscientious in raising the efficiency and quality of their work; they have gained a better understanding of democracy and the legal system; and a new and vigorous situation has been brought about. This shows that reforms have had a positive role in promoting the improvement of party style and public conduct and in promoting the development of spiritual civilization. This is the main stream of things. On the other hand, in the process of this great change, because the old system is still functioning, the new system has not been completely and perfectly built, the legal system is still not sound enough, and people's thoughts have not been completely adapted to the changed conditions.

All this will inevitably leave some gaps or loopholes. This makes it possible for lawbreakers to do evil things and line their own pockets in the name of reform, thus harming the interests of the state and the people. Evil things from the old society may reappear. We should also realize that the policies and measures for reform and opening up also need to be further improved and amended in the course of practice. It is a matter of course that there may be problems and shortcomings in reforms. Such things cannot be regarded as unhealthy trends, and it is incorrect to equate reform problems with unhealthy tendencies, or to mix them up. The purpose of reform and opening up is to remove defects in the superstructure -- those which are not in line with our economic foundation -- and to perfect and develop the socialist system. In a certain sense, economic structural reforms will close the loopholes in various systems. Therefore, the process of reform and opening up is also a process of correcting unhealthy tendencies.

Some people believe that the correction of unhealthy tendencies may hinder implementation of the basic national policy of reform and opening up. Their worries are not completely unwarranted. If we do not proceed realistically in the course of correcting unhealthy tendencies, letting "leftist" ideas and traditional habits revive, or if we judge right and wrong merely according to our personal feelings and do not correctly distinguish problems of different characters or correctly implement policies, or if we cannot correctly treat errors and problems which are unavoidable in the course of reform and innovation, then there will indeed be a possibility that the process of reform and opening up is retarded or hindered. Therefore, when resolutely correcting unhealthy tendencies, the party central leadership has also laid down a series of clear principles and policies. So long as we strictly implement these principles and policies, we will be able to correct the unhealthy tendencies, overcome negative things, and remove the obstacles to our reform and opening up. Our reform needs a fine economic environment as well as fine social environment. If we allow irregularities and law breaking activities to spread unchecked, we will fail to maintain the good situation of unity and stability and will fail to carry forward the reforms. Therefore, we must carry out the central policies in a down-to-earth manner and unswervingly carry out reforms while at the same time adopting various economic, legal, and administrative means to check the irregularities. Our work in these two fields will promote each other, and we will certainly succeed in realizing the four modernizations and developing our economy.

XUE MUQIAO ON RECENT ECONOMIC DEVELOPMENT

HK040404 Beijing LIAOWANG in Chinese No 12, 24 Mar 86 p 9

[Article by Xue Muqiao: "Heart-Stirring Statistics"]

[Text] The communique on 1985 national economic and social development announced by the State Statistical Bureau on 1 March revealed inspiring figures. At a time when the economic situation in most of the countries in the world is gloomy, China's economic situation is as good as a clear and boundless sky, presenting a scenario of prosperity. For several years after the 3d Plenary Session of the 11th CPC Central Committee (1979-84), China maintained speedy and sustained economic development. Its gross industrial and agricultural output value increased at an annual rate of 11.5 percent. In 1985, it rose by 16.4 percent and its industrial output value increased by 18 percent. This superhigh speed has not been witnessed for many years. However, there were also some unstable factors in this respect. In the preface I wrote for the "China Economic Yearbook" in May last year, I said: "Planning for industrial production is to increase by 7 percent. The figure may reach 12 percent." From January to April last year, the rate of increase of China's industrial production reached 22 to 24 percent. This was the result of the loss of control over bank loans which began in the fourth quarter of 1984. Such rates of increase should not be maintained for long.

So in the second quarter of last year, we began to reduce bank rates. In the fourth quarter of last year, China's industrial increase rate dropped to about 10 percent. But taking last year as a whole, the rate was still too high, and there was a need to reduce it a little. Last year, although energy production markedly exceeded the state plan, with coal, oil, and electric power increasing by about 8 percent, the rate of increase was still lower than that of industrial production. As a result, energy, steel (with rate of increase of 9 percent), and other raw materials were in short supply, and difficulties arose in communications and transportation, to such an extent that they were hard to tackle. Such shortages should not be allowed to continue for long. The rate of increase of industrial production graudally fell last year. If we can maintain a stable rate of increase in industrial production this year, with a gradual increase over last year, we will probably be able to achieve an annual rate of increase of about 12 percent, which is basically equal to the average rate of increase between 1979 and 1984. This is the most ideal rate of increase. Of course, great efforts are required in this respect. We should maintain a normal and appropriate rate of increase during the Seventh 5-Year Plan period.

Last year, agricultural production increased by 3 percent. This was the result of serious floods and drought. What merits attention is that grain output dropped by 7 percent as compared with that in the bumper harvest year of 1984, and that cotton production dropped by 33.7 percent. Apart from being affected by floods and drought, the above decreases in production were the result of our planned readjustment of the product mix. In 1984, as grain output exceeded demand, there were large stocks of grain. Grain output in 1985 was still close to that in the bumper harvest year of 1983, and was basically in balance with demand. With the amount of grain stored last year, we can fully guarantee grain supplies for the market. From 1983 to 1984, cotton was seriously overstocked. This required us to reduce cotton production by a large margin. With the reduction of cotton output by a large margin, we can still ensure market supplies. Owing to the readjustment of the production structure, agricultural and animal husbandry products have rapidly increased. This change corresponds to the requirements of the state plan. Of course, reduction of grain output should not be treated lightly. This year, we should stop reducing grain output, and we had better maintain it at the 1984 level.

Last year, because of the relaxation of control over the prices of nonstaple foods and the loss of control over consumption funds, prices rose too sharply. The retail prices of consumer goods throughout the country rose by 8.8 percent, and the prices of consumer goods in cities and towns went up by 12.2 percent. As price rises mainly affected nonstaple foods, the percentage rise was a little higher in large and medium-sized cities and was a little lower in small cities and market towns. In small cities, the prices of nonstaple foods rose by 5.4 percent, but as the state provided the people with subsidies to cover their living expenses resulting from the increased prices, their standard of living did not fall because of price rises. With the slight increase in supply, the average wages of workers and staff members, after deducting the price rise factors, rose by 4.7 percent. Of course, as different families have different earnings and different numbers of family members, the increases in their incomes varied, some a little higher and some a little lower. The standard of living of a small number of people (such as retired old workers living on pensions) might possibly have dropped. However, the state has provided subsidies for various parts of the country.

Now the people are deeply worried by price rises. Last year, the relaxation of control over the prices of nonstaple foods resulted in price rises, but this step ensured a constant increase in the supply of nonstaple foods and will enable the people to shift their livelihood from the level of just having enough to eat and wear to that of being well-off. We should also pay attention to the loss of control over consumption funds.

Consumer goods in the market increased by 14 percent in 1984, but wage funds increased by about 28 percent, which led to a shortage in market supply. This is one important reason why price rises were excessive. Essentially, price rises counteracted the result of the increase in wage funds. Last year the wage increase was a little higher than the increase in the supply of consumer goods. This year, we estimate that prices will remain basically stable (as compared with those in the fourth quarter of last year), with a slight upward tendency. The 800 million peasants are satisfied with the price adjustments, but the 80 million staff members and workers have complaints about prices and their wages. We should understand that these two factors are contradictory. To stabilize prices, we must control wages and bonuses, as excessive increases in wages and bonuses will make it difficult to maintain price stability.

RENMIN RIBAO URGES STUDENTS TO STUDY 'REALITIES'

HK041020 Beijing RENMIN RIBAO in Chinese 1 Apr 86 p 1

[Commentator's article: "An Important Way To Learn"]

[Text] Several months ago, 80 students from 4 military medical universities went to learn on the job on the Yunnan front. During the winter vacation, the Beijing Municipal CYL Committee organized some college students to join a study tour to the Laoshan front, oilfields, factories, and research bases. Through contacting fighters, workers, peasants, scientific and technological personnel, and soical realities, these college students have gained a lot, in ideology in particular. Many of them have found a correct answer to what is meant by "the value of life." Some students said, with deep feeling: "We must not confine ourselves to our own interests and must increase our sense of responsibility toward society."

While studying at school, students should of course regard normal studies within the school and studies of books as the most important aspect of thir lives. However, it is beneficial and necessary for them to seize various opportunities to understand society, to learn from realities, and to learn from the masses. College students today are quite young. They usually lack experience in social practice since their activities are often confined to their homes and schools. It is also difficult for them to understand thoroughly and comprehensively some theoretical knowledge in books. In this way, they may not be familiar with society; some of their views are often impractical and even biased. We must also understand that at present, and even for quite a long time to come, it is impossible for all graduates from schools at various levels to enter schools at a higher level. Much less is it possible for all students to become masters and doctors. No matter at what level one completes an education, he eventually has to take part is social practice, and such practice is extremely necessary for training any kind of qualified personnel. Therefore, while working hard to acquire knowledge from books, youths and students must pay attention to strengthening their ties with social realities and going to study in the big classroom where the masses practice. By coming into contact with social realities, youths and students can correctly understand our times, analyze the situation, and understand the overall situation. Carrying out reforms, for example, is the most important task of millions upon millions of people in our country at present. It is the most magnificient cause of our times. To carry out reforms, we must have a pioneer spirit and explore, even though we are bound to suffer some setbacks. Due to various historical and current factors, we will still meet with some obstacles in carrying out reforms. However, reforms accord with the aspirations of the people and are inevitable in history. To carry our reforms is a major, irreversible trend. This historical aspiration is demonstrated by the enthusiastic and energetic practice of the masses. In addition to studying in the classroom, youths and students must plunge into the current of reforms carried our by the masses before they can feel the rapid pulse of our times, correctly see the general orientation, and remain unruffled despite various kinds of interference.

College students in the capitals who have taken part in social practice have gained a good understanding of this. Through taking part in social practice, students have also replenished and transformed themselves. They have come to understand the pursuits and aspirations of the people, heard the call of the motherland and the times, and realized the arduous and great historical task they are to fulfill. These have helped the youths and students in fostering a revolutionary outlook on life and in correctly handling the relationship between personal ideals and the needs of the country and between personal interests and those of the country. At a time when the masses of people are waging a fiery struggle for the motherland's prosperity and the people's happiness, displaying their spirit of dedication, if any person stresses only his own desires, seeks better welfare and remuneration for himself, is not willing to go to where the country needs him most, or does not have a correct assessment of himself, departs from the needs of society and the time, and hankers after "self-design" and "self-realization," how narrow-minded and paltry he is! Youths who are in step with the masses will never regard selfish gains as the lofty aspirations of the people!

The practice of the masses is a great and lively classroom in which a colorful and brilliant history is being created. We hope that more youths and students can get good results by studying this course. We also hope that schools, families and various quarters of society will encourage and support students in making use of various opportunities, such as practice in production work, social observations, investigations, military training, and so on, to get good results in studying this course.

CUSTOMS OFFICIAL URGES CURBING PARALLEL GOODS

HK030639 Beijing ZHONGGUO XINWEN SHE in Chinese 0854 GMT 2 Apr 86

[Text] Beijing, 2 Apr (ZHONGGUO XINWEN SHE) -- In view of the fact that more authorized export units are now involved in the export of "parallel goods" within their scope of business, Dai Jie, director of the General Administration of Customs urged foreign trade companies throughout China to take the lead in curbing such practices.

Dai Jie said: According to a survey conducted by a joint investigation group under the Ministry of Foreign Economic Relations and Trade, "parallel goods" exported to Hong Kong and Macao can be divided into five categories, namely, commodities exported by units without the power to operate import and export trade; commodities exported by authorized import-export units beyond their scope of business; commodities listed in the state's mandatory plan or subject to quota control and commodities recklessly exported without quotas or exported beyond quota; commodities exported in violation of the provisions of the export license issued by the state; and commodities smuggled out of the country by various means. Dai Jie said: Since the state has exerted control over 235 commodities exported to Hong Kong and Macao by practicing the quota-license system, customs offices in various places have rigorously enforced customs regulations and confiscated large amounts of "parallel goods" exported to Hong Kong and Macao by illegal means in evasion of state control. The export of these " parallel goods" has seriously jeopardized the country's export trade. JINGJI CANKAO, published by XINHUA AGENCY today, reported Dai Jie's remarks on "parallel goods."

LI PENG PRAISES NANKAI UNIVERSITY FOUNDER

OW051910 Beijing XINHUA in English 1849 GMT 5 Apr 86

[Text] Tianjin, April 5 (XINHUA) -- Noted patriotic educator Zhang Boling's 110th birth anniversary was marked at a meeting here today.

Vice-Premier Li Peng joined the more than 400 people at the meeting sponsored by the National Committee of the Chinese People's Political Consultative Conference (CPPCC) and the State Education Commission. Vice-Chairmen of CPPCC National Committee Qian Changzhao and Zhou Peiyuan were also present. Deng Yingchao, chairman of CPPCC National Committee, sent a basket of flowers, and Yan Mingfu, head of the United Front Work Department of the Communist Party Central Committee, sent a message to the meeting.

Zhang (1876-1951) established Nankai Middle School, Nankai Univeristy, Nankai Girls' Middle School, Nankai Primary School, Chongqing Nankai Middle School and the Economic Research Institute and the Applied Chemistry Research Institute of Nankai University.

In his speech, Li Peng paid high tribute to Zhang's lifelong dedication to modernizing China's educational system, calling him, a person with the lofty ideal of saving China through education. People of later generations will never forget his spirit of hard struggle in striving for national rejuvenation, he said. His educational accomplishments are an important heritage, Li said. Following in his tradition, Nankai University trained numerous scientists, educators, artists and other talented people, including the late Premier Zhou Enlai. The vice-premier urged Zhang's friends and students in Taiwan and overseas to work to fulfil Zhang's wish and contribute to the exchanges in the cultural, education and economic fields on both sides of the Taiwan Straits and to the reunification of the motherland.

Nankai University hosted a symposium on Zhang's education theories and a photo exhibition on his life today. Li Peng, Qian Changzhao and Zhou Peiyuan unveiled a bronze bust of the educator, which was paid for with funds raised by the 1980 graduates of Nankai University.

XI ZHONGXUN, OTHERS ATTEND 3 APRIL PARTY

OW041237 Beijing XINHUA Domestic Service in Chinese 1511 GMT 3 Apr 86

[By reporters Hadir Mamut and Li Anding]

[Text] Beijing, 3 Apr (XINHUA) — The foundations and the colorful lanterns have turned the Beijing Nationalities Cultural Palace into a fairy palace. More than 500 representatives and members of minority nationalities currently attending the Fourth Session of the Sixth NPC and the Fourth Session of the Sixth CPPCC National Committee gathered together in Beijing this evening at a ceremonious gala party. Leading Comrades Xi Zhongxun, Chen Pixian, Peng Chong, Ngapoi Ngawang Jigme, Bainqen Erdini Qoigyi Gyaincain, Seypidin Aizezi, Liao Hansheng, Yang Jingren, Liu Lantao, Pagbalha Geleg Namgya, and Burhan participated to the celebrations with the minority representatives and members. Some representatives and members ascended the 10th floor of the Nationalities Palace to have a panoramic night view of Beijing. Some watched the wonderful dance and singing performances while others took to the dance floor and participated in various recreational activities.

Chen Pixian, vice chairman of the NPC Standing Committee, happily told Ismail Amat, chairman of the State Nationalities Affairs Commission, that the gala party has provided a very good opportunity for the representatives and members of the minority nationalities to get together and talk, thus promoting friendship between them. Many representatives and members demonstrated calligraphy and wrote inscriptions at the party. One of the inscriptions ran: The outstanding workers gathered at the Nationalities Palace to discuss the Seventh 5-Year Plan for the revitalization of China.

The gala party was jointly held by the United Front Work Department of the CPC Central Committee, the NPC Nationalities Committee, and the State Nationalities Affairs Commission.

WAN LI, HAO JIANXIU INSPECT QINGDAO, SHANDONG

OW050646 Beijing XINHUA Domestic Service in Chinese 1853 GMT 4 Apr 86

[By reporter Cheng Deyuan]

[Text] Qingdao, 4 Apr (XINHUA) -- It is necessary to fully understand the great importance of studying, developing, utilizing, and protecting marine resources for the modernization drive so that they can benefit future generations, said Wan Li, vice premier of the State Council, in Qingdao on the morning of 3 April. Comrades Wan Li and Hao Jianxiu inspected Qingdao from 1 to 4 April. During the inspection, Comrade Wan Li especially invited some 70 oceanography experts from research institutes and schools of higher learning in Qingdao to attend a forum on study of marine sciences and development of marine resources.

Wan Li said: Ours is a country of 1 billion people. Along with the development of the economy, it will become increasingly inadequate to search for means of production and subsistence from land. Therefore, it is necessary to take the advantage of our country's long coastline and vast waters in optimally developing and utilizing the abundant biological, chemical, mineral, and power resources in the ocean. For a long time, we have failed to pay due attention to this question and to fully develop and utilize marine resources. It is necessary to thoroughly understand the strategic significance of studying, exploring, and utilizing marine resources for our economic development, as well as to strengthen the leadership over marine science research and intensify the training of specialized personnel. All coastal provinces, municipalities, and autonomous regions should regard the study, development, utilization, and protection of marine resources as a strategic task.

Wan Li added: It is necessary to further step up exchange and cooperation among the many oceanography research institutes in Shandong, taking concerted efforts to map out long-and short-term research and development plans. Shandong should become a pioneer in this field.

Discussing the direction of marine resources development together with the experts, Wan Li pointed out: It is necessary to first vigorously develop sea-water aquiculture, the breeding of fish, shrimp, shellfish, crabs, kelp, and sea slugs, which are needed for the people's everyday life. At the same time, it is necessary to promote fishing, including ocean fishery.

Turning to the question on promoting the undertaking of marine sciences, Wan Li said: It is necessary to pay close attention to monitoring and protecting the ocean environment, speed up the efforts to control ocean pollution by land, and prevent damage to the marine ecology.

Accompanying Wan Li and Hao Jianxiu on the inspection tour in Qingdao were Li Changa, deputy secretary of the Shandong Provincial CPC Committee and vice governor; and Liu Pen, Standing Committee member of the provincial party committee, vice governor, and secretary of the Qingdao City CPC Committee. During the inspection, Wan Li heard a briefing on research projects of the Shandong Oceanography College, visited its laboratories, and saw results in scientific research. He also attended a study and discussion session together with provincial and city leading comrades concerning a large engineering project to divert the water from the Huang He to Qingdao, which will be started soon. Wan Li endorsed the blueprints for this project and set specific demands for the construction quality and pace.

FBIS DAILY REPORT

China

CONTENTS

Vol I No 067 8 April 1986

PRC INTERNATIONAL AFFAIRS

GENERAL

Song Jian Addresses International S&T Meeting A 1
Huang Hua Attends Tokyo Meeting of Former Leaders A 1

UNITED STATES

Kang Keqing Meets California Women's Delegation B 1
CIA's Casey Says USSR Helped PDRY Coupists B 1
U.S., USSR Academies Sign Cooperation Accord B 1

SOVIET UNION

LIAOWANG Article on PRC-USSR Commission Work C 1
RENMIN RIBAO Highlights Soviet Industrial Reforms [2 Apr] C 2
Qian Qichen in USSR for Political Consultations [cross-reference] C 4

NORTHEAST ASIA

DPRK Papers Condemn U.S.-South Korean Military Talks D 1
Long-Term Trade Agreement Signed With MPR D 1

SOUTHEAST ASIA & PACIFIC

Philippine's Laurel Supports One-China Policy E 1
South Australian Premier Hosts Banquet in Shandong E 1
Sihanouk Seen Off by Ngapoi Ngawang Jigme E 2
Readjustment of ASEAN Nations' Economies E 2

WESTERN EUROPE

Reportage on Greek Prime Minister's Visit G 1
Welcomed by Zhao Ziyang G 1
Comment on Disarmament G 1
Zhao Ziyang Hosts Banquet G 2
Zhao, Papandreou Hold Talks G 3
Qiao Shi CPC Delegation Arrives in Rome G 4
Naval Commander Welcomes Italian Officers G 4
FRG Official Predicts Growing Trade With USSR G 5
European Students of Chinese Feted at Reception G 5

PRC NATIONAL AFFAIRS

GUANGMING RIBAO Considers Correct Reform Evaluation [22 Mar] K 1
LIAOWANG Commentator on Common Affluence [24 Mar] K 6
Science, Technology Investment by Enterprises Urged [JINGJI RIBAO 31 Mar] K 8
State Council Circular on Land Management K 9
RENMIN RIBAO on Checking Abuse of Farmland [3 Apr] K 13
Proper Management of Farmland Emphasized K 14
Sixth Plan Land Reclamation Achievements Reported K 15
Wang Zhen Attends Land Reclamation Meeting K 16
Zhou Gucheng Says NPC No Mere 'Rubber Stamp' K 16
NPC Bank Officials on Local Monetary Reform K 17
Deng Yingchao Stresses Compulsory Education K 18
Bainqen Erdini Speaks on Xizang Issues K 19
Supports 'One Country, Two Systems' K 19
Dalai Lama Invited K 19
Urges Investment K 20
Chen Pixian Eulogizes Late Shanghai Mayor [WEN HUI BAO 27 Mar] K 21
Gu Mu Inspects Wuxi Work 30 March-2 April K 22
Fang Yi Visits Sichuan Hydropower Station Site K 23
Fang Yi on Establishing Zigong Titanium Base K 23
Xi Zhongxun, Others Attend Memorial Meeting K 23
Yu Qiuli Sends Wreath to Ex-General's Memorial K 24
Peng Zhen Inscribes Book Commemorating Educator K 24

PRC REGIONAL AFFAIRS

EAST REGION

Fujian Urges Stronger Economic Reform Organs O 1
Jiangsu Government Calls for Field Management O 1
Jiangsu Bans Unauthorized Use of Land O 1
Jiangxi's Wan Shaofen Responds to Complaint O 2
Jiangxi Commentary Stresses Grain Production O 2
Shanghai's Rui Xingwen on Economic Cooperation O 3

CENTRAL-SOUTH REGION

Meng Qingping Reported as 'New' Hainan Leader P 1
Hainan Discipline Inspection Commission Praised P 1
Henan Holds Report Meeting on 5 April Movement P 3
Hunan's Mao Zhiyong on Rural Public Health Work P 4

SOUTHWEST REGION

Guizhou Organs Straighten Out Anomalies Q 1
Xizang Concludes Conference on Foreign Trade Q 1
Mao Rubai Views Leftism Q 2

NORTH REGION

Hebei CPC Leaders Give Guidance to Reporters R 1
Nei Monggol Holds Forum To Mark 5 April Incident R 1
Li Ligong Speaks on Shanxi Political, Legal Work R 2

NORTHEAST REGION

Heilongjiang CPC Work Conference Opens 4 Apr S 1
Sun Weiben at Heilongjiang Support Meeting S 1
Jilin Holds Political, Legal Work Conference S 1

HONG KONG MEDIA ON CHINA

TA KUNG PAO on Sino-Soviet Negotiations [7 Apr] W 1
'Child of Senior Cadre' on Beijing Factions W 2
[CHENG MING 1 Apr]
Wang Meng Reportedly Tapped for Culture Minister W 6
[MING PAO 8 Apr]
Former Hotelier Arrested for Economic Crimes W 7
[WEN WEI PO 3 Apr]
Further Details [SOUTH CHINA MORNING POST 4 Apr] W 8

SONG JIAN ADDRESSES INTERNATIONAL S&T MEETING

OW071656 Beijing XINHUA in English 1646 GMT 7 Apr 86

[Text] Beijing, April 7 (XINHUA) -- The Chinese Government is now implementing two scientific development plans, the "sparking plan" for supporting rural enterprises and a plan for developing high technology suited to China's conditions. Song Jian, minister in charge of the state Science and Technology Commission, told the 2nd Beijing International Conference on Stragetic Orientation for Science and Technology for National Development which opened here today. The meeting is attended by more than 60 economists and scientists from 20 countries and regions, as well as officials of the United Nations.

Song said the "sparking plan" is designed to use advanced but suitable technology to promote local economy, transform the outdated technology and improve economic efficiency. The other plan is to focus on studying and developing some new technology. The implementation of the two plans, Song said, would make science and technology contribute more to the country's rapid economic development. He noted that with the development of microelectronics, information technology, bio-technology, space technology and other new technology, the world has entered into an era of new technology, the world has entered into an era of new technological revolution. It is an important task for the developing countries to step up research on the policy for science and technology development.

During the five-day conference, jointly sponsored by the UN Financing System for Science and Technology for Development and the China's State Science and Technology Commission, the participants will discuss the strategic orientation for promoting science and technology, the government's role in full display of scientific potential, development of human resources, collection of scientific funds, and integration of scientific research institutions, universities and enterprises.

Also speaking at today's opening ceremony were Rustam D. Lalkaka, director of the UN Financing System for Science and Technology for Development and an official from the Beijing office of the UN development programme.

HUANG HUA ATTENDS TOKYO MEETING OF FORMER LEADERS

OW072022 Beijing XINHUA in English 1941 GMT 7 Apr 86

[Text] Tokyo, April 7 (XINHUA) -- Former world leaders today gathered in Tokyo to discuss solutions and suggestions for political and economic problems the world is facing today. Addressing the 21 former leaders, former Japanese Prime Minister Takeo Fukuda said that tensions in East-West relations and the arms race, the continuously unstable world economy, and population and environmental problems are the three main issues the world is facing and should solve. Fukuda hoped that the four-day meeting, the first of its kind ever held in Asia, would contribute to the popularization of the importance of world peace and prosperity and held in the success of the coming Tokyo summit of seven Western industrial nations.

Japanese Foreign Minister Shintaro Abe, on behalf of the Japanese Government, attended the meeting, which was presided over by former Federal German Chancellor Helmut Schmidt. Huang Hua, vice chairman of the Standing Committee of the Chinese National People's Congress, also attended the meeting in an unofficial capacity.

KANG KEQING MEETS CALIFORNIA WOMEN'S DELEGATION

OW041746 Beijing XINHUA in English 1515 GMT 4 Apr 86

[Text] Beijing, April 4 (XINHUA) -- Kang Keqing, president of the All-China Women's Federation, met here today a California women's forum friendship delegation from the United States led by Bee Canterbury Lavery, chief of protocol of the Los Angeles government. Kang, who is also a vice-chairman of the National Committee of the Chinese People's Political Consultative Conference, and Lavery expressed the wish to strengthen the contacts between women of the two countries to deepen their mutual understanding. Kang hosted a dinner for the delegation after the meeting.

CIA'S CASEY SAYS USSR HELPED PDRY COUPISTS

OW070852 Beijing XINHUA in English 0750 GMT 7 Apr 86

[Text] Washington, April 6 (XINHUA) -- U.S. Central Intelligence Agency Director William Casey today accused the Soviet Union of entrenching its "bridgeheads" worldwide and of assisting in a coup in South Yemen last January. Casey told a pro-Israel lobby committee meeting held here that the Soviets "require bridgeheads in Cuba and Vietnam, in South Yemen and Ethiopia, in Angola and Nicaragua, in Afghanistan and elsewhere." He said these bridgeheads "are being linked in a growing logistical and support network, supported by a standing Soviet naval and air power."

He accused the new Soviet leader, Mikhail Gorbachev, of continuing the "Brezhnev Doctrine," a reference to the late Soviet leader Leonid Brezhnev's foreign policy which led to the dispatch of Soviet troops into Czechoslovakia in 1968. He said Gorbachev has intensified his attempt to "nail down and cement these bridgeheads" and "make them permanent." The CIA director said that soon after the January coup in South Yemen, planes flown by Soviet pilots "began pounding pro-government forces," and Soviet weapons "began to be flown into the country to rebel forces." Casey's remarks appeared to be the first U.S. accusation of a direct Soviet involvement in the coup in South Yemen which ousted President 'Ali Nasir Muhammad.

U.S., USSR ACADEMIES SIGN COOPERATION ACCORD

OW050816 Beijing XINHUA in English 0735 GMT 5 Apr 86

[Text] Washington, April 4 (XINHUA) -- The U.S. National Academy of Sciences and the Soviet Academy of Sciences today signed a new cooperation agreement on bilateral meetings and exchanges of scientists. The agreement, announced here by the U.S. Academy of Sciences, calls for meetings at least once yearly between the two countries to discuss problems and opportunities in continuing cooperation and ways to open the door for more involvement by scientists of the two countries.

The two scientific organizations had an agreement on mutual cooperation before. However, the United States suspended part of the agreement in 1980 and banned bilateral symposia and other meetings to protest the Soviet authorities' treatment of dissident physicist Andrey Sakharov.

LIAOWANG ARTICLE ON PRC-USSR COMMISSION WORK

OW061413 Beijing in Russian to the USSR 1800 GMT 5 Apr 86

[Text] Arkhipov, first deputy chairman of the USSR Council of Ministers and leader of a delegation attended the first session of the Sino-Soviet Commission for Economic, Trade, Scientific, and Technical Cooperation held in Beijing from 15 to 21 March. During his stay in China, Arkhipov had talks with Li Peng, vice premier of the PRC State Council. Zhao Ziyang, Premier of the PRC State Council, also met Arkhipov and told him that the current commission session progressed very satisfactorily and was fruitful, and that this is a system for developing cooperation between the two countries in the economic, trade, scientific, and technology field. The Soviet guests also visited southern cities in our country: Nanjing and Wuxi.

A regular issue of LIAOWANG published recently in Beijing carries a signed article devoted to this session of the commission. We are broadcasting the article.

During the first days of the first session of the Sino-Soviet Commission on Economic, Trade, Scientific, and Technical Cooperation both countries came to an agreement on the further development of cooperation between the two countries in economic, trade, scientific, and technical fields. At the end of the session, the Chinese and Soviet sides signed a protocol on the first session of the commission and a protocol of the governments of the two countries on conditions for engineering and technical personnel exchanges. This signifies that cooperation between the two countries in the economic, trade, scientific, and technical fields will be strengthened further. Premier Zhao Ziyang has said that this session of the commission progressed very satisfactorily and was fruitful. The potentials for Sino-Soviet cooperation in the above-mentioned fields are huge and there are great prospects for its development. Through the common efforts of China and the Soviet Union bilateral trade developed relatively quickly during the last few years. Economic and scientific-technical cooperation has been restored and good foundations have been laid for it. Arkhipov visited China in December 1984 and Yao Yilin visited the Soviet Union in July 1985. The two sides signed an agreement on economic and technical cooperation; an agreement on scientific and technical cooperation; an agreement on the establishment of a Sino-Soviet Commission on Economic, Trade, Scientific, and Technical Cooperation; a long-term trade agreement for 1986-90 period; and an agreement on the construction and reconstruction of industrial enterprises in China.

At the first session of the commission both sides observed that these five important documents laid the foundations for the further development of economic, trade, scientific, and technical cooperation between the two countries. At the same session both sides reviewed the development of bilateral trade during the last few years and found development to be successful. The current year is the first year of the long-term trade agreement between the two countries for the 1986-90 period. Both countries agreed to make efforts at coming annual talks to exceed the volume of trade envisaged in the long-term trade agreement. This 5-year agreement provides for a total volume of trade between the two countries reaching 35 billion Swiss francs and that will represent a 3.3 time increase compared with the total volume of bilateral trade during the 1981-85 period. Both countries also exchanged views on transportation of commercial goods, scientific and technical cooperation, increasing the number of students and postgraduate students in both countries, and other issues.

Both sides expressed satisfaction at the development of cooperation in construction and the reconstruction of industrial projects in China. Their total number is 24 including 7 new ones. Both sides also exchanged fact-finding groups. As to cooperation in civil aviation, both sides exchanged views on increasing the number of flights of civil aircraft of the two countries. In July last year, China signed with the Soviet Union a contract for the purchase of 17 Soviet aircraft of the TU-154M model.

Last year, China took part in the Interbytmash-85 exhibition organized in Moscow and the Soviet Union in the International Asian and Pacific Ocean Countries' Fair in Beijing. At the first session of the Sino-Soviet Commission on Economic, Trade, Scientific, and Technical Cooperation, both sides agreed to organize and participate in large-scale or international special exhibitions in each other's country for deepening mutual understanding.

Sino-Soviet cooperation in the economic, trade, scientific, and technical fields developed greatly in the last few years. But their political relations have not made substantial progress. Chinese leaders have repeatedly said that China and the Soviet Union are neighboring countries and that there is traditional friendship between their people. The Chinese Government and people value very highly the feelings of friendship existing between the people of the two countries and sincerely wish that bilateral relations be further improved through the elimination of obstacles through practical measures.

RENMIN RIBAO HIGHLIGHTS SOVIET INDUSTRIAL REFORMS

HK050611 Beijing RENMIN RIBAO in Chinese 2 Apr 86 p 7

[Article by Zhou Xiangguang: "From Local Experiments to All-Round Development -- Soviet Industrial Reform Is Making Explorations"]

[Text] The recent 27th Soviet Communist Party Congress adopted a "strategy for accelerating national and social economic development." This is regarded as the key to solving all problems facing the Soviet Union. Soviet industry is wide in scope and solid in strength; it forms the basis of the Soviet national economy. The success of industrial reform will inevitably have a direct bearing on the progress of the entrie economic reform.

The Soviet economy has had problems for a long time. As Gorbachev pointed out: "The existing form of production relations and managerial and operational system took shape under conditions of extensive economic development. These have gradually become outdated, providing no stimulation, while other things have become roadblocks." Reform was attempted back in Khrushchev's time, and the "New Economic System" was implemented in Brezhnev's time. However, these reform attempts did not produce the expected results. Instead, they brought about a host of new problems, and thus were stopped half way. In view of this, Gorbachev has proposed that in instituting practical reforms, explicit targets and resolutions are essential." This is because "reform is by no means a simple affair." It "takes time and resolute efforts." Moreover, "we should not leave reform half incomplete once it has begun."

Some Soviet industrial enterprises are presently undergoing reform experiments based on the "supplementary measures for expanding the rights of combined industrial corporations (enterprises) in planning and economic activities and strengthening their responsibility toward achieving results," as drawn up when Andropov was general secretary. Starting in January 1984, reform was carried out on a trial basis in enterprises belonging to five industrial systems.

A year later, in January 1985, the experiment expanded to more than 2,500 enterprises belonging to 26 industrial systems. In August the same year the "decision on spreading in breadth new operational methods and strengthening the processive role of science and technology" was adopted. Beginning this year, reform has spread in an all-round way to such departments as machine building, light industry, foodstuffs, meat and dairy products processing, local industrial departments, fishery, and all service trades. At the same time, some industrial departments have drawn up new operational measures based on their own characteristics, and these have been implemented on a trial basis. It is planned and stipulated that other industrial departments are to adopt these new managerial and operational methods before 1 January 1987. This shows that Soviet industrial reform has already spread from local experiments to all-round development.

The purpose of these experiments is to explore methods for upgrading productivity, to push forward the progress of science and technology, and to accelerate the process of intensive production, chiefly through expanding the decision-making power of enterprises and giving them responsibility for their managerial results, in order to bring into play the initiative of enteprises and workers and staff. The measures to be adopted are: mandatory indexes for enterprises will be reduced, with stable economic quotas being issued to affect operational activities; appraisals of an enterprise's activities will be based chiefly on its fulfillment of the various tasks stipulated in its contract; the results of the fulfillment of a contract will directly affect the volume of material incentive funds; and the collective contractual responsibility system will be implemented inside the enterprise, with increase in the volume of wage funds floating in accordance with the rise in labor productivity and the final results of the enterprise's operation. The state will not stipulate the number of workers and staff.

According to reports in the Soviet press, experiments over the past 2 years have had positive effects on the managerial and operational activities of enterprises, have stimulated the productive initiative of enterprises and labor collectives, and have witnessed, in particular, a marked turn for the better in the manner in which enterprises manage the marketing of their products based on contracts. This is favorable to improving the economic balance and insures a prompt supply of the goods and materials needed in production. The labor productivity of enterprises has been raised while the production growth rates of enterprises undergoing reform experiments is higher than the national average level.

In analyzing these accomplishments, Soviet economists claim this is because "stimulation that can be felt is implemented." For instance, based on the new operational methods, if an enterprise completely fulfills the goods-supplying task stipulated in its contract, a 15 percent increase will be added to the material incentive fund; vice versa, failure of every 1 percent of the goods-supplying plan will involve a 3 percent deduction from the material incentive fund. Next, implementation of the collective contractural responsibility system inside labor collectives enables every production link to be connected with the tasks stipulated in the contract, while the volume of bonuses of the production team is determined by the supply condition of finished products or semi-finished products for assembling. As basic wages increase with output increases, production teams are encouraged to pay attention to the increasing labor productivity.

Moreover, to insure product quality, loses resulting from inferior products are linked to the incentive fund; when products are returned because of inferior quality, 5 percent of the incentive fund will be deducted for every 1 percent of the total output returned.

Despite all this, problems and resistance exist in these experiment. The Soviet press believes that the experiments have not adequately taken advantage of science and technology. "Changes are rather slow" in work styles and methods employed by responsible departments. This is because "not all the cadres have overcome their inertia, old patterns, and the practice of sticking to general operations." Regarding this, Gorbachev pointed out at the 27th Party Congress: "Success is to a large extent determined by the reorganization of central economic organs, the work of the State Planning Committee in particular." The Congress decided that the central economic organs should free themselves from daily routines and concentrate their efforts on important issues concerning the use of science and technology to upgrade the general level of economic work, so as to insure the needs of society in terms of products.

The Soviet Union is a big country and its undertakings are manifold. Its traditional managerial and operational modes have been used for many years; it will not be easy to implement reform. Many issues are still in the exploration phase. Therefore, whether reform can be made to develop in depth and breadth will inevitably be of much interest to the world.

QIAN QICHEN IN USSR FOR POLITICAL CONSULTATIONS

For Soviet reportage of the latest round of Soviet-Chinese political consultations, attended by Qian Qichen, vice minister of foreign affairs of the People's Republic of China, in Moscow, see the China section of the 8 April Soviet Union DAILY REPORT and subsequent issues.

DPRK PAPERS CONDEMN U.S.-SOUTH KOREAN MILITARY TALKS

OW051121 Beijing XINHUA in English 1039 GMT 5 Apr 86

[Text] Pyongyang, April 5 (XINHUA) -- Major Korean newspapers today lashed out editorially at a recent military meeting between the U.S. and South Korea and U.S. Secretary of Defense Caspar Weinberger's inspection of the frontline, saying that the U.S. and South Korea are "keen on the military buildup and war preparation."

The U.S. and South Korea held the 18th Security Consultative Meeting April 2 and 3 in Seoul, attended by Weinberger and South Korean "Minister of National Defense" Yi Ki-paek. On April 2 Weinberger inspected the western area near the military demarcation line that divides the North and South.

A joint communique issued at the meeting declared that "the next two or three years will be a period of great danger on the Korean peninsula." The U.S. will soon vastly strengthen its military presence and fighting ability in South Korea, and provide "rapid and effective assistance" when South Korea faces "military attack," the communique also said.

"NODONG SINMUN", a major Pyongyang daily, said in its commentary that the "two or three years' crisis" is a fabrication by the U.S. and South Korea aimed at maintaining the "political power" of the South Korean authorities. The commentary said the crisis in South Korea is caused by the brutal suppression by the authorities of the people who are struggling against fascism and for democracy, and is not caused by any threat of "aggression against the South." Tension on the Korean peninsula stems from the war adventures of the U.S. and South Korea, the commentary added.

"PYONGYANG SINMUN" and "NODONG CHONGNYON" said in their commentaries that the real intention of the U.S. is to strengthen its military presence and carry out joint military exercises in and with South Korea in preparation for an aggressive war against the North.

LONG-TERM TRADE AGREEMENT SIGNED WITH MPR

OW072008 Beijing XINHUA in English 1950 GMT 7 Apr 86

[Text] Beijing, April 7 (XINHUA) -- The first long-term trade agreement between the Chinese and Mongolian Governments for 1986-1990 was signed here today. According to the agreement, the two countries would further develop bilateral trade on the basis of equality and mutual benefit. China will export silk, light industrial products and fresh and dried fruits to Mongolia while importing boards, horseskin and deerhorn.

Today, the two countries also signed a protocol on goods exchange and payments for 1986. The two documents were signed by Wang Pinqing, Chinese vice-minister of foreign economic relations and trade, and N. Babuu, Mongolian vice-minister of foreign trade. Before the signing, Chinese Minister of Foreign Economic Relations and Trade Zheng Tuobin met the Mongolian Government trade delegation led by Babuu.

PHILIPPINE'S LAUREL SUPPORTS ONE-CHINA POLICY

OW071244 Beijing XINHUA in English 1229 GMT 7 Apr 86

[Text] Manila, April 7 (XINHUA) -- Vice-President and Foreign Minister Salvador H. Laurel today reiterated the willingness of the new Philippine Government to develop its relations with China. He made the statement when he was called on by Chinese Ambassador Chen Songlu here this morning.

The vice-president said the Philippine Government would "make efforts to further develop the relations between the Republic of the Philippines and the People's Republic of China, especially in the field of trade, in the interests of the two countries and peoples." Laurel recalled his first visit to China in 1972 and said he always stands for the policy of one China, that is the People's Republic of China. "We (the Philippines) will continue to pursue the one China policy in future," he said.

The Chinese ambassador said that the Chinese Government attaches importance to its friendly relations with the Philippines, and expressed the hope that such relations would be further expanded.

SOUTH AUSTRALIAN PREMIER HOSTS BANQUET IN SHANDONG

SK050816 Jiana Shandong Provincial Service in Mandarin 2300 GMT 4 Apr 86

[Text] The South Australian government delegation headed by Premier Bannon will leave Jinan for Qufu, Taian, Zibo, Qingdao and Yantai on the morning of 5 April to continue its friendly visit.

On the evening of 4 April at the Nanjiao Guesthouse, Premier Bannon hosted a banquet in reciprocation. Li Changan, governor of the provincial government; Ma Shizhong, vice governor of the provincial government; and responsible persons of the provincial and Jinan City relevant departments were invited to attend the banquet. In his speech at the banquet, Premier Bannon said: I am deeply impressed by the fact that every friend with whom I have met in Jinan was enthusiastic about developing the established friendship and cooperation ties between us. Your Excellency the governor emphasized to me when we met that the agreement's [agreement establishing friendship ties between Shandong Province and South Australia[period of validity would far exceed your or my tenure of office. Although the agreement was signed by you and me, in reality, it is an agreement between the peoples of Shandong and South Australia. The peoples of the young generation in Shandong and South Australia will make ceaseless efforts to develop the established friendship ties and to make this friendship eternal. Confucius always said: I will be very happy if a friend comes from afar. We have already been touched by your sincere friendship over these past few days. We expect that the friends of Shandong will visit South Australia. Then, we may also quote the passage of Confucius which says: I will be very happy if a friend comes from afar.

Governor Li Changan proposed a toast at the banquet. He said: We had friendly and fruitful talks with Your Excellency the premier in Jina . We talked about issues concerning the possibility of conducting cooperation and exchange in the economic, trade, industrial, agricultural, scientific and technological, cultural, art, and educational fields. During the talks, the governments of two parties expressed the strong desire to develop the friendship and cooperation ties and to lay a solid foundation for further economic cooperation and friendly exchange. Your Excellency the premier has paid a visit to us at the same time as spring has come round to the earth again and everything looks fresh and gay. The vitality of nature signifies the successful visit of Your Excellency the premier.

SIHANOUK SEEN OFF BY NGAPOI NGAWANG JIGME

OW071258 Beijing XINHUA in English 1213 GMT 7 Apr 86

[Text] Beijing, April 7 (XINHUA) -- Samdech Norodom Sihanouk, president of Democratic Kampuchea, and Madame Sihanouk left here by train this afternoon for the Democratic People's Republic of Korea. They were seen off at the station by Ngapoi Ngawang Jigme, vice-chairman of the National People's Congress Standing Committee, and Liu Shuqing, vice-foreign minister. On the occasion were also Chan Youran, Democratic Kampuchean ambassador to China, Sin In-ha, DPRK ambassador to China as well as diplomatic envoys of some countries in China.

READJUSTMENTS OF ASEAN NATIONS' ECONOMIES

OW061603 Beijing XINHUA in English 1519 GMT 6 Apr 86

["Roundup: ASEAN Nations Readjust Economies (by Li Yongming)" -- XINHUA headline]

[Text] Singapore, April 6 (XINHUA) -- Member states of the Association of South East Asian Nations (ASEAN) are readjusting their policies and diversifying their economies to pull through the current economic recession in the region. Rapid economic growth was witnessed in most ASEAN countries for the whole of last decade. In recent years, however, the momentum has been flagging. Some have even suffered a sharp decline in the growth rate.

Singapore's growth dropped from 8.2 percent in 1984 to minus 1.8 percent in 1985 due to a marked reduction in the output of its backbone industries such as construction, shipbuilding and oil refining. the country's unemployment rate reached 4.1 percent. The Philippines suffered minus growth rates for two consecutive years: 5.5 percent in 1984 and 3 to 5 percent in 1985. According to official estimates, this year the country's industrial output will drop 10 percent, but agricultural production is expected to increase 2.5 percent. The other four ASEAN countries -- Thailand, Malaysia, Indonesia and Brunei -- have all slowed down in their economic development.

One of the main reasons for the recession in the region was its dependence on the U.S. market. Most of the ASEAN countries' mineral, primary agricultural, textile and electronic products used to be exported to the United States. The latter's economic stagnation for the past few years severely slashed the former's export. Under such circumstances, the ASEAN countries are striving to diversify their national economy so as to minimize the negative effects of the sluggish demand for their traditional exports.

Singapore is switching its mainstay industries from the labor-intensive to the capital-and-technology-intensive type and preparing to develop new high-tech exports.

Malaysia used to earn most of its foreign exchange by exporting rubber, palm oil and timber now it is stressing the development of heavy industry to strengthen its immunity to trade protectionism. Brunei, though still basking in its relative prosperity, also begins to consider changing its oil-oriented economy.

Another measure taken by the ASEAN countries to fight the recession is to encourage foreign investment. Singapore recently announced a set of tax preferentials for foreign investors and lowered fees for using the country's airports, posts and communication installations. Malaysia allowed foreigners to hold as much as 80 percent of the stocks of joint-venture projects; it is even considering to accept independent foreign enterprises. Indonesia also announced lower charges and simplified procedures for foreign investment. Meanwhile, ASEAN countries have announced tax cuts for domestic industrial enterprises to help them reduce costs of production and raise the competitiveness of their products.

The economic readjustment in different ASEAN countries has been undertaken at different times and carried out at different speeds. Some measures, particularly those in Indonesia, have already proved effectual. The economic development in the region, however, is closely connected with the international economic environment. Since the world economy is still in recession, the economic growth rate for ASEAN countries cannot be high this year.

REPORTAGE ON GREEK PRIME MINISTER'S VISIT

Welcomed by Zhao Ziyang

OW071230 Beijing XINHUA in English 1210 GMT 7 Apr 86

[Text] Beijing, April 7 (XINHUA) -- China welcomed Greek Prime Minister Andreas Papandreou today with a 19-gun salute and cheers of 300 teenagers. Chinese Premier Zhao Ziyang presided over the welcoming ceremony at the plaza east to the Great Hall of the People over which the national flags of China and Greece fluttered.

When the prime minister came to the plaza in the company of Zhu Xun, chairman of the Chinese Government's Reception Committee and Minister of Geology and Mineral Resources, Premier Zhao stepped forward to shake hands with him. Two children presented bouquets to the prime minister and his wife Margarita Papandreou. Cannon boomed a 19-gun salute as Papandreou and Zhao stood at attention for their national anthems and then reviewed a guard of honor formed by the three services of the People's Liberation Army.

Chinese Foreign Minister Wu Xueqian attended the ceremony. Following the ceremony Zhao had a brief talk with Papandreou in the Great Hall of the People.

Comment on Disarmament

OW071532 Beijing XINHUA in English 1510 GMT 7 Apr 86

[Text] Beijing, April 7 (XINHUA) -- China supports all efforts genuinely aimed at promoting nuclear disarmament, premier Zhao Ziyang said here tonight.

"We are willing to contribute to promoting disarmament and making progress on this issue," he said at a banquet held in honor of visiting Greek Prime Minister Andreas Papandreou. Zhao said that at present, the superpowers' nuclear arms race constituted a serious threat to world peace and security. People of all countries were deeply concerned about it.

The Chinese Government had always stood for the complete prohibition and thorough destruction of nuclear weapons. The United States and the Soviet Union, who possessed 95 per cent of the world's nuclear weapons, should first stop testing, producing and deploying all types of nuclear weapons. Then they should greatly reduce and destroy the many different types of nuclear weapons both inside and outside their countries. Only by doing so, would it be possible to create conditions for the convening of an international conference on nuclear disarmament to be attended by all nuclear states and other countries.

He noted that the Greek Government and people opposed the arms race, called for disarmament, wanted to ease international tension, promoted North-South dialogue, and were contributing to peace and co-operation in the Mediterranean and Balkans. Zhao spoke highly of the efforts and positive contributions to the cause of peace made by Papandreou and the Greek Government and people. Referring to Sino-Greek ties, Zhao said that since the two countries had established diplomatic relations more than 10 years ago, smooth progress had been made in strengthening links on the basis of the five principles of peaceful coexistence. Their countries shared similar views on many major international issues. China was ready to join Greece in the expansion of economic and technological co-operation, and to increase the number of cultural exchanges on the basis of equality and mutual benefit.

Papandreou praised China's policy of regarding an end to the arm races as being the first step in a sustained program aimed at total disarmament, and its support for the peace and disarmament proposal put forward by leaders of Argentina, Greece, India, Mexico, Sweden and Tanzania last year. The recent statement by the Chinese Government on ending nuclear testing in the atmosphere was another positive step towards complete disarmament, he said. Greece also appreciated China's efforts to eliminate every source of world crisis.

Papandreou praised the principles of China's foreign policy, which supported national independence, the safeguarding of world peace, respect for weaker countries and non-interference in other countries' internal affairs, and opposed hegemonism. These were an ideal foundation for international relations. Greece and China enjoyed a very good relationship, which was likely to improve further. They shared similar views on major issues. Their countries were both experiencing a period of reform, said Papandreou. Greece was now working hard to implement reforms.

Among those attending the banquet at the Great Hall of the People were Chinese State Councillor and Foreign Minister Wu Xueqian, Mrs Margarita Papandreou, Greek Foreign Minister Yarolos Papoulias and Undersecretary of Commerce George Katsifaras.

Zhao Ziyang Hosts Banquet

OW071956 Beijing XINHUA Domestic Service in Chinese 1613 GMT 7 Apr 86

[Text] Beijing, 7 Apr (XINHUA) -- Premier Zhao Ziyang said at a banquet held in honor of Greek Prime Minister Andreas Papandreou tonight: The Chinese Government and people support all efforts that are truly conducive to disarmament and are willing to join other countries in making due contributions to promoting progress on the disarmament issue.

Zhao Ziyang said: At present, the superpowers' nuclear arms race constitutes a serious threat to world peace and security. People of all countries are deeply concerned and worried about it. The Chinese Government has always stood for the complete prohibition and thorough destruction of nuclear weapons.

He said: The United States and the Soviet Union, which possess 95 percent of the world's nuclear weapons, should first stop testing, producing,and deploying all types of nuclear weapons. Then they should greatly reduce and destroy their many different types of nuclear weapons in any regions inside and outside their countries. Only by doing so, will it be possible to create conditions for convening an international conference on nuclear disarmament to be attended by all nuclear states and other countries.

Zhao Ziyand said: The Greek Government and people oppose the arms race, call for disarmament, promote an ease of tension and North-South dialogue, and work for peace and cooperation inthe Mediterranean and Balkans. The Chinese Government and people highly appreciate the unremitting efforts and positive contributions made by Prime Minister Papandreou and the Greek Government and people to the cause of peace.

On Sino-Greek relations, Zhao Ziyang said: The friendly exchanges between China and Greece go back to ancient times. Since the two countries established diplomatic relations more than 10 years ago, smooth progress has been made in the bilateral relations on the basis of five principles of peaceful coexistence, despite the turbulent and changing world situation. The two countries share similar views on many major international issues. Developing long-term stable and friendly relations and cooperation between China and Greece conforms to the interests and aspirations of the two peoples.

He said: China is willing to join Greece in expanding economic and technological cooperation and increasing cultural exchanges between the two countries on the basis of equality and mutual benefit.

Prime Minister Papandreou said in his speech: The Greek Government appreciates very much China's position of regarding an end to the arms races as the first step in a sustained program aimed at total disarmament and its support for the peace and disarmament proposal put forward by the leaders of six countries. The Chinese Government's recent statement on ending nuclear testing in the atmosphere is another positive step in this direction.

He said that the Greek Government also appreciates China's efforts to eliminate every source of world crisis. He said: China's role in international affairs is indeed important, and its efforts are also important. The principles of China's foreign policy, which support national independence, the safeguarding of world peace, respect for weaker countries, and noninterference in other countries' internal affairs, and oppose hegemonism, are more likely to be the foundation of international relations now than any time before.

Papandreou said: Greek-Chinese relations are good and surely will be further developed and strengthened. The two countries indeed share similar views on major international issues. He said: Although the two countries are different in some of their objective conditions, they have similar experience in their efforts for domestic reform. Greece is now also working for reforms. He said: The two countries also have similar historical characteristics, such as a long history, splendid civilization, and being ahead of other countries in thinking of major questions of humankind. All these have laid a firm foundation for the two peoples to maintain and develop exchanges.

The banquet was held at the Great Hall of the People. State Councillor and Foreign Minister Wu Xueqian attended. Also attending the banquet by invitation were other distinguished Greek guests, including Prime Minister Papandreou's wife Margarita Papandreou, Greek Foreign Minister Karolos Papoulias, and Undersecretary of Commerce George Katsifaras, who are accompanying the prime minister on the visit.

Zhao, Papandreou Hold Talks

OW080858 Beijing XINHUA in English 0835 GMT 8 Apr 86

[Text] Bejing, April 8 (XINHUA) -- Chinese Premier Zhao Ziyang and Greek Prime Minister Andreas Papandreou agreed in their talks this morning that the similar views shared by China and Greece on many international issues provide a basis for the long-term and stable friendly relations between the two countries. Zhao said there should be a substantial development between the two countries in the fields of trade, economic cooperation and other areas.

Papandreou said the two countries could expand their cooperation in political, economic and other fields and he regarded his current visit to China as a new beginning in the growth of Sino-Greek relations.

The two leaders expressed satisfaction over the development of bilateral relations in recent years and hoped the two countries will make common efforts to promote their cooperation. In their talks in the Great Hall of the People, they also exchanged views on East-West relations, the North-South dialogue, disarmament, and some other regional issues.

Referring to the safeguarding of world peace, Zhao said the Soviet Union and the United States have conducted many talks that have somewhat eased the tense international atmosphere. "It's worth welcoming," he said, "But the two superpowers have a fundamental divergence of views on a series of issues. We hope they show sincerity in holding talks and reaching agreement on substantial reductions in arms." About the North-South dialogue, Zhao said the development of the third world countries is not only an economic issue but also an international issue that has important bearing on world stability. He said that if the developing countries could not achieve their development, it will be difficult to have world stability and world peace.

The Chinese premier also briefed his counterpart on China's independent foreign policy for peace, and China's stand on Afghanistan, Kampuchea and other regional issues.

Papandreou told Zhao about his country's views on East-West relations and the North-South dialogue. He said Greece is now making efforts to promote world peace and to ease the international situation. Though Greece is a small country, he said, it will work for the safeguarding of world peace. The Greek prime minister said his country stands for the establishment of a nuclear-free zone in the Balkans and he himself is actively involved in the proposal for peace and disarmament put forward by leaders from Argentina, Greece, India, Mexico, Sweden and Tanzania last year.

Chinese State Councillor and Foreign Minister Wu Xueqian and Greek Foreign Minister Karolos Papoulias were also present at the talks. The two foreign ministers are expected to hold talks again this afternoon.

QIAO SHI CPC DELEGATION ARRIVES IN ROME

OW080246 Beijing XINHUA in English 0233 GMT 8 Apr 86

[Text] Rome, April 7 (XINHUA) -- A delegation of the Communist Party of China arrived here this afternoon to attend the 17th National Congress of the Italian Communist Party at the invitation of its Central Committee. Giorgio Napoli Tano, a member of the leading organization of Italian Communist Party, and Antonio Rubbi, a Party Central Committee member and foreign liaison minister, met the delegation at the airport. Qiao Shi, a member of Political Bureau and Secretariat of the CPC Central Committee, is leading the Chinese delegation. The Congress opens on April 9 in Florence and will run until April 13.

NAVAL COMMANDER WELCOMES ITALIAN OFFICERS

OW071550 Beijing XINHUA in English 1531 GMT 7 Apr 86

[Text] Shanghai, April 7 (XINHUA) -- Liu Huaqing, naval commander of the Chinese People's Liberation Army, met Captain Luigi Lillo, commanding officer of the visiting Italian naval vessels, and other Italian officers here today. On behalf of the Ministry of National Defense and the Chinese Navy, Liu expressed his welcome to the officers and men of the two visiting Italian missile escort vessels -- the "Scirocco" and the "Grecale" which had arrived in Shanghai April 1 for an eight-day unofficial visit. Present on the occasion were Vice-Admiral Giasone Piccioni, Italian naval chief of staff, who arrived from Beijing in Shanghai earlier today, and Nie Kuiju, commander of the East China Sea Fleet of the Chinese Navy.

FRG OFFICIAL PREDICTS GROWING TRADE WITH USSR

OW071133 Beijing XINHUA in English 0850 GMT 7 Apr 86

[Text] Bonn, April 6 (XINHUA) -- Trade between Federal Germany and the Soviet Union will gradually increase despite an uneven trading pattern in the past, Otto Wolff von Amerongen, chairman of the Federal German Industrial and Commercial Conference, predicted here today. Amerongen has just returned from Moscow where he attended the fourth meeting of the Federal German-Soviet Mixed Economic Committee.

He told reporters here today that the Moscow meeting focused primarily on bilateral trade in manufactured goods. He said that Federal Germany intends to sell more technical know-how to the Soviet Union. Predicting that trade between Federal Germany and the Soviet Union will only gradually increase, Amerongen warned, "Don't expect that Moscow's new Five-Year Plan will have an impact on trade activities between the two countries in 1986." In fact, he added, Federal German exports to the Soviet Union fell by 2.2 percent last year, about 4.77 billion U.S. dollars, while the Soviet imports declined by 5.2 percent, about 6.18 billion dollars.

Amerongen believes that a sharp fall in oil prices will not affect Moscow's foreign exchange reserves or its imports drastically since that country already has substantial foreign exchange reserves. However, he added, it will no doubt create new problems for Moscow, if oil prices continue to fall. Amerongen said that Moscow will try to restructure its export-orientated industry, so that energy products and raw materials will account for over 80 percent of the total trade between Federal Germany and the Soviet Union.

Amerongen admitted that there was no mention at the meeting of Federal German companies joining in the Reagan "star wars" program. Although the Soviet representatives complained that little progress has been made by Bonn in creating a healthier political climate since the last committee meeting, the Russians habitually tend to separate political affairs from economic activities, he said.

EUROPEAN STUDENTS OF CHINESE FETED AT RECEPTION

OW061628 Beijing XINHUA in English 1614 GMT 6 Apr 86

[Text] Beijing, April 6 (XINHUS) -- Fifty teachers and students who study Chinese from Britain, the Netherlands and the Federal Republic of Germany are honored at a reception here this evening at the Xiyuan Hotel. The reception was given by Chinese Vice-Minister of the State Education Commission He Dongchang, entrusted by Premier Zhao Ziyang.

The teachers and students are chosen as representatives to visit China as guests of Premier Zhao who extended his invitation to them during his visit to the three countries last June. They arrived here separately April 4 and today and will tour Xian, Shanghai and Hangzhou.

Ambassadors of the three countries to China also attended the reception.

GUANGMING RIBAO CONSIDERS CORRECT REFORM EVALUATION

HK070701 Beijing GUANGMING RIBAO in Chinese 22 Mar 86 p 3

[Article by Fang Gongwen: "Correctly Evaluate the 1985 Reform of the Economic Structure" — capitalized passages published in boldface]

[Text] We began implementing the "decision" made at the 3d Plenary Session of the 12th CPC Central Committee on "reform of the economic structure" in 1985. In the same year, our reform made significant headway, and we started the price reforms and the wage system reform, which are difficult tasks. In rural areas, we put an end to the system of state monopoly for the purchase of farm products and the assignment of purchase quotas and replaced it with the system of ordering goods by contracts, thus readjusting the rural production setup. The fast developing lateral economic ties displayed their vigorous vitality and the reform of the urban economic structure, which highlights the invigoration of enterprises, gradually and thoroughly developed. The reform of the economic structure has given impetus to the development of our economic construction. The data and statistics in the communique recently issued by the State Statistical Bureau on the fulfillment of the country's 1985 national economic and social development plan show that our national economy vigorously developed last year.

Last year, initial success was scored in urban and rural reforms. However, in the course of reforms, the masses complained about a number of things. For example, people complained about their wages, about prices, about the practice of "putting money first in everything," about those individuals who had become upstart households by import means, and about the involvement of cadres and their children in commercial activities. Why did the people complain so frequently at a time when reform was making headway? Did reforms lead to problems? I think that we cannot account for these complaints by suggesting that reforms had led to problems. In the course of reforms, the masses complained for a number of reasons. We must analyze them in a down-to-earth manner and on the bases of the principle of seeking truth from facts. Only by doing this can we improve our work and guide the masses to correctly view the reforms.

Some of the masses' complaints are about reforms. There are two things in the reforms that have caused complaints: The first thing is the earth-shaking effects of the reforms and the resulting temporary maladjustments, and the second thing is the defects of reforms and mistakes made in our work. Other complaints are about external conditions for reform. Economic structural reform is not carried out in a vacuum. It is being carried out in contemporary Chinese society, which is a reality, under a fixed set of economic political, social, and ideological circumstances. Changes in the external conditions for this reform inevitably affect it. Be expressing their opinions, the masses give one the impression of having complaints about reforms. The following is an attempt to analyze in a down-to-earth manner those complicated factors that have played a part in bringing about the complaints.

1. ECONOMIC STRUCTURAL REFORM ITSELF AS A FACTOR

The reform of the economic structure is a complicated task. The transformation of an economic structure dominated by a highly centralized product economy into one dominated by a planned commodity economy based on public ownership requires us to thoroughly reform the ownership system and management; to carry out comprehensive reforms in production, distribution, circulation, and consumption at central and local levels and in various departments and enterprises, and to thoroughly reform relationships between the state and enterprises, between central and local authorities, among local authorities, among enterprises, between the state and workers, between enterprises and their workers, and between workers of various social strata.

This complicated task is time-consuming and must be fulfilled in several states by implementing a whole series of measures. Each stage or each measure means a step toward attaining the general goals of the reform. They must not be separated from each other either horizontally or vertically. However, in practical work, perfect dovetailing of various measures is impossible, and incompatibility is inevitable. In addition, aimed at dismantling the old system, these measures inevitably have an impact on the people. There are contradictions between the measures that have been put into effect and the old system.

Thus, incompatibility, contradictions, and impact can be rather frequent throughout the entire course of the reform of the economic structure. For example, the reform of urban economic structure began with the expansion of the enterprises' decision-making power, and the expansion of the enterprises' decision-making power has contributed to disrupting the highly centralized old planning system, the old financial system, and the old system governing the administration of goods and materials. Following the reduction in the number of direct administrative means by which the enterprises were controlled was the introduction of the corresponding indirect means. However, it takes time to establish, and perfect indirect control and dislocation is possible in the meantime. The blind enthusiasm for high growth rates, the introduction of overambitious capital construction projects, and the uncontrolled use of consumption funds in the fourth quarter of 1984 can be accounted for in terms of many complicated factors. However, all this is also a reflection of our ineffective indirect macroeconomic control. Another example is the problem of compatibility, or incompatibility, between economic reforms and the establishment of a legal system. The implementation of the opening up policy and the invigoration of the domestic economy require us to formulate and perfect a whole series of regulations on internal and external economic affairs, to establish and perfect law-enforcing organs and supervisory organs, and to give the masses and cadres an idea of the legal system. The economic structural reform does not stop developing. However, the formulation and amendment of relevant laws and regulations cannot begin until we have summed up our practical experience. Thus, incompatibilities between economic structural reform and reform of the legal system are possible. The rising incidence of economic crimes can be partially explained by the fact that some criminals are taking advantage of the imperfect legal system currently in force.

The dislocation in the course of the reform of the economic structure between various stages and between the implementation of one measure and the implementation of another is quite inevitable. This does not mean that there is little we can do about it. What we can do is that in carrying out the reform, we should be more far-sighted and try our best to make our measures as compatible with one another as possible. In implementing our measures, we should be quick to discover problems and to adopt remedial measures. The goals of our reform are well-defined. What we need now is an overall plan for the attainment of these goals. With an overall plan, we can have a clear idea of the number of stages to be undergone before we can attain these general goals and of the major measures to be implemented in each stage. In this way, things will become more predictable, we can be more vigilant and act less blindly, and the vacuum characteristic of the replacement of one system by another can be avoided.

Some problems that have arisen in the course of the reform of the economic structure have resulted from our mistakes and our failure to consider everything carefully. For example, in the fourth quarter of 1984, borrowing, wages, and premiums increased rapidly. One specific reason was that in the second half of 1984, while discussing the problem of reforming the banking system and the wage system in force in the enterprises in 1985, the departments concerned proposed that the amounts of credit funds to be independently and freely used by various specialized banks be fixed on the basis of the actual amounts of loans they had extended to people in 1984.

In making the workers' wages float with the economic results of the enterprises, the total amount of wages be fixed on the basis of the total amount of wages actually distributed in 1984. In order to have larger base figures, some banking units and enterprises resorted to offering more loans to people, indiscriminately raising wages, and unduly distributing premiums and subsidies. Obviously, this proposal was raised without taking everything into careful consideration. However, in the course of economic reforms, not many problems have arisen from our occasional failure to take everything into consideration. In fact, these problems are not difficult to solve after their discovery.

2. EFFECTS OF ECONOMIC CONSTRUCTION ON ECONOMIC REFORMS

The economic structural reform must be carried out under given economic circumstances. We are carrying out economic construction and economic structural reform at the same time. The purpose of the reform of the economic structure is to give impetus to our socialist modernization. However, the economic structural reform is impossible without the favorable conditions produced by economic construction. For example, in reforming the wage system and the pricing system and in helping enterprises develop by relying on themselves, we must be financially backed by the state. In opening markets to others and in competing with others, we must gradually bring changes in the sellers' markets, and this requires us to have enough goods, materials, and commodities. However, generally speaking, economic conditions cannot be totally favorable. Particularly when we started the reform of the economic structure, we were almost overwhelmed by the maladies of the old system. All this implies that, on the one hand, the pace of the reform must be such that it is neither too quick nor too slow but can be afforded by the present economic conditions and, on the other hand, in making arrangements for economic construction, it is necessary to take into account strains on the environment, to prevent the economy from developing at too high a rate, to avoid straining the relations between various parties, and to make economic conditions as elastic as possible.

If the pace of economic development is too rapid, it can only be unfavorable for reforms because a rapid pace must be fueled with huge investment in fixed assets and this can lead lead to serious strains on the proportional relations between accumulation and consumption, on the allocation of funds, on market arrangements, and on the supply of goods and materials. In this way, the development of the reforms will be restricted. In the fourth quarter of 1984, economic structural reform was somewhat affected by the rapid pace of industrial production development. Another example is that last year, in the course of reforming the pricing system, prices rose by a bigger margin than expected. Last year, the general index for retail prices went up 12.2 percent in the cities and towns and the situation was even worse in some large cities. Both the prices of means of subsistence and the prices of the means required for production uncalled for by the plans went up. Last year, in May and June, prices were the most popular topic of conversation and many complained. Prices became more stable in the second half of the year. One of the reasons for this is that the supply of vegetables did not become more plentiful after we lifted restrictions on vegetable prices. However, even more important reasons are that the scale of construction was too large, that consumption funds increased too rapidly, and that too much money was put into circulation. A third example is that in the fourth quarter of 1984, by indiscriminately raising wages and unduly distributing premiums and subsidies, people added to the difficulty of the 1985 reform of the wage system. In order to slow down the furious pace of development, we tightened the controls on credit and adopted other measures, with the result that some enterprises were prevented from effectively displaying their enterprises by the problem of not having enough working funds.

Why did the scale of investment in fixed assets and the increase in consumption funds get out of control and why did industry develop at so high a rate?

Some people blame the reform of the economic structure for all this, suggesting that it has led to the absence of administrative control. This view is quite inconsistent with the facts. The reform is not to blame. The main reason is that we have not eliminated the maladies of the old system. The "hunger for investment" is a common weakness of socialist countries with highly centralized economic structures. By now, changes have taken place in our highly centralized old system. In addition, the practice of controlling the macroeconomy by administrative means has changed too. However, we have not found or perfected the economic means by which we indirectly control the macroeconomy. Thus, we cannot effectively control the "hunger for investment" resulting from the old system. This problem must be solved in the future in the course of the reform.

Some problems did arise from our ideological guidance. In the past, there was our old economic structure, but investment did not increase yearly nor did industry develop at a high rate each year. It is frequently the case that whenever our economic development is smooth, we become hotheaded, blindly expand construction, and strive for high economic growth rates. However, as soon as the high growth rates lead to a serious disclocation of various proportional relations, we are forced to make adjustments. After making adjustments and after economic development becomes smooth again, we will be tempted to strive for high growth rates again. The ultra-high growth rate in the fourth quarter of 1984 came in the wake of the transition of our readjusted national economy from destruction during the 10 years of turmoil and the rash advance in 1978 to smooth development. Some of our comrades believe that they should try to outdo one another by making growth rates higher and higher. This belief is precisely the ideological underpinning of ultra-high growth rates. However, we must be careful not to replace an ultra-high growth rate with a low growth rate immediately after readjusting it because this is also unfavorable for economic construction.

At the National Conference of Party Delegates held last year, we summed up the experience gained since 1984 and made it clear that during the period covered by the "Seventh 5-Year Plan," we should "give priority to reform and make sure that reform and development are adapted to and promote each other. Basically, reform is in the service of development. At present, however, development should be planned in such a way as to facilitate reform." This is the correct guiding principle for handling the relationship between reform and construction.

3. THE IMPACT OF SOCIAL AND IDEOLOGICAL ENVIRONMENT ON ECONOMIC REFORM

The reform of the economic structure is closely related to social and ideological environment. It is also advantageous to effecting a turn for the better in social general mood and to the progress in ideological work. For example, the reform of the economic structure has struck at the views of natural economy and small-scale production and has gradually established the concepts of cooperation, competition, and attaining better results which can help smash the "big pot" and eliminate bureaucratism and irresponsible practices. A fine social general mood is advantageous to the smooth progress of the economic reform while uhealthy tendencies in society and within the party may affect and even hinder the progress of reform.

Viewed from the situation of the past 2 years, the unhealthy tendencies in society and within the party have developed somewhat and the number of economic crimes has increased in the course of economic reform. The practices of abusing power to engage in business, seeking private gain at public expense, accepting bribes, evading taxes, and engaging the speculation and smuggling have been quite serious. Unhealthy tendencies in society and within the party have hampered the normal development of economic reform. Some unhealthy tendencies and economic crimes were carried out under the auspices of reform. For example, the practices of abusing power to engage in business and speculation and fraudulently purchasing goods in short supply were usually carried out under the pretext of unclogging circulation channels.

The practices of appropriating public property, seeking private gain at public expense, and indiscriminately issuing bonuses were usually carried out under the pretext of more pay for more work and allowing some people to get better off first. The practice of lining one's pockets with public funds under the pretext of reform has discredited reform. We often hear the masses ask such a question: "Is putting money above everything the prupose of reform?" Some people also regard the unhealthy tendencies as the outcome of reform.

The prevailing unhealthy tendencies in society and within the party are not stirred up by reform. The roots of unhealthy tendencies are the feudal and bourgeois ideas that exist in society. It is a mixture of feudal ideas of privilege and the bourgeois mentality of profits above all. The reform of the economic structure has struck at the feudal and bourgeois ideas. As the development of the capitalist commodity economy was able to strike at the feudal hierarchy and ideas of privilege with the concepts of freedom, equality, and universal love, the development of our socialist commodity economy will eventually sweep away feudal ideology. The socialist commodity economy is one based on public ownership of the means of production. The value of commodities and enterprise profits embody the coincidence of the interests of the state, enterprises, and individuals. Through the development of the socialist commodity economy and their vital interests, the people have realized the unity between personal interests and the interests of the whole and have cultivated the collective thinking of socialism. Fundamentally speaking, the reform of the economic structure is conducive to correcting unhealthy tendencies. Naturally, so long as the commodity economy exists, currency will serve as an equivalent and a handful of people will madly cling to money. We must take this into account and regard fighting against unhealthy tendencies as a long-term task. Only by adopting correct policies, perfecting the rules, regulations, and the legal system, and strengthening ideological and political work can we diminish the negative influence to a minimum.

Reform did not give rise to unhealthy tendencies. However, the unhealthy tendencies developed by making use of the imperfect system and corresponding measures in the transition from the old to a new structure. For example, there exists a dual pricing system because the current pricing system is not yet straightened out. As a result, certain individuals or units tried to reap profits by obtaining goods at market prices and then selling them at negotiated prices. While vigorously fighting against unhealthy tendencies, we should gradually perfect reform measures and the legal system so as to plug the loopholes of the unhealthy tendencies. The current drive to correct unhealthy tendencies within the whole party, first among the leading organs and cadres, and to sternly attack economic crimes will create a fine social environment for the reform of the economic structure.

In China today, the reform of the economic structure has become the trend of the times. It has enlisted support from the broad masses of the whole country. The people have realized that the reform of China's existing economic system is the sole guarantee for invigorating China's socialist economy. Without reform there will be no way out. They ardently expect that the reform of the economic structure will accelerate the pace of China's modernization program, put an end to the backwardness of China's economy as quickly as possible, and improve the people's living standard. This is the latent enthusiasm of the masses for the reform of the economic structure.

The enthusiasm of the masses for reform should be correctly guided and protected. We must enable the masses to understand that the reform of the economic structure is an arduous and complicated long-term task, that we must make efforts for several decades and even a hundred years to catch up with and surpass the economy of the advanced countries, and that the people's living standards can be improved only step by step rather than demand the level which exceeds the limits of our economic development. We should guide the enthusiasm of the masses into the building of the four modernizations and doing a good job of economic reform.

With regard to improvements in the people's living standards, we should do more practical work rather than indulge in empty talk. We should never put forward impractical slogans or publicity that deviates from the real living standards of the majority of the people. However, we raised some slogans and made certain calls during a period which deviated from the living standards of the majority of the masses in China. Our estimate and publicity of the 10,000-yuan-households in urban and rural areas were inappropriate. As a result, some masses had excessive demands and were overanxious to improve their living standards. They regarded the growth of bonuses and pay raises characterized by repayment of debts a few years ago as normal growth and expected an increase of wages and bonuses by a big margin every year. When their demands were not fully realized, they felt disappointed and were discontented. This is the main reason why the real income of the majority of the people in urban and rural areas increased remarkably in recent years, yet it was difficult to please everyone.

In another case, the masses could not adapt themselves to the new system because they were used to the old system for a long time. For example, prices remained fixed for a long time in the past which was regarded as the superiority of socialism. Although wages also remained fixed for a long time, the masses felt that their lives were secure. Following the implementation of the policy to lift restrictions on prices, the increase of wages outstripped the price hikes. The real income of the masses also increased, but they lacked the sense of security. Some individuals even said that they preferred not to have the wage increase so long as the prices remained fixed. These complaints can be solved gradually by conducting education and experiencing real life. As to the views that intentionally oppose reform, they are very rare.

We can see from the above analyses that China has scored great achievements in the reform of the economic structure in 1985. The complaints of the masses in the course of economic reform are not the results of the problems arising from economic reform, but the shock that is unavoidable in the economic reform and that is mingled with the complicated economic, social, and ideological conditions at that time. Therefore, we must never in the slightest degree waver in our determination in reform. With a series of measures adopted in 1985, the problems of excessive growth of economic construction, excessive investment in capital construction, and overexpansion of credit and consumption funds are now being solved. The CPC Central Committee is greatly determined to solve the problems concerning party style and general social mood. The external environment of economic reform is getting better. With the measures taken in 1986 to consolidate, digest, complement, and improve the achievements of the past, the reform of the economic structure will inevitably step forward and advance triumphantly.

LIAOWANG COMMENTATOR ON COMMON AFFLUENCE

HK070809 Beijing LIAOWANG in Chinese No 12, 24 Mar 86 p 4

[Commentator's article: "On Common Affluence]

[Text] The superiority of socialism lies in its providing conditions for the continuous development of social productivity. The ultimate aim in developing productivity is to satisfy, to a maximum extent, the ever growing needs of the people in their material and cultural life. According to the strategic goal put forth at the 12th CPC National Congress, our country's total industrial and agricultural output value will be quadrupled by the end of the century, with the average living standards of the people throughout the country entering the stage of being relatively well off. On this basis, given continuous efforts in struggle and another 30 to 50 years of continuous development of productivity, targets approaching or reaching the then prevailing levels of the developed countries in the world will be realized.

Then we can tell the whole world: China has entered the stage of an affluent society. Whether we are to become relatively well off or affluent, we cannot always expect all of us to be like something cut evenly and neatly with the same knife -- starting from the same point and reaching the end all at the same time. There are always people making it sooner, while some make it later. There are also differences in degree. Common prosperity does not mean everyone achieving it at the same time.

Now, people have some misunderstanding about common prosperity. At the mention of common prosperity, they criticize the idea of some getting rich first and some later. Or they do not dare to talk again about allowing and encouraging some people or some areas to get rich first. In fact, under socialist conditions, common prosperity and prosperity for some first and some later are interrelated and not diametrically opposed. The CPC Central Committee suggested allowing and encouraging some people or some areas to get rich first. This is in keeping with objective realities and the laws of development. It also helps the whole of society on its way to common prosperity. Socialist implementation of the principle of distribution according to work and more pay for more work involves differences in income and the problem of some getting rich first and some later.

Our country takes an economy based on public ownership as the leading factor. Such an economy involves many operating units. There are differences in material conditions for various operating units and in their management. There are thus also differences in distribution. There are many types of economy in our country, many of them involving the individual economy. Among individual producers, there are differences in means of production, which are on a larger or smaller scale, and in operating conditions, which are favorable or unfavorable. The problem of some getting rich first and some later thus arises.

Given a planned commodity economy, income is higher where people know how to exploit market conditions, and lower where people do not know how to do so. As far as an area is concerned, knowing how to exploit market conditions means a higher degree of development of resources and getting rich quicker. Not knowing how to do so means a lower degree of development of resources and getting rich later. Economically developed areas enjoy quicker development and economically underdeveloped areas slower development....All these inevitably bring imbalances and differences, with some getting rich first and some later, and some having more money and some less. There can be two different attitudes toward such an imbalance. One involves suppressing those people having a higher level and a quicker pace of development and making them wait for those having a lower level and a slower pace of development. This is the so-called taking from the rich and help the poor. The result would be egalitarianism, as all of us know. This means common poverty. "Sharing equally from the same rice pot" made us suffer -- we have had enough of it.

Another attitude is: We should seek truth from facts, act according to objective laws, recognize imbalances, strive to gradually reduce imbalances and make necessary readjustments. Given our policy of helping the poor, our policy of supporting the old and young, and border and poverty-ridden areas in development, and our various means of economic readjustment, such as taxation, providing loan funds, and so forth, we can ensure common prosperity. This is the very manifestation of socialist superiority.

Comrade Deng Xiaoping said: "We must uphold socialism. Following the socialist principle of distribution according to work will not give rise to too big a gap between rich and poor. Thus, with the passage of another two or three decades and with the development of our productivity, there will also be no polarization." The law of uneven development of things embodied in Marxist philosophy and the socialist principle of distribution according to work provide the theoretical basis for our policy of allowing some to get rich first and some later.

Our country is based on public ownership and provides all workers with an opportunity for development. But we must admit that there will inevitably be differences in development. In our approach to differences, we must not only make necessary readjustments but also make a concrete analysis and take everything in stride. For example, those who get more income by having more means of production and those who do so by relying on competent operating skills, a high technical level, and high efficieny cannot be treated on the same footing. Developments based on individual efforts should be given relatively great freedom by us. Those people who derive higher income by possessing more means of production should be brought under proper control. Those who get rich by relying on improper means and impairing the interests of the people and the state should be subject to education and criticism, and even dealt with according to the law where there has been a violation of the law. What we advocate is wealth through hard work. Now some areas act like this, once common prosperity is stressed, they get rid of big operators and impound their property. It is made to appear that specialized households are no longer in vogue. This is incompatible with party policy. It represents a misunderstanding of common prosperity.

In our traditional consciousness, egalitarianism is a deeply entrenched idea. It does greater harm in a time of economic development. If common prosperity is equated with egalitarianism, the "big rice pot" cannot be cracked. Without some people and some areas getting rich first, there cannot be common social prosperity. This is revolutionary dialectic.

SCIENCE, TECHNOLOGY INVESTMENT BY ENTERPRISES URGED

HK070932 Beijing JINGJI RIBAO in Chinese 31 Mar 86 p 1

[Observer's article: "Encourage Enterprises To Make Direct Investments in Science and Technology"]

[Text] Since reform of the managerial system for science and technology departments began a year ago, science and technology circles have been full of vitality. To further promote the development of science and technology in our country, we must from now on give full play to the role of enterprises and encourage enterprises to make direct investments in science and technology.

When enterprises make direct investments in science and technology, this is conducive to dovetailing and transforming from one to another the three processes of scientific research, technological exploration, and application in production. In the past few years, ties between enterprises and scientific and technological institutions have become even closer. In 1985, there were over 9,800 scientific, technological, and production associations of various kinds, nearly 400 percent greater than in 1984. It This has reflected the emergence of a rational trend in the integration of scientific research, technological exploration, and application in production in our country. has also reflected the new demands of scientific and technological development on our enterprises. If they invest in science, technology, and enterprises, this will help this trend develop steadily and accelerate the rise of technological levels of industry as a whole.

By making direct investment in science and technology, enterprises will increase the sources of funds for scientific and technological development in our country. Our country has been gradually increasing its investment in science and technology over the past few years. However, such funds are not sufficient and are incompatible with the needs of the arduous tasks of modernization and the existing economic and technological levels in our country. At present, China's annual expenditure on scientific research is even lower than that of some major industries in the United States. In view of the existing limited financial resources of our country, if we want to accelerate scientific and technological development we must look for new channels of investment and increase needed funds.

One of the channels is enterprises making direct investments in science and technology. Following establishment of the system of paid use and transfer of scientific and technological achievements, if enterprises invest in science and technology, they will have an important means for increasing their own economic results and for promoting production. Investigations carried out by the Beijing Municipal Scientific and Technological Committee on 30 scientific research institutions and the situation in 19 local scientific research institutions in Shanghai show that investments in science and technology can yield fairly good economic results and provide good prospects for development.

If enterprises invest in science and technology, the state can concentrate its efforts on investing in major, important scientific and technological projects. There should be a division of work between the state and enterprises in making investments. Enterprises should invest in general scientific and technological projects, while the state can invest in key scientific and technological projects in order to accelerate the development of advanced science and technology in those branches of science and technology which can contribute to others. Only by insuring investments in key scientific and technological projects can China's general scientific and technological levels be raised faster.

By making direct investments in science and technology, enterprises, large and medium-sized enterprises in particular, can give full play to the role of their scientific and technological personnel and increase their ability to tackle various problems. Over two-fifths of China's personnel who are specialized in science, technology, education, and public health are working in enterprises. Such personnel are most concentrated in large and medium-sized enterprises. By investing in science and technology enterprises can further organize and arouse the enthusiasm of their scientific and technological personnel, increase their ability to tackle problems and explore, and change the situation of not having sufficient research activities within enterprises and being slow in updating technology and products.

Such measures as implementing patent laws and handing out awards for scientific and technological achievements have created favorable conditions for investing in science and technology. However, well-defined encouragement and support are still needed for enterprises to make direct investments in science and technology. Such encouragement and support should be guaranteed with policies and regulations. Of all possible measures, the most important is to readjust taxation and give preferential treatment to enterprises which invest in science and technology so that enterprises will increase their investments in this respect. While implementing policies which will give preferential tax treatment, we must also adopt other supplementary measures as shortening the depreciation period for equipment used in conducting out scientific and technological experiments, and so forth.

STATE COUNCIL CIRCULAR ON LAND MANAGEMENT

OW030746 Beijing XINHUA Domestic Service in Chinese 0753 GMT 2 Apr 86

[Circular of the CPC Central Committee and the State Council on improving land management and prohibiting unauthorized occupation of farmland]

[Text] Beijing, 2 Apr (XINHUA) -- Party committees and people's governments of all provinces, autonomous regions, and municipalities directly under the central government; party committees of all military regions, provincial military districts, and field armies; all departments and committees of central and state organs; all departments and committees of central and state organs; party committees of all headquarters under the military commission and all services and arms; and all people's organizations:

Since the 3d Plenary Session of the 11th CPC Central Committee, the party Central Committee and the State Council have time and again urged all localities to improve land management, conserve land use, stop unauthorized occupation of farmland or misuse of land, and successes have been achieved in some localities. Seen from the situation of the whole country, however, unauthorized occupation and misuse of land for nonagricultural purposes is still prevalent in cities and countryside, and the situation has become even more serious in some localities. The problem of unauthorized occupation of farmland and misuse of land by rural enterprises for housing construction in the rural areas is extremely conspicuous. The farmland in many localities has been reduced drastically. In some provinces, the size of farmland each of them has lost each year equals the area of a medium-sized county. In the outskirts of some cities and towns, virtually no farmland is left. Should this situation be permitted to continue, it will cause serious consequences to national construction and people's livelihood and will entail untold troubles to our future generations. Party committees and governments at all levels must attach great attention to this issue and take effective measures to improve land management, and promptly stop unauthorized occupation of farmland and misuse of land. It is for this purpose that the following notice is issued:

1. Extensive publicity work should be used to heighten understanding of the broad masses of cadres and people on the importance of rational use of land and farmland preservation.

Our country has a large population but limited land. Its reserve farmland resources are also inadequate. In the future, the state will also take over some land and farmland for economic, cultural, and defense projects as well as for public facilities, and people living in the rural areas will also need some land for housing construction. Such being the case, treasuring every inch of land, using it rationally, and protecting our farmland with effective measures are a basic national policy that will be upheld by our country for a long time to come. However, some comrades do not fully understand the especially important significance of this issue. When it comes to land use, some cadres and people give much more consideration to immediate and local interests than to long-range and overall interests. When taking over land for state construction, some units pay no attention to land conservation and have taken over more land than necessary. It has also become quite common that a piece of land was taken over long before it was used, or that it was never used after it was taken over. Many cadres and people in the rural areas have the mistaken idea that they can use collectively owned land whatever way they want. When they need land for developing rural enterprises, some rural areas simply take over land casually without planning and without requesting approval. Disregarding law and discipline, some cadres substitute their authority for law and have casually approved land use, and some have even approved land for their own use. Some have purchased, sold, leased, and transferred land without authorization in violation of the Constitution. Under such circumstances, it is extremely necessary to help all party members and people in the country understand the importance of treasuring their land and using it rationally and protecting their farmland. We must also publicize the state laws, regulations, and the relevant policies so that every one in the country will abide by them, and so that cherishing land; conserving it, and using it according to law will become a social consciousness.

2. Make serious efforts to investigate and handle matters concerning land used for nonagricultural purposes.

3. In order to quickly curb the unauthorized occupation of cultivated land and the reckless use of the land, party committees and people's governments at all levels must act as soon as possible to organize the concerned departments to seriously handle matters concerning land used for nonagricultural purposes within this year.

The investigation will cover all land used for nonagricultural purposes since May 1982 when the "regulations on land requisitions for state construction" were promulgated and put into effect, and the handling of these matters should be in accordance with these regulations and various others promulgated by the State Council and pertaining to urban construction and land use for building construction in villages and towns. First of all, attention should be directed to those nonagricultural-use land tracts where construction has already begun, where the land is about to be occupied, or where the land has been occupied but left unused. No permission for land use will be given where such use would violate regulations. This should be handled with resolve so as to stop all unauthorized occupation or reckless use of land. When this is done, attention should then be directed to dealing with those cases where the land was occupied in the previous years for nonagricultural purposes.

2) All unauthorized land occupations discovered through the investigation should be sternly handled in accordance with the relevant state regulations. See that application procedures are completed, fines paid, confiscations carried out, and convictions made where warranted. Stern measures must be taken against those leading cadres who use their power for personal gain and who take the lead in or support the unauthorized occupation of land. Party committees, governments, and discipline inspection departments at all levels must make efforts to investigate, handle, and vigorously curb the unhealthy practice of unauthorized occupation and reckless use of land, and they must make this task an important part of their efforts to uphold party discipline and state law. Public security, procuratorial, and judicial departments should take the initiative to act in coordination with land management departments in investigating and handling these violations of law.

3) All provinces, autonomous regions, and municipalities should make concrete arrangements and plans for the work of investigating and handling the cases of land used for nonagricultural purposes. Any leading organ or leading cadre at any level that has gone against the regulations to recklessly approve an unauthorized occupation of a piece of land should voluntarily carry out self-criticism, consciously correct the mistake, and submit to the investigation and action taken by the departments concerned. They will be sternly handled if they failed to do so. With regard to those who have not exercised good leadership over the efforts to investigate and deal with the unauthorized occupation and reckless use of land or even resist carrying out this work, the higher-up party committee and government should make timely moves to check into the matter and take appropriate action.

4) On the basis of an all-round investigation and handling of the cases of land occupied without authorization, all localities should carry out the registration of all pieces of land used for nonagricultural purposes and should issue certificates to establish and perfect a land registration and management system.

5) The investigation and handling of cases of land occupied by military units will be handled in accordance with a separate set of rules to be formulated by the Military Commission, the General Staff Department, the General Political Department, and the General Logistics Department on the basis of the previously mentioned guidelines.

3. Take comprehensive measures to step up land management.

1) Strengthen administrative control. The application, examination, and approval procedures defined by the relevant state regulations must be strictly followed for using land for other than agricultural construction. Governments at all levels must not delegate their examination and approval powers to subordinate units without authorization. Where these powers have been delegated, immediate action should be taken to correct this practice. The application and approval for land use must not be carried out piecemeal or by deception.

No one is permitted to go beyond his authorized power to examine or approve such an application. As stipulated in the regulations, the use of land requisitioned for state construction, land for village and town enterprises construction, cultivated land occupied for peasants' housing construction, and land designated as parks must be reported according to the state regulations to the respective people's governments at the county level or above for their approval. Resolute action should be taken to correct erroneous practices in village and town construction at present, such as giving oneself approval for land use, the willful expansion of the foundation area of one's house, and the buying and selling or the renting of land. From now on, wherever a case of unauthorized approval or unauthorized use of any piece of land is discovered, an investigation will be carried out to affix the responsibility on the local government and those who made the examination and gave the approval.

All localities should draw up and perfect their general programs for land use and their construction plans for cities, towns, and villages as soon as possible. The departments and local authorities concerned should gear up the work of standardizing rules on the use of land by various enterprises, institutions, and public facilities and for housing construction in rural areas. From now on, applications for land use must be screened and approved in strict accordance with these programs, plans, and rules. Major high-yield cropland and production bases for famous, special, and top-quality farm produce listed in the program should be put under careful protection and strict management. In general, land for commercial vegetable production in areas covered by the urban construction plan should not be used for other purposes. If it is definitely necessary to use such land for other purposes, new vegetable cropland should be designated as a substitute.

2) Restrict the use of land for nonagricultural purposes by means of economic measures. The state will levy a land tax and collect a land-utilization fee at varying rates according to the various uses and classes of land. Specific regulations for this should be worked out by the Ministry of Finance after consultation with the departments concerned and should be approved by the State Council before they are put into effect.

3) Enact a land law and related regulations and make them perfect. Work should be stepped up toward the enactment of the "land law of the People's Republic of China." After the "land law" is promulgated, all provincial, regional, and municipal governments should formulate their own regulations for land management according to their actual local conditions. Similar regulations should also be worked out for nonagricultural land, such as a land used by village and town enterprises and land for road construction in rural areas. Governments at all levels should constantly check the implementation of the land law and related regulations to ensure that the law and regulations are observed and that offenders are dealt with.

4. Establish and perfect land-management organs.

To strengthen the centralized land management across the country, it has been decided to establish a State Land Administrative Bureau as an organ directly under the State Council. The State Land Administrative Bureau will be responsible for the centralized management of the land in the whole country and will take care of land work in both cities and countryside. Its principal duties are to thoroughly implement the state law, regulations, and policies with regard to land; to take charge of the work of nationwide land surveys, registration, and statistics; to organize the departments concerned to formulate general programs for land use; to take care of the requisition and allocation of land in the whole country and be responsible for examining the requests for land requisition and allocation and for passing such requests to the State Council for approval as required; to conduct investigations and studies to resolve any major problems in land management; to check and supervise the land use in various localities and by various departments and, doing a good job, to have them well coordinated; and to work with the departments concerned to resolve land disputes and to investigate and handle cases where land is illegally misused.

Under the premise that the state exercises centralized management of land, all departments concerned should make an earnest effort to draw up their land-utilization plans and ensure that the land is used properly and well protected and that appropriate land-improvement work is done. Any change in ownership must be reported to the land management department concerned for examination and approval.

Local people's governments at and above the county level should set up land management organs and perfect them according to the principle of centralized land management. Specific details on the establishment of such organs should be decided by the respective provinces, autonomous regions, and municipalities themselves. As for townships and towns, the county people's governments may dispatch their land-management personnel to take care of the work.

The party committees and people's governments of all provinces, autonomous regions, and municipalities are requested to submit a report to the CPC Central Committee and the State Council prior to the end of this year stating how the contents of this circular have been implemented in their respective localities.

CPC Central Committee, State Council, 21 March 1986

RENMIN RIBAO ON CHECKING ABUSE OF FARMLAND

HK030637 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 3 Apr 86 p 2

[Commentator's article: "Leading Cadres Should Become Good Guardians of the Land"]

[Text] Today, the "CPC Central Committee and State Council circular on strengthening the management of land and checking the abuse of farmland" is published in the press. The purpose of issuing this circular is clear; it is to rapidly check the evil tendency of farmland abuse.

The evil tendency of farmland abuse has not just appeared but has existed for a fairly long time. In recent years, the party central leadership and the State Council have successively laid down many rules and regulations on land management; and propaganda in this regard has also been carried again and again in newspapers and broadcasts. Localities are required to strictly ban the abuse of farmland. However, this evil tendency has not been brought under control in many localities thus far. An important reason is that some obstacles exist in the intermediate links of the authorities. Some local leaders do not faithfully carry out the central directions and orders and disregard law and discipline. They recklessly give the green light to farmland abuses. According to an investigation, in 1984, some 300,000 mu of farmland in a southern province was used for nonfarming purposes, and only 50,000 mu of this land was approved by the land management department, the remaining land being all approved by leaders at various levels. "If the upper beam is not straight, the lower ones will go aslant." If leaders take the lead in violating laws and regulations, other people will also be bold enough to abuse farmland.

In order to check the evil tendency, local leaders at all levels must set a good example. For this reason, the latest circular of the party Central Committee and the State Council particularly stipulates that leading cadres who take the initiative in illegally using farmland or supporting land abuse must be severely punished. It is our hope that leading comrades at all levels will take the lead in abiding by laws and regulations, keenly publicize state policies, faithfully perform their duties, and set a good example for the masses, and they must not set a negative example.

So far, our country's "land law" has not been promulgated, and our land management work encounters many difficulties. Comrades in the land management departments should have the courage to surmount difficulties and make advances. At the same time, they should also be prudent and carefully follow and strictly enforce the regulations. If some special cases are not clearly covered by the regulations, we should promptly submit them to the higher authorities for instructions, and should not recklessly make decisions without asking for instructions and lose control. The slogan of "decontrolling and enlivening" should not be applied to the work of land management. Leaders in all localities and at all levels must firmly support the work of the land departments, and should encourage them to be good guardians of the land. Local leaders themselves should also be good guardians of the land.

PROPER MANAGEMENT OF FARMLAND EMPHASIZED

OW030924 Beijing XINHUA Domestic Service in Chinese 1255 GMT 2 Apr 86

[XINHUA Commentator: "Strengthen Management, Cherish Farmland"]

[Text] Beijing, 2 Apr (XINHUA) -- The "circular of the CPC Central Committee and the State Council on improving land management and prohibiting the unauthorized occupation of farmland" transmitted by XINHUA today has again stressed the need to take effective measures to strengthen farmland management and firmly check the unauthorized occupation of farmland.

Farmland is the most basic means of agricultural production and the material foundation on which people rely for existence. Despite repeated injunctions by the party Central Committee and the State Council prohibiting the unauthorized occupation of farmland, this phenomenon has continued in some localities in recent years. In Zhejiang Province where the farmland per capita is only 0.7 mu, the decrease farmland area in 1984 is equivalent to the total decrease of the previous 3 years; the farmland in Henan Province decreased by 1.5 million mu in 1984, 43 percent more than the average decrease of the previous 28 years; while the farmland in Shandong Province decreased by 730,000 mu the same year, 300,000 mu more than the previous year's decrease. According to statistics by departments concerned, farmland in the country has decreased by about 20 million mu annually over the last 2 years, equivalent to the area of farmland in Fujian Province. While the population has increased year after year, the area of farmland has diminished continuously. If no emergency measures are taken to resolve this problem, not only will it bring serious consequences to the development of the national economy, but it will also be disastrous to future generations.

Why have we failed to check the unauthorized occupation of farmland? An important reason is that some people do not understand the great significance of cherishing farmland. They think that it is economically worthwhile to use farmland for industrial, transportation, and rural construction projects because they can earn a much greater output value than that from using the same farmland area for agricultural production. Using farmland for indispensable construction projects is permissible, of course. However, it will be a one-sided practice to simply use the volume of output value to determine whether land is being used rationally. No matter how much output value a nonagricultural project can produce from farmland, that project can never satisfy the people's needs for farm produce and their need to have enough to eat. This is basic common sense. New rural cadres have an erroneous idea regarding farmland owned by the collective, believing that it has the right to use the land to set up a rural enterprise without obtaining approval at various levels. The "regulations concerning land use for housing construction in villages and towns," promulgated by the State Council in 1982, clearly stipulate: "A rural enterprise or institution applying to use land for housing construction must first submit the papers and blueprints of the construction project to the concerned department at and or above the county level for approval.

Also, "after the approved papers and blueprints are discussed and adopted by a general meeting of members of the enterprise or institution, submit them to people's government at or above the country level for final approval." These stipulations show that land use for rural enterprises is not a matter to be decided by town and township cadres.

It is a misunderstanding among some peasants who think that as long as they have contracted the land, they are entitled to dispose of it at will. Land contracts only give the right to manage and use the land, which is not tantamount to land ownership. Leasing, selling, or buying and building houses or tombs or excavating on contracted land are prohibited.

The fundamnetal way to check the unauthorized occupation and use of farmland lies in strengthening land management and strictly examining and approving applications for land requisition to ensure that things are done according to law and that lawbreakers are punished. After the central authorities' document is transmitted to lower levels, organizations at all levels will be confronted with the important task of organiz forces to conduct a serious inspection to duly handle cases of the unauthorized occupation and use of land according to the law so that they will not serve as a precedent in and will not reap profit from the unauthorized occupation and use of land. Without so doing, it is impossible to check such practices.

SIXTH PLAN LAND RECLAMATION ACHIEVEMENTS REPORTED

OW012345 Beijing XINHUA Domestic Service in Chinese 1226 GMT 31 Mar 86

[By reporter Ren Zeli]

[Excerpts] Beijing, 31 Mar (XINHUA) -- It has been reported at the national meeting on land reclamation and state farms now in session in Beijing that after the reform carried out during the Sixth 5-Year Plan period, China has turned its system of land reclamation and state farms into a system of state-owned agricultural, industrial and commercial establishments under comprehensive management and revitalized the economy of state farms for land reclamation.

With more than 2,000 state farms as the foundation, over 9,400 farm reclamation industrial enterprises as the backbone and the various integrated enterprises and companies that link agriculture with industry and commerce, this industrial system has turned out large quantities of industrial and farm products to satisfy social needs. At the same time, it has accumulated funds for the development of the nation's four modernizations program.

According to statistics, the total output value in industry and agriculture of the system of state farms and land reclamation in the country reached 16.7 billion yuan in 1985, an increase of 67 percent over the 1980 figure. This total output value was increased by an average of 10.8 percent per year over the past 5 years. There were 596 reclamation farms that doubled their industrial and agricultural output in 1985, accounting for 29 percent of the total number of such farms. State farms in 10 provinces and autonomous regions recorded financial losses in 1980; however, state farms in all the provinces and autonomous regions registered profits in 1985. During the past 5 years, they reaped a total profit of 3.4 billion yuan, delivered 3.1 billion yuan of taxes to the state, and witnessed a simultaneous growth in output values, profits and tax payments. During 1985, the enterprises under the system of state farms and land reclamation produced 152,000 tons of cotton and 168,000 tons of rubber, marking increases of 72 percent and 64 percent respectively as compared with 1980.

Industries in state farms also developed from scratch. The total industrial output value accounted for 53.3 percent of the total output value in industry and agriculture. A large number of outstanding, famous-brand products have been manufactured and supplied to the market.

The average wage for a state farm worker reached 880 yuan in 1985, an increase of 37.5 percent as compared with the average wage of 640 yuan in 1980. During the Sixth 5-Year Plan Period, the average per-capita floor space of living quarters for a state farm worker has been increased by 1.3 square meters to reach 7 square meters. Various farms have built and repaired recreation and child care centers and promoted cultural activities for the workers' well-being in order to improve their material and culture life.

WANG ZHEN ATTENDS LAND RECLAMATION MEETING

OW032119 Beijing XINHUA Domestic Service in Chinese 1214 GMT 3 Apr 86

[Text] Beijing, 3 Apr (XINHUA) -- Wang Zhen, vice chairman of the Advisory Commision of the CPC Central Committee, attended the national meeting on land reclamation on the afternoon of 2 April, and held discussions with leading comrades of departments in charge of land reclamation of various provinces, autonomous regions, and municipalities directly under the central government.

Wang Zhen said: The CPC Central Committee and the State Council approved and distributed the "report on the issue of reforming the economic system of reclamation farms" submitted by the Ministry of Agriculture, Animal Husbandry, and Fishery; pointed out the direction and focal points in carrying out such reform; and reaffirmed the principle and policy in this regard. He asked the broad masses of cadres, workers, and staff members in the field of land reclamation to earnestly implement the principles and policy. Wang Zhen called on everyone to use fully the glorious tradition of waging arduous struggles, run workers' family farms well, develop diversified economy, promote lateral economic integration, accelerate intellectual development, strengthen unity among all nationalities, and strive to score new achievements in the first year of the Seventh 5-Year Plan.

Du Runsheng, director of the Rural Policy Research Center of the Secretariat of the CPC Central Committee, attended the meeting and delivered a speech.

ZHOU GUCHENG SAYS NPC NO MERE 'RUBBER STAMP'

OW071442 Beijing XINHUA in English 1430 GMT 7 Apr 86

[Text] Beijing, April 7 (XINHUA) -- The unanimity of the National People's Congress (NPC) reflects the common understanding the consensus among deputies on important legislation, said Zhou Gucheng, vice-chairman of the NPC Standing Committee. He rejected the description by some foreign newspapers that the NPC was merely a "rubber stamp". The respected historian said: "It is necessary for us to respect history and reveal the truth." Zhou, 88, also vice-chairman of the Chinese Peasants' and Workers' Democratic Party Central Committee, said that all the motions and bills presented to the NPC for deliberation and approval had first been discussed by experts in relevant fields. The 3,000 deputies approved them only after careful deliberation and meticulous study. In fact, there was no unanimous opinion on every motion or bill at the very beginning, he said. Various opinions and suggestions were taken into consideration. Practical views were adopted, while explanations were given to deputies whose opinions were not feasible or which could not be adopted for various reasons. This was the reason why there often appeared to be unanimity on important issues, or very few negative votes or abstensions.

Zhou described this practice "real democracy" -- the pooling of the wisdom of the majority. He also compared China's legislation process with those in Western countries. In a Western parliament, a bill had to be approved by a majority, as was the case in China.

Regarding fears that laws and the Constitution might be trampled, as happened in the "Cultural Revolution", he shared the view of many Chinese legal experts that China had summed up the experiences of the past three decades, especially learning the "bitter lessons" from the Cultural Revolution, and had begun promoting socialist democracy and the rule of law in 1978. The mistakes of the "Cultural Revolution" underlined the importance of establishing and perfecting the legal system, Zhou said. As the socialist system had been established less than 37 years ago, China would have to make unremitting efforts for many years to promote democracy and the legal system.

Zhou praised the State Council's decision to publicize China's laws, and promote legal knowledge. He added: "If everyone knows the law and if the implementation of the law is properly supervised, the history of the Cultural Revolution will never occur again."

NPC BANK OFFICIALS ON LOCAL MONETARY REFORM

OW070132 Beijing XINHUA in English 0119 GMT 7 Apr 86

[Text] Beijing, April 7 (XINHUA) -- An experiment in monetary reform being pioneered by five cities may be extended to other areas in the coming years, according to banking officials attending the current National People's Congress session. Under the experiment, which began towards the end of last year, state-owned enterprises can raise money by issuing stocks and bonds. With the permission of the People's Bank of China, stocks offering dividends and voting rights can be issued directly by the enterprises to other businesses and individuals, while specialized banks can issue savings bonds to the public, and then lend money to the enterprises. The five cities involved -- Guangzhou, Chongqing, Wuhan, Shenyang and Changzhou -- can lend money to and borrow from each other, and set up various financial ties. The experiment is aimed at establishing lateral financial ties between areas, independent of direct central control, and is seen as a first step in the gradual formation of a Chinese monetary market, according to the officials. They said that a seminar to assess the experiment will be held, probably later this year, at which financial authorities may decide to expand the experiment.

Premier Zhao Ziyang outlined the reform of China's financial structure in his report on the Seventh Five-Year Plan for 1986-90 at the current NPC session. He said: "We must make special efforts to strengthen the important role of banks in macro-economic control, to establish a powerful but flexible system of financial control and regulation through the reform of the financial structure, and to give full play to the role of the banking system in raising funds, guiding the flow of funds, making better use of them and regulating social demand."

Instead of exerting direct financial control by allocating central investment funds through banks to enterprises, the aim of the experiment is to switch to indirect control. The People's Bank of China, which now acts as the central bank, sets loan quotas for specialized banks, such as the Industrial and Commercial Bank, the Agricultural Bank, the Construction Bank and the Bank of China, which raise the money in various independent ways. Financial institutions can now lend money to and borrow from each other in the same city or banks in other cities.

Wu Dacheng, an NPC deputy and director of the Chongqing branch of the Industrial and Commercial Bank of China, said his city now also has lateral monetary ties with Dalin, Harbin and Xian as well as the three municipalities of Beijing, Shanghai, and Tianjin. His branch has borrowed 90 million yuan from Beijing and Guangzhou this year. He said the Chongqing banks has also set up business ties with banking institutions in Sichuan, Guizhou and Yunnan Provinces and Guangxi Zhuang Autonomous Region.

The Shenyang City government gave 68 enterprises permission to issue stocks and bonds for technical transformation last year. Twenty million yuan of bonds issued by banks for the Shenyang cable factory was sold out within a few days.

The banking deputies believe the experiment in the five cities will be of great assistance to national monetary restructuring.

DENG YINGCHAO STRESSES COMPULSORY EDUCATION

OW071417 Beijing XINHUA in English 1321 GMT 7 Apr 86

[Text] Beijing, April 7 (XINHUA) -- Deng Yingchao, chairwoman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), today called on China's education workers to take the lead in implementing the Law on Compulsory Education.

Deng told a group of women representatives at the ongoing CPPCC annual session in Beijing that the success of the law will require the effort of the education workers and their confidence in the cause, apart from the leadership of the Chinese Communist Party and the support from people of all walks of life. She said that the education workers throughout the country should enhance people's understanding of the significance of the law by demonstrating their fervent love for the cause of education. "In promoting compulsory education," she said, "qualified personnel is more important than financial conditions. Therefore, the training of teachers should be sped up, and free rein should be given to talented people."

However, she added, self-reliance should be emphasized. People should not look to the government for everything. "We are bound to be confronted with difficulties," she said. "But once we overcome them through joint efforts, we will make a giant advance in pushing our cause forward."

Six CPPCC women members had spoken about the draft law before Deng's speech. While commenting favorably on the draft, they also put forth suggestions on issues concerning personnel, funds and the way to carry out the program. "I have spent most of my life teaching," said Xu Nanying, principal of Suzhou Middle School in Jiangsu Province. "A law like this is something I have long dreamt of." She saw the training of teachers as a more urgent task. While promoting education at the primary and middle-school level, she added attention should also be given to the popularization of kindergarten education.

In raising funds for education, said Zhang Ziqing, a senior engineer with the Ministry of Machine-Building Industry, a combined effort should be made by the government and the community.

Deng Yingchao agreed with their views, adding that their suggestions will be heeded by the government. "In fact," she said, "the draft Law on Compulsory Education is a crystallization of your experience."

BAINQEN ERDINI SPEAKS ON XIZANG ISSUES

Supports 'One Country, Two Systems

OW071145 Beijing XINHUA in English 0927 GMT 7 Apr 86

[Text] Beijing, April 7 (XINHUA) -- The Bainqen Lama said here today that Tibet's democratic reform and the concept of "one country, two systems" are two entirely different issues and so should not be mixed up. Bainqen Erdini Qoigyi Gyaincain, a Tibetan and vice-chairman of the Standing Committee of the National People's Congress, said some people abroad attempted to list Tibet's democratic reforms as an example to prove that the concept of "one country, two systems" does not work. "This is a misinterpretation and an excuse found by some people to oppose the correct policy of 'one country, two systems'," he told a group of Hong Kong journalists this morning.

He recalled that there was no such concept at all in 1951, when the central government and the Tibet local government signed an agreement on the peaceful liberation of Tibet. "Under the agreement, Bainqen said, "Tibet's previous social system will have to be reformed. But how to carry out the reform involves consultation with leaders of the Tibet local government and Tibet residents." He went on to say that the agreement was faithfully executed after Tibet's peaceful liberation. The central authorities adopted a very "cautious" attitude towards Tibet's democratic reform and announced in 1956 and 1957 that Tibet would not carry out reforms during China's Second Five-Year Plan (1958-62).

Instigated by imperialists, however, a handful of Tibet's upper-class elements launched an armed rebellion in 1959, the Bainqen Lama said. "They attempted to split our motherland to create two countries, rather than to oppose democratic reforms in Tibet," he noted. This act ran counter to the phase of "upholding the unification of the motherland" as provided in the agreement.

He told reporters that the Tibet people strongly demanded reform of the serf system after the rebellion was put down in 1959. "I personally expressed this demand of the Tibet people then to Chairman Mao Zedong and Premier Zhou Enlai," he added. Only under these circumstances, did Tibet begin carrying out reforms, he explained. "If the Tibet people had not expressed such a demand, democratic reforms would not have been carried out then," he noted.

"Hong Kong, Taiwan and Tibet are totally different issues," the Bainqen Lama stressed. "After Hong Kong and Taiwan return to the embrace of the motherland, the social system will remain unchanged so as to maintain prosperity there." "I think this is beneficial to people in Hong Kong, and on Taiwan and the mainland, as well as to the people in other parts of the world," he told reporters. He went on: "I think the policy of 'one country, two systems' is entirely correct and workable. That's why I sincerely support it."

Dalai Lama Invited

OW071217 Beijing XINHUA in English 1137 GMT 7 Apr 86

[Text] Beijing, April 7 (XINHUA) -- A high-ranking Tibetan official said here today that the Chinese people welcome the Dalai Lama to come back to live provided he abandons activities for "independent Tibet." Bainqen Erdini Qoigyi Gyaincain, vice-chairman of the National People's Congress Standing Committee, made this remark at a meeting with a group of journalists from Hong Kong this morning.

In the past few years, he said, the Dalai Lama, who now lives in India, sent several groups of representatives to Beijing to contact the central authorities. The Bainqen Lama met all these groups in person. "The Dalai Lama wrote letters to me, to which I replied. I told him in my letters that the central authorities and the Chinese people welcome him to come back to live, so do I," the religious leader said. "He can come back whenever he feels his misgivings are gone." "But, the Dalai Lama must abandon 'independent Tibet' activities," he added. "If he insists in going for 'independent Tibet,' we will have nothing in common with him. Everything else can be easily settled if he recognizes China's unification," the Bainqen Lama said.

He said the five-point policy toward the Dalai Lama "is not changed today and will remain so in the future." According to the policy, first explained by General Secretary Hu Yaobang on behalf of the Communist Party Central Committee in 1981, if the Dalai Lama comes back to live, he will enjoy the same political treatment and living conditions as he did before 1959 when he went to India. When he decides to come back, he can issue a brief statement to the press. It's up to him to decide what he would say in the statement.

The Bainqen Lama said that other Tibetans living abroad are also welcome to come back to visit or settle down. "They are free to go abroad again if they wish," he said. "I hope all Tibetans abroad stop activities for 'independent Tibet,' which are detrimental to the interests of the Tibetan people and the big family of all Chinese nationalities," he said.

Urges Investment

OW071421 Beijing XINHUA in English 1244 GMT 7 Apr 86

[Text] Beijing, April 7 (XINHUA) -- Tibet, known as the "roof of the world", is pursuing the policy of opening to the outside world like other parts of China, a high-ranking Tibetan official said here today. Bainqen Erdini Qoigyi Gyaincain, vice-chairman of the Standing Committee of the National People's Congress, invited business people from Hong Kong, Macao and overseas to invest in the vast Tibet Autonomous Region.

Speaking to a group of Hong Kong journalists here this morning, the Bainqen Lama said the introduction of foreign advanced technology and equipment would help Tibet develop its natural resources and boost its economic growth. "We can provide preferential treatment to foreign investors," he said. "Though Tibet is not a special economic zone, it has been empowered by the central government to adopt special policies and flexible measures." The press conference was held in the Tibet room, decorated with Tibetan murals, at the Great Hall of the People.

The Bainqen Lama visited Tibet in 1982 and 1985. "I was impressed by the remarkable changes in the past three years," he said, "particularly in living conditions and the outlook of the local people." "During my 40-day stay in Tibet last year," he went on, "all Tibetans I met everywhere were happy, healthy and well dressed." "This shows that the broad masses of Tibetans have solved the long-standing problem of having adequate to eat and wear," he commented.

He told the reporters that if they go to visit Lhasa today, they would no longer suffer from the jolty drive from the airport to the city, as the 100-kilometer highway has been asphalted. In fact, he added, the highway between Qinghai Province and Lhasa has been asphalted.

Bainqen also listed other achievements Tibet has scored in the past few years:

-- The output value of agriculture and animal husbandry totalled more than 700 million yuan in 1985, 89 percent up the previous record year of 1965;
-- Forty projects, including hotels, a modern stadium and theatres, were completed last year, thanks to the aid from nine provinces and municipalities;
-- With the establishment of a new university, Tibet has four institutes of higher learning, in addition to primary and middle schools;
-- New progress has been made in developing traditional culture, including Tibetan medicine and opera;
-- In the field of religion, the region has repaired or restored a large number of temples, set up a Buddhism college, trained a number of young lamas and resumed the traditional prayer ceremony which had been suspended for 20 years.

CHEN PIXIAN EULOGIZES LATE SHANGHAI MAYOR

OW012319 Shanghai WEN HUI BAO in Chinese 27 Mar 86 p 3

[Article by Chen Pixian: "In Profound Memory of Comrade Cao Diqiu" -- written on the 10th anniversary of the death of Comrade Cao Diqiu]

[Excerpts] Comrade Diqiu left us a full decade ago, during which our country's situation has undergone radical changes. Thanks to the restoration of order following the 3d Plenary Session of the 11th CPC Central Committee, the Marxist ideological line has been reestablished, the course of our work recharted, fruitful results achieved in implementing the party's lines and general and specific policies, the united and stable political situation -- which was not easy to achieve -- continues to consolidate and develop, and the economy keeps developing in a sustained, stable, and coordinated manner. Were Comrade Diqiu able to see these changes from the other world, he would certainly nod with approval. During the decade of great disorder, Comrade Diqiu was ruthlessly persecuted by the "gang of four." At one point, he and I were imprisoned in the same room and assigned to work in the same "May 7 Cadres School," where we were denounced and criticized together on many occasions. Although we were close to each other, we were not allowed to talk to each other. In silence, we showed utter devotion to each other, firmly convinced that the time when humans, demons, and right and wrong were all confounded would pass like dark clouds, and that Marxist truth and the strength of the party and the people would shine again. Ten years have elapsed now, and the truth of Marxism is shining even more brillantly with the passage of time.

Comrade Diqiu accumulated rich experiences in doing local administrative work, for which he devoted long years of service. When he was vice mayor of mayor of Shanghai, he contributed immensely to building the government. Although his work was frequently obstructed by the then principal leading member of the municipal party committee, who monopolized government work by instituting a patriarchal system under which only what he said counted. With the support of the majority of comrades of the municipal party committee, Comrade Diqiu was able to make government work more efficient, giving full scope to the measures he adopted to make the government fully functional in organizing social, economic, and cultural activities. To make sure the party's general and specific policies could be implemented in government work, he personally instituted a system under which a mayoral meeting was held weekly, a municipal people's committee meeting was held monthly, and people's congresses were held at regular intervals. Deputies were also regularly organized to conduct inspections so that the masses could constantly supervise the government and help it carry out its work. He frequently reminded the various government departments, saying: "Our party is the ruling party, and many of its general and specific policies can only be made known to the people and effectively implemented through government organs at various levels, and so government work must be done properly."

He added: "An important task such as socialist construction can only be successfully carried out by arousing the enthusiasm of Shanghai's 10 million people through fostering people's democracy."

During the "Great Leap Forward," several gusts of evil wind were whipped up nationwide, and metaphysical ideas were rampant. During the mayoral meetings, however, Comrade Diqiu never exaggerated things nor chimed in with others. Instead, he publicly rejected the practice of exaggerating achievements and boasting of the achievement of "high targets." He said: "Should we go after high speed unrealistically and fail to develop production on a solid material foundation, we certainly will become bogged down by subjectivism." Criticizing those days' abnormal and unrealistic propaganda concerning the "launching of a satellite of high production," he said in an article entitled "On Balance and Imbalance" published by the journal JIEFANG: We cannot possibly achieve high speed and high quotas and try to increase the quotas by 10 to several dozen times without regard for the various factors essential for achieving high quotas. Because of his honest, realistic, and practical approach and aversion to high-sounding words and superficiality, he won great respect among the broad masses of cadres. During the "Cultural Revolution," Jiang Qing, Zhang Chunqiao, and their ilk slung mud at Comrade Diqiu, calling him a "traitor," but Comrade Diqiu always upheld truth and firmly, courageously, and unequivocally refuted the "gang of four's" slanders and never told a lie, demonstrating a Communist Party member's revolutionary steadfastness and lofty character of not yielding to force.

Comrade Diqiu dedicated himself to revolution for nearly half a century. During that period, he worked diligently and loyally for the party and the people and totally dedicated himself to the communist cause. His outstanding qualities and style are forever our example. Guided by the 12th party congress' general goal and general tasks, and under the CPC Central Committee's correct leadership, all party members and people in Shanghai, on the basis of eradicating the filth left behind by the "gang of four," are struggling in unity to achieve another magnificant plan, to achieve the strategy for Shanghi's economic development, to build Shanghai into a highly civilized modernized city, to implement the Seventh 5-Year Plan, and to make new contributions to the nation's four modernizations program. This is the best way to commemorate Comrade Diqiu. It was also Comrade Diqiu's goal when he worked in Shanghai.

GU MU INSPECTS WUXI WORK 30 MARCH - 2 APRIL

OW031135 Nanjing Jiangsu Provincial Service in Mandarin 2300 GMT 2 Apr 86

[Text] Gu Mu, state councillor and head of the Tourism Coordination Group of the State Council, inspected work in Wuxi City, Jiangsu, from 30 March to 2 April. Comrade Gu Mu presided over a discussion meeting on the work of opening Suzhou, Wuxi, and Changzhou to the outside world and heard reports by the provincial government and Suzhou, Wuxi, and Changzhou Cities on opening to the outside world and developing tourism. Chen Huanyou, vice governor of Jiangsu, attended the discussion meeting on 31 March.

Comrade Gu Mu said: The Suzhou, Wuxi, and Changzhou areas are localities where economy is developed, transport facilities are convenient, tourism resources are rich, and foundations for opening to the outside world are very good. Morover, we have already made a good start here. If we advance with bigger strides in utilizing foreign capital and importing technology, our might will be redoubled here. Comrade Gu Mu called on the three cities to do further good work in making economic reforms and to do well in opening to the outside world. He said: In utilizing foreign capital, importing technology, and increasing exports to earn foreign exchange, the three cities should be more determined and should advance at a faster pace so as to make still greater contributions to the state.

Touching on the development of tourism, Comrade Gu Mu said: Developing tourism and doing well in opening to the outside world promote each other. Resources for tourism are rich in both Suzhou and Wuxi; they must be further developed and exploited so we can have a new start in the first year of the Seventh 5-Year Plan. When leading comrades of the three cities talked about the present electric power shortage, Comrade Gu Mu said: All departments must take more effective and more flexible measures and work hard to solve this question.

FANG YI VISITS SICHUAN HYDROPOWER STATION SITE

HK060517 Chengdu Sichuan Provincial Service in Mandarin 0030 GMT 6 Apr 86

[Text] The preparatory work for the Ertan hydroelectric station has now been basically completed, and the basic conditions for starting construction are ready. The technical conditions are fully ripe.

Since late March, CPC Central Committee Political Bureau member Fang Yi, State Economics Commission Chairman Lu Dong, and Minister of Water Resources and Electric Power Qian Zhengying have gone to Ertan at Dukou to investigate and become familiar with the project's topographic and hydrological conditions and the state of survey and design work. They have also inspected the construction site of the station.

Ertan is located within Yanbian and Miyi counties on the lower reaches of the Yalong Jiang. The state departments in charge hold that this is a large hydroelectric project to be exploited in southwest China in the near future. Initial survey and design gives the station an installed capacity of 3 million kilowatts and an assured output of 1 million kilowatts. It will generate 16.2 billion kilowatt hours per year, equivalent to the total generation of the Sichuan power grid for 1984.

FANG YI ON ESTABLISHING ZIGONG TITANIUM BASE

HK050137 Chengdu Sichuan Provincial Service in Mandarin 0030 GMT 5 Apr 86

[Text] According to XINXI BAO [INFORMATION JOURNAL], Fang Yi, member of the CPC Central Committee Political Bureau and state councillor, inspected the (Donggua) metallurgy refinery in Zigong City on 2 April. He was accompanied by Sichuan Vice Governor Pu Haiqing. Comrade Fang Yi said: Zigong City has very good conditions and many strong points. China's first titanium industry base will be established here.

XI ZHONGXUN, OTHERS ATTEND MEMORIAL MEETING

OW041307 Beijing XINHUA Domestic Service in Chinese 1648 GMT 3 Apr 86

[Excerpt] Beijing, 3 Apr (XINHUA) -- Guan Ruiwu, Standing Committee member of the CPPCC National Committee, member of the Chinese People's National Committee in Defense of Children, and professor of Beijing Normal University, died of illness in Beijing on 26 March, at the age of 79. A ceremony to pay last respects to the remains of Comrade Guan Ruiwu was held at Beijing Hospital this afternoon.

Among those who sent wreaths were Deng Yingchao, Xi Zhongxun, Yang Jingren, Liu Lantao, Lu Dingyi, Cheng Zihua, Kang Keqing, Ji Fang, Zhuang Xiquan, Pagbalha Geleg Namgya, Hu Ziang, Qian Changzhao, Dong Qiwu, Tao Zhiyue, Yang Chengwu, Chen Zaidao, Lu Zhengcao, Zhou Peiyuan, Burhan, Miao Yuntai, Wang Guangying, Deng Zhaoxiang, Fei Xiaotong, Zhao Puchu, Ye Shengtao, Qu Wu, Ba Jin, Ma Wenrui, Mao Yisheng, Liu Jingzhi, and other leading comrades.

The CPPCC National Committee, the United Front Work Department of the CPC Central Committee, the Central Committee of the China Democratic League, the All-China Women's Federation, the Chinese People's National Committee in Defense of Children, the United Front Work Department of the Beijing Municipal CPC Committee, the Beijing Normal University, and other units also sent wreaths.

Among those who paid last respects to the remains of Comrade Guan Ruiwu were Xi Zhongxun, Yang Jingren, Liu Lantao, Zhou Peiyuan, Fei Xiaotong; members and Standing Committee members of the CPPCC National Committee who reside in Beijing; responsible persons of the United Front Work Department of the CPC Central Committee, the Central Committee of the China Democratic League, the Chinese People's National Committee in Defense of Children, the United Front Work Department of the Beijing Municipal CPC Committee, the Beijing Normal University, and other units; as well as friends and students of Comrade Guan Ruiwu. Zhao Wei, deputy secretary general of the CPPCC National Committee, attended the ceremony on behalf of Comrade Deng Yingchao.

YU QIULI SENDS WREATH TO EX-GENERAL'S MEMORIAL

OW060039 Beijing XINHUA Domestic Service in Chinese 1437 GMT 5 Apr 86

[Excerpts] Nanchang, 5 April (XINHUA) -- A memorial service for Comrade Gan Zuchang was held in his hometown in Lianhua County, Jiangxi Province this afternoon. He was a prominent CPC member, a long-tested and devoted Communist fighter, and a general who in the 1950's voluntarily returned to his hometown to become a peasant.

Units such as the NPC Standing Committee, the National CPPCC Committee, the CPC Central Committee's Organization Department, the Chinese PLA's General Political Department and General Logistics Department, the Central Military Commission's General Office, the Lanzhou Military Region, the Nanjing Military Region, the Xinjiang Uygur Autonomous Regional CPC Committee, and the Xinjiang Military District sent wreaths to the service. Also sending wreaths were such leading comrades as Yu Qiuli, Wang Zhen, Xiao Ke, Wang Enmao, Zhu Yunqian, and Wan Shaofen.

PENG ZHEN INSCRIBES BOOK COMMEMORATING EDUCATOR

OW031911 Beijing XINHUA in English 1903 GMT 3 Apr 86

[Text] Tianjin, April 3 (XINHUA) -- A collection of works in memory of Zhang Boling, one of China's most renowned contemporary educationalists, was published here today to mark the 110th anniversary of his birth. Zhang established two research institutes and seven schools including China's famous Nankai University in Tianjin. He devoted all his adult life to the cause of education until his death in 1951. "Collected Works in Commemoration of Zhang Boling", published by Nankai University, contains 40 articles written by Zhang's relatives, friends and colleagues about his educational theories and efforts to train qualified personnel to save old China from disaster. Peng Zhen, chairman of the National People's Congress Standing Committee, praised Zhang in an inscription for the book as being "a democratic and patriotic educationalist, who reformed backward feudal education by running schools". The collection also includes 30 photographs of Zhang at Nankai University.

FUJIAN URGES STRONGER ECONOMIC REFORM ORGANS

OW051210 Fuzhou Fujian Provincial Service in Mandarin 1130 GMT 2 Apr 86

[Text] The Fujian Provincial People's Government issued a circular recently, urging all localities to strengthen the building of their organs in charge of economic reform.

The circular points out: Organs in charge of economic reform are permanent, multi-functional departments set up under the people's governments at all levels to take charge of economic reform. Serving as advisors and as assistants to party committees and governments at all levels in restructuring the economic system, they should provide guidance and overall planning for economic reform (?in those areas) where they are located, and coordinate and supervise their work in this regard. To give full scope to their responsibilities, economic reform organs at various levels shall be, on an experimental basis, regarded as authorized government organs. Their staff members shall have the same political status, and shall receive the same pay, as the administrators of other multifunctional departments of the same levels.

The circular stresses: The number of staff members of these organs should be relatively stabilized.

JIANGSU GOVERNMENT CALLS FOR FIELD MANAGEMENT

OW060250 Nanjing Jiangsu Provincial Service in Mandarin 2300 GMT 2 April 86

[Text] The provincial government recently issued an urgent circular calling on all localities to effectively step up later-stage field managment of summer crops.

The circular urges all localities to begin the work now, to intensify efforts in the next 2 months, and to effectively step up later-stage field management with emphasis on fighting natural disasters. At present, attention should be focused on unclogging water channels to facilitate field drainage. Artificial weeding should be promptly carried out in places where weeds are rampant. Conscientious efforts should be made to do a good job in forecasting and preventing insect pests. In the meantime, proper amounts of top dressing should be applied in a timely manner in light of seedling growth. Application of top dressing outside of plough time for the period from ear bearing to sprouting should be strongly encouraged.

The circular hopes that concerned departments will make proper arrangements to ensure supplies of farm chemicals, high-grade chemical fertilizers, and pest control gases and oil required for later-stage field management of summer crops.

The circular also urges leaders at all levels to go to the grass roots to offer systematic guidance and step up inspection and supervision. Agrotechnicians should help farmers upgrade the level of scientific farming to ensure a bumper harvest of summer crops this year.

JIANGSU PROVINCE BANS UNAUTHORIZED USE OF LAND

OW021212 Nanjing Jiangsu Provincial Service in Mandarin 2300 GMT 1 Apr 86

[Text] The Jiangsu Provincial Government issued an announcement on 18 March prohibiting unauthorized occupation and use of public land.

The announcement pointed out: Except for the land designated by law as state property, land in the rural areas and outskirts of cities is collectively owned. It may be used, but not owned, by any organization or individual. Land encroaching, buying, selling, leasing, and all other illegal forms of land transfer are strictly prohibited. If collectively owned enterprises and establishments in the rural need land for construction, they must have the approval of county-level or higher people's government. Unauthorized occupation of land, using more land than is authorized, misuse use of land [words indistinct] are strictly prohibited. Peasants' privately owned land and collectively-owned land and hilly land they are authorized to use under contract can only be used for agricultural production. Use of these lands for burial [words indistinct] that ravage farmland is strictly prohibited.

The announcement urges all localities to carry out a general inventory of land for construction purposes in the rural areas. It says: Without the approval of authorized organs, occupation of land in the rural areas against state law must be seriously handled according to the situation. In the course of examining and approving applications for land for housing construction or other purposes, personnel found guilty of fraud, irregularities, land speculation, retaliation, and violating state regulations governing land use must be seriously investigated and punished.

JIANGXI'S WAN SHAOFEN RESPONDS TO COMPLAINT

OW052045 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 31 Mar 86

[Excerpts] Wan Shaofen, secretary of the Jiangxi Provincial CPC Committee, responded to the letter from a fighter of a certain PLA unit in a timely manner and solved peasants' difficulty in selling grain to the state.

During this year's Spring Festival, Su Zhongchuan, leader of 3d squad, 4th Company, PLA unit No 32431 stationed in Fujian, returned to his native Nanchang County to visit his relatives. He found that his family was in great distress because it was unable to sell its late rice because the people of the Village Grain Purchasing Station were indulging in evil practices. Peasants wishing to sell grain to the state had to ferret out special connections and give dinners and gifts in order to sell the grain through the back door. Unwilling to do such things, Su Zhongchuan's father could not sell one kernel of the over 11,000 jin of late rice he had harvested in the fall.

Su Zhongchuan visited 6 villages and carefully investigated over 10 specialized grain-producing households during his visit home. After returning to his own unit, he wrote an investigation report over 3,000 words long to Wan Shaofen, secretary of the provincial CPC Committee.

In early March, Su Zhongchuan received a letter from his father, saying that Secretary Wan had immediately sent a work team to reorganize the grain purchasing station in his village after receiving his son's report and that now the over 10 specialized grain-producing households had all sold out their grain.

JIANGXI COMMENTARY STRESSES GRAIN PRODUCTION

OW061459 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 5 Apr 86

[Station Commentary: "Give Full Play to the Inherited Advantages, Do a Good Job of Grain Production"]

[Text] One major and immediate task for the rural areas is to plant early rice as much as possible to ensure the completion of the grain production plan.

Grain has always been a great plus in Jiangxi's agriculture, and is also a very important material base for remedying our drawbacks. Paying close attention to grain production and constantly raising the standard of this work are very important. In recent years, all localities throughout the province have vigorously readjusted the production structure in rural areas, reduced grain acreage, and expanded the acreage of cash crops, thereby promoting an all-round agricultural development. In the future, we should continue to readjust the production structure in rural areas while paying close attention to grain production.

We should realize, however, that some localities have failed to take the overall interests into consideration or implement the state planting plan. They have blindly developed a diversified economy in areas designated for grain production. Moreover, in some places, people have even built houses on arable land, thereby wasting a lot of farmland. Grain production will definitely suffer unless these practices are corrected.

Diversified economy and village and town enterprises will not be able to develop if grain production does not increase. This is disadvantageous to both the nation and the people. Since food plays an important role in people's livelihood, paying attention to grain production is vital to the national economy and people's livelihood. We must conscientiously implement the principle of never relaxing our efforts in grain production, and of vigorously promoting a diversified economy. Equally, we must maintain a relatively stable grain acreage and strive to raise the per unit yield of grain and improve grain quality.

Now is the time to fulfill the early rice planting plan. As early rice is the mainstay of grain production in our province, we should fulfill its planting plan, and, through the signing of grain purchase contracts, see to it that peasant households and production units grow grain in designated areas in order to ensure this year's agricultural bumper harvest.

SHANGHAI'S RUI XINGWEN ON ECONOMIC COOPERATION

OW040944 Shanghai City Service in Mandarin 0100 GMT 4 Apr 86

[Excerpt] The Shanghai Municipal CPC Committee and the Municipal Government invited the Shanghai office representatives of central departments, provinces, municipalites and autonomous regions to a discussion meeting at the hall of the municipal party committee. At the meeting opinions and suggestions on developing lateral economic ties with Shanghai were heard.

Comrade Rui Xingwen made a sum-up speech, thanking representatives for having offered many frank and sincere suggestions and reporting to them the difficulties Shanghai faces in such areas as industrial production and transportation. Comrade Rui Xingwen said: Shanghai needs to develop lateral economic ties and so do our fraternal provinces and areas. We should actively open a path for developing lateral economic ties with other provinces. He called on the municipal government and departments concerned to seriously handle and reply to opinions and suggestions make by the Shanghai office representatives from other provinces and areas. Attending the meeting were leading comrades from the municipal party committee and the municipal government, including Huang Ju, Wu Bangguo, Zhang Dinghong, Zhu Zongbao, Ye Gongqi, and Xie Lijuan, and responsible persons from departments concerned. It was revealed at the meeting that Shanghai has organized an economic, technological, and trade delegation that will visit some provinces, municipalities, and autonomous regions in 3 teams.

MENG QINGPING REPORTED AS 'NEW' HAINAN LEADER

OW080142 Beijing XINHUA in English 0122 GMT 8 Apr 86

[Text] Beijing, April 8 (XINHUA) -- Hainan Island will push up its economy around tropical cash crops, tourism, and marine products, according to the new leader of the island, south China.

Meng Qingping replaced Lei Yu, the former administrator of Hainan Island who was involved in a profiteering scandal last year. In outlining his plans for developing the economy of the island, China's second largest, next to Taiwan, Meng said: "We will make full use of the rich resources of the island, tap its potentials and improve the economic returns so as to set up an economic structure with Hainan Characteristics."

With an area of more than 30,000 square kilometers, the island is suitable for the cultivation of rubber trees, oil palm coconut, sugarcane, medicinal herbs and other cash crops. Another advantage of the island is its fascinating natural scenery. In recent years, the number of tourists has increased by 48 percent each year. Last year, 33,000 people toured the island and they included traders, investors, scientists and vacationers. The islanders raise fish and shrimp in the shallow waters around the island as well deep sea fishing. The island has had good marine harvests over the past five years.

While developing these three economic mainstays -- tropical cash crops, tourism and marine products, the local government has decided to accelerate construction of energy, transportation, and telecommunications. The Hainan authorities also plan to develop natural gas, mineral deposits and building materials, as well as train more personnel and establish a university.

HAINAN DISCIPLINE INSPECTION COMMISSION PRAISED

HK060223 Haikou Hainan Island Service in Mandarin 0400 GMT 2 Apr 86

[Excerpts] Not long ago, in a speech at the closing ceremony of the seventh plenary meeting held by the Central Discipline Inspection Commission, Comrade Han Guang, permanent secretary of the Central Discipline Inspection Commission, praised the exemplary role of the Hainan Regional Discipline Inspection Commission. He said: The Hainan automobile case involved many departments, but not the discipline inspection commission. This is very good.

At some meetings, the principal responsible comrade of the Guangdong Provincial CPC Committee praised the Hainan Regional Discipline Inspection Commission for its deeds in adhering to party spirit and principles and strengthening the building of itself. At a meeting on discipline inspection work throughout the province held at the beginning of March, the provincial CPC Committee printed and distributed the experience of the Hainan Regional Discipline Inspection Commission in doing discipline inspection work well. Their experience in upholding party discipline and faithfully fulfilling the honorable duties vested by the party Constitution profoundly enlightened the representatives at the meeting.

Yesterday, NANFANG RIBAO published a newsletter: "A Tough Discipline Inspection Commission," introducing the advanced deeds of the Hainan Regional Discipline Inspection Commission.

This newsletter was in three parts: 1) The Hainan Discipline Inspection Commission is tough in starting with proper personal conduct as an example before requiring others to have proper personal conduct; 2) The Hainan Discipline Inspection Commission is tough in adhering to principles; 3) The Hainan Discipline Inspection Commission is tough in daring to touch the tiger's buttocks.

In 1984, unhealthy trends, such as party and government organs engaging in commerce, spread to Hainan. Party and government organs throughout the region set up 872 large and small companies, 76 of which were set up by organs at the regional level. Some units approached the regional Discipline Inspection Commission on their own initiative about setting up companies jointly with the latter to do business. At that time, the interest of some cadres of the regional Discipline Inspection Commission was aroused and they wanted to engage in commerce to earn money to solve the problems of issuing subsidies and bonuses to cadres. The regional Discipline Inspection Commission could not distinguish for the moment between the new-born things emerging in the reform to develop new unhealthy trends, and could not make a decision.

What should they do? They tried to find a solution through the party's principles and policies. The regional Discipline Inspection Commission organized its discipline inspection cadres to seriously study the relevant documents of the CPC Central Committee and State Council and the speeches of leading comrades of the central authorities. Through study, they came to understand: If party and government organs and cadres engage in commerce and run enterprises, this will easily weaken all-round party and government leadership over economic work and affect party and government cadres working impartially and serving as servants of the people well; an erroneous tendency toward contending with the people for profits will easily occur; and a large number of so-called enterprises which take advantage of power to pursue private ends will be set up. This is not beneficial to really invigorating the economy. Thus, they had a clear head and were resolved to resist new unhealthy trends.

Over the past few years, none of the regional Discipline Inspection Commission members has engaged in commerce, set up a briefcase company, engaged in illicit foreign exchange dealings, taken part in reselling cars for profit, violated the law and discipline, or sought personal privileges.

In the second half of 1984, the unhealthy trend of Hainan party and government organs and cadres engaging in commerce and running enterprises and reselling imported cars for profit spread wildly. Confronting this turbulent unhealthy trend, the regional Discipline Inspection Commission was resolved to expose and resist it and did not allow it to do harm. Beginning in June 1984, the commission organized forces to conduct penetrating investigation and study and successively submitted several reports to the regional CPC Committee. These reports clearly pointed out that the unhealthy trend of reselling cars for profit should be immediately curbed and that those guilty of economic crimes should be investigated and dealt with. The reports also put forward measures and suggestions.

In the course of investigating and dealing with big and important cases, when the spearhead of struggle touched some powerful and influential figures and very big obstacles were encountered, with the support of the Central Discipline Inspection Commission, the provincial CPC Committee, the provincial Discipline Inspection Commission, and the regional CPC Committee, the regional Discipline Inspection Commission turned a deaf ear to people interceding for others, did not fear any obstacle, and dared to tackle difficult problems and to touch the tiger's buttocks.

Guan Xin, former chief editor of HAINAN RIBAO and secretary of its CPC Committee, was involved in serious economic trouble. The Discipline Inspection Commission and the Political and Legal department organized forces to seriously investigate and deal with him. The group for handling cases was selfless and dauntless. It soon got to the bottom of the facts of the crime. In the course of investigating and dealing with big and important cases, with the vigorous support of the Central Discipline Inspection Commission and the investigation group of the provincial Discipline Inspection Commission, the regional Discipline Inspection Commission and Political and Legal Department have investigated and dealt with all cases, whoever might be involved. It has also carried forward the spirit of destroying evil, leaving no chance for its revival, broken throught the network of relationship, and opposed the practice of bureaucrats shielding one another. In investigating and dealing with the case of reselling imported cars at a profit by (Li Yulin), cadre of Haikou City Chemical Industry Service Company, the regional Discipline Inspection Commission discovered that this case involved Lin Taosen, former regional CPC Committee Standing Committee member and Organization Department director. Under the leadership of the regional CPC Committee, the regional Discipline Inspection Commission and the Political and Legal Department immediately organized forces to place the case on file for the investigation of Lin Taosen. The group for handling cases did not fear power or influence and vigorously plunged into the tense battle. Through arduous work in collecting evidence, the group eventually cracked the case of Lin Taosen. Last year, five comrades were commended, two comrades were awarded citations for merit, and one comrade was upgraded by way of reward.

HENAN HOLDS REPORT MEETING ON 5 APRIL MOVEMENT

HK050323 Zhengzhou Henan Provincial Service in Mandarin 1030 GMT 4 Apr 86

[Excerpts] This morning, the provincial federation of trade unions, The CYL committee, the federation of women, and the Zhengzhou City CPC COmmittee jointly held a report meeting in the Zhengzhou Guesthouse to mark the 10th anniversary of the 5 April Movement. Present were Liu Zhengwei, deputy secretary of the provincial CPC Committee; Hao Fuhong, vice Chairman of the provincial CPPCC; and representatives of the masses in the city.

Comrade Zhang Chixia made a speech. He said that the movement of 5 April 1976 was a spontaneous mass movement. During this struggle, the people displayed a high degree of socialist awareness and strong patriotic spirit.

He stressed: In commemorating the 5 April Movement and carrying forward the 5 April spirit, we must have a clear picture of the situation and our tasks, shoulder our historical responsibilities, work in concert and unity, and forge ahead to build a powerful modern socialist country. We must plunge into the floodtide of reform, aiming at the four modernizations. We must uphold party leadership and spontaneously preserve the political situation of stability and unity. We must strive for a fundamental turn for the better in party style and social mood.

HUNAN'S MAO ZHIYONG ON RURAL PUBLIC HEALTH WORK

HK060229 Changsha Hunan Provincial Service in Mandarin 2300 GMT 2 Apr 86

[Excerpts] Yesterday, at the provincial work conference on public health, Mao Zhiyong, secretary of the provincial CPC Committee, stressed that party and government leaders at all levels must pay close attention to the sufferings of the people and attach great importance to the development of rural public health work. In particular, they should actively help remote and poor areas improve their public health conditions, as well as solve problems of insufficient medical service.

After fully affirming the province's achievements in public health work over the years, Comrade Mao Zhiyong pointed out: in the wake of economic development and the improvement of living standards, the peasants have put forward further requirements on public health work. However, at present there are shortages of doctors and hospital beds in the rural areas. About half of province's rural population still face a shortage of drinking water. Furthermore, some localities have not done well in public health work for women and infants.

Comrade Mao Zhiyong said: In order to put an end to the backward situation in the public health work, the party and government leaders at all levels must do well work in three areas. First, they must persevere in reforms and discard the outmoded thinking of running the medical services only by one party. Instead, they should adopt the idea that the services should be jointly undertaken by the state, collectives, and individuals, thereby mobilizing the initiative of various sectors.

Second, based on the spirit of putting prevention first in medical work, we should arrange manpower, as well as material and financial resources, for our medical services. During the Seventh 5-Year Plan period, we must focus on building health centers for women and children and epidemic prevention centers, on augmenting the ranks of public health workers, and on strengthening the work of taking preventive medical measures. In remote and poor areas, we must combine the work of helping the poor get rich with that of providing medical services, so that, through medical treatment, the sick people will become healthy laborers.

Third, we should step up education in ethics for public health workers. Such ethics uphold benefits as the sole criterion for practising medicine and advocate the practice of serving the people wholeheartedly.

The conference was convened by the provincial CPC Committee and government. It was presided over by Wang Xiangtian, Standing Committee member of the provincial CPC Committee and vice governor. It was attended by more than 150 people, including responsible party and government comrades such as Shen Ruting, Chen Yufa, Liu Yanan, Li Tiangeng and (Chen Hongjing); as well as prefectural and city leaders and responsible comrades of the departments concerned.

GUIZHOU ORGANS STRAIGHTEN OUT ANOMALIES

HK060237 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 3 Apr 86

[Text] The demands on the organs and leading comrades of the provincial CPC Committee to act as an example in the course of straightening out party style, which were put forward by the provincial CPC Committee, have been satisfied in some units.

In October last year, a hostel of the provincial Agriculture Department bought a Nissan car for use in connection with foreign affairs. However, it was later exclusively used by the department director. A Bluebird car bought by the agricultural school of the department was also exchanged for a Beijing jeep by the department. After studying documents and the speechs of leading comrades of the Central authorities, the department Party Group reported to the provincial CPC Committee the mistakes of contending with others for the purchase of high-grade cars, and conducted self-criticism in the department. On March, the Party Group decided to return the Nissan car to the hostel, to lock up the Blue Bird car for safekeeping, and to make a report to the Provincial Government, asking for instruction on handling the Blue Bird.

In the course of straightening out, inspecting, and correcting unhealthy trends, the Guiyang Railroad Subbureau CPC Committee rescinded 99 contracts and agreements which had not conformed to regulations, discovered a sum of 37,000 yuan indisciminately collected in charges, and dealt with 34 cases of indiscriminately collecting charges, indiscriminately raising prices, and extortion.

Since the organization of the new leadership group of the Provincial Communications Department, the members of its party group have not sought personal privileges or taken advantage of power to seek personal gain. When a daughter of (Yang Shourun), secretary of the party group, prepared a wedding ceremony, she wished to use the department's car to transport furniture. After her father had persuaded and educated her, she used a taxi instead. (Li Dazhong), deputy secretary, goes to work by bicycle on both clear and rainy days and has never used a car of the department. The other three deputy department directors also go to work on foot or by bus like ordinary cadres. The masses say that as the leaders have taken the lead in action, this promises hopes of a fundamental turn for better in party style.

XIZANG CONCLUDES CONFERENCE ON FOREIGN TRADE

HK060349 Lhasa Xizang Regional Service in Mandarin 1130 GMT 5 Apr 86

[Excerpt] The regional conference on foreign economic relations and trade concluded in Lhasa on 4 April. The regional CPC Committee and government attached great importance to this meeting. Regional CPC Committee Deputy Secretary Mao Rubai, government Acting Chairman Doje Cering, and Vice Chairman Puqung delivered important speeches.

The notable result of this meeting was that it unified pepole's understanding on foreign economic relations and trade work, ensured that this work would better match the region's and trade work, ensured that this work would better match the region's realities, and strengthened people's confidence in making a success of this work. In the future the region's foreign economic relations and trade work will advance healthily and rapidly under the guidance of the correct principles.

Mao Rubai Views Leftism

HK050257 Lhasa Xizang Regional Service in Mandarin 1130 GMT 4 Apr 86

[Excerpts] According to XIZANG RIBAO, regional CPC Committee Deputy Secretary Mao Rubai said at the regional conference on foreign economic relations and trade, which was convened on 28 March: We must further eliminate leftist influence, straighten out the guiding ideas on foreign economic relations and trade work, enhance understanding of this work, mobilize the initiative of all sectors, work in concert, and make great efforts to improve the region's foreign economic relations and trade work.

Mao Rubai said that in order to make more foreign exchange through expanding exports, we must pay great attention this year to grasping the three cardinal links of production, procurement, and export. Our economic departments must do a good job in collecting, compiling, and exchanging information on the international market. In our export work, we must adopt a correct guideline suited to the actual conditions of Xizang, consolidate and expand traditional products, revive high-quality nationality products, and develop new products.

Mao Rubai said: We must further develop trade with neighboring countries, further raise restrictions on the products and volumes handled at border trade fairs, and encourage state-owned, collective, and individual units to invigorate small-volume border trade.

Comrade Mao Rubai said in conclusion: Foreign economic relations and trade is economic work involving external contacts. We must stick to the principle of presenting a united face to the outside world. Units that have no right to handle import and export trade must not handle it. Units that do have such rights must operate within the approved scope. The regional departments concerned must examine and approve invitations to foreign businessmen to come to Xizang to discuss trade and economic cooperation projects. These departments must also approve the practice of commissioning other provinces, municipalities, and autonomous regions to handle import and export goods on the region's behalf.

Doje Cering, acting chairman of the regional government, also spoke at the meeting. He said: This meeting must first tackle the issue of eliminating leftism. It is impossible to open up to the world and make a success of foreign economic relations and trade work without totally elminating leftist ideological influence. Our region's foreign economic relations and trade work can only develop if we eliminate leftism and straighten out the ideological line and the guiding ideas on our professional work.

Doje Cering also laid particular stress on strengthening management in foreign economic relations and trade work. He said: Lifting restrictions further does not mean that no controls are needed. Only by insisting on centralized control and on presenting a united face to the outside world, instead of allowing everyone to go his own way, can Xizang's foreign economic relations and trade work enjoy good prospects and play a sound role in increasing the masses' income and financial revenue.

HEBEI CPC LEADERS GIVE GUIDANCE TO REPORTERS

SK050822 Shijiazhuang Hebei Provincial Service in Mandarin 2300 GMT 24 Mar 86

[Excerpts] On the afternoon of 24 March at the Hebei Guesthouse, leaders of the provincial CPC Committee invited reporters of HEBEI RIBAO and station reporters to a collective heart-to-heart talk. Xing Chongzhi, secretary of the provincial CPC Committee; Li Wenshan, deputy secretary of the provincial CPC Committee: and Liu Ronghui, Standing Committee member of the provincial CPC Committee and director of the Propaganda Department, respectively delivered speeches. They cordially encouraged the participants to be reporters with accomplishments and to write quality new reports in an effort to create a new situation in our province's news propaganda work.

Regarding the issue of how to become reporters with accomplishments, leading comrades of the provincial CPC Committee pointed out: First, we should seek connections in high places; and second, we should go deep into lower levels. In terms of seeking connections in high places, reporters should study well the basic theory of Marxism, in particular, the Marxist exposition of news work; and master the party's line, principles, and policies in order to upgrade their theoretical understanding and to arm themselves with political awareness. In terms of going deep into the lower levels, reporters should go deep into grass-roots units and the masses to carry forward the fine tradition and work style of waging an extremely hard and bitter struggle. They key to writing good new reports is to go deep into the forefront of the material and spiritual civilizations to gather information.

Representatives of other press units in Shijiazhuang City were also invited to the talk.

NEI MONGGOL HOLDS FORUM TO MARK 5 APRIL INCIDENT

SK060432 Hohhot Nei Monggol Regional Service in Mandarin 2300 GMT 5 Apr 86

[Excerpts] On the afternoon of 5 April representatives of various nationalities from various circles of Hohhot held a forum to mark the 10th anniversary of the 5 April Incident, unanimously pledging to carry forward the spirit of fighting for truth of that year, actively plunge into the present reforms and four modernization drive, and strive to revitalize China.

Attending the forum were regional party, government and Army leaders, including Tian Congming, Cai Ying, Liu Yunshan, Lin Weiran, He Yao, Butegeqi, and Baoyanbatu, and responsible comrades of the Hohhot City CPC Committee.

Tian Congming, deputy secretary of the regional CPC Committee, spoke at the forum. After giving brief account of the process of the 5 April Incident and its great significance, he said: A profound change of fundamental importance has taken place in our country. At present the most important task is to revitalize China with one heart and one mind and build socialism with Chinese characteristics.

Comrade Tian Congming said: After summing up historical experiences, we should firmly grasp the following: 1) It is necessary to unswervingly maintain unity in the CPC Central Committee and resolutely implement the line, principles and policies adopted since the 3d Plenary Session of the 11th CPC Central Committee; 2) it is necessary to value the excellent situation of stability and unity, carry out the four modernizations and other undertakings with concerted efforts, and build socialism with Chinese characteristics: 3) it is necessary to carry out reform in a resolute, orderly, comprehensive and systematic manner, in which lies China's prospects, and without which there will be no way out; and 4) it is necessary to train generations upon generations of new people with ideals and a sense of discipline to accomplish the great task of building socialism with Chinese characteristics.

He urged the young people to foster ideals, study hard, enrich their knowledge, carry out their work actively and successfully, and contribute to the building of socialism.

Cai Ying, commander of the Nei Monggol Regional Military District, and Lin Weiran, vice chairman of the regional Advisory Commission, also spoke at the forum.

LI LIGONG SPEAKS ON SHANXI POLITICAL, LEGAL WORK

HK060257 Taiyuan Shanxi Provincial Service in Mandarin 2300 GMT 5 Apr 86

[Excerpts] The provincial political and legal work conference concluded on 5 April after 5 days in session. Provincial CPC Committee Secretary Li Ligong made a speech. He said: The question of social order is a social issue. We cannot just rely on the political and legal departments to grasp it. The whole party and the whole people must tackle it and grasp the work unceasingly and thoroughly. At present we must pay special attention to six aspects of this work:

1. We must work hard to crack down on crime. After this meeting concludes, the province must organize forces to crack down hard on crime. Criminals should be executed, jailed, or sent for education through labor as appropriate. We must certainly not be soft in dealing with criminals.

2. Do a good job of grass-roots and basic work and step up the work of tackling the problems in a comprehensive way.

3. Strengthen the leadership of the CPC committees and government over political and legal work. The party committees must concern themselves with certain major cases, such as major economic cases involving leading cadres, and be responsible for supervision and inspection.

4. Do a good job in building the political and legal contingent.

5. Do a good job in production safety work and accident prevention. People directly responsible for accidents must be held accountable, including legally accountable.

6. Step up education in the legal system for the cadres and masses.

HEILONGJIANG CPC WORK CONFERENCE OPENS 4 APR

SK050140 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 4 Apr 86

[Text] At the organizational work conference of the provincial CPC Committee, which opened today, Li He, Standing Committee member of the provincial CPC Committee and director of the Organization Department of the provincial CPC Committee, delivered a work report entitled "Persistently Serve the Four Modernizations and Strive to Upgrade the Quality of Organizational Work."

He stated in his report: The provincial CPC Committee has defined the enterprises and establishments which are carrying out the reform of their leadership systems on a trial basis should continue to persist in the principle of the party administering cadres to readjust the cadres who fail to suit the demands of the situation or are incompetent in doing their jobs. Instead of the lifetime tenure system, a system of appointment and removal should be carried out among the cadres who were newly promoted after the organizational reform. Organization departments should enhance supervision over the work of promoting the children of leading cadres. The names of children of principal leading cadres of the provincial CPC Committee, the provincial Advisory Commission, the provincial People's Congress, the provincial government, the provincial CPPCC Committee, and the provincial Discipline Inspection Commission who are going to bypass the immediate leadership to take leading posts at or above the county level should be submitted to the Organization Department of the provincial CPC Committee for examination.

Efforts should be made to control the functions and powers of leading bodies. Organization departments and personnel affairs departments should strengthen supervision and management over the work of appointing and removing leading cadres, strictly enforce discipline in keeping secret organizational work and personnel affairs, and enthusiastically carry out the reform of the cadres' system and the work methods of cadres.

SUN WEIBEN AT HEILONGJIANG SUPPORT MEETING

SK070459 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 5 Apr 86

[Excerpts] A report group of the province's advanced persons from all fronts who have ideals, morality, education, and a sense of discipline, held its first report meeting in the provincial capital on 5 April.

Leading comrades of the province, including Sun Weiben and Hou Jie, also heard reports given by the advanced persons. Chen Yunlin, deputy secretary of the provincial CPC Committee, gave a speech. He said: It is necessary to use the model deeds of the report group members as vital teaching materials for conducting education on party spirit and for rectifying party style among all party members. All party-member cadres, particularly leading cadres at all levels, should take the lead in the study, use the lofty spirit of the advanced models to stimulate their fighting will and to guide their actions, set strict demands on themselves, serve as examples, and make positive contributions to achieving fundamental improvements in the party style of the provincial-level organs this year.

JILIN HOLDS POLITICAL, LEGAL WORK CONFERENCE

SK060707 Changchun Jilin Provincial Service in Mandarin 1030 GMT 5 Apr 86

[Excerpts] The 5-day provincial political and legal work conference, which opened on 1 April, concluded today.

The conference relayed the guidelines of the national political and legal work conference, and studied and formulated plans for this year's political and legal work. Comrade (Yang Feng), deputy secretary of the Political and Legal Commission of the provincial CPC Committee, presided over the conference. Comrade (Li Chengjiu), secretary of the commission, relayed the guidelines of the national political and legal work conference. Wang Xianjin and Wang Zhongyu, deputy secretary of the provincial CPC Committee, spoke on the province's public security situation, the tasks for political and legal work, and the propaganda and education on the legal system.

The conference noted: In this year's political and legal work, we should adhere to the guiding ideology of grasping construction with one hand and the legal system with another, deal stern blows to serious economic and other criminal activities, conscientiously carry out the various measures for tackling public security problems in a comprehensive manner, further improve socialist legality, enhance the competence of political and legal personnnel, and rely on the leadership of CPC committees at all levels to realize a steady improvement in the province's public security this year.

In analyzing the province's public security situation, the conference pointed out: Thanks to the efforts to deal stern blows to serious criminal activities and carry out comprehensive measures to improve public security, a conspicuous turn for the better has been achieved in our province's public security situation, the people, in general, have enhanced their sense of security; and order in society public places, daily life, teaching and scientific research has improved. However, conspicuous improvement has yet to be stabilized and consolidated, and new situations and new problems in public security have once again emerged.

The conference defined the task for this year's political and legal work as realizing a steady improvement in public security on the basis of a conspicuous turn for the better in it so as to lay a solid foudation for further bringing about a fundamantal improvement in public security. In order to accomplish this task, we should step up the crackdown on criminal activities in a strict manner. We should continue the principle of punishing more strictly and promptly according to the law in treating serious criminals. While dealing stern blows to serious criminals, we should also wage struggles to deal stern blows to serious economic crimes.

The conference noted: Generally speaking, we are too lenient and ineffective in dealing blows to economic crimes, although we have paid attention to and achieved some progress in investigating and handling them. CPC committees and governments at all levels should conscientiously strengthen leadership. Public security, procuratorial, and judicial departments should work in close coordination and support each other. In handling economic crimes, no matter who is involved, we should follow and abide by the law strictly, correct all law violations, and ensure that everyone is equal before the law.

Attending the conference were responsible persons in charge of political and legal work, secretaries of political and legal commissions responsible comrades of public security, procuratorial and judicial departments, and propaganda department directors of various prefectures, cities and counties.

TA KUNG PAO ON SINO-SOVIET NEGOTIATONS

HK070444 Hong Kong TA KUNG PAO in Chinese 7 Apr 86 p 2

["Political Talk" column by Shih Chun-yu: "The Eighth Round of Sino-Soviet Talks will Soon Begin"]

[Text] Looking Forward to Earnest Dialogue Between the Two Sides

Qian Qichen, the Chinese Government's special envoy and vice foreign minister, departed for Moscow yesterday to participate in the eighth round of Sino-Soviet talks. In the past few years, the Chinese and Soviet Governments have held regular talks twice a year. The goal of the talks is normalization of the relations between the two countries. Due to the existence of the three obstacles that are known to everybody, so far this goal has not yet been fulfilled.

Qian Qichen told reporters at Beijing airport yesterday before his departure that the eighth round of talks, like the previous rounds, would concentrate of discussion on the removal of the obstacles to normalization of the relations between the two countries. He believed the talks between the two governments, represented by their own special envoys, will make progress so long as the two sides show sincerity and do not evade the problems. All the communiques issued after previous rounds of talks stated that the dialogues between the Chinese and Soviet sides were held "in a frank, peaceful, and serious atmosphere," and thus were useful. However, in order to make progress in the efforts toward normalization of relations, additional sincerity is needed to squarely face and to solve the problems.

The Issue Concerning a Third Country's Interests

In the report on the draft of the Seventh 5-Year Plan that he gave recently to the NPC, Premier Zhao Ziyang systematically elaborated the 10 basic principles guiding China's foreign policy. Of these 10 basic principles, the fourth states: China will never attach herself to any one of the two superpowers, and she will never ally herself or establish strategic relations with either of them; China steadfastly seeks a steady development of Sino-U.S. relations based on the strict observance of the principles laid down in all the Sino-U.S. joint communiques, and a substantial improvement in Sino-Soviet relations through real efforts to remove the three major obstacles.

Referring to Sino-Soviet relations in his political report given to the 27th CPSU Congress last month, CPSU General Secretary Gorbachev said that the improvement of Sino-Soviet relations should not harm the interests of any third country. This statement by Gorbachev has drawn attention. Commenting on this statement last week, a spokesman for the Chinese Foreign Ministry said: The principle of not harming any third country should not have any specific interpretation; the very purpose of the efforts to remove the obstacles to the normalization of Sino-Soviet relations is to correct all those wrong practices which may harm the interests of any third country, and this is beneficial to all parties concerned.

Adhering to the Principle of Independence

Western observers widely hold that the Soviet Union, out of its strategic considerations, is seeking to improve its relations with China. One of the latest indications of this intention of the Soviet Union is that the Kremlin last week announced the appointment of Troyanovskiy, a senior diplomat and former Soviet permanent representative to the United Nations, as the new ambassador to China.

However, China is unswerving in its foreign policy of independence and peace. The normalization of Sino-Soviet relations can hardly be accomplished as long as the three major obstacles, which have a bearing on China's security and world peace, continue to exist.

Meanwhile, the Western press reported on the eve of the eighth round of Sino-Soviet talks that the United States was negotiating with China about the installation of some facilities in China to monitor Soviet underground nuclear tests. Spreading such a rumor at such a moment has aroused speculations. And a spokesman for the Chinese Foreign Ministry has already reiterated that this report is completely groundless.

Relations Are Not Conditional on the System

Another view of Western observers holds that the contradictions between China and the Soviet Union will be aggravated because China is actively enforcing a reform of her economic structure which is deviating farther and farther from the Soviet model. Such a conjecture is also unrealistic.

In fact, reforms introduced in socialist countries have become a trend. Even the Soviet Union itself is also carrying out reform -- the 27th CPSU Congress officially adopted the principle for the reform. As long as this oldest socialist country in the world can really emancipate its mind and eliminate all inevitable obstacles, it is bound to speed up its economic development.

China's policy toward a foreign country is not conditional on the social system and ideology which the latter pursues. As far as international economic cooperation is concerned, China will open her door to both capitalist and socialist countries. For the moment, what China and the Soviet Union have to strive for is normalization of the relation between them, while the restoration of the relations between the CPSU is just out of the question.

'CHILD OF SENIOR CADRE' ON BEIJING FACTIONS

HK031550 Hong Kong CHENG MING in Chinese No 102, 1 Apr 86 pp 64-65

[Article by reporter Chu Yuan: "A Chat With the 'Child of a Senior Cadre'"]

[Text] During the first weekend in March, this reporter made the acquaintance of a friend from mainland China through the introduction of a third party, and we were having a chat over a cup of coffee in Central [Hong Kong Business District]. My friend claimed to be an alternate member of the prince party. He believed that full members of the prince party must be children of senior cadres; but his family background was "not quite up to that level." He agreed to the contents of our interview being made public, but was unwilling to disclose his identity. According to him, the authorities have always been rather sensitive about CHENG MING, although many would like to read it.

Which Side Is Knifing the Other?

Naturally our first topic was the current campaign to crack down on corruption. I asked if he had read the March issue of CHENG MING. He answered: "You said it was Deng Xiaoping that issued the order to crack down on corruption. That was true in a sense. Without Deng up front, such a big campaign would not be effectively carried out. But we could say really that it was Chen Yun who gave the order, or rather, Deng gave it under pressure from Chen."

"How come? Just how great is the contradiction between the two sections?"

"To my mind, the contradiction in policies is secondary, and the chief problem involves the successors. As far as I know, Chen Yun and Chen Muhua have attacked Hu Qili bitterly. They don't regard Hu Qili very highly, believing there's still a long way to go before Hu Qili is entitled to be a successor. A sensational saying is that once Hu Qili comes to power, the nation will be greatly disturbed. Conservative forces do exist in the Army which believe the current policies aim to stage a comeback of capitalism. It is said that some Army cadres and their dependents are being summoned to take part in studies in Xishan, Beijing, otherwise, trouble might occur."

I wanted very much to know what else has come between Deng and Chen besides the already known conradictions. The "alternate member of the prince party" adjusted his glasses and said: "Acually Chen Yun does not oppose reforms; he himself attempted to break through the ossified planned economic pattern much earlier than Deng. He had this idea early in the 1950s and 1960s, disagreeing with copying what the Soviets did. But now, he thinks Deng has gone too far, particularly after a series of problems involving the policy of opening up to the outside world erupted last year. They each think their views are justified. Moreover, some people believe Deng Xiaoping is too subjective and even more autocratic than Mao. This is because Mao had a way of pretense, and his ways were full of wiles, but Deng tends to oversimplify things, and does things in a hurry. The practice of one person alone having the say will end with people losing faith in him.

"There is an undercurrent. The outsiders may not have any idea about it. That is the Hua Guofeng case. Some people want to reverse the verdict on him. They think that Hua has not committed any serious mistakes, but Deng has removed him from office, which is characteristic of a power struggle. It is said that Chen Yun supports Hua Guofeng. Hua's case is regarded as one of the two breakthroughs in attacking the reformist school; the other being the Special Economic Zone [SEZ] issue. Chen Yun holds different views on the SEZ policy; perhaps this is no secret to anybody now. There is a saying that 'Gu Mu has lost his status as Political Bureau member, but managed to save the SEZ and Liang Xiang.' Shenzhen has survived the 1985 crisis, and Liang Xiang has kept his post as Shenzhen City CPC Committee secretary. This is Deng's victory, but not without cost."

"How serious is the problem of the 'prince party' being involved in business?"

"If the prince party includes children of cadres at and above grade 13, it is quite a sizable contingent. Of course, not all of them have become unscrupluous. Those along the coast might be more likely to become so. However, the ordinary people are not likely to know about their commercial secrets. So they have not directly given rise to public wrath. The masses have bitter hatred for those vile sons of senior cadres, and problems of this type are numerous. Therefore, the knife fell on the Shanghai playboys, to execute one as a warning to a hundred."

I mentioned that opinions differ abroad on the Shanghai trial and the handling of Zhou Erfu's case, and my friend from mainland China said, not without sympathy:

"The handling of Zhou's case is questionable. Of course, Zhou could be given a bad name at home; however, many people do not agree with arbitrarily labeling someone as injuring our national reputation. According to your March report, it was some Chinese Embassy people in Japan that reported him, and the Japanese leftists did not accuse him of visiting prostitutes. Even if some people did know to be seeking pleasure abroad, they would not think it a problem because of different moral concepts; there was no injury to our national reputation to speak of.

But now making his case public worldwide has provided good material for sarcasm abroad. And this indeed has injured our national reputation. Of course, you may punish him, saying that he is morally corrupt, and has violated discipline, but it does not make any sense to say that he has injured our national reputation."

"What do you think of the development of the current campaign to crack down on corruption? What will the result be?"

"Hard to say. The contention between the two sides is fierce at present, and it's hard to say which side is knifing the other. People are now waiting to see whether the children of Political Bureau members will be affected. Regarding economic problems, certainly some of the children of the 20-odd Political Bureau members are not completely innocent. A son of Zhao Ziyang is often the talk of the town, and can be said to have a worldwide reputation. Zhao Ziyang made a self-criticism at an NPC session 2 years ago, but the case has not been handled. And there's Peng Zhen's daugher...."

"What about the senior cadres themselves?"

"They should have fewer problems than their children. It is their way to support their children or to let things take their natural course, with one eye open and the other shut. The younger generation doing business is more convenient and advantageous. The majority of those who have made fortunes in mainland China over the past 2 years made them at home. The fortune made was not necessarily larger than those engaged in foreign trade; however, domestic business often involves a pretty wide scope. Their chief means was still a network of connections, and serving as middlemen in reselling commodities. That was even simpler than those one-man-band companies; and they got commissions into the bargain. Coupled with those children of senior cadres are the administrative people of the industrial and commercial enterprises and institutions of various places, including purchasing agents all over the country, who are quite familiar with the market quotations, information, and connections. Most of them did not put their money in the bank once they made a fortune, for fear of being found out."

According to his estimation, in the campaign to crack down on corruption, neither of the two factions will score an overwhelming victory. If the Deng faction should get the upper hand, which might lead to an imbalance of power, it would be all the more dangerous. Therefore, it is quite possible that the campaign will end in a compromise, with the two sides breaking even. Anyway, all the companies operated by members of the prince party are likely to be closed.

Outflow of Foreign Exchange and Export Restrictions

Then we came to economic issues. China's statistics bureau announced that the trade deficit in 1985 was $14.9 billion, up more than 10 times from the 1984 deficit of $1.1 billion, which illustrates a loss of control over imports, and the serious outflow of foreign exchange.

"But I don't believe the problem can be that serious." My friend said: "It costs 32 billion renminbi to get $10 billion. And $14.0 billion has exceeded our foreign exchange reserve. The official statistics are often unreliable. Now we have three figures for the foreign exchange deficit: one from the State Statistical Bureau, which is $14.9 billion, one from the Ministry of Foreign Economic Relations and Trade, which is $7.6 billion, and the other is from the Customs, which is $13.7 billion."

I asked him whether it was the contracts signed in 1984 which were implemented in 1985 that led to the huge deficit in foreign exchange. But he said, even if that was the case, the deficit would not be so large. The clampdown on imports is now a fact; the import indexes for 1986 have not been issued so far. But the strange thing is when clamping down on imports, exports are simultaneously kept under control. According to him, new stipulations were recently drawn up to clear the interference of parallel goods in foreign trade, licenses must be applied for all export goods without exception, and sources of commodities and export quotas are restricted, with only 200-odd items of goods given export licenses and their prices not to be lower than the bottom line. Such a practice is in effect restricting the medium and small businessmen and making things advantageous for state foreign trade departments and big patriotic businessmen in Hong Kong. When the general corporations of various categories monoplize export, it will affect the opening up policy in foreign trade, and the few well-known big patriotic businessmen in Hong Kong will again make tremendous fortunes. However, as the general policy of opening up will remain unchanged, the interior provinces will still think of ways to create foreign exchange through any channels. Therefore, there is no way to check parallel goods, just as is the case with smuggling. China's current foreign trade system is one way for local economies to make money and even to strive for their subsistence.

"Also, the drastic drop in oil prices in the world market has seriously affected China's exports. China's oil exports account for more than 20 percent of its total volume of exports. It is estimated that the schedules of those joint ventures involving huge sums of investment might be affected. For example, the Daya Bay nuclear power station and the Qinshan nuclear power station located in southern Jiangsu, which involve an investment of $3.5 billion."

The System of Successors Taking Over Under the Sole Arrangement of Party Committees

Then we came to the last topic. I asked my friend to talk about the conditions of, and his views on echelons of cadres taking over the positions of their predecessors. He said, he had no comment to make on the topic because there had been a lot of talk about it.

"But one point I should like to make is that there is nothing democratic in the system of successors taking over leading posts now in fashion, which is at the sole arrangement of party committees. Regarding the whole country, it is not children of senior cadres that have taken up all the leading posts in every locality of department."

"How does the system actually work out?" I asked.

"Generally, in three steps: nomination by the masses, examination by the party committee, and final approval by higher leaders. In many places, polls or investigations were conducted, and the outcome was often incongruous with the intention of the party committees concerned. So the polls served only to express some of the public opinions, by no means were they genuine nomination; they could have some reference value for party committees; and that can be counted as having listened to the masses' opinoins, which is somewhat better than it was in the past. The party committee may decide the list of successors disregarding the masses' opinions."

"What if the masses do not agree with it, will they fight against it?"

"No. Generally, they won't. But leadership has become wiser nowadays, and they avoid the disgusting elements. They pick out someone obedient, or at least politically sound.

"But such political soundness does not necessarily mean genuine implementation of Deng's line, but that of the current leadership of the unit concerned. He may have some work ability, but by no means be the best and the most able element."

"Can the requirements on educational background and age be guaranteed?"

"No problem. The concrete practice generally requires the three major members of the leading body to have an average age not exceeding 45, and their educational background ranging from junior middle school, to tertiary education. Generally, one of the three has a junior middle school educational background, one senior middle school educational background, and the other a college educational background. The former two are usually veteran cadres, or one veteran cadre and the other a middle-aged cadre. By middle-aged cadres, it means a cadre or worker of peasant origin, or demobilized Army cadre, who has rather long-standing work experience since the founding of the PRC. If these two cadres have a combined age of 100 the third party would have to be a college graduate not older than 35. Now this usually creates a problem. This college graduate can only be a worker-peasant-soldier college student brought up in the Cultural Revolution, or a post-Cultural Revolution college student of the new generation, who is very young and immature; as a matter of fact, the pre-Cultural Revolution college graduates do not have a change, otherwise, the middle-aged cadre would be elbowed out. If among the three major leading cadre positions, educated people should take up two, how can the party committee be at ease? That is usually the case at county or regimental level."

We had talked for more than an hour without noticing it. In conclusion, my friend who is very familiar with the state of affairs in mainland China said: "So long as the party leadership is retained, the democratic election in which you are interested is unlikely to occur."

WANG MENG REPORTEDLY TAPPED FOR CULTURE MINISTER

HK080716 Hong Kong MING PAO in Chinese 8 Apr 86 p 5

["Special dispatch" from Beijing by Li Ren: "Wang Meng To Become Minister of Culture; NPC Will Announce It Immediately After Approval"]

[Text] It is learned that Wang Meng is nominated to the China's minister of culture and that this nomination has been submitted to the 4th Session of the 6th NPC for examination and approval and will be announced immediately after adoption.

Although equal to any other ministry in status, the Ministry of Culture has always been a "sensitive" area and is also called a "political thermometer." Therefore, a change of minister in this ministry can arouse more concern in the outside world than in the case of other ministries.

The first minister of culture after the founding of the PRC was Mao Dun, a leading authority in the literary world. Wang Meng said that "as he was too old and I was very young at that time, I never had any contact with him." The expression "too old," of course, does not only refer to age. The second minister of culture was Lu Dingyi, head of the Propaganda Department of CPC Central Committee. The third minister of culture was Xiao Wangdong. However, during his tenure of office, he did nothing, apart from being criticized. Afterward, Huang Zhen once worked as the minister and Zhou Weizhi worked as the acting minister. The current minister of culture is Zhu Muzhi, who has a background in journalism. Like Mao Dun, Wang Meng is also a writer, so he must have a deeper understanding of the weal and woe in the literary world.

However, the literary world does not include all the literature and art circles. Asked by people whether he is also interested in other literature and art spheres, this would-be minister candidly replied that he likes music as well as drama, but does not often see movies. His indifference to movies is in order to make his bad eyes suffer less. Fortunately, movies were put under the administration of the Ministry of Radio and Television last year, so he does not have to bother about them. As a minister, a writer can hardly continue writing. Regarding this issue, different people have different opinions. Deng Youmei, a writer, says that being a minister means to stop writing, so he would not take the job if he had the chance. However, Wang Meng said that he would continue to write novels after he became minister. But whether he can do it or not only time will tell. Many readers are looking forward to Wang Meng's new works.

It is said that when some reports asked Wang Meng whether there would be major personnel changes within the Ministry of Culture, he said that "This is an issue common to all departments. People reaching retirement age should retire." As for his work plans after he takes office, Wang Meng said that it is still early to answer this question.

FORMER HOTELIER ARRESTED FOR ECONOMIC CRIMES

HK041001 Hong Kong WEN WEI PO in Chinese 3 Apr 86 p 2

[Report by reporter Lan Ching-chung from Guangzhou: "Former General Manager Yang Xianting Arrested for Economic Crimes"]

[Text] Yang Xianting, a celebrity in tourism circles in Guangzhou, was recently arrested on the grounds of suspicion of committing economic crimes. The Guangdong Provincial People's Procuratorate will raise charges against him.

Between 1973 and May 1984, Yang Xianting was the general manager of Dongfang Hotel in Guangzhou. It is learned that his case mainly involves economic crimes. The Discipline Inspection Commission conducted thorough investigation of his case before his arrest. Yang was later suspended from his duties for further examination. (At that time, he was transferred to another post and headed the office of a certain Guangzhou unit). After it was confirmed that Yang violated the laws, the prosecuting department approved his arrest to allow him be tried by law.

It is learned that when explaining this legal action to the Dongfang Hotel leadership, the departments concerned particularly stressed that the fact that Yang Xianting is suspected of violating the laws concerns only himself and has nothing to do with the hotel. Over the years, Dongfang Hotel has scored great successes in opening up, utilizing foreign capital and reforms. These successes were made mainly because of correct central principles and policies, as well as the support of leadership at the upper level. But the staff of the hotel, including Yang, also contributed their efforts. The case that Yang was suspected of violating the laws is another matter. Furthermore, the responsible people of the departments concerned encouraged the hotel to make greater successes.

In 1977, Dongfang Hotel took the lead in utilizing foreign capital for renovation. In winter last year, it carried out a further full-scale renovation and improved its standards to those of an international luxurious hotels. Since then, business has become more brisk. Its profits totalled 21.52 million renminbi last year. Therefore, it enjoys high prestige at home and abroad.

Further Details

HK041003 Hong Kong SOUTH CHINA MORNING POST in English 4 Apr 86 p 1

[Text] Guangzhou graft investigators have arrested a former close aide of Prime Minister Zhao Zhiyang for alleged "economic crimes." The suspect, Yang Xianting, is considered to be one of Guangdong's pioneers in instituting economic reforms as the former general manager of Guangzhou's show-case Dongfang Hotel. Built in the 1950's on the instructions of Mr Zhao, who was then the province's party first secretary, the Dongfang was one of the top four hotels in China before Western-style hotels started rising in the country in 1979. News of Yang's arrest broke in Guangzhou last week but it is understood that he was arrested by the Guangzhou People's Procuratorate last month.

Mr Chen Rufeng, deputy general manager of the hotel, told the SCM in a telephone interview yesterday that the crimes were allegedly committed between 1973 and 1984. But Mr Chen refused to disclose details of the alleged offences, said to have been committed while Yang was general manager of the hotel.

Yang left the hotel in mid-1984 amid rumours that he was involved in immoral activities as well as other "mistakes." The allegations quietened down after Yang put out an outright denial. He was then transferred to head a new government office in charge of the development of Whampao area near Guangzhou but he kept an office suite in the hotel.

A spokesman for the Guangdong disciplinary committee also told the SCM POST yesterday that since the case had not been publicised in China, newspapers in Hong Kong should refrain from reporting the case for the time being. News of Yang's arrest was reported yesterday by the pro-Beijing WEN WEI PAO in Hong Kong but it gave no details of the case. "Yang's crimes were linked with his own personal affairs and had nothing to do with the hotel," the paper said.

Yang enjoyed the confidence of Mr Zhao, who praised him for contributing substantially to Guangdong's economic development. He also won high praise for his capability, efficiency and far-sightedness in introducing joint-ventures in the province before China decided to open its doors to foreign investors. Yang was also commended for guiding Dongfang out of the doldrums by bringing in new management measures as well as foreign investment to Guangzhou as early as 1979. In that year, the Dongfang became the first state-owned hotel to use foreign funds for renovation work under China's open-door policy.

FBIS DAILY REPORT

China

CONTENTS

Vol I No 068 9 April 1986

PRC INTERNATIONAL AFFAIRS

GENERAL

Foreign Ministry Spokesman Holds Weekly Briefing A 1
Delegation To Attend UNESCAP Session A 1
Refutes 'Threat Against India' A 1
PRC Denies Report on Asian Games Participation [KYODO] A 1
PRC Endorses G-24 Analysis, Says Li Peng A 1
Bank Official Discusses PRC Stake in ADB [JINGJI RIBAO 4 Apr] A 2
Foreign Correspondents' Visit to Afghanistan A 3

SOVIET UNION

Russian Deputy to NPC Session Interviewed C 1
USSR Forms New Bureau on Space Technology C 1

NORTHEAST ASIA

Heilongjiang, Japanese Company To Cooperate D 1
LIAOWANG Sees Political 'Storms' in South Korea [31 Mar] D 1

SOUTHEAST ASIA & PACIFIC

Deported Chinese Newspapermen Revisit Philippines E 1
Manila Residents on Changed Political Situation E 2

SOUTH ASIA

Afghan Rebel Leader Says Soviets Must Leave F 1

WESTERN EUROPE

Further Reportage on Visit by Greek Prime Minister G 1
Papandreou Tours Great Wall G 1
Wu Xueqian, Greek Counterpart Talk G 1
Kang Keqing Meets Papandreou's Wife G 1
Li Xiannian, Papandreou Hold Talks G 1
Meeting With Deng Xiaoping G 2
FRG Official Hails PRC's Economic Successes G 3
Italian Naval Vessels End 'Unofficial' Visit G 3
Zhao Ziyang Meets European Scholars of Chinese G 4
Zheng Tuobin Meets Danish Delegation 8 Apr G 4

I. 9 A[illegible]

EASTERN [illegible]

More Reportage on Yugoslav President's Visit H 1
Feted in Guangdong H 1
Departs for Home H 1

MIDDLE EAST & AFRICA

Moroccan Parliamentarians Leave for Home I 1
Qiao Shi Meets Tanzanian Home Affairs Minister I 1
African National Congress Delegation in PRC I 1
Welcomed in Wuhan I 1
Feted by Hunan CPC Secretary I 1
Ni Zhifu Meets Egyptian Trade Unionists I 2
Trade Union Leader Meets African Delegations I 2

WESTERN HEMISPHERE

Mexican Senate President Meets NPC Delegation J 1
NPC's Zhou Guchen Meets Brazilian Trade Group J 1
PRC Culture Minister, Others Meet Chilean Official J 1
RENMIN RIBAO Hails Latin American Statement J 2

PRC NATIONAL AFFAIRS

Minister Says No Nuclear Plant Imports [KYODO] K 1
Peng Zhen, Others Hear NPC Reports 8 April K 1
Zheng Says Order Improving K 1
More Pressure on Economic Crime K 2
Civil [illegible] K [illegible]
[illegible] K
Xu Ji[illegible] Plan [illegible]
CPPCC [illegible]
'Good [illegible]
Adv[illegible]

JINGJI [illegible] Innovations [27 Mar] K [illegible]
New Pla[illegible]ation K 10
Trade Union [illegible] Support for Plan K 11
Xi Zhongxun, Others Mourn Noted Writer K 11

PRC REGIONAL AFFAIRS

EAST REGION

Fujian Personnel Meeting on Cadre Appointments O 1
[FUJIAN RIBAO 27 Mar]
Fujian Congress Standing Committee Meeting Ends O 1
[FUJIAN RIBAO 29 Mar]
Jiangxi Leaders at Political, Legal Meeting O 2
Rui Xingwen, Others Attend Shanghai Law Lecture O 4
Zhejiang's Wang Fang Meets Plant Director 3 Apr O 4

[illegible]-SOUTH REGION

Guangdong Official Urges Fighting Economic Crime [KAIFANG 8 Mar] P 1
Henan Conference on Reform of Titles Ends 31 Mar P 5
Henan Encourages Ordering Grain by Contract P 5
Mao Zhiyong, Cadres Work in Hunan Rural Areas P 6

SOUTHWEST REGION

Sichuan University Oversees Student Organizations Q 1
Xizang's Doje Cering on Developments in Work Q 1
Yunnan Holds Political-Legal Conference on Crime Q 3

NORTHWEST REGION

SHAANXI RIBAO on Reform, Party Style Issues [9 Apr] T 1
Xinjiang Circular on Agriculture, Livestock T 1
Xinjiang Issues Regulations on Peasants' Burdens T 2
Wang Enmao Expresses Desire to Stay in Xinjiang T 3

HONG KONG MEDIA ON CHINA

Qiao Shi, Song Jian Reportedly Nominated for Posts [WEN WEI PO 5 Apr] W 1
Xiang Nan Challenges Draft Law on Foreign Firms [SOUTH CHINA MORNING POST 9 Apr] W 1
Former Health Minister on Deng Xiaoping's Health [TA KUNG PAO 9 Apr] W 2
[illegible] Views on Nuclear Plant Reports Examined [SOUTH CHINA MORNING POST 6 Apr] W 3

Delegation to Attend UNESCAP Session

OW090912 Beijing XINHUA in English 0858 GMT 9 Apr 86

[Text] Beijing, April 9 (XINHUA) -- The Chinese Government will send Vice Foreign Minister Qian Qichen as the head of a Chinese delegation to attend the 42th session of the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP). A Foreign Ministry spokesman made the announcement at today's weekly news briefing here this afternoon. He said the meeting will be held in Bangkok, Thailand from April 22 to May 2.

Refutes 'Threat Against India'

OW090936 Beijing XINHUA in English 0930 GMT 9 Apr 86

[Text] Beijing, April 9 (XINHUA) -- A Foreign Ministry spokesman today refuted the allegation about the so-called "China's threat against India" in the Indian Defense Ministry's Annual Report.

Commenting on reporters' question concerning the claim of the Indian Defense Ministry in its 1985-1986 Annual Report that China constituted one of the threats against the security of India and its allegation that China was involved in Pakistan's nuclear program, the spokesman said the so-called "China threat" was "absurd and not worth refuting."

[illegible]ina is now dedicated to its socialist modernisations at home and persistently pur- [illegible] an independent foreign policy of peace in international affairs, he said. "We [illegible] and friendship with India." As to the [illegible]

[illegible]

[Text] Beijing, April 9 KYODO -- A spokesman for the All-China Sports Federation reiterated Wednesday that a decision regarding China's participation in the 20th Asian Games in Seoul this fall has not been reached yet. The official was commenting on a report carried Monday in the Hong Kong daily, ZHONG BAO, that a decision to participate in the games in Seoul had been reached in January.

The report also said that China had informed North Korea of its decision and had asked for its approval. A spokesman for China's Foreign Ministry, commenting on the same report, said that the question of China's participation in the Asian games was under the Sports Federation's control.

PRC ENDORSES G-24 ANALYSIS, SAYS LI PENG

OW090900 Beijing XINHUA in English 0702 GMT 9 Apr 86

[Text] Washington, April 8 (XINHUA) -- China endorses the comprehensive analysis and assessment of the Group of 24 (G-24) on debt crisis and fully supports its reasonable demands, deputy Chinese Finance Minister Li Peng said here today. Speaking at a G-24 ministerial meeting which opened here today, Li called on the industrial countries to "gear their efforts toward helping the Third World countries in order to tide them over the present period of difficulty."

[illegible], met early last month and [illegible] interest rates on existing loans [illegible] debtor nations. The demand is a step beyond what has been offered by U.S. Treasury Secretary James Baker in what is known as "the Baker initiative" that calls for 29 billion dollars in new loans to key debtor countries. According to Baker, nine billion dollars of the new loan will come from multilateral lending institutions such as the World Bank and the International Monetary Fund (IMF), and 20 billion will come from commercial banks. So far, not a single penny has emerged under the Baker plan.

On reforming the world's financial system, an issue that has occupied the attention of the developing countries for years but which has been stubbornly resisted by the industrial countries, Li Peng said the present instability of the international monetary and financial system have put restraints on the development of the world economy, as well as aggravated uncertainty. He declared that China supports the proposal by G-24 to establish a representative committee of ministers from developing and industrial countries to examine various proposals on the reform of the world monetary system. "In our opinion, it is of great importance to set up such a committee to make a comprehensive examination of these proposals so that preparations can be made for the convening of an international conference when the conditions are fully developed," he added. The Chinese minister also expressed his concern over the decline in both oil and non-oil commodity prices which is directly affecting the developing countries' debt-servicing capability, financing and economic development.

The G-24 started its discussions on April 6 and will end them tonight by issuing a communique outlining the Third World's opinion on a wide range of global economic issues. China participated in the discussions as a special invitee.

BANK OFFICIAL DISCUSSES PRC STAKE IN ADB

[illegible] Section A Apr 86 p 4

[illegible] Bank of China Answers Questions [illegible] Bank"]

[illegible] Development Bank (ADB) come from?

[illegible] The ADB's capital is divided into two parts: ordinary capital and the special fund.

The main sources of ordinary capital are: 1) Capital stocks subscribed by member states which so far are valued at about $18.5 billion, of which paid capital is $2.2 billion; and 2) in order to supplement its capital, the ADB issues bonds in the international financial markets in the FRG, Japan, the Netherlands, Switzerland, and Britain, respectively. By the end of September 1985, the ADB loans not yet repaid totaled $5 billion. In March this year, the ADB again issued 20 billion Japanese yen (approximately $110 million) in bonds in Japan. Ordinary capital is primarily used to grant ordinary loans to the developing member states.

The main sources of the special funds (including the Asian Development Fund and the Technical Aid Fund) are: 1) Money voluntarily donated by member states; and 2) 10 percent of the subscribed capital is allocated to serve as a special fund.

By the end of September 1985, the Asian Development Fund had received $5.8 billion which was to be used primarily to offer preferential loans to the developing member states with low incomes. The Technical Aid Fund had received $80 million which was to be used primarily to offer free feasibility studies concerning aid projects.

Question: How much has China subscribed to and paid for capital stocks of the ADB?

Answer: China has subscribed to 114,000 capital stocks of the ADB, valued at around $1.3 billion, calculated according to 10,000 special drawing rights per share. Of subscribed capital, paid capital stocks totaled 13,691 and deferred capital stocks, 100,309. Of the paid capital stocks subscribed by China, 43.46 percent were in convertible currency, valued at around $68 million; and 56.54 percent were in renminbi, valued at around 300 million yuan. The paid capital stocks are to be paid in 4 years, an average of a fourth each year. The first installment has already been paid. The verified capital stocks of the ADB, including those subscribed by China, now total $18.4 billion. The capital stocks subscribed by China account for 7 percent, ranking third among 47 member states.

FOREIGN CORRESPONDENTS' VISIT TO AFGHANISTAN

HK081023 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 4 Apr 86 p 6

["Jottings" by Ru Sheing: "How Can Caviar Gloss Over One's Blemishes?"]

[Text] Not long ago, the aggressor Soviet troop authorities generously financed a trip to Afghanistan for 20 correspondents resident in the Soviet Union. The Soviet authorities treated the correspondents to delicious caviar and roast mutton. The Soviet ambassador to Kabul also showed unusual enthusiasm for these foreign correspondents. When they arrived in Afghanistan, the ambassador smilingly greeted the correspondents: "How do you do? How do you do? All the bandits have been wiped out and the country has embarked on the road to peace. Please see for yourselves." The reason why Moscow had given so much thought to the matter was to try to use foreign correspondents to tell the people the world over that with the "selfless assistance" of the Soviet troops Afghanistan has become "a land of peace and happiness."

However, no sooner had the ambassador stopped speaking than a rocket exploded a few feet from the Intercontinental Hotel where the correspondents were staying. Not long after this, a MiG, made in the Soviet Union, was shot down near the Kabul customs area. Four Russians and eight Afghans in the plane all died.

The above breathtakingly satirical experience of some of the correspondents, was recently disclosed by the French weekly PROBLEME.

Originally, the Soviet authorities intended to gag the correspondents with caviar and make use of their reports to cover up the real situation by presenting a false picture of peace and prosperity. However, after a few days' visit, the correspondents drew conclusions entirely different from those the Soviet authorities wished them to have. What the correspondents saw was not a scene of peace and prosperity, nor a land governed in a kingly way. Instead, they saw the ruthless crimes of war committed by the Soviet Union. Therefore, in their reports, the correspondents wrote: "In Paktia Province alone, 8,000 villages have been leveled to the ground." "The Russians are no longer trying to seize the villages, but to thoroughly destroy them." "More than 10,000 Soviet troops were killed and 16,000 wounded." "This trip financed and organized by Moscow is merely a diplomatic offensive." Unexpectedly, no one eulogized the virtues and achievements of this unjust war launched by Moscow.

It was a wild goose chase trying to gloss over an inglorious face with paint.

RUSSIAN DEPUTY TO NPC SESSION INTERVIEWED

OW080750 Beijing in Russian to the USSR 1800 GMT 6 Apr 86

[Excerpts] Dear Soviet radio listeners: The Fourth Session of the Sixth NPC is presently under way in Beijing. Among the 2,900-odd people's deputies is a Russian from the Xinjiang Uygur Autonomous Region, Vera Sergeyevna Shulgina. Here is what she said in an interview with our correspondent:

[Begin Shulgina recording] Dear Soviet radio listeners: I am very pleased that I have the opportunity to say a few words to you through Beijing Radio. In 1983 I, a simple worker, was elected a Deputy to the Chinese NPC and I was overcome with great happiness and excitement. There are 56 nationalities living in China, and all enjoy equal rights. Although there are only 1.900-odd Russians in China, the party and the government treat us with the same attention and respect as the other nationalities. The best indication of this is fact that I was elected a people's deputy. I came to Beijing to discuss important government business with party and government leaders, and with deputies of other nationalities. This is not only an honor for me personally, but for all Russians livi. g in China.

At this session, Premier Zhao Ziyang gave a report on the Seventh 5-Year Plan. The report summed up the great successes on all fronts of our country in the past 5 years, pointed out shortcomings and questions in the work, and proposed tasks and goals of the Seventh 5-Year Plan, as well as its course and political provisions. I fully support this report.

In 1938, when I was 8 years old, my whole family moved from Boli, that is from Khabarovsk, to Xinjiang. Now, I am in my fifties. For a time, I worked in a hospital and later as a cook in a nursery school in (Qiguchang). I am married and have a son. We all receive a wage, and we all live very well. We have a 5-room house. We have a colored television receiver, a radiola [magnitola] and a washing machine. We also wish to buy a refrigerator. My daughter is already married. She graduated from the Russian language faculty of Xinjiang University and is now working in the library of the Xinjiang University and in the library of the Xinjiang branch of the Chinese Academy of Sciences. This is my fourth trip to Beijing to attend Chinese NPC sessions.

I am convinced that the peoples of our country united as one and waging a common struggle will successfully fulfill the Seventh 5-Year Plan and make our life even better. In conclusion, I wish to take this opportunity to send greetings through Beijing Radio to my sister Tamara, my only relative in the Soviet Union, and to all her family. I wish them happiness and health and sincerely hope that they will visit us (?in Xinjiang). [end recording]

USSR FORMS NEW BUREAU ON SPACE TECHNOLOGY

OW080910 Beijing XINHUA in English 0715 GMT 8 Apr 86

[Text] Moscow, April 7 (XINHUA) -- The Soviet Union has established a new bureau to deal with its rapidly developing space industry, the Soviet official news agency TASS reported yesterday. Aleksandr Dunaeb, director of the Bureau for the Management of Space Technology, said many of the Soviet launched space apparatus are exploring the country's mineral deposits, supervising seed sowing and aiding in the protection of forests and in the effective use of water resources. He also said that space communications, navigation, meteorological satellites and orbital searching and rescuing were within the scope of space technology. He added the Soviet Union was going to build branch systems to gather and use space information, which will become indispensable planning data for many departments and research centers in the Soviet Union.

HEILONGJIANG, JAPANESE COMPANY TO COOPERATE

OW081844 Beijing XINHUA in English 1831 GMT 8 Apr 86

[Text] Harbin, April 8 (XINHUA) -- The Mitsui Bussam Co. Ltd. of Japan has entered all-round cooperation with China's Heilongjiang Province in its economic development, officials here said today. It signed two agreements with the provincial government yesterday, on economic and technological cooperation and the building of polyester plant, respectively. The first agreement covers cooperation in the development of Heilongjiang's petro-chemical industry, tourism and natural resources including coal. Under the second agreement, the two sides will jointly build the Daqing polyester plant through compension trade. The Japanese side will provide funds and equipment in 15 years for the plant, which is expected to produce 60,000 tons of polyester chips and 20,000 tons of polyester staple fiber a year.

LIAOWANG SEES POLITICAL 'STORMS' IN SOUTH KOREA

HK050401 Hong Kong LIAOWANG Overseas Edition in Chinese No 13, 31 Mar 86 pp 28-29

[Article by Gao Haorong: "Political Storms are Rising in South Korea"]

[Text] Recently, opposition parties and organizations, democratic people, and young students in South Korea have repeatedly set off waves of struggle aimed at opposing the present regime, pressing for changes in the existing "constitution," effecting "direct presidential elections" and realizing social democracy. In order to accomplish these demands, the five opposition parties and organizations, including the New Korea Democratic Party (NKDP), have united for the first time and set up a liaison organization called "the National Liaison Organization for the Promotion of Democracy."

These waves of struggle against the present regime started on 12 February when the NKDP and the opposition organization "Council for the Promotion of Democracy," headed by well-known democratic persons Kim Tae-chung and Kim Yong-sam, jointly launched a campaign to "collect 10 million signatures in favor of constitutional amendments." After its major victory in the 12th "National Assembly" election in February 1985, the NKDP has become the largest opposition party in South Korea, it has changed the situation where in the ruling Democratic Justice Party (DJP) had an absolute predominance and made dictatorial decisions in the "National Assembly," following Chon Tu-hwan's assumption of the 'presidency' in 1981. The NKDP maintains that the existing "constitution" of October 1980 "defies the fundamental principles of democracy and the principle of separating administrative, executive, and judicial powers," and it therefore lacks legitimacy. They demanded that "indirect presidential election" be changed to "direct presidential election" and that social democracy be realized in South Korea. They declared their intention to launch "the campaign of collecting 10 million signatures in favor of constitutional amendments." The NKDP's aim is to reduce the 7-year-long tenure of office of the current president, hold "a real democratic election," and set up "a democratic government." This program and plan is supported by Kim Tae-chung and Kim Yong-Sam, both of whom are rather influential in South Korea, as well as many opposition organizations and young students. An opposition organization "The Federation of Mass Movement for Democratic Unification" headed by the Rev. Mun Ik-hwan, a democratic person, set up a committee to achieve a democratic constitution and hold a meeting of action for a democratic constitution, at the same time calling for setting up a democratic government. Some university students declared their intent to establish constitutional amendment boards at each university and joined the signature campaign.

Immediately after the start of the signature campaign, which had been brewing for a year, the authorities proclaimed it "illegal." In the first few days of the signature movement, police placed Yi Min-u president of the NKDP, and Kim Tae-chung and Kim Yong-sam repeatedly under house arrest, twice carried out sudden, forced searches of the general NKDP headquarters and the office of the Council for the Promotion of Democracy, confiscated documents and propaganda materials concerning the signature campaign, arrested many NKDP members who participated in the signature campaign, and carried out sudden searches of 129 [figure as published] universities. These atrocities by the authorities have stirred up strong resistance from the opposition forces. The NKDP stressed that the signature campaign was a peaceful movement, reflecting the wishes of the people for democracy, and that "it would carry on with the campaign even if all its 600,000 members were put in jail." The other opposition forces also expressed on many occasions their determination to carry on the signature campaign until 10 million signatures are collected.

Faced with all this, on 24 February Chon Tu-hwan hastily invited the representatives of the Democratic Justice Party, the New Democratic Party, and the Korean National Party to "have lunch together." Chon Tu-hwan once again declared that he would create "a precedent of peaceful transfer of state power" in South Korea, claiming that a constitutional research committee responsible to the "president" and the "national assembly" could be set up to study the existing "constitution." However, he insisted that the issue of "constitutional amendments" would not be discussed until 1989.

Chon Tu-hwan's "consolation" to the opposition parties did not achieve the hoped-for results. Yi Min-u said his party "had decided not to accept" Chon Tu-hwan's proposal. Kim Tae-chung and Kim Yong-sam pointed out that Chon Tu-hwan's proposal was "a political scheme" with no discussion value. In March the NKDP published the namelist of nearly 6,000 signers and made known its schedule to amend the "constitution" this autumn and conduct an "indirect presidential election" next autumn. It also announced that the NKDP would refuse to take part in the next "presidential election" if it were held in accordance with the existing "constitution."

With a view to further promoting the signature campaign, on 11 March the NKDP held a rally, proposing to fight for democracy and "overthrow the military dictatorship by conducting a direct presidential election." After the rally, Yi Min-u and Kim Yong-sam led the participants in a demonstration. According to some foreign observers in Seoul, "this was the biggest political demonstration held since Chon Tu-hwan came to power."

Meanwhile, persons of various circles and students were actively supporting and taking part in the signature campaign. Not long ago, ignoring the threat of a possible 7-year-long imprisonment by the authorities, some 300 persons from religious, legal, and journalist circles signed the namelist in favor of "constitutional amendments." On 14 March, the Christian Council issued a statement saying that the democratic process in South Korea had been delayed for 40 years, that "we will not wait any more" and that demands for "constitutional amendments" were an inviolable right of the Korean people.

Since the current academic term began on 3 March, young students have repeatedly held "anti-government" rallies and demonstrations. In the last few days, several thousand students from Seoul University, Korea University, Yonsei University, and Sokang University have held a large rally and demonstration. demanding democracy and a "direct presidential election." It seems that in the coming "spring struggle" of the young students, they will work in concert with the opposition forces and set off waves of anti-government struggles on an ever large scale.

South Korea has been under dictatorial rule for a long time. After former "president" Pak Chong-hui was assassinated, with the military as his backing, Chon Tu-hwan came to power by wantonly purging the opposition and putting down the people's struggle for democracy. In May 1980, he bloodily suppressed the Kwangju people's uprising, slaughtered many demonstrators, and arrested and sentence Kim Tae-chung to death. Under world pressure, he later changed Kim's sentence to 20 years of imprisonment, banishing him to the United States. All these actions by him have stirred up indignation on the part of the opposition and students. During his 5 years in power, Chon Tu-hwan has exercised military dictatorship, suppressed freedom of speech, at every turn employed police to put down democratic persons and young students, arresting, sentencing, and putting them under house arrest on various charges. Refusing to accept this, the opposition forces and students demand that Chon Tu-hwan leave office. Their cry for soical democracy is being heard increasingly. They maintain that Chon Tu-hwan's promise to "peacefully transfer state power" in 1988 cannot be trusted, that his insistence on discussing the issue of "constitutional amendments" in 1989 is only an attempt to "regain state power" a year after he steps down in 1988.

Since Chon Tu-hwan grabbed state power, social irregularities have emerged in an endless stream. In particular, financial scandals have cropped up one after another and on an ever larger scale. Many people believe that the major "fraudulent case of Chang Yong-cha's promissory notes" involved Chon Tu-hwan. Recently, it was disclosed that in order to meet some sudden emergency, Chon Tu-hwan used a large amount of foreign exchange to order two super luxurious, special Boeing jets. All this has caused widespread dissatisfaction among the people. The people are complaining about the inestimable foreign debts and increased unemployment.

The waves of anti-government struggles are surging ahead, putting the South Korean authorities on pins and needles. The authorities recently declared that they had to regard the statements and actions of the NKDP and other opposition organizations "as revolutionary lines aimed at inciting uprisings by the people." This shows that the authorities might once again suppress the opposition forces. This will undoubtedly further the antagonism between the government and the opposition forces and make the political situation in South Korea more tense and turbulent.

DEPORTED CHINESE NEWSPAPERMEN REVISIT PHILIPPINES

HK071007 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0755 GMT 4 Apr 86

[By Reporters Xu Shaoling and Zhang Suifeng: "Revisiting the Philippines After an Absence of 16 Years -- an Interview with Yu Chang-cheng and Yu Chang-keng, Veteran Chinese Newspapermen in the Philiprines"]

[Text] Manila 4 Apr (ZHONGGUO TONGXUN SHE) -- Less than a week after Marcos' fall, the two brothers, Yu Chang-cheng, former director of the Manila "OVERSEAS CHINESE COMMERCIAL DAILY" and Yu Chang-king, former chief editor of the same paper, returned from the United States and Canada respectively, to the Philippines, the country in which they were born and brought up, and from which they were deported by the Marcos government in 1970. On the afternoon of the day when Mr. Yu Chang-keng was to leave the Philippines for Canada, the two brothers agreed to our interview in a Spanish-style club.

Marcos' Fall Was the Inevitable Result

Yu Chang-keng said that revisiting the Philippines after an absence of 16 years, he found rather great changes. Economically, polarization has become all the more grave. The rich have grown richer, and many skyscrapers have been built. But everywhere one finds rickety houses, beggars, poor people, peddlers (actually the unemployed in disguise.) True, 5 star-hotels are many, but cumstomers are few. Such things worry people about the future of the Philippines. He said, when I left the country, Manila had a population of less than three million, now it has grown to eight million. This is the outcome of rural bankruptcy, with poor peasants pouring into the big cities trying to make a living. Besides, the decline and impoverishment of the middle classes is one of the major causes leading to Marcos' fall. A more important change Yu Chang-keng continued, was that the wealthy upper classes also became disappointed in Marcos two years ago. With the assassination of Aquino, the economy came to a complete halt. People of the upper strata failed to do any business, and they began to turn against Marcos as all social strata did. Not thinking there would be any future if Marcos continued in power, people were yearning for a change. Therefore, Marcos' fall was the inevitable result of history.

Corazon Aquino Is the Best Choice

Regarding the victory of Corazon Aquino in the current presidential election, the Yus believed that this was inevitable, too. According to Yu Chang-cheng, some people did show doubt over Corazon being a woman and not knowing much about politics; but more people believed that the solution to the problems of the Philippines does not lie in whether someone is capable. The "ablest" man in the Philippines should have been Marcos; however, he has turned the nation into what it is today! What the nation needs is an honest and trustworthy leader who genuinely serves the people. And Corazon is the best choice. Yu Chang-cheng said that Corazon had no experience whatever in government, but now it seems that her political ability is maturing with each passing day. The composure and presence of mind she displayed after she won the presidential election was admirable. She has inherent ability.

The Road Is Tortuous, the Political Power Is Stable

Looking into the Philippines' future, the Yu brothers believed that it will be better than Marcos' times in every respect. The impact of the United States will be reduced with each passing day, and the nationalist elements of the new government have grown stronger than any other government since Philippine independence.

Although the nation's road will still be tortuous in the short term, and the resistance of old military and political forces still exists, there is no problem about the stability of the new government, and the main problem facing it now is of an economic nature. Yu Chang-keng also believed that Corazon has become the symbol of the nation, and nobody can take her place now. The fate of the Philippines has now become one with hers. He told us that since she took presidential office, she has not moved into the Malacanang Palace, but is still living in a small town in suburban Manila. Many of the Philippine people are very concerned about her security.

Advice to the Overseas Chinese Society

Despite many problems still existing in the Philippines, the Yu brothers are rather optimistic about its future. They expressed their willingness to render service to the success of the new government, and their conceptional plans include the revival of the "OVERSEAS CHINESE COMMERCIAL DAILY," in order to mobilize the Overseas Chinese society to promote the construction of the Philippines with man power and finances, which would not be limited within the Overseas Chinese society itself. The Yu brothers stressed that the Overseas Chinese in the Philippines must regard the Philippines as their own country. Their future and fate must be closely connected with those of the Philippines. The Overseas Chinese must achieve cultural harmony with the Philippine nation, bringing in the merits of Chinese cultural traditions to enrich the nation's culture. At present, the top priority task of the Overseas Chinese is to better unite themselves and plunge into the construction of the Philippines under the leadership of the new government.

Dedicate the Rest of Their Lives to The Philippines

At present, the Yu brothers are residing in the United States and Canada. They are still considering whether they should return and settle down in the Philippines and because of a 16-year absence from the Philippines, it will take some time to make arrangements for their personal affairs and families. But they said: We will do our best to return to the country in which we were born and brought up, and dedicate the rest of our lives to it.

These reporters had had no previous connections with the Yu brothers but through this brief contact, we found their feelings for the Philippines had not faded with time and neither have the Philippine people forgotten them. This is because they have made great sacrifices for the freedom, democracy, and social justice of the Philippines. No wonder some Philippine friends call them the "wealth of the Philippines."

MANILA RESIDENTS ON CHANGED POLITICAL SITUATION

HK041015 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0950 GMT 3 Apr 86

[By reporters Zhang Suifeng and Xu Shaoling: "Manila Residents View the New Political Situation in the Philippines" -- ZHONGGUO TONGXUN SHE headline]

[Text] Manila, 3 Apr (ZHONGGUO TONGXUN SHE] -- A journalist in Manila says that it is wrong to believe that no new changes have taken place in the Philippines since the "revolution" which led to the downfall of Marcos; and that it is also incorrect to think that all the problems have been solved. There is still a long way to go for the Philippine people to achieve total national and economic independence. A month after Corazon Aquino was sworn in to become the new Philippine president, the reporters came to visit Manila and listened to the opinions of personages of various circles on the situation in the Philippines under the rule of the new government.

Having personally experienced the recent transfer of state power, although inhabitants in Manila view the new political situation differently, they almost unanimously support the new president. As for the downfall of Marcos, they only regard it as an inevitable outcome of history.

A deputy bank manager said that in addition to the support of the people of lower strata and the church, Aquino is also clearly supported by the middle class and the upper circles. Notwithstanding that businessmen are always more conservative and tend to be content with things as they are, however, in this election campaign, businessmen of the Makati business area in Manila also unprecedentedly took part in the street rallies and demonstrations in their Western-style clothes. While the Chinese community does not often participate in political activities, many Chinese youths also joined the masses in safeguarding the barracks of the mutineers and the TV station, thus supporting the new government with their actual deeds. It was because the whole nation despaired of the old regime that Aquino came to power.

From an ordinary housewife to head of state, Corazon Aquino first impressed people with an image of being innocent, open and aboveboard, pure and selfless, winning extensive sympathy and support because of her assassinated husband. Can such an inexperienced woman who knew nothing about politics effectively rule this country with numerous tasks to be undertaken? It is generally believed that, although Aquino still appeared to be hesitant in the initial stages of the election campaign, after becoming president she grew so fast politically that people have had to look at her with new eyes. A personage of the financial circles holds that several things done by Aquino after she assumed office show that she is honoring her promises made during her election campaign, thereby demonstrating her daring and resolution. Most outstandingly, she has released the leaders of the Communist Party of the Philippines [CPP], despite the disapproval of some people. However, her supporters believe that her move can remove the antagonism between the government and the CPP, strive for national stability and enable the state to concentrate on resolving major issues.

Regarding the new government's abolition of the bureaucratic monopolies established during the Marcos' reign, personages of various circles in the Philippines all express their appreciation, believing that this will contribute to the development of free enterprise and stimulate the economy. In recent months, the value of the peso has been rising; and the stock market which was on the brink of closing on several occasions has once again become brisk. This is a phenomenon rarely seen over the last few years.

On 15 and 16 March, the Philippine Development Academy conducted a public opinion poll on the future of the state and individuals among the inhabitants in Metro Manila and the result shows that the majority of the people are optimistic about the state as well as their own future and that 79 percent of the interviewees agree that "the possibility for the Philippines to attain development is greater than before."

At present, it is generally believed that the biggest issue facing the new government is the economy. In recent years, because the economy was at a standstill, inflation was very serious, the national treasury was empty, and external debts reached $24.8 billion, resulting in the Philippines becoming the fifth biggest debt-ridden country in the world. As a result of the bankruptcy of the rural economy, the number of poor people in the urban areas has greately increased. Due to the wide gap between the rich and the poor, the masses live in dire poverty and the problems of social and national security have also become more and more serious. Therefore, the Philippine people are confronted with the formidable task of rebuilding the national economy.

AFGHAN REBEL LEADER SAYS SOVIETS MUST LEAVE

OW061340 Beijing XINHUA in English 1306 GMT 6 Apr 86

[Text] Islamabad, April 6 (XINHUA) -- A top-ranking Afghan guerrilla leader said here today that the only way to a peaceful solution of the Afghan problem lies in the immediate and unconditional withdrawal of Soviet troops from Afghanistan. In an exclusive interview with XINHUA this morning, Gulbuddin Hekmatyar, president of the Islamic Party of Afghanistan (Hezbi-Islami), [spelling of names as received] pointed out that as the six-year old Afghan war emanated from Soviet armed invasion of Afghanistan, a tiny central Asian Muslim state, therefore "any solution should be based on Soviet pullout completely and at one time."

Commenting on the reported remarks by Soviet leader Mikhail Gorbachev in which he described the Afghan issue as "bleeding wound", Hekmatyar said: "I do not think that the Soviet Union is now willing to withdraw in the very near future although they have to do so. Russians are actually trying to show that they are in favor of a peaceful settlement of the Afghan issue, not through military means."

"But," he said, "their real intention is to solve the festering issue militarily. The Russian troops in Afghanistan are increasing their atrocities against our people. They are launching more offensives than ever before in Konarha, Paktia, Nangarhar, Qandahar, Herat, Takhar and some other provinces."

"Of late," Hekmatyar disclosed, "the Russian troops have dispatched many helicopters to drop commandos in bullet-proof clothes around Mujahidin (resistance fighters) bases for surprise attacks. "Spetnutz", specially-trained forces of the Soviet Union, have also been thrown into fightings against the Afghan Mujahidin."

Asked about the seventh round of Geneva indirect talks on Afghanistan which is scheduled on May 5 and expected as the "last, lucky and decisive round", Hekmatyar reaffirmed his position that the real warring parties in Afghanistan are the Soviet troops and Afghan guerrillas.

"Without the participation of the two parties," the former spokesman of the Seven-Party Resistance Alliance emphasized, "It wound be very difficult, if not absolutely impossible, to make any substantial progress in seeking a negotiated settlement to the Afghan problem." He, however, expressed his optimism about the resistance movement, the situation of which, he said, "is better than before". "The Afghan nation has paid dearly for the restoration of its independence, yet they are still fighting in high morale," he observed.

"The Afghan Mujahidin are prepared for a long war till their final victory. They will never lay down their weapons before winning sovereignty and freedom of their country," he stressed.

FURTHER REPORTAGE ON VISIT BY GREEK PRIME MINISTER

Papandreou Tours Great Wall

OW081520 Beijing XINHUA in English 1440 GMT 8 Apr 86

[Text] Beijing, April 8 (XINHUA) -- Greek Prime Minister Andreas G. Papandreou and Mrs. Margarita Papandreou and their party toured the Great Wall and Ding Ling, one of the tombs of the ing ynasty (1368-1644) to the northwest of Beijing this afternoon. In the evening, the Chinese artists presented song and dance items at a soiree organized by the Ministry of Culture.

Wu Xueqian, Greek Counterpart Talk

OW081215 Beijing XINHUA in English 1207 GMT 8 Apr 86

[Text] Beijing, April 8 (XINHUA) -- Chinese State Councillor and Foreign Minister Wu Xueqian held talks with Greek Foreign Minister Karolos Papoulias here this afternoon. They exchanged views on international issues of common interest and on the expansion of bilateral friendly relations and cooperation.

Kang Keqing Meets Papandreou's Wife

OW081034 Beijing XINHUA in English 0804 GMT 8 Apr 86

[Text] Beijing, April 8 (XINHUA) -- Kang Keqing, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference, met with Margarita Papandreou, wife of Greek Prime Minister Andreas Papandreou, here this morning.

Kang, who is also president of the 11-China Women's Federation, briefed her on the role of the Chinese women in the country's four modernizations program and answered questions about their position in the economic reform.

Li Xiannian, Papandreou Hold Talks

OW090842 Beijing XINHUA in English 0826 GMT 9 Apr 86

[Text] Beijing, April 9 (XINHUA) -- China and Greece are both countries with ancient civilizations and have many points in common, Chinese President Li Xiannian told visiting Greek Prime Minister Andreas Papandreou here today.

They have no conflicts of interest and share similar views on many major international issues.

Li said the Greek prime minister's current visit would strengthen the friendship between their countries. Papandreou said both Greece and China wanted peace. "Our talks with Chinese leaders have shown that we have much in common on international issues," he said. The two countries are keen to further develop economic cooperation and trade, he said.

Li restated China's independent foreign policy and its pursuit of the five principles of peaceful coexistence in its dealings with other nations.

China would neither attach itself to any big powers nor enter into an alliance with one, and it would not establish strategic relations with a major power. Li said all countries, no matter what their social systems were, could maintain good relations if they treated each other equally and did not interfere in each other's internal affairs.

However, countries with similar social systems could not develop good relations if the principles of peaceful coexistence were not observed.

Li stressed that all countries, big or small, strong or weak, should be regarded as equals. No country has the right to interfere in another's internal affairs. Papandreou said he fully supported the principles of peaceful coexistence in conducting relations between states.

Li said he hoped that European countries would unite and form a strong political force. Papandreou agreed, saying that in the long term, Europe would become an independent and strong political force.

During the meeting Li briefed the visiting prime minister on China's policy towards the peaceful reunification of the motherland according to the concept of one country, two systems. Papandreou conveyed the greetings of Greek President Kristos Sartzetakis and parliament President Ioannis Alevras to President Li Xiannian. Li also asked Papandreou to convey his good wishes to Sartzetakis and Alevras.

Meeting with Deng Xiaoping

OW090909 Beijing XINHUA in English 0850 GMT 9 Apr 86

[Text] Beijing, April 9 (XINHUA) -- Deng Xiaoping, chairman of the Chinese Communist Party Central Advisory Commission, said here today that though the international situation is complicated, two fundamental issues should be noted: the East-West relation and the North-South dialogue.

Speaking at a meeting with Greek Prime Minister Andreas Papandreou, Deng said the East-West relation is actually an issue of war and peace, and also an issue of opposing hegemonism and safeguarding world peace.

"The Soviet Union and the United States are the two countries which are capable of waging a world war," he said. "We regard the Third World as a pillar of the forces safeguarding world peace. Europe, including East and West Europe, is also a force for safeguarding world peace."

Deng said the North-South issue is not only an issue regarding the development of the developing countries. Actually, it is an issue related to the development of the entire world. "Now, there are many poor countries," he said. "If the developing countries, which account for three-fourths of world population, are forever in a state of backwardness, the further development of the developed countries will also be re-restricted."

"Without solving the North-South issue," Deng said, "the development of the entire world will meet with difficulties. So it is a global and long-term issue."

Briefing the Greek prime minister on China's domestic situation, Deng Xiaoping said, "Progress has been made since China focused its attention on the country's four modernizations seven years ago. This has brought conviction and hope to the Chinese leaders and people.

He said the ongoing economic reform will create favorable conditions for the long-term and stable development of China's economy. "We regard the reform as a second revolution which began in the rural areas. Now we are undertaking the economic reform with emphasis on the cities," he said. "This is not an easy job. We have to explore without any other experience to copy. But the experience from the rural reform over the past five years has been really valuable." Deng said it is unavoidable to make mistakes in the reform. If we want to continue the reform, mistakes will also occur. As soon as we find the mistakes we should correct them. But the road of reform is firm and unshakable " he stressed.

Papandreou said experience is required to carry out the reform but it could also be gained by drawing lessons from mistakes. "We are following closely China's economic reform from Greece, a country far away from China," he said, adding that he hopes the Chinese people will realize their ideal.

The two leaders also discussed Sino-Greek relations. They are satisfied with the cooperation between the two countries.

FRG OFFICIAL HAILS PRC'S ECONOMIC SUCCESSES

OW081156 Beijing XINHUA in English 1036 GMT 8 Apr 86

[Text] Bonn, April 7 (XINHUA) -- Hans-Jochen Vogel, chairman of the parliamentary group of the Social Democratic Party of Germany (SPD), today praised the success China has made in its on-going economic reforms.

The Chinese people's living standard has been improved, their incomes increased, and more and better consumer goods available at city markets, said Vogel at a press conference in the Federal Parliamentary building here. Vogel was in China from March 26 to April 4 where he was received by Hu Yaobang, general secretary of the Central Committee of the Communist Party of China (CPC), and Hu Qili, secretary of the Secretariat of the CPC Central Committee.

Vogel said bilateral relations are good, and indicated that China is willing to strengthen ties between the two countries and also between the SPD and the CPC.

Vogel said China is opposed to the U.S. "star wars" program, but favors an agreement between the two superpowers banning all nuclear tests. China opposes the arms race, he stressed.

Impressed by the on-going economic reforms in China, Vogel said that the reforms in the countryside have achieved remarkable results. Although similar reforms in industry are just beginning, great improvement has been shown in people's living standard and the supplies of consumer goods in cities, he added.

Vogel suggested that Federal Germany do what it can to support and help China in its reform campaign, because China's success in its economic reforms will conform to the interests of Federal Germany and Europe as a whole.

Vogel pointed out that closer ties between China and Federal Germany and between China and Europe will have an impact to the cause of safeguarding world peace.

ITALIAN NAVAL VESSELS END 'UNOFFICIAL' VISIT

OW081200 Beijing XINHUA in English 1148 GMT 8 Apr 86

[Text] Shanghai, April 8 (XINHUA) -- Two missile escort vessels of the Italian Navy, under the command of Captain Luigi Lillo, left here today at the end of an eight day unofficial visit.

During their stay here, the Italian officers and men visited vessels of the Shanghai units of the Chinese navy and local factories.

Some of the officers and men also travelled to Suzhou and Hangzhou, two nearby scenic cities. A soccer team made up of Italian officers and men had a match with a team of the China Textile University.

Chinese Navy Commander Liu Huaqing and commander of the East China Sea Fleet of the Chinese Navy Nie Kuiju met Lillo and other officers, and also visited the Italian vessels.

ZHAO ZIYANG MEETS EUROPEAN SCHOLARS OF CHINESE

OW081534 Beijing XINHUA in English 14300 GMT 8 Apr 86

[Text] Beijing, April 8 (XINHUA) -- Premier Zhao Ziyang today praises the work of 50 visiting european teachers and students who are studying chinese.

The visitors from Britain, the Federal Republic of Germany and Holland were invited to China by Zhao when he visited the three countries last year.

He met them today at Ziguangge hall at Zhongnanhai, Beijing. He told them Ziguangge was formerly an examination hall for high-ranking military officers in the Qing dynasty (1644-1911). Zhongnanhai is now the headquarters of the communist party and State council.

"Since you are here now, you can enjoy the title of 'jinshi' for Chinese language," Zhao said. "Jinshi" means a successful candidate in the highest imperial examinations.

The premier said language was a bridge over which friendly relations between peoples could be promoted. It also helped to deepen mutual understanding and co-operation, but language barriers still existed between many countries.

He hoped more teachers in their three countries would teach Chinese, and said more Chinese schools would teach English, German and Dutch.

Friendly relations and co-operation had been established between China and the three countries. A long-term and stable development of this co-operation depended on the efforts of young people from all four countries.

Group leaders of the three countries thanked Premier Zhao for his invitation.

Present at the meeting were He Dongchang, vice-minister of the State Education Commission, and the ambassadors of the three countries.

ZHENG TUOBIN MEETS DANISH DELEGATION 8 APR

OW080810 Beijing XINHUA in English 0806 GMT 8 Apr 86

[Text] Beijing, April 8 (XINHUA) -- Chinese minister of Foreign Economic Relations and Trade Zheng Tuobin met here this morning a Danish delegation, which has come to attend the 7th session of the China-Denmark Economic and Technical Cooperation Joint Committee.

The delegation, led by Arne Christiansen, Danish chairman of the joint committee and chairman of the Danish Industrial and Economic Cooperation Committee, arrived here April 6.

MORE REPORTAGE ON YUGOSLAV PRESIDENT'S VISIT

Feted in Guangdong

OW072034 Beijing XINHUA in English 2021 GMT 7 Apr 86

[Text] Guangzhou: April 7 (XINHUA) -- Radovan Vlajkovic, president of the Presidency of Yugoslavia, said here today that the future development of China would make important contributions to the development of the world and the safeguarding of world peace. Vlajkovic made the remarks at a banquet given by Lin Ruo, secretary of the Guangdong Provincial Committee of the Chinese Communist Party, in honor of Vlajkovic, his wife and their party here this evening.

Lin said, the open policy has helped the coastal areas of Guangdong become a multi-form, multi-layer and multi-functional economic zone which is serving as an important "bridge" for strengthening economic contacts between China's inland and Hong Kong, Macao and foreign countries. Lin said that Guangdong will continue carrying out the open policy and further its economic and technical cooperation with other countries.

Vlajkovic said that during their six-day visit to China, they have witnessed the Chinese people's sincere feelings for the Yugoslav people and their achievements in all fields. He said, because of the correct policy and great people, the future for China is bright.

This morning, the Yugoslav guests visited the Shenzhen Special Economic Zone in the company of Chinese State Councillor Zhang Jingfu.

Departs for Home

OW080750 Beijing XINHUA in English 0731 GMT 8 Apr 86

[Text] Guangzhou, April 8 (XINHUA) -- Radovan Vlajkovic, president of the Presidency of Yugoslavia, his wife and their party left here today for home at the end of their seven-day visit to China. They were seen off at the airport by Zhang Jingfu, state councillor, and Lin Ruo, secretary of the Chinese Communist Party Guangdong Provincial Committee. Before their departure, Zhang conveyed to the Yugoslav president a telephone message from Chinese President Li Xiannian, congratulating him on his successful visit to China.

In the message, Li told Vlajkovic that he was satisfied with the talks between them as well as meetings between the Yugoslav president and other Chinese leaders, including Deng Xiaoping, Hu Yaobang and Zhao Ziyang. He expressed the belief that the Yugoslav president's visit to China will further promote the friendly relations between the two countries in all fields.

Vlajkovic thanked the Chinese president for the message. "We are very pleased that President Li spoke highly of our visit and of our talks with Chinese leaders on major world issues and bilateral cooperation in various fields," he said. Speaking to Chinese reporters, Vlajkovic said that the Yugoslav visitors attached great importance to this visit. They have had wide-ranging talks with Chinese leaders. They have also witnessed the great economic and social changes in China and the hard-working spirit of its people. He wished the Chinese people still greater achievements.

MOROCCAN PARLIAMENTARIANS LEAVE FOR HOME

OW061221 Beijing XINHUA in English 1048 GMT 6 Apr 86

[Text] Shanghai, April 6 (XINHUA) -- The Moroccan Parliament Delegation led by its President Ahmed Osman left here for home today at the end of its visit to China. The Moroccan guests, who arrived in Shanghai April 4, visited the Baoshan steel works, and were honored at a banquet by the municipal People's Congress Standing Committee. They visited the adjacent scenic city of Suzhou yesterday.

QIAO SHI MEETS TANZANIAN HOME AFFAIRS MINISTER

OW041155 Beijing XINHUA in English 1121 GMT 4 Apr 86

[Text] Beijing, April 4 (XINHUA) -- Qiao Shi, member of the Political Bureau of the Chinese Communist Party Central Committee, met Hamad Rashid Muhammad, minister of home affairs of Tanzania, and his party here today. Qiao, also secretary of the party's Central Political Science and Law Committee, gave them a brief account of China's ongoing economic restructuring and policy of opening to the outside world. Present on the occasion was Ruan Chongwu, minister of public security.

AFRICAN NATIONAL CONGRESS DELEGATION IN PRC

Welcomed in Wuhan

OW071156 Beijing XINHUA in English 1129 GMT 7 Apr 86

[Text] Changsha, April 7 (XINHUA) -- A delegation from South Africa's African National Congress (ANC) led by its general secretary Alfred Nzo visited the late communist party leader Mao Zedong's birthplace in Shaoshan this morning. The delegation arrived in Changsha, central China, by train from Wuhan yesterday evening.

While in Wuhan, capital of Hubei Province, Guan Guangfu, secretary of the Hubei provincial committee of the Chinese Communist Party, met the delegation. On behalf of the province, Guan expressed firm support to the South African people's just struggle against racial discrimination and apartheid and for racial equality.

Nzo and his party also participated in a gathering attended by more than 1,000 teachers and students in the Central China Teachers' University in Wuhan. Nzo exposed with abundant facts the atrocities of the South African authorities at the meeting.

Feted by Hunan CPC Secretary

HK081544 Changsha Hunan Provincial Service in Mandarin 2300 GMT 7 Apr 86

[Text] At the (Furong) Guesthouse in Changsha yesterday evening [7 April], Provincial CPC Committee Secretary Mao Zhiyong met and feted at Changsha's (Furong) Guesthouse the delegation of African National Congress [ANC] headed by Alfred Nzo, ANC secretary general.

At the banquet, Comrade Mao Zhiyong spoke first. He extended a warm welcome to the friendly envoys from the frontline in the fight against racial discrimination and segregation and for racial equality. Comrade Mao Ziyong said that the struggle waged by the South African people against racial discrimination and segregation is rising to unprecedented heights and striking at the barbarous and cruel racism in South Africa. The struggle of the South African people has won extensive and vigorous support from the international community.

Just as with all Chinese people, we Hunan people, who have a good tradition of waging revolutionary struggle, have always sympathized with and supported the just struggle waged by the ANC, and strongly condemned the various evil acts of the South African authorities.

Secretary General Alfred Nzo also delivered a speech at the banquet. In his speech, he thanked the Hunan people for their deep feelings for the South African people.

Cheng Bangzhu, Provincial CPC Committee Standing Committee member and provincial vice governor, and responsible persons of the provincial foreign affairs office attended the meeting and banquet.

The delegation arrived in Changsha from Wuhan on the evening of 6 April. During their stay in Hunan Province, the members of the delegation will visit places where Comrade Mao Zedong carried out revolutionary activities, rural areas, and factories.

NI ZHIFU MEETS EGYPTIAN TRADE UNIONISTS

OW060802 Beijing XINHUA in English 0726 GMT 6 Apr 86

[Text] Beijing, April 8 (XINHUA) -- Ni Zhifu, president of the All-China Federation of Trade Unions, met here today with a delegation from the Egyptian General Federation of Trade Unions led by its President Saad Mohamed Ahmed. In their talks, Ni and Ahmed agreed that the Chinese and Egyptian workers will increase their contacts and contribute more to the growth of the friendly relations between the two countries. The Egyptian guests arrived here yesterday. They are scheduled to leave here this evening for a tour of the South China city of Guangzhou.

TRADE UNION LEADER MEETS AFRICAN DELEGATIONS

OW072054 Beijing XINHUA in English 1946 GMT 7 Apr 86

[Text] Beijing, April 7 (XINHUA) -- Luo Gan, vice-president of the All-China Federation of Trade Unions, met here this evening with four trade unions delegations from Togo, Burundi, Benin and the Congo. The meeting was followed by a dinner given by Luo for the visitors. The trade unionists arrived here this morning as guests of the All-China Federation of Trade Unions on a friendly visit to China and for an exchange of views with their Chinese counterparts on trade union work.

MEXICAN SENATE PRESIDENT MEETS NPC DELEGATION

OW071151 Beijing XINHUA in English 1127 GMT 7 Apr 86

[Text] Mexico City, April 6 (XINHUA) -- Mexican Senate President Antonio Riva Palacio said today he believes that the ideas of the Chinese and Mexican governments about world peace and development "coincide."

Receiving the Chinese People's Congress delegation, Riva Palacio said that the delegation's participation in the 75th conference of the Inter-Parliamentary Union, due to open tomorrow, is very important to the development of the conference.

Zhang Zhixiang, head of the Chinese delegation, said the world's people are greatly concerned with the peace and development of the world and his delegation will work together with the Mexican parliament delegation during the conference.

NPC'S ZHOU GUCHENG MEETS BRAZILIAN TRADE GROUP

OW051159 Beijing XINHUA in English 1104 GMT 5 Apr 86

[Text] Beijing, April 5 (XINHUA) -- Zhou Gucheng, vice-chairman of the Standing Committee of the National People's Congress, met with Danillo Dos Santos, president of the Brazil-China Friendship Association, at the Great Hall of the People here this afternoon. Luiz O. Themudo, president of the Brazilian Foco-Fairs, Exhibition and Congresses Ltd., and his party attended the meeting. The Brazilian visitors are here to hold the Brazilian Economic Trade and Technology Exhibition as guests of the Beijing sub-council of the China Council for the Promotion of International Trade. Brazilian Ambassador to China Italo Zappa was also present.

PRC CULTURE MINISTER, OTHERS MEET CHILEAN OFFICIAL

OW081310 Beijing XINHUA in English 1259 GMT 8 Apr 86

[Text] Beijing, April 8 (XINHUA) -- Ye Fei, vice-chairman of the National People's Congress Standing Committee, met leading members of a Chilean goodwill plane mission led by Vice-Foreign Minister Sergio Covarrubias Sanhueza in the Great Hall of the People here today. Chilean Ambassador to China Benjamin Opazo Brull attended the meeting.

This morning, Chinese Vice Foreign Minister Zhu Qizhen conferred with Covarrubias, and signed an agreement on mutual exemption of visas between the two countries. Chinese Minister of Culture Zhu Muzhi gave a reception in honor of the guests here this evening. The mission, which arrived here yesterday at the invitation of the Cultural Ministry, consists of a group from the Chilean Foreign Ministry, Santiago Mayor, air force officers, a folk song and dance ensemble and youth footballers.

RENMIN RIBAO HAILS LATIN AMERICAN STATEMENT

OW081136 Beijing XINHUA in English 1108 GMT 8 Apr 86

[Text] Beijing, April 8 (XINHUA) -- China's leading newspaper the "PEOPLE'S DAILY" said today that the recent "Guatemala Statement" issued by the Latin American Parliament denouncing superpower interference in Latin America reflected the wish of the people on the continent of peacefully solving the Central America problem.

The statement issued April 5 said that, despite all peace efforts, if an armed intervention of a certain Central American country should take place, the Latin American Parliament would act to defend the independence and freedom of that intruded country.

Noticing that the Contadora Group and the Lima Group had made much effort to seek a solution to Central American conflicts, the commentary said that many of the principles advocated by the Contadora Group had been accepted by the Central American countries and the group's peace efforts enjoyed more and more support in Latin America.

If this trend of development continued, said the commentary, the Central American problem could be solved in a rational way.

However, the U.S. Government, which is trying all means to obstruct the peace mediation of the Contadora Group, refused to resume talks with the Nicaraguan Government, the paper pointed out.

Meanwhile, the commentary went on, the White House pressed Congress to agree to provide an aid of 100 million U.S. dollars to the contras in Nicaragua and continued to carry out military manouvers in Central America.

"It is extremely unpopular that the intervention of big powers has aggravated the situation in Central America, bringing a shadow over Central America's peace efforts," the PEOPLE'S DAILY commentary said.

Coinciding with the special meeting of the Latin American Parliament, 13 Latin American foreign ministers opened a meeting in Panama City to discuss how to seek a peaceful solution to latin American disputes.

All this showed that, the commentary continued, it was more and more difficult for any big power to impose its own will upon Latin American countries and manipulate Central American affairs.

MINISTER SAYS NO NUCLEAR PLANT IMPORTS

OW081031 Tokyo KYODO in English 1022 GMT 8 Apr 86

[Text] Tokyo, April 8 KYODO -- Chinese Nuclear Industry Minister Jiang Xinxiong, announcing a major policy switch, said Tuesday China will not import nuclear power plants though it is ready to introduce nuclear technology and facilities from other countries. U.S. and European firms are competing to win Chinese contracts for nuclear power plants. "We will not import nuclear power plants for construction in China under contract,"Jiang said. He was a guest speaker at the 19th annual convention here of the Japan atomic industrial forum.

China has been constructing its first nuclear power plant at Qinshan, Zhejiang Province, with the nuclear reactor produced domestically and peripheral equipment imported from Japan and Western Europe. It will have maxium production capacity of 300,000 kilowatt-hours. Chinese officials have indicated they wiol import complete sets of facilities for larger nuclear power plants planned elsewhere.

Jiang said China also plans to build a pressurized water reactor with a capacity of 600,000 kilowatt-hours primarily by its own efforts backed by advanced technology and facilities of other countries. "There will be no change in our policy that we will push a nuclear power development project with firm determination in order to achieve socialist modernization by the end of the century," Jiang said. There have been reports that China has become cautious about promoting construction of nuclear power plants.

PENG ZHEN, OTHERS HEAR NPC REPORTS 8 APRIL

OW081804 Beijing XINHUA Domestic Service in Chinese 1225 GMT 8 Apr 86

[Excerpts] Beijing, 8 Apr (XINHUA) -- The Fourth Session of the Sixth NPC held its fourth plenary meeting at the Great Hall of the People this afternoon. The meeting heard a report on the work of the Supreme People's Court and a report on the work of the Supreme People's Procuratorate. Chairman Peng Zhen attended the meeting. Zhu Xuefan, executive chairman of the meeting, announced the meeting open at 1500. Zheng Tianxiang, president of the Supreme People's Court, delivered a report on the work of the Supreme People's Court at the meeting. Then Yang Yichen, procurator general of the Supreme People's Procuratorate gave a report on the work of the Supreme People's Procuratorate. Other executive chairmen of today's meeting were Seypidin Aizezi, Zhou Guchen, Ma Wanqi, Wei Chunshu, Ruan Bosheng, Li Jianbai, He Zhukang, Zhang Yuhuan, Amudun Niyaz, Xiang Nan, Han Peixin, Chu Tunan, and Xue Ju.

Zheng Says Public Order Improving

OW080836 Beijing XINHUA in English 0725 GMT 8 Apr 86

[Text] Beijing, April 8 (XINHUA) -- The number of criminal cases have fallen by nearly 36 per cent since 1983 when a big crackdown on criminals was launched, Supreme People's Court President Zheng Tianxiang said here today. In a report on the courts, he said: "A marked improvement in public order has been achieved." Addressing the 2,800 deputies to the National People's Congress, Zheng reported that 542,000 cases were recorded in 1985, the crime rate being 5.26 per ten thousand. This rate was low compared with that in many other countries, he told the NPC session.

He went on that between August, 1983, and the end of last year, courts at all levels had heard 1,102,000 criminal cases, with 1,395,000 criminals sentenced. Just over half of these had been members of hooligan gangs, murderers, rapists and robbers. He said: "The policy of the people's court is to combine suppression with leniency." Of the total number of offenders tried, 42 per cent had been sentenced to long prison terms of between five years and life or even death, while the rest had received short jail sentences or detainment or, in some cases, been freed with no punishment. Last year, over 107,000 prisoners had their sentences reduced, while 5,600 were more severely punished because of escaping or committing new crimes. Zheng added that China's courts had heard 246,000 cases involving 277,000 offenders last year -- drops of 43 per cent and 54 per cent respectively compared with 1984.

However, he warned people to guard against complacency because of the improved situation. "Serious offences are still committed, and some of them are on the increase." Zheng stated that the courts will continue to concentrate their efforts on hooligan gangs, murderers and rapists. At the same time they will deal firmly with thefts, defrauding and smuggling and sales of pornographic video tapes.

More Pressure on Economic Crime

OW080834 Beijing XINHUA in English 0736 GMT 8 Apr 86

[Text] Beijing, April 8 (XINHUA) -- China will clamp down even harder on economic crimes to guarantee the smooth progress of the present economic restructuring, a senior Chinese official said here today. "Serious economic crimes are still being committed and we are not dealing with them strictly enough," Zheng Tianxiang, president of the Supreme People's Court, said in a report to the current National People's Congress session here today. From 1982 to the end of 1985, he noted, the people's courts at all levels had tried 183,000 cases of economic crimes, netting 224,000 offenders. Economic crimes at present mainly involve bribery and corruption, speculation and fraudulent contracts, he said.

Serious offenses, especially those in which state and collective enterprises, and party, government and military organizations worked in collusion with people from outside, have sharply increased, he admitted. "Serious economic crimes severely undermine the reform, and the policies of opening to the outside world and enlivening the domestic economy," he said. "Such crimes must be sternly punished so as to tighten the clampdown on economic offenses."

Zheng warned, however, that a distinction must be made between economic crimes on the one hand, and mistakes committed because of inexperience, unhealthy practices and bureaucracy on the other. Moreover, a further distinction must be made between problems which crop up because of defects in the system and offenses against the economic laws. "The actual amounts of money involved are not the only criteria of the seriousness of economic crimes," Zheng added, explaining that though some offenders themselves may not gain much, the damage they cause to the country can be tremendous.

"Severe punishment should also be given to those whose actions bring the nation into disrepute, in spite of the fact that the economic damage is not great," he stressed. "Many economic crimes today are the result of the pernicious influence of bourgeois ideas such as blind pursuit of money," he noted. Some people trade state secrets for money or gain personal wealth at the expense of the interests of the state. Such criminals must be sternly punished," he said.

Civil Jurisdiction Viewed

OW080822 Beijing XINHUA in English 0742 GMT 8 Apr 86

[Text] Beijing, April 8 (XINHUA) -- China's chief justice today urged all courts to reinforce economic jurisdiction so that it serves as an effective means of sanctioning socialist economic relationships and activities. Zheng Tianxiang, president of the Supreme People's Court, told the ongoing annual session of the National People's Congress (NPC) in Beijing that economic lawsuits had doubled and redoubled over the past few years. In 1983, he said, only a little more than 44,000 cases were handled by the courts. In 1984, the number of cases nearly doubled to reach more than 85,700, then increased by 160 percent in 1985 to approach 226,600. More than 90 percent of these cases were related to business contracts, Zheng said. There were 846,000 civil cases in 1985, up slightly over the 1984 figure.

Due to the readjustment in production relations and changes in property ownership, suits involving natural resources such as land, trees and (?water) rose by 12.7 percent. A large number of suits were brought to court over disputes involving renting and purchasing houses, the possession and use of building sites, inheritance, support of parents and the raising of children. There was also a striking increase in the number of divorce cases, perhaps caused by a temptation to "hasty marriage and reckless divorce," and because of "third party" involvement, Zheng said.

He urged courts at various levels to carry out in-depth investigations on these new problems. When conducting trials involving these cases, he said, the courts should place emphasis on the protection of economic development, of family amenity, and of the lawful rights of citizens, particularly women, children and old people. Zheng pointed to the problem of homicides and serious-injury cases caused by civil disputes, calling on judges at all courts to prevent civil disputes from intensifying and minimize violence by spreading legal knowledge and settling minor disputes among the masses.

Yang Details Crime Fight

OW080958 Beijing XINHUA in English 0843 GMT 8 Apr 86

[Text] Beijing, April 8 (XINHUA) -- Fighting economic crime in China will be a long-term task, a leading criminal prosecutor told the ongoing annual session of the National People's Congress here today. Yang Yichen, procurator-general of the Supreme People's Procuratorate, which both investigates and prosecutes criminals, said the agency would continue this year to focus on combating economic crime. Last year, he said, 28,000 economic crimes were investigated to the point of identifying suspects -- nearly 30 percent more than in 1984 -- of which 6,200 were "major" crimes, triple the number in 1984. Among these were cases of bribery involving hundreds of thousands of yuan, embezzlement of up to one million yuan, and speculation in foreign currency up to ten million yuan.

Overall, Yang said, 254,000 people were arrested last year on charges of robbery, rape, murder and criminal offences, and judicial action was initiated against 255,000 people, some of whom had first been charged in 1984. Cases involving civil rights violations or official neglect totaled 5,800.

Yang said economic offences must be dealt with "swiftly and sternly" to deter potential criminals and to prevent corruption and larceny from "running wild." Failure to act against such crimes "will lead to the deterioration of the country's entire economy," he said. Because of China's long feudal history compared with its short rule by law, laws were broken in recent years by people who were not subsequently punished, according to Yang. A few officials even put their power and themselves above the law, he said. In response, procuratorial agencies waged a resolute struggle to defend the dignity of the socialist legal system and solved a number of major cases by breaking through criminals' social contacts, Yang said.

XU JIATUN SAYS HONG KONG TO BENEFIT FROM PLAN

HK081049 Beijing ZHONGGUO XINWEN SHE in Chinese 1452 GMT 31 Mar 86

[Report: "Xu Jiatun Says Hong Kong Will Profit From Implementation of the 'Seventh 5-Year' Plan"]

[Text] Beijing, 31 Mar (ZHONGGUO XINWEN SHE) -- Xu Jiatun, NPC deputy and director of the Hong Kong Branch of the XINHUA NEWS AGENCY, said at a group discussion meeting of NPC deputies from Hong Kong and Macao this afternoon that the Fourth Session of the Sixth NPC will have a far-reaching impact on Hong Kong, and that the measures proposed by the Seventh 5-Year Plan, such as continuing to encourage investment and importing advanced technology and equipment, will enable Hong Kong to benefit greatly.

Xu Jiatun said that some people believed that Shanghai would finally replace Hong Kong, but he thought that this was impossible. It is impossible for Shanghai to have the conditions with relation to information, communications, and personnel to replace Hong Kong. Hong Kong has a capitalist system, while Shanghai has a socialist system. Shanghai is devoid of many conditions which Hong Kong enjoys. Nor can Southeast Asian countries replace Hong Kong because Hong Kong is situated near the Chinese mainland. He said with a smile that as the hinterland has boundless prospects, so does Hong Kong. Those who are farsighted will benefit the most.

He said that some people at home and abroad thought that China was now pursuing revisionism, but he was of the opinion that what China was doing was a new development in Marxism. We should learn from the advanced administrative and managerial experience of capitalist society, assimilate its essence, and reject the superfluous. Xu Jiatun said that tremendous achievements have been scored in China's construction, but it has also had quite a few defects. However, in viewing an issue, we should see its essence. In Premier Zhao's report, he mentioned that the current period was a period in which the new system replaced the old one, and that there would certainly be many complicated contradictions in this period. Some people are of the opinion that China has failed in carrying out its reform, but facts have proven that it scored tremendous achievements in its Sixth 5-Year Plan and has raised its growth rate, improved its finances, and selected a correct path for reform.

CPPCC COMMITTEE TO ADD 3 VICE CHAIRMEN

OW080952 Beijing XINHUA in English 0907 GMT 8 Apr 86

[Text] Beijing, April 8 (XINHUA) -- Three new vice-chairmen will be added to the National Committee of the Chinese People's Political Consultative Conference. A list of the candidates was approved at the 12th meeting of the organization's Standing Committee here this morning. Also approved at the meeting were 12 candidates for Standing Committee membership and a candidate for the post of the organization's secretary-general.

The candidates, altogether 16, are influential in the Communist Party and non-communist parties and among circles of commerce, culture and religion as well as Overseas Chinese, said an attendant of the meeting. In the past year, 15 Standing Committee members died and another one resigned. There were 295 members at the Standing Committee when the organization's previous session was held in March last year.

Today's meeting also passed a report submitted by the Motions Examination Committee. Since the opening of the current CPPCC session on March 23, the committee has received 1,130 motions from the CPPCC members. Now all the motions have been examined, and some have been submitted to and responded by government departments, according to the report.

Other documents adopted at the meeting were a draft political resolution of the current CPPCC session and a draft resolution on the work report of the Standing Committee of the CPPCC National Committee. The report and resolutions will be submitted to the CPPCC session for examination.

The meeting also approved a decision on activities to mark the 120th anniversary of Dr. Sun Yat-sen's birth.

[Beijing XINHUA Domestic Service in Chinese at 0809 GMT on 8 April in a similar report adds: Yang Jingren, vice chairman of the CPPCC National Committee, presided over the meeting, and other vice chairmen who attended the meeting were Liu Lantao, Pagbalha Geleg Namgya, Hu Ziang, Qian Changzhao, Yang Chengwu, Chen Zaidao, Lu Zhengcao, Zhou Peiyuan, Burhan Shahidi, Miao Yuntai, Wang Guangying, Deng Zhaoxiang, Fei Xiaotong, Zhao Puchu, Ma Wenrui, Mao Yisheng, and Liu Jingji. Acting Secretary General Zhou Shaozheng briefed the participants on the discussions held by various groups of the Fourth Session of the Sixth CPPCC National Committee. The report also says that the meeting accepted Chen Siyuan's resignation from the posts of deputy secretary general of the CPPCC National Committee and vice chairman of the Proposals Handling Committee and notes he has been transferred to work in the NPC Standing Committee]

'GOOD START' IN CORRECTING UNHEALTHY PLA TRENDS

HK081000 Beijing ZHONGGUO XINWEN SHE in Chinese 1400 GMT 5 Apr 86

[Report by reporter Li Wei: "PLA Has Made a Good Start in Correcting Unhealthy Trends"]

[Text] Beijing, 5 April (ZHONGGUO XINWEN SHE) -- The Chinese Army has made a good start in correcting unhealthy trends. The Army has basically corrected the phenomenon in which units led by cadres seek undue preferential treatment. Some leading cadres who used more automobiles than allowed have returned the excess ones to the authorities. The Army has also basically checked the unhealthy tendency of indiscriminately forming companies. This was revealed today by Yan Jinsheng [7346 6855 3932]; NPC deputy and deputy secretary of the Central Military Commission Discipline Inspection Commission, in an interview with the reporter.

He said: Since January this year when the conference of central party, government, and Army organ cadres on correcting party style was held, the whole Army has seriously implemented the various regulations of the CPC Central Committee, the State Council, and the Central Military Commission on correcting party style. The leading organs, as well as leading cadres at the upper level, have measured themselves by central standards and have seriously corrected the unhealthy trends, thereby meeting the requirement of the Central Military Commission that when correcting unhealthy trends, the Army should begin with the leading organs and leading cadres at upper levels.

The upper level of the Chinese Army's leading organs refers to the General Staff Headquarters, the General Political Department, the General Logistics Department, various military regions, arms, services, the National Defense Science, Technology, and Industry Commission, the national defense universities, and so on.

Yan Jinsheng noted: Following the conference, the Central Military Commission took immediate action and listened to report of various leading organs at the upper level. At the same time, they firmly grasped major cases so that the time needed for solving the cases was greatly reduced. For instance, they have given a cadre at deputy army level a disciplinary warning for watching and allowing the showing of banned videotapes and have issued a circular on the case. In another case, they expelled Li Qingshan [2621 1987 0810], division commander of a certain railway corps, who took advantage of the decision to merge the railway corps with the Railway Ministry and, by using forged documents, got double the amount of the wages he was entitled to receive, totaling 2,977 yuan.

Yan Jinsheng said: Various unhealthy, tendencies in society also occur in varying degrees in the Army. The problems found show that some cases involve leading cadres at the upper level. He said: The principle of the Central Military Commission and the Central Military Commission Discipline Inspection Commission is that no matter what the rank of the cadres involved, whoever violates discipline and the law will, upon being uncovered through investigation, be disciplined and seriously punished under the law. Those who commit criminal acts will be held accountable.

Yan Jinsheng held: The mainstream of the party style of the Chinese Army is good. Otherwise, the Army would not be able to achieve good results in recent tasks, such as readjusting leading groups, reforming structure, streamlining, military training, ensuring logistical services, and so on. He told the reporter that there are many things yet to be done by the Army in the work of correcting party style. However, so long as we seriously implement it, we shall realize the Army's task of fundamentally changing party style for the better within this year.

ADVANTAGES, DISADVANTAGES OF REFORM CONSIDERED

HK080753 Beijing RENMIN RIBAO in Chinese 28 Mar 86 p 5

[Article by Jin Wen: "Acquire a Correct Understanding of Both Advantages and Disadvantages, Gains and Losses of Reform -- abridged from JIEFANGJUN BAO" -- capitalized passages published in boldface]

[Text] Reforms are bound to evoke strong repercussions among the people. It is reasonable for the people to comment on reforms, particulary their advantages and disadvantages. It is a requirement of reform to attain correctness and unity of thinking through these comments. The answer is that we must develop scientific thinking improve our dialectical comprehension.

THE "CONCEPT OF COEXISTENCE." The majority of the people have realized that, without reform, there would be exit for China. However, with regard to certain comrades, the stronger their desire for reform, the more they idealize and expect from reform. Furthermore, they idealize reform in light of their individual needs and demands, as if reform should make everything smooth, pure, and perfect. Others are used to outmoded conventions and thus make excessive demands on newly emerging things. A common feature of innocent views and attitudes that demand perfection is the absolute method of thinking. Reform should achieve advantages and correct things, instead of causing disadvantages and mistakes. Otherwise all kinds of complaints will arise.

As a matter of fact, the method of thinking in terms of the absolute runs counter to dialectical materialism. So long as reform is carried out in reality rather than in the imagination, the people will eventually discover that the road of reform cannot be smooth and direct, and that reform may bring about both advantages and disadvantages, gains and losses. This conforms to the law of the unity of opposites.

Reform itself is a process of developing advantages and eliminating disadvantages. The coexistence of advantages and disadvantages does not mean that disadvantages are inherent in reform, but that problems arising in the course of reform are inevitable. Reform is an extremely complicated undertaking without precedent. Because the ability of cognition and practice by leading cadres at all levels is bound to be conditioned by the various factors of history and reality, their policy decision mistakes made under the complicated and ever changing conditions of reform are unavoidable. Even if policy decisions are correct, some failures may also be inevitable if specific measures are not perfect and do not correspond to reform, or if measures are not implemented in earnest due to a lack of experience and obstructions encountered from force of habit. Viewed from the angle of modern management, all policy decisions concerning reform belong to risk policy decisions. As they are risk policy decisions, the possibility of failure cannot be avoided. Viewed from the revitalization of China's economy and the people's aspirations, it is expected that the pace of reform will be accelerated. If the pace of reform is accelerated to a certain extent, it would mean a wider scope and increased intensity of transformation within a certain period, and a greater risk in reform policy decisions. Generally speaking, it increases the possibility of mistakes, big or small. In recent years, we have achieved remarkable successes in reform of the economic structure. We have also taken big and courageous steps in certain aspects, such as the reform of the pricing system, without making serious mistakes. This is a manifestation of the success of our reforms.

THE "CONCEPT OF DOMINANT POSITION." By admitting the coexistence of success and failure, advantages and disadvantages, we can see only one side of the matter. It is more important to grasp the main aspect of the matter, and that is, whether the successes and advantages outstrip the failures and disadvantages, or vice versa. Only by grasping the main aspect can we have a correct understanding of the nature and prospects of reform.

Regarding the current measures adopted for reform, we should first of all be aware that their advantages outstrip disadvantages. Since advantages occupy the dominant position, it shows that policies and measures for reform are correct and that we should continue to implement these policies and measures without hesitation. Second, we must be aware that certain problems which emerge in reform are problems that will inevitably arise on the road ahead. Only by taking problems seriously and adopting appropriate measures can they be diminished and eliminated. Third, it is necessary to differentiate true disadvantages from false ones. During the transformation period, changes in people's views usually fall behind those in real life. If the people look at problems arising from reform with outdated views and in a conventional way, they could easily regard correct things, which are unfamiliar to them, as "disadvantages." Consequently, they have a blurred idea of the nature of things and make incorrect judgments. Fourth, we should see whether mistakes in reform belong to the part or to the whole; whether mistakes are admitted and resolutely corrected after being discovered; and whether we have earnestly drawn lessons from mistakes. If mistakes belong to the part and they are corrected promptly after being discovered, and lessons are drawn, we can diminish the losses incurred from mistakes to the minimum, turn the price paid into conceptual wealth, and reduce the possibility of mistakes in the future.

THE "OVERALL POINT OF VIEW." It is quite natural for the people to look at the advantages and disadvantages of reform from the perspective of benefits to themselves and their units. Although these are trivial matters that belong to the part, they should not be simply negated. Nevertheless, we should have an "overall point of view" while handling trivial matters.

We should also be aware that reform, in a sense, is actually the readjustment of the people's material benefits and economic and political power. With reforms carried out in wages, employment, pricing, taxation, and finance, preliminary and secondary distribution of the national income will gradually tend toward rationality. The income of some people may increase more quickly, while the income of others may increase more slowly. The actual wages of a minority of people may even drop somewhat. These phenomena are unavoidable during the early periods of reform. Regarding the substitution of new cadres for old ones; separating government administration from enterprise management; delegating the power of government organs and enterprises; and exercising decentralized management, the gains and losses of different organs, departments, and individuals are uneven. It would be wrong if we fail to look correctly at these problems and simply appraise the success or failure of reform from the gains and losses of individuals and units concerned. Therefore, it is necessary to acquire an "overall point of view" and to take the interests of the whole into account.

By taking the major issues and overall situation into account, we should see whether reform has developed the economy and social productive forces of our country as a whole; increase industrial and agricultural products and labor service; and raise the income of the people of all strata. This should also be the case in the readjustment of power. Power belongs to the people. It is readjusted between higher and lower authorities, and it serves as a link among the people. It is correct and reasonable if the progress of economic prosperity and political democracy is pushed forward by efficiently exercising power. If we look at major issues in terms of time, we should be aware that reform constitutes a process, and the process is usually divided into several stages. Mistakes are inevitable either in the overall process or in each stage. It would be a success if we could exchange temporary losses for long-term gains and exchange current minor losses for major gains in the future.

THE "CONCEPT OF LOOKING AT THINGS WITH AN EYE ON THE COURSE OF THEIR DEVELOPMENT." By saying that the advantages and disadvantages of reform coexist and are inevitable, it does not mean that we should ignore disadvantages and losses. Even if these mistakes and disadvantages are of no importance to the success of reform, we should take them seriously and adopt vigorous measures to solve them. Naturally, we should be aware that the purpose of solving these problems is to do a better job of reform. These problems can be appropriately solved only in the course of continuously developing and perfecting reform. We must never retreat or try to turn the clock back. It is the general trend of human history to develop and advance. All social problems are fundamentally solved in the course of social development and advance, instead of through social retrogression and stagnation. Although temporary stagnation and retrogression are inevitable in human history, they can only accumulate and cause deterioration in existing social problems. If we stop or retreat when we encounter difficulties and setbacks, everything will revert to the old system. By evading new problems, we will only encounter deep-rooted disadvantages of the old system. We intended to pay less but actually paid more. This is precisely the greatest mistake.

The history of China's reform shows that it is difficult to start a reform but even more difficult to carry it through to the end. However, times have changed, and the majority of the people support our reform. This is an iron-clad fact and the source of our reform's success. Although advantages and disadvantages have emerged in the course of reform and are intermingled in a complicated manner, so long as the people who support and are enthusiastic about reform stay sober-minded, they will further enhance their faith in pushing history forward. Without reform there would be no exit for China. If we fail to carry reform through to the end, there will also be no exit. Therefore, we should acquire a "developing viewpoint" theoretically, and in practice, we should stick to the spirit of the foolish old man who persevered and removed the mountains.

JINGJI RIBAO URGES FURTHER TECHNICAL INNOVATIONS

HK080638 Beijing JINGJI RIBAO in Chinese 27 Mar 86 p 1

[Editorial: "Stir Up Enthusiasm Among the Broad Masses of Staff Members and Workers for Technical Innovations"]

[Text] Mobilizing thousands and millions of people to participate in activities aimed at rationalizing proposals and technical innovations is an effective way of giving play to the wisdom and creativity of staff members and workers. It is also an important means of accelerating technical transformations and promoting technical progress at enterprises.

In the past few years, the activities of staff members and workers in rationalizing proposals and technical innovations have developed vigorously. The number of rationalization proposals made and the value created by them have increased by a big margin. According to incomplete statistics from 12 provinces and cities, including Hebei, Hunan, Liaoning, and Jiangsu in 1985 alone, staff members and workers made over 4.5 million items based on rationalization proposals and technical innovations. Of these, 1.35 million were adopted, creating a value of over 4.4 billion yuan. Numerous other rationalization proposals and technical innovations have brought great benefits to society. Experience shows that rationalization proposals and technical innovations represent vitality, and they create many opportunities for development.

However, we must recognize that as a result of damage caused by the decade of turmoil, the per capita and total number of rationalization proposals and technical innovations in our country at present are still a far cry from the levels of the 1950's and early 1960's. Looking at country as a whole, the development of these activities is quite uneven. Only some areas and enterprises have done a good job. Many areas and enterprises have simply called on workers to participate in such activities, but have done little solid work to that end. It is necessary to further tap latent potential and bring into play the limitless wisdom of millions and millions of workers and staff members in our country.

The party and government have always attached great importance to bringing into play the wisdom and capabilities of staff members and workers and arousing their enthusiasm for making rationalization proposals and technical innovations. As early as the 1950's, the Government Administration Council promulgated the "decision on awarding inventions, technical improvements, and rationalization proposals related to production." In 1963, the State Council also formulated "regulations on awarding technical improvements." This played an effective part in encouraging staff members and workers to make inventions and rationalization proposals. After revising the appropriate rules and regulations, the State Council again promulgated the "regulations on awarding rationalization proposals and technical improvements" in March 1982. This document embodies our country's present policy for awarding rationalization proposals and technical improvements and guides enterprises and units under the ownership of all the people. It is necessary to point out that at present leaders of a small number of enterprises lack the necessary enthusiasm for invention and creation by the masses and do not duly award those who have made contributions. This practice is not conducive to arousing the enthusiasm of staff members and workers for invention and creation.

In the proposals for formulating the Seventh 5-Year Plan, the party Central Committee explicitly pointed out: "All enterprises should attach due importance to actively arousing the broad masses of the staff members and workers to carry out technical innovation activities centering around work to imrove the quality of products and increase economic results." Leading comrades of various areas, departments, and enterprises should regard these activities as an an important means to implementing the Seventh 5-Year Plan.

Ideologically, we should attach due importance to these activities. We should actively and seriously mobilize and organize staff members and workers and put work in this respect as the order of the day. We should grasp such work tightly and do it well. Rationalization proposals involve the production, technology, operation, management, and other aspects of an enterprise and their implementation requires the cooperation of party, administrative, trade union, and CYL organizations. We must set up effective departments with qualified personnel and establish necessary handling procedures and a managerial system to handle these proposals and put them into use in good time in order to yield economic results as soon as possible. Various departments must hand out awards according to regulations on awards promulgated by the State Council and earnestly correct the erroneous practices of placing obstacles to handing out awards, reducing the fixed amount of awards, or delaying the time for handing out awards.

NEW PLAN STRESSES TECHNICAL TRANSFORMATION

OW081204 Beijing XINHUA Domestic Service in Chinese 1307 GMT 7 Apr 86

[By reporter Xu Yaozhong]

[Excerpts] Beijing, 7 Apr (XINHUA) -- During the Seventh 5-Year Plan, the focal point of China's construction will be shifted to the existing enterprises' technical transformation and their reconstruction and extension. China will take the road of expanded reconstruction with intensive growth playing the dominant role. The existing enterprises are the foothold and starting point of China's economic development. Compared with the construction of new projects, the existing enterprises' technical transformation develops economy with less investments, shorter cycles, and greater economic results. Therefore, doing a good job in technical transformation in the Seventh 5-Year Plan is of very important significance to increasing sustained economic development in the 1990's.

According to the State Planning Commission, in order to carry out the task of technical transformation during the Seventh 5-Year Plan, the state has adopted the following measures: 1) Reduce enterprises' regulatory tax and increase their rate of depreciation. Allocate more funds for technical transformation of enterprises. 2) Banks must play a strict supervisory role to guarantee that funds are used mainly for renewal of equipment and technical transformation. No operational investments are allowed to be used on other capital construction projects. 3) Lay the emphasis of enterprises' technical transformation on the improvement of the quality and function of products, conserving of energy resources, reduction of the consumption of raw and other materials, the increase of exports to earn more foreign exchange, and the increase of more marketable products. 4) Concentrate funds for renewal of equipment and technical transformation in an appropriate way and use them first on transforming key backbone enterprises which have an important bearing on the whole situation. Machine-building and electronics industries must start their technical transformation first.

The State Economic Commission has made arrangements for technical transformation in the first year of the Seventh 5-Year Plan. It calls on all localities, departments, and enterprises to grasp the improvement of product quality as the central task of this year's technical transformation. To strengthen quality control, China will establish over 100 national-level quality control centers throughout the country. It is necessary to fully staff these centers and purchase and install advanced testing equipment. In addition, it is necessary to grasp well the technical transformation work of large and medium-sized enterprises and enterprises producing products for export and earning foreign exchange. We must fulfill the technical transformation task of all 550 key projects of machine-building and electronics industries this year. It is also necessary to speed the technical transformation of 1,200 projects for enterprises which export products for foreign exchange and light and textile industrial enterprises in coastal areas and over 120 "civilian-military integrated" projects, so that the investment yield can be achieved as soon as possible.

TRADE UNION OFFICIAL URGES SUPPORT FOR PLAN

OW082202 Beijing XINHUA Domestic Service in Chinese 0231 GMT 8 Apr 86

[Excerpts] Beijing, 8 Apr (XINHUA) -- Luo Gan, vice president of the All-China Federation of Trade Unions, said today at a trade union organization work meeting held by the All-China Federation of Trade Unions: Trade union organizations should mobilize the working class in China to make new and greater contributions to fulfilling the Seventh 5-Year Plan and promoting the economic structural reform.

Luo Gan pointed out: From now on, trade union work as a whole should focus on fulfilling the Seventh 5-Year Plan. First, we should energetically publicize and seriously study Premier Zhao Ziyang's report on the draft Seventh 5-Year Plan. In the course of publicizing and studying the report, we should make the workers and staff fully aware of our country's brilliant achievements in socialist modernization during the Sixth 5-Year Plan; make them aware of the basic tasks, construction principles, and reform measures of the Seventh 5-Year Plan; make them clearly understand the far-reaching significance of reform; and further raise their awareness of the need to participate in and support the reform. Second, we should take action through various channels to make the workers and staff fully display a spirit of being the masters of their own affairs, constantly raise their ideological consciousness and level of scientific and general knowledge, actively participate in democratic management of enterprises, comprehensively make rational suggestions, undertake technological innovation and cooperation, and serve as the main force to fulfill the Seventh 5-Year Plan. Third, we should seriously adhere to the strategic principle of "building the two civilizations" simultaneously; strive to commend the exemplary deeds of advanced persons and advanced organizations; thoroughly carry out education in upholding the four basic principles and in lofty ideals, a sense of discipline, and social and work ethics; and inspire among the workers and staff great enthusiasm for and dedication to building socialism.

XI ZHONGXUN, OTHERS MOURN NOTED WRITER

OW080134 Beijing XINHUA Domestic Service in Chinese 1714 GMT 7 Apr 86

[Text] Beijing, 7 Apr (XINHUA) -- A ceremony to pay last respects to Nie Gannu, member of the Sixth CPPCC National Committee and a noted writer, poet, and researcher of classical literature, was held this afternoon at the auditorium of the Babaoshan Cemetery for Fallen Revolutionaries.

Wreaths were presented by Xu Xiangqian, Ulanhu, Xi Zhongxun, Hu Qiaomu, Deng Liqun, Zhu Xuefan, and Qu Wu. Also presenting wreaths were: the CPPCC National Committee, the Central Committee of the Kuomintang Revolutionary Committee, the Organization and Propaganda Departments of the CPC Central Committee, the Ministry of Culture, and All-China Federation of Returned Overseas Chinese, the Chinese Writers Association, the Alumni Association of the Huangpu Military Academy, the State Publication Bureau, and the Jingshan County CPC Committee and People's Government in Hubei Province.

Amid the strains of funeral music, Xi Zhongxun, Deng Liqun, Zhu Xuefan, Yang Jingren, and Qu Wu, as well as more than 600 people from the capital's cultural, art, journalistic, and publishing circles, paid their last respects to this veteran fighter of the movement for proletarian literature and art whose remains, surrounded by fresh flowers, were lying in state. They also expressed their sympathies to his widow, Zhou Ying.

FUJIAN PERSONNEL MEETING ON CADRE APPOINTMENTS

OW061406 Fuzhou FUJIAN RIBAO in Chinese 27 Mar 86 p 1

[Text] The provincial party committee's Organization Department recently held a meeting of the directors of organization departments of all prefectural and city party committees in the province and the directors of cadre (personnel) sections of some of the units directly under the province to study the "Circular of the CPC Central Committee on Promoting and Appointing Cadres Strictly in Accordance With Party Principles." The meeting, in connection with the actual situation, reviewed and examined the problems our province has encountered in the past few years in promoting and appointing cadres and made arrangements to implement the "circular." Jia Qinglin, deputy secretary of the provincial party committee, attended the meeting to give a speech.

The meeting pointed out: The CPC Central Committee's "circular" is an important document for us in correctly implementing the policy of "making cadres more revolutionary, younger in average age, better educated, and more professionally competent"; upholding the principle of appointing people on their merits with a fair and proper attitude; rectifying and preventing unhealthy tendencies concerning the promotion and appointment of cadres; and bringing about a change in the cadre system and work method. We must conscientiously implement it. The meeting put forth three points in regard to the implementation of the "circular": 1) In organization work, it is also necessary to combine macroeconomic control with microeconomic invigoration. In matters that affect a larger area and a long-term period and matters that affect the interests of the whole situation, the need for macroeconomic control should be taken into consideration in order for our cadre promotions and assignments to better follow the strategic principles and strategic requirements of the central authorities. But it is also necessary to pay attention to microeconomic invigoration. The methods we use should be very flexible permiting specific analysis of specific problems and specific persons in order to do things more in line with the actual situation. 2) In organization work, it is necessary to act strictly in accordance with the organization principles. Any sign of individual feelings should be avoided in the handling of cadre matters. What we should do is uphold the party's fine tradition of cadre work and refrain from either the attitude of what one person says counts or the practice in which every concerned department wants to have its say. While it is necessary to maintain centralized control over cadres, it is also imperative to fully take the mass line to extensively solicit opinions from the masses. At the same time, the principle of democratic centralism should be practiced without fail. 3) Organization departments should strive to set examples in rectifying party style by waging struggle against unhealthy practices. Particularly in regard to discipline concerning personnel work, it is necessary to carry out self-examination in connection with our actual situation and with the problems found in organization work and cadre work.

FUJIAN CONGRESS STANDING COMMITTEE MEETING ENDS

OW090353 Fuzhou FUJIAN RIBAO in Chinese 29 Mar 86 p 1

[Excerpts] The 18th meeting of the Standing Committee of the 6th Fujian Provincial People's Congress concluded yesterday.

The meeting heard a relayed report on the guidelines laid down by the 15th meeting of the 6th NPC Standing Committee; adopted a decision to convene the 5th session of the 6th provincial People's Congress; and heard and discussed a briefing by Vice Governor You Dexin on the province's technical progress in industry and on its communications, transportation, energy resources, and grain allocation and transport.

It also heard and discussed briefings by Chen Zhenliang, director of the provincial Justice Department, on education to disseminate general knowledge of the law; by Jiang Xi [3068 2522], deputy director of the provincial Public Security Department, on banning gambling in the province; and by Lu Shujie, deputy director of the provincial Industrial Survey Office, on industrial surveying in the province.

On a proposal by Governor Hu Ping, the meeting decided to appoint Nan Jiang director of the provincial Tourism Bureau.

Cai Liangcheng, vice chairman of the provincial People's Congress Standing Committee, presided over yesterday morning's meeting. Shortly before the end of the meeting, Wang Yan, vice chairman of the provincial People's Congress Standing Committee, spoke on examination of the province's Seventh 5-Year Plan by the forthcoming fifth session of the sixth provincial People's Congress, as well as on such questions as grain, technical progress, communications and transportation, energy resources, education in general knowledge of the law, a gambling ban, and industrial surveying.

The meeting pointed out: The main problems in the legal system are that the law is not observed or strictly enforced, and that lawbreakers are not dealt with. An important reason for this is that the work of publicizing the law and educating people in it has not been done well. Therefore, it is very important to disseminate general knowledge of the law among the people. In their speeches at the meeting, members of the provincial People's Congress Standing Committee sternly criticized certain leading cadres for failing to understand the law and enforce it impartially.

Wen Xiushan, Kang Beisheng, Wang Zhi, Liu Yongye, and Hou Linzhou, vice chairman of the provincial People's Congress Standing Committee, attended yesterday's meeting.

JIANGXI LEADERS AT POLITICAL, LEGAL MEETING

OW041017 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 3 Apr 86

[Excerpts] A provincial conference on public security, judicial, and procuratorial work, which was called by the provincial party committee's Political and Legal Commission, was held in Nanchang from 29 March to 2 April. The conference transmitted the guidelines of the national conference on public security, judicial, and procuratorial work, and studied and mapped out specific tasks for the current work, stressing that it is necessary to further improve socialist democracy and the legal system, and steadfastly uphold the dictatorship of people's democracy in protecting people and punishing crime to achieve a steady improvement in public order, consolidate political stability and unity, and more effectively carry out economic structural reforms, policies of opening to the outside world and invigorating the domestic economy, and building socialist material and spiritual civilization.

Wang Zhaorong, Standing Committee member of the provincial party committee and secretary of its Political and Legal Commission, chaired the conference. He first transmitted the guidelines of the national conference on public security, judicial, and procuratorial work, and mapped out specific arrangements for implementing these guidelines in the light of actual conditions in Jiangxi. Leading comrades of the provincial party committee and the provincial People's Government Liu Fangren, Ni Xiance, and Jiang Zhuping spoke at the conference.

In their speeches, they reviewed the political and economic situations in Jiangxi and, while confirming the achievements in its public security, judicial, and procuratorial work, set our requirements for carrying out public security work in view of the new situation and problems, improving democracy and the legal system, rectifying party style, correcting unhealthy tendencies, dealing telling blows at serious criminal offenses and economic crime, and intensifying the training of public security, judicial, and procuratorial personnel.

During the conference, participants diligently studied the important speeches by central leading comrades at the national conference on public security, judicial, and procuratorial work, especially Comrade Deng Xiaoping's important instruction promoting construction while building up the legal system. They unanimously pointed out that Comrade Deng Xiaoping's instruction is a scientific summary of China's historical experience in constructing socialism, and is of great significance in building the two civilizations, achieving a fundamental improvement in party style and general social conduct, developing socialist democracy, perfecting the socialist legal system, strengthening the dictatorship of people's democracy, and successfully carrying out the modernization drive. It is also the guiding ideology for public security, judicial, and procuratorial work under the new situation.

The conference pointed out: Despite a noticeable improvement in public order, progress in uneven and precarious. At the same time, new problems have arisen in the course of carrying out economic structural reform, opening to the outside world, and invigorating the economy. In particular, economic crime is on the rise; cases of larceny and fraud have increased by big margins; factors in tempting people to commit crime have multiplied; casual offenses and juvenile delinquents have increased; and certain, undesirable social practices have resurfaced. We should keep a sober mind and make ample ideological preparations in dealing with these problems.

Discussing the need to continue the struggle against serious criminal offenses, the conference pointed out: It is necessary to severely punish those gangsters and ringleaders, jeopardizing public security by seizing weapons to commit armed robbery, murder, assault, arson, and fraud; criminals in major larceny or fraud cases; and those habitual offenders who, though the amount of their theft is small, have repeatedly committed crimes, despite arrest. It is also necessary to mete out severe punishment to chieftains of reactionary, superstitious sects and societies, who have actively committed sabotage activities, and principal culprits of feudal superstitions, such as witches and sorcerers who have committed crimes.

The conference emphatically pointed out: While dealing telling blows at serious criminal offenders, it is necessary to make determined efforts to strike at serious economic crime. The conference held: The struggle to strike at economic crime in the province has been intensified, and breakthrough has been successively achieved in various areas. However, economic crime remains rampant and widespread. The number of major and grave cases has increased. Especially noteworthy are the crimes committed by internal circles of a unit in violation of discipline, the large sum involved, and the resistance against investigation and punishment. In short, we have failed to take firm and effective action against crime. It is necessary to resolutely reverse such trends. In view of the complexity of the struggle against serious economic crime, party committees and governments at all levels should strengthen their leadership, while public security, procuratorial, and judicial departments, and courts at all levels should coordinate efforts and support each other in carrying out the struggle.

Attending the conference were members of the provincial party committee's Political and Legal Commission; responsible comrades of the provincial Public Security, Judicial, and Procuratorial Departments; responsible comrades of prefectural, city, county, and district party committees in charge of public security, judicial, and procuratorial work; units of reform and reeducation through labor; units under the provincial people's Armed Police Corps; and other provincial departments concerned, totalling some 930 people.

Wang Baotian and (Wang Taihua), Standing Committee members of the provincial party committee; (Chen Kefeng), Standing Committee member of the provincial Advisory Commission; Zhu Zhihong, secretary of the provincial Discipline Inspection Commission; Zheng Xiaoxian and Liu Bin, vice chairmen of the provincial People's Congress Standing Committee; (Li Ying), president of the provincial Higher People's Court; and Wang Shuheng, chief procurator of the provincial People's Procuratorate, attended the conference.

RUI XINGWEN, OTHERS ATTEND SHANGHAI LAW LECTURE

OW051212 Shanghai City Service in Mandarin 0100 GMT 5 Apr 86

[Text] Over 100 leading cadres of the Shanghai Municipal Party Committee, the Standing Committee of the municipal People's Congress, the Municipal Government, the municipal CPPCC Committee, and the Advisory and Discipline Inspection Commissions of the municipal party committee attended a law lecture for Shanghai's party and government leaders yesterday afternoon.

Sitting in the front row, Rui Xingwen, secretary of the municipal party committee, listened attentively to the lecture given by Chen Fengsheng, vice president of the Huadong Institute of Political Science and Law, on the nature and role of law as well as the history and current situation of China's legal system.

Wu Bangguo, deputy secretary of the municipal party committee, spoke before the lecture began.

He stressed: As leaders and organizers of enforcing laws and regulations, cadres at all levels must take the initiative in studying, implementing and applying laws, and they must do their work strictly according to law. Now the principal leaders of municipal organs have taken the initiative in studying law. It is hoped that, in the course of the popularization of common legal knowledge, their example will be followed by all other cadres. The lectures, totalling eight in all, will be given once a week by leaders and legal experts of Shanghai's judicial departments.

ZHEJIANG'S WANG FANG MEETS PLANT DIRECTOR 3 APR

OW050517 Hangzhou Zhejiang Provincial Service in Mandarin 1000 GMT 4 Apr 86

[Excerpt] At his office on 3 April, Wang Fang, secretary of the Zhejiang Provincial CPC Committee, received (Gu Wei), director of Jiaxing Petroleum Solvent Plant. He praised the Jiaxing City CPC Committee for properly handling the plant's economic contracts.

Comrade Wang Fang listen attentively to a report by (Gu Wei) on the development of the factory, and gladly accepted the plant director's invitation for inspection. At the end of the meeting, Secretary Wang Fang gladly had his picture taken with (Gu Wei).

GUANGDONG OFFICIAL URGES FIGHTING ECONOMIC CRIME

HK08J005 Guangzhou KAIFANG in Chinese No 3, 8 Mar 86 pp 2-5

[Article by Wang Zongchun, member of the Standing Committee of provincial CPC Committee and secretary of provincial Discipline Inspection Commission: "Firmly Embrace the Idea of 'Grasping with Two Hands,' Wage Ceaseless Struggle Against Economic Crime"]

[Text] When our province started to implement a special policy and various flexible measures, the CPC Central Committee promptly put forward the guiding principle that we should implement the opening up policy with one hand and crack down on economic crimes with the other. In the "Comments by the CPC Central Committee and the State Council on the Two Reports by the Guangdong Provincial CPC Committee and the Fujian Provincial CPC Committee on the Implementation of a Special Policy and Various Flexible Measures in External Economic Activities," the CPC Central Committee and the State Council clearly point out that "since the development of external economic activities will inevitably lead to an influx of capitalist ideas and bourgeois living styles, it is necessary to make preparations in advance, to strengthen ideological and political work, to adhere to the four cardinal principles, and to prevent and resist the corrosive influence of non-proletarian ideas." Comrade Deng Xiaoping has further elaborated on the principle of "grasping with two hands," saying that "the struggle against economic crimes essentially guarantees that we will hold firm to the socialist road and the four modernizations" and that "if we do not wage this struggle, the four modernizations and the policy of opening the country to the outside world and invigorating the domestic economy will all fail." A review of the province's implementation of a special policy and various flexible measures over the past 6 years or so can adequately show that the principle of "grasping with two hands" put forward by the CPC Central Committee is very correct. So long as we resolutely implement this principle, we can smoothly carry out our reforms, smoothly implement the opening up policy, and smoothly invigorate the domestic economy. Otherwise, all this will be undermined and disrupted.

People should be able to remember that in an early stage of the province's implementation of the special policy and various flexible measures, when we were criticizing the mistake of "taking class struggle as the key link," some comrades' understanding of the issue of class struggle was quite one-sided as a result of our inadequate and superficial understanding of the relationship between the policy of opening the country to the outside world and invigorating the domestic economy on the one hand and the crackdown on economic crimes on the other, and of the central authorities' principle of "grasping with two hands." Particularly in the coastal areas, some party organizations, party members, and cadres were not too seriously on guard against the corrosive influence of moribund capitalist ideas and they did not pay very much attention to the crackdown on serious economic crimes. Consequently, criminal economic activities became widespread and the economic crime rate went up. According to the statistics compiled by the departments concerned, the number of economic crime cases filed in 1981 by the provincial authorities for investigation and prosecution was 16.9 percent greater than that in 1980. In 1982, by starting the struggle against serious economic crimes, we laid bare many criminal economic activities, the number of economic crime cases listed by the provincial authorities for investigation and prosecution went up 10 times, and the number of serious cases went up more than 9 times. Of these, smuggling was so serious at one point that the province and the whole country suffered. This adverse current in the economic sphere thus contaminated people's minds, corroded our cadres, adversely affected the party style, polluted the social climate, caused ideological confusion, disrupted the policy of opening the country to the outside world and invigorating the domestic economy, and brought discredit upon the party's opening up policy.

In early 1982, the CPC Central Committee promptly issued an "urgent circular" on resolutely cracking down on serious criminal activities in the economic sphere. Party organizations and governments at all levels in our province resolutely implemented this "urgent circular" by mobilizing the masses into a furious offensive against crimes in the economic sphere. In 1982, we handled and resolved more than 3,400 economic cases and punished some offenders guilty of serious economic crimes, thus clearing up the confusion and making the situation develop in a healthy direction. In 1982 and 1983, the province created great new successes in its implementation of the policy of opening the country to the outside world and invigorating the domestic economy. In these 2 years, more than $2,288,000,000 of foreign capital was absorbed by the province and, of this, more than $685 million was actually used. The total number of projects involving the establishment of Chinese-foreign joint ventures and cooperative ventures and the "three forms of import processing and compensation trade" was more than 19,500 and the total volume of export trade was more than $4.67 billion. Large quantities of advanced facilities and equipment and much advanced technology were introduced from foreign countries. The province's gross industrial and agricultural output value was more than 41.49 billion yuan in 1982 and more than 45.5 billion yuan in 1983, an all-time high. In these 2 years, the problem of corruption and violation of law and discipline became less serious and the incidence of economic crimes went down significantly. According to statistics, in 1983, the number of economic crime cases filed for investigation and prosecution was less than one-third of the number in 1982. By doing all this, the province laid a solid foundation for its entrance into a new era. By which time, Guangdon would be further opened, its reforms would become even more comprehensive, and its economy would be invigorated.

However, in 1984, some comrades, particularly leading comrades, erroneously thought that since we had already spent 2 years combating serious economic crimes, we could "call off the battle" at that point. In addition, preoccupied with economic construction, they slackened the struggle against economic crimes. Consequently, economic crimes, such as the reselling of imported goods and motor vehicles, the selling and reselling of foreign currencies, the production of fake wine, fake milk powder, and fake fish meal, and so on, flourished again in the same year. And then, the "Hainan automobile reselling case" took place, shaking the whole country and producing grave consequences. During this period, the incidence of economic crimes went up again. In fact, more than 1,000 economic crime cases were connected with the "Hainan automobile reselling case." In addition, involvement in commercial activities was quite common among party and government organs then and various types of "corporations and companies" of different sizes came into existence in a short time. Thanks to all this, many criminals were able to take advantage of the confusion to organize illegal activities. This was another reason for the increase in the number of economic crime cases. One thing characteristic of the economic crimes that took place during the period is their large number and seriousness. Other characteristics include the dirty tricks used and the wide range of departments and people and huge sums of money involved. Such huge sums of money involved in economic swindling cases was rare in the past. For example, in the Liu Haoran swindling case, the culprit signed more than 100 "joint management agreements" and "purchasing and marketing contracts" within 6 months, totaling 7.8 billion yuan, $417 million, 35 million Japanese yen, and HK$3.3 million. Liu Haoran swindled an amount of over 19 million yuan paid in advance. The economic criminal activities that ran wild once again interrupted the smooth progress of opening up, reform, and invigoration of the domestic economy; affected the state plan; disrupted the economic order; and caused colossal economic losses to the state. Meanwhile, a number of cadres made mistakes and sank into the quagmire of crimes.

The lessons of the "two ups and downs" have taught us that opening up to the outside world and invigorating the domestic economy should be carried out simultaneously with cracking down on economic crimes, and neither should be overemphasized at the expense of the other. The deeper opening up, reform, and invigoration of the domestic economy develop, the more we should take the building of socialist spiritual civilization seriously and never cease to wage struggles against economic crimes. Whenever we slacken our efforts, opening up, reform, and invigoration of the domestic economy can then be obstructed, go astray, and even harm the building of material and spiritual civilization. Therefore, we should profoundly understand the great significance of "grasping with two hands."

Why is it necessary to stress cracking down on serious economic criminal activities when we are carrying out the policy of opening up to the outside world and invigorating the domestic economy? This is determined by the objective law of class struggle and the objective reality of class struggle during the socialist society. While implementing the policy of opening up to the outside world, bourgeois ideology and the decadent way of life will try to infiltrate our lives through various channels. While doing business with foreign firms, a handful of lawless persons will inevitably offer and accept bribes, engage in smuggling, speculation, and swindling, and use despicable means to carry out illegal activities for the sake of reaping exorbitant profits. Meanwhile, a handful of lawless persons in China will take the advantage of opening up, reform, and invigoration of the domestic economy and wait for an opportunity to carry out illegal activities. Moreover, some weak-willed persons within our revolutionary ranks cannot withstand the sugar-coated bullets of the bourgeoisie in external contacts and various economic activities. Consequently, they fall on their knees for money. Furthermore, our reforms, opening up, and invigoration of the domestic economy are undergoing exploration. Given a lack of experience, the various systems and legislation work are still imperfect. In addition, serious bureaucratism still exists within our ranks. All these have provided the conditions for the offenders to carry out illegal activities.

Fundamentally speaking, economic crime is a reflection of class struggle. It is a social phenomenon that will exist for a long time throughout the entire socialist historical period. The struggle will become extremely acute, particularly when we are implementing the policy of opening up to the outside world and invigorating the domestic economy and marching toward the four modernizations in the new period. Therefore, while we are carrying out the building of socialist material and spiritual civilization, it is essential to regard cracking down on serious economic crime as a long-term task.

With the deep-going development of opening up, reform, and invigoration of the domestic economy, more and more comrades have deepened their understanding of the importance and necessity of cracking down on serious crime in the economic field. They have also enhanced their awareness in the struggle. However, some comrades are still muddle-headed. For example, some comrades fear that the activities of cracking down on economic crime may affect the policy of opening up to the outside world and "suffocate the economy." As a matter of fact, such a view has no theoretical basis, nor does it conform to the objective reality. Just think. If we allow offenders to do whatever they like and fail to vigorously attack serious economic crime -- such as smuggling which was rampant along the coastal areas a few years ago, the reselling of cars and foreign exchange in Hainan, the Liu Haoran swindling case, the embezzler Lin Chenggang from Zhuhai who misappropriated enormous amounts, and Tan Yonghao, former head of Guangzhou's Electronic Industrial Bureau, who wantonly accepted bribes -- will foreign businessmen dare to invest in China without a stable social order and a fine investment environment?

Will they be assured of doing business with us? Will it be possible to invigorate our economy? We can definitely say that it will be impossible. Therefore, the struggle against economic crime will not affect the policy of opening up or "suffocate the economy." Just the opposite, it will be effective guarantee for opening up to the outside world and invigorating the domestic economy.

Moreover, certain leading comrades fear that the struggle to attack economic crime will take up much time and energy, thus affecting economic and vocational work. Therefore, they regard it as a task for the political and legal departments and discipline inspection organs, and are unwilling to get involved in the work. We hold that such an idea and attitude are also wrong. They are the manifestation of lack of understanding of the principle of "grasping with two hands." Comrade Xiaoping exhorted us long ago: "We must employ dual tactics, that is, we must unswervingly pursue the policy of opening up to the outside world and stimulating the economy and, at the same time, wage a resolute struggle against economic crime. There is no question that without such a struggle the overall policy will fail. With it, the policy of opening up to the outside world and stimulating the economy will have a correct orientation." In a recent speech, Comrade Xiaoping once again pointed out emphatically: "We must employ dual tactics in carrying out the four modernizations. A single tactic won't do... We have scored remarkable achievements in economic construction and the situation is gratifying. These are the successes of our country. However, if the general mood continues to deteriorate, the economic successes will be of no significance. If the general mood deteriorates, the economy as a whole will deteriorate. If such a trend is allowed to develop unchecked, the practices of graft, embezzlement, and bribery will run wild." Therefore, we hope that the comrades who are unwilling to concern themselves with the work will profoundly understand Comrade Xiaoping's instructions and earnestly implement the principle of "grasping with two hands." Otherwise, they will make mistakes in orientation.

How should we wage the struggle against serious economic crime? In the practice over the years, various localities in our province have explored and accumulated effective experiences. First, party committees at all levels should firmly acquire the idea of "grasping with two hands." While doing a good job of reform, opening up, and invigorating the economy, we must place the struggle to attack economic crime on the agenda of the party committee. The economic cases of each locality, department, and unit should be regularly studied and analyzed. The problems discovered should be investigated and handled without hesitation. Second, we must have powerful ranks of people to handle cases. The authorities at the provincial, city, and county levels should regard cracking down on economic crime as a regular task, make the office for attacking economic crime a permanent organ, and undertake special responsibility for the work. Meanwhile, they should act in coordination with the legal and political, discipline inspection, customs, auditing, and industrial and commercial organs and departments, and make concerned efforts to deal with the cases. Third, strictly follow party policies and state laws. On the basis of thorough investigations, inner-party disciplinary action and criminal sanctions should be taken accordingly in light of party discipline and state laws. In this respect, we must never be soft-hearted. Fourth, we must combine punishment with education. We must select typical examples from the criminal cases already handled, and analyze and try to find out the cause and root of the crime so as to use vivid negative examples to draw lessons and educate the broad ranks of cadres and masses. Meanwhile, we should use a variety of forms including press, television, radio, video, cinema, and exhibitions to conduct education in ideals, discipline, and the legal system among the broad ranks of cadres and masses, and enhance their awareness in abiding by discipline and law.

Fifth, in accordance with the problems exposed from handling the criminal cases, we should establish and perfect various rules and regulations, strengthen legislation work, and plug up the loopholes whenever they are discovered. We must never give the offenders any advantage to exploit. In a word, so long as the party organizations at all levels attach great importance to the struggle to combat economic crime and make regular efforts to investigate and handle the criminal cases, we will certainly be able to keep economic crime down to a minimum. By doing so, we can guarantee the smooth progress of reform, opening up, and invigoration of the economy in China and ensure that the modernization program will advance in a correct direction.

HENAN CONFERENCE ON REFORM OF TITLES ENDS 31 MAR

HK060211 Zhengzhou Henan Provincial Service in Mandarin 1030 GMT 2 Apr 86

[Text] The provincial conference on reform of titles of technical or professional posts, which lasted 4 days, concluded on 31 March. Leading comrades, including Qin Kecai and Hu Tingji, attended the conference. At the conclusion of the conference, Comrade Qin Kecai delivered a summing-up speech.

Our province will soon carry out in a planned and systematic way the work of reforming the titles of technical or professional posts. This is an important reform of the system of management of professional or technical personnel, to meet the needs of reform of the economic, scientific, technological, and educational structures. This is a fundamental construction item which has a bearing on socialist modernization. This also shows the concern of the CPC Central Committee for the intellectuals. This reform will be beneficial to overcoming the defect of letting qualified personnel lie idle and wasting qualified personnel which has long existed in the system of management of professional or technical personnel. It will be beneficial to transforming the situation of barring qualified personnel from holding office and breaking the stagnant water. It will promote the rational flow of qualified personnel, change the irrational state of the qualified personnel structure, and gradually establish a system of management of professional or technical personnel which suits the new situation and new tasks.

The conference made specific arrangements for reform of the titles of technical or professional posts in our province and demanded: It is necessary to strengthen organizational leadership and ideological and political work, to strictly act in accordance with the policies, and to prevent interference by unhealthy trends, so that the system of employing professional or technical personnel can be implemented in a planned and systematic way.

HENAN ENCOURAGES ORDERING GRAIN BY CONTRACT

HK060225 Zhengzhou Henan Provincial Service in Mandarin 1030 GMT 2 Apr 86

[Text] With a view to encouraging peasants to develop grain production, to sell grain, and increase their income, the provincial government has decided to supply some chemical fertilizers of superior quality and diesel oil at a low price to peasants who will conclude grain contracts with the state. The decision is supported by the peasants. At present, many peasants are concluding grain order contracts with the state.

The specific method is that a peasant household which concludes an order contract with the state for 100 jin of wheat, maize, soybean, or rice, will be supplied 7 jin of standard chemical fertilizers and 2 jin of diesel oil at a low price by way of reward.

To encourage peasants to sell more rice of superior quality, the standard of supply by way of reward has been raised. Those who conclude order contracts for 100 jin of rice of superior quality will be supplied 30 jin of standard chemical fertilizers and 6 jin of diesel oil at a low price by way of reward. The diesel oil and chemical fertilizers will be allocated by provincial departments concerned to all places. Peasants can buy the chemical fertilizers and deisel oil from grass-roots supply and marketing cooperatives and units dealing in these materials on presentation of their grain order contracts. Preferential agricultural loans can be issued to the peasant households which concluded such contracts and encounter financial difficulty.

MAO ZHIYONG, CADRES WORK IN HUNAN RURAL AREAS

HK060241 Changsha Hunan Provincial Service in Mandarin 2300 GMT 3 Apr 86

[Excerpts] Over the past 3 months, the leadership organs and leading cadres of the party and government of our province have worked hard to change their leadership style and many of them have gone to the rural forefront to conduct investigation and study and to do practical work for the peasants.

According to incomplete statistics, some 19,000 cadres of the party and government organs of the province, prefectures, and counties have successively gone to rural areas to publicize and implement central document No 1, to help districts and townships carry out party rectification, to carry out plans for getting rich, and to do a good job in spring farming. Since these cadres went to rural areas, they have done practical work for the peasants in a down-to-earth manner.

Mao Zhiyong, secretary of the provincial CPC Committee, went deep into remote areas, including Taojiang, Anhua, Xupu, Xinhuang, and Xiangxi Autonomous Prefecture, to conduct investigation and study and to give guidance to work.

The 1,920 organ cadres at prefectural and county levels of Changde Prefecture who have gone to rural areas have all carried bedding and baggage with them and stayed in villages and peasants' households.

Last year, drought disaster in Lingling Prefecture was serious. The prefecture has been dry with no rain for a long period of time this year. The masses have encountered serious difficulties in their livelihood and spring farming. Deng Youzhi, prefectural CPC Committee secretary, led cadres of departments concerned at the prefectural level to 15 townships, including (Xinpuzi) township in Qiyang County, which have been struck by the disaster most seriously, to conduct investigation and study for half a month. Relief funds of 400,000 yuan and 22 million jin of relief grain were appropriated to resolve the temporary difficulties of the masses in the disaster areas. They also helped the peasants in these places carry out the measures for spring farming.

These cadres who have gone to rural areas have devoted their main energy to the work of helping the poor get rich. This year, the cadres of the prefectures and counties throughout the province have set up some 650 points to help the poor. The majority of other work points have also been set up in poor areas.

SICHUAN UNIVERSITY OVERSEES STUDENT ORGANIZATIONS

OW061806 Beijing Domestic Service in Mandarin 1200 GMT 6 Apr 86

[Text] Not only has Sichuan University enthusiastically supported student organizations, but it has also strengthened its control over them, thus promoting their healthy development in the university. The university now has more than 50 student organizations, which over one-third of the students have joined. In order to mobilize student organizations to help promote moral, intellectual, and physical education among the students, the university's party committee has further improved, since the beginning of 1985, the measures to strengthen control over student organizations, and it has clearly defined the principles governing the activities of student organizations.

The university has also attached importance to the cultivation of the responsible persons of the student organizations. It has stipulated that their positions as responsible persons of the student organizations be included in the students' personal files, that outstanding student cadres be elected from among the cadres of student organizations, and that the university will commend, once a year, advanced student organizations and advanced individuals who conduct various activities for student organizations.

The university has concerned itself over student organizations politically and has supported them economically. In recent years, it has appropriated funds to support the various activities of the student organizations. Students have greatly benefitted in knowledge and in ideology, thanks to the efforts of the university in strengthening its control over student organizations and pointing out the correct direction for the student organizations to carry out their activities.

Not long ago, the university's Society for the Development of Western China invited a responsible person of a research unit in Qinghai to brief students on the situation in that province. Students later expressed their determination to go to Qinghai and Xinjiang where they are most needed as soon as they graduated. The Society of Qualified College Students, a student organization to study how to become qualified students with lofty ideals, moral integrity, high education, and a sense of discipline, helped students link their efforts in analyzing their thinking with their practice in learning from the lofty qualities of the workers, peasants, and soldiers. It has prepared many fine investigation reports to help students achieve progress and to improve educational work in the university.

XIZANG'S DOJE CERING ON DEVELOPMENTS IN WORK

HK030159 Lhasa Xizang Regional Service in Mandarin 1130 GMT 2 Apr 86

[Excerpts] Doje Cering, acting chairman of the regional government, said at the regional conference on planning and financial work that work in Xizang has entered a new period of development in which the spirit of the three central meetings is regarded as the guideline, the series of central instructions on Xizang work are further implemented, leftist influence is thoroughly eliminated, everything is based on reality, all-round reform is carried out, and all relationships are harmonized. We are facing extremely arduous tasks in economic work in this new historic period.

All prefectures, cities, and departments must base their work on local reality, further eliminate leftist influence, straighten out the ideological line, persevere in reform, advance cautiously and steadily, mobilize all positive factors, strive to fulfill the national economic and social development plans, reverse the situation of financial difficulty, and make contributions to developing and invigorating Xizang's following repects:

1. Do everything possible to achieve a bumper harvest in agriculture and animal husbandry and speed up the work of eliminating poverty and enriching the people. We must publicize with great fanfare Central Document No 1 and the policy of keeping two things unchanged for a long time, so as to further ease the masses' fears of change. We should continue to clear the circulation channels in the agricultural and pastoral areas and let the peasant and herdsman masses get on with production, enrich themselves without fear, and boost this year's production. We must bring into full play the role of science and technology work in agriculture and animal busbandry.

2. Strive to do a good job in reducing deficits, increasing surpluses, raising revenue, and economizing in expenditure. Xizang relies on state financial subsides for its existence. The finance departments at all levels must regard as this year's central task the work of reducing deficits, increasing surpluses, raising revenue, and economizing in expenditure, and take measures to achieve practical results and gradually change the region's passive situation in financial matters.

We must continue to crack down hard on serious economic crime. No matter who it is, he must be investigated and dealt with if he is in question.

3. Cut down the scale of capital construction, readjust the investment structure, and strengthen capital construction control. The scale of capital construction has grown excessively in the past 2 years, far exceeding the capability of our capital, materials, and construction force. This is a problem that must evoke serious concern on our part as we formulate and arrange this year's plans. In order to rapidly change the situation of chaotic management and appalling waste in capital construction, and strengthen centralized and unified control over capital construction, the region has established a capital construction control office to practice unified command, coordination, and control.

4. Persevere in reform and invigorate the enterprises. In carrying out reforms in the rural and pastoral areas, we must seriously implement this year's Central Document No 1. In urban reform, we must continue to get a good grasp of the cardinal link, that of invigorating the enterprises.

Reform is an extremely arduous and complex item of social engineering. We also lack experience. We must therefore be extremely cautious in carrying out reforms. However, we must certainly not retreat, lack boldness for reform, or even go back to the old road the moment we hear certain comments or encounter difficulties and obstacles. It is permitted to undergo a process in carrying out reform, but it is not permitted to halt without carrying out reforms for long periods. If there is pressure on the enterprises, we should adopt certain measures to protect and support them, but we must not protect the backward. The enterprises should strive for existence and for development in the course of reform.

5. Persevere in opening up to the world and vigorously develop tourism and external economic relations and trade. We must fully understand the status and role of tourism in Xizang's economic development, put this work on our agendas, and get a good grasp of it.

In order to invigorate Xizang's economy, we must further emancipate our minds, broaden our vision, and vigorously develop external economic relations and trade. At present we should seriously implement the relevant contents of letters of intent signed with foreign businessmen, and also set to work to draw up local laws and regulations, attract foreign investment, and import advanced technology.

A very urgent issue at present is that of solving the problem of bringing into full play the initiative of all sectors while stressing unity in external economic relations. We must also do everything possible to organize sources of goods.

6. Strengthen and improve leadership over economic work. The leading organs and cadres must eliminate bureaucratism, step up investigation and study, and keep in close touch with reality.

YUNNAN HOLDS POLITICAL-LEGAL CONFERENCE ON CRIME

HK041016 Kunming Yunnan Provincial Service in Mandarin 1100 GMT 2 Apr 86

[Excerpts] A provincial conference on political and legal work was held in Kunming from 28 March to 2 April. The conference conveyed and acted in the spirit of the national conference on political and legal work. It also planned this year's work.

The conference maintained that after more than 2 years of seriously confronting crininals, the province has fundamentally changed for the better in terms of social order. People now feel more secure than before. The number of criminal cases which occurred during the 2 years beginning August 1983, when the province started seriously cracking down on crime, was 20.6 percent less than in the previous 2-year period. The number of cases involving social disorder was reduced by 24.2 percent.

Despite these gains, there are still many problems. In particular, there has been an increase in the number of economic criminal cases and cases of larceny. Some evil phenomena in our society remain active.

The conference concluded that in order to achieve a further improvement in social order, we must continue to seriously deal with serious crimes. At the same time, we must be determined to carry out such work in an in-depth, continuous manner. While cracking down on major cases, we must be bold in tackling tough issues and thoroughly investigate all cases, no matter which organization or who is involved. We must uphold the principle that all are equal before the law. We must strictly enforce the law and prosecute those who violate the law. When punishing criminals, we must not replace criminal sanctions with fines, replace legal punishment with party and organization disciplinary measures, hanlde economic crimes in the same way we deal with irregularities or regard crimes of malfeasance as those of bureaucratism. When handling economic crimes, we must focus on finding facts and taking a legal viewpoint. We must handle them properly, showing determination and care.

SHAANXI RIBAO ON REFORM, PARTY STYLE ISSUES

HK090223 Xian Shaanxi Provincial Service in Mandarin 0200 GMT 9 Apr 86

[Text] Today's SHAANXI RIBAO carries a commentator's article entitled "Correctly Understand the Relationship Between Reform and Party Style." The article says: When certain cadres engage in malpractices in the course of opening up to the world and invigorating the domestic economy, some people hold that this is a consequence of reform. This is a very big misunderstanding.

Practice in rural and urban reforms since the 3d Plenary Session of the 11th CPC Central Committee has vividly proven that carrying out reform is beneficial for straightening out party style, and the new unhealthy trends are absolutely not the inevitable products of reform.

Of course, the actions of a few egoists in pursuing private interests under the banner of reform are not unconnected to reform. It is precisely for this reason that we must block all loopholes to the maximum extent, so as to consolidate the fruits of reform.

The article says: We must persevere in reform and correct unhealthy trends. This requires that we seriously distinguish between certain shortcomings that occur in the course of genuine pursuit of reform on the one hand and pursuit of private interests by taking advantage of loopholes in reform on the other. We must succeed in both correcting malpractices and protecting reform.

XINJIANG CIRCULAR ON AGRICULTURE, LIVESTOCK

HK041018 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 2 Apr 86

[Excerpts] On 31 March, the regional CPC Committee and regional People's Government issued an urgent circular, demanding that all places do a good job in agricultural and livestock production this spring.

The circular first stressed that it is necessary to really implement policies and plans for production. The circular pointed out that the drought situation in our region this year is serious. It is essential to continuously step up the work of combating drought. Funds for combating drought must be spent well and must not be used for other purposes. While doing a good job of combating drought, we must also pay attention to antiflood efforts.

Leaders at all levels in the pastoral areas must do a thorough job of personally inspecting tents, sheds, forage grass, and fodder and make preparations to counter livestock diseases. They must also pay attention to weather conditions, understand the situation, and discover problems, and promptly solve them so as to guarantee that livestock will live safely through spring.

The circular also stressed that all places must seriously fulfill or overfulfill their quotas for afforestation this spring. All places must take this opportunity to mobilize people to fulfill the annual quota for planting trees and growing grass.

The regional CPC Committee and People's Government hoped that all departments concerned and prefectural and county leadership organs in the region would vigorously take action, make concerted efforts,and contribute toward agricultural and livestock production this year in order to strive for the 9th year of a bumper harvest in our region.

XINJIANG ISSUES REGULATIONS ON PEASANTS' BURDENS

HK060201 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 1 Apr 86

[Excerpt] In order to act better in the spirit of instructions of the CPC Central Committee and the State Council on banning the practice of arbitrarily apportioning and levying charges on peasants, and to reduce the economic burdens of peasants and herdsmen, the regional people's government has, in connection with the local conditions, recently formulated 10 supplementary regulations. Generally speaking, they are:

1. The rational economic burdens of peasants and herdsmen should be tax delivery, retained profit of the collectives, and charges for centralized arrangement services. Tax delivery refers to the agricultural tax and other taxes stipulated by the State Council and the regional government. Whenever a locality runs an undertaking, it must fix its charges on an annual basis and must not change the charges during the period. When working for their collective undertakings, each male peasant and herdsman should work 20 to 40 days per year, while each female laborer should work 15 to 30 days per year. Disabled armymen of class two are exempt from this kind of labor.

2. For workers who are entitled to receive a fixed amount of public or per-diem subsidies, the maximum number of administrative workers receiving credit work points should be four and that of research workers receiving credit work points should be three. The subsidies should be paid out of the management charges retained by the collective.

3. When raising funds among peasants and herdsmen for running a project, the localities concerned should act in accordance with their capabilities. They should follow the principle of volunteerism; no one is allowed to act by compulsion.

4. When providing means of production and living, the commercial, material supply, and supply and marketing departments must observe the state's policies toward pricing. No one is allowed to arbitrarily hike prices. The water, power, transport and agricultural machinery departments must levy charges according to those fixed by the upper authorities.

5. No department or unit is allowed to apportion expenses to peasants and herdsmen, nor are they allowed to issue any circular on increasing charges.

6. All charges and fines must be based on the regulations promulgated by the state and the documents issued by the region's governments at and above county-level.

7. Funds collected by a unit at a certain level must be utilized by that unit at that level. No department or unit at the upper level is allowed to transfer the funds for its own use.

8. All enterprises and institutions at county and town levels must do well in providing services before, during, and after production. Their services with charges should be constant and they must not seek staggering profits.

9. With the exception of delivering taxes in accordance with the law, paying management fees to the management departments concerned at the upper level and paying retained profits to the collective, the township enterprises are exempt from apportioned expenses and charges. No department is allowed to transfer any assets from the enterprises.

10. Whenever previously promulgated regulations contradict with these regulations, the latter shall prevail.

WANG ENMAO EXPRESSES DESIRE TO STAY IN XINJIANG

HK041556 Beijing ZHONGGUO XINWEN SHE in Chinese 0302 GMT 4 Apr 86

[By reporter Liu Zhaoyi: "There is Green Fragrant Grass All Over Our Land -- an interview with Wang Enmao, who has devoted himself to economic construction in Xinjiang"]

[Text] Beijing, 4 Apr (ZHONGGUO XINWEN SHE) -- Wang Enmao, who was in charge of Xinjiang for more than 20 years, is a delegate to the NPC and has recently been elected a member to the National CPPCC. Beijing is now buzzing with the rumors about Wang Enmao transferring to another post. When meeting with him, this reporter raised the question that he was transferred, would he remain in Xinjiang or return to Beijing.

In reply, the 73-year-old general said with deep feeling: "I myself will no doubt accept any job that the party assigns to me. However, in terms of my own wishes, I hope I will stay in Xinjiang. I love the people of all nationalities in Xinjiang as well as all the rivers, mountains, grass, and trees there. I will not only spend my remaining years in Xinjiang but will also eternally sleep at the foot of the Tian Shan."

Wang Enmao's feelings toward Xinjiang move people deeply. Wang Enmao, born in Yorgxin County, Jiangxi Province, joined the Chinese Workers'and Peasants' Red Army when he was 15 years old. With the Army, he then traversed 11 provinces covering 12,500 kilometers and finally reached northern Shaanxi. He was an outstanding fighter in the 359th Brigade led by Wang Zhen, fighting successfully in different parts north and south of the Chang Jiang. In 1949 the brigade marched into Xinjiang and he was appointed commander of the South Xinjiang military area. In 1952 Wang Zhen was transferred to a post in Beijing and Wang Enmao was appointed to take over his work of being in charge of Xinjiang. In 1969 he was transferred from Xinjiang and was again assigned to take charge of work in Xinjiang in October 1981. He now holds the post of chairman of the Xinjiang CPC Advisory Committee after withdrawing from the "Front Line."

Xinjiang covers one-sixth of the area of our country. Thanks to its vast land, fertile grassland and abundant resources such as oil, coal, and nonferrous metals, Xinjaing has been built into one of China's major economic development bases. To spur economic construction in Xinjiang, Wang Enmao presented the general idea that "irrigation is the lifeblood of agriculture, transportation is the artery, and qualified personnel the key link." Xinjiang's total industrial and agricultural output value in 1985 reached 12.4 billion yuan, grain output was 10 billion jin, and the amount of livestock on hand was more than 30 million head. All these totals broke the all-time records.

Referring to these achievements, Wang Enmao pointed out: There are 13 nationalities in Xinjiang. The unity of these nationalities must be strengthened. Otherwise it will be impossible to build Xinjiang. He also said: He was worked in Xinjiang for many years. Experience says that we must treat our fraternal nationalities with due sincerity, this is the key to strengthening the unity of the minorities. His proposal for naming May as "National Unity Month" has been approved by the Xinjiang Regional People's Congress. He believes that only when the unity of all our nationalities is strengthened will the government be able to function well and the people enjoy peace.

Wang Enmao pointed out: Xinjiang badly needs qualified personnel from other parts of the country. He also told this reporter: "In terms of personal considerations, I am not willing to leave Xinjiang because my father died in Xinjiang in 1966 and was buried there. Furthermore, one of my sons died an unnatural death during the Cultural Revolution, and he has been buried beside his grandfather."

QIAO SHI, SONG JIAN REPORTEDLY NOMINATED FOR POSTS

HK081052 Hong Kong WEN WEI PO in Chinese 5 Apr 86 p 1

[Report by WEN WEI PO reporters group: "NPC Presidium Discussed Personnel Affairs Yesterday, Nominated Qiao Shi as Vice Premier and Song Jian as State Councillor" -- capitalized words published in boldface]

[Text] Beijing 4 Apr (WEN WEI PO) -- The Presidium of the Fourth Session of the Sixth NPC held its second meeting this morning to discuss State Council Premier Zhao Ziyang's proposal on appointing Qiao Shi as vice premier and Song Jian as state councillor. It is said that after discussion the presidium consented to the proposal and decided to deliver it to NPC deputies for discussion, putting it to a vote at a plenary meeting of the session.

This morning, the Presidium also discussed issues related to the by-election of a vice chairman of the NPC Standing Committee. We learnt that Chu Tunan was nominated as a candidate to the post; this would also be put to a vote at the plenary meeting of the session.

Following are brief biographies of Qiao Shi and Song Jian:

QIAO SHI (member of the CPC Central Committee Political Bureau and Secretariat): Born in 1924 in Dinghai County, Zhejiang Province, and with a college education, he joined the CPC in 1940. After 1940, he was the secretary of the party branch in the Shanghai Middle School and then secretary of the General CPC Branch of the school. Later he became deputy secretary of the new urban area party committee in Shanghai. After 1949, he was secretary of the Hangzhou City youth league committee, deputy director of United Front Work Department of the youth work committee of the east China bureau of the CPC Central Committee, director of the capital construction technology office at the Anshan Iron and Steel Complex, director of the design and research institute at the Jiuquan iron and steel company, and then a bureau chief, a deputy director, and director of the International Liaison Department of the CPC Central Committee. After 1983, he was director of the General Office of the CPC Central Committee, director of the Organization Department of the CPC Central Committee, and then secretary of the central Political and Legal Commission. He was elected a member of the 12th CPC Central Committee and alternate member of the CPC Central Committee Secretariat.

SONG JIAN (minister in charge of the State Science and Technology Commission): A native of Rongcheng, Shandong, who took a postgraduate course in the Soviet Union, he was a student of the well-known scientist Qian Xuesen and one of the initiators in popularizing systems engineering in China. He was chief of the research office of the second branch of the fifth research institute of the Ministry of National Defense, deputy director of the second research institute of, chief engineer of, and then minister of the seventh Ministry of Machine-Building Industry, and then minister of Aeronautics. Song Jian is now concurrently vice president of the Society of Systems Engineering and president of the Society of Automation. He is an alternate member of the 12th CPC Central Committee.

XIANG NAN CHALLENGES DRAFT LAW ON FOREIGN FIRMS

HK090403 Hong Kong SOUTH CHINA MORNING POST (BUSINESS NEWS Supplement) in English 9 Apr 86 p 1

[From Terry Cheng in Beijing]

[Text] An influential former regional official has issued a rare challenge to China's State Council over a draft law on wholly foreign-owned enterprises.

Mr Xiang Nan, the former party secretary in Fujian, opposes the State Council's position that this legislation should be tougher than laws governing joint ventures. In talks among the Fujian delegation attending the National People's Congress, Mr Xiang strongly argued the law should be "more relaxed" to encourage foreign investment. And he warned that if the basic principles governing the draft law were not changed, investors would quit China. He urged delegates to the NPC not to hide their views on this important issue.

Mr Xiang said the law should have been enacted several years earlier, but it still wasn't too late. To back his controversial views, Mr Xiang quoted the experiences of Singapore, which he visited before assuming his former party post in Fujian. Singapore has always adopted a liberal attitude towards foreign investment, especially by Third World standards.

And although Mr Xiang is now officially on the sidelines, he is a close confidante of General Secretary Hu Yaobang, and is known to be on speaking terms with paramount leader Deng Xiaoping. In an unusual difference of opinion before Hong Kong reporters, Mr Xiang said he disagreed with Mr Zheng Tuobin, minister of Foreign Economic Relations and Trade, who on behalf of the State Council declared the position on the law concerning wholly foreign-owned enterprises. In a report to the NPC's full session last week, Mr Zheng said because these enterprises lacked Chinese participation, they should be subjected to stricter rules than those governing joint ventures. This included the requirement that wholly foreign-owned ventures use advanced technology and equipment and all or most of their products go for export.

But Mr Xiang took the opposite line, arguing that wholly foreign-owned enterprises offered China many advantages. Before the economic reforms, China used to buy foreign technology and equipment to develop its own industrial base without the presence of overseas companies. This philosophy was adopted after the communist takeover in 1949 as China attempted to prevent its key industries being controlled by outside interests. But China could not make efficient use of the technology and equipment to manufacture products which meet acceptable standards.

Now China has turned to joint ventures with other countries. In this way, foreign capital, technology and managerial expertise are being introduced to the country. But Mr Xiang said China often lacks funds to finance the joint ventures and overseas investors find red tape difficult to cut. He listed six advantages of wholly foreign-owned enteprises:

-- Foreign investors provide all funds.
-- Foreign investors introduce advanced technology because they own the project.
-- Foreign investors transfer skills to local workers.
-- Jobs are created.
-- Taxes are generated.
-- China does not have to tackle the problem of absorbing technology.

FORMER HEALTH MINISTER ON DENG XIAOPING'S HEALTH

HK090400 Hong Kong TA KUNG PAO in Chinese 9 Apr 86 p 1

["Special Dispatch" from Beijing by reporter Kung Shuang-yin: "Former Minister of Public Health Qian Xinzhong Says Deng Xiaoping Is in Good Health"]

[Text] Beijing, 8 Apr -- Former Minister of Public Health Qian Xinzhong said today that Deng Xiaoping is in very good health and has never been ill, except on one occasion when he suffered from a duodenal ulcer and later recovered.

This was disclosed by Qian Xinzhong at this morning's group meeting of NPC deputies. Qian Xinzhong said: Since 1938, I have been working with Deng Xiaoping. He has never been ill, except that on one occasion he suffered from a duodenal ulcer and later recovered. After the founding of new China, I held the post of minister of public health for more than 20 years, and during this period, Deng Xiaoping never fell ill. He only had light colds, at the most.

PRC VIEWS ON NUCLEAR PLANT IMPORTS EXAMINED

HK060538 Hong Kong SOUTH CHINA MORNING POST in English 6 Apr 86 p 9

[By Jasper Becker in Beijing]

[Text] The perils of doing business with China were brought home again this week with the admission that the country no longer wants to import multi-billion dollar nuclear plants. After five years of protracted negotiations and strong domestic opposition, President Reagan saw his Sino-American nuclear co-operation agreement ratified last December. At last, contract starved American companies could enjoy the fallout -- a market it was repeatedly said was worth up to US$25 million (about $195 million). The initialling of the agreement was one of the triumphs of President Reagan's historic visit to China in 1984. His administration then lobbied intensively to win congressional approval. When congress held it up, China described the issue as a major impediment to the development of Sino-American relations.

The dream market now turns out to be rather smaller, if it exists at all. As if to add insult to injury, Vice-Premier Li Peng announced this week that China plans to send study groups to the Soviet Union with a view to future nuclear co-operation. Mr Li, who trained as an electrical engineer at the Moscow Power Institute and is in charge of China's energy policy, must be well aware of the irony of these developments. One of the issues which triggered off the Sino-Soviet split at the end of the 1950's was Moscow's refusal to transfer the technology to enable China to make its own atomic bomb. At considerable cost, China was obliged to join the world's five recognised nuclear powers under its own steam. Mr Li must also remember that, and two years ago the Soviets reportedly offered their nuclear power technology "unconditionally". It is believed that Chinese scientists toured Soviet plants but were unimpressed with what they saw. Since 1978, Deng Xiaoping has directed China's nuclear industry to turn from its hitherto almost exclusively military activities towards solving energy shortage on the industrial east coast.

China claims to have an all-round capability in the various nuclear processes and to have built 10 working reactors. But in order to produce the power quickly enough, the technology was to be imported. In 1978, China began negotiating with France to buy two nuclear reactors for Daya Bay. President Valery Giscard d'Estaing himself went to Beijing to try and firm the contract. The over-ambitious plans were abandoned during the financial crisis of 1980 when dozens of other large deals were suddenly dropped. But in August 1982, General Secretary Hu Yaobang was back again, talking of a nuclear progamme to build a capacity of 10,000 megawatts.

China, he said, intended to "import stations of several hundred thousand, even two to three million kilowatts". Chinese officials said they wanted access to the best nuclear technology around, which they believed the United States possessed. The French nuclear industry is based on designs acquired from Westinghouse.

An agreement with the United States became a key issue in Sino-American relations. China, an outlaw unclear power, refused to sign the international treaty on nuclear proliferation although it eventually joined the International Atomic Energy Association.

Under President Carter's 1978 Nuclear Non-Proliferation Act, countries which wish to obtain U.S. technology are required to give additional non-proliferation guarantees. China declined to sign the standard agreement that 26 other countries had and doubts were raised over its good faith. In a bid to turn congressional votes against China, Senator Alan Cranston last year repeated familiar charges that China is helping Brazil, Argentina, Pakistan, South Africa and Iran -- five countries which he claimed have the most dangerous nuclear programmes. The Reagan administration has "systematically withheld, supressed and covered up information known virtually throughout the executive branch" about Chinese violations of non-proliferation guarantees, he asserted. His allegations, based on Pentagon intellignece reports, were echoed in part by other countries such as India. In the end, China's guarantees took the unusual from of an after-dinner toast by Premier Zhao Ziyang at a banquet in Washington early in 1984.

During President Reagan's visit, Premier Zhao described the agreement as "a solution which conforms to China's sovereignty as well as to the laws of the United States". President Reagan stressed it "would create broad oportunities for American firms to participate in selling nuclear equipment to China." When the agreement was held up in Congress, China repeatedly dangled the carrot, saying it planned to build three or four nuclear plants during the Seventh Five-Year Plan (1986-90).

But on Thursday, Mr Li said: "I don't think there will be an ambitious plan for the construction of nuclear plants." The target of 10,000 megawatts of nuclear capacity by the year 2000 was "just something that had cropped up in discussions, there had never been a policy decision". he said. China no longer intended importing nuclear plans wholesale but would rely on the domestic industry, he explained. Yet, on January 25, 1985, Vice-Minister of Nuclear Industry Zho Ping categorically said: "Nuclear plants to be built through to the end of this century will have a combined generating capacity of 10 million megawatts." According to statements last May by other nuclear officials such as Jiang Shengjie, president of the Chinese Nuclear Society, China would, by 1990, build nuclear power stations at Days Bay, Qinshan (a small Chinese-designed reactor), Sunan, Jinshan near Shanghai and in Liaoning Province.

Until a few months ago, West Germany's Kraftwerk Union was still confident of winning a contract to supply two nuclear reactors to Sunan. Neither this nor any other plants in now planned. Qinshan may be expanded, though.

The sudden reversal of China's policy is believed to be the result of its foreign exchange shortage. Quite sensibly, China has decided that a poor, developing country cannot afford to spend a huge proportion of its export earnings on expensive foreigh technology which many Western countries have found too costly. By scaling down its programme, China has broken no agreements and is entitled to search for the best deal among the countries that are prepared to offer it help. Yet the whole saga must undermine the credibility of Chinese promises and underline the credulity of the Reagan administration towards China. The unstated tit for tat was not forthcoming. America's China syndrome is not a nuclear disaster -- but dazzling illusion of billion-dollar contracts.

FBIS DAILY REPORT

China

CONTENTS

Vol I No 069 10 April 1986

PRC INTERNATIONAL AFFAIRS

GENERAL

Delegate Addresses Interparliamentary Conference A 1
Health Minister Fetes WHO Director General A 1
JINGJI RIBAO on PRC Joining Asian Development Bank [4 Apr] A 2
Group of 24 Urges More Aid to Third World A 3

UNITED STATES

U.S., USSR Agree To Prepare for Second Summit B 1
Yao Yilin Meets U.S. Labor Secretary Brock B 1

SOVIET UNION

Gorbachev Calls for Second Summit With Reagan C 1
Soviet Union Denounces FRG Part in SDI C 1

NORTHEAST ASIA

Zhao Ziyang Views Relations With Japan as 'Good' D 1
Paper Views Opposition Campaign in South Korea D 1
[ZHONGGUO QINGNIAN BAO 1 Apr]
DPRK Accuses ROK of Aggravating Tensions D 3
DPRK Finance Minister Discusses FY 1986 Budget D 3
DPRK Condemnation of Weinberger's ROK Visit D 4
[RENMIN RIBAO 8 Apr]

SOUTHEAST ASIA & PACIFIC

Burmese Prime Minister Begins Visit E 1
Hong Kong's Religious Freedom Assured After 1997 E 1

WESTERN EUROPE

More Reportage on Greek Prime Minister's Visit G 1
Holds Press Conference G 1
Hosts Banquet for Zhao Ziyang G 1
Comments on Angelopoulos Death G 2
Seen Off by Zhao Ziyang G 2
Qiao Shi Attends Italian CP Congress Opening G 2
CPC Greets Opening of Italian CP Congress G 3

PRC NATIONAL AFFAIRS

Sixth Plan Economic Structural Reforms Reviewed K 1
[RENMIN RIBAO 28 Mar]
Cadres Urged To Work With Grass-Roots Units K 6
[BAN YUE TAN 25 Mar]
Enterprise Ownership of Differential Profit Seen K 8
[GUANGMING RIBAO 29 Mar]
Problems in Individual Economy Development Viewed K 9
[WENZHAI BAO 30 Mar]
RENMIN RIBAO on Criteria for Appraising People [31 Mar] K 10
Shaanxi, Ordnance Ministry Sign Economic Accord K 11
Shaanxi Radio Commentary K 11
NPC Deputies Continue Draft Law Discussions K 12
Foreign Enterprise Law Considered K 12
Further Provisions Recommended K 13
Law Enforcement Discussed K 13
Crackdown on Crime Urged K 14
Hao Jianxiu Recommends Plant Director Book K 15
Tian Jiyun Greets Xiamen University Anniversary K 15

PRC REGIONAL AFFAIRS

EAST REGION

Fujian Hydropower Station Planned on Min Jiang O 1
Jiangxi's Ni Xiance Meets Inspection Group O 2
Jiangxi's Wan Shaofen on Backward Areas' Growth O 2
Shandong Political, Legal Conference Opens O 3

CENTRAL-SOUTH REGION

Shenzhen CPC Secretary on Economic Reform P 1
Henan Leaders Inspect Conditions in Counties P 2
Hubei Commodity Grain Bases Areas Completed P 3

NORTH REGION

Beijing Discipline Organs Rectify Party Style R 1
Li Ximing at Beijing Discipline Inspection Meeting R 2

NORTHEAST REGION

Heilongjiang's Sun Weiben Attends Work Meeting S 1
Heilongjiang Broadcasting Management Meeting Ends S 1
Jilin Secretary Views Army Transfer Work S 2
[JILIN RIBAO 25 Mar]

NORTHWEST REGION

Ningxia Garrison Corrects Formalistic Style T 1
[NINGXIA RIBAO 28 Mar]

TAIWAN

Chief of General Staff Reports Readiness V 1
[CHINA POST 31 Mar]
Commentary on KMT Central Committee Plenum V 1
Editorial Lauds Success of Kuomintang Plenum V 2
[CHINA POST 1 Apr]
U.S. Plan To Sell Avionics to PRC Opposed V 3
Commentary Criticizes Proposed U.S. Sale V 3
Taiwan Security Seen Important to U.S. Defense V 4

DELEGATE ADDRESSES INTERPARLIAMENTARY CONFERENCE

OW092130 Beijing XINHUA in English 1915 GMT 9 Apr 86

[Text] Mexico City, April 8 (XINHUA) -- China today urged the people of all countries to prompt the superpowers to stop arms race in order to ease international tension and secure world peace. Addressing the 75th Inter-Parliamentary Union conference now going on here, Chinese representative Qiu Shaoheng said that "so long as the people of all countries put their fate in their own hands, take active measures, strengthen their unity, cooperate closely and prompt the superpowers to stop the dangerous arms race and genuinely cut their nuclear and conventional armaments, then the international situation can be eased and peace will become more secure." He said that at present, it is the general view of the international community that the superpowers who possess 95 percent or more of the world nuclear arsenal assume the primary and unshirkable responsibility in nuclear disarmament.

"In the interest of safeguarding world peace, the peoples and parliaments of all countries have the right to demand that they take the lead in halting the tests, production and deployment of nuclear weapons and to drastically reduce nuclear weapons of all types which they have deployed in various regions so as to create the necessary conditions for a general disarmament with the participation of all nuclear-weapon states," he said.

Qiu noted that China maintains that all nuclear weapon-states should pledge not to be the first to use nuclear weapons under any circumstances and unconditionally undertake not to use or threaten to use nuclear weapons against non-nuclear-weapon states or nuclear-weapon-free zones. Qiu said that China hopes the superpowers will not only make statements like "not seeking military superiority" and "preventing the outbreak of all wars." "What is more important is to take practical measures immediately and reach agreements, through serious negotiations, which are both feasible and non-detrimental to the interests of other countries so as to meet the aspirations of the people of all countries for safeguarding world peace and security of mankind," he said.

Qiu proposed that an agreement be reached at an early date between the two military blocs, NATO and the Warsaw Pact, on the drastic reduction of conventional arms. He expressed opposition to all forms of arms race in outer space and the hope that an international agreement on the complete prohibition and total destruction of outer space weapons should be concluded at an early date. He also expressed the hope that negotiations on the conclusion of a convention on the complete prohibition and total destruction of chemical weapons will be able to yield results soon.

In 1984 China decided to accede to the convention on the prohibition of biological weapons and last year it demobilized one million military personnel; it has also shifted a portion of the production capacity of its military enterprises to the production of consumer goods to meet the growing daily needs of its people.

The current conference opened here yesterday with the participation of 800 representatives from 104 countries.

HEALTH MINISTER FETES WHO DIRECTOR GENERAL

OW092129 Beijing XINHUA in English 1911 GMT 9 Apr 86

[Text] Beijing, April 9 (XINHUA) -- Public Health Minister Cui Yueli hosted a banquet for Dr. Halfdan Mahler, director general of the World Health Organization (WHO) here this evening at the Great Hall of the People.

Accompanied by Dr. Hiroshi Nakajima, director of the WHO regional office for the Western Pacific, Dr. Mahler came to China yesterday to view the administration of health departments and discuss further cooperation between China and the WHO.

Cui Yueli expressed thanks for the WHO's continuous help to China. He said that in the past seven years, the organization had helped China train over 700 senior medical workers.

Mahler thanked Cui for China's consistent support and cooperative attitude to the WHO. He also gave advice on China's health work. Mahler will leave for Shanghai the day after tomorrow to give lectures to provincial and muncipal health directors.

JINGJI RIBAO ON PRC'S JOINING ASIAN DEVELOPMENT BANK

HK081442 Beijing JINGJI RIBAO in Chinese 4 Apr 86 p 4

[Article by Dai Lunzhang: "Develop Financial Relations With Foreign Countries, Promote International Economic Cooperation -- on the Significance of China's Joining the Asian Development Bank"]

[Text] On 17 February, the Asian Development Bank [ADB] Board adopted a resolution to accept our country's membership application. Then our country immediately went through the formalities of taking out membership and paid the first part of the capital stock to the bank. On 10 March, China formally became a member of the ADB. In late April, Chen Muhua, state councillor and president of the People's Bank of China, will lead a delegation to attend the 19th annual ADB board meeting in Manila. Joining the ADB is a major step by our country in developing our international financial relations and in promoting international economic cooperation.

Opening to the outside world is a major strategic principle pursued by our country since the 3d Plenary Session of the 11th CPC Central Committee. It is a basic national policy of China. The economic policy of opening up to the outside world includes two aspects. One is to develop economic relations with all types of countries in all parts of the world; the other is to conduct comprehensive international economic cooperation in all fields, including finance, trade, technology, and production. Foreign financial relations constitute an important part of our foreign economic relations. We must actively develop bilateral and multilateral financial relations with foreign countries and must strengthen cooperation with other countries in the financial field. In 1980, China recovered her seat in the International Monetary Fund and the World Bank. In January 1985, the People's Bank of China established business relations with the Bank for International Settlements. In May 1985, our country joined the African Development Bank and the African Development Fund. After joining the ADB, we have another new channel for carrying out financial cooperation with foreign countries. This will promote the implementation of our opening policy and will speed our socialist modernization process.

The ADB is an international financial organization composed of governments in the Asia-Pacific region. Its purpose is to offer loans and technological aid to developing countries in this region and to promote regional economic development and cooperation. In the region, many countries, including China, share similar past experiences. For a long time in the past, they suffered from oppression and exploitation by imperialism and colonialism. Today, they are also facing the same problems on the road of economic development. We need to help each other and make joint efforts to overcome our common difficulties.

China is a big country in Asia, so she should play a role in the most important international monetary organization in this region. We will join hands with other ADB members in contributing to economic development in this region.

Asia, Africa, and Latin America are developing regions. The strengthening of South-South cooperation is of great significance in regional economic development. At present, South-South cooperation in all global, regional, or subregional scopes is making progress. As a developing country, China always takes a positive attitude toward South-South cooperation. When visiting Africa in 1983, Premier Zhao Ziyang put forward a four-point principle for developing economic and technological cooperation with African countries. This principle is: equality and mutual benefit; being realistic and effective; diversification of forms; and developing together. This principle has become our country's guideline for carrying out South-South cooperation. We will also carry out this four-point principle when participating in various ADB activities so as to contribute to the development of South-South cooperation.

At present, apart from member countries in the Asia-Pacific region, the ADB also has 15 members which are not in this region. They are all developed countries in Western Europe and North America. There are also three developed countries in the Asia-Pacific region. Economic relations between these developed countries and other ADB member countries pertain to the so-called North-South relations. The present world is facing two major issues, namely, the issue of peace and the issue of development. The issue of development is in fact an issue concerning North-South relations. As far as North-South relations are concerned, we uphold the development of international economic cooperation and hold that it is necessary to establish a new type of international economic relations on the basis of equality and mutual benefit. Facts have shown that the old international economic relations, with have an unequal and unreasonable basis, have not only held back the economic development of the developing countries, but have also harmed the economic stability of developed countries. As a tendency in the development of the world economy, production and exchanges are being conducted more and more on an international scope, and the international division of labor is developing in both depth and range and is raising the degree of interdependence of various economies in the world. No country can now develop its economy in isolation from international economic relations. If developed countries cannot smooth out their economic relations with developing countries, their own economies will also fall into dire straits. Therefore, developing North-South cooperation is the only way to develop the world economy. When participating in ADB activities, our country will contribute to the healthy development of North-South economic relations.

After our country joined the ADB, opinion in many countries pointed out successively that China's acquiring ADB membership is an event of great international significance. Masao Fujioka, ADB president, also repeatedly said that as a bank in Asia, the ADB cannot exclude China from its membership. We are deeply grateful to friendly countries and people for their support, and we will join hands with them in realizing the purpose of the ADB.

GROUP OF 24 URGES MORE AID TO THIRD WORLD

OW080832 Beijing XINHUA in English 0802 GMT 9 Apr 86

[Text] Washington, April 8 (XINHUA) -- A group of developing countries today called for a new debt initiative and more aid flows to the Third World countries.

Concluding their one-day discussion of a wide range of issues concerning the developing nations, ministers of the Group of 24, caucus for Asian, African and Latin American countries, restated what they had declared a month ago in the Argentine capital of Buenos Aires that "the failure of the current debt management approach to find a definitive solution to the debt crisis is rooted in an inadequate diagnosis to the problem."

What they referred to is the approach of imposing austerity programs or other temporary measures on the debtor countries for short-term goals instead of providing these countries with opportunities to grow out of debt, the merit of which is now winning more hearts than ever before. In addition, these ministers were saying what they had noted last month that the economic policy of the industrial countries have caused problems in the debtor nations, and that merely asking the debtor nations to adopt some of the market economy measures as practised by the West will not work miracles. The industrial countries should not merely plan ways of how to increase lendings to the debtor nations, as have proposed by U.S. Treasury Secretary James Baker, the real interest rate should drop to lessen the repayment burden of the debtor nations.

The G-24 ministers noted that the debt problem of low-income countries in Sub-Sahara has not received enough attention. They suggest that the creditor countries may convert some of the debt owed by these countries into grants and offer long-term rescheduling on the rest in less strict conditions. On the debt problems of the middle-income developing debtors, mostly Latin American countries, the ministers called for "substantial net capital flows from all sources" to them over the next five years in order to meet the needs of servicing the debt and economic growth at the same time.

The ministers called for more money into the funds of the World Bank and its concessionary lending arm, the International Development Association (IDA) which provides interest-free, ultra-long term credits to the world's poorest nations. They called again for the convening of an international conference to begin the reform of the international monetary and financial system.

Meanwhile, IDA officials reported today that they have made progress in the discussion of a new round of fund replenishment called IDA 8, which begins next July and lasts three years. IDA officials told reporters here today that they had discussed the issue for the past two days and it is possible that IDA 8 will receive 12 billion dollars as against IDA 7's 9 billion dollars.

U.S., USSR AGREE TO PREPARE FOR SECOND SUMMIT

OW082012 Beijing XINHUA in English 1956 GMT 8 Apr 86

[Text] Washington, April 8 (XINHUA) -- U.S. Secretary of State George Shultz and Soviet Foreign Minister Eduard Shevardnadze will meet in mid-May in Washington to make preparations for the superpower summit. The agreement was reached here today as U.S. President Ronald Reagan met with Soviet Ambassador Anatoliy Dobrynin at the White House for over one hour.

Shultz told reporters after the meeting that both sides wish to see "a successful and substantive" summit meeting between U.S. President Reagan and Soviet leader Mikhail Gorbachev, and both sides "recognize that a lot of preparation is necessary for such a meeting."

Shultz declined to say when the summit meeting could be held. However, he said he thinks "it is clear that both agree that there should be a next meeting" and it will be in the United States. He said both parties agreed that "it needs to be something that will be successful." He said beyond that, the Soviet Union did not put any particular preconditions for the summit.

Shultz said Reagan and Dobrynin "touched on all of the issues of substance" today. The U.S. secretary of state admitted that there has been basically no movement in "START" in the arms talks in Geneva. There has been basically no movement in the space defense area, and in INF, there has been some further narrowing of positions in this field during the Geneva talks between the two sides, he added.

Shultz described today's meeting between Reagan and Dobrynin "to be quite a satisfactory exchange" and a "very substantive constructive one and I thought advanced matters."

Reagan met Dobrynin who came to the White House to bid farewell after 24 years as Soviet ambassador to the United States. He will be promoted as a secretary in the Soviet Communist Party Central Committee.

Today's meeting seemed to have cleared the way for the second summit agreed upon by the two superpowers last November in Geneva. In the past months, the two sides have failed to set a date for the summit. The United States insists it be held in June or July, but the Soviet side said it better be held in November. Which the U.S. said is not suitable because of the U.S. congressional elections.

YAO YILIN MEETS U.S. LABOR SECRETARY BROCK

OW091224 Beijing XINHUA in English 1215 GMT 9 Apr 86

[Text] Beijing, April 9 (XINHUA) -- Vice-Premier Yao Yilin met with visiting U.S. Secretary of Labor William E. Brock and his party here today. Brock arrived here Monday at the invitation of Chinese Minister of Labor and Personnel Zhao Dongwan.

Zhao and Brock held talks here this morning to exchange views on cooperation between labor departments of the two countries. Brock also met leading officials of the Chinese Ministry of Foreign Economic Relations and Trade and the State Statistical Bureau during his stay in Beijing.

GORBACHEV CALLS FOR SECOND SUMMIT WITH REAGAN

OW090302 Beijing XINHUA in English 0253 GMT 9 Apr 86

[Text] Moscow, April 8 (XINHUA) -- Soviet leader Mikhail Gorbachev said today he wanted the planned second summit with U.S. President Ronald Reagan to go ahead, adding that the Soviet Union set no preconditions for the meeting, due to be held in the United States this year. In a speech published by the official media, Gorbachev said that the meeting should produce practical results toward disarmament. Referring to their first summit last November in Geneva, the Soviet leader said those talks appeared to leave that issue open. Gorbachev was speaking in the industrial city of Tolyatti on the second day of a visit to the Kuybyshev region on the Volga.

Earlier, U.S. Secretary of State George Shultz said he would meet Soviet Foreign Minister Eduard Shevardnadze next month to prepare for a summit this year.

Addressing a meeting in Tolyatti, Gorbachev said: "The United States is putting its 'star wars' program into full gear.

"If the United States persists, contrary to common sense, in pursuing that policy, we will find a convincing answer," he said. "There is nothing what the United States can do and we cannot." [sentence as received]

"To us," the Soviet leader pointed out, "a ban on space strike weapons is not a problem of fear to lag behind, but that of responsibility." Last August, Gorbachev announced a unilateral Soviet moratorium on nuclear tests and has extended its deadline twice. His latest statement came shortly before a scheduled U.S. nuclear test later today in the Nevada desert.

SOVIET UNION DENOUNCES FRG PART IN SDI

OW090708 Beijing XINHUA in English 0646 GMT 9 Apr 86

[Text] Moscow, April 8 (XINHUA) -- The Soviet Union today again denounced Federal Germany's participation in the U.S. Strategic Defense Initiative (SDI), but Bonn said its part in the "star wars" program is not military.

Prime Minister Nikolay Ryzhkov said that Federal Germany, because of its participation in SDI, should be held responsible for heightening the nuclear arms race and deteriorating the international situation. Ryzhkov spoke at a meeting with Martin Bangemann, Federal German economics minister. Ryzhkov stressed the Federal German involvement in the U.S. SDI program was harnessing the European country's industrial, scientific and technological might to militarize outer space, and would harm bilateral relations.

Bangemann, who is attending the 14th session of the Soviet-Federal German Commission for Economic, Scientific and Technological Cooperation, claimed that the agreements signed in Washington were not of a military nature. Bangemann said he tried to differentiate between SDI in general, which U.S. President Ronald Reagan hopes will create a space-based missile defense system, and how Federal Germany will participate in it. "The Federal Republic (of Germany) as a state has taken no part," he said. Bangemann insisted last week that Bonn's participation in the initiative was simply a framework under which German firms could take part in research.

Despite political differences, the Soviet Union and Federal Germany officials gave a "positive evaluation" on cooperation in the fields of economy, science and technology, and expressed willingness to further such efforts.

ZHAO ZIYANG VIEWS RELATIONS WITH JAPAN AS 'GOOD'

OW091524 Beijing XINHUA in English 1503 GMT 9 Apr 86

[Text] Beijing, April 9 (XINHUA) -- Chinese Premier Zhao Ziyang said here today that the nongovernmental friendly contacts between China and Japan are very important. Zhao said that both governmental and nongovernmental contacts between China and Japan have recorded great success in developing good-neighborly relations between them. Such channels should be used continually, he said. Zhao made these comments to a Chinese delegation about to leave for the third meeting of the Sino-Japanese Nongovernmental Council, which is scheduled to meet from April 15 to 18 in Tokyo.

The premier noted that the normalization of diplomatic relations between the two countries was realized on the basis of wide-scale nongovernmental friendly contacts, and, in return, the development of relations between the two countries has created favorable conditions for more nongovernmental friendly contacts.

Zhao described the present Sino-Japanese relations as generally good. He said Sino-Japanese good-neighborly relations and friendship will surely make progress so long as the two sides comply with the joint statement of the Chinese and Japanese governments; the Treaty of Peace and Friendship Between China and Japan; and the four principles of peace and friendship -- equality and mutual benefit, mutual trust, and long-term stability -- put forward by Hu Yaobang, general secretary of the Chinese Communist Party Central Committee, and favored by Japanese Prime Minister Yasuhiro Nakasone.

Speaking of problems in the relations between the two countries, Zhao said, so long as the two sides continue to take Sino-Japanese friendship into account, respect each other's national feelings, take an active attitude, face up to problems and pursue friendly talks, the problems will be solved sooner or later. He expressed his conviction that the coming meeting of the Sino-Japanese Nongovernmental Council would surely achieve success with concern shown by Japanese Prime Minister Nakasone and efforts by the two sides.

Zhao asked Wang Zhen, head of the Chinese delegation, to convey his best regards to Nakasone.

PAPER VIEWS OPPOSITION CAMPAIGN IN SOUTH KOREA

HK081330 Beijing ZHONGGUO QINGNIAN BAO in Chinese 1 Apr 86 p 2

[Article by Shen Ji "The Campaign for Democracy in South Korea Is Surging Forward, Chon Tu-hwan's Military Rule Is Utterly Isolated"]

[Text] On 30 March more than 50,000 people held a rally in Kwangju, South Korea, at which the Kwangju branch of the "10-Million-Strong Signature Movement" was established. Kim Yong-sam, chairman of the "Council for the Promotion of Democracy", presented his views vehemently in front of slogans such as "Down with military autocracy" and "Long live democracy." He said: If Chon Tu-hwan refuses to accept the demands for democracy, he would have no choice but to leave South Korea in the end. Over the past month or so, the campaign for democracy in South Korea has been surging forward and reached a new high tide.

Crowds of People Answer the Call

The "10-million-strong signature movement for constitutional revision" initiated by the New Korea Democratic Party [NKDP] is receiving more and more enthusiastic response from young students.

Following the establishment of a joint student organization by 14 universities to support the signature drive, on 27 March, some 5,000 students in Seoul held an "anti-autocratic rally." Universities in various areas soon responded to this, raising a call for "abolishing the fascist constitution." On 28 March, 32 professors of South Korea's University of Korea issued a statement pointing out that revising the constitution and realizing democracy are the two fundamental issues for today. This was the first time Chon Tu-hwan had been slammed by professors since assuming office in 1980.

Religious circles also joined the signature drive. Archbishop Kim Su-hwan, who has 1.8 million Christian believers, openly expressed his support for the drive in mid-March. He pointed out that the South Korean authorities; "only way out is to revise the constitution." What especially attracts people's attention is the establishment of the "National Liaison Organization for the Promotion of Democracy" by five major opposition parties on 17 March. Kim Tae-chung, Kim Yong-sam; and Yi Min-u, the group's leaders, even issued a joint declaration.

Now the movement to press for revising the constitution has spread to various large cities in South Korea. On 22 March, the NKDP established in Pusan the "Pusan branch of the signature movement for constitutional revision" and held a demonstration, in which more than 20,000 of the masses participated, to demand that Chon Tu-hwan resign from office. It was disclosed that the opposition parties will also hold demonstrations in Taegu and other cities to oppose the military autocracy.

The Influence of the Philippine Situation

Foreign sources held that the development of the Philippine situation has put the South Korean authorities in a permanent state of "combat readiness." On 24 February, Chon Tu-hwan called a "cabinet meeting" to study the Philippine situation. At the same time, he called in some opposition leaders and told them that he agreed to revising the "constitution" in 1989 and would hand over state power in 1988 at the expiration of his term of office, trying to quiet the signature movement, which was gaining momentum. He also repeatedly emphasized that South Korea is different from the Philippines. Recently, the South Korean authorities have continuously spread the idea that "war will break out on the Korean peninsula" and called for stopping any activities that may lead to internal splits or social upheavals, trying to divert the people's attention.

However, the victory of Mrs Aquino became a powerful motive force for the South Korean opposition parties in their campaign for democracy. On 26 February, soon after learning that Marcos had left the Philippines, opposition leaders Kim Tae-chung and Kim Yong-sam delivered speeches, saying that "Philippine democracy has greatly encouraged us." Some newspapers even held that South Korea would soon become a second Philippines. The NKDP also declared that it refused Chon Tu-hwan's plan for revising the constitution in 1989 and demanded the constitution be revised this very year. Some religious organizations even warned the South Korean authorities to "learn a lesson from the fact that the religious circles played a role in overthrowing the Marcos regime in the Philippines."

Some observers held that there are certain similarities between Chon Tu-hwan's present situation and that of Marcos during the presidential election. As early as in the "parliamentary elections" last year, the opposition parties had already won many more votes than the ruling party in almost all regions of South Korea. In recent demonstrations, the helpless policemen were easily routed by the masses. Therefore, it is quite possible that a phenomena wherein "the army changes sides in the war and civil officials resign from office" may be repeated in South Korea.

Is the United States Preparing To "Relieve Somebody?"

The United States, which is Chon Tu-hwan's backstage manipulator, also feels uneasy about the South Korean situation. During the first 10 days of March, a six-member delegation headed by Thomas Foglietta, a U.S. Democrat, flew into Seoul. They made observations and appraised of the campaign for democracy in that city. At a press conference, the head of the delegation openly expressed his support for the opposition parties' efforts to strive for democracy. It was reported that Sigur, the U.S. assistant secretary for East Asian and Pacific Affairs, also went to Seoul recently "with a special mission," "in order to gain a clear idea of Chon Tu-hwan's concrete plans for realizing democracy."

What merits people's special attention is that Kim Chong-pil, former assistant to Pak Chong-hui, who had been residing in the United States for a long time, suddenly came back to Seoul on 25 February and made a speech at a meeting on 16 March, which more than 700 personages from political circles attended. Western papers held that the return of Kim Chong-pil, just like a "tiger returns to the mountain," during such upheavals in the South Korean situation calls for deep thought.

DPRK ACCUSES ROK OF AGGRAVATING TENSIONS

OW090940 Beijing XINHUA in English 0910 GMT 9 Apr 86

[Text] Pyongyang, April 9 (XINHUA) — The Democratic People's Republic of Korea (DPRK) today accused South Korea of aggravating tensions on the peninsula by dodging the discussion of a joint communique of non-aggression between the North and the South. In a speech published today, Chairman of the Standing Committee of the Supreme People's Assembly of DPRK Yang Hyong-sop criticised South Korea's opposition to talks about the joint communique and its large scale military exercise with the United States, saying that Seoul's actions have caused "grave concern and regret" in the North.

The speech came on the first anniversary of the DPRK's proposal for parliamentary talks between the North and the South, in which the North proposed that during the talks the two sides discuss and issue a joint communique on non-aggression to help the search for national reconciliation and to ease tension on the peninsula.

After that proposal, the two sides held two rounds of preparatory talks for the parliamentary meeting last year and reached agreements on a number of matters. However, Seoul objected to Pyongyang's idea of the joint declaration on non-aggression, saying a "unified constitution" should be worked out first. By these actions, Yang charged, South Korea was trying to place obstacles in the path of the parliamentary talks. Moreover, he said that Seoul has rejected a North-South dialogue by repeatedly alleging that Democratic Korea is threatening "to drive southward." Yang called on the Korean people to unite and press for a U.S. military pullout from South Korea. He also appealed to the international community to pay close attention to the dangerous situation on the Korean peninsula.

DPRK FINANCE MINISTER DISCUSSES FY 1986 BUDGET

OW081300 Beijing XINHUA in English 1246 GMT 8 Apr 86

[Text] Pyongyang, April 8 (XINHUA) -- The government of the Democratic People's Republic of Korea (DPRK) will invest more money in economic and cultural development while cutting down defense spending in the fiscal year of 1986, DPRK Finance Minister Yun Ki-chong said here today.

Reporting to the fifth session of the Seventh DPRK Supreme People's Assembly, which opened here yesterday, the finance minister said both the revenue and expenditure of the state budget for fiscal 1986 will reach 28,481.54 million won (about 13 billion U.S. dollars). Defense spending will account for 14.1 percent of the total expenditure, 0.3 percent less than the last fiscal year, Yun said. She said investment in scientific work will increase by 30 percent over last year.

The budget for 1985 was successfully fulfilled with a favorable balance of 110,040,000 won, she added. She said that last fiscal year's revenue was 27,438.87 million won, 0.2 percent above the plan, and the expenditure was 27,328.83 million won, or 99.8 percent of the plan.

Pak Song-il, member of the assembly's budget committee, expressed satisfaction over the implementation of the budget for fiscal 1985. However, he noted that some enterprises had failed to fulfill their production plans and that in some departments there had been a waste of funds and breaches of financial regulations. The session, attended by 547 representatives, will be closed tomorrow.

DPRK CONDEMNATION OF WEINBERGER'S ROK VISIT

HK100639 Beijing RENMIN RIBAO in Chinese 8 Apr 86 p 6

["Special dispatch" by reporters Liu Zhengxue and Feng Zhiyuan "DPRK Foreign Ministry Condemns Weinberger's Visit to South Korea"]

[Text] Pyongyang, 7 Apr -- The Korean Foreign Ministry issued a statement today strongly condemning U.S. Defense Secretary Weinberger for coming to South Korea to intensify the situation on the Korean peninsula.

On 2 and 3 April, Weinberger attended the 18th "Annual Security Consultative Meeting" held by the United States and South Korea in Seoul. A joint communique issued at the meeting stated that the United States will continue to station its troops and increase its forces in South Korea and "will safeguard South Korea's security with a nuclear umbrella."

The Korean Foreign Ministry statement said that the United States will continue to station its troops in South Korea, to supply South Korea with the latest military equipment, and to strengthen the "joint defense posture" of the United States and South Korea on the pretext of the so-called North Korean threat of "invasion to the South." This shows that the United States does not want to remove the current military confrontation and mistrust between the North and South sides but to continuously intensify the tensions on the Korean peninsula.

The statement pointed out that Weinberger's activities in South Korea have seriously threatened peace in Asia and the world. The statement demands that the United States must stop its war schemes in South Korea and withdraw all its troops and nuclear weapons from there as soon as possible. Only in this way is it possible to maintain peace on the Korean Peninsula and to peacefully settle the Korean issue.

BURMESE PRIME MINISTER BEGINS VISIT

OW100832 Beijing XINHUA in English 0816 GMT 10 Apr 86

[Text] Kunming, April 10 (XINHUA) -- Burmese Prime Minister U Maung Maung Kha and his party arrived here today for a nine-day official friendship visit to China at the invitation of Chinese Premier Zhao Ziyang. Accompanying the prime minister on has visit are Burmese Minister for Foreign Affairs U Ye Gaung, Minister of Energy U Sein Tun and Minister for Information and Culture U Aung Kyaw Myint.

He Zhiqiang, governor of Yunnan, and Pan Yingsheng, mayor of Kunming, went to the airport to greet the visitors.

Burmese Ambassador to China U Hla Shwe and Chinese Ambassador to Burma Zhou Mingji Aluo came to Kunming to greet the Burmese prime minister and his party. The Burmese visitors are going to take a sightseeing trip to the western hills, a tourist spot near the city, this afternoon. They will be honored at a banquet given by the Yunnan provincial government here this evening. Governor He, who visited Burma last month, will preside over the banquet.

HONG KONG'S RELIGIOUS FREEDOM ASSURED AFTER 1997

OW092010 Beijing XINHUA in English 1850 GMT 9 Apr 86

[Text] Hong Kong, April 9 (XINHUA) -- A visiting senior Chinese official on religious affairs has reassured the residents of Hong Kong that they can enjoy freedom of religious belief after China's resumption of sovereignty over Hong Kong in 1997. Speaking at a reception here this evening, Ren Wuzhi, director of the Bureau of Religious Affairs under the State Council, said that after 1997 Hong Kong's religious bodies and believers could maintain their relations with their counterparts in other parts of the world. The social service and welfare establishments run by Hong Kong's religious organizations can continue to exist, he added.

He quoted the annex to the Sino-British Joint Declaration as saying, "the relationship between religious organizations in the Hong Kong's Special Administrative Region and those in other parts of the People's Republic of China shall be based on the principles of non-subordination, non-interference and mutual respect."

Ren is visiting Hong Kong at the head of a delegation from the State Council Bureau of Religious Affairs. During its nine-day stay in Hong Kong, the delegation has visited temples and churches as well as educational, medical and charity establishments run by Hong Kong's religious organizations. The delegation arrived here on April 1 at the invitation of the joint conference of leaders from six religions: Catholic, Protestant, Muslim, Buddhist, Taoist and Confucian. It is scheduled to leave here tomorrow.

MORE REPORTAGE ON GREEK PRIME MINISTER'S VISIT

Holds Press Conference

OW091318 Beijing XINHUA in English 1256 GMT 9 Apr 86

[Text] Beijing, April 9 (XINHUA) — Visiting Greek Prime Minister Andreas Papandreou said here today that Greece and China will expand their cooperation in economic relations, trade and culture. At a press conference here this afternoon, he said that during the visit to Greece this July by Chinese Premier Zhao Ziyang, the two leaders will continue to confer on the expansion of bilateral economic cooperation and trade.

During Papandreou's present visit, the two countries agreed to intensify their efforts to increase bilateral trade. The two sides also explored the possibilities of running joint ventures in each other's countries and of exporting Chinese coal to Greece. Papandreou said the two leaders were satisfied with the growth of bilateral relations, and they were in agreement, to a large extent, on many international issues. Referring to nuclear disarmament, Papandreou said the two countries share similar views on that question.

He said Chinese leaders had explained to him that the purpose of China's development of limited nuclear weapons is precisely for its self-defense not for competition with the superpowers. China has promised that it will never use nuclear weapons against countries which do not possess them, or against nuclear-free zones. This is important for nuclear disarmament, he said.

When asked about China's view on the proposal for a Balkan nuclear-free zone, Papandreou said China's response was "immediate and positive". The two sides share identical views on this question, he stressed. He restated that Greece, together with other Balkan countries, will make efforts for the establishment of a Balkan nuclear-free and chemical-weapon-free zone.

The prime minister said China's economic reform stresses the reform of concrete methods and measures, while its social system remains unchanged. Greece will benefit from a strong and developing China, he added.

Papandreou also explained that domestic developments had caused him to shorten his visit to China. However, his political talks with Chinese leaders have been successfully concluded, so he will leave here for home tomorrow. The prime minister was originally scheduled to leave here for Shanghai tomorrow.

Hosts Banquet for Zhao Ziyang

OW091557 Beijing XINHUA in English 1545 GMT 9 Apr 86

[Text] Beijing, April 9 (XINHUA) — Greek Prime Minister Andreas Papandreou gave a return banquet here this evening at the Great Wall Hotel. Chinese Premier Zhao Ziyang and Foreign Minister Wu Xueqian attended.

In his toast, Papandreou expressed his thanks to the Chinese leaders and people for their hospitality and generosity. He said it was great honor for him to exchange views with Chinese leaders. The Greek prime minister noted that China and Greece share views on many major international issues, and that this is an important basis upon which to further develop their bilateral relations.

The talks between the two countries' leaders, Papandreou said, have laid a foundation for further economic cooperation between China and Greece. He held that China's current reform would bring prosperity to the Chinese people and contribute to world peace and stability as well.

Premier Zhao said that Papandreou's visit to China had been short but successful. Over the last two days, the leaders of the two countries had held fruitful talks on issues of common concern, he said. Zhao expressed his hope that the two countries would take active steps to promote the existing friendly relations to a new level.

Comments on Angelopoulos Death

OW091118 Beijing XINHUA in English 1108 GMT 9 Apr 86

[Text] Athens, April 8 (XINHUA) -- Greek 79-year-old industrialist Dimitris Angelopoulos was assassinated in central Athens this morning. Angelopoulos, co-owner of a big iron and steel industry in Greece named "halivourgiki," was shot four times in the chest and abdomen by an unidentified gunman this morning when he was walking in the fashionable residential district of Kolonaki to his office. Angelopoulos died in a hospital.

The assailant escaped on a motorcycle driven by another un-identified man. According to leaflets distributed in the area and found by police, an organization calling itself "November 17" claimed responsibility for the murder. The leaflets said that the Angelopoulos family was among the 100 families which belong to the "lumpen grande bourgeoisie class" who were involved in one of the largest fraud cases in the last 15 years by buying coal dust from Australia and selling it in Italy for 50 percent more than they paid. The leaflets also said that the Angelopoulos family illegally invested the profits in Britain by setting up a modern steel industry (Alfasteel) in 1975.

Premier Andreas Papandreou, who is on an official visit to China, condemned the assassination and said that it was aimed at creating insecurity in Greece, an attempt to undermine the peaceful and democratic progress of Greece.

Seen Off by Zhao Ziyang

OW100840 Beijing XINHUA in English 0641 GMT 10 Apr 86

[Text] Beijing, April 10 (XINHUA) -- Greek Prime Minister Andreas Papandreou left here for home by air this morning at the end of his official visit to China. Before his departure, Chinese Premier Zhao Ziyang bid farewell to him at the state guesthouse.

QIAO SHI ATTENDS ITALIAN CP CONGRESS OPENING

OW091538 Beijing XINHUA in English 1510 GMT 9 Apr 86

[Text] Florence, April 9 (XINHUA) -- The 17th National Congress of the Italian Communist Party opened here this morning with the participation of 1,091 representatives from all over the country representing the 1.6 million party members.

Over the rostrum hung two big streamers, reading "A Modern Reformatory Party" and "A Substitution Program for Italy and Europe." The slogans reflect the central topics of the current Congress and the party's resolve to adapt itself to the new situation and to pioneer a new road leading to socialism.

Among those sitting on the rostrum were General Secretary Alessandro Natta and other leading members of the party. More than 100 delegations from Communist parties, Socialist parties, Social Democratic parties and national liberation organizations of other countries also attended the opening session.

The Central Committee of the Chinese Communist Party sent to the Congress a congratulatory message and a delegation headed by Qiao Shi, member of the Politburo and the Secretariat of the Chinese Communist Party Central Committee.

Leaders of other five major parties in Italy, including Giovanni Spadolini of the Italian Republican Party, also attended the Congress at invitation.

Before the Congress, party organizations at grass roots level held more than 11,000 meetings with the participation of some 350,000 party members. An estimated 86,000 people spoke at the meetings called to discuss the new party program.

The Italian Communist Party is the largest communist party in Western Europe. It is also the second largest party in the Italian parliament with 171 members in the Chamber of Deputies and 90 senators. The President of the Chamber, Leonilde Jotti, is a Communist, so is one of the vice presidents of the Senate.

CPC GREETS OPENING OF ITALIAN CP CONGRESS

OW091910 Beijing XINHUA in English 1837 GMT 9 Apr 86

[Text] Beijing, April 9 (XINHUA) -- The Chinese Communist Party (CPC) cabled a message today to the Italian Communist Party, warmly greeting the opening of its 17th congress. The message,sent by the CPC Central Committee, praises the Italian Communist Party as "a great, glorious party, founded and nurtured by Antonio Gramsci and Palmiro Togliatti and later led by Luigi Longo and Enrico Berliguer: A loyal representative of the working class and the broad masses of Italy, and a strong force of the world's workers movement and the communist movement."

"The Italian Communist Party, while upholding independence, is bold in groping its way forward and good at making innovations in persistently seeking a concrete way for Italy toward socialism through a creative application of Marxism to local conditions," the message says.

"For a long time in the past," the message says, "The Italian Communist Party has waged a relentless, heroic struggle and made new progress in defending the vital interests of the Italian working class and people, in fighting for democratic innovations and socialism and in rallying all democratic and progressive forces, thus winning praise and repute both in and outside the country."

"The Italian Communist Party has become a hard core in the defense of world peace by making positive contributions, through persistent struggles, to the maintenance of world peace, to international detente, to the fight against the arms race and war dangers and to the creation of a new international order on the basis of cooperation and equality among all countries, big or small," the message says.

It says, "We are glad to see that in recent years, the friendly cooperative relationship and traditional friendship between our two parties have grown and become more consolidated, and there exist a solid basis of unity and broad prospects for our two parties in fighting for world peace and security, in promoting friendship and cooperation among all countries and in pushing forward social progress and development. We are deeply convinced that the close friendship between the Chinese and Italian Communist parties built on the basis of independence, full equality, mutual respect and non-interference in each other's internal affairs will remain ever green."

The message concludes by wishing the 17th Congress of the Italian Communist Party every success.

SIXTH PLAN ECONOMIC STRUCTURAL REFORMS REVIEWED

HK090930 Beijing RENMIN RIBAO in Chinese 28 Mar 86 p 5

[Article by the Sixth 5-Year Plan experience research group of the Chinese Academy of Social Sciences: "Reviewing and Pondering Economic Structural Reform During the Sixth 5-Year Plan Period"]

[Text] China made marked progress in economic structural reform during the Sixth 5-Year Plan period. Great achievements were made in implementing the rural output-related contract responsibility system on a household basis, thus gradually promoting urban economic structural reform. In cities, management system reform began in planning, finances, credit, taxation, material supply, and wages, with the focus on increasing the vitality of enterprises, and achievements. However, many contradictions have emerged in carrying out the reforms. At present, we should pay special attention to handling contradictions between microeconomic stimulation and macroeconomic control. Now our major task is to exercise effective macroeconomic control while invigorating the economy. Reviewing economic structural reform during the Sixth 5-Year Plan period, we recognize that we should sum up our experiences in microeconomic stimulation and macroeconomic control and find ways to combine these two in an organic manner.

Reform of the Ownership Structure

In carrying out microeconomic stimulation, China has broken away from the two public ownership structures, that is, the state ownership and the collective ownership structures. In a situation where the economy under public ownership by the whole people has continued to grow stronger and play a leading role, the collective economy, the individual economy, joint ventures, and foreign-capital enterprises are developing to varying extents. In addition, marked results have also been achieved in giving more variety to the forms of running the public ownership economy.

China has also accomplished much in rural economic structural reform. Practice has proven that the output-related contract responsibility system on a household basis is a new socialist cooperative economic form suited to China's rural productive forces. However, we should concern ourselves with maintaining sustained economic development, so that we can make early preparations for future economic development. Based on the development of the commodity economy, we should make efforts to concentrate farmland in the hands of peasants who are good at farmwork and combine in various cooperative manners the established household operational form with the emerging integrated operational form.

Over the past few years, we have provided support and preferential treatment for the collective economy, the individual economy, joint ventures, and foreign-capital enterprises, but we have been relatively slow in stimulating the economy under the ownership of all the people. As a result, unequal competitions have arisen, backward technology has squeezed out advanced technology, and small enterprises have edged out large enterprises. In terms of income distribution, enterprises under the ownership of all the people have had less than collective ownership enterprises and collective ownership enterprises have had less than individual and foreign-capital enterprises. This situation has not been brought about by the diversification of ownership and operational forms, but has been the result of failure to institute a complete set of reform measures. State-owned enterprises cannot compete with other enterprises. The only way out is to increase their vitality. Irrational prices have provided the opportunity to obtain a large amount of circulating profits through price disparity. The method for solving this is to straighten out prices. Unequal competition between various economic factors should be settled by means of economic policies such as readjusting taxation and credit.

Over the past few years, in hiring people some individual enterprises in cities and towns have gone beyond the limitations on the number of people to be employed. This is allowed to continue provided it does not affect the leading role of public ownership and is beneficial to the development of the productive forces. But it is necessary to impose a progressive tax and strengthen management so as to prevent negative factors from emerging. In addition, we should also find ways to guide the individual economy in turning into a cooperative economy or a state joint-stock economy.

Increasing the Vitality of State-Owned Enterprises

In urban economic structural reform during the Sixth 5-Year Plan period, we paid close attention to increasing the vitality of enterprises, and of state-owned enterprises in particular. We also gradually expanded their autonomy in arranging production and selling their products, letting them distribute part of the profits retained by them. They also had certain autonomy in using funds, personnel, and facilities.

Development of management system reform in state-owned enterprises is out of balance. By means of contracting, leasing, and transferring, small enterprises have acquired the ability to engage in independent operation and development, and their vitality has really increased. However, some regulations on expanding the autonomy of enterprises have not been implemented in large and medium-sized enterprises. As a result, large and medium-sized enterprises lack vitality, find it difficult to carry out technical reform, and are in an unfavorable position in competing with other enterprises. This situation must be changed quickly.

The problem of large and medium-sized enterprises assuming sole responsibility for their profits and losses has not been settled so far. Such enterprises have the right to allocate part of the profits retained by them, but when they incur losses they leave the losses to the state. In their development, such enterprises rely on state investment or preferential conditions provided by the state, but they are not held responsible for the investment risk. As mandatory plans are still in force and prices are very irrational, it is very difficult for such enterprises to assume sole responsibility for their profits and losses.

The gradual emergence of a joint-stock economy over the past few years may result in a new form for reforming state-owned enterprises. By using a joint-stock economy, apart from enabling us to collect social funds and encourage employees who have shares in enterprises to pay attention to the operation of enterprises, we can also change the situation where everyone is the owner of the enterprises under ownership by all the people but no one is willing to assume responsibility for the assets of the enterprises. In this way, we can form mutually restrictive relationships between the owner, the dealer, and the laborer and rationalize the operations of the enterprises. The joint-stock system can embrace all different relationships. It seems that state shares should be the main component of the joint stocks of state-owned enterprises. As to which organ -- a professional department, a comprehensive department, or a monetary organization -- is to hold shares on behalf of the state, this should be solved under the principle of preventing administrative intervention in the routine activities of enterprises on the one hand and of insuring the interests of the owner of the state's assets on the other.

Forming a Socialist Market System

Great changes took place in China's socialist market during the Sixth 5-Year Plan period. The exclusive closed-type market circulation system which had existed for a long time began to shift to an open-type market circulation system with various economic forms, various circulation channels, and various operational methods. In the circulation of production materials, a selling and buying market for production materials began to arise under the guidance of state plans.

However, China's socialist market is very imperfect. Regional blockades and separation of regions from departments pose still very serious problems. Many production materials are still allocated by the state and have not entered the market. Enterprises have not really felt the pressure of market competition and lack a strong market mentality. As the role of the market mechanism cannot be brought into full play, the state finds it difficult to fully use economic levers to exercise effective indirect control over the macroeconomy.

In the past, investments were made under the system of vertical distribution without financial compensation, and crosswise fund accommodation was rare. This situation has begun to change over the past few years. Following the increase in social funds, various fund accommodation forms and monetary implements have continued to emerge, and there is certain development in the capital market. However, to develop the socialist capital market, it is necessary to bring into full play the leading role of state banks. After establishing the two-level banking system, the central bank is required to harmonize relations between professional banks. The central bank has still not become a truly central bank and professional banks have not turned into really commercial banks. There has not been a fundamental change in the situation in which basic-level professional banks "eat from the big pot" of higher-level professional banks and higher-level professional banks "eat from the big pot" of the central bank. The problem of running professional banks, basic-level professional banks in particular, as an enterprise should be further studied and solved.

A technology market and rational circulation of the labor force began to take shape during the Sixth 5-Year Plan period. But theoretical and practical problems concerning the prices of technological products and the rational circulation of the labor force need to be further studied and solved.

The Transformation of Macroeconomic Management to Indirect Control

Viewed from the general development trend, China's macroeconomic management is beginning to shift from the mechanism of direct control over the distribution of resources to a control mechanism which is composed mainly of demand and supply management as well as financial and credit means. In the application of financial and credit means, however, the role of economic levers such as interest rates and prices is still very limited as enterprises have not formed a mechanism for assuming sole responsibility for their profits and losses. So it is still necessary to implement the target control system. But we must earnestly create conditions for gradual transformation to the application of indirect economic means. In the new situation, we should attach great importance to the financial and monetary (credit) policies as well as to the role of the regulatory mechanism of these policies so as to achieve a comprehensive balance between finances, credit, foreign exchange, and material supply. In particular, we should change the long-standing practices of applying for unconditional bank overdrafts and issuing money on the basis of credit balance. We should also overcome the shortcomings of financial over-distribution and credit expansion, which have been brought about by such practices. Not only should we insure that macroeconomic control does not lead to microeconomic blindness, but we should also stop microeconomic expansion from causing difficulties to macroeconomic control. In addition, we should maintain an overall balance between general demand and general supply. To solve the excessive general demand of society, it is necessary to tighten financial and monetary policies. Naturally, this "tightening" should be carried out in an appropriate manner, according to specific conditions so as to prevent retrogression.

Reviewing the situation over the past few years, we understand that formulating and implementing a policy on the distribution of individual income is an indispensable link in macroeconomic management. The experiences of some countries in macroeconomic management indicate that the best financial and monetary policies can only tackle demand-affected inflation and that to overcome inflation affected by wages (costs), there must be a policy on the distribution of income.

When the increase rate of individual income exceeds that of labor productivity, cost-affected inflation will certainly rise. Control over total wages was relaxed for several years before the Sixth 5-Year Plan, but this was proved unworkable. In 1985, banks began to exercise control over expenditures on wages, and this was quite necessary.

Wage Reform

Over the past few years, we have made a breakthrough in the egalitarianism which had existed for a long time in the distribution of income, thus widening the gap between earnings and stimulating the initiative of laborers. However, in wage reform, prominent contradictions have arisen between readjusting the wage structure and maintaining the stability of wages. In reforming the irrational wage structure, it is necessary to raise wage levels of some people, but this will evoke other people's demands for a pay raise. As a result, the general wage level will exceed the designated scope and outstrip the limits of the state's financial resources. We should sum up our experiences in the current wage system reform and handle well the relationship between readjusting the irrational wage structure and maintaining the relative stability of general wage levels.

There are many problems in the trial implementation of the method of linking total wages with profits and taxes. Not only is the increase in an enterprise's profits and taxes. Not only is the increase in an enterprise's profits and taxes determined by the efforts it has made, but it is also directly related to the amount of state investment, the technology and equipment it possesses, the condition of natural resources, and other external factors. Price distortion brings about a profit disparity in enterprises and may possibly give rise to a situation in which wages and prices go up in turn. We must promptly study this problem and take effective measures to solve it.
During the Sixth 5-Year Plan period, some individual laborers earned more than those working in collective ownership enterprises, and some staff members and workers of collective ownership enterprises had higher incomes than those working in enterprises under ownership by all the people. In enterprises under ownership by all the people, some staff members and workers of small enterprises had higher income than those working in large enterprises; staff members and workers of enterprises which started reforms earlier earned more than those working in enterprises which started reforms later; and staff members and workers of enterprises had higher wages than those employed by government institutions. This, obviously, does not correspond to the principle of distribution according to work and hinders the improvement of economic results. In order to improve the relationship between distribution of income and economic results, we should give overall consideration to the implemention of economic policies, regulate the relationship by imposing taxes on bonuses and individual income, and allow a rational transfer of the labor force.

Price Reform

Price system reform was implemented during the Sixth 5-Year Plan period by relaxing control over and readjusting the prices of some products. However, the problem of irrational prices was far from being solved and the prices of energy and raw materials were still low. Owing to price distortions, economic information reflected by prices was also distorted, price inducement sometimes deviated from the direction of development which had been chosen, "products in long supply could not be reduced and goods in short supply could not be increased," and adverse regulation sometimes occurred. Therefore, straightening out price relationships still remains one of the most prominent problems in economic structural reform.

The difficulty with price reform lies mainly in how to handle well the relationship between straightening out and stabilizing prices. The result of the structural reform or prices will be a rise in the general level of prices. Emphasizing the stability of prices will make it difficult to carry out price reform, but excessive price rises will also be harmful to such reform.

Therefore, in readjusting the price structure, we must eliminate the impact from inflationary price rises. In addition, to control price rises within a certain scope, we must also readjust the price structure step by step so that large-scale price fluctuations can be prevented.

According to China's actual conditions, the principle of combining relaxation and readjustment can be applied to the prices of production materials, with emphasis on relaxation. On the condition that macroeconomic proportions gradually become harmonized and the total demand of society is under control, the prices of products should be gradually relaxed and straightened out, with the exception of the price of a few of the most important raw materials and fuels which have a direct bearing on the entire national economy. These prices are readjusted by the state in a planned way. With regard to the prices of basic consumer goods, the principle of combining readjustment and relaxation can be applied, with emphasis on readjustment. Implementation of this principle will help prevent the prices of consumer goods from being directly affected by changes in supply and demand in the market. This will make it easier to stabilize the prices of basic consumer goods and to prevent rotational rises in wages and prices.

Breaking the Separation of Regions From Departments

During the Sixth 5-Year Plan period, certain explorations were also made on the reform of the economic organizational system. These explorations were as follows: Responsible government departments were beginning to shift from administrative to professional management; regional management was beginning to shift from economic regional management focused on large and medium sized cities; the old system under which departments were separate from regions was beginning to break as a result of the development of crosswise economic relationships and the gradual formation of a crisscross economic organizational network; and intermediate administrative levels were beginning to play their role in regulating the macroeconomy. Over the past few years, professional management has been exercised on a trial basis over machine-building industry, commerce, and foreign economic and trade relations; some trade associations have been set up on a trial basis; and some 60 large and medium-sized cities have carried out comprehensive reforms and gained certain experience. Practice has proven that the general orientation of these experiments is correct. However, these experiments have not been able to proceed in a deep-going way because of the coexistence of the new and old systems and the failure to separate enterprise management from government administration.

The system of state vertical management over enterprises is an organic entity composed of several branch systems which bear their own characteristic, but rely on and restrict each other. The rational combination and synchronous reform of these branch systems will greatly strengthen the role of the entire system. Allowing each branch system to work in its own way will be harmful to the role of the entire system. Following the formation of a complete and unified commodity market and reform of the planning and material management systems, it is necessary, when conditions are ripe, to abolish the departments in charge of urban enterprises so as to implement real professional management.

Reforms Require Overall Planning

The reforms of bonuses, wages, prices, profits and taxes, and credit management carried out over the past few years are individual reforms; these are necessary and have various good points. But some individual reforms are not related or coordinated with each other. As undue emphasis has been laid on the individual application and one-directional regulatory role of some economic levers, the role of these economic levers cannot be brough into full play. Apart from this, the one-directional regulatory role of some economic levers has brought about certain negative results.

In addition, as the aim of the comprehensive application of economic levers to macroeconomic readjustment and control is not specific and explicit, it is very difficult for the economic lever system to effectively form a "resultant movement." Economic levers may even counteract each other. For example, the purpose of substituting loans for fund allocation is to strengthen the investment responsibility system, but the system of loan repayment before taxes has counteracted the role of such a substitution. Now, not only reforms of the above economic levers are individual and partial, but economic legislation also lags behind. This will provide "loopholes" for law-breakers. Therefore, we should lose no time in formulating an overall plan for economic structural reform, including an explicit target of this reform and measures to reach this target. In designating the target for China's economic structural reform, we must neither copy the theories of foreign economists nor transplant the economic structure which has been formed in the reform practice of other countries. In principle, China's economic structural reform should be aimed at forming an economic structure suited to China's specific conditions, which can provide planned guidance and exercise macroeconomic control, and which can carry out coordination mostly through the market mechanism. This structure should be able to ensure the continuous reproduction of socialist production relations in which pulbic ownership occupies a dominant position and by which common prosperity will be achieved. After the target has been designated, the key will be how to enable the traditional structure to shift to a new structure.

As China has a large population, its economy and culture are comparatively backward, its development is not in balance, and theoretical preparations and the number of cadres for carrying out reforms are inadequate, we should adopt a form of "gradual progress" rather than a "package" form aimed at completing the whole task at one stroke. By a form of "gradual progress," we do not mean that we should carry out reforms separtely. Under the guidance of an overall plan, we should carry out reforms "gradually," in "small-scale coordination," and by stages. The duration for such "gradual progress" and what should be included in each stage of "small-scale coordination" must be decided flexibly and in light of specific conditions.

Practice in the Sixth 5-Year Plan period suggested that we should make theoretical breakthroughs in economic structural reform. As theoretical relapses affect the progress of reforms, theoretical problems concerning reforms should be fully discussed. Those having different views should not be branded as "conservatives" or people engaging in "liberalization." Only by holding full and fact-finding discussions, can we correctly solve problems concerning the theory and practice of reforms and carry reforms forward.

Economic structural reform and economic construction promote each other, but at the same time contradict each other. During the Sixth 5-Year Plan period, there were instances where reforms were carried out faster than production and construction; sometimes production and construction rates were so "excessively high" that they affected the excellent environment of reforms, and as a result, the reforms had to be slowed down. We should give priority to reforms during the Sixth 5-Year Plan period. In case contradictions arise between reforms and construction, the arrangements for production and construction should be made in such a way that they are beneficial to and can help create favorable conditions for reforms. Naturally, reforms should not be carried out separate from other work, but should be suited to the economic environment and further developed for the purpose of improving the economic environment.

CADRES URGED TO WORK WITH GRASS-ROOTS UNITS

HK090811 Beijing BAN YUE TAN in Chinese No 6, 25 Mar 86 pp 4-5

[Commentator's article: "Get Yourself Moving and Go Deep Into Realities"]

[Text] Since the beginning of this spring, many central leading comrades have left Beijing and gone to various towns and villages to inspect work.

They have gone to find out about people's feelings and living conditions, and to discover and solve problems. The central leaders have set a good example and have taken the lead in establishing a good work style.

Leadership is a kind of service, and service must be oriented to the masses. To exercise effective leadership and to offer good services, leaders must be aware of the conditions in various localities and subordinate units and must really help solve some actual problems. Therefore, they should go down to subordinate units to make investigations. This is a requirement for their leadership work.

Our country is now undergoing a complicated and arduous economic structural reform which will determine whether our country will become prosperous in the future. We have no alternative but to advance the reform by shooting the rapids. We may encounter many new problems in the course of reforms. There are problems in people's minds, problems concerning the policies, problems related to the systems, and problems concerning cadres' work style. All this requires leaders to give guidance, answers, and solutions. These are needs in the development of the situation.

This year is the first year of the Seventh 5-Year Plan. The framework and major principles of the Seventh 5-Year Plan have been laid down, and the guideline for this year's work has also been fixed. What is needed now is down-to-earth work. The central leadership has called on cadres to display the spirit of the "foolish old man," to unite and work hard, and to struggle in a down-to-earth and indomitable manner. We cannot always stay in our offices; still less can we indulge in empty talk. All leading comrades should personally go to grass-roots units to find out about the situation in actual work and to discuss the ways to carry out reform and construction with the masses. Only thus can we overcome the defects of bureaucratism and correct the bad style of passing the buck and poor work efficiency.

Taking on actual work in grass-roots units is also a form of study. Many of our leading cadres lack knowledge. How should they make up for this shortcoming? Comrade Hu Yaobang stressed that efforts should be made in two aspects: "First, cadres should master Marxist theory and modern technological and management know-how; second, cadres should be familiar with national conditions and their local conditions and should accumulate richer practical experience thorugh the handling of actual work. This is to say, they should first climb up a higher theoretical level and second go deep into the realities of life." There are large numbers of erudite and knowledgeable experts in factories, rural villages, schools, and research institutes; there are many cadres and ordinary people who have rich experience; and there is a vast field where people can display their talents. Many problems which cannot be solved in the offices can be easily solved in the grass-roots units with collective wisdom being drawn on and all useful ideas being absorbed. Is it not true that we always emphasize the combination of theory with practice and the principle of seeking truth from facts? Is it not true that we always mention the viewpoint of relying on the masses? All this will be effected if we actually go down to grass-roots units.

Following the example of the central leaders, some provincial, municipal, and regional leaders have also taken action, as have some prefectural and county leaders. We believe that so long as leaders at all levels can often go down to grass-roots units to seriously help solve new problems and to create a new situation in those units, our party style will be further improved, relations between the party and the masses will become closer, and we will make greater achievements in our construction.

In recent years, Comrade Hu Yaobang has inspected almost all provinces, municipalities, and autonomous regions, and has visited hundreds of counties, coming into extensive contact with cadres at all levels and with people in all walks of life, thus giving effective guidance to work in all fields.

If a general secretary who has to attend to numerous affairs of the state and the party every day can personally look after work in grass-roots units, why can't our leaders at the prefectural and country levels do this? It all depends on human effort. The key is whether cadres can really understand the significance of going down to grass-roots units to look after actual work there.

Are leading comrades of grass-roots units also facing the issue of going down to the realities of life? Yes, they are. Leading comrades at the grass-roots level should also often go deeply among the masses and go to the places where there are more problems and difficulties. They should really and seriously help the masses solve some actual problems and create a new situation. We should not immerse ourselves in endless meetings and paperwork, should not merely make cursory observations, and should not give irresponsible and arbitrary directions. Instead, we should go deep into the realities of life, maintain contact with the masses, and conduct careful investigations and studies. This will increase the resourcefulness and capabilities of our grass-roots cadres.

Let us get ourselves moving and go deep into the realities of life. Our cadres will certainly benefit from this practice, and our people will also benefit from their practice. Our cause will then become more prosperous!

ENTERPRISE OWNERSHIP OF DIFFERENTIAL PROFIT SEEN

HK100419 Beijing GUANGMING RIBAO in Chinese 29 Mar 86 p 4

[Article by Peng Biyuan: "Differential Profit Should Belong to Enterprises"]

[Text] In his article entitled "On Macroeconomic Control in the Socialist Economy," carried in GUANGMING RIBAO on 3 February 1986 [as published], Comrade Lin Xili pointed out that it is necessary to turn over to the state, by means of collecting resources and capital differential taxes, the basic portion of the differential profit deriving from different production conditions. In my view, differential profit should belong to enterprises.

First, it is both impossible and unnecessary to set the same starting line because production equipment, technological conductions, and competence of workers in various enterprises cannot be measured accurately. With the development of productive forces, the differential profit of enterprises will also change. Differential profit is the outcome of the comprehensive role of men and materials in the course of production. It is impossible to accurately work out the capital and resource differential taxes reflecting changing enterprises. Competition includes that in production conditions. That is why there are "technological advantages" and "advantages in resources." The differences in the production conditions of various enterprises serve as the basis of competition, the motive force of competition, and also the principal means by which the enterprises gain victories in competition. If the differential profit should be handed over to the state, this means that, on the one hand, the enterprises have lost an important means of competition and, on the other, the internal motive force for carrying out competition among the enterprises has been weakened.

Second, if the state owns differential profit, enterprises would lack a pioneering spirit. After becoming relatively independent commodity producers, the enterprises should conduct ample investigation and study before adopting a certain new technology or a new object of labor in order to avoid failure. This makes it necessary to expend a certain amount of labor and money. Differential profit is a primary source in providing for the expenditure.

If the differential profit belongs to the enterprises, it will not only create conditions for the constant adoption of new technology by the enterprises, but also further encourage the enterprises to be bold in blazing new trails and assuming business risks. If the differential profit should be handed over to the state, the risks that the enterprises may incur might not be commensurate with the remuneration they may receive. This may result in the enterprises being dissatisfied with the existing state of affairs.

Third, if differential profit should be turned over to the state, the expected investment profit of the enterprises may drop and the remuneration of technological innovation may decrease by degrees. Since the enterprises would retain only a very small portion of the differential profit deriving from increased investment, the purchase of new equipment, and the introduction of new technology, enterprises would be confronted with a critical point [lin jie dian 5259 3954 7820] of effective investment. Differential profit deriving from increased investment up to this point would wholly or mainly belong to the enterprises, while differential profit beyond this point would mostly be turned over to the state. For the sake of their own profits, the enterprises would restrict their investment to below the critical point. The result would be that the enterprises would be encouraged to use more labor and less advanced technological equipment, thus wasting resources and hindering the process of turning science and technology into practical productive forces.

It is necessary to consider the question of competition among enterprises and the distribution of laborers' income on the basis of ensuring economic results. With the exception of monopolistic factors which prevent equal competition among enterprises, differences in production conditions should not be eliminated. There is no need for enterprises to compete from the same starting line because backward enterprises should be eliminated and advanced enterprises should develop. As for the great disparity in laborers' income resulting from the different production conditions of the enterprises, it can be solved through regulating the relation between labor supply and demand and through collecting bonus tax from the enterprises and personal progressive income tax from the laborers.

PROBLEMS IN INDIVIDUAL ECONOMY DEVELOPMENT VIEWED

HK100417 Beijing WENZHAI BAO in Chinese No 299, 30 Mar 86 p 6

[Article summarized from SHEHUI XUE YANJIU: "Four Big Problems in the Current Development of Individual Economy"]

[Text] Issue No 3 of SHEHUI XUE YANJIU [SOCIOLOGICAL STUDY] carries an article by Zhu Qingfang entitled "On Evolution of and Policies Toward Individual Economy." The article points out that over the past few years, many problems have cropped up in the development of our individual economy, to which our leading groups at various levels should pay close attention: 1) Tax evasion has been extremely serious in our individual economy. As there are defects in our taxation system and too few personnel in our taxation department, generally, our individual traders evade about half of their taxes. Mobile hawkers and traders who carry goods long distances for sale evade 70-80 percent of their taxes. 2) There has been the practice of employing a large number of workers in individual enterprises. In some of the enterprises, there is heavy and cruel exploitation. Over the past few years, the scale of employment has continue to grow in quite a few areas, the rate of exploitation has continued to rise, and there are individual enterprises in our country that each employ 500 or even 1,000 people. This already exceeds the scale allowed for our individual economy.

3) The income in our individual economy is excessively high. This hinders the consolidation and development of our collective enterprises and has an evil impact on workers in our enterprises owned by the whole people. Apart from their good management, the major causes for their high income are irrational prices, excessively low tax burdens, and tax evasion. 4) A number of individual traders have made their fortune through under-the-counter relations, bribery, and speculation. Their activities have helped unhealthy practices to spread quickly.

The article proposes the following measures in order to intensify macrocontrol over our individual economy: 1) We should give play to the role of our economic levers and impose control by means of our tax, credit, and price policies. 2) In the process of the continuous development of our individual economy, there will inevitably be difficulties in obtaining the services they need before and after production, and there should be outlets for the funds they have accumulated. Leading groups at various levels should give guidance in these areas. 3) In regard to the individual traders that have exceeded the scope of individual economy in their scale and have in fact become private enterprises, we should recognize their existence as soon as possible and formulate corresponding policies and relevant laws. 4) We should promulgate laws to protect individual economy, and at the same time we should formulate labor management rules and regulations to protect the rights and interests of those employed by individual traders.

RENMIN RIBAO ON CRITERIA FOR APPRAISING PEOPLE

HK100421 Beijing RENMIN RIBAO in Chinese 31 Mar 86 p 5

[Article by Yu Wujin and Wu Xiaoming: "A Brief Discussion on the Appraisal of Personalities"]

[Excerpts] China is now undergoing the great social change of economic structural reform. The waves of this revolution are pounding people's souls and bringing about profound changes in their concepts of value, of morality, and of history, as well as in their criteria and standards for appraisal. In particular, the appraisal of reformers reflects a sharp conflict between different criteria for appraisal. There are great differences between the criteria for appraisal in different historical periods of one historical process.

From the late fifties to the period before the 3d Plenary Session of the 11th CPC Central Committee, and in the 10-year catastrophe in particular, because of the serious influence of "leftist" ideology, people summed up their appraisals into one approval, that is, a class appraisal, which took class struggle and the struggle between the two lines as the key link. At that time, the most important point in appraising a person was to judge his consciousness of class struggle and the struggle between the two lines. As to his other problems, they were put aside as matters of life importance. After the "gang of four" was smashed, and in particular after the 3d Plenary Session of the 11th CPC Central Committee made a great decision on shifting the party's work focus to economic construction, a fundamental change took place in people's criteria for appraisal. The habit of making ultraleftist appraisals gradually disappeared and the appraisal of morality and talents began to emerge and finally gained an independent position. In actual life, apart from a small number of cases which have violated the law and must be submitted to judicial organs for judicial proceedings, most problems are now treated according to the criteria for appraising morality and talents. If we say that the appearance in newspapers and magazines of special columns on "morality courts" is the symbol of the rejuvenation of the appraisal of morality, then only widespread attention to the use of science, technology, knowledge, and talented people will really mark the revitalization of the appraisal of talents.

In short, the appraisal of morality and talents varies with specific conditions; there is no fixed pattern to follow. In appraising morality and talents, it is necessary to hold firm to the principle of specific analysis.

SHAANXI, ORDNANCE MINISTRY SIGN ECONOMIC ACCORD

HK100548 Xian Shaanxi Provincial Service in Mandarin 0030 GMT 10 Apr 86

[Text] An economic cooperation agreement between the Ministry of Ordnance Industry and the Shaanxi Provincial People's Government was signed in Xian yesterday. Vice Minister Pang Tianyi and Vice Governor Zeng Shenda signed on behalf of the two parties. Also present were responsible comrades of the State Planning Commission, the State Economics Commission, the National Defense Science, Technology, and Industry Commission, and provincial departments concerned.

The Ministry of Ordnance Industry has 25 enterprises and undertakings in Shaanxi. The province is thus one of the major bases in the country for production, scientific research, and education in the industry. The first meeting of the ministry-province cooperation leadership group, which took place yesterday, held that ministry-province cooperation is of positive significance for breaking down the separation of departments and regions, promoting lateral economic ties between enterprises, stimulating integration of defense and civilian production, mobilizing the initiative of both the ministry and the province, bringing into play the strong points and potentials of both parties, and speeding the development of both state-owned and local economy.

The meeting decided that the first group of ministry-province cooperation projects should involve 10 civilian products including ultra-light autos, motorcycles, heavy corrugated paper, [words indistinct] alkaline batteries, and Huashan cameras. These products should be placed within the channel of ministry-province planning, and the two parties should make joint efforts to implement the plans. The meeting also initially explored reserve cooperation projects including the modification of heavy cranes and joint efforts to develop aluminum ingot production. Both sides expressed sincerity in positive cooperation.

Zou Jiahua, minister of the ordnance industry, and Shaanxi Vice Governor Zhang Bin spoke at the ceremony. They said: We should base our efforts on promoting mutual benefit through joint development, work in concert, take the initiative to cooperate with each other, and strive to create a new situation in ministry-province cooperation.

Shaanxi Radio Commentary

HK100550 Xian Shaanxi Provincial Service in Mandarin 0030 GMT 10 Apr 86

[Short commentary: "There Are Great Prospects for Lateral Ties Between Defense and Civilian Enterprises"]

[Text] For the Ministry of Ordnance Industry to practice ministry-province cooperation with Shaanxi and for different trades and localities to pool efforts in developing civilian products and serve the effort to build the national economy and invigorate Shaanxi's economy represents a bold probe in implementing the principle of the CPC Central Committee and the State Council on integrating defense and civilian production and establishing a new structure combining defense and civilian industries. It will help to promote lateral economic ties and the development of urban and rural economic structural reform in the province.

Quite a large number of defense enterprises have been allocated to Shaanxi by the state. They have considerable strong points in technology and talent. There are great prospects for developing lateral economic ties between defense and civilian enterprises. As far as the defense industry enterprises are concerned, they can expand their sales outlets, take part in joint operations in the social market, organize the transfer of technology, and carry out technical cooperation, technical contracting, and technical consultation services, all through establishing lateral ties. As far as local civilian enterprises are concerned, by unfolding economic and technical cooperation with defense industry enterprises, they can learn the strong points of others to make up for their own shortcomings, stimulate the exchange of technology and talent, and improve the technological standard and product competitiveness of local enterprises.

There is a lot of work to be done in developing lateral ties between defense and civilian industrial enterprises. The most important thing is to eliminate in our thinking the traditional concept of closing the doors and acting in a conservative fashion, broaden our vision, look at society, organize ties in the spirit of reform and apply ties to spur economic reforms. The leading organs must, on the basis of delegating powers to enterprises, establish the guiding idea of serving the enterprises, erect bridges and provide information for them, and actively create various conditions for stimulating lateral economic ties. In this way lateral ties between defense and civilian enterprises will certainly bear rich economic fruit.

NPC DEPUTIES CONTINUE DRAFT LAW DISCUSSIONS

Foreign Enterprise Law Considered

OW090412 Beijing XINHUA Domestic Service in Chinese 1323 GMT 7 Apr 86

[Excerpts] Beijing, 7 Apr (XINHUA) -- In group discussions on the draft law for foreign-funded enterprises, deputies to the Fourth Session of the Sixth NPC said that the draft law summarizes China's experience in utilizing foreign capital, conforms with the policy of opening to the outside world, encourages foreigners to invest capital and advanced technology in China, facilitates the four modernizations program, and, therefore, is feasible. The deputies gave their opinions regarding the draft law.

Zhejiang Deputy Zhu Ermei said: With the foreign-funded enterprise law, we can encourage foreign businessmen to invest capital and advanced technology in setting up enterprises in China and, at the same time, strengthen our supervision of foreign-funded enterprises. The draft law is distinctively characterized by its support for socialist fundamental principles, while retaining flexibility, its use of foreign experience as reference, while integrating with Chinese experience, and its provisions for preferential treatment and incentives to foreign-financed enterprises, while observing Chinese laws. Therefore, this draft law is good and has Chinese characteristics.

A member of the Nei Monggol delegation said: It is entirely necessary to enact the foreign-funded enterprise law, which embodies China's basic national policy, and explains that China's policies of opening to the outside world and invigorating the domestic economy will remain unchanged for a long time.

Member of the PLA delegation Xia Kui said: It is correct for the foreign-funded enterprise draft law to stress the importance of protecting foreign capital. However, it is also necessary to attach importance to protecting Chinese workers and national industry and commerce, as well as the market. Deputy Wu Zhen said: After the draft law is approved, it is necessary to have a powerful and effective organ to ensure its implementation.

Shanghai Deputy Liu Jingji said that he is in favor of the foreign-funded enterprise law. However, it is necessary to step up efforts in formulating detailed rules and regulations for enforcing the law, and to solicit opinions from various quarters.

Further Provisions Recommended

OW091256 Beijing XINHUA in English 1125 GMT 9 Apr 86

[Text] Beijing, April 9 (XINHUA) -- Deputies to the current National People's Congress believe China's first draft law on foreign-funded enterprises does not contain enough detailed provisions. During NPC panel discussions, a deputy from Guangdong Province suggested that foreign-funded enterprises should be set up in special economic zones or cities that had been opened up to foreign trade and investment. He said: "The draft should include specific items of preferential treatment which can be enjoyed by foreign enterprises in special economic zones and coastal cities." At present there are 14 open cities in China, including Shanghai and Tianjin, in addition to four special economic zones in Guangdong and Fujian Provinces.

A deputy from Hubei Province said more provisions should be added to distinguish between the rights and interests of wholly-foreign funded enterprises and Sino-foreign joint ventures. According to the draft, "investments made by a foreign investor in China, the profits he earns and his other lawful rights and interests shall be protected by Chinese law." The Hubei deputy said that "other lawful rights and interests" should be specified. "There should be added that disputes between employers and employees will be settled according to Chinese laws," he said. "If negotiations fail, disputes between foreign enterprises and Chinese enterprises or commercial departments will be subject to Chinese institutes of arbitration." Many deputies felt that as the draft was comprised mainly of principles, many specific provisions dealing with concrete matters should be drawn up, either in the form of supplements or independent regulations.

Another Hubei deputy stressed the importance of formulating a contract law. One from Shanghai pointed out that the draft should provide for not only contracts between employers and employees, but should stipulate who should sign a contract for the Chinese side, which, he said, could be either the personnel office, the trade union, or the employee. A supervisor for the execution of the contracts should also be provided for, he said.

The current National People's Congress is expected to examine and pass this law and two others -- drafts of general principle on a civil code and a law on compulsory education.

Law Enforcement Discussed

OW091414 Beijing XINHUA in English 1230 GMT 9 Apr 86

[Text] Beijing, April 9 (XINHUA) -- The government was urged today to take steps to tighten up the strict enforcement of China's laws to ensure the smooth progress of socialist modernization and economic reform. Deputies to the current session of the National People's Congress agreed that a major problem with the country's legal system was that there were too few laws to abide by, but many existing laws were not fully implemented and observed. Remarkable progress had been achieved in China's legislation since 1979, and 47 laws had been passed by the NPC and its Standing Committee, said Zhang Meilin from Shandong Province.

He said: "We have made many laws. The problem at present is that they are not strictly implemented in many places, and violation of the law is not punished according to the law. It is common for some leaders to use their powers to interfere in judicial work and put themselves above the law."

Zheng Tianxiang, president of the Supreme People's Court, said in his report to the session Tudsday: "It is not rare for some people to interfere in the work of the courts." He also complained that some government officials used economic laws as a tool to protect the interests of their own areas.

Deputy Lin Yuanti from Yunnan Province said some customs officials fined offenders instead of handing them over to judicial departments. Yu Shuzhen, a deputy from Tianjin, said that many reports from government departments tc people's congress sessions over the past few years mentioned this problem. She hoped all government organizations and officials adopt a resolute attitude and take effective measures to solve it. Deputy Ma Shitu from Sichuan Province said that party disciplinary measures were often used instead of the law in many places, and it was not rare for judicial workers to break or ignore the law.

Many deputies also demanded more widespread publicity of existing laws to promote legal knowledge. A large section of the public remained ignorant of the law. Deputy Shao Cunxin, of the Dai ethnic minority from Yunnan Province, said many people living in minority areas had poor legal knowledge. Many traditional customs and habits were not in accordance with the law. So special efforts were needed to strengthen legal knowledge in these areas. Many deputies said officials at all tiers of government should take the lead in studying and observing the law.

A Sichuan deputy praised the decision of the Standing Committee of the People's Congress of Chongqing City to insist that prospective city officials must first sit and pass an examination on legal knowledge.

Crackdown on Crime Urged

OW091428 Beijing XINHUA in English 1307 GMT 9 Apr 86

[Text] Beijing, April 9 (XINHUA) -- China's Supreme People's Court and the Supreme People's Procuratorate should make greater efforts to eradicate economic crimes, deputies to the ongoing National People's Congress session stressed here today. They agreed that the court and the procuratorate have made great progress in their work over the past year, as the number of criminal cases has fallen by nearly 36 percent since 1983. However, they also noticed that the number of economic crimes has gone up in recent years.

Han Zheyi, member of the National People's Congress (NPC) Standing Committee and deputy director of the NPC Finance and Economy Commission, said that crimes in the economic field are particularly serious and undermine the ongoing reform. He said that careful investigations should be made into major cases, and the responsibilities of the departments involved should be clarified when serious cases come to light.

Lin Liyun, president of the All-China Association of Taiwan Compatriots, said that some party and government leaders have used their powers and positions to protect offenders. If this state of affairs continues, she said, it will have a deleterious effect on the whole of Chinese society. Compatriots living abroad are worried about this, she added.

Beginning last year, she said, China has made some progress in clamping down on economic crimes committed by party and government officials. But this is just "the tip of the iceberg", she said. She hoped that the court and the procuratorate would make further efforts to deal severely with economic crimes.

Wu Shangzhong and other deputies from Guangdong Province said that judicial departments throughout the country had done a good job in cracking down on criminal cases. However, they have not done a satisfactory job on economic crimes. Two factors, they said, are responsible for this. One is that the country's laws and decrees are not complete and there is no (?clear) definition of economic crime; the other is that departments which handle economic crimes still lack legislative and administrative teeth. Many deputies agreed that attention should also be paid to crime prevention. In addition to handling cases, the people's court should also provide consulting services. they also said that sentences passed for grave economic offenses should be made known to the public in order to educate the people.

HAO JIANXIU RECOMMENDS PLANT DIRECTOR BOOK

OW100506 Beijing XINHUA Domestic Service in Chinese 0016 GMT 10 Apr 86

[Excerpts] Beijing, 10 Apr (XINHUA) -- Thousands of outstanding plant directors have emerged in China and shown their talents on the economic state. One result of this phenomenon is the emergence of "plant director science," a science that deals with this branch of work. According to information supplied by the research society on Chinese plant director (manager) work, the contingent of China's plant directors has visibly expanded since the early 1980's. The number of plant directors and managers in enterprises owned only by the people has reached 2 to 3 million. "Chinese Plant Director Science," which was recently published in Beijing, is the first systematic work dealing with the new discipline.

Hao Jianxiu wrote an article recommending "Chinese Plant Director Science" to readers, saying this special branch of science is built on the basis of enterprise management, general leadership science, and serious summing up of work experience of Chinese directors and managers. Chinese researchers emphasize research of "plant director science" on "Chinese characteristics." Authors of "Chinese Plant Director Science" said the object of research in this branch of science is to study how plant directors can become socialist entrepreneurs with Chinese characteristics.

TIAN JIYUN GREETS XIAMEN UNIVERSITY ANNIVERSARY

OW081810 Beijing International Service in Mandarin 0900 GMT 8 Apr 86

[Text] Some 3,000 teachers and students of Xiamen University and some of its alumni and distinguished guests from at home and abroad ceremoniously gathered on 6 April to mark the university's 65th anniversary. Xiamen University was founded by Mr Chen Jiagen, a late Overseas Chinese leader. Vice Premier Tian Jiyun especially asked that his greetings be conveyed to the school, as did Lu Jiaxi, president of the Chinese Academy of Sciences and an alumnus of Xiamen University.

Chen Mingyi, vice governor of Fujian Province, addressed the meeting. He said that Xiamen University should be turned into a scientific research and personnel training base for Fujian Province and the Xiamen Special Economic Zone, as well as a key point of contact with the educational and academic circles of Southeast Asia and the Hong Kong and Macao regions.

FUJIAN HYDROPOWER STATION PLANNED ON MIN JIANG

HK090931 Beijing ZHONGGUO XINWEN SHE in Chinese 1442 GMT 31 Mar 86

[Report by Zhou Xiaobao: "The Shuikou Hydroelectric Power Station on the Min Jiang, the Largest One in Eastern China, Is Now Covered by the 'Seventh 5-Year Plan'"]

[Text] Beijing, 31 Mar (ZHONGGUO XINWEN SHE) -- The Shuikou Hydroelectric Power Station on the Min Jiang in Fujian will be the biggest hydroelectric power station in eastern China and is to be built in the Seventh 5-Year Plan period. The World Bank has already made an evaluation of the project, the initial preparatory work has been making smooth progress, and it is expected that formal construction will start at the beginning of next year.

Hu Xilan, an NPC deputy who is chief engineer of the Fujian Provincial Bureau of Electric Power Industry, told this reporter today that the Shuikou Hydroelectric Power Station would be built in Minqing County at the middle reaches of the Min Jiang, 84 km from Fuzhou City. This hydroelectric power station, with total capacity of 1.4 kwt, will not only be able to ease the power shortage in Fujian Province when completed, but will also be able to provide electricity to economically developed eastern China for peak period support, requiring only a 500 km-long high-tension power transmission line to be built to connect the station with the eastern Chinese power network. Moreover, the Shuikou Power Station will be conducive to improving water transportation on the Min Jiang. Its annual volume of cargo freight will be able to rise over 200,000 metric tons to 3.2 million metric tons.

The Shuikou Hydroelectric Power Station is the largest energy project for which the World Bank has decided to provide investment for China. International tenders are being invited for the principal construction work of the power station. By the end of last year, bids had been received from over 30 construction groups formed by about 80 companies from over 10 countries, including China, Japan, Britain, and the United States. Many of these groups are joint ventures between China and other countries. Recently, the Chinese initial qualification examination committee delivered its initial examination results to the World Bank. In April and May, the bidders will go to Fujian to inspect the site for the dam. It is estimated that the tenders will be finally decided upon next October.

Hu Xilan said that China had been stepping up the initial preparatory work for the power station, including the widening of a highway over 20 km long and the construction of a bridge, a substation, and an oil depot. Experts of the World Bank inspected the preparatory work and expressed their satisfaction with it.

Parallel to the project of the Shuikou Hydroelectric Power Station is a coordinate project to change the route of the 70-km Nanping-Shuikou-Fujian railway. The new railway will be built according to the standards for electric railways, and will be completed in 1989. Before the new railway goes into operation, the old one will continue to operate.

Hu Xilan said that the first generating set of the Shuikou Power Station would go into operation in 1933 and that it was estimated that all its seven generating sets will be in operation by 1995, with the total duration of the construction of the project being 8 years.

JIANGXI'S NI XIANCE MEETS INSPECTION GROUP

OW081242 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 7 Apr 86

[Text] The inspection work in Jiangxi's 12 cities for good environment, order, and service was completed today. The inspection group points out that the results of its inspection in the 12 cities can be summarized as follows: Good environments bring people pure and fresh feeling; fine order brings people a sense of safety; and fine service makes people feel at ease.

This morning, Provincial Governor Ni Xiance called on all members of the provincial inspection group at Nanchang guesthouse, affirmed the achievements made in this connection throughout the province in the past year, and called on all prefectures and cities in Jiangxi to guard against formalism in these activities, and further grasp well these activities and the activities of "five stresses, four beauties, and three loves," so as to fundamentally improve party style and the general mood of society.

The inspection group has decided to hold an evaluation and award-giving meeting for these activities in the 12 cities at the end of this month.

JIANGXI'S WAN SHAOFEN ON BACKWARD AREAS' GROWTH

OW100209 Beijing Domestic Service in Mandarin 1200 GMT 8 Apr 86

[Text] Dear listeners: In a recent interview with station reporters, Wan Shaofen, deputy to the Sixth NPC and secretary of the Jiangxi Provincial CPC Committee, expressed her views on the appeal in the draft Seventh 5-Year Plan for supporting development of economically backward areas. Below is her recorded speech:

[Begin recording] In his report, Premier Zhao mentioned that we must support economically backward areas in accelerating development. I am particularly impressed by this point. As a well-known old revolutionary base area, Jiangxi tops the nation regarding territory, population, and problems. Population of the old revolutionary base area in the province runs to 15 million. The base area boasts rich natural resources, particularly agricultural and mineral. The bulk of the 126 minerals found in Jiangxi Province is located in the old revolutionary base area. Nevertheless, peasants in some districts of the base area still have difficulties finding food and clothing. They are in need of state support to extricate themselves from poverty. The province plans to solve the food and clothing problem of the base area in 2 or 3 years, and eliminate poverty in 5 years. Jiangxi will strive to have the base area catch up with other parts of the province in economic development. In other words, an annual per-capita income of 500 yuan should be the target for the base area.

On the basis of the past year's achievements, we shall strive to raise the per-capita income of the old revolutionary base area by a further 20 percent in 1986. The per-capita income of one-third of the poor families should exceed 200 yuan. Moreover, we must work still harder this year to essentially improve the lot of the poorest families, who are undernourished and scantily-clothed.

We must continue the policy of lightening the burden, adopting flexible measures, and activating the economy of the old revolutionary base area. We must particularly lighten the burden and adopt more flexible measures in the poorest villages, where peasants are still unable to feed and clothe themselves.

Through abolition of irrational burdens on peasants and the adoption of more flexible policies, these villages should be given a fairly long period of recuperation. [end recording]

SHANDONG POLITICAL, LEGAL WORK CONFERENCE OPENS

SK100555 Jinan Shandong Provincial Service in Mandarin 2300 GMT 8 Apr 86

[Text] The provincial political and legal work conference opened in Jinan on 7 April. Li Changan, deputy secretary of the provincial CPC Committee and governor of the province, attended and addressed the conference. Vice Governor Ma Lianli relayed the guidelines of the national political and legal work conference, and made arrangements for this year's political and legal work. Present at the conference were the provincial leading comrades, including Lu Maozeng, Yang Xingfu, Li Farong, Yuan Bo, Xu Leijian, and Ding Fangming.

In his address, Comrade Li Changan pointed out: We should strive to strengthen the building of the legal system. Recently, Comrade Deng Xiaoping has stressed that it is necessary to build the four modernizations with two hands, with one grasping construction projects and the other grasping the building of the legal system. The current political and economic situation in Shandong Province is very good. One of the major reasons is our endeavors in building the legal system during the past few years, which have resulted in great improvements in socialist democracy and the legal system. In strengthening the building of the legal system, the most basic requirements are: There must be laws for the people to follow; the laws must be observed; their enforcement must be strict; law-breakers must be dealt with. Party members throughout the province, leading cadres at all levels in particular, should truly enhance their understanding of the importance of building the legal system, and should safeguard the solemnity of laws. By no means should they violate the laws and the Constitution; still less should they replace the law with their speeches and suppress the law with their powers.

With regard to the issue of dealing blows to serious economic crimes, we should concentrate our efforts on investigating and dealing with major and appalling cases, and should dare to cope with and tackle hard and difficult cases without any tolerance. All those who have violated the criminal law, no matter how high their rank, should be punished according to the state law. Such persons should never be tolerated.

The conference pointed out: This year, political and legal departments at all levels throughout the province should pay attention to the following tasks: They should continue to deal strict blows to serious criminal offences, and should be resolute in winning the third campaign. Leaders should take the lead in resolutely and sternly striking at serious economic crimes. Political and legal departments should promote the comprehensive administration over public security, focusing on the urban areas, combining departments with regions at different levels, and stressing various regions. These departments should further improve the labor-reform and the labor-reeducation work, strengthen the building of the legal system, accelerate the popularization of legal knowledge, and intensify the economic legislation and judicature in order to ensure the normal progress of economic activities. They should also step up the building of political power at the grass-roots level, consolidate the foundation for the people's democratic dictatorship, strengthen the building of the ranks of political and legal workers, and improve the competence of cadres and policemen.

SHENZHEN CPC SECRETARY ON ECONOMIC REFORM

HK081322 Beijing ZHONGGUO XINWEN SHE in Chinese 0824 GMT 3 Apr 86

[Text] Beijing, 3 April (ZHONGGUO XINWEN SHE) -- Shenzhen CPC Committee Secretary Liang Xiang said today: Being at the intersection of the domestic and international markets, of two pricing systems, and of two monetary systems, the Shenzhen Special Economic Zone must achieve the crucial point of standing firm amid keen competition. Otherwise, it will end in failure. During the Seventh 5-Year Plan period, the goal of the Shenzhen Special Economic Zone's economic structural reform is to build a suitable export economy and a new socialist economic system marked by attractiveness, competitiveness, and better links.

He said: In connection with the central requirement of making the special economic zone an experimental ground for structural reform, the zone has probed many new ways over the past 5-odd years since 1980. It has made preliminary reforms of the structures of planned management, capital construction management, enterprise management, circulation, finance, pricing; the labor and wage systems, as well as the system of personnel affairs concerning cadres, and so on. Among these, the zone has achieved good economic results in the work of contracting out capital construction projects. It also introduced to enterprises the contracted labor system, the floating wages system, and the system of recruiting cadres through elections, thereby providing a good example for nationwide reform.

Liang Xiang also acknowledged that reforms in the previous stage had developed some problems. This is mainly because the government administrative organizations have basically not yet discarded the old former practices and have not yet completed the construction of an economic administrative system that suits the economic activities of the zone. Liang Xiang introduced to the reporter the major contents of the economic structural reform during the Seventh 5-Year Plan period:

-- The zone will further reform the management system of enterprises, will perfect and decentralize enterprise decision-making powers, will perfect the responsibility system concerning business operations, will strengthen the vitality of enterprises, and will reform the system of company management so that enterprises will really become legal entities. For those corporations and group companies which perform some government functions, the zone will strictly separate government administration from enterprise management. The zone will focus on the export industry and will maintain and stabilize the present preferential policies toward foreign enterprises. In the course of developing lateral economic ties, the zone will focus on enterprises which link Shenzhen, other parts of China, and foreign businessmen. At the same time, the zone will encourage and support the development of shareholding enterprises as well as state-run shareholding enterprises.

-- The zone will gradually perfect the market system and will give full play to its role of linking the domestic market to the overseas market. During the Seventh 5-Year Plan period, the zone will combine China's commodity market with the overseas market, will strive to develop its international market, and will increase the proportion of direct international trade. The zone will establish and perfect sales and service networks for the international market, so as to strengthen the competitiveness of its products on the international market. The zone will develop the financial market and invigorate the financial sector by fully using channels for raising funds like banks and enterprises other than banks. The zone will actively open the human resources market so as to promote the rational mobility of qualified personnel and labor.

-- The zone will further readjust and reform the government structure of economic management, will lay more stress on scientific grounds when making decisions, and will improve its capacity for macroeconomic control and readjustment. The focal point of reform is to establish and perfect the centralized decision-making system, and to do well in balanced development.

Liang Xiang said: Reform of the economic structure is a very arduous and complicated social engineering project. Not only must we be bold and determined in probing new ways, but must also act carefully and systematically. Only thus can we succeed in the work.

HENAN LEADERS INSPECT CONDITIONS IN COUNTIES

HK081556 Zhengzhou Henan Provincial Service in Mandarin 2300 GMT 7 Apr 86

[Excerpts] According to HENAN RIBAO, Yang Xizong, secretary of the provincial CPC Committee; Zhao Di, deputy secretary of the provincial CPC Committee; and Zhang Zhigang, provincial CPC Committee Standing Committee member and provincial vice governor, recently inspected disaster areas, mountainous areas, and old revolutionary base areas in southern Henan. After the inspection, they emphatically pointed out that, provided that leaders at all levels lead the broad masses in enhancing their revolutionary vigor, continue to carry forward the style of working and struggling hard, proceed from local conditions, develop their strong points and avoid their weak ones, and give full play to their advantages, these areas can eradicate poverty and become rich.

From 24 March to 3 April, the leading comrades of the provincial CPC Committee led responsible cadres of some provincial departments and bureaus to Huangchuan, Shangcheng, Gushi, Huaibing, and Xixian Counties in Xinyang Prefecture, and Xincai, Zhengyang, Pingyu, and Shangcai Counties in Zhumadian Prefecture to conduct investigations and inspections.

After the inspection, the leading comrades believed that, with several years of hard work and particularly after party rectification and other work in the last year, new changes have taken place in production and the mental attitude of the cadres and masses in these areas. The general situation is good.

After conducting on-the-spot investigations, they have also found some problems. In the mountainous areas, old revolutionary base areas, and disaster areas, quite a few people have difficulties in their life and work. Leaders at all levels must have a strong sense of responsibility, and try every means to lead the masses in alleviating the disasters and eradicating poverty as soon as possible.

In their discussions with responsible cadres in all the areas, the leading comrades of the provincial CPC Committee repeatedly stressed that it is necessary to properly carry out the following tasks:

1. Leaders at all levels must conduct in-depth investigations and study and mobilize the masses to properly carry out capital farmland and water conservancy construction and necessary projects, so as to combat floods.

2. We must give play to our superiorities, develop our strong point, avoid weak points, actively readjust the production structure, and change our passive situation in production.

3. We must vigorously grasp the construction of the agricultural science and technology services system, change the previous backward practice of extensive cultivation, carry out intensive cultivation, and gradually bring about a change from traditional agriculture to modern agriculture.

4. We must actively develop a diversified economy, develop commodity production, and properly link relief work with improving production conditions, readjusting the production structure, and developing commodity production.

5. In close connection with party rectification in rural grass-roots units, we must teach cadres to establish the idea that leadership means service. Those comrades working in disaster areas and old revolutionary base areas must keep their minds on their work; enhance their confidence in leading the masses to overcome disasters, eradicate poverty and become rich; continuously improve their style; improve their work methods; build a close relationship between the party and masses; and promote the development of all causes.

HUBEI COMMODITY GRAIN BASE AREAS COMPLETED

HK080802 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 7 Apr 86

[Excerpts] After 3 years' construction, six commodity grain base counties and cities in our province, Jiangling, Jianli, Honghu, Jingshan, Mianyang, and Jingmen, have completed the overall plan for building bases and achieved marked economic results and comprehensive benefit. After they were checked and accepted by the state, they were all recently found to measure up to the standard.

As with the 57 base counties in the whole country, the building of these 6 commodity grain base counties and cities in our province commenced in 1983. Over the past 3 years, the state and locality have made a total investment of some 62.4 million yuan. This investment was mainly spent on the system for popularizing agricultural technology, the system for cultivating superior seeds, and small-scale farmland and water conservancy subsidiary equipment, which were the relatively weak links of agricultural construction and whose problems urgently needed solution. These 6 counties and cities have now set up agricultural technology popularization centers, seed companies, 83 district and township agricultural technology stations, 80 seed stations, and 12 superior seed cultivation bases. Over the past 3 years, some 3 million agricultural technicians of various kinds have been trained, some 270 items of new agricultural technology popularized according to local conditions, and some 160 million jin of superior seeds popularized. Over the past 3 years, these counties and cities have also built 247 electrical drainage and irrigation stations, repaired 63 reservoirs and 73 channels, improved and enlarged irrigated, drained, and flood-free areas by 5.4 million mu, and enhanced their ability to combat natural disasters.

The six commodity grain base counties and cities have achieved marked economic results and comprehensive benefits. According to statistics, over the past 3 years, their gross output of grain has been some 22.5 billion jin, 6.25 billion jin more than the gross output in the 3 years before these base counties and cities were built. Over the past 3 years, they have supplied the state with some 11 billion jin of grain commodity. The grain commodity rate of these six counties and cities last year reached 50.3 percent and the commodity grain supplied by them last year accounted for some one-fourth of the commodity grain of the whole province. At the same time, these six base counties' and cities' ability in comprehensive agricultural production has increased. These six counties' and cities' output of cotton, oil-bearing crops, pigs, poultry, eggs, and aquatic products in 1985 was more than that in 1982.

BEIJING DISCIPLINE ORGANS RECTIFY PARTY STYLE

SK080944 Beijing City Service in Mandarin 1000 GMT 31 Mar 86

[Text] Carrying out party rectification and reform, discipline inspection organizations at all levels throughout the municipality have correctly handled the relations among the rectification of party style, safeguarding of party discipline, and the reform projects, and have strived to fulfill the three tasks set forth by the party Constitution, thus achieving gratifying results last year in the fields of rectifying party style, enforcing party discipline, promoting reform, and strengthening the building of the party.

Conducting rectification and correction, discipline inspection organizations at all levels have begun their work by vigorously checking the leading bodies and leading cadres against some unhealthy practices; have cleared away the problem among some party and government organs and cadres that have engaged in commercial business or operated enterprises; have basically stopped the random issuance of bonuses, subsidies, and materials; have investigated and corrected arbitrary price hikes and the seeking of staggering profits; have prohibited units in charge of foreign affairs or foreign nationals from accepting and paying kickbacks; and have closed down a large number of unhealthy tabloids and illegal magazines that have flowed into the municipality from other places.

Since the beginning of the second half of last year, the municipality has vigorously checked the unhealthy practices prevailing in various trades in the course of rectifying the professional guiding ideology. In addition, discipline inspection departments at all levels throughout the municipality have supported other pertinent organs in conducting a general audit of taxes, finances, credit, pricing, and foreign exchange affairs. By the end of last year the amount of illegally gained money which was reported to the higher authorities during the self-examination period reached 350 million yuan. At the same time, a total of 170 million yuan in evaded taxes were retroactively paid. Other unhealthy practices, such as serious bureaucracy, giving banquets and gifts with public funds, and abuse of powers for personal gain, have also been corrected.

Vigorously checking unhealthy trends, discipline inspection organizations at all levels have concentrated on investigating and dealing with a number of major, appalling, and typical cases, thus enforcing party discipline. Over the past year the municipality investigated and dealt with more than 3,400 discipline violation cases committed by party members, and placed more than 600 cases of economic crime on file for investigation and prosecution. Meanwhile, more than 1,300 party members have been punished according to party discipline. Of them, 8 are cadres at or above the district, county, or bureau level; 49 are cadres at the section level; 300 have been expelled from the party, and 89 have been punished according to law.

Third [as heard], the education on party style, party spirit, and party discipline has been strengthened. In addition to using typical cases to teach the poeple what not to do, discipline inspection commissions at all levels have fostered a group of advanced typical examples for rectifying party style and promoting reform on all fronts.

Fourth, petition and information work has been strengthened. Last year, the municipal Discipline Inspection Commission received and handled more than 9,200 letters from the masses, and received more than 1,300 visits from the masses. At the same time, the petition work at the county level has also been improved.

Fifth, the departments at or above the county level throughout the municipality have established more than 1,400 discipline inspection units, and the number of full-time discipline inspection cadres has reached 4,200. In addition, the ranks of discipline inspection workers have been strengthened, and the political quality and cultural structure of the full-time cadres have been improved.

LI XIMING AT BEIJING DISCIPLINE INSPECTION MEETING

SK080934 Beijing City Service in Mandarin 1000 GMT 2 Apr 86

[Excerpts] At the municipal discipline inspection work conference which concluded today, Li Ximing, secretary of the municipal CPC Committee, emphatically pointed out that rectifying party style and strictly observing party discipline are long-term tasks and that we should not slacken our efforts in this regard. Only by doing so can we ensure the smooth progress of reform. He said: Leaders at all levels should dispel misgivings, strengthen confidence, take the lead in carrying out reform, and be models in improving party style with a hard-working spirit.

The conference pointed out: Concentrating efforts on checking all unhealthy trends that may harm reform, and ensuring the smooth progress of all reforms are still the important tasks of the discipline inspection commissions at all levels this year.

The conference called on the discipline inspection commissions at all levels to do a good job in grasping education on party spirit, party style, and party discipline in the course of strengthening socialist spiritual civilization and building the party, enhance the ideological and political awareness of the party members and cadres, and improve their ability to resist the decadent corrosive influence of capitalist ideas, and firmly foster lofty communist ideals and the ideology and workstyle of serving the interests of the party and the people. In the course of conducting education on party spirit, it is necessary to check the erroneous ideas and acts that go against the principle of party spirit and seriously tend toward individualism, bureaucracy, and liberalism deeply analyze them, sum up lessons, and exert vigorous efforts to intensify the party spirit of broad masses of party members.

Meanwhile, we should also strengthen the building of the discipline inspection ranks and continue to improve the sense of policies and the professional skills of the discipline inspection cadres. Six units, including the Chaoyang District Discipline Inspection Commission and the CPC Committee of the municipal General Construction Company, introduced their experiences in conscientiously investigating and handling major and appalling cases.

HEILONGJIANG'S SUN WEIBEN ATTENDS WORK MEETING

SK100415 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 8 Apr 86

[Excerpts] The 5-day organizational work meeting of the provincial CPC Committee ended today. Sun Weiben, secretary of the provincial CPC Committee, and Liu Chengguo, deputy secretary of the CPC Committee, delivered speeches at the meeting.

In his speech on how to make the CPC committees do a good job in managing party-building, Comrade Sun Weiben pointed out: Doing a good job in managing the building of the party is the fundamental responsibility of the CPC committees at all levels. The CPC committees must conscientiously study and solve the new problem in the course of building the party.

He said: In reforming the leadership system, about 90 percent of the province's industrial enterprises and a considerable number of financial, trade, scientific research, cultural and educational, and public health units have implemented the system in which the administrative section chief is charged with all responsibilities. Under such circumstances, the questions of how to clearly understand the status and functions of the party organizations, how to strengthen the party organizations and guarantee supervision, how to exercise ideological and political leadership, and how to understand and implement the principle of the party exercising leadership over cadres must be answered through combining theory with practice.

Comrade Sun Weiben said: At present, the problems in which most of the province's party members are advanced in age and low in education and the forefront of production lacks party members have become more and more prominent. Party organizations at all levels should exert more efforts to solve the problems concerning the composition of the party-member ranks, recruit more party members from the forefront of production in line with the needs of the party, do a good job in recruiting outstanding intellectuals into the party, grasp the ideological characteristics of youths of the 1980's, attend to training them and examining their work, and recruit party members from among college students, secondary vocational school students, and young workers and peasants. In line with the actual situation in various localities and units throughout the province, we should formulate plans for recruiting party members in a scientific way, and strive to change the age and educational structures of the party-member ranks within a short period of time in an effort to make the composition of the party ranks become more rational.

HEILONGJIANG BROADCASTING MANAGEMENT MEETING ENDS

SK080308 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 6 Apr 86

[Text] The provincial meeting on maintenance and management of the radio and television microwave lines concluded today in Suihua City. The meeting pointed out: In terms of maintenance and management of microwave lines, we should gradually realize the management of standardized targets in order to ensure the safety, better quality, and high efficiency of radio and television broadcast.

Over the past few years, construction of microwave lines has developed rapidly. Thus far, the province has built and opened 40 main microwave stations and 12 straight microwave stations specially used for radio and television broadcast. This year, another 11 microwave stations will be built and made available. As a result, the extent of microwave transmission lines will total more than 3,000 km. A microwave network to be specially used for radio and television broadcast has been formed in the province. With this network, many cities and counties, most of the outlaying places in particular, are able to receive two sets of television and radio programs.

At the meeting, (Zhang Fuquan), director of the provincial Radio and Television Department, commended the units, workers and staff members who have contributed to conveying radio and television signals.

JILIN SECRETARY VIEWS ARMY TRANSFER WORK

SK080342 Changchun JILIN RIBAO in Chinese 25 Mar 86 p 1

[Text] In order to achieve the work of transferring county (city) and district People's Armed Forces departments to the local organizational system, the provincial CPC Committee and the provincial government decided to establish a leading group in charge of the transfer work. Wang Xianjin, deputy secretary of the provincial CPC Committee, was appointed as head of the group, and Liu Yunzhao, vice governor of the provincial government, and Chen Xingyin, commander of the provincial Military District, were appointed as deputy heads of the group. Each department, general office, and bureau of the provincial CPC Committee and the provincial government and each organ of the headquarters, the Political Department, and the Logistics Department under the provincial Military District will send a responsible comrade to join the leading group. An office in charge of the transfer work will be established.

Recently, the leading group held a meeting to study and make a specific plan for carrying out the work of transferring People's Armed Forces department to the local organizational system in line with our province's actual conditions. Specific measures are as follows: First, transfer the People's Armed Forces departments to localities in accordance with the newly readjusted administrative divisions. Offices, military offices, and political work offices under the jurisdiction of the People's Armed Forces departments should be established. Second, the People's Armed Forces departments, including those in frontier and minority areas, should have a clear understanding of the situation through investigation and studies by March, make good preparations for the transfer work by April, begin the transfer work by taking a city as a unit from the beginning of May, and strive to finish the transfer work at the beginning of June. Third, Army units and localities should clearly define their functions and duties and closely cooperate with each other to make good preparations for the transfer work in order to ensure a smooth fulfillment of the work.

Before this meeting, Comrade Gao Di, secretary of the provincial CPC Committee and first secretary of the CPC Committee of the provincial Military District, had strongly pointed out: All departments should closely work together with the People's Armed Forces departments and vigorously support the transfer work so as to ensure that the work will satisfy the localities, Army units, and People's Armed Forces departments.

NINGXIA GARRISON CORRECTS FORMALISTIC STYLE

HK090807 Yinchuan NINGXIA RIBAO in Chinese 28 Mar 86 p 1

[Report by Hu Tongjun: "Ningxia Military District Garrison Force Party Committee Corrects Formalistic Style"]

[Text] The party committee of the garrison force of Ningxia Military District recently took serious measures to correct the formalistic practice of the subordinate Army units in their grass-roots work.

In late November last year, the party committee of the garrison force found that various grass-roots units put on a facade and acted unrealistically in military training, political education, teaching soldiers civilian skills, cooperating with civilian units in building civilization, and building logistic facilities. These units merely paid attention to satisfying the higher authorities by making a false and empty show and did not care about the real difficulties at the grass-roots level. Some grass-roots units were named pacesetters based on false reputations; some spent the money earmarked for subscribing to newspapers for the soldiers to decorate the barracks in order to entertain the inspectors from the higher organs; some lowered the standards of the soldiers' food in order to win the title of an "advanced unit in economizing." Grass-roots cadres and soldiers greatly resented these cosmetic and formalistic practices.

After discovering the above-mentioned problems, the party committee immediately required various grass-roots organs to check their work and draw a lesson from those harmful practices. Responsible cadres understood that put on a facade to curry favor with higher leaders and seek false fame simply affects the prestige of the leading organs and party cadres and harm the work of grass-roots units. The party committee also issued a circular criticizing 11 leading cadres who were responsible for the cosmetic practices which harmed the work of grass-roots units, and ordered the leaders of the department concerned to make self-criticisms at a meeting of all the troops. After correcting the cosmetic practices, the party committee reestablished standards for selecting advanced units.

Leaders of the garrison force also went to various companies to check their work. A responsibility system was set up to link each leader with some specific companies. The party committee also made a decision on "improving the work style of the leading organs so as to ensure down-to-earth work in grass-roots units. The decision clearly specified that attention should not be paid to slogans, reports, and shows when the quality of an organ's work is assessed; instead, attention should be paid to the real work that the organ has done in helping the grass-roots units. These measures have played a good role in rectifying the party style of the troops.

CHIEF OF GENERAL STAFF REPORTS READINESS

OW030732 Taipei CHINA POST in English 31 Mar 86 p 12

[Text] Chief of the General Staff Hau Pei-tsun yesterday said that the armed forces of the Republic of China [ROC] have inherited the revolutionary casue of Whampoa Militiary Academy and emerged today as a scientific, systematic and well-organized body. Gen Hau made the statements while delivering a report on the military at the fourth full meeting of the Third Plenum of the 12th Central Committee of the Kuomintang. At a closed-door meeting, Hau noted that the ROC armed forces, under the leadership of President Chiang Ching-kuo, will continue improving to defend democracy and peace and to win world recognition.

At a discussion following Hau's report, legislators Chien Yo-hsin and Chou Shu-fu pointed out that though the standing army of the ROC has been reduced, it is now much sharper and tougher. What is especially noteworthy is that 15 percent of the troops have received college educations and 45 percent have high school educations, they observed, adding that the ROC military must be one of the best educated in the world. They also praised the military's achievement in developing missiles and jets independently. Only first-rate military technology will ensure national security, social stability and economic development, they noted.

COMMENTARY ON KMT CENTRAL COMMITTEE PLENUM

OW030925 Taipei International Service in English 0200 GMT 3 Apr 86

[Station commentary]

[Text] The 3d Plenum of the Kuomintang [KMT] 12th Central Committee adjourned Monday on the theme of improvement after 3 days of intensive discussion. The resolution adopted at the party congress fully demonstrated the Republic of China's grand old party is keeping abreast of the time so as to make itself forever youthful in outlook. The theme of the party cause is carried on from the past, and the plan for the future, with a view to open a bright vista for the nation. The theme is reflected in a key resolution adopted by the 130 members of the party Central Committee. The forward-looking resolution, which covers the key aspects of the state and the ruling party itself, includes the following:

It calls for recruiting more young and talented people to replenish the party's ranks; establishment of closer communication with the public and offering better services to the people at large; efforts to unite Overseas Chinese and ROC Scholars abroad in the nation's anticommunist grand alliance; stepping up operation behind enemy lines so as to hasten the downfall of the communist regime; striving to perfect the country's democratic rule and improve the electoral system to get rid of irregularities; greater efforts to strengthen law and order and improve social welfare with a view to upgrade the quality of life for the citizens; modernization of the nation's economic structure to assure continued economic progress; upgrading the combat-readiness of the armed forces and seeking self-sufficiency in the supply of defense weapons for the sake of national security; improving the administrative efficiency of the various branches of government to assure continued progress; and finally, establishing closer ties with friendly countries in the free world with a view to strengthening the nation's international standing.

The KMT also took the opportunity to inject new blood into its leadership by reshuffling its central Standing Committee, the policy-making organ of the party. Four new members were admitted to the committee on the recommendation of President Chiang Ching-kuo, who is chairman of the party.

They are Education Minister Li Huan, Interior Minister Wu Po-hsiung, Justice Minister Shih Chi-yang, and Chen Lu-an, who is chairman of the National Science Council. With the exception of Li, who is 68 years old, the other three are in their 40's and early 50's. The reorganization also increased the membership of native sons in the 31-member central Standing Committee to 14 in the party's continuous process to broaden political participation by Taiwan-born citizens.

EDITORIAL LAUDS SUCCESS OF KUOMINTANG PLENUM

OW030738 Taipei CHINA POST in English 1 Apr 86 p 4

[Editorial: "KMT Central Committee Report"]

[Text] The Kuomintang's Central Committee and Central Advisory Committee members during the last three days heard detailed reports on the political, economic, military, and social situations in Taiwan as well as on the Chinese mainland to enable all the members to have up-to-date knowledge. Those reports should serve to reflect the nation's past achievements and shape positive guidelines for future endeavors.

In his keynote speech to the KMT caucus, President Chiang Ching-kuo outlined his basic policy guidelines to the KMT by declaring that China must be reunited but only under the Three Principles of the People. He reaffirmed, "This position will never change." Chairman Chiang's 40-minute speech, read by KMT secretary General Mah Soo-lay, stressed that democracy and communism can never coexist. He said, "We will never compromise with the Chinese Communists." He then warned that "all the hopes that the Chinese Communist regime will one day really open up will come to nothing" and all the assistance extended by the West toward such a transformation is one more mistake. In this respect he implied that the United States should suspend its high-tech and military transfers to mainland China. President Chiang's comparison between the mainland and Taiwan is most revealing. The ROC has developed a strong economy with a per capita income ten times that of the Chinese mainland and now has the 15th largest trade volume among the world's more than 160 nations. On the other hand, the Chinese Communists have not only plunged the mainland into a bottomless abyss of poverty but abandoned traditional Chinese ethics and morals and ravaged the Chinese cultural heritage.

It may be noted that the sharp contrast between the trade surplus enjoyed by the ROC of US$24 billion in 1985 and the trade deficit suffered by the Peking regime last year of US$13.79 billion provided convincing proof of the economic prosperity in Taiwan and economic and financial disaster on the mainland. The contrast explains why the people on the Chinese mainland detest communism and its rule and why they are hoping for the early return of the Three Principles of the People as noted by President Chiang in his opening speech to the KMT Central Committee.

Premier Yu Kuo-hwa's report on his administrative policy and measures underlined the ROC's adherence to constitutional democracy and its economic growth based on the liberation and internationalization of trade and social growth on the development of pluralism. He also predicted that economic bankruptcy, inflation and corruption in mainland China will put Peking in a predicament, portending even greater political turmoil.

Foreign Minister Chu Fu-sung's report also pointed out the futility of Chinese Communist efforts to isolate the ROC in the international community, to downgrade it into a local government, to seal off the Taiwan Strait to force peace talks, and finally to occupy Taiwan.

On the Chinese mainland situation, the report by Director Pai Wan-hsiang of the KMT Department of Mainland Operations gave a detailed description of the deteriorating situation there. He outlined Teng's failure on political, economic, military and diplomatic fronts and said that there is only one direction left for mainland China -- reunification under the Three Principles of the People.

The orderly manner of the KMT Central Committee proceedings indicates its certain success at the end of the meeting. We congratulate KMT Secretary General Mah Soo-lay on having arranged such a successful meeting with great achievements for all concerned, party members as well as the people.

U.S. PLAN TO SELL AVIONICS TO PRC OPPOSED

OW071141 Taipei CNA in English 1037 GMT 7 Apr 86

[Text] Taipei, April 7 (CNA) -- The Government of the Republic of China has expressed to the Reagan administration through proper channels its concern about the U.S. plan to sell $500 million worth of avionics to communist China, the Executive Yuan said Monday. In a written reply to an interpellation by Legislator Ho Shih, the cabinet said that the government is also urging the U.S. Government to re-evaluate the current situations in the Taiwan Straits objectively and accurately and continue providing this country with various needed defensive arms in accordance with the spirit of the Taiwan Relations Act. The cabinet pointed out that the proposed avionics deal has met srong opposition in the U.S. Congress. Sen. Barry Goldwater has formally voiced opposition to the proposal. A group of senators, led by Senate Majority Leader Robert Dole, also has called on the Reagan administration to supply adequate defensive weapons and military equipment to the Republic of China. Moreover, the cabinet said, 19 U.S. congressmen earlier sent a joint letter to President Ronald Reagan and Secretary of State George Shultz, urging them to sell F-20 jet fighters to the ROC.

COMMENTARY CRITICIZES PROPOSED U.S. SALE

OW091126 Taipei International Service in English 0200 GMT 9 Apr 86

["Daily News" commentary]

[Text] The proposed sale of 550 million dollars' worth of avionics to Communist China by the U.S. is expected to go to Congress this week. The Republic of China and its friends in the U.S. are watching the development with grave apprehension. A five-member congressional delegation headed by Representative Roy F. Dyson said before leaving Taipei last Thursday that the U.S. wishes to maintain a balance of power in the Taiwan Strait. Dyson also said that Congress is expected to discuss requests from the ROC for sophisticated jet fighters, battleship equipment, and technology transfer from the U.S.

In Washington, a group of 52 conservative politicians appealed to President Ronald Reagan last Friday to sell advanced fighter aircraft to the ROC to offset the proposed military sale to Peking. A letter to Reagan said: It is clear that the avionics sale will upset the delicate military balance in the Taiwan Strait. Since Peking has refused to renounce the use of force against the ROC, it is only nature that Taiwan fears and it stands to lose the most from such arms sale to the China mainland. The conservatives pointed out in their letter that Peking's aircraft already outnumber the ROC'S aging inventory of F-5E's and F-104's by a ratio of 16 to 1.

The Reagan administration's rationale for the avionics sale would improve Red China's capability to stand up to the Soviets. This argument is faulty in two respects. First, Peking has said time and again that is is pursuing an independent foreign policy and will not align itself with either the Soviet Union or the U.S. Relations between the two communist powers have been steadily improving, and their next round of normalization talks will begin in Moscow this week. Therefore, the possibility of conflict between them is almost nonexistent. Secondly, the proposed U.S. military sale is too small in scope to serve the intended purpose. According to the Pentagon scheme, the avionics equipment will be installed in 50 of Peking's existing F-8 interceptors over the next 6 years. Considering the numerical and qualitative superiority of the Soviet Air Force vis-a-vis Peking's, the F8's would not have a chance when pitted against the Soviet fighters. Yet, the F-8's would pose a serious threat to the ROC once they are updated with the U.S. avionics equipment. This is all the more worrisome in view of Peking's threat to move against Taiwan when it acquires the military capability to do so.

Some officials of the Reagan government said recently that Washington would find an equitable solution to the problem of maintaining military balance in the Taiwan Strait. One can see no other equitable solution than faithfully carrying out the provisions of the Taiwan Relations Act, which calls for the sale of weapons to the Republic of China adequate for its self-defense.

The Republic of China's slim qualitative edge over Red China's air and sea arms is already fast vanishing, even without the proposed avionics sale to Peking. If Congress approves the deal, there is no time to be lost in beefing up the ROC's armed forces, particularly its Air Force and naval fleet.

TAIWAN SECURITY SEEN IMPORTANT TO U.S. DEFENSE

OW090319 Taipei CNA English 0248 GMT 9 Apr 86

[Text] Taipei, April 8 (CNA) -- A leading newspaper in Taipei said Tuesday that the United States' legal committment to the Republic of China is an important link in maintaining U.S. national interests in Asia. The CHINA DAILY NEWS said in an editorial that U.S Defense Secretary Caspar Weinberger and Senator Alan Cranston, D-California, have recently delivered speeches in Tokyo and Los Angeles respectively reiterating the U.S. commitment to maintaining the ROC's security. They also expressed understanding of the ROC's special situation and its effort in promoting democratic politics in the face of possible military challenges from Red China, the editorial said.

The paper said the U.S. Government's understanding of the ROC's need of some special measures to protect itself from being invaded by Red China will be very helpful to improving relations between the two nations, it said.

Weinberger's statement has not only reiterated the U.S. commitment to maintaining the ROC's security but also confirmed the ROC's strategic importance in the U.S. defense network in Asian and Pacific region, the paper said. At last, the paper expressed its hope that the U.S. from now on will act more prudently in its decision-making on matters related to the ROC and Red China.

FBIS DAILY REPORT

China

CONTENTS

Vol I No 070 11 April 1986

PRC INTERNATIONAL AFFAIRS

GENERAL

Zhao Ziyang Meets Chinese, Foreign Scientists A 1
NPC Vice Chairman Liao Hansheng Meets WHO Leader A 1
Banker at IMF Meeting Calls for Economic Reforms A 2
Former World Leaders' Conference Ends in Japan A 3
Mayor Says Foreigners Prospering in Shenzhen A 3

UNITED STATES

Reagan 'Inept Remark' at News Conference Noted B 1
U.S. Nuclear Test Used for SDI, MX Experiments B 1
XINHUA 'Analysis' on U.S. Diplomacy in Arab Gulf B 2
Li Peng Meets U.S. Army Delegation 10 April B 3

SOVIET UNION

USSR Announces Shultz-Shevardnadze Meeting C 1
RENMIN RIBAO on USSR's Scientific Development [6 Apr] C 2

SOUTHEAST ASIA & PACIFIC

Zhao Ziyang Welcomes Burmese Prime Minister E 1
More Civil Aviation Cooperation With Burma Sought E 1
Philippines' Laurel Outlines Foreign Policy E 1
LIAOWANG on SRV's Rejection of CGDK Proposal [31 Mar] E 2

EASTERN EUROPE

Warsaw Pact Appeals for European Nuclear-Free Zones H 1
Further on Visit by Polish Agricultural Group H 1
Received By Jilin Governor H 1
Leaves for Beijing H 2
Minutes on Talks Signed H 2
Meeting With Tian Jiyun H 3
Bulgarian Communist Party Report Reviews Past Work H 3

PRC NATIONAL AFFAIRS

Gu Mu on Open Policy, Special Economic Zones K 1
Aid to Joint Ventures K 2
3 SEZ Currencies Ruled Out K 3
Ulanhu at Nei Monggol NPC Deputies' Discussion K 3
NPC Proposes Foreign Ownership of Enterprises K 4
Wan Li Fetes Hong Kong, Macao NPC Deputies K 5
CPPCC Session Concludes; Officials Elected K 5
National Committee 6th Meeting K 5
Members on Reunification K 6
New Officials Named K 6
Leaders at Closing Ceremony K 7
LIAOWANG Considers Feasibility of 7th 5-Year Plan [31 Mar] K 8
GUANGMING RIBAO on Rural Cooperative Economy [29 Mar] K 10
RENMIN RIBAO on Hebei Ecological Problems [1 Apr] K 13
Commentator's Article [RENMIN RIBAO 1 Apr] K 15
State Council Approves Farm Exports Report K 16
State Council Circular on Railway Contracts K 17

PRC REGIONAL AFFAIRS

EAST REGION

Shandong Military Holds Skill Demonstration O 1
Shanghai Leaders Visit Soong Ching Ling's Tomb O 1
Shanghai Releases Industrial Output Figures O 2
Zhejiang Circular on Public Funded Sight-Seeing O 2

SOUTHWEST REGION

SICHUAN RIBAO on Cooperative Organizations [22 Mar] Q 1
Xizang Urges Singing National Anthem in Tibetan Q 1

NORTH REGION

Nei Monggol Conference on Political, Legal Work R 1
Bu He Speaks R 2

NORTHEAST REGION

Heilongjiang Emergency Conference on Safety Work S 1
Liaoning Report Views 1986 Budget Tasks, Goals [LIAONING RIBAO 24 Mar] S 2

NORTHWEST REGION

Ningxia's Li Xuezhi Stresses Party Education [NINGXIA RIBAO 25 Mar] T 1
SHAANXI RIBAO Stresses Need To Cherish Masses T 2

ZHAO ZIYANG MEETS CHINESE, FOREIGN SCIENTISTS

OW101348 Beijing XINHUA in English 1336 GMT 10 Apr 86

[Text] Beijing, April 10 (XINHUA) -- Premier Zhao Ziyang said here today that China hopes to carry out cooperation with both developing and developed countries for the reform of traditional industry with advanced technology. "There is a big market in this field," he added while meeting the Chinese and foreign participants in the second Beijing International Conference on Science and Technology for National Development, which opened Monday.

He said the strengthening of cooperation between the developed and developing countries in science and technology benefits both sides. He expressed his hope that the developed countries would give preferential treatment to the developing countries in such cooperation.

Referring to North-South and South-South cooperation, Zhao said, there exists not only the problem of an imbalanced international economic order in North-South relations, but also unfair international relations in science and technology. He noted that the changing of this situation would remain an important issue in North-South cooperation.

There is great potential for South-South cooperation, Zhao said. Although the developing countries have different conditions particularly in not being advanced in technology, they have their own advantages. He held that South-South cooperation should be actively promoted while seeking North-South dialogue. Moreover, South-South scientific and technological cooperation would help promote that between the North and South, he added.

The conference is jointly sponsored by the Chinese State Science and Technology Commission and the U.N. Financing System for Science and Technology for Development. Zhao expressed appreciation for the efforts the conference has made in promoting such cooperation among Third World countries. He promised that China would continue its support for the U.N. organization and further cooperation with it.

Rustam D. Lalkaka, director of the U.N. Financing System for Science and Technology For Development, said China's achievements in science and technology scored in such a short period had won his admiration. Despite the differences in scientific and technological development and ideology, he said, the U.N. hopes all countries would frankly exchange views on their achievements and on cooperation in science and technology. That would also benefit world peace, he added.

Song Jian, minister in charge of the State Science and Technology Commission was present at the meeting. The conference will close tomorrow.

NPC VICE CHAIRMAN LIAO HANSHENG MEETS WHO LEADER

OW101312 Beijing XINHUA in English 1232 GMT 10 Apr 86

[Text] Beijing, April 10 (XINHUA) -- Liao Hansheng, vice-chairman of the National People's Congress Standing Committee, met Dr. H. Mahler, director-general of the World Health Organization (WHO), and his party here this afternoon. Liao spoke highly of the aid WHO had given to China and other Third World countries and the work Dr. Mahler had done himself in this regard. The director-general said WHO would continue to cooperate with China. This would benefit both sides, he added. Chinese Minister of Public Health Cui Yueli attended the meeting.

BANKER AT IMF MEETING CALLS FOR ECONOMIC REFORM

LD101344 Beijing XINHUA in English 1940 GMT 9 Apr 86

[Text] Washington, April 9 (XINHUA) -- A senior Chinese bank official today called on the industrial countries to reform their economic policies to create a better environment for the solution of the world's debt problem. Speaking at the interim committee meeting of the International Monetary Fund (IMF) which opened here today, the first deputy governor of the People's Bank of China said major industrial countries should coordinate their economic policies in a way to eliminate fiscal and trade imbalances so as to ensure the stable and sustainable growth of the world economy, a basic condition for resolving the world's debt problems.

He said these industrial countries should roll back protectionism and open their markets to the developing countries, stabilize the prices of primary products on the world market and improve the terms of trade of the developing countries. Besides, he said, the major industrial nations should adopt such concrete measures as the reduction of interest [words indistinct] debtor countries. In addition to this, they should increase financial flows to the debtor countries, either in loans or in grants.

Liu said that it has been the consistent stance of the Chinese Government that "any solution of the debt problem depends on joint efforts by both debtor and creditor countries." The Chinese Government hopes the solution will be based on "mutual accommodation and cooperation, as well as through consultation and dialogue," he said.

On the issue of reforming the current monetary system, Liu said the Chinese Government believes that the present exchange rate system has some serious weaknesses. For example, it creates a high degree of short-term volatility of exchange rates, persistent misalignment of exchange rates among the major currencies and a lack of control over the economic policies of the major currency countries. Therefore, he said, the Chinese Government believes that the proposals for "target zone" and the "objective economic indicators" deserve further in-depth study. The two proposals are designed to contain currency fluctuations within certain limits and any excesses would trigger consultations and [words indistinct] caucus for Asian, African and Latin American developing countries, firmly supports these ideas because the developing countries have been victims of currency fluctuations discouraging domestic investment.

On the present world economic situation, Liu said there are still some "uncertain factors" to the trend of development in general. For example, it is uncertain to project the actual results from the cut in the U.S. fiscal deficit as well as any further changes in the value of the U.S. dollar. The dramatic fall in oil prices contains factors of instability. The trade imbalances among the industrial countries cannot easily be corrected in the short run, and interest rates may fluctuate and rebound because of the continuous U.S. reliance on capital inflows to meet its fiscal and trade imbalance.

The spring meeting of the IMF and the World Bank will last until Friday with debts, aid to developing countries and some proposed institutional reforms on top of the agenda. Finance ministers, central bankers and other senior economic officials of the two organizations' more than 100 member countries have attended the meeting.

FORMER WORLD LEADERS' CONFERENCE ENDS IN JAPAN

OW101755 Beijing XINHUA in English 1658 GMT 10 Apr 86

[Text] Hakone, Japan, April 10 (XINHUA) -- A group of former world leaders gathered here for the fourth conference of the Interaction Council, which ended here today, urged the United States and the Soviet Union to "institutionalize" their dialogue and ease East-West tensions. During the four-day conference, 21 former leaders from 20 countries in Europe, Asia, Africa, Australia and the Americas discussed three main issues the world is facing today -- the tensions in East-West relations caused by arms race, the continuously unstable world economy, and population and environmental problems. Among the participants at the conference were former Federal German Chancellor Helmut Schmit and former Japanese Prime Minister Takeo Fukuda. In a final communique released this afternoon, the council summarized conclusions reached during the conference.

On the subject of world security and peace, the participants welcomed the resumption of Soviet-U.S. negotiations on arms control, and called on the two superpowers to continue and institutionalize" their talks, in the hope of obtaining substantial results. Touching on the issue of world economy, the council said that "more substantive steps need to be taken by governments and the international financial system" to solve the world wide debt problem. Council members also called on the United States to reduce its domestic and trade deficits, and recommended that Japan and Federal Germany institute policies to reduce their trade surpluses. The communique also expressed the council's concern about the imbalance between population, environment and development, emphasizing the importance of adopting policies on population and development that meet the real needs of developing countries.

Huang Hua, vice chairman of the Standing Committee of the Chinese National People's Congress who attended in an unofficial capacity, also expressed his views on international political and economic issues during the conference. World security and peace is of great concern to all countries and should not be decided only by the superpowers, he said. Since regional confrontations are closely connected with the intervention and aggression of the superpowers, he added, "it is a precondition for the justifiable and peaceful solution of these confrontations that the superpowers stop their interventions and withdraw all their occupation troops."

MAYOR SAYS FOREIGNERS PROSPERING IN SHENZHEN

OW101300 Beijing XINHUA in English 1105 GMT 10 Apr 86

[Excerpts] United Nations, April 9 (XINHUA) -- Shenzhen Mayor Li Hao said today that there is no contradiction between China stressing export of products made by joint enterprises of China and foreign countries and attracting foreign investment. Mayor Li said that because of low taxes and low labor costs in China as well as its preferential treatment toward foreign investments, the production cost in joint enterprises is comparatively low, and products have a stronger competitive position in the world market. Therefore, foreign capitalists can still profit from investments in China, he added. He said Shenzhen, a town of 20,000 people five years ago, now is a modern city with a population of more than 400,000. Its industrial output value increased from 110 million yuan (rmb) 34.4 million U.S. dollars in 1981 to 2.6 billion yuan (about 812 million dollars) in 1985. Per capita income in the economic zone last year reached 1,000 U.S. dollars. The total investment in Shenzhen in the past five years, he continued, was six billion yuan (about 1.8 billion U.S. dollars), and 26 percent of the investment came from foreign countries.

REAGAN 'INEPT REMARK' AT NEWS CONFERENCE NOTED

OW101535 Beijing XINHUA in English 1430 GMT 10 Apr 86

[Text] Washington, April 9 (XINHUA) -- U.S. President Ronald Reagan, ruling out the possibility of a second U.S.-Soviet summit in Washington in June, said a July date might be feasible. At a news conference tonight, Reagan said if July is not acceptable to the Soviet Union, the summit could be held later. However, he said he will not agree to a summit during the fall because of the U.S. congressional elections. Reagan added that the next best time would be after the elections in November. The United States and the Soviet Union have agreed to hold talks in mid-May to prepare for the second summit. The first meeting between Reagan and Soviet leader Mikhail Gorbachev was in November in Geneva.

Two recent terrorist actions--one the explosion in a U.S. TWA airliner which killed four Americans, the other the West Berlin disco bombing in which one American died and more than 60 American soldiers were injured--were the major topics of the President's news conference. Reagan said the United States has "considerable evidence" that Libyan Leader Mu'ammar al-Qadhdhafi "has been quite outspoken about his participation in urging on and supporting terrorist acts." But Reagan declined to say whether he has any evidence that Al-Qadhdhafi is responsible for the latest terrorist incidents. Asked what the real reason why Americans are the prime target of terrorism and whether it could be U.S. policies, Reagan dodged giving a direct answer, but made an inept remark, calling Libyan leader Al-Qadhdhafi a "mad dog of the Middle East."

Asked if he had given any thought to the number of Americans that might have been killed in the Gulf of Sidra when he ordered U.S. Armed Forces to provoke Al-Qadhdhafi and if he was prepared to (?escalate the) military confrontation there, the President said it was not a "deliberate provocation." He justified his position as defending the right of free navigation in international waters. Reagan said there are times when people's lives have to be endangered, but not idly and not just for provocation.

Answering a question on whether the United States has made any decision to retaliate against Libya for the alleged terrorist attacks, Reagan said the U.S. is trying to find out who is responsible for the recent terrorist attacks. If "there is identification enough to respond, then I think we will respond."

On another matter, Reagan again called for public support for his request of 100 million dollars in aid to the Nicaraguan anti-government rebels. The U.S. House of Representatives vetoed the aid package, but it was approved by the Senate. The House will vote on it again next week. Reagan said action on the aid "is (?crucial) and we cannot afford further delay. Through its vote next week, the House can show the world that the United States is determined to defend freedom in Central America." he said.

U.S. NUCLEAR TEST USED FOR SDI, MX EXPERIMENTS

OW110728 Beijing XINHUA in English 0703 GMT 11 Apr 86

[Text] Washington, April 10 (XINHUA) -- The United States conducted an underground nuclear test today at the Nevada test site, energy department spokesman Jack Campbell announced. The nuclear test, code named "Mighty Oak", was used in part for a Strategic Defense Initiative experiment to determine the lethality of x-rays produced by the blast, informed sources revealed.

It was also used to see whether the protective covering on warheads for the new MX land-based intercontinental missile and the Trident 2 submarine-launched missile can be penetrated.

The test was scheduled for Tuesday, the day President Ronald Reagan was discussing the next summit with departing Soviet Ambassador Anatoliy Dobrynin. Later, the White House said the test was delayed because of technical problems.

The U.S. decision to continue nuclear testing drew strong reaction from the Soviet Union. Soviet leader Mikhail Gorbachev had said that U.S. test would cause him to order resumption of Soviet nuclear weapons tests. Opponents to the test on Capitol Hill had been calling on President Ronald Reagan to cancel the underground nuclear test, warning that it would cause the Soviets to resume nuclear testing and would accelerate the arms race between the two superpowers.

According to reports in the Washington press, about 200 protesters demonstrated at the gate of the Nevada nuclear testing facility on Tuesday. Six members of Greenpeace, the international environmental group, entered the site in a bid to reach the test area Monday but were quickly arrested. A previous U.S. underground nuclear test was conducted March 22 and led to demonstrations and protests in many cities throughout the country.

XINHUA 'ANALYSIS' ON U.S. DIPLOMACY IN ARAB GULF

OW101701 Beijing XINHUA in English 1523 GMT 10 Apr 86

["News Analysis: Why U.S. Busy in Gulf Diplomacy -- (by Chen Rui-Ning)" -- XINHUA headline]

[Text] Cairo, April 10 (XINHUA) -- U.S. Vice-President George Bush is leaving Muscat of Oman today for Arab Yemen after concluding his visits to three Arab Gulf states -- Saudi Arabia, Bahrain and Oman of the Gulf Cooperation Council (GCC). Prior to his visit to the three Arab states, U.S. Assistant Secretary of State Richard Murphy had just concluded a whirlwind visit to another three GCC states -- Kuwait, United Arab Emirates and Qatar — before joining Bush in his tour of the Gulf states.

Bush's visit is reportedly aimed at paving the way for U.S. President Ronald Reagan's visit to the region by the turn of the year or in early next year. Such busy U.S. diplomatic activities show the strategic importance the U.S. attaches to the Gulf area in two fields: security and oil-pricing.

The latest Iranian offensive in the prolonged Iran-Iraq war in which the Iraqi port of Faw was captured are perturbing the U.S. administration for protecting its interest in this oil-rich region where crude oil reserves in the six GCC states account for 42.7 percent of the total world reserves. The GCC states themselves are worried about their security as Iranians have come near their doorsteps, but the U.S. offer of its military protection to the GCC states has not met with their warm response.

Both Bush and Murphy have reassured the six GCC states that the U.S. is committed to stabilize the GCC states and is ready to help them protect themselves against a spillover of the war whenever any of them requests. The GCC states, however, while stressing their collective defence effort against any outside aggression, has not explicitly expressed their readiness to accept the U.S. umbrella.

Kuwait daily 'AL-WATAN' quoted an Arab diplomat as saying recently that the GCC nations neither accept the principle of foreign protection nor they intend to solve their problems with Iran by force, because any military action between the Gulf states can only be in the interest of military powers seeking a foothold in the Gulf region.

During Bush's visit to the GCC states, there remained no leaders of these states who explicitly welcomed the U.S. offer. On the other hand, the U.S. has been reluctant to hand over modern sophisticated weapons in large quantities to these Arab states for fear of strong opposition from its staunch ally Israel, but Bush claimed that the U.S. administration would fight to sell arms to Saudi Arabia.

Another issue which prompted such busy U.S. diplomatic activities in the Gulf states is the (?plummeting) of oil prices which fell to about 11 dollars a barrel from 30 dollars a barrel five months ago. While welcoming the sudden fall of oil prices for its oil-consuming industries, the U.S. feared that it might affect the development of its own oil and other energy industries in the long-run. Bush said that excessively low oil prices threaten U.S. security by weakening its domestic industry. It is reported that U.S. oil companies have begun capping domestic wells of marginal profitability and cut back on exploration in Alaska.

During his stay in Saudi Arabia, Bush reportedly made clear to King Fahd that Saudi interests and U.S. interests are not identical with regard to oil pricing. Bush claimed that he had not come to the Gulf states to ask them to cut oil output, but he did meet oil ministers of these states during his visit.

It seems that Bush is on a mission of probing what will be the next step of the oil-producing Gulf states to cope with the falling prices rather than persuade them to reduce oil output.

LI PENG MEETS U.S. ARMY DELEGATION 10 APR

OW101207 Beijing XINHUA in English 1200 GMT 10 Apr 86

[Text] Beijing, April 10 (XINHUA) -- Vice-Premier Li Peng met here today a delegation from the U.S. Army Corps of Engineers led by Assistant Secretary of U.S. Army Robert Dawson. Li exchanged views with the visitors on bilateral cooperation in utilizing water resources. The delegation arrived here Monday at the invitation of the Chinese Ministry of Water Resources and Electric Power. During its stay here, the delegation and the Chinese Ministry signed a Protocol on Scientic and Technological Cooperation in utilizing water resources. The visitors will also travel to Nanjing and Shanghai.

USSR ANNOUNCES SHULTZ-SHEVARDNADZE MEETING

OW110236 Beijing XINHUA in English 0230 GMT 11 Apr 86

[Text] Moscow, April 10 (XINHUA) -- The Soviet Union announced today a planned meeting between Foreign Minister Eduard Shevardnadze and U.S. Secretary of State George Shultz in mid-May without mentioning the issue of the next superpower summit. The government daily "IZVESTIYA" said the two men would continue "the exchange of views on questions connected with Soviet-American relations and topical international problems." The official news agency TASS confirmed the meeting in a terse one-paragraph statement.

Shultz announced agreement on the meeting two days ago and said he and Shevardnadze would be discussing preparations for the summit due to be held later this year.

Soviet leader Mikhail Gorbachev and U.S. President Ronald Reagan agreed at their first summit last November to meet again this year in the United States and next year in the Soviet Union. The agreement on a Shultz-Shevardnadze meeting was reached during 75 minutes of talks between Reagan and outgoing Soviet Ambassador to Washington Anatoliy Dobrynin on Tuesday. Dobrynin was recently elevated to the Secretariat of the Soviet Communist Party Central Committee.

TASS 'STRONGLY' CONDEMNS U.S. NUCLEAR TEST

OW110722 Beijing XINHUA in English 0639 GMT 11 Apr 86

[Text] Moscow, April 10 (XINHUA) -- The official Soviet news agency TASS strongly condemned a U.S. nuclear test in the Nevada desert today and said the blast "completed another period in the history of efforts for a comprehensive nuclear test ban." TASS said the explosion attests to "Washington's moral and political weakness and its unwillingness to take the first step to bridling the arms race for the next five years."

"The latest U.S. blast made it clear that Washington, contradicting the joint Soviet-U.S. statement issued after last November's summit (between Ronald Reagan and Mikhail Gorbachev), is still chasing the illusion of military superiority," the agency added. It continued: "Obsessed with the futile dream of achieving military-strategic superiority over the Soviet Union, Washington proclaims its intention of continuing to carry out its program of nuclear testing, to upgrade existing systems of weapons of mass destruction and to create new such systems."

TASS said the test, the second by the United States this year, cast doubt on the U.S. administration's reliability as a partner in negotiations. According to TASS, the United States has already conducted 648 officially announced nuclear tests since 1951.

The Soviet Union first declared a unilateral moratorium on its nuclear tests last August. It has extended the ban twice this year but said that it would be forced to resume tests after the U.S. explosion. Earlier, the Soviet leader Mikhail Gorbachev said: "There is nothing that the United States can do and we cannot." Observers here said that the Soviet Union might end its moratorium on nuclear testing later.

RENMIN RIBAO ON USSR'S SCIENTIFIC DEVELOPMENT

HK100755 Beijing RENMIN RIBAO in Chinese 6 Apr 86 p 6

["Roundup" by Fang Xuan: "The Soviet Union Accelerates its Scientific and Technological Development"]

[Text] This is the first year of the Soviet Union's 12th 5-Year Plan. From now until the year 2000, the Soviet Union plans to increase its national income and industrial output value by 100 percent and its social labor productivity by 130 to 150 percent. To realize this objective, the 27th CPSU Congress stressed the strategic principle of accelerating the social and economic development of the country, attaching much importance to scientific and technological progress. In his political report to the Congress, Gorbachev, general secretary of the CPSU Central Commitee, emphasized that "the solution lies in carrying out a deep-going transformation of the national economy, relying on the most advanced scientific and technological achievements, including new breakthroughs, and reforming the economic mechanism and management system."

In the Soviet Union, accelerating scientific and technological progress is truly a matter of extreme urgency. While summing up previous "mistakes" and "inertia," Gorbechev pointed out in his speech that in the 1970's, the economic growth rate had obviously declined; at the beginning of the 1980's this tendency to decline did not improve, but instead took a turn for the worse. In the early 1970's, the Soviet economy was faced with the problem of insufficient manpower and a shortage of raw materials and fuels, and about 90 percent of its national income was attained by boosting labor productivity. The economy, therefore, had to be changed from extensive to intensive development.

However, though the intensive production tasks were established, they were never carried out; the growth rates of productivity coming from the main labor, which can reflect the extent of intensive production, dropped from 4.4 percent during the 9th 5-Year Plan period to 2.2 percent between 1981 and 1982. As the emphasis in investments was still on newly-built enterprises, renewal and technical transformation of equipment in old enterprises were neglected. This resulted in outdated machines. The output and quality of products were thus seriously affected.

To accelerate scientific and technological development, first of all, it is necessary to mobilize and bring into play the forces of scientific and technical personnel. As we all know, the Soviet Union has a large and rather strong contingent of scientific and technological personnel. However, they have serious problems implementing their research achievements. For example, some important inventions were not made use of in the practical sense for long periods of time. Due to numerous ill-coordinated departments, even the examination and approval of patent right applications took several years. This process becomes a miserable experience.

To accelerate scientific and technical developments, last June the Soviet Union called a meeting to study this strategy. They proposed a series of principles for reforming economic mechanisms and accelerating the development of science and technology. The 12th 5-Year Plan, which starts this year, has also specified some practical measures aimed at developing the economy in the direction of intensive production and increased quality and efficiency.

Changing investment policies and readjusting the investment structure were important measures adopted by the Soviet Union to accelerate its scientific and technological progress. The Soviet Union has presently shifted the focal point of its investments from newly-built enterprises to the technical transformation of existing enterprises. Investments in this respect have been increased from one-third to one-half of the total capital construction funds.

It is believed that the machine-building industry has played a key role in realizing the scientific and technological revolution. In his report to the 27th Congress, Nikolay Ryzhkov, Chairman of the USSR Council of Ministers, said: "One of the important features of the 12th 5-Year Plan is the sharp increase in investments in those combines which embody the achievements of scientific and technological progress in the machine building industry." The Soviet Union plans to replace one-third of its production equipment by the end of the 12th 5-Year Plan period with advanced technological equipment.

The Soviet Union plans to establish inter-departmental scientific and technological production combines to eliminate the disparity between its scientific research and production. To integrate science, technology, and production, the Soviet Union has set up the first batch of 16 inter-departmental scientific and technological combines, so as to join together scientific research, design, and technology components, along with experimental units of departments, thus insuring that scientific research attains high levels in terms of resources.

The Soviet leaders have pointed out that to accelerate scientific and technological progress, it is necessary to "fundamentally change attitudes toward technical cadres and technological research cadres" and, most important, to emphasize this point in terms of material treatment. The USSR's current set-up for technical cadres was established some 30 years ago. It no longer suits the needs of today's scientific and technological development. The "decision regarding better pay for scientific workers, engineers, and technicians," which was enacted last year, has begun to be put into practice this year.

Though the universities and institutes of higher learning in the Soviet Union have 35 percent of the country's scientific and technological personnel, their roles have not been brought into full play. Therefore, effectively tapping and making use of their potential is important to the acceleration of their scientific and technological progress.

To accelerate scientific and technological development, new subjects are being taught in the USSR. For example, training of future scientific and technological workers, and enabling students to learn about and master computers are all regarded as urgent tasks.

In his report to the 27th Congress, Gorbachev pointed out that progress in science and technology "will have a great impact on everything as well as its contradictions happening in the world." Accelerating scientific and technological development in the Soviet Union is therefore a most important element in the Soviet Union's plan to step-up its economic development in the future.

ZHAO ZIYANG WELCOMES BURMESE PRIME MINISTER

OW110810 Beijing XINHUA in English 0750 GMT 11 Apr 86

[Text] Beijing, April 11 (XINHUA) -- Visiting Burmese Prime Minister U Maung Maung Kha was welcomed at a ceremony presided over by Chinese Premier Zhao Ziyang here this afternoon. The Burmese prime minister and his party arrived at the plaza east of the Great Hall of the People in the company of Wang Tao, chairman of the Chinese Government Reception Committee and minister of petroleum industry.

The Chinese premier stepped forward to shake hands and exchange greetings with the visitors as they arrived. The ceremony began with a 19-gun salute amid the national anthems played by a military band. Accompanied by Zhao, the Burmese prime minister reviewed a guard of honor formed by men of the three services of the Chinese People's Liberation Army. Youngsters in colorful dresses danced their welcome to the visitors.

Among those present at the ceremony were Wang Bingqian, state councillor and minister of finance, Wu Wenying, minister of textile industry, and senior Burmese officials accompanying U Maung Maung Kha on his visit.

After the ceremony, the Chinese premier and the Burmese prime minister began talks in the hall. U Maung Maung Kha and his party arrived here this morning from Kunming. They will be honored at a banquet given by the Chinese premier here this evening.

MORE CIVIL AVIATION COOPERATION WITH BURMA SOUGHT

OW111033 Beijing XINHUA in English 0841 GMT 11 Apr 86

[Text] Beijing, April 11 (XINHUA) -- China wants to develop further its civil aviation cooperation with Burma and friendship between the two countries, said a high-ranking Chinese official today. In a message to Col Tha Tun Aye, Burmese director general of Department of Civil Aviation, Hu Yizhou said contacts should be enhanced. Hu, director general of Civil Aviation Airline of China, sent the message to mark the 30th anniversary of air service between the two countries. The Chinese civil aviation airline officially opened air service from Kunming, a city in southern China, to Mandalay and Rangoon in Burma on April 11 1956.

PHILIPPINES' LAUREL OUTLINES FOREIGN POLICY

OW101350 Beijing XINHUA in English 1237 GMT 10 Apr 86

[Text] Manila, April 10 (XINHUA) -- Vice-President and Foreign Minister Salvador Laurel stressed here today that the Philippines will pursue a policy of "genuine independence in foreign affairs." In the first comprehensive statement on foreign policy he has made since the new government assumed office last February, Laurel said, "While the Philippines is bound by the terms of existing military agreements with the United States, including American use of two military bases on its soil, it is committed to a policy of genuine independence in foreign affairs." He made the statement at a luncheon forum sponsored by the Philippine Council for Foreign Relations, a multi-sectoral group of foreign relations experts.

"The era of military alliances is still very much with us, and it would be naive for us to assume that the nuclear age has rendered such alliances unnecessary," Laurel said. "But," he added, "the Philippines must continue to support alternative arrangements for keeping the peace: the United Nations and its agencies, the association of Southeast Asian Nations (ASEAN), and the group of non-aligned states."

He emphasized the importance of expanding economic relations with foreign countries. "In this context," he said, "We shall pay special attention to our relations with our two principal economic partners, the United States and Japan". He went on to say that the government proposed to establish joint ministerial groups or commissions to study appropriate recommendations concerning its relations with these countries. "A similar review will be undertaken of our relations with the other countries of Asia and the Pacific, with Australia, Canada and New Zealand, Western Europe and Scandinavia, Latin America and Africa, and the socialist states," he said.

Laurel also pointed out that the government "will strengthen our links with the developing countries of the Third World." "Our instinctive loyalty is to the poor and the wretched of the earth," he said, adding "This will be a major determining factor in conduct of our foreign relations."

He enumerated the relevant tasks to which the government will accord priority in the months ahead:

-- Negotiations and conclusion of bilateral and multilateral agreements covering economic, financial and technical assistance from all sources abroad;

-- Encouragement of foreign capital investments in the Philippines;

-- Pinpointing specific technology needed abroad;

-- Assistance to Filipino businessmen to enable them to sell more of their goods and services abroad; and

-- Protection of the export markets of Philippine industries by making representations to foreign governments and international bodies to eliminate or reduce all forms of foreign protectionism, specifically tariff and non-tariff barriers imposed on Philippine goods and services.

LIAOWANG ON SRV'S REJECTION OF CGDK PROPOSAL

HK091252 Beijing LIAOWANG in Chinese No 13, 31 Mar 86 p 8

[Article by Tang Tianri: "Where Is Vietnam's Sincerity?"]

[Text] The Coalition Government of Democratic Kampuchea [CGDK] advanced an eight-point proposal on the political solution of the Cambodian issue on 17 March. This proposal has opened a rational and feasible way for solving the Cambodian issue, and has won the admiration and support of ASEAN, the PRC, Japan, and many other countries, but was turned down by the Vietnamese authorities.

The eight-point proposal was unanimously reached through long preparations and negotiations among the three parties of the coalition government at a cabinet meeting. It fully demonstrates the wishes of the coalition government and the Cambodian people for an early end to Vietnam's aggression and the struggle for their motherland's independence and the restoration of peace. It also shows the further consolidation of the three parties in the coalition.

The eight-point proposal was advanced at a time when the tripartite armed forces of the coalition had scored a series of victories fighting deep in the hinterland. During the eighth dry season since the Vietnamese Army invaded Cambodia, the armed forces of the coalition not only unfolded guerrilla warfare on the chief battlefield around Tongle Sap, but conducted battles in the neighborhood of Phnom Penh and east of the Mekong River.

They severed transportation and supply lines, attacked important strongholds, demolished supply bases, and disintegrated Heng Samrin's local governments. It is reported that the armed forces of the coalition caused the enemy greater casualties in this dry season than in any previous year.

The eight-point proposal is rational and generous. The Cambodian issue is the consequence of Vietnam's invasion of Cambodia. This aggressive war, lasting more than 7 years, has brought unprecendented disasters to the Cambodian people. The eight-point proposal made the sole demand that Vietnam talk with the tripartite [CGDK] about a schedule for the Vietnamese withdrawal from Cambodia, allowing them to complete a two-phase withdrawal within a stipulated time. The Heng Samrin government was originally the offspring of the Vietnamese aggressive war, a puppet born under Viernam's bayonets. In the spirit of great national unity and national reconciliation, the proposal says that as soon as Vietnam completes the first phase of its withdrawal, Heng Samrin and his group will participate in talks with the CGDK on the preparations for organizing a four-party coalition government headed by Norodom Sihanouk, with Son Sann as the premier, and that all four forces will have the right to be a political force in Cambodian society. The proposal reaffirms that Cambodia is an independent state, unified within the realm of its own integrated territory, a state enjoying freedom and democracy, peace, neutrality, nonalignment, and a state without any foreign armies. It also expresses the willingness to sign a peace and nonaggression treaty with Vietnam, and that the two nations will always coexist in harmony and peace hereafter.

The proposal conforms to the spirit of all resolutions adopted by UN General Assembly in the past as well as the declaration of the international conference on Cambodia. Solving the Cambodian issue based on the CGDK proposal will be favorable to the Cambodian people as well as Vietnam, and will aid peace and stability in Southeast Asia area.

The Vietnamese authorities have repeatedly expressed the need for a political solution to the Cambodian issue; but when the CGDK expressed its sincerity for a political solution, they flatly turned down the eight-point proposal, and attacked it arbitrarily. People cannot help asking: Where is Vietnam's sincerity? In the final analysis, the Vietnamese authorities are not willing to withdraw their army from Cambodia, are still denying Cambodia's right to self-determination, and are opposing Cambodia's national unity and reconciliation in an attempt to place Cambodia under its occupation forever, turning it into Vietnam's base for expansion in Southeast Asia.

Peace is the demand of our times, as well as the common wish of the world's people. The eight-point CGDK proposal conforms to this demand and wish. Vietnam's unreasonable refusal of the eight-point proposal runs counter to this demand and wish, and it will find that this does not pay in the end.

WARSAW PACT APPEALS FOR EUROPEAN NUCLEAR-FREE ZONES

OW090926 Beijing XINHUA in English 0739 GMT 9 Apr 86

[Text] Moscow, April 8 (XINHUA) -- The Warsaw Treaty countries today issued an appeal to European countries, the United States and Canada for "energetic action" to create nuclear arms-free zones in Europe, specifically in northern Europe, the Balkans and the NATO-Warsaw Pact "corridor".

The appeal, released by the Bulgarian Foreign Ministry and transmitted by the official Soviet news agency TASS today, says that "the U.S.S.R., resolutely supporting the establishment of nuclear-free zones in Europe, expressed its readiness to provide adequate guarantees for such zones and expects the United States, Britain and France to take a similar attitude."

It notes that the Warsaw Treaty member countries support the efforts to establish nuclear-free zones in northern Europe and in the Balkans.

Member states also support the proposal put forward by Sweden to set up a "corridor free of battlefield nuclear weapons" "along the line of contact between the Warsaw Treaty countries and the NATO states," the appeal says, adding that "to make the corridor more efficient, it should be expanded on both sides of the line of contact depending on the tactical and technological characteristics of those weapons. The establishment of the corridor could begin in central Europe."

The appeal holds that the United States and the Soviet Union should not deploy nuclear weapons in European nations that do not have them and not pile up more nuclear weapons or modernize them in those countries which already possess them.

Meanwhile, the Soviet Foreign Ministry spokesman Vladimir Lomeyko told a press conference that the appeal is linked to Soviet leader Mikhail Gorbachev's January 15 plan for a three-stage elimination of nuclear weapons by the end of the century, he added there was no connection between the appeal and the imminent U.S. nuclear test in Nevada.

FURTHER REPORTAGE ON VISIT BY POLISH AGRICULTURAL GROUP

Received by Jilin Governor

SK080552 Changchun Jilin Provincial Service in Mandarin 2200 GMT 7 Apr 86

[Text] On the evening of 7 April, Gao Dezhan, governor of Jilin Province, cordially received all members of the Polish agricultural delegation, headed by Stanislaw Zieba, minister of Agriculture, Forestry, and Food Industries, as well as Zbigniew Dembowski, Polish ambassador to China. Gao Wen, vice governor of Jilin Province, also attended the reception.

During the reception, Gao Dezhan extended a warm welcome to Stanislaw Zieba and his entourage. In a comradely and friendly atmosphere, the guests and the host reviewed in common the cooperation organized in the agricultural sphere by the two countries and unanimously pledged to help promote the friendship and strengthen the agricultural cooperation and exchanges between the two countries.

Also present at the reception were (Zhou Beichang), director of the provincial Agriculture Department; and Zhu Wengu, vice chairman of the provincial Foreign Affairs Office. After the reception, the guests and the host posed together for a photograph. Afterwards, Governor Gao Dezhan gave a banquet at the Nanhu Guesthouse in honor of all members of the Polish agricultural delegation and other Polish guests.

Leaves For Beijing

SK100308 Changchun Jilin Provincial Service in Mandarin 1030 GMT 9 Apr 86

[Text] Having satisfactorily concluded its friendly visit to our province, the 9-member Polish agriculture delegation, headed by Stanislaw Zieba, minister of Agriculture, Forestry, and Food Industries, left Changchun for Beijing by plane this morning. During the visit, the delegation was accompanied by (Li Runpei), deputy director of the foreign affairs department under the Ministry of Agriculture, Animal Husbandry, and Fishery of China. Seeing the delegation off at the airport were Gao Wen, vice governor of the province; (Zhou Beichang), director of the provincial Agricultural Department; and Zhu Wenyu, vice chairman of the provincial Foreign Affairs Office. Zbigniew Dembowski, Polish ambassador to China, also left Changchun for Beijing by the same plane.

During its sojourn in the province, the delegation, accompanied by Vice Governor Gao Wen, visited the Changchun Tractor Plant, the (Zuojia) special products research institute under the Academy of Agricultural Sciences, and the Changchun Department Store, as well as (Shangtai) village in Changchun's (Fenji) township.

The delegation praised the province's achievements in the rural economic structural reform, and exchanged opinions with the province's pertinent departments concerning ways to further strengthen technical exchanges and economic cooperation between the two sides.

Minutes on Talks Signed

OW092126 Beijing XINHUA in English 1907 GMT 9 Apr 86

[Text] Beijing, April 9 (XINHUA) -- The minutes of talks between He Kang, chinese minister of agriculture, animal husbandry and fisheries, and Stanislaw Zieba, Polish minister of agriculture, forestry and food industry, were signed here tonight.

Polish Ambassador to China Zbigniew Dembowski attended the signing ceremony at the Polish Embassy.

The minutes set a high value on the achievements the two sides scored in 1985 in exchanges covering fruit trees, bee-breeding, ornamental plants and sugar beet.

It pointed out that the two sides would expand the supply of varieties of agricultural products and scientific and technological cooperation.

The two ministers said after the ceremony that the prospects for agricultural cooperation between the two countries are very broad. They believed that the minutes would help promote such cooperation.

Zieba and his party returned to Beijing this afternoon after winding up a visit to northeast China's Heilongjiang and Jilin Provinces, where they had visited a tractor manufacturing plant, a research institute under the Chinese Academy of Agricultural Sciences and some village-run enterprises.

Meeting With Tian Jiyun

OW101122 Beijing XINHUA in English 1114 GMT 10 Apr 86

[Text] Beijing, April 10 (XINHUA) -- Chinese Vice-Premier Tian Jiyun met here this afternoon with an agricultural delegation from Poland led by Stanislaw Zieba, minister of agriculture, forestry and food industry.

Minister of Agriculture, Animal Husbandry and Fisheries He Kang was present on the occasion.

The delegation, which arrived in China April 3, has visited Heilongjiang and Jilin Provinces and exchanged views with the relevant Chinese departments on expanding agricultural cooperation between the two countries. The guests are going to leave for home tomorrow.

BULGARIAN COMMUNIST PARTY REPORT REVIEWS PAST WORK

OW061614 Beijing XINHUA in English 1448 GMT 6 Apr 86

[Text] Sofia, April 6 (XINHUA) -- The major task set for the Eighth Five-Year Period (1981-1985) has been fulfilled despite the failure to attain some major targets, according to the Central Committee of the Bulgarian Communist Party's Report, issued here today after its 13th Congress. The report, adopted at the closing session of the party's four-day meeting yesterday, said that the socio-economic development plan for the past five years has been fulfilled "in its entirety" despite "unfavorable natural and climatic conditions" during the past two years. Now an intensification of the economy is under way, the report added.

The report, which reviews the party's work over the past five years, said during that period, the national income registered a 29 percent increase over the previous corresponding period, and labor productivity grew by 18.3 percent.

However, the document admitted that the economy had fallen short of certain major targets for the 1981-1985 period due to persistent drought, a bitter winter and unfavorable international economic conditions. The lack of consistent implementation of the "economic mechanism" which failed to work effectively and the flaws in planning also contributed to the poor economic performance, it said.

Dealing with the reform-oriented scientific and technological progress, the report underlined the need to accelerate scientific and technological advances and improve the style and methods of leadership in economic work. One of the major achievements in the party's work between the 12th and 13th Congresses, it said, was the preparation of an overall plan for the scientific and technological revolution to be carried out in Bulgaria. The party has made great strides in developing the country's use of the most up-to-date methods in science and technology. But, the report complained, there was little progress in improving the quality of products, which was far from satisfactory. The document also attacked the bureaucracy for inhibiting people's initiative.

"We are just at the beginning of scientific and technological progress and many problems remain to be solved," the report said. First of all, it added, management of scientific and technological work must be improved, and self-governing organizations should become more interested in everything related to science and technology. To meet this, the report stressed the need of restructuring economic management.

The pricing system was singled out as an area where reforms must be made to reduce the influence of bureaucracy and subjectivism. What is more, the report called for replacing and modernizing existing industrial technologies.

On the international situation, the summary said the threat of a new world war has increased on an unprecedented scale and that mankind is now on the threshold of nuclear devastation. It lashed out at the United States Strategic Defense Initiative, known as "star wars". That program, it said, if put into effect, will send the arms race out of control and turn the present strategic equilibrium into strategic chaos. The report described the military balance between the Soviet Union and the United States, and between the Warsaw Pact and NATO Alliance as a "guarantee of world peace and security."

The report firmly supports Soviet leader Mikhail Gorbachev's January 15 proposals for ridding the world of nuclear weapons by the year 2000 as an "encouraging and realistic program of action in the interest of all mankind." The party's report reaffirmed that the principle of cooperation, friendship and all-around closeness with the Soviet Communist Party underlies Bulgaria's foreign policy and its participation in the Council for Mutual Economic Assistance and Socialist Economic Integration remains to be of vital importance to the country's socio-economic development. Bulgaria is ready, the report noted, to increase bilateral relations with China and to cooperate with it in the struggle for peace against imperialism.

The Congress supports the proposal by Bulgaria and Romania for turning the Balkans into a nuclear and chemical weapons-free zone. Bulgaria is prepared to discuss with other Balkan states at any time and at any level all points of the proposal. As the first step toward this end, Balkan states should sign bilateral accords on the non-use of force and peaceful settlement of disputes threatening the peace and security of the region, the report said. The report also declared Sofia is prepared to continue political dialogues at various levels with the majority of developed capitalist countries and maintain existing economic and other links with those nations.

GU MU ON OPEN POLICY, SPECIAL ECONOMIC ZONES

OW110022 Beijing XINHUA Domestic Service in Chinese 1421 GMT 10 Apr 86

[By reporter Li Shangzhi]

[Text] Beijing, 10 Apr (XINHUA) -- State Councillor Gu Mu, who had just returned from an inspection tour of several coastal open cities and special economic zones early this month, told more than 100 Chinese and foreign reporters today: China made greater achievements in opening to the outside world in 1985 than any previous year, and foreign investment in China in 1985 was the largest of all years. Foreign business people last year signed contracts with China involving a total of $5.85 billion, 120 percent more than the 1984 figure. More than 1,300 Sino-foreign joint ventures were set up in China last year, equalling the total of the previous 5 years.

Zeng Tao, deputy secretary general and spokesman of the Fourth Session of the Sixth NPC, held the NPC session's fourth press conference at the Anhui Room of the Great Hall of the People this morning. At the press conference, Gu Mu spent nearly 2 hours answering more than 20 questions from Chinese and foreign reporters regarding China's opening to the outside world and special economic zones.

Some reporters asked Gu Mu to discuss the situation of the 14 coastal cities since they were opened to the outside world. Gu Mu said: Since the 14 coastal cities opened to the outside world, the situation of their development has been very good. In order to stop sharp increases in capital construction projects and credit loans and to correct misuse of foreign exchange, since early 1985 China has adopted a series of measures to tighten macroeconomic control. Such measures are completely correct. In such a situation, the work of opening to the outside world of course encountered some difficulties, and the difficulties were also shown in the open cities. The difficulties have been basically overcome, thanks to the efforts of the provinces, cities, and prefectures concerned, and measures successively adopted by the state departments concerned.

When asked about the situation of the special economic zone and open city in Fujian Province, Gu Mu said he visited Fujian not long ago. He thought that great achievements had been made in both the construction of the Xiamen Special Economic Zone and in the development of Fuzhou into an open city.

Some reporters asked Gu Mu to comment on the situation of the Shenzhen Special Economic Zone. Gu Mu said: Among China's several special economic zones, the development of Shenzhen is the most rapid, providing our country with new experience in economic management and in earning foreign exchange through export trade. In spring of 1985 we asked the comrades in Shenzhen to put the work of improving economic efficiency and earning more foreign exchange through export trade above all else, and not to expand the scope of capital construction. During the past year they have made new progress in these areas. Shenzhen's total industrial output value in 1985 was 40 times that of the year immediately preceding its becoming a special economic zone. Its 1985 industrial products export nearly doubled the 1984 volume. Exports accounted for 43 percent of its total sales in 1985, as opposed to 33 percent in 1984.

Some reporters asked: While China requires its special economic zones to develop an export-oriented economy, what problems has Shenzhen encountered in this respect? Someone says that Shenzhen has earned money from China's interior areas. Do you have any comments on this point?

Gu Mu answered: Shenzhen is not without difficulties in developing an export-oriented economy and in making more contributions to the state by earning more foreign exchange through export trade. However, taking the situation as a whole, if the special economic zones cannot develop an export-oriented economy and make more contributions by earning foreign exchange through export trade, it will become meaningless to have them. Therefore, we have been determined to help them improve their work, raise their level of management and technology, and gradually develop an export-oriented economy.

He said: In the last few years, the special economic zones have done very good work in developing lateral cooperation at home. They export semi-finished products from many interior areas after in-depth processing. Inland provinces and cities have known more of the international market through cooperation with the special economic zones. For this reason, many inland provinces and cities and their industrial departments want to set up windows in the special economic zones and regard the zones as their forward position for developing export trade. This is a very normal thing.

Gu Mu said: Someone says that Shenzhen has earned money from the interior, or the south has earned money from the north, I do not think so. Some products of Shenzhen and other special economic zones have satisfied the demands of domestic market, just as the products of Beijing and Shanghai have satisfied domestic demand. It was unavoidable that the foreign exchange earnings of Shenzhen were fairly low in past few years. It needs time to develop an export-oriented economy and increase export. As the original industrial foundation of Shenzhen was so weak, it is impossible to turn its economy into a completely export-oriented economy in 3 or 5 years.

After Zeng Tao announced at noon that the press conference was over, some reporters still surrounded Gu Mu and kept asking questions. Gu Mu said: The policy of opening to the outside world is a basic policy of our country laid down since the 3d Plenary Session of the 11th CPC Central Committee. It has actively promoted China's economic construction. China will continue this policy unswervingly. We have sufficient confidence in creating a new situation from our opening to the outside world.

Aid to Joint Ventures

OW101028 Beijing XINHUA in English 1001 GMT 10 Apr 86

[Text] Beijing, April 10 (XINHUA) -- The Chinese Government will work hard to help Sino-foreign joint ventures overcome their difficulties and make them successful in accordance with law, State Councillor Gu Mu said here today.

Speaking to Chinese and foreign reporters, the Chinese state councillor said it is necessary for China to institute the import license system according to its own conditions. But, he stressed, China will carry out all contracts it has signed with foreign firms and businessmen.

He promised that the use of import licenses will not bring difficulties to Sino-foreign joint ventures applying for them. China will simplify as much as possible the procedures for applying and granting import licenses, he added.

What is to be imported as stipulated in contracts already signed may still be imported, Gu Mu said. The Chinese state councillor said that the number of Sino-foreign joint ventures established in China is still not great, and the Chinese Government will help them overcome difficulties whatsoever and make the ventures successful.

3 SEZ Currencies Ruled Out

OW101100 Beijing XINHUA in English 1041 GMT 10 Apr 86

[Text] Beijing, April 10 (XINHUA) -- China plans to change the situation of simultaneous circulation of three kinds of currencies in Shenzhen Special Economic Zone, Chinese State Councillor Gu Mu revealed here today. Speaking to Chinese and foreign reporters, Gu Mu said the circulation of renminbi, Foreign Exchange Certificate and Hong Kong dollar at the same time in Shenzhen has proved disadvantageous to China. Originally, Gu Mu said, the Chinese Government intended to issue a SEZ currency to solve the problem. but there were pros and cons over this "very complicated" question.

Besides, he added, other special economic zones and open coastal cities might face the same problem. "Therefore, we must be very cautious and have decided to solve the problem later," he said, adding that China would consult both Chinese and foreign specialists before making the final decision.

Asked about the new Shenzhen SEZ control enclosure, he said, the commission of the enclosure will not affect the economic and personnel exchanges between Shenzhen and other parts of the country. Naturally, certain procedures are required, but there won't be any restrictions on all legitimate activities. Earlier reports said that there have been more entries and exits through Shenzhen since April 1 when the 86-kilometer-long control line was commissioned.

ULANHU AT NEI MONGGOL NPC DEPUTIES' DISCUSSION

OW110807 Beijing XINHUA Domestic Service in Chinese 1742 GMT 10 Apr 86

[By reporter Hu Qiunian]

[Text] Beijing, 10 Apr (XINHUA) -- Ulanhu, NPC deputy and vice president of the PRC, attended a group discussion of the Nei Monggol delegation to the Fourth Session of the Sixth NPC this morning. He said: People of all nationalities are full of confidence in fulfilling the goal of quadrupling the gross industrial and agricultural output value before the end of this century, and they are trustingly united around the CPC in contributing their share to the Seventh 5-Year Plan.

Endorsing Premier Zhao Ziyang's report concerning the Seventh 5-Year Plan and other reports, Ulanhu said: Approval of the Seventh 5-Year Plan is the central task of the current session. The great achievements scored in China's economic development during the Sixth 5-Year Plan prove that the line, principles, and policies formulated since the 3d Plenary Session of the 11th CPC Central Committee have been correct and that the road we embarked on to build socialism with Chinese characteristics has been successful. He expressed confidence that through exerting ourselves, we will surely be able to fulfill or probably overfulfill the Seventh 5-Year Plan under deliberation at the current NPC session.

Ulanhu said: During the Sixth 5-Year Plan, the livelihood of all minority nationalities has greatly improved, and some of them have become prosperous. However, progress has been uneven in different regions. In some places, poverty continues, and people still do not have enough to eat and wear. He proposed the following opinions for improving work in areas inhabited by minority nationalities.

1) It is necessary to gradually reduce the gap between areas inhabited by minority nationalities and advanced areas along with the trend of shifting the focus of national construction westward. 2) It is necessary to persistently make reforms and adhere to the open policy at home and abroad. 3) It is necessary to eliminate poverty in some areas as quickly as possible, especially to ensure the people there have enough to eat and wear. Aside from providing necessary assistance and subsidies, the state must, more importantly, soberly assess local conditions and adopt practical and effective measures to promote production. 4) It is necessary to devote more attention to culture and education, a great undertaking having a vital bearing on national prosperity and development. Only with skilled personnel is it possible to make advances in construction. 5) Although it is entirely correct to make the contingent of cadres younger in average age, better educated, and more professionally competent and revolutionary during the structural reform, it is also necessary to pay keen attention to the nationalities represented by cadres in areas inhabited by minority nationalities. Linked to local people by natural bonds, minority nationality cadres are playing an irreplaceable role. 6) It is necessary to improve the legal system and conduct legal education. The law of autonomy for areas inhabited by minority nationalities is one of China's basic laws, which must be studied and observed by people of all nationalities and enforced by local autonomous governments, as well as by state organs at higher levels, including all provincial-level and State Council departments.

Ulanhu urged Nei Monggol Autonomous Region to optimally utilize local advantages and renew efforts at developing agriculture, animal husbandry, industry, transport, culture, and education in order to use natural resources to obtain economic superiority and to contribute its share to fulfilling the Seventh 5-Year Plan.

NPC PROPOSES FOREIGN OWNERSHIP OF ENTERPRISES

OW110922 Beijing XINHUA in English 0857 GMT 11 Apr 86

[Text] Beijing, April 11 (XINHUA) — China may soon ease requirements for foreign investors who want to wholly own Chinese enterprises, XINHUA learned today. Part of a proposed foreign investment law, these and other changes were made at the suggestion of deputies to the ongoing National People's Congress (NPC) here. Both the NPC Law Committee and the NPC Presidium have called for their approval at Saturday's plenary session.

Under current draft, only foreigners who both bring advanced technology to China and agree to generate foreign exchange by exporting most of what they produce are allowed to establish enterprises entirely with foreign capital. The change would allow foreigners to wholly own enterprises that either introduce advanced technology or primarily produce goods for export. The revised draft law also protects entirely foreign enterprises from nationalization. In case of requisition in emergencies, compensation will be provided for.

Also in line with deputies' suggestions, the Presidium recommended approval of the revised draft of the new civil code general principles that clarify responsibilities for debts within rural collectives and households. And the Presidium recommended the revised draft of a new law on compulsory education. It says that the teacher shortage in China be alleviated by requiring all new graduates of teacher-training institutes to take jobs with schools or government educational departments. Deputies Saturday will also vote on the final draft of the proposed Seventh Five-Year Plan (1986-90) and elect a new vice-premier, state councillor and vice-chairman of the Sixth NPC Standing Committee.

WAN LI FETES HONG KONG, MACAO NPC DEPUTIES

OW101602 Beijing XINHUA in English 1541 GMT 10 Apr 86

[Text] Beijing, April 10 (XINHUA) -- Chinese Vice-Premier Wan Li said here today that China would not change its domestic and foreign policies, or the policy of one country, two systems for realizing the peaceful reunification of the country. Wan said this at a banquet he gave in honor of Hong Kong and Macao deputies attending the ongoing session of the National People's Congress (NPC) and the current session of the Chinese People's Political Consultative Conference (CPPCC) here this evening at the Diaoyutai State Guesthouse. He said the two sessions are being held at a time when China has successfully completed its Sixth Five-Year Plan and is about to start the seventh one.

He described the opinions on the Seventh Five-Year Plan and criticisms of the work being carried out on China's mainland put forward by the Hong Kong and Macao deputies as constructive and sincere. Such opinions and criticisms are beneficial to China's modernization program, he said. Wan said the great changes now taking place in the country need arduous work. Two important factors must be guaranteed: first, to keep to the economic reform and the open policy; and second, to persist in the independent foreign policy of peace and work for a long-term peaceful international environment. He noted that Hong Kong and Macao serve as important bridges for contacts between China's mainland and other countries. He expressed his hope that the two regions would play an active role in this respect. Wan encouraged the deputies to reflect the wishes and desires of the Hong Kong and Macao compatriots as they know well the situation in Hong Kong, Macao and the mainland, as well as the policies and plans of the country. He hoped they would make new contributions to safeguarding stability and prosperity in Hong Kong and Macao, and the reunification of the country.

T.K. Ann, Standing Committee member of the CPPCC National Committee and chairman of Winsor Industrial Corporation Ltd. of Hong Kong, spoke at the banquet on behalf of those present.

CPPCC SESSION CONCLUDES; OFFICIALS ELECTED

National Committee 6th Meeting

OW110556 Beijing XINHUA Domestic Service in Chinese 1209 GMT 10 Apr 86

[Excerpts] Beijing, 10 Apr (XINHUA) -- The Fourth Session of the Sixth CPPCC National Committee held its sixth meeting at the Great Hall of the People this afternoon. The CPPCC members continued discussions at the meeting.

Those who spoke at today's meeting were: She Shiguang, Lin Shengzhong, Duan Lipei (representing Liu Xilin, Fang Ming, and Huo Maozheng), Liu Shi, Li Xiaofang, Wu Yingkai, Xu Simin, and Yang Lieyu. The CPPCC members expressed concern in their speeches for the growth of young people, for strengthening the legal system, and for implementing compulsory education. They also expressed views on bringing into play the role of workers and staff in the four modernizations, reform of urban hospitals, and realization of peaceful reunification of the motherland.

Vice Chairmen of the CPPCC National Committee Qian Changzhao, Fei Xiaotong, and Liu Jingji presided over today's meeting. Attending the meeting were Vice Chairmen Yang Jingren, Liu Lantao, Kang Keqing, Pagbalha Geleg Namgya, Yang Chengwu, Lu Zhengcao, Zhou Peiyuan, Burhan, Miao Yuntai, Wang Guangying, Qu Wu, Ma Wenrui, and Mao Yisheng.

Members on Reunification

OW110313 Beijing in Mandarin to Taiwan 1500 GMT 9 Apr 86

[Text] The Fourth Session of the Sixth CPPCC National Committee heard oral and written statements by its members on the afternoon of 9 April. A number of members expressed their views concerning peaceful reunification of the motherland. In a written statement, member Wen Qiang said: It is a pressing task to remove the artificial separation of the Taiwan Strait. He said: The proposal for one country with two systems is an inevitable historical trend conforming with the aspirations of the people. It envisions a future situation characterized by long-term coexistence between the two sides of the strait, and embodies the legacy of Dr Sun Yat-sen, that is, revitalization of the Chinese nation.

A joint statement by Zheng Jian and 15 other members of the CPPCC's Federation of Taiwan Compatriots called for active efforts in promoting exchange and cooperation in various fields between the two sides. The joint statement said: The Taiwan authorities' policy of assembling anticommunist forces has been widely criticized inside and outside the Kuomintang and has caused a series of inextricable political, economic, and social problems in Taiwan. The joint statement called for thorough understanding of the popular feeling in Taiwan so that efforts to exercise democracy in Taiwan and realize the motherland's peaceful reunification can converge. The joint statement also called on the CPPCC National Committee to adopt effective policy measures to facilitate exchange and cooperation between the two sides. It also proposed that both sides organize groups to exchange visits with relatives and friends.

Member Wu Yuanlong, who returned from Taiwan to settle in Shanghai in 1981, said in a written statement: The people on both sides of the strait fervently hope for an early realization of exchange of mail, trade, and air and ship services. He said: The exchange in these three areas has not only become a fact but is also understood by businessmen and entrepreneurs on both sides of the strait, thereby enabling people on both sides to recognize the benefit of direct links in these three areas for the economic prosperity of both the mainland and Taiwan. He urged departments concerned in Taiwan to give more consideration to the interests of the Chinese people by lifting trade restrictions and establishing direct links in mail, trade, and air and ship services in order to jointly promote the grand unity of the Chinese people and revitalize the Chinese nation.

New Officials Named

OW110908 Beijing XINHUA in English 0848 GMT 11 Apr 86

[Text] Beijing, April 11 (XINHUA) -- A veteran communist, a scientist and a sociologist were elected to the leading posts in China's top consultative body here today. Wang Enmao, Qian Xuesen and Lei Jieqiong were elected vice-chairmen of the National Committee of the Chinese People's Political Consultative Conference (CPPCC). The election took place at the closing ceremony of the Sixth CPPCC's Fourth Session in the Great Hall of the People.

Wang, former first secretary of the Communist Party Committee of the Xinjiang Uygur Autonomous Region, is now director of the region's Advisory Commission. He joined the Communist Party in 1930 and had worked for a long time in Xinjiang after the founding of the People's Republic in 1949.

Qian, a world-famous scientist, is vice-president of the Chinese Association for Science and Technology and deputy director of the Science and Technology Committee under the science and technology commission for national defense. Before returning to China in 1955, he was a professor at the California Institute of Technology and Massachusetts Institute of Technology in the United States.

Lei is a noted sociologist and educator. She earned her master's degree in sociology from the University of California, the United States in 1931. In 1945, she participated in the founding of the China Association for promoting Democracy, one of China's non-communist parties, and is now the association's vice-chairwoman.

Today's meeting also elected 13 new members to the Standing Committee of the CPPCC National Committee. Among them are veteran communists, members of non-communist parties, returned Overseas Chinese, Taiwan compatriots and people from business and religious circles.

Lin Shengzhong, 44-year-old vice-chairman of the Taiwan Democratic Self-Government League, is the youngest of the 13. He was born in Taiwan and came back to the Chinese mainland in 1972. He is now an asociate research fellow of the Chinese Geological Institute.

Others include Yan Mingfu, director of the United Front Work Department of the Communist Party Central Committee; He Zhengwen, former deputy chief of General Staff of the Chinese People's Liberation Army; Jing Shuping, vice-chairman of the board of directors of the China International Economic Consultative Corporation; and Bishop Michael Fu Tieshan, vice-chairman of the China Patriotic Catholic Association.

Zhou Shaozheng, acting secretary-general of the CPPCC was elected today secretary-general. The 60-year-old Zhou worked as deputy secretary-general of the State Council before he became the acting secretary-general of the CPPCC last year.

Leaders at Closing Ceremony

OW110936 Beijing XINHUA in English 0920 GMT 11 Apr 86

[Text] Beijing, April 11 (XINHUA) -- The Fourth Session of the Sixth National Committee of the Chinese People's Political Consultative Conference (CPPCC) closed here today. Addressing the closing ceremony, Deng Yingchao, chairwoman of the CPPCC National Committee, urged members of the country's top political consultative body to strive for the fulfillment of the Seventh Five-year Plan (1986-90). A political resolution adopted at today's meeting called on members and organizations of the CPPCC at all levels to unite people in all walks of life to continue to contribute to the nation's economic reforms.

President Li Xiannian, National People's Congress Standing Committee Chairman Peng Zhen, Vice-President Ulanhu, Vice-Premier Wan Li and other Chinese leaders Xi Zhongxun, Tian Jiyun, Li Peng, Yang Shangkun, Yu Qiuli, Hu Qili, Yao Yilin and Ni Zhifu attended the ceremony.

During the 20-day session, CPPCC members discussed the report on the work of the Standing Committee of the Sixth National Committee delivered by Vice-Chairman Hu Ziang and other reports, attended the Fourth Session of the Sixth National People's Congress as observers, discussed the Seventh Five-Year Plan and put forward suggestions concerning the plan and other important issues of the state.

Deng Yingchao said CPPCC members agreed that the Seventh Five-Year Plan is in accord with the conditions of the country as well as the objective law of economic development, and embodies the principles of continuing the reforms, opening the country to the outside world and invigorating the domestic economy. She said that participants of the session have put forward many good ideas and suggestion, which are beneficial to perfecting the new five-year plan and improving the government work. The National Committee will transmit them as soon as possible to the departments concerned, she added.

The session elected Communist Party leader in Xinjiang Wang Enmao, famous scientist Qian Xuesen and sociologist Lei Jieqiong as additional vice-chairmen of the National Committee. It also elected 13 additional Standing Committee members and Zhou Shaozheng as secretary-general. A resolution on the work report of the Standing Committee adopted today called on the CPPCC members to make greater contributions to China's socialist modernization and the reunification of the country. According to a report submitted by the Motions Committee, the session has received 1,202 motions, 25 percent more than those in last year's session. The meeting also heard speeches made by Zhao Puchu, president of the Chinese Buddhist Association, Professor Shen Yuan, honorary president of the Beijing Aeronautical Engineering Institute, and noted economist Qian Jiaju on religion, world peace and education. Diplomatic envoys of various countries posted in Beijing were present at today's closing ceremony.

LIAOWANG CONSIDERS FEASIBILITY OF 7TH 5-YEAR PLAN

HK100950 Beijing LIAOWANG in Chinese No 13, 31 Mar 86 pp 6-7

[Article by Yu Youhai: "The Three 'Changes' Are of Far-Reaching Significance"]

[Text] China's rapid economic development over the past 5 years can be seen in the following figures: Fixed assets, which symbolize the material basis of China's economic construction, and the increases of state-owned units have outstripped the total sum of increases attained in the Third, Fourth, and Fifth 5-Year Plans; national income and revenue which are the reflection of better economic results have increased by 63.3 percent and 70.9 percent, respectively; and the balance of savings deposits which shows an increase in people's incomes has increased three-fold.

The big strides China has taken over the past few years are not accidental, as Premier Zhao Ziyang pointed out at the Fourth Session of the Sixth NPC. They are the result of implementing the policy of invigorating the domestic economy and opening up to the outside world, as formulated since the 3d Plenary Session of the 11th CPC Central Committee. The following three strategic and historically significant changes took place in economic work during the Sixth 5-Year Plan: First, in economic and social development strategy, emphasis on the growth of industrial — particularly heavy industrial — output value and output shifted toward a coordinated development of agriculture-light industry-heavy industry with the focus on attaining better economic results with an all-round development of the economy, science and technology, education, and culture. Second, in terms of our economic structure, the old system that exercised excessive and rigid control changed into a vigorous new system suitable to the needs of a planned commodity - economy based on public ownership, Third, in foreign economic relations, our closed and semi-closed economy changed into an open economy which vigorously carried out international exchanges. Since the three changes are of far-reaching significance, they have been effective in China's economic development over the past few years and can also play a role in the Seventh 5-Year Plan which started this year, as well as for a fairly long period in the future.

While setting objectives to be accomplished by the end of the century, the 12th CPC National Congress pointed out that the strategic plan should be executed in two stages, that is, laying a solid foundation during the first 10 years and vigorously developing the economy during the latter 10 years. Does this mean that the 6.7 percent yearly average increase for the total industrial and agricultural output value proposed by the CPC Central Committee in the Seventh 5-Year Plan is too low? No. It shows precisely the new characteristics of seeking truth from facts and forging ahead within China's economic leadership efforts. China's economy developed rapidly during the Sixth 5-Year Plan. It would take a considerable effort to maintain the yearly average growth rate of 6.7 percent in the years to come. If the yearly average growth rate increases according to the draft Seventh 5-Year Plan from now to the year 2000, China's total industrial and agricultural output value will then reach over 3,200 billion yuan, 400 billion yuan more than the 2,800 billion yuan set by the 12th CPC National Congress.

People with experience know that we can continue to rely on the party's rural policies to develop China's agriculture. Nevertheless, we must rely more on improving conditions for farm production. Such improvements should undergo an arduous process of accumulation. As for industry, the excessive growth of the past 2 years not only affected quality and increased energy consumption, but also intensified the strain on energy, communications, and raw materials. By proceeding from practice and maintaining a reasonable economic growth during the next 5 years, people will be able to focus their attention on attaining better economic results, conducive to coordinating the proportional relationship between production and transport and between processing industry and energy and raw materials industry, and in particular, help create a spacious economic environment for promoting the reform of our economic structure.

The draft Seventh 5-Year Plan contains no "brave and proud words." Every policy and measure adopted to insure the implementation of that plan is practical. The scientific attitude of making specific analysis and dealing with matters on their merits embodied in these policies and measures has left a deep impression on the people.

Regarding construction, the plan has curtailed the general scale of investment and has taken special note of improving the investment setup so as to pool financial and material resources to insure energy, transportation, communications, raw materials, and other key construction projects, strengthen these weak links, and add reserve impetus to the revitalization of the national economy.

Regarding living standards, the plan has controlled the expansion of the consumption fund and proposed combining partial and immediate interests with overall and long-term interests. It has also addressed the issue of improving the living standards of the people, particularly solving the problem of food and clothing for those areas which are confronted by trying circumstances. This will be done by developing production and attaining better economic results.

As for reform, the plan has stressed invigoration of enterprises, large and medium-sized state-owned enterprises in particular, improving the work of the leading organs, and strengthening macroeconomic control so that economic structural reform will develop in depth in a coordinated manner.

Both the current NPC and CPPCC consider the Seventh 5-Year Plan feasible. The plan presents an inspirational and bright future to the people of our country. By fulfilling this plan, we will be able to straighten out economic relations in various fields, put our economic system on the right course, strengthen China's economy, science, and technology, accelerate the modernization of the national economy as a whole, and further improve the living standards of 80th urban and rural people. By 1990 we will be able to effectively promote the economic revitalization and prosperity of the nineties and confidently realize the grand objective set forth by the 12th CPC National Congress.

GUANGMING RIBAO ON RURAL COOPERATIVE ECONOMY

HK100555 Beijing GUANGMING RIBAO in Chinese 29 Mar 86 p 4

[Article by Zhang Deqing: "Several Questions in the Development of the Rural Cooperative Economy"]

[Text] At present, a new economic form -- the cooperative economy -- has emerged in the rural areas of our country, required by the times. We should conscientiously study the objective basis, characteristics, and role of this new economic form.

The Objective Basis for the Development of the Rural Cooperative Economy

The emergence of the rural cooperative economy in our country is not accidental; it is the objective demand of the development of commodity production in the vast rural areas.

First, there is an urgent need to find an outlet for the surplus labor force and surplus funds. Thanks to the reform of the rural economic structure, rural productive forces have been liberated, resulting in the development of production and a surplus in both rural labor force and rural funds. As far as the labor force is concerned, quite a large number of people in the rural areas do not have anything to do at present, but on the other hand, manpower is desperately needed to develop natural resources. In particular, some enterprises or production units operated by professional people need manpower. These enterprises and production units have not been able to develop rapidly owing to a lack of manpower. As far as funds are concerned, many rural areas now possess large amounts of idle funds. Because these funds have not been rationally accumulated and made use of, the construction of some production projects has not been carried out because of a lack of funds. If the contradiction between surplus labor and labor shortage and the contradiction between surplus funds and lack of funds cannot be solved at once, the development of commodity production will surely be hampered.

Second, a small number of people have become rich, but the majority of people have just enough to eat and wear and still need help. Over the past few years, some peasants have become rich sooner than others, and most of them are still not satisfied with their present situation, and are planning to find ways to become richer; other peasants also have a strong demand and earnest desire to become rich, although they have not yet done so. There is now a strong demand to become rich among the broad masses of peasants. Many peasants are actively trying to create potential conditions for themselves to become rich, but they have common difficulties: They either lack managing ability or lack funds, equipment, raw materials, factory buildings, technology, information, and so on. So they urgently need help and support.

Third, the contradiction between the services provided by the various levels of collective operation and the various services needed by the various levels of household operation has become increasingly sharp. Because of the continued development of the commodity economy self-operated by peasant households, the commodity economy needs various services in the fields of transportation and sale of the pre-production products, products required for production, and post-production products, especially post-production products. However, the original collective operation, apart from providing some general services concerning land resources, water conservation facilities, and some other aspects, will not be able to provide other kinds of services, especially transport services. As a result, the contradiction between the services provided by the various levels of the original collective operation and the various services needed by the various levels of household operation is becoming sharper and sharper.

Only when collective operation and the individual household operation establish synchronous development will the contradiction be gradually eliminated.

Fourth, those peasant households which lack operational capability now tend to become affiliated to big operation households. Some specialized households and households doing specialized jobs have developed into big operation households. In order to satisfy the need for labor in the process of carrying out expanded reproduction, these big operation households first recruit their family members, and then their relatives. At the same time, they also recruit some of the idle labor in society. In management, these big operation households do not treat this kind of labor force as masters of the operation, but as hired workers. So, instead of rationally distributing surplus value, the big operation households pocket most of the profits. This new contradiction will not only create a wide gap between incomes but will also greatly hamper the development of the production of these big operation households.

The emergence of the above-mentioned problems is not strange. It is a normal phenomenon which happens during the transition from a rural natural economy to a rural commodity economy. The key lies in what measures we will take to solve these problems. In the past few years, various kinds of cooperative economic organizations have continuously emerged in the vast rural areas of our country as a result of the rapid development of the rural commodity economy.

The Basic Forms of the Development of Rural Cooperative Economy

Along with the continued economic structural reform in rural areas and the gradual development of the rural commodity economy, various kinds of cooperative economy will emerge, just like hundreds of thousands of flowers blooming one after another. These cooperative economies not only have various forms and varied contents but also have their respective management methods. Generally speaking, they can be summed up in the following 5 types and 10 specific forms.

The so-called five types are: 1) Cooperation among peasant households, that is, the economic combine, as we often call it. Generally, an economic combine is initiated by one peasant household, and then joined by several other peasant households. These peasant households jointly establish industries, such as the handicraft industry, processing industry, transport industry, catering trade, service trade, building industry, construction materials industry, and so on. The economic combine is characterised by small scale, flexible management, quick results, and strong adaptability. 2) Economic combination between peasant households and collectively owned township or village units. Generally speaking, this kind of cooperative economy is a collectively owned enterprise under the system of contracted responsibilities. The funds, equipment, production sites, and resources of this kind of cooperative economy are provided by collectively owned units. 3) Combination between villages or between villages and state-owned units. Generally, one side provides funds and equipment while the other side provides technology, production sites, and labor to jointly carry out combined production. 4) Combination between local enterprises and enterprises of other areas. Generally, local enterprises invite funds, technology, and equipment from other areas, and then organize the local labor force and make use of local natural resources to carry out production. 5) Combination headed by collectives. The combination spreads its production, processing production, and sales among various units or peasant households which cooperate with one another and carry out combined operations before and after production. This is a specialized combination which divides and distributes its production process.

The so-called 10 forms are: 1) The peasants raise funds and buy shares, and then draw extra dividends according to the number of shares. The whole undertaking is headed by one peasant household. All the peasants are invited to contribute to the funds of their own free will. The cooperative economy will then employ workers and use the shares as its investment, and carry out a combined operation. The funds and property of this type of cooperative economy belong to all the shareholders, and the dividends of this type of cooperative economy are distributed according to the number of shares after the cooperative economy pays taxes to the state. 2) The cooperative economy implements the combined contract system under which joint operation is carried out. This type of joint operation is usually an enterprise cooperatively contracted and operated by a number of peasant households through the buying of shares. Apart from the dividends turned over to the state, all the dividends are distributed proportionally according to the number of shares or according to both the number of shares and the amount of work. 3) The peasants contribute their labor to the joint operation or cooperation. This type of cooperative economy is usually adopted when dealing with the projects which have simple and backward equipment, and consume mostly live labor. 4) The peasants contribute production means in the form of shares and carry out cooperative operation. This type of cooperative economy is practiced in the transport industrial combines.

5) The combination which is formed on some links between enterprises or between collectives and peasant households. This type of cooperative economy usually refers to the combination between technological guidance in the course of production and sales and some other links. 6) The peasants contribute funds and labor in the form of shares and carry out cooperative operation, which means that in the joint operation, peasants who have funds contribute funds and those who have labor contribute labor, and carry out cooperation and joint operation. 7) The cooperation which is carried out in funds, equipment, technology, production sites, and labor. 8) The peasants contribute both labor and funds and carry out cooperation through buying shares. 9) The cooperation which is carried out in funds and technology through buying shares, which means that those who have funds but no technology cooperate with those who have technology but lack funds. 10) The cooperative economy jointly formed by peasant households, whose production is carried out by employing workers. Naturally, in the development of commodity production, other types and forms of cooperative economy will also emerge. This is not only an inexorable trend in the development of the rural commodity economy, but also the new content of the reform of the rural economic structure and the new characteristic of the continued development of the rural cooperative economy.

The Strong Role of the Development of the Rural Cooperative Economy

Although most of the rural cooperative economy is only new, recently developed things, imperfect in many aspects, it is now playing a strong role in actual commodity production. The role of the rural cooperative economy can be seen in the following aspects:

First, various key elements in productive forces, which constitute mainly labor and funds, have been widely combined, thus pushing forward the development of commodity economy. Owing to the fact that various cooperative economies are combined according to the needs of the development of the commodity economy of enterprises, those which lack funds have combined with those which have a surplus of funds, those which lack labor have combined with those which have a surplus of labor, those which have technology have found production sites, and those which have equipment have brought their equipment into play, and so on. Through combination, the various key elements of productive forces have played their own part to varying degrees, thus pushing forward with the development of commodity production.

Second, a large number of enterprises which were on the verge of bankruptcy have been enlivened and have turned their losses into profits. The competitive strength of these enterprises has increased. Some collective enterprises suffered losses for a long time in the past because they did not carry out cooperative operation. Since carrying out cooperative operation, the situation in these enterprises has changed.

Third, the workers' sense of responsibility and sense of being masters of the enterprises have been strengthened. The workers now link the profits or losses of the enterprises with their own futures and have thoroughly overcome the phenomenon of relying on one another and being slack in work,. As a result, the economic results of jointly operated enterprises have been greatly increased. The situation in most of the jointly operated enterprises shows that the financial control of these enterprises is efficient and the financial procedures are complete, so that the emergence of doubts and misunderstandings is unlikely. The jointly operated enterprises have a lot of advantages which the individually operated enterprises or enterprises owned by big collectives do not have.

Fourth, the development of the rural cooperative economy has enabled specialized production to grow in scope, has not only enabled the production of specialized households to grow in scope but also increased the number of specialized villages. Because cooperative operation has enabled the production of specialized households to grow in scope, the output of the commodity production of specialized households has been continuously increasing.

Fifth, the development of the rural cooperative economy has enabled poor households to find a way to become rich and has pushed forward common prosperity. Because the broad masses of cadres and party members have been actively looking for ways for poor households in rural areas to become rich and to help them to cast off poverty, peasants have developed their own professional skills in the cooperatively operated enterprises, increased their own incomes, and advanced with big strides on the road toward prosperity.

In a word, the cooperative economy in the rural areas is vigorous and attractive and has become an important factor in invigorating the overall rural economy. We should actively support and guide it and continue to perfect and develop it according to the wishes of the masses and the needs of commodity production.

RENMIN RIBAO ON HEBEI ECOLOGICAL PROBLEMS

HK100627 Beijing RENMIN RIBAO in Chinese 1 Apr 86 p 3

[Newsletter by reporter Chen Jian: "Hidden Danger To Agricultural Ecology on Hebei Plain:]

[Excerpts] Some experts and responsible persons of the departments concerned recently pointed out that the hidden dangers of ecological conditions for agricultural production on the Hebei plain are grimly lurking about, and that we must therefore devote special attention to them and adopt effective measures to lessen their effects.

Since the beginning of the eighties, ecological problems concerning the Hebei plain have time and again sounded serious warnings to us, for example, water shortages in Beijing and Tianjin, the necessity of diverting water from the Luan He to improve the water supply to Tianjin, and the drying up of the Beiyangdian Hu. However, this is only a part of the problem, and the problem as a whole is much more serious.

One-fourth of cultivated land in Hebei Province is now afflicted with drought every year and one-sixth has become sandy soil. In addition, the salinity of about one-tenth of cultivated land is over 0.2 percent, and salinity and alkalinity is increasing. Nearly 50 percent of farmland suffers soil and water loss. Over 1.55 million tons of nitrogen, phosphorus, and potassium are lost every year due to soil and water loss. This is equal to 42 percent of Hebei's annual total output of chemical fertilizer. Soil and water loss also affects reservoirs. As a result, almost one medium-sized reservoir disappears every year. Meanwhile, blocked river courses damage nearly one-third of flood control works.

The problem of water resources is more worrying. Over the past few years, there has been an ever-increasing need for water, while the supply of water has been dwindling. In the fifties, the amount of water flowing from the mountains reached 11.5 billion cubic meters, but in the eighties it is only 5.5 billion cubic meters. Hebei Province now needs 27.3 billion cubic meters of water every year, but the water supply is less than 20 billion cubic meters, and it has to exploit about 14 billion cubic meters of subterranean water every year.

The departments concerned of Hebei Province pointed out: Social and economic development in Beijing, Tianjin, and Hebei Province is proceeding more rapidly than the tapping of water resources in these areas. Therein lies the crux of the problem concerning water shortage. Every year, Beijing, Tianjin, and Hebei Province together consume more than 10 billion cubic meters of water. The shortage of water in Beijing and Tianjin has aroused the attention of the departments concerned, and efforts have been made to divert water from the Luan He to improve the water supply to Tianjin, but this measure can only relieve the water shortage to a certain degree. The strains on the water supply in north China as a whole have not been eased but have become more serious. The long-term consequences cannot be foreseen.

It is now obvious that the shortage of water in Beijing, Tianjin, and Hebei Province cannot be made good by means of local resources. Therefore, many departments concerned believe that to solve the problem, we must divert water from rivers outside the Hebei plain. Some people say that to improve the water supply in the Hebei plain, "in the short term, we can divert water from the Huang He, in the medium term, we can divert water from the Chang Jiang, and in the long term, we must obtain water from the sea." Such remarks sound reasonable. Hebei Province recently formulated the "Baipo plan," suggesting diverting water from the Huang He in Baipo, Henan Province, to the Baiyangdian Hu, Hebei Province through the Wei He and the Dongfeng canal. Realization of the plan needs an investment of 1.1 billion yuan. With regard to the plans for transferring water from the south to the north and desalination of sea water with the help of modern science and technology, this will require immense resolution and substantial investment, otherwise, we will accomplish nothing.

One thing must be especially stressed here: We must rationally use and conserve water resources. Our country does not have sufficient water resources and our per-capita water resource level amounts to one-fourth of the world average. Using rationally and saving water resources is of great significance for social and economic development. Over the past decades, we have worked hard for economic construction, but industrial and agricultural production in Beijing, Tianjin, and Hebei Province, instead of saving water resources, still consume more and more water. Without making great efforts, it is difficult to change this situation. For example, how can we solve the problem of the concentration of a large number of chemical, oil, coal, and metallurgical industries with a high consumption of energy and water in Beijing, Tianjin, and Hebei Province? In agriculture, is it necessary to blindly develop high-yield grain crops like paddy rice without taking into consideration limited water resources? Do we have any plans to develop dry crops suitable for this region? These practical problems are challenging and pressing. In tackling these problems, we must be far-sighted and must resolutely adopt effective measures.

Commentator's Article

HK100629 Beijing RENMIN RIBAO in Chinese 1 Apr 86 p 3

[Commentator's article: "A Great Task in Agriculture"]

[Text] Our paper today carried a news report regarding the current agricultural ecological environment on Hebei plain. This partial problem reflects the fact that a hidden danger looms large in our country's agricultural ecological environment. It seems that the task of protecting the agricultural ecological environment in increasingly pressing.

Old China left us an ecological environment with hidden dangers and covered with wounds and scars. Since the founding of the People's Republic, hundreds of millions of people, led by the party and the government, have made energetic and immense efforts to transform our land through afforestation and by harnessing rivers and protecting farmland from sand erosion, and have achieved great success. However, our implementation of the principle of "taking grain production as the key link in agriculture" over a long period of time in the past compelled us sometimes to exploit the land unscrupulously. This has almost offset all our endeavors in agricultural environment protection. As a result, agricultural production in many areas in now faced with a number of hidden dangers, such as a decline in cultivated land, large quantities of farmland being eroded by wind and sand and by salinization, declining soil fertility, the destructive felling of forests, improper use of grassland for grazing, serious water loss and soil erosion, increasing silt content in rivers, lakes, and reservoirs, lowering of groundwater levels, and drying up of lakes. In addition, a new threat of pollution of air, soil, water, and agricultural products now looms over us. We should not overlook the problem.

The natural envionment is the foundation of man's existence. To build a good agricultural ecology, we should rely not only on the countryside but also on the concerted efforts of the whole nation, and we should especially stress proper use of farmland in agricultural production, because it has a direct and vital bearing on the ecological environment. If we develop agriculture according to ecological laws, we will have abundant harvests of all food crops, fruits, vegetables, fish, meat, eggs, and dairy products, and can build a beautiful and clean living environment, but if we exploit land blindly and destroy the ecological enviornment, we will certainly be punished by nature, our living environment will be damaged, and even our existence will be threatened.

Our countryside is facing a new period of development. Its primary task is to develop the economy, and maintaining a good ecological enviornment is a prerequisite for rural economic development. However, we should not develop the economy and seek immediate interests at the expense of the environment for our existence. Otherwise, we will lose a lot to gain a little. It is absolutely wrong to think that in expanding production and increasing output value, it is not necessary to take much care of the ecological environment, and that in boosting production, damaging the ecological environment is unavoidable. Experience in many areas has demonstrated that production can be developed in close proportion to the ecological enviornment. Over the past few years, unceasing attention has been directed toward ecological agriculture. We should make continuous efforts to study the problem, sum up experience, and spread good experience step by step.

At present, various productive activities are growing more and more prosperous in the countryside and 180 million peasant households and more than 6 million township enterprises are developing vigorously. The work of protecting the ecological environment involves all walks of life and every household. All departments concerned and leaders at various levels should address the problem and mobilize hundreds of millions of peasants to take part in the work.

We should popularize knowledge of environmental protection and publicize the relevant government decrees among the peasants and help them to arrange production in a scientific way. In protecting the agricultural ecological environment, we must enforce discipline and law.

Protecting the ecological environment is a basic policy of our country. Any damage done to the ecology is a crime against the great cause of building the motherland and against our future generations. All comrades on the agricultural front should earnestly task the work of building a good ecology as a great task in agricultural production, and should take social benefit, ecological results, and economic returns well into consideration while developing agricultural production.

STATE COUNCIL APPROVES FARM EXPORTS REPORT

OW110642 Beijing XINHUA Domestic Service in Chinese 1223 GMT 10 Apr 86

[Excerpts] Beijing, 10 Apr (XINHUA) -- The State Council recently approved and transmitted a report by the Ministry of Agriculture, Animal Husbandry, and Fishery; the Ministry of Foreign Economic Relations and Trade; and the Ministry of Commerce on establishing a system for producing export-oriented agricultural and sideline products. It noted: Agricultural and sideline products, which are China's traditional export commodities, will continue to dominate China's exports in the future. Properly operating assorted bases for producing export-oriented agricultural and sideline products and gradually establishing and perfecting a system in this regard are strategically important for promoting the export of agricultural and sideline products.

In their report to the State Council, the Ministry of Agriculture, Animal Husbandry, and Fishery, the Ministry of Foreign Economic Relations and Trade, and the Ministry of Commerce said: The export of agricultural and sideline products plays a key role in China's effort to earn foreign exchange through exports. At present, there are the following major problems:

1. Disorganized production and handling of export-oriented agricultural and sideline products;
2. Backward scientific research and production and processing technologies;
3. Low product quality;
4. Lack of enthusiasm in units charged with producing export-oriented agricultural and sideline products;
5. Relatively unbalanced proportions between domestic sales and exports of most of the the major agricultural and sideline export commodities, with exports outstripping stable domestic supplies; and
6. Insufficient warehouses and transport facilities.

Establishing a system for producing export-oriented agricultural and sideline products is vital to solving the above problems, meeting the demands of the increasingly competitive international market, and constantly boosting the export capacity of agricultural and sideline products. In addition, it can play an exemplary role in upgrading China's agricultural production technology and expediting China's agricultural modernization.

The report said: In building export production bases, it is necessary to stand on the existing foundation, bring out strong points while avoiding shortcomings, and plan and choose sites on a selective basis. The bases should meet the following basic requirements:

1. Production zones should be centralized and integrated, making specialized production possible.

2. Natural conditions should favor farming or fowl-raising and fishbreeding, with the potential for development.
3. Production and processing technologies should be basically sound and capable of turning out quality or valuable varieties.
4. The export rate should be high, with emphasis on determining the proper export ratios according to different commodity traits.
5. Communications and transport should be convenient.
6. Scientific research, initial processing, transshipment, and warehouse installations should be basically adequate and complete.
7. In addition to the above requirements, the locality concerned should provide a specific amount of investment in supplemental facilities.

STATE COUNCIL ISSUES CIRCULAR ON RAILWAY CONTRACTS

OW081234 Beijing XINHUA Domestic Service in Chinese 1525 GMT 7 Apr 86

[Excerpts] Beijing, 7 Apr (XINHUA) -- The State Council recently disseminated "plan on the Ministry of Railways adopting the economic contract responsibility system" formulated by the State Planning Commission, the State Economic Commission, the Ministry of Finance, the People's Bank of China, and the Ministry of Railways and issued a circular calling on all departments in all places to seriously implement it.

The State Council circular points out: Railways are the main artery of the national economy and are the backbone of China's communications and transportation. Over the past several years, railway transport has made much headway. However, it is still a weak link in the national economy today and does not meet the needs of our economic development. The main problem in the railway departments is that they themselves lack the vigor for self-reconstruction and self-development and that the development of railway construction does not link up with the achievements of railway management. To solve this question, we must reform the railway management system in an all-round way with the economic contract responsibility system as the center; bring railway workers' initiative, enthusiasm, and creativity into full play; and use the increasing accumulations to speed railway construction and technical transformation.

The circular says: The railway departments' adoption of the economic contract responsibility system is an important reform. The railway departments must enhance their views of the overall situation, put the increase of social economic results above all else, serve the people still better, and make greater contributions to the state. Railway capital construction must be developed in accordance with the state plan and in line with the order of capital construction and technical transformation stipulated by the state. It is necessary to strictly observe financial and economic discipline and accept the state's financial supervision. The Ministry of Railways should carefully calculate and strictly budget, practice economy in making investments, improve management, and increase transport capacity. It is necessary to persist in making reforms and blazing new trails, increase enterprises' vigor, and make efforts to fulfill all contracted tasks. All departments and localities concerned must actively support the development of railway contract system and railway construction.
The State Planning Commission and the four other units' "plan" point out: To speed the development of railway construction during the Seventh 5-Year Plan, the Ministry of Railways will make reforms in its economic management structure and adopt the economic contract responsibility system of developing railways by using what railways achieve. The system starts in 1986 and will remain in effect for 5 years. The contents of the contract responsibility system proposed by this plan include the transport task, the locomotive and rolling stock production task, the scope of railway construction and its transport capacity, capital construction investments and funds to purchase locomotives and rolling stock, paying tax according to regulations, and conversion of metric ton-km into wages, and so forth. The plan also points out related policies and regulations which the Ministry of Raiways should follow after the contracted system is adopted.

SHANDONG MILITARY HOLDS SKILL DEMONSTRATION

SK080305 Jinan Shandong Provincial Service in Mandarin 2300 GMT 5 April 86

[Text] On the morning of 5 April, office cadres and fighters of the Jinan Military Region held a skill demonstration at the square of the Bayi Hall. Leading comrades, including Chi Haotian, political commissar, and Gu Hui, deputy commander, reviewed the demonstration.

Before the demonstration, the required discipline and standards for the soldiers' appearance and bearing were examined, and their up-to-standard rate reached 97.4 percent.

When the demonstration began, six second-level departments, including the headquarters and the signal department, gave a demonstration of the soldiers' bearing, gait, manners and the way of giving a salute. The soldiers' bearings were regular, their movements were correct, and the words of command of the commanders were loud and clear.

After the demonstrations, Comrades Chi Haotian and Gu Hui gave speeches. They pointed out: Holding demonstrations among Army organs is an actual move to implement the directive of Yang Dezhi, chief of the General Staff of the PLA, on strengthening Army discipline and maintaining required standards for soldiers' appearance and bearing and on building regular troops. Since Jinan is the provincial capital and an open city, there will be many soldiers coming and going. The discipline and bearing of the soldiers, good or bad, will directly affect the troops of the entire Military Region. The Military Region's Army organs should begin with the work of strengthening army discipline and all people should proceed such work from their own initiative and should strive to achieve remarkable success in the first half of the year through concerted efforts from the higher to the lower levels, and to achieve a fundamental turn for the better in improving the Army discipline and bearing within the year.

SHANGHAI LEADERS VISIT SOONG CHING LING'S TOMB

OW061009 Shanghai City Service in Mandarin 0100 GMT 6 Apr 86

[Excerpt] Yesterday was the Qing Ming Festival [traditional day for paying homage to the dead at their tombs]. In the morning, leading comrades of the party, government, and Army, public figures from various communities, and youth representatives of this municipality went to Soong Ching Ling's mausoleum and the Shanghai Municipal Cemetery of Revolutionary Martyrs to pay homage to the honorary president of the PRC, Soong Ching Ling, and the martyrs who heroically gave their lives for the sake of the revolution.

Responsible comrades joining this activity included Rui Xingwen, Huang Ju, Wu Bangguo, Chen Guodong, (Shang Dinghong), Wang Jian, Zhu Zongbao, Li Guohao, Wu Ruoan, (Xu Guiqi), (Xing Changji), (Liu Qingyong), Qin Yichang, (Wang Guanliang), Wu Xia, and [name indistinct]. Also paying homage at the tombs were members and alternate members of the CPC Central Committee, members of the Central Advisory Commission, and members of the Central Discipline Inspection Commission currently in Shanghai.

SHANGHAI RELEASES INDUSTRIAL OUTPUT FIGURES

HK081302 Beijing ZHONGGUO XINWEN SHE in Chinese 0854 GMT 7 Apr 86

[Text] Shanghai, 7 Apr (ZHONGGUO XINWEN SHE) -- According to the figures published by the Shanghai Municipal Statistics Bureau, the total industrial output value produced by Shanghai in March was 7,545,000,000 yuan, or 4.2 percent higher than the figure of the same period last year. The accumulated industrial output value in the first quarter of this year was 20.04 billion yuan, or 1.8 percent more than the same period last year.

In the first quarter, the output of 64 out of the 109 major industrial products was higher than the same period last year. Among others, the output of such key raw materials as pig iron and coke, which are urgently needed in the development of the national economy, and such durable consumer goods as color TV sets and domestic refrigerators, which are in great demand on the market, increased sharply.

Last year, the industrial production situation in Shanghai was satisfactory, with the industrial output value increasing by 11.1 percent and exceeding the target of the annual plan by 2.8 percent. The people concerned pointed out that the main reason for a lower growth rate in Shanghai's industrial production in the first quarter as compared with the same period last year was the shortage of funds and the short supplies of energy and raw materials. So far, this problem has not yet been solved. The departments concerned are taking measures to ensure a certain growth rate in Shanghai's industrial production in the future.

ZHEJIANG CIRCULAR ON PUBLIC-FUNDED SIGHT-SEEING

OW102328 Hangzhou Zhejiang Provincial Service in Mandarin 1000 GMT 7 Apr 86

[Text] In order to resolutely check the evil tendencies of cadres to use public funds for sight-seeing trips, the offices of the Zhejiang Provincial CPC Committee and Government, acting in the spirit of the CPC Central Committee and State Council circular, issued a supplemental circular on strictly banning the use of public funds by cadres to take sight-seeing tours.

The circular pointed out: Leading cadres of party and government organs at all levels must carry on the fine tradition of working arduously, and take the initiative in combating the evil tendencies of using public funds for sight-seeing. Henceforth, under no circumstances will cadres be allowed to use their power to take sight-seeing tours using public funds, nor to invite others on special trips to scenic areas. Those violating these rules should be sternly dealt with according to party or administrative or financial and economic discipline. In addition, major leaders of units concerned must be investigated for liability. Party and government organs at all levels, enterprises and public service units, mass organizations, and academic bodies must obtain approval from authorities at a higher level before holding meetings in Hangzhou, Ningbo, and Shaoxing Cities during tourist season. Units at provincial level should ask for permission from the provincial CPC Committee or government.

The circular pointed out: All localities and units should strictly control visits to other localities. It is also not permitted to use public funds to organize retired cadres for sight-seeing tours for any excuse.

SICHUAN RIBAO ON COOPERATIVE ORGANIZATIONS

HK090904 Chengdu SICHUAN RIBAO in Chinese 22 Mar 86 p 1

[Report by the provincial Supply and Marketing Cooperative: "Supply and Marketing Departments and Peasants Jointly Run Specialized Cooperative Organizations -- a New Channel for the Peasants to Increase their Income and Become Well-Off"]

[Text] Supply and marketing departments and the peasants have jointly run specialized cooperative organizations in the course of rural economic reform in the province over the past few years. This has promoted the readjustment of the rural production structure and enabled the peasants to increase their income and become well-off.

Statistics compiled by 14 cities and prefectures in the province reveal that by the end of 1985, supply and marketing departments and peasants were jointly running various types of enterprises totaling some 1,700, with an annual output value of 110 million yuan and profits of 46 million yuan. These jointly run specialized cooperative organizations have improved labor productivity to varying extents, expanded commodity production, and played a positive role in helping supply and marketing cooperatives serve the peasants and in enabling the peasants to become well-off. The Tongji supply and marketing cooperative in Pengxian County and 14 peasants have used local resources to jointly run a coking plant. Last year, it produced 3,400 tons of coke. Apart from the expenditure on the peasants' wages, bonuses of 48,000 yuan, and a profit of 16,000 yuan for the cooperative, the plant could still retain a sum of 10,000 yuan for expanding reproduction.

There are now five types of specialized cooperative organizations jointly run by supply and marketing cooperatives and peasants in the province: The first type is organizations with the peasants and supply and marketing cooperatives as shareholders jointly in charge of bonus distribution, the former making labor investment and earning wages, whereas the latter are responsible for the sale of products and the supply of raw materials; the second type is organizations in their initial stage in which supply and marketing cooperatives have to run the risk of incurring losses when production is unstable, with methods for holding shares, making labor investment, exercising management, supplying and marketing, calculating wages, and distributing bonuses being the same as those of the first type; the third type is organizations in which the peasants take part in labor and management, undertake specialised production under the principle of sharing out the work and cooperating with each other, and earn wages, whereas the supply and marketing cooperatives participate in management, supply funds, facilities, and raw materials, and assume sole responsibility for their profits and losses; the fourth type is organizations in which the peasants supply products and the supply and marketing cooperatives are responsible for sales, both sides enjoying the profits earned; and the fifth type is organizations which serve specializd production and which are aimed at achieving technological cooperation rather than making money.

XIZANG URGES SINGING NATIONAL ANTHEM IN TIBETAN

HK090616 Lhasa Xizang Regional Service in Mandarin 1130 GMT 7 Apr 86

[Excerpts] On 17 March, the regional CPC Committee Propaganda Department, the regional CYL Committee, and the regional Education Department jointly issued a circular on all people, particularly the youth, in the region learning to sing the national anthem in the Tibetan language.

The circular said: At the end of 1982, the central Propaganda Department issued a circular on educating the people, particularly the youth, on the national flag and the national anthem. In January 1983, the regional CPC Committee Propaganda Department conveyed this circular.

On 22 April of that year, the regional Education Department issued a circular and conducted education in various schools, particularly among students, on the national flag and the national anthem. The Education Department also put forward specific methods and adopted specific measures, therefore achieving good results. However, since there were a number of translated versions of the national anthem in the Tibetan language, the campaign of learning to sing the national anthem in the Tibetan language did not achieve much progress. Recently, the Translation Bureau has provided us with a centralized translated version of the national anthem in the Tibetan language. We can therefore unfold the campaign of learning to sing the national anthem in the Tibetan language among all the people, particularly the youth, of the region.

The circular pointed out: Basically speaking, the region is one where the Tibetans live in compact communities. The Tibetan population accounts for more than 90 percent of the region's total population. Therefore, there are favorable conditions for promoting the learning of the national anthem in the Tibetan language. Not only do the Tibetan comrades learn to sing the national anthem in the Tibetan language, but comrades of the Han and other fraternal nationalities should also learn to sing the national anthem in the Tibetan language. The fact that people, particularly the youth, of various nationalities sing the national anthem in the Tibetan language at the same time is actually a vivid manifestation of great unification of various fraternal nationalities. Located on the southwest frontier of China, the region was invaded by imperialist foreigners. Through the singing of the national anthem, the masses and youth will remember the motherland's past sufferings of being invaded and oppressed. They will remember numerous revolutionary martyrs who scored outstanding achievements and devoted their lives to the great cause. Therefore, they will cherish more the region's present situation and further strengthen their feeling that people of various nationalities share the same destiny. They will love more ardently the great socialist motherland.

The circular urged all schools at all levels to first popularize among students the national anthem in the Tibetan language. The schools may adopt the methods of teaching them to sing during lessons and after-school activities, as well as singing the national anthem during important activities. Through the singing of the students and youths, we can popularize among the people of the region the national anthem in the Tibetan language.

Organs, factories, mines, enterprises, and institutions should also actively organize their cadres and workers, particularly the young cadres, young workers, and young intellectuals, to learn the national anthem in the Tibetan language. Thereby, everyone will be able to sing the national anthem in the Tibetan language, and, during every important festival, the people of various nationalities will sing the national anthem in the Tibetan language together.

Let the inspiring national anthem encourage and give impetus to the region's people of various nationalities to become united, to dedicate heart and soul to the same cause, and to work hard to building a united, prosperous, civilized, and new socialist Xizang!

NEI MONGGOL CONFERENCE ON POLITICAL, LEGAL WORK

SK060420 Hohhot Nei Monggol Regional Service in Mandarin 2300 GMT 5 Apr 86

[Text] The regional political and legal work conference, which was held in Hohhot from 1 to 5 April, decided that the general requirement for the region's political and legal work for this year is to continue to deal stern blows to serious economic and other criminal activities, realize a steady improvement in public security after achieving a marked improvement in it in order to lay a solid foundation for further bringing about a fundamental turn for the better in public security, and create a good social environment to usher in the 40th anniversary of the founding of the autonomous region.

Bu He, Tian Congming, and He Yao attended and addressed the conference. Ma Zhenduo, Standing Committee member of the regional CPC Committee, vice chairman of the regional government, and secretary of the Political and Legal Commission of the regional CPC Committee, presided over the conference and delivered a report.

The conference noted: Since the autumn of 1983, the region has achieved a marked improvement in its public security situation thanks to the efforts to punish serious criminal offenses more strictly and promptly according to law, and to take comprehensive measures to tackle public security problems. Compared with the period before the struggle to deal stern blows to criminal activities, the number of crimes declined by 51.4 percent in 30 months after the struggle started. The arrogance of serious criminals was dampened and the people's sense of security and their sense of respect for the legal system were greatly enhanced. As had been proved in practice, the CPC Central Committee's decision on dealing stern blows to serious criminal activities has been very necessary and correct, the results of this struggle have been noticeable, and a fairly good social environment has been created for the smooth progress of the four modernizations and economic reform, and for a secure and happy life for the people.

However, the development of the struggle has been uneven. In the new situation of economic reform, opening to the outside world, and enlivening the domestic economy in particular, new problems have arisen in public security: In criminal cases, the number of major and appalling cases has risen; economic criminal activities have increased; some ugly social phenomena have reappeared; and juvenile delinquency has been conspicuous. Therefore, we should have a sober understanding of the current public security situation, and should never be over-optimistic, lower our guard, or be careless.

In view of the actual situation of the region, the conference emphasized: The struggle to deal stern blows to serious criminal activities must not be slackened. While dealing stern blows to serious criminal activities, we should also deal stern blows to economic crimes, and resolutely dampen their rampancy.

The conference stressed: Strengthening the socialist legal system is a basic guarantee for the smooth progress of reforms in various fields, and for the state's enduring order and stability. We should conscientiously pay attention to the wide publicity of legal knowledge and enhance the cadres and the people's sense of respect for the legal system. Cadres at all levels, in particular leading cadres, must take the lead in abiding by the Constitution and laws, and should never replace the law with their words or power, overstep their authority to intervene in the judicial activities carried out by public security, procuratorial and judicial organs according to law, and damage the party's prestige and the sanctity of law.

Comrades working in the public security, procuratorial and judicial departments particularly should be examples in studying and abiding by law, speak and act according to the standards of the law, be impartial and incorruptible, be upright instead of stooping to flattery, and be strict in enforcing the law.

Bu He Speaks

SK060428 Hohhot Nei Monggol Regional Service in Mandarin 2300 GMT 5 Apr 86

[Text] At the regional political and legal work conference, Bu He, deputy secretary of the regional CPC committee, stressed that public security, procuratorial and judicial departments at all levels, in particular their leading organs, should step up efforts to study the new situation and new problems cropping up in economic reform, improve legality, persistently run the country according to law, and take more initiative in acting as protectors and promoters of the four modernizations.

Comrade Bu He said: In recent years, thanks to our efforts to carry out the CPC Central Committee's decision on dealing stern blows to serious criminal activities more strictly and promptly, great success has been won in this struggle, public security has shown a marked improvement, and the people have, in general, gained a sense of security. In the new situation of economic reform, opening to the outside world, and enlivening the domestic economy, however, new problems once again have arisen. In particular, the number of major and appalling cases have gone up, economic crimes increased, and some ugly social phenomena have reappeared. We should pay great attention to and be highly vigilant against this. We must never slacken our efforts or lower our guard just because of the marked improvement in public security, but should continue to grasp the work firmly. We should mete our stricter and prompter punishments according to law to serious criminals, including economic criminals, and serious robber and hooligan gangs who endanger the people's lives and property and damage social order through murder, arson, explosions, rape, and robbery. We should also resolutely ban all corruptive and ugly phenemena which endanger social conduct to a serious extent. In the future whenever economic crimes occur in any departments or units, their leading persons concerned should be the first to take responsibility. Not only should criminals be strictly punished but also personnel negligent in their duties should be held accountable.

Comrade Bu He pointed out: At present the tasks for reforms and construction are very arduous, and new situations and new problems continue to emerge. Many important tasks for political and legal work should be carried out in the new situation. Therefore, party leadership over political and legal work, and major policies in particular, should be further strengthened so as to ensure that political and legal work always develops along the correct direction.

Comrade Bu He pointed out that in order to strengthen the socialist legality, carry out the struggle to deal stern blows to serious economic and other crimes, and tackle public security problems in a comprehensive manner, all localities, under the unified leadership and arrangements of CPC committees and governments, should mobilize the forces of the whole party and whole society, and organize all fronts, all trades and professions, and all departments to fulfill the tasks. He urged the masses of public security, procuratorial and judicial cadres and policemen to pioneer new ways and work hard in the new situation, and make new contributions to usher in the 40th anniversary of the founding of the autonomous region and to safeguard our region's modernization drive.

HEILONGJIANG EMERGENCY CONFERENCE ON SAFETY WORK

SK100122 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 7 Apr 86

[Text] On the morning of 7 April, the provincial CPC Committee and the provincial People's Government held an emergency telephone conference on safety work. Comrade Hou Jie, deputy secretary of the provincial CPC Committee and governor of the province, attended the conference and delivered a speech, in which he stressed that the people's governments and leading comrades at all levels throughout the province must attach importance to safety work in a down-to-earth manner and resolutely adopted measures to put an end, as soon as possible, to the passive state of affairs in safety work.

In his speech, Comrade Hou Jie pointed out: Since August 1985, the provincial CPC Committee and the provincial People's Government have attached great importance to safety work and repeatedly given it priority and made arrangements for it. However, accidents have continuously occurred. In coping with various problems currently cropping up in safety work throughout the province, Comrade Hou Jie presented the following demands for making further success in the work:

1. Efforts should be made to heighten understanding of the work, to define responsibility for the work, and to strengthen leadership over the work. The first leading personnel of localities, departments and units should be responsible for their own safety.

2. Efforts should be made to deeply carry out an overall inspection over safety work with the emphasis on preventing fires. Localities should go into action immediately and propose measures for correcting the discovered problems by imposing responsibility on responsible personnel in order to solve the problem within the given time frame.

3. A good job should be done in earnestly making various preparations for preventing or extinguishing large-scale fires or forest fires. At present, the forestry areas should attach great importance to the perils of fires, enhance the joint prevention work, and exert all-out efforts to curtail losses to the greatest extent possible.

4. Efforts should be made to strictly enforce discipline and to deal firmly with cases violating the discipline. Localities should earnestly deal with the serious cases that have occurred since 1985 and dispose again of those that have not been properly dealt with by refraining from yielding to them. Hereafter, all major or serious accidents must be placed on file and handled within a given time. Localities should make public the reports on some typical cases in order to stir up public opinion.

5. Efforts should be made to enhance management of safety work, and to strictly block guidance and operation violating the regulations and rules. Localities and units should enforce the managerial system in charge of safety targets and ban the signing of contracts (?involving life and death).

6. Efforts should be made to improve as soon as possible the public safety facilities and to actively make up for the missed lessons in safety work. The provincial authorities have decided to improve the technology and equipment of the provincial fire general brigade. Localities should also appropriate some money from their reserve funds in order to improve their fire brigades' technology and equipment.

7. Efforts should be made to reinforce the organs in charge of safety work in order to enable them to have a full staff and to bring into play the role of the departments in charge of safety work in conducting supervision and inspection activities.

All enterprises should do a good job in assigning full-time personnel in charge of safety work in line with the rate from 2 to 5 per thousand, which was set forth by the State Council. If they fail to fulfill this task and remove their safety organs at will, their leaders will hold the responsibility for future accidents.

LIAONING REPORT VIEWS 1986 BUDGET TASKS, GOALS

SK100838 Shenyang LIAONING RIBAO in Chinese 24 Mar 86 p 2

[Text] On 13 March, at the fifth session of the sixth provincial People's Congress, Gao Chenghe, deputy director of the provincial Financial Department, delivered the "report on Liaoning Province's 1985 final accounts and the 1986 budget." He said: The implementation of the province's 1985 financial plan shows that the real revenues for the year totalled 7.942 billion yuan, overfulfilling the annual budget by 15.2 percent, and a 17.1-percent increase over the previous year; and the real expenditures totalled 5.691 billion yuan, 87.1 percent of the budgeted figure, and up 45.5 percent over the previous year. Deducting the funds turned in to the central financial authorities according to the financial stipulations, revenues and expenditures were in balance, leaving a small cash surplus in hand.

Gao Chenghe said: Despite such a good situation, the fundamental improvement in the provincial financial work has just begun; contradictions between the demand and possible supply of funds remain conspicuous; enterprises' economic efficiency remains poor; a considerable number of state-run industrial enterprises still sustain losses; some enterprises are still on the verge of deficit; and there are still many loopholes in management.

In addition, in 1986 there will be no new increases in revenue due to the price floating; large and medium-sized enterprises will have their quotas of regulatory taxes reduced and will hand over depreciation charges in a comprehensive manner; there will be no big increases in revenues from the Anshan and Benxi Iron and Steel Companies, which occupy a predominent position in terms of revenues from industrial enterprises, due to their technological transformation projects; and more subsidies will be granted to small chemical fertilizer plants to make up for their losses. All these factors will certainly affect the revenues. Therefore, in arranging for the 1986 budget, we must strive to increase revenues on the premise of upholding reform, invigorating the economy, increasing production, and improving efficiency so that we can make positive and reliable arrangements for the budget. In arranging for expenditures, we should make unified planning, giving due consideration to all fields within the limits of our financial capacity; should ensure the construction of key projects, giving due consideration to ordinary projects; and should make every endeavor to practise economy in order to make the most use of our funds. We should adhere to a system in which a financial department at each level maintains responsibility for its balance between revenues and expenditures. In view of this situation, the 1986 budget calls for increasing revenues by 8.9 percent over the 1985 figure; but expenditures, 9.9 percent. The 1986 budgeted expenditures will mainly be afforded by the financial resources gained in the same year. The arrangements for the 1986 expenditures are: The subsidies to the urban residents for meat price fluctuation will increase by 90 percent over the previous year; some 50 million yuan will be allocated to state organs and administrative departments for their wage increases; allocations for culture, education, science, technology, and public health will increase by 25.5 percent over 1985, exceeding the increase in financial resources -- 23.6 percent. Of these allocations, the allocations for education will increase by 26 percent, and those for science, 27.3 percent. Expenditures on agriculture will increase by 18.8 percent; and the investment in capital construction will increase by 20.2 percent, including the 30 million yuan of investment added by the province for building the basic urban facilities.

The provincial authorities will give 10 million yuan of subsidies; the central authorities will give 30 million yuan of subsidies; and the pertinent cities will raise the amount of funds to rebuild the Liao He Grand Dam during the "Seventh 5-Year" Plan period. In addition, appropriations for administrative departments will increase by 4.9 percent over 1985. As for other expenditure items, different cities have made different arrangements with varying degrees of increases.

Gao Chenghe said: To accomplish the 1986 budget in a comprehensive manner, we must attend to the following tasks:

1. We should try every possible means to maintain a steady growth in revenue in order to ensure the overfulfillment of the budget. The most important thing is to continue the economic structural reform, give top priority to reform, and further invigorate enterprises. We should develop various forms of economic associations in order to fully exploit the superiority of enterprises and tap their potential. We should try every possible means to increase the production of those products which are readily marketable, expand commodity circulation sphere, and promote the development of the urban and rural economy, including tertiary industry. We should also open up more financial resources, strive to increase income, and vigorously raise economic efficiency. Financial and tax departments should strengthen the collection of revenues and the financial affairs of enterprises.

2. We should strengthen macroeconomic control, and continue to improve the financial and tax systems. In 1986 we should "consolidate, digest, supplement, and improve" the financial and tax structural reforms, and consolidate the achievements made in the second-step of tax reform. In 1986 we should reduce the regulatory taxes for enterprises in a planned manner, and, meanwhile, should raise the depreciation rate of enterprises' fixed assets. The depreciation funds must be spent on renewal and renovation projects and on promoting the technical progress, and should never be diverted to capital construction and welfare facilities, nor should they be used as bonuses. Encouraging and preferential policies should be implemented among plants and bases specializing in exports. We should continue to improve the industrial and commercial tax systems, and exploit the role of tax revenue as an economic lever. We should continue to uphold the financial system of "differential sharing of revenue between provincial and county authorities," further invigorate the county financial departments, and grasp the building of the financial departments at the township level.

3. We should strengthen the management of expenditures, and raise the efficiency of the utilization of funds. We should strengthen the macrocontrol and guidance over the arrangements and utilization of our financial resources, and actually spend the money on the projects urgently needed to develop economy and solve the problems of the people. We should continue to control the overly rapid growth in the fixed assets investment and the consumption funds. We should raise funds from various channels to carry out technical transformations. Investment in agriculture and intellectual resources should be increased as much as possible. Administration expenses and institutional purchases should be controlled continually. We should introduce the responsibility system for the better utilization of funds. We should strengthen the management of extra-budgetary funds. No units are allowed to establish the "small money box" besides the state budgetary and extra-budgetary funds.

4. We should step up supervision and inspection, and enforce the financial and economic disciplines.

NINGXIA'S LI XUEZHI STRESSES PARTY EDUCATION

HK080630 Yinchuan NINGXIA RIBAO in Chinese 25 Mar 86 p 1

[Report: Li Xuezhi Proposes Raising Standard Education of Regional Party Schools to New Levels"]

[Text] The third regional party school work conference concluded on 24 March, after 4 days.

The attendees at the conference earnestly studied relevant central documents during the session, exchanged experiences, and warmly discussed how to further strengthen and standarize party schools, improve and complete the party school educational system, and step up the pace of party school educational reform. Many concepts and suggestions were proposed.

Li Xuezhi, regional CPC Committee secretary, attended the conference and delivered a speech the afternoon of 24 March. Li said to properly bring up and train cadres in an important element in our being victorious in revolution and construction, and is in our party's finest tradition. Therefore, a most pressing task for party schools at all levels today is that of strengthening the bringing up and training of cadres, standarizing party school education, continuously improving the quality of cadres based on Marxism-Leninism Mao Zedong thought, and upgrading their theoretical levels and cultural attainments in order to meet the needs of socialist modernization and the requirement that cadre be revolutionary, younger in average age, better educated, and professionally more competent. Comrades of the entire regional party school system should further clarify the important role of party schools in the education of cadres during the current historical era. They should have a clear understanding of the glorious historical task falling on them, earnestly implement the relevant spirit of the central committee, be bold at exploring, continuously blaze new trials, and make new contributions to standardizing party school education and building of the two civilizations.

According to Comrade Li Xuezhi, it is necessary to improve the education of cadres in Marxist tenets and the party line, principles, and policies. Newborn things are emerging one after another in the present all-encompassing reforms and contradictions of various descriptions abound. This requires leaders at all levels to have a very strong party spirit and to maintain sober minds. They should take the whole situation into account in analyzing and handling problems, and have a good grasp of the overall entity. They must obtain true knowledge through practice and tempering in construction and reforms, and enhance their abilities. Amidst the excellent situation of opening up to the outside world and invigorating our economy, some cadres will easily lose their direction, as these are unusual times. They may lack the ability to differentiate and resist bourgeois decadence and a trend toward liberalization. Therefore, strengthening the study of Marxist theory in the course of building modernization is an important mission for the whole party. Party schools at all levels must give full play to their exemplary role in the field of Marxist theory.

Comrade Li Xuezhi said that party school education should bring forward the fine style of linking theory with practice and bring up qualified people who are both red and expert. We must pay attention to cultivating and improving the ability of our students to analyze and solve practice problems.

It is necessary that we seriously implement Deng Xiaoping's strategic concept on education and attach importance to teaching and research in party principles and policies, national conditions, regional conditions and strategic development. We must also attach importance to teaching and research in the present world political and economic conditions and trends in future development, as well as teaching and research in new subjects, new theories, and new problems emerging in the social sciences. We must break out of old teaching patterns. Our teaching methods must strive to link intensive study of original texts with research on specific topics, classroom studies with social investigation, and lectures by teachers with reports by specialists and leading cadres. Studying Marxism-Leninism-Mao Zedong Thought and strengthening the cultivation and tempering of party spirit are important characteristics which differentiate party schools from ordinary institutes of higher education. It is necessary to strengthen the tempering of party spirit and play an exemplary role in bringing forward the party's fine traditions and style.

In conclusion, Comrade Li Xuezhi stressed that party committees at all levels must attach importance to and strengthen leadership in party school work, put party school work at the top of their agenda, study and listen to reports on party school work conditions, show constant concern for the building of party schools, and support all party schools efforts aimed at making them better.

SHAANXI RIBAO STRESSES NEED TO CHERISH MASSES

HK100607 Xian Shaanxi Provincial Service in Mandarin 0200 GMT 10 Apr 86

[Text] Today's SHAANXI RIBAO carries a commentator's article entitled "It Is Essential To Have the Ideological Feeling of Warmly Cherishing the Masses." The article says: The great majority of our party members and cadres warmly cherish the people and do everything to serve them. However, there are indeed some party members and cadres who lack affection for the masses. The main expressions of this are: They regard the cause of the party and people as of little weight; they are extremely irresponsible in work; they devote themselves to pursuing private interests, and have become seriously divorced from the masses; They pay no heed to the masses' woes; they do not hate bad people and deeds and even shield bad people.

The article says: If malpractices such as corruption and embezzlement and violations of law and discipline are signs of rottenness, then becoming divorced from the masses, forgetting to pursue the people's interests, and not caring about the masses' woes are precisely the main sources of other signs of rottenness. The real danger lies in these sources.

The party committees at all levels, the whole body of party members, and the cadres must be highly vigilant in this respect and seriously strive to overcome this problem.

Vol I No 071 14 April 86

PRC INTERNATIONAL AFFAIRS

GENERAL

Zhang Zhixiang Addresses Interparliamentary Forum A 1
Interparliamentary Conference Ends in Mexico City A 1
Beijing Banquet Honors UN Development Official A 2
Foreign Banks Funding Agricultural Development A 2
Superpower 'Misuse of Space Exploration' Noted A 3
XINHUA Reports on 'Tense U.S.-Libyan Relations' A 3

UNITED STATES

Commentator on Possible U.S. 'Neo-Interventionism' B 1
U.S. Naval Chief of Operations Visits B 2
Feted in Beijing B 2
Meets Zhang Aiping B 2
Meeting on Agricultural Cooperation Technology Held B 3
United Airlines To Aid U.S.-PRC Arts Groups B 3
Great Wall Hotel Makes Profit as Joint Venture B 3

SOVIET UNION

USSR Announces End to Nuclear Testing Ban C 1
Shevardnadze Says U.S. 'Undermined' Arms Control C 1
USSR, Mongolia Sign 5-Year Trade Agreement C 1
Gorbachev Walkabout in Kuybyshev Noted C 2

NORTHEAST ASIA

Foreign Minister Wu Xueqian Visits Japan D 1
Plans Week-Long Visit D 1
Talks with Abe D 1
Continues Talks with Abe D 2
Meets with Nakasone D 3
Talks with Japanese Amity Official D 3
Huang Hua Speaks on Security at Tokyo Meeting D 4
Wang Zhen Leads Delegation to Japan D 4
Li Peng at Airport Departure D 4
Thanks Amity Promoter D 4
Hu Qili Meets DPRK Journalists' Delegation D 5
Envoy to DPRK Greets Cambodian New Year's Day D 5

SOUTHEAST ASIA & PACIFIC

Further on Visit of Burmese Prime Minister E 1
Meets With Zhao Ziyang E 1
Zhao Hosts Banquet E 1
Meets With Li Xiannian E 2
Meets Deng Yingchao E 2

Talks With Deng Xiaoping E 3
Visits Buddhist Shrine E 3
Hosts Return-Banquet E 4

PRC NATIONAL AFFAIRS

Fourth Session of Sixth NPC Concludes Work K 1
Decree Names Qiao Shi, Song Jian K 3
Vice Chairman, New Members Elected K 3
Namelists of NPC Committees K 3
Resolution Approves 7th Plan K 4
Resolution on 1985, 1986 Budgets K 4
Resolution on Standing Committee Work Report K 5
Resolution on Supreme People's Court K 5
Resolution on Supreme People's Procuratorate K 5
5-Year Plan Report Amended K 6
Presidium Endorses Drafts K 7
Law Committee Suggests Changes K 9
'Text' of Law on Foreign-Owned Enterprises K 13
Provincial Governors Address Reform Issues K 16
Li Xiannian Meets Hubei NPC, CPPCC Delegates K 16
RENMIN RIBAO Editorial Hails NPC, CPPCC K 17
Beijing Papers Hail Success of NPC, CPPCC K 19
CPPCC Meeting Releases 'Political Resolution' K 20
New CPPCC Standing Committee Members Named K 22
BAN YUE TAN on Crime of Divulging State Secrets [25 Mar] K 22
Two Sentenced for Leaking Secrets to Foreigners K 24
Importance, Prospects of Overall Reform Viewed K 25
[LIAOWANG 31 Mar]
First Technology Export Fair Opens in Shenzhen K 26
[CHINA DAILY 11 Apr]
State Council Regulations on Product Quality K 27
Surprise Inspection of Product Quality Conducted K 29
PRC Said Likely To Launch Space Shuttle by 2000 K 29
Scientific Information Policy Meeting Held K 30

PRC REGIONAL AFFAIRS

EAST REGION

Anhui Military District Chief on Militia Work O 1
[ANHUI RIBAO 27 Mar]
Jiangxi Towns, Villages Damaged by Storms O 3

CENTRAL-SOUTH REGION

Henan Official Stresses Need For Family Planning P 1
Guan Addresses Hubei Political-Legal Meeting P 1

SOUTHWEST REGION

Xizang Urges Discussion on Basing Work on Reality Q 1
Wu Jinghua on Realism Q 2

NORTH REGION

Nei Monggol's Bu He Stresses Cultural Work R 1
Nei Monggol Urges Crackdown on Economic Crime R 2

NORTHEAST REGION

Sun Weiben at Heilongjiang Security Meeting S 1
Wu Guangcai Elected New Jilin City Mayor S 1
[JILIN RIBAO 3 Apr]

ZHANG ZHIXIANG ADDRESSES INTERPARLIAMENTARY FORUM

OW121539 Beijing XINHUA in English 1445 GMT 12 Apr 86

[Text] Mexico City, April 11 (XINHUA) -- Zhang Zhixiang, head of the delegation of the National People's Congress of China (NPC), said here today that the main threat to world peace comes from "the rivalry for world domination between the superpowers and the arms race arising therefrom." It is imperative to oppose hegemonism so as to safeguard world peace, Zhang said.

Speaking at the 75th Inter-Parliamentary Conference now in session here, Zhang declared that China does not take part in and is resolutely opposed to the arms race. China stands for a complete prohibition and total destruction of nuclear weapons and believes that the two superpowers which possess 95 percent of the world's total nuclear weapons bear the primary responsibility in this regard. Therefore, the people of all countries are entitled to demand that the two superpowers be the first to drastically reduce their nuclear weapons, he stressed.

On regional conflicts and local wars, he noted that world tension can hardly be relaxed unless foreign aggression, expansion and military occupation in these regions are stopped. He said China resolutely supports the peoples of Kampuchea and Afghanistan in their struggle against foreign aggression, firmly supports the proposal of the Democratic People's Republic of Korea for the independent and peaceful reunification of the Korean peninsula, and backs the Arab and Palestinian peoples in their struggle to recover their lost territories and regain their national rights. China also supports the struggle of the South African people against their government's policy of apartheid, and the just cause of the Namibian people for national independence.

He said the question of Central America should be solved by the Central American people themselves. China opposes interference in the affairs of this region by any outside force under any pretext and in any form and supports the efforts of the Contadora Group to seek a peaceful solution to the question of Central America.

On the U.N. designation of 1986 as the International Year of Peace, Zhang called on the people of all nations to continue expanding their friendly cooperation, safeguarding world peace and seeking common economic prosperity and development.

INTERPARLIAMENTARY CONFERENCE ENDS IN MEXICO CITY

OW131618 Beijing XINHUA in English 1552 GMT 13 Apr 86

[Text] Mexico City, April 12 (XINHUA) -- The 75th conference of the Inter-Parliamentary Union closed here today with a call on parliaments of all countries to work for nuclear disarmament and peace in the world's trouble spots. The call was contained in a resolution which also urged parliaments and governments of all countries to act to wipe out international terrorism. It asked all parliaments to propose that their respective governments abide by resolutions passed by the United Nations and other international bodies which are aimed at defusing tensions in Africa, Asia and Latin America. It pledged backing for the four-nation Contadora Group in seeking peace for the Central American region.

The six-day conference, in another resolution, appealed to the International Monetary Fund and other international financial agencies to accept paying measures proposed by the developing countries which are geared to their paying ability and economic growth.

The resolution requested developed countries to lay out 12 billion U.S. dollars for the creation of an international development fund to back up development banks in Africa, Asia and Latin America. The resolution expressed the hope for reduced trade protectionism and other forms of trade discrimination on the part of developed countries.

In a third resolution, the conference urged parliaments of all countries to redouble their efforts toward realizing durable peace in the Middle East, a goal that could be attained through the implementation of related U.N. resolutions. The conference, attended by parliamentary delegations from 15 countries including China, elected Pierre Cornillon of France as its new secretary-general who is to take over from Pio Carlo Terenzio of Italy on new year's day, 1987.

BEIJING BANQUET HONORS UN DEVELOPMENT OFFICIAL

OW121937 Beijing XINHUA in English 1912 GMT 12 Apr 86

[Text] Beijing, April 12 (XINHUA) -- Zheng Tuobin, China's minister of foreign economic relations and trade, met here tonight with F. Bradford Morse, administrator of the United Nations development program. At a banquet honoring Morse, Zheng and the UN administrator recalled past cooperation and anticipated cooperation over the next five years. During his visit here, Morse will meet with Chinese departments involved with developing Sino-UN cooperation and will visit Hangzhou, Shanghai and Xian.

The UN development program has assisted more than 150 developing countries. In China, it launched 200 cooperative projects and granted more than 90 million U.S. dollars in technological assistance between 1979 and 1985.

FOREIGN BANKS FUNDING AGRICULTURAL DEVELOPMENT

OW121401 Beijing XINHUA in English 1151 GMT 12 Apr 86

[Text] Beijing, April 12 (XINHUA) -- The Agricultural Bank of China has raised a certain amount of foreign funds through international monetary organizations and foreign banks for China's rapidly developing agriculture and rural enterprises, according to a bank official. The International Development Association (IDA) of the World Bank is providing more than 143 million U.S. dollars in loans to help agricultural development, processing, storage and transportation in China's underdeveloped areas under three agreements signed between the agricultural bank and the IDA since 1982. Two of the agreements, involving a total value of 93 million U.S. dollars, were signed in 1985, Ren Lichang, deputy director of the bank's department of external affairs, told XINHUA. Already, 18 million U.S. dollars of IDA loans have been put to use, Ren said.

The international fund for agricultural development is also providing 25 million U.S. dollars in loans to China, according to an agreement signed with the agricultural bank. Besides, the Nordic Investment Bank has agreed to provide China with five million Swiss francs in buyer's credit to assist two state farms in Hebei Province to buy equipment from Finland, according to an agreement signed with the Agricultural Bank in 1985. This is the first time for the agricultural bank to borrow from foreign commercial banks, Ren noted.

Meanwhile, Citibank of the U.S., Ren disclosed, has expressed willingness to offer the bank 300 million U.S. dollars in long-term loans, and discussions are under way. Banks in Austria, Federal Germany, Japan, Australia and Finland have also shown interest in providing loans to the bank, the deputy director said.

SUPERPOWER 'MISUSE OF SPACE EXPLORATION' NOTED

OW122122 Beijing XINHUA in English 2015 GMT 12 Apr 86

["Feature: Man's Space Travel Enters 25th Year" -- XINHUA headline]

[Text] Moscow, April 12 (XINHUA) -- Twenty-five years ago, shortly before man's first flight into space, a Soviet scientist expressed the belief that instead of remaining earthbound, scientific experiments would eventually be carried out far up in the heavens. He was laughed at. "We should not dream in science fiction terms like that," people told him. But those "science fiction dreams" have today become the awesome stuff of reality.

Ever since Soviet astronaut Yuriy Gagarin blasted skyward on April 12, 1961, to realize man's age-old hope of space travel, scientists have not only conducted research in space, but have also proved able to build permanent multi-purpose stations in which men can live and work for months at a time. During the past 25 years, the Soviet Union has spent an astronomical amount of rubles to expand the size of its space program in a relentless drive for scientific progress, political gains and military supremacy over its rival in space, the United States.

In fact, even before man's first orbital flight, space had already become thought of as a potential battlefield. It became evident that rockets that can carry explorers into the stratosphere can also rain lethal warheads down on earth. Thus it became equally clear that in the ever-spiralling arms race between the world's two space giants, the Soviet Union would never allow the United States to fly higher. Backed by its 25 years' space achievements, the Soviet Union, which boasts a first-class contingent of space experts, finds it only natural to remind its only heavenly competitor, the United States, that it is quite capable of developing a deadly and effective answer to Washington's highly publicized "star wars" project, officially known as the Strategic Defense Initiative.

But in more down-to-earth terms, it is also evident that the Soviet Union derives large economic benefits from its space program. It has, for example, been reported that the space station Soyuz alone has already created returns worth billions of rubles as a result of its experiments in outer space. In addition, Soviet weather satellites reportedly save the country up to 700 million rubles each year because of their ability to chart climatic changes.

The pathway up to the stars, however, is always dangerous and difficult, as the Soviet scientists readily admit. The plane crash that killed Soviet Spaceman Yuriy Gagarin, known as "the Columbus of the interplanetary age," was only a minor tragedy compared to the disastrous return to earth of a Soviet spacecraft which contained the asphyxiated bodies of its three-man crew.

The biggest tragedy, however, lies not in these and other deaths in the service of space exploration, but in the increasing tendency of the superpowers to provoke each other into misusing space exploration in ways that threaten the entire planet. In this, there is neither profit nor glory to be found from man's age-old dream of exploring the stratosphere.

XINHUA REPORTS ON 'TENSE U.S.-LIBYAN RELATIONS'

OW131604 Beijing XINHUA in English 1437 GMT 13 Apr 86

["Tense U.S.-Libyan Relations Worry Europe and Mideast" -- (by Xiong Zhongai) -- XINHUA headline]

[Text] Beijing, April 13 (XINHUA) -- The situation in the eastern Mediterranean is becoming increasingly tense as U.S. President Ronald Reagan has reportedly agreed in principle to strike at Libya. Libyan Leader Mu'ammar al-Qadhdhafi has responded by threatening to attack Southern Europe in case of a U.S. strike against Libya. The new flare up in the tense relations between the two countries follows U.S. attacks last month on Libyan patrol boats in the disputed Gulf of Sidra and on a radar installation near the town of Sirte. The attacks came after Libya fired missiles at U.S. aircraft operating in the Gulf.

Two recent bombings of a TWA jetliner in the sky over Greece and another in a nightclub in West Berlin have caused the U.S. to threaten to use force against Libya again. The U.S. has accused Libya of being behind the bombings in which six Americans died. President Reagan told a press conference in Washington last Wednesday that the U.S. is prepared to pounce if there is sufficient proof of Libyan involvement. Libya has denied the charge and has said it is ready to defend itself.

Pentagon sources in Washington reportedly said that sixteen navy ships, including the aircraft carriers Coral Sea and America with more than 170 aircraft, were patrolling the Mediterranean off Sicily Saturday, awaiting orders. At the same time, the U.S. has sent its U.N. Ambassador, Vernon Walters, to Europe on an urgent mission to win support for possible U.S. actions.

Libya reacted with a stepped-up threat to strike at southern Europe if the U.S. decides to strike. In fact, Libya has said that it might ask Warsaw Pact forces for help. Meanwhile, the Deputy Chief of the Soviet Foreign Ministry's press department, Valeriy Sukhic, said at a press conference in Moscow Saturday that the Soviet Union has not made any guarantees to the U.S. that it will not get involved if there is a U.S. military strike against Libya and that the Soviet Union would provide assistance to Libya.

The Western European countries are in a dilemma. Though they are against terrorism and some have expelled Libyan diplomats, generally they are also against adopting any measures which would be against their interests.

Arab public opinion, including newspapers in Egypt, Jordan, Kuwait and the United Arab Emirates, are urging the U.S. not to use military force against Libya. The Turkish Government has also expressed the hope that the two countries avoid conflict. Arab league spokesman Assad Mokaddam [name as received] said in Tunis Friday that the organization has proposed that Arab and European Common Market ministers meet for in-depth discussions of terrorism. Spanish and Italian premiers have asked for an urgent meeting of European community foreign ministers to discuss the tense Mediterranean situation. The Arab League in a communique issued in Tunis this morning condemned the U.S. threat against Libya.

Military violence and territorial violations are condemned world-wide and can never hope to solve disputes. It is hoped that all parties concerned heed world opinion and try to find a peaceful solution which benefits all and preserves world peace.

COMMENTATOR ON POSSIBLE U.S. 'NEO-INTERVENTIONISM'

OW130654 Beijing XINHUA in English 0627 GMT 13 Apr 86

["Commentary: "Neo-pragmatism" -- A Change of Policy for Washington? (by XINHUA commentator Peng Di)" -- XINHUA headline]

[Text] Beijing, April 12 (XINHUA) -- Both the shift of power in the Philippines and the change in foreign policy of the United States once again prove that transformation and readjustment are undeniable trends in current world politics. A lesson that may be learned here is that an out-of-date policy, no matter how hard a country, big or small, tries to stick to it, will eventually be dropped.

In the Philippines, the people's movement to maintain national independent, pursue political democracy and social progress as well as improve living standards dates back many years. The influence of Washington has always been present, fueling the up-and-down crisis that played the Philippines. The 1983 assassination of opposition leader Benigno Aquino intensified nationwide demands for a change in leadership, foreshadowing the downfall of former President Ferdinand Marcos. This episode in the Philippines was not an isolated incident in modern history. Only little more than two months ago, Haitian President-for-Life Jean-Claude Duvalier was driven into exile in a manner similar to Marcos.

These two events in world politics have shocked those who rule over their countries with foreign backing and through political persecution or other extreme measures, including martial law. Some of them immediately released several detained opposition leaders in a vain attempt to improve their image or to avoid a Marcos-type downfall. Others have deliberately tried to hide their fear in public about the fate of Marcos. However, people cannot help asking one another these days: "Who will be next?"

In those events, a shift in the U.S. foreign policy attracted worldwide attention. Uncle Sam is known for his support of anti-communist and pro-Washington rightist regimes. To support those "old friends," Washington even resorted to intervention in all forms. One example is its escalation of the war in Vietnam in the 1960s in support of a reactionary regime in Saigon. In Vietnam and in other instances, each time they were pushed to the wall, the U.S. administration readjusted their policy. Instead of military intervention, it increased military aid and offered political and economic assistance to its "old friends" to prevent them from collapsing. Despite all this, those rotten regimes were so unpopular that they eventually found it impossible to rule. Washington had no way of helping sustain them, and in turn these regimes could not safeguard the interests of the United States.

This dilemma has seemingly resulted in something new in Washington's foreign policy. The change showed itself when Washington distanced itself slightly from pro-American, particularly anti-communist, regimes, though it continued to support them. Meanwhile, it pressed them to make some necessary concessions to opposition parties in a bit to appease the people and stabilize the situation. But, when its efforts were fruitless and the opposition became stronger, the United States prepared to desert its "old friends" and turned to the opposition and regarded them as "new friends." At the moment when its "old friend" could not control the situation, the United States forced them to give up power to "new friends."

This trick has a double effect. In doing so, it impressed the world that it supported the "process of democracy" in a friendly country. And, at the same time, it was useful to the maintenance of the U.S. interests and influence. This some people call America's "neo-pragmatism." The U.S. policy readjustment from conservatism to neo-pragmatism shows that even a superpower cannot resist the tide of change. However, this readjustment is not a change in the essence of the policy but a change in tactics.

Some say this readjustment shows that the United States is "supporting the process of democracy in different countries." If this is the case, those who really believe in democracy should respect the principle of self-determination for peoples of all countries. They should also believe that the people are capable of choosing a social system suitable to their own country and form a government in their interest. Therefore, any kind of intervention, covert or overt, is not consistent with a policy that supposedly supports democracy. The nature of the U.S. policy is more easily discerned if one has a look at what the United States is doing in Nicaragua. Washington has refused to respect the choice of the Nicaraguan people in replacing the infamous Somoza regime with a new government. On the contrary, the Reagan administration has in the past supported the anti-government "contras" and wishes to extend further military aid to them in their bid to unseat the Sandinists. This being the case, Washington is little concerned with democracy. What is more, the new maneuver can hardly be described as "neo-pragmatism."

There is another view that the U.S. opposes both rightist and leftist dictatorships. At home, the U.S. government has the right to decide who it supports and who it opposes. But, if the United States takes the role of international arbitrator and intervenes in the affairs of others, it is going against the tide of the times. Understandably, some choose to call it "neo-interventionism." The suitability of this new concept of Washington's deserves careful consideration.

U.S. NAVAL CHIEF OF OPERATIONS ARRIVES ON VISIT

Feted in Beijing

OW111604 Beijing XINHUA in English 1552 GMT 11 Apr 86

[Text] Beijing, April 11 (XINHUA) -- Liu Huaqing, naval commander of the Chinese People's Liberation Army, hosted a banquet this evening at the Great Hall of the People in honor of visiting Admiral James D. Watkins, chief of the naval operations of the United States, his wife and their party. In his toast, Liu highly spoke of Watkins' work for the development of friendship and cooperation between the Chinese and U.S. Navies. He hoped the two navies would make their contributions to the safeguarding of peace and stability in the Pacific region.

Watkins said he had looked forward to this visit, adding that the visit would help strengthen the friendship between the U.S. and China. Watkins and his party arrived here this morning at the invitation of Liu Huaqing who welcomed them with a ceremony held at the navy headquarters this afternoon.

Meets Zhang Aiping

OW131354 Beijing XINHUA in English 1305 GMT 13 Apr 86

[Text] Beijing, April 13 (XINHUA) -- Zhang Aiping, state councillor and minister of national defense, met and had a friendly talk with Admiral James D. Watkins, chief of the naval operations of the United States, his wife and their party here this evening. Present on the occasion were Liu Huaqing, naval commander of the Chinese People's Liberation Army, and Winston Lord, U.S. Ambassador to China.

U.S. MEETING ON AGRICULTURAL COOPERATION TECHNOLOGY HELD

OW111937 Beijing XINHUA in English 1906 GMT 11 Apr 86

[Text] Beijing, April 11 (XINHUA) -- A three-day meeting of the Sino-U.S. working group on cooperation of agricultural science and technology was closed here today. At the meeting, the two sides reviewed the implementation of the past cooperation projects between the two countries and worked out new cooperation projects for 1986. The two countries will conduct joint research in the fields of variety resources, animal and plant quarantine, forestry and soil protection. The two sides also signed a summary of the meeting.

UNITED AIRLINES TO AID U.S.-PRC ARTS GROUPS

OW111259 Beijing XINHUA in English 1152 GMT 11 Apr 86

[Text] Beijing, April 11 (XINHUA) -- United Airlines announced here today it will give Chinese and U.S. performing arts groups free flights between Beijing and Washington, D.C., and Shanghai and San Francisco. The flights are part of a 15-month program which will allow groups selected by local panels to perform in their sister cities.

Monte Lazarus, United vice president for external affairs, said here today the exchange "will strengthen cultural ties and enhance international respect and friendship between China and the United States." The program, which Lazarus said will eventually involve 22 U.S. and Pacific Basin cities, is being co-sponsored by the Chinese People's Association for Friendship with Foreign Countries and Sister Cities International, an organization headquartered in Washington, D.C.

GREAT WALL HOTEL MAKES PROFIT AS JOINT VENTURE

OW121935 Beijing XINHUA in English 1908 GMT 12 Apr 86

[Text] Beijing, April 2 (XINHUA) -- Though the 1986 tourist season has just begun, Beijing's 1,007-room Great Wall Hotel is all full, said the latest issue of "BEIJING REVIEW". The once-ailing luxury hotel has taken a turn for the better since Sheraton International took over its management in March 1985. The income between March and December 1985 doubled, and profits quadrupled over those of the same 1984 period, said the "REVIEW", quoting assistant general manager Albert Lo.

The hotel is a joint venture between the Beijing branch of the China International Travel Service and the U.S. e-s Pacific Development and Construction Co. Ltd. It opened in December, 1983. The success of the Great Wall has encouraged the Sheraton group to do more business in China, the "REVIEW" says. In October 1985, Sheraton signed a contract with the Shanghai Huating hotel for joint management.

USSR ANNOUNCES END TO NUCLEAR TESTING BAN

OW111443 Beijing XINHUA in English 1430 GMT 11 Apr 86

[Text] Moscow, April 11 (XINHUA) -- The Soviet Union Friday announced it has ended its self-imposed eight-month-old moratorium on nuclear testing 24 hours after a U.S. underground nuclear test. "In connection with yet another nuclear blast set off in the United States, the government of the USSR declared that it is now free from its unilateral obligations to refrain from conducting all atomic tests," the official news agency TASS said, quoting a government statement issued in Moscow.

TASS said, however, the Soviet Union has the "willingness to come back at any time to the question of a mutual moratorium on nuclear explosions if the government of the United States declares it will refrain from carrying out such tests."

The Soviet Union announced a unilateral ban on nuclear tests last August lasting until the end of 1985 but extended it to March 31 of this year. The Soviet Union has repeatedly asked Washington to join the ban but the United States has refused to comply. The latest U.S. test was conducted Thursday in the Nevada desert.

SHEVARDNADZE SAYS U.S. 'UNDERMINED' ARMS CONTROL

OW120722 Beijing XINHUA in English 0711 GMT 12 Apr 86

[Text] Moscow, April 11 (XINHUA) -- Soviet Foreign Minister Eduard Shevardnadze said today that the United States has undermined the possibility to reach a reciprocal nuclear test moratorium and to scale down the nuclear arms race by conducting another nuclear explosion on Thursday. Shevardnadze said despite the United States ignoring the Soviet proposals one after another, the Soviet Union will persist in calling for a complete ban on nuclear weapon tests. Shevardnadze met with leaders of the international organization "Parliamentarians for World Order."

Soviet Vice Foreign Minister Viktor Komplektov also briefed the ambassadors from Argentina, Greece, India, Tanzania and Sweden and Mexico's charge d'affaires about the Soviet position toward the U.S. nuclear test on April 10. Komplektov said the Soviet Union is ending its unilateral moratorium on nuclear testing.

Leaders of the six countries last year appealed to the Soviet Union and the United States to end nuclear testing. Soviet leader Mikhail Gorbachev repeatedly has stated Moscow's intention to continue its ban on testing. Komplektov told the six diplomatic representatives that Moscow is still ready to approve a reciprocal moratorium on nuclear explosions, provided the U.S. government declares it will abandon its testing. He renewed the Soviet proposal for negotiations in any form for a complete ban on nuclear arms-testing.

USSR, MONGOLIA SIGN 5-YEAR TRADE AGREEMENT

OW121941 Beijing XINHUA in English 1926 GMT 12 Apr 86

[Text] Moscow, April 12 (XINHUA) -- The Soviet Union and Mongolia signed a five-year barter and payments agreement Friday, in which the trade volume between the two countries will be increased by 25 percent between 1986 and 1990. Trade between the two countries has been developing steadily in recent years. The volume of trade between the two countries has grown from 1.035 billion roubles in 1981 to 1.5 billion roubles in 1985. Their total trade volume has grown by 200 per cent in the past five years.

Between 1981 and 1985, the Soviet Union exported petroleum products, trucks and automobiles and more than sixty thousand other products to Mongolia and imported livestock and minerals in return. In recent years, the Soviet Union and Mongolia have jointly opened up 1.10 million hectares of wilderness, irrigated 50 million hectares of land and built 30 state farms in Mongolia.

In the future economic and trade cooperation, Mongolia will concentrate on raising agricultural and food products and developing its light and processing industries in order to increase the proportion of its exports to the Soviet Union. The country will also extend and increase the number of its micing, power and processing facilities.

GORBACHEV WALKABOUT IN KUYBYSHEV NOTED

LD111240 Beijing XINHUA in English 1830 GMT 10 Apr 86

[Text] Moscow April 10 (XINHUA) -- Following the busy sessions of the 27th Communist Party Congress, Soviet leader Mikhail Gorbachev went to the street of the Kuybyshev region to push ahead his economic reform, a difficult yet vital task facing the world's largest country. Despite stepped-up publicity work on last month's Party Congress, which cemented his position as general secretary, Gorbachev spent almost all the time from April 7 to 9 lecturing on basic issues at the part meeting, which approved the plan to go ahead with a nation-wide economic reform in a bid to double the country's economic potential [word indistinct] the end of this century.

When lecturing people in the Kuybyshev region on the Volga, he said that the party faces no easy task and efforts must be made against various expressions of reluctance for or procrastinating changes and of suppression of people's initiatives in carrying out the reforms.

Addressing a meeting on Togliatti, an important industrial city along the Volga River, Gorbachev stressed that management bodies at all levels, including government ministries up to the party Politburo, must modify their working styles and methods.

Gorbachev did not hesitate to criticize some officials for the "outdated" ways of working, saying "they all approve of the party's decisions (on reform), but once they get some, they continue to work in the old ways." Gorbachev singled out the Gosplan and Finance Ministry for criticism. Instead of doing what they are expected to do, he said, they are paying much attention to trifling things. As a result, some enterprises are put in a "catch 22" situation: On one hand, they are asked to expand economic independence, on the other their hands are so forced by all kinds of red tape that many good initiatives have to be abandoned, he said.

The Soviet leader called for removing formalism, "there is nowadays too much talk about the necessity of reforms but less down-to-earth work. What we need is vigorous work.

For Gorbachev, apparently prepared for what he called "inertia" blocking the reform, the Kuybyshev trip offered a good chance to demonstrate the Kremlin efforts to clear the way for a "drastic change" proposed by the Party Congress.

FOREIGN MINISTER WU XUEQIAN VISITS JAPAN

Plans Week-Long Visit

OW110234 Beijing XINHUA in English 0226 GMT 11 Apr 86

[Text] Beijing, April 11 (XINHUA) -- Chinese State Councillor and Foreign Minister Wu Xueqian left here for Japan on a week-long visit this morning at the invitation of Japanese Foreign Minister Shintaro Abe. Before his departure, Wu told XINHUA that he and his Japanese counterpart will exchange views on international issues of common interest during the visit. He said on the whole Sino-Japanese relations are stable over the past year. He said he hoped that frank and friendly consultations can help solve some concrete problems existing between the two countries.

Trade deficit between the two countries, he said, posed a major problem and he said he heard that Japan will send a delegation to China in the coming future to exchange views with Chinese specialists on the problem. Wu continued to say that China adopts an active attitude to increase Sino-Japanese trade and reduce China's deficit in bilateral trade. Wu said that China hoped to see more efforts from the Japanese side to lift unnecessary restrictions to facilitate Chinese export to Japan.

Chinese Vice Foreign Minister Liu Shuqing and Charge d'Affaires ad interim of the Japanese Embassy here Kagechika Matano saw the foreign minister off at the airport.

Talks With Abe

OW111925 Beijing XINHUA in English 1916 GMT 11 Apr 86

[Text] Tokyo, April 11 (XINHUA) -- Chinese Foreign Minister Wu Xueqian told his Japanese counterpart here today that a balanced trade between China and Japan will be conducive to both countries. Wu made this remark during his talks with Japanese Foreign Minister Shintaro Abe, at which they exchanged views on bilateral relations and pledged to strengthen cooperation between the two countries.

Wu, who is also the state councillor of China, briefed the Japanese foreign minister on China's economy and the Seventh Five-Year-Plan now under deliberation at the sixth session of the National People's Congress. On the economic cooperation between the two countries, China's foreign minister expressed his concern over the trade imbalance existing between China and Japan, and hoped Japan to further open its market.

"An early solution to the question of trade imbalance will be beneficial to both countries," Wu said.

Turning to political relations, Wu expressed the hope the momentum of the developing Sino-Japan relations will be kept. There are certain problems, however, that are worth attention in bilateral relations, Wu added. These problems should be settled through respect for each other's national sentiments and friendly consultations, he said.

Stating that the Japanese Government attaches great importance to its relations with China, Foreign Minister Abe told his Chinese counterpart that Japan is ready to cooperate with China in reducing the trade imbalance between the two countries. He also pledged that Japan will abide by the Sino-Japanese joint communique and other documents governing bilateral relations so as to push them forward. Chinese foreign arrived here this afternoon for regular consultation between foreign ministers of the two countries the consultation will end on April 14. [sentence as received]

Continues Talks With Abe

OW121514 Beijing XINHUA in English 1433 GMT 12 Apr 86

[Text] Tokyo, April 12 (XINHUA) -- Visiting Chinese Foreign Minister Wu Xueqian and his Japanese counterpart Shintaro Abe today continued their exchange of views on international topics of common interest. On Japanese-Soviet relations, Abe said there has been some improvement in relations between Japan and the Soviet Union after the Japanese-Soviet foreign ministers' talks last February. Japan is prepared to continue dialogue with the Soviet Union on a series of unsettled issues including the territorial problem, he noted.

Referring to Nakasone's forthcoming visit to the United States, Abe said the Japanese-U.S. political relations are good although there exist some problems and difficulties in their economic relations. He believed that the problems and difficulties can be solved through consultations without harming the two countries' relations. The minister did not disclose what kind of problems and difficulties are existing at present between Japan and the United States.

Turning to the summit meeting of seven industrialized countries which will be held here in May this year, the Japanese foreign minister hoped the summit will bring to the world economy some bright prospects for which, he said, Japan is willing to make its efforts. On disarmament, Abe maintained that the Soviet Union should reduce its medium-range missiles deployed in Asia. The U.S.-Soviet disarmament talks should not be harmful to Asian interests, he said. Abe paid high tribute to the recent 8-point proposal on the Kampuchea issue put forward by the Coalition Government of Democratic Kampuchea. The proposal, he said, is conducive to solving the issue. The international community should pressure Vietnam to consider the proposal. Vietnamese troop withdrawal from Kampuchea is a prerequisite for the solution of the Kampuchean problem, he emphasized.

After briefly expounding China's views on current world affairs and the East-West relations, the Chinese foreign minister said China has developed its economic and trade contacts with the Soviet Union, adding that the exchange of visits between the two countries has also been increased. However, the normalization of Sino-Soviet relations can be realized only when the three big barricades are removed, he pointed out. They include Soviet-backed Vietnamese invasion of Kampuchea, the Soviet occupation of Afghanistan and the Soviet military build-up along Sino-Soviet border. Wu Xueqian said Sino-U.S. relations are developing steadily. The Taiwan issue is the main obstacle that hinders the development of relations between the two countries, he stressed.

Speaking on the forthcoming Tokyo summit, Wu said the contradictions between the South and the North have become ever sharper since the beginning of this year. The economic gap between them has widened. A lot of developing countries are burdened with heavy foreign debts and their economies are difficult. This is not merely an economic problem but a political one. The tension between the South and the North will affect peace and stability in the world and eventually the economic prosperity in the developing countries. He hoped the summit will attach importance to the South-North problems and play an important role in promoting dialogue between the South and the North.

On the Kampuchea issue, Wu said the Democratic Kampuchean resistance forces have gone deep into the inland and won victories in the battlefields. The 8-point proposal on the political solution of the Kampuchea issue put forward by the Democratic Kampuchean Coalition Government recently is reasonable. The Vietnamese refusal of the proposal has shown that Vietnam is still sticking to a military solution. It has no intention to find a political solution. The international community should urge Vietnam to accept the political proposal, Wu said. During their discussion, the two sides also exchanged views on the situation in the Korean peninsula.

Meets With Nakasone

OW121655 Beijing XINHUA in English 1627 GMT 12 Apr 86

[Text] Tokyo, April 12 (XINHUA) -- Japanese Prime Minister Yasuhiro Nakasone told visiting Chinese Foreign Minister Wu Xueqian today that Japan will "actively cooperate" with China in reducing the trade deficit between the two countries. During his meeting with the Chinese foreign minister, this afternoon, Nakasone expressed his admiration for China's policy of opening up to the outside world and reforming its economy. Speaking of current Sino-Japanese relations, Nakasone pointed out that the maintainance of friendly relations between Japan and China is important to ensuring peace in Asia and the whole world. Nakasone said he agreed with the four principles put forward last year by Chinese leader Hu Yaobang for guiding relations between the two countries. The four principles are peace and friendship, equality and mutual benefit, mutual trust, and long-term stability. "It is important not to harm the national sentiments of each other's people in developing bilateral relations," he said.

After briefing Nakasone on China's Seventh Five-Year-Plan, Foreign Minister Wu said China and Japan can jointly profit from the development of future trade, economic and technical cooperation between the two countries. Chinese Ambassador to Japan Zhang Shu was also present at the meeting. Wu also met today with Takao Ishikawa, Japanese chief of the Japan-China Committee for Friendship in the 21st Century. He expressed his hope that the committee will continue to contribute greatly in the development of cordial relations between the two countries.

Talks With Japanese Amity Official

OW130354 Beijing XINHUA Domestic Service in Chinese 1642 GMT 12 Apr 86

[By reporter Zhang Huanli]

[Text] Tokyo, 12 Apr (XINHUA) -- Foreign Minister Wu Xueqian met today with Takao Ishikawa, Japanese chief of the Japan-China Committee for Friendship in the 21st Century and other committee members at Tokyo's New Otani Hotel and had a cordial talk with them.

Wu Xueqian said: The Japan-China Committee for Friendship in the 21st Century has created a good influence among two peoples. Leaders of both countries also attach great importance to the committee's role. He expressed the hope that committee members of both countries would contribute greatly to the development of friendly relations between the two countries.

Ishikawa said: The Japan-China Committee for Friendship in the 21st Century held a successful second meeting in Beijing and Dalian last year and is preparing to hold the third meeting in Tokyo this autumn. He said that he and other Japanese committee members would live up to expectations of leaders of both countries by striving to do a better job in the committee work.

HUANG HUA SPEAKS ON SECURITY AT TOKYO MEETING

OW120459 Beijing in Japanese to Japan 2130 GMT 12 Apr 86

[Text] The fourth plenary session of the International Actions Council on interactions between humankind and the environment concluded in Japan on 10 April. The meeting's three topics for discussion were: population, environment and development; peace and security; and the development of world economy.

Huang Hua, vice chairman of the NPC Standing Committee, attended the meeting and stated his views on these three topics. On the issue of peace and security, vice Chairman Huang Hua said: World peace and security is an issue that concerns the interests of all countries, and it should not be decided on by one or two superpowers. The talks between the superpowers should not impair the legitimate rights of other countries. He also pointed out that the requisite for a fair and peaceful solution to a regional conflict is for the superpower to stop its intervention and aggression in that region and to withdraw its aggression forces completely from the region. Touching on the development of world economy, Vice Chairman Huang Hua stated that the first task that should be carried out is to assist developing countries recover their economy. Vice Chairman Huang Hua returned home on 10 April.

WANG ZHEN LEADS DELEGATION TO JAPAN

Li Peng at Airport Department

OW100826 Beijing XINHUA in English 0748 GMT 10 Apr 86

[Text] Beijing, April 10 (XINHUA) -- Honorary President of China-Japan Friendship Association Wang Zhen left here for Japan this morning to attend the third Chinese-Japanese non-governmental figures meeting. Seeing him off at the airport were Vice-Premier Li Peng, China's chief representative on the 21st Century Committee for China-Japan Friendship Wang Zhaoguo, President of the Chinese People's Association for Friendship with Foreign Countries Zhang Wenjin, and Charge d'Affaires ad interim of the Japanese Embassy here Kagechika Matano. Wang Zhen is head of the Chinese delegation to the meeting. Deputy head Sun Pinghua left by the same plane. Huan Xiang, another deputy head, and other members of the delegation are to leave on April 14.

The meeting is scheduled to be held in Tokyo between April 15 and 18. The first meeting was held in Tokyo in October, 1982, and the second, in Beijing, in June, 1984. Before the meeting, Wang Zhen will attend the 90th birthday party of Kaheita Okazaki, permanent advisor to the Japan-China Economic Association and 88th birthday party of Hisao Kuroda, former chairman of the Japan-China Friendship Association.

Thanks Amity Promoter

OW131333 Beijing in Japanese 2130 GMT 12 Apr 86

[Text] On the evening of 11 April, Mr Wang Zhen, honorary president of the China-Japan Friendship Association now visiting Japan, attended a party held in celebration of the 70th birthday of Mr Kaheita Okazaki, permanent counselor to the Japan-China Economic Association. Participating in the party held in Tokyo Prince Hotel were about 600 people representing various circles of society in Japan.

Speaking at the party, Mr Wang Zhen said: Mr Kaheita Okazaki has worked energetically for scores of years to restore relations between China and Japan and develop their economic exchanges. He is a farsighted pioneer and activist who has served to promote friendly relations between the two countries. He thus paid his respect to Mr Okazaki, who is still working vigorously to promote friendship between China and Japan in spite of his advanced age.

Expressing his determination in return, Mr Okazaki said: It is most fortunate for me thus far that I have been able to work for Sino-Japanese friendship. I would like to devote the remainder of my life to further promoting peaceful and friendly relations between Japan and China, exchanges and cooperation in the private sector of the two countries, and peace in Asia and the world.

Meanwhile, Honorary President Wang Zhen presented Mr Zkazaki with a Chinese painting entitled "Longevity" to wish him good health. On behalf of Deng Yingchao of the CPPCC, Mr Wang Zhen also presented Mr Okazaki with a large ceramic Plate with a Chinese character "longevity" on it.

HU QILI MEETS DPRK JOURNALISTS' DELEGATION

OW121411 Beijing XINHUA in English 1256 GMT 12 Apr 86

[Text] Beijing, April 12 (XINHUA) -- Hu Qili, member of the Political Bureau of the Chinese Communist Party Central Committee, met a KOREAN CENTRAL NEWS AGENCY delegation led by Deputy Director-General Han Song-sop, here today. Hu briefed the Korean journalists on China's political and economic situation. He said China has paid great attention to the work of socialist enthics and cultural development in order to guarantee the smooth progress of the economic reform. A series of reform measures taken are precisely aimed at keeping the country advance along the socialist road, he added.

On the Sino-Korean relations, Hu said the friendship between China and Korea is cemented with blood and experienced with test by history. China has cherished the friendship between the two peoples and will make efforts for the further development of the friendship, he stated. The Korean journalists had visited Xian, Guangzhou, Shenzhen and Shanghai.

ENVOY TO DPRK GREETS CAMBODIAN NEW YEAR'S DAY

OW121707 Beijing XINHUA in English 1650 GMT 12 Apr 86

[Text] Pyongyang, April 12 (XINHUA) -- Zong Kewen, Chinese ambassador to the Democratic People's Republic of Korea (DPRK), today warmly congratulated Samdech Norodom Sihanouk, president of the Kampuchean Democratic Coalition Government, on the forthcoming Kampuchean New Year's Day. Sihanouk, who arrived here Tuesday, held friendly talks with the Chinese ambassador.

Kim Il-song, president of the DPRK, today also presented a gift to Sihanouk to greet the festival. April 13 is Kampuchea's New Year's Day.

FURTHER ON VISIT OF BURMESE PRIME MINISTER

Meets With Zhao Ziyang

OW111523 Beijing XINHUA in English 1437 GMT 11 Apr 86

[Text] Beijing, April 11 (XINHUA) -- Premier Zhao Ziyang and Burmese Prime Minister U Maung Maung Kha held talks on bilateral relations and international issues at Beijing's Great Hall of the People today. They agreed that the frequent exchange of visits by leaders of the two countries has helped strengthen friendship and co-operation between China and Burma.

Maung Maung Kha expressed satisfaction over the smooth progress of economic co-operation between the countries. Zhao said the Burma premier's current visit will boost co-operation still further.

Zhao gave a detailed account of China's policy and achievements in urban and rural economic reform over the past five years. He said China is giving top priority to economic reforms during the Seventh Five-Year plan, which has just begun, and will continue pursuing its open policy.

U Maung Maung Kha gave an account of efforts made by Burma to develop its economy and improve living standards. He said all countries should treat each other on a basis of equality on international markets, so that developing countries have the chance to take part in opening up new markets. He said some regional events have caused instability and affected the economic development of countries in the region. In order to safeguard world peace, every country should abide by United Nations Charters.

Zhao said the resistance forces in Kampuchea have preserved their strength despite large-scale dry-season attacks by Vietnam over the past eight years, which had attempted to destroy them. Developments in Kampuchea are beginning to favor the resistance forces. Zhao repeated the Chinese Government's firm support for the eight-point proposal put forward recently by Democratic Kampuchea for a political solution to the problem. Vietnam's rejection of the proposal has shown that it is not sincere about wanting a political solution.

He also briefed U Maung Maung Kha on China's policy of developing good-neighborly and friendly relations with South-east Asian countries. Present at the meeting was Chinese Petroleum Industry Minister Wang Tao.

Zhao Hosts Banquet

OW111530 Beijing XINHUA in English 1451 GMT 11 Apr 86

[Text] Beijing, April 11 (XINHUA) -- Premier Zhao Ziyang gave a banquet tonight in honor of Burmese Prime Minister U Maung Maung Kha and his visiting party in the Great Hall of the People here.

In their toasts, the two leaders praised the traditional friendship between the Chinese and Burmese people. They said exchanges of visits in recent years by senior leaders such as Chairman U Ne Win, President Wu San Yu and President Li Xiannian, have promoted friendly co-operation between their countries.

Zhao said friendly relations between China and Burma are time-honored. In recent years, political, economic and cultural exchanges and co-operation between the countries have been expanded, and the Sino-Burmese joint border inspection will soon be completed. The development of friendly ties between them demonstrated that the Five Principles of Peaceful Coexistence, put forward more than 30 years ago by China, Burma and other nations, have great vitality.

U Maung Maung Kha quoted Chairman U Ne Win as saying: "It is of vital importance that these fine traditions of warm, friendly and close relations, which have prevailed between our two countries in the past and right up to the present, should be maintained in the future also."

Zhao said that there is great potential in developing bilateral economic co-operation, and China hopes to explore new ways to co-operate and to promote existing economic and trade relations.

Maung Maung Kha said Burma and China are both developing countries striving for modernization and development, each in accordance with its own national characteristics. He expressed deep appreciation for China's assistance and economic co-operation.

Meets With Li Xiannian

OW121056 Beijing XINHUA in English 1041 GMT 12 Apr 86

[Text] Beijing, April 12 -- Chinese President Li Xiannian expressed the belief here today that the current visit of Burmese Prime Minister U Maung Maung Kha would expand further the "paukphaw" [comradely] friendship between the countries.

At a meeting with the Burmese prime minister and his party here this morning, Li, who had visited Burma last year, also told the visitors that people all over the world desired peace, adding that construction can be conducted only with peace. The developing countries should strengthen their unity and enhance their cooperation, he said. China, which would stand forever on the side of the Third World, was opening itself not only to developed countries, but to developing countries as well.

The Burmese prime minister told Li that he had come to learn about China's economic restructuring and its land oil exploration. He conveyed greetings from Chairman U Ne Win and President U San Yu to the Chinese president and other Chinese leaders and also asked Chinese leaders to visit Burma.

Li expressed thanks for this. The leaders of the two countries should visit each other as frequently as relatives, he said. Attending the meeting were Wang Tao, chairman of the Chinese Government Reception Committee and minister of petroleum industry, and other distinguished guests who accompanied Prime Minister U Maung Maung Kha on the visit.

Meets Deng Yingchao

OW121139 Beijing XINHUA in English 1116 GMT 12 Apr 86

[Text] Beijing, April 12 (XINHUA) -- Deng Yingchao, chairman of the National Committee of the Chinese People's Political Consultative Conference, met here today visiting Burmese Prime Minister U Maung Maung Kha and his party.

Deng told the Burmese prime minister that she still remembered very well her 1977 visit to Burma, where she was warmly received by the Burmese leaders and people. Being good neighbors, she said, China and Burma had established diplomatic relations and solved their border issue long ago. For many years, the two countries had maintained their friendly contacts, helped each other and promoted their traditional friendship.

She said that China welcomes criticism and suggestions from the Burmese visitors after they saw on their current visit changes that had taken place here in the last few years.

She expressed the belief that the visit of the Burmese prime minister would further mutual understanding and friendship between the two peoples and their governments. Maung Maung Kha told Deng that he was glad to see her enjoying good health. Chairman U Ne Win and President U San Yu asked him to wish her a long life and invite her to visit Burma again, he said. Ding also asked the Burmese prime minister to convey her best regards to U Ne Win, U San Yu and other Burmese leaders and invitations for them to revisit China.

Talks with Deng Xiaoping

OW130850 Beijing XINHUA in English 0838 GMT 13 Apr 86

[Text] Beijing, April 13 (XINHUA) -- Chinese leader Deng Xiaoping said here today that China's ongoing reform of its urban economic structure is in fact an all-round reform. "We hope and believe that such a reform will succeed," he added. Deng, who is chairman of the Central Advisory Commission of the Chinese Communist Party, made these remarks at a meeting with visiting Burmese Prime Minister U Maung Maung Kha this morning.

Maung Maung Kha, who visited China in 1979, told Deng about China's changes he has witnessed on his current visit.

Deng said that the Seventh Five-Year Plan approved by the just concluded National People's Congress session centers around reform. If it succeeds, he said, the reform will lay a sound foundation for a long-term and stable development of the Chinese economy in the decades to come.

Maung Maung Kha said that one of his purposes in coming here is to familiarize himself with what China has achieved in its economic restructuring. He said that the Burmese-Chinese economic cooperation is proceeding very well. Those completed cooperation projects have already brought good results while the construction of others is going on smoothly.

Deng paid tribute to the Sino-Burmese relations and said the friendship between the two countries will continue to grow.

Visits Buddhist Shrine

OW121243 Beijing XINHUA in English 0723 GMT 12 Apr 86

[Text] Beijing, April 12 (XINHUA) -- Visiting Burmese Prime Minister U Maung Maung Kha and his party joined thousands of holiday-makers to visit the Buddha's tooth-relic pagoda at the western hills in the suburbs of Beijing this morning.

Enshrined in the 51-meter high pagoda is a holy tooth of Sakyamuni Buddha, which has been preserved in China for more than 1,500 years. The tooth-relic was once taken to Burma, where it was piously worshipped by Buddhist believers, in the 1950s. Receiving the Burmese visitors, Vice-President of the Buddhist Association of China Li Rongxi told the Burmese prime minister that the Chinese Buddhists hoped to strengthen their ties with Burmese fellow believers.

Walking barefooted, U Maung Maung Kha went up the pagoda to take a look at the tooth-relic. In front of the jewels-embedded golden stupa in the tooth-relic hall, the Burmese prime minister burnt incense sticks and also made a donation for the management of the pagoda on behalf of Burmese Buddhists. The prime minister and his party are scheduled to visit a Jeep company here later today.

Hosts Return Banquet

OW131526 Beijing XINHUA in English 1430 GMT 13 Apr 86

[Text] Beijing, April 13 (XINHUA) -- Visiting Burmese Prime Minister U Maung Maung Kha gave a return banquet in the Great Hall of the People here this evening. Chinese Premier Zhao Ziyang was among the guests.

In his toast U Maung Maung Kha said that during his visit he has called on Chinese leaders and had friendly discussions with Premier Zhao Ziyang on matters of common interest. "I am confident that the discussions will surely lead to better understanding between us and to further mutually beneficial cooperation," he added. The prime minister said that he was pleased to observe the evergrowing "Paukphaw" friendship between the two countries, emerging out of their mutual efforts for consolidation of the friendly relations.

Zhao Ziyang extended his congratulations to the Burmese people on their traditional Water-Sprinkling Festival which begins today. He said that U Maung Maung Kha's current visit to China is successful, making new contributions to the strengthening of Sino-Burmese friendship and cooperation. Zhao noted the two sides have identical or similar views on major international issues and they also shared the same aspirations for the expansion of Sino-Burmese traditional friendship. Strengthening Sino-Burmese good-neighbourly relations on the basis of Five Principles of Peaceful Coexistence conforms to the interests of the two peoples and also benefits peace and stability in Asia. There are broad prospects for Sino-Burmese mutual cooperation, which has a great potential, he added.

Zhao said that the Chinese Government and people will, together with the Burmese Government and people, continue to push forward their friendly cooperation in various fields.

Present were State Councillor Ji Pengfei, State Councillor and Minister of Finance Wang Bingqian, Minister of Petroleum Industry Wang Tao, Minister of Metallurgical Industry Qi Yuanjing, Minister of Textile Industry Wu Wenying, and other Burmese guests who are accompanying the prime minister on the visit. U Maung Maung Kha and his party visited the Temple of Harmony and Peace (yong he gong) and a refrigerator plant here today.

FOURTH SESSION OF SIXTH NPC CONCLUDES WORK

OW121950 Beijing XINHUA Domestic Service in Chinese 1215 GMT 12 Apr 86

[Text] Beijing, 11 Apr (XINHUA) -- The Fourth Session of the Sixth National People's Congress ended this afternoon at the Great Hall of the People. The session called on the people of all nationalities of the whole country to work with one heart and one mind, unite as one, and carry forward the spirit of the foolish old man who removed the mountains to pioneer undertakings with painstaking efforts and enthusiastically plunge themselves into the great practice of the Seventh 5-Year Plan in order to jointly strive to victoriously implement the "Seventh 5-Year" Plan, realize the magnificent goal set for the end of this century, and build socialism with Chinese characteristics.

The executive chairmen of the Presidium acted as the executive chairmen to today's plenary meeting. They were Peng Zhen, Chen Pixian, Geng Biao, Peng Chong, Wang Renzhong, Zhu Xuefan, Ngapoi Ngawang Jigme, Bainqen Erdini Qoigyi Gyaincain, Seypidin Aze, Zhou Gucheng, Yan Jici, Rong Yiren, Ye Fei, Liao Hansheng, Han Xianchu, Huang Hua, and Wan Hanbin.

When the executive chairmen of the plenary meeting, and comrades Hu Yaobang, Zhao Ziyang, Li Xiannian, Deng Yingchao, and Ulanhu as well as other members of the Presidium stepped onto the rostrum to be seated, they were greeted with warm applause throughout the hall.

At 1500, the plenary meeting opened under the chairmanship of Chen Pixian, executive chairman of the plenary meeting and vice chairman of the NPC Standing Committee. He announced: A total of 2,687 deputies attended today's meeting, making a quorum.

The meeting first adopted the resolution of the Seventh Five-Year Plan and the report on the Seventh 5-Year Plan, approved the report made by Premier Zhao Ziyang on behalf of the State Council on the Seventh 5-Year Plan of the People's Republic of China for National Economic and Social Development. The resolution pointed out: During the Sixth 5-Year Plan period, China has scored tremendous achievements in promoting its socialist modernization program. This is the result of joint efforts made by people of all nationalities throughout the country. Over the past 5 years, the State Council has exercised effective leadership and carried out its organizational work well. The session is satisfied with this. The session held: While fully reaffirming our achievements we must soberly realize that we still have shortcomings and errors in our work and there still exist many difficulties and problems on our road of advance. We must not lower our guard in this matter. The guiding ideology, the principle for construction, and the plan in carrying reforms set by the Seventh 5-Year Plan are correct. The various tasks for economic and social development set by the plan confirm with the requirements to realize the magnificent goal before the turn of the century. These tasks are set after considering, in an overall manner, the various possible, actual conditions. They are reliable, practical and feasible. They can be fulfilled by exerting efforts.

Today's meeting adopted the resolution on the 1986 national economic and social development plan, which endorsed the 1986 national economic and social development plan proposed by the State Council and approved the report made by Song Ping, state councillor and minister in charge of the State Planning Commission on the draft 1986 national economic and social development plan. The meeting also adopted the resolution on the execution of the 1985 state budget and on the 1986 state budget, which approved the 1986 state budget proposed by the State Council and the report by Wang Bingqian, state councillor and minister of finance, on the execution of the 1985 state budget and on the draft 1986 state budget and authorized the NPC Standing Committee to examine and approve the final state accounts for 1985.

After the draft General Principles of Civil Code, the draft Law on Compulsory Education, and the draft Law on Wholly Foreign-Owned Enterprises of the People's Republic of China had been discussed by the various delegations, the NPC Law Committee examined and revised these three draft laws on the basis of the deputies' suggestions. The examination report submitted by the Law Committee was adopted by the third meeting of the Presidium. Today's meeting adopted the General Principles of Civil Code, the Law on Compulsory Education, and the Law on Wholly Foreign-Owned Enterprises of the People's Republic of China.

Today's meeting also adopted resolutions which endorsed the report on the work of the NPC Standing Committee by Vice Chairman Chen Pixian on behalf of the committee, the report on the work of the Supreme People's Court by President Zheng Tianxing, and the report on the work of the Supreme People's Procuratorate by Procurator General Yang Yichen.

To strengthen the State Council's leadership over the political and legal work and the work of science and technology, Zhao Ziyang, premier of the State Council, submitted to the Fourth Session of the Sixth NPC a proposal that Qiao Shi be appointed as vice premier of the State Council and Song Jian as state councillor. After deliberation, the various delegations concurred with these appointments proposed by Premier Zhao Ziyang. Today's meeting adopted a decision appointing Qiao Shi as vice premier of the State Council and Song Jian as state councillor.

Because of the death of Vice Chairmen of the NPC Standing Committee Shi Liang and Hu Yuzhi and its members Wu Maosun, Chen Yongkang, Hua Luogeng, and Ma Bi, the executive chairmen of the Presidium made a proposal for election of candidates for vice chairmen and members of the NPC Standing Committee to fill the vacancies. Today's meeting elected Chu Tunan vice chairman of the Sixth NPC Standing Committee and Doje Cering (Tibetan), Yu Wen, Tao Dayong, Peng Qingyuan, and Chen Siyuan members of the Sixth NPC Standing Committee.

According to the provisions of the Organic Law of the National People's Congress, personnel constituting the various special committees of the NPC should be nominated from among the deputies by the Presidium and submitted to the NPC session for approval. To strengthen the work of various special committees, the second meeting of the Presidium proposed a draft namelist of additional personnel for various NPC special committees. After deliberation, the delegations concurred with the draft namelist. Today's meeting adopted the namelist of additional vice chairmen and members of the various NPC special committees.

At 1545 all items on the meeting were completed, and all participants stood up and sang the national anthem to the accompaniment of the military band. Seated at the rostrum of the meeting today were: Leading comrades of the NPC Central Committee Wan Li, Xi Zhongxun, Tian Jiyun, Li Peng, Yang Shangkun, Yang Dezhi, Yu Qiuli, Yao Yilin, Ni Zhifu, Qin Jiwei, Chen Muhua, Deng Liqun, Hao Jianxiu, and Wang Zhaoguo; responsible persons of the Central Advisory Commission and the Central Discipline Inspection Commission; state councillors; responsible persons of the Supreme People's Court, the Supreme People's Procuratorate, the CPPCC National Committee, and various democratic parties; as well as representatives of democratic personages without party affiliation. Among them were Wang Ping, Wang Shoudao, Wu Xiuquan, Liu Lantao, Li Desheng, Xiao Ke, Song Shilun, Lu Dingyi, Chen Xilian, Duan Junyi, Huang Huoqing, Wang Heshou, Han Guang, Gu Mu, Kang Shien, Wang Bingqian, Zheng Tianxiang, Yang Yichen, Yang Jingren, Kang Keqing, Qian Changzhao, Yang Chengwu, Chen Zaidao, Lu Zhengcao, Burhan Shahidi, Wang Guangying, Deng Zhaoxiang, Zhao Puchu, Qu Wu, Ma Wenrui, Mao Yisheng, Liu Jingji, Wang Enmao, Qian Xuesen, Lei Jieqiong, Chu Tunan, Huang Dingchen, and Su Ziheng.

Attending today's meeting as observers were other personnel of the State Council; responsible persons of the various departments of the NPC Standing Committee, units directly under the CPC Central Committee, organs directly under the State Council, organs of the CPPCC National Committee, various PLA general departments, services and arms, the headquarters of the People's Armed Police Force, and various people's organizations, and Chinese envoys stationed abroad who have come back to Beijing for a short stay. Some foreign envoys stationed in China were present at today's meeting as visitors.

Decree Names Qiao Shi, Song Jian

OW130436 Beijing XINHUA Domestic Service in Chinese 1310 GMT 12 Apr 86

[Text] Beijing, 12 Apr (XINHUA) -- Decree of the President of the People's Republic of China, No 40

In accordance with a resolution of the Fourth Session of the Sixth National People's Congress of the People's Republic of China:
Qiao Shi is appointed vice premier of the State Council
Song Jian is appointed state councillor
[Signed] Li Xiannian, president of the People's Republic of China, 12 April 1986

Vice Chairman, New Members Elected

OW130702 Beijing XINHUA Domestic Service in Chinese 1315 GMT 12 Apr 86

[Text] Beijing, 12 Apr (XINHUA) -- Announcement of the National People's Congress of the People's Republic of China

The Fourth Session of the Sixth National People's Congress of the People's Republic of China held a by-election on 12 April 1986 and elected Chu Tunan vice chairman of the Standing Committee of the Sixth National People's Congress; Doje Cedain (Tibetan), Yu Wen, Tao Dayong, Peng Qingyuan, and Cheng Siyuan members of the Standing Committee of the Sixth National People's Congress.

Presidium of the Fourth Session of the Sixth National People's Congress of the People's Republic of China, 12 April 1986

Namelists of NPC Committees

OW140023 Beijing XINHUA Domestic Service in Chinese 1319 GMT 12 Apr 86

[Text] Beijing, 12 Apr (XINHUA) -- Namelists of new members of various special committees of the Sixth National People's Congress [NPC] appointed by the Fourth Session of the Sixth NPC.

(Approved by the Fourth Session of the Sixth NPC on 12 April 1986.)

1. Nationalities Committee:
Vice Chairman: Yu Wen (6735 2429)
Members: Tian Fudan (3944 1381 6671) (Gaoshan nationality), Li Guiying (2621 2710 5391) (female, Yi nationality), Zhang Zizhai (1728 1311 7872) (Bai nationality), Zhang Jie (1718 2638) (Hui nationality), Zhao Pengfei (6392 7720 7378) (Manchu nationality), Cao Longhao (2580 7893 3185) (Korean nationality).

2. Law Committee:
Vice Chairman: Song Rufen (1345 3067 2781)
Members: Deng Jiatai (6772 1367 3141), Liu Youguang (0491 2589 0342), Liu Ruilong (0491 3843 7893), Li Yiqing (2621 0001 3237), Gu Jingsheng (6253 2529 3932), Song Chengzhi (1345 2110 1807), Zhou Zijian (0719 1311 0256), Zheng Boke (6774 0130 0344), Duan Suquan (3008 5685 2938), Huang Yukun (7806 3768 2492), Peng Qingyuan (1756 3237 3293).

3. Financial and Economic Committee:
Vice Chairman: Wang Qian (3769 6197)
Members: Ma Wanqi (7456 8001 4388), Shi Laihe (0670 0171 6320), Ren Xinmin (0117 2450 3046), Liu Bingyan (0491 4426 1750), Sun Jingwen (1327 2417 2429), Song Shaowen (1345 0508 2429), Zhang Xianyue (1728 6343 4766), Zhang Binggui (1728 4426 6311), Lin Yishan (2651 0001 1472), Pan Yan (3382 8746).

4. Education, Science, Culture, and Public Health Committee:
Members: Kong Congzhou (1313 1783 3166), Xi Dixin (6079 3321 2450), Sun Meiying (1327 2734 5391) (female), Wu Heng (2976 5899), Lin Yueqin (2651 2588 3830) (female), Lin Yu (2651 7183) (female), Mo Wenhua (5459 2429 7520), Huang Zhiqang (7806 1807 0474)

5. Foreign Affairs Committee:
Vice Chairmen: Cheng Siyuan (4453 1835 6678), Wang Guoquan (3769 0948 2938)
Members: Ding Guangxun (0002 0342 6064), Liu Wei (0491 0251), Song Yiping (1345 0001 1627), Ouyang Yi (2962 7122 3015), Mei Yi (2734 4135), Xie Huaide (6200 2037 1795).

6. Overseas Chinese Committee:
Vice Chairman: Gao Dengbang (7559 4098 2831)
Members: Yang Ligong, Chen Heqiao (7115 7729 2890), Lin Yuyun (female).

Wang Guoquan is removed from the post of vice chairman of the NPC Nationalities Committee, and Xu Dixin is removed from the post of member of the NPC Nationalities Committee.

Resolution Approves 7th Plan

OW130600 Beijing XINHUA Domestic Service in Chinese 1257 GMT 12 Apr 86

[Text] Beijing, 12 Apr (XINHUA) -- Resolution of the Fourth Session of the Sixth National People's Congress on the 1986 National Economic and Social Development Plan (Adopted at the Fourth Session of the Sixth National People's Congress on 12 April 1986)

The Fourth Session of the Sixth National People's Congress approves the 1986 national economic and social development plan submitted by the State Council and the "Report on the Draft Plan of 1986 National Economic and Social Development" made by Song Ping, state councillor and minister of the State Planning Commission.

Resolution on 1985, 1986 Budgets

OW130624 Beijing XINHUA Domestic Service in Chinese 1300 GMT 12 Apr 86

[Text] Beijing, 12 Apr (XINHUA) -- Resolution of the Fourth Session of the Sixth National People's Congress on the Execution of the 1985 State Budget and the 1986 State Budget (Adopted at the Fourth Session of the Sixth National People's Congress on 12 April 1986)

In accordance with the Financial and Economic Committee's report, which was deliberated, the Fourth Session of the Sixth National People's Congress approves the 1986 State Budget submitted by the State Council and the "Report on the Execution of the 1985 State Budget and on the Draft Plan of the 1986 State Budget" made by Wang Bingqian, state councillor and finance minister.

The meeting authorizes the Standing Committee of the National People's Congress to examine and approve the final state accounts for 1985.

Resolution on Standing Committee Work Report

OW130430 Beijing XINHUA Domestic Service in Chinese 1305 GMT 12 Apr 86

[Text] Beijing, 12 Apr (XINHUA) -- Resolution of the Fourth Session of the Sixth National People's Congress Concerning the Report of the Work of the National People's Congress Standing Committee.

(Adopted by the Fourth Session of the Sixth National People's Congress on 12 April 198

The Fourth Session of the Sixth National People's Congress approves the work report Vice Chairman Chen Pixian made on behalf of the National People's Congress Standing Committee, and is satisfied with the Standing Committee's work accomplished since the Third Session of the Sixth National People's Congress..

Resolution on Supreme People's Court

OW130644 Beijing XINHUA Domestic Service in Chinese 1307 GMT 12 Apr 86

[Text] Beijing, 12 Apr (XINHUA) -- Resolution of the Fourth Session of the Sixth National People's Congress on the Work of the Supreme People's Court

(Adopted at the Fourth Session of the Sixth National People's Congress on 12 April 198

The Fourth Session of the Sixth National People's Congress approved "The Work Report o the Supreme People's Court", made by Zheng Tianxiang, president of the Supreme People' Court, and expressed satisfaction with the work of the Supreme People's Court in the past year.

Resolution on Supreme People's Procuratorate

OW130434 Beijing XINHUA Domestic Service in Chinese 1309 GMT 12 Apr 86

[Text] Beijing, 12 Apr (XINHUA) -- Resolution of the Fourth Session of the Sixth National People's Congress Concerning the Report of the Work of the Supreme People's Procuratorate

(Adopted by the Fourth Session of the Sixth National People's Congress on 12 April 198

The Fourth Session of the Sixth National People's Congress approves Procurator General Yang Yichen's "Report of the Work of the Supreme People's Procuratorate," and is satisfied with the work accomplished by the Supreme People's Procuratorate over the past year.

5-Year Plan Report Amended

PW120828 Beijing XINHUA in English 0809 GMT 12 Apr 86

[Text] Beijing, April 12 (XINHUA) -- Several important changes have been made to Premier Zhao Ziyang's report on the Seventh Five-Year Plan (1986-1990), which was adopted by the National People's Congress today. These changes have been made in accordance with opinions and suggestions raised by deputies to the Fourth Session of the Sixth NPC, which ended here today. Nearly 2,800 deputies from all over China have discussed the report since it was submitted to the session for examination on March 25.

Important changes made concern agriculture, education, ideological and cultural advancement, and economic and educational development in poorer regions. A long paragraph on strengthening the country's agriculture has been included in the revised version of the report, concerning basic tasks and major principles of development during the next five years. It echoes the views of many deputies, especially those from major agricultural provinces, who had urged during panel discussions that the government should increase investment in agriculture and pay greater attention to grain production.

"It is an important strategy in the modernization program to continuously strengthen agriculture, the foundation of the national economy," it says. "We should step up grain production so that it develops steadily." The added paragraph points out that in some areas, valuable arable land has been taken for other uses, and some peasants have become less enthusiastic about grain production. The paragraph adds: "Everyone concerned must pay close attention to this problem, and adopt firm and effective measures to deal with it." While ensuring a steady increase in grain production, it says: "We should gradually improve the structure of rural production, and promote an all-round development of crop growing, forestry, animal husbandry, aquaculture and township industries." The report says both central and local government should steadily increase material input for agricultural production, adding: "The local authorities, in particular, should aid the development of agriculture and other undertakings in rural areas with large amounts of financial resources."

Another important addition to the report concerns ideological, cultural and theoretical pdvancement. It calls all ideological and cultural workers to provide the people with "more and better" intellectual products. In carrying out research in philosophy and social sciences, particularly economic theories, it is imperative to integrate theory with practice, and to apply the basic theories of Marxism in exploring and solving major problems that have cropped up in the reforms and in construction, so as to enrich and develop Marxism, it says.

The revised report devotes greater space to the development of areas inhabited by ethnic minorities and poverty-stricken areas. It promises that financial, material and technological aid to these areas will be increased during the course of the five-year plan to help them rid themselves of poverty and economic and educational backwardness by mainly relying on their own resources.

Other changes call for:

-- Upgrading of research in the field of educational theories to improve course content, teaching methods and teaching material.

-- establishment of a system for offering advanced studies to scientific and technological workers.
-- avoidance of excessive gaps in income among people by increasing taxes on higher earners.
-- guaranteeing that enterprises have their own decision-making powers and that they exercise these powers.
-- due attention to the problems in the country's economic work.

Presidium Endorses Drafts

OW111225 Beijing XINHUA Domestic Service in Chinese 0825 GMT 11 Apr 86

[Text] Beijing, 11 Apr (XINHUA) -- The Presidium of the Fourth Session of the Sixth National People's Congress held its third meeting this morning at the Great Hall of the People. It endorsed draft resolutions and draft laws which are to be forwarded to the present session for approval.

Peng Zhen, executive chairman of the NPC Presidium and chairman of the NPC Standing Committee, attended the meeting and made a speech. The meeting was presided over by Chen Pixian, executive chairman of the NPC Presidium and vice chairman of the NPC Standing Committee.

According to a decision of the previous Presidium meeting, the rough drafts of a draft resolution on the Seventh 5-Year Plan and on a report on this plan had been printed and distributed among the various delegations to solicit their opinions. The various delegations expressed their views on the revision of the rough drafts. The rough drafts were revised on the basis of these views. Today's Presidium meeting endorsed the revised draft resolution concerning the Seventh 5-Year Plan and the report on the plan. After the meeting, this draft resolution will be printed and distributed among the various delegations for their deliberation and then be forwarded to the present session for approval.

At the Presidium meeting today, Peng Chong, chairman of the NPC Law Committee, presented a report of the Law Committee on its conclusions after examining the draft General Principles of the Civil Code, the draft Law on Compulsory Education, and the draft Law on Foreign-Funded Enterprises. He said: After examining these three draft laws, the deputies endorsed them. They believe that these three draft laws sum up China's experiences in practice, uphold socialist principles, and reflect the achievements made in carrying out reforms, opening to the outside world, and invigorating the domestic economy. The Law Committee convened four plenary sessions to examine, article by article, the three draft laws on the basis of opinions and the results of discussions conducted by the various delegations. The Law Committee holds: After repeated revisions, the three draft laws are well-considered and quite practical. The formulation of these three laws will play an important role in improving the socialist legal system. Peng Chong also reported to the Presidium meeting today on recommendations made by the Law Committee for revising and supplementing these three draft laws on the basis of suggestions made by deputies. Peng Chong said: The Law Committee recommends that these three draft laws be forwarded to the present session for approval after revision.

Today's Presidium meeting endorsed the report made by the Law Committee on its conclusions after examining the draft General Principles of the Civil Code, the draft Law of Compulsory Education, and the draft Law on Foreign-Funded Enterprises. It decided to submit the draft General Principles of the Civil Code, the draft Law on Compulsory Education, and the draft Law on Foreign-Funded Enterprises, after revision as recommended by the Law Committee, to the present session for approval.

The meeting also separately endorsed draft resolutions on the work report of the NPC Standing Committee, the work report of the Supreme People's Court, and the work report of the Supreme People's Procuratorate. It decided to print these three draft resolutions, distribute them among the various delegations for deliberation, and then submit them to the present session for approval.

After repeated deliberation among the various delegations, the deputies endorsed a list of nominees for the post of vice premier and state councillor as recommended by Premier Zhao Ziyang. Today's Presidium meeting endorsed the draft list of nominees for vice premier and state councillor, and submitted the list to the present session for approval.

After repeated deliberation among the various delegations, the deputies endorsed a list of candidates for additional vice chairman and members of the NPC Standing Committee. Today's Presidium meeting endorsed the list of candidates for additional vice chairmen and members of the Sixth NPC Standing Committee, and submitted the list to the present session for election.

The meeting also adopted a draft namelist of additional vice chairmen and members of NPC special committees, and submitted the list to the present session for approval.

Wang Hanbin, deputy secretary general of the Fourth Session of the Sixth NPC, presented to the 11 April Presidium session a report on opinions of the NPC Secretariat about the handling of motions and proposals presented by deputies. He said: The Fourth Session of the Sixth NPC received 18 motions presented by delegations and 247 motions presented jointly by 30 or more deputies, totaling 265 motions. Of these 265 motions, 47 fall in the political and legal field, 137 in the financial and economic field, and 81 in the educational, scientific, cultural, and public health fields. These motions reflect very important views about our country's socialist legal system; economic construction; educational, scientific, cultural, and public health undertakings; and other fields. After discussion with the various special committees, the NPC Secretariat proposed that 50 motions be examined and discussed by the special committees concerned, and that the NPC Standing Committee examine and discuss these motions and decide whether or not they should be listed on the agenda of the NPC or that of the NPC Standing Committee. With regard to the other 215 motions, which contain proposals, criticisms, and opinions about the work of various departments, it was requested that they be assigned by the General Office of the NPC Standing Committee to the departments concerned for study and processing, as well as for replies to deputies, in accordance with the stipulations of the NPC Organization Law.

Wang Hanbin said: As of 10 April, the NPC Secretariat had also received 2,726 proposals, criticisms, and opinions presented by deputies. With regard to these proposals, criticisms, and opinions, the General Office of the NPC Standing Committee, in collaboration with the General Office of the State Council, will hold a meeting of responsible persons of the departments concerned to study how to handle them and will separately give them to the departments concerned to organize their study and processing, as well as handle the replies to deputies.

The 11 April Presidium session adopted the report on the opinions of the NPC Secretariat about the handling of the motions and proposals presented by deputies, and decided to print and distribute this report among all members.

At the 11 April Presidium session, Lu Ji, Yang Yongqing, Yang Hui, Wu Shichang, Qian Shadjun, Cao Yu, Wen Yuankai, Chen Shufeng, Seypidin Aizezi, Wu Yunchang, Luo Tian, Chen Huibo, Duan Suquan, Chen Dengke, and others successively made speeches, expressing their views about the revision of the three draft laws and other draft resolutions.

Law Committee Suggests Changes

OW140141 Beijing XINHUA Domestic Service in Chinese 1443 GMT 12 Apr 86

[Text] Beijing, 12 Apr (XINHUA) -- "Report of the Sixth NPC Law Committee on Its Conclusions After Examining the Three Draft Laws," [By] Peng Chong, vice chairman of the NPC Standing Committee and chairman of the NPC Law Committee (Approved by the third meeting of the Presidium of the Fourth Session of the Sixth NPC on 11 April 1986)

Deputies to the Fourth Session of the Sixth NPC earnestly examined the "General Principles (draft) of the Civil Code of the People's Republic of China," the "Law (draft) on Compulsory Education of the People's Republic of China," and the "Law (draft) of the People's Republic of China on Foreign-Funded Enterprises" from 2 to 7 April, and put forward a number of constructive opinions and suggestions. They said that the General Principles of the Civil Code is an important basic law, and that its enactment is indispensable and of great significance in protecting the lawful rights and interests of citizens and legal persons in civil affairs, harnessing the enthusiasm of all quarters, maintaining social and economic order, and ensuring smooth progress in economic structural reform and the socialist modernization drive. The enactment of the compulsory education law will mark the beginning of a new stage in the development of China's primary education, provide the legal basis for compulsory education, and be of strategic significance in promoting education as a whole and building the socialists material and spiritual civilization. In order to expand economic cooperation and technological exchange with foreign countries and stimulate the development of China's national economy, it is imperative to formulate the law on foreign-funded enterprises, which is indispensable and conducive to absorbing foreign capital and advanced technology. The law embodies China's policy of opening to the outside world and conforms with the long-range interests of the country and the people. The deputies endorsed these three draft laws, pointing out that they summarize China's practical experience, uphold socialist principles, and reflect the achievements made in carrying out reforms, opening to the outside world, and invigorating the domestic economy.

The Law Committee convened four plenary meetings on 5, 7, and 9 April. Responsible comrades of the Financial and Economic Committee, the Education, Science, Culture,and Public Health Committee, the Foreign Affairs Committee, and the Overseas Chinese Committee attended meetings as observers. Based on suggestions made by various delegations in discussion, the meetings examined, article by article, these three laws. Before and after the draft laws were submitted to the Economic Committee and the Legislative Affairs Commission of the NPC Standing Committee conducted separate studies and investigations and made suggestions for revising the draft laws. After the NPC Law Committiee's unified examination and revision of the draft laws based on these suggestions, the 15th Meeteing of the Sixth NPC Standing Committee decided to submit the draft laws to the current NPC session for deliberation. As a result of repeated revisions, the three draft laws are well-considered and quite practical. The enactmente of these three laws will play an important role in improving the socialist legal system. Based on the suggestions made by deputies, the following revisions and supplements are made:

1. Concerning the "General Principles (draft) of the Civil Code of the People's Republic of China".

(1) Question concerning collective-owned land in rural areas: In his report explaining the draft General Principles of the Civil Code to the current session, Chairman Wang Hanbin has already made the revision. Based on the suggestions made by various delegations in discussion and by various provinces, autonomous regions, and municipalities, as well as relevant central departments, it is suggested that draft Article 72 concerning collective-owned land in rural areas be revised as follows: "Land collectively owned by the peasants of a village should be managed by village agricultural economic associations such as the village agricultural production cooperative, or by the village committee. That already collectively owned by township (town) peasants' economic associations may be managed by a township (town) peasants' collective." Such a stipulation can ensure the continuity and stability of the policy and cope with the new situation arising from rural reforms. Due to differences between localities, complex problems in land management may be resolved by stipulations in a land law.

(2) Question concerning liabilities of rural households engaged in contracted management: According to draft Article 28, "Liabilities of a rural household engaged in contracted management should be assumed by members of the household with their property." Some deputies hold that stipulations concerning liabilities of rural households engaged in contracted management should be the same as those concerning individuals engaged in industrial and commercial undertakings, and have suggested that the draft article be revised as "liabilities of individuals engaged in industrial and commercial undertakings and rural households engaged in contracted management should be assumed by the individual with his own property if the undertaking is run by an individual, and by the household with its own property if the undertaking is run by a household."

(3) Question concerning debts of partners: Some deputies hold that it is necessary to clearly stipulate that partners are in general liable for debts incurred by the partnership. Such stipulations will be conducive to protecting the interests of creditors and ensuring the healthy development of partnerships among individuals. Therefore, it is suggested that the relevant article be revised as "partners are liable for debts incurred by the partnership, except for cases otherwise stipulated by law."

(4) Some deputies said that the General Principles of the Civil Code should have stipulations for protecting the lawful rights of the aged and disabled. Therefore, they have suggested that draft Article 102 be revised as "marriage, family, mother, and aged, and children are protected by law," and that a section saying that "lawful rights and interests of the disabled are protected by the law" be added to the article.

(5) Some deputies said that stipulations for protecting the interests of publishers should be added to the general principles. Therefore, they suggested that, based on chairman Wang Hanbin's explanation "(publishing)," the following should be added to the end of the draft Article 92: "Citizens and legal persons are entitled to the right of writing. " Such stipulations protect the right of writers as well as publishers. Specific contents of the right of writing (publishing) may be stipulated in a copyright law.

(6) Some deputies said that there should be clear stipulations prohibiting plagiarism of writings and patents of citizens and legal persons. Therefore, they have suggested that draft Article 117 be revised as "a citizen or legal person, whose right of writing (publishing), patent, exclusive trademark, discovery, invention, and other fruits of scientific and technological research is infringed upon by plagiarism, distortion, and imitation, has the right to demand that the infringement be stopped, effects eliminated, and losses compensated."

(7) According to draft Article 120, "government institutions will be liable for civil suits involving damage done to the legitimate rights and interests of citizens and legal persons in the course of performing duties by government institutions and functionaries." Some deputies said that in order to eliminate bureaucracy and enhance the sense of responsibility in serving the people among government functionaries, functionaries who have committed mistakes should be liable for civil suits. Therefore, the deputies have suggested that the article be revised as: "Government institutions and functionaries will be liable for civil suits involving damage done to the legitimate rights and interests of citizens and legal persons in the course of performing their duties.

(8) According to draft Article 151, supplementary or separate rules and regulations adopted by an autonomous regional people's congress to adapt to local conditions "should be reported to the NPC Standing Committee for the record." Some deputies have suggested that the article be revised as "regulations adopted by an autonomous regional people's congress should be approved by or reported to the NPC Standing Committee for the record according to the law."

Some deputies have suggested that the stipulations in draft Article 12 concerning persons without disposing capacity or with limited disposing capacity in civil suits should include, in addition to patients of mental diseases, "people suffering from dementia." Considering that the electoral law's definition of "patients of mental diseases" already includes "people suffering from dementia," the "patients of mental diseases" cited in the general principles should be interpreted as including people suffering from dementia. Therefore, revision is not necessary.

2. Concerning the "Law (draft) on Compulsory Education of the People's Republic of China"

(1) According to Section 2 of draft Article 6, schools that enroll mainly students of minority nationalities may use "language popular among the local nationality in teaching." Some deputies have suggested that the section be revised so that the schools may use the spoken and written language popular among the local minority nationality in teaching."

(2) According to Section 3 of draft Article 12, "local people's governments at various levels should, in accordance with the State Council regulation, levy an education surtax in cities and towns." Some deputies said that in places where compulsory education is not universal, the education surtax should be spent on compulsory education. Therefore, they have suggested that "to be used mainly in introducing compulsory education" be added to the end of the section.

(3) Some deputies said that the key to popularizing compulsory education lies in training a contingent of qualified teachers, and that the compulsory education law should have clear provisions for normal school graduates to dedicate themselves to teaching. Therefore, they have suggested that the following section be added to draft Article 13: "Normal school graduates should be engaged in educational work according to regulation. The state should encourage teachers to dedicate themselves to the undertaking of education for a long time."

Quite a number of deputies pointed out that many localities are confronted with a shortage of textbooks and supplies, which poses a serious problem in the current effort to introduce compulsory education. They have suggested that people's governments at all levels pay due attention to this problem and adopt effective measures to increase the publication of textbooks and ensure the supply of textbooks and supplies needed for compulsory education.

The Law Committee holds that the suggestion is pertinent, and that provisions in this respect should be made in the detailed rules and regulations for supervising the enforcement of the compulsory education law. The Law Committee also suggests that State Council departments concerned pay due attention to solving this problem in their practical work.

Deputies also put forth many constructive opinions and suggestions concerning educational expenditures, improvement of teaching quality, training of qualified teachers, better remuneration for teachers, their scientific research, and teachers of schools run by local people. Considering that the detailed rules and regulations for supervising the enforcement of the law will have provisions concerning some of these suggestions and that other questions will be solved in practical work, it is not necessary to provide stipulations concerning them in the law.

3. Concerning the "Law (draft of the People's Republic of China on Foreign-Funded Enterprises"

(1) Some deputies have suggested that draft Article 1 should add "promoting the development of China's national economy." Therefore, the article is revised as: "With a view to expanding economic cooperation and technological exchange with other countries and promoting the development of China's national economy, the People's Republic of China permits foreign firms and other economic entities or individuals (hereinafter referred to as foreign investors) to set up enterprises exclusively with foreign capital in China and protects their lawful rights and interests."

(2) Section 1 of draft Article 3 originally stipulated that enterprises to be established exclusively with foreign capital should, in addition to being conducive to the development of China's national economy, use advanced technology and equipment and market all or most of their products outside China. Some deputies regarded such stipulations as too strict to the detriment of attracting foreign capital and introducing advanced technology. Therefore, they have suggested that the section be revised as: "Enterprises to be established exclusively with foreign capital shall be conducive to the development of China's national economy and shall use advanced technology and equipment or market all or most of their products outside China." After the revision, permission will also be given for the establishment of enterprises exclusively with foreign capital that use advanced technology and equipment but do not market all or most of their products outside China.

(3) Based on the opinion of some deputies, the following Article 5 has been added in order to give expression to the spirit of opening to the outside work and protecting foreign investment: "Except under special circumstances, the state shall not nationalize or expropriate foreign-funded enterprises and should it prove necessary to do so in the public interest, legal procedures will be followed and reasonable compensation will be made."

In addition, revisions in the wording of these three draft laws have also been made.

Many other constructive suggestions have also been made by deputies. Some of the suggestions will find provisions in other laws and administrative rules and regulations, while others will have to be handled by relevant departments in their work.

The Law Committee suggests that after revisions made on the basis of the aforementioned suggestions, these three draft laws be submitted to the session for approval.

'TEXT' OF LAW ON FOREIGN-OWNED ENTERPRISES

OW120933 Beijing XINHUA in English 0903 GMT 12 Apr 86

["Law of People's Republic of China on Enterprises Operated Exclusively With Foreign Capital" -- XINHUA headline]

[Text] Beijing, April 12 (XINHUA) -- Following is the full text of "The Law of the People's Republic of China on Enterprises Operated Exclusively With Foreign Capital" adopted at the Fourth Session of the Sixth National People's Congress here today:

The Law of the People's Republic of China on Enterprises Operated Exclusively With Foreign Capital (Adopted on April 12, 1986, the Fourth Session of the Sixth National People's Congress)

Article 1. With a view to expanding economic co-operation and technological exchange with other countries and promoting the development of its national economy, the People's Republic of China permits foreign firms, other economic entities or individuals (hereinafter referred to as foreign investors) to set up enterprises exclusively with foreign capital in China (hereinafter referred to as wholly-owned foreign enterprises -- tr.) and protects the lawful rights and interests of the enterprises so established.

Article 2. As referred to in the present law, wholly-owned foreign enterprises are those established in China by foreign investors exclusively with their own capital in accordance with the relevant Chinese laws. The term does not include branches set up in China by foreign investors.

Article 3. Enterprises to be established exclusively with foreign capital shall be conducive to the development of China's national economy. Such enterprises shall use advanced technology and equipment or market all or most of their products outside China.

Provisions regarding the lines of business which the state forbids wholly-owned foreign enterprises to engage in or on which it places certain restrictions will be made by the State Council.

Article 4. The investments made by a foreign investor in China, the profits he earns and his other lawful rights and interests shall be protected by Chinese laws.

The wholly-owned foreign enterprise must abide by Chinese laws and statutes and must do nothing detrimental to China's public interests.

Article 5. Except under special circumstances, the state shall not nationalize or expropriate wholly-owned foreign enterprises. Should it prove necessary to do so in the public interest, legal procedures will be followed and reasonable compensation will be made.

Article 6. The application to establish an enterprise exclusively with foreign capital shall be submitted for examination and approval by the department under the State Council which is in charge of foreign economic relations and trade or by other authorities entrusted with such powers by the State Council. The department or said authorities shall, within ninety days from the date when such application is received, make a decision on whether or not to grant approval.

Article 7. Within thirty days after receiving a certificate of approval, the foreign investor should apply to the authorities in charge of the administration of industry and commerce for registration and a business license. The date of issue of the business license shall be deemed to be the date of establishment of the enterprise.

Article 8. The wholly-owned foreign enterprise which meets the conditions for being considered a legal person under Chinese laws shall be so considered.

Article 9. The wholly-owned foreign enterprise must make investments in China within the period approved by the department in charge of examination and approval. If it fails to do so, the authorities in charge of the administration of industry and commerce may revoke the business license.

The authorities in charge of the administration of industry and commerce shall inspect and monitor the investment situation of a wholly-owned foreign enterprise.

Article 10. In the event of a separation, merger, transfer or other major change, the wholly-owned foreign enterprise must report to and seek approval from the authorities in charge of examination and approval, and register the change with the authorities in charge of the administration of industry and commerce.

Article 11. The production and business programmes of the wholly-owned foreign enterprise shall be reported to the competent authorities for the record.

The enterprise shall be free from interference in its operations and management so long as these are conducted in accordance with the approved articles of association.

Article 12. The wholly-owned foreign enterprise shall employ Chinese workers and administrative staff under contracts concluded according to law. These contracts shall include provisions relating to employment, dismissal, remuneration, welfare, occupation safety and workers' insurance.

Article 13. Workers and administrative staff in the employment of the wholly-owned foreign enterprise may set up trade unions in accordance with the law, and such unions may conduct activities to protect the lawful rights and interests of the employees. The enterprise shall provide necessary facilities for the activities of the trade unions.

Article 14. The wholly-owned foreign enterprise shall set up account books in China, conduct independent auditing and, in conformity with the regulations, submit its fiscal reports and statements to the financial and tax authorities for supervision.

If the enterprise refuses to maintain account books in China, the financial and tax authorities may impose a penalty on it, and the authorities in charge of the administration of industry and commerce may order it to suspend operations or revoke its business license.

Article 15. Within the scope of operations approved, the wholly-owned foreign enterprise may purchase, either in China or from the world market, raw and semi-finished materials, fuels and other materials it needs. When these are available from both sources, preference should be given to Chinese sources.

Article 16. The wholly-owned foreign enterprise shall apply to insurance companies in China for such kinds of insurance coverage as are needed.

Article 17. The wholly-owned foreign enterprise shall pay taxes in accordance with relevant state regulations. It may enjoy preferential treatment for reduction of taxes or exemption from them. If the enterprise reinvests a portion of its after-tax profits in China, it may, in accordance with relevant state regulations, apply for a refund of the income tax paid on the reinvested amount.

Article 18. The wholly-owned foreign enterprise shall handle its foreign exchange matters in accordance with relevant state regulations. The enterprise shall open an account with the Bank of China or with a bank designated by the Chinese authorities in charge of foreign exchange control. The enterprise should take care to balance its foreign exchange receipts and payments. If, with the approval of the competent authorities, the enterprise markets its production in China and consequently experiences an imbalance in foreign exchange, the said authorities shall be responsible for helping it to eliminate the imbalance.

Article 19. The foreign investor may remit abroad profits legitimately earned from the enterprise, as well as other lawful earnings and any funds left over after the enterprise is liquidated.

Wages, salaries and other legitimate income earned by foreign employees in the enterprise may be remitted abroad after the payment of personal income tax in accordance with Chinese law.

Article 20. The foreign investor should apply for and secure approval of the duration of operations of its enterprise from the authorities in charge of examination and approval. When an extension of the duration of operation is desired, application must be made to the said authorities one hundred and eighty days before the duration of operations expires. The authorities in charge of examination and approval shall, within thirty days from the date of receipt of such application, make a decision on whether or not to grant approval.

Article 21. When terminating operations, the wholly-owned foreign enterprise shall give timely notification and proceed with liquidation in accordance with relevant legal requirements.

Pending the completion of liquidation, a foreign investor may not dispose of the assets of the enterprise except for the purpose of the liquidation.

Article 22. At the termination of operations the wholly-owned foreign enterprise should nullify its registration with the authorities in charge of the administration of industry and commerce and return its business license.

Article 23. In accordance with the present law, detailed rules and regulations for the implementation of this law shall be formulated by the department under the State Council which is in charge of foreign economic relations and trade and shall go into effect after approval by the state council.

Article 24. The present law comes into force on the day of its promulgation.

PROVINCIAL GOVERNORS ADDRESS REFORM ISSUES

OW111143 Beijing XINHUA Domestic Service in Chinese 1130 GMT 10 Apr 86

[Random notes by XINHUA reporter Guo Lingchun: Sailing From Shallow Waters to Deep Seas]

[Excerpts] Beijing, 10 Apr (XINHUA) -- A local leading cadre who has scored brilliant results in reform likened reform to battle in that one should be prepared for fatalities if one is bent on winning.

A deputy who likened himself to a pawn in the army of reform termed China's reform a huge project involving all of society which, in the absence of precedents to follow, requires a full estimate of the difficulties involved and prevention of possible errors. In light of the above comments from the Sixth NPC deputies, one can see a trend in which the people's understanding of reform is shifting from being shallow to deep.

Deputy Jiang Minkuan, Sichuan governor, did not avoid mentioning the following facts: The progress of reform is unbalanced in the 570,000-square kilometer "land of plenty." There are fertile plains as well as muddy rivers and barren hills. Villagers from remote areas have not even attended a single county fair in the past 30-odd years. Some honest minority brothers even think that trading away their products is disgraceful. Under such circumstances, the difficulty involved in focusing the diverse popular sentiments onto the commodity economy is all too self-evident.

However, the above are not the only problems. That NPC deputy felt the following more troublesome: It would be more difficult to switch the habits, the influences, and the complete set of management methods evolved from the 100 percent planned economy in the past 30 years to the path of a publicly-owned and a planned commodity economy. Deputy Xue Ju attributed Zhejiang's successes during the Sixth 5-Year Plan to reform.

LI XIANNIAN MEETS HUBEI NPC, CPPCC DELEGATES

OW132334 Beijing XINHUA Domestic Service in Chinese 0857 GMT 13 Apr 86

[By reporter Ge Daxing]

[Excerpts] Beijing, 13 Apr (XINHUA) -- Li Xiannian, NPC deputy and president of the State Council, visited Hubei Province's Beijing office this morning to call on the NPC deputies of the Hubei delegation to the Fourth Session of the Sixth NPC who are staying there. Li Xiannian hoped the deputies and the 49 million people of Hubei Province will be enthusiastic and aggressive in making purposeful efforts to achieve increasingly better results in Hubei's reform and construction in accordance with the blueprint of the Seventh 5-Year Plan.

Some of the CPPCC National Committee members from Hubei who came for the Fourth Session of the Sixth CPPCC National Committee also participated in the meeting.

Li Xiannian asked the NPC deputies about the production operation of the "1.7-meter rolling mill" imported by the Wuhan Iron and Steel Company. He wondered whether the mill had really become useless as soon as it has no foreigners to tend to it, as some people have claimed. Engineer Nieu Yiqun of the company's sheet rolling plant told him: The mill works very well under our management and has now demonstrated its designed capacity. Satisfied, Comrade Li Xiannian said: We Chinese have the will, the wisdom, and the ability to build up our country.

Deputy Li Chonghuai, a professor of Wuhan University's Department of Political Economy, asked Comrade Li Xiannian what he thought Hubei's strategy should be in developing its economy. Li Xiannian held that, compared to the rest of the country, Hubei has a good foundation, and it is fairly better off in terms of the foundation in agriculture, heavy industry, light industry, science and education and culture, and public health. As far as industry is concerned, Hubei is operating on a relatively larger scale with a greater capacity in the fields of iron and steel, electric power, machinery, and light and textile industries. It also has a relatively more complete array of various trades. On the basis of the existing foundation, the province should step up party leadership, promote the director responsibility system, practice supervision by the workers, and inspire the initiative of all sectors. It should pay particular attention to giving scope to the role of scientists and technicians. Furthermore, efforts should not be relaxed in agriculture which, as a foundation of the economy, calls for continued and vigorous development. He said: In short, Hubei has a relatively better foundation and should seek to develop it in an all-round way.

Li Xiannian emphasized that it is understandable that various localities have expressed the wish that their local economies will develop even more prosperously and quickly. However, it is often impractical to expect more investment from the central authorities. It is true the localities cannot do without the support of the central government, but neither can the central government do without the support of the localities. Therefore, Hubei must still rely on its own efforts to develop its economy. It should make further efforts to implement reforms and tap its potential to achieve constant economic and social development throughout the province.

Following the meeting, Comrade Li Xiannian stepped out into the sunny courtyard of the office where he joined the NPC deputies and CPPCC members for a group picture.

RENMIN RIBAO EDITORIAL HAILS NPC, CPPCC

OW130150 Beijing XINHUA Domestic Service in Chinese 1424 GMT 12 Apr 86

[RENMIN RIBAO 13 April editorial: "Press Forward in a Blaze of Colors" -- Hailing the Closing of the Fourth Session of the Sixth NPC and the Fourth Session of the Sixth CPPCC National Committee]

[Text] Beijing, 12 Apr (XINHUA) -- The Fourth Session of the Sixth NPC and the Fourth Session of the Sixth CPPCC National Committee have come to a close in Beijing.

After serious deliberation, the NPC meeting decided to approve the report concerning the Seventh 5-Year Plan delivered by Premier Zhao Ziyang on behalf of the State Council, approved in principle the State Council's Seventh 5-Year Plan for National Economic and Social Development of the People's Republic of China, adopted three major laws -- the General Principles of Civil Code, the Law on Compulsory Education, and the Law on Foreign-Owned Enterprises -- and also approved major appointments of the NPC Standing Committee and the State Council, as well as a series of important resolutions, thus successfuly accomplishing its expected missions. Members of the CPPCC National Committee have also put forward many opinions and suggestions pertinent to the report on the Seventh 5-Year Plan and the three draft laws. The two meetings were satisfactorily and successfully held; they were meetings for unrolling a great plan and encouraging people to press forward.

The Seventh 5-Year Plan for National Economic and Social Development and Premier Zhao's report concerning the Seventh 5-Year Plan were the center of examination and discussion of the NPC and CPPCC National Committee meetings, and they are important documents in which the people of all nationalities in the country are most interested. Comrade Deng Xiaoping once said: "The 5 years of the Seventh 5-Year Plan are very important. If our reforms have been basically accomplished and if our economy can develop in a sustained, steady, and coordinated manner after these 5 years, we can be very sure that the objective set forth by the 12th party congress can be achieved." The Seventh 5-Year Plan is a brilliant blueprint of our construction. It is a magnificent program for reform and a grandiose plan for expediting material and spiritual construction. According to the plan, we must give top priority to reform and strive to basically accomplish laying the groundwork for building a Chinese-style, vital, and dynamic socialist economic system during the next 5 years or so. In 1990, the total value of industrial and agricultural output will be 1.3 times higher than that of 1980; the GNP will be 1.6 times higher than 1980; scientific, technological, educational and cultural work will have achieved fairly significant growth, and the people's living standards will be higher. Thus, accomplishing all the work and attaining the objectives set forth in the Seventh 5-Year Plan are a heavy historical responsibility on the shoulders of all party members and people of all nationalities in the country.

To accomplish the Seventh 5-Year Plan, we must first of all earnestly study and understand the report on the plan, which is not merely a program for construction, but also a piece of living material teaching us what course to take in building a socialist society with distinctive Chinese characteristics. While our achievements during the Sixth 5-Year Plan have attracted worldwide attention, more importantly, however, we have found a way to build a socialist society with distinctive Chinese characteristics. Finding such a way is not easy. It has taken us more than 30 years and incurred enormous costs. The report, which summed up these precious experiences and gave them a new conclusion, should be thoroughly studied and understood. In the course of earnestly studying the report on the Seventh 5-Year Plan, a vast number of cadres and people will be able to heighten their awareness, unify their understanding, increase their confidence, and enhance their fighting morale. As for leading cadres at various levels, they should also continue to study the theories of socialist modernization, especially economic construction; understand that socialist economy is a planned commodity economy built on the basis of public ownership; and know that, in order to expand social productivity quickly, it is important to respect and apply economic laws and promote the commodity economy. Only by doing this will they be able to heighten their consciousness and reduce recklessness in carrying out economic construction and in restructuring the economic system.

To accomplish the Seventh 5-Year Plan, we must integrate a pioneering and enterprising spirit with the scientific attitude of seeking truth from facts. If we read the Seventh 5-Year Plan carefully, we can see that, in addition to being a plan imbued with the spirit of reform, it is also highly realistic. The plan contains no unrealistic targets and slogans. Based on a sober analysis of the objective situation of China's economic and social development, the plan has taken all factors into consideration and made overall arrangements, and has dialectically and organically combined reform and construction, immediate and long-term interests, and macroeconomic and microeconomic factors. Leading cadres at all levels must firmly stop following the beaten path or sticking to convention, combat the attitude of seeking false reputation and not actual results, stop empty talk, and do actual work so that all the projects under the Seventh 5-Year Plan can be accomplished one by one and step by step in their own regions, departments, and units.

While implementing the Seventh 5-Year Plan, we must give full scope to democracy ar take the mass line. A dynamic and creative socialist society should be created by people themselves. Trusting the masses and relying on them has always been a fine style of our party. In implementing the Seventh 5-Year Plan, leading officials at levels must fully foster democracy and heed the masses' opinions. Without democrac there will be no socialist society and no socialist modernization. As far as a rul party is concerned, it is good for it to be exposed to different opinions. Silence the most dreadful thing. The Seventh 5-Year Plan, which is the product of fosterir democracy, can only become a shining reality when it is accomplished in the course fostering democracy. Just as a sound legal system guarantees democracy, the adopti of the three laws by the NPC meeting was a major step toward perfecting the legal system, and they certainly will effectively expedite our socialist modernization.

The CPPCC is a patriotic united front organization under CPC leadership, and it is important organ for fostering socialist democracy. We believe that, during the nex years, CPPCC organs at all levels will continue to carry forward their fine traditi of "providing political consultations and democratic supervision," and "showing utt devotion to each other and sharing weal and woe," and make even greater contributic to achieving the sacred cause of revitalizing China and unifying the country.

"As soon as the clarion call is made from the high hill, let us press forward in a blaze of colors." The Seventh 5-Year Plan and Premier Zhao's report are an inspiri clarion call, which certainly will arouse the 1 billion Chinese people's lofty sentiments and aspirations to dedicate themselves to reform and the four modernizations. Under the CPC leadership, let us display the spirit of the foolish man who removed the mountains, and let us fight to accomplish the great tasks put forward by the Seventh 5-Year Plan!

BEIJING PAPERS HAIL SUCCESS OF NPC, CPPCC

OW140240 Beijing XINHUA Domestic Service in Chinese 0814 GMT 13 Apr 86

[Excerpts] Beijing, 13 Apr (XINHUA) -- Today all leading newspapers in the capital prominently frontpaged editorials hailing the conclusion of the Fourth Session of t Sixth NPC and the Fourth Session of the Sixth CPPCC National Committee.

The RENMIN RIBAO editorial entitled "Press Forward in a Blaze of Colors," says: W clarion call from the high hill, let us press forward in a blaze of colors." The Seventh 5-Year Plan and Premier Zhao's report, it says, are an inspiring clarion c which certainly will arouse the 1 billion Chinese people's lofty sentiments and aspirations to be dedicated to the drive for reforms and the four modernizations. us display the spirit of the foolish old man who removed the mountains, and let us strive to accomplish the great tasks put forward by the Seventh 5-Year Plan under CPC's leadership, the editorial urges.

The JIEFANGJUN BAO editorial, entitled "Persist in Making Reforms and Work Togethe a Splendid Future," states: Our Army is the defender and builder of the socialist motherland. In building up the Army, we should also work together for a splendid future. Making continued efforts to carry forward our fine traditions and devotin even greater energies to safeguarding and building up the motherland is what the sessions expected and urged our Army to do. Therefore, all Army comrades should m an even more earnest effort to study and implement the party's line, principles, a policies, and they should enhance their understanding of, give warm support to, ar actively plunge themselves into the work of reform.

They should subordinate themselves to and serve the needs of the cardinal task of national economic construction and try to make a success of the Army's structural reform and reduction-in-strength reorganization from beginning to end. At the same time, they should, in a spirit of reform, play an active role in building socialist material and spiritual civilizations, further gear up military and political training, learn scientific and cultural knowledge, and cultivate qualified personnel capable of serving the dual purpose of local construction as well as military work. They should develop a thorough Army-people joint campaign to build spiritual civilization, continue to improve their weaponry and equipment, raise our Army's military and political quality, safeguard the nation's security, and make new contributions to the successful fulfillment of the Seventh 5-Year Plan.

GUANGMING RIBAO publishes an editorial entitled "Persist in Making Reforms and Strive for the Successful Fulfillment of the Seventh 5-Year Plan." It says that the Fourth Session of the Sixth NPC and the Fourth Session of the Sixth CPPCC National Committee point out our work targets for the next 5 years, while the Seventh 5-Year Plan outlines our inspiring future.

Entitled "A Crucial Period, a Grand Plan," an editorial published by JINGJI RIBAO points out that the mangnificent blueprint depicted in the Seventh 5-year Plan will certainly become a reality.

GONGREN RIBAO publishes an editorial entitled "Achieve Unity in Understanding and Work Together for a Splendid Future," which says that the Seventh 5-Year Plan examined and approved by the Fourth Session of the Sixth NPC and Premier Zhao Ziyang's report on this plan outline China's grand economic and social development blueprint for the next 5 years and present us an inspiring bright prospect.

The ZHONGGUO QINGNIAN BAO editorial entitled "A Splendid Future Depends on Our Current Efforts," stresses that CYL organizations at all levels should earnestly grasp the study and publicity of the documents of the sessions; guide youth to see the accomplishments of reform and the difficulties involved by seeking truth from facts; improve their psychological adaptability to the situation created by the policies of opening and reform; stir up their hard-working, pioneering, and enterprising revolutionary spirit; and lead them to make contributions and devote their youthful vigor to the fulfillment of the Seventh 5-Year Plan.

CPPCC MEETING RELEASES 'POLITICAL RESOLUTION'

OW121352 Beijing XINHUA Domestic Service in Chinese 1231 GMT 11 Apr 86

[Text] Beijing, 11 Apr (XINHUA) -- Political Resolution of the Fourth Session of the Sixth CPPCC National Committee.

The Fourth Session of the Sixth CPPCC National Committee was convened at a time when China's various projects of reform were being implemented, the Sixth 5-Year Plan was successfully accomplished, the Seventh 5-Year Plan was unveiled, and party and social conduct were improving. With a high sense of responsibility and patriotism, and displaying the spirit of "showing utter devotion to each other and sharing weal and woe," members coming from all quarters of the country discussed state affairs freely and without inhibition. The meeting was permeated with an atmosphere of democracy and unity.

The meeting heard, discussed, and approved Vice Chairman Hu Ziang's report on the work of the Standing Committee, and reports concerning work in other special fields.

The members attended, as observers, the Fourth Session of the Sixth National People's Congress, heard Premier Zhao Ziyang's report on the Seventh 5-Year Plan, warmly discussed the plan, and unanimously endorsed the plan. They also heard Minister Song Ping's report on the draft of the 1986 national economic and social development plan, Minister Wang Bingqian's report on the implementation of the 1985 state budget and the draft of the 1986 state budget, as well as other pertinent reports and explanations. The members were satisfied with the enormous successes achieved in all fields during the Sixth 5-Year Plan period, encouraged and inspired by the Seventh 5-Year Plan, and put forward useful opinions and proposals for the plan and other government work.

The meeting held that the Seventh 5-Year Plan reflects the fundamental interests of Chinese peoples of all nationalities. The plan, which has clearly prescribed the course, basic tasks, principal targets, and policies and measures for the nation's economic and social development during the next 5 years, is a strategic plan for achieving positive and steady growth according to the nation's situation, and an action program for mobilizing people of all nationalities in the country to dedicate themselves to the work of achieving socialist modernization with one heart and one soul. Accomplishing this plan will lay a solid foundation for achieving the grand objective set forth by the 12th CPC congress in all fields.

The meeting maintains that, to consolidate and develop the gratifying situation created during the Sixth 5-Year Plan period and accomplish all the projects under the Seventh 5-Year Plan, the key lies in making reform an even bigger success in accordance with the general requirement of building a socialist society with distinctive Chinese characteristics and the basic principle of enlivening the domestic economy and opening to the outside world. While we must fully realize the achievements and significance of the nation's reform, we must be fully prepared for the arduousness and complexity of reform, correctly handle the problems arising from reform, earnestly study the characteristics and laws of reform, and ensure the smooth progress of various projects of reform with an enterprising spirit and firm, steady steps.

The meeting fully endorsed the long-range strategic principle put forward by Premier Zhao Ziyang in his report that we must intensify socialist spiritual construction while accelerating material construction. The meeting maintains that, in intensifying spiritual construction, we must expedite education, science, literature, art, and other cultural work on the one hand and strengthen ideological construction on the other. In the course of ideological construction, we must pay particular attention to ideological and political work so as to ensure the smooth and sound progress of economic work. Today's ideological and political work should primarily be that of intensifying education in the current situation, patriotism, and the legal system from a Marxist stand and with a Marxist viewpoint and methods in order to combat unhealthy practices, eradicate corruption, and deter the inroads of decadent capitalist and feudalistic ideas in order to create a good political and social environment for reform and construction and ensure the achievement of the Seventh 5-Year Plan and the normal progress of reform.

The meeting pointed out: The Chinese People's Political Consultative Conference, as a patriotic united front organization of the Chinese people, is an important form of organization for fostering socialist democracy in China's political life, and an important force in building a socialist society. The CPPCC organs, which function by carrying out political consultations on the state's major policies and by democratically supervising these policies, and which have many talented people and broadly-based contacts, should continue to exercise their important role in fostering socialist democracy, in consolidating and developing the political situation of stability and unity, and in expediting the nation's spiritual and material construction.

The meeting called on CPPCC organs at all levels and all CPPCC members to begin their work around the implementation of the Seventh 5-Year Plan. They must earnestly study and publicize the guidelines set forth in Premier Zhao Ziyang's report on the Seventh 5-Year Plan, unite people in all quarters, mobilize all positive factors, and assist the people's governments in implementing the Seventh 5-Year Plan under the CPC leadership, advising them on restructuring the economic system, enlivening the domestic economy and opening to the outside world. They must energetically promote socialist spiritual construction, intensify study of Marxist theories and united front policies, educate people on the need to be ethical, disciplined, and educated and to hold lofty ideals, and contribute to improving party conduct and to achieving a fundamental change for the better in social conduct. Making use of their status and taking advantage of their situation, they should actively broaden their contacts with compatriots in Taiwan, Hong Kong, Macao, and other parts of the world, promote contacts, good will, and mutual understanding between Chinese people on both sides of the Taiwan Strait, and work hard for expediting the motherland's peaceful reunification. The CPPCC National Committee must also continue to conduct people-to-people diplomacy, and contribute its efforts to creating a peaceful international environment favorable for China's four modernizations.

As the first year of the Seventh 5-Year Plan, 1986 is a year for implementing the priniciple of consolidation, assimilation, replenishment and improvement, and a year for continuing to restructure the economic system. Under the CPC leadership, CPPCC organs at all levels must foster their fine traditions and work style, work hard and forge ahead with the pioneering spirit of the foolish old man who removed the mountains, and unite and struggle for achieving the Seventh 5-Year Plan and expediting the four modernizations.

NEW CPPCC STANDING COMMITTEE MEMBERS NAMED

OW120443 Beijing XINHUA Domestic Service in Chinese 1212 GMT 11 Apr 86

[Text] Beijing, 11 Apr (XINHUA) -- Namelist of additional members of the Standing Committee of the CPPCC National Committee elected by the Fourth Session of the Sixth CPPCC National Committee:

Wang Enmao, Qian Xuesen, Lei Jieqiong (female), Zhou Shaozheng, Yang Mingfu, He Zhengwen, Liu Xiyao, Kang Yonghe, Liu Zihou, Huang Qihan, Ke Ling, Jing Shuping, Zhang Suwo (female), Zhang Chukun, Fu Tieshan, and Lin Shengzhong.

BAN YUE TAN ON CRIME OF DIVULGING STATE SECRETS

HK120834 Beijing BAN YUE TAN in Chinese No 6, 25 Mar 86 pp 38-39

[Article by Wang Rong: "On the Crime of Divulging Important State Secrets"]

[Text] A country's secrets are something important and serious. At a time when we are opening the country to the outside world, the struggle between those who try to steal secret information from us and those who want to prevent it from being stolen is both complicated and fierce.

The chief of a certain organ in Beijing, who is surnamed Zhang and who was entrusted with important tasks, was in frequent contact with foreign businessmen. In 1984, Zhang met a businesswoman surnamed Li from Hong Kong through business. The contact between them had been both frequent and intimate thereafter. While Zhang had an interest in women, Li had other things in mind. They had sexual intercourse. Degenerate and corrupt, Zhang was unable to extricate himself. He wanted to leave his wife and marry Li.

To win Li's "love," he furnished Li with more than 20 important documents, including some issued by the CPC Central Committee. Li took these documents to Hong Kong and photocopied them there. After this case was cracked, a court sentenced Zhang to 6 years of imprisonment for divulging the country's important secrets.

As an offense, the divulgence of the country's secrets refers to the situation where a state worker seriously violates the country's security regulations by making known the country's important secrets to those who should not know. It is also considered to be dereliction of duty. Zhang was a state worker exercising some leadership over the country's foreign trade and economic relations. Thus, he should have known that it was his duty to guard the country's secrets. However, out of personal considerations, he divulged many of the country's important political and economic secrets to Li, thus violating the "provisional regulations on guarding the country's secrets." What he did fits the description of the offense of divulging the country's important secrets in Article 186 of the Criminal Law. Divulging the country's secrets, which constitutes an offense, can be characterized as follows:

1. The offender is a state worker. State workers are those who work in the state's organs, enterprises, and institutions, and those who manage public affairs according to the law. The divulgence of the country's important secrets by these people is commonly known as an offense in office [zhi wu fan zui 5120 0523 3690 4997]. However, in China, people other than state workers also know the country's secrets. Thus, according to Article 186 of the Criminal Law, a non-state worker who has committed an offense by divulging the country's important secrets will also be punished according to the same article of the Criminal Law depending on the seriousness of the offense.

2. The offense can be committed either intentionally or by mistake. One who divulges the country's important secrets to the enemy for counterrevolutionary purposes is guilty of being a counterrevolutionary and should be handled according to Article 97 of the Criminal Law. However, one who out of selfish considerations or by mistake causes great damage by divulging the country's important secrets should be handled according to Article 186 of the Criminal Law.

3. All these offenders automatically violate the country's security regulations by divulging its important secrets to others. According to the "provisional regulations on guarding the country's secrets," the country's important secrets include classified information about the country's national defense, foreign affairs, public security, procuratorial work, judiciary work, finance, economy, scientific and technological work, and so on. Secrets can be divulged either orally or by writing and either directly or indirectly.

According to Article 186 of the Criminal Law, "a state worker who has seriously violated the country's security regulations by divulging its important secrets will be sentenced to 7 years of imprisonment or to deprivation of political rights. A non-state worker who has committed the above offense will be handled according to the above provision depending on the seriousness of the case." Since Zhang divulged the country's important secrets, he was deservedly punished according to the country's criminal law.

Each state worker and each citizen should strictly guard the country's secrets. In addition, they should not say what they should not say and not inquire about what they should not inquire about. In particular, state cadres, who know more of the country's secrets than others, should set strict demands on themselves, abide by work discipline and the security regulations, and avoid saying things freely and disclosing the country's secrets in places where they should not discuss classified information, at their homes, or to their families, children, and friends.

TWO SENTENCED FOR LEAKING SECRETS TO FOREIGNERS

OW140850 Beijing XINHUA in English 0835 GMT 14 Apr 86

[Text] Beijing, April 14 (XINHUA) -- A Chinese company employee and a government official have been sentenced to death and 17 years of imprisonment respectively by the Intermediate People's Court of Beijing for leaking important state secrets to foreign and Hong Kong businessmen and taking bribes.

Zhang Changsheng, 31, who was sentenced to death, was an employee of the Beijing-based China Minority Nationality Economic and Cultural Development Corporation.

Ye Zhifeng, 40, who was sentenced to 17 years of imprisonment, was a deputy section chief of the Import and Export Bureau under the State Economic Commission. [Tokyo KYODO at 0852 GMT on 2 April, in a short report, identifies Ye Zhifeng as "the daughter of Ye Fei, a vice chairman of the Chinese parliament."]

After the Supreme People's Court order of execution signed by its president was read out today at the Intermediate People's Court of Beijing, Zhang Changsheng was sent to the execution ground.

The closed trial started on March 7. Lawyers from the No. 5 and No. 1 Law Offices of Beijing acted as defense counsel. A public court judgment was issued by the Intermediate People's Court of Beijing on March 27. The court verdict stated that from November 1984 to April 1985, Ye Zhifeng took advantage of her position to reveal time and again important state secrets concerning the import of automobiles to foreign and Hong Kong businessmen through Zhang Changsheng.

While a Chinese company was conducting negotiations with a foreign firm on the importation of automobiles, Ye abused her power and exerted pressure on the company to accept the price offered by the foreign firm, and Zhang worked out concrete ways. After learning that the state was about to make changes in its policy on negotiations for the import of commodities, Ye and Zhang gave hints to a Hong Kong automobile exporter who was conducting negotiations with a Chinese company to deceive departments in charge of the matter by antedating the contract.

For his part, Zhang received bribes totalling 1,988,000 Hong Kong dollars, 2,000 U.S. dollars, two video sets and a camera. He gave Ye 25,000 Hong Kong dollars, 7,000 yuan (rmb) and a video set, and kept the rest, about 711,100 yuan in all. Ye also accepted an air conditioner and other goods directly from Hong Kong businessmen. Between November 1984 and November 1985, she also received bribes from two Chinese companies and a Chinese factory, coming to more than 25,300 yuan. The court verdict found Zhang Changsheng also guilty of illegally possessing a pistol and five bullets which were discovered by the police when he was arrested.

The court also confiscated all the illicit money and goods, all of Zhang's personal property and part of Ye's personal property.

Zhang and Ye refused to accept the verdict and lodged an appeal which was turned down on April 7 by the Higher People's Court of Beijing.

IMPORTANCE, PROSPECTS OF OVERALL REFORM VIEWED

HK110905 Beijing LIAOWANG in Chinese No 13, 31 Mar 86 p 4

[Commentator's article: "The Crucial Period for All-Round Reform"]

[Text] The Fourth Session of the Sixth NPC will examine and approve the Seventh 5-Year Plan designed for the development of China's national economy and social development. This is a matter of primary importance. The period of the Seventh 5-Year Plan (1986-1990) is a crucial period which marks a further transition from China's old strategy for economic development to a new one. Whether a good or bad job is done in taking this step in the 5 years ahead has a bearing on whether the targets of struggle can be realized by the end of the century, and whether China's national economy and social development can progress smoothly and attain still higher levels in the next century. This is why people of various nationalities are paying special attention to the current NPC session.

It is absolutely necessary for us to review the implementation of the Sixth 5-Year Plan. During the 5-year period from 1981 to 1985, under the leadership of the CPC Central Committee and thanks to the concerted efforts of people of various nationalities, most of the tasks and targets set by the Sixth 5-Year Plan concerning industrial and agricultural production, communications and transportation, capital construction, technical reform, internal and foreign trade, scientific and technical education, improvement of people's livelihood, and so on were fulfilled ahead of schedule, or overfulfilled. China has had tremendous achievements in its socialist modernization program and profound changes have taken place in the economy and society of the whole country. To put it briefly, during the period of the Sixth 5-Year Plan there were three strategic changes in China's economy, and these were of profound historical significance. With regard to the plan for economic and social development, we started changing the former strategy of lopsidedly seeking growth in industrial output value and production output, increased heavy industrial output value and production output in particular, to one which emphasized coordinated development of heavy industry, agriculture, and light industry and attached importance to all-round development of the economy, science, technology, education, culture, and society with emphasis on increased economic results. With regard to the economic structure, we started changing the previous ossified system characterized by excessive and overrigid control into a new system conforming to the planned development of the commodity economy on the basis of public ownership. It is full of vigor and vitality. As for foreign economic relations, we started changing the previous closed, or partly closed, economy into an open-style economy which actively engages in international exchanges. The world knows that we have had tremendous success in these changes and transformations. We have found a correct path for building socialism with Chinese characteristics.

This was the base laid at the end of the Sixth 5-Year Plan and a condition which would ensure the start of the Seventh 5-Year Plan. We would like our readers to pay attention to the fact that when we talk about the three important strategic changes mentioned above, we always use the word "start." In other words, during the period of the Sixth 5-Year Plan, reform of our country's strategy and system of economic development was only a start. It was the first courageous step, and arduous tasks are ahead of us. This is what we should soberly realize. During the period of the Seventh 5-Year Plan, our task of primary importance is to continue to promote strategic changes and economic structural reform which have been proved correct by practice to ensure that in a period of 5 years, by 1990, or even longer, our country's strategy for economic development will be basically on a new track, that the new economic system will hold sway in our country's economic life, and that the building of socialism with Chinese characteristics will begin to take shape.

Time and tide wait for no man, and opportunity knocks but once. If we can fulfill these targets by 1990, the last 10 years of this century will see an emancipated, productive force capable of generating a great explosive power and performing miracles on the land of the Chinese nation. There will then be an economic leap. Hence, it will not be difficult for us to realize the magnificent goals put forward by the 12th CPC National Congress. If the process of such changes is slow, or delayed, we will lose valuable time, and the distance between the advanced countries and us will be widened. This will also adversely affect the fulfillment of our objective of attaining a comfortable living standard by 2000 and approaching, or catching up to, the level of the developed countries of the world in the middle of the next century.

The coming 5 years (1986-1990) are very important for us. It is no exaggeration to say that it is a crucial period. What is equally important is that these 5 years can be called one of the new replacing the old. Its feature is a transition from the old pattern of China's economy to a new one. In the process of transformation, there will appear the peculiar phenomenon of both new and old systems existing at the same time and interacting with each other. There will be more elements of the new system, but they cannot replace those of the old system immediately or entirely. There are still many elements of the old system, which cannot but continue to operate for a certain period of time. This will inevitably give rise to various problems and contradictions. For example, voids and loopholes in management, various clashes and conflicts of interests, defects and mistakes in work performance, and so forth can hardly be avoided all together. This is a comprehensive and penetrating major reform. Its impact on existing patterns, traditional concepts, and habits is unprecedented. There will also no doubt be clashes of views. There must be a process of gradual adaptation in people's thinking. Such situations require us to have an adequate understanding of the arduous and complicated nature of a switch from the old to the new during the period of the Seventh 5-Year Plan, and to be adequately prepared ideologically for problems likely to appear during reform. In no way can we lose our wits just because of the emergency of some problems or back off from getting ahead by giving up reform. We must be conscientious in giving guidance, careful in making plans, prudent in doing things, and strive to reduce mistakes. We want to repeat the saying: We should be firm and resolute in reform, and handle matters with great care. With these principles in mind, we can run things easily.

As an old saying goes, the first step is always difficult. Reform is a great and striking work. It was started during the period of the Sixth 5-Year Plan, and it was a good start. As the saying goes, once the crucial point is grasped, we will be invincible. Under the correct leadership of the CPC Central Committee, we believe that as long as people throughout the country make concerted efforts to carry out their struggle, they will be able to overcome difficulties and continue to write a great and magnificent opus. We should cite again the old saying: Our tasks are arduous, but our prospects are bright.

FIRST TECHNOLOGY EXPORT FAIR OPENS IN SHENZHEN

HK111211 Beijing CHINA DAILY in English 11 Apr 86 p 1

[By staff reporter Zhu Ling]

[Text] Shenzhen -- China's first export fair of its top technology opened here yesterday, signalling "the first and decisive step in the country's effort to bring its own technology to the world market," according to Xie Guang, vice minister of the State Commission of Science, Technology and Industry for National Defence. He voiced the country's determination at the fair's opening ceremony to proceed with its technology export drive "even though it might be hard at first," he said. China has been largely a technology importer until now.

The technology export drive is the result of the massive reorganization of the country's defence industries since 1980 to shift a large part of military production capacity to the civilian sector. More than 390 factories and scientific research institutes are participating in the fair, representing "the cream of China's crop."

But the creme de la creme at the fair are items provided by China's astronautic industry, which offers comprehenisve satellite-launching technology for foreign countries. "We are willing to contract satellite-launching services for foreign customers at a reasonable price," Cheng Lianchang, vice minister of astronautic industry, told CHINA DAILY. He added that the country's People's Insurance Company would provide insurance against economic loss "on favourable terms." More than 200 products and technology items, including "Long March" satellite-launching vehicles are being exhibited by his mission, one of the largest at the fair, the vice-minister said. Half a dozen countries, including the United States, Pakistan and Sweden, had shown interest in China's satellite-launching service. "China's 30-year-old astronautic technology is now at an advanced world level through our own efforts," Cheng said. Over the past 16 years, the Ministry of Astronautics Industry has launched 18 satellites of various types, including the latest applied communication satellite that was launched in February.

Lai Jinlie, vice-minister of the ordance industry, told CHINA DAILY that his main purpose at the fair was to test out the ways of commercializing technology for export. "Frankly, it is still quite new to me," said Lai, whose ministry's China North Industries Corporation is displaying more than 100 products at the fair.

China's nuclear industry, an embryonic part of the nation's industry, is displaying more than 130 products, including low temperature reactors, isotopes, radiation technology, remote sensing, telemetering and hydrometallurgy. "These have been developed since 1981," said Liu Shulin, the former vice-minister of the nuclear industry.

The fair is being held in the Shenzhen Special Economic Zone bordering Hong Kong until April 20. About 300 overseas businessmen and visitors came to the fair yesterday, they are from Hong Kong, Singapore, Japan, the Philippines,Finland, the United States,Australia, Mexico and France. A total of 1,720 items of technology and products are being displayed at the fair. They range from the sophisticated satellite launching vehicle to a musical quartz wrist watch designed for the blind.

STATE COUNCIL REGULATIONS ON PRODUCT QUALITY

OW120617 Beijing XINHUA Domestic Service in Chinese 1512 GMT 11 Apr 86

[Text] Beijing, 11 Apr (XINHUA) -- On 5 April the State Council promulgated the "regulations governing the responsibility for the quality of industrial products." The council also issued a circular to various localities and departments asking all units to enforce the regulations. The "regulations" have 31 articles divided into 8 chapters. The "regulations" are formulated with a view to clearly defining the responsibility for the quality of industrial products, protecting the legitimate rights and benefits of users and consumers, ensuring the healthy development of planned commodity economy, and promoting the building of socialist modernization. The "regulations" stipulate that product quality refers to the suitability and safety of and special requirements for products according to related laws and regulations and quality standards set by the state and contractual provisions. The responsibility for product quality refers to the responsibility to be assumed by producers if product quality does not meet the previously mentioned requirements and causes losses to the users.

The state standardization departments are to set unified state standards for the whole country, and the state standards must not be lower than international standards. The state standards may be classified into various classes and grades. Various departments in charge of the work of industrial enterprises should ask producers to attain the highest class and grade set by the state for their products within a certain time limit. The state price departments are to set prices according to product class and grade. Producers, storage and transportation units, and marketing enterprises should all assume responsibility for product quality according to the stipulations of the regulations. Various departments and localities, especially units in charge of the work of various enterprises, must strictly control product quality, instruct related enterprises to adhere to the policy of quality first for their products, and have them assume responsibility for products which fail to meet quality requirements. Various departments, localities, and units are to be jointly liable if they do not strictly control and properly supervise various enterprises. Quality supervisory organizations and industrial and commercial administrative units must supervise and control product quality in order to protect the interests of customers. Certificate of quality, explanations, fine-quality marks, and signs of authentication must be in accord with the actual quality of various products.

Descriptions in the advertisement of various products must be in accord with their actual quality.

The "regulations" stipulate that all producing and marketing enterprises must strictly implement the following regulations:

1. Products which are not up to the required standard will not be allowed to be taken from plants for sale.

2. Raw materials and accessories and ports which are not up to the required standard will not be allowed to be used for production, construction, and assembly.

3. Items which are explicitly defined as obsolete by the state will not be allowed to be produced or sold to customers.

4. Items for which there is no quality standard and which have not been examined by quality examination organizations will be not allowed to be produced or sold to customers.

5. No unit should resort to deception, sell inferior quality products as good ones, forge trademarks, or pass their products off as famous-brand products. No producing and marketing enterprise should promote the sale of its products by compelling users to buy them with other products.

The "regulations" also have specific stipulations on the product-quality responsibility of producers, marketing enterprises, and storage and transportation enterprises. Furthermore, the "regulations" have stipulations on the supervision and control of product quality and on the handling of arguments in regard to product quality.

The seventh chapter "Rules of Punishments" of the "regulations" points out that if the product quality of various enterprises does not meet the standard set by the state, departments in charge of those enterprises should order them to improve within a certain time limit. If the product quality still cannot meet the standard after improvement, departments in charge of those enterprises should order them to stop production or produce other items or ask responsible departments to revoke their production permits and operational licenses.

During the improvement period, departments in charge of those enterprises may, according to the situation, suspend or reduce bonuses and wages for responsible persons, staff, and workers of those enterprises. If the users suffer personal injury and property loss or die because of inferior product quality, the enterprises involved in those cases will be held responsible according to the criminal law, and judicial organizations will investigate and affix the criminal responsibility of those persons involved.

The regulations will be applicable to all state enterprises, collective enterprises, individual industrial and commercial operators, joint ventures and cooperative undertakings in China, and foreign capital enterprises in China. The regulations will come into force on 1 July 1986.

SURPRISE INSPECTION OF PRODUCT QUALITY CONDUCTED

OW120651 Beijing XINHUA Domestic Service in Chinese 1622 GMT 11 Apr 86

[Text] Beijing, 11 Apr (XINHUA) -- The State Economic Commission today made public its communique no 4 on the spot-check of the quality of products under state supervision. It has brought new information to the people: The product quality of means of production has been generally raised. The communique made public the results of spot-checks on 20 kinds of products in the fourth quarter of 1985. A total of 410 items in the 20 categories were selected for examination, and the proportion of items which were up to standard was 65.4 percent.

Of the 20 kinds of products, 7 belong to items of means of production. More than 83 percent of items under 6 of the 7 kinds of means of production were up to standard. The selected electrocopper and color phenol as dyestuff all were up to standard. The quality gap between items of means of livelihood and of means of production is quite apparent. Twelve kinds of products in the spot-check were found with more than 20 percent not up to standard. Of these, 11 kinds were products directly related to people's living.

A responsible person of the quality control bureau of the state Standardization Bureau said that the spot-check showed that a relatively large number of enterprises had serious problems in product quality. A considerable proportion of their products were not up to standard. During the spot-check of 48 kinds of color television sets assembled with technology, production line, and parts imported from foreign countries and Hong Kong, 14 kinds were found to be not up to standard. The spot-check also discovered that some products bear no name of plants or locations of production. The State Economic Commission asked various localities to demand that those enterprises whose products were found not up to standard during the spot-check make improvements within a certain time limit.

PRC SAID LIKELY TO LAUNCH SPACE SHUTTLE BY 2000

OW091206 Beijing XINHUA in English 1156 GMT 9 Apr 86

[Text] Beijing, April 9 (XINHUA) -- A Chinese space technology expert said here today that China is likely to launch a space shuttle in 2000. Tu Shoue, deputy director of the scientific and technological committee of the Ministry of Astronautics Industry, said, "The next item on the ministry's agenda is to launch a space station and shuttle," adding that a detailed plan has yet to be worked out. "We will first improve the performance of the Changzheng (Long March) carriers to cater to the need of world market and launch satellites for foreign customers," he said.

In a written speech at a plenary meeting of the National Committee of the Chinese People's Political Consultative Conference here this afternoon, he noted that since 1975, China has launched seven recoverable satellites and two synchronous communication satellites with Changzheng carriers. To speed up the development of China's space technology, he said an national program must be worked out to concentrate forces from different scientific and industrial sectors on the project. Internationally, he added, bilateral cooperation should be promoted, and satellite components and devices should be imported or jointly produced. "We will make certain breakthroughs in the 1986-90 period to lay the foundation for the take-off of China's space technology in 2,000," he said.

SCIENTIFIC INFORMATION POLICY MEETING HELD

OW311750 Beijing XINHUA in English 1526 GMT 31 Mar 86

[Text] Beijing, March 31 (XINHUA) -- More than 40 Chinese and foreign information experts gathered here today to discuss the formulation of a national scientific information policy for China. The experts and officials are from Australia, the Democratic People's Republic of Korea, India, Indonesia, Jamaica, Japan, Pakistan, the Philippines, the Soviet Union, Thailand, the United States and China, as well as from the United Nations Educational, Scientific and Cultural Organization (UNESCO).

At today's opening ceremony, Wu Mingyu, vice-minister of the State Science and Technology Commission, expressed his thanks to the foreign experts for their aid for China's scientific and technical information work. He gave a brief account of China's current reform of scientific and technological research management, which is aimed at integrating scientific research with production directly. He told the meeting that during the Seventh Five-Year Plan period (1986-1990), the main thrust of China's strategy for developing science and technology is to promote technical upgrading and technological advancement of the traditional industries, develop new technology and support new industries, provide suitable technology to township enterprises and allocate more funds for basic and applied research.

Wang Tingjiong, director of the Institute of Scientific and Technical Information of China (ISTIC), told the meeting that over the past 30 years China has established a nationwide information network staffed with 60,000 people engaged in information collection, dissemination and services. They have provided information for the country's technical upgrading of traditional industries, major capital construction projects, key scientific research projects, the development of rural enterprises, and the development of new technology and new industries. The meeting of "experts on national scientific and technical information policy", sponsored by the ISTIC, will last five days. It is financially supported by the UNESCO.

ANHUI MILITARY DISTRICT CHIEF ON MILITIA WORK

OW070707 Hefei ANHUI RIBAO in Chinese 27 Mar 86 p 4

[Article by Li Yuanxi, commander of the provincial Military District: "Further Strengthen Militia and Reserve Work Around the Central Task of National Economic Construction"]

[Text] A strategic shift in the guidelines for national defense construction indicates that the Armed Forces of our country have entered a new period of peaceful construction. The work of the militia and reserves, a component part of our defense forces, should adapt itself to this shift. To do so, we must act according to the central authorities' instruction that "all local party committees and governments, as well as all military regions, military districts, and military subdistricts, should strengthen their leadership over militia and reserve work, with economic construction as the central task." They should further seek unity in thinking and understanding, more conscientiously keep to the orientation of subordinating oneself to or serving the overall situation of economic construction, and make vigorous efforts to seek new ways to do militia and reserve work in the new period.

After the 3d Plenary Session of the 11th CPC Central Committee, we began in 1982 to carry out a series of reforms and readjustments under the guidance of the party's ideological line of seeking truth from facts. Thus, we have made some achievements: We have reduced the number of militiamen and improved militia quality, and the number of key members of the militia has also been reduced compared with the period before the readjustment; preparations for wartime mobilization have been strengthened, and contingents of reserves who can be mobilized, move out, and are capable of fighting have been organized in some prefectures, counties, and cities; the time for training has been reduced, training methods reformed, militia weaponry management readjusted and strengthened, and the burden on the masses lightened; the political and ideological work among the militiamen has been strengthened, and militiamen's enthusiasm for building a material and spiritual civilization has been aroused. Particularly since the provincial Military District jointly held an on-the-spot meeting in Laian County on militiamen "taking the lead in becoming better off through hard work and performing the duty of defending the country," large numbers of militiamen have played a leading role in becoming better off by working hard or applying science. In the province there are now more than 200,000 specialized households of militiamen and over 17,000 integrated economic establishments set up by militiamen. In addition, a number of advanced persons, such as Zhang Chengzhi and Zhang Jinfang, have come to the fore.

It should also be noted, however, that militia and reserve work still cannot meet the needs of the developing situation. It is therefore necessaary for us to act conscientiously according to the 16-character principle of "reducing the quantity, improving the quality, stressing the essentials, and laying a solid foundation" laid down by the General Staff and General Political Departments and to further readjust and reform military and reserve work so that this work will better subordinate itself to and serve the overall situation of national economic construction.

The central authorities have clearly pointed out that the militia system is a traditional military system in our country, and militia building is an important aspect in our defense construction. Particularly, as the state is concentrating its resources on socialist modernization and active duty forces are being cut by a large number, instituting the system of combining the militia and the reserves not only can meet the requirements of a possible anti-aggression war in the future but is the only way to build a modern national defense.

We should have a correct understanding of militia and reserve service work. We should also clarify the relationships between militia and economic work and between the reduction of our troops by 1 million soldiers and the strengthening of the work of building up the reserve forces. A clear line of demarcation should be drawn between less training and no training and between reduction and abolition. It should be made clear that we should neither conduct militia and reserve service work on such a "big scale" as we did in the past nor eliminate the work in its entirety. In our country, which is a big country with 1 billion people, militia and reserve service work is indispensable. This is invariably the case whether the work is viewed from the need for preserving social order and public security and safeguarding the program of the four modernizations at ordinary times or from the need for promoting the study of military affairs as well as other disciplines to enhance the national defense concept and patriotic spirit of the people at peaceful times or from the need for reinforcing the reserve forces after the active forces are reduced. The question is how to further enhance the leadership over this work and ensure its success in coping with the strategic change in our guiding thought for national defense construction. We should do ideological work to arouse attention to this work and attach due importance to it. In close conjunction with the central task of economic construction, we should make all-out efforts to organize and mobilize the militiamen to work as vanguards at the forefront of economic construction so that they may contribute to our economic development. Only in this way can our militia and reserve service work adhere to the correct orientation, enjoy popular support, and be put on a sound material basis. Only thus can it continue to improve and be supported and trusted by local party committees and governments at all levels.

To implement the above-mentioned 16-character principle under the present actual circumstances in Anhui, we should persist in combining the work on militia and the work on reserve service. That is, we should use the present militia organizations to put most of those on reserve status under proper management. The essential task is to grasp the work of core members of the militia and, at the same time, make continued efforts to reform the militia and reserve service work in urban areas. Enterprises should include educational training in their management plans. After an experimental stage, institutions of higher learning and senior middle schools should gradually establish a system for giving military training to their students so as to systematically ensure the availability of reserve officers and men. Efforts should also be made to beef up the reserve units by providing them with necessary equipment and training. It is necessary to continue to accumulate experience from our accomplishments in mobilizing the people and expanding the militia organizations during wartime. If all these things are done well, we will have a sound foundation for building our reserve forces and will truly step up our militia and reserve service work. At present, the scale of militia training should be greatly reduced. Areas suffering from poverty or afflicted with serious disasters may be excused from such training. The main task in those areas is to mobilize the militia to increase production so as to improve their conditions. In addition, the training method should be reformed. The predominant method to be adopted should be on-base collective training that "integrates militiary affairs, political affairs, science, and technology" with a view to satisfying the militiamen's desire to acquire knowledge and become better off. In conducting the training, it is necessary to stress the essential points and put emphasis on training militia cadres and technical soldiers in various specialized fields. Attention should be paid to quality improvements so as to make our militia and reserve units more capable.

Arrangements should continue to be made for the militia to play a role in buildin two civilizations; take the lead in becoming better off through industrious work: science; gain general education; fulfill emergency, hard, dangerous, and heavy ta follow Lei Feng's example and serve others; and safeguard social order and public security. Through these activities, our militia forces will be further tempered, miltia organizations will be further consolidated, and the broad masses of militi will be trained into a new generation of people characterized by their lofty idea moral integrity, education, and sense of discipline.

To make a success of our militia and reserve service work, we must strengthen the leadership over this work. This is a significant guarantee that the work will be successful. It is imperative to continually carry forward the fine tradition of management of the armed forces by the party and to uphold the system of dual lead of local party committees and militia departments. According to a demand set by central authorities and the Central Military Commission, county (city) People's A Forces departments should be incorporated into the local organizational system. Success in doing this is an important aspect of strengthening the leadership. Af this organizational change, how to straighten out the relationships of the People Armed Forces departments with others and ensure the continuity of their work, how step up the construction of these departments ideologically and organizationally, how to strengthen their work a real important questions before us. We should tak positive attitude to study these new circumstances and questions, lead the milita work of the People's Armed Forces department in a timely manner, show concern abo attach importance to their construction, and do our best to help them solve concr problems so as to put militia and reserve service work on a solid basis at the grass-roots level.

JIANGXI TOWNS, VILLAGES DAMAGED BY STORM

OW120909 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 11 Apr 86

[Text] About 1700 on the afternoon of 10 April, a violent storm hit towns and vi such as (Futian), (Pengao), (Shishan), (Ninghe), (Xianfen), (Shangbu), (Jiangdong (Quanshan), and (Qingshan) in the Pingxiang City area, Jiangxi Province. As a re 449 houses with a total of 2,245 rooms collapsed and 476 persons were injured and persons were killed.

After the natural disaster hit Pingxiang City, the city's party and government or as well as other relevant departments immediately formed a relief command. (Xie Sheng), secretary of the city CPC Committee; (Fang Zhengping), mayor of Pingxiang and (Luo Yanmin), commander of the local military subcommand; and other comrades more than 150 party and government cadres in rushing to the storm-affected areas carry out relief work.

HENAN OFFICIAL STRESSES NEED FOR FAMILY PLANNING

HK120325 Zhengzhou Henan Provincial Service in Mandarin 2300 GMT 11 Apr 86

[Excerpts] Vice Governor Liu Yujie stressed at the provincial planned parenthood work conference that is is essential to assign this work a position of still greater importance and grasp it relentlessly. We must persistently include propaganda in planned parenthood as a basic national strategy in the list of important contents of regular ideological and political work. We must list planned parenthood as a content of party and CYL life meetings and as an important condition in assessing the advanced and promoting cadres.

This conference was held in Zhengzhou from 8 to 11 April. The meeting held: The province will be in a peak birth period during the Seventh 5-Year Plan. If there is even a little relaxation of planned parenthood work, we will be faced with a serious situation of loss of control over population. We must gradually perfect the planned parenthood policies, carry out penetrating investigation and study, base our work on reality, and strive to reach the goals of accomplishing the population plan while bringing about closer relations between party and masses and promoting stability and unity.

The meeting stressed: We must correct malpractices in planned parenthood and block the loopholes for such practices. Party and CYL members and cadres at all levels must play a model and leading role in planned parenthood. We must deal seriously with those who violate the planned parenthood policies and indulge in malpractices.

Han Jingcao, vice chairman of the provincial Advisory Commission, spoke at the conclusion of the meeting.

GUAN ADDRESSED HUBEI POLITICAL-LEGAL MEETING

HK120413 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 7 Apr 86

[Excerpts] Guan Guangfu, secretary of the provincial CPC Committee, spoke this morning at the provincial conference on political and legal work. He said that to embark on the four modernizations, we must grasp construction on the one hand and the legal system on the other. We must unswervingly persist in the dictatorship of people's democracy, severely crack down on serious and economic crimes, and consolidate and develop the political situation with stability and unity.

The provincial conference on political and legal work opened in Wuchang on 4 April. Comrade Guan Guangfu's speech was divided into three subjects:

The first emphasized on the need to vigorously improve the legal system and truly insure that there are laws for us to follow, that we must abide by the law, that the law must be strictly enforced, and that the responsibility of offenders must be investigated and affixed.

Comrade Guan Guangfu said: Beginning now, we must do well in fulfilling four tasks:

1. We must seriously study and understand the spirit of the speeches of the leading comrades of the central authorities, including Deng Xiaoping, and further enhance the whole party's understanding of the extreme importance of improving the legal system. We must theoretically and ideologically understand the relationship between construction and the legal system, between democracy and dictatorship, between straightening out party style and cracking down on crimes, and between economic reform and cracking down on crimes.

2. Party and government organizations at all levels and all party members and cadres must work within the sphere of the Constitution and the law and resolutely guard the sanctity of the law. While investigating and dealing with violations of the law which involve cadres within the party and their children and family members, political and legal organs in particular must be bold in breaking through obstacles and insure that they strictly enforce the law and are impartial and incorruptible.

3. It is necessary to continuously do well in popularizing legal knowledge and lead all citizens to seriously and conscientiously study, understand, abide by, and apply the law. Following the guidelines of the central authorities, we must strive to popularize legal knowledge among all citizens in our province within 5 years.

4. It is necessary to pass specific, local laws and regulations to meet the needs of reform and construction. We must promptly approve some tentative regulations, detailed rules and regulations, or provisional regulations. We must fully support laws as they apply to economic control, cultural life, and social order so as to make them better serve reform and construction.

The second subject convered by Guan Guangfu was -- in accordance with the guidelines of the central authorities -- our need to deal effectively with all aspects of political and legal work in a down-to-earth manner and strive for a steady turn for the better in social order.

Comrade Guan Guangfu said: In accordance with the guidance of the central authorities on political and legal work this year, the general guiding ideology of our province's political and legal work must be that of realizing a steady turn for better in social order this year. We must also work hard to create the necessary conditions for a fundamental turn for the better in social order so as to promote a basic improvement in party style and the general mood of society. The key to all this is severely cracking down on serious crimes and economic crimes on one hand and comprehensively improving social order on the other hand, plus doing grass-roots fundamental work well.

Guan Guangfu said: We can never relax our intense struggle against serious crimes and we must direct our main struggle at the seven categories of serious criminals specified by the central authorities. We must resolutely implement the principle of severely, quickly, surely, accurately, and relentlessly cracking down on serious crimes in accordance with the law and check the tendency toward increases in big, serious cases. We must truly insure a steady turn for the better in social order. In cracking down on economic crimes, we must begin with the big, serious cases. In particular, we must deal with those big and serious cases which involve cadres and senior cadres within the party and their children. We must work hard to insure relatively big that there is significant progress and a breakthrough this year. When a big case does occur in a unit, leading persons of the CPC committee of the unit or the CPC committee of the unit's high level department must be responsible for handling the case. They must organize an especially powerful group capable of handling the case under the guidance of the Discipline Inspection Commission and Political and Legal Department and in coordination with the leading persons. In a year or so, we must strive to stamp out the arrogance associated with economic crimes.

It is necessary to vigorously and comprehensively clean up social order. The provincial CPC Committee Standing Committee has decided that organs at and above the county level throughout the province must set up commissions for comprehensively cleaning up social order.

These are to be unified leadership organs of CPC committees at all levels. Guo Zhenqian has been appointed chairman of the Provincial Commission for Comprehensively Cleaning Up Social Order. Comrade Tian Qiyu has been appointed vice chairman, while responsible persons of political and legal, propaganda, organization, labor and personnel, education, industry and communications, and financial and trade departments, the federation of trade unions, the CYL, and the women's federation have been appointed members. The commission has set up a general office, which will be responsible for routine work. All prefectures, cities, autonomous prefectures, and counties must establish corresponding leadership organs and working groups. All factories, mines, enterprises, institutions, organs, schools, streets, townships, towns, and villages must assign people to take charge of this work. All departments and units must establish a very clear responsibility system. We must establish a very clear responsibility system. We must vigorously strengthen the building of grass-roots organizations and do fundamental work.

CPC committees, governments, and political and legal departments at all levels must further reinforce grass roots-level police substations, people's courts, judicial departments, and the ranks of civil affairs assistants. We must transfer some people from political and legal organs at and above the county level to police substations and courts to carry out work there. We must organize or enhance committees among residents and villages. We must rationally solve the problem of paying cadres involved in public order work. It is necessary to truly strengthen the work of reforming and reeducating criminals and juvenile delinquents through labor and strive to improve units involved in the reform and reeducation of criminals and juvenile delinquents by using schools specializing in transforming, reeducating, and training people.

The third subject dealt with by Guan Guangfu was that of further strengthening party leadership over political and legal work and treating problems of democracy and the legal system as important issues on the agenda of CPC committees. Guan Guangfu said: In strengthening party leadership over political work, it is necessary to apply the party's principles and policies to unify the understanding of the whole party, to encourage political and legal organs to act in accordance with the law, and to guarantee in ideology, organization, and practice the correct implementation of the party's policies and state law. It is essential to vigorously enhance the political and professional quality of political and legal cadres and policemen.

In conclusion, Comrade Guan Guangfu said: The provincial CPC Committee hopes that CPC committees and political and legal departments at all levels throughout the province will seriously implement the spirit of the national conference on political and legal work in accordance with the guidelines advanced at this conference, persist in seeking truth from facts, unite, struggle hard, and work hard to make new contributions toward accomplishing all tasks for 1986 and toward achieving a turn for the better in social order throughout the province.

XIZANG URGES DISCUSSION ON BASING WORK ON REALITY

HK110303 Lhasa Xizang Regional Service in Mandarin 1130 GMT 10 Apr 86

[Excerpts] The Xizang Regional CPC Committee issued on 1 April the following views on launching a regionwide discussion on basing all work on reality.

1. The central authorities have pointed out that, to speed up Xizang's economic and cultural development and build a united, affluent, and civilized new Xizang, we must in all work, especially leadership work, unswervingly persevere in the party's Marxist ideological line of basing all work on reality, linking theory with reality, and seeking truth from facts. We must continually deepen our understanding of the conditions in all aspects in Xizang, persevere in the truth, and correct errors in our work. This is a basic summation of Xizang work experiences in the past 340 years and more and is also the fundamental guideline for making a success of work in Xizang in the future.

Today's Xizang is different from yesterday's, and it is also the development of yesterday's. We are facing many new situations and problems in building a united, affluent, and civilized new Xizang on the ruins of the feudal serf system. We need to work hard and creatively. Upholding the party's Marxist ideological line of basing all work on reality, linking theory with reality, and seeking truth from facts, gaining fresh understanding of Xizang, correctly comprehending and handling the relationship between generality and individuality, and continually studying the new situations and solving the new problems remain a practical issue facing the leaders at all levels and all comrades engaged in practical and theoretical work in Xizang. How well we resolve this issue has a direct bearing on the success or failure of all construction undertakings in Xizang.

The regional CPC Committee therefore proposes that a serious discussion on basing all work on reality be held throughout the region.

In accordance with the spirit of the central instructions on work in Xizang, at its enlarged Standing Committee meeting held last year, the regional CPC Committee proposed the guideline of basing all work on Xizang reality, doing everything to develop the region's productive forces, and doing everything to promote the well-being and happiness of the people of Xizang. This discussion on basing all work on Xizang reality represents the continuation and deepening of the implementation of the spirit of the enlarged meeting of the regional CPC Committee Standing Committee. It is a reeducation in correcting the ideological line, and an important aspect in straightening out party style and strengthening the party's ideological work.

Success in this discussion is bound to further improve the cadres' ideological and theoretical levels, and enable them to carry forward the fine tradition of linking theory with reality and to spontaneously persevere in basing all work on Xizang reality, thus promoting the development of all work.

2. We should to continue gain fresh understanding of Xizang's reality, centered on the questions of why we should base all work on Xizang reality and how we should go about this. We should deepen our understanding of the unique features of the region and clearly understand the extreme importance on basing all work on Xizang reality in this minority-nationality region with its outstanding unique features.

We should deepen understanding of the actual conditions in each area, front, and unit, further correct the ideas guiding professional work, sum up the experiences in basing all work on Xizang reality in the past and also the lessons in becoming divorced from that reality, and get rid of erroneous ideas hampering the effort to base all work on Xizang reality, so as to create a new situation in all work in the region.

3. In this discussion, we should mainly employ the propaganda media of the press, radio, and television. A variety of lively forms should be adopted. XIZANG RIBAO will open a special column for discussion articles and the minutes of discussion meetings. Radio stations will broadcast one or two programs a day featuring important articles in text or except form, dialogues, questions and answers, and so on. The television stations should hold lectures, forums, and discussion meetings to promote propaganda and discussion.

How long this discussion will last has not been decided for the time being. It will be determined in light of the progress and depth of the discussion.

4. A key issue in making a success of this discussion is that the leaders at all levels must attach importance to it and ensure the quality of the articles. The regional CPC Committee demands that leading cadres at all levels personally write articles. Leaders of prefectures, cities, and regional units should each write one or two. Leading cadres of counties should also write one each. We must also organize theoretical workers, comrades engaged in practical work, grass-roots cadres, peasant and herdsman masses, and factory and enterprise workers who wrote articles.

The regional CPC Committee's Propaganda Department is responsible for this discussion. Newspaper offices and radio and television stations should specifically organize and edit articles and scripts.

Wu Jinghua on Realism

HK110307 Lhasa Xizang Regional Service in Mandarin 1130 GMT 10 Apr 86

[Article by Wu Jinghua: "An Important Task in Ideological and Theoretical Construction in Xizang"]

[Excerpts] The regional CPC Committee recently proposed that a discussion on basing all work on Xizang reality be launched throughout the region. This is an important task in Xizang's ideological and theoretical construction. It is extremely essential.

We have scored major achievements in all undertakings in the 35 years since the peaceful liberation of Xizang. We must also soberly realize that, while achieving these successes, we have also learned painful lessons and suffered serious setbacks. We one-sidedly pursued the pattern of being larger in size and having a higher degree of public ownership in disregard of the development level of the productive forces. We organized two mass drives to promote industry and one to promote agricultural mechanization. We have long stuck to the supply system in which everybody eats out of the same big pot. We have also violated the Tibetan people's beliefs and customs. These things seriously damaged the development of various undertakings and also nationality relations. Fundamentally speaking, all these mistakes and setbacks were caused by running counter to the principle of basing all work on Xizang reality.

A review of history tells us that launching a discussion of this type certainly does not mean shooting at random. It means seriously summing up during the discussion the experiences in basing all work on Xizang reality and the lessons of not basing all work on Xizang reality, and studying, understanding, and grasping the particular laws on carrying out socialist construction in the conditions of Xizang.

There is no doubt that the spirit of the CPC Central Committee's series of correct instructions on Xizang work issued since the peaceful liberation and especially since the 3d Plenary Session of the 11th Central Committee represent the concentrated expression of basing all work on Xizang reality. We must unswervingly continue to implement them in a creative way in connection with Xizang reality. We must realize that neglect of Xizang's special features in all aspects and of the special features of each area and front within the region was a rather conspicuous erroneous trend in our work in the past. If we fail to carry out analysis and to act in light of the reality of our own departments and area but simply do what higher authority has not pronounced, we may end up going back to the old road of treating all cases the same way irrespective of the circumstances. We must creatively implement, in light of their spiritual essence, the documents and instructions of the central authorities guiding work in the whole country and the central and regional CPC Committee documents and instructions guiding work in the region.

To succeed in this, their is of course a premise, that is, having a profound understanding of the reality of the whole of Xizang and of our own area and department. This too is a goal to be reached in this discussion. Comrade Mao Zedong correctly pointed out in his "Oppose Book Worship": Carrying out the instructions of the higher authorities in a blind, superficial, and completely meaningless way is not carrying out those instructions but the cleverest way of opposing them or stalling over implementing them. Every party member and cadre should ponder these words.

At the second forum on Xizang work, held in 1984, comrade Hu Yaobang proposed that we gain fresh understanding of Xizang. In the past 2 years, and especially since the enlarged meeting of the regional CPC Committee Standing Committee last year launched education in going further in three respects and doing everything in three respects, there has been a great enhancement of our understanding.

However, compared with the demand for building a united, affluent, and civilized new socialist Xizang, there are still big discrepancies in our understanding. Many new situations and problems that have arisen in the reform of the economic structure await correct answers and effective solutions on our part.

Xizang is facing many major problems in economic and social development. For instance, while the country is promoting economic structural reform by developing lateral economic ties and breaking down the separation between departments and regions, how are we to go about reforming the urban enterprises in light of Xizang reality? How can we break through the current situation of natural economy in the rural and pastoral areas and bring about a great development of commodity economy there? How can we transform the top-heaviness in the region's organs and the failure of the administrative structure to match the economic base? How are we to go about speeding up the development of tourism in Xizang? How can we develop education and attract talent so as to transform the lack of talent, and how can we manage the temples and monasteries well under socialist conditions and bring into full play the active role of the temples and monasteries and religious circles in building the two civilizations?

We particularly hope that the comrades of all trades, sectors, and fronts will boldly put forward views and ideas on these problems.

NEI MONGGOL'S BU HE STRESSES CULTURAL WORK

SK110445 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 10 Apr 86

[Excerpts] On 9 April, at the regional conference on cultural and publishing work, Bu He, deputy secretary of the regional CPC Committee and chairman of the region, pointed out that in developing cultural work, we should take social benefit as the highest criterion, and should, proceeding from the reality of the region, vigorously advocate the characteristics of various nationalities and localities in order to contribute to building the socialist spiritual civilization.

Comrade Bu He said: Like many other items of work, the region's cultural and publishing work has witnessed great achievements over the past few years. Since the founding of the Nei Monggol Autonomous Region, the cultural and publishing undertakings have entered another brisk period, and have made contributions to building the four modernizations, reform, and the two civilizations. At the same time, an abundance of young and middle-aged talents have emerged, and art and literary creation has flourished.

Comrade Bu He said: Literary and art creation should aim at the social benefit, because it affects the ideology, soul, and the cultural life of the people. Therefore, our literary and art works must be conducive to the building of the socialist spiritual civilization. Along with the constant improvement in the living standards of the people of various nationalities, it is more necessary to create many good literary and art works in order to satisfy the people's cultural life and inspire the people's initiative in struggling for the realization of lofty ideals. To this end, we should all the more stress the social benefit created by literary and art works.

Comrade Bu He said: Along with the further implementation of the party's policies on literary and art work and the deepening of the economic structural reform, the people's cultural life has been enriched gradually, and literature and art have flourished. It should also be noted, however, that along with the increased contacts with foreign countries, some unhealthy ideas have also infiltrated into our country through various channels. These unhealthy ideas have already touched off public indignation. Therefore, we must pay full attention to them. Good ideas should be commended, while unhealthy ones must be corrected.

Comrade Bu He said: In stressing social benefit, we should also vigorously advocate the distinguishing features of various nationalities and localities. The current situation in this regard is good in general; but our efforts in this field are not great enough. If we pay no attention to this problem, the people will certainly have some complaints. Therefore, due consideration should be given to the viewpoint of the masses as well as to the nationalities policies. We must pay attention to the characteristics of different nationalities and localities. By so doing, we can better exploit the social benefit created by literature and art in educating and inspiring the enthusiasm of the people.

Comrade Bu He also called on leaders of the cultural departments to carry forward the democratic workstyle, to respect the opinions of specialists and the masses, and to value the labor of writers and artists. The cultural departments should introduce some rules and regulations to strengthen management, should fully mobilize the initiative of art and literary talents of various kinds, and should carry forward the spirit of forging ahead. Special attention should be paid to strengthening the training of young people and the study of Marxist dialectical materialism. The comrades in the literary and art circles should constantly enhance their understanding and exert themselves in their work in order to greet the 40th anniversary of the region's founding with actual deeds and outstanding achievements.

NEI MONGGOL URGES CRACKDOWN ON ECONOMIC CRIME

SK120210 Hohhot Nei Monggol Regional Service in Mandarin 2300 GMT 11 Apr 86

[Text] At a recent regional conference of chief procurators, it was decided that this year procuratorates at all levels throughout the region should regard the crackdown on serious economic offenses as the major task and maintain efforts to deal blows to serious criminal activities.

The conference noted: During the past year, under the leadership of CPC committees, procuratorial organs at all levels throughout the region worked in close coordination with public security departments, courts, and judicial and administrative departments, and thus enabled a group of economic criminals to be strictly punished and achieved new progress in economic procuratorial work. However, economic criminal activities are still very serious at present. We must understand the complexity, importance, and urgency of the crackdown on serious economic crimes, enhance our confidence, and make this work successful.

The conference pointed out: In dealing blows to economic crimes, we should, first of all, concentrate efforts on the investigation and handling of major and appalling cases, with the focus on serious economic criminals who take advantage of reform to embezzle, steal, give and take bribes, evade taxes or refuse to pay taxes, smuggle, illegally purchase foreign exchange, and engage in speculation and swindling. Principal leading persons should personally participate in and give guidance to the handling of such cases to replenish the economic procuratorial forces.

The conference held: In investigating and handling economic cases, it is necessary to adhere to the principle of abiding by the law, strictly enforcing the law, and correcting any law violations whenever discovered, and to be brave in tackling hard and difficult cases. Any law-breaking cases, no matter how high the level of the implicated units or cadres, should be thoroughly investigated and handled according to law. Such erroneous deeds as replacing the law with one's words or authority should be resolutely resisted. With regard to cases behind which there are a large-scale network of personal relations and a thick protecting shield, we should rely on the leadership of CPC committees to clearly investigate the cases themselves, as well as the personal relations network and the protecting shield.

SUN WEIBEN AT HEILONGJIANG SECURITY MEETING

SK130235 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 12 Apr 86

[Text] The provincial work conference on political science and law, which concluded on 12 April, stressed that the general tasks for the work of political science and law in 1986 are further bringing into play the role of the functional departments in protecting the people, dealing blows to the enemy, punishing criminals, rendering service to the program of building the four modernizations, and concentrating on successfully dealing strict blows to serious criminal and economic cases and resolutely investigating and suppressing all ugly phenomena that can bring damage to social morale. Efforts should be made to push forward in an all-round way the work of consolidating public security in a comprehensive way; to vigorously enhance the building of the legal system, the public security foundations at the grass-roots levels, and the foundations of political science and law; to correct abnormal phenomena in public security; and to achieve a stable turn for the better in social order so as to lay a solid foundation for striving to create a fundamental turn for the better in public security. Responsible comrades of the provincial CPC Committee and the provincial People's Government, including Sun Weiben, Zhou Wenhau, Bai Jingfu, and Liu Zhongli, attended and addressed the work conference in succession.

By implementing the general tasks for public security this year, our province must basically achieve a normal turn in public security and social order and generally reinforce the safety of the people. Efforts should be made to fulfill the targets of blocking the increasing trend of major or serious criminal and economic cases, somewhat lowering the number of criminal and public security cases, and suppressing somewhat or preventing ugly social phenomena.

In analyzing the public security situation in the province, the conference pointed out: Our province has indeed achieved a turn for the better in public security. However, it has not achieved an even and stable turn in this regard and has incurred many new problems. We should continuously carry out struggles against serious criminal and economic cases. In particular, attention should be paid to dealing blows to criminal activities that can bring about damage to the safety of society and the people's lives and property. Efforts should be made to place the emphasis of the struggle against crime on cities with a population of more than 300,000, small cities and towns beside railways, and on the rural areas that are weak in public security. In dealing blows to serious economic crimes, efforts should be made to implement the principle of strictly dealing with them and giving heavy punishment to them, to enhance the work of investigating and trying economic crimes, and to vigorously examine and deal with major or serious economic cases.

WU GUANGCAI ELECTED NEW JILIN CITY MAYOR

SK121000 Changchun JILIN RIBAO in Chinese 3 Apr 86 p 1

[Text] The Fourth Session of the Ninth Jilin City People's Congress successfully concluded on 1 April after a 5-day session. A total of 485 deputies from all fronts of the city attended the session. They animatedly discussed the excellent situation that prevailed during the past year and, with a strong sense of responsibility as masters of the state, offered criticism and constructive opinions.

The session accepted Wang Yunkun's request to resign from the post of mayor of Jilin City, and elected Wu Guangcai [0702 1639 2088] mayor of the city.

FBIS DAILY REPORT

China

CONTENTS

Vol I No 072 15 April 1986

PRC INTERNATIONAL AFFAIRS

GENERAL

Zhao Ziyang Meets World Food Program Chief A 1
Yao Yilin Meets UN Disaster Relief Official A 1

UNITED STATES

Reportage on U.S. Raid Against Libya B 1
U.S. Spokesman Announces Strike B 1
Reagan Addresses Nation B 2
Weinberger Remarks B 2
Tripoli Says Three Planes Down B 3
Events Leading to Strike Described B 3
Reaction to U.S. Attack on Libya B 4
PRC Condemns Attack B 4
Attack Called 'Flagrant Violation' of Law B 5
USSR Criticizes Attack B 5
BEIJING REVIEW on Shultz' Mediterranean Visit [14 Apr] B 5

SOVIET UNION

Shevardnadze, Qian Qichen Meet on Normalization C 1
Shevardnadze Receives Qian C 1
Exchange of Views C 1
'Text' of Communique C 1
Report on Communique C 2
Contradiction of Views [AFP] C 2
Qian Qichen Returns Home C 3

NORTHEAST ASIA

Further Coverage of Wu Xueqian Visit to Japan D 1
Meets Political Leaders D 1
Holds Press Conference D 1
Xi Zhongxun Attends Kim Il-song Birthday Party D 2

WESTERN EUROPE

Hu Yaobang Meets Belgian Party Delegation G 1
Papandreou Returns to Greece Following PRC Visit G 1
Italian Communist Party Congress Closes G 1
PRC Foreign Policy Viewed G 1
Leader on Uniting Party G 2
New Central Committee Elected G 3
Congress Ends 13 Apr G 3

EASTERN EUROPE

Reportage on Yugoslavia's Ribicic Delegation Visit H 1
Meets with Hu Yaobang H 1
Visits Shanghai H 1
Returns to Beijing H 1
Bid Farewell by Hu Yaobang H 2
Polish Minister 'Impressed' by PRC Agriculture H 2

PRC NATIONAL AFFAIRS

Sixth NPC Resolution on Seventh 5-Year Plan K 1
Commentary Views Challenges of 7th Plan Reforms K 3
Further Clarification of Foreign Enterprise Law K 4
Details of Qiao Shi's Career Provided K 5
Song Jian's Posts, Appointments Enumerated K 6
NPC Reportedly To Name Wang Meng Culture Minister K 6
[LIAOWANG 7 Apr]
Economist Qian Jiaju on Prices, Capital Projects K 7
Zhao Ziyang Meets Science, Technology Workers K 8
Science Academy Said 'Key' to Science, Technology K 9
[CHINA DAILY 11 Apr]
Civilian-Defense Industry Cooperation Urged K 10
[GUOJI SHANGBAO 27 Mar]
Transferred Army Cadres Meeting Set for June K 11
GUANGMING RIBAO on Controlling Investment [29 Mar] K 11
Senior Advisory Commission Members Plant Trees K 14
Qiao Shi, Peng Chong Urge Children To Observe Law K 14

PRC REGIONAL AFFAIRS

EAST REGION

Jiangsu County Leaders Punished for Dereliction O 1
Jiangsu Sends 600 Cadres to Countryside O 1

CENTRAL-SOUTH REGION

Henan Conference on Autumn Grain Production P 1
Hubei Safety Inspection Group Finds Many Problems P 1
Hubei Leader on Rural Tasks, Peasants Association P 2
Hunan Meeting Views Armed Forces Departments P 2

SOUTHWEST REGION

Guizhou Holds Political-Legal Work Conference Q 1
Guizhou Conference Stresses Spring Farmwork Q 1
Sichuan Holds Land Management Work Conference Q 1
Xizang Meeting Views Cadre Selection Principles Q 2

NORTHWEST REGION

Gansu Circular on Indiscriminately Felling Trees T 1
Ningxia Secretary at PLA Commendation Rally T 1
[NINGXIA RIBAO 31 Mar]
Qinghai Radio Stresses Planned Parenthood Work T 2
SHAANXI RIBAO Urges Improving Party Style [11 Apr] T 3
Xinjiang Urges Fighting Drought in Spring Farmwork T 3

HONG KONG MEDIA ON CHINA

'Text' of Gu Mu Press Conference on SEZs W 1
[TA KUNG PAO 11 Apr]
Nuclear Ministry To Manage Daya Bay Nuclear Plant W 6
[HONG KONG STANDARD 11 Apr]
PRC To Supply Fuel for Nuclear Power Plant W 7
[SOUTH CHINA MORNING POST 11 Apr]
General Manager on Nuclear Plant's Current Tasks W 8
[SOUTH CHINA MORNING POST 12 Apr]
WEN WEI PO Reports on PRC Uranium Resources [12 Apr] W 9
Personnel Transfer in Nuclear Ministry Reported W 10
[WEN WEI PO 11 Apr]
State Council To Set Up Reform Plans Study Group W 10
[TA KUNG PAO 9 Apr]

ZHAO ZIYANG MEETS WORLD FOOD PROGRAM CHIEF

OW142130 Beijing XINHUA in English 1621 GMT 14 Apr 86

[Text] Beijing, April 14 (XINHUA) -- Chinese Premier Zhao Ziyang said here today that China will continue its cooperation with the World Food Programme. Zhao made these remarks at a meeting with James Ingram, executive director of the organization, his wife and their party here this afternoon.

Zhao noted that the World Food Programme has done a great deal of useful work, providing Third World countries which have low incomes and suffer from famine with grain assistance and foodstuffs. Zhao expressed his appreciation of Ingram's efforts to promote cooperation between the World Food Program and China, adding that China supports the World Food Programme's activities. He said China has a population of one billion. In the past few years, it grain production has been getting better. China exports some grain, and it also imports some, to ensure a supply of different varieties.

Ingram said China's self-sufficiency in grain is still at a low level, and the World Food Programme will continue its cooperation with China. He said fruitful results have been achieved in agricultural cooperation between the World Food Programme and China. This experience can be drawn on by other developing countries.

Zhao said China's successful cooperation with the World Food Programme in agricultural projects will help eliminate some doubts on the effectiveness of food aid. He said that it is necessary to provide some developing countries with urgent grain assistance. But the most important thing is to start agricultural cooperation projects with them.

Ingram, his wife and their party arrived here yesterday for a friendly visit to China at the invitation of Minister of Agriculture, Animal Husbandry and Fisheries He Kang. This morning He Kang and Ingram held talks, and in the evening He Kang gave a banquet for the visitors. Manfred Kulessa, resident coordinator of the United Nations systems operational activities for development was present at the banquet.

YAO YILIN MEETS UN DISASTER RELIEF OFFICIAL

OW111427 Beijing XINHUA in English 1304 GMT 11 Apr 86

[Text] Beijing, April 11 (XINHUA) -- Vice-Premier Yao Yilin met Mohamed Essaafi, Under Secretary-General of the United Nations and UN disaster relief co-ordinator, Mrs Essaafi and his party here this afternoon in the Great Hall of the People. Essaafi told the Chinese vice-premier that after visiting some of China's anti-calamity establishments he held that China should be called a model in anti-calamity and relief work. Yao thanked the UN Disaster Relief Office for its cooperation in this regard. Since Essaafi and his party arrived here on April 5, Chinese Minister of Foreign Economic Relations and Trade Zheng Tuobin met and gave a banquet for them. The guests also called on Minister of Civil Affairs Cui Naifu.

REPORTAGE ON U.S. RAID AGAINST LIBYA

U.S. Spokesman Announces Strike

OW150406 Beijing XINHUA in English 0348 GMT 15 Apr 86

[Text] Washington, April 14 (XINHUA) -- The United States carried out air strikes against Libya shortly before 0 a.m. GMT today, the White House announced tonight. White House spokesman Larry Speakes told reporters the "carefully planned" U.S. military strikes against Libya lasted less than half an hour. He did not cite specific targets the U.S. had hit. However, ABC news reported that at least five Libyan targets have been hit, and all the U.S. airplanes have returned safely.

Speakes said U.S. President Ronald Reagan ordered the strikes because of evidence that Libya had been involved in the bombing of a discotheque in West Berlin on April 5 which killed one American and injured about 60. The action was taken because there are evidences that further attacks against American targets were planned by Libya, Speakes said. According to Speakes, the targets attacked in Libya this evening are "terrorist related targets" and "the United States has chosen to exercise its right to self-defense." He said Libya "bears direct responsibility for the bombing in West Berlin on April 5."

He said: "It is our hope this action will pre-empt and discourage Libyan attacks against innocent civilians in the future." He said U.S. forces struck targets that were part of Libyan leader Mu'ammar al-Qadhdhafi's "terrorist infrastructure, the command and control systems, intelligence, communications, logistics and training facilities. These are sites that allow Al-Qadhdhafi to perpetuate terrorist acts."

Speakes announced U.S. President Ronald Reagan will speak to the nation on the U.S. military strike against Libya at 9 p.m. EST (2 a.m. GMT).

U.S.-Libya relations have been further intensified after the U.S. military confrontation with Libya in the Gulf of Sidra. The action irritated Libya, who regards the Gulf of Sidra as its territorial waters and launched six missiles against U.S. aircraft but missed the target. The United States struck back, sinking three Libyan boats and damaged another. The U.S. also hit twice a Libyan missile site.

Then on April 2, a U.S. TWA Airliner was hit by a bomb when the plane was flying from Rome to Athens. The explosion killed four Americans. On April 5, a bomb exploded in a West Berlin disco, killing one American and injured about 60 others. Since then, the United States has made many public statements indicating that Libya might be involved in these bombings. Reagan threatened last Wednesday that the United States would retaliate against Libya if enough evidence could be found on Libya's involvement in the bombings.

After that, both the White House and the State Department adopted a "no comment" policy. Observers here held that the silence meant that U.S. preparations were underway against Libya. Earlier reports said the United States would wait until Vice President George Bush and Defense Secretary Caspar Weinberger came back from their visits abroad. Now both of them have returned home. The U.S. has also sent envoys to Europe to consult with its allies on possible actions against Libya.

Till 7 p.m. today no official news of U.S. military action had been disclosed. Speakes's impromptu news briefing was made after the U.S. military action was over.

Reagan Addresses Nation

OW150436 Beijing XINHUA in English 0406 GMT 15 Apr 86

[Text] Washington, April 14, (XINHUA) -- U.S. President Ronald Reagan tonight defended the U.S. decision to strike Libyan targets, saying that "we have done what we have to do, if necessary, we should do it again."

He announced that at 7 p.m. EST (00:00 a.m. GMT) the U.S. airplanes carried a series of air strikes against Libyan targets and he described the U.S. mission as successful. Reagan said that the evidence "is now conclusive" that the West Berlin discotheque bombing "was planned and executed under the direct orders of the Libya regime."

"Our evidence is direct, it is precise, it is irrefutable," declared the President. He said the military action was taken after other measures failed to stop Libya's terrorist actions.

After Reagan's speech, U.S. Secretary of State George Shultz and Secretary of Defense Caspar Weinberger also briefed reporters at the White House. Shultz said the United States informed the charge d'affaires of the Soviet Embassy in Washington that the U.S. action was directed against Libyan leader Mu'ammar al-Qadhdhafi and not to the Soviet Union. Weinberger told reporters that U.S. airplanes had attacked targets both in the eastern and western parts of Libya.

Weinberger Remarks

OW151016 Beijing XINHUA in English 0950 GMT 15 Apr 86

[Text] Washington, April 14 (XINHUA) -- U.S. Defense Secretary Caspar Weinberger said tonight the United States used a combination of 500-pound and 2,000-pound laser guided weapons and precision guided delayed gravity bombs to attack targets in eastern and western Libya at 7 p.m. EST (0:00 a.m. GMT) today. He said about 18 U.S. F-111's, 15 A-6s and A-7s and supporting aircraft were involved in the attacks -- reportedly the largest American air raid since the Vietnam War.

Weinberger said the U.S. Third Air Force attacked targets in western Libya where, the military airport near Tripoli is located. He called the military barracks attacked by the United States as "a command and control headquarter of the Libyan terrorist activities." U.S. forces also attacked a training area, including a maritime diver training unit. At the same time, Weinberger said, U.S. A-6s from the U.S. aircraft carriers "the America" and "the Coral Sea" attacked targets in eastern Libya. U.S. forces attacked another barrack which is an alternate command post from the Tripoli barracks. Another air base from which defensive suppressive activities in air defense could be mounted was also hit, he said.

Reports from Tripoli, the Libyan capital, said the U.S. raid on the city damaged an air base and the headquarters of Libyan leader Mu'ammar al-Qadhdhafi. His residence was also hit and members of his family were injured, Libyan radio announced. He said all of the targets "were terrorist-related."

He said the Benina Air Base in the east "was closed" and incapable of launching any aircrafts. He said there were "no lights, no radar, no communication" at the airport as a result of the U.S. attack.

Weinberger said all the U.S. navy planes involved in the attack returned without casualty, and all of the F-111s with one exception had been accounted for. He declined to say whether the one that is not accounted for had been downed by the Libyans.

The U.S. raid came at 2 a.m. local time, awakening terrified residents in Tripoli who poured into the streets on foot and in their automobiles, jamming roads and honking their horns as smoke from the attack drifted across the city, U.S. journalists reported from Tripoli. Libyan radio claimed that Libya downed three U.S. aircraft.

Tripoli Says Three Planes Down

OW150544 Beijing XINHUA in English 0525 GMT 15 Apr 86

[Text] Beijing, April 15 (XINHUA) -- The Libyan capital of Tripoli was hit early this morning by at least four U.S. air strikes, according to foreign news agency reports received here today. Ground gunners returned volleys of anti-aircraft fire from the direction of the Tripoli port and an explosion was seen in the western part of the city.

Libyan radio began playing martial music soon after the first air-raid, which was followed by a series of slogans. Radio Tripoli said in a report U.S. planes bombarded Libyan leader Col. Mu'ammar al-Qadhdhafi's living quarters in Tripoli and (?members) of his family were hit. The radio did not say anything about the colonel or specify if he was in the barracks where he and his family live at the time of the air raids. But "foreign civilians" were among the casualties, the radio said, without mentioning if they had been wounded or killed.

"Three American planes were shot down" and "their pilots killed", the radio said without giving further details.

The strikes came as U.S. President Ronald Reagan was reported to be ready to address the United States following days of speculation about U.S. military actions in retaliation for what Washington has alleged as Libya's involvement in terrorist attacks.

Events Leading to Strike Described

OW150354 Beijing XINHUA in English 0341 GMT 15 Apr 86

["Backgrounder: U.S. Attacks on Libya" -- XINHUA headline]

[Text] Washington, April 15 (XINHUA) -- U.S. aircraft Monday attacked Libyan targets in retaliation against what the United States called "Libyan terrorist activities," the White House announced.

Observers here noted that the attack was expected. Since the U.S.-Libyan clash in the Gulf of Sidra on March 24, President Ronald Reagan has threatened to take new measures against Libya. But many people, including some leaders in West European countries, had predicted that the attack would not come before Monday, when Reagan would meet his advisers to make a final decision on military actions against Libya.

Last weekend, Reagan sent some senior officials to Western Europe to explain U.S. attitude toward Libya and seek support from allies. But most of the West European countries seemed reluctant to follow the United States in imposing sanctions against Libya and had reservations over a new U.S. attack against Libya.

Last month, the United States staged a large scale maneuver in the Gulf of Sidra off the Libyan coast, involving four of its 14 aircraft carriers. In clashes with Libyan forces, U.S. forces sank a number of Libyan patrol boats, raided a radar installation and twice bombed a missile site on Libyan territory. After the incident, Libyan leader Mu'ammar al-Qadhdhafi called for attacks against U.S. targets worldwide.

The United States insisted that both the bomb explosion of the TWA flight 840 on April 2 over Athens and the bomb attack against a West Berlin discotheque on April 5 had a Libyan background. Four people died on flight 840 and two people were killed and more than 200 wounded in the bombing of the West Berlin nightclub.

Last Saturday, Libya announced it would move troops from some military bases and transfer the sites to foreign oil and petrochemical companies to ward off a possible U.S. attack. "We have closed all the military camps specified by the United States to be attacked," announced Qadhdhafi. "We have handed them over to foreign companies to repair and maintain to be used as residences for workers of the oil fields and petrochemical companies in the future."

Now, about 1,000 Americans and 1,000 Britons are working in Libya.

Reports said that two U.S. aircraft are now in the Mediterranean off the northern coast of Libya.

REACTION TO U.S. ATTACK ON LIBYA

PRC Condemns Attack

OW150758 Beijing XINHUA in English 0752 GMT 15 Apr 86

["Chinese Government Expresses Concern Over Renewed U.S. Attack on Libyan Territory" -- XINHUA headline]

[Text] Beijing, April 15 (XINHUA) -- The Chinese Government today expressed deep concern and anxiety over the renewed U.S. attack on the Libyan territory, condemning this act as violating the norms governing international relations.

A spokesman of the Chinese Foreign Ministry made remarks in connection with the renewed U.S. attack made in the small hours today by the U.S. military forces in the Mediterranean. The spokesman said that this had drastically worsened the situation in the Mediterranean and the Middle East. "The Chinese Government expresses its deep concern and anxiety and condemns such an act of attacking the territory of another state and encroaching upon its sovereignty in violation of the norms governing international relations," he said.

"The Chinese Government has always opposed and condemned all forms of terrorism and opposed the use of terrorist means in carrying out political struggle," the spokesman said. "At the same time, we are against the encroachment upon the territory of a sovereign state under the pretext of striking terrorism." He said, "We have always in favor [as received] of seeking a fair and reasonable settlement of differences among states through peaceful dialogue. The use or threat of force could only further complicate an issue rather than facilitate its settlement.

"We ask the U.S. Government to stop forthwith its encroachment upon the territory and sovereignty of Libya and call on the parties concerned to exercise restraint, cease hostilities and avoid the further deterioration of the situation in the interest of the maintenance of peace and stability in this region."

Attack Called 'Flagrant Violation' of Law

OW151243 Beijing XINHUA in English 1232 GMT 15 Apr 86

["Commentary: U.S. Air Strikes on Libya Violate International Law" -- XINHUA headline]

[Text] Beijing, April 15 (XINHUA) -- U.S. White House Spokesman Larry Speakes announced last night that the United States has launched "a series of carefully planned air strikes" against Libya, including its capital Tripoli.

This is the second encroachment by the United States within a month on an Arab sovereign state. The U.S. act has flagrantly violated the norms of international law and severely jeopardized the peace and security of the Mediterranean region, and thus should be opposed and condemned.

The repeated U.S. violation of Libyan territory and air space although carried out under the pretext of "opposing terrorism" and "retaliating upon terrorist activities" cannot but reveal Washington's real intention -- pursuing power politics and the policy of gunboat.

It is true that the resort to activities, such as kidnapping, murder, hijacking, explosion and holding of hostages, in international politics, has always been condemned by the international community. It has also been intolerable to all the justice-holding countries that in handling inter-state relations, a strong power should use military force to threaten others, trample upon the sovereignty of other countries, subvert their government and aggravate international tension.

In using its gigantic military machines to attack successively on two occasions a small county with a population of three million, the United States might have won some temporary advantages over Libya. But, it is a moral loser for the day when big powers can wantonly sway their power has long gone and the act of the strong bullying the weak has become very unpopular in the world today.

The Arab-Israel conflict, the internal disorder in Lebanon and the endless Iran-Iraq war have already inflicted tremendous sufferings on the people of the Middle East Area. The U.S. attack of Libya has made the mid-east issue ever more complicated. This situation is harmful to world peace and benefits neither the United States nor Libya. It cannot but arouse grave concern and attention of the international community.

USSR Criticizes Attack

OW150918 Beijing XINHUA in English 0908 GMT 15 Apr 86

[Text] Moscow, April 15 (XINHUA) -- The Soviet official news agency TASS said today that the United States "has moved to naked aggression" by launching an air attack against Libya and that "it is yet too early to speak of the consequences of this new act of state terrorism."

In a signed commentary, issued shortly after Washington announced the air strikes against Libya, TASS said "American imperialism has perpetrated a new bloody crime" and has started speaking "in its true tongue - the tongue of bombs, flames and death."

TASS compared the attack to U.S. actions in Vietnam, Nicaragua and the Caribbean Island of Grenada. TASS said that Washington's attack is aimed at "trying to intimidate the Libyan people and also to show the other nations that the present American administration will not stop short of using military force to fulfill its hegemonistic political plans."

Earlier, TASS reported the U.S. raid in a "flash" which is rarely used for foreign news.

The White House announced on Monday night that the United States carried out "carefully planned" air strikes against Libya to retaliate the recent terrorist attacks in which Libya was allegedly involved.

BEIJING REVIEW ON SHULTZ'S MEDITERRANEAN VISIT

OW141205 Beijing BEIJING REVIEW in English 14 Apr 86 p 10

[By Zhang Qihua]

[Text] United States' Secretary of State George Shultz's 10-day trip to France, Turkey, Greece and Italy late in March was clouded by the outbreak of military conflict between the United States and Libya. He had to spend much of his time discussing, and no doubt defending, the U.S. position in the Mediterranean, as well as talking about how to cope with the growing widespread terrorism.

The United States had hoped its allies would support its actions in Libya, in which U.S. Navy jet fighters bombed a military installation in the town of Surt and attacked Libyan patrol boats in retaliation for earlier missiles fired at U.S. aircraft by Libya. However, the Mediterranean countries he visited, though differing in their stand, all expressed concern over the situation in the Mediterranean.

In a communique after talks between Shultz and Italian Prime Minister Bettino Craxi, both nations said they were willing to make efforts to reduce tension in the Mediterranean. They also announced that they were discussing a co-operation agreement that aims to combat terrorism. Yet the Italian and Greek leaders criticized the U.S. military actions in the Gulf of Sidra.

Shultz spent most of his time in Greece and Turkey, both members of the Northern Atlantic Treaty Organization. Positioned in the strategically important eastern part of the Mediterranean, and serving as the communications hub between Asia, Africa and Europe, both Greece and Turkey have historically been wooed by the West. But for decades the two countries have been at odds over the issue of Greeks and Turks in Cyprus. The two neighbours also have territorial disputes in the Aegean sea. This has left the southeastern flank of the NATO much weakened.

The United States has defence and economic co-operation pacts with both Greece and Turkey. The contracted terms for use of land for the U.S. military bases expired in 1985 in Turkey and will expire in 1988 in Greece. Shultz stressed the U.S. concern about peace and stability in the area, declaring the United States approved the draft proposal recently raised by the secretary general of the United Nations and considered it a way of settling the Cyprus issue. But Shultz persuaded neither of them. Greece insisted on troop withdrawal by Turkey from Cyprus and criticized the UN draft for giving no attention to troop withdrawal. Meanwhile, Turkey said it would not withdraw its troops until the security of the Turks in Cyprus could be safeguarded. The latter also publicly refused the UN secretary general's draft.

On the issue of the U.S. military bases in the area, the future looks shaky in both countries. While negotiations on the issue between the United States and Turkey have been maintained for six months, Shultz left the country with no new agreements on defence to take back to the White House. The initial five-year defence agreement with Turkey expired last December but continues to hold weight until either a new agreement is reached or Turkey formally denounces the old one. Shultz told reporters back in Washington that a renewed agreement on the military bases was delayed because Turkey continued to link the renewal to major trade concessions by the U.S. Turkey has also asked for an increase in aid to U.S. $1.2 billion a year from about U.S. $750 million. However, Shultz said negotiations would continue between lower level officials.

The Greek government has repeatedly stated it will close up the U.S. military bases when its pact with the U.S. expires. And recently more demonstrations against the United States have surfaced on the streets of Athens.

Although no concrete agreement on the issue of military bases was reached, both Shultz and Prime Minister Andreas Papandreous expressed satisfaction over their talks, declaring much progress was made in relations between their two countries. The Greek government has promised to give an answer on the U.S. bases long before the five-year agreement expires in two years.

At the same time, Shultz promised to step up economic aid and co-operation in investment, tourism, and data and technological transfer between the United States and Greece.

The relationships between the United States, Turkey and Greece have always been complicated and delicate. Although Shultz's visit has created an atmosphere for improved relations with the two countries, the United States still has a long way to go before reaching solid ground -- and securing its military bases in the two Mediterranean countries.

SHEVARDNADZE, QIAN QICHEN MEET ON NORMALIZATION

Shevardnade Receives Qian

OW141304 Beijing XINHUA Domestic Service in Chinese 1228 GMT 14 Apr 86

[Text] Moscow, 14 Apr (XINHUA) -- Soviet Foreign Minister Shevardnade received here today Qian Qichen, special envoy and vice foreign minister of the Chinese Government, who is attending the Sino-Soviet consultations in Moscow. The two sides exchanged views concerning normalization of relations between the two countries. Qian Qichen said that the Chinese leaders sincerely hoped for an early normalization of relations between China and the Soviet Union and for gradual removal of the obstacles in Sino-Soviet relations. The purpose of the consultations is to discuss and solve these problems.

Ilichev, special envoy and deputy foreign minister of the Soviet Government, and Chinese Ambassador to the Soviet Union Li Zewang were present at the meeting. Qian Qichen arrived in Moscow on 6 April to attend the eighth round of the Sino-Soviet consultations.

Exchange of Views

OW141525 Beijing XINHUA in English 1520 GMT 14 Apr 86

[Text] Moscow, April 14 (XINHUA) -- Soviet Foreign Minister Eduard Shevardnadze met special envoy of the Chinese Government and Vice Foreign Minister Qian Qichen here today. They had an exchange of views on the normalization of relations between the two countries. Qian arrived in Moscow on April 6 for the eighth round of Sino-Soviet consultations on the normalization of relations between the two countries. The new round began on April 7.

He said at the meeting today that it is the sincere hope of the Chinese leaders to see an early normalization of Sino-Soviet relations on the basis of the five principles of peaceful co-existence, while the obstacles lying in the way of Sino-Soviet relationship should be removed step by step. The consultations are help precisely for discussing and thrashing out these problems, The Chinese vice foreign minister added. Present at the meeting were Soviet special envoy and Vice Foreign Minister Leonid Ilichev and Chinese Ambassador to the Soviet Union Li Zewang.

'Text' Of Communique

OW141400 Beijing XINHUA Domestic Service in Chinese 1327 GMT 14 Apr 86

[Text] Moscow, 14 Apr (XINHUA) -- A press communique was issued here after conclusion of the eighth round of Sino-Soviet Consultations. The full text of the communique reads as follows:

The eighth round of Sino-Soviet Consultations was held in Moscow from 7 to 14 April 1986.

Qian Qichen, special envoy and vice foreign minister of the Chinese Government, and L.F. Ilichev, special envoy and deputy foreign minister of the Soviet Government, continued their exchange of views concerning normalization of Sino-Soviet relations and a number of international issues. They pointed out that the two countries had expanded their ties and contacts in various fields. They also reiterated the willingness to further improve and develop relations between the two countries in political, economic, scientific and technological, cultural, and other fields.

The consultations were held in a frank, tranquil, and earnest (tan shuai ping jing he ren zhen di) atmosphere.

Both sides held that the consultations and dialogue were useful. They decided that the next round of consultations will be held in Beijing in October 1986.

Report on Communique

OW141732 Beijing XINHUA in English 1703 GMT 14 Apr 86

[Text] Moscow, April 14 (XINHUA) -- China and the Soviet Union have reaffirmed their readiness to further improve and expand the relations between the two countries in various fields, said a communique released here today.

Issued at the end of the eighth round of Sino-Soviet consultations on the normalization of relations between the two countries, which took place in Moscow from April 7 to 14, the communique said special envoy of the Chinese Government and Vice Foreign Minister Qian Qichen and his Soviet counterpart Leonid Lilichev continued an exchange of views on the normalization of Sino-Soviet relations and on some international issues.

Both sides noted that there has been an expansion of links and contacts in many fields between the two countries and they reiterated their readiness to further improve and expand the relations between the two countries in the political, economic, scientific and technological, cultural and other fields, the communique said. The eighth round of consultations proceeded in a frank, calm and earnest atmosphere, it added.

The communique noted that the two sides deemed the consultations and dialogue to be useful and agreed that the next round of consultations will be held in October this year, in Beijing.

Contradiction of Views

HK150804 Hong Kong AFP in English 0744 GMT 15 Apr 86

[By Pierre-Antoine Donnet]

[Text] Beijing, April 15 (AFP) -- The eighth round of talks on normalization of Sino-Soviet relations were useful but ended with no tangible results, the head of the Chinese side said here Tuesday. "I cannot say there was any result," said Qian Qichen, vice-foreign minister, who was speaking at the airport on his return from Moscow where the talks ended Monday. Mr. Qian also said he had not heard about a Soviet proposal for a meeting between top Soviet and Chinese leaders Mikhail Gorbachev and Deng Xiaoping.

A report by the Soviet news agency TASS had said the idea was put forward Monday during a meeting between Mr. Qian and Soviet Foreign Minister Eduard Shevardnadze. Mr. Qian said the Soviet side had made a new proposal to raise the level of the political dialogue, but that "there was nothing concrete in it". However, he said that "if one wants to speak about a result," of the latest talks, "we could say (the negotiations) have been useful," Mr. Qian said.

A joint communique issued after the talks said the two sides were ready "to further improve and expand relations in political, economic, scientific and technological, cultural and other fields".

Western diplomats here said that the joint communique, almost identical to the one issued after the seventh round of talks in October, suggested that no real progress had been made.

The Chinese official said that an exchange of visits by foreign ministers was not discussed during his stay in Moscow, implicitly rejecting the idea of a visit to the Soviet Union in the near future by Chinese Foreign Minister Wu Xueqian. Informed East European sources said that Mr. Wu was to visit East Germany and Hungary from May 30 to June 6, the first visit to the Soviet bloc by China's top diplomat since the Sino-Soviet split over ideological differences in the early 1960's. Mr. Wu is to visit the Eastern Bloc countries follwing official visits to Finland, Norway, Iceland, Belgium, Luxembourg and Denmark. Returning to China, the Chinese minister is to make a stopover in the Romanian capital, but is not scheduled to stop in the Soviet Union, the sources said.

Mr. Qian's statements contradicting the TASS report over a Deng-Gorbachev meeting provided a vivid illustration of the differences in the way China and the Soviet Union have sought to present the improvement in their relations over the past few months, Western analysts here said.

At the end of 1985, Moscow announced with great fanfare that the two foreign ministers would exchange visits, for the first time in more than 20 years. The Soviet side even specified dates, saying Mr. Wu would go to Moscow in May or June, and Mr. Shevardnadze would travel to Beijing in the autumn.

Soon afterwards, China said that no dates had been set and added that there had been no progress in improving political relations with the Soviet Union. Beijing let it be known that it was profoundly irritated at the Soviet refusal to discuss the "three obstacles" impeding normalization of relations. The three obstacles cited by Beijing are Moscow's support for the Vietnamese occupation of Cambodia, the Soviet military presence in Afghanistan and the Soviet troops stationed along China's northern border.

Relations between the two communist giants had begun to improve significantly -- particularly in the trade field -- after negotiations on normalizing relations were initiated in 1982 and visits of high officials exchanged in 1984 and 1985.

Trade soared to more than 1.9 billion dollars last year from the 1981 level of 300 millions dollars. For the first time since 1960, Soviet experts are to help modernize Chinese factories built with Soviet assistance in the 1950's. Peking is to hold a first trade exposition in Moscow in July and plans to send a delegation to study cooperation in the nuclear power field.

Qian Qichen Returns Home

OW142208 Beijing XINHUA in English 2145 GMT 14 Apr 86

[Text] Moscow, April 14 (XINHUA) -- Qian Qichen, Chinese special envoy and vice-foreign minister of China, left here for home today after the eighth round of the Chinese-Soviet consultation. During the period of consultation, Qian paid a visit to the western Soviet City of Minsk.

FURTHER COVERAGE OF WU XUEQIAN VISIT TO JAPAN

Meets Political Leaders

OW142233 Beijing XINHUA in English 2215 GMT 14 Apr 86

[Text] Tokyo, April 14 (XINHUA) -- Visiting Chinese Foreign Minister Wu Xueqian and Japanese friends have pledged further efforts for a long-term stable development of Sino-Japanese relations as well as for economic and technical cooperation.

Their pledge was voiced here today when Wu Xueqian met separately with Vice-President Susumu Nikaido of the Liberal Democratic Party (LDP), LDP Secretary-General Shin Kanamaru, Chairman Kiichi Miyazawa of the LDP Executive Board, and Minister of Finance Noboru Takeshita. Chinese Ambassador to Japan Zhang Shu was present on the occasion. The Chinese minister and his party were entertained this morning and yesterday respectively by President Masayoshi Ito of the Japan Dietmen's League for Japan-China friendship and president Yoshihiro Inayama of the federation of economic organizations.

The Chinese ambassador hosted a reception here tonight in honor of Wu. LDP Vice-President Susumu Nikaido, Chairman Yoshikatus Takeiri of the Central Executive Committee of Komeito (Komei Party), Minister of International Trade and Industry Michio Watanabe, Minister of Agriculture, Forestry and Fisheries Tsutomu Hata, and Vice-Speaker Iseichi Katsumada of the House of Representatives attended the reception. President Chen Kunwang of the Tokyo Association of Chinese residents was also present. Wu Xueqian and his party, who returned here from Hakone yesterday, will leave tomorrow for a visit to Fukuoka, Oita and Osaka.

Holds Press Conference

OW142237 Beijing XINHUA in English 2219 GMT 14 Apr 86

[Text] Tokyo, April 14 (XINHUA) -- Visiting Chinese Foreign Minister Wu Xueqian said here today that he and Japanese leaders share full confidence in the future of Sino-Japanese relations.

Wu told a news conference at the National Press Club that they all believe the good-neighborly relations between the two nations will last and be developed steadily into the 21st Century. Wu said the problems existing between the two countries will be easy to solve if the two sides carefully observe and respect each other's national feelings and consult in a sincere and friendly manner. Strengthened coordination and cooperation in international affairs between the two important countries in the Asian and Pacific region are of great significance to peace in the region and the world, Wu pointed out.

Asked about negotiations for a China-Japan agreement on investment protection, Wu said the Chinese Government has always been enthusiastic towards signing such an agreement since the two countries have close economic ties. He expressed the hope that in the negotiations either side should try to avoid raising requirements unacceptable to the other side or impossible for it to fulfill.

On the Kampuchea issue, Wu said no solution can be found with China, but with both the Vietnamese aggressors and the Kampuchean resistance forces, while the Association of Southeast Asian Nations (ASEAN) plays an important role. Hanoi's rush rejection of the eight-point proposal put forward by the Coalition Government of Democratic Kampuchea shows that Vietnam is not sincere in its talks about a political solution, Wu said.

Wu described the Soviet proposal for an Asian collective safety system as "mere lip service" as long as Moscow refuses to remove the three major obstacles in Sino-Soviet relations and on other issues.

China has identified the three obstacles as Moscow's backing for the Vietnamese occupation of Kampuchea, the Soviet occupation of Afghanistan and heavy Soviet military deployment along the Chinese border.

XI ZHONGXUN ATTENDS KIM IL-SONG BIRTHDAY PARTY

OW142008 Beijing XINHUA in English 1952 GMT 14 Apr 86

[Text] Beijing, April 14 (XINHUA) -- Sin In-ha, ambassador of the Democratic People's Republic of Korea to China, gave a banquet at the Embassy here tonight in celebration of the 74th birthday of Korean President Kim Il-song.

Among those present were Xi Zhongxun, member of the Political Bureau and Secretariat of the Chinese Communist Party Central Committee, Zhu Liang, head of the International Liaison Department of the CPC Central Committee, and Liu Shuqing, vice-minister of foreign affairs. In his speech, Sin In-ha said that President Kim Il-song's career represents the course of the Korean people's struggle to recover their fatherland and liberate their countrymen, and demonstrates his loyalty to the country, the people and the revolution.

Xi Zhongxun said that Comrade Kim Il-song has guided the Korean revolution and construction from victory to victory, and added an illustrious chapter to the history of Korea. Xi reiterated China's consistent stand of firmly supporting the Korean people in their just struggle for the reunification of the country.

They both proposed toasts to the health and long life of President Kim Il-song and the continuous growth of Sino-Korean friendship.

HU YAOBANG MEETS BELGIAN PARTY DELEGATION

OW150942 Beijing XINHUA in English 0931 GMT 15 Apr 86

[Text] Beijing, April 15 (XINHUA) -- Chinese Communist Party General Secretary Hu Yaobang said here today that it would be "enlightened and farsighted" of developed countries to help underdeveloped countries prosper.

Speaking to a delegation from the Flamand Socialist Party of Belgium, Hu said developed nations would receive long-term benefits from the ending of underdevelopment and the recovery of most of the world from its economic depression. Hu said China seeks long-term relations of friendship and cooperation with developed countries.

Karel van Miert, Flamand Socialist Chairman, said his party and the Chinese Communist Party have similar views on the issues of peace and development. In that context, he pointed out that his party stands for a united Europe that would support the efforts of the Third World. "This would contribute to the security of Europe as well," he said.

Hu said economic cooperation between China and Belgium had been "fruitful," and that he hoped it would expand. Van Miert said his party will work for Belgian-Chinese economic cooperation and for friendly ties between the two parties.

PAPANDREOU RETURNS TO GREECE FOLLOWING PRC VISIT

OW112035 Beijing XINHUA in English 1950 GMT 11 Apr 86

[Text] Athens, April 11 (XINHUA) -- Greek Prime Minister Andreas Papandreou returned here late this afternoon from his four-day official visit to China. Papandreou was received at the airport by Greek Deputy Prime Minister Ioannis Haralambopoulos, Minister to the prime minister Akis Tsokatzopoulos and other government officials. Speaking to Fan Chengzuo, charge d'affaires of the Chinese Embassy here who was also at the airport to welcome the Greek Prime Minister, Papandreou and his wife Margaret described their visit as excellent. "I'm deeply impressed with the trip," the Greek prime minister said.

ITALIAN COMMUNIST PARTY CONGRESS CLOSES

PRC Foreign Policy Viewed

OW101401 Beijing XINHUA in English 1246 GMT 10 Apr 86

[Text] Rome, April 9 (XINHUA) -- Alessandro Natta, general secretary of the Italian Communist Party, said today his party considers negotiations as a positive way to promote co-existence, detente and mutual and limited disarmament. Natta, delivering a three-hour address to 1,091 party members and delegations from around the world assembled for the 17th National Congress of the Italian Communist Party, said Italian communists favor the restoration of people's rights that have been infringed upon in the Middle East, Afghanistan, Indochina, Central and Latin America and South Africa.

In his speech--which was warmly applauded by the audience--Natta explained his party's relationship with the Soviet Communist Party. "We have long refused to join in the camp," Natta explained, "Because of our responsible approach toward the international reality and our intention to urge Italian contributions to world peace." While praising Soviet leader Mikhail Gorbachev's recent proposals on disarmament, Natta said that Italian communists demand that Moscow withdraw its troops from Afghanistan as soon as possible.

As for China, Natta said he appreciates Beijing's foreign policy, which he described as contributing to peaceful co-existence.

Turning to the relationship between Italy and the United States, Natta said, "We advocate that Italy and Europe should maintain the spirit of acting on their own within the existing treaties, but we have no intention of letting that spirit destroy the American-European ties inherited from history." Natta criticized some party members for failing to distinguish the U.S. authorities from the American people, the Reagan administration from various political forces in the country.

Referring to the problems of the Middle East, Natta defended the rights of the Palestinian people while at the same time condemning terrorism.

Despite expressing great concern over the threat from Libyan leader Mu'ammar al-Qadhdhafi, Natta criticized Washington for creating a threat of war at Italy's front door. He demanded the Italian Government promise that NATO bases in Italy can be used only for the purposes written in the NATO Treaty, and said he favours the proposal for a Mediterranean conference on peace.

On European issues, Natta said Italian communists hope they can help unite leftist and progressive forces in Europe to promote the integration process in the region. He added that his party opposes Italy joining in the U.S. "star wars" project, U.S. President Ronald Reagan's research program to build a space-based nuclear missile defense system.

The last half of the general secretary's report was dedicated to domestic issues. Natta blamed Italy's high unemployment rate and spiralling public debt on the failure of the coalition government of socialist Prime Minister Bettino Craxi to achieve its goals, and stressed the need for a new program. He called on all forces to unite to accomplish reform in Italy.

Leader on Uniting Party

OW131938 Beijing XINHUA in English 1846 GMT 13 Apr 86

[Text] Rome, April 13 (XINHUA) -- General Secretary of the Italian Communist Party Alessandro Natta stated today that the party "will become more united" after the current 17th Party Congress.

In his summary speech to the congress being held in Florence, Natta said that "we become closer with each other not just because we asked each other to give up their own views, but because we strived to listen to and understand each other."

The party general secretary told the participants of the congress, which opened April 9, that the party has experienced severe tests but is faced with new ones ahead. "But all of us will stand these tests with greater confidence and sensibility, for what faces us is a new path," Natta said.

Referring to the situation in the Mediterranean, Natta, leader of the largest communist party in Western Europe, expressed concern over the danger of a war escalation there. He said that terrorism should be dealt with firmly, but a responsible attitude and respect of international rights should replace acts of aggression or war.

The Italian Communist Party supports the government's proposal for a European community meeting on the issue, Natta said. He added the non-aligned countries and people all over the world should urge the U.S. Government to change its foolish policy toward the Mediterranean crisis. The Italian Communist Party is the second largest party in the Italian Parliament with 171 members in the Chamber of Deputies and 90 senators. The President of the Chamber, Leonilde Jotti, is a Communist, so is one of the vice presidents of the Senate.

New Central Committee Elected

OW140807 Beijing XINHUA in English 0710 GMT 14 Apr 86

[Text] Rome, April 13 (XINHUA) -- The 17th National Congress of the Italian Communist Party elected a new Central Committee and a Central Control Committee at its closing session today.

The Central Committee now has 219 members, 34 members more than the previous group. The new Central Control Committee has 61 members. Alessandro Natta was re-elected General Secretary of the Italian Communist Party at a meeting of the two committees tonight. Natta, 68, succeeded the late Enrico Berlinguer as general secretary in 1984.

Congress Ends 13 Apr

OW141126 Beijing XINHUA in English 0843 GMT 14 Apr 86

[Text] Florence, April 13 (XINHUA) -- The Communist Party of Italy ended its 17th National Congress today with the adoption of several documents and the election of a new Central Committee and Central Control Commission.

The theses of the party, one of the leading documents adopted, was approved with only 17 abstentions out of more than 1,000 delegates attending. The theses deals mainly with such problems as how Italian Communists view socialism, the international status of Europe and the Italian Communist Party, social reform and the party's selection process and reform. The draft of the theses was first published in December, but since then some modifications had been proposed by several delegates, including new Central Committee member Armando Cossutta and Petro Ingrao.

Cossutta suggested that the draft these was incomprehensive in its analysis of the international situation and the basic characteristics of U.S. policy. Ingrao raised a proposal for establishing a constitutional government. Some delegates also suggested that the democratic forces of Italy and of all Europe should be independent of the United States, just as the Italian Communist Party maintains independence in its relations with the Soviet Union.

However, before adopting the theses these delegates revoked their amendments. The other two important documents -- the party program and the new Party Constitution -- were also adopted by the congress.

REPORTAGE ON YUGOSLAVIA'S RIBICIC DELEGATION VISIT

Meets With Hu Yaobang

OW120831 Beijing XINHUA in English 0820 GMT 12 Apr 86

[Text] Beijing, April 12 (XINHUA) -- Hu Yaobang, general secretary of the Chinese Communist Party Central Committee, met and feted Mitja Ribicic, member of the Presidency of the League of Communists of Yugoslavia, and his party at noon time today. When Hu Yaobang was in Yugoslavia in 1983, he was received by Ribicic, who was then president of the Presidency of the League of Communists of Yugoslavia.

During the meeting today they briefed each other on the economic developments in their own countries. Present on the occasion were Xi Zhongxun and Hu Qili, members of the Political Bureau of the Chinese Communist Party Central Committee.

Ribicic arrived here on Friday for an informal goodwill visit to China as a guest of Hu Yaobang. Zhu Liang, head of the Liaison Department of the Chinese Communist Party Central Committee, met him at the airport. The Yugoslav guests will leave here for Shanghai later today in the company of Hu Qili.

Visits Shanghai

OW131255 Shanghai City Service in Mandarin 0100 GMT 13 Apr 86

[Text] Mitja Ribicic, member of the Presidium of the League of Communists of Yugoslavia, and his wife and entourage, who are currently on an informal good-will visit in China at the invitation of Hu Yaobang, general secretary of the CPC Central Committee, arrived in Shanghai from Beijing by a special plane at 2130 last night. They were accompanied by Hu Qili, member of the CPC Central Committee Secretariat. Rui Xingwen, secretary of the Shanghai Municipal CPC Committee; Huang Ju, deputy secretary of the Shanghai Municipal CPC Committee; Chen Tiedi, member of the Standing Committee of the Shanghai Municipal CPC Committee; and Zhao Yunjun, director of the Shanghai Municipal Foreign Affairs Office, greeted the guests at the airport. Comrade Rui Xingwen cordially shook hands with Comrade Ribicic and other guests at the side of the airplane, warmly welcoming the honorable guests of Yugoslavia on their visit to Shanghai. Also accompanying the guests on their visit to Shanghai was Zhu Shanging deputy director of the International Liaison Department of the CPC Central Committee. General Secretary Hu Yaobang met Ribicic and his wife and entourage in Zhongnanhai at noon yesterday.

Returns to Beijing

OW141203 Shanghai City Service in Mandarin 0100 GMT 14 Apr 86

[Text] The Shanghai Municipal CPC Committee gave a banquet at the Xijiao Guesthouse last evening in honor of Mitja Ribicic, member of the Presidium of the League of Communists of Yugoslavia, and his wife and entourage. Following the banquet, Ribicic and his wife and entourage, accompanied by Zhu Shanging, deputy director of the International Liaison Department of the CPC Central Committee, returned to Beijing by special plane.

Seeing them off at the airport were Rui Xingwen, secretary of the Shanghai Municipal CPC Committee; Huang Ju, deputy secretary of the municipal committee; Chen Tiedi, member of the Standing Committee of the municipal party committee; and Zhao Yunjun, director of the municipal Foreign Affairs Office.

Accomplished by Hu Qili and Rui Xingwen, the distinguished Yugoslav guests, braving the rain, visited Shanghai County's Honggiao Township and the Baoshan Iron and Steel Complex yesterday morning. They toured Huangpu Jiang by boat in the afternoon.

Bid Farewell by Hu Yaobang

OW142213 Beijing XINHUA in English 2000 GMT 14 Apr 86

[Text] Beijing, April 14 (XINHUA) -- Mitja Ribicic, member of the Presidency of the League of Communists of Yugoslavia, and his party left here for home by air this evening at the end of their China visit. Before their departure, Hu Yaobang, general secretary of the Chinese Communist Party Central Committee, bade farewell to the visitors.

Yesterday, Ribicic and his party visited Hongqiao Township and the Baoshan Steel Works in Shanghai in the company of Hu Qili, member of the Political Bureau of the CPC Central Committee. The Yugoslav visitors were seen off at the airport by Zhu Liang, head of the International Liaison Department of the CPC Central Committee.

POLISH MINISTER 'IMPRESSED' BY PRC AGRICULTURE

OW130804 Beijing XINHUA in English 0745 GMT 13 Apr 86

[Text] Warsaw, April 12 (XINHUA) -- On his return today from a visit to China, Poland's Minister of Agriculture, Forestry and Food Industry, Stanislaw Zieba, said he was greatly impressed by the thriving state of China's agriculture as evidenced by the variety of goods in the markets. In an interview with XINHUA upon his arrival at Warsaw's International Airport, Zieba said that China has carried out its agricultural reform resolutely and as a result its farmers have gained an increased sense of responsibility and show an enthusiastic attitude towards their work.

"We now know through our visit to the countryside and talks with the peasants that the quality and quantity of Chinese agricultural production are improving and the income of peasants is also on the increase. And this is the result of the responsibility system based on family contracts," Zieba said after his tour of Beijing, Heilongjiang and Jilin. Zieba, himself a well-known agricultural expert, said that China's state run farms today have greater decision-making power under the reforms and the linking of wages with production have brought about fine results.

Zieba paid a nine-day visit to China, which he called a success. He said that the agreements reached by the agricultural departments between the two countries will usher in a new phase of cooperation. He noted that to further develop cooperation will benefit both nations and is in line with the basic purpose of the two countries in building socialism.

SIXTH NPC RESOLUTION ON SEVENTH 5-YEAR PLAN

OW141131 Beijing XINHUA Domestic Service in Chinese 1240 GMT 12 Apr 86

[Text] Beijing, 12 Apr (XINHUA) -- Resolution of the Fourth Session of the Sixth National People's Congress on the Seventh 5-Year Plan and on the Report Concerning the Seventh 5-Year Plan (Adopted by the Fourth Session of the Sixth National People's Congress on 12 April 1986)

After earnest examination and deliberation, the Fourth Session of the Sixth National People's Congress decided to endorse the "Report on the Seventh 5-Year Plan" delivered by Premier Zhao Ziyang on behalf of the State Council, and endorse, in principle, the "Seventh 5-Year Plan of the People's Republic of China for National Economic and Social Development" formulated by the State Council.

The session held: During the Sixth 5-Year Plan, China scored tremendous achievements in promoting socialist modernization. Profound changes took place in politics, economy, education, science, culture, public health, national defense, and foreign affairs. A flourishing, lively new situation arose as a result of joint efforts made by people of all nationalities throughout the country. During the period, China effected important changes in its strategy for economic development, in its economic management system, and in its economic relations with foreign countries. These changes conform with state affairs in China and the law governing the development of history. It shows that we are marching along the correct path of building socialism with Chinese characteristics. It is of far-reaching, historical significance in ensuring a sustained, steady, and coordinated economic and social development in China. During the past 5 years, the State Council exercised effective leadership and carried out its organizational work well. The session is satisfied with this.

The session held: While fully reaffirming our achievements, we must soberly realize that west will have shortcomings and errors in our work, and that there will be many difficulties and problems on our road of advance. We must not lower our guard in this matter. We must conscientiously sum up and learn lessons from our past experience; carry out our work even more conscientiously, penetratingly, and meticulously; work with full confidence and in high spirits; and consolidate and develop the current fine situation.

The session held: The guiding ideology, the principle for development, and the arrangements for carrying out reforms set by the Seventh 5-Year Plan are correct. The various tasks of economic and social development set by the plan conform with the requirement of realizing the magnificent goals before the turn of the century. These tasks have been set after considering, in an overall manner, all realistic possibilities. They are positive and reliable, as well as practical and feasible. They can be fulfilled by exerting efforts. If this plan is fulfilled, China will basically be able to operate its economic system in a new orbit, achieve major advances in the socialist modernization drive, and make steady strides on the road of making the country prosperous and strong and making the people rich and happy.

The session held: While persistently giving top priority to reform, comprehensively carrying out reform of the economic system, the science and technology management system, and the educational system, and upholding the principles of invigorating the domestic economy and opening the country to the outside world in vigorously building socialist material civilization, it is also necessary to intensify the building of socialist spiritual civilization, further develop socialist democracy, and improve the socialist legal system, which are important guarantees for successfully implementing the "Seventh 5-Year" Plan.

The session called on the State Council and the local people's governments at all levels to courageously explore and open up a path to march forward, to fully respect the pioneering spirit of the masses, to do an even better job in relying on the masses of cadres and people, to resolutely act according to law, to improve their work style, to raise their work efficiency, and to carry out their work even better in conducting various reforms and doing construction work during the "Seventh 5-Year Plan." The session emphatically pointed out: Efforts must be made to continuously correct unhealthy trends, resolutely strike at criminal activities that seriously disrupt social order and at serious economic crimes, strengthen overall control in maintaining public order, and create an even better social environment for carrying out reforms and construction.

The session also called on the State Council and local people's governments at all levels to continuously strengthen and improve the overall balance in national economy, to pay full attention to strengthening agriculture as the foundation of our national economy, to further promote the coordinated development of agriculture, light industry, and heavy industry, to exercise strict control over the scale of investment in fixed assets, to pay particular attention to accelerating technical and intellectual development, to strive to solve new problems in economic development, and to even more effectively bring about overall and healthy development in promoting economic construction and various social undertakings.

The session held: Due to our limited knowledge and the changes in various conditions, certain new situations that have not been taken into account beforehand or are difficult to predict will definitely crop up in the course of implementing the "Seventh 5-Year" Plan. Therefore, in mapping out a plan for a specific fiscal year on the basis of the "Seventh 5-Year" Plan endorsed by the session, the State Council may effect necessary adjustments in accordance with the actual situation and in close connection with the problems that crop up in the course of implementing the plan.

The session held: Over the past 5 years, China scored significant achievements in foreign affairs and created a new situation. We must continue to adhere to the independent foreign policy for peace, work hard for a lasting international environment for peace, and create fine international conditions for successfully implementing the "Seventh 5-Year" Plan and promoting China's socialist modernization program.

The session also emphatically pointed out: Together with our compatriots in Taiwan, Hong Kong, and Macao and all the descendants of Yan Di and Huang Di who uphold the reunification of the motherland, we must actively promote the contacts and cooperation between the two sides facing each other across the Taiwan Strait, and make continuous and unremitting efforts for the peaceful reunification of the motherland on the basis of the concept of "one country, two systems."

The session called on workers, peasants, intellectuals, cadres, PLA commanders and fighters, public security cadres, and policemen of all nationalities throughout the country, the various democratic parties and mass organizations, democratic personages without party affiliation, and all patriots and laborers who love their socialist motherland to work with one heart and one mind and to unite as one under the leadership of the Communist Party of China, to bring into full play the spirit of the foolish old man who removed the mountains and that of building an enterprise through arduous efforts, to translate the Seventh 5-Year Plan into reality, and to join efforts in triumphantly fulfilling the "Seventh 5-Year" Plan and the magnificant goals before the turn of the century and in building socialism with Chinese characteristics.

COMMENTARY VIEWS CHALLENGES OF 7TH PLAN REFORMS

HK141126 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1307 GMT 13 Apr 86

[Commentary by contributing reporter Xiao Jin: "A Look at Progress in China's Reform in Light of the NPC Session"]

[Text] Hong Kong, 13 April (ZHONGGUO TONGXUN SHE) -- The Fourth Session of the Sixth NPC, with reform as its theme, closed yesterday. This session marks the official introduction of new reform measures during the "Seventh 5-Year Plan" period, which are supported by the people.

The People Unanimously Support Reform

China has encountered various problems and has made various mistakes in the course of reform, and opinions on reform are varied. However, everyone agrees that reform should continue. During group discussions, many NPC deputies voiced the opinion that China's way out is reform and China's hope rests on this. Western reporters in Beijing believe in this. Their reports filed during the NPC session said:

"We can be completely sure that all those in China who are participating in the discussion on reform hold a unanimous opinion regarding the rationality and necessity of the reform."

"Analysts point out: There is almost no doubt that the Chinese Government will carry on reform in the coming 5 years."

Reform Will Make Big Strides During the Seventh 5-Year Plan Period

In what way will China's reform progress in the next 5 years? In his report to the NPC session, Premier Zhao Ziyang has clearly put forth the goal of the reform -- striving to lay down, in 5 years or a longer period, the foundation of a new socialist economic structure with Chinese characteristics. The process of replacing the old structure with a new one and building the framework of a new structure is to be basically completed in the "Seventh 5-Year Plan" period. This shows that China is determined to take a great crucial step after having gained successful experience in reform.

The current objective situation offers the Chinese leaders an opportunity to make big strides in reform. The reform of the economic structure has already greatly invigorated China's economy. Meanwhile, however, many contradictions, conflicts, and loopholes have also shown up in the economic realm. This is because both the new and old economic structures are functioning in the current economic life. The transition from the old structure to the new will take some time. Now that the two structures are at a stalemate, neither of them is dominating the situation. The protraction of such a stalemate will be very unfavorable to reform and economic construction in China. Therefore, Chinese leaders have made up their minds to end this stalemate between the two structures and build the framework of a new structure during the "Seventh 5-Year Plan" period. This is an important step in the reform of the economic structure.

Taking the Challenge by Advancing Three Reform Proposals

Referring to the main tasks of the reform to be carried out in the "Seventh 5-Year Plan" period, Zhao Ziyang put forth three proposals in his report:

-- It is necessary to make greater efforts to invigorate enterprises, especially large and medium-sized enterprises under ownership by the whole people, so as to turn them into relatively independent economic entities and socialist commodity producers and dealers who take the initiative in management and assume sole responsibility for their profits and losses.
-- It is necessary to further expand the socialist commodity market and perfect the marketing system step by step.
-- It is necessary to gradually substitute indirect control for direct control as the means of the state's administration of enterprises, and to set up a new socialist macroeconomic administrative system.

As compared with reform in the past few yeas, the tasks of the reform to be implemented during the "Seventh 5-Year Plan" period will not only expand the results of reform that have been scored, but will also help dispense with some contradictions that have emerged in the reform. Since 1979, substantial progress has been made in the reform of the economic structure, with the principle of simplifying administration and decentralization as its basic idea and the process of building a commodity market and invigorating enterprises as its strategic goal. But some contradictions have also arisen in reform. In the wake of simplification of administration and decentralization, the decision-making power regarding investment has been delegated to enterprises which assume sole responsibility for their profits and losses. This has encouraged reduction of investment scale, a drastic increase in non-productive investment, and a greater part played by light industry in the production structure. All these contradictions have squarely challenged the original reform idea of simplification of administration and decentralization..

To cope with the above contradictions, the three reform proposals to be carried out in the "Seventh 5-Year Plan" period have attached greater importance to macroeconomic control while retaining the principle of invigorating enterprises. These three aspects of reform comprise an integrated whole. Zhao Ziyang has clearly stated: The purpose of the first aspect of the reform is to ensure that enterprises will have the necessary decision-making power and use their power properly; that of the second aspect of the reform is to secure an external economic environment which will give enterprises an incentive and press them to give full play to their vitality; and that of the third aspect of the reform, that is, the process of gradually substituting indirect control for direct control as the means of the state's administration over enterprises, is to ensure that the microeconomic activities of enterprises will better meet macroeconomic needs. This is also a hallmark of the transition from the old structure to the new one. In the course of the reform, China has also drawn inspiration from the experience of developed countries. So long as we can properly make use of antitrust measures, the shaping of groups of enterprises will serve as a great impetus to economic development. In recent years, while invigorating enterprises, China has vigorously promoted lateral economic ties. In doing so, China's very purpose is to facilitate the shaping of groups of enterprises and thus unremittingly push ahead the development of the reform as a whole. On the eve of the NPC session, the State Council promulgated the regulations of certain issues regarding the further enhancement of lateral economic ties. It can be predicted that such lateral economic ties will serve as an "accelerator" in the transition from the old structure to the new one.

FURTHER CLARIFICATION OF FOREIGN ENTERPRISE LAW

OW150856 Beijing XINHUA in English 0810 GMT 15 Apr 86

[Text] Beijing, April 15 (XINHUA) -- Special efforts have been paid [as received] to make the new law on enterprises operated exclusively with foreign capital attractive to foreign investors.

This statement was made by a leading member of the Legislative Affairs Commission under the National People's Congress Standing-Committee. In an exclusive interview with XINHUA here today, he discussed the law on wholly-owned foreign enterprises which was adopted on April 12 at the Fourth Session of the Sixth National People's Congress.

He said that there were two considerations made in drawing up the law. One is to make it attractive to foreign investors, and the other is to guarantee the necessary supervision and administration by China over these enterprises. But priority has been given to the former. Speaking on the preferential treatment given to foreign investors, the official said the foreign investors are very concerned with the problem of balancing their foreign exchange. Generally speaking, he said, they should take care to balance their foreign exchange receipts and payments by marketing their products outside of China. If these enterprises are permitted to market their high-grade products in China to replace imports and consequently experience an imbalance in foreign exchange, the competent authorities shall be responsible for helping the enterprise eliminate any imbalance. The law stipulates that "the production and business programs of the wholly-owned foreign enterprises shall be reported to the competent authorities for the record". The officials explained that the reason for this provision is that many foreign investors may not be familiar with China's laws, regulations, economic structure and administrative system.

He said that the appointment of certain departments to be in charge of these enterprises is just to help them overcome any difficulties, adding that these departments will help when other departments and units are involved in solving certain problems. The departments responsible for wholly-foreign owned enterprises, he said, differ in function with their counterparts in charge of other types of enterprises. Therefore, they should not intervene in the managerial autonomy the wholly-foreign owned enterprises are entitled to according to the law. By the end of 1985, China had accommodated more than 2,300 joint ventures, over 3,700 Sino-foreign cooperative enterprises and some 120 wholly-foreign owned enterprises.

This practice over the past few years, the official said, has proved that the three forms of introducing foreign capital into China can play different roles under different conditions. "It is not appropriate to say that one form is more practical and better than another," he sid. "Nor is it proper to say that the control over the wholly-foreign owned enterprises should be tighter than that over the other two types. The adoption of the varying forms," he added, "will speed up the introduction of foreign capital into China and promote the development of China's national economy. "It is expected, he said, that the law on wholly-foreign owned enterprises will help attract more foreign investors to run their own enterprises in China.

DETAILS OF QIAO SHI'S CAREER PROVIDED

OW120746 Beijing XINHUA in English 0739 GMT 12 Apr 86

[Text] Beijing, April 12 (XINHUA) -- Qiao Shi, a veteran communist, became China's fifth vice-premier today. This appointment, nominated by Premier Zhao Ziyang, was approved by the Fourth Session of the Sixth National People's Congress this afternoon. Qiao's appointment indicates the intention of the Chinese Government to give better guidance to the country's political and legal work.

He is a member of the Political Bureau and the Secretariat of the Central Committee of the Communist Party of China (CPC) and, concurrently, secretary of the Political Science and Law Commission under the CPC Central Committee.

Qiao, born in 1924 in Dinghai County, Zhejiang Province, joined the Communist Party in 1940. Later, he became secretary of the General Party Branch of the Shanghai Middle School, and then deputy secretary of the New City District. Shortly after the founding of the People's Republic in 1949, he served as secretary of the Youth Committee of the Hangzhou Municipal Party Committee. From 1964, he served successively as a bureau director and head of the International Liaison Department of the CPC Central Committee, director of the General Office and head of the Organization Department of the CPC Central Committee. In 1982, he was elected a member of the 12th CPC Central Committee and an alternate member of the Secretariat of the Central Committee.

SONG JIAN'S POSTS, APPOINTMENTS ENUMERATED

OW120756 Beijing XINHUA in English 0744 GMT 12 Apr 86

[Text] Beijing, April 12 (XINHUA) -- Song Jian, 54-year-old noted cyberneticist, was appointed China's state councillor today. This appointment, nominated by Premier Zhao Ziyang, was approved by the Fourth Session of the Sixth National People's Congress this afternoon. Song is concurrently minister in charge of the State Science and Technology Commission. His appointment is considered as a step taken by the Chinese Government to strengthen its guidance over the development of China's science and technology.

Song was born into a peasant family in 1932 in Rongcheng County, Shandong Province, and joined the Communist Party in 1947. During the 1950s, he studied automatic control in the Soviet Union. In 1962, Song headed a research institute for the development of a new rocket, and later was transferred to direct China's first cybernetics laboratory.

In the years that followed, he served successively as chief engineer and vice-minister of the Seventh Ministry of Machinery-building Industry, and vice-minister of astronautics industry. Song is fluent in Russian and English in 1980, he went to the United States as the president of the China Automation Society on a lecture tour of four U.S. universities, including Harvard University and the Massachusetts Institute of Technology.

NPC REPORTEDLY TO NAME WANG MENG CULTURE MINISTER

HK140824 Hong Kong LIAOWANG OVERSEAS EDITION No 14, 7 Apr 86 p 1

["Letter" by Bao Xin: "Talking About Wang Meng Assuming the Post of Culture Minister"]

[Text] My elder brother, spring has come to Beijing earlier than usual. The willow branches are dancing in the east wind and the flowers are moistened by showers. It is only early April and yet the place is full of the beauty of spring. You asked about new things in the cultural field in your letter.

According to reliable reports, Premier Zhao Ziyang has nominated Wang Meng as minister of culture at the on-going Fourth Session of the Sixth NPC. According to the latest news from the NPC session, the NPC deputies have placed high hopes on this appointment and there will be no problem in approving this appointment.

Well-informed people said that before the nomination, opinions had been extensively solicited in the cultural and art circles and Wang Meng had won much support. The fact that Wang Meng, a well-known "rightist," is to become a minister reflects the changes in China's political and cultural fields.

Politically speaking, Wang Meng has all along been a scholar without power or influence. The reason he will become a minister is merely because his works and his character are welcomed by the people and he enjoys high prestige. This also shows that the CPC has thoroughly reversed the verdicts of past false, unjust, and wrong cases. Wang Meng has not only been rehabilitated but also assigned to the important post of minister of culture. The CPC has no prejudice against him, nor does it bear him a grudge. It has adhered to the principle of appointing people on their merits.

Culturally speaking, the winds and rains, or the storms, are over and this is a cultivation stage today. In factories, on the vast expanse of farmland, and in the laboratories for scientific experiments, people are working hard for modernization. In the cultural field, people are doing cultivation work for the development of culture and art and for spiritual civilization. If we say the winds and rains still exist, they are gentle breezes and mild rains, spring winds which made the willow branches dance and spring rains which moisten the flowers. Therefore, we can say that Wang Meng has good luck and does not face the problem that during his term of office any more personages in the cultural and art circles will be labeled as "rightists" or "anti-party elements." He will fulfill the mission entrusted him by the people as long as he works hard to unite the old and the young, people of the three religions and nine schools of thought, and all sorts of other people in the cultural circles to weed through the old and bring forth the new, and to carry forward the traditional culture of the Chinese nation with its long history of 5,000 years.

What is surprising is that to date some people abroad are still fond of labeling scholars on the mainland as "leftists" or "rightists." They are still wearing a priest's gown and are resorting to magical arts to summon winds and rains. At a time when the situation of unity and stability has become increasingly more consolidated on the mainland and the demand for reunifying the Chinese nation has become increasingly stronger on both sides of the strait, do they not feel that their words and deeds are out of keeping with the times?

Bao Xin 2 April

ECONOMIST QIAN JIAJU ON PRICES, CAPITAL PROJECTS

HK141222 Beijing ZHONGGUO XINWEN SHE in Chinese 1009 GMT 11 Apr 86

[Text] Beijing, 11 Apr (ZHONGGUO XINWEN SHE) -- "It is better to apply objective laws than to rely on administrative power." At the Fourth Session of the Sixth CPPCC, which ended this afternoon, Qian Jiaju, a noted Chinese economist, pointed out: So long as we strictly control the amount of currency issued and vigorously develop production at the same time, we need not worry about price fluctuations. It must be borne in mind that the effects of objective economic laws are most lasting, whereas the effects of administrative orders are more transient.

Qian Jiaju said: The problem of prices is the most sensitive problem at this point. If prices go up, the stability of the public mood will be affected. He suggested that the 8.8 increase reported by the State Statistical Bureau in last year's price index could not accurately reflect the actual situation because the figure was a weighted average figure of the prices of durable and expensive goods, such as refrigerators, and of daily necessities, such as vegetables.

Since the prices of some durable and expensive goods went down rather significantly last year, this figure thus gives one the impression that prices did not go up too much. He described the principle of basically stabilizing prices this year as both correct and necessary, because China's unreasonable pricing system must be reformed without further delay. However, he pointed out that since prices affect the people's livelihood, social stability, and the overall situation, our reforms must be cautious.

He said: There are two factors governing the rise and fall of prices. The first factor is the supply of goods and materials and the second is the supply of currency. If, given a plentiful supply of goods and materials, the amount of currency issued does not increase, prices cannot go up. This is an objective economic law that is not affected by people's subjective will.

Qian Jiaju said: In order to control the issuance of currency, the central authorities have adopted a number of measures, including some aimed at curtailing investment in capital construction and controlling the uncontrolled increase in consumption funds. He continued: In curtailing investment in capital construction, it is necessary to immediately halt those overambitious projects whose feasibility has not been scientifically confirmed, which absorb much investment, which produce results slowly, and whose effects on future generations still remain an open question. This is the most effective measure for checking the uncontrolled increase in investment in capital construction. Disruptive capital construction procedures and aggressive ambition are two extremely unhealthy tendencies in our economic construction. If these tendencies are not checked, one must worry about the future of the for modernizations.

Speaking on the problem of how to stabilize prices, this economist cited a Chinese saying: "It is better to be drastic than to be ineffective." What he meant is that we should control the issuance of currency and develop production at the same time. However, in curtailing credit and loans, we should pay close attention to important problems and not impose uniformity on things.

Qian Jiaju also spoke on his impression of the four special economic zones, including Zhuhai. Not long ago, he made a tour of them. He said: The special zones are more an asset than a liability. They are special economic zones, not special political zones. Although the confusion created by the currencies circulated there is a result of objective circumstances, it has impaired state sovereignty, national dignity, and the creditability of the renminbi. This problem must be solved without delay.

ZHAO ZIYANG MEETS SCIENCE, TECHNOLOGY WORKERS

OW150147 Beijing XINHUA Domestic Service in Chinese 1131 GMT 14 Apr 86

[Text] Beijing, 13 Apr (XINHUA) -- Premier Zhao Ziyang recently received more than 100 scientific and technical personnel at Zhongnanhai from all over the country, who have made important contributions to our country's scientific and technological undertakings. Among them were veteran scientists and professors, young and middle-aged experts, and scientific and technical management personnel.

Premier Zhao had informal discussions with the experts on the question of our country's scientific and technical development. He stressed: China's scientific and technical work can be divided into two parts. One is directly serving the goal of quadrupling the total industrial and agricultural output value by the end of this century. This is the priority task for scientific and technical work.

The overwhelming majority of scientific and technical personnel should firmly devote themselves to this most important task, serve without the least hesitation this century's economic construction, and gear their work to the needs of the present stage of production. We must continue to uphold this correct orientation. The other part is for serving economic and scientific and technical development, as well as social progress in the next century. China must rely on high technology for its economic rejuvenation from a long-term point of view. There must be a relatively smaller number of people attending to this undertaking. We should do what we can to monitor selectively world developments in high technology and strive to make breakthroughs in certain fields. If we do so, we shall be able, by the end of this century, to both achieve the goal of quadruplication and pave the way in technology for progress in the next century and make ourselves more prepared for the achievement of the next century's goals.

Premier Zhao pointed out: Developing high technology has become an international trend. China has always opposed hegemonism and the arms race, and will not take part in the arms race in space. In developing high technology, we must proceed from our national situation to discover the best program for its peaceful economic construction at the lowest expense, and the swiftest and highest economic returns.

Premier Zhao said: We must mainly rely on our own scientific and technical strength in developing high technology. At the same time, we should pay great attention to international cooperation. China welcomes foreign experts and scholars to join its work of high-technology development. We shall also send scientists for joint cooperative research in other countries.

Premier Zhao particularly pointed out that we should pay special attention to employing talented young and middle-aged scientists, letting them shoulder heavy burdens and work vigorously for 15, 20, or 30 years.

Present at the reception were comrades Yao Yilin, Li Peng, Zhang Aiping, Wang Bingqian, and Song Jian. Also present were responsible comrades of relevant departments, including Zhu Houze, Ding Henggao, Wu Shaozhu, He Dongchang, Ma Hong, Lu Jiaxi, Yan Dongsheng, Li Tieying, and Li Xue.

SCIENCE ACADEMY SAID 'KEY' TO SCIENCE, TECHNOLOGY

HK111217 Beijing CHINA DAILY in English 11 Apr 86 p 2

[Excerpt] More than 100 technology development corporations set up by the Chinese Academy of Sciences over the past few years have played a key role in spreading scientific breakthroughs and offering technological advice to local firms, according to the newspaper CHINA SCIENCE AND TECHNOLOGY. The paper said the corporations played an important role in turning scientific results into commodities and more than 100 new products had been launched in joint ventures with both domestic and foreign companies.

In China, the Technology Development Corporation of the Micro-Organism Research Institute helped transfer some of its findings to a chemical plant in Bayan County, Heilongjiang Province, which had stopped production five years earlier. The plant was revitalized and its annual output has now reached 2 million yuan.

The corporations have also set up technological cooperation deals with 27 economic establishments in the United States, Japan, Canada, Australia and Singapore. Many corporations have also held training courses.

CIVILIAN-DEFENSE INDUSTRY COOPERATION URGED

HK120401 Beijing GUOJI SHANGBAO in Chinese 27 Mar 86 p 1

[Editorial: "An Important Way To Increase Exports and Invigorate the Economy"]

[Text] Over the past few years, our national defense industries have been successful in cooperating with civilian industries. This mainly serves the domestic market and earns foreign exchange through export. However, production of civilian products by defense production departments is still at a transitional stage and exports of civilian products by defense product enterprises have just started. Attention has now been focused on using existing capacity and technological advantages of defense production enterprises so as to speed economic construction and earn more foreign exchange through export. However, we should make further efforts to have a proper understanding of the matter and tackle some practical problems.

Our defense production enterprises are now strengthening cooperation with civilian industries. This is of particular significance for raising industrial technological levels, speeding technological transformation, invigorating the national economy, promoting export trade, and achieving socialist modernization in our country.

Over the years, our national defense industries were separated from economic construction in structure. Therefore, enterprises producing civilian products are still importing some technologies that our defense production enterprises have already used. In recent years, the work of our national defense industries has been whittled down because of the troop reductions, but many machinery and electronics products produced by civilian industries have been in short supply. In strengthening cooperation with civilian industries, defense production enterprises must keep their doors open so as to free up the forces of production and give fullest play to their potential and advantages. This is a major element in our economic restructuring and a historical turning point for our defense production enterprises and national defense industries.

Producing civilian products for export with concerted efforts of national defense industries and civilian industries is an important way to invigorate our economy. Our defense production enterprises have many outstanding qualified people and they possess relatively advanced technology and good production equipment. Many production technologies of the defense production enterprises are the most advanced in our country and come closer to world standards than the civilian industries. In catching up with the surpassing advanced world standards, our defense production enterprises have more advantages than the civilian industries. The civilian products produced by them, therefore, will be more competitive in the world market. This will give a great impetus to the export of machinery and electronics products and the development of the whole electromechanical industry. Meanwhile, through competition in world markets, the technological level of our defense production will thus be raised, promoting the development of our four modernizations.

In the late 1920's [as published] and early 1970's, many enterprises and research institutes of the national defense industries were established in the interior. In transforming the national defense industries, we must give full play to the technological advantages of these enterprises and institutes so as to integrate these technologies with foreign advanced technologies imported by the coastal areas and make use of them in production. This is also a way to strengthen lateral economic and technological ties between the coastal areas and the interior.

In producing civilian products for export,our defense production enterpri.es still have to tackle a number of practical problems. However, current economic developments in our country are very favorable to the solution of these problems. Lateral economic ties between departments, localities, and enterprises and between foreign trade departments production departments, and research institutes are now developing step by step. The government has adopted a number of policies and measures to promote the export of machinery and electronics products. Provided we adhere to a correct orientation and implement the relevant policies and measures in earnest, we shall be able to create a new phase in the production of civilian products by defense production departments.

TRANSFERRED ARMY CADRES MEETING SET FOR JUNE

OW110344 Beijing XINHUA Domestic Service in Chinese 1542 GMT 9 Apr 86

[Text] Beijing, 9 Apr (XINHUA) -- With the approval of the State Council and the Central Military Commission, a national conference of representatives of advanced Army cadres transferred to civilian work and of advanced units with achievements in the placement of discharged Army cadres will be held in Beijing in early June.

According to relevant departments, since the placement of discharged Army cadres was resumed in 1975, more than 1.6 million such cadres have been transferred to civilian work throughout the country. Governments at various levels have done much work in making arrangements for the placement of such Army cadres. Maintaining and carrying forward the fine Army tradition, large numbers of Army cadres transferred to civilian work have studied and worked hard, making tremendous achievements in local economic construction. Thus, they have become an important force in the four modernizations drive. The State Council's group for the placement of Army cadres being transferred to civilian work, the Ministry of Labor and Personnel, and the PLA General Political Department will jointly sponsor this conference to commend the advanced deeds of Army cadres transferred to civilian work, to encourage them to contribute more to the four modernizations, to promote the successful accomplishment of the task of Army structural reform and reduction-in-strength reorganization, and to further carry out activities in respecting and cherishing the Army and supporting Army reform and building throughout the country. This conference will be the first of its kind since the founding of the PRC.

GUANGMING RIBAO ON CONTROLLING INVESTMENT

HK110450 Beijing GUANGMING RIBAO in Chinese 29 Mar 86 p 4

[Article by Wang Jiachun: "Some Opinions on Macroeconomic Control of Investment"]

[Text] Measures for controlling investment and adjusting the investment structure should be directed at the factors which may allow investment to go out of control. These macroeconomic measures should be able to restrain rising demand, improve the supply of funds, and ensure the effective readjustment of the investment structure.

It Is Necessary To Tighten Bank Credit in Order to Control Investment

The influence of bank credit on orderly investment is mainly reflected in the following two aspects:

First, investments are supported by the expansion of bank credit. In recent years, total demand always exceeded total supply. The main reason lay in the use of bank credit. As we know, banks' available funds mainly come from three sources, namely, own funds, borrowed funds, and currency issues. After necessary deductions (such as the deposit reserves), the amount of own funds and borrowed funds that can be used is limited to the size of these funds. However, the issuance of currency is rather elastic. The normal currency issuance should be in line with the needs of commodity circulation. Excessive issuance will only upset the equilibrium between supply and demand. At present, the central bank controls the issuance of currency in the whole country, and it determines the amount of currency to be issued in light of the credit balance of various specialized banks. When the monetary system is not sound, the central bank must acknowledge all credit accounts kept by the specialized banks even if they have made excessive loans. If investment demands in society increase excessively and the banks make loans recklessly to meet these demands, the issuance of currency will exceed the normal level and will affect the credit balance. That has been the case in recent years, when the growth of investment has been fueled by the expansion of bank credit.

Second, bank credit is used to support investments outside state budgets. Many investments based on funds owned by localities and enterprises can win support from bank credit. In some cases, the investor units themselves do not have sufficient funds, so they use bank loans to make up for the deficiencies or rely on bank loans to arrange the working funds after investment projects are completed. In other cases, the enterprises first divert their working funds to capital construction and then ask the banks for loans. Sometimes, these enterprises even use money set aside for payments to make investments. In the whole country, when enterprises use funds set aside for purchases or their advances on sales to make investments, this is equal to using bank loans to make investments; in other cases, some enterprises use their overdue loans as their own funds to make investments.

In order to effectively restrain the demands for investment, the loan limit should be kept within the added balance and should not exceed the investment norm specified in state plans. In view of the present situation in which the scale of investment is too big and production working funds are insufficient, the central bank should curtail loan quotas for investment that it assigns to various specialized banks and should correspondingly increase the supply of working funds. At the same time, the proportion of deposit reserves handed over by various banks should be reasonably readjusted in light of amounts of funds needed by the specialized banks and in light of their needs in making loans so that the specialized banks may have sufficient funds to make loans in light of the plans and at the same time be prevented from disrupting the credit plan with the excessive funds in their hands. The central bank should use the reserves handed over by various specialized banks sparingly so as to gradually overcome the contradiction caused by total demand exceeding total supply and to establish a relative equilibrium between social purchase power and the supply of materials. The central bank should take effective measures to prevent enterprises from using their working funds to make capital investments and from expanding capital investment by defaulting on repaying bank loans. In order to conduct effective supervision and to control the scale of investment, specialized banks should not make overlapping investment loans. Apart from some transformation projects which merely require modest investment and short-term loans, all capital investment loans should in principle be offered by the construction bank.

It Is Necessary To Rationalize Planning Procedures to Control Investment Scale and Tighten Credit

Normally, the planning procedures should follow the principle of "production first and capital construction later." Priority should be given to the needs of additional working funds and investments in technological transformations. In addition, as the production and needs of production materials and consumption materials are not always even, in order to ensure normal production and life and to have the ability to cope with natural disasters and other emergencies, it is also necessary to keep certain quantities of material reserves. Only after arrangements are made for the above items can we arrange the investment in capital construction in light of the quantity of the remaining accumulation funds, and only thus can we guarantee our present production and coordinate our immediate needs with future needs.

However, the existing planning procedure first determines the scale of capital construction. The accumulation funds organized by the state treasury are all handed over to the planning department to arrange capital investment, and the burden of supplying working funds is left to the banks. Enterprises also use their production funds, which come from the profits they retain after turning over the part due to the state, to build new plants or to expand plants, then they turn to the banks for working funds. This in fact is a form of expanding credit and artificially enlarging the scale of capital construction. Moreover, in the course of planning investments in recent years, the authorities concerned have treated the banks as de facto secondary sources of state budgets, and they tend to use bank funds to make up for deficiencies in state investments. The planning department even has the authority to order the banks to offer investment loan and all loan items have to be approved by the planning department. So the banks can only "make loans according to orders." At present, the banks on the one hand are under great pressure to supply working funds and on the other hand they are forced to offer large amounts of investment loans year after year. This has sharpened the contradiction between supply and demand, expanded the investment scale which is too big, and finally led to a vicious growth of credit.

In order to curtail investment credit and control the investment scale, planning departments at all levels should first guarantee the needs of normal production and appropriate construction funds in light of the concrete financial conditions. Capital investments must be kept within the limits of the state's financial capacity. We must not use the method of expanding credit to cover up the financial imbalance. Meanwhile, the estimates of construction projects must include a certain proportion (say, 30 percent of the funds needed) of working funds, otherwise banks should not offer loans to these projects.

Adopt Effective Investment Policies, Guide the Orientation of Extrabudgetary Investments

Since the financial distribution system was reformed, funds outside the state budget have increased rapidly, and the scale of investment based on local funds and enterprises funds has been growing year after year. At present, we lack effective guidance for use of these large amounts of funds. The use of these funds often goes against the state's economic objectives. To solve this problem, we must rapidly work out and carry out some effective investment policies so as to give extrabudgetary investments a correct orientation.

First, it is necessary to solve the issue concerning the distribution of the returns on investment. When localities use the funds at their disposal, their purpose is mainly to increase local revenues. Some construction projects may be profitable in their localities, but they can be unreasonable in terms of the national arrangements. In order to maximize bringing partial interests into line with overall interests, it is necessary to properly coordinate the financial relations between the central authorities and the local authorities in the matter of distributing investment funds so that localities may invest in projects which will be beneficial to both national and local interests.

To achieve this purpose, we could change the method of distributing incomes according to administrative subordinate relations and work out a method of distributing tax revenues between the central and local authorities according to some specified proportions so that both the central and local authorities can achieve corresponding incomes in line with production development and with the enhancement of macroeconomic results. In view of the situation in which localities tend to make more investments in processing industries than in energy and transport industries, the state should raise the proportion of product taxes and income taxes that should be turned over to the state by these industries and leave all or most of the taxes from the energy and transport industries in the hands of the localities which run these industries. This will promote the rationalization of the investment structure.

Second, it is necessary to take effective measures to channel extrabudgetary funds to meet the needs of the state. The state can formulate various policies to organize funds in the hands of localities, departments, and enterprises to invest in some urgently needed projects selected by the state. The state may appropriate part of its budget to subsidize investments or pay interest so as to absorb and organize social funds in the development of key industries. The policy of setting differential interest rates can also be adopted. When offering loans, the banks can give preferential interest rates if the loans are used to develop the key industries in the national economy. At the same time, prices should be further rationalized, and the price parities between products of the basic industries and the processing industries should be gradually readjusted. The price policy should effectively play a role in supporting and restraining the development of a certain industry and in directing the use of extrabudgetary funds to the weak link of the national economy. This will really make the investment policy function as an invisible hand which always guides the use of social funds to the correct area.

SENIOR ADVISORY COMMISSION MEMBERS PLANT TREES

OW091534 Beijing XINHUA in English 1515 GMT 9 Apr 86

[Text] Beijing, April 9 (XINHUA) -- The 1986 tree planting drive was highlighted this morning by the participation of some 40 senior communists, who are members of the party Central Advisory Commission. They earthed up and watered the roots of some 80 pines and cypresses with Beijing residents in the Longtanhu Park in Beijing's city center. "We want to contribute to the well-being of the future generations," said 78-year-old Wu Xiuquan, member of the commission's Standing Committee. The Central Advisory Commission, consisting of senior revolutionaries, is headed by Deng Xiaoping. Its members had participated in the 1984 and 1985 tree-planting.

QIAO SHI, PENG CHONG URGE CHILDREN TO OBSERVE LAW

OW101436 Beijing Domestic Service in Mandarin 2230 GMT 8 Apr 86

[Text] ZHONGGUO SHAONIAN BAO [CHINESE YOUTH JOURNAL] frontpages articles for children written by Qiao Shi, secretary of the CPC Central Committee's Secretariat, and Peng Chong, vice chairman of the NPC Standing Committee, encouraging children to be law-abiding and observe discipline. Qiao Shi's article is: "Cultivate the Habit of Observing Discipline and Abiding by the Law While Very, Very Young", and Peng Chong's article is: "Little Children Also Should Learn Something About Law." The paper's editor expresses the hope that children will respond to Qiao Shi and Peng Chong with concrete deeds and that everyone will be a model in observing discipline and abiding by the law.

JIANGSU COUNTY LEADERS PUNISHED FOR DERELICTION

OW141001 Nanjing Jiangsu Provincial Service in Mandarin 1100 GMT 13 Apr 86

[Text] The Jiangdu County seat held a lantern festival on the evening of 21 February. Because of serious dereliction of duty on the part of a handful of leaders in the county, a serious accident took place during the course of the festival, which killed 21 people and injured 27 others. To straighten out party workstyle, enforce discipline, and restore the party's prestige, the discipline inspection commission of the Jiangsu Provincial CPC Committee decided to take serious action against those responsible for the accident.

Being held directly and chiefly responsible for the accident, Comrade Zhang Changxiang, secretary of the Jiangdu County Party Committee, was removed from the posts of Standing Committee member and secretary of the country party committee. Being considered to have direct and major responsibility for the accident, comrade Li Haoyao, Standing Committee member of the county party committee and director of the Propaganda Department of the county party committee, was removed from his current posts. Being regarded to be sharing major responsibility, Comrade Wang Jianbao, deputy secretary of the county party committee, chairman of the county People's Congress Standing Committee, and secretary of the Discipline Inspection Commission of the county party committee, was given a serious intraparty warning. Being held to share specific responsibility, Comrade Ye Haixiang, deputy secretary of the county party committee and head of Jiangdu County, and Comrade Xie Faning, deputy county head, were given serious intraparty warnings and administrative demerits.

On 10 April, the Discipline Inspection Commission of the Jiangsu Provincial CPC Committee issued a circular to all party organizations throughout the province on the handling of those responsible for the accident. The circular pointed out: The accident was caused mainly by an erroneous guiding ideology and a mistaken policy on the part of the major leading comrades of the Jiangdu County Party Committee in holding the lantern festival. Blinded by the excellent situation, they forgot to implement the instructions of higher-level authorities with regard to holding the lantern festival. Neglectful of the people's safety, the took on bureaucratic airs and became highly irresponsible in work.

The circular called on all party organizations throughout the province, particularly leading cadres, to draw lessons from the accident and earnestly change their ideology and workstyle. It stressed: In the face of success and honor, they must guard against conceit and impetuosity, maintain a cool mind, exercise prudence, firmly bear in mind that the purpose of the party is to wholeheartedly serve the people, do a still better job, and strive to win fresh successes in building the two socialist civilizations.

JIANGSU SENDS 600 CADRES TO COUNTRYSIDE

OW121109 Nanjing Jiangsu Provincial Service in Mandarin 2300 GMT 9 Apr 86

[Text] According to XINHUA RIBAO, the Jiangsu Provincial CPC Committee recently decided to select 600 cadres from provincial-level organizations and send them to the countryside of Xuzhou, Huaiyin, Yancheng, and Lianyungang cities to help improve the basic-level work.

On 15 March, the Provincial CPC Committee called a meeting among the responsible comrades of all provincial-level departments. Preparation for selecting and mobilizing cadres was made at that meeting. Comrade Han Peixin said at that meeting: Office cadres selected this time are to be sent exclusively to economically weak counties of the Xuzhou-Huaiyin-Yancheng-Lianyungang area.

This is a concrete step to implement the provincial CPC Committee-announced strategic policy of further perfecting economic conditions in southern Jiangsu and quickly developing northern Jiangsu in order to insure the fulfillment of our province's Seventh 5-Year Plan. It is an effective measure for genuinely improving the work-style of leading organs. It is also an important way to train and temper cadres and help middle-aged and young cadres quickly mature. Cadres of provincial-level offices, in particular middle-aged and young cadres, must foster noble ambitions, be eager to apply for this assignment, and vie for this opportunity to go to basic-level units in the countryside to temper and test themselves.

The main tasks for this group of cadres sent down to the countryside are:

-- Help basic-level party organizations in party rectification;

-- Train cadres to strengthen leading bodies;

-- Publicize the party's policies and principles and help in promoting economic restructuring and economic work;

-- Help formulating economic and social development plans and take effective measures to accelerate the development pace;

-- Step up ideological and political work at basic-level units, mobilize the masses to do political and general studies and learn sciences and technical skills, and help in promoting spiritual civilization;

-- Conduct investigation and study and constantly report to higher-level organizations and the provincial CPC Committee all new experiences, conditions, and problems in their basic-level work.

The provincial CPC Committee requires that all provincial-level departments must keep the over-all situation in mind, strictly go by the set conditions, and conduct ideological mobilization well in order to select and send out those middle-aged and young cadres who are politically and professionally competent and, in particular, outstanding ones. After this round, experience should be accumulated and a system for sending cadres down to basic-level units be established and continued in future.

HENAN CONFERENCE ON AUTUMN GRAIN PRODUCTION

HK141322 Zhengzhou Henan Provincial Service in Mandarin 2300 GMT 10 Apr 86

[Excerpts] From 9 to 10 April, the provincial People's Government held a conference on autumn grain production, demanding that all localities, while grasping wheat field management, lose no time in doing a good job in spring sowing and preparations, so as to make a new breakthrough in this year's autumn grain production.

The province's summer grain output increased rapidly over the past few years, but its autumn grain output remained at the same level, which has become a weak point in the province's grain production. This has not only restricted the growth rate of grain output, but has also seriously jeopardized the supply of raw materials needed in the plastics and light industry, and the needs of broad masses in their daily life. As the province's autumn grain output for 1985 decreased by 1.1 billion jin, only 59 percent of the prefectures and cities in the province fulfilled the task of autumn grain sales and purchase contracts.

To swiftly change the passive and backward situation in the province's autumn grain production and to develop autumn and summer grain production equally and simultaneously is a strategic task confronting us.

The conference analyzed both favorable and unfavorable factors in the province's autumn grain production, and stressed that leaders at all levels must proceed from the overall situation of commodity production, gain a new understanding about the important position of autumn grain production, strengthen their sense of urgency for grasping autumn grain production, and grasp autumn grain just like grasping wheat.

The provincial government put forth a guiding plan for this year's autumn grain sowing area. The target is 69 million mu, an increase of more than 4 million mu over last year. It is hoped that all localities will grow as much autumn grain as possible, upgrade the quality of autumn grain, and increase their per unit area yield.

All trades and departments must support autumn grain production. Light industrial, commercial, and foreign trade departments must take the initiative to sign contracts with peasants on the production and purchase of raw materials, so as to complement agriculture with industry, commerce, and foreign trade, and promote more rapid development of autumn grain production.

HUBEI SAFETY INSPECTION GROUP FINDS MANY PROBLEMS

HK130251 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 12 Apr 86

[Text] On 4 April, the central-south subgroup of the State Safety Inspection Group began a safety inspection of more than 20 enterprises, units, and undertakings in Wuhan, Huangshi, Xiangfan, Shiyan, Xianning, Yunyang, Dayc, Yangxin, and other prefectures, cities, and counties. They discovered that safety work is weak in many enterprises and units. Some leaders lack knowledge of safety, some have not arranged safety and anticrime measures, and organization is not on a sound basis. Some installations do not meet the safety regulations. Safety technological transformation projects have not been included in the work plans of some units. In particular, certain small coalmines which were already unsafe are still in operation, posing a danger to their workers' life.

(Yu Lei), leader of the inspection subgroup, exchanged information with responsible persons of the provincial government today. He said that, to make a success of production safety, it is first necessary to enhance understanding of its importance and properly implement the relevant state laws and systems. This work should be included in annual plans and the Seventh 5-Year Plan.

HUBEI LEADER ON RURAL TASKS, PEASANT ASSOCIATIONS

HK140409 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 13 Apr 86

[Excerpts] Hubei Provincial CPC Committee Deputy Secretary Zhao Fulin said when addressing a provincial peasant association work conference yesterday that in this, the first year of the Seventh 5-Year Plan, the central task in rural work is to resolutely implement the spirit of central document No 1, sum up experiences, clearly understand the situation, implement the policies, carry out reforms in depth, grasp science and technology, give prominence to providing services, and stimulate sustained, steady, and coordinated development of the rural economy. Comrade Zhao Fulin said: The current situation in rural Hubei is good. However, we must also realize the material and technological basis of our province's agriculture is extremely brittle. We have little capacity to resist natural disasters. The level of scientific cultivation is low. Although some areas have doubled their income from industry and agriculture, they are still not well-off. Old revolutionary bases, minority-nationality areas, border and mountain regions, and areas around reservoirs are even more backward. There are many new issues in rural reform which require exploration. There are many instances of lack of coordination which require correction. There has still been no fundamental change in agricultural shortages. We have heavy tasks to do in rural work, and the road is long. We must certainly not be blindly complacent and come to a halt; instead, we should increase our sense of urgency, work hard amid difficulties, and clear the way to forge ahead. Comrade Zhao Fulin said: Since their establishment, the peasant associations have by their practical work played the part of a tie and bridge linking the party with the peasants. The provincial CPC Committee is satisfied with this performance. At present, the work of the peasant associations can only be stepped up, not weakened. The party committees and government at all levels must provide the necessary conditions for the work of the associations and support them.

HUNAN MEETING VIEWS ARMED FORCES DEPARTMENTS

HK130329 Changsha Hunan Provincial Service in Mandarin 1100 GMT 12 Apr 86

[Excerpts] A station reporter has learned from the provincial conference on handing over county and city People's Armed Forces departments to the jurisdiction of local authorities that the provincial CPC Committee, government, and military district have demanded that the pilot projects in this work be completed by the end of April, the work be unfolded on a fullscale in early May and basically completed by the end of May, and that the final touches be completed at the beginning of June. During the 3-day conference, (Xiao Qiuru), deputy commander of Hunan Military District, conveyed the spirit of the Guangzhou Military Region conference on handing over country and city People's Armed Forces departments to the local authorities. Jiang Jinliu, commander of the Military District, and Liu Fusheng, deputy secretary of the provincial CPC Committee, made speeches. Gu Shanqing and other leaders were also present. Comrade Liu Fusheng stressed: To do a good job in handing over the county and city People's Armed Forces departments, succeed in satisfying the Army, the localities, and the People's Armed Forces departments, and go further in creating a new situation in People's Armed Forces work, the party committees and government at all levels and the military departments must tangibly strengthen leadership and regard this handover as a current important item of work.

GUIZHOU HOLDS POLITICAL-LEGAL WORK CONFERENCE

HK120411 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 9 Apr 86

[Text] The provincial political and legal work conference, which ended on 8 April, stressed that this year the province must hit hard at serious criminal and economic criminal activities on the one hand, and implement various measures on comprehensive improvement of public order on the other, so as to basically improve the province's public order. The conference also made plans for this year's political and legal wo throughout the province.

GUIZHOU CONFERENCE STRESSES SPRING FARMWORK

HK120415 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 9 Apr 86

[Excerpts] Yesterday evening the provincial CPC committee and government held a provincial rural work telephone conference urging all localities to take immediate action toward firmly following up on the discussion on becoming better off by reapin better harvest, so as to promote the smooth progress of spring farmwork. The conference demanded that all localities lose no time in carrying out spring farmwork with emphasis on fighting drought, raising seedlings, and striving to reap a bumper harvest this year.

Zhang Shukui, Standing Committee member of the provincial CPC Committee and provinci vice governor, presided over the telephone conference. Ding Tingmo, deputy secretar of the provincial CPC Committee, and Qiao Xueheng, Standing Committee member and Rur Work Department director of the provincial CPC Committee, delivered speeches at the conference.

The conference emphasized the need to properly carry out three tasks in the current rural work.

1. To further deepen people's understanding of the importance of the discussion on becoming better off by reaping better harvests. All localities must formulate econo development plans in accordance with local realities.

2. Rural cadres and peasants must act promptly to launch an upsurge in spring farmw centered on fighting drought and raising seedlings.

3. On arranging the daily life of the rural masses, the provincial CPC Committee an government demanded that the departments concerned pay close attention to the lives those people in areas severely hit by disasters who need both food and clothes. The must be fully aware of the real situation and help the people formulate plans and measures according to local conditions so that the people can provide for and help themselves by developing production.

SICHUAN HOLDS LAND MANAGEMENT WORK CONFERENCE

HK141153 Chengdu Sichuan Provincial Service in Mandarin 0030 GMT 11 Apr 86

[Excerpts] The provincial CPC Committee has held a land management work conference earnestly study and implement the spirit of the circular issued by the CPC Central Committee and the State Council on strengthening land management and prohibiting illegal occupation of arable land.

The conference demanded that CPC committees and governments at all levels deepen their understanding, strengthen their leadership over land management work, conduct examination, improve management, swiftly curb the malpractice of illegally occupying and using arable land, and implement the instruction of the CPC Central Committee and the State Council in a down-to-earth manner.

This conference was held from 7 to 9 April in Lezhi County. Attending the conference were leading comrades of the provincial CPC Committee; the provincial People's Congress Standing Committee; the provincial government; the provincial CPPCC Committee; all prefectures, cities, and autonomous prefectures; and the relevant provincial departments and bureaus. Xie Shijie, Standing Committee member of the provincial CPC Committee; Lie Chunfu, provincial vice governor; and (Liu Ping), responsible person of the Agricultural Committee of the provincial People's Congress, delivered speeches at the conference. The central subject of the conference was studying land management and examining the illegal occupation of arable land. While affirming the results the province has achieved in strengthening land management since the second half of last year, the participants also paid serious attention to the existing problems.

The conference believed that the sharp reduction in arable land has become a major hidden peril in rural areas under the current excellent situation. If we give free rein to this, it will do much harm to national construction and people's lives and mean problems for posterity. At the conference, Neijiang City, Leshan Prefecture, Deyang County, Nanchong City and Lezhi County exchanged experiences in strengthening land management.

The conference believed that to implement the instruction of the CPC Central Committee and the State Council, it is necessary to firmly grasp four tasks at present: 1) Immediately carry out the activities of propagating, studying, and implementing the spirit of the central document throughout the province. 2) Take effective measures to accelerate examination of illegal occupation of arable land and to fulfill the examination task on schedule. 3) Adopt administrative, economic, and legal means to strengthen land management. 4) Strengthen leadership over the work and properly carry out land management.

The conference demanded that CPC committees at all levels seriously put land management work high on their agenda. Principal leaders must personally deal with the matter and all relevant departments must cooperate with each other closely and exert concerted efforts to make the land management work a success.

XIZANG MEETING VIEWS CADRE SELECTION PRINCIPLES

HK120557 Lhasa Xizang Regional Service in Mandarin 1130 GMT 11 Apr 86

[Excerpts] On the afternoon of 11 April, the regional CPC Committee convened a meeting of members of party committees and groups and Political Department directors in the regional organs to implement the CPC Central Committee circular on strictly following party principles in selecting and appointing cadres. This was another important measure for straightening out party style.

Dangzin, deputy secretary of the regional CPC Committee, presided. Raidi, deputy secretary of the committee, made an important speech on how to implement the spirit of the central circular and do a good job in selecting and appointing cadres in Xizang.

Raidi said: Seriously implementing this central circular is of positive and practical significance and far-reaching strategic significance for correctly carrying out the principle of four transformations of the cadre force, sticking to the principle of appointing people on their merits, carrying forward the fine tradition of fairness and uprightness, correcting and avoiding malpractices in cadre employment, spurring changes in the cadres system and in work, improving the nationality cadre force, enhancing the quality of the cadres, and providing the organizational guarantee for the smooth progress of the socialist four modernizations. It completely accords with Xizang realities. The party organizations and the personnel departments at all levels must seriously study and appreciate the circular and resolutely implement it.

He said: Nationality cadres now account for over 60 percent of the total number of cadres in the region. They account for over 50 percent of the prefectural and county-level cadres. They have played and are playing an important role on all fronts and in leadership posts at all levels.

After analyzing the problems in selecting and appointing cadres in the region at present, he put forward the following demands regarding this work in the future:

1. The party committees and groups at all levels and of all departments, including the county CPC committees, must regard studying and implementing the CPC Central Committee circular as a major content of straightening out party style.

2. During the current structural reform, we must regard the central circular as an important weapon for readjusting the leadership groups, doing a good job in coordinating personnel systems, and harmonizing relations between cadres. We must readjust and assign leadership groups at all levels in strict accordance with the central circular's provisions.

3. In selecting and appointing cadres, we must fully follow the mass line. In selecting and appointing a leading cadre at any level, we must first survey opinion among the cadres and masses of the person's present unit, or else have them make democratic recommendation. The upper level can also send people to the unit to listen to the masses' views. In normal circumstances, we should fully respect the views of the majority of the masses, but we must guard against simply choosing people on the strength of a majority vote.

4. We must act strictly according to organizational procedure in choosing and selecting cadres. In the future, cadres cannot be selected without being examined by the organization departments.

5. Fairness and uprightness are the basic qualities for cadres in organization and personnel departments.

6. The leading cadres at all levels and the cadres in organization and personnel departments must observe the party's principles and discipline in a model way, seriously perform their duties, and be bold in sending in prompt reports, to stick to principles, and to boycott all violations of party principles and organizational and personnel discipline.

GANSU CIRCULAR ON INDISCRIMINATELY FELLING TREES

HK120850 Lanzhou Gansu Provincial Service in Mandarin 1100 GMT 10 Apr 86

[Excerpts] On 5 April, the provincial People's Government issued an urgent circular on resolutely prohibiting some places from indiscriminately felling trees. The circular points out: In recent years, the cadres and the masses throughout the province have seriously implemented all principles, policies, laws, and orders of the party on forestry, strengthened management of forestry affairs, and scored very great achievements in the protection of forests. However, in some places the unhealthy trend of damaging forests has sometimes risen and other times fallen, but has not been completely curbed. Therefore, leaders at all levels must attach great importance to this.

The circular demands: All prefectural commissioner's offices, city and autonomous prefectural people's governments, county, city, and district people's governments, and departments concerned of the provincial government must take vigorous measures to resolutely curb this unhealthy trend of damaging forests. It is necessary to continuously disseminate the law of forests on a large scale, to teach all cadres and people to conscientiously abide by the law of forests, to struggle against violations of the law of forests, and to further implement the system of responsibility for the protection of forests. No timber market shall be open in forest zones. All timber markets in the forest zones which have not been approved by the provincial authorities must be closed. No unit, individual, organ, or organization is allowed to go to a forest zone to procure, purchase, or transport timber without authority. An offender will be severely dealt with in accordance with the provisions of the law of forests. The trees of the forest zones, collectives, and individuals can only be lumbered with approval in accordance with the regulations. Timber is to be sold in a unified way by the forestry departments.

The circular also demands: The public security departments, procuratorates, and courts must give full play to their role of protecting forests and upholding public order in the forest zones, promptly investigate and deal with the cases of damaging forests, and openly try to deal with the big and serious cases in accordance with the law, so as to teach the masses and to frighten the criminals.

NINGXIA SECRETARY AT PLA COMMENDATION MEETING

HK120832 Yinchuan NINGXIA RIBAO in Chinese 31 Mar 86 p 1

[Report: "PLA Air Force Unit Stationed in Ningxia Holds Commendation and Summing-up Meeting"]

[Text] A PLA Air Force unit stationed in Ningxia held a commendation and summing-up meeting in Yinchuan on the afternoon of 29 March. Attending were Li Xuezhi, Hao Tingzao, Ma Sizhong, Jiang Guodong, Guo Wenju, and other leading comrades of the regional party, government, and military organizations, as well as Pan Jinghe, deputy political commissar of the Air Force of the Lanzhou Military Region.

When performing a task in September last year, officers and men of a regiment of the PLA Air Force unit displayed their revolutionary spirit by their utter disregard of hardship and bloodshed. In order to devote themselves to the task, some of them left their new brides and their bed-ridden parents, some went back to their unit before their leave was up, even though they still mourned over the death of family members, and some went on working in spite of illness. Thanks to their hard work with concerted efforts and serious attitude toward work, they overfulfilled the task by 13.4 percent and were ardently admired by leading comrades of the unit.

In carrying out the task, 71 percent of individuals and 90 percent of units rendered meritorious service and received awards, and 24 comrades gloriously joined the CPC and the CYL.

In a speech at the meeting, Comrade Ma Sizhong paid high tribute to officers and men of the unit who had successfully fulfilled the task assigned by the higher authorities in spite of the harsh climate, adverse circumstances, and numerous difficulties. He called on all officers and men to carry forward the spirit of the foolish old man who removed the mountains, to speed up revolutionization, regularization, and modernization of the troops, and to make greater contributions to a flourishing economy for Ningxia.

At the meeting, 8 units and 32 outstanding officers and men were issued certificates for meritorious service and were granted awards.

QINGHAI RADIO STRESSES PLANNED PARENTHOOD WORK

HK140143 Xining Qinghai Provincial Service in Mandarin 2330 GMT 13 Apr 86

[Station Reporter's commentary: "Persevere in Grasping the Two Kinds of Production Simultaneously and Strive To Fulfill the Population Plan for the Seventh 5-Year Plan"]

[Excerpts] The population plan assigned to Qinghai Province by the state for the Seventh 5-Year Plan is to keep the total population below 4.47 million by 1990. In its proposal on the Seventh 5-Year Plan, the provincial CPC Committee said that Qinghai must unswervingly and strictly control population growth during the period of the plan. This requires that, while grasping economic work, we can by no means relax planned parenthood work.

According to forecasts, the province will be in a peak birth period during the Seventh 5-Year Plan and the population will tend to rise again. Data show that from 1963 to 1979, there were 1.62 million births in the province and the population rose by 77 percent. The people born during this period will start to enter the age of marriage and child-bearing during the Seventh 5-Year Plan. It is estimated that 260,000 young couples will marry and have children during the period of the plan. This figure tops that for the Sixth 5-Year Plan by 52 percent.

In addition, the proportion of women of child-bearing age will rise from the present 23 percent to 26 percent.

Qinghai is also the youngest province in population age in the whole country. The average age in Qinghai is 23.5, and children under 14 account for 41 percent of the population. This means that the province's population will tend to go on growing up to the year 2000. Qinghai is also a minority-nationality area. Early marriage and the practice of having many children are more or less universal among the minority nationalities.

In view of these circumstances, it is essential to strengthen leadership and control over the implementation of the population plan in order to ensure the fulfillment of this plan during the Seventh 5-Year Plan. While further improving the policy on birth, we must strive to both fulfill the population plan and also to ensure that the great majority of the masses can accept it. We must also step up propaganda and education, popularize knowledge of population theory, and enhance the masses' spontaneity to practice planned parenthood.

SHAANXI RIBAO URGES IMPROVING PARTY STYLE

HK110327 Xian Shaanxi Provincial Service in Mandarin 0200 GMT 11 Apr 86

[Text] Today's SHAANXI RIBAO carries a commentator's article entitled "It Is Essential To Have Confidence and Courage." The article says: The leading comrade of the provincial CPC Committee has recently pointed out many times that it is essential to have staunch confidence and the courage to struggle in correcting party style and punishing violations of law and discipline.

The article stresses: Whether or not one has confidence and courage is not judged by fine words but by actions. It is judged by whether one dares to act decisively when tough problems are encountered, and whether one struggles to the end against bad people and deeds. It is also judged by whether one can persist in regarding everyone as equal in the face of party discipline and state law.

The article says in conclusion: So long as the party committees at all levels have confidence, resolve, and courage, and can mobilize all party members, cadres, and people to struggle against all party members, cadres, and people to struggle against unhealthy trends, we will certainly be able to attain a fundamental turn for the better in party style and social mood before long.

XINJIANG URGES FIGHTING DROUGHT IN SPRING FARMING

HK130255 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 12 Apr 86

[Station Commentary: "Get a Good Grasp of Preventing and Fighting Drought and Strive for All-Round Victory in Spring Farming"]

[Excerpts] Spring farming is now underway throughout Xinjiang. Due to the drought in the region, there is not enough water for spring farming. This will have a direct impact on the work. According to our information, water storage in the region's reservoirs is 34 million cubic meters less than at this time last year. There is a shortfall of about 21 million cubic meters of water in spring farming. Although some rain and snow recently fell in parts of northern Xinjiang, most parts of the central and southern parts of the region have had no precipitation, and the drought continues to develop there. Hence, the leaders at all levels must by no means become slack and negligent and relax the work of taking precautions against and fighting drought.

In fighting drought, it is essential to promptly solve a number of problems. For instance, certain areas have not yet firmed up capital for fighting drought or charges for the use of small irrigation facilities. This has affected the maintenance of mechanically-operated wells, and the work of sinking wells, reinforcing small reservoirs, and so on. The leaders at all levels and the departments concerned must go to the frontline of fighting drought and take effective steps to rapidly solve the problems and spur the work.

'TEXT' OF GU MU PRESS CONFERENCE ON SEZS

HK111425 Hong Kong TA KUNG PAO in Chinese 11 Apr 86 pp 2, 3

[Special dispatch from Beijing by reporters Hou Tung-hai and Kung Shuang-yin: "Gu Mu Met Chinese and Foreign Reporters Yesterday, Speaking on Questions Concerning the Construction of the Special Economic Zones"]

[Text] Today, at the fourth press conference held by Zeng Tao, deputy secretary general of the Fourth Session of the Sixth NPC, State Councillor Gu Mu answered some questions raised by Chinese and foreign reporters. The text is as follows:

[Gu Mu] Today I am very glad to have this opportunity to meet you. I am sorry that I have delayed this meeting again and again because I did not feel well a few days ago. I think that the subject we will discuss concerns opening up and the construction of the special economic zones. I would like to exchange opinions with all of you in this regard.

Open Cities Will Not Be Closed

[Reporter] Could you please tell us about the situation of the 14 coastal cities which have been opened up to the outside world? Recently, some people said that these open cities had been closed, and there was also some confusion in people's minds about the development of things there.

[Gu] There is no question of the 14 coastal cities being closed again. The situation, since they were opened up, has always been good. In order to solve such problems as the excessive expansion of capital construction, credit, and foreign exchange expenditure, the state last year adopted a series of measures to strengthen macroeconomic control. This caused some temporary difficulties to the special economic zones and the open coastal cities, because they were also subject to tighter controls. However, with the efforts of various localities and departments concerned with the adoption of some measures, these difficulties have been basically overcome. In the past year, our coastal open cities and special economic zones achieved better results that any previous years. In 1985, China attracted more foreign funds than in any previous years. Direct investments made by foreign companies totaled some 5.85 billion, or increased by more than 120 percent over 1984. In 1985, China approved the founding of more than 1,300 new Chinese-foreign joint ventures, and this number is larger than the total in the previous 5 years. Early last year, many people at home and abroad were worried that the measures to strengthen state macroeconomic control would affect the development of the special economic zones and the coastal open cities. Facts so far have shown that the state last year continued to support these cities and zones by offering foreign exchange and renminbi loans to them, and the situation last year in these cities and zones will still satisfactory.

The Introduction of the Commodity License System

[Reporter] This year, China has adopted measures to tighten the expenditure of foreign exchange and has imposed a license system on importing some commodities. What influence will these measures have on the production and operations of joint ventures? What measures will the state take to help these joint ventures in their production and operation?

[Gu] In view of the actual conditions in our country, it is necessary to introduce a state license system. However, we will continue to carry out all contracts which we signed with foreign companies before the license system was adopted. In the past, all contracts for establishing joint ventures we signed with foreign companies specified the names and quantities of goods that could be exported. Now we will issue licenses according to these contract terms to ensure the exporting of these goods. We will do our best to quicken the process of approving and issuing licenses by simplifying procedures so as to enable these units to export their products in light of the contract terms. As for importing goods, we will also ensure the execution of the contract terms which continue to be valid. Now there are not too many joint ventures in our country. The general principle of our government is to make these joint ventures a success. No matter what difficulties a joint venture has, we will act according to the relevant laws and the spirit of making joint ventures a success to help it over the difficulties.

Fujian Has No Debt Problem

[Reporter] We have learned that there are two diametrically different estimates about Fujian Province's work. One is that the central authorities affirm Fujian's achievements, and the other is that Fujian is heavily in debt and its governor is apologizing everywhere. What is the true situation?

[Gu] I have just come back from Fujian. I think that Fujian has scored great achievements in developing both the Xiamen Special Economic Zone and its open city Fuzhou. I have heard nothing about it being insolvent due to its heavy debts. My answer to the question is that I confirm Fujian's achievements. There are some shortcomings, but its achievements are the main aspect of its work.

[Reporter] There are some different views concerning the experience gained from the Shenzhen Special Economic Zone. Will you please give us some detailed information about the progress in the zone and your personal opinion on the zone's experience?

[Gu] Shenzhen has developed its work most quickly among all our special economic zones. Originally, it was a small border town with nearly no economic foundation. In a short period of 5 years, it has become a fledging small, modern city. Shenzhen's industrial output value last year was 39 times bigger than that before the establishment of the special economic zone there. In the spheres of economic management and earning foreign exchange through exports, Shenzhen has continued to contribute to and provide new experience for our country. Last spring we suggested that Shenzhen give priority to improving its economic results and earning foreign exchange through exports and refrain from continuing to expand the scale of its capital construction. Over the past year, the people there have made new progress in this area. Compared with 1984, last year, Shenzhen nearly doubled the foreign exchange earnings of its exports. In 1984, exports accounted for 33 percent of its national economy, but in 1985, it accounted for 43 percent, an increase of 10 percent. They are confident that before 1990, they will balance and even have some surplus in their foreign payments and thus contribute to the state in this area.

[Reporter] The central authorities allocate no funds for the development of the special zones but only provide them with policies. This makes them pay attention to the trade and property sectors and neglect the development of industry. What is your opinion of this?

[Gu] In regard to both our special zones and open cities, we have said that we will give them no money but only policies, but as a matter of fact, we have given them some money. Compared with development zones similar to our special zones that other countries in the world have set up, however, our investment in the zones is relatively

Generally speaking, the state should provide funds for the preparation of the infrastructure such as underground pipes, roads, electricity, and water for the industrial areas set up in our special zones. However, when we began to establish our special economic zones, we were in the readjustment period of our state plans and due to financial difficulties then, it was difficult for the state to allocate many funds. Therefore, we could not help but adopt the method of giving only a little money and mainly providing them with policies. For example, for a certain period of time, the zones were exempted from delivering their profits to the state and thus able to keep their local revenues and accumulate their funds, and the state also provided the zones with necessary loans. The preferential policies that the state provided for the zones have made some people abroad willing to invest in the zones. The funds allocated by the state were small, but the zones have still been able to do what they wanted to do.

As for the emergence a few years ago of the malpractice of some people being too keen on making money through trade and even the emergence of some commercial activities carried out by a small number of people in violation of our regulations, these people's mistakes have already been corrected. This had nothing to do with the question of how much money the state gave the special zones.

[Reporter] Some investors complained that the development fees charged by the development areas were too heavy. Have the policies been relaxed in this area?

[Gu] As far as I know, the development fees and rent for the use of land charged by our special zones and development areas according to our regulations are fair. If reporters and other people tell us that they find that the rents charged on the use of our land are too high, we will make a systematic study of this matter.

"Has Shenzhen Earned Money From the Hinterland"

[Reporter] What difficulties has the special economic zone encountered in its efforts to develop an export-oriented economy?

[Gu] It is true that Shenzhen has to face some difficulties in its efforts to develop an export-oriented economy and make contributions to the state by earning foreign exchange through exports. Under the present circumstances in the international market, it is by no means easy to earn foreign exchange through exports. We have fully anticipated this situation. Taking the whole country into account, we can see that the establishment of the several special economic zones would be meaningless if they failed to make more contributions to the state by developing an export-oriented economy and earning foreign exchange through exports. Therefore, we have made up our minds to help the special economic zones improve their work and, especially, enhance their management and technical standards and promote exports with the aim of earning more foreign exchange. We have full confidence that we will fulfill our goal.

The special economic zone has also made great progress in establishing lateral economic ties with the hinterland in the past few years. Raw materials and primary processed products imported from other parts of the country are undergoing intensive processing in the special economic zone before they are turned into finished products and exported abroad. Meanwhile, through cooperation with the special economic zone, provinces and cities in the hinterland have become better informed about the international market. More provinces, cities, and industrial enterprises are expected to set up offices or plants in Shenzhen, making the zone their stepping stone in marching on the world.

In the year before last there was a view that the special economic zone had earned money from the hinterland, or that the south had earned money from the north. I do not agree with this view. First of all that was not the way we had put it. In fact, we said that Shenzhen was producing some goods that could meet the needs of the domestic market, just like Shanghai, Tianjin, and other cities were doing. It is true that Shenzhen earned little foreign exchange in the past few years, but I think it will take time for Shenzhen to mend its pace. It is impossible for a city like Shenzhen, with such an industrial basis, to become an export-oriented city in 3 to 5 years.

Singapore's Experience in Construction Can Be Used for Reference

[Reporter] China and Singapore are quite different from each other in terms of their economic structures and management methods. China has already appointed or is ready to appoint some Singapore experts as consultants. Mr Gu Mu, since you visited Singapore lately, could you tell me to what an extent Singapore's experience fits China's case, and how much it will cost to hire Singapore experts as consultants?

[Gu] Some of Singapore's experiences can be used by us for reference. For example, their government has undertaken the duty to deal with the workers' housing problems and 80 percent of their workers have now moved into government-built houses. The government has planned and run housing projects in a unified way and has implemented some fixed policies. In my opinion, their experience in solving workers' housing problems by the method of hire purchase as well as in unified urban planning, construction, and administration can be used by us for reference. Singapore's airport and port management is first-class. Therefore, I did say that we would like to employ some Singapore experts as consultants in such fields as tourism and urban administration. Of course we have to pay those consultants we employ, but so far we have employed a few consultants. Therefore, I cannot tell how much we have spent altogether.

[Reporter] Japan is China's largest economic partner, but Japan's investment in the special economic zones is relatively less than other countries. Does the Chinese Government feel disappointed in Japan's modest contributions to the construction of special economic zones?

[Gu] As this gentlemen just mentioned, Japan's investment in the special economic zones is relatively small. However, there is no question of anyone being disappointed or not on this issue. It is completely up to the investor himself to decide whether to make an investment. Last year, the number of joint ventures and cooperation projects involving Japanese companies did increase. Now, the number of Sino-Japanese joint ventures ranks third and is just next to the Sino-American joint ventures.

[Reporter] It is said that the central authorities recently laid down some new regulations on people who go abroad for a long or short time bringing back duty-free goods. Do you think that the new regulations are related to the present efforts to straighten out the party style and the policy of opening up?

[Gu] Maybe. I have been in provinces for a long time over the recent months, and I have not heard about this, so I cannot answer you here.

State Investment in Special Economic Zones

[Reporter] Mr Gu Mu, could you please tell us about the figures on state investment in the special economic zones? That is, how much money has the Chinese Government spent so far on the four special economic zones?

How much will it continue invest in the next few years up to 1990? If you cannot tell us about these figures, is it because you have no statistics or because you have to keep them secret?

[Gu] There is nothing secret about these figures, but is it necessary to to make them public here? Is it necessary for all of you to know this?

[Reporter] We know that China will go back to the situation in which there is only one kind of currency, and the foreign exchange certificates will be abolished. Does this mean that through a period of experimentation, China has found that using different currencies in a country is not a good method, or does this mean that Foreign Exchange Certificates have fulfilled their historical mission?

[Gu] I Know Comrade Yao Yilin has answered this question already.

Special Zone Currency

[Reporter] I also want to raise another question on the problem of abolishing Foreign Exchange Certificates. By doing away with Foreign Exchange Certificates, does this mean that China is taking the first step in making China's currency freely convertible internationally? Furthermore, what is the long-term currency policy for Shenzhen?

[Gu] It seems that I must give an answer, though Comrade Yao Yilin has talked about the matter. The Foreign Exchange Certificates have many drawbacks. We are prepared to do away with them, but their abolition does not mean that China's currency can immediately become freely convertible. We will take other means to solve the problems that foreign businessmen encounter in the matter of currency circulation.

The problem of a special zone currency is a matter of great concern to everyone. For a long time, the three currencies of renminbi, the Hong Kong dollar, and the foreign exchange certificate have circulated in Shenzhen. This does us no good. We are prepared to solve this problem. Our original plan was to issue a new currency in Shenzhen, called special zone currency, to bring about a solution, but this problem is too complicated. Some people approved and some opposed it. Moreover, it only provided a solution for the Shenzhen problem; the same problem facing the other special zones and coastal open cities could not be solved by it. Therefore, we must take a prudent attitude and leave this problem alone for another period of time. We will study this problem further with relevant experts at home and abroad to work out a conclusion before we do anything. The problem of issuing a special zone currency can only be temporarily held up as it is.

[Reporter] When can we expect to have the Foreign Exchange Certificate problem solved after all?

[Gu] I am not prepared to say anything more on the Foreign Exchange Certificate problem.

[Reporter] It is said that foreign businessmen are unwilling to bring high-technology production processes to the special zone. What is the CPC Central Committee's view of this problem now?

[Gu] We have all along kept a close watch on the problem of introducing new technology for Shenzhen. Shenzhen started out with out very strict demands on foreign investors in the technological fields, as far as this problem is concerned. But it has begun to take note of this in the past 2 years. Things imported in the past 2 years have been relatively advanced technologically, as far as the mainland is concerned. Recently, we have had several projects (I am not prepared to give concrete details) involving technology that can be claimed to be advanced internationally.

[Reporter] Some people say that the operation of the second line may affect people traveling between Shenzhen and the inland areas. How do you look at this problem?

[Gu] The second line of Shenzhen is officially in force. The operation of the second line will not affect people traveling between the inland areas and Shenzhen. Of course, people entering and leaving Shenzhen must complete some procedures to pass through the control line. In the control of any area, in my opinion, necessary procedures should be followed. The required procedures will not do what people say: the operation of the second line will put Shenzhen under rapid control. Only those activities that are illegal and not in line with stipulated regulations will be controlled. All those activities that are legitimate and are beneficial to Shenzhen and inland areas will not be restricted.

Guarantee for Investors To Send Money Out

[U.S. reporter] It seems that China is very fond of money and foreign exchange in particular. Those operators in partnership with China also love money very much. Now some joint-venture enterprises seem to have run into a serious problem. Due to certain foreign exchange-related problems, some factories even face the prospect of bankruptcy. If these factories should close down, does China allow foreign businessmen to take relevant foreign exchange out?

[Gu] If you say that the Chinese take to money, then I think that the Americans love money still more. (general laughter) Everyone loves money! (everyone present becomes excited) Without economic strength and without money, we can do nothing.

The problem of foreign investors sending out foreign exchange has been solved, as far as the law of our country is concerned. Four or five months ago, we laid down a rule allowing all foreign investors to freely send out their legitimate earnings. If any foreign investors has trouble sending out foreign exchange, I hope that you reporters, or the party concerned, will lodge a complaint with me. I am willing to help you take care of this matter. I can assure them that their foreign exchange can be freely sent out.

NUCLEAR MINISTRY TO MANAGE DAYA BAY NUCLEAR PLANT

HK111201 Hong Kong HONG KONG STANDARD in English 11 Apr 86 p 2

[Text] China's Ministry of Nuclear Industry will become the new boss in the management of the billion-dollar Daya Bay Nuclear Power Plan. The pending management shakeup was disclosed yesterday by the president of the China Nuclear Energy Industry Corp, Mr Liu Shulin. The corporation is the business arm of the Ministry of Nuclear Industry. The change is the result of administrative restructuring in Beijing last month. The current manager of the project is the Ministry of Water Conservancy and Power.

Speaking to reporters at the first-day of the China-Shenzhen Technology Fair, Mr Liu said the change was aimed at developing ministries with different specialities on varying methods of power-generation.

While the Ministry of Nuclear Industry would concentrate efforts on nuclear power stations, the Ministry of Water Conservancy and Power would continue to work on other means including hydro and coal-fired stations. The STANDARD has learned the Ministry of Nuclear Industry is capable of building medium-size nuclear stations with a capacity of 300 to 600 megawatts and is ready to build two 300 megawatts stations near Shanghai. The Ministry of Water Conservancy and Power used to act as an agent in introducing Western technology to China, sources said. It is understood the handing over of power to the Ministry of Nuclear Industry means the project has entered a period of implementation that requires experiences and expertise for practical projects in the future.

Mr Liu said administrative re-arrangements do not imply any change in the Daya Bay project but changes of officials in managerial posts of the project may be forthcoming.

Mr Wu Fuxing, a vice-general manager of the company, said the use of Chinese uranium in the Daya Bay Plant has been a cause of concern. Mr Wu confirmed that China had officially told its French partners in the Daya Bay project that China wants to run the plant with locally-supplied uranium. He also said China has been active in promoting nuclear-energy and technology for civilian and peaceful uses. According to Mr Liu, China has been exporting uranium to countries including Japan and a number of South American countries. There are also plans to include West Germany in future exports.

In yesterday's exhibition, a number of advanced designs previously meant only for military use were displayed for sale. These included a model of the renowned Chinese rocket, Long March No 3, a pilotless aircraft, an experimental space satellites. A total of 393 organisations from all over China brought 1,720 items of advanced technology for the exhibition, which will run until April 20.

PRC TO SUPPLY FUEL FOR NUCLEAR POWER PLANT

HK111203 Hong Kong SOUTH CHINA MORNING POST (BUSINESS NEWS Supplement) in English 11 Apr 86 p 1

[By Paul Sham]

[Text] China will insist on supplying nuclear fuel for the Daya Bay nuclear power plant in Guangdong, despite strong suggestions by the French reactor supplier, Framatome, that the fuel be supplied by a French source. The country will also take steps to export nuclear fuel in order to fully utilise its rich uranium resources. This was indicated by a source close to the Ministry of Nuclear Industry, who attended the Shenzhen Technology Fair yesterday.

The official, who did not want to be identified, told BUSINESS NEWS China will try "every means" to win the fuel order for the Daya Bay plant. "In light of the rich and cheap uranium supply from local sources, it would be unwise to produce from foreign countries," the official said. With two generating units, each with a capacity of 900 megawatts, the Daya Bay plant is expected to consume 300 tons of nuclear fuel in the first year and about 100 tons in each subsequent year. The fuel supply contract for the power station is one of the few not signed so far.

He said Cogema of France, a nuclear fuel supplier, has shown interest in the contract, but its price is way above China's offer. He stressed that "China's fuel processing technology has proved adequate to meet any demand of nuclear reactors." Admitting that the strong desire on both sides to supply the fuel might result in lengthy negotiations, the official said he believes Framatome will back off in view of the sound reasons offered by the Chinese.

He said the nuclear fuel will be supplied by China Nuclear Energy Industry Corpn. But the first batch of nuclear fuel rods will be fabricated by Cogema using Chinese uranium, he said. "China's technology in the fabrication of fuel rods is sufficiently advanced, and this measure is needed to ensure the French take responsibility if anything goes wrong." He said fuel rods in the future will be fabricated by the Chinese.

The official said the rich and cheap supply of uranium in China has attracted foreign buyer interest, including France. Asked which countries have bought uranium from China, he gave an ambiguous answer, saying China is in "close contact" with Japan and West Germany about sales. The official said China wants to expand its exports of uranium, adding it has price and quality factors working in its favour.

Although exact figures on China's uranium reserves are not available, the CHINA NEWS SERVICE reported late last year it can satisfy the requirements of a 15 million kilowatt nuclear station for 30 years after meeting military needs. Meanwhile, the president of the China Nuclear Energy Industry Corpn, Mr Liu Shulin, said the second phase development of the Qinshan nuclear power plant has been decided. The first phase called for the construction of one generating unit with a capacity of 300,000 kilowatts. It will start operation by 1989. Mr Liu said two more generating units, each with a capacity of 600,000 kilowatts, will be built in the later part of the Seventh Five-Year Plan. As in the first phase development, he said most of the equipment in the second phase will be built locally. The imported parts, described as "very few," include water pumps, pressurised vessels, and some monitoring equipment.

GENERAL MANAGER ON NUCLEAR PLANT'S CURRENT TASKS

HK120626 Hong Kong SOUTH CHINA MORNING POST in English 12 Apr 86 p 10

[By Louis Liu in Shenzhen]

[Text] The immediate task of the Guangdong Nuclear Plant Joint Venture Company is to polish up some points and negotiate outstanding issues in the letters of intent for contracts on the Daya Bay plant, its new general manager said in Shenzhen yesterday. Mr Zan Yunlong, appointed to the post recently after China's Ministry of Nuclear Industry took over the management of the plant from the Ministry of Water Conservancy and Power, said negotiations included supplying the plant with fuel. The letters of intent will become formal contracts in September, six months after they are signed he said. Excavation of the site for the two nuclear reactors will also start in September and take about a year to complete. Mr Zan said site preparation work will be completed this month. The first generator will be ready for production by the third quarter of 1992, and the second nine months later. He said he was determined and optimistic that work would be carried out according to schedule. One day's delay would cost the joint venture company about $7.8 million extra. About $522.6 million has already been invested in initial site preparation with almost half of it spent on land resumption.

Mr Zhou Yaunquan, the deputy head of the nuclear industry's delegation to a technology fair in Shenzhen, said the controls on environmental and water pollution at Daya Bay would be up to international standards. He also said top nuclear energy experts have begun a study of the construction of nuclear plants in China under the Seventh Five-Year Plan. Nuclear plants require huge investments and the experts will carry out meticulous feasibility studies of the economic, technical and safety aspects of building them in various parts of the country he said. A clearer picture of China's development in the nuclear energy field for the next five years would emerge in about three to six months.

WEN WEI PO REPORTS ON PRC URANIUM RESOURCES

HK120746 Hong Kong WEN WEI PO in Chinese 12 Apr 86 p 3

[Dispatch From Shenzhen: "China Extremely Rich in Uranium Resources"]

[Text] Responsible persons concerned of the Ministry of Nuclear Industry disclosed a a news briefing yesterday that China has rich uranium resources and is now capable of exporting nuclear materials for peaceful use. It is capable of exporting nuclear materials for peaceful use. It is capable of exporting a maximum of 1,000 tons of uranium oxide (u3o8) a year and is conducting trade with Britain, France, Germany, an Japan. However, they denied that China had ever sold heavy water for nuclear reactor to India.

Liu Shulin [0491 2579 2651], leader of the Chinese trade delegation on nuclear industrial technology, who is now adviser to the Ministry of Nuclear Industry, and others, yesterday told Chinese and foreign correspondents that after more than 30 yea of construction, China's nuclear industry has formed a considerably complete industri system of nuclear science and technology and is staffed with a scientific research contingent with personnel have professional knowledge in various aspects of work and high technological capabilities.

It has accumulated experience in modern industrial production technologies such as th construction of nuclear engineering projects and the conducting of nuclear scientific and technological research China uphold the principle of peaceful use of nuclear energy. China is now capable of designing and building small and medium-sized nuclear power plants, reactors for various kinds of scientific research and experiments, miniature reactors, and low-temperature reactors for supplying heat. It is also capab of studying and producing various kinds of stable isotopes and radioisotopes and developing nuclear irradiation technologies.

The Ministry of Nuclear Industry has used some major large-scale installations such a high-flux reactors, heavy-water reactors, miniature reactors, and various types of accelerators, large cobalt-60 irradiation equipment, and large radioactive heat chambers, to turn out more than 700 varieties of isotope products. Isotopes, irradiation, and nuclear analytical technologies have been extensively used in industry, agriculture, medical and health services, and scientific research with remarkable results. China is willing to establish ties of cooperation, exchange, and trade with other countries and regions in the peaceful use of nuclear energy and technology. In the field of nonuclear technological development and use, China has developed some advanced technology and equipment for civilian industries, such as hydrometalurgy, powder metallurgy, sophisticated chemical engineering, mining machinery, telecontrol, telemetering, low-temperature super conduction, ion exchange, extraction of solvents, demolition technology, high-speed photography, computer software, and environmental protection technology.

They also said their delegation had brought 200 items of scientific and technological achievements for display at the technological trade fair. Among these items, the miniature reactor, a product designed and built through China's own efforts, is small in size, low in cost, safe to use, does not contaminate the environment, is useful fo many purposes, and may be installed in a city.

PERSONNEL TRANSFER IN NUCLEAR MINISTRY REPORTED

HK120445 Hong Kong WEN WEI PO in Chinese 11 Apr 86 p 2

[Special dispatch from Shenzhen by reporter Kuang Yu: "Peng Shilu, Former Vice Minister of Water Resources and Electric Power, To Be Transferred to the Ministry of Nuclear Industry"]

[Text] According to authoritative sources, Peng Shilu, former vice minister of water resources and electric power, will soon be transferred to a responsible position at the Ministry of Nuclear Industry. A number of national defense personnel who have been involved in nuclear testing will also be transferred. This is another measure that China will take to transfer nuclear technology to civilian industries. Peng Shilu, son of revolutionary martyr Peng Pai, has been transferred to Beijing after completing preparations for the building of the Daya Bay Nuclear Power Plant in Shenzhen. It has been learned that the Guangdong Nuclear Power Corporation will soon open an office in Hong Kong. Preparations are now underway.

STATE COUNCIL TO SET UP REFORM PLANS STUDY GROUP

HK091140 Hong Kong TA KUNG PAO in Chinese 9 Apr 86 p 1

[Special dispatch from Beijing: "The State Council Decides To Set Up an Economic Reform Plans Study Group"]

[Text] Beijing, 8 Apr (TA KUNG PAO) -- According to reports from sources concerned, in order to meet the needs of further reform of the economic structure in China, the State Council has recently decided to set up a leading group to study plans for reforming the economic structure. The task of this group is to study and formulate plans and principal measures for reforms next year and the year after. Vice Premier Tian Jiyun is responsible for this group, which has under it an office and six special groups, including the price, finance and taxation, investment, monetary, wages, and foreign trade groups.

The leading group for studying plans for reforming the economic structure will work under the direct leadership of the State Council and the Central Financial and Economic Leading Group. In the course of studying and formulating plans for reforms, the group will invite people from central and local departments concerned to participate in its work.

FBIS DAILY REPORT

China

CONTENTS

Vol I No 073 16 April 86

PRC INTERNATIONAL AFFAIRS

GENERAL

Foreign Ministry Spokesman Holds Weekly Briefing A 1
Meetings With USSR 'Unrealistic' A 1
Canadian Prime Minister To Visit A 1
Foreign Ministers To Visit A 1
Chen Muhua to ADB Session A 2
Zhao Ziyang Meets UNDP Official in Beijing A 2

UNITED STATES

More Reportage on U.S. Strike Against Libya B 1
RENMIN RIBAO Condemns Attack [16 Apr] B 1
Further Criticism by RENMIN RIBAO B 1
XINHUA on 'Violation' of Norms B 2
XINHUA Report on Strikes B 3
Asian, African Students Protest [AFP] B 4

SOVIET UNION

Moscow Cancels Shevardnadze-Shultz Talks C 1
U.S. Says Cancellation 'Mistake' C 1
Soviet Officials React to U.S. Raid on Libya C 1
Gorbachev States 'Strong Concern' C 1
Gorbachev,Ryzhkov Denounce Raid C 2
New Swedish Prime Minister Arrives in USSR C 2
Qian Qichen Comments on 'Useful' Talks in Moscow [AFP] C 3
PRC To Hold Summer Trade Exhibition in Moscow [AFP] C 3

SOUTHEAST ASIA & PACIFIC

Burmese Prime Minister Continues Visit E 1
Zhao Bids Farewell in Beijing E 1
Arrives in Tianjin E 1
Tours Tianjin Environs E 1
Philippine President Hopes To Visit China E 1
Philippine Parliamentarians Hold Protest Meeting E 2
Vice Foreign Minister Meets Guests From Tonga E 2

EASTERN EUROPE

Belgrade Radio Interviews Qian Qichen H 1
XINHUA Expects GDR Policy to Remain Unchanged H 2

MIDDLE EAST & AFRICA

Hu Yaobang Meets African National Congress Leader I 1
Zambia's Kaunda: China 'Trustworthy Friend' I 1

PRC NATIONAL AFFAIRS

RENMIN RIBAO Comment on Revealing Secrets Reported K 1
Presidential Order on Civil Code Principles K 2
Zhao Ziyang Inspects Zhejiang Nuclear Plant K 2
Zhao Ziyang on Shanghai Nuclear Plant Production K 3
Nuclear Industry To Undergo Reorganization K 3
[CHINA DAILY 15 Apr]
WENYI BAO Interviews Writers' Association Official [22 Mar] K 4
Beijing Bishop Condemns Vatican 'Interference' K 7
Relations With Vatican Viewed [AFP] K 8
RENMIN RIBAO Reports Development of Family Farms [4 Apr] K 9
Commentator's Article [RENMIN RIBAO 4 Apr] K 10
BAN YUE TAN Urges Better Services for Agriculture [25 Mar] K 11
Tian Jiyun Inspects Fujian 31 March-8 April K 13
Wan Li, Hao Jianxiu Inspect Zhejiang's Wenzhou K 16
State Council Official Urges Farm Mechanization K 17
Fang Yi on Alloy Steel Production, Research K 17

PRC REGIONAL AFFAIRS

CENTRAL-SOUTH REGION

Guangzhou Hosts Export Commodities Fair P 1
[CHINA DAILY 15 Apr]
CHINA DAILY on Work of Second Shenzhen Border [12 Apr] P 1
Shenzhen Economic Zone Cadres Study Marxist Theory P 2
Guangxi Circular on Building Civilized Villages P 3
Guangxi Cadres Sent to Rural Areas To Help Poor P 4
Henan's Yang Xizong Views Rural Economic Issues P 5
Henan Circular on Safety Inspection in Production P 5
Henan Calls for Progress in Industrial Production P 6
Henan Lists Construction Projects for Completion P 6
Hunan Industrial Output Falls Short of Target P 7

SOUTHWEST REGION

Guizhou Mass Discussion on Production, Revenue Q 1
Sichuan Lists Regulations on Minority Autonomy Q 1
Yunnan Public Security Bureau Holds Mass Meeting Q 2

NORTHWEST REGION

Gansu Leaders Plant Trees in Lanzhou 11 Apr T 1
Qinghai on Implementation of Grain-Sowing Plans T 1

HONG KONG MEDIA ON CHINA

TA KUNG PAO Comments on U.S. Strike Against Libya [16 Apr] W 1
CHING PAO Reportedly Changes Stance on Hong Kong W 2
[HONG KONG STANDARD 11 Apr]

FOREIGN MINISTRY SPOKESMAN HOLDS WEEKLY BRIEFING

Meetings With USSR 'Unrealistic'

OW160938 Beijing XINHUA in English 0932 GMT 16 Apr 86

["Meeting Between Chinese and Soviet Leaders Unrealistic" -- XINHUA headline]

[Text] Beijing, April 16 (XINHUA) -- It is unrealistic to hold meetings between leaders of China and the USSR as obstacles hindering the normalization of relations between the two countries still remain. A Foreign Ministry spokesman made these remarks here today at the weekly news briefing.

In response to a question, the spokesman confirmed that the Soviet Foreign Minister Shevardnadze had referred to the question of upgrading the level of political dialogue and holding meetings between leaders of the two countries, when meeting Qian Qichen, special envoy of the Chinese Government.

"The Chinese side maintains that the key to the normalization of relations between the two countries lies in the removal of the obstacles. It is unrealistic to hold such meetings while the obstacles still remain," the spokesman noted.

Canadian Prime Minister To Visit

OW160950 Beijing XINHUA in English 0935 GMT 16 Apr 86

[Text] Beijing, April 16 (XINHUA) -- Prime Minister Brian Mulroney of Canada and his wife will pay an official visit to China from May 8 to 12 at the invitation of Premier Zhao Ziyang. A Foreign Ministry spokesman announced it at the weekly news briefing here today.

He said that during the visit, the two leaders will exchange views on international and regional situation of common concern and will explore ways to the expansion of friendly relations and cooperation between the two countries.

Mulroney visited China in 1979 as an entrepreneur, and the forthcoming visit will be his first visit to China as prime minister of the Canadian Government. China and Canada established diplomatic relations in 1970 and a Canadian Consulate opened in Shanghai recently. Canada is the fifth biggest trade partner of China. The bilateral trade volume came to 1.34 billion US dollars in 1985.

Foreign Ministers To Visit

OW160916 Beijing XINHUA in English 0913 GMT 16 Apr 86

[Text] Beijing, April 16 (XINHUA) -- Suriname and Bolivian Foreign Ministers Hendrik Herrenberg and Guillermo Bedregal Gutierrez will visit China in late April and early May at the invitation of State Councillor and Foreign Minister Wu Xueqian. This was announced by a Foreign Ministry spokesman here today at a weekly news briefing.

Bedregal will be the first senior official of Bolivian Government to visit China since diplomatic ties were established between China and Bolivia July 1985.

Chen Muhua to ADB Session

OW160928 Beijing XINHUA in English 0904 GMT 16 Apr 86

[Text] Beijing, April 16 (XINHUA) -- State Councillor Chen Muhua will lead a delegation to attend the 19th annual session of the board of governors of the Asian Development Bank (ADB) to be held in Manila, the Philippines, between April 30 to May 2. Chen is also governor of the People's Bank of China and a member of the board of governors of the ADB. It was announced at today's weekly news briefing.

This is the first time for China to attend such kind of meeting since it was admitted as a member state by the ADB last February.

A foreign ministry spokesman said that China will make joint efforts with other members of the ADB for the promotion of the social and economic prosperity of Asia and the Pacific Region and the development of the international finance.

ZHAO ZIYANG MEETS UNDP OFFICIAL IN BEIJING

OW151436 Beijing XINHUA in English 1431 GMT 15 Apr 86

[Text] Beijing, April 15 (XINHUA) -- Chinese Premier Zhao Ziyang said here today that the United Nations Development Program has had fruitful cooperation with developing countries. Talking with UNDP Administrator F. Bradford Morse, Zhao said the UNDP attaches great importance to training qualified technical personnel and to expanding technical exchange among countries. "Fundamentally speaking," he said, "only when the Third World countries achieve development can the developed countries make further progress and world stability be maintained."

Morse said he agreed with Zhao's view. The progress of the Third World was very important to the world economy, he added.

The premier said he was satisfied with the expansion of cooperation between the UNDP and China and thanked Morse for his efforts to promote such cooperation. Later in the evening, Manfred Kulessa, resident representative of the UNDP in Beijing, hosted a reception on the occasion of Morse's visit to China. Morse will leave here tomorrow for a tour of Xian and Shanghai.

MORE REPORTAGE ON U.S. STRIKE AGAINST LIBYA

RENMIN RIBAO Condemns Attack

HK160140 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 16 Apr 86 p 6

["Short" commentary: "An Act Which Violates Norms of International Relations"]

[Text] Under the excuse of fighting against terrorism, the United States dispatched a large number of bombers and fighters on 15 April to carry out an air raid on Libya, bombing the Libyan capital of Tripoli and major port city of Benghazi, and causing casualties and property losses to the Libyan people. No matter from what considerations the United States proceeded, its action of using military force to carry out a raid on the territory of another country and violating another country's sovereignty goes against the norms of international relations, and should be condemned by international opinion.

In late March, when the Sixth Fleet of the U.S. Navy conducted a military exercise, a round of armed conflict between the United States and Libya occurred. At that time, the United States dispatched its fighters to attack Libya's antiaircraft missile bases and to sink Libya's patrol boats. Less than 1 month after that, another armed attack incident has occurred. This has sharply worsened the situation in the Mediterranean and Middle East regions, and has certainly aroused deep concerns and worries among the countries in the Mediterranian Sea and in all parts of the world. Opinion in various countries, especially in the Arab countries, has demanded that such military actions be stopped immediately so as to maintain peace and stability in the Mediterranean region. This demand is completely reasonable. The United States declared that its latest raid on Libya was to retaliate the terrorist bombing incidents on a TWA airliner and at a discotheque in West Berlin. However, Libya completely denied any relations with these incidents. Undoubtedly, terrorist activities do harm to innocent people and are always unpopular. Most governments and people in the world detest terrorist activities. The Chinese Government consistently opposes and condemns all forms of terrorism and opposes the use of any terrorist means in political struggles. At the same time, however, the Chinese Government holds that no country has the right to launch military attacks against another country, or willfully violate another country's territorial sovereignty, under the excuse of fighting against terrorism.

The present situation in the Mediterranean Sea entails serious dangers. The conflict between the United States and Libya is likely to escalate. Historical experience has proved that disputes between the two countries can never be solved through the use of armed force. On the contrary, this will just further complicate things. We appeal to both the United States and Libya to exercise restraint, immediately stop all hostile actions, and seek a proper solution through peaceful dialogue, so as to enable the Mediterranean region to maintain its peace and stability. This will be beneficial to the Middle East and Mediterranean regions and will also be favorable to world peace.

Further Criticism by RENMIN RIBAO

OW160958 Beijing XINHUA in English 0950 GMT 16 Apr 86

["PEOPLE'S DAILY Commentary Denounces U.S. Air Raids on Libya" -- XINHUA headline]

[Text] Beijing, April 16 (XINHUA) -- The PEOPLE'S DAILY declares here today that under whatever excuse, the U.S. air raids on the Libyan capital of Tripoli and the key port city of Benghazi, which inflicted heavy losses on the Libyans in life and property, "runs counter to international norms and should be denounced by the world public."

A commentary in the paper, after reviewing the armed conflict between the United States and Libya late last month and the new U.S. attack, says the swift deterioration of the situation in the Mediterranean and the Middle East has caused grave concern and uneasiness in the Mediterranean nations and the world over. "It is totally reasonable for the world community and the Arab countries in particular to call for an immediate end to the military action so as to safeguard the peace and stability of this region," the commentary says. "The U.S. claimed its latest attack was in retaliation of the two explosion incidents with the TWA Boeing 727 flight and the West Berlin discotheque. But, Libya has denied its involvement in the blasts. Terrorist activities, which injure and kill innocent people, are undoubtedly always offensive and are disgusted by most of the world nations and people.

"The Chinese Government always opposes and condemns all forms of terrorism and disapproves political struggles by terrorist means. But at the same time, we hold that no country has the right to launch military attacks on other countries, to violate their territorial sovereignty, under the pretext of anti-terrorism."

"The present situation in the Mediterranean harbors a great danger," the PEOPLE'S DAILY warns. "History has proved that international conflicts and confrontation cannot be settled by the use of force. We call on both the United States and Libya to be restrained and halt immediately their hostilities and seek a proper settlement through dialogue or other peaceful means, so that peace and stability in the Mediterranean can be maintained."

XINHUA on 'Violation' of Norms

OW151710 Beijing XINHUA Domestic Service in Chinese 1241 GMT 15 Apr 86

[Short commentary: "Acts in Violation of the Norms of International Law," by XINHUA reporter Wang Lianzhi]

[Text] Beijing, 15 Apr (XINHUA) -- On the evening of 14 April, U.S. White House spokesman Speakes announced that the United States on that day launched "a series of carefully planned" air strikes against some targets in Libya. The scope of these air strikes, it is reported, even covered Libya's capital, Tripoli.

This is the second invasion of the territory of an Arab sovereign state by the United States in less than a month. It flagrantly violated the norms of international law, severely jeopardized the peace and security of the Mediterranean region, and thus should be condemned and opposed. The repeated U.S. acts to encroach upon Libyan territory and air space, though carried out under the elegant pretext of "opposing terrorist activities," "retaliating against terrorist activities," and so forth can in no way conceal Washington's real intention of playing power politics and pursuing gunboat diplomacy.

It is true that in international politics resorting to terrorist activities, such as kidnapping, murder, hijacking, bombing, and holding hostages, has always been condemned by the international community. It has also been intolerable to all who uphold justice in the world to rely on military strength and use force to threaten other countries in handling interstate relations or even trample upon their sovereignty, subvert their governments, and aggravate international tension.

Libya is a small country with a population of only 3 million. Relying on its gigantic military machine, the United States has invaded that country on two successive occasions. Despite the temporary advantages the United States might have won militarily, it is a moral loser, for the day when big powers can wantonly exert their power has long gone, and any hegemonic acts of the strong bullying the weak and of taking advantage of one's power to tread upon others have become very unpopular in the world today.

For a long time the adversities in the Middle East have not been limited to such endless bloodshed as the Arab-Israeli conflict, the internal disorder in Lebanon, and the Iran-Iraq war. The U.S. encroachment upon Libya has made the Middle East issue even more complicated. This situation is not only harmful to world peace but is also detrimental to both the United States and Libya. For this reason, it cannot but arouse the grave concern and attention of the international community.

XINHUA Report on Strikes

OW151940 Beijing XINHUA Domestic Service in Chinese 1448 GMT 15 Apr 86

[By Reporter Zhu Shixiang]

[Text] Beijing, 15 Apr (XINHUA) -- In the early hours of the morning today, the United States blatantly sent out about 18 F-111 Air Force fighters and 15 naval planes to fiercely bomb Libya's capital Tripoli and its second largest city Benghazi, inflicting heavy casualties and loss of property. This is the second fairly large-scale air raid the United States has launched this year. U.S. presidential spokesman Speakes admitted without concealment that the U.S. Armed Forces had "carried out a series of carefully planned air strikes." Like the U.S. raids against Libya last month, the United States again used the pretext of "dealing blows at terrorist activities" to launch the air strikes against that country.

On 2 April, there was an explosion aboard a TWA plane on a scheduled flight over Greece. The explosion killed four American passengers. Later, in the early morning hours of 5 April, a bomb exploded at a discotheque in West Berlin. An American G.I. attending a dance party at the time was killed, and more than 60 other U.S. soldiers were wounded. Following these two explosive incidents, the U.S. authorities ceaselessly worked to whip up public opinion and make preparations for launching another attack on Libya. On 9 April, U.S. President Reagan proclaimed that Al-Qadhdhafi was the "plotter" and "suspect" in these two incidents and threatened that once conclusive evidence was obtained, the United States would take retaliatory "military reaction" against Libya. The next day, U.S. press reports said that the U.S. White House, the Department of Defense, and the Central Intelligence Agency had studied and drawn up a concrete retaliatory plan, and that Reagan had, in principle, approved the "program for attacking Libya."

In the meantime, a U.S. special fleet including the carriers 'Coral Sea' and 'America' was ordered to sail to the southern part of the Mediterranean and came to a position where it could launch a direct attack on Libya. The entire fleet was on alert.

Pressed on at every stage and threatened by the United States, Libya also formulated a "military confrontation plan" to beat back the U.S. aggression. Al-Qadhdhafi announced that if the United States attacked Libya, his country would strike U.S. targets all over the world, including European countries with U.S. military bases. Additionally, Al-Qadhdhafi said on numerous occasions that Libya had nothing to do with the explosions involving the TWA plane and the West Berlin discotheque. The above facts indicate that the present U.S. air strikes against Libya are a planned and premeditated aggressive act against a sovereign state under the pretext of opposing terrorism.

In the wake of the air strikes, Reagan made a nationally broadcast speech to justify these U.S. strikes. He also threatened that the United States would launch more strikes against Libya, if necessary. This casts further light on the hegemonic acts of the U.S., a superpower, in pushing its power politics and gunboat diplomacy and wantonly encroaching upon the territory of another country in disregard of the norms of international law.

The present U.S. air strikes have evoked righteous indignation and condemnation from world public opinion. Many countries have called on the U.S. to immediately stop using military action to settle the differences between the two countries.

Asian, African Students Protest

HK161014 Hong Kong AFP in English 0947 GMT 16 Apr 86

[Text] Beijing, April 16 (AFP) -- About 100 students from African and Asian Moslem countries staged brief demonstrations Wednesday outside the U.S. and British Embassies here protesting the U.S. attack on Libya, eyewitnesses said.

Shouting "Down with American imperialism," and "Let us unite under Islam," the students blocked traffic as they sat for about 10 minutes in front of the two embassies and the U.S. Cultural Service building, all within a kilometer (0.62 miles) of one another. The some [as received] 100 students, carrying banners in Arabic, Chinese and English, observe do a one-minute silence outside the British Embassy in memory of the victims of the raid.

Chinese police did not intervene during the demonstration, which lasted about an hour before the protesters marched down one of Beijing's main thoroughfares chanting "we support (Libyan leader) Mu'ammar al-Qadhdhafi." The students came from Pakistan, Jordan, Sudan, Mauritania, Somalia, Turkey, and both Iran and Iraq. There were no Libyan students, organisers said. There are an estimated 10 to 20 Libyan students in Beijing, according to Western diplomatic sources. "Many of the students come from countries which support U.S. policy," one of the organisers, a Palestinian, said. "This proves that our demonstration comes from the people and is not a reflection of the position of our governments."

China has condemned Tuesday's U.S. air strike on Libya, using planes from U.S. bases in Britain as well as U.S. aircraft carriers in the Mediterranean. One of the organisers said the demonstration was not aimed against China, although at one point shouts of "Down with Beijing" were heard.

MOSCOW CANCELS SHEVARDNADZE-SHULTZ TALKS

OW152013 Beijing XINHUA in English 1954 GMT 15 Apr 86

[Text] Moscow, April 15 (XINHUA) -- The Soviet Union today announced the cancellation of a scheduled meeting between U.S. Secretary of State George Shultz and Soviet Foreign Minister Eduard Shevardnadze because of the U.S. air raid against Libya. In an official statement transmitted by the news agency TASS, the Soviet Government said that in the light of the U.S. attack on Libya today, the Shevardnadze-Shultz meeting will be impossible. Shevardnadze and Shultz had scheduled to meet in Washington next month to discuss a second summit between U.S. President Ronald Reagan and Soviet leader Mikhail Gorbachev.

The Soviet Government statement said the Soviet leadership has warned the United States against provocative actions but "unfortunately, as it is evidenced by the aggressive action against Libya, this warning was not heeded in Washington." The provocative actions by the United States cannot but affect Soviet-U.S. relations, it said. It said that the Soviet Government resolutely condemns the "aggressive bandit action taken by the United States against Libya and "demands an immediate end to it." [quotation marks as received]

U.S. Says Cancellation 'Mistake'

OW160218 Beijing XINHUA in English 0139 GMT 16 Apr 86

[Text] Washington, April 15 (XINHUA) -- The White House today called the Soviet decision to cancel an agreed meeting between U.S. Secretary of State George Shultz and Soviet Foreign Minister Eduard Shevardnadze "a mistake." White House spokesman Larry Speakes told reporters today, "The Soviet decision shows where they stand on the important issue of international terrorism. It also says something about their commitment to work constructively on issues on the U.S.-Soviet agenda, including arms reductions and regional crises."

The Soviet Union announced it has decided to cancel the meeting in response to the U.S. raids on Libya yesterday. The United States and the Soviet Union on April 8 agreed on the meeting between Shultz and Shevardnadze here in mid-May to make preparations for the second U.S.-Soviet summit. The Soviet decision today has cast doubt on plans for a second summit, which seemed promising in the past few days. U.S. President Ronald Reagan and Soviet leader Mikhail Gorbachev agreed in Geneva last November to hold another summit in Washington this year. But since then no date has been set because the two sides failed to reach an agreement on the date of the summit.

Shultz said last night that the Soviet charge d'affaires was summoned to the State Department yesterday at the time of the U.S. bombing on Libya. The Soviet diplomat was told the U.S. action was directed against terrorism, not to the Soviet Union. Hours after the U.S. attack, the Soviet Union denounced the U.S. action as a "new bloody crime."

SOVIET OFFICIALS REACT TO U.S. RAID ON LIBYA

Gorbachev States 'Strong Concern'

OW152004 Beijing XINHUA in English 1949 GMT 15 Apr 86

[Text] Moscow, April 15 (XINHUA) -- Soviet leader Mikhail Gorbachev today expressed deep concern over the U.S. air attacks on Libya, visiting Swedish Prime Minister Ingvar Carlsson said.

After meeting with Gorbachev in the Kremlin, Carlsson told reporters at the Swedish Embassy here that the Soviet leader "expressed strong concern over the situation."

Carlsson, who arrived in Moscow yesterday for a four-day official visit, said that he and Gorbachev discussed a number of issues including Libya, Afghanistan, Nicaragua and South Africa. He said they share similar views on the U.S. air raids on Libya. Carlsson added he does not believe violence should be used to combat terrorism.

The United States early today carried out air strikes against "terrorist related targets" in eastern and western Libya. The action, reportedly the largest American air raid since the Vietnam war, is in retaliation for what Washington claims is Libyan involvement in a series of terrorist actions, including the April 15 bombing of a discotheque in West Berlin, which killed one American and injured about 60 others. Reports said at least five Libyan targets have been hit.

The official Soviet news agency TASS quickly reported the attacks, condemning them as "naked aggression." The Soviet Peace Committee said in a statement that the United States has trampled on all norms of international law by launching raids against Libya. It called the attack another demonstration of Washington's open defiance of world opinion, which was demanding an end to the threat against Libya, and of U.S. pursuance of the so-called "new globalism." The statement demanded that the United States stop its acts of aggression against the Middle East country and immediately withdraw its Armed Forces from the Mediterranean.

Gorbachev, Ryzhkov Denounce Raid

OW161004 Beijing XINHUA in English 0938 GMT 16 Apr 86

[Text] Moscow, April 15 (XINHUA) -- Soviet leader Mikhail Gorbachev today condemned the U.S. air attacks against Libya, saying the action has "exposed the essence of its approach to cardinal international problems."

In a meeting with Swedish Prime Minister Ingvar Carlsson, Gorbachev "firmly condemned the American administration's lawlessness and arbitrary action against Libya," the official news agency TASS reported. Gorbachev said the U.S. action was "a link in the chain of the challenging and provocative actions of the United States taken in response to the Soviet Union's peace initiatives."

The Soviet leader noted that the entire international community, mainly Western Europe and NATO members, "are confronted with the serious choice: passiveness, the more so connivance at or complicity in actions of this kind, threatens turmoil in international relations with unpredictable consequences."

Gorbachev said he has "unqualified respect" for Sweden's traditional policy of neutrality. He told Carlsson he was ready to cooperate with Carlsson in the efforts to ensure international and European security, particularly in northern Europe. At a dinner to honor Carlsson, Soviet Premier Nikolay Ryzhkov also denounced the U.S. air strikes against Libya.

NEW SWEDISH PRIME MINISTER ARRIVES IN USSR

OW151306 Beijing XINHUA in English 0729 GMT 15 Apr 86

[Text] Moscow, April 14 (XINHUA) -- Sweden's new Prime Minister Ingvar Carlsson arrived here today for a four-day official visit, the first one by a Swedish leader in 10 years, and is expected to meet with Soviet leader Mikhail Gorbachev.

Carlsson is making his first official visit to Moscow since he succeeded Premier Olaf Palme, who was assassinated in Stockholm on February 28. The Soviet news agency TASS said Soviet Premier Nikolay Ryzhkov greeted Carlsson, and later the two men discussed Soviet-Swedish relations, focusing on economic matters. The premiers met last month in Stockholm during Palme's funeral. At that time, they discussed how to expand cooperation in economic, trade and scientific-technological fields.

Diplomatic sources said possible topics for talks between Carlsson and Gorbachev would include disarmament issues, European security and bilateral relations. Relations between Moscow and Stockholm deteriorated after 1983 when Sweden alleged that Soviet submarines had illegally entered Swedish territory. As a result, their trade volume declined to 790 million roubles in 1985 from 906 million in 1983.

Palme was instrumental in drawing up the so-called "Five Continent Initiative" -- together with the leaders of Greece, Argentina, India, Mexico and Tanzania -- calling for a world ban on testing, production and development of nuclear weapons. The proposal received warm response from the Soviet Union.

QIAN QICHEN COMMENTS ON 'USEFUL' TALKS IN MOSCOW

HK150436 Hong Kong AFP in English 0427 GMT 15 Apr 86

[Text] Beijing, April 15 (AFP) -- The eighth round of talks on normalisation of Sino-Soviet relations were useful but ended with no tangible results, the head of the Chinese side said here Tuesday. "I cannot say there was any result," said Qian Qichen, vice-foreign minister, who was speaking at the airport on his return from Moscow where the talks ended Monday. "If one wants to speak about a result, we could say (the negotiations) have been useful," he added. A joint communique issued at the end of the round said the two sides were ready "to further improve and expand relations in political, economic, scientific and technological, cultural and other fields." The two split over ideological differences in the early 1960's. Their relations started to improve significantly -- particularly in the trade field -- after talks on normalisation began in the early 1980's. The next round of talks is scheduled to take place in Beijing in October.

PRC TO HOLD SUMMER TRADE EXHIBITION IN MOSCOW

HK141240 Hong Kong AFP in English 1209 GMT 14 Apr 86

[Text] Beijing, April 14 (AFP) -- China is to hold a big trade exhibition in Moscow this summer, the first such show since a Sino-Soviet split more than 25 years ago, it was officially announced here Monday. The China Economic and Trade Exhibition, to be held from July 25 to August 10 in the Soviet capital, would be organised by the China Council for the Promotion of International Trade (CCPIT), a CCPIT spokesman said. The spokesman gave no further details, but an informed source said China would present many articles showing its technology currently on display at the China Shenzhen Technology Fair, in the special economic zone of Shenzhen bordering Hong Kong.

China and the Soviet Union split over ideological differences in the early 1960's but began a process of detente in late 1982 reflected mainly in trade. The value of bilateral trade soared from 300 million dollars in 1981 to 1.9 billion dollars last year. A visit to China in March by Soviet Vice Premier Ivan Arkhipov gave a fresh impetus to the trade, as well as to bilateral economic and technological cooperation, observers here said.

BURMESE PRIME MINISTER CONTINUES VISIT

Zhao Bids Farewell in Beijing

OW140720 Beijing XINHUA in English 0708 GMT 14 Apr 86

[Text] Beijing, April 14 (XINHUA) -- Burmese Prime Minister U Maung Maung Kha and hi party left here for a visit to Tianjin this morning. Chinese Premier Zhao Ziyang bi farewell to Burmese prime minister at the state guest house of Diaoyutai and wished hi a happy journey. The Burmese visitors are accompanied by Wang Tao, minister o petroleum industry.

Arrives in Tianjin

OW150035 Beijing XINHUA in English 1957 GMT 14 Apr 86

[Text] Tianjin, April 14 (XINHUA) -- The Tianjin Municipal People's Government gave banquet in honor of Burmese Prime Minister U Maung Maung Kha and his party here thi evening. Li Ruihuan, mayor of the Tianjin municipality, presided at the banquet.

U Maung Maung Kha and his party arrived here this afternoon by car on a friendly visi to Tianjin in the company of Minister of Petroleum Industry Wang Tao. On their way t Tianjin the Burmese guests visited the eastern Qing Tombs in Zunhua County, Hebe Province, where the remains of five emperors and 15 empresses of the Qing dynasty ar buried. Wang Daming, vice-mayor of Tangshan City, briefed the guests on the city' recovery from the 1976 earthquake.

Tours Tianjin Environs

OW160012 Beijing XINHUA in English 2021 GMT 15 Apr 86

[Text] Tianjin, April 15 (XINHUA) -- Burmese Prime Minister U Maung Maung Kha and hi party today visited the Dagang oilfield located southeast of Tianjin in the company o Minister of Petroleum Industry Wang Tao and Vice-Mayor of Tianjin Li Lanqing. U Maun Maung Kha was briefed on the expansion of the oilfield, which now produces 3.65 millio tons of crude oil and 500 million cubic meters of gas annually.

The Burmese guests inspected drilling and oil extraction sites, comprehensiv processing and gas purification works, and transportation facilities. The guest visited a knitwear factory and went sightseeing this afternoon. In the evening, the attended a performance of dance items presented by two art from the Beijing Orient Son and Dance Ensemble who had studied in Burma.

PHILIPPINE PRESIDENT HOPES TO VISIT CHINA

OW151324 Beijing XINHUA in English 1316 GMT 15 Apr 86

[Text] Manila, April 15 (XINHUA) -- President Corazon Aquino said here today that sh hoped very much to visit China. She said this in her conversation with Chines Ambassador to the Philippines Chen Songlu at the presidential palace here this morning This is the first official meeting the president has had with the Chinese ambassado since he assumed office last February.

"I'd like very much to go to see China," the president said, adding "my late husban was to go to China during his lifetime, but his wishes were not fulfilled." Mrs Aquino said, "We should do something to further strengthen the friendly relation between the Philippines and China."

The president showed particular interest in the development of bilateral trade relations, especially in the sphere of barter trade. She said that she would instruct her cabinet members to discuss specific ways with the Chinese ambassador to develop such relations.

Ambassador Chen Songlu said the Chinese Government welcomed the Philippine president to visit China. He hoped that both sides would make joint efforts to develop the traditional friendship between the two neighborly countries.

PHILIPPINE PARLIAMENTARIANS HOLD PROTEST MEETING

OW150043 Beijing XINHUA in English 2004 GMT 14 Apr 86

[Text] Manila, April 14 (XINHUA) -- Ninety-three members of the abolished Philippine National Assembly today met in Manila in defiance of the Philippine Government. The Parliamentarians convened at the Asian Institute of Tourism (AIT) to protest against the abolition of the National Assembly by President Corazon Aquino.

The president abolished the National Assembly and the constitution and assumed legislative and executive powers under an interim constitution proclaimed on March 25.

All participants today belonged to the erstwhile Ruling New Society Movement (KBL)

Former MP Arturo Tolentino, Marcos' vice-presidential running mate, described the Aquino government and the abolition of the assembly as "unconstitutional" in a speech delivered before the parliamentarians. He also called for a nationwide civil disobedience campaign against the Aquino government. He did not disclose what other steps he and other KBL leaders would take. However, some KBL sources interviewed at the scene said they would call for non-payment of taxes, boycott of the pro-Aquino newspaper and protests demonstrations against the government.

The parliamentarians later passed a resolution protesting against the dismissals of the KBL officials and their replacements by officer-in-charge appointed by local government Minister Aquilino Pimentel.

While the parliamentarians were meeting, thousands of Marcos' supporters gathered in front of the meeting hall to express their support for the former legislators. The Marcos supporters shouted pro-Marcos slogans and heckled passers-by and President Aquino's supporters.

Meanwhile, presidential spokesman Rene Saguisag described the meeting as "one of the noises of democracy" and a "mere reunion of former KBL parliamentarians." He said that they would not be arrested.

VICE FOREIGN MINISTER MEETS GUESTS FROM TONGA

OW141409 Beijing XINHUA in English 1315 GMT 14 Apr 86

[Text] Beijing, April 14 (XINHUA) -- Vice Foreign Minister Zhu Qizhen met and conferred here today with Mahe U. Tupouniua, former deputy prime minister of Tonga, on the expansion of economic and technical cooperation between China and South Pacific countries.

Tupouniua, who is also former director of the South Pacific Bureau for Economic Cooperation, and his wife arrived here April 12 as guests of the Chinese People's Institute of Foreign Affairs.

BELGRADE RADIO INTERVIEWS QIAN QICHEN

AU132108 Belgrade Domestic Service in Serbo-Croatian 0800 GMT 13 Apr 86

[Interview with PRC Vice Minister of Foreign Affairs Qian Qichen by Belgrade radio journalist Milorad Denda and other SFRY correspondents in Beijing on the "Sunday at 10" program; date not given -- Qian Qichen's remarks recorded in Chinese fading into Serbo-Croatian translation]

[Text] [Denda] Qian Qichen belongs to the very top of Chinese diplomacy and is known world wide because since 1982, as a special envoy of the PRC Government, he has been conducting biannual consultations with Soviet diplomat Ilichev about the normalization of relations between the two countries. These days, Qian Qichen is actually in Moscow now at the so-called spring round of talks. One topic of the conversation between Qian Qichen, the Belgrade radio special correspondent and the Yugoslav correspondent of TANJUG, POLITIKA, and VJESNIK in Beijing covered some of the more important directions of Chinese foreign policy.

The first question was on China's relations with the two superpowers: To what extent are those opinions correct and could China put into the background or forget about the obstacles in those relations and be content with the present favorable development of relations?

[Qian] The essence of the Chinese foreign policy is in developing friendly relations with all countries -- including the United States and the USSR -- on the basis of the five principles of Peaceful Coexistence. We are very sorry that there are obstacles that are known to everybody both in Sino-American and Sino-Soviet relations. While furthering relations with both sides, we must negotiate and seek solutions with a view to removing those obstacles. The question of Taiwan is the greatest obstacle in relations with America. There are three communiques about Sino-American relations and the question of Taiwan. According to the most recent of these communiques, the one from August 1982, Washington promised to gradually reduce arms deliveries to Taiwan. If Sino-American relations develop on the basis of these three communiques, they will then develop in a stable way.

As concerns relations with the USSR, we are of the opinion that it is only by removing the three obstacles that Sino-Soviet relations can be normalized. Progress has been made in these relations during recent years, in the sphere of economy, trade, science, technology, and exchange of people. We are sorry, however, that the USSR avoids or evades the question of the removal of the three obstacles lest it, as it claims, causes damage to some third countries. The PRC thinks, however, that the principle of not causing damage to third countries is a general principle, and that there cannot be some special interpretation of that principle. The PRC does not want to interfere in Soviet relations with Vietnam, but the USSR supports Vietnam in its aggression against Cambodia, and that aggression caused damage to a third country. If what is involved is the principle of not causing damage to a third country, the USSR must change its attitude of support for Vietnam. We do not agree with the claim that we have forgotten the three obstacles, but we have the patience to hold negotiations with a view to removing these obstacles.

[Denda] The second question was about Chinese relations with other neighbors.

[Qian] With some neighbors, China has always had good relations. The relations with others are now good since the problems have been solved, and with some there are still some unsolved problems. The most difficult problems are the ones in the relations with Vietnam. Let us recall China's great support and help to Vietnam in its struggle against American aggression.

[Qian continues] China cannot support Vietnamese aggression against the small country of Cambodia, whatever excuse for the aggression there may be, because no excuse can be a reason for committing aggression. If that is allowed, the world would be in chaos. Any country can find some reason for attacking another. Therefore, starting from this principled stand of inadmissibility of aggression, we can by no means support Vietnamese aggression against Cambodia. Proceeding from the same principled stand, we supported Vietnam in its struggle against American aggression. I see the solution in Vietnam withdrawing its troops from Cambodia. Then there would exist no obstacle to the improvement of Sino-Vietnamese relations. Therefore, China supports the recent eight-point proposals about a political solution to the Cambodian problem which was made by Democratic Kampuchea's Coalition Government.

[Denda] The next question concerned the Chinese attitude of not entering into special alliances with other countries and the character of Chinese relations with developing countries.

[Qian] China is a socialist and a developing country. It supports the Third World, which means that it supports the developing countries, the preservation of their national independence, and their economic development. We have said several times that we will not enter alliances with any big country, or any other country, because with such an alliance we would have obligations which would interfere with our freedom of choice. You know that we used to be in an alliance with the USSR; the agreement was finally abolished in 1982, although it had actually not been in force for long time before that. China is therefore, both in reality and in form, a country without alliances. It does not consider itself a leader of the Third World, nor does it think that it can represent other countries because of it size. Being a relatively big country, it is not a member of Third World countries' organizations, it is not a member of the Nonaligned Movement, nor the Group of 77 developing countries, but this does not stop it from supporting the Nonaligned Movement, the Group of 77, and the justifiable demands of the developing countries.

[Denda] The last question concerned Chinese relations with East European countries.

[Qian] There are no obstacles in these relations and the development of these relations in the interest of both sides. There are no difficulties on the Chinese side concerning the development of these relations. Since those countries are in Europe and in an alliance with the USSR, they have their own views concerning the development of relations with China. They think that the development of Sino-Soviet relations is in the interest of the development of relations between China and them, and vice versa -- when there are some problems in the relations between China and the USSR, then it affects the development of Chinese relations with the East European countries. China, therefore, views these relations objectively, and we agree with the comrades from the socialist countries of Eastern Europe that if something can be done now, we do it, if there is nothing we can do now, we leave it for later times, and if there is something we do not want to do now, then we do not want it.

XINHUA EXPECTS GDR POLICY TO REMAIN UNCHANGED

OW140934 Beijing XINHUA in English 0904 GMT 14 Apr 86

["Democratic Germany's Present Policy Expected to Continue (by correspondent Xing Quimin" -- XINHUA headline]

[Text] Berlin, April 14 (XINHUA) -- With the 11th Congress of the Socialist Unity Party of Germany a few days away, it is widely believed here that the general policy line the country has followed since the early 1970s, in both domestic and foreign affairs, will most likely remain unchanged though minor modifications on some issues are not ruled out.

Domestic matters are expected to dominate the coming Congress, the fourth since Erich Honecker became general secretary of the party in 1971.

The Eighth Party Congress held in 1971, the year Honecker became leader of the country's ruling party, has been honored as a turning point in the party's history as it decided to readjust the ratio between light and heavy industries in economic development and to give more attention to improving the people's economic conditions.

Based on the experiences in the country's socialist construction in the 1950s and 1960s, the Eighth Party Congress decided that Democratic Germany should pursue economic and social (welfare) policies as an entirety, and a social program adopted at that Congress in line with this decision declared that the country will solve the housing problem as one of social relevance by 1990. This policy decision was included as a long-term objective in the revised party program endorsed at its 9th Congress in 1976. With a view to more effective implementation of this policy, the party's 10th Congress in 1981 formulated a new economic strategy for the 1980s calling for intensification of all production processes.

Prior to this year's Party Congress, many party and government leaders attended ceremonies introducing the use of up-to-date technologies in some large industrial complexes. The move signals that increased weight is being given to the development and application of microelectronics and other high-technologies. As the economic strategy for the 1980s put it, the development of major new technologies is the key to the guarantee of a stable economic growth on a long-term basis. The policies adopted in the early 1970s brought the country good results in the first half of the 1980s. In those years, the country faced new challenges from the outside such as an increasingly tense world situation and sharp rises in raw materials and energy, for which the country has to depend heavily on imports. However, it managed to obtain stable economic growth and steady improvement in living standards. From 1980 to 1985, Democratic Germany's economy grew at an annual rate of 4.4 percent and national income increased from 180 billion marks (approximately 70.6 billion U.S. dollars) to 230 billion marks (about 90.2 billion U.S. dollars), thus retaining its position as the world's tenth industrialized power. The real income of wage-earners in 1984 was up 14.3 percent over 1980.

Democratic Germany regards a peaceful world environment essential to maintaining its economic advance. For this purpose, the country has actively advocated the policy of dialogue in international affairs since Washington and Moscow began to deploy new-type intermediate-range nuclear missiles in Europe in late 1983 and early 1984 respectively. It feels under special obligation to work with Federal Germany to prevent the outbreak of a new war on German soil. The planned visit by Honecker to Federal Germany, though postponed twice, is likely to go ahead after this week's Party Congress. Honecker has said on many occasions it is all the more necessary to reinforce the campaign for peace under the present tense international situation.

The Berlin-based international affairs monthly "HORIZONS", in a recent article on the interdependence between the country's economic development and its active participation in world affairs, says that "peaceful coexistence is the most sensible approach in the world today." This article, published in the run-up to the Party Congress, may well be taken as a hint that the country will carry on the policy of dialogue to safeguard peace.

HU YAOBANG MEETS AFRICAN NATIONAL CONGRESS LEADER

OW111537 Beijing XINHUA in English 1519 GMT 11 Apr 86

[Text] Beijing, April 11 (XINHUA) -- Communist Party leader Hu Yaobang said here today that China will fight alongside the international community for an end to criminal racist rule in South Africa. Hu, general secretary of the party Central Committee, was speaking at a meeting with a delegation from the African National Congress (ANC), led by its secretary-general, Alfred Nzo.

Hu said the Chinese Government and people will continue giving their full support for the South African people's struggle against racist rule. He told them: "Most countries in the world and international organizations and all the people stand by your sides." South African racial discrimination is "dark and ruthless", and goes against the trend of human development. The struggles might take South African people through an arduous period. But Hu said he is confident that their victory is inevitable as long as they strengthen unity. The Chinese people are very concerned about imprisoned ANC leader Nelson Mandela, he added.

Nzo said their current visit to China is turning out to be very successful, and is increasing their understanding of the Chinese people, who have supported their struggle. He pointed out that advantage is now on the side of the South African people in their struggle, and the ANC will work to unite people from all walks of life to fight on for final victory. After the meeting, Hu gave a dinner in honor of the delegation. Zhu Liang, head of the party Central Committee International Liaison Department, attended.

ZAMBIA'S KAUNDA: CHINA A 'TRUSTWORTHY FRIEND'

OW110322 Beijing XINHUA Domestic Service in Chinese 1315 GMT 10 Apr 86

[Text] Lusaka, 9 Apr (XINHUA) -- "The People's Republic of China is our greatest partner in the course of Zambia's development," said President launda. He made this remark here today at a meeting with a delegation from the Chinese Journalists Association. He described China as a trustworthy friend not only of Zambia but also of all countries in this region under all circumstances.

He said that Zambia will never forget China's assistance to the construction of Tanzania-Zambian railroad and other aid to Zambia. He added: China is playing an important role in the life of the Zambian people as well as people in southern Africa.

Turning to the situation in southern Africa, Kaunda stressed that only by imposing economic sanctions on the racist regime is it possible to bring peace to this area. He was against the allegation that sanctions would cause grave damage to the blacks in South Africa. He also strongly condemned the South African authorities for training Zambian terrorists, pointing out that it is a component of South Africa's policy to create instability in neighboring countries. The 3-member Chinese journalists delegation arrived here on 7 April.

RENMIN RIBAO COMMENT ON REVEALING SECRETS REPORTED

OW141950 Beijing XINHUA Domestic Service in Chinese 1408 GMT 14 Apr 86

[RENMIN RIBAO Commentator's article: "Severely Punish Criminals Revealing Secrets and Taking Bribes"]

[Text] Beijing, 14 Apr (XINHUA) -- The case of Zhang Changsheng and Ye Zhifeng for which judgment has been pronounced by the Beijing Muncipal Intermediate People's Court is another major case seriously investigated and dealt with since the 8,000-person meeting of the central organs was held. Of the same ilk, Zhang Changsheng and Ye Zhifeng colluded with each other to reveal important state secrets in exchange for bribes. Their crimes are serious, and their actions are not permitted by state law. The end of Zhang Changsheng and Ye Zhifeng is clear proof that those who defy the law are bound to be punished severely by the law.

This case is a thought-provoking negative example that may serve as a lesson. It is characterized by the fact that the criminals covertly poked their noses into foreign economic activities and resorted to such despicable means as revealing important state secrets and selling information in order to obtain large bribes. The losses caused by such criminal acts are more serious than other crimes and their influence even worse. Since the implementation of the policy of opening to the outside world, our country has made positive efforts to develop foreign economic and technological cooperation and exchanges and to establish and develop cooperative economic relations and expand trade activities with more and more countries and regions. These efforts have produced remarkable results in promoting the economic development of our country. Meanwhile, however, there are indeed a very small number of unlawful elements who have taken the opportunity to reap profits. Their mischief has placed a man-made obstacle in the way of the normal economic and technological exchanges. Trade talks that could proceed smoothly became difficult and complicated or even fizzled out. Questions that could be solved fairly were not given fair solutions. The normal principles and order of foreign trade work were disrupted, and state interests were harmed. Therefore, only by severely punishing these secret-revealing and bribe-taking criminals can we ensure the healthy development of China's external economic and technological exchanges on the basis of equality3equality and mutual benefit and guarantee that China's policy of opening to the outside world is free from interference and sabotage.

Taking advantage of work to receive bribes is prominent among current criminal activities in the economic sphere. It is extremely harmful in that it causes economic and political losses to our country either directly or indirectly. The crimes perpetrated by Zhang Changsheng and Ye Zhifeng are unpardonable. In their eyes, fulfillment of state personnel's duties, strict observance of the state security laws and regulations, and safeguarding the interests of the state and people can all be ignored. To line their pockets, they may translate their power into a tool for making private profits and turn important state secrets into bargaining chips for their dirty dealings. They may do this even at the cost of harming the state and the people. These elements, though very few in number, cause great harm. The masses of people hate them bitterly and absolutely will not tolerate their acts!

It is our unswerving policy to severely punish those criminals who seriously sabotage our economy. Strict as the law is, there are a very small number of elements, such as the law is, there are a very small number of elements, such as Zhang Changsheng and Ye Zhifeng, who dare defy the law. With the idea of taking a chance like a gambler, they think that because of their surreptitious tricks, they will not leave any trace or show their cloven hooves.

However, to think this is not only deceitful but also self-deceiving. The net of justice is a wide-mesh net, but still nothing will slip through. Before the people's judicial organ, all veils concealing crime will eventually be pulled off, and all criminal elements are doomed to lose in their "gambling."

It was by no means accidental that Zhang Changsheng and Ye Zhifeng fell into the abyss of crime. This very fact indicates that we should never ignore the corruption arising from various decadent ideas of the exploiting class in the social environment marked by a drive toward reform an opening to the outside world. As the saying goes, a fly does not bite an egg without cracks. Such corruption can most easily show its effect on those few people who are weak-willed. A 1,000-li embankment may collapse because of the ant nests in it. In the face of material temptations of all shades and hues, reinforcement of the mental embankment is most necessary.

It is our basic national policy to open to the outside world and enliven the domestic economy. The severe punishment we deal to such criminals as Zhang Changsheng and Ye Zhifeng is precisely aimed at preserving the interests of our state and safeguarding the normal process of our foreign economic activities. All normal foreign economic activities carried out according to the principle of equality and mutual benefit will be encouraged and protected. All those from foreign industrial and business circles, all Overseas Chinese engaged in business, and all industrialists and businessmen from Hong Kong and Macao who deal with us and conduct economic cooperation with us in the normal way will be welcomed and treated fairly. There is no question at all about this. Dealing blows at economic crimes will surely play a role in ensuring and promoting our work of reform and opening to the outside world.

PRESIDENTIAL ORDER ON CIVIL CODE PRINCIPLES

OW160446 Beijing XINHUA Domestic Service in Chinese 0001 GMT 16 Apr 86

[Text] Beijing, 16 Apr (XINHUA) -- Order of the President of the People's Republic of China No 37

The General Principles of the Civil Code of the People's Republic of China have been passed by the Fourth Session of the Sixth National People's Congress of the People's Republic of China on 12 April 1986. It is hereby proclaimed that it will take effect on 1 January 1987.

Li Xiannian, President of the People's Republic of China, 12 April 86

ZHAO ZIYANG INSPECTS ZHEJIANG NUCLEAR PLANT

OW151301 Beijing XINHUA Domestic Service in Chinese 0415 GMT 15 Apr 86

[By reporter Wu Keqiang]

[Text] Hangzhou, 15 Apr (XINHUA) -- Zhao Ziyang, premier of the State Council, recently inspected the construction site of China's first nuclear power station, the Qinshan nuclear power plant located in Haiyan County, Zhejiang Province. It was drizzling when Premier Zhao Ziyang arrived at the Qinshan nuclear power plant along Hangzhou Wan. Upon arriving at the construction site, Premier Zhao donned a hard hat and looked around with interest. He kept waving to the workmen.

Since beginning construction of the Qinshan nuclear power plant in June 1983, work on the nuclear island [he dao 2702 1497] main factory building, the auxilliary workshop, the conventional island [chang gui dao 1603 6016 1497] factory building, the tunnel and the civilian project has proceeded smoothly according to plan. A seawall has been built, and orders for vital installations have all been filled. Personnel training and production preparations are also in full swing. During the inspection, Premier Zhao praised the Qinshan nuclear power plant for stressing safety and quality in design and construction.

At the conclusion of his visit, Premier Zhao heard reports by deputy plant director Chen Puzhi and chief designer Ouyang Yu. He then made detailed inquiries about the progress of the project and such issues as quality, technology, safety, and total investment.

Accompanying Premier Zhao Ziyang on the inspection tour were Jiang Xinxiong, minister of nuclear industry; Huang Yicheng, vice minister in charge of the State Planning Commission; Lin Zongtang, vice minister in charge of the State Economic Commission; Bao Tong, vice minister in charge of the State Commission for Restructuring the Economic System; and Shen Zulun, vice governor of Zhejiang Province.

While in Haiyang County, Premier Zhao Ziyang heard reports by leading comrades of Zhejiang Province, Jiaxing City, and Haiyang County. He also visited the Haiyan shirt factory, a frontrunner in economic reform, and held cordial talks with factory director Bu Xinsheng, as well as other cadres and workers.

ZHAO ZIYANG ON SHANGHAI NUCLEAR PLANT PRODUCTION

OW152133 Beijing XINHUA in English 1940 GMT 15 Apr 86

[Text] Shanghai, April 15 (XINHUA) -- Premier Zhao Ziyang has encouraged Shanghai, China's largest industrial city, to compete with other places in the country in the production of nuclear power plants. Following his tour of the nuclear power plant now under construction in Zhejiang Province, he told Shanghai enterprises to take advantage of their advanced technology to make larger capacity nuclear power plants to contribute to the development of the country's power industry. He told the factories producing boilers, heavy-duty machinery and steam turbines to ask the state for no or little funds and foreign exchange in making best quality and low-cost products.

The premier also inspected Shanghai petrochemical complex and Shanghai silicate research institute during his stay in the city. He urged the silicate research institute to step up experiments on the application of porcelain in motors, which is believed to represent a breakthrough in materials for motor production. During his visit, Premier Zhao also visited a new knitwear mill and a Sino-U.S. joint venture.

NUCLEAR INDUSTRY TO UNDERGO REORGANIZATION

HK150922 Beijing CHINA DAILY in English 15 Apr 86 p 1

[By staff reporter Zhu Ling]

[Text] Shenzhen -- By 1990, China will have between 60 and 70 percent of its nuclear industry devoted to civil uses, Liu Shulin, adviser to the Ministry of Nuclear Industry, said here. This compares with the present 40 percent.

The increase is expected as a result of a major change in policy to emphasize construction of China-made nuclear power plants and the export of nuclear fuel for civil use. The move is part of the nationwide reorganization of defence industries. By 1900, at least 80 percent of the production of defence industries will be for civilian use, according to Ding Henggao, minister of the State Commission of Science, Technology and Industry for National Defence.

"It is not easy for our nuclear industry to reorganize itself as quickly as factories under the Ministry of Ordnance Industry," Liu said. He is also the president of the China Nuclear Energy Industry Corporation. But, the 62-year-old adviser said, rapid reorganization can be made possible by building nuclear power plants mostly through self-reliance, and by increasing export of nuclear fuel for power plants. Wu Fuxing, deputy manager of the China Energy Industry Corporation, disclosed that China can make available 1,000 tons of uranium for export every year.

Since 1980, the Ministry of Nuclear Industry has mainly produced nuclear weapons, but has also developed advanced techniques for civil industries, including hydro-metallurgy, power metallurgy, and remote control and measurement. Between 1986 and 1990, the ministry is expected to start building two 700-megawatt nuclear power plants in Zhejiang Province by relying on its own design and mostly China-made equipment. Advice will be sought from foreign companies and some equipment will be imported, Liu said. He declined to say what the imports might be.

Currently, Chinese nuclear experts are in Beijing for a three-month feasibility study of the ministry's plan for the next five years, emphasizing the construction of nuclear power plants. Liu said that the reactor construction of the country's first domestically-designed nuclear power plant, a 300 megawatt one at Qinshan in Zhejiang Province, is going ahead smoothly. The plant is expected to be completed in 1989. Most of its equipment will be China-made, he said.

Jiang Xinxiong, minister of nuclear industry, said earlier that construction of a nuclear heatsupply plant will also begin during the Seventh Five-year Plan period (1986-1990).

China's 30-year-old nuclear industry now has a complete system of nuclear science and technology, Liu said. The ministry has also developed a low temperature reactor for supplying heat, nuclear irradiation technology and a variety of stable isotopes and radioactive isotopes. So far, more than 700 isotopes have been produced, Liu reported. At the on-going Shenzhen technology export fair, some 80 factory managers and engineers under the Ministry of Nuclear Industry are displaying 200 items of products and technology for sale, barter or lease.

WENYI BAO INTERVIEWS WRITERS' ASSOCIATION OFFICIAL

HK160243 Beijing WENYI BAO in Chinese 22 Mar 86 p 1

[Report: "Tang Dacheng [0781 6671 2052], Permanent Secretary of the Chinese Writers' Association, Answers Reporters' Questions on Unfolding Theoretical Contention Under the Guidance of Marxism"]

[Text] Question: What do you think of the current situation on the literary, artistic, and theoretical front?

Answer: Under the leadership and concern of the CPC Central Committee, the literary, artistic, and theoretical front continues to maintain the prosperity of literary and artistic creation and the situation of letting a hundred flowers bloom.

Quite a number of published literary works reflecting the building of the four modernizations and the spirit of our times are warmly welcomed by the masses -- for example, novels, such as "The New Star," "Look for the Future World," "The Song on the Bus" and reportage, such as "Opportunity and Challenge," which won the Maodun literary award not long ago, and so on. In the meantime, socialist literature has experienced unprecedentedly diversified development and has gained new momentum in its ideological and artistic development. Literary theory criticism is also unprecedentedly active at present. There are over 20 kinds of publications on literary theory criticism throughout the country, and a large number of middle-aged and young critics of literary theory have emerged. These critics of literary theory are not satisfied with some old, simple and unified methods of proving and expounding, so they are trying to break some traditional molds of literary theory criticism in order to explore and expound the law of literary theory, the connotation of the phenomena of literary creation, and the sequence of the development of literary ideological trends. They are also trying to open up the ideological arena in theoretical criticism. However, in this enlivened situation, it is quite natural that they will put forward many questions that we should carefully study and discuss, even many questions that seem new, astonishing, and even hard to understand. If we look at these questions from a historical point of view, we should first see the positive side of such a lively situation.

We should acknowledge that in the past, under the influence of the "leftist" mistakes and the pernicious and destructive influence of the "Cultural Revolution," dogmatism, metaphysics, and vulgar sociology once seriously fettered our literary development in various aspects. Now the trammels have been smashed, and the situation is good. The formation and development of the right can only be really affirmed and developed in the struggle against the wrong and in the argument with the wrong as well as through constant tests in practice. This is the law of the development of truth, which has been proven by the historical fate of Marxism and the fact that Marxism has continuously been enriched in practice. Marxist literary theory criticism will be able to continue to maintain its vitality and develop so long as it does not depart from this dialectical law.

Question: There is much controversy at present. How do you think that the work of theoretical criticism should correctly be developed?

Answer: At present, literary theory criticism is gaining new momentum, but on the other hand, there is much controversy and many disputes on many questions. As far as the situation is concerned, we should actively, correctly, and energetically carry out literary criticisms and let a hundred flowers bloom.

We should conduct literary criticisms in two aspects: First, we should strengthen the construction of Marxist literary theory in the light of the reality of various present phenomena concerning literary creation and theoretical criticisms. Just as Marx said: "We are advocates of continued development. We do not plan to force upon mankind any final law." However, we must point out that the fundamental principle of Marxist literary theory has been tested in long-term practice, and it still has great vitality. Therefore, we should not adopt a frivolous attitude towards the Marxist literary theory, for instance, the significance of the guiding dialectical materialism and historical materialism over the construction of literary theory, the guiding role of the Marxist world outlook in literary and artistic creation, the literary and art workers' sense of social responsibility and sense of historical mission, the close and inseparable relationship between literature and art and social life, the characteristics and laws of literature and art, and so on, are all important topics which should be further discussed and summed up.

Second, we should carry out careful and deep analysis and criticism on the trends in contemporary Western literature and art which has influenced Chinese literature and art. We should see that in the historical period when the reform of the economic structure is being carried out and the policy of opening up is being implemented throughout the whole country, the import of trends in Western literature and various other world literature can play a positive role in casting off complacence and conservatism, smashing national seclusion, and helping us have the whole world in view, face the future, and strengthen our ability to reflect on problems and study new questions. In our country's literary history, the culture of the central plains once absorbed and digested the cultures of various other regions of China so that it could develop rapidly. The culture in the great Tang Dynasty also learned from and absorbed foreign cultures in its rapid development. So, we should have self-confidence in importing the various trends of thought in the Western literature and various other literature in the world. In building socialism with Chinese characteristics, we have absolute ability and confidence to absorb and digest on the basis of Marxism trends in various foreign literature to benefit the enrichment and construction of socialist literature and art with Chinese characteristics.

In order to realize this, we must adhere to the Marxist fundamental stand, viewpoint, and method and carry out deep and detailed analysis of various new viewpoints, new concepts, and new methods so as to affirm and assimilate the essence and reject the dross among them. We should not indiscriminately absorb them; for example, many comrades are now interested in the subject theory, new method theory, the theory of unearthing cultural roots, and modern consciousness theory, all of which are very popular at present. Therefore, we should scientifically analyze these theories. Over the past few years, some comrades have adopted a nihilistic attitude towards cultural traditions by negating all cultural traditions and stressing horizontal transplants. Now some comrades begin to stress cultural roots, and even earnestly search for the focus of cultural consciousness from ancient and primitive customs and conventions. It is necessary for us to conduct deep analysis of these trends on the basis of Marxism in the light of reality.

Question: What trends of thought in literature and art should be given attention at present?

Answer: I believe that at present, the main trend is theoretical criticism and literary and artistic creation under the guidance of Marxism or at least not in violation of fundamental Marxist principles. However, there are indeed some problems in the work of literary creation and theoretical criticism to which we should pay close attention; for example, social pessimism and philosophical outlook of extreme individualism, social outlook and literary and artistic outlook, and so on, have appeared in the theoretical criticisms and literary creation, and it is therefore necessary for us to analyze and discuss them. At present, our country is carrying out a great, world-famous reform. A writer with a strong sense of the mission of our times and a strong sense of social responsibility should not be aloof from this great event, should show concern for the change of the life and destiny of the broad masses of the people, should have a sense of responsibility to build our country into a strong and modernized socialist country, and should not consciously or unconsciously use social pessimism or extreme individualism to observe or depict our times and society. We should doubtlessly reject and resist these concepts no matter their origin because they run contrary to the development of our times and the demand of history. I do think that the elimination of these ideological trends is the necessity of historical materialism.

Question: What aspects should be given attention in correctly conducting Marxist literary criticisms?

Answer: We should learn a lesson from the crudeness, arbitrariness, dogmatism, and the trend of extreme "leftist" thought which once prevailed in our history, correctly safeguard the socialist freedom of creation, stick to serving the people whole-heartedly, stick to serving the society and the policy of letting a hundred flowers bloom and a hundred schools of thought contend, and we should especially try to establish a good style of study and a good writing style in literary criticism. Generally speaking, the theoretical contention has not been fully unfolded, and there is an urgent need to further carry out literary criticisms on a scientific, equal, and reasonable basis at present. We should develop the spirit that all are equal before truth and should be on guard against one-sidedness and not make a terrific din. Literary criticism should be a serious science which helps advance and develop socialist literature and art.

So in carrying out literary criticism, we should not practice liberalism, indiscriminately repeat what people say, blindly carry out flattery; nor should we build momentum by politically labelling people, use public exposure to increase influence, or "attack a person for a single fault without considering his other aspects." At the same time, we should not resolve academic or artistic questions by issuing administrative orders; nor should we reach a conclusion or determine the nature before we discuss and analyze these questions. In our discussions, we should not denounce all opinions different from our or unorthodox opinions. Comrade Mao Zedong once said: "Such things as hampering the growth of new things and suppressing reasonable opinions still often occur. Purposely suppressing different opinions or failing to distinguish the scientific and academic right or wrong will inhibit the growth of new things. So, we should adopt a cautious attitude toward the scientific and academic right or wrong, advocate the freedom of discussion, and should not jump to conclusions. We believe that adopting such an attitude can help science and art develop smoothly." Therefore, we must actively and conscientiously carry out principled and practical discussion on academic, theoretical, literary, and artistic questions.

BEIJING BISHOP CONDEMNS VATICAN 'INTERFERENCE'

OW111111 Beijing XINHUA in English 0928 GMT 11 Apr 86

["Rome Interfering in China's Internal Affairs: Bishop" -- XINHUA headline]

[Text] Beijing, April 11 (XINHUA) -- A Beijing bishop has condemned as "an interference into China's internal affairs" the Vatican's maintenance of contacts with Taiwan Catholics and secret appointment of Chinese bishops. These actions conducted by the Vatican, in disregard of the right of Chinese Catholics to self-government, have obstructed the exchanges between the Chinese Catholics and the Vatican and have even created confusion among Chinese Catholics themselves.

This was stated by Bishop Michael Fu Tieshan, vice-chairman of the China Patriotic Catholic Association, in an exclusive XINHUA interview here today. Fu, one of the country's bishops elected and ordained by the Chinese Catholic Church, was elected a Standing Committee member of the National Committee of the Chinese People's Political Consultative Conference (CPPCC) at today's closing meeting of the Fourth Session of the Sixth CPPCC National Committee.

As an independent and autonomous religious organization, the China Patriotic Catholic Association is willing to conduct friendly exchanges with Catholics worldwide on the basis of equality and friendship, the bishop said, adding that the association has already established contacts with religious believers in many parts of the world since the early 1980s.

Fu, 55, is China's youngest bishop. In addition to his ecclesiastical duties, he has also been active in expanding Sino-foreign Catholic exchanges. In the past few years, he has met with more than 30,000 Catholics from other countries and visited Canada, Belgium and the United States. He also attended the international theological symposium held in Montreal last year. He returned here just two days ago from the United States as a member of the Chinese delegation on peace and disarmament.

Born into an old Catholic family in Qingyuan County, Hebei Province, Fu was ordained a priest at the age of 24 in Beijing. In 1979, he was named bishop of the Beijing diocese. Fu described his election as a Standing Committee member of CPPCC National Committee as a demonstration of the importance paid to freedom of religious belief by the Chinese Government and society. Fu is one of three Catholic bishops in the 225-member Standing Committee of the CPPCC National Committee. So far, more than 600 Catholics have become members of the people's congresses and CPPCC organizations at various levels.

The Chinese Communist Party has several times reaffirmed and implemented its policy on religious freedom since 1976, and this policy has been acclaimed by Catholic clergy and laity alike. More than 600 churches and over 1,000 religious sites have been made available for religious activities nationwide. The country has also set up seven theological colleges and three small seminaries with a total of more than 600 students. Convents have been established in several dioceses and some 140 young girls are being trained as nuns.

However, the bishop noted, some problems related to religious affairs remain unsolved. For example, he said, some houses previously owned by churches but occupied by other departments during the "Cultural Revolution" (1966-76) have not yet been returned to the relevant churches. "I'll try my best to help the government fully implement the policy of religious freedom," the bishop said. Fu said religious circles should educate all the religious believers to be patriotic, perform their duty well and contribute their share to the unity and prosperity of the country and to the maintenance of world peace. Catholics should observe their social responsibility to the motherland, he said. The China Patriotic Catholic Association would carry out more public service activities in the future, he noted. The Beijing Catholic diocese will answer the call of nationwide religious circles to pray for world peace in all the churches and religious sites of Beijing this June, the bishop stated.

Relations With Vatican Viewed

HK120940 Hong Kong AFP in English 0920 GMT 12 Apr 86

[By Bernard Degioanni]

[Text] Beijing, April 12 (AFP) -- A Beijing accusation that the Vatican is interfering in its religious affairs does not signal a halt to China's more relaxed policy towards its Catholic community, diplomatic sources said here.

An interview with the Bishop of Beijing published Friday by the NEW CHINA NEWS AGENCY (NCNA) was intended to remind the Vatican that liberalized policies on religion in China would never include granting the Church in Rome any authority over the Chinese Church, Western diplomats said. The reminder was delivered at a time when the Vatican's influence in China appears to be growing, the sources said. More relaxed religious policies, which have been pursued for more than a year, were linked to Beijing's opening to the outside world and its desire to turn the Chinese Church into a political force by rallying it to the cause of "world peace and disarmament", diplomats said. China severed relations with the Vatican in 1957 and founded the China Patriotic Catholic Association, estimated to have a congregation of about three million. Beijing Bishop Michael Fu Tieshan is vice chairman of the Patriotic Church, which appoints its own priests and bishops, and is the only Catholic Church with official recognition in China. Bishop Fu echoed Beijing's grievances with the Vatican when he voiced three complaints in the NCNA interview: Rome's interference in China's internal affairs, maintenance of diplomatic ties with Taiwan and the "secret appointment" of bishops in China. A new accusation included in the interview, that these secret appointments have created "confusion" among Chinese Catholics, was an implicit acknowledgement by Beijing of the Vatican's growing influence in China, diplomats said. "The greater tolerance of the Chinese communist government toward all religions has allowed the growth of contacts, official or otherwise, between the Vatican and the official Chinese Catholic Church," one diplomat, a specialist on religious affairs, observed. Visits to China in the past two years by Mother Teresa, Philippine Cardinal Jaime Sin and the Bishop of Hong Kong, John Baptist Wu, had "eliminated" for Chinese Catholics what many had felt were only minor differences dividing the churches of Rome and China, the diplomat added. The Vatican knows that the Chinese authorities will never recognize its authority, another diplomat commented, but though contacts with the clergy of the "Patriotic Church" it seeks to exert some influence on the nominations of Bishops and priests. It is the Vatican's new influence, evident in the remarks of some Chinese priests, which attempts not just to denounce, but to halt. And it wants to do it all the sooner because it has decided to make its church a political force, diplomats said.

The "Patriotic Church" has been officially associated in recent months with government initiatives to promote "world peace and disarmament." Beijing wants to display its religious tolerance to the world, and peace and disarmament are perfect themes to use to convey this message, one diplomat said. "But the tolerance has its limits", another diplomat said, adding that a Vatican-loyal "church of silence", thought to have about three million followers, operates clandestinely in China. Several priests are still incarcerated in China, various sources said, with 10 of them, all more than 70 years old, arrested in Shanghai in 1981. "I hope they might all be freed one day," Bishop Fu has said. Beijing's most recent gesture to the church came in June with the release of the former Bishop of Shanghai, Ignatius Gong Pinmei, imprisoned since 1955 on charges of high treason.

RENMIN RIBAO REPORTS DEVELOPMENT OF FAMILY FARMS

HK151510 Beijing RENMIN RIBAO in Chinese 4 Apr 86 p 4

[Report by Liu Ruiwu: "1.6 Million Workers of State Farm and Land Reclamation Departments and Affiliated Organizations Establish Family Farms"]

[Text] This reporter has learned from the ongoing state farm and land reclamation work conference that with the establishment of family farms in 1985, the nation's state farm and land reclamation departments and affiliated organizations have developed into a double-tier operational structure composed of over 2,000 big farms and 940,000 independent accounting small farms.

The number of workers and staff members running small farms has reached 1.6 million. By setting up workers' family farms, we have fundamentally changed the outdated state farm structure characterized by overconcentration and rigid control and enabled the workers and staff members to have decision-making power in both production and operations, thus arousing their enthusiasm in production and adapting farm operations to scattered and changeable agricultural production. In the Heilongjiang land reclamation area, where the level of mechanization is relatively high, more than 130,000 family farms were set up last year. They contracted more than 21 million mu of cultivated land, accounting for 84.7 percent of the total cultivated land of the land reclamation area. By raising 40 million yuan among themselves, the workers and staff members purchased over 2,700 large tractors, 200 harvesters, and 430 cars. Although more than 16 million mu of land were hit by serious natural disasters last year, which accounted for 70 percent of the total cultivated land, the grain output was still close to that of the previous year and the gross value of industrial and agricultural production increased by 2.8 percent over the previous year. By and large, there was still a small surplus.

The state farm and land reclamation departments and affiliated organizations throughout the country suffered serious natural disasters last year, but the total value of industrial and agricultural production still reached 16.7 billion yuan. It was a fairly satisfactory achievement. An important factor contributing to this achievement is that the family farms have become vigorous economic cells of the state farms.

Establishing family farms has energetically stimulated the development of diversified undertakings and the readjustment of production structure. It has released a number of workers and staff members and created conditions for the development of secondary and tertiary industries. Some workers and staff members have given up farming and engaged in other trades, and some good hands at farming have vigorously requested that the scope of crop growing be expanded. Last year, the family farms under the Guangdong's Hainan land reclamation area set up small factories and workshops and engaged in commerce and in the service, transport, and construction industries. They earned more than 2 million yuan from these undertakings.

Naturally, in setting up the workers' family farms, there are still various problems, such as achieving simpler administration and decentralization in the family farm management structure, reforming the machinery and equipment management structure, building the family farm service structure, and improving the double-tier operation of the big and small farms. These problems should be further solved in the course of reforms.

Commentator's Article

HK151516 Beijing RENMIN RIBAO in Chinese 4 Apr 86 p 4

[Commentator's article: "Family Farms Have Strong Vitality"]

[Text] The year 1985 was one in which the state farms and land reclamation departments and affiliated organizations established a large number of family farms and made a major breakthrough in reforming the operations and management structure. Since a central leading comrade pointed out in August 1983 that it was necessary for state farms to run family farms well, reform has rapidly developed from small-scale experimentation to large-scale popularization. Tremendous progress has been made in a little over 2 years.

Family farms have demonstrated their stability since they were set up. In the final analysis, this is because the system of big farms setting up small farms have succeeded in discarding the management structure characterized by the practice of "everybody eating from the same big pot" prevailing in the relations of workers and staff members with their enterprises. Given the workers' rising enthusiasm in production and operations, the favorable conditions of the big farms have been brought into fuller play. This means that the experience gained in the rural reform has been successfully applied to the big farms. Some comrades hold that big state farms carry out large-scale production characterized by highly mechanized work and large-scale operations, and therefore they take a skeptical attitude toward whether or not it is possible to integrate large-scale production with household-run small farms. In facts, under the previous highly centralized management and operations structure, large machines and mass production failed to bring their superiorities into full play because people's initiative was not aroused. By setting up family farms, workers and staff members, as well as their family members, directly engage in production. Under the guidance of the big farms, the family farms are independent in management and become economic entities integrating responsibility, authority, and benefit. With the revitalization of the small farms, the big farms will also be revitalized. Practice has proven that household-run agriculture can live side by side with modernized large-scale production.

By dividing big farms into small farms, we have taken a successful step forward in our reform. Our principal task in the future is to persist in and improve the reform. Setting up family farms represents a profound transformation of the state farm and land reclamation management structure. This is a pioneering understanding. We have been late in conducting the reform. Moreover, because we lack practical experience and because we are confronted with a large number of arduous and complicated tasks, it is inevitable that we should face all sorts of shortcomings and problems. However, this is by no means the drawback of the reform itself. For this reason, we should never have confused ideas about the orientation of the reform and even go backwards by giving up the reform. So long as we constantly and correctly sum up experiences while persisting in the reform, it will not be difficult to solve the problems. The important thing is that in guiding this brand-new reform, it is imperative to have brand-new concepts, to adhere to the principles of processing from reality in all things and from the development of the productive forces in all things, and to fully respect the creations of the masses in practice.

Setting up family farms represents a major reform of the land reclamation economic structure. It involves every household and the land reclamation administrative organs at all levels. With the in-depth development of reform, new conditions and problems will emerge in large numbers and friction between the new and old structure will become more acute. In the face of thousands of small farms, the state farm and land reclamation departments should also reform this work accordingly. At present, while improving the operations of the big farms setting up small farms, we should pay close attention to studying the overall reform of the land reclamation economy and, through the necessary reforms, make the family farms, which represent a newly emerging thing, grow more soundly.

BAN YUE TAN URGES BETTER SERVICES FOR AGRICULTURE

HK110847 Beijing BAN YUE TAN in Chinese No 6, 25 Mar 86 pp 16-17

[Commentator's article: "Pay Close Attention to Policies, Provide Better Services"]

[Text] Spring returns to the earth. Spring plowing and sowing, which is vital to the whole year's grain production, is fully under way, spreading from the south to the north.

The top priority task of the leading cadres at various levels on the agricultural front is to go right to the frontline of agricultural production and to strive for a good harvest in agricultural production for this year by paying close attention to policies and providing better services.

Since the beginning of last winter, agricultural production has been taking good shape. Compared with the previous years, this year, the quality of annual repairs of water conservation facilities is better, the amount of farmyard manure collected in the winter season is bigger, and funds and seed supplies are ampler. The area of farmland sown with winter wheat has been increased by more than 7 million mu over the previous year. At present, while implementing Central Document No 1 of 1986, leaders at various levels have taken numerous specific measures conducive to the development of agricultural production, in particular, grain production. However, we must also soberly note that in some localities, winter what field management has not been given a great deal of attention; the growth of crop seedlings has not been very satisfactory; the materials and funds for farm use which are badly needed by the peasants have not been fully ascertained; and the spirit of Central Document No 1 has not been fully implemented, remaining at the stage of general study. The peasants expressed the hopes that: 1) the policy of supporting grain production will be carried out as soon as possible; 2) the task of the state purchase of grain will be ascertained at an early date; 3) top-quality chemical fertilizers will arrive in good time; 4) there will be complete specifications in small farm implements; 5) farm chemicals will be provided in small packages; 6) funds for supporting production will be extended; and 7) scientific agricultural personnel will come to the countryside. They "hope to become better off and get better services."

Now agricultural production has begun to embark on the road of a planned commodity economy; the scope of regulation by market mechanisms has been expanded; and the peasants have managed to use their decision-making power in production and operations according to market demand and economic laws. This represents progress of historic significance in rural economic development but has also posed a new topic to our leading cadres at all levels. The work methods, such as pressing people to gather or sow drops and issuing orders or instructions, are no longer efficacious. How should we conduct thoroughgoing and painstaking work to implement the party policies and use various economic levers and take feasible measures to arouse the peasants enthusiasm for farming? Central Document No 1 of 1986 has defined the policy of supporting grain production. Let us examine what we have done with the document's requirements. Have we worked out specific measures for "supporting agricultural production with industrial development?" Have we favorably responded to the principle put forth by the central authorities of increasing investment in agricultural production? Have we curbed the practices of using the funds allocated by the state for the development of agriculture, forestry, and water conservancy for other purposes? Have we clearly stated the policy of improving the system of purchasing grain through contracts to the masses of people? Have we worked out specific measures for instituting a contract system of grain transfers, promptly providing those involved in the system with rationally priced agricultural means of production, some chemical fertilizers, and the necessary agricultural loans as encouragement for meeting their quotas, and have we worked out specific measures for putting an end to the irrational practices of retaining profits or apportioning expenses according to the size of the farmland for which people have contracted? All these are the pressing tasks of this year's agricultural production.

Services centering on agricultural production must keep pace with the demands of the situation. Recently, groups of leading cadres from the central to local levels have freed themselves from the practice of issuing an excessive number of documents and holding too many redundant meetings and from routine office duties and left their offices to go to the frontline of spring plowing. The departments concerned of the State Council have issued a series of urgent notices on supporting agriculture.

They read that it is necessary to regard as the central task at present the support of spring plowing and to strive to increase the supply of highly concentrated chemical fertilizers and compound fertilizers and to encourage the peasants to buy them by reducing their prices or selling them on credit; to ensure the supply of high-quality, government-priced chemical fertilizers for peasants who have signed contracts to sell grain to the state; and to give priority to the transportation of materials to support agricultural production and to the production and supply of small-sized power machinery, irrigation and drainage machinery, farm machine spare parts, and small farm implements which are badly needed in the current spring plowing and irrigating. Here we would like to remind our comrades: Can the leading cadres who have been in the frontline of agricultural production take a step further and go to the peasants' homes and their fields and do more solid work in helping them remove various concrete doubts and misgivings and overcome difficulties? Can the departments at the various levels which have issued the notices effectively implement all the stipulations right down to the grass-roots levels?

Agriculture is the foundation of the national economy, and grain is the foundation of agriculture. This is a truth already known to all. What is important is that solid measures should be taken to strengthen the foundation. Cadres engaged in rural work must be clear that to further the rational readjustment of the structure of agricultural production and to promote the coordinated, balanced, and sustained development of the various sectors of the rural economy, it is imperative to continue paying close attention to grain production. Over the last few years, we have reaped bumper harvests in agricultural production and the state has a quite ample surplus of grain in its granaries as have the peasant households in some grain-producing areas. Therefore, the drop in China's grain production last year due to natural disasters has not adversely affected the overall situation. This year we must strive to reap a better harvest than last year. The proposal for the Seventh 5-Year Plan points out: By 1990 grain output is expected to reach 450 million tons. This year is the first year of the Seventh 5-Year Plan. We must have a good beginning.

In the present spring plowing, rural cadres must have a sense of urgency and responsibility in better arousing the enthusiasm of the broad masses of the peasants, reaping a good harvest in grain production, and in pushing the good momentum of rural reforms ahead by paying close attention to policies and providing better services.

TIAN JIYUN INSPECTS FUJIAN 31 MARCH-8 APRIL

OW130002 Beijing XINHUA Domestic Service in Chinese 1145 GMT 10 Apr 86

[By RENMIN RIBAO reporter Zhang Mingqing and XINHUA reporter Xu Yiming]

[Text] While inspecting urban and rural areas in Fujian, Tian Jiyun, member of the Political Bureau of the CPC Central Committee and vice premier, said: "Under the favorable situation, we must pay attention to the imbalance in econonic development and understand the weak links in our work. Party committees and governments at all levels must display a high sense of responsibility to the people, make measures appropriate to local conditions, and give guidance of various types and adopt effective measures to help poor and backward areas drive off poverty, become well-to-do, and change their outlook as soon as possible."

Accompanied by the leading comrades of the Fujian Provincial CPC Committee and the provincial government, Vice Premier Tian Jiyun conducted a 9-day inspection tour in Fujian Province between 31 March and 8 April. During his tour, he not only inspected coastal areas open to the outside world but also remote rural districts. He had also visited some poor areas, towns, and households.

During his inspection tour, Comrade Tian Jiyun said: The general situation in Fujian is good. The province is stable and unified politically. Cadres and the masses are high in spirit. Marked results have been attained in opening the country to the outside world and in implementing reforms. The situation in industrial and agricultural production is also fine. Wheat is growing well, and spring farming has been carried out early and in a down-to-earth manner. Particularly with the implementation of Central Document No 1 of the CPC Central Committee, the whole province is full of vigor. Over the past few years, changes of varying degrees have taken place in poor areas as a result of the efforts by the leadership at all levels in helping poor people. However, despite the favorable situation, we must realize that the economic development in some localities remains slow, and the masses there still need more food and clothing. Such imbalance in economic development still objectively exists. Party committees and governments at all levels must remain sober-minded at all times, squarely face this fact, pay attention to such imbalances and weak links in our work, and adopt effective measures to earnestly solve problems in poor areas. First of all, we must exert efforts to help people in such areas have enough to eat and wear and gradually become well-to-do.

On April, Comrade Tian Jiyun made a special trip to Qingwan Village, Zhangkeng Township, in the poor county of Anxi to visit the peasants there. He saw that although some peasants still faced difficulties in their livelihood, they were nevertheless imbued with profound feeling for the party and had full confidence that the party will help them drive off poverty. He said with deep feeling: "How good our peasants are! Comrades at the provincial, prefectural, and county levels must display a high sense of responsibility; they must enthusiastically and earnestly help peasants solve their problems. We must conscientiously conduct check-ups and earnestly implement the policies formulated by the central authorities to give preferential treatment to poor areas.

Comrade Tian Jiyun also held a forum in Zhangkeng Township attended by township and village cadres and peasants. At the forum he had heart-to-heart talks with them to work out measures aimed at helping poor people drive off poverty and become well-to-do. Tian Jiyun told leading cadres at the provincial, prefectural, county, and township levels: We communists represent the interests of all the people, not just the interests of some people. While continuously and actively promoting the economy in the well-developed coastal areas, we must pay attention to the work of helping poor areas and ensure that we will not neglect some poor areas. Our policy permits and encourages some areas and some people to become rich first. However, one aim is to lead and inspire the backward area to drive off poverty and become well-to-do as soon as possible, gradually narrow the gap between rich and poor, and follow the road of achieving common prosperity. In order to attain this goal, Comrade Tian Jiyun emphasized the following three measures: First, we must have great determination. This determinaton can only drive from one's high sense of responsibility to the masses. We must proceed from this point and adopt measures to help poor areas and households drive off poverty and become well-to-do as soon as possible. While vigorously opening the country to the outside world, we must invigorate our domestic economy.

Second, there must be a clear and specific goal. This goal must be set by proceeding from local reality and therefore attainable through hard effort. We must not indulge in empty talk and boasts, nor in ostentation or formalism. We must carry out projects one by one, working in a down-to-earth manner. While relaxing absolutely no efforts to maintain grain production, we should boldly and generously engage in other undertakings -- afforestation, animal breeding, or running aquatic farms wherever suitable. We should develop rural industry and process farm produce and sideline products for increased value while considering local conditions. Each locality has its own strong points and should therefore develop some projects on the basis of its strengths.

It may carry out projects independently, through the combined efforts of several villages, or in association with factories or foreign trade departments. In short, we must broaden our minds, have clear and specific goals, and make steady and solid efforts to effectively organize and carry out our projects. Third, we must take effective measures. All state policies on helping poor areas must be unfailingly implemented. The funds allocated by the state for helping these areas must be used in a comparatively centralized way under overall arrangements. They must be used on projects that will surely yield results just as "raise chicken to produce eggs" and will enhance the economic strength of these areas. In the future, priority should be given to poor areas and households when enterprises employ workers or when labor is exported. Tremendous efforts must be made to assist impoverished households in improving their family economy.

On 7 April, Comrade Tian Jiyun braved light rain and went to the Wutunxiang old revolutionary base of Chongan County in the mountainous areas of northern Fujian. There he called on old Red Army men, old guerrilla members, and old contact men to familiarize himself with the progress of the program to assist the poor to become better off. Together with the principal leading comrades of such mountainous countries as Chongan, Shouning, Pucheng, Zhenghe, Jianou, Pingnan, and Zherong, he discussed and explored ways and means to develop the economy of the mountainous areas and lead people there to shake off poverty and become well off.

In this discussion, Comrade Tian Jiyun again stressed that party committees and governments at all levels must list on their work agenda the important task of helping poor areas and households shake off poverty and become better off. They must assign personnel to take exclusive charge of this task, establish the responsibility system for attaining the goals, and strictly enforce a system of rewards and disciplinary actions. At present, assistance should be rendered to extremely impoverished households by providing the ways for them to shake off poverty and become well off, and this assistance must be given to each and every such household. Economically developed areas should be encouraged to give direct, relevant support to poverty-stricken areas in the form of supplying experts, technical know-how, management skills, and information. Lateral economic ties should be extensively established to help change the outlook of these areas as soon as possible.

During his stay in Fujian, Comrade Tian Jiyun also inspected the Xiamen Special Economic Zone and several factories and enterprises. He pointed out: The Xiamen Special Economic Zone has made tremendous achievements in the past few years. It should make solid efforts to introduce investment from abroad, establish ties at home, and earn foreign exchange in order to run the special zone even better.

After inspecting some factories and enterprises in Fuzhou City, Comrade Tian Jiyun said: Regarding the economic restructure as a whole, this year's major task is to consolidate, assimilate, replenish, and improve the reform measures already adopted. There must be a huge development and a breakthrough in lateral economic ties. In particular, the coastal and inland areas must give full play to their respective strong points and establish good ties for common development. Large, medium-sized, and advanced enterprises must help small and township-run enterprises develop through lateral ties. In view of their actual conditions, factories and enterprises should seriously conduct their political and ideological work among their workers, handle well their internal distribution, maintain a good economic responsibility system, further arouse the enthusiasm of staff and workers, promote the sustained and steady increase of production, and constantly raise their economic results.

WAN LI, HAO JIANXIU INSPECT ZHEJIANG'S WENZHOU

OW111117 Beijing XINHUA Domestic Service in Chinese 1319 GMT 10 Apr 86

[By reporter Huang Guowen]

[Text] Hangzhou, 10 Apr (XINHUA) -- While inspecting rural Wenzhou in Zhejiang Province recently, Wan Li, member of the CPC Central Committee's Political Bureau and Secretariat and vice premier of the State Council, and Hao Jianxiu, member of the CPC Central Committee's Secretariat, urged leading cadres at all levels to stimulate the rural economy by making further efforts to render fine services and promote the rural commodity economy.

Wan Li and Hao Jianxiu made on-the-spot inspections of rural Wenzhou, including the Qiaotou button market in Yongjia County, the Liushi low-voltage electrical appliances market in Leqing County, the Baixiang building materials market, and the new town of Loggang in Cangnan County built with peasant funds. They also visited some rural cottage factories in Yongjia, Leqing, Cangnan, Ruian, and Pingyang Counties. They were extremely delighted to see thriving markets and comfortable peasant lives in the various places on their way. They unreservedly affirmed Wenzhou's efforts and achievements in vigorously developing rural commodity production in recent years. Wan Li noted that Wenzhou City is now in one of the best times in its history, both politically and economically. He said: The swift development of Wenzhou's rural commodity economy is not accidental but has its historical factors. With a per-capita land plot of less than a half mu, many people were forced to leave their land to earn a living in the past. This popular tradition of doing business, together with the relatively quick flow of information, has played an active role in the development of new products and the formation of specialized markets. The development has quickened since the 3d Plenary Session of the 11th CPC Central Committee when the policies of opening to the outside world and invigorating the domestic economy came into effect.

During the tour, Wan Li and Hao Jianxiu laid special emphasis on investigations and studies, trying to understand people's conditions and listening to the views and voices coming from the grass-roots level. They visited peasant cottage factories several times in Cangnan and Ruian Counties to gain an understanding of their development of the cottage industry, their experiences, and their difficulties and problems in production and operation. In a discussion with the cottage industry and specialized householders in Tangxia District, Ruian County, Wan Li sought to allay the misgivings expressed by some cottage industry householders about engaging in production for fear of a change in policy by repeatedly telling them that the party policy of encouraging peasants to achieve prosperity through harad work would not change. He quipped: "I am not worried about you guys getting rich. I do worry that you cannot get rich quick." Along with Comrade Hao Jianxiu, he repeatedly advised Wu Minda, deputy secretary of the Zhejiang Provincial CPC Committee and vice governor, and other comrades who accompanied him on the inspection tour, to step up propaganda and education to let the broad masses of peasants have a correct understanding of the misgivings, and to make peasants launch production without hesitation and boldly apply themselves to seeking prosperity.

Talking to responsible leading cadres from Wenzhou City, Wan Li and Hao Jianxiu urged them to make a good study of the ongoing NPC session documents, further improve their leadership and work style, and provide better services to peasants in developing commodity production. Wan Li stated: It is necessary to conscientiously and extensively review local experiences in developing the rural commodity economy. We should bear the past, the present, and the future in mind, and emphasize the six characters for summing up, improving upon, and carrying forward.

It is essential to learn the use of economic and legal leverage to guide peasants in the development of collective and cottage industries. Peasants should be taught to heed economic and social benefits and pay taxes in accordance with the relevant regulations as a way of fulfilling their bounden duties to the state and society. In order to ensure an increasingly flourishing rural commodity economy, it is particularly necessary to help peasants improve their product quality effectively, attain credibility, and boost their products' competitiveness.

STATE COUNCIL OFFICIAL URGES FARM MECHANIZATION

HK120234 Taiyuan Shanxi Provincial Service in Mandarin 2300 GMT 11 Apr 86

[Excerpts] On 11 April, (Lin Xiawen), deputy director of the State Council's rural development center, said at the Shanxi provincial symposium on farm machinery management reform that developing agricultural mechanization is one of the specific aspects of changing the conditions of agricultural production and relying on science and technology. Developing agricultural mechanization is closely related to promoting the readjustment of the rural production structure, developing commodity production, and advancing toward prosperity for all.

Comrade (Lin Xiawen) said: The rural areas have been practicing for a long time the system of production responsibility contracts for the household with payment linked to output. We should continually create new economic results. The Central Document No 1 this year pointed out that in developing agriculture, we must change production conditions and rely on science and technology. Developing agricultural mechanization is one of the specific contents of this basic intention. Farm machinery is itself a product of science and technology. He said: At present crop cultivation in the rural areas occupies a very large number of laborers. This situation affects the improvement of labor productivity and the peasants' efforts to get rich. Hence, we should switch the manpower involved in crop cultivation to developing stockraising and so on. With cropland concentrated in the hands of able cultivators and a variety of diversified undertakings rapidly developing, the peasants will be able to get rich. Agricultural mechanization can promote a still greater shift toward specialization and speed the development of commodity production, enabling the rural areas to advance toward the goal of prosperity for all

FANG YI ON ALLOY STEEL PRODUCTION, RESEARCH

OW100002 Beijing Domestic Service in Mandarin 1200 GMT 8 Apr 86

[Text] State Councillor Fang Yi attended the third national meeting on low alloy steel and alloy steel in Chongqing on 8 April. He pointed out at the meeting: During the Seventh 5-Year Plan, the production of low alloy steel and alloy steel and the task of tackling key scientific and technological problems concerning the production must be overfulfilled and be accomplished on or ahead of schedule. It is absolutely impermissible to allow any discount. Comrade Fang Yi reiterated: The central authorities' instruction prohibiting party and government organizations and cadres from engaging in business and running enterprises is not applicable to the intermediary organizations that undertake technological development, arrange transfer of scientific and technological achievements, or offer technical consulting training, or other services. We should adhere to the principle of decontrol, invigoration, support, and guidance in treating these intermediary organizations.

GUANGZHOU HOSTS EXPORT COMMODITIES FAIR

HK150920 Beijing CHINA DAILY in English 15 Apr 86 p 2

[By Staff Reporter Zhang Chuxiong]

[Text] Guangzhou -- The newly renovated Guangzhou Foreign Trade Centre, in which the decor and indoor facilities have been upgraded, is ready to welcome customers from around the world to attend the Chinese Export Commodities Fair (Spring, 1986) scheduled to open here today.

The number of businessmen who have asked to attend this fair is much larger than for last autumn's fair. According to Guo Weiquan, an official of the fair, 21,539 foreign firms are coming. Among them 14,956 are from Asia, 2,315 from America, 3,248 from Europe, 591 from other Pacific countries and regions and 429 from Africa.

Chinese trading delegations from across the country will be pushing the sale of new high quality and high-tech products, some manufactured by Sino-foreign joint ventures. Some 200 sets of 30 kinds of professional mechanical equipment will be on display, 40 percent of them new products. Among the machines and machinery equipment shown will be lifting trucks and computerized lathes, manufactured by joint ventures.

Textile, silk and light industry trading delegations have brought to the fair hundreds of new products including Jiangsu Province's spring and summer fashions, Shanghai's shrink- and crease-proof silk, Zhejiang Province's "easy wash and fast dry" silk garments, Sichuan Province's true-to-life panda toy and Beijing's acoustics equipment.

The cereals, oils and food stuffs trading delegation has put on display 16 kinds of products which have won international prizes. The packaging of these goods has been much improved. The Xinshidai (new era) trading delegation have 12 sub-delegations at the fair with 1,600 different exhibits, 500 of which are completely new. They include products such as microwave acupuncture device, Spring Flower brand bicycles and Jiameidong brand electric fans which are prize winners, Guo said.

CHINA DAILY ON WORK OF SECOND SHENZHEN BORDER

HK120654 Beijing CHINA DAILY in English 12 Apr 86 p 1

[By staff reporter Zhu Ling]

[Text] Shenzhen -- The opening of the control line around Shenzhen Special Economic Zone (SEZ) last week has not led to increased smuggling but to a big growth in the number of people moving from the area into China proper and vice versa.

The customs officials supervising the 86-kilometre boundary have reported no smuggling cases since the line was opened on April 1.

"Everything is going on normally as expected," said a senior customs official.

Also, the daily average of illegal visa alterations or swapped photographs detected by the customs has dropped to 28, down 42 per cent on the daily average last month.

A Shenzhen municipal government official said that an average of 201,500 people went in and out of the zone daily through the control line in the first four days of its opening, up 22 per cent on the daily average last month.

The boundary line, which the local authorities call "the second line," is designed to prevent smuggling and other illegal economic activities by people who try to take advantage of the SEZ'S preferential conditions in terms of imports, exports, and tax concessions.

Yang Yixiang, a director of the Shenzhen municipal government, said the second line would help ensure an orderly development of the SEZ, where flexible policies are pursued to attract foreign capital and technology for the country's modernization.

The second line now has six highway inspection stations, 29 checkpoints, a wire fence stretching 84 kilometres and an 86.15-kilometre patrol road.

The project has cost 135 million yuan, paid for by the State, Guangdong Province and the SEZ itself, according to Wu.

To enter Shenzhen from Guangdong Province nowadays is not as complex as people might expect. Checking visitors' visas and identification cards can take less than 10 seconds at the control line's inspection stations.

Since April 1, a daily average of 28,670 motor vehicles drove in and out of Shenzhen through the second line, an 8.6 per cent increase on the daily average last month.

A force of 1,200 customs officers are supervising the second line and it was said that there would be no more increases in the number of customs officials.

Yang Yixiang said the next priority would be to equip the control line with automatic equipment to inspect luggage and freight.

SHENZHEN ECONOMIC ZONE CADRES STUDY MARXIST THEORY

HK151300 Guangzhou Guangdong Provincial Service in Mandarin 1000 GMT 13 Apr 86

[Text] The special economic zones need more guidance in the area of basic Marxist theory. In connection with the new situation and new problems that have developed in the course of building the special economic zones, several tens of thousands of cadres in Shenzhen study basic theory in a systematic way.

According to the materials available from the lecturers' group of the Shenzhen City CPC Committee, some 3,000 cadres of the city are studying an abridged edition of the "Das Kapital," and over 50,000 people are studying political economics. Among them 4,900 passed an examination and have been issued graduation certificates.

It has become a prevailing practice for cadres in Shenzhen City to study basic Marxist theory. This is mainly because through their practical work, they feel that the work of the special zone needs more guidance in the area of basic Marxist theory. For instance, under these special conditions and circumstances, they must know well ways of safeguarding the socialist system and understanding well concepts on commodities, value, pricing, domestic and overseas markets, currency, wages, taxation, and so on; otherwise they will suffer losses.

The new situation that has developed in these areas has made cadres in the special zone attach great importance to the study of theory. In view of this situation, the Shenzhen City CPC Committee approved in August 1984 the plan of regularizing the education among cadres in Shenzhen City.

At the same time, the city CPC Committee formed the lecturers' group for strengthening the organization and guidance of the study of theory among cadres in the city. In light of their educational background, they divided the cadres into three groups and arranged courses for them in Das Kapital, political economics, and so on. The cadres study the courses by stages and in groups, and in the form of self-study. In order to overcome the tendencies of simply repeating the lessons without thinking and only quoting works as proof, the city CPC Committee integrated the cadres' study of theory with their practical work. The city CPC Committee also paid attention to leading the cadres in analyzing new situations and solving new problems by taking the Marxist stand, viewpoint, and methods.

Beginning in November 1985, the city CPC Committee held special forums on the economic theory of the special zone, and invited economists and professors (Zhuo Zhong) and (Wang Zhuo) to make speeches on special topics. To date, over 10,000 people have attended the special forums. On completion of the courses, cadres who are college and university graduates must present a thesis on the practical situation of the special zone, thereby promoting the cadres' ability of solving practical problems by applying basic Marxist theory.

GUANGXI CIRCULAR ON BUILDING CIVILIZED VILLAGES

HK141249 Nanning Guangxi Regional Service in Mandarin 1100 GMT 8 Apr 86

[Text] The regional CPC Committee leading group for building spiritual civilization recently issued a circular on three priorities and one emulation and suggestions on building civilized villages and townships in 1986.

The suggestions stated clearly the guiding ideology, tasks, and specific measures of this year's activities of three priorities and one emulation, as well as of building civilized villages and townships.

All towns and townships at and above county level must carry out their work by focusing on the goal of promoting a remarkable turn for the better in the general mood of society and social order. Within this year, the five cities directly under the regional authorities should take the lead in achieving a remarkable turn for the better in the general mood of society and social order. Other counties and cities should also strive to achieve this goal during next year.

All prefectures, cities, and counties must have more than 50 percent of their villages start the activity of building civilized villages. They must develop a number of outstanding examples of civilized villages, so as to help other areas in the work.

In order to achieve the above goal, the regional CPC Committee leading group for building spiritual civilization proposed five measures in the suggestions:

First, we should really strengthen political and ideological work. We must continue to conduct education on ideology, ideas, and discipline which focuses on communism. We must also conduct education on reviewing the situation in the pat decade, since the cracking down on the gang of four, as well as education on social ethics and professional ethic.

Second, we should do well in consolidating social order.

Third, we should uphold the practice of punishing criminals by law, and strengthen the work of handling problems concerning social order in a comprehensive way.

We should seriously hit at serious crimes and economic crimes. We should introduce a contracted responsibility system for the work concerning social order. We should also strengthen the work of providing education and assistance to youths who commit crimes.

Fourth, we should carry out in an in-depth way the activities of setting examples. Leading organizations at all levels must take the lead in the work of building civilized units. Units such as railway stations, shops, and theaters which offer services to the masses must quickly build civilized units. When building civilized villages and townships, we must integrate the work with that of putting an end to the poverty-stricken state of the poor areas by reaping bumper agricultural harvests.

Fifth, we should strengthen our organization and leadership. All departments and mass organizations must, by upholding the principle that whoever is in charge of the work takes the responsibility, do well in their duties.

GUANGXI CADRES SENT TO RURAL AREAS TO HELP POOR

HK151033 Nanning Guangxi Regional Service in Mandarin 1100 GMT 11 Apr 86

[Excerpts] On the morning of 11 April, Chen Huiguang, secretary of the regional CPC Committee and Tao Aiying, deputy secretary of the regional CPC Committee, delivered enthusiastic speeches to bid farewell to laision groups of regional organs which will soon go to grass-root units to help the poor.

Comrade Chen Huiguang said that helping the poor is not only economic work, but also a political task. Properly helping the poor is of very important significance in developing the region's economy, in further consolidating the unity between various nationalities, and in strengthening the building of old revolutionary base areas and remote border areas. Therefore, the regional CPC Committee has treated it as a strategic task and grasped it firmly. Cadres are going to grass-roots units to implement General Secretary Hu Yaobang's important instruction that cadres must go to both higher levels and the grass-roots. This is a good opportunity to temper cadres. We must grasp the work firmly.

Comrade Chen Huiguang said that to properly carry out the work of helping the poor, the important thing is that we must have both confidence and courage. To help the poor, we must help them to cherish high aspirations. This is the key to helping the poor.

Comrade Chen Huiguang pointed out that in helping the poor, we must go deep into the realities of life, conduct investigation, and keep abreast of various information. We must know well the real situations in the countries, townships, and villages to which we go, give full play to the superiorities of the countries and townships to which the cadres go to help, and carry out deep-going and meticulous ideological work. Some localities have superiorities, but if we fail to properly carry out ideological work, it will be difficult to give play to their superiorities.

Comrade Chen Huiguang expressed the hope that comrades going to grass-roots units to help the poor would set strict demands on themselves, and set a good example in ideological style, work style, organization, and discipline. He also encouraged comrades going to rural areas to emulate each other and strive to achieve marked results.

Comrade Tao Aiying expressed the hope that comrades going to grass-roots units to help the poor will earnestly carry out their work in accordance with the major points of liaison work in helping the poor, resolutely implement policies, and properly formulate plans for getting rid of poverty.

Comrades going to grass-roots units to help the poor will leave for their duties from 12 to 15 April.

HENAN'S YANG XIZONG VIEWS RURAL ECONOMIC ISSUES

HK130327 Zhengzhou Henan Provincial Service in Mandarin 1030 GMT 12 Apr 86

[Excerpts] From 8 to 11 April, Comrade Yang Xizong, together with Zhao Di, deputy secretary of the provincial CPC Committee, and Zhang Zhigang, member of the Standing Committee of the provincial CPC Committee, and Zhang Zhigang, member of the Standing Committee of the provincial CPC Committee and vice governor, visited Fugou, Xihua, Xiangcheng, and Taikang counties in Zhoukou Prefecture to investigate and study and guide the work there.

During his investigations, Comrade Yang Xizong stressed that about 5 years should be spent on working on comprehensive measures for water conservancy, farmland, forests, and roads, and on carrying out agricultural capital construction. Low-lying areas prone to waterlogging should get a good grasp of rapid drainage and remove this threat from large tracts of land. Some flood detention areas can also be built in light of the local conditions. So long as the right path is followed, a good income can also be obtained in such areas.

Comrade Yang Xizong pointed out: To organize the economy on the plains, it is necessary to follow a path of relying on surface resources to develop township enterprises. We must actively develop township enterprises of a new-style structure, with the focus on food processing.

Yang Xizong said: The joint efforts we speak of should include joint operations and should not just be limited to joint production. Production of many rural products can be diffused. We should not concentrate production and labor the moment collectivization is mentioned. Practice has proven that diffused production and joint operations are relatively well suited to rural realities. This represents a very important way of invigorating the rural economy.

Comrade Yang Xizong stressed: The rural areas should establish and perfect an agricultural science and technology services setup and various service systems for commodity production.

HENAN CIRCULAR ON SAFETY INSPECTION IN PRODUCTION

HK141330 Zhengzhou Henan Provincial Service in Mandarin 1030 GMT 10 Apr 86

[Text] In order to really guarantee a good start in the Seventh 5-Year Plan and to ensure safety in production throughout the province this year, the provincial Labor Department, provincial Planning Commission, provincial Economic Commission, provincial Federation of Trade Unions, provincial Public Health Department, and provincial Public Security Department have jointly issued a circular that from now to the end of May, a large-scale inspection of safety will be carried out within the whole province.

The circular says: The economic losses directly caused by the accidents of factories, mines, and enterprises, road traffic accidents, and railroad accidents last year were as high as some 140 million yuan. The situation in safety this year is still

deteriorating and serious accidents have continuously occurred.

The number of deaths in the course of performing their duties in the first quarter wa 39 percent more than in the same period last year and the number of fire accidents an traffic accidents recorded a relatively big increase over the same period last year.

The circular demands: The leaders of all enterprises and institutions must organiz personnel concerned and send them deep into the production forefront to carry ou inspection and measures to ensure safety. The departments in charge of all enterprise and institutions must carry out inspection of the enterprises of their own systems o carry out specialized inspection before the end of April.

To score achievements in inspection of safety, the Safety Inspection Leadership Grou of the provincial government will organize safety inspection groups, which will go t all places to help them with inspection work.

HENAN CALLS FOR PROGRESS IN INDUSTRIAL PRODUCTION

HK151002 Zhengzhou Henan Provincial Service in Mandarin 2300 GMT 9 Apr 86

[Text] On 7 April the provincial government held a conference on arranging industria production, calling on staff and workers on the industrial front to enhance thei vigor, work hard, and do a good job in the second quarter's industrial production.

The conference pointed out that the province's industrial output value in the firs quarter of this year increased by only 2.3 percent over the same period last year lower than the national average growth rate of 4 percent. Except for some objectiv factors such as a shortage of power supply, funds, and raw materials, the low growt rate was mainly due to our failure to make strenuous efforts. Therefore, th conference demanded that industrial production in the second quarter focus on raisin economic efficiency and maintaining a reasonable growth rate. The industria production in the second quarter should not be relaxed any more. The province' industrial output value in the first half of this year should reach 48 percent of th annual target, and the annual growth rate of the province's industrial output valu should not be lower than 8 percent and should strive to reach 10 percent.

The conference emphatically pointed out that all prefectures, cities, and relevan departments must firmly establish the idea of serving grass-roots areas and seriousl help enterprises overcome difficulties. It is necessary to adopt the principle o improving industrial production in a comprehensive way. All departments must mak concerted efforts and cooperate with each other. Problems which should be solved, and where necessary, administration should be strengthened. The measures and suggestion studied and formulated at the conference should be relayed to low levels an implemented as soon as possible.

Provincial Vice Governor Qin Kecai presided over the conference.

HENAN LISTS CONSTRUCTION PROJECTS FOR COMPLETION

HK140257 Zhengzhou Henan Provincial Service in Mandarin 1030 GMT 13 Apr 86

[Text] This year Henan will complete or partially complete 7 out of 10 key stat construction projects being undertaken in the province.

These key state projects include: increased annual coal production capacity of 600,000 tons of Pingdingshan mining area, out of the total planned increase of 2.1 million tons; an increase of 1.4 million tons a year in crude oil output of the Zhongyuan Oilfield, out of the total planned increase of 4.6 million tons scheduled for the 7th 5-Year Plan; increased generation power of 400,000 kilowatts in stage 2 of Zhe Jiaozuo power plant; increased generation power of 300,000 kilowatts at Yaomeng power station, out of the total planned expansion of 600,000 kilowatts; completion and commissioning of 165 kilometers of railroad from Xinxiang to Heze; completion of 268 kilometers -- from Zhenzhou to Sanmenxia -- of the railroad electrification and associated power transmission line construction along the 684 kilometers from Zhengzhou to Baoji; increased output capacity of 130,000 tons of steel in the Henan Wuyang steel plant; expansion of annual refining capacity of the Luoyang oil refinery from 1 million to 5 million tons, the whole project to be completed in 3 years; and increased output capacity of 13,000 tons of polyamide fiber cloth at the Pingdingshan [word indistinct] cloth mill, to be completed next year.

The provincial Planning and Economic Commission recently organized forces to review the situation regarding capital, materials, equipment, design, construction forces, and the tendering and contracting system for each of these projects.

HUNAN INDUSTRIAL OUTPUT FALLS SHORT OF TARGET

HK150830 Changsha Hunan Provincial Service in Mandarin 2300 GMT 8 Apr 86

[Text] The province's gross industrial output value in the first quarter of this year was 5.4 percent more than in the same period last year. However, if we measure this by the provincial CPC Committee's and provincial government's demands for industrial production and communications for this year, it is not enough. The increase in industrial production and the costs and quality of comparable products from industrial enterprises covered by the plan did not meet their targets. What shall we do in the second quarter since they did not attain their predetermined targets in the first quarter?

The recent governor's executive meeting studied this problem. If we want to make up for the shortfall in output, to forge ahead, and to set new records in industrial production and communications in the second quarter, we must resolutely insure that if half of the time elapses, half of our tasks must be completed. With a view realizing this target, the leaders of all prefectures, cities, and departments must remain at the grass roots, provide more services, and resolve difficulties for enterprises. We must now pay special attention to implementing economic policies and measures already formulated and the economic responsibility system within enterprises and stabilize enterprise leading groups. Implementation of the system where plant directors assume full responsibility was a correct policy decision put forward by the party after it had summed up historical experiences. We must unswervingly implement it. We must support the work of the plant directors, this is the key to doing a good job in production.

GUIZHOU MASS DISCUSSION ON PRODUCTION, REVENUE

HK141143 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 10 Apr 86

[Excerpt] The provincial People's Government recently issued an instruction on launching a mass discussion in cities on promoting production and increasing revenue. The instruction contains five items.

First, this year is the first year of the Seventh 5-Year Plan. Thus, in order to realize the Seventh 5-Year Plan, it is very important that we should do well in this year's economic work. The provincial People's Government has decided to quickly mobilize workers and the masses in cities to take part in a mass discussion on promoting production and increasing revenue, while continuing to carry out in the rural areas the mass discussion on attaining prosperity and increasing revenue. Therefore, such fronts as industry and communications, capital construction and finance will strive to overfulfill this year's targets.

Second, the contents of the mass discussion on promoting production and increasing revenue must, under the prerequisites of upholding reforms, of simultaneously building the two civilizations and of improving economic results, be chosen in connection with the actual conditions of local departments and units. We should grasp the focal points and work out the specific contents of discussion. All fronts must do well in establishing extensive economic ties, and score achievements in the areas of speed and economic results. In the mass discussion, we should pay attention to actual conditions, to discovering contradictions, to summing up our experience, and to measuring ourselves by central standards. We should mobilize the masses to put forward suggestions, so as to make contributions toward promoting production and increasing revenue.

Third, based on the full-scale mobilization of the masses in the discussion on promoting production and increasing revenue, both upper and lower levels should make concerted efforts, set clear aims for struggle, and implement the aims down to the grass roots.

Fourth, we should perfect rules and regulations, as well as criteria for assessment, and strictly enforce the regulations on commending the outstanding while punishing those who make mistakes.

Fifth, leadership at all levels must treat the launching of the mass discussion as a major event. They should grasp the work thoroughly and strive to score achievements. They should send cadres to the grass roots to strengthen the supervision work and promptly sum up experiences of the outstanding. Thereby, the mass discussion can be carried out in an in-depth way. They should greatly strengthen ideological and political work, promote the building of spiritual civilization, and strengthen workers' sense of responsibility in being masters of their own affairs. Thus, the workers will be full of vigor, will be united, and will make greater contributions toward attaining prosperity.

SICHUAN LISTS REGULATIONS ON MINORITY AUTONOMY

HK141326 Chengdu Sichuan Provincial Service in Mandarin 0030 GMT 10 Apr 86

[Text] In order to ensure the province's full-scale implementation of the regulations of the PRC on regional autonomy of minority nationalities, the provincial People's Government recently worked out several stipulations on the implementation of the regulations on regional autonomy of minority nationalities. There are 15 articles in the stipulations.

The stipulations stress that the regulations on regional autonomy of minority nationalities are the comprehensive, basic regulations of China on the issue of minority nationalities. Governments and organs at all levels are urged to seriously study, enforce, and implement them.

The stipulations put forward that the organs directly under the provincial authorities must, in the course of working out the direction and policies and handling routine work, strictly observe the regulations on the regional autonomy of minority nationalities. Before making any decision concerning the regional autonomy of minority nationalities, we should solicit opinions from the organs of regional national autonomy.

The stipulations also put forward requirements in the areas of training and employment of minority nationality cadres, the setup and authorized size of organizations, capital construction projects, the development of economy, culture, education, and public health, foreign trade activities, and the development and use of forests, pasture, and other resources of the minority nationality areas.

At the same time, the provincial government has made specific stipulations on the credit policy, financial supervision structure, and jurisdiction of financial affairs of the minority nationality areas.

YUNNAN PUBLIC SECURITY BUREAU HOLDS MASS MEETING

HK150425 Kunming Yunnan Provincial Service in Mandarin 2300 GMT 13 Apr 86

[Excerpt] On 13 April, the Kunming City Public Security Bureau held a mass meeting in (Chuncheng) on the public prosecution of thieves and pickpockets. A number of pickpockets and law violators were publicly dealt with. Of them, 10 were sentenced to imprisonment while 12 others were sentenced to receive reeducation through labor.

Following the promulgation on strengthening the struggle against larceny on 6 March, various public security organs and public security bodies at all levels in Kunming City have taken active actions and promptly mobilized the masses to wage a struggle against larceny. Many cases were cracked and many law violators were arrested. In addition, a number of people who had committed acts of larceny voluntarily gave themselves up, thereby giving a serious blow to arrogant larcenous offenders.

The criminals and law violators publicly dealt with on 13 April were just some of the criminals caught.

GANSU LEADERS PLANT TREES IN LANZHOU 12 APR

HK130257 Lanzhou Gansu Provincial Service in Mandarin 1100 GMT 12 Apr 86

[Excerpts] This morning, leading comrades of the provincial CPC Committee and government led organ cadres to take part in labor at the organs' experimental forest farm in Lanshan Park and the provincial government's greening zone. Provincial CPC Committee Secretary Li Ziqi said while planting trees: We must plant and tend the trees well and do a good job in greening the barren hills. Vice Governors Hou Zongbin and Liu Shu also led some 100 provincial government organs to plant trees at Lanshan.

QINGHAI ON IMPLEMENTATION OF GRAIN-SOWING PLANS

HK151011 Xining Qinghai Provincial Service in Mandarin 2330 GMT 9 Apr 86

[Station reporter's commentary" "Strengthen Leadership, Implement Grain-Sowing Plans"]

[Text] It is now the busy season of spring plowing and sowing. According to statistics of the relevant departments, by the end of March, the province had sown field crops on more than 2 million mu of land. Compared with that of last year, this year's spring farmwork started earlier, developed faster, and achieved better results. However, all localities still have problems in implementing grain-sowing plans. Statistics show that all localities in the province are planning to grow grain on 5.81 million mu of land this year, 130,000 mu less than the target set by the provincial government. This problem merits the serious attention of the departments and leaders concerned.

The fifth enlarged plenary session of the sixth provincial CPC Committee requested that the province's grain output for this year reach 2.1 billion jin. The province has poor conditions in agricultural production and a low farming level. If we fail to maintain a certain area for growing grain, it will be very difficult for the province to attain the target for total grain output. This is obvious to all. It is not difficult to fulfill this year's grain-sowing plan, as the province has 1 million mu of fallow land every year. This is a factor which should not be neglected. All localities can use this fallow land to grow grain. Some localities may also use the method of increasing multiple cropping index to increase grain output per unit area. The current multiple cropping index of the province is only 88 percent. If we increase the index by 1 percent, it means we shall have 80,000 mu more arable land.

The whole year's work depends on a good start in spring. Spring farmwork is now developing from east to west throughout the province. Crops are being sown or will soon be sown on more than half of the province's total arable land. Provided that all localities in rural areas strengthen leadership, implement grain-sowing plans village by village and household by household, and effectively help peasants solve their difficulties in spring farmwork, we will, in accordance with the requirement of the provincial government, attain the target grain sowing area, properly carry out spring farmwork, and reap a bumper harvest in agricultural production.

TA KUNG PAO COMMENTS ON U.S. STRIKE AGAINST LIBYA

HK161248 Hong Kong TA KUNG PAO in Chinese 16 Apr 86 p 2

[Article by Shi Chun-yu: "Oppose Terrorism, Oppose Escalation of Retaliatory Actions"]

[Text] A Just and Fair Attitude

The United States has twice attacked Libya within a short span of 2 months. The scope of the second attack was much larger than the first. This has caused worldwide shock and repercussions. At the same time, all nations are worrying about the "escalation of retaliatory actions" from now on.China shows great concern and feels uneasy about the situation, and has expressed its condemnation of such actions running counter to the criteria of international relations, attacking the territory of another country, and violating the sovereignty of a foreign country. Beijing's Foreign Ministry spokesman made the above statement on 15 April. He said, that China has always opposed and condemned terrorism in whatever form, and opposes political struggles with terrorist means.

The majority of the world's nations hold the same attitude, which is a just and fair attitude.

True, Libya has engaged in terrorist activities, killing the innocent, and has produced very bad effects, but the United States is the world's superpower leading the West. It should display the self-control and style of a big power. Libya has become unpopular for its frequent attacks, sabotaging U.S. military, cultural and civilian installations. Qadhdhafi has actually isolated himself. He is bogged down in difficulties and is not even supported by some Arab and Islamic countries.

The United States Was Rash in Action

The United States should have forced Qadhdhafi to pull in his horns by means of international organization and world opinion. If the United States believes in force and oversimplified and rash action, regardless of the sovereignty of another nation, trampling on international law, it will inevitably come under the condemnation of world opinion.

The United States has achieved its end by dealing a blow to a small nation like Libya with such toppling momentum, but it was a victory with little honor. The United States will not escape the mockery of bullying the weak no matter what proper grounds it gives.

Disputes Should Be Solved Through Talks

A just and rational solution of the disputes between nations should be sought through peaceful talks. It will not help in solving the disputes by resorting to force or armed threats, which only make the disputes all the more complicated.

The current U.S. action will inevitabally give rise to the spread of terrorism. Radical Islamic nations such as Iran, a number of Arab countries, and some radical anti-U.S. organizations in Western Europe will take more retaliatory actions against the United States and Great Britain, which supported the current U.S. action. Will it be possible for the United States to strike at all those scattered terrorist organizations?

Greece has proposed an emergency conference on 17 April for the EC at the foreign minister level to discuss US.-Libyan relations. The conference will aim to examine the abnormally dangerous situation resulting from the U.S. strike at Libya. This precisely

explains that people have come to see the dangerous consequences of the escalated U.S. attack.

Possible Emergence of a Vicious Cycle

Even the U.S. State Department expects that American citizens and its installations all over the world may come under attack, and has ordered its embassies worldwide to take precautious. At the same time, U.S. citizens are asked not to visit countries and regions in which political disputes and struggles are most complicated, such as the Mediterranean and the Middle East. Reagan said yesterday: If necessary, we'll do it again. If such retaliatory actions should go on and on, a vicious cycle of terrorism going from bad to worse will emerge, conflicts will burst out on a still large scope, and a world war could even erupt.At present, the whole world is showing concern about the current incident, hoping that both the United States and Libya will quickly return to reason, solve their disputes through talks, and stop the worsening of the situation.

CHING PAO REPORTEDLY CHANGES STANCE ON HONG KONG

HK120622 Hong Kong HONG KONG STANDARD in English 11 Apr 86 p 2

[Text] A pro-China magazine has suddenly changed its stance toward Hong Kong and is supporting moves to make the territory more democratic. In the latest issue of THE MIRROR MONTHLY -- a magazine that China watchers respect for its accurate reflection of Beijing thinking -- an article emphasises that democracy should be an ingredient of the local political system after 1997, contrary to its previous stress on China's absolute sovereignty over the territory. The article, however, only slightly softens its opposition to the British Government current efforts to transfer power to the people in Hong Kong through a representative government.

Democracy, says the magazine, is necessary because neither the business nor the life-style in Hong Kong could be retained if its political system is built on dictatorship. THE MIRROR observes that a democratic Hong Kong will serve as a good example for Taiwan which Beijing still wants to reunify with the mainland. The people in Taiwan will voice a "tremendous demand" for the introduction of the "One Country, Two Systems" concept originated in Beijing if they find the post-1997 Hong Kong viable under a democratic system. The magazine says the democratic system will be delineated when the Basic Law is drafted.

The magazine suggests four principles for designing the political framework of the Hong Kong Special Administrative Region [SAR]. First, the system should be in accordance with provisions in the Joint Declaration. Second, interests of various groups and people from all strata must be reflected in the SAR Government. Third, Hong Kong should study and benefit from political experiences of Western countries. Finally, factors contributing to Hong Kong's success should be retained.

FBIS DAILY REPORT

China

CONTENTS

Vol I No 074 17 April 1986

PRC INTERNATIONAL AFFAIRS

GENERAL

Further Reportage on U.S. Attack on Libya A 1
Roundup Views Aftermath A 1
'Planned Military Aggression' A 2
Pentagon Reports Damage A 3
Al-Qadhdhafi Survives Raid A 3
Possible Internal Power Struggle A 4
USSR Charges U.K. Complicity A 4
Thatcher Defends Raid A 4
U.S. Blames USSR A 5
Libya Seeks End to Hostilities A 6
UNSC Discusses Tensions A 7
PRC, Other Envoys Address UNSC A 7
LIAOWANG on U.S.-Libyan Clash in Gulf of Sidra [7 Apr] A 8
Possibility of Reagan-Gorbachev Summit 'Lessened' A 11
Commentary on Effects of Oil Price Drop on China A 11
UN Food Program Head on Chinese Cooperation A 12
Preview of Nonaligned Foreign Ministers Meeting A 14
UNFPA Official on Impact of U.S. Funding Cutoff [AFP] A 14

SOUTHEAST ASIA & PACIFIC

Burmese Prime Minister Continues Visit E 1
Tianjin Banquet Held E 1
Feted in Guangdong E 1
Zhao Ziyang Meets Malaysian Finance Minister E 1
Buddhist Leader Meets With Thai Delegation E 2
Philippine Spokesman on Support for Aquino E 2
Marcos Said Planning To Return to Philippines E 3
DK Ambassador to China on Victories Over Vietnam E 3

PRC NATIONAL AFFAIRS

Presidential Order on Compulsory Education Law K 1
Presidential Order on Foreign Enterprises Law K 1
Central Organs Discuss NPC, CPPCC Proposals K 1
Bank Says 'No Change' in Foreign Currency Rules K 2
'Fundamental Indicators' of Progress Examined K 2
[BAN YUE TAN 25 Mar]
'Voluntary' Horizontal Economic Association Seen K 4
[RENMIN RIBAO 7 Apr]
Economics Official on Horizontal Combinations K 5
Forum on Cooperative Economic Relations Held K 6
[RENMIN RIBAO 7 Apr]
Breaking Localities, Departments Barriers Urged K 7
[RENMIN RIBAO 7 Apr]

Need for Social Bookkeeping System Explained [GUANGMING RIBAO] K 9
Newsletter Profiles Peasant Entrepreneur K 10
XINHUA Commentator K 11
Regulations Issued on Research Units' Taxes K 12
RENMIN RIBAO Carries HONGQI Table of Contents [15 Apr] K 13

PRC REGIONAL AFFAIRS

EAST REGION

Fuzhou Holds Party Style Rectification Meetings O 1

CENTRAL-SOUTH REGION

Guangdong Provides Berths for Taiwan Fisherman P 1
Lin Ruo Addresses Guangdong Legal Conference P 1
Guangdong's Ye Xuanping Interviewed in Beijing P 2
Henan Holds Political-Legal Work Conference P 3
Hunan Governor Stresses Grain Work Improvements P 5

NORTHWEST REGION

Gansu Sets Quarterly Industrial Output Record T 1
Ningxia Hui Transporting Rice to Shanghai T 1

HONG KONG MEDIA ON CHINA

HSIN WAN PAO Sees Raid on Libya as 'Global Strategy' [16 Apr] W 1
WEN WEI PO Terms U.S. Air Raid 'Unpopular' [16 Apr] W 2

FURTHER REPORTAGE ON U.S. ATTACK ON LIBYA

Roundup Views Aftermath

OW161452 Beijing XINHUA in English 1414 GMT 16 Apr 86

["Roundup: Thoughts After U.S. Retaliatory Attack by Bao Guangren" -- XINHUA Headline]

[Text] Washington, April 15 (XINHUA) -- At zero hours GMT today, 18 bombers and 15 fighter-bombers of the United States hit Tripoli, Libya's capital, and Benghazi, its second largest city, accomplishing reportedly the largest American air raid since the end of the Vietnam War. Two hours after the raid, President Ronald Reagan made a televized address from the White House, briefing on and defending the military actions.

The United States had obtained "irrefutable" evidence that Libya had "planned and executed" the April 5 bombing in a West Berlin discotheque which killed an American soldier and a Turkish woman and injured 230 others, among them some 50 American military personnel, Reagan said. The U.S. military actions were aimed at stopping the ongoing and future terrorist activities, Reagan said. "We have done what we had to do. If necessary we shall do it again," he added. The military actions taken by the United States in another country's territory under the pretext of settling an international issue have aroused worldwide condemnation.

France, a U.S. ally who have expressed objections to the U.S. actions, refused overfly of U.S. bombers across French airspace to hit Libyan targets.

In the U.S. Congress, however, many of those who used to speak against the policies of the Reagan administration have now sided with Reagan, while 80 percent of the several thousand ordinary Americans who made telephone calls to the White House after the air strike voiced support, according to a telephone record released by the government. Former U.S. Secretary of State Henry Kissinger and former U.S. President Jimmy Carter expressed support for the government actions by stating in a TV interview this morning tha it was about time to teach Libya a lesson. A majority of Americans, extremely disgusted with the indiscriminate terrorist acts against U.S. citizens, reportedly believed that the United States, as a superpower, should not tolerate such offenses and that it was the right time to punish Libya since the administration had obtained "irrefutable" evidence on Libya's involvement in international terrorism.

Though discord between the United States and Libya can be traced many years back, a radical deterioration of the relations between the two countries began only late last month when three U.S. aircraft carriers participating in "military maneuvers" in the Mediterranean entered an area of the Gulf of Sidra which Libya had declared to be part of its territorial waters. The obvious muscle-flexing of the U.S. military under the pretext of free navigation in international waters sparked off the first military clashes between the United States and Libya on March 24 when Libya fired missiles at U.S. aircraft and the United States retaliated with missile attacks on Libyan patrol boats and a land-based missile site. Three weeks later today, the United States, allegedly acting in retaliation for the West Berlin discotheque blast, attacked Libyan territory again in total disregard of the norms of international relations.

Despite the fact that few Americans have taken the trouble to ponder why their country has become a target of terrorist activities and whether these attacks had anything to do with Reagan's foreign policies towards the Middle East, some cool-headed Americans have considered the possible outcome of the U.S. "retaliation." Some of them have taken note of the lesson that Israel, claiming to "punish terrorism," has frequently attacked Lebanon only to bring miseries to the war-ridden Lebanese people and to stir up more and more "terrorist activities" against itself.

Many Americans feared that the U.S. attack on Libya would lead to a vicious circle of "punishment" and "counter-punishment" and a bigger death toll of the Americans. "U.S. NEWS AND WORLD REPORT" said in an article published one week before the U.S. attack that "an Israeli-style raid on Libyan targets might unleash tit-for-tat retribution with no end in sight." In another article titled "Can Reagan Make Al-Qadhdhafi Cry Uncle?," the U.S. newsmagazine also analyzed the advantages and disadvantages of a possible U.S. military strike on Libya. "NEWSWEEK", another U.S. magazine, warns that "Washington faced the risk of a protracted, escalating struggle with Libya."

It was reported that U.S. allies in West Europe were also worrying about a "reverse effect" of U.S. military actions against Libya, saying such actions were likely to "suck the U.S. into a spiral of violence." [Beijing XINHUA Domestic Service in Chinese at 1256 GMT on 16 April 86 in an otherwise identical report adds the following sentence: "Unscrupulously playing power politics in handling international relations is not only unpopular but will also lead to grave consequences, which are dreadful to contemplate"].

It is still not known, however, whether the decision-makers of the U.S. government will be cool-headed enough to rethink the whole drama after the administration has vented its anger on Libya with a military strike.

'Planned Military Aggression'

OW161415 Beijing International Service in Mandarin 0900 GMT 26 Apr 86

[Station commentary: "Immediately Stop the Military Agression against Libya"]

[Text] The United States outrageously conducted air raids on the capital and a series of other ground targets of Libya on 15 April, once again escalating the tension in the Mediterranean. This is brazen agression against a sovereign country which has caused outrages among and drawn condemnations from the international community. For a long time, the United States had adopted a policy of hostility toward Libya and made military threats against it.

At the beginning of this year, the United States took economic sanctions against Libya while amassing its military forces in the Mediterranean. No sooner than that, U.S. naval and air forces held a series of military exercises in waters off the Libyan coast. U.S. officials have also repeatedly said that the United States will carry out a surgical type of attack against Libya. In late March, it attacked Libyan naval vessels and military targets on Libyan territory, stirring up military conflicts between the two countries.

Last week, the United States again dispatched a huge fleet, including two aircraft carriers, to the Mediterranean and deployed it in a position from which it could wage direct attacks on Libya; it was maintained in a ready-to-strike state. At the same time, President Reagan sent special envoy Walters to Western Euorpe to ask U.S. allies to support military action against Libya. All this indicates that the U.S. attack on Libya was planned military agression.

The United States has claimed that its military action against Libya was in retaliation against Libya's support for terrorist activities. This is apparently an attempt to find an excuse for its agression. The international community has always opposed terrorism, as well as infringement on other nations' sovereignty and pursuance of a gunboat policy. The brazen U.S. armed attack on the capital of a sovereign country under the pretext of countering antiterrorist activities is a serious violation of international norms. It not only has trampled on the independence and security of a nation but has also threatened international peace and escalated tensions in the Mediterranean and Middle East.

Disputes between nations should be justly and reasonably settled through peaceful dialogue. The U.S. Government should immediately stop its agression against Libyan territory and sovereignty. People also hope that other parties concerned will refrain from taking hostile actions so that the situation will not deteriorate further, and peace and stability in the region can be maintained.

Pentagon Reports Damage

OW160913 Beijing XINHUA in English 0741 GMT 16 Apr 86

[Text] Washington, April 15 (XINHUA) -- The U.S. attacks on five targets in Libya destroyed many planes and hangars and caused serious damage to the main headquarters of Libya's "terrorist organization," the Pentagon said today. Pentagon spokesman Robert Sims provided the most extensive assessment of the U.S. attacks. While saying the assessment was still preliminary, Sims said the Pentagon had determined three to five Soviet-made IL-76 transport planes had been damaged during the attack on the Tripoli airport, and five to 12 Soviet-made MiG-23 fighters damaged during an attack on the Benina military airfield near Benghazi. He said the alleged "terrorist nerve center" in Libya and the barracks at Al-'Azizyah suffered "structural damage."

He disclosed that U.S. Navy A-7 and F A-18 jets had fired "dozens" of harm and shrike missiles at Libyan radar installations and missile batteries just before U.S. Air Force F-111 bombers and Navy A-6 attack jets launched their bombing runs. He said the United States ordered Air Force F-111s from Britain to join the attack because the Navy jets from the carriers Coral Sea and America near Libya could not carry out the simultaneous attacks on five Libyan targets.

The spokesman said no U.S. forces are in the area now, except for those involved in a search-and-rescue operation for a missing U.S. warplane. He admitted that one Air Force F-111 bomber is missing. Sims denied reports on Libya radio that new American attacks are expected.

Al-Qadhdhafi Survives Raid

OW151357 Beijing XINHUA in English 1254 GMT 15 Apr 86

[Text] Washington, April 15 (XINHUA) -- Libyan leader Mu'ammar al-Qadhdhafi has survived a U.S. air raid on his Tripoli headquarters on Monday and life in the Libyan capital is returning to normal Tuesday morning, according to U.S. television station able ews etwork. Libyan information director Ibrahim Saqr was reported to say Al-Qadhdhafi is "ok" after the U.S. mid-night bombing conducted by 18 F-111 bombers from Britain and 15 fighter-bombers from the U.S. aircraft carriers.

The air strikes, aimed at military installations in eastern and western Libya and Al-Qadhdhafi's headquarters in Tripoli, injured some of the Libyan leader's family members, Libyan radio reported. Tuesday morning after sunrise, cars and people doing shopping were seen on the Tripoli streets, reports reaching here said.

Possible Internal Power Struggle

OW162110 Beijing XINHUA in English 2100 GMT 16 Apr 86

[Text] Washington, April 16 (XINHUA) -- The Chairman of the U.S. Joint Chiefs of Staff, Admiral William Crowe, today declined to confirm reports that there were fighting between Libyan leader Mu'ammar al-Qadhdhafi's supporters and those troops opposed to him, but he admitted that "it's an interesting report." Reports from Tripoli said machine-gun fire broke out near Libyan Leader Mu'ammar al-Qadhdhafi's headquarters in the Libyan capital and called it "an apparent internal power struggle."

THE WASHINGTON TIMES today quoted an unidentified "high-ranking West European intelligence source" as saying Al-Qadhdhafi fled to North Yemen after the U.S. attacks. However, the paper said there was no evidence Al-Qadhdhafi had left Libya.

Interviewed on the NBC "Today Show" this morning, Crowe said, "I'm afraid I don't know very much about that and I have difficulty explaining it." He said he would not put very much in first reports. He would bide time until he gets more accurate information, he added. Asked whether the U.S. wants to be in a position to assist those who might want to oppose Al-Qadhdhafi, Crowe said, "we certainly are opposed to the Al-Qadhdhafi regime," adding that "we would wish them well."

USSR Charges U.K. Complicity

OW170704 Beijing XINHUA in English 0639 GMT 17 Apr 86

[Text] Moscow, April 16 (XINHUA) -- The Soviet Union today accused Britain of participating in the U.S. acts of aggression against Libya and urged the British Government to take all possible measures to put "an immediate end" to them.

British Ambassador to Moscow Sir Bryan Cartledge was summoned by Soviet Deputy Foreign Minister Anatoliy Kovalev and told that the British Government has become "a direct accomplice" in the U.S. military operation against Libya by allowing the U.S. Air Force to use its military bases in British territory. Kovalev noted that the British Government "shares responsibility for the casualties suffered by the civilian population of Libya, for the heightening of tension in the Mediterranean and for the negative consequences to the cause of peace," the official Soviet news agency TASS said. Kovalev expressed the hope that the British Government would "draw appropriate conclusions" from the current situation and would take all possible measures "for an immediate end to the aggressive actions against Libya.

Meanwhile, Soviet Foreign Ministry spokesman Vladimir Lomeyko said at a press conference today that the Soviet Foreign Ministry also summoned the U.S. ambassador to Moscow and told him the Soviet Union's decision on canceling the meeting between Soviet Foreign Minister Eduard Shevardnadze and U.S. Secretary of State George Shultz scheduled for next month. Lomeyko also said under the present circumstances it is "obviously absurd" to talk about another summit meeting between Soviet leader Mikhail Gorbachev and U.S. President Ronald Reagan.

Thatcher Defends Raid

OW160358 Beijing XINHUA in English 0249 GMT 16 Apr 86

[Text] London, April 15 (XINHUA) -- British Prime Minister Margaret Thatcher today defended the U.S. air strike on Libya and her decision to allow U.S. jet planes to attack Libya from air bases in Britain.

In a parliament statement, the Prime Minister accused Libya and Libyan leader Mu'ammar al-Qadhdhafi of sponsoring and promoting terrorist actions and described terrorism as "a scourge of the modern age."

"The government has evidence showing beyond dispute that the Libyan Government has been and is directly involved in promoting terrorist attacks against the United States and other Western countries, and it had made plans for a wide range of further terrorist attacks," she said. She stressed that Britain itself suffered from Libyan terrorism, pointing to the killing of a British policewoman outside the Libyan People's Bureau (embassy) here two years ago and the Libyan Government's direct and continuing financial and military support for the Provisional Irish Republican Army (IRA). She confirmed that she was informed by U.S. President Ronald Reagan last week that the United States intended to take military action to deter further Libyan terrorism and President Reagan had sought British support for this action.

"In view of Libya's promotion of terrorism, the failure of peaceful means to deter it, and the evidence that further attacks were threatened," she assured President Reagan of Britain's support for "action directed against specific Libyan targets demonstrably involved in the conduct and support of terrorist activities", and gave permission for the use in the operation of some U.S. aircraft bases in Britain.

Replying to the prime minister's statement in the Commons, Labor Party Leader Neil Kinnock asked if the prime minister had seen the evidence of Libyan complicity in terrorist attacks. Kinnock said even if the evidence against Al-Qadhdhafi was proved, "last night's bombing cannot be justified as an act of self-defence under international law." He pointed out that last night's attack reportedly caused many civilian casualties and damage to some foreign embassies. He called on Mrs Thatcher to join in the condemnation of the United States. The U.S. attack had "fractured relationship within the Western alliance," he said. Kinnock has also said Britain was destroying its world role by "giving the impression that we are the 51st state of the United States of America."

Liberal Party Defence spokesman Paddy Ashdown accused Prime Minister Thatcher of acting as "Mr Reagan's poodle."

This morning, British Foreign Secretary Geoffrey Howe also defended U.S. air strikes against Libya and Britain's involvement in an interview with BBC TV.

Britain is the only one European U.S. ally to have supported the U.S. air raids on Libya last night. Mrs Thatcher's statement has aroused strong condemnation from the opposition parties. It is expected that there will be a heated debate in the House of Commons on this matter tomorrow.

U.S. Blames USSR

OW170732 Beijing XINHUA in English 1713 GMT 17 Apr 86

[Text] Washington, April 16 (XINHUA) -- The United States today blamed the Soviet Union for failing to restrain alleged Libyan backed terrorists from bombing a West Berlin discotheque earlier this month.

State Department spokesman Bernard Kalb told reporters today that on March 27 the United States advised Soviet officials in Washington and Democratic German officials in Berlin that the United States had evidence indicating Libya was planning actions against U.S. interests and citizens in West Berlin. The U.S. then urged officials of both governments to restrain the Libyans. "Had they done so, this entire cycle of events would have been avoided," said Kalb.

He said the United States on several occasions explicitly offered to consult with the Soviet Union on the question of Libyan support for terrorist activities, "But they have not taken us up," Kalb said. He said that "at every stage of the events leading to the U.S. actions Monday, we kept Moscow informed as to our concerns, requested their assistance and made clear that any action was not directed against the Soviet Union. Kalb said the United States previously warned the Soviets that their supply of SAM-5 missiles to Libya might encourage Libyan leader Mu'ammar al-Qadhdhafi to take risks which would force the United States to respond. However, Kalb said the United States rejects the Soviet claim that the U.S. action against Libya has now made it impossible for the two sides to have meeting at the foreign ministerial level.

The Soviet Union announced yesterday that it has canceled the planned meeting between U.S. Secretary of State George Shultz and Soviet Foreign Minister Eduard Shevardnadze because of the U.S. raids on Libya. Kalb said the United States has "consistently sought a serious dialogue with the Soviet Union on many problems in our relations. It is however the Soviet Union that has followed a pattern of putting off or interrupting this dialogue." He said it was the Soviet Union that broke off the start and inf [as received] nuclear arms negotiations in Geneva in the fall of 1984 after NATO began deploying Minuteman II and Tomahawk cruise missiles in Europe in response to the Soviet deployment of SS-20 missiles. Now, he said, the Soviet Union "is calling into question its commitment to the agreement reached at the Geneva Summit for an intensified dialogue at all levels, including a regular process of meetings between foreign ministers."

According to Kalb, the United States told the Soviet Union that it was ready for a foreign ministers meeting as early as January of this year. "It was the U.S. belief that an early meeting was an important way to keep up the momentum of the Geneva Summit and might help deal with and perhaps head off serious problems," he said. However, he added, the Soviet Union did not respond. The U.S. spokesman said the Soviet Union has "wasted six months since the summit," and if the Soviets do not wish to meet, "so be it."

Kalb's remarks today seemed to have hardened the U.S. position, thus casting further doubt on the possibility for a U.S.-Soviet summit this year. However, former U.S. National Security Advisor Zbigniew Brzezinski said on the ABC television program "Good Morning America" today that the summit will be held. He said he thinks the Soviets "are just posturing," because they "need the summit as much as before than we do."

Libya Seeks End to Hostilities

OW161244 Beijing XINHUA in English 1240 GMT 16 Apr 86

[Text] Brussels, April 15 (XINHUA) -- Libya today has asked Belgium to arrange a cessation of hostilities with the United States, Belgian Foreign Minister Leo Tindemans said here today. Tindemans told a television interviewer the request was made shortly after the U.S. air raids on Libya early this morning.

The Belgian ambassador in Tripoli, Roland Burni, who represents U.S. interests in Libya, was called to an emergency meeting with the Libyan authorities who asked him to help in asking Washington to end American air attacks on Tripoli and Benghazi, according to Tindemans.

Belgium has been taking care of U.S. interests in Libya since Washington and Tripoli severed diplomatic relations in 1981.

There was no immediate U.S. reaction to the statement.

UNSC Discusses Tension

OW151359 Beijing XINHUA in English 0713 GMT 15 Apr 86

[Text] United Nations, April 14 (XINHUA) -- The U.N. Security Council met today to continue its consideration of the tension in the Mediterranean at the request of Malta.

Rajab Azzarouk, representative of Libya and the first speaker of the meeting, denied once again his country's association with the recent violence at the Rome and Vienna airports, and said that "The United States is predetermined" to brand Libya a terrorist nation so that it could commit aggression against Libya. He said if the United States committed aggression against Libya, it "would have to exercise the legitimate right of self-defence". He also called on the Security Council to condemn all use of force contrary to international norms of the U.N. Charter.

Herbert Okun, representative of the United States took the floor after the Libyan speaker. He denounced Libya for firing on U.S. ships and planes in and over "international waters" which Libya considers as its "territory waters", and for its threat against citizens of the United States and its allies. He said the Security Council would not ease tensions in the Mediterranean "if it seeks to avoid the root cause of the problem." "The root cause is the murderous behavior of the government of Libya and its agents," he asserted.

Soviet Permanent Representative Yuriy Dubinin also spoke at today's meeting. He said that "no matter how Washington tries to justify its preparations for a further military adventure, nothing could justify its actions." He also reiterated his country's call for an international conference to consider ways of reducing tension in the Mediterranean, which was already rejected by the United States.

The meeting of the U.N. Security Council will continue tomorrow.

PRC, Other Envoys Address UNSC

OW161303 Beijing XINHUA in English 1203 GMT 16 Apr 86

[Text] United Nations, April 15 (XINHUA) -- The U.N. Security Council today held an urgent meeting on the U.S. massive attack against Libya at the requests of Libya, Oman, Syria and Burkina Faso. Most speakers at today's meetings condemned the United States for its military action against Libya in violation of the U.N. Charter.

Rajab Azzarouk, representative of Libya, said that the United States had repeatedly spoken of article 51 of the U.N. Charter regarding self-defence, but "the barbaric, savage raids by the United States were not in self-defence." He asked, "Could this article be invoked in a Libyan raid against Texas?" He said that no speeches could conceal the savagery of the air strikes against innocent civilians in Benghazi and Tripoli, and no speeches would conceal the damage to Libyan schools, harbours, civilian airports and so on.

"The Security Council must quickly adopt an unambiguous resolution to condemn the U.S. barbaric raid," he demanded.

Muhammad al-Shaali, permanent representative of the United Arab Emirates, said that "the existence of political differences and ideological differences between states are the feature of our modern age. The U.N. Charter and other international instruments have defined appropriate peaceful means to settle those differences. However, the United States has turned its back on peaceful means." The pretext invoked by the United States to justify its aggression against Libya "has no basis whatsoever," he added.

Abdul al-Atassi, representative of Syria, said that "the world is surprised at the news of the brutal aggression carried out by the United States against Libya" while the Security Council was seeking a peaceful solution to their disputes. The U.S. military action "is a flagrant violation of the provisions of the U.N. Charter and of rules of international law".

Sa'ud al-'Ansi, permanent representative of Oman, speaking as the current chairman of the Arab group, said that "the Arab states believe that military confrontation is not the right way to solve the disputes between the states." He demanded the Security Council adopt a resolution "forcefully condemning the U.S. aggression against Libya."

Savitri Kunadi, representative of India, said that her country "is deeply shocked" by the U.S. actions against Libya "which constituted nothing less than a clear act of aggression against Libyan sovereignty and territorial integrity".

Yuriy Dubinin, permanent representative of the Soviet Union, after reading out a statement made today by the Soviet Government on the issue, said, "It is the clear duty of the Security Council of firmly condemn the armed aggression against Libya perpetrated by the United States. The council must also demand that the United States immediately cease its armed attacks on Libya, and not allow for such acts in the future."

Li Luye, permanent representative of China, also read out a statement made by the Chinese Government, expressing its deep concern and anxiety over the renewed U.S. military attack on Libya in violation of the norms governing international relations. Representatives of Bulgaria, Cuba and Democratic Yemen also spoke at the meeting.

In his speech, Vernon Walters, permanent representative of the United States, asserted that the U.S. air strike against Libya was executed in exercise of the right of "self-defence." The U.N. Security Council will continue its debate tomorrow.

LIAOWANG ON U.S.-LIBYAN CLASH IN GULF OF SIDRA

HK151038 Beijing LIAOWANG in Chinese No 14, 7 Apr 86 pp 6-7

[Dispatch from Cairo by contributing correspondent Mu Guangren: "Confrontation Over the Gulf of Sidra — Comments on the U.S. Provocation Against Libya"]

[Text] On 24 and 25 March, the U.S. 6th Fleet put on an all-round show of military force at the gate to Libya. After it gained some small advantages, on 27 March, it withdrew its warships from the Gulf of Sidra, which is situated to the south of the "line of death" declared by Mu'ammar al-Qadhdhafi.

The fierce waves on the Mediterranean have thus subsided and the smoke of gunpowder has vanished for the time being, but the situation remains grim.

This maneuver was carried out by the Pentagon at President Reagan's order after long-term planning and careful arrangements, and was a continuation and development of the U.S. provocation against Libya last January. Washington explained that it did so in order to punish terrorists, that this was a "routine maneuver," that it did in order to "safeguard the right of navigation," and so on, but all its explanations are only excuses. Its true aims are: first to attack Al-Qadhdhafi, and second to try to remove a "saboteur" that the Soviet Union has planted in North Africa.

"Punish Al-Qadhdhafi"

When the fleet set out, a senior official in the White House clearly said: "We are looking for an excuse." He said: "If Al-Qadhdhafi comes out obstinately to confront us, we will destroy him."

People may remember that on 3 January, the U.S. aircraft carrier the 'Coral Sea' sailed to an area on the Mediterranean near Libya. At that time, it was on the excuse that Libya directed surprise terrorist attacks at the offices of the Israeli Airlines corporation at the international airports in Rome and Vienna. At that time, Washington was so angry that it wanted to punish Libya. The Pentagon drew up many plans, among which was a plan to send airplanes from the aircraft carrier to invade the Gulf of Sidra in order to induce Libyan airplanes to intercept U.S. airplanes, shoot down the interceptors, and then raid Libyan air bases. As the result of the examination of the terrorism in Rome and Vienna showed that these terrorist activities had nothing to do with Libya, the plan was dropped as there was no reason for it.

However, Washington was not willing to give up. Despite its awe-inspiring stance of threat, it not only failed to bring it enemy to its knees, but roused widespread condemnation throughout the world. Later, it switched to economic sanctions, but none of its Western European allies responded. Even its citizens in Libya did not heed the White House's order and refused to withdraw from Libya. What a helpless situation!

The United States has always disliked the Al-Qadhdhafi regime. The two sides have harbored rancor against each other. In 1981, there was a clash between them at the Gulf of Sidra and two Libyan planes were downed. However, this did not make Al-Qadhdhafi restrain his speeches against the United States. For Washington, it is simply a shame for a superpower to fail to make a small country surrender.

Before this clash, a Pentagon official said: "President Reagan wants to make a show of military force." What a revelation of the true aim. In order to save its face, vent its anger, and display its power, over the past tens of days. Washington has been looking for an opportunity to do something. In February, the 6th Fleet held a maneuver at the Gulf of Sidra, but nothing happened because it did not go across the "line of death." This time, however, the United States was determined to go across the line and test Al-Qadhdhafi.

In this maneuver, the United States amassed the largest armed forces in this area since Ronald Reagan came to office. Three aircraft carriers -- the 'Coral Sea,' the 'America' and the 'Saratoga,' carrying at least 240 airplanes (F-14 and F-18) -- with 20 convoy warships including a cruiser 'Yorktown' and a destroyer, gathered in force and sailed into the Gulf of Sidra. The Pentagon's original fighting plan was to induce Libya to take the bait. If Libya came out to fight, it would fight back and "destroy" the missile bases in Libyan territory.

Sure enough, Libya launched 12 missiles against U.S. airplanes. Libya said that it downed three U.S. planes, but the United States denied this. The United States declared that it sank three Libyan patrol boats and damaged one and that it "destroyed" several SAM-5 and SAM-2 missile bases on Libyan territory.

Trying To Remove the Soviet Installations

It is too simplistic if we merely regard the actions of the United States as punitive actions against Al-Qadhdhafi. According to the American magazine "NEWSWEEK": "The Pentagon officials were more concerned about the SAM-5 antiaircraft missile launchers that the Soviet Union has installed in the Gulf of Sidra." Once the F-14 and F-18 fighters enter the Gulf of Sidra, they will be within the effective range of the SAM-5 missiles which are under the control of the Soviets. Undoubtedly, these Soviet missiles are regarded by the Americans as a thorn in their side, so Washington is always looking for an opportunity to remove those detestable Soviet installations.

In early January when the United States was sending a punitive force against Libya, the Libyans invited the Soviets to install at least seven SAM-5 missiles bases in Tripoli and Sidra. In considering the plans to "punish" Qadhdhafi, Reagan has a principle, that is, "not to trigger off World War III." The Pentagon thought that if actions were taken to destroy the Soviet missile bases and radars, that would at the same time cause casualties to the Soviet personnel who operate the missile bases. Moreover, eight Soviet warships were always following the 6th Fleet in the Mediterranean Sea. They might provide Libya with information about the actions of the U.S. ships. It seemed that it was due to these considerations that the 6th Fleet did not enter the Gulf of Sidra in its February exercise.

However, things were quite different this time. Two weeks before it took the action, the 6th Fleet sent its cruiser Yorktown and destroyer Caron to the sea area near the Soviet naval base in the Black Sea in order to sound out the Soviet reaction. The Soviet reaction was rather mild. Moscow merely lodged a protest note through diplomatic channels. Then the United States reached a conclusion: It will not be risky if the American ships enter the Gulf of Sidra. The Americans became bolder and made up their minds to destroy the Soviet missile launchers in Libya.

Washington is celebrating the "success" of this action, but it did not succeed in saving its face before the world; instead, it has tarnished its own image, because its military action in the Gulf of Sidra not only had a tinge of the old-style gunship policy, but also had the color of a modern superpower. Many countries in the world have condemned the United States, and this also reflects the nature of the U.S. action. Some people did not openly condemn the United States because they do not like Qadhdhafi or because of other reasons, but this does not mean that they agree with the action of the United States. Now there are many regimes in the world that are not in the favor of the United States. Will Washington take military action against them because it hates them? There are many territorial disputes on land or on sea -- should all these disputes be solved through the use of armed force? Although the United States won some petty gains in the military field, it was a loser in the moral aspect.

Moscow seems annoyed at being hurt in the dark this time. Gorbachev himself came out to make a condemnation statement. He demanded that the 6th Fleet of the U.S. Navy withdraw from the Mediterranean Sea, and the condition is that "if you go, I will also go." It is a matter of course that neither side will withdraw from there and they will continue their contention in the Mediterranean Sea.

The Libyans are also celebrating their victory, because the 6th Fleet of the U.S. Navy has finally withdrawn from the Gulf of Sidra. However, there are some indescribable feelings in the minds of these victory hailers. What role can a small country play in the wrestling ring of the two superpowers which are contending for the hegemony over the Mediterranean Sea? Can it protect itself from becoming a victim of the superpower rivalry?

POSSIBILITY OF REAGAN-GORBACHEV SUMMIT 'LESSENED'

OW162122 Beijing XINHUA in English 2104 GMT 16 Apr 86

["Possibility of U.S.-Soviet Summit Lessened, Shultz says" -- XINHUA headline]

[Text] Washington, April 16 (XINHUA) -- U.S. Secretary of State George Shultz today said the Soviet cancellation of a meeting between him and the Soviet foreign minister certainly lessens the possibility of a U.S.-Soviet summit meeting in Washington this year.

The Soviet Union called off the planned meeting between Shultz and Soviet Foreign Minister Eduard Shevardnadze scheduled in mid-May because of the U.S. strikes against Libya. A Soviet statement denounced the U.S. attack as "criminal" and warned that continued American military action against Tripoli would force Moscow to draw "more far-reaching conclusions."

In an interview with CBS Morning News today, Shultz said the United States "must do the things that we believe are right to do from the standpoint of the United States." He said it is unfortunate that the Soviet Union has not supported the United States in "this effort to fight terrorism."

"We regret the cancellation or postponement, or whatever it turns to be" of the Shultz-Shevardnadze meeting, he noted. Shultz said, "From our standpoint, we see the problems and the necessity for discussion and work with the Soviet Union are there. That hasn't changed any. And so we continue to work on them, and we're prepared to work on them."

COMMENTARY ON EFFECTS OF OIL PRICE DROP ON CHINA

HK120820 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1245 GMT 11 Apr 86

[Commentary by Hao Si: "The Problems China Faces as a Result of the Drastic Fall of Oil Prices on the International Market"]

[Text] Hong Kong, 11 April (ZHONGGUO TONGXUN SHE) -- The volumes of China's exports of crude and finished oil decreased in February -- crude by 1.3 percent and finished oil by 22.4 percent. China recently announced that it will give further preferential treatment to foreign companies exploring oil in China's coastal waters, so as to review their enthusiasm for such exploration. These two points show that as a result of the drastic fall of oil prices on the international market, China, which finally ranked among the major oil prodicing countries in the past few years and profitted greatly from oil export only recently, is worried by the decrease in its oil earnings which may adversely affect its foreign exchange income as a whole. The fall in oil prices has brought hidden danger to the exploration of China's offshore oil.

After more than 30 years of efforts to prospect and explore its oil resources, China has built 17 oil and natural gas bases. China's annual output of crude oil has exceeded 100 million tons since 1978 and is 114 million tons at present.

China has jumped from the 29th position during the 1950's to the 6th position at present in the world's oil production. It began to export oil in 1973. Its oil exports last year exceeded 30 million tons, earning an income of approximately $5 billion in foreign exchange, which was one-fifth of the country's total foreign exchange income.

According to an estimate by the Chinese Ministry of Foreign Economic Relations and Trade, fall in the international oil price from $23 to $15 a barrel would decrease China's foreign exchange income by $2 billion and, if petroleum products are also counted, by $2.3 billion. Now that the oil price has dropped to below $10 a barrel, it is estimated that China's foreign exchange income will decrease by more than $3 billion. To China, this is by no means a small sum. The value of China's annual foreign trade is only $50 billion or so. According to the statistics of the Ministry of Foreign Economic Relations and Trade, last year's trade deficits amount to $7.6 billion. China has foreign exchange reserves of some $11 billion. Therefore, the decrease in China's income from oil exports will undoubtedly have an ill effect on China. Although the drastic fall of oil prices on the international market will cause the prices of other commodities on the international market to drop and China's imports may profit from it, this cannot offset the decrease in its income from oil exports. Chinese Vice Premier Li Peng said that China gains and at the same time suffers losses as a result of the fall of oil prices on the international market. Actually, the losses exceed the gains.

The fall of oil prices also affects the invitation of tenders for the exploration of China's offshore oil. China has an increasingly greater domestic demand for oil. However, now it needs funds and technology nd exploring its offshore oil and has to seek foreign aid in terms of funds and technology. The drastic fall of oil prices and the gloomy prospects for oil prices have already dampened the enthusiasm of the foreign oil companies in spending huge sums of money on the prospecting and exploration of China's offshore oil. This will in turn impede the speed of development of China's oil industry as a whole. China has recently announced more preferential treatments will suffice to revive the enthusiasm of the foreign companies.

The decrease in foreign exchange income and the dampening of the enthusiasm of foreign companies in participating in the exploration of offshore oil are two problems facing China as a result of the drastic fall of oil prices on the international market. To make up for the decrease in foreign exchange income, the Chinese authorities have pledged efforts to diversify China's exports and increased the export of superfine products. However, China still needs to exert tremendous efforts to attain this goal. As far as the exploration of offshore oil is concerned, China may as well readjust the scale and speed of oil exploration according to its manpower and financial and material resources and the changes in the international market demands.

UN FOOD PROGRAM HEAD ON CHINESE COOPERATION

OW161921 Beijing XINHUA in English 1555 GMT 16 Apr 86

[Text] Beijing, April 16 (XINHUA) -- The United Nations Development Program (UNDP) and China have successfully carried out their first country program in the past four years, and the second one will start soon. UNDP Administrator Bradford Morse, who is making an official visit to China, announced this at a press conference here today.

Chinese Premier Zhao Ziyang met Morse Tuesday, and expressed his satisfaction for the expansion of cooperation between the UNDP and China. He thanked Morse for his efforts to promote such cooperation.

The priorities of the first country programme, covering the 1982-85 period, included increases in food production and agricultural productivity, increased production of consumer goods and services, energy development and conservation, human resources development, and strengthening of infrastructure -- involving a total of 150 projects.

Morse said the most important feature of the program was its full reflection of the principle of relying mainly on China's own efforts and seeking foreign assistance only as a complementary resource, and major inputs for the projects, such as the cost of civil construction and equipment, and human resources, were provided by the Chinese Government.

The UNDP's contribution was geared to bridging critical technological gaps in a number of fields, ranging from food processing, manufacturing processes, computer applications, oil exploration, mining, and efficient utilization of energy to development of forestry and grassland, he added.

In financial terms, UNDP resources available to China amounted to 78.8 million U.S. dollars in the 1982-85 period. It has helped China set up our upgrade several technical training centers in such fields as information electronics, energy, transport, chemical engineering, machinery manufacture, building materials, textiles, materials testing and agriculture.

Morse said a noteworthy aspect of the first country program was the project on the "transfer of knowledge through expatriate nationals". Under this facility, over 250 Overseas Chinese came to China between 1982 to 1985 for periods ranging from two to eight weeks, and proved to be an invaluable source of expertise in a wide variety of subjects, he added.

A variant to this approach has been introduced recently -- the "senior technical advisor recruitment" project -- under which foreign experts, usually retired, come to China for little or no remuneration. Many of them have been prominent specialists and have made very significant contributions in their fields.

The UNDP administrator stated that the promotion of economic and technical cooperation among the developing countries has been another important feature of the China country program. With a view to facilitate training in China of technicians from other developing countries, seven regional centers specializing in biogas, sericulture, fish farming, mini-hydropower, acupuncture, integrated rural development and primary health care, were set up. These centers had trained 1,310 technicians from other developing countries by 1985. In addition, China hosted a large number of other training courses and workshops for foreign participants.

Morse said the second country program, covering the 1986-90 period, is designed to support China's development strategies for its Seventh Five-Year Plan. It will focus on five main areas -- human resources development, technical transformation of existing industries, development of advanced technology, improvement of living standards, and application of information technology. The administrator said that the second country program will be submitted to the UNDP Governing Council for approval in June.

In the 1986-90 period, the UNDP Governing Council has approved an indicative figure of 138.3 million U.S. dollars, which, combined with the Chinese Government's "cost-sharing" contribution, might well make it the largest UNDP technical cooperation program in the world, he added.

PREVIEW OF NONALIGNED FOREIGN MINISTERS MEETING

OW161245 Beijing XINHUA in English 1047 GMT 16 Apr 86

[Text] New Delhi, April 16 (XINHUA) -- Peace, disarmament and development will be the major topics to be discussed at the four-day ministerial meeting of the Coordinate Bureau of the non-aligned countries starting here today. The meeting of the 74-member Coordinate Bureau of the Non-Aligned Movement (NAM) is being held against a backdrop of a deteriorating international situation.

The unabated nuclear arms race between superpowers, the developing crisis around Libya, the Gulf war, the Palestinian problem, southern Africa, the Central-American situation, the foreign occupation of Kampuchea and Afghanistan, and the adverse economic scenario over the world have caused deep concern among the non-aligned countries.

A renewed effort will be made by the participants in the conference to urge major nuclear powers to stop nuclear arms race, and call for the signing of a comprehensive nuclear test ban treaty.

Participants are likely to persuade Iran and Iraq to stop fighting and sit down for a peaceful settlement. They will ask the United States to halt its campaign against Libya and Nicaragua, condemn South African regime's policy of racial discrimination and genocide of the black people, and voice their support for the establishment of "Indian Ocean as a zone of peace" called for by, among others, India.

The Soviet invasion of Afghanistan and Vietnamese occupation of Kampuchea will also figure at the conference. But nothing much new is expected to come out except that the foreign ministers will reiterate the NAM's position of non-intervention and non-interference and withdrawal of foreign troops from the occupied countries.

The meeting is also expected to pay considerable attention to the global economic situation, the worsening Third World debt crisis, stiff trade protectionist policies and high interest rates adopted by developed countries. The slow-going South-South cooperation will also be dealt with in depth.

Besides, the meeting will consider the possibility of establishing a standing ministerial committee of non-aligned and other developing countries to assist in evolving strategies for future negotiations with industrialized countries on international economic issues.

Finally, the conference will consider and adopt draft political and economic declarations prepared by the host country India.

UNFPA OFFICIAL ON IMPACT OF U.S. FUNDING CUTOFF

HK160809 Hong Kong AFP in English 0759 GMT 16 Apr 86

[Text] Beijing, April 16 (AFP) -- U.S. objections to alleged forced abortions in China threaten to cause a cutoff of all U.S. funding for the 1986 U.N. family planning program, the U.N. representative to China said here Wednesday.

The cutoff, a decision on which was expected anytime, would have little effect on China's programs but would be a "major blow" to efforts by the United Nations Fund for Population Activites (UNFPA) to slow population growth in other Third World countries, U.S. resident representative Manfred Kulessa said. Mr Kulessa, who oversees all U.N. activities in China, said the fund assisted in education programs and contraceptive production in China and thus contributed to reducing the number of abortions.

"Our program is perfectly clean," he said. "The UNFPA does not support any program of involuntary abortion or forced sterilization anywhere in the world," he told a press conference here. Mr Kulessa said the UNFPA's 1986 budget of 140 million dollars included 35 million dollars from the United States. The allocation was now in danger of being cancelled because of "a gross misunderstanding" by some sectors of the U.S. Government about the nature of UNFPA's work, he said.

Mr Kulessa said that UNFPA funding in China amounted to about one U.S. cent per person or one percent of China's total spending on population control. "In China our involvement is marginal, but in other countries (the U.S. cuts) would be a serious blow," he said.

Under a U.S. law prohibiting U.S. funding for forced abortions or sterilizations, the U.S. Agency for International Development (AID) [as received] last year withheld 10 million dollars in UNFPA funding that it believed would have otherwise gone to China.

China and the UNFPA denied AID's finding that it has participated in management of "a program of coercive abortions and sterilizations" and UNFPA reorganized its budget to distribute the impact of the cut among nations receiving assistance. In response to the shifting of funds, AID was now considering a total cutoff in its support to the UNFPA for 1986, observers said. Mr Kulessa said a decision on the cutoff had been expected before April but apparently was delayed due to the agency's preoccupation with recent events in the Philippines.

Meanwhile, Bradford Morse, chief administrator of the United Nations Development Program (UNDP) said that Chinese Foreign Trade Minister Zheng Tuobin would present proposals for China's 1986-1990 UNDP program to the agency's directors in Geneva this June.

Chinese priorities for the 129-million-dollar five-year program included human resources development, technical transformation of existing industries, development of advanced technology, improvement of living standards and applications of information technology -- but not family planning, which is administered separately by the UNFPA, Mr Morse said.

In a related development, Chinese and Japanese experts concluded in a U.S.-funded population study made public Tuesday that China would need to readjust its current policy and aim for a higher birthrate after the year 2000 to maintain economic growth and offset the effects of an aging population.

To maintain economic momentum into the next century China's fertility rate should return to 2.1 births per woman after dropping to 1.8 in the year 2000, the English-Language CHINA DAILY quoted the report as saying.

Rapid aging of the population due to low birthrates was already apparent in Shanghai, where people aged 60 or more make up nearly 14 percent of the population and retired workers are becoming a heavy burden on thier former employers, the report said.

China's strict enforcement of "one child" policies has been slightly eased in recent years, with a second child allowed upon application, particularly in the countryside, analysts said.

BURMESE PRIME MINISTER CONTINUES VISIT

Tianjin Banquet Held

BK160601 Beijing International Service in Burmese 1130 GMT 15 Apr 86

[Text] The people's government of Tianjin held a banquet last night to warmly welcome U Maung Maung Kha, prime minister of Burma, and his delegation. The banquet was hosted by Li Ruihuan, mayor of Tianjin.

Before the banquet started, artists from the eastern song and dance ensemble which was specially brought in from Beijing greeted the Burmese guests on their traditional Thingyan Water Festival by sprinkling jasmine-scented water. They also sang Burmese songs and performed Burmese dances.

Amidst an atmosphere of friendship permeating the banquet Mayor Li Ruihuan and Prime Minister U Maung Maung Kha delivered their speeches.

The mayor said friendly contacts between Tianjin and Burma are growing continuously. He said Tianjin was involved in the Thamaing Textile Mill construction project in Burma while a government industrial delegation and a cultural troupe from Burma visited Tianjin. He also noted the continuously growing trade and economic links with Burma.

In his speech, U Maung Maung Kha said Tianjin, a coastal city, is an industrial and economic center. Since it is one of the 14 major coastal cities which play a vital role in China's modernization program, there are many things to observe and study. The prime minister also said he was grateful and happy that arrangements have been made to enable the Burmese delegation to study the (Takan) oilfield which the delegation is interested in.

Feted in Guangdong

OW162025 Beijing XINHUA in English 1842 GMT 16 Apr 86

[Text] Guangzhou, April 16 (XINHUA) — Burmese Prime Minister U Maung Maung Kha and his party arrived here from Tianjin by special plane at noon today in the company of Petroleum Industry Minister Wang Tao.

This evening, the Guangdong Provincial People's Government gave a dinner in their honor, which was presided over by Governor Ye Xuanping. The prime minister and his party this afternoon visited Fushan City and Nanhai County where they inspected a pottery and a rattan plant.

ZHAO ZIYANG MEETS MALAYSIAN FINANCE MINISTER

OW161714 Beijing XINHUA in English 1501 GMT 16 Apr 86

[Text] Beijing, April 16 (XINHUA) — Chinese Premier Zhao Ziyang said here today that China takes a positive attitude toward developing its economic relations and trade with Malaysia.

Speaking to Malaysian Minister of Finance Daim Zainuddin here this afternoon, Zhao said that China is also willing to explore possibilities of cooperation with Malaysia in other areas. He said both China and Malaysia have great vitality in their economies.

With the deepening of mutual understanding, the areas of cooperation between the two countries will become wider, he stressed.

Zhao noted the successful visit by Malaysian Prime Minister Mahathir Bin Mohamed last November, adding that both countries hoped for further development of bilateral friendly cooperation -- in economic relations and trade in particular. Daim Zainuddin said he hoped that the two countries would undertake direct trade and cooperation in finance and insurance.

BUDDHIST LEADER MEETS WITH THAI DELEGATION

OW151415 Beijing XINHUA in English 1215 GMT 15 Apr 86

[Text] Beijing, April 15 (XINHUA) -- Zhao Puchu, president of the Chinese Buddhist Association, met a Thai religious and cultural delegation led by Khunthong Poopiewduan, deputy minister of education, here today at the 800-year-old Guangji temple.

Zhao, also vice-chairman of the National Committee of the Chinese People's Political Consultative Conference, thanked the Thai Buddhists for the three Buddhist statues they had presented to the Chinese Buddhists last September. Now the statues have been enshrined in temples in Guangzhou, Shantou and Chengdu, he said.

He believed that the kindness the Thai Buddhists showed for the Chinese Buddhists would surely enhance the Buddhist exchanges between the two countries. Zhao also expressed respect for the relief work the Thai government, the people and the Buddhists have done for the Kampuchean refugees. "It has demonstrated the spirit of mercy of Buddhism," he added.

Chinese Buddhists also took part in the worldwide efforts to help the victims in drought-stricken African areas and Kampuchean refugees, he said. He hoped the Buddhists of the two countries to work together for world peace.

PHILIPPINE SPOKESMAN ON SUPPORT FOR AQUINO

OW152348 Beijing XINHUA in English 1849 GMT 15 Apr 86

[Text] Manila, April 15 (XINHUA) -- Presidential spokesman Rene Saguisag expressed today the belief that the Aquino Government will not be toppled as the vast majority of people is supporting it. He made the remark at a news briefing in the presidential palace as a reaction to the call made yesterday by former member of parliament Arturo Tolentino for civil disobedience against the government.

Saguisag said "What Mr. Tolentino hopes to see is for the Aquino-Laurel government to topple." "However," he continued, "it won't, only because the vast majority of our people are willing to give the new government a chance," and "wish it well."

Saguisag said one of the distinctions between the old regime and the new government is that the latter has not pillaged and plundered the economy. He concluded that the misguided elements in the new opposition may continue to do their worst while the administration and its millions of supporters will continue to do their best, for the benefit of everyone.

Addressing a gathering of over 90 members of the abolished Philippine National Assembly here yesterday Arturo Tolentino, Marcos' vice-presidential running mate, described the Aquino Government and the abolition of the Assembly as "unconstitutional". He also called for a nationwide civil disobedience campaign against the new government.

MARCOS SAID PLANNING TO RETURN TO PHILIPPINES

OW161658 Beijing XINHUA in English 1619 GMT 16 Apr 86

[Text] Manila, April 16 (XINHUA) -- Former President Ferdinand Marcos is planning to return to the Philippines and has been holding periodic consultation meetings with his lawyers, former member of parliament Rafael Recto said today.

In a long distance telephone interview with a Philippine newsman here from Marcos' residence in Honolulu, Hawaii, Recto said that Marcos has been busy studying the legal repercussions and implications of his planned return to the country. "The (former) president will return, and the Philippines is his country," Recto said in confirming his plan. Marcos fled the Philippines to Hawaii on February 26.

"He considers himself the legal president," Recto said as he confirmed frequent brainstorming meetings with his lawyers. "It's like Malacanang (the presidential palace) here," he added. Recto, whom Marcos has tasked to handle all his legal cases in Honolulu, is now there to confer with the deposed leader on what legal actions the former would take in defending him before the local courts.

There were persistent reports that the Commission on Good Government will file legal suits against the ousted leader within the next few days. Starting last night, some 1,000 Marcos loyalists demonstrated in front of the U.S. Embassy here in protest against what they claimed the U.S. Embassy's role in driving Marcos out of the country last February. They demanded that the U.S. Government allow Marcos to return home.

Speaking on peace and order at a news briefing here this afternoon, Presidential Spokesman Rene Saguisag said, "everything is under control." The Aquino government has maintained that Marcos and his family could only return to the country if the situation has been normalized.

DK AMBASSADOR TO CHINA ON VICTORIES OVER VIETNAM

BK151128 Beijing in Cambodian to Cambodia 1030 GMT 14 Apr 86

[Statement to station correspondent by Chan Youran, Democratic Kampuchea ambassador to the PRC, on the occasion of Cambodia's National Day of 17 April and traditional new year -- recorded]

[Text] I deeply thank all of you, friends, for coming to our Democratic Kampuchea [DK] Embassy in Beijing to interview me on the occasion of the national day and the national festival of Democratic Kampuchea. I would like to inform you of the following developments:

Under the leadership of the CGDK [Coalition Government of Democratic Kampuchea] with Samdech Norodom Sihanouk as president of Democratic Kampuchea, the struggle of the Cambodian people for national liberation and preservation against the expansionist and annexationist Vietnamese enemy aggressors has now entered its 8th year. During this time, our people, our CGDK, and our national army have won one major victory after another in all fields -- military, political, and diplomatic while the Vietnamese enemy aggressors with their 200,000 troops in Cambodia are experiencing a complete and total impasse. The whole world is well aware of this situation in the current eighth dry season, which will end next month. The world sees that the Vietnamese are in a situation where they have lost mastery and where they are being dealt heavy blows on the Cambodian battlefield. Their dry-season scheme has shamefully failed in spite of their all-out efforts to mislead opinion to the contrary. The truth is that during this eighth dry season the Vietnamese have succeeded in none of their designs. They have failed, on the one hand, to seal off the border or to block our transport routes. They have failed, on the other hand, to crush our forces inside the country. By contrast, our tripartite national army is attacking them and pinning them down throughout the country, particularly in the region around Tonle Sap Lake and the areas around Phnom Penh and around Battambang, which constitute the first group of strategic battlefields in the current struggle of our people and national army.

During this eighth dry season, since the beginning of November 1985, the Vietnamese have massively mobilized their forces to attack us in Pailin, but so far they have completely been defeated there. As for out national army, it has dispersed and annihilated the Vietnamese village and commune administrations throughout the country, scoring a strategic victory in this field. In particular, on the battlefield aroung Tonle Sap Lake, our national army has skillfully and actively implemented the five new combat tactics. We freed tens of thousands of fraternal people and fraternal Cambodian soldiers forcibly drafted to serve the Vietnamese war of aggression. We smashed the Vietnamese enemy's economic bases. We destroyed the networks for the indoctrination of the Indochinese federation notion in which Ho Chi Minh -- the father of the Indochinese federation -- appointed Vietnam as the big brother, master, and owner of Cambodia and Laos through the so-called Vietnam-Cambodia special friendship and solidarity on the one hand and the Vietnam-Cambodia-Laos special friendship and solidarity on the other.

During this eighth dry season, our tripartite national army has maintained good cooperation with the people and the fraternal Cambodian soldiers against the Vietnamese aggressors, crushing many of their troops and destroying huge quantities of their arms and war materiel. For example, in Takeo town, our national army, with the participation of the fraternal Cambodian soldiers, twice crushed and liberated this town. In Kompong Speu town, our national army and the fraternal Cambodian soldiers assaulted the Vietnamese enemy on 8 February and again on 3 March 1986, causing the Vietnam heavy losses in life and war materiel. On 16 November 1985 and again on 8 March 1986 our national army, with the participation of the people and fraternal Cambodian soldiers and destroying a large quantity of arms, ammunition, and war materiel. On 28 March our national army, with the participation of the fraternal Cambodian soldiers and people, attacked and smashed the Vietnamese position in Battambang town, causing the Vietnamese extensive losses in life, arms, and war materiel. The Battambang airfield and its radar system were completely destroyed.

It should be recalled that on 12 February, our national army, people, and fraternal Cambodian soldiers raided Pochentong Airport, destroying two enemy planes and some war materiel.

During this eighth dry season, our national army has opened a new battlefield by attacking the Vietnamese east of Phnom Penh. On 19 January 1986 our national army, together with the local people, attacked Sithor Kandal District seat in Prey Veng Province, scoring a great success. We captured 22 Vietnamese, including 2 regiment commanders, 2 company commanders, and 1 provincial governor. It should be noted that during this eighth dry season, there was another major event of interest to the world: the mutinies of the fraternal Cambodian soldiers against the Vietnamese by refusing to be the lackeys of the Vietnamese serving their war of aggression in Cambodia to massacre our own nation. This mutiny movement of our fraternal Cambodian soldiers clearly shows that the Vietnamese scheme to use Cambodians to kill fellow Cambodians is a complete failure because of the patriotic spirit of the fraternal Cambodian soldiers. This new situation also clearly proves that the Vietnamese enemy aggressors are heading toward total defeat in Cambodia, for our people, our tripartite national army, and the fraternal Cambodian soldiers have maintained good cooperation and solidarity in attacking them during the current eighth dry season, which is a key for the present war.

The Vietnamese are facing greater difficulties both at present and in the future. They cannot redress this collapsing situation. Moreover, it should be noted that the morale of the Vietnamese soldiers in Cambodia has sunk very low. More of them have rebelled against the Hanoi authorities or have deserted their ranks and returned home because they have become desperate in Cambodia.

The situation of the battlefield as described above has greatly encouraged our people, our tripartite national army, and our fraternal patriotic Cambodian soldiers, prompting them to brandish higher the banner of patriotism, national solidarity, national liberation, and racial preservation under the leadership of the CGDK. Moreover, friendly countries near and far in the world are happy with this situation and increasingly confident in the just struggle of our people. Countries near and far admire and respect the heroism of our people and tripartite national army as well as the patriotic spirit of the fraternal Cambodian soldiers who have cooperated and are cooperating with our national army and people in attacking the Vietnamese enemy aggressors and driving them into a total and complete impasse.

It was in such an excellent situation that our CGDK issued the 8-point proposal on 17 March, 1986, for a political settlement of our Cambodian problem. Samdech Norodom Sihanouk, president of Democratic Kampuchea, personally read this 8-point proposal to the news agency and television correspondents in Beijing. I would like to inform you that right after the publication of this proposal, peace- and justice-loving countries in the world delightedly praised and congratulated us, affirming that this proposal is of an historical, strategic, comprehensive, far-reaching, reasonable, and all-encompassing significance. They hold that this proposal, on the one hand, sprang out of the good will of the Cambodian people and the tripartite CGDK and, on the other hand, is based on the resolutions of the United Nations and the declaration of the 1981 International Conference on Kampuchea. They understand that this proposal is aimed at bringing about peace in Cambodia and ensuring peace and security in Southeast Asia and the Asia-Pacific region. They hope that Vietnam will accept this 8-point proposal to settle the Cambodian problem politically, for this proposal has so much at heart the interest and face of the Vietnamese and their company. They understand that our CGDK has made all the necessary concessions, and they believe that the whole international community will certainly support this 8-point proposal.

At the same time, friendly countries in the world that support the struggle of our people are most happy that the PRC solemnly and firmly supports this 8-point proposal; that the six ASEAN countries unanimously side with this proposal to settle the Cambodian problem politically; and that Japan, Yugoslavia, the United States, and many other countires declare their support for this 8-point proposal. The secretary general of the United Nations has also delightedly welcomed this 8-point proposal of our CGDK. Only Soviet-supported Vietnam immediately rejected the reasonable proposal of our CGDK. In so doing, Vietnam has further revealed more clearly to the world its aggressive colors and its maneuvers in Cambodia as the master of the Heng Samrin grouping, making decisions for the latter. The world clearly sees that Vietnam has neither the sincerity nor the good will to settle the Cambodian question politically. The Vietnamese objective is to occupy Cambodia forever and place it in their Indochinese federation. It is obvious to all that the Vietnamese will never agree to withdraw their troops from Cambodia, no matter how hard the CGDK tries to let them save face. They will never agree to a national reconciliation in Cambodia and will never allow Heng Samrin and his group to join the people and our tripartite CGDK. The Vietnamese are opposed to free elections under the supervision of a UN observer group in Cambodia. In one word, the Vietnamese authorities do not want to see Cambodia remain an independent, peaceful, neutral, and nonaligned state. For this reason, many countries in the world have condemned Vietnam for rejecting the 8-point proposal of our CGDK. They think that the Cambodian people and the CGDK have no option for settling the Cambodian problem except continuing to bring pressure to bear on Vietnam on the Cambodian battlefield and on the international stage to force it to settle the Cambodian problem politically. They have pledged to support our struggle vigorously and to support our 8-point proposal at the UN General Assembly this year.

I am confident that the Vietnamese will be more utterly isolated on the international scene. No matter how obdurate, savage, and deceitful they are, these Vietnamese will be forced to settle the Cambodian problem politically because they are suffering a more and more serious defeat on the battlefield, are utterly isolated in the international arena, and are critically strapped in the worst possible plight at home. The Vietnamese will surely be forced to pull their troops out of Cambodia, thus allowing our people to decide their own destiny.

On this occasion of the new year, I would like to express my greatest admiration at the heroic Cambodia people of the three parties and the patriotic fraternal Cambodian soldiers. May all of you enjoy the best of health, great strength, and all kinds of successes over the Vietnamese enemy to liberate our nation and perpetuate the existence of our race.

Thank you.

PRESIDENTIAL ORDER ON COMPULSORY EDUCATION LAW

OW170050 Beijing XINHUA Domestic Service in Chinese 0001 GMT 17 Apr 86

[Text] Beijing, 17 Apr (XINHUA) -- Order of the President of the People's Republic of China No 38

The "Law of the People's Republic of China on Compulsory Education" has been adopted by the Fourth Session of the Sixth National People's Congress of the People's Republic of China on 12 April 1986. It is hereby proclaimed that it will go into effect on 1 July 1986.

Li Xiannian, President of the People's Republic of China, 12 April 1986

PRESIDENTIAL ORDER ON FOREIGN ENTERPRISES LAW

OW170052 Beijing XINHUA Domestic Service in Chinese 0003 GMT 17 Apr 86

[Text] Beijing, 17 Apr (XINHUA) -- Order of the President of the People's Republic of China No 39

The "Law of the People's Republic of the China on Enterprises Operated Exclusively with Foreign Capital" has been adopted by the Fourth Session of the Sixth National People's Congress of the People's Republic of China on 12 April 1986. It is hereby proclaimed that it will go into effect on the day of its promulgation.

Li Xiannian, President of the People's Republic of China, 12 April 1986

CENTRAL ORGANS DISCUSS NPC, CPPCC PROPOSALS

OW151313 Beijing XINHUA Domestic Service in Chinese 0829 GMT 14 Apr 86

[By reporter Li Shangzhi]

[Excerpts] Beijing, 14 Apr (XINHUA) -- The General Offices of the NPC Standing Committee, the State Council, and the CPPCC National Committee called a meeting this morning of responsible persons of relevant State Council departments and the General Offices of the Central Military Commission, the Supreme People's Court, and the Supreme People's Procuratorate to arrange the handling of proposals, criticisms, and suggestions raised by deputies who attended the Fourth Session of the Sixth NPC and of proposals put forward by members who attended the Fourth Session of the Sixth CPPCC National Committee.

During the Fourth Session of the Sixth NPC, deputies put forward 3,193 written proposals, criticisms, and suggestions on the work of the state in various fields. Of these proposals, criticisms, and suggestions, 185 dealt with judicial and public security work; 669 with industry and communications; 393 with finance, banking, and trade; 671 with education, science, culture, and public health; 339 with agriculture, forestry, and water conservation; and 936 with matters of a comprehensive nature (including labor and personnel). In addition, the Presidium of the Fourth Session of the Sixth NPC decided to refer 215 motions made by deputies to relevant State Council departments for handling as suggestions. During their fourth session, members of the Sixth CPPCC National Committee put forward a total of 1,600 proposals. Of these proposals, 470 dealt with economic construction; 653 with education, science, culture, and public health; and 477 with united front work and judicial and public security work.

Wang Shuming, deputy secretary general of the State Council, said at the meeting: Deputies made most of their proposals after serious preparatory work and on the basis of investigation and study. Effectively handling such proposals by deputies from various quarters and fronts is of great significance in supervising and promoting various fields of work, overcoming bureaucratism, and improving our work style. He called on leading cadres of various departments under the State Council to concern themselves with such proposals, to put them on their agenda, and to conscientiously study and handle them. A responsible reply should be given as to how each proposal is handled. It is necessary to strengthen the ties between the government and the masses, to improve our work, and to promote the four modernizations by handling such proposals.

Peng Qingyuan, member and deputy secretary general of the NPC Standing Committee, presided over the meeting.

BANK SAYS 'NO CHANGE' IN FOREIGN CURRENCY RULES

OW160114 Beijing XINHUA Domestic Service in Chinese 1220 GMT 14 Apr 86

[Text] Beijing, 14 Apr (XINHUA) -- A spokesman of the Bank of China told a XINHUA reporter today that there had been no change in the rules governing foreign currencies deposited by residents living in China, that the freedom of deposit and withdrawal is still in effect, that foreign currency cash will be paid for foreign currency cash deposits, and that foreign currency deposits will receive interest in foreign currency of the same kind.

'FUNDAMENTAL INDICATORS' OF PROGRESS EXAMINED

HK160331 Beijing BAN YUE TAN in Chinese No 6, 25 Mar 86 pp 6-8

[By Wue Zhongxin: "Look at the Situation From Its Fundamental Indicators"]

[Text] In analyzing the situation, we must see the main trend. This is the only way that we can make a correct evaluation. If we look at the situation only from one angle and one side, we certainly cannot see it clearly. What are the fundamental indicators of the current situation in our country?

At the National Conference of Party Delegates held last year, Comrade Deng Xiaoping made the following important remarks: "Since the 3d Plenary Session of the 11th CPC Central Committee, the party has shifted the focus of all its work to the drive for socialist modernization and, while adhering to the four cardinal principles, has concentrated on developing the productive forces." In his remarks, there is a concise summation of the situation: One is the "adherence to the four cardinal principles;" the other is "concentrating efforts on developing the productive forces." This is an adequate reflection of the funamental indicators of our political and economic situation, which is improving.

We must first realize that the greatest success we have achieved since the 3d Plenary Session of the 11th CPC Central Committee is the vigorous development of our productive forces. If we cannot see this point, we cannot help attending to the superficials and neglecting the essentials.

During the Sixth 5-Year Plan period the tremendous achievements of our country's development in the forces of production have been universally acknowledged. Many people abroad have spoken highly of our excellent economic situation.

The favorable economic situation is manifested in the following two aspects: first, with only 7 percent of the world's cultivated land, China has managed to provide enough food and clothing for its 22 percent share of the world's population; second, the entire national economy continues to grow steadily at a fairly high speed. The annual growth rate of the country's industrial and agricultural output value between 1953 and 1980 was 8.2 percent, but during the Sixth 5-Year Plan period it grew on an average of over 10 percent a year. The growth rate of agricultural production is more amazing. During the Sixth 5-Year Plan period the gross agricultural output value increased on an average of 10.8 percent a year, while the annual rate for the 1953-80 period increased only 3.5 percent (the average annual growth rate of the world's agriculture during the period was 1.25 percent); and the average annual growth of grain was 17 billion kilograms. In 1980 the country had to import large quantities of grain and cotton, but we have now achieved self-sufficiency in grain and have a surplus of cotton. The overall development of productive forces during the Sixth 5-Year Plan period fully demonstrates that our nation's economy is in good shape, and the present period is one of the best since the founding of the People's Republic.

We must also note that we develop our productive forces by adhering to the four cardinal principles. The socialist nature of our nation's system decides that the four modernizations we are building must be of socialist nature too. For this reason, in developing the productive forces, we have never deviated from the four cardinal principles and should on no account do so. Our productive forces have vigorously developed just because we adhere to the four cardinal principles and display the superiority of socialism with Chinese characteristics.

People know from their own experience that the economic development of our country depends chiefly on correct policies in carrying out reform, opening up to the outside world, and invigorating the domestic economy, which arouse the enthusiasm of hundreds and millions of people in production, depending on scientific and technological progress. Our formulation and implementation of these policies have all been based on the four cardinal principles and on carrying out reform, opening up to the outside world, and invigorating the domestic economy. We have managed to properly handle the relationship in the following aspects: the relationship between reform of the rigid economic structure and adherence to the socialist orientation; the relationship between persistence in making public ownership occupy the dominant position in the nation's economic system, and using foreign investment funds in a planned way and developing the private economy to a certain degree; the relationship between encouraging some areas and people to attain prosperity before others and achieving common prosperity; the relationship between the planned economy and market regulation; the relationship between doing a good job of macroeconomic control and stimulating the microeconomy; the relationship between the state, the collective, and the individual in distribution of the interests; and the relationship between vigorously developing the commodity economy and preventing the principles for exchange of commodities from entering the party political life.

Just in this way, we could enormously develop the forces of production to vitalize the economy during the first 5 years of the 1980's and embark on the course of building socialism with Chinese characteristics. Those who worry that our country would go backward toward capitalism ignore the vital fact that we develop the economy by adhering to the four cardinal principles.

The good situation is closely linked with the political stability and unity in our country. Adherence to the four cardinal principles has perpetrated political stability in China. This is a good gauge of our good political situation.

Just as Comrade Deng Xiaoping pointed out: "The good situation we have today would not have come about had we not thoroughly corrected the 'leftist' mistakes and shifted the focus of our work. At the same time, if we had not conscientiously adhered to the four cardinal principles, we would not have been able to maintain political stability and unity, and we would even have gone from correcting 'leftist' mistakes to 'correcting' socialism and Marxism-Leninism. And then the good situation we have today would not have come about either." Just think, if our current situation were as chaotic as that during the Cultural Revolution and if we allowed the bourgeois ideological trend of liberalization to run wild, we would not have been able to maintain political stability and unity, and reform and construction as well as rejuvenation of China would become no more than empty talk. Of course, in saying that our present situation is good, we do not mean that everything is all right. However, in terms of the country as a whole, political upheavals are no longer seen in our country, which has taken the golden path of building the four modernizations heart and soul. This is what the people of the whole country are smilingly happy to see, and it provides an important guarantee in further developing the good situation in our country.

'VOLUNTARY' HORIZONTAL ECONOMIC ASSOCIATION SEEN

HK160056 Beijing RENMIN RIBAO in Chinese 7 Apr 86 p 2

[Excerpts of speech by Jiang Yiwei, adviser and research fellow of the Industrial Economics Institute under the Chinese Academy of Social Sciences: "Assigning Decision-making Power Is a Prerequisite for Development of Horizontal Association"]

[Text] At present, developing horizontal economic association is a breakthrough point for promoting reform of the economic structure. Since reform is a systematic project, it is necessary for us to analyze the influence and role of horizontal association on the reform with a systematic viewpoint. The three tasks put forward by the Seventh 5-Year Plan can also be interpreted as three layers. What are the internal relations of the three? The first layer, which emphasizes that strengthening the vitality of enterprises is the central link, can be regarded as the foundation; the second, which emphasizes developing the socialist commodity market and gradually perfecting the market system, actually refers to horizontal association; and the third, which concerns the establishment of a macromanagement system with stress on indirect control, actually refers to the question of reform of government functions. There are inevitable some internal relations between the three layers, but they do not appear simultaneously. The first layer is the prerequisite for the second, because only when the vitality of enterprises is strengthened and their decision-making power is enhanced can various key productive factors associate with one another freely, and the horizontal economic association of the enterprises be developed. The third layer must take the first two layers as its prerequisite, because only when the enterprises are able to carry out independent management and assume sole responsibility for their profits or losses, and the market mechanism and system are perfected, can overall consideration be given to the reform of government administrative organs and systems.

The economic structural reform in cities over the past few years was started from expanding the decision-making power of enterprises. For this, the state has worked out a series of regulations. However, after making a conscientious examination, we easily find that many of these regulations have not been really implemented. Particularly, large and medium-sized enterprises are still bound hand and foot. If these problems are not solved, the development of the horizontal economic association, especially the association with large and medium-sized enterprises, as the backbone and fine-quality products as the guide, is unlikely to be realized.

A prominent problem is that the enterprises still have no decision-making power for association. Over the past few years, many administrative companies or national-level corporations have been established by various regions and departments through administrative orders. The enterprises are thus put under the control of these companies, which is even more rigid than the original administrative organs. In the past, the mixture of government administration and enterprise management was expressed by "substituting government administration for enterprise management," but now, in the form of a "company," this is expressed by "substituting enterprise management for government administration." Recently, the State Council promulgated 30 regulations for promoting horizontal economic association, which clearly points out that it is necessary to "protect the decision-making power of enterprises for horizontal economic association," and allow the enterprises to join or withdraw from the association on a voluntary basis. This is really very important. Otherwise, the horizontal economic association will be turned into a more "hodgepodge" due to the existence of traditional forces of habit. The basic principle of "joining or withdrawing on a voluntary basis" is not only suitable for newly established associations, but also suitable for various companies and national-level corporations established through administrative orders in the past. In my opinion, this is a question of key important in developing horizontal economic association.

ECONOMICS OFFICIAL ON HORIZONTAL COMBINATIONS

HK151430 Beijing ZHONGGUO XINWEN SHE in Chinese 0210 GMT 9 Apr 86

[Text] Beijing, 9 Apr (ZHONGGUO XINWEN SHE) In an interview with ZHONGGUO XINWEN SHE yesterday, Zhao Weichen, deputy director of the State Economic Commission, said that the pattern of horizontal combination is an inevitable outcome of China's economic development. He believes that the new combination patterns appearing in China in recent years, such as regional combinations, city groups, combined enterprises, and enterprise groups, have broken the barriers and fetters between departments and regions at different levels and the regional blockades and become the main symbols of the lively and invigorated Chinese economy. Zhao Weichen said that at present horizontal economic combinations have achieved great development and are maintaining a very good trend. During the whole "Sixth 5-Year Plan" period, a total of 70,000 economic and technological projects were drawn up between various regions, departments, cities, and enterprises, involving 34 billion yuan in materials and cooperation.

Zhao Weichen said that the development of horizontal economic combinations conforms with the development of the commodity economy. It actually came to the Chinese economic stage after the 3d Plenary Session of the 11th CPC Central Committee in 1978 in which the policy of "opening up to the outside world and invigorating the domestic economy" was adopted. At present, the pattern of horizontal economic combinations has become an important aspect of China's economic structural reform. He said that in order to better develop horizontal economic combinations, it is necessary to let enterprises independently join together on the basis of volutary participation and mutual benefit without outside interference or obstruction. In addition, each region and department should draw up its own practical plan in light of its own conditions and implement that plan. Meanwhile, it is necessary to follow the five methods for promoting horizontal economic combinations in taxation, funds, materials, business management, and statistics. Moreover, it is necessary to encourage the combinations to go beyond the limits of enterprises, regions, cities, and townships and mainly to rely on major enterprises or famous-brand products and combinations between military and civilian enterprises and between enterprises and scientific research institutes.

FORUM ON COOPERATIVE ECONOMIC RELATIONS HELD

HK160733 Beijing RENMIN RIBAO in Chinese 7 Apr 86 p 5

[Report: "A Brief Account of the Forum on Extensive Economic Relations"]

[Text] The economic and technological cooperation bureau under the State Economic Commission and the society for the study of quantitative economics and technological economics under the Chinese Academy of Social Sciences jointly called a forum on extensive economic relations on 1 March.

The comrades attending the forum considered that with the deepening of the economic reform, the past 2 years or so have witnessed great development of extensive economic relations. According to initial statistics, of 66,600 cooperation projects in various parts of the country in the period of the Sixth 5-Year Plan, technological cooperation projects accounted for 60-70 percent. Funds involving materials-related cooperation showed a big increase, reaching 16 billion yuan. Skilled personnel were provided on an exchange basis and advisory and consulting services rendered 50,000 times. Extensive economic relations have initially shaped up into cooperation combining all four -- funds, materials, skilled personnel, and economic integration -- in one. Such cooperation has five prominent features: 1) Rapid development of regional integration -- this is fundamentally different from the previous practice of regional cooperation. It means a switchover from integration under administrative orders to voluntary integration based on economic laws. It is integration of the open-door type. 2) Rapid development of economic integration in various forms going beyond the limits of administrative divisions and ownership that cut across boundaries between areas, between departments, and between enterprises. 3) Particularly active scientific and technological cooperation; this has become the main part of economic integration. At present, the whole country has more than 10,000 scientific research-production complexes in various forms. 4) Obliteration of the division between militarymen and civilians, with integration between war industries and civilian enterprises strengthened and very good economic results achieved. 5) Effective support provided for borderland construction through establishing extensive economic relations.

The comrades present at the forum recounted conditions of specific departments' development of extensive economic relations and exchanged work experiences. It was unanimously held that the situation in developing extensive economic relations between departments and between departments and areas is favorable and that the economic results achieved are remarkable. Various features mark the practice of strengthening extensive economic relations by different departments and mainly boil down to the following:

1) Through cooperation between relevant departments and provinces (cities), organization and leadership are strengthened in bringing about extensive economic and technological cooperation. 2) Complexes with their extensive ties are established and economic integration in various forms is developed. 3) Technological cooperation is actively organized and full play is given to the superior features of various departments with their particular technologies and equipment.

The comrades participating in the forum held that certain problems also exist in the development of extensive economic relations. If not properly taken care of, they will hamper the further development of the whole effort in extensive economic relations. These problems may be summed up as a matter of how to understand and assess extensive economic relations and what kind of policy to adopt in protecting and supporting the development of extensive economic relations.

On the problem of understanding, everyone thought that most of the areas and departments of the country and enterprise leadership cadres correctly understand the positive role of extensive economic relations and actively support local areas and departments and given enterprises in their economic and technical cooperation. But a small number of units are still shortsighted. In their approach to certain areas, departments, and enterprises willing to link up with them, they cherish the aim of taking advantage of others and gaining a bit more. They exclude some ill-managed money-losing enterprises with backward equipment from integration, or just reap profits on integrated enterprises without investing anything.

A small number of leadership departments also throw actual conditions to the winds and refuse to act according to economic laws. They use administrative means to force the integration of some enterprises or the dissolution of some integrated enterprises.

Extensive economic relations must be established under the state's guidance. Certain areas blindly seek integration with partial interests in mind. The result is that certain products are oversupplied to exceed demand, or that there is a deterioration in the quality of products.

On the problem of policy, the comrades concretely raised such points as management of systems, economic interests in complexes, taxation, materials supply, economic legislation, and so forth.

BREAKING LOCALITIES, DEPARTMENTS BARRIERS URGED

HK151456 Beijing RENMIN RIBAO in Chinese 7 Apr 86 p 2

[Excerpts of speech by Wu Jinglian [0702 2417 8834], executive director of the economic, technological, and social development research center of the State Council, at the forum sponsored by the RENMIN RIBAO Editorial Department on development of lateral economic ties: "Break the 'Barriers' Between Different Departments and Between Different Localities"]

[Text] In order to develop lateral economic ties among enterprises, we must break through the restraints of the old vertical administrative relations and break the "barriers" between different departments and between different localities. In July 1980, the State Council promulgated the "interim regulations on promoting economic ties", and in October of the same year promulgated the "interim regulations on conducting and protecting socialist competition." These two documents emphasized the principle of "giving play to one's strong points, bringing advantages into play, avoiding one's shortcomings, promoting economic ties, and protecting competition." However, 5 years have passed, and the old structure which separates economic activities in one locality or department from another has not changed. The lateral movements of commodities and various production factors as well as lateral economic ties still face obstructions. Some localities and departments still hold such viewpoints as "one's good things should not be transferred to another's pocket" and are still trying hard to protect their vested interests. This often makes it difficult to effect even simple and low-level lateral economic ties.

For example, Shanghai stands in great need of sheepskins and the production of quality leather boots for export purposes is affected. The department concerned in Shanghai has tried to exchange some industrial goods such as sewing machines and bicycles for 400,000 sheepskins with a certain city.

However, after both sides sent out their goods, the higher authorities concerned discovered the transaction and issued an order to withhold 300,000 sheepskin which should be delivered to Shanghai under the pretext that the supplier city should first fulfill its export task. Such a practice of setting up barriers will inevitably and seriously obstruct the development of lateral economic ties and relations and the development of the socialist commodity economy.

Why is it so difficult to break through the structure which forms barriers between departments and between localities? I think that there are mainly four reasons: First, we cannot but continue to lay down some mandatory plans which must be carried out through the administrative relations in various departments and localities. As departments and localities must fulfill these mandatory plans, they are bound to tightly control the economic activities within their jurisdiction, and this will inevitably restrain enterprises from developing lateral economic ties.

Second, in recent years, although the central decisions stipulate that the microeconomic and operational decision-making power be delegated to enterprises, the administrative devolution measures sometimes have affected this economic reform measure. Some powers concerning enterprise operations and management are in fact delegated to local authorities or to some monopoly companies. As a result, barriers between departments may just be replaced with more barriers between localities or vice versa, and enterprises are still being restrained from extensively developing their lateral economic relations.

Third, since 1980, we have begun to pursue a financial system of "eating from different pots." According to this system, enterprises pay their income taxes to their higher administrative authorities and pay a large part of product taxes to their local authorities. This has thus strengthened the so-called "department ownership" and "localities have gone all out to expand the scale of capital construction by starting similar projects in various places and to recklessly increase production. They have also withheld raw materials of good quality and supplied them for their own enterprises. On the other hand, they have tried to prevent other localities from obtaining their materials.

Fourth, in the past 2 years, as some raw materials were in short supply and prices were unreasonable, some localities took measures to protect their own interests by restricting or banning movements of some production materials and consumer goods from their localities to other localities. They have even set up checkpoints along the borders to collect duties for goods delivered to other localities. This has thus kept resources from being used reasonably. According to the principle of the commodity economy, all localities should give play to their own strong points and avoid their weak points and should concentrate on developing the industries which they can develop at lower costs as compared with other localities. However, it is hard to operate according to this principle, as the present price system remains unreasonable.

In order to break barriers between localities and between departments and to promote lateral economic ties, it is necessary to advance reforms in all links of the economic structure. We should continue to shift our macroeconomic control system from a direct control pattern to an indirect control pattern, should continue to create conditions for narrowing the scope of mandatory plans, and should continue to separate enterprises from government institutions and to ensure enterprise decision-making power on business management and operation so as to enable enterprises to develop lateral economic ties in light of economic needs.

We should perfect the antimonopoly legislation and ban local blockades so as to establish an integrated socialist market, should readjust and decontrol the prices of production materials in an orderly way so as to rationalize local industrial distribution, and should set up a system to divide tax incomes between the central authorities and local authorities when conditions are ripe and redefine the budget jurisdiction of various levels so as to establish a new financial system which can coordinate partial interests with overall interests.

NEED FOR SOCIAL BOOKKEEPING SYSTEM EXPLAINED

HK150834 Beijing GUANGMING RIBAO in Chinese 29 Mar 86 p 3

[Article by Ding Zhitian: "The Social Booking System Should Be Perfected"]

[Text] In developing a planned commodity economy, it is necessary to perfect the social bookkeeping system and implement a new system of enterprise independent management with social participation in accounting. With the appropriate separation of ownership rights from operational rights, this new system is aimed at allowing enterprises to select various operational forms, to arrange production, supply, and sales and, within limits permitted by the state, to fix prices of their products and to decide the methods for hiring workers and the forms for issuing wages and rewards, as well as for recruiting, selecting, appointing, and dismissing personnel. Apart from guiding enterprises by means of economic levers, society will participate in the economic accounting work of enterprises so as to protect the legal operational rights of enterprises, to ensure that the state and society have the right to own funds and resources, and to guarantee their interests and income. Why should we implement the system of social participation in accounting work?

First, under a planned commodity economy, appropriate forms and methods should be adopted for the purpose of protecting the interests and income of the state and society, and regular supervision and examination should be conducted so as to ensure their ownership right. It is advisable to carry out such regular supervision and examination in the form of bookkeeping with social participation in accounting.

Second, since enterprises became independent with socialist commodity producers and dealers assuming sole responsibility for their losses and profits, no organizational guarantee has been provided for them with respect to value accounting, and routine accounting work has been very complicated. With no state and social participation in accounting, it would be very difficult to promptly discover loopholes and problems, and the comprehensive balance and planning of the economy would be affected. Only when there is social participation in accounting can enterprises put various reform measures and economic levers into effect.

Third, social participation in accounting reflects the fact that people are the masters of the country. Social bookkeeping organs throughout the country will participate in the accounting work of enterprises in various ways according to the scale, characteristics, and operational forms of enterprises. This method enables personnel of functional departments to go deep into enterprises, to participate in their accounting work, to expand their contacts with enterprises, to solicit opinions and suggestions from staff members and workers of enterprises, and to prevent enterprises from engaging in illegal operational activities and from harming the interests of their staff members and workers.

Fourth, social participation in accounting work is the basis for combining plans, administration, and legal means. It is a microscope and the source of information for guiding and regulating the operational activities of enterprises. It is an indispensable link in putting enterprises in a competitive environment for legal operations.

The main tasks of social bookkeeping organs are as follows: They will take charge of the facilitation of payments. All units engaged in economic activities must open accounts with social bookkeeping organs, and all revenues and expenditures must be handled by bookkeeping organs. All economic units must submit their financial statements to social bookkeeping organs monthly, quarterly, and annually for registration and statistics. Social bookkeeping organs will make an economic analysis on the basis of these data and provide banks and financial department with the necessary statistics. Social bookkeeping organs will cooperate with economic departments concerned in supervising and examining how social funds are used. This includes checking on whether funds are used legally, whether there are financial and material guarantees for investment, and whether financial duties are performed promptly and legally. Social bookkeeping organs will regularly or irregularly report various economic activities and problems to the government so as to enable it to keep abreast of the situation and to strengthen its leadership over economic work.

In essence, social bookkeeping organs play the role of social accounting organs. Neither banks nor financial and audit departments, nor, planning and statistical departments, can replace social bookkeeping organs in their work, which is of a comprehensive nature. In the current economic structural reform, it is necessary to establish social bookkeeping organs as soon as possible in order to further strengthen macroeconomic management.

NEWSLETTER PROFILES PEASANT ENTREPRENEUR

OW111431 Beijing XINHUA Domestic Service in Chinese 0010 GMT 9 Apr 86

[Newsletter by XINHUA reporters Li Feng and Lin Nan: "A Wonderful Flower That Has Grown in Native Soil-- on Peasant Entrepreneur Lu Guangqiu"]

[Excerpts] Hangzhou, 9 Apr (XINHUA) -- In spring along the banks of Xizi Hu, bamboo sprang out of the soil in areas where no one paid attention. From his remote hometown, Lu Guanqiu went to the Great Hall of the People in Hangzhou and walked up to the rostrum to lecture on the party to the entire city's office party members and cadres. By describing the history of his career and the fruits of his ideology, this "10,000-yuan household" peasant and entrepreneur party member gave a very impressive lecture on the major subject, "The Road That Leads to Communism Is Right Under Our Feet."

After listening to the lecture, the reporters went to visit the factory established by this special-grade model worker of 1985 from Zhejiang Province. We noticed more clearly that, on the soil under the policy of opening to the outside world and carrying out reform, Lu Guanqiu created an achievement of "reaching the sky in a single bound," and his spiritual world was also splendidly sublimated, broad, and clean. Lu Guanqiu regarded the replacement of old equipment and the training of personnel as the most important capital construction in enterprises. He would rather reduce distribution in order to increase accumulation and replace old equipment. Currently, new equipment manufactured after 1980 accounts for 90 percent of the factory's equipment, half of which is of first-rate standards for the country.

An American trader, who was inspecting the factory, pointed at some automatic grinding machines and said: "Even our factory has not used such kind of equipment." Lu Guanqiu regarded the development of intelligent resources as enterprises' greatest reserve strength. He had been visiting universities and large factories to seek guidance from their scientific departments. He employed 19 professors and engineers from society as his factory's part-time advisers. He sent 44 people to study separately at five universities and 10 specialized enterprises, in order to bring up a "second echelon" of the factory's technological force. The nearly 400 young people in the spare-time technological school run by his factory have been studying in the evening the whole year round. Old staff and workers are all students in his training classes for the "second time around."

XINHUA Commentator

OW110636 Beijing XINHUA Domestic Service in Chinese 0733 GMT 9 Apr 86

[Article: "The Communist Road Is Right Under Our Feet" -- by XINHUA commentator]

[Text] Beijing, 9 Apr (XINHUA) — This agency today transmitted a newsletter entitled "A Wonderful Flower That Has Grown in Native Soil." One is inspired and enlightened while reading this newsletter.

The policy of allowing some people to become prosperous first, formulated by the party and the government, has enjoyed immense popular support and achieved very good results. Where should those who have become prosperous go? Are they ideologically deviating farther from communism or getting closer to it? Will the fact that some people are allowed to become prosperous first lead to polarization? How should those who have become prosperous, as well as all Communist Party and CYL members, link practical communist ideals with their doing a good job at their posts and with improving themselves ideologically? By his actual deeds, Lu Guanqiu has answered such new questions in real life. Everyone may comment on this or check their own answers to such questions in order to be enlightened.

The central idea of Lu Guanqiu's answers is that the communist road is right under our feet. The close relationship between realizing communist ideals on the one hand and doing one's work well and improving oneself ideologically on the other is like that between going on a long march and arrival at the destination. Of course, the road under our communist feet must be the road to communism. We must implement party and government policies, laws, and decrees on the building of socialist material and spiritual civilization and arm ourselves with communism; we must be bold in carrying out reforms, be good at doing pioneering work, continue to blaze new trails, and firmly stride toward the great goal of communism.

Village and town enterprises are an extremely important economic force in building socialism with Chinese characteristics and gradually narrowing and eliminating "the three major differences" [between town and country, between industry and agriculture and between physical and mental labor]. Correctly guiding the development of village and town enterprises is a major matter bearing on the fulfillment of this year's national economic plan and the Seventh 5-Year Plan. The Hangzhou universal joint factory contracted and run by Lu Guanqiu is an example of village and town enterprise.

Experiences are gained under given conditions, and they have their general as well as specific characteristics. In learning from Lu Guanqiu, we should learn mainly from his reform and pioneering spirit and from his keeping in mind the great goal of communism, the needs of socialist modernization, and the interests of the state and collectives.

In improving the contract system concerning village and town enterprises, we should proceed from reality, act with caution, and carefully explore ways to do so. As to how a contractor should use his profits from his hard work and efficient management, it is his own business and no one should interfere with it. While unswervingly implementing the current party and government economic policies, we should encourage the socialist spirit with communist ideology as its core.

REGULATIONS ISSUED ON RESEARCH UNITS' TAXES

OW141337 Beijing XINHUA Domestic Service in Chinese 0202 GMT 13 Apr 86

[Text] Beijing, 13 Apr (XINHUA) -- Recently the Ministry of Finance issued "provisional regulations on collecting income taxes from scientific and technological research organizations" for implementation from 1 April. The main contents of the provisional regulations are:

Scientific research units are temporarily exempt from business taxes for incomes from technological transfers, technological advisory activities, technological services, technological training activities, technological contracting activities, and technological exports.

Scientific research units are given fixed-term reductions of, or exemptions from, product taxes and appreciation taxes for new products they produce as a result of their research work, in accordance with the stipulation of the state tax law concerned.

Scientific research units are temporarily exempt from income taxes for incomes from technological transfers, technological advisory activities, technological services, technological training activities, technological contracting activities, technological exports, and technological shareholding.

Funds accrued from the reduction of, or exemption from, product taxes and appreciation taxes for new products of scientific research units, given in accordance with pertinent stipulations, should be used exclusively for technological development. Such funds shall not be considered for income tax collection.

Scientific research units are temporarily exempt from income taxes for incomes from leasing their spare instruments and equipment. Such income shall be retained by the scientific research units as exclusive funds for the replacement and remodeling of their fixed assets.

Income taxes shall be collected on the basis of a 50-percent reduction from scientific research units for incomes from investments made in energy, basic transport facilities, and old revolutionary base areas, minority-nationality areas, remote areas, and poverty stricken areas" in the first 5 years of such incomes. Temporary exemptions from income taxes shall be given for reinvestments in the above-mentioned industries and areas with incomes from previous investments.

Aside from the above-stipulated reductions of, or exemptions from, income taxes, income taxes shall be collected from scientific research units for production incomes and non-technological business incomes at the eighth-grade excessive progressive tax rate, in accordance with the stipulation of the regulations on state-run enterprises' income taxes. With the approval of tax organizations, a definite period of reductions of income taxes may be given for incomes from new products undergoing trial-marketing and products under trial production, provided there are actual difficulties in paying income taxes for these products in accordance with stipulations.

RENMIN RIBAO CARRIES HONGQI TABLE OF CONTENTS

HK151013 Beijing RENMIN RIBAO in Chinese 15 Apr 86 p 8

[Table of contents of HONGQI No 8, 1986]

[Text] "Forum:" "Give Play to the Creative Spirit"

Article by Hu Qili: "Pool the Wisdom and Efforts of Everyone to Struggle for the Fulfillment of the Seventh 5-Year Plan"

Article by Liu Suinian: "A Scientific Plan, a Program of Action -- on Characteristics of the Seventh 5-Year Plan"

Article by Jing Ping: "Regard Observing Discipline and Law as an Important Criterion for Assessing Enterprises"

Article by Huang Mobin: "Have Our Eyes on the Inside, Tap Potentials, and Exploit Favorable Conditions"

Article by Chen Yong: "On Methodology in the Study of Literature and Art"

Article by Shi Youxin: "We Should Not Take a Relaxed Attitude Toward Superstitious Activities"

Article by Wu Jikun and Chen Dongsheng: "Pay Close Attention to New Trends in Changes in the International Market"

Article by Dong Kegong: "The 9-Year Compulsory Education in Rural Areas Should Be Integrated With Vocational and Technical Education"

Article by Liu Qingze: "Link the Study of Basic Theories with the Study of Principles and Policies"

Article by Ye Zhenpeng: "What Is the Role of Finance in Socialist Macroeconomic Management?"

Article by Nan Shi: "Thoughts Related to 'Eating'"

Article by Song Suiliang: "Eastern-Style Tender Feeling and Western-Style Management -- Brief Comments on 'Confucius Meeting With Zilu'"

Article by Yan Hua: "High Aspirations, Significant Actions"

Article by Lei Shenghong: "Further Promote Tianjin City's Reform and Opening to the Outside World -- Reviewing 'Tianjin Is Moving Toward the Outside World'"

FUZHOU HOLDS PARTY STYLE RECTIFICATION MEETING

OW150323 Fuzhou Fujian Provincial Service in Mandarin 1130 GMT 12 Apr 86

[Text] A meeting on the rectification of party style in organs directly under the provincial authority was held in Fuzhou this morning. The meeting stressed the need to strengthen leadership and to unremittingly correct unhealthy tendencies on a long-term basis.

In his speech at the meeting, (Chen Yuanhai), secretary of the party committee of organs directly under the provincial authority and deputy director of the office for the rectification of party style in such organs, reviewed the rectification of party style in these organs over the past 4 months and more. He affirmed that party style in organs directly under the provincial authority had been improved to some extent. Now, all party members are making efforts to improve party style. As a result of rectification of party style, some new phenomena have occurred in the workstyle of such organs. He also pointed out that there are still problems.

Comrade (Chen Yuanhai) put forward five points for the rectification of party style in organs directly under the provincial authority:

1. It is necessary to further raise our consciousness in this regard, to conscientiously implement the party Central Committee's principle of making resolute and sustained efforts to correct unhealthy tendencies, and to overcome the mood of slackness.

2. It is necessary to conscientiously implement the guidelines set out in Documents No. 57, issued last year by the General Offices of the party Central Committee and the State Council, and to speedily bring about a fundamental turn for the better in party style of organs directly under the provincial authority.

3. Close attention should be paid to investigating and handling cases of violating party discipline, especially major or serious cases of this kind. Conclusions should be reached after cases have been investigated. Those who continue to violate party discipline, while correcting their mistakes in this regard, should be sternly dealt with.

4. In strengthening discipline, stress should be put on doing so in organs at or above county level and among leading cadres. Strengthening discipline should be linked with strengthening party spirit.

5. Leaders should take the lead in adopting effective measures to strengthen leadership over the rectification of party style. A responsibility system should be instituted in the rectification of party style at each level.

At the meeting, the leading party groups of the provincial Forestry Department and the provincial Industrial and Commercial Bank gave briefings on their study and implementation of the guidelines set out in Document No. 57, issued last year by the general offices of the party Central Committee and the State Council.

GUANGDONG PROVIDES BERTHS FOR TAIWAN FISHERMEN

HK160723 Beijing ZHONGGUO XINWEN SHE in Chinese 0230 GMT 16 Apr 86

[Report: "Nanao Island Provides Two Berths for Taiwan Fishing Boats" -- ZHONGGUO XINWEN SHE headline]

[Text] Guangzhou, 16 Apr (ZHONGGUO XINWEN SHE) -- Nanao Island of Shantou City, Guangdong Province, recently opened two berthing areas for fishing boats from Taiwan. The two berthing areas are located in the two fine harbors in Waiqingshan and Qianjiang. The local authorities will also offer conveniences for the Taiwan compatriots to replenish supplies, take shelter from the wind, make sightseeing tours, visit relatives, and trade goods.

Nanao Island is situated at the southern end of the Straits of Taiwan. It is the homeland of many compatriots in Taiwan. It is only 160 nautical miles away from Gaoxiong City. In recent years, Taiwan fishing boats operating in the eastern Guangdong fishing grounds often sailed close to Nanao Island to seek berths or take shelter from the wind. Last year alone, some 120 Taiwan fishing boats berthed around the island, and more than 600 Taiwan compatriots were warmly received by the local government.

Apart from opening two berthing areas for Taiwan fishing boats, the island also invested more than 400,000 yuan last year to build a 3-story building with a total floor space of some 1,300 square kilometers as a reception center for Taiwan compatriots. In order to ensure the safety of Taiwan fishing boats, five navigation mark-lights have been set up on the nearby islands so that Taiwan fishing boats can safely sail to Nanao Island.

LIN RUO ADDRESSES GUANGDONG LEGAL CONFERENCE

HK110910 Guangzhou Guangdong Provincial Service in Mandarin 1000 GMT 8 Apr 86

[Text] Yesterday, at a provincial conference on political and legal work, Lin Ruo, secretary of the provincial CPC committee, stressed: It is necessary to further strengthen the building of socialist democracy and the legal system and to continuously and severely crack down on serious crimes and serious economic crimes.

The provincial conference on political and legal work was held in Guangzhou from 1 to 7 April. The conference conveyed and implemented the spirit of the recent national conference on political and legal work, stressed the importance of solving the problem of understanding the relationship between construction and the legal system and between democracy and dictatorship, analyzed our province's current public security situation, and made plans for continuously cracking down on serious crimes and serious economic crimes.

Comrade Lin Ruo attended the conference and spoke yesterday morning. He emphasized that CPC committees and leading cadres at all levels must act as models in abiding by and enforcing state laws, adhere to the principle that everyone is equal in the face of the law, strengthen education in elementary legal knowledge for the cadres and the masses, and apply the law in solving whatever problems. It is necessary to work hard and do well in comprehensively tidying up social order, he said.

Lin Ruo went on: our province has been very successful in severely and quickly cracking down on serious crimes in accordance with the law. Social order has markedly improved. However, criminals in some places are now still very arrogant. We must therefore by no means relax our efforts. We must continuously and severely crack down on them.

As for cracking down on serious economic crimes, Comrade Lin Ruo emphasized: getting serious about cracking down on economic crimes represents the starting point in really changing party style and the general mood of society. We must now step up investigating and dealing with many big and important cases, eliminate all obstacles and interference, and continue investigations to the end. We must also openly deal with this problem on a large scale. All areas must identify some good, typical examples, vigorously publicize them, and use positive and negative typical examples to educate the cadres and the masses. In investigating and dealing with economic cases, we must adhere to the spirit of seeking truth from facts, clearly investigate the facts surrounding the crimes, and not work in a summary fashion. We must correctly deal with all cases. We must distinguish between right and wrong. We must be neither excessively strict, nor lenient. What should be strictly dealt with must be strictly dealt with. What should be leniently dealt with must be leniently dealt with. We must not be too lenient or indulgent with criminals. We must crack down on economic criminals but at the same time guarantee that the economy remains invigorated.

GUANGDONG'S YE XUANPING INTERVIEWED IN BEIJING

OW140931 Beijing XINHUA Domestic Service in Chinese 0730 GMT 10 Apr 86

[Newsletter by XINHUA reporter Yang Jisheng: "An Interview with Guangdong Provincial Governor Ye Xuanping"]

[Excerpts] Beijing, 10 Apr (XINHUA) -- During the Fourth Session of the Sixth NPC, a XINHUA reporter interviewed Ye Xuanping, deputy to the NPC and governor of Guangdong Province, at the quarters of the Guangdong delegation in the western suburbs of Beijing Municipality.

Being a technocrat, Ye Xuanping is known for his practical and realistic style of work. With more than 40 years of being a party member, he was a leading cadre at the Beijing Machinery Bureau and the Third Bureau of the State Science and Technology Commission. He attended the Eighth National CPC Congress.

Ye Xuanping was appointed vice governor of Guangdong Province in 1980. Having engaged in technical work for a long time, he was hesitant at the time to take up leadership work in government. Nonetheless, his performance as vice provincial governor has been successful and he has often been praised by the people as a man of action. He was appointed mayor of Guangzhou City in 1983, and later as governor of Guangdong Province. He has distinguished himself by his practical achievements.

Talking about the speed of development of Guangdong Province during the Seventh 5-Year Plan, he analyzed the province's capabilities, production conditions, markets, and other limiting factors. He believed that the factors restricting Guangdong's economic development were funds, energy, and raw and semifinished materials.

He said: "During the Sixth 5-Year Plan, the province's total industrial and agricultural output value grew at an average of 13.6 percent annually, resulting in acute shortages of energy resources, funds, and raw and semifinished materials. We will do our best during the Seventh 5-Year Plan, and strive for an annual growth rate of 9 percent." But he added: "Of course, the speed of development can be higher if some departments and localities can overcome the limiting factors. We must not practice uniformity in the speed of development but must proceed from actual conditions."

Since assuming office as governor of Guangdong Province, Ye Xuanping has done a lot of practical work. Over the past six months, he has concentrated his energy mainly on macroeconomic control and long-term development in Guangdong Province's economic work in order to achieve stable and sustained economic development for the province.

Dwelling on the future of Guangdong Province, Ye Xuanping said: Guangdong is the main gate to the south of China. With Hong Kong and Macao lying not far south of Guangzhou City, the province has easy access to the outside world. It is located in an excellent position, geographically. Having adopted and open policy at an earlier date and having been granted many preferential policies by the state, I often ask myself: "How can Guangdong Province make still greater contributions to the state?" Gesturing with his hands, he described the prospects of development of Guangdong Province to the reporter.

Guangdong will become a hub of development, fanning out in all directions. Externally, it will develop an export-oriented economy, boosting exports while introducing advanced technology from abroad. Internally, it will digest the imported technology and disseminate it further inland. It will also strive to develop multiple lateral economic ties in its domestic economy. In this way, Guangdong will surely become a hub of development, fanning out in all directions in China and in the world. Then, the province's contributions to the nation will indeed be great.

Ye Xuanping said: "It is by no means easy to attain this goal. The key to attaining this goal lies in further implementation of the policies of opening to the outside world and reforming the economic structure. Continuous opening and reform have become the guiding ideology of the state's seventh 5-Year Plan. I am confident that this goal will be achieved."

Ye Xuanping is the eldest son of Comrade Ye Jianying, proletarian revolutionary of the older generation. He went to Yanan to receive revolutionary education when he was only 15 years old. Recalling his revolutionary career, he voiced his aspirations to the reporter with these words: "I frequently ask myself the question: What ideas have affected me most in the years of party education? It is to have a correct outlook on life and a Communist conviction. It is to adhere to dialectical materialism and historical materialism. It is the spirit of serving the people and the attitude of being responsible toward work. They made me to be soberminded at times of success, and they support and inspire me to advance at times of difficulties and setbacks."

HENAN HOLDS POLITICAL-LEGAL WORK CONFERENCE

HK110911 Zhengzhou Henan Provincial Service in Mandarin 2300 GMT 9 Apr 86

[Excerpts] A provincial political and legal work conference was held from 3 to 9 April in Xuchang. The conference emphatically pointed out that in 1986 CPC committees and governments at all levels must pay serious attention to and strengthen the building of a socialist legal system; hit hard at serious criminal and economic criminal activities; earnestly implement various measures on comprehensive improvement of public order; effectively improve the building of political and legal personnel; and do their utmost to steadily improve public order.

At the beginning of the conference, Song Zhaoshu, Standing Committee member of the provincial CPC Committee and secretary of the provincial Political and Legal Committee, relayed the spirit of the national political and legal work conference and of the speeches by Comrade Deng Xiaoping and other central leading comrades.

Yang Xizong, secretary of the provincial CPC Committee, and Liu Zhengwei, deputy secretary of the provincial CPC Committee, spoke at the conference. Zhao Di, deputy secretary of the provincial CPC Committee, and Zhang Zhigang, Standing Committee member of the provincial CPC Committee and provincial vice governor, also attended the conference.

The participants earnestly studied important speeches by Comrade Deng Xiaoping and other central leading comrades and the spirit of the national political and legal work conference; held discussions in connection with the situation in the province; and clearly understood the strategic idea of grasping construction on the one hand and rule by law on the other. They unanimously held that strengthening the building of the legal system is an essential issue for our country. In the new historical period, our central task is to build the four modernizations. We must have modern ideas in building the four modernizations. Building a democratic society which rules by law is a modern idea.

Cadres at all levels, leading cadres in particular, must set a good example in abiding by the Constitution and the law, uphold the principle that every one must answer to the law, resolutely enforce the law, and severely deal with unlawful acts.

The conference held that just as in the whole country, public order in the province has remarkably improved. However, almost the new economic reform situation, opening up to the outside world, and stimulating the domestic economy, the province is still faced with some new public order problems. We cannot lower our guard and slacken our vigilance merely because there has been some improvement in public order. We must continue to hit hard at serious criminal activities, severely and promptly punishing according to the law those serious criminal elements who commit such crimes as murder, arson, bombings, rape, robbery, and hooliganism which threaten people's security and jeopardize public order. We must resolutely halt and prohibit all corrupt and evil acts which seriously jeopardize the general social mood.

The conference emphatically pointed that CPC committees and governments at all levels must effectively strengthen their leadership over the struggle against serious economic crimes. Public security, procuratorial, legal, and judicial departments must view hitting hard at serious economic crimes as an important task and firmly and properly do so. It is necessary to deal with many large and important cases and to severely punish a number of serious economic criminals.

On earnestly implementing various measures on comprehensive improvement of public order, the conference pointed out that it is necessary to properly link comprehensive improvement of public order with strengthening political and ideological work and building spiritual civilization, while promoting the contract responsibility system in maintaining public security and settling people's disputes according to local conditions.

The conference held that political and legal organs are organs of state power which should difficult and heavy responsibilities. To effectively bring into play the functional role of political and legal organs in protecting people, hitting hard at enemies, punishing criminals, and serving the four modernizations, great efforts should be made to upgrade the quality of the political and legal personnel.

Attending the conference were responsible comrades in charge of political and legal work from CPC committees of all prefectures, cities and counties; responsible comrades from political and legal committees of all prefectures and cities; responsible comrades from all courts, procuratorates, public security bureaus, and judicial offices of all prefectures and cities; responsible comrades from the political and legal committees of all counties and districts; responsible comrades from provincial political and legal departments, and responsible comrades form the relevant provincial departments.

HUNAN GOVERNOR STRESSES GRAIN WORK IMPROVEMENTS

HK140318 Changsha Hunan Provincial Service in Mandarin 1100 GMT 13 Apr 86

[Excerpts] Governor Xiong Qingquan pointed out today at the provincial conference on grain work that it is necessary to persevere in the reforms of the grain procurement and marketing system and perfect the system of placing contract orders for grain. On the basis of doing a good job in grain procurement and sales, the province should improve its management in handling grain and oil and promote their in-depth processing. Grain enterprises should reduce deficits and increase surpluses as soon as possible.

Governor Xiong stressed that reform of the economic structure is a process of changing over from the old to a new system. This is a process of advance. Our reforms are unprecedented. We have no ready-made models or mature experience to follow. We can only carry out arduous probing under the guidance of basic Marxist theory.

He pointed out: By doing a good job in the in-depth processing of grain, we can improve the masses' living standards and also enable the grain enterprises to increase their output value through processing and thus succeed in reducing deficits and increasing surpluses. The grain departments at all levels should make specific plans for actively developing the food and fodder industries. They should promote in-depth processing, using grain and oil as the raw materials.

Vice Governor Yang Huiquan also spoke at the meeting today. He stressed: The grain contract order system we have instituted is both a contract order and also a state task. We must ensure the fulfillment of these contract orders. Viewed in light of the country's economic construction requirements, China's grain supplies are still at a low level. The situation of difficulty in selling grain which arose a few years ago was mainly caused by lack of sufficient storage facilities, weak conversion capacity, and lack of transport. We must proclaim the facts and provide the peasants with correct information, to enhance their enthusiasm for grain production and for the development of grain production.

GANSU SETS QUARTERLY INDUSTRIAL OUTPUT RECORD

HK150832 Lanzhou Gansu Provincial Service in Mandarin 1100 GMT 8 Apr 86

[Text] In the first quarter of this year, the province's gross industrial output value totalled 2,768 million yuan, fulfilling 22.52 percent of this year's target. This was a 9 percent increase compared to the same period of 1985, thereby breaking records in terms of output value in a quarter.

Starting in 1986, the province's industrial production departments and enterprises adopted various effective measures to deal with production problems which developed in January. They started paying closer attention to production in a balanced way. With insufficient raw materials and funds, they undertook vigorous steps to save energy and check energy consumption, as well as in other work, thereby tapping existing potential. They also expanded the production of marketable goods and worked hard to overcome difficulties. Thus, they encouraged a favorable turn in the production situation.

Production speed improved markedly in March. Gross industrial output value totalled one billion yuan, overfulfilling the monthly quota by 8 percent. Except for some units and localities, the major departments and bureaus, as well as prefectures, autonomous prefectures,and cities, had promoted relatively high growth rates. The growth rates of collective enterprises and light industry exceeded those of enterprises owned by all the people and heavy industry. Compared to the same period last year, the output value of 62 out of 100 kinds of major products increased.

NINGXIA HUI TRANSPORTING RICE TO SHANGHAI

OW162145 Beijing XINHUA in English 1453 GMT 16 Apr 86

[Text] Yinchuan, April 16 (XINHUA) -- The Ningxia Hui Autonomous Region, once a grain-deficient area, is transporting rice and corn to Shanghai for export for the first time.

A local official said here today that the region, in northwest China, plans to export 5,000 tons of rice and as many tons of corn this year. Over the past 30 years and more, particularly in recent years, the state has helped local peasants improve irrigation facilities along the 400-km section of the Yellow River and farm scientifically. As a result, the region, which has a population of four million, produced 1.55 million tons of grain in 1984 -- its first grain-surplus year.

The region exported 2,000 tons of miscellaneous grains other than rice and wheat last year.

HSIN WAN PAO SEES RAID ON LIBYA AS 'GLOBAL STRATEGY'

HK161512 Hong Kong HSIN WAN PAO in Chinese 16 Apr 86 p 1

["New Talk" column: "The U.S. Raid on Military and Government Installations in Libya"]

[Text] The latest military conflict between the United States, a superpower with a population of 220 million, and Libya, a country which depends wholly on oil production and has a population of only 3 million, has caused worldwide repercussions. This has once again proven that the incident is not a regional incident, but one which affects the entire international situation. American President Ronald Reagan could not possibly only consider the question of Libya when deciding together with his cabinet to launch the attack on Libya. They must have carefully studied the possible losses and gains of the attack for the entire U.S. foreign policy. The military target is Libya, but the political target is another country, obviously the Soviet Union.

Militarily, the United States has won complete success in the attack. The attack has not only destroyed Libya's military installations, but also destroyed Al-Qadhdhafi's intelligence department and his residence. The attack has not only tested the strength of America's new tactical weapons but also exhibited the United States' capability of fighting a local war.

Politically, however, the United State's loss outweighs its gain. Although the British Government agreed to let the American planes take off from Britain, and some world opinion supports Reagan's argument of "punishing Al-Qadhdhafi," most of the countries in the world think that the U.S. raid on Libya has poisoned the entire international situation. These countries are dissatisfied with the United States. Some of these countries have criticized the U.S. raid on Libya, and some have made accusations about the U.S. raid on Libya, while others feel uneasy about the raid. These countries are mostly West European countries. They do not sympathize with Al-Qadhdhafi, nor do they agree with the large-scale U.S. military action against Libya. France and Spain even refused to let the U.S. planes fly over their territorial airspace. China is also among these countries. China has always opposed all forms of terrorism, but also opposes the invasion of a sovereign state on the excuse of fighting terrorism.

According to the report carried by TIME, a weekly published in the United States, public opinion in Western Europe thinks that there is not an "international terrorism headquarters" in the world. Those engaged in terrorist activities include Lebanese, Syrians, Iranians, and Palestinians. The U.S. raid on Libya might cause the escalation of vicious circle, and the violent activities might increase rather than decrease. They pointed out that the key lies in how to settle the conflict between the Arab countries and Israel, the question of Palestinian refugees, and other Middle East questions. The settlement of these questions is the only way to reduce violent activities. It can be said that the United States has had one of its wishes realized, which is to create tension in U.S.-Soviet relations by attacking Libya, because the attack will be beneficial to the United States when the United States and the Soviet Union start disarmament talks in Geneva. The attack will also help the United States to widen the distance between the United States and the Soviet Union at the U.S.-Soviet summit meeting, and help the United States to continue to implement its "star wars" plan.

The Soviet response towards the attack also pointed this out. The Soviet Union says that the U.S. military action is actually a reply to the Soviet proposal and aims at damaging the relations between the two countries. Moscow has announced its cancellation of the scheduled talks between Soviet Foreign Minister Shevardnadze and U.S. Secretary of State George Shultz in Washington next month. This announcement might have been predicted by Reagan before the United States sent its planes to bomb Libya.

The U.S. raid on Libya is not a regional incident. The raid has to do with the White House's global strategy. The losses and gains of the attack cannot be assessed only by looking at the success of the 15-minute air raid.

WEN WEI PO TERMS U.S. AIR RAID 'UNPOPULAR'

HK161340 Hong Kong WEN WEI PO in Chinese 16 Apr 86 p 2

[Editorial: "An Unpopular Air Raid"]

[Text] After Reagan's special envoy toured Western European countries and a giant fleet headed by two aircraft carriers entered the southern Mediterranean Sea, the United States launched an air raid upon Tripoli and Benghazi (at 0200 Libya local time) on 15 April. Without thoroughly pondering the issue, people may praise this well-prepared operation by the United States. Such a reaction seems to be no different from cheers for Rambo-type heroes from a cinema audience.

The world that Rambo faced was created by screenwriters and a director. In such a fictional world, Rambo could dash around madly regardless of the consequences, "doing what he had been wanting to do." However, as the President of the United States, Reagan should never ignore norms guiding international relations, acting as "world police" when he chooses and wantonly invading other countries, although he has the right to act as an "antiterrorist" hero.

International terrorist activities will absolutely not come to an end but instead the situation will become more tense because of the U.S. air raid. At the same time, the hostilities between the United States and Libya will serve as an unstable factor to inevitably continue to unfavorably affect the tangled Middle East issue.

The conflicts between the United States and Libya are long-standing and, due to profound political and economic factors, the two countries have been on bad terms since the early 1970's. The dispute over the boundary of Libya's territorial waters in the Gulf of Sidra and the terrorist activities are just two of the many issues arising between the two countries in recent years. Al-Qadhdhafi has been regarding the United States as Libya's number one enemy and has been fighting with the Americans in a tit-for-tat manner. As Libya is not located in Latin America -- the United States' backyard -- it is not so easy for Reagan to get rid of Al-Qadhdhafi in the same way as Grenada.

The United States claims that the purpose of this air raid against Libya was to stop terrorist activities, accusing Libya of being directly responsible for the recent explosion in a West Berlin disco. On the eve of the air raid, the Libya Foreign Ministry issued a statement denying any reports linking Libya with the explosion of the TWA airplane and the West Berlin incident and declaring that it is against all terrorist activities like others are. Of course, one can hardly tell whether Libya really meant what it said or just told a lie. However, if the United States had really wanted to stop terrorist activities, it would have been completely possible for the country to stick to this common ground and start dialogue with Libya to sound out the latter's sincerity in opposing terrorism. Reagan said the United States resorted to a military operation only after all other measures had been proven useless in the effort to stop Libya from continuing its terrorist activities. Reagan's argument can hardly convince others in light of the development of the situation.

Four Americans died in the TWA airplane explosion and an American and a Turk were killed in the explosion at a West Berlin disco. All of them were victims of terrorism and deserve the sympathy of the whole world.

However, the casualties on the Libyan side caused by the U.S. military operation in late March and the current air raid exceeded by far those caused by the above two incidents. Both the French and Japanese Embassies were damaged during the air raid, indicating that the raid targets were rather close to or were actual residential districts. Human lives, American or Libyan, are precious. To be sure, blowing up a disco to kill innocent people is a crime. But can it be denied that making an air raid to kill civilians is not a crime as well?

Reagan's decision will certainly win a lot of cheers in the United States since many Americans still cherish the memory of the glorious days when the country was insufferably arrogant in the world. While posing as a hero, Reagan has also helped to create a heroic image of his rival. Nationalism is by no means an exclusive U.S. ideology. Al-Qadhdhafi should thank Reagan for offering him an opportunity to rise as a symbol of resistance to foreign invasion. The two successive military operations by the United States will only push more supporters to cross over to the Libyan side. Apart from Britain and West Germany, there are few countries supporting this air raid by the United States. Even Egypt, whose relations with Libya have long been tense, has also criticized the United States for its act. The UN Security Council is discussing this event. It is reported that the OPEC conference currently underway in Geneva will also discuss this case. All the peace-loving peoples in the world are watching this part of the world attentively to see whether the hostility will be further escalated and whether the situation will be further aggravated.

FBIS DAILY REPORT CONTENTS

China

Vol I No 075 18 April 1986

PRC INTERNATIONAL AFFAIRS

GENERAL

Li Peng on Normalizing Relations With USSR A 1
PRC Urges Prompt Measures To Prevent Nuclear War A 2
Chen Xitong Attends Meeting on 1990 Asian Games A 3
Li Peng Opens Instrumentation Conference 16 Apr A 3
Interview With Former PRC Envoy to UN [BAN YUE TAN 25 Mar] A 4
UN Speakers 'Reject' U.S. Self-Defense 'Pretext' A 6
Nonaligned Coordinating Bureau Meeting Opens A 7
Mideast Issues Discussed A 7
USSR-Japan Economic Talks Begin in Moscow A 9
NODONG SINMUN Urges Korea-U.S. Peace Treaty A 9

UNITED STATES

LIAOWANG on U.S. Space Program After 'Challenger' [7 Apr] B 1
U.S. Aerospace Exhibit in Beijing 15-21 May B 2
U.S. To Consult Asia, Europe on Arms Control B 3
U.S. To Explain Libyan Raid to NATO Members B 3

SOVIET UNION

USSR Urges UN Measures To Stop U.S. Aggression C 1
Gorbachev Leaves To Attend SED Congress C 1

NORTHEAST ASIA

Further on Visit by Non-Governmental Delegation to Japan D 1
Wang Zhen Views Relations D 1
Delegation Hosted at Reception D 1
Nakasone Stresses Friendship Ties D 2
RENMIN RIBAO on Closing of DPRK Assembly Session [10 Apr] D 2
South Korean Democratic Movement 'Forges' on D 3

SOUTH ASIA

King of Bhutan Receives PRC Envoy to India F 1
India Self-Reliant in Nuclear Technology F 1

WESTERN EUROPE

Hu Yaobang Meets Belgian Socialist Delegation G 1
Qiao Shi, ICP's Natta on U.S.-Libyan Conflict G 1
PRC, Turkey Sign Accord for Joint Venture G 2

EASTERN EUROPE

PRC-Polish Shipping Links 'Flourishing' H 1
Honecker Notes Improvement in Ties With PRC H 1

WESTERN HEMISPHERE

Canada's Trudeau, Businessmen Welcomed in Beijing J 1
Meet Deng Xiaoping J 1
Zhao Ziyang Hosts Dinner J 1

PRC NATIONAL AFFAIRS

'Excerpts' of Seventh 5-Year Plan Released K 1

PRC REGIONAL AFFAIRS

EAST REGION

Jiangsu's Changshu Merges Urban, Rural Areas O 1
[RENMIN RIBAO 9 Apr]
Shanghai's Rui Xingwen on Public Security O 2

CENTRAL-SOUTH REGION

Shenzhen CPC Secretary Discusses Zone's Industry P 1

SOUTHWEST REGION

Sichuan Conference on Industrial Output Decline Q 1

NORTH REGION

Beijing's Li Ximing on Discipline Inspection R 1
[BEIJING RIBAO 3 Apr]
Shift of Hebei Armed Forces Departments Progresses R 2
Nei Monggol Conference on Public Security Tasks R 3

NORTHEAST REGION

Jilin Cracks Case of Embezzlement, Bribery S 1
Liaoning Bans Illegal Organizational Expansion S 1

NORTHWEST REGION

Ningxia Reports Success in Opening to Outside T 1
[NINGXIA RIBAO 1 Apr]
Qinghai Urges Improved Industrial Performance T 2

HONG KONG MEDIA ON CHINA

HONG KONG STANDARD Views 'Missile Diplomacy' [16 Apr] W 1
HONG KONG STANDARD on Terrorism, U.S. Policy [17 Apr] W 2
SOUTH CHINA MORNING POST Views Libyan Bombing [16 Apr] W 3
UK Role in Libya Raid Criticized W 4
[SOUTH CHINA MORNING POST 17 Apr]
TA KUNG PAO Views Western Europe Reaction to U.S. Raid [17 Apr] W 5
Libya Raid, Soviet, European Reaction Viewed W 6
[HSIN WAN PAO 17 Apr]

LI PENG ON NORMALIZING RELATIONS WITH USSR

OW170104 Beijing XINHUA in English 0050 GMT 17 Apr 86

[Text] Beijing, April 17 (XINHUA) -- China is willing to realize the normalization of its state relations with the Soviet Union on the basis of removing obstacles, Chinese Vice-Premier Li Peng told a group of visiting U.S. journalists here yesterday. "We hope that both China and the Soviet Union will become good-neighborly countries. But they will not be allied to each other."

Li Peng said this while answering a question about the prospects for Sino-Soviet relations raised by journalists from the Center for Strategic and International Studies of Georgetown University. Led by co-ordinator Sterling Slappey, the group is composed of 13 journalists representing more than 100 U.S. newspapers.

During the meeting Li Peng answered a dozen questions covering a wide range of subjects. Referring to China's economic cooperation with foreign countries, Li said the products made by joint ventures or by foreign enterprises in China should be mainly sold on the international market, not the Chinese market. If China needs these products its market can be opened to these enterprises. But the joint ventures should gain foreign exchange, not spend it, he stressed.

Li Peng said the present oil price drop will probably affect not only offshore oil exploration but also the whole world economy. But up to now no foreign corporation has cancelled its contract with China, he added. He said in the last ten days of March, three more foreign corporations signed new contracts with China. A far-sighted enterprise can not only see its present interest, but also the great potential of a developing country -- China.

On the orientation of China's economic structural reform, Li Peng said last year China made a big step in its economic reform. The general results were quite good. The main task for this year is to consolidate and perfect reform measures in order to advance, he said.

Li said that China's implementation of the policy of opening to the outside world and its stress on learning from foreign advanced technology and management experience will neither change its socialist system nor lead to a capitalist system.

He listed the following reasons:

-- China takes public ownership as the mainstay of its economy. The output value of the individual economy occupies only a small proportion of its entire national economy.

-- China implements the policy of distribution according to work so as to prevent the occurrence of irrational differences.

-- China's commodity economy is planned.

-- China pays attention not only to material construction but also to the construction of spiritual civilization.

-- Economic criminal offenses are punished by law.

Li said China's crackdown on criminal offenses in the economic field will not affect the reform, but benefit it. He said China takes a serious attitude toward criminal offenses in economic areas, and acts in accordance with the laws.

"At the same time," he said, "We should draw a clear distinction between normal economic activites and unlawful economic activities. We will not use the method of campaigns to solve the problem."

PRC URGES PROMPT MEASURES TO PREVENT NUCLEAR WAR

OW180920 Beijing XINHUA in English 0841 GMT 18 Apr 86

[Text] Geneva, April 17 (XINHUA) -- China today at the Geneva Conference on Disarmament called for taking prompt measures to prevent nuclear war. Qian Jiadong, head of the Chinese delegation to the session of the Committee on Disarmament (CD), said today "it is an important and urgent task for all the peace-loving countries and people of the world to take prompt measures to prevent the outbreak of a nuclear war."

He said, "The arms race between the two superpowers is further intensifying instead of slowing down. The international situation remains volatile. The danger of war still exists. All this cannot but fill us with regret and anxiety."

He said, "Nuclear weapon is the most destructive weapon in human history. Nuclear war, once started, will bring untold catastrophe to mankind. The effective prevention of nuclear war calls for a stable international environment." It is therefore imperative for the international community to oppose policies of aggression and expansion as well as hegemonism and power politics in all forms and renounce the use or threat of force in international relations and settle international disputes by peaceful means, he added.

Qian reported, "The Soviet Union and the United States, already possessing over 95 per cent of the world's nuclear weapons, are still continuously expanding their nuclear arsenals. He said, "In the world today only these two super-powers have the capability to launch a world-wide nuclear war. They bear a special responsibility towards the prevention of nuclear war."

He said the prevention of nuclear war concerns the interests of all countries in the world. Every country, big or small, nuclear or non-nuclear, is entitled to participate on an equal footing in the consideration and resolution of issues relevant to the prevention of nuclear war.

He said, "Under the present circumstances, in order to reduce the danger of a nuclear war and create condition for its complete elimination, all nuclear-weapon states, and the two big nuclear powers, the United States and the Soviet Union in particular, should undertake not to be the first to use nuclear weapons in any circumstances and should unconditionally pledge not to use or threaten to use nuclear weapons against non-nuclear-weapon states or nuclear-weapon-free zones. On this basis, an international convention probibiting the use of nuclear weapons should be concluded with the participation of all nuclear-weapon states.

He urged the Soviet Union and the United States to conduct serious negotiations and reach agreement as early as possible on halting the test, production and deployment of all types of nuclear weapons, drastically reducing all types of nuclear weapons they have deployed anywhere inside and outside their countries and destroying them on the spot. He also urged the North Atlantic Treaty Organization and the Warsaw Treaty Organization to reach agreement as early as possible on the drastic reduction of their conventional armed forces and armaments.

Forty nations joined the current CD session which began on February 4 and is expected to conclude on April 25.

CHEN XITONG ATTENDS MEETING ON 1990 ASIAN GAMES

OW171935 Beijing XINHUA in English 1437 GMT 17 Apr 86

[Text] Beijing, April 17 (XINHUA) -- The 11th Asian Games will be held in late September and early October, the best part of the autumn season in Beijing, the organizing committee announced after its first meeting here today. "Unity, Friendship and Progress" is the motto for the games, the meeting decided. An estimated 6,000 athletes will come for the 1990 games, it said. The date of the games and the competition program were discussed at today's meeting. Present were Chen Xitong, Beijing mayor and president of the organizing committee; Li Menghua, sports minister and executive president of the organizing committee.

Twenty one of the competition events have been decided, but three more will be submitted to the Olympic Council of Asia for approval. The events already approved are football, basketball, volleyball, table tennis, badminton, tennis, handball, field hockey, baseball, track and field, swimming (diving, water polo, and synchronized swimming), gymnastics (rhythmic gymnastics), weightlifting, shooting, archery, fencing, judo, wrestling, cycling, rowing and yachting (wind surfing).

An official of the organizing committee said that since this is the first multi-event international games China will host, the Chinese leaders have urged the organizing committee to organize the games well. Sixteen new sports facilities will be put up and 11 existing ones will be updated for the games, according to the organizing committee. The 16 new sports facilities include an athletic stadium, a velodrome, a swimming center, a softball diamond, a weightlifting hall and a boxing court. An athlete's village and a press center will be constructed.

Chen Xitong told the meeting that Beijing has received support from the whole country and the municipal government will do all it can to meet the needs of the games. "All sports facilities, new and old, will be up to the standards as required by the OCA," he promised. The emblem and mascot for the games were also discussed. Up till today, the organizing committee has received about 9,000 proposals from both inside and outside China.

LI PENG OPENS INSTRUMENTATION CONFERENCE 16 APR

OW170723 Beijing XINHUA in English 1351 GMT 16 Apr 86

[Text] Beijing, April 16 (XINHUA) -- The second Multi-National Instrumentation Conference and Exhibition opened here today for a week of seminars and scientific exchanges. [This and following addition are reported by Beijing XINHUA Domestic Service in Chinese at 1216 GMT on 16 April in a similar report. Here XINHUA Chinese adds: "Li peng, vice premier of the State Council, attended the opening ceremony and cut the ribbon."]

Over 150 experts and scholars from Asia, North America, and Western Europe will listen to presentations on computer applications, signal processing, energy management, and measurement and analysis techniques. The exhibition is sponsored by the China Instrument Society and the SHK International Services Ltd. of Hong Kong. An official of the China Instrument Society said that the event was aimed at strengthening cooperation among the instrumentation communities all over the world. [XINHUA Chinese adds: "Those who attended the opening ceremony included Zhou Peiyuan, Yan Jici, Wang Dezhao, and He Guangyuan."]

The first Multi-National Instrumentation Conference and Exhibition was held in April 1983 in Shanghai.

INTERVIEW WITH FORMER PRC ENVOY TO UN

HK150902 Beijing BAN YUE TAN in Chinese No. 6, 25 Mar 86 pp 28-31

[Report by Fan Lu and Jing Hong "China's Influence as Viewed From the United Nations -- an Interview with Ling Qing, Former PRC Permanent Representative to the United Nations"]

[Text] The UN Headquarters, located on the East River in New York City, is the world's largest diplomatic arena today. All important events taking place in the five continents are discussed here. Representatives of 159 nations come in and out of the UN building every day to participate in debates at conferences, negotiations at smaller sessions, or simply bilateral contacts. The glint and flash of cold steel often become royal battles here. But, of course, heart-to-heart talks are also held, and there is glass-clinking over any event worth celebrating. At this international platform, the changes of the times can be observed and felt, as well as the position and influence of various nations throughout the world.

Ling Qing, PRC permanent representative to the United Nations, left office and returned to China recently. He is now vice president of the Chinese People's Association for Friendship with Foreign Countries. On the eve of the Lantern Festival, we went to the Association's compound to interview this diplomat who spoke out for justice and worked hard for peace on behalf of 1 billion people. We asked him to talk about the PRC's place, role, and influence in the world today.

Comrade Ling Qing is a veteran diplomat with rich experience. He is of medium height and wears a pair of thick near-sighted glasses on a rather thin face. People would not believe that he is in his sixties, due to his agility, suaveness, and expression. In his youth he saw diplomatic service in Yanan, and became an English interpreter to revolutionaries of the older generation, such as Chairman Mao, Commander-in-Chief Zhu De, Liu Shaoqi, and Ye Jianying. Since the founding of the PRC he has been active in the diplomatic field. He has been one of China's diplomatic representatives at the Chinese embassies in Romania and Indonesia, ambassador in Venezuela, director of the International Treaties and Law Department under the Foreign Ministry, and head of the Chinese Delegation to the Third UN Conference on the Law of the Sea. He was appointed PRC permanent representative to the United Nations in 1981. During his stay at the United Nations, he was four times chairman of the Security Council. He is very familiar with international issues.

He spoke with deep feelings about China's place in the world, based on his personal experiences in recent years. China's place in the world is not what it used to be; it has been greatly elevated. Indeed, we can say that the situation today is the most favorable since the founding of the PRC. It is true that "we have friends all over the world." According to Ling Qing, China has taken an active role in UN matters. It now belongs to 383 international organizations with the United Nations being the main body. It has signed 132 world pacts of various descriptions. China's actions and positions at the UN General Assembly and in various committees have won the support and admiration of the overwhelming majority of the member nations.

During his 5 year's in office, Ling Qing witnessed the world's turbulence, and the outburst of war here and there. War took place between the United Kingdom and Argentina on Islas Malvinas; the United States sent its troops to Grenada; Israel invaded Lebanon; the Soviet Union and Vietnam beefed up their forces in Afghanistan and fought in Kampuchea; the war between Iran and Iraq expanded; there was foreign intervention in Chad's civil war; a South Korean air liner was hit by a Soviet missile; the European arms reduction talks broke down; Poland weathered a crisis; there was a grave African drought.

International incidents emerged one after another and were put before the UN and the Security Council. The representative of each nation had to show where he stood. According to Ling Qing, China's position in international affairs has all along been to safeguard peace, oppose hegemonism, uphold justice, and condemn aggression. China has resolutely stood on the side of the majority of the world's people. We have not only opposed the United States for its peremptory stand in Grenada, Lebanon, and Central America, but also Soviet hegemonist activities in Afghanistan and Kampuchea. As for internal disputes between Third World nations, we have strongly advocated solutions through talks, rejecting foreign intervention. Representatives of Third World nations have praised China for treating them on an equal footing, daring to oppose the hegemonism of the superpowers and saying what they have in their minds but dare not say. The representative of a Latin American nation said his delegation studied the votes for the permanent big five of the Security Council after each UN Assembly session each year. His conclusion was that China's position was closest to that of his country.

To demonstrate how China has safeguarded the interests of the Third World at the UN, Ling Qing recalled a past event. Former UN Secretary-General Dr. Kurt Waldheim was to conclude his tenure of office in 1981 and a new secretary-general was to be elected. This is an important post in the eyes of all nations, and most wanted to win it. The Third World strongly wanted to have one of their representatives elected, and Tanzania's Salim was nominated. According to Ling Qing, we cast 16 consecutive votes supporting Salim; however, another member of the permanent big five of the Security Council vetoed it 16 times. The struggle was tense, and the election became bogged down in a stalemate. So another candidate -- Javier Perez de Cueller of Peru -- was nominated, and he finally won. Thus, a representative of Latin America was elected for the first time in the 40-year history of the UN. The Third World nations were very happy. Ling Qing said: "Many black people working in the UN building put their thumbs up when they saw me or shook my hand enthusiastically, expressing their thanks." In most complicated world affairs, China has always adhered to the principle of independence and keeping initiatives in its own hands, determining its own position on the basis of an issue itself, on the rights and wrongs of the case, and refraining from drifting along with the tide. Ling Qing briefed us on the South Korean airline case. The shooting down of a Korean Airline jumbo jet en route from the United States by a Soviet fighter aircraft over Sakhalin Island shocked the world. This incident added fuel to an already tense U.S.-Soviet relationship. The incident essentially reflected the tension between the two superpowers. There were many unanswered questions about the incident. We expressed our shock and regret over the incident, which caused the loss of 269 lives. But we opposed the adoption of a decision condemning the action too quickly, and before things were entirely clarified. We abstained from voting on the relevant issue and expressed a clear-cut stand of independence, keeping the initiative in our own hands. This was spectacular.

Why has China won more and more friends and given a greater and greater role in the UN, this world arena? Ling Qing cited three reasons: First, China belongs to the Third World. It stands resolutely on the side of more than 100 nations. China identifies with them on such major issues as safeguarding world peace, opposing aggression, and promoting development. China is a unique nation in the Third World. It has a veto right in the Security Council. This ultimately belongs to the Third World. This gives China special influences in the Third World. Second, China has a very important and strategic position in the world. It follows an independent foreign policy and takes initiatives into its own hands. China's actions draw the attention of all nations. Third, China's economic reform has been successful, drawing attention from all nations.

We were excited and proud listening to Comrade Ling Qing's talk. In the world today, the forces of war and peace contend fiercely. The voice against war is getting stronger and stronger, and the forces striving for peace are becoming mightier and mightier. China pursues a principle of peace and friendship. It pursues the four modernizations in conformity with the interests of the Chinese as well as the world people, and the tides of the times. China will certainly win more and more friends and achieve still greater successes.

UN SPEAKERS 'REJECT' U.S. SELF-DEFENSE 'PRETEXT'

OW172031 Beijing XINHUA in English 1541 GMT 17 Apr 86

["Speakers Reject U.S. "Pretext" of Self-Defense at Security Council Debate" -- XINHUA headline]

[Text] United Nations, April 16 (XINHUA) -- Speakers at the U.N. Security Council refuted the U.S. claim that it was acting in "self-defense" by attacking Libya.

During the second day of debate on the U.S. action, Hocine Djoudi, permanent representative of Algeria, said the U.S. armed intervention in Libya could not be justified by invocation of the U.N. Charter regarding the right of self-defense, because the self-defense "cannot be invoked in the absence of an act of aggression."

Noel Rakotondramboa, representative of Madagascar, said that the United States had invoked article 51 of the U.N. Charter to justify its attacks on Libyan territory. However, the right of legitimate defense requires the fulfillment of three conditions: There has to have been an attack by the adversary; the attack must have been unjust; and the response must be proportional to the attack. "In the present case, the last two conditions have not been met," he said.

Samir al-Shihabi, permanent representative of Saudi Arabia, also rejected the U.S. claim of self-defense. He said that if this claim is accepted, it would be a licence for Israel "to attack wherever, whenever and however it wanted under the pretext of self-defense."

Hamad al-Kuwari, permanent representative of Qatar, said that Washington had said its military action against Libya was pre-emptive, but "there is no provision in international law for pre-emptive self-defense. The United States action is an aggression," he added.

Ljubomir Sekulic, representative of Yugoslavia, condemned the aggressive military operation against Libya perpetrated by the United States in violation of the principles and purposes of the U.N. Charter, and demanded that the Security Council take action to prevent independent nations from being threatened by force and modern weaponry. Otherwise, he warned, it will lead "to a situation in which arms will replace reason, ultimately, to a very realistic danger of wider conflagration."

Richard Woolcott, permanent representative of Australia, urged the United States and Libya "to engage in genuine efforts to bring about the peaceful resolution of their differences," and asked the Security Council to accept its responsibility "to promote a peaceful settlement" of the U.S.-Libyan dispute. "If we do not make a stand in favor of such peaceful means, we will be surrendering to an intensifying cycle of violence," he added.

Representatives of Democratic Germany, Poland, Hungary, Vietnam, and Mongolia also spoke at today's meeting.

In the afternoon, the council's meeting was interrupted for 20 minutes by an anonymous telephone caller who claimed there was a bomb in a briefcase in the council chamber. U.N. security men checked the chamber with a bomb detector, but no bomb was found. The Security Council will continue its debate on the subject tomorrow.

NONALIGNED COORDINATING BUREAU MEETING OPENS

OW161435 Beijing XINHUA in English 1300 GMT 16 Apr 86

[Text] New Delhi, April 16 (XINHUA) -- A four-day ministerial conference of the Coordinating Bureau of the Nonaligned Countries opened here today with disarmament, survival and peaceful coexistence as its theme. Inaugurating the last major conference hosted by India as chairman of the 101-member Nonaligned Movement (NAM), Indian Prime Minister Rajiv Gandhi cautioned the world against the threat of nuclear war. "Our survival is at stake," he stressed.

He reiterated the demand for a moratorium on nuclear testing, saying the technical problem of the verification of such a moratorium was surmountable "provided there is the requisite political will on the part of the nuclear weapon states."

Referring to the U.S. bombing of Libya, he said, "We cannot but condemn this act" which was "in violation of international law."

Describing the international economic situation as "disquieting," the prime minister expressed himself against "piecemeal solutions" to development crisis faced by several developing countries or the problem of recovery in industrial economies.

In the face of what he called "crisis" in the world economy, the prime minister said the developing countries must "strengthen our solidarity, understanding our particular problems and unitedly facing issues that affect us all." Voicing serious concern of the Non-Aligned Movement over the growing menace of all types of terrorism, Gandhi accused some nations of encouraging and instigating this dangerous phenomenon.

After the inaugural address, delegates from Senegal, Democratic Yemen, Cyprus, Guyana and Palestine Liberation Organization (PLO) made statements respectively on behalf of NAM members of Africa, Asia, Europe, Latin America and Liberation Movements.

They paid tribute to India's role in the NAM and stressed the need for the present conference to formulate a common strategy in dealing with the issues nam is facing.

Mideast Issues Discussed

OW172319 Beijing XINHUA in English 2113 GMT 17 Apr 86

[Text] New Delhi, April 17 (XINHUA) -- The Palestine issue, the Iran-Iraq war and the deteriorating economic and political situation in Africa figures in the plenary session of the ministerial conference of the Coordinating Bureau of Non-Aligned Countries, which continued into the second day today. The participants of the conference maintained that peace in the Middle East still depends on a peaceful, comprehensive and just solution to the Palestine issue.

Outlining Egypt's stand, Egyptian Foreign Minister Esman Meguid said the Palestine issue must be settled in the exercise by the Palestinian people of all their national rights under the leadership of the Palestine Liberation Organization, in Israel's full evacuation of its occupied Arab land and in safeguarding the security, unity and independence of Lebanon.

Echoing the Egyptian foreign minister, Kuwaiti envoy to the United Nations Muhammad A. Abu al-Hasan strongly condemned Israel's continuing occupation of Arab territories, its unceasing denial of the Palistinian people's legitimate rights and its unabated violation of the sovereignty, security and independence of Lebanon. However, he also expressed concern over the fact that "some member states in our movement" restored or were considering reestablishment of ties with Israel.

Pakistani Foreign Minister Yaqub Ali Khan pointed out that the situation in the Middle East continued to "remain explosive." He urged countries of the Non-Aligned Movement (NAM) to "maintain its wholehearted solidarity" with the Palestinian people and ensure that the Israeli aggression was not rewarded.

Secretary General of the Organization of Islamic Conference S.S. Pirzada pointed out that the continuing hostility between Iran and Iraq which has lasted more than five years, is a source of "deep anguish and concern" for the NAM. He stressed that "determined efforts" should be made "to find an honorable, principled and peaceful solution" to this conflict.

The Egyptian foreign minister warned that "the danger of external interference is all the more increasing." He called upon Iran to agree "without any further delay" to the peace initiatives which Iraq had put forward. Terming the Iran-Iraq conflict as "sad and tragic and totally unnecessary," W.M. Mangwende, foreign minister of Zimbabwe, NAM's next chairman, appealed to both sides "to bury the hatchet" and save the people of the two countries from further suffering.

Turning to the serious problems that confronted the African Continent, Mangwende reminded the world that the economic situation was "particularly critical." Natural disasters, man-made errors and a hostile international economic environment "threaten to wreck havoc" on African economies, he said. He appealed to the world to formulate "concrete short-term, medium-term and long-term measures" aimed at resolving the economic crisis in Africa. However, he said, the origin of this crisis was "not economic but political," which "has been deliberately created."

Referring to the situation in Southern Africa, he said there was now less hope for optimism than it had been a few years ago as the racist regime in Pretoria had escalated its "daily slaughter" of unarmed black people. "Apartheid is a crime against humanity," he stated, urging the civilized world "to concert in common purpose to put an end to these crimes."

He also urged the United States to give up its efforts to block the independence of Namibia by renouncing its "linkage policy" which tied the independence of Namibia to the withdrawal of Cuban personel from Angola. Expressing support for the Namibian people under the leadership of the South-West African People's Organization, Pakistan's foreign minister said there should be no compromise on the plan of Namibia's independence approved under U.N. Security Council Resolution 435.

Egyptian Foreign Minister 'Abd al-Majid deplored the Pretoria regime's persistent occupation of Namibia as "a challenge to the will of all peace-loving people." He promised more support and assistance for the front-line states "in reinforcing their capabilities to resist aggression."

USSR-JAPAN ECONOMIC TALKS BEGIN IN MOSCOW

OW160843 Beijing XINHUA in English 0803 GMT 16 Apr 86

[Text] Moscow, April 15 (XINHUA) -- Soviet and Japanese Committees for Economic Cooperation began talks here today over "a wide range of issues of developing trade and economic relations between the two countries," TASS reported. A 240-member Japanese delegation, which arrived here last Sunday, attended the three-day meeting.

Soviet Premier Nikolay Ryzhkov and Japanese Prime Minister Yasuhiro Nakasone sent messages of greetings to the meeting, which were read out to its participants.

Ryzhkov said in his message that the Soviet Union "has attached great importance to strengthening its genuine friendly and good-neighborly relations and mutual trust with Japan." He noted that the potential for expanding Soviet-Japanese economic cooperation is far from being fully tapped and the task facing the two countries is to make best use of the potential.

The Soviet premier hoped that the meeting would help develop the two countries' business ties and new forms of economic cooperation.

Soviet-Japanese trade dropped to 2.6 billion U.S. dollars in 1984 from 5.6 billion dollars in 1982, but increased slightly last year. Last January when Soviet Foreign Minister Eduard Shevardnadze visited Tokyo, the two sides agreed to expand trade and enhance economic cooperation.

NODONG SINMUN URGES KOREA-U.S. PEACE TREATY

OW161133 Beijing XINHUA in English 1038 GMT 16 Apr 86

[Text] Pyongyang, April 16 (XINHUA) -- Korean newspaper NODONG SINMUN said in an editorial today that the conclusion of a peace agreement between Korea and the United States and the adoption of a non-aggression declaration between the North and South of Korea are "the key" to easing tension on the Korean peninsula.

The editorial stressed that an early end to foreign intervention in Korean affairs is the first prerequisite condition under which the Korean people can decide by themselves the future of the Korean peninsula.

It criticized the United States for saying one thing but actually doing otherwise. It noted that U.S. President Ronald Reagan recently told the Japanese newspaper YOMIURI SHIMBUN that North-South dialogue is "the key" to relaxing tension on the peninsula and that the United States supports the reopening of the dialogue. Reagan was also quoted as having said that the future of the Korean peninsula should be decided by the Korean people themselves.

However, the editorial pointed to the fact that the United States held large-scale military exercises together with South Korea in disregard of the North side's sincerity about detente, saying the war games have worsened the tension on the peninsula and poisoned the atmosphere of dialogue.

Therefore, it said, President Reagan's promise to support the reopening of the North-South dialogue was merely a posture assumed to mislead public opinion of the world and dodge the blame for helping make the North-South dialogue to a halt. [sentence as received]

The editorial pointed out that the United States, which was a party to the Korea War and still has its troops in South Korea, bears unshirkable responsibility for keeping peace on the peninsula and for removing obstacles on the road to the national reunification of Korea.

LIAOWANG ON U.S. SPACE PROGRAM AFTER 'CHALLENGER'

HK170115 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 14, 7 Apr 86 p 28-30

[Article by Yu Shijia: "The U.S. Space Program as Seen From the Explosion of the 'Challenger'" -- capitalized passages published in boldface]

[Excerpts] At the minimum, the serious consequences of the explosion of the Challenger on the U.S. space program have manifested themselves in the commercial, industrial, scientific, military and other fields.

THE U.S. MILITARY PLAN HAS BEEN SERIOUSLY AFFECTED. A report said that on its 24 prior space flights, the shuttle had executed only 2 top secret military missions. But the U.S. military has placed increasing reliance on the shuttles. An original plan called for as many as four launches for military purposes this year. From now until 1995, one-third of the shuttle missions are of a military nature, many of them connected with President Reagan's "star wars." It has been revealed that shuttle launches devoted to "star wars" will ultimately reach as many as 10 to 12 a year. Of the current top secret U.S. military messages, 60 percent pass through satellites. It is said that the percentage will increast to 90 percent before long. The upgrading of military satellites is a matter of great urgency. It is revealed that there is now only one U.S. Air Force spy satellite, a KH-11, in operation. If it were to fail with no replacement by a new satellite launched by a shuttle, the United States would be 'blinded' strategically with no backup satellite. Conventional carrier rockets like the Hercules, Atlas and so forth that the Air Force has in reserve are limited in number. Though orders have been placed for 10 carrier rockets capable of launching military reconnaissance and communications satellites, they can be delivered only by 1988. In addition, quite a large number of military satellites are designed according to shuttle cargo bay conditions and cannot be launched by carrier rockets. A responsible person of the U.S. Air Force even said: the period before the shuttle blasts off again will mean that the United States is "in a state of emergency."

Heated Debate

The Challenger calamity touched off a lasting heated debate in the United States. For 1 month or so, newspapers and magazines, and radio and television stations had reports almost everyday about the Challenger. Apart from dealing with status of the salvaging of the wreckage of the Challenger and the bodies of astronauts and the presidential Commission's hearings and investigations, most were in the form of discussions and comments on the future of the U.S. space program. It was quite a bustling scene with all kinds of views put forth.

The study of the future direction of the U.S. space shuttle program can be generally divided into two major schools. One involves the discussion of the past and future development of the U.S. space program. Another involves the study of whether priority should be given to the development of manned or unmanned space flight.

In reviewing the development of the U.S. space effort, quite a large number of people hold that NASA, responsible for the overall U.S. space program has in the past few years laid one-sided emphasis on the development of the space shuttle, to the neglect of other sectors, "putting all their eggs in one basket." Given a hole in the basket now, the problem has become serious. The outlay for the development of the shuttle has represented most of the appropriations and investment. Other sectors are thus pinched for money.

For example, the lack of funds has accounted for the NASA's failure to launch a space probe to Halley's Comet, seen every 76 years, with being outshone by its Soviet, Japanese, and European counterparts, the loss of the U.S. power to dictate things in this important international scientific event, and so forth. In peering into the future of the development of the U.S. space effort, many people suggest that NASA seek a many-sided development, take things into overall consideration, and pay particular attention to the development of more carrier rockets for launching satellites, instead of making the shuttle "a lone star performer."

"Sacrifice Is the Price for Discovery"

The Challenger explosion incident has confronted the U.S. space program and relevant fields with a serious situation. But experts think that the future of the U.S. space effort is still optimistic.

A few hours after the incident, President Reagan said reassuringly in a speech: "We will continue our efforts to conquer space. There will be more shuttle flyers, more shuttle flight crewmen, more volunteers, more citizens, and more teachers going into space." Then Acting NASA Director Graham also said the following day: "The shuttle is our main space transportation system. In the foreseeable future, it will still be our main space transportation system." An astronaut said: "Technological progress is often a matter of taking three steps forward and one step backward. The present Challenger incident represents a very big step backward, BUT THIS DOES NOT MEAN THE END." "PROGRESS IS MARKED BY LOSSES. THIS INCIDENT CAUSES GREAT PAIN, but the truth is: Sacrifice is the price for discovery."

Recently, Americans have often liked to quote the story about the early serious losses of astronauts in the development of the U.S. and Soviet manned space efforts being followed by subsequently greater progress in the field after reorganization and improvement. They want thus to hint that, despite the serious consequences of the Challenger incident, given discussion and study and due reorganization and improvement, fine results can similarly be achieved.

U.S. AEROSPACE EXHIBIT IN BEIJING 15-21 MAY

OW161137 Beijing XINHUA in English 1034 GMT 16 Apr 86

[Text] Washington, April 15 (XINHUA) -- The United States is to hold its first National Aerospace Exhibition in Beijing to demonstrate its technology and equipment in the aerospace industry. The exhibition from May 15 to 21 is organized under the Sino-U.S. work program signed in July 1984 for industrial and technological cooperation in the aerospace industry. It is co-sponsored by the U.S. Department of Commerce and the Chinese Ministry of Aviation Industry. More than 70 leading U.S. aircraft manufacturing and related companies, including the Boeing Company and the McDonnell Douglas Corporation, will take part in the exhibition. As part of the exhibition, 25 technical papers will be presented by these companies.

Crawford F. Brubaker, U.S. deputy assistant secretary of commerce in charge of aerospace, said at a press briefing today that the exhibition provices a chance for exchanging technological information and developing goodwill and understanding between U.S. companies and their Chinese customers, he added. Brubaker expressed optimism over the prospect of U.S.-China trade, particularly for U.S. machinery and transport equipment exports to China. He said U.S. exports of commercial aircrafts and aircraft parts to China rose to 668 million U.S. dollars last year, up from 128 million dollars in 1984.

U.S. TO CONSULT ASIA, EUROPE ON ARMS CONTROL

OW171214 Beijing XINHUA in English 1156 GMT 17 Apr 86

[Text] Washington, April 16 (XINHUA) -- President Ronald Reagan will sent two U.S. officials to consult with leaders in Asia and Europe on arms control issues, according to the Associated Press, which quoted anonymous U.S. officials. The decision was made after Reagan met today with his senior advisers to discuss whether to keep U.S. nuclear missiles within the Salt 2 Treaty limits, an official revealed.

Secretary of State George Shultz, Defense Secretary Caspar Weinberger, Central Intelligence Agency Director William Casey, Arms Control Director Kenneth Adelman, and Special Nuclear Arms Consultants Edward Rowny and Paul Nitze attended the hour-long meeting, an official said.

During the meeting, Shultz and Nitze urged President Reagan not to exceed the 1979 unratified treaty's ceiling on missiles when a new American Trident submarine begins sea trials next month, the official disclosed.

The official said Rowny will leave Sunday for China, South Korea and Japan, and Nitze will go to West Europe to meet leaders there. Another U.S. official told reporters that Reagan "may have made up his own mind already," but we still want to talk with the other countries.

Reagan is expected to make a decision on the treaty issue by the weekend after he consults with National Security Adviser John Poindexter and White House Chief of Staff Donald Regan, the official said.

U.S. TO EXPLAIN LIBYAN RAID TO NATO MEMBERS

OW170908 Beijing XINHUA in English 0849 GMT 17 Apr 86

[Text] Washington, April 16 (XINHUA) -- The United States will send Deputy Secretary of State John Whitehead to Brussels later this week in an apparent attempt to explain to its European allies the U.S. raids on Libya. State Department spokesman Bernard Kalb said Whitehead will meet with North Atlantic Treaty Organization foreign ministers in Brussels "as part of our efforts to keep our allies fully informed of the terrorist threat and U.S. responses." Most of the U.S. NATO allies have criticized the recent U.S. bombing raids on Libya. But Britain voiced its firm support for the U.S. action.

USSR URGES UN MEASURES TO STOP U.S. AGGRESSION

OW180250 Beijing XINHUA in English 0226 GMT 18 Apr 86

[Text] Moscow, April 17 (XINHUA) -- Soviet Foreign Minister Eduard Shevardnadze has asked the United Nations to take "urgent measures" to stop U.S. aggression against Libya. The official Soviet news agency TASS said the foreign minister, in a letter delivered on Thursday, appealed to U.N. Secretary-General Javier Perez de Cuellar to use "all means" at his disposal, including his "authority and personal influence" to prevent the deterioration of the situation. "If urgent measures are not taken today," TASS quoted the letter as saying, "tomorrow any sovereign country can become the target of armed violence with all the consequences involved for world peace and security."

The Soviet foreign minister also called for U.N. efforts to bring back to normal the situation in the southern Mediterranean and stop the use of armed force by the United States against Libya. The minister's appeal for U.N. action is Moscow's strongest reaction yet to the U.S. air strikes against Libya which took place early Tuesday morning.

Meanwhile, Soviet leader Mikhail Gorbachev wrote to Libyan leader Mu'ammar al-Qadhdhafi on Wednesday, assuring him of Moscow's "effective solidarity" and its commitment to strengthen Libya's defense capability.

Moscow has also canceled a meeting between the Soviet foreign minister and the U.S. secretary of state scheduled for next week. This was followed by a statement issued by the Warsaw Pact promising the organization's collective support to Libya in its fight against U.S. aggression.

In another development, the Soviet Foreign Ministry has summoned all heads of the diplomatic missions accredited here, reportedly to inform them of the steps being taken by the Soviet Government in connection with the U.S.-Libyan conflicts.

GORBACHEV LEAVES TO ATTEND SED CONGRESS

OW162007 Beijing XINHUA in English 1833 GMT 16 Apr 86

[Text] Moscow, April 16 (XINHUA) -- A Soviet Communist Party delegation led by General-Secretary Mikhail Gorbachev travelled to Berlin today for the 11th Congress of the German Socialist Unity Party. This will be the first time since 1971 that a Soviet Communist Party General-Secretary has attended such a congress and is also Gorbachev's first foreign trip since the Geneva Summit meeting with U.S. President Ronald Reagan last November. Gorbachev is reportedly to speak on the second day of the four-day congress, which opens tomorrow.

Since becoming general secretary of the Soviet Communist Party in March 1985, Gorbachev has visited Poland, Bulgaria, Czechoslovakia and attended the summit conference of the Warsaw Treaty Organization and the Council of Mutual Economic Assistance.

Several East European countries have held their party congresses in the wake of the 27th Soviet Party Congress, which ended early in March. Soviet Prime Minister Nikolay Ryzhkov attended the Bulgarian Party Congress in Sofia and Mikhail Solomentsev, a member of the Politburo, represented the Soviet Communists at the Czechoslovak Party Congress in Prague.

FURTHER ON VISIT BY NON-GOVERNMENTAL DELEGATION TO JAPAN

Wang Zhen Views Relations

OW152045 Beijing XINHUA in English 1517 GMT 15 Apr 86

[Text] Tokyo, April 15 (XINHUA) — Japanese and Chinese non-governmental personages began their third meeting here today with a call for joint efforts to resolve existing problems in developing relations between the two countries.

During the four-day meeting, representatives from both countries will discuss bilateral relations and international issues of common concern.

On behalf of the Japanese committee on the Council of Japanese-Chinese Non-governmental Personages, Okada Haruo, former speaker of the House of Representatives, delivered an opening address at the meeting.

He reaffirmed the Japanese position to abide by the Sino-Japanese joint communique and other documents governing the relations between the two countries.

"Japan's economic cooperation with China has reached a stage calling for more active efforts to enhance the cooperation," he said, adding that striving for a more balanced trade is of utmost importance from a long-term point of view. Okada disclosed that the current meeting will, for the first time, place on its agenda questions concerning economic cooperation between small and medium-sized eterprises of the two countries.

Turning to international issues, Okada said the superpowers have the responsibility to work towards the reduction and abolition of nuclear arms.

Wang Zhen, chairman of the Sino-Japanese friendship association who heads the Chinese delegation to the meeting, also spoke at the opening ceremony. He noted with satisfaction the development of bilateral relations in recent years, though "some negative elements remain." He hoped that Japan and China will solve existing problems in a spirit of sincerity and mutual respect.

Speaking of the current international situation, Wang said the rivalry and arms race between the superpowers are a grave threat to world peace. "It is the primary common task of the world people to oppose war and safeguard international peace and security," he said.

Both Japan and China should make a greater contribution to safeguarding peace and security in the world, he added.

The first meeting of Sino-Japanese non-governmental personages took place in Tokyo in 1982 and the second in Beijing in 1984.

Delegation Hosted at Reception

OW162045 Beijing XINHUA in English 1947 GMT 16 Apr 86

[Text] Tokyo, April 16 (XINHUA) -- Appeals for concerted efforts to promote Sino-Japanese friendship were made at a reception given here today in honor of the Chinese delegation to the third meeting of non-governmental personages between the two nations. The Japanese committee on the Council of Japanese-Chinese Non-governmental Personages hosted the reception, which was attended by over 200 people.

In his toast, Masayoshi Ito, president of the Japanese Dietmen's League for Japan-China Friendship, called for hard work by the two peoples to promote their friendly relations, which are important to peace in Asia and the whole world.

Wang Zheng, chairman of the Sino-Japanese Friendship Association and head of the Chinese delegation, predicted that the meeting will contribute to friendly exchanges and cooperation between the two nations in various fields.

Japanese Chief Cabinet Secretary Masaharu Gotoda, who was also invited to the reception, said that a free and frank discussion between personages of economic circles and scholars from the two nations will benefit the development of Sino-Japanese relations. The four-day meeting was opened here yesterday.

Nakasone Stresses Friendship Ties

OW171212 Beijing XINHUA in English 1151 GMT 17 Apr 86

[Text] Tokyo, April 17 (XINHUA)--Friendly and cooperative relations between Japan and China can prevent superpowers from starting a new world war and ensure peace in Asia and the whole world, Japanese Prime Minister Yasuhiro Nakasone said today.

During a meeting with members of the Chinese delegation to the third meeting of the Sino-Japanese nongovernmental personages, Nakasone called for strengthening links in politics, economy, science and technology, culture and other fields.

Wang Zhen, honorary chairman of the Chinese-Japanese friendship association who heads the delegation of the current meeting, expressed admiration for Nakasone's speech and said that the two countries should make greater efforts to resolve the existing problems so as to strengthen relations between the two countries. Chinese ambassador to Japan Zhang Shu attended today's meeting.

The Chinese delegation also paid a courtesy call today on Michita Sakata, speaker of the House of Representatives of Japan.

RENMIN RIBAO ON CLOSING OF DPRK ASSEMBLY SESSION

HK160313 Beijing RENMIN RIBAO in Chinese 10 Apr 86 p 6

[Special dispatch from Pyongyang by reporters Liu Zhengxue and Feng Zhiyuan: "The Fifth Session of the Seventh DPRK Supreme People's Assembly Closes"]

[Text] Pyongyang, 9 Apr -- The fifth session of the Seventh DPRK Supreme People's Assembly closed at the Wanshoutai [8001 1108 0669] Business Discussion [Yishi 6231 0057] Hall of Pyongyang this morning. Korean party and state leaders Kim Il-Sung, Kim Chong-Il, O Chin-U, Kang Song-San, Pak Song-Chol, Yim Chun-Chu, Yi Chong-Ok and so on attended the closing ceremony of the meeting. The meeting unanimously approved the "Law on Environmental Proection of the DPRK," the final state accounts for 1985, and the 1986 state budget.

In a speech at the closing ceremony of the meeting, Yang Hyong-Sop, chairman of the Standing Committee of the Supreme People's Council, said that the achievements scored at this meeting once again pointed to the great superiority of the state system of Korea holding out the prospect for a new victory in the struggle to build socialism.

It was reported that in 1986 Korea will continue vigorously developing mining, electricity, communications, transportation, and other capital industries, actively carrying out technological transformation and striving to raise the people's living standard.

SOUTH KOREAN DEMOCRATIC MOVEMENT 'FORGES' ON

OW142246 Beijing XINHUA in English 1515 GMT 14 Apr 86

["Democratic Movement in South Korea Forges Ahead by Gao Haorong" -- XINHUA headline]

[Text] Pyongyang, April 14 (XINHUA) -- The Democratic Movement in South Korea has continued to forge ahead amid growing antagonisms between the ruling and the opposition parties.

Countering the ruling Democratic Justice Party's proposal for not introducing constitutional revisions until 1989, the New Korean Democratic Party, the main opposition party, issued in early march a call for revising the constitution in the coming autumn and holding presidential elections in the autumn of 1987.

At the recent 129th parliamentary session, the New Korean Democratic Party reiterated its call for revising the constitution this year; otherwise it would boycott the next presidential elections.

The parliament dominated by the ruling Democratic Justice Party, however, turned down an opposition motion calling for the dismissal of the ministers of the interior, justice, culture and education for clamping down on a campaign for electoral reform.

Meanwhile, Catholic and Christian organizations in South Korea have joined the campaign for a constitutional reform that would allow a direct election of the presidency instead of the current college-electoral system favorable to the present "government."

These religious organizations also accused the "state-owned" radio and television network of spreading distorted propaganda. They launched a drive in mid-March calling on all Catholics and Christians to stop paying television receiving set fees. Professors at several universities have also joined the opposition campaign for constitutional reform. They issued a joint statement on April 10 demanding democratization, freedom of expression and school autonomy without political oppression.

The South Korean Bar Association issued a statement to the effect that they have identical views with the opposition on constitutional reform. It is believed that the opposition parties backed by students and people of other circles will work for a new surge of the democratic movement to mark the forthcoming sixth anniversary of the Kwangju Popular Uprising in May 17, 1980 and the 26th anniversary of the popular uprising in April, 1960 which toppled the then South Korean "president" Syngman Rhee and ended his 12-year-old dictatorship.

KING OF BHUTAN RECEIVES PRC ENVOY TO INDIA

OW151148 Beijing XINHUA in English 1036 GMT 15 Apr 86

[Text] New Delhi, April 15 (XINHUA) -- King Jigme Singye Wangchuk of Bhutan has said that the boundary between Bhutan and China can be demarcated to the interests of both peoples, Chinese Embassy sources said here today. While receiving Chinese Ambassador to India Li Lianqing in the Bhutanese capital of Thimphu on April 10, the king said relations between Bhutan and China are excellent.

A Bhutanese delegation for official talks on the boundary issue went to China in 1984 and a Chinese delegation visited Thimphu last year. "The two rounds of talks proceded smoothly and complete trust has been established between us," the king said. He announced that Bhutan is ready to send a delegation to China in early June to continue the border talks.

Referring to Bhutan's policy of good neighborly relations, he said, "We have no dispute with China. We have no serious problems with South Asian countries. Therefore we can fully establish genuine but not diplomatic good neighborly relations."

"We want to develop our economy systematically. We must be self-reliant and stand on our own feet. On the other hand, we must genuinely develop relations with our neighbors. It's very important to Bhutan, because we need good neighborly relations for our economic growth," the king said.

Li Lianqing said that China highly appreciates Bhutan's policy and its achievements in various fields and the Chinese Government wishes to promote good neighborly relations with Bhutan. Li Lianqing and his wife visited Bhutan from April 9 to 14 on the invitation of the Bhutanese Government. Bhutanese Foreign Minister Dawa Tsering met and had friendly talks with the Chinese ambassador.

INDIA SELF-RELIANT IN NUCLEAR TECHNOLOGY

OW162125 Beijing XINHUA in English 1927 GMT 16 Apr 86

[Text] New Delhi, April 16 (XINHUA) -- India has become self-reliant in nuclear technology, Minister of State for Science and Technology Shivraj V. Patil said in Parliament today. He said the country had technology for the establishment of reactors and production of heave water. It had also developed technology for the disposal of radioactive wastes.

India now has three nuclear power plants located in the states of Rajasthan, Maharashtra and Tamilnadu with a total power generation capacity of 1,273 megawatts. New nuclear powers stations are under construction in various parts of the country. India plans to achieve a target of nuclear power generation capacity of 10,000 mws by the year 2000. Patil said India needed more energy and the nuclear power would have to meet 21 percent of the requirement.

Reassuring Parliament that nuclear power plants and reactors were not hazardous to the public, Patil said the Indian Government had taken steps to see that the international limit on the emulsion of radiation from nuclear plants and reactors was not crossed.

There are presently 4,000 nuclear power plants in the world but "not a single person died because of radiation from those plants," as safety measures adopted in the establishment of such plants were very stringent, he said.

HU YAOBANG MEETS BELGIAN SOCIALIST DELEGATION

OW160510 Beijing XINHUA Domestic Service in Chinese 0837 GMT 15 Apr 86

[By reporter Zhang Rongdian]

[Text] Beijing, 15 Apr (XINHUA) -- Hu Yaobang, general secretary of the CPC Central Committee, reiterated here today that China is willing to have long-term relations of friendship and cooperation with developed countries. He made this remark when he met with the Belgian Flamand Socialist Party delegation, led by Chairman Karel van Miert, at the Zhongnanhai this morning.

Hu Yaobang exchanged views with Van Miert on peace and development in the world. Hu Yaobang said: Currently, most areas of the world are faced with economic recession. One of the important ways to help solve this problem is, instead of a short-sighted policy, developed countries should adopt an enlightened and far-sighted one to help developing countries. He said, though helping developing countries does not appear to bring short-term benefits, it will eventually benefit developing countries, once the former become developed.

Speaking on the peace issue, Hu Yaobang said: The danger of war still exists. However, the changes of preventing and stopping war are increasing year by year. World people are against war. He said: A united Europe adopting an independent policy is an important factor in stopping war. China follows an independent and peaceful foreign policy. Along with China, other Third World countries are important forces in maintaining world peace.

Van Miert expressed agreement with Hu Yaobang's views. He said: The Flamand Socialist Party holds similar views on the issues of peace and development with the Chinese Communist Party. The Flamand Socialist party stands for a united Europe. A united Europe can help the Third World and is good for the security of Europe as well.

During the friendly talks, Hu Yaobang expressed satisfaction over the fruitful economic cooperation between China and Belgium, and hoped that the scale of cooperation would further expand.

Van Miert said his party will do its utmost to develop Belgian-Chinese economic cooperation and friendly relations between the two countries and the two parties.

Zhu Liang, head of the International Liaison Department, was also present at the meeting. After the meeting, Hu Yaobang gave a luncheon to the Belgian guests.

QIAO SHI, ICP'S NATTA ON U.S.-LIBYA CONFLICT

OW162208 Beijing XINHUA in English 2154 GMT 16 Apr 86

[Text] Rome, April 16 (XINHUA) -- Italian Communist leader Alessandro Natta today stressed the joint efforts by Europe, China and non-aligned states to check the U.S. military action in the Mediterranean in order to solve the U.S.-Libya conflicts proproperly.

Natta, general secretary of the Italian Communist Party, made the remarks at the party's headquarters, where he was talking with Qiao Shi, Politburo member of the Communist Party of China (CPC) and secretary of the Secretariat of the CPC Central Committee.

Worried about developments in the Mediterranean, Natta said that terrorism should be condemned, but this problem cannot be solved by war at all.

Natta told Qiao, who is heading a Chinese delegation to the 17th Congress of the Italian Communist Party, that he noticed the Chinese Government's position on this issue. He called on Europe, China and non-aligned countries to work together to stop the U.S. war-oriented action in the hope of solving the conflicts between Washington and Tripoli properly. Natta said he thanked the CPC for sending a delegation to his party congress.

Qiao congratulated Natta on his re-election as general secretary of the Italian Communist Party. Deeply impressed by the successful 17th Congress, Qiao said he found that the Italian Communists are more united and self-confident. He said he is convinced that the party lines adopted at the 17th Congress will be surely carried out.

Qiao was also met by Valdo Spini, member of the Executive Committee of the Italian Social Party, this afternoon. Spini recalled the friendly relations between the two parties. He said, "We are all for China's foreign policy, and world peace should not be determined by the two superpowers." They also exchanged views on the situation in the Mediterranean.

PRC, TURKEY SIGN ACCORD FOR JOINT VENTURE

OW150948 Beijing XINHUA in English 0710 GMT 15 Apr 86

[Text] Ankara, April 14 (XINHUA) -- An agreement on establishing the first Sino-Turkish joint venture of an industrial company for producing small-sized hydro-turbine power generating sets was signed here today.

Under the agreement, the China Chongqing International Economic and Technical Cooperation Company will have 49 percent of the total shares of the capital of the joint venture, while the Lamas Company of Turkey will have 51 percent. The profit of the joint venture will be distributed in accordance with the share of the capital.

Before the formal establishment of the joint venture, the Lamas Company of Turkey will serve as the sole agent of China in marketing Chinese-made hydro-turbines in Turkey and China will send experts to Turkey to help in assemblying and installing the first batch of five to ten hydro-turbine power generating sets.

According to a market survey, Turkey's need for small-sized hydro-turbine power generating sets exceeds 50 sets every year and the annual sales of the sets reach over two million U.S. dollars.

PRC-POLISH SHIPPING LINKS 'FLOURISHING'

OW162327 Beijing XINHUA in English 2222 GMT 16 Apr 86

["Flourishing Chinese-Polish Shipping Links" -- (by Wen Youren and Shan Xi) -- XINHUA headline]

[Text] Gdynia, Poland, April 16 (XINHUA) -- Huge cranes are operating shipshape amidst a hive of activity as hundreds of cars and lorries are waiting for their turn to be loaded in China-bound colossal ships at anchor in this northern port city, which has witnessed a thriving Chinese-Polish shipping interflow over the past 35 years. A rally is held today in Gdynia, site of the subsidiary of the Chinese-Polish joint-stock whipping company whose headquarters are based in Shanghai, eastern China, to mark the 35th anniversary of the founding of the company.

Established in 1951, one year and a half after the founding of a new China, the company was entrusted with opening up a shipment channel between China and Europe in efforts to break the blockade imposed against China. The enterprise has survived all other Chinese-foreign joint shipping companies. For 35 years, shipments by the company have amounted to 22.5 million tons and its annual freight volume reached 1.03 million tons in 1985. The company has made an outstanding contribution to socialist construction in China and Poland and to the friendship between the two countries.

Working on "the modern sea silk road" as it is known to some poeple, the company, which now boasts a fleet of 23 ships, undertakes much of the shipments in Chinese-Hungary and Chinese-Czechoslavak trade in addition to those between China and Poland. While the ancient silk road facilitated the flow of culture between China and west Asia 2,000 years ago, today silk only takes up a tiny part among the nearly 100 sorts of commodities shipped from China.

Chinese-Polish trade has grown rapidly in recent years. In 1984, the turnover of two-way trade hit an all-time high, reaching 460 million Swiss francs. The next year, trade agreements signed between the two countries envisaged 1.3 billion Swiss francs. In 1986, bilateral trade is expected to rise to 1.5 billion Swiss francs. A total of 18,000 tons of Chinese tea will arrive in Poland, making China number one tea supplier of the country. In turn, shipments of cars, lorries and coal mining equipment are going to China.

HONECKER NOTES IMPROVEMENT IN TIES WITH PRC

OW172225 Beijing XINHUA in English 2105 GMT 17 Apr 86

[Text] Berlin, April 17 (XINHUA) -- The Democratic Republic of Germany (GDR) will give priority in its foreign policy to effective actions towards arms limitation and disarmament so as to head off nuclear war, prevent the militarization of space and abolish nuclear weapons. The remarks were made by General Secretary Erich Honecker in his report delivered to the 11th Congress of the Socialist Unity Party of Germany (SED), which opened here today.

Honecker, who is also chairman of the GDR Council of State, condemned the U.S. Strategic Defense Initiative (SDI) as a "destructive policy" and said that the support to SDI by the government of the Federal Republic of Germany is complicating her relations with the socialist countries and harming the interests of security and cooperation in Europe.

Honecker called for a ban on nuclear tests and urged U.S. President Reagan and Soviet leader Gorbachev to meet again to work out such a ban. The first step in ridding the world of nuclear weapons must be to stop incessantly testing new ones and this chance should be seized by arranging such a meeting, he said.

While stressing the continuation of a foreign policy to safeguard peace through political dialogue, Honecker said his country will continue to work for the normalization of the international situation and a return to detente.

Honecker denounced once again the U.S. air raid on Libya and expressed the GDR's solidarity with the struggle of the Libyan people.

Honecker voiced his support for direct and substantive talks between the Council for Mutual Economic Assistance and the West European Economic Community.

On the relationship between the two Germanys, Honecker said to safeguard peace remained the pivotal issue and his country attacked great importance to the joint statement of March 12, 1985 and was in favor of strict observance and full implementation of the quadripartite agreement of September 3, 1971 as regards West Berlin.

Honecker said that systematic expansion of the fraternal alliance with the Soviet Union and other socialist countries was also of prior importance in the GDR's international strategy in the coming years.

On relations with China, Honecker said: "We are gratified to notice a welcome improvement of relations between the GDR and China in the political, economic and cultural spheres." He stressed that the evolving cooperation between the two countries was having a positive impact on the struggle of preserving peace.

Honecker supported the proposal for convening an international Middle East conference with the Palestine Liberation Organization participating. He said the war between Iran and Iraq must be ended as soon as possible.

CANADA'S TRUDEAU, BUSINESSMEN WELCOMED IN BEIJING

OW161920 Beijing XINHUA in English 1530 GMT 16 Apr 86

[Text] Beijing, April 16 (XINHUA) -- Former Canadian Prime Minister Pierre Elliott Trudeau and a delegation of Canadian entrepreneurs led by him were welcomed here this evening by the China Council for the Promotion of International Trade. Jia Shi, chairman of the council, called the delegation's visit to China "a great event in Sino-Canadian economic and trade relations."

At a banquet in honor of the guests, Jia said since diplomatic ties were established between China and Canada friendly cooperation has expanded and trade increased. "Now, Canada has become one of our major trade partners, and the Canadian Government and people from industrial and commercial fields attach great importance to the exploration of Chinese markets," he said. He hoped that the Canadian entrepreneurs would help alleviate the trade imbalance which is currently in favor of Canada. Jia stressed that there is a broad vista for Sino-Canadian economic and technological cooperation and trade. "We hope more and more industrialists and bankers will invest in China and carry out economic cooperation on the basis of joint ventures or in other forms," he added.

In reply, Trudeau said that Canada's business cooperation with China shows that it has faith in China as an important stabilizing factor in the world. He expressed the belief that the economic and trade contacts between the two countries would promote mutual help and understanding, as well as increase the factor of safeguarding world peace.

Huang Hua, vice-chairman of the National People's Congress Standing Committee, attended the banquet.

This morning, Jia Shi and Trudeau exchanged views on expanding the economic and trade relations between the two countries. The delegation arrived here yesterday.

Meet Deng Xiaoping

OW170644 Beijing XINHUA in English 0630 GMT 17 Apr 86

[Text] Beijing, April 17 (XINHUA) -- Deng Xiaoping, chairman of the Communist Party Central Advisory Commission, met here today with former Canadian Prime Minister Pierre Elliott Trudeau. Deng, who met Trudeau on his 1973 China visit, said it was a pleasure to meet an old friend. Trudeau thanked Deng for remembering their friendship. He also congratulated the Chinese people's on their achievements over the past few years.

Zhao Ziyang Hosts Dinner

OW172023 Beijing XINHUA in English 1540 GMT 17 Apr 86

[Text] Beijing, April 17 (XINHUA) -- Chinese Premier Zhao Ziyang met former Canadian Prime Minister Pierre Trudeau, who is heading a delegation of Canadian entrepreneurs here, this evening at the Diaoyutai State Guesthouse and hosted a dinner in his honor. Earlier, Canadian Ambassador to China Richard V. Gorhav gave a reception at his residence on the occasion of Trudeau's visit here.

'EXCERPTS' OF SEVENTH 5-YEAR PLAN RELEASED

OW140100 Beijing XINHUA in English 0031 GMT 14 Apr 86

["Excerpts from China's Seventh Five-Year Plan (1986-1990)" -- XINHUA headline]

[Text] Beijing, April 14 (XINHUA) -- The following are excerpts from China's Seventh Five-Year Plan for Economic and Social Development (1986-1990), approved on April 12, 1986 by the Fourth Session of the Sixth National People's Congress:

The Seventh Five-Year Plan of the People's Republic of China for Economic and Social Development (1986-1990): Excerpts approved on April 12, 1986 by the Fourth Session of the Sixth National People's Congress

Introduction

The period of the Seventh Five-Year Plan for Economic and Social Development is crucial for the comprehensive reform of our economic structure. It is also important because during this period we must make the material and technological preparations and train personnel so as to ensure greater economic progress during the 1990s. In order to attain by the end of the century the magnificent goals set by the Communist Party of its Twelfth National Congress and build a socialist society with Chinese characteristics, it is absolutely essential for us to have an overall plan for the next five years and to carry it out successfully.

In drawing up the Seventh Five-Year Plan, we have done our best to make it realistic and feasible, basing it on a comprehensive assessment of our country's economic and social realities. We have taken into consideration the remarkable achievements already scored and other favourable conditions for further advance, and we have also tried to anticipate the problems and difficulties that might arise.

During the period of the Seventh Five-Year Plan, we will continue the changeover of our strategy for economic development and our system of economic management from old models to new ones in accordance with the general requirement of building socialism with Chinese characteristics and with the basic principles of invigorating our domestic economy and opening to the outside world. To achieve our goals, we need to adopt the following guidelines:

-- Give priority to reform and make sure that reform and development are adapted to and promote each other.

-- Keep a basic balance between total social demand and supply and try to maintain a balance in state finance, credits, materials and foreign exchange and a general balance among these different sectors.

-- Give top priority to improving economic results and especially product quality, and correctly handle the relations between economic results and growth rates and between quality and quantity.

-- Further rationalize the industrial structure so as to keep pace with the people's changing demand patterns and with the modernization of the national economy.

-- Keep total investment in fixed assets within proper limits, rationalize investment patterns and accelerate the development of the energy, transport, telecommunications, and raw and semi-finished materials industries.

-- Shift the emphasis of development to the technological transformation, renovation and expansion of existing enterprises, and have them expand reproduction chiefly by intensive means.

-- Attach strategic importance to the advance of science and education, promote scientific and technological progress and speed up the development of intellectual resources.

-- Open wider to the outside world and link the development of the domestic economy better with expanded economic and technological exchange with other countries.

-- Further improve the material and cultural lives of both urban and rural residents on the basis of increased production and better economic results.

-- Promote the cultural and ideological advance of socialist society while furthering its material progress.

-- In all our efforts to build the country, maintain our tradition of hard work and thrift.

I. Major Tasks and Objectives for Economic Development

Chapter 1: Major Tasks

The major tasks set by the Seventh Five-Year Plan are as follows:

1. To create a favourable economic and social environment and maintain a basic balance between total social demand and supply, so as to facilitate the reform and to lay most of the groundwork for a new type of socialist economic structure with Chinese characteristics within the five years or a little longer.

2. To maintain a steady growth of the economy and, while controlling the scale of investment in fixed assets, vigorously push forward the construction of key projects, the technological transformation of enterprises and the development of intellectual resources, so as to prepare the materials, technology and trained personnel required for continued economic and social development in the 1990s.

3. To further improve the living standards of the people in town and country, on the basis of increased production and better economic performance.

Of the three closely-interrelated tasks, the first is the most important.

The work of the Seventh Five-Year Plan period can be divided into two stages, the first two years comprising the first stage and the last three years the second. In the first stage, efforts in economic construction will be focused on reducing excessive investment in fixed assets and checking the precipitous rise in consumption funds, so as to strike a basic balance between total supply and demand. In economic structural reform, efforts will be made to enhance macroeconomic control in order to stabilize the economy. At the same time we shall try to further invigorate the large and medium-sized state enterprises and to develop lateral economic ties among them. In the second stage, these tasks having been accomplished, we will push forward economic structural reform and step up production and construction to fulfill all the other tasks set by the plan.

Chapter 2: Economic Growth Rate and Economic Performance

1. Total output value of industry and agriculture

The total value of industrial and agricultural output for 1990, calculated in terms of 1980 constant prices, will be 1,677 billion yuan, a 38 per cent increase over 1985. This is an average annual increase of 6.7 per cent. The breakdown of this total is as follows:

Total value of agricultural output will be 353 billion yuan, up 21.6 per cent over 1985. This is an average annual increase of 4 per cent (or 6 per cent if the output value of village industries is included).

Total value of industrial output will be 1,324 billion yuan, up 43.4 per cent over 1985. This is an average annual increase of 7.5 per cent (or 7 per cent if the output value of village industries is excluded). Of this total, the output value of light industry will be 661 billion yuan and that of heavy industry 663 billion yuan, both increasing at an average annual rate of 7.5 per cent.

2. Gross national product

Calculated in terms of 1985 prices, the 1990 GNP will reach 1,117 billion yuan, an increase of 44.6 per cent over 1985, or an average annual increase of 7.5 per cent. The breakdown of this figure is as follows:

The contribution to GNP of primary industry will be 306 billion yuan in 1990, a 22.9 per cent increase over 1985, or an average annual increase of 4.2 per cent.

The contribution to GNP of secondary industry will be 530 billion yuan, a 45.2 per cent increase over 1985, or an average annual increase of 7.7 per cent.

The contribution to GNP of tertiary industry will be 281 billion yuan, an increase of 71.3 per cent over 1985, or an average annual increase of 11.4 per cent.

3. Economic Performance

We shall systematically adopt international standards for important products and increase the number and variety of new products. The amount of energy, measured in tons of standard coal, required to produce each 10,000 yuan of national income will be reduced from the 1985 figure of 12.9 tons to 11.4 tons by 1990. National labour productivity is expected to rise by an average of 3.8 per cent annually. In state enterprises and institutions, the proportion of investment in fixed assets for capital construction projects to be brought into operation will increase from 73.6 per cent in the period of the Sixth Five-Year Plan to 75 per cent in the period of the seventh. The average turnover period for budgetary circulating funds of state-owned industrial enterprises will be shortened from 101 days in 1985 to 96 days in 1990.

Chapter 3: Generation and Distribution of National Income

1. National income

In 1990, national income will reach 935 billion yuan, an increase of 38 per cent over 1985, or an average annual increase of 6.7 per cent.

Total consumption funds for the five years are set at 3,007 billion yuan, the average annual rate of consumption being 70 per cent of national income. Total accumulation funds are set at 1,315 billion yuan, the average annual rate of accumulation being 30 per cent of national income.

2. Consumption level of citizens

By 1990, the consumption level of citizens all over the country will reach 517 yuan per capita, an average annual increase of 5 per cent. The average annual increase for urban residents will be 4.2 per cent and that for rural residents 5.1 per cent.

3. Scale of investment in fixed assets

During the five-year period, the total amount of investment in fixed assets will be 1,296 billion yuan, of which 896 billion yuan will be invested in state enterprises and institutions, 160 billion yuan in collective enterprises and 240 billion yuan in private enterprises in town and country.

Of total investment in fixed assets of state enterprises and institutions, investment in capital construction will amount to 500 billion yuan, investment in updating equipment and technological transformation to 276 billion yuan and that in other projects to 120 billion yuan. The fixed assets of state enterprises are to grow by more than 600 billion yuan if five years.

Chapter 4: Finance and Foreign Exchange

1. State revenues

State revenues in 1990 will come to 256.7 billion yuan. Total revenues for the five-year period will be 1,119.4 billion yuan, an increase of 4-7.6 billion yuan over the previous five-year period.

2. State expenditures

State expenditures in 1990 will amount to 256.7 billion yuan. Total expenditures for the five-year period will be 1,119.4 billion yuan, and thus the budget will be balanced.

The major purposes of state expenditures will be as follows:

(1) To continue to guarantee the construction of key projects. The appropriations (including foreign loans) for capital construction in the five years will be 349.9 billion yuan, accounting for 31.3 per cent of the total state expenditure.

(2) To develop intellectual resources with more appropriations. In the five-year period, operating expenses for education, science, culture, public health and sports will total 201.6 billion yuan, an average annual increase of 8 per cent, which exceeds the growth rate of revenues from regular items.

(3) To promote reform of the price structure and the wage system.

Proper limits will be put on the growth of expenditures for national defence and administration.

3. Credit receipts and payments

The total credit available during these five years will increase by 474.5 billion yuan, while the total of credit actually used will grow by 574.5 billion yuan.

Credit will mainly be used to provide more loans for the circulating funds of industrial and commercial enterprises, for agriculture and for investment in fixed assets.

In accordance with the needs of expanded production and circulation of commodities, we will increase the issue of currency by an appropriate amount on the basis of growing savings deposits.

4. Foreign exchange receipts and payments

According to figures supplied by the Ministry of Foreign Economic Relations and Trade, the nation's total turnover of import and export in 1990 will amount to U.S. 83 billion, a 40 per cent increase over 1985.

While trying to earn more foreign exchange through export, we shall increase the amount earned from sources other than trade and economize on the use of all foreign currencies.

Chapter 5: Objectives for the Development of Science and Technology and of Education and Other Social Programmes

1. Scientific Research and technological progress

In the five years, the state will concentrate on 76 major scientific and technological research projects and 200 projects designed to develop technology and spread the use of significant research achievements. We whall try to attain major successes in new technological research projects that are of crucial importance and marked progress in the application of new technology to transform traditional industries. By 1990, the quality and properties of about 40 per cent of our major industrial products will have reached the level of advanced countries in the late 1970s or early 1980s.

Vigorous efforts will be made to open up areas of new and high technology and to intensify applied and basic research.

We shall also conduct in-depth research in social sciences.

2. Development of intellectual resources

The system of nine-year compulsory education will be gradually introduced. In the next five years the number of students graduating from full-time vocational and technical schools at the senior middle school level will increase by 110 per cent over the period of the Sixth Five-Year Plan.

The number of graduates of regular or special courses in institutions of higher education will increase by 70 per cent as compared to the preceding period, and the number of those who have completed postgraduate work by 350 per cent. Various forms of adult higher education will be expanded.

We shall also expand part-time training for cadres, workers and peasants by diverse means.

3. Other social programmes

We shall try to keep the average annual population growth rate at around 12.4 per thousand.

About 29 million new jobs will be provided in cities and towns in the five years.

We shall take more effective measures for labour protection and gradually introduce or improve systems of social benefits to meet the needs of the new situation.

We shall add 400,000 beds in hospitals above the county level.

We shall further improve the use of land, exploit and utilize natural resources more rationally and control pollution more effectively.

We shall further expand all cultural and sports undertakings.

II. Industrial Structure and Policies

Chapter 6: Targets and Principles for Readjustment of Industrial Structure

1. While prompting all-round developments of agriculture and steady growth in light and heavy industry, we shall emphasize improving the internal structure of all three sectors.

2. We shall speed up the development of the energy and raw and semi-finished materials industries and at the same time appropriately control the growth of ordinary processing industries, so that the two kinds of industries develop in better proportion.

3. Priority will be given to the development of transport and communications.

4. Vigorous efforts will be made to expand the building industry.

5. We shall accelerate the development of tertiary industry, which serves production and meets people's everyday needs.

6. We shall work hard to improve traditional industries and products by introducing new technologies, to develop knowledge- and technology-intensive products according to established priorities, to open up new areas of production and to promote in a planned way the creation and development of a number of new industries.

By 1990 the relative proportions of the major sectors of the economy will be as follows:

-- Of the total value of industrial and agricultural output, the proportion contributed by agriculture will drop from 23.9 per cent in 1985 to 21 per cent. The proportion contributed by light industry will rise from 38 per cent to 39.4 per cent and that of heavy industry will rise from 39.1 per cent to 39. 6 per cent.

-- Of the gross industrial product, the proportion contributed by tertiary industry will increase from 21.3 per cent in 1985 to 25.5 per cent, while that of primary and secondary industry taken together will drop from 78.7 per cent to 74.5 per cent.

Chapter 7: Agriculture

Section 1. Primary Tasks and Targets

During the Seventh Five-Year Plan period, we shall continue to consider agriculture the foundation of the national economy and to promote the all-round development of the rural economy.

Section 2. Structure and Rural Production

The following changes in the structure of rural production are anticipated by 1990:

-- Of total agricultural output value (not counting the products of village industries), the proportion contributed by crop farming will drop from 66 per cent in 1985 to 62 per cent, while that contributed by forestry, animal husbandry, aquatic and sideline production will rise from 34 per cent to 38 per cent.

-- Of total output value in rural areas, the proportion contributed by agriculture will fall from 57.7 per cent in 1985 to 51 per cent, while that contributed by industry, construction, transport, commerce and service trades will rise from 42.3 per cent to 49 per cent.

(1) Crop farming

We shall continue to act on the principle that we must never relax our efforts to increase grain production and to develop a diversified rural economy. Targets for average annual output of the main crops areas follows:

Grain: 415 million tons (425-450 million tons in 1990), which represents an increase of 12 per cent over the period of the Sixth Five-Year Plan.

Cotton: 4.25 million tons (4.25 million tons in 1990), which is slightly less than the average annual output during the preceding period.

Oil-yielding crops: 17.12 million tons (18.25 million tons in 1990), or 42 per cent more than during the preceding period.

Sugar-yielding crops: 63.85 million tons (68.75 million tons in 1990), or 40 per cent more than during the preceding period.

To fulfill the grain prodution quota, we will make sure that land allocated for the purpose is not reduced and we will strive to raise per-unit yield. Cash crops will be produced in accordance with changes in market supply and demand. Adequate land will be reserved for growing vegetables in city suburbs. Cities will depend mainly on their suburbs for vegetables, drawing additional supplies from the distant outskirts and trading with other areas. Land planted to fodder and crops that are designed to add nutrients to the soil will be increased.

(2) Forestry

Our principle is to continue to stress afforestation. In five years 27.70 million hectares of land throughout China will be planted to trees so that total forest cover will increase from 12 per cent in 1985 to 14 per cent in 1990. We shall plant trees on uncultivated mountains, hills and waste land and protect them by restricting access to forests.

We shall continue to build shelterbelts in the northwest, north and northeast, and we shall afforest the areas along the upper and middle reaches of the Chang Jiang (Yangtze) River to conserve water and prevent soil erosion. We shall accelerate afforestation on the plains in drainage areas of rivers and streams and to plant trees on the fringes of villages, along rivers and roads and around homes. We shall exercise more effective government administration over forestry and put a stop to destructive lumbering.

(3) Animal husbandry

In 1990 targets for the output of major animal products are as follows:

Meat: 22.75 million tons, an increase of 19.7 per cent over 1985.
Milk: 6.25 million tons, a 2.1-fold incresae over 1985.
Eggs: 8.75 million tons, an increase of 65 per cent over 1985.

In developing animal husbandry, we shall place equal emphasis on farming and pastoral areas and encourage peasants and specialized households to breed livestock supplemented by the state and collectives in the endeavour. As animal husbandry increases, we shall focus on improving breeds to increase their marketability. An animal husbandry network will be gradually established on the outskirts of large and medium-sized cities, combining stock breeding, fodder production, livestock raising, processing of animal products and consultant services. We shall promote the development of pastures and make better use of the grassy hills and slopes in south China.

(4) Aquatic production

We shall continue to develop aquiculture, fishing and processing simultaneously, with emphasis on the first, but there will be different priorities in different areas. The target for output of aquatic products in 1990 is 9 million tons, an increase of 29 per cent over 1985.

(5) Township enterprises

In 1990, the total output value of township enterprises is expected to be 460 billion yuan, a twofold increase over 1985. We should actively support the development of township enterprises, plan them rationally, give them correct guidance and improve their management. In setting up township enterprises, all localities should rely mainly on their own accumulated funds and undertake only such projects as are within their capacity. They should make steady advances, avoid acting blindly, and ensure that they do not pollute the environment.

Section 3. Water Conservancy and Meteorology

(1) Water conservancy

We shall continue to increase flood-control capability for the Huang He (Yellow), Huai He, Hai He, Chang Jiang, Zhu Jiang (Pearl), Liao He and Songhua rivers, particularly in their major sections. We shall initiate in the east the first phase of a project to divert water from south to north China, so as to relieve shortages of water for industrial and agricultural uses in Beijing, Tianjin and Hebei Province. We shall carry out new water control projects at selected places in the valleys of small and medium-sized rivers. We shall also strengthen the management of existing projects and provide them with all supporting facilities to make them more effective.

(2) Meteorology

In the five years we shall build a system for gathering meteorological data by a polar-orbiting weather satellite for their processing and for transmitting the resultant information and put up a radar network to monitor rainstorms along the Chang Jiang river valley. We shall also complete most of the construction for national, regional and inter-provincial communications networks for the meteorological service. We shall also accelerate the building of a mid-range weather forecasting system.

Section 4. Major Policies and Measures

We shall further develop different forms of the responsibility system linking remuneration with output, and different forms of co-operation and joint management between undertakings on the basis of voluntary participation and mutual benefit. We shall continue to reform the agricultural planning system and the system of unified and fixed state purchasing of farm products. We shall improve the soil; spread the use of fine crop strains; improve agricultural techniques, operations and management; increase supplies of chemical fertilizers, pesticides, plastic sheeting, farm tools and electricity in the rural areas; and promote mechanization. We shall increase state investment in agriculture, with emphasis on infrastructural facilities, at the same time expand accumulation of funds in agriculture.

Chapter 8: Consumer Goods Industry

Section 1. Basic Tasks

To accomodate the people's rising consumption levels and changing consumption patterns, we shall vigorously promote an all-round development of the consumer goods industry. It is expected that in 1990 output of consumer goods will be 40 per cent greater than in 1985.

Section 2. Development of Major Sectors

(1) Sugar, tobacco and beverage industries

In 1990 the output of these products is expected to be as follows:

Sugar: 5.5-6.0 million tons, an increase of 23.6-34.8 per cent over 1985.
Cigarettes: 26 million cartons, an increase of 10.6 per cent over 1985.
Beer: 6.5 million tons, 2.1 times the amount produced in 1985.
Soft drinks: 3 million tons, a threefold increase over 1985.

We shall carry out technological transformation of existing sugar refineries and build a number of new ones to increase capacity by 1.6 million tons. We shall transform, renovate and expand a number of cigarette factories so as to improve quality and increase the proportion of low-tar and filter-tipped cigarettes. Beer production capacity will be increased by 3.5 million tons in five years.

(2) Textile and garment industries

-- Chemical fibre industry: the target output of chemical fibres for 1990 is 1.45 million tons, an increase of 500,000 tons over 1985. Production capacity will increase by 870,000 tons in the five years.

-- Cotton textile industry: the target output of cotton yarn for 1990 is 21.5 million bales and of cotton cloth 16.2 billion metres. The total number of open-end spinning heads will increase by 420,000 in the five-year period, and the number of modern looms go up by 13,000. In addition, 2.5 million spindles will be renovated.

-- Wool and linen industry: priority will be given to the development of wool-blend fabrics and coarse woollen fabrics.

-- Silk industry: emphasis will be placed on greater variety, quality and intensive processing.

-- Knitwear industry: efforts will be made to produce more cotton and cotton-blend knitwear and to increase the proportion of such products in the total output of the textile industry.

-- Garment industry: for 1990 the target output of garments is 2.8 billion pieces, an increase of 65 per cent over 1985.

(3) Durable consumer goods industry

In 1990, most of the components for television sets, refrigerators and washing machines will be produced domestically. In terms of both technical and economic norms, the components produced by most factories will match those of the developed countries. The 1990 output of television sets is expected to reach 15 million, of which 5 million will be colour sets, 22 per cent more than in 1985. The planned output of household refrigerators is 6.5-7.5 million, 4.7-5.4 times more than in 1985. Twelve million household washing machines will be produced, or 36 per cent more than in 1985.

(4) Other light industries

The 1990 output of machine-made paper and cardboard is expected to be 10 million tons, or 21 per cent more than in 1985. Paper-making capacity will increase by 2 million tons in the five years. The output of detergent is expected to be 1.4 million tons, an increase of 40.6 per cent over 1985. Efforts will be made to produce other products, including various small articles for daily use, in accordance with market demand and available resources.

Section 3. Major Policies and Measures

We shall give greater scope to the regulating role of price policies, gradually widening the price gap between top quality and average quality products. We shall thus help increase the varieties of products, improve their quality and develop new ones. In providing loans, allocating foreign exchange and supplying energy, raw and semi-finished materials and means of transport, we shall give priority to production of those goods for which there is greatest demand. A number of centres for the production of raw materials for the textile industry and other light industries will be built systematically. Associations of related enterprises will be organized around key enterprises.

Chapter 9: Energy

The target for total output of non-renewable energy in 1990 is the equivalent of 991 million tons of standard coal, representing an increase of 150 million tons over 1985 and an average annual growth rate of 3.4 per cent. The equivalent of 100 million tons of standard coal will be saved in five years.

Section 1. Power Industry

This 1990 target for national output of electricity is 550 billion kwh, 142.7 billion more than in 1985. In the five-year period, power generating capacity will be increased by 60-65 million kw, of which hydropower will account for 18.8 million kw. Generator installations with a total capacity of 30-35 million kw will be put into operation; this figure includes 8 million kw of hydropower.

A number of thermal power plants will be built in the major coal producing areas, coastal areas and areas that consume a great deal of electricity. Several big hydropower stations will be built along the upper reaches of the Huang He river, the upper and middle reaches of the Chang Jiang river and its major tributaries and of the Hongshui river. Medium-sized hydropower stations will be built in northeast and east China and in other regions. Nuclear power stations will be built at selected places. Efforts will be made to strengthen regional power grids.

The main policies and measures in this connection will be the following: all localities, departments and enterprises will be encouraged to pool funds to build power stations. The price lever will be used in regulating the supply and demand for electricity. Investment in the capital construction of state-planned power projects will be made by the Ministry of Water Resources and Electric Power. Control of the supply and distribution of electricity and of power grids will be tightened.

Section 2. Coal Industry

In 1990, total coal output is expected to reach a billion tons, or 150 million more than in 1985. In the five-year period, new mines will be opened with a planned production capacity of 318 million tons, of which 167 million tons will actually be produced by those that have been completed. The geographical distribution of this new capacity will be as follows:

-- North China: 111.5 million tons, of which 70.85 million will actually be produced.
-- Northeast China and eastern inner Mongolia: 65.65 million tons, of which 36.86 million will actually be produced.
-- East China: 62.96 million tons, of which 26.26 million will actually be produced.
-- Central-South China: 20.26 million tons.
-- Southwest China: 10.5 million tons.
-- Northwest China: 16.65 million tons.

The principal policies and measures will be as follows: Those coal mines whose products come under unified state distribution will be required to take overall responsibility for their input and output, so that they will try to produce more with less input. The emphasis in construction will be placed on technological transformation, renovation and expansion of existing coal mines. We shall continue to build small, medium-sized and large mines, especially the two former. Localities and departments will be encouraged to pool funds to operate coal mines. Assistance will be given to the construction of selected small and medium-sized local coal mines.

Section 3. Petroleum Industry

In 1990, the total output of crude oil is expected to reach 150 million tons, an increase of 25 million tons over 1985. The planned output of natural gas is 15 billion cubic metres, 2.14 billion more than in 1985. During the five years, oil extracting capacity is to increase by 60 million tons and natural gas extracting capacity by 3 billion cubic metres.

Principal policies and measures will be as follows: The practice of allowing enterprises to dispose of all oil they may product in excess of their annual quotas will be continued. Efforts will be made to renovate and expand old oil fields and to provide them with all supporting facilities. Managerial expertise and advanced technology will be imported and assimilated. We shall accelerate the prospecting for and development of natural gas, so as to reduce our lopsided reliance on oil.

Section 4. Energy Conservation and Reduced Use of Oil for Fuel

Further efforts will be made to launch technological transformation projects with a view to conserving energy. In the five years the state will build a number of key energy-saving projects. It will also build technologically advanced demonstration projects to set an example of low energy consumption combined with high economic performance. We shall experiment with more new techniques, technologies, equipment and materials and bring into widespread use those which save large amounts of energy.

In the period of the Seventh Five-Year Plan, efforts will be made to reduce the consumption of fuel oil by a planned total of 10 million tons. In 1980 40 per cent of all oil produced was consumed in the form of fuel; it is anticipated that in 1990 only about 18 per cent of the total will be so used.

Section 5. Rural Energy Resources

We shall encourage conservation of energy resources in rural areas. We shall try to spread the use of firewood- and coal-saving stoves and of methane-generating pits and to develop fuel forests. More small hydropower stations will be built in rural areas where there are sufficient water resources. Solar wind and geothermal energy will also be exploited.

Chapter 10: Raw and Semi-Finished Materials Industries

Section 1. Objectives

The targets for the output of major products in 1990 are as follows:

-- Steel: 55-58 million tons, an increase of 17.9-24.3 per cent over 1985;
-- Rolled steel: 44-46.5 million tons, an increase of 19.6-26.4 per cent;
-- Chemical fertilizers: 16.3 million tons, an increase of 22.1 per cent;
-- Soda ash: 3.5 million tons, an increase of 75 per cent;
-- Ethylene: 1.2-1.4 million tons, an increase of 84.3-115 per cent; and
-- Timber: 68-72 million cubic metres, an increase of 7.8-14 per cent.

The economic performance of these major industries will reach a new high.

Section 2. Construction Plans

We shall upgrade a number of key iron and steel projects and mining projects and build new ones so that the major equipment of all these projects is up to the level reached by developed countries in the late 1970s. Over the five years, we plan to increase steel-making capacity by 15 million tons, iron-smelting capacity by 12 million tons, rolling capacity by 14.5 million tons and iron-ore mining capacity by 42 million tons.

We shall promote production of three major synthetic materials. In the five-year period, the newly added production capacity for ethylene and synthetic resins will be 930,000 tons and 1,250,000 tons respectively, for synthetic rubber 100,000 tons and for synthetic fibre 180,000 tons.

We shall continue to give priority to the production of aluminium and to promote production of lead, zinc and copper. We shall arrange the production of tin, a traditional export, and other minerals that have been in short supply at home. In the five-year period the capacity to produce oxidized aluminium will be increased by 1,110,000 tons and the capacity to produce electrolytic aluminium by 420,000 tons.

We shall readjust the relative amounts of different fertilizers produced. We shall increase output of soda ash and other raw materials for basic industrial chemicals, promote the production of refined industrial chemicals and explore the production of new ones. In the period, we plan to increase our production capacity for nitrogenous fertilizer by 1.2 million tons, phosphate fertilizer by 730,000 tons, and soda ash by 2,600,000 tons.

We shall raise the efficiency of existing oil refining equipment and improve intensive processing. In the next five years we expect to achieve the capacity to process an additional 22.5 million tons of crude oil and to reprocess an additional 24 million tons.

We shall expedite the growth of the lumber industry and work hard to increase its output. We expect that output to be increased by 3.04 million cubic metres in five years. By 1990 the output of composition board will come to 2 million cubic metres.

Section 3. Major Policies and Measures

We shall institute different forms of the contract system, under which enterprises are responsible for their own input and output. We shall gradually reduce the quantity and variety of products covered by mandatory plans when possible, we shall import more raw materials and semi-finished products to be processed domestically. Localities, departments and enterprises will be encouraged to engage in raw and semi-finished materials industries. We shall systematically raise the prices of raw and semi-finished materials that are too low and price chemical fertilizers according to quality and seasonal demand. We shall use metals more efficiently, cut back consumption quotas for raw and semi-finished materials, develop substitute materials and do a good job of recovering and recycling waste materials.

Chapter 11: Geological Prospecting

We shall speed up mineral surveys and evaluation of reserves. We shall increase prospecting for oil, natural gas and coal and try to verify new reserves of these as well. We shall improve the general survey of gold, silver, copper, aluminium, lead, zinc, tin, sulphur, borax and other mineral ores and try to locate additional exploitable reserves. At the same time, we shall promote work in hydrogeology and engineering geology and lay a solid foundation for geological work and research.

To accomplish all this, we will have to reform the management system for geological work and encourage the initiative of the geological teams. Localities, departments and enterprises should be compensated for the use of their geological prospecting results, so they will be encouraged to raise funds for projects in this field. We shall gradually introduce on a trial basis the system of bidding on geological work. We shall assemble a contingent of highly competent, mobile geological workers, build bases for field teams and gradually improve their working and living conditions. The technological level of geological prospecting will be raised and equipment upgraded.

Chapter 12: Machine-Building and Electronics Industries

Section 1. Objectives and Plans for Production and Construction

It is planned that by 1990 the total output value of China's machine-building and electronics industries will be 50 per cent greater than that of 1985. The major products of key enterprises should be manufactured according to international standards, so that in terms of quality half of such products will have reached the level attained by industrially developed countries in the late 1970s or early 1980s. Integrated circuits, computers, communciations equipment, software and other products will be up to advanced world standards. Efforts will be made to open up the world market so as to substantially increase the export of mechanical and electronics products. The specific plans are as follows:

To meet the need for increased production and conservation of energy, we shall promote the manufacture of power, mining and oil equipment. We shall bring our annual power generating capacity up to 10 million kw. and build the corresponding equipment for transmission and transformation. We shall increase our capacity to produce power station boilers, ancillary generators, etc., which are now in short supply. We shall try to develop complete sets of equipment for 20-million-ton class opencut mines, equipment for underground mining multi-purpose mining equipment, and equipment for large coal-washing plants and for large ore-dressing plants. We shall develop whole sets of oil drilling equipment and gradually learn how to manufacture key equipment for offshore oil exploration and for intensive oil processing. We shall develop new energy-efficient mechanical and electronics products and replace those that are energy-wasteful.

To speed up the development of transport services, we shall expand the production of transport equipment, making the manufacture of automobiles an important support industry. In 1990, we expect to produce 560,000 automobiles of all kinds, with production techniques for major models up to the level reached by developed countries in the early 1980s. We shall expand the production of rolling stock and raise our standards of commercial ship-building. We shall increase the manufacture of passenger and freight planes for use on domestic airlines as well as planes for specialized purposes.

To stimulate the raw and semi-finished materials industries, we shall accelerate the manufacture of equipment for the metallurgical, chemical and building materials industries. In co-ordination with the building of the second-stage project of the Shanghai Baoshan Iron and Steel Corporation, we shall manufacture modular sets of heavy metallurgical equipment. We shall also provide complete sets of advanced equipment, including continuous casting machines, rolling mills and blast furnaces, for the technological transformation, renovation or expansion of key iron and steel plants. To facilitate similar modernization undertaken by enterprises in the chemical industry, we shall provide modular sets of equipment for ethylene processing and for the production of chemical fertilizers, gas for urban use, soda ash and refined industrial chemicals. We shall promote the manufacture of plastics processing machinery and provide mechanized vertical kiln equipment for the technological transformation of small cement plants.

To foster new industries, we shall speed up the development of the integrated circuits, computer, communications equipment and software industries. We shall build bases for scientific research on and manufacture of integrated circuits and bring them into widespread use. We shall stress production of micro-computers and their peripheral equipment and at the same time develop computers of all sizes, including industry computers. We shall make greater efforts to develop and manufacture modern communications equipment, with emphasis on optical-fibre and terminal equipment. We shall work out policies for developing application software for computers.

To serve the needs of an expanded rural economy and the technological transformation of major industries, we shall organize the manufacture of farm machinery and machines for other specialized purposes.

To facilitate the technological transformation and expansion of the machine-building and electronics industries, we shall accelerate the development of basic machinery, meters and other instruments as well as of basic machine parts and electronic components.

We shall also try to increase the manufacture of mechanical and electronic products that are designed to raise living standards and to serve social development.

Section 2. Major Policies and Measures

Except for a few special enterprises, all machine-building and electronics enterprises will be placed under the administration of large or medium-sized cities. The enterprises will be given operating and managerial powers. It is essential to closely link management of these industries with management of the urban economy. We shall draw up regulations governing responsibility for the quality of products and strictly enforce them, setting up a regular system of quality control. We shall make unified plans for the technological transformation of the machine-building and electronics industries and for the introduction and development of new technologies in those fields. We shall promote co-ordination among specialized departments, step up scientific research and enhance our capacity to develop new products.

Chapter 13: Building and Building Materials Industries

The total output value of the building industry in 1990 is expected to be 229 billion yuan, an increase of 40 per cent over 1985.

The target for total cement output in 1990 is 180 million tons, a rise of 26.48 per cent over 1985. While promoting production of plate glass for windows, we shall explore new varieties of intensively-processed glass, such as large-sheet armoured glass, stained glass and heat-absorbent glass. We shall upgrade ceramic bathroom fixtures and increase variety. We shall develop new varieties of building materials for decoration, remodeling, panelling and ceilings. We shall also expand demonstration production lines of aerated concrete, building blocks and other partition materials that conserve energy and are made of waste materials. More use will be made of silicate and non-metallic minerals.

Chapter 14: Transport and Post and Telecommunications

Section 1. Objectives and Policies of Development

In 1990, the total volume of freight carried by all means of transport is expected to be 9.4 billion tons, an increase of 44.6 per cent over 1985. Of this, freight handled by transport departments will amount to 3.7 billion tons, a rise of 35 per cent over 1985, or an annual increase of 6.2 per cent. The anticipated passenger volume will be 8.5-9.0 billion persons, an increase of some 60 per cent. Target figures for the various sectors are as follows:

Volume of rail freight: 1.6 billion tons, an increase of 25.5 per cent over 1985.
Number of passengers carried by rail: 1.4 billion, an increase of 36.4 per cent.

Volume of freight handled by ships and barges: 600 million tons, up 23.2 per cent from 1985. Passengers carried by water: 299 million, 12.3 per cent more than in 1985.

Handling capacity of coastal harbours: 500 million tons, an increase of 51.5 per cent over 1985.

Volume of freight moved by highway transport departments: 900 million tons, an increase of 38.5 over 1985.

Volume of air freight: 2.5 billion ton-kilometers, nearly double that of 1985.

Total post and telecommunications business: 5 billion yuan, an increase of 70.1 per cent over 1985.

To attain these objectives, we shall adopt the following policies and measures: (1) Continue to operate transport and telecommunications services with funds raised by the state, collectives and individuals. Where conditions permit, encourage localities and departments to build harbours and piers for specialized use or establish airlines, with their own resources or with pooled funds. (2) Step up technological transformation, renovation and expansion of existing facilities to maximize their effectiveness. (3) Organize road transport to relieve the pressure on railways, link up river and ocean shipping and various means of relay transport. Promote container traffic and raise the efficiency and quality of transport services by land, water and air. (4) Continue to work steadily on structural reform. Civil airlines and post and telecommunications departments will be allowed to retain 90 per cent of their profits for their own use. A system will be established by which railway departments contract with the state to provide specified services and are responsible for their own profits and losses. Harbour authorities will make further efforts to separate the functions of government from those of enterprises. We shall continue to readjust chages for transport and postal and telecommunications services appropriately.

Section 2. Transport Networks.

To facilitate the transport of coal, it is essential to set up a transport network based on railways and incorporating highways, water routes, and port facilities. To implement the policy of opening to the outside world and to link the coastal cities by maritime shipping, we have to set up another transport network, based on harbours and incorporating rail, highway, water and air routes. To meet the demands of substantially increased passenger traffic, and to take the pressure off trains, we have to increase travel by highway and expand the capacity of rail, water and air transport.

We shall build a number of new airports, especially in the coastal cities opening to the outside world, and expand existing ones.

In the five-year period, we plan to complete 3,600 kilometres of new trunk railway lines, to double-track 3,300 kilometres of railways and to electrify 4,000 kilometres. We plan to build more than 1,600 kilometres of high-speed first-class highway and 10,000 kilometres of second-class highway. We plan to dredge 5,000 kilometres of inland river routes and to build and put into operation 120 deep-water berths and 80 small and medium-sized ones, thus increasing the cargo-handling capacity of ports by 200 million tons.

Section 3. Post and Telecommunications

During the period of the Seventh Five-Year Plan, China will install an additional 2.5-3.0 million telephones. A system of automatic or semi-automatic connections for long-distance calls between certain cities will be introduced. These will include provincial capitals, economic centres, coastal cities opening to the outside world and prefectures and municipalities in the economically developed eastern region. At the same time, domestic and international telecommunications and postal services will be actively developed.

Chapter 15: Commodity Circulation

Section 1. Circulation of Consumer Goods

It is projected that in 1990 the volume of commodity retail sales will be 646 billion yuan, 50 per cent greater than in 1985, or an average annual increase of 8.5 per cent. Of this total, sales of consumer goods will amount to 574 billion yuan, an increase of 51.5 per cent over 1985, or an average annual growth of 8.7 per cent.

To maintain a basic balance between the supply and demand for consumer goods, we have to do the following. We must ensure the fulfillment of the purchasing and distribution plans for a few farm and sideline products, such as grain, cotton and oil-yielding crops, that are vital to the national economy and the people's daily life. As for those farm products for which the system of unified and fixed state purchase has been abolished, state commercial departments must control their sources to make sure that adequate supplies reach the market. Purchase and supply of manufactured consumer goods must also be carried out properly. Controls must be further relaxed and channels of circulation must be unclogged. State commercial departments must control wholesale marketing of commodities that are in short supply so as to keep prices and the market stable. We must improve the forecasting of market demand and publish timely commercial predictions as guides to production and consumption. We must speed up the development of commercial enterprises. In 1990 we expect to have 25 million of them, including retail stores, restaurants, snack bars and service shops, or double the number in 1985. Fifty million people will be employed in these trades, again nearly twice as many as in 1985. Political and ideological work among them will be enhanced so that they will improve their attitude and offer better services.

Section 2. Circulation of Means of Production

While improving the overall balance of distribution of important materials and providing guidance for the distribution of other materials, we shall systematically cut back the number of them that are subject to distribution under state plans. We shall thus reduce the proportion of total social resources that is allocated by the state and expand the proportion covered by guidance planning and market regulation. We shall gradually improve the present system, according to which means of production are allocated by the state to administrative departments and regions, and let large and medium-sized cities organize their circulation, thus expanding the market for them. The state will improve the handling of means of production under its direct control. Those enterprises which refuse to accept orders in accordance with the state's distribution and allocation plans, or which fail to deliver goods according to contracts signed with the state, will be called to account and deprived of the right to sell their own products.

Section 3. Market Management

Registration and licensing will be strictly enforced. Small retailers operating without a business license and corporations and warehouses which have failed to register with the proper authorities will not be tolerated. It is forbidden to raise prices at will or by deceptive means. Illegal practices such as tax evasion, giving short weight and jacking up prices must be stopped. Fake merchandise and products that are inferior in quality or not up to health standards must be removed from the market according to law.

III. Geographical Distribution and Policy for Regional Economic Development

In developing China's regional economy, we must establish correct relations among the east coast, central and western regions. During the period of the Seventh Five-Year Plan and in the 1990s, we must speed up development in the east coast region, concentrate on building the energy and raw and semi-finished materials industries in the central region, and make active preparations for further development in the western region. We shall co-ordinate the continued advance of the east coast region with the development of the central and western regions, so that all three can support each other and promote each other's progress.

Chapter 16: Economic Development of the East Coast Region

Section 1. Objectives and Tasks

In the eastern region, the emphasis will be on technological transformation of traditional industries and existing enterprises and on creation of new industries. Knowledge- and technology-intensive industries and consumer goods industries will be developed to turn out advanced, high-grade, high-precision new products. We shall accelerate the development of special economic zones, coastal cities and other areas opening to the outside. These will gradually become our bases for conducting foreign trade, for training senior technical and managerial personnel and sending them to other parts of the country, and for disseminating new technologies and providing information and consultant services throughout the country.

The main tasks are: to raise the technological level of existing industrial enterprises and to upgrade and update their products; to develop energy resources and improve the transport network, so as gradually to ease the shortage of energy and the strain on transport; to expand agricultural production and readjust the structure of rural production; to expand tertiary industry, which serves production and people's daily life, in particular consultant services, banking, insurance and information services and to set up markets for manufactured items of everyday use and for farm and sideline products, as well as trading centres for means of production and for import and export commodities; and to promote tourism.

Section 2. Major Policies and Measures

(1) We shall quicken the pace of technological transformation of existing enterprises, with emphasis on those in Shanghai, Tianjin, Shenyang, Dalian and other old industrial cities and bases. At the same time, we shall make the best use of foreign funds from all sources, including Overseas Chinese, to introduce advanced technologies that we can apply and key equipment that we need.

(2) We shall apply the special preferential policies to develop, in a selective and systematic way, the special economic zones and coastal cities and other areas opening to the outside.

(3) We shall curtail the development of industries which consume large amounts of energy, materials and transport capacity of which cause serious pollution by gaseous, liquid or solid wastes.

(4) We shall gradually transfer manufacture of ordinary products to areas having abundant energy resources and supplies of raw and semi-finished materials. We shall promote the manufacture of products that can bring in more foreign exchange earnings through export.

(5) We shall master and assimilate imported advanced technologies, developing and applying them at home.

Chapter 17: Economic Development of the Central Region

Section 1. Objectives and Tasks

In the central region, we shall speed up the construction of the power engineering, coal mining, petroleum, nonferrous metals, phosphate mining and building materials industries. In the cities and areas that are comparatively well developed, we shall promote knowledge- and technology-intensive industries and new industries. We shall vigorously develop agriculture in order to ensure steady growth in the output of grain and cash crops.

Our major tasks in this region are as follows: we must accelerate the development of the energy and raw and semi-finished materials industries. The target for coal output in 1990 is a minimum of 580 million tons, an increase of more than 20 percent over 1985. For electrical generating capacity the 1990 target is 200 billion kwh. an increase of nearly 40 per cent over 1985. Production capacity for crude oil is to increase by at least 20 million tons in five years. By 1990, the output of steel is to total 16.80-17.85 million tons and that of rolled steel 13.90-14.80 million tons. We must step up the technological transformation of existing enterprises in the machine-building industry, to increase their productive capacity. We must fully realize the potential for increasing agricultural production and establish a number of commodity production bases for grain, soybeans, oil-yielding crops and sugar-yielding crops. Vigorous efforts must be made in afforestation, in the development of animal husbandry and the processing of animal products. We must develop the areas along the middle reaches of the Chang Jiang river, so that they can play an important role in stimulating progress in the western region.

Section 2. Major Policies and Measures

We shall appropriately increase investment in the development of the energy and raw and semi-finished materials industries in the central region. We shall try to master and assimilate advanced technologies and managerial expertise introduced from foreign countries and to promote economic ties with the other regions. The central region will receive in a planned way those industries that are to be transferred from the eastern region because they consume large amounts of energy or of raw or semi-finished materials. We shall help to develop local mining industries and step up the construction of transport lines connecting with the eastern region.

Chapter 18: Economic Development of the Western Region

Section 1. Objectives and Tasks

In the western region, we shall work to develop farming, forestry, animal husbandry and transport. We shall increasingly exploit energy and mineral resources on a selective basis and promote processing industries where local conditions permit. In cities and areas where the economic and technological level is relatively high, existing enterprises will undertake technological transformation.

The major tasks in this region are as follows:

-- to protect land reserved for growing grain, raise per-unit yield and annually reduce the amount of grain imported from other parts of the country;

-- to speed up the development of grasslands and pastoral areas, planting more trees and grass so as to improve the ecological environment and facilitate animal husbandry;

-- to accelerate the electrification of existing rail trunk lines and the construction of new lines connecting the western region with the other two;

-- to build more highways and open up new airline routes to sparsely populated areas;

-- to take advantage of the production capacity and high technology of defence industries and speed up the transfer of military technologies to civilian industries, encouraging their widespread use;

-- to open up areas for exploiting energy and mineral resources along the middle and upper reaches of the Huang He River and the upper reaches of the Chang Jiang River;

-- to develop the Sichuan-Yunnan-Guizhou border area so that it will gradually become a base for the production fo energy and raw and semi-finished materials;

-- to develop the Urumqi-Karamai region so as to make it an important industrial centre of Xinjiang.

The targets set for the western region in 1990 are: -- electricity: a minimum of 93 billion kwh.; coal: a minimum of 180 million tons; crude oil: a minimum of 8 million tons; steel: 7 million tons; phosphate fertilizers: 500,000 tons; grain: a minimum of 90 million tons; meat: 5.6 million tons; cured tobacco: 700,000 tons; and additional afforested areas: 1.74 million hectares.

Section 2. Major Policies and Measures

We shall raise the level of general and scientific knowledge of the people of various nationalities so as to train enough personnel for future development. We shall put more effort into general geological surveying and prospecting, so as to obtain data on exploitable mineral reserves and the hydrogeological and engineering-geological data necessary for large construction projects. We shall broaden the scope of cooperation and association with the central and eastern regions and increase exchanges among different areas and districts within the western region. We shall speed up the construction of frontier market towns and expand foreign trade and small-scale trade along the frontiers. We shall continue to give preferential treatment to the western region as in the period of the Sixth 5-Year Plan, and will take fresh measures to accelerate the developments of education and of the transport, energy and mining industries there.

Chapter 19: Economic Development of Old Revolutionary Base Areas, Areas Inhabited by Minority Nationalities, Frontier Areas and Poverty-Stricken Areas

Section 1. Old Revolutionary Base Areas

We shall develop transport services to promote the commodity economy in mountainous regions, and we shall build up farming, forestry and animal husbandry there as soon as possible. At the same time, in accordance with local conditions we shall develop aquaculture and processing industries for farm and animal products. Small iron and coal mines and hydropower stations will be built in accordance with local resources. Developed areas should take the initiative in helping the old revolutionary base areas develop economically.

Section 2. Minority Nationality Areas

We should take full advantage of the abundant natural resources in these areas. We shall improve conditions for farming and animal husbandry, increase grain output, step up the development of pasture land by planting trees and grass, and gradually create a balanced ecological environment. We shall push forward the development of the energy and raw and semi-finished materials industries and improve transport facilities. We shall promote trade among different nationalities and encourage the production of articles of daily use to meet the special needs of minority peoples. We shall accelerate the construction of educational and cultural facilities in these areas.

Section 3. Frontier Areas

We shall work hard to promote farming, forestry, animal husbandry, sideline production and local industries in the frontier areas and foster small-scale trade along the frontiers where conditions permit.

Section 4. Major Policies and Measures

The state will continue its policy to provide funds to aid the old revolutionary base areas, areas inhabited by minority nationalities, frontier areas and poverty-stricken areas. It will continue to reduce taxes levied on the people in these four types of areas. We shall also mobilize the appropriate department and units in economically developed cities and areas to give assistance to their counterparts there.

Chapter 20: Regional Co-operation and Networks of Economic Zones

Section 1. Regional Co-operation

(1) Plans of regional co-operation should be drawn up so that they can be co-ordinated with the state plan. We shall proceed from the principle of dividing responsibility for regional co-operation between the central and local authorities, the latter having the larger share.

(2) We shall encourage localities and departments to launch joint construction projects which are badly needed by the state. In allocating investment, the state will give special consideration to construction projects in the fields of energy, transport and raw and semi-finished materials.

It is imperative to work out appropriate methods of management and to formulate laws and regulations governing the management of jointly-owned and jointly-operated domestic enterprises.

Section 2. Networks of Economic Zones

(1) We shall accelerate the formation and expansion of a national network of economic zones. These will include the Shanghai economic zone, the northeastern economic zone, the energy production bases centering around Shanxi Province, the Beijing-Tianjin-Tangshan zone, the southwestern zone (Yunnan, Guizhou and Sichuan Provinces, Guangxi Zhuang Autonomous Region and the Municipality of Chongqing.)

(2) We shall establish a second-echelon network of economic zones linking provincial capitals, designated ports, and cities located along vital communication lines.

(3) We shall establish a third-echelon network of economic zones, with the cities directly under the jurisdiction of provincial governments as centres.

Section 3. Readjustment and Technological Transformation of Enterprises in the "Third-line Regions" (note 1)

(1) Those enterprises which are rationally distributed geographically, turn out marketable products and have good economic returns should continue to raise their technological level and improve their operations and management.

(2) Those enterprises which are basically successful but are operating under capacity due to shortages of energy, transport, information services etc. should nevertheless make efforts to upgrade their technology and increase their production capacity.

(3) Those few enterprises which are badly located, poorly market-oriented and unable to carry on should undergo readjustment. They should move to other places, convert to the manufacture of other products, amalgamate with other enterprises, suspend operations, or shut down.

Chapter 21: Urban and Rural Construction

We shall continue to adhere to the principle of controlling the size of large cities, developing medium-sized ones moderately and small ones actively. Thus, we shall prevent overpopulation in large cities but will develop a number of small and selected medium-sized cities. In 1990, we expect there will be at least 400 cities and 10,000 towns.

In this 5-year period new urban housing with floor space totalling 650 million square metres will be completed. Efforts will be made to alleviate acute water shortages in urban areas and to basically meet the needs of county towns throughout the country for drinking water. We shall improve urban transport and build more roads and bridges. We shall rapidly increase gas supplies and central heating systems so that in 1990 an average of 40 per cent of urban households will use gas for cooking, and more housing -- a total floor space of 50 million square metres -- will have central heating. We shall improve the environment by planting trees and grass and having better sanitation. In 1990 the tree- and grass-covered area will be four square metres per capita.

During the period of the Seventh Five-Year Plan new houses to be built in the rural areas will total 3 billion square metres in floor space. More factories and public facilities will be constructed in villages and towns.

Chapter 22: Land Use and Conservation of Soil

The major tasks are: to work out plans for the use of land and for soil conservation; to undertake general surveys and studies of our land resources; to take comprehensive measures to control selected major rivers; to improve the water supply in north China and in some of the coastal cities; to improve water and soil conservation, preserve and increase the fertility of soil and prevent or control desertification; to tighten control over land use and prevent the use of arable land for non-agricultural purposes; to speed up exploitation of mineral resources and ensure their rational utilization; to encourage the all-round development of mountainous regions; to plant more trees and grass and expand forest coverage; to intensifty the surveying, exploitation and control of marine resources; and to improve surveying and mapping services.

IV. Development of and Policies for Science and Technology

Chapter 23: Development Strategy for Science and Technology

1. We shall promote those scientific and technological innovations which promise the best and fastest results and put them into wide use. We shall apply new technology to improve traditional industries, techniques and products and step up the diffusion of such technology, so as to raise the production and technological levels of the whole society. We shall apply all kinds of scientific and technological achievements at different levels, to improve economic efficiency.

2. We shall concentrate on tackling key problems, achieving results in major scientific and technological research projects and applying these results to production and construction.

3. We shall work hard to develop new and advanced technology, especially micro-electronics, information technology and new materials.

4. We shall make a better use of advanced technology introduced from abroad in our domestic scientific and technological research.

5. We shall intensify applied and basic research, thus preparing the necessary scientific and technological basis for long-term development.

Chapter 24: Application and Dissemination of Scientific and Technological Achievements

During the period of the Seventh 5-Year Plan, the state is to undertake 100 pilot projects in key industries and another 100 projects that will enable us to master and apply the technologies of modular sets of equipment and to develop, disseminate and apply technologies for the manufacture of new products. At the same time, with a view to reinvigorating local economies, the state plans to carry out a "spark programme" consisting of scientific and technological demonstration projects for township enterprises. All the above projects will be chiefly designed:

-- to develop fine strains and breeds for farming, forestry, animal husbandry and fishery, and to disseminate techniques for producing high-yield varieties and for improving processing.

-- to develop new, high-quality matching sets of products of the textile industry and other light industries, emphasizing the production of foodstuffs, clothing and durable consumer goods.

-- to develop key technologies and manufacture key equipment needed in the energy, transport, communications, and raw and semi-finished materials industries.

-- to demonstrate the transformation of traditional technologies and promote the extensive application of micro-computers.

In order to accelerate the wide application of scientific and technological innovations, a number of workshops and production lines will be set up for experimentation and demonstration. Assistance will be provided to key research institutions, workshops, production lines and research bases with modern facilities will be established to undertake pilot-scale experiments. Ties will be strengthened between different departments, between different regions and between scientific research institutions and production enterprises. Payment will be made for transfers of technology.

Chapter 25: Tackling Key Scientific and Technological Projects

During the period of the Seventh 5-Year Plan, the state will give priority to 76 major scientific and technological research projects, divided into 349 sub-projects. The subjects of this research will include major new technologies and equipment, important new products, new areas of technology, soil conservation and social development.

To be successful in this research, we must adopt the following policies and measures: co-ordinate the plans for research programmes with the plans for technological transformation and the introduction of new technologies, and pool the energies of all sectors involved for joint research; work out overall plans for scientific and technological research projects, and ensure that the results are applied in production; introduce a system of different ways of administering funds for different categories of key projects and of partial repayment of funds invested in them; and experiment with public bidding.

Chapter 26: Basic Research

During the period of the Seventh 5-Year Plan and for some time thereafter, basic research will focus on projects which have the greatest potential for opening up new areas of technology and for the research of other technologies; projects which help to fully exploit China's natural resources; and those which will have an important impact on the development of science and technology.

A state natural science fund will be established to support basic research. With help from the state, 50 key laboratories will be established which will be open to the public.

Chapter 27: Research in Philosophy and Social Sciences

In research in the social sciences, we shall devote more effort to the study of the basic theories of Marxism-Leninism and to the study of major problems relating to the strategy for economic, scientific, technological and social development and the economic structural reform with focus on the cities. We shall try to achieve the best possible results, at the same time, we shall intensify studies in new branches of social sciences and in frontier sciences, so as to enrich research in this field.

V. Development of Education and Relevant Policies

Chapter 28: Elementary Education

We shall gradually introduce a system of 9-year compulsory education. In cities, developed areas in the coastal provinces and a few developed interior areas, the population is about one quarter of the total in the country. In those areas we shall make primary school education universal (in the few counties and townships where this has not yet been done) and make junior middle school education universal as well, while ensuring its quality. In the less developed towns and rural areas, where nearly half of our people live, we should give priority to making primary school education universal, ensure its quality and prepare to add another three years during the period of the Eighth 5-Year Plan. In economically backward areas, where the remaining quarter of the population lives, we shall spread elementary education to the extent possible. We shall work hard to develop pre-school education and to eliminate illiteracy among young and middle-aged adults.

Chapter 29: Vocational and Technical Education

To readjust the structure of middle school education, while continuing to operate regular senior middle schools well, we shall expand the number of vocational and technical schools, gradually forming a system of vocational and technical education with Chinese characteristics. In 1990, student enrollment in all types of full-time, secondary vocational and technical schools will be 3.6 million, an increase of 65 per cent over 1985. A total of nearly 10 million students will be graduated in the five years, 110 per cent more than in the period of the Sixth 5-Year Plan.

Chapter 30: Regular Higher Education

We shall continue to readjust the range of disciplines and undergraduates and postgraduate studies of institutions of higher education, and to improve the teaching conditions of existing schools and the quality of instruction. In 1990, 750,000 students will enter regular or special undergraduate programmes offered by various types of full-time institutions of higher education, an increase of 21 per cent over the 1985 figure, while 55,000 will be admitted to postgraduate programmes, an increase of 17 per cent over 1985. During the five-year period, at least 2.6 million students will be graduated from institutions of higher education, and 180,000 will complete postgraduate programmes.

While carrying out reform in the management system of education, the state will expand seven universities. It will strengthen certain key disciplines and equip a number of research laboratories and experimental stations. Government departments and localities should give priority to assisting those institutions and faculties that are affiliated with them. Certain institutions of higher learning which have good teaching and scientific research personnel and facilities and have more key disciplines will be turned into centres for research as well as education.

Chapter 31: Adult Education

In this five-year period, institutions of adult higher education will provide the state with 2.1 million specialists having qualifications at or above the level of college graduates. This is two and a half times the number graduated during the period of the Sixth 5-Year Plan. There will also be considerable development in adult secondary vocational and technical education.

In all forms of adult higher education, we shall continue to combine theoretical study with practice and to work for actual results and better quality. We shall prevent schools from claiming higher status than their curriculum warrants and students from blindly seeking after diplomas and certificates.

Chapter 32. Major Policies and Measures for the Development of Education

We shall streamline administration and delegate more power to lower levels, so as to eliminate excessive and rigid state control over schools at all levels. Through experiments of selected locations, we shall gradually put into practice a management system under which institutions of higher education will be run by key cities. Educational legislation will be reinforced and a comprehensive system of evaluation and supervision will be gradually established. Institutions will not be allowed to claim higher status than their curriculum warrants. We shall run teacher training schools and colleges well and build up a contingent of dedicated teachers. Educational appropriations by central and local governments will rise faster than their revenues from regular items, and the average educaitonal outlay per student will also increase steadily. We shall expand access to education through such means as radio and television. All institutions and schools should strengthen ideological and political work. They should implement the policy of promoting the moral, intellectual, physical and aesthetic development of their students so as to help the students to become better educated workers in socialist construction, men and women of moral integrity who observe discipline and cherish lofty ideals.

VI. Foreign Trade and Technological Exchange

Chapter 33: Import and Export

Section 1. Scale and Structure of Import and Export

In the five-year period, the total volume of import and export will grow at an average annual rate of 7 per cent, reaching U.S. 83 billion by 1990. Export will grow at a rate of 8.1 per cent and import at a rate of 6.1 per cent.

We shall continue to increase exports of petroleum, coal, non-ferrous metals, grain, cotton, etc. In addition, we shall gradually increase the proportion of manufactured goods in the total volume of export.

So far as imports are concerned, priority will be given to computer software, advanced technologies and key equipment, as well as to certain essential means of production that are in short supply on the domestic market.

Section 2. Policies for Increasing Foreign Exchange Earnings Through Export

We shall establish an integrated system for the production of export commodities and enhance our capacity to earn foreign exchange through export. In organizing production, in supplying funds, raw and semi-finished materials, fuel, power and packing materials, in assisting technological transformation and in providing transport services, we shall always give priority to export commodities. We shall encourage initiative in the production of export commodities by applying economic levers. The quality of export commodities must be improved, so as to make them more competitive in the world. We shall conduct investigations and study international markets and improve sales promotion and services. We must expand trade ties with all other countries and regions and make active efforts to open up new markets. We must faithfully observe contracts and deliver commodities on time, so as to maintain a good reputation in the world market.

Section 3. Management of Import and Export

To promote foreign trade we shall continue to reform the system by which is is managed. For some time to come, our most important task will be to strengthen macroeconomic control and the management system, and to regulate import and export by increased use of such economic levers as exchange rates, customs duties, taxation and export credits, to be supplemented with administrative means when necessary. As the macroeconomic management system gradually improves, we shall delegate more decision-making power to government departments and local authorities and, in particular, to enterprises engaging in export, in order to encourage them to expand foreign trade.

Chapter 34. Use of Foreign Funds and Introduction of Advanced Technology

Section 1. Use of Foreign Funds

In using foreign funds, we shall give first priority, to construction projects in such areas as energy, transport, communications and raw and semi-finished materials, and especially to projects for power generation, port facilities and the petroleum industry, and also to the technological transformation of the machine-building and electronics industries. We shall give second priority to projects that will increase our ability to earn foreign exchange through export and to produce substitutes for imports.

To use foreign capital effectively, we shall diversify the areas in which it is used, further improve the laws and regulations concerning foreign nationals and firms, and make investment more attractive to foreigners. Macro-control over the use of foreign funds will be improved so as to increase economic results and social benefits.

Section 2. Introduction of Foreign Technology and Expertise

In introducing foreign technology, we shall give priority to the transformation of existing enterprises. First we shall import technology and equipment that will help increase our capacity to export and to produce substitutes for imports.

We shall enhance our co-operation with foreign engineers and technicians and invite foreign experts to China to advise and consult with us.

Chapter 35: Special Economic Zones, Coastal Cities and Other Areas Opening to the Outside World

Under the guidance of the state plan, these cities and areas should systematically carry out construction and development with emphasis on key projects. We shall continue to apply special policies and flexible measures in Guangdong and Fujian Provinces.

In the special economic zones of Shenzhen, Zhuhai, Shantou and Xiamen, we shall make greater efforts to improve the existing infrastructure and develop supporting industries for projects that use foreign capital. We shall concentrate on completing construction in those areas where development has already begun, gradually building an export-oriented economy that is based on industry and advanced technology and earns foreign exchange through export.

The 14 open coastal cities and Hainan Island should, in the light of their own conditions and characteristics, exploit their advantages to introduce investment from abroad and establish lateral ties at home. In this way they will systematically expand economic and trade relations with other countries and technological exchanges with them. In planning new areas for economic and technological exchanges with them. In planning new areas for economic and technological development, the open coastal cities should adhere to the principle of expanding gradually and only in accordance with their capacity, so that each new undertaking will be successful and profitable.

In the open areas such as the Chang Jiang River and Zhu Jiang River deltas and the triangular area in southern Fujian Province, we shall gradually build an economic structure in which agriculture serves processing industry and processing industry serves trade. In these areas we shall rely on technological transformation and the introduction of advanced technologies to expand export and earn more foreign exchange.

Chapter 36: Contracted Projects in Foreign Countries, Sending Labour Abroad and International Aid

In carrying out projects abroad and supplying labour to foreign countries, we shall continue to abide by contracts, ensure quality, seek small profits and act in good faith, so that the work in this field will expand. We shall strive to improve our management of these projects and to open up new areas of business.

By acting on the principles of equality and mutual benefit, stress on practical results, diversity of forms and common progress, we shall continue to do our work well in offering or receiving aid.

Chapter 37: Tourism

To increase foreign exchange earnings and promote friendly contacts between people of different countries, we must expand our tourist industry. We plan to recieve 5 million tourists from abroad in 1990.

Under unified state planning, we shall mobilize all quarters to develop the places of interest to tourists. We shall speed up the training of people engaged in the tourist industry and expand production and sale of tourist commodities.

Chapter 38: Foreign Exchange Receipts and Payments

We must try to increase foreign exchange earnings and economize on their use, maintaining a basic balance and keeping necessary reserves. We shall tighten centralized control over foreign exchange and foreign loans, rationally readjust the spending of foreign exchange and rigorously enforce discipline in this regard.

VII. Investment Pattern and Policies

Chapter 39: Readjustment of Investment Pattern

1. Of total investment in fixed assets for state enterprises and institutions, funds spent for equipment renewal and technological transformation will increase from 27.9 per cent in the period fo the Sixth 5-Year Plan to 30.8 per cent. Of total investments in capital construction for state enterprises and institutions, funds spent on renovation and expansion will grow from 56 per cent to 57 per cent.

2. Of total investment in capital construction for state enterprises and institutions, Funds spent on energy, transport and communications will increase to 37.4 per cent as against 34.4 per cent during the period of the Sixth Five-Year Plan.

3. With the exception of necessary tourist facilities, we shall cut back on non-productive construction projects, such as office buildings, exhibition halls and centres of all kinds. Housing will be built at a controlled pace. An appropriate ratio between investment in non-productive and productive construction will be maintained.

4. So far as geographical distribution of investment is concerned, priority will be given in the eastern region to technological transformation, renovation and expansion of existing enterprises, in the central region to the construction projects of the energy and raw and semi-finished materials industries, and in the western region to active preparation for development.

Chapter 40: Capital Construction Investment in Different Sectors

The total amount of investment in capital construction for state enterprises and institutions -- 500 billion yuan -- will be distributed as follows:

1. Funds to be allocated to the central departments will come to 375 billion yuan, which breaks down as follows: energy industry: 117.66 billion yuan, or 23.5 per cent of total investment, as against 22.4 per cent in the period of the Sixth 5-Year Plan; transport industry: 56.82 billion yuan, or 14.8 per cent of total investment, as against 12 per cent in the period of the Sixth 5-Year Plan (calculated in terms of the comparable factors); raw and semi-finished materials industries: 78.27 billion yuan; machine-building and electronics industries: 9.4 billion yuan; agriculture, forestry, water conservancy and meteorology: 14.68 billion yuan; textile and other light industries: 10.84 billion yuan; science, education, culture and public health: 9.98 billion yuan; commerce, foreign trade, banking, commodity inspection and customs: 6.45 billion yuan; defence industry, including scientific research defence and military engineering projects: 20.35 billion yuan; other sectors of the economy: 50.55 billion yuan.

2. Funds to be allocated by local authorities will total 112.5 billion yuan.

3. Investment in the four special economic zones in Guangdong and Fujian Provinces and in a nuclear power station in Guangdong will amount to 12.5 billion yuan.

Nine hundred and twenty-five large and medium-sized capital construction projects will be undertaken during the period of the Seventh 5-Year Plan. Of these, 350 will be projects started from scratch and projects for renovation or expansion of existing facilities. Four hundred and fifty projects will be completed and put into operation.

Chapter 41: Technological Transformation

Total investment in technological transformation and equipment renewal for state enterprises and institutions over the 5-year period will be 276 billion yuan, an 87 per cent increase over investment during the period of the Sixth 5-Year Plan.

Six hundred major projects for technological transformation will be launched. They will be carried out mainly in the following types of enterprises: (1) large and medium-sized key enterprises which are leaders in production technology and managerial skills and which, after the transformation, will reach or even go beyond the level of the advanced countries and thus serve as models; (2) old enterprises which are vital to the national economy as a whole but which are technologically backward; and (3) enterprises which are responsible for earning foreign exchange and which have potentialities for export. In carrying out technological transformation of such enterprises, our goals should be the following: to improve economic performance, enhance product quality, economize on energy, reduce consumption of raw and semi-finished materials, develop new products, expand manufacture of high-quality brands and of products that are in short supply, improve occupational safety and welfare and control environmental pollution.

The machine-building and electronics industries should start technological transformation first.

Chapter 42: Control Over Investment in Fixed Assets

To improve economic returns on investment, we must restrict the scale of investment in fixed assets, especially that in capital construction. We must reassess the projects that are already under construction and tighten control over new ones, so that all projects will gradually proceed according to a rational construction cycle. We shall introduce various forms of the responsibility system in investment and promote different types of bidding for the design and construction of projects and competition among localities to attract such projects.

VIII. Objectives and Tasks of Economic Structural Reform

Chapter 43: Tasks and Stages of the Structural Reform

In economic structural reform, during the period of the Seventh 5-Year Plan we shall concentrate on the following three interrelated tasks:

1. to further invigorate enterprises, especially large and medium-sized state enterprises, so that they become relatively independent economic entities, socialist commodity manufacturers and dealers with full authority for their own management and full responsibility for their own profits and losses;

2. to further expand the socialist commodity market and gradually improve the market system;

3. to gradually shift state control of enterprises from direct to indirect means, in order to establish a socialist macroeconomic control system. To regulate economic operations by gradually improving economic and legal means, administrative means being used only as a supplement when necessary.

Bearing these three tasks in mind, we shall restructure the planning, pricing, financial, monetary, labour and wage systems, so as to gradually develop a whole set of mechanisms which will integrate planning with marketing, microeconomic flexibility with macroeconomic control.

To fulfill the above-mentioned tasks and lay the foundations of a new economic structure, we shall carry out the reform in three stages. In the first stage, that is, during the next year or two, we shall continue to invigorate enterprises, especially large and medium-sized ones, and to expand lateral economic associations while strengthening indirect macroeconomic control. In the second stage, we shall develop the socialist commodity market by gradually reducing the scope of mandatory planning, reforming the pricing system and the price control system for means of production, improving the taxation system and reforming the financial and monetary systems. In the third stage, we shall establish a new organizational structure appropriate to the new economic structure, continue to solve the question of subordination of enterprises to proper authorities, remove the barriers between departments and between regions, eventually separating the functions of government from those of enterprises.

Chapter 44: Invigorating Enterprises

1. We shall further streamline government administration and delegate more power to lower levels. Except for a few special government departments and industries, no ministries, provinces or autonomous regions will exercise direct control over enterprises. City government functions must be separated from those of enterprises so that enterprises will become relatively independent socialist commodity manufacturers and dealers with full authority for their own management and full responsibility for their own profits and losses.

2. While continuing to consolidate different forms of the economic responsibility system, the large and medium-sized state enterprises should decentralize their accounting procedures to increase the responsibility of lower echelons. Some small enterprises may be contracted or leased to collectives or individuals for management.

3. An economic environment will be created in which enterprises of all kinds can compete on a more or less equal basis.

4. The leadership structure of enterprise will be improved. We shall gradually introduce a system under which the director or manager will assume full responsibility in order to give free rein to his initiative and enterprising spirit.

5. Lateral economic ties between enterprises will be promoted so that associations of enterprises will gradually take shape.

Chapter 45: Development of the Socialist Market System

Section 1. Gradual Improvement of the Market System Under Guidance Planning

We shall continue to expand the consumer goods market. As regards the circulation of commodities, we shall try to develop lateral connections between urban and rural areas, between regions and between cities. We shall gradually reduce the variety and proportion of means of production that are under unified state distribution so as to expand the market for them. We shall also open up and expand the markets for funds and technology and encourage a rational flow of labour.

Section 2. Reform of Pricing and Price Control Systems

Taking into full account the capacity of the state, enterprises and the people to withstand the strain of reform, we shall work steadily to establish a pricing system which better reflects value and the relations between supply and demand. We shall also introduce a commodity price control system under which some prices are set by the state, others are fixed under state guidance and still others are regulated by the market.

1. Except for a few major items whose prices will continue to be fixed by the state, price controls on consumer goods will be gradually relaxed and prices allowed to fluctuate according to supply and demand.

2. As for means of production, we shall combine relaxed price control with price readjustment. We shall reduce the proportion of products whose prices are set by the state and gradually readjust planned prices on important materials so as to narrow the gap between planned prices and market prices.

3. The fees charged by certain major public utilities and service trades will remain under state control and will be readjusted in a planned way. Price control in the other service trades will be gradually relaxed.

4. We must strictly control the scope and extent of chain-reaction price rises. We shall enforce discipline concerning prices, strengthening control and supervision.

Chapter 46: Improving Macroeconomic Control

1. We shall gradually shift the emphasis in our planning from direct control to indirect but more comprehensive control, chiefly using economic policies and measures to regulate the macroeconomy.

2. We shall introduce new, reasonable tax categories and readjust tax rates. With regard to tax categories, a distinction must be drawn among taxes which go to the central government, those which belong to local governments and those to be shared between the two. The introduction of reasonable categories and the readjustment of rates should serve the readjustment of the industrial structure and create conditions that will allow enterprises to compete with each other on an equal footing. Expenditures which are to be made by the central government should be distinguished from those for which local governments are responsible, so that each will manage its own financial affairs.

3. The People's Bank of China must exercise effective control over the amount of currency issued and the volume of credit through planning, policies and administrative management and by such regulatory means as credit, interest rates, and foreign exchange rates and reserves. Specialized banks should develop into enterprises, financially independent entities responsible for their own operations.

At the same time, we shall reform the wage system, improve economic legislation and supervision, establish economic information networks and gradually readjust the structure of government departments responsible for economic management.

IX. People's Life and Social Security

Chapter 47: Population

At the end of 1990 China's total population should not exceed 1.113 billion. We shall continue to attach great importance to family planning and make every effort to ensure its success.

Chapter 48: Employment

1. Employment in rural areas

We shall continue to encourage peasants to leave the land but not the village, drawing surplus labour out of agriculture by developing forestry, animal husbandry, fishery and township enterprises.

2. Employment in cities and towns

Within these five years jobs will have to be found for some 30 million people. We should explore all possibilities of employment, especially in collective and individual production, and develop tertiary industry, so that by the end of 1990, we will have basically full employment in cities and towns. We shall gradually improve working conditions for workers and other employees. We shall take measures to ensure health and safety in the workplace, reducing the incidence of injury, death and occupational disease.

Chapter 49: Personal Income and Patterns of Consumption

Section 1. Personal Income

It is anticipated that in 1990, average per capita net income of peasants will be 560 yuan, an increase of 41.1 per cent over the 1985 figure of 397 yuan. We expect that in 1990 total wages of workers and other employees will be 190 billion yuan, 54.5 billion more than in 1985. This figure represents an averge annual growth rate of 4 per cent. With regard to distribution of income, we shall continue to follow the principle of distribution according to work and to encourage some areas, enterprises and individuals to become prosperous first. We shall lay stress on overcoming egalitarianism but at the same time guard against excessive gaps in income.

Section 2. Patterns of Consumption

We expect that during the period of the Seventh Five-Year Plan patterns of consumption will change in the following ways: of total personal expenditure, the proportion that goes for food will decrease from 58 per cent in the period of the Sixth Five-Year Plan to 55 per cent, and the proportion that goes for fuel will drop from 4 per cent to 3 per cent. The amount spent on articles for use will rise from 13 per cent to 15 per cent and the amount spent on housing will rise from 8 per cent to 10 per cent. Expenditures for clothing will remain stable at 12 per cent and those for cultural and recreational activities and everyday services will rise from 4 per cent to 5 per cent. These goods and services will be available in greater variety and better quality.

Section 3. Policies and Measures for Guiding Consumer Choices

During the period of the Seventh Five-Year Plan and beyond, the diet of our people cannot improve very quickly, and there can be only a gradual increase in the consumption of meat, poultry and eggs. With respect to clothing, people will be encouraged to wear garments made of cotton, synthetics and blends, since consumption of woollen fabrics and leather products can be increased only to a limited extent. We shall increase supplies of electrical appliances that lighten household chores, make everyday living more convenient and enrich cultural life, but tighten control over production of air conditioners and combination heater/air conditioners, which consume large amounts of electricity. Urban residents will continue to use buses and bicycles as their chief means of transport, and production of motorcycles will be strictly controlled. In urban housing construction, we shall prohibit the building of large or luxurious flats. As for rural housing construction, we shall try to be economical in our use of land and especially to use little or no arable land.

Chapter 50: Public Health and Physical Culture

Section 1. Public Health Service

(1) We shall continue to promote preventive medicine and health education. By 1990, safe drinking water will be available for 80 per cent of the rural population, and over 85 per cent of the total population will have received inoculations.

(2) We shall build more key hospitals. During the period of the plan we shall increase the number of hospital beds by 400,000. The state will allocate funds to build 16 general hospitals, each specializing in one or more branches of medicine, and two modern hospitals with advanced equipment and techniques.

(3) We shall develop traditional Chinese medicine, especially by establishing centres for research in Chinese pharmacology. We shall increase the number of institutions, hospitals and hospital beds for traditional Chinese medicine, so that most cities and counties will have a hospital or clinic where it is practised.

(4) We shall train more professional health workers. During the period of the plan, their number will increase by 770,000, of which 560,000 will be doctors trained in both traditional Chinese and Western medicine.

(5) We shall step up medical research, concentrating on key projects for the study of the cause, prevention and treatment of common illnesses.

(6) We shall establish a state system of food and medicine control.

Section 2. Medicines

In the pharmaceutical industry, we shall adhere to the principle of quality firest. We shall make medicines more effective, readjust the industry's product mix, and strengthen pharmacological research, trying to open up new areas of service.

Section 3. Physical Culture

We shall build up our ranks of athletes and popularize sports so as to improve the health of the entire nation. The state will build a number of major sports facilities; local authorities will also build some in accordance with local conditions.

Chapter 51: Social Security

During the period of the Seventh Five-Year Plan, we shall try to gradually put in place a socialist social security system with Chinese characteristics. We shall establish the social insurance system, promote social welfare undertakings, continue to give preferential treatment to families of servicemen and revolutionary martyrs and provide relief to the needy. Social security funds will be raised through various channels. We must reform the social welfare management system, integrating socialized administration with work unit administration, but emphasizing the former. We shall continue to foster the fine tradition of mutual assistance among relatives, friends and neighbours.

Chapter 52: Environmental Protection

Section 1. Basic Tasks

By 1990, 50 to 70 per cent of major industrial pollutants will have been reduced to state-mandated emission levels. Measures will be taken to maintain the water quality of rivers, lakes, reservoirs and offshore waters. We shall make every effort to protect the environment in the major cities, to protect the rural environment and to preserve the ecological balance.

In carrying out technological transformation, renovation or expansion, enterprises should make the disposal of pollutants a prime consideration. In constructing new projects, we must see to it that pollution control is built into every stage of design, construction and operation. We shall encourage the multipurpose use of material resources and stop within a given time limit the manufacture of products that causes serious pollution. Pollution-monitoring networks will be established in cities and nationwide. We shall improve statutes and standards on environmental protection, promote public education in this field and organize relevant scientific research.

X. Building a Socialist Society That Is Culturally and Ideologically Advanced

Chapter 53: Cultural Undertakings

In promoting cultural undertakings, we shall adhere to the principle of serving the people and the socialist cause. We shall take into consideration both economic gains and social impact, giving greater weight to the latter.

Section 1. Literature and Art

Writers and artists should try to create works of strong ideological content and high artistic value. They should immerse themselves in the lives of the people and create works of quality that reflect the current economic reforms and the drive for modernization. To enrich people's lives, literature and art must flourish. This includes novels, poems, plays, operas, music, dance, traditional performing arts, acrobatics, painting, sculpture, photography, and so on. All professional troupes should restructure their system of management.

Section 2. Film, Radio and Television

The film industry will make every effort first to improve the quality of its products, then to increase production. Similarly, the radio and television industries will concentrate on programming quality and gradually increase their air time. It is expected that by 1990, radio broadcasting will reach 80 per cent of the population and television broadcasting 75 per cent.

Section 3. Press and Publications

The press and publishing industries should publicize and correctly explain the party's line, principles and policies and should propagate Marxism-Leninism and Mao Zedong Thought. At the same time, they should disseminate all kinds of knowledge -- general, scientific and technological -- that is useful for the country's economic and social development, and a wide range of information.

It is expected that in 1990, a total of 79.3 billion standard sheets of paper will be printed, an increase of 26.8 billion over 1985. These will include 50,000 book titles making a total of 9 billion volumes, 3.2 billion copies of periodicals and 28.6 billion standard sheets of newspaper.

Section 4. Cultural and Historical Sites, Museums, Libraries and Archives

By 1990, China will have about 700 major cultural and historical sites under protection. Those which are the responsibility of the central government or of provincial governments will be renovated a few at a time, according to a planned schedule, to protect them from weather and natural disasters. Two of our most important projects will be to build the Shaanxi Historical Museum and the Museum of the War of Resistance Against Japanese Aggression. By 1990, except in a few areas, every city and county will have at least a small library. We also plan to build more repositories for archives.

Section 5. Cultural and Recreational Centres

To enable the people to enjoy more leisure activities, collectives and individuals should pool their resources to build more cultural and recreational centres. County cultural centres should be renovated, including the practice rooms, office space for staff and other facilities. Township cultural stations should also be improved and expanded. We shall particularly promote cultural undertakings in areas inhabited by minority nationalities.

Section 6. Cultural Exchange With Foreign Countries

We shall promote contacts and exchange with troupes of foreign performing artists and individuals working in literature and art, radio, film, television, the press and publications, especially with those in Third World countries and in other key regions.

Chapter 54: Ideological and Political Work

1. We shall regularly educate the cadres and masses on current situation and our policies, so that they will understand and implement the major principles, policies and measures of the state. We shall also encourage them to cherish lofty ideals, observe discipline, uphold social morality and professional ethics and resist corruption by capitalist and feudal ideologies.

2. We shall build up our contingent of ideological and political workers and steadily raise their political quality and professional competence.

3. Cadres at all levels are expected to set an example by their fine style of work.

4. We shall constantly broaden the campaign to promote the "five things to emphasize, the four things to beautify and the three things to love" (note 2) and to create units that are models of these virtues.

5. We shall commend and honour heroes, model workers and advanced individuals and collectives.

Chapter 55: Socialist Democracy and the Socialist Legal System

We shall continue to strengthen socialist democracy and improve the socialist legal system, and to integrate them so that socialist democracy is institutionalized and written into law.

Administrative statutes will be drawn up in accordance with the provisions of the Constitution and of law so as to gradually institutionalize state administration. Government functionaries are expected to act strictly in accordance with the law, to overcome bureaucratism, eliminate all corruption and safeguard the legitimate rights and interests of citizens. The judicial departments should provide various legal services for economic construction and other undertakings. An understanding of the concept of legality and basic knowledge of the laws will be disseminated among all citizens. Departments of public security, state security organs and the judiciary will strengthen their work.

Chapter 56: Public Order

We shall further reform and strengthen the work of the public security and judicial organs. We shall continue to mobilize all sectors of society to bring about a fundamental turn for the better in the standards of social conduct and in public order and security.

(Note 1) "Third-line regions" is the term used to refer to the vast strategic interior regions of China. In view of the need to prepare for the possibility of war, in the early 1960s the Central Committee of the Chinese Communist Party and Mao Zedong proposed that the different regions of China be classified into first, second and third lines according to their respective strategic importance. -- tr.

(Note 2) The "five things to emphasize" are: behaviour, civility, hygiene, discipline and morals; the "four things to beautify" are: thoughts, words, deeds and the environment; and the "three things to love" are: the motherland, socialism and the Chinese Communist Party. -- tr.

JIANGSU'S CHANGSHU MERGES URBAN, RURAL AREAS

HK170145 Beijing RENMIN RIBAO in Chinese 9 Apr 86 p 1

[Report by Zhu Liang [2612 0081] and He Dongsheng [0149 2639 3932]: "Jiangsu's Changshu City Persists in Reform, Merges Urban and Rural Areas Into a Single Whole" -- capitalized passages published in boldface]

[Excerpts] Changshu City, Jiangsu Province, is carrying out in-depth, comprehensive economic restructuring and merging its urban and rural areas into a single whole. As a result, the superiorities of the urban and rural areas have been brought into full play and a new situation of sustained, stable, and coordinated development has emerged in industrial and agricultural production. Last year, total output value of the whole city exceeded 4.2 billion yuan, 34.7 percent higher than that in 1984; national income amounted to 1.56 billion yuan, topping that in 1984 by 31.6 percent; fiscal income was approximately 260 million yuan, surpassing that in 1984 by 36 percent; and rural per-capita income was 655 yuan, showing a net increase of 31 yuan as against that in 1984.

Over the past 3 years, especially in 1985, the Changshu City CPC Committee and government adopted a series of measures to reform the former situation in which the urban and rural areas were independent of and impeded each other.

CHANGE THE OLD CONCEPT OF ATTACHING GREATER IMPORTANCE TO URBAN AREAS THAN RURAL AREAS, AND PUT THE URBAN AND RURAL ECONOMIES UNDER UNIFIED MANAGEMENT. In 1984, the Changshu City CPC Committee and government, proceeding from the improvement of the economic management system in various trades and departments, reformed the management system detrimental to the merger of urban and rural areas and drew a unified plan for and exercised all-round supervision over the industrial and economic enterprises at the city, township, and village levels. Last year, they did a great deal of work to improve the management system, effectively eliminating the situation in which each enterprise acted in its own way and set its own rules and narrowing the differences between rural and urban industrial enterprises in methods of production and management and the quality of products. The production of the rural enterprises was brought into the orbit of the socialist planned commodity economy.

CHANGE THE OLD CONCEPT OF ORIENTING PRODUCTION TOWARD LOCAL MARKET AND SECLUDING LOCAL ENTERPRISES FROM THE OUTSIDE, AND STRENGTHEN THE FORMATION OF HORIZONTAL LINKS IN THE COMMODITY ECONOMY. In the whole city, more than 1,500 rural enterprises have established economic and technological relations with the urban areas. The industrial enterprises under the city authorities have rendered services regarding technology, equipment, and information, and the rural areas have established close links with these enterprises by offering their land, manpower, and funds, so that they complement each other and develop their advantages while avoiding their shortcomings. As a result, the urban industrial enterprises have upgraded their equipment and turned out better products and the rural industrial enterprises have also flourished.

CHANGE THE OLD CONCEPT OF NEGLECTING COMMODITY EXCHANGE AND WIDEN THE CHANNELS OF COMMODITY CIRCULATION IN URBAN AND RURAL AREAS. Last year, Changshu City took a broad step forward in reforming the system of commodity circulation and improving the relations between the urban and rural areas and the relations of the agricultural departments with the industrial and commercial departments.

First, it reformed the supply and marketing cooperatives by shifting them from "management by the government" to "management by the people," improved the rural companies engaged in multiple undertakings and services, and set up farm and sideline product purchase and marketing departments in various villages and townships. Second, it established a number of special and trade fairs, such as the industrial products trade center; the animal, poultry, and egg trade center; and the vegetable and fruit trade center. Third, it established businesses jointly operated by industrial and commercial enterprises and directly linked production with marketing. Fourth, while bringing the role of the state-run and collectively-run commercial enterprises into full play as the main channels of commodity circulation, it actively led the peasants in entering the sphere of commodity circulation.

SHANGHAI'S RUI XINGWEN ON PUBLIC SECURITY

OW111317 Shanghai City Service in Mandarin 0100 GMT 11 Apr 86

[Text] A Shanghai municipal public security meeting opened on 7 April. Yesterday, Rui Xingwen, secretary of the Shanghai Municipal CPC Committee, attended the meeting and addressed delegates and over 1,000 police cadres of various law enforcement and public security departments on how to transform Shanghai into an open, multifunctional, socialist, and modern city.

In his speech, Rui Xingwen reaffirmed the achievements made by Shanghai policemen and public security and law enforcement cadres in maintaining public order, saving people's lives, protecting people's property, and safeguarding economic construction. He also called on public security organizations at all levels to strengthen themselves organizationally and to become faithful supporters of the state and the party cherished by the people and feared by enemies.

At the meeting, (Li Xaohang), director of the municipal Bureau of Public Security, conveyed the guidelines set forth by the national meeting on political science and law and the meeting of directors of public security bureaus and departments, and outlined this year's task in public security for Shanghai.

Also attending the meeting were Shi Zhusan, secretary of the Political Science and Law Committee under the municipal CPC Committee; Wang Jian, vice chairman of the Standing Committee of the municipal People's Congress; and responsible persons of law enforcement departments in the municipality.

SHENZHEN CPC SECRETARY DISCUSSES ZONE'S INDUSTRY

HK171005 Beijing ZHONGGUO XINWEN SHE in Chinese 1402 GMT 11 Apr 86

[Text] Beijing, 11 Apr (ZHONGGUO XINWEN SHE) -- Recently there have been many comments, either favorable or critical, on the situation in the industrial development of the Shenzhen Special Economic Zone. How should we look at these opinions? This reporter brought this question to Liang Xiang in an interview. Liang Xiang is a people's deputy to the NPC and is secretary of the Shenzhen City CPC Committee.

Liang Xiang said: We should look at Shenzhen's industry fairly and should take a viewpoint of development and an overall viewpoint when judging the development of Shenzhen's industry. It we only take a one-sided viewpoint, we may reach quite different conclusions.

He said: Before the special economic zone was established, the industrial foundation in Shenzhen was very weak. There were merely some 200 factories which produced small farming tools in this city. In the past 6 years since the founding of the special economic zone, Shenzhen's industry has experienced a developmental process from a small scale with a small number of factories to a large scale with a large number of factories, and the industrial productive capacity has risen from a low level to a high level.

By the end of last year, Shenzhen City had more than 900 industrial enterprises which were engaged in the elections, textile, food processing, building materials, machine-building, and various light industries. Shenzhen has now exported 350 out of the 800-odd industrial products to overseas markets. The exports contribute to 41 percent of the total sales of industrial goods. Last year, the total volume of the export of industrial goods reached nearly $300 million.

Over the past 6 years, Shenzhen has concluded more than 4,700 contracts with foreign businessmen and companies for introducing new industrial technologies. Among them, more than 600 items involve sole investment projects of the foreign companies, Chinese-foreign joint ventures, and cooperative projects. Sixty-seven of these projects involve state-of-the-art technology. The total amount of all investments actually made by overseas investors has reached more than $318 million, or 28.3 percent of the agreed investment amount. The output value of the 181 operating enterprises which have foreign capital account for over 60 percent of the city's total industrial output value, and these enterprises export some 60 percent of the goods exported by the whole city. By the end of last year, the accumulated amount of industrial output value produced by the city had reached more than 5.9 billion yuan.

Liang Xiang pointed out: Shenzhen's industry is in the initial stage. Due to a weak foundation, the short time we have been working and the lack of experience, some problems have unavoidably appeared. The machine-building industry, for example, is still a weak link and equipment maintenance services cannot keep pace with the development of other industries. This has affected the comprehensive production capacity of industry as a whole. In addition, enterprise management is still not sufficient enough and horizontal support relations between enterprises in Shenzhen remain poor. The city still lacks technical strength to develop new products on its own and still lacks its own brand-name products. The channels leading to overseas markets have yet to be further opened.

Finally, Liang Xiang emphasized that although the industry in the special economic zone has not yet been built into an outwardly oriented one at present, this objective will eventually be achieved by making long-term and painstaking efforts. We are full of confidence and we will continue to make our way.

SICHUAN CONFERENCE ON INDUSTRIAL OUTPUT DECLINE

HK170326 Chengdu Sichuan Provincial Service in Mandarin 0030 GMT 15 Apr 86

[Text] In the evening of 14 April, the provincial government held a telephone mobilization conference on doing a good job in industrial and communication production. Vice Governor Ma Lin reported the industrial and communication production situation in this year's first quarter, and proposed specific suggestions on doing well in production in the second quarter. Vice Governor Pu Haiqing presided over the conference.

Vice Governor Ma Lin said in his speech: In January and February this year, the situation of the province's industrial and communication production was not very good. In March, various cities, prefectures and autonomous prefectures, as well as industrial and communication departments directly under the provincial authorities, adopted some measures. With their concerted efforts, the province slightly improved the situation of industrial and communication production. But the overall situation is still not good enough. Compared to the same period last year, the industrial output value dropped by 0.19 percent.

Vice Governor Ma Lin pointed out: Government at all levels, as well as all production departments and [words indistinct] enterprises directly under the provincial authorities, must be much concerned about the present situation of industrial production. They should adopt effective measures to promptly improve the development trend. They should strive to accomplish in an all-round way this year's tasks of industrial production. Therefore, the most important point at present is to grasp well the following tasks.

1. We should fill ourselves with enthusiasm, heighten our confidence and overcome fear of difficulty.

2. We should really implement the economic responsibility system within enterprises.

3. [Words indistinct] This is, we should provide assistance to enterprises which achieve high output value, make quality and marketable products, and achieve good economic results.

4. We should actively do well in raising and allocation of funds.

5. We should strengthen the links between industry and commerce, and further [words indistinct]

6. We must pay attention to distinguishing correct policies from incorrect ones. In particular, we must draw clear line of demarcation between normal operation and activities of enterprises and unhealthy tendencies. On the other hand, we must make a clear distinction between the implementation of responsibility system of factory managers and the practice of strengthening party leadership in enterprises.

7. We must [words indistinct]

8. Leadership at all levels must improve their work style. They should go down to the grass roots and handle the tasks, focusing on key points.

9. We should strengthen political and ideological education among workers.

BEIJING'S LI XIMING ON DISCIPLINE INSPECTION

SK170950 Beijing BEIJING RIBAO in Chinese 3 Apr 86

[Text] At a municipal discipline inspection work conference, which concluded on 2 April, Li Ximing, secretary of the municipal CPC Committee, pointed out in his speech that in order to effect a fundamental turn for the better in party style and social conduct as soon as possible, CPC committees, discipline inspection commissions, and relevant departments at all levels should pay close attention to the investigation and handling of major and appalling cases.

This conference was held by the municipal Discipline Inspection Commission. At the conference, a leading comrade of the municipal Discipline Inspection Commission summed up last year's discipline inspection work and worked out plans for this year's tasks. Discipline inspection commissions of Chaoyang District, Shijingshan District, Daxing County, the municipal urban construction and engineering company, and the municipal general machinery industrial company, and the CPC Committee of the municipal general construction and engineering company introduced their experiences in investigating and handling law and discipline violation cases.

Li Ximing said in his speech: Since the convocation of the central 8,000-person rally, the issues of improving party style and correcting unhealthy trends have drawn the attention of the masses of party members and party organizations. The "macro-climate" is unprecedentedly good, and will become increasingly better. The present opportunity is very good, and as long as we seize this opportunity, and promote the "macro-climate" of our municipality with the "macro-climate," we will certainly attain the goal of improving party style to bring along a turn for the better in social conduct.

Li Ximing continued: Unhealthy trends greatly corrode the party, corrupt social conduct, and undermine reform. Reform and the four modernizations cannot be completed, and party style and social conduct cannot be fundamentally improved at an early date without our firm determination and our great efforts to improve party style and correct unhealthy trends. The work to improve party style cannot be slackened even for a single day. A great amount of work remains to be finished in this regard. CPC committees and discipline inspection commissions at all levels should particularly attach importance to the investigation and halting of the major and appalling cases which seriously violate party and administrative discipline and criminal law. These cases should be investigated impartially and thoroughly no matter what levels and what persons are involved. For this purpose, leading persons should personally take charge of the work and establish the responsibility system for the handling of cases, with the number of cases, the persons handling the cases, the persons responsible for the conclusion of the cases, and time for concluding the cases designated. To accelerate the handling of cases, the municipal CPC Committee and government have transferred a group of cadres with higher ideological and policy levels to replenish the organs in charge of handling cases. Discipline inspection departments, public security, procuratorial and judicial departments, as well as finance, industrial and commercial administrative, auditing, tax, customs and price departments should cooperate in handling cases to ensure the quality of case handling, and to raise the case conclusion rate.

He pointed out: Because the investigation and halting of major and appalling cases are a complicated but important policy issue, we should be very prudent in dealing with the persons involved.

We should draw a clear demarcation line between mistakes in reform and abuse of power for selfish gains, between bureaucracy and unhealthy trends on the one hand, and law violations and crimes on the other, and should never cover up or plead over law violations and crimes by regarding them as bureaucracy or unhealthy trends. Measures should be adopted to deal with leading cadres and the masses differently when making them return the money or goods they have illegally gained, and the masses' interests should not be affected. Discipline violation cases committed before and after the issuance of relevant central documents and stipulations should be treated differently. Problems of a general nature should be solved in such a way that people are educated, and the people who continue to violate laws while we are opposing such acts should be punished more strictly. The small number of persons who violate party and administrative discipline and criminal law should be punished according to discipline or state law. In the meantime, CPC committees and discipline inspection commissions at all levels should pay full attention to educating cadres and party members with typical cases so that when a case is investigated and handled, a large number of people will be educated.

Comrade Li Ximing also urged CPC committees at all levels to render great support to discipline inspection work.

SHIFT OF HEBEI ARMED FORCES DEPARTMENTS PROGRESSES

SK170858 Shijiazhuang Hebei Provincial Service in Mandarin 2300 GMT 3 Apr 86

[Text] The provincial conference on handing over the county city and district People's Armed Forces departments was held at the provincial Military District from 2 to 3 April. Responsible persons in charge of this work and personnel of the general offices of various prefectural and city military subdistricts and garrison districts attended the conference. Leading comrades of the Beijing Military Region, and the provincial CPC Committee and government delivered speeches.

Experiences in this work of piloting units, including the People's Armed Forces Departments of Pingquan and Huanghua Counties and (Changan) District of Shijiazhuang City, were summed up and introduced at the conference. The conference urged the participants to thoroughly understand the guidelines of the central documents, clarify the important significance of and guiding ideology for handing over the People's Armed Forces departments, strengthen leadership and, proceeding from reality, formulate specific measures.

It noted that during the handing-over procedures, we should resolutely forbid fraud when admitting people into the party, making records of their meritorious services, maintaining their status as armymen, or changing their status into that of workers; forbid money being spending on any excuse, the transfer of funds, and fraudulent applications and claims; forbid private disposal of equipment and materials; forbid extravagant wining and dining and the private division of public property; and forbid giving parties, gifts, or souvenirs. Both military and local units should take the overall interest into account, stress party spirit and good workstyles, abide by discipline, and respect, trust, support and make allowances for each other.

The people's Armed Forces Departments should educate the cadres and soldiers to carry forward the glorious traditions of the PLA and do credit to the party and the Army with their actual deeds. Comrades of local units should also act as examples to welcome the masses of cadres of the People's Armed Forces departments which are to be transferred to the local authorities with the same feeling as they showed in welcoming the triumphant return of the People's Army in the war years.

During the handing over procedures, particular efforts should be exerted to make proper arrangements for old cadres so that they can lead a happy life in their remaining years.

The handing over of the province's People's Armed Forces departments started in April, and will be completed by the end of May.

NEI MONGGOL CONFERENCE ON PUBLIC SECURITY TASKS

SK130514 Hohhot Nei Monggol Regional Service in Mandarin 2300 GMT 12 Apr 86

[Text] The regional conference of directors of public security bureaus and sections throughout the region, which concluded recently, defined the major tasks for public security work in 1986. These are to continuously deal strict blows to serious criminal and economic cases, to vigorously enhance the building of public security foundations at the grass-roots levels and the public security personnel ranks, and to strive to achieve a stable turn for the better in public security throughout the region in order to create more favorable circumstances for the occasion of the 40th anniversary of the founding of the autonomous region.

The conference pointed out: In dealing blows to criminal activities, efforts should be made to concentrate on cracking down on major cases in line with local conditions in public security; to closely combine the tasks of dealing blows to crime, preventing crime, and establishing public security systems; to score successes when localities can be consolidated after the fulfillment of public security campaigns and where the people can draw a lesson after the exposure of a case; and to consolidate public security in a comprehensive way by adopting the method of playing the piano.

The conference pointed out: In 1986 a good job should be done in earnestly building police substations in 16 cities throughout the region by regarding this task as emphasis on building the public security foundations at the grass-roots levels. Leading public security organs at all levels should frequently go deep into the grass-roots level units to carry out professional guidance among the substations and to help them deal with their practical problems. Efforts should be made to establish or improve the public security personnel, to bring into full play the role of the public security organizations, and to vigorously conduct the work of issuing identification cards to urban residents in order to enhance the control over the floating and temporary populations.

In holding discussions on building the public security personnel ranks, the conference stressed that efforts should be made to concentrate on conducting education on the legal system among the cadres and policemen while extensively and deeply carrying out education on ideals and discipline, and to consolidate the workstyle governed by police discipline in order to train as soon as possible the broad masses of public security cadres and policemen into staunch public security fighters full of ideals, morality, and cultural knowledge, and who are well disciplined and ardently cherish the people.

JILIN CRACKS CASE OF EMBEZZLEMENT, BRIBERY

SK160417 Changchun Jilin Provincial Service in Mandarin 1030 GMT 15 Apr 86

[Text] The Yanbian Autonomous Prefectural Procuratorate recently cracked a particularly grave collective embezzlement and bribery case involving some 356,000 yuan. Thirty units and more than 60 people were implicated in the case. The principal criminals, including (Yuan Xizhang), former deputy director of the autonomous prefectural Communications Bureau; (Cui Xiongjing), former mayor of Tumen City; and (Li Donghe), former deputy director of the Helong County Communications Bureau, has been expelled from the party, and were arrested by the Public Security Department today. More than 10 other people were being held in custody for investigations. The principal criminals, including (Yuan Xizhang) and others, took advantage of their positions as CPC engineer, deputy chief engineer, and personnel of the headquarters for the construction of the Tumen-Hunchun Highway, a key project of the province, to embezzle construction funds by forging detailed final accounts, issuing false receipts and construction certificates, giving and taking bribes, and other mean tricks, thus making the state suffer a great loss.

According to preliminary investigations and verification, (Yuan Xizhang), chief engineer of the construction project, embezzled and took bribes totaling 8,700 yuan, (Cui Xiongjing), deputy chief engineer, embezzled and took bribes totaling 20,500 yuan, and (Li Donghe), embezzled and took bribes totaling 19,000 yuan. The 25 members of the construction headquarters also embezzled and took bribes, with the largest amount totaling 30,000 yuan.

The Yanbian Autonomous Prefectural CPC Committee paid close attention to this serious economic case. In less than 2 months, from February, when it discovered the evidence, to the present, it has essentially investigated the case.

LIAONING BANS ILLEGAL ORGANIZATIONAL EXPANSION

SK140333 Shenyang Liaoning Provincial Service in Mandarin 2200 GMT 12 Apr 86

[Text] The provincial CPC Committee and People's Government recently issued several provisions strictly banning the arbitrary establishment of additional organizations and the arbitrary increase in the number of personnel and urged localities to block the malpractices cropping up in organizational establishment and personnel expansion.

Over the past 2 years, some localities and departments have established additional organizations without authorization, upgraded the standard of their organizations, and have increased the number of their personnel. To block such malpractices, the provincial CPC Committee and People's Government urged localities to follow the procedure of obtaining approval from the higher authorities in establishing additional organizations in the state apparatus and in assigning personnel to these organizations. Hereafter, efforts should be made to implement the procedure in line with the fixed jurisdiction over examining or approving the establishment, dismantlement, combination, and renaming of working departments among the party and government organs and for approving the quota increase of employed personnel.

In their provisions, the provincial CPC Committee and People's Government urged localities and departments to earnestly examine their existing organizations, their organizational standards, and their personnel. All organizations that have not been formally approved through this procedure should be corrected immediately.

NINGXIA REPORTS SUCCESS IN OPENING TO OUTSIDE

HK170525 Yinchuan NINGXIA RIBAO in Chinese 1 Apr 86 p 1

[Report: "Ningxia Quickly Opens Itself to Outside World, with Great Momentum -- Regional People's Government Proposes New Targets for Management of Foreign Affairs This Year"]

[Text] In recent years, with a view toward invigorating Ningxia's economy, the region's foreign affairs departments and units dealing with foreigners and foreign countries have earnestly implemented the opening up policy adopted by the CPC Central Committee and the State Council, earnestly managed foreign and Overseas Chinese affairs, and developed tourism. Thanks to all this, Ningxia has been able to make significant progress in its management of foreign affairs and open itself to the outside world at a quicker pace.

Although Ningxia started opening up to the outside world later than other parts of the country, development is rapid and smooth. In 1980, there were only 82 foreign visitors to the region. However, in the following 5 years, more than 2,300 foreigners from 56 countries visited the region. In 1984, Yinchuan hosted its first international economic and technical cooperation talks with encouraging results. In 1985, its relations with foreign countries become even more frequent, its economic and technical cooperation with foreign countries expanded, and it made significant progress in its management of foreign and Overseas Chinese affairs and in tourism. In February last year, Beijing gave a reception for Muslim countries' envoys to China. On that occasion, Ningxia was given a lot of publicity. Subsequently, contacts between Ningxia and these countries developed. In April and May, a Muslim delegation paid fruitful visits to six Middle East countries. In September, Ningxia hosted talks on the economic and technical cooperation between Islamic countries. More than 100 people from 25 countries and regions attended the talks at which the region announced a list of 117 economic and technical cooperation projects and agreements and signed contracts concerning 50 of them. These projects include the production line imported by the Wu Zhong [0702 1813] plastic bag factory from the FRG. The quality of the goods produced by this production line is high and they are now on sale on the Southeast Asian market. The factory's annual output value is more than 10 million yuan and its turnover in the forms of profits and taxes is 1.1 million yuan. Another is the facilities and equipment imported by the Shizuishan Steel Plant for the production of sealed wire rope. They have been installed and put into use and are now producing economic results. Since last year's talks, businessmen and bankers from 18 foreign companies and institutions have successively visited Ningxia to hold talks with us on cooperation. In addition to importing things from abroad, we have started exporting technology and manpower, mainly to the Middle East. Thanks to the arrangements made by the departments concerned and to the assistance from the World Food Program [WFP], we have made progress in building the Xiji shelter-forest by planting 1.452 million mu of trees and grasses. WFP officials have described it as "one of the world's best artificial forests." We have begun the construction of the Ningxia Technical College with the $4 million donated by the Italian Government and started research into the fruit trees grown in North China with an additional $1 million from the Italian Government. With a low-interest loan of $15 million from the Kuwaiti Government, we have decided on the construction of an iron alloys plant with an annual production capacity of 5 million tons.

The region is now trading with more than 50 countries and regions. Last year, we hit an all-time high in deriving foreign exchange income from exports and the figure was about four and a half times greater than that in 1980.

Not long ago, in order to improve the region's management of foreign and Overseas Chinese affairs and its tourism, the regional People's Government called a regional conference on the management of foreign affairs. At the conference, we earnestly studied problems, summed up experience, and organized this year's work. The conference called for further efforts to implement the general principle of "promoting the four modernizations in a peaceful and friendly atmosphere," to develop our friendship with the peoples of various countries, to fulfill the basic task of invigorating Ningxia's economy, to lay a solid foundation for the all-round revitalization of the region's management of its foreign affairs, and to contribute to local economic construction. It is necessary to make proper preparations, to invite some foreign envoys to visit the region, to enthusiastically establish friendly relations with provinces and states of foreign countries, to make a success of receptions and our dealings with foreigners and foreign countries, to vigorously develop tourism, to speed up the construction of the Zhongweisha Potou Tourist Resort, the Qingtongxia Park on the Huang He, the Western Xia Imperial Tombs in Yinchuan, and the Xumi Shan Tourist Resort, to pay close attention to handling problems left over by history concerning Overseas Chinese, to implement the policy concerning Overseas Chinese without delay, and to satisfactorily manage Overseas Chinese affairs. Propaganda, news, cultural, and publishing units at all levels should make a further success of propaganda activities in order to more satisfactorily contribute to the implementation of the opening up policy.

QINGHAI URGES IMPROVED INDUSTRIAL PERFORMANCE

HK180045 Xining Qinghai Provincial Service in Mandarin 2330 GMT 17 Apr 86

[Excerpts] The provincial government held a mobilization gathering on industrial and communications production on 17 April. The meeting called on cadres, staff, and workers in industry and communications enterprises to make every effort to do a good job in production in the second quarter. Vice Governor Bian Yaowu presided at the meeting. Governor Song Ruixiang and Vice Governor Wu Chengzhi attended and spoke.

Song Ruixiang expressed the hope that the cadres, staff, and workers on the industry and communications front will keep cool heads, fully understand the current unfavorable conditions, strengthen their sense of urgency for grasping industrial production, and ensure a sustained, steady, and coordinated growth rate.

He stressed: A key problem in the province's first quarter industrial production was that the products lacked competitiveness. The enterprises must organize production carefully in light of the weak links, and work hard to improve product quality and increase variety.

HONG KONG STANDARD VIEWS 'MISSILE DIPLOMACY'

HK160405 Hong Kong HONG KONG STANDARD in English 16 Apr 86 p 6

[Editorial: "Is Missile Diplomacy the Only Answer to Terrorism?" -- capitalized passages published in boldface]

[Text] Back in October 1984, U.S. Secretary of State George Shultz declared: "Terrorism is a contagious disease that will inevitably spread if it goes untreated. We need a strategy to cope with terrorism in all its varied manifestations... And we have to recognise that the burden falls on us, the democracies -- no one else will cure the disease for us." Mr Shultz went even further to propose using military force against merely suspected culprits, a doctrine so sweeping that it provoked justifiable dissent among Americans.

Yet the recent attempts to "punish" colonel al-Qadhdhafi, though justified in terms of absolute certainly of his guilt, has yet to be put to a neutral jury. And even if Colonel al-Qadhdhafi if as guilty as President Reagan says he is, we must wonder if this is the most sensible way of dealing with the problem of terrorism, or the problem of states which for various reasons support it.

Would Mr Reagan be so bellicose if the bomb in Berlin had been linked to the Russians?

Assuming once again that Colonel al-Qadhdafi is as guilty as he is said to be, can President Reagan think of no better response than "an eye for an eye, a tooth for a tooth" or in this case YOU MASSACRE ONE OF OUR GUILTLESS CIVILIANS AND WE'LL MASSACRE A FEW OF YOURS? Even before the dust had cleared in Tripoli and Benghazi there were reports that the French and Swiss embassies had been hit and that hundreds of civilians had been injured. U.S. officials have insisted that their planes "struck targets that were part of Al-Qadhdhafi terrorist infrastructure, the command and control systems, intelligence, communications, logistics and training facilities...sites that allow Al-Qadhdhafi to prepetrate terrorist acts."

But cynics will remember the "accidental" U.S. bombing raid on innocent men, women and children in the Lon Nol regime-controlled town of Neak Luong, Cambodia, in August 1973. Such incidents have in the past made a mockery of the oft-repeated Pentagon claims about the pin-point accuracy of the most sophisticated military machine in the world. (Parenthetically, it might be noted that those bombing raids across the Cambodian border in the early 1970s were usually described as "protective reaction" missions. And that discredited phrase has raised its ugly head again in connection with the Tripoli and Benghazi strikes).

Some historians have remarked that the latest incident echoes the 1804 bombardment of Tripoli by the U.S. fleet during the so-called Barbary Wars. With the winning of independence the United States had lost its British shield. And the corsairs of such Barbary states as Morocco, Algiers, Tripoli and Tunis fell upon the unprotected American ships, enslaved the crews, forced up insurance rates, and virtually drove the Stars and Stripes from the Mediterranean Sea. In his book, "A Diplomatic History of the American People," Thomas A. Bailey wrote: "The United States was too poor to pay blackmail; too weak to offer effective resistance. The continued outrages of the Barbary pirates speedily compelled President Thomas Jefferson to undertake an agonising reassessment of his theoretical pacificism."

But Ronald Reagan, who presaged the 1986 bombardment of Tripoli by describing Mu'ammar al-Qadhdhafi as "a mad dog," is no pacifist, theoretical or otherwise. There is no evidence of any "agonising reassessments" on Mr Reagan's part. And the United States can no longer be described as "a poor, weak country." Mr Reagan also has spoken of Al-Qadhdhafi's "montrous brutality." But is missile diplomacy the only answer to the "monstrous brutality" of a "mad dog?" Some people have detected schoolyard overtones to Mr Reagan's insistence that "We have done what we had to do. If necessary we shall do it again." Such a reference by the head of the leading superpower to a small and unimportant country is absurdity crystallised. It is reminiscent of nothing so much as the pugnacious small boy who tells a schoolmate: "If you hit me once, I'll hit you twice." Little wonder that a frightened world is asking: "Where is it all going to lead?"

It seems likely that transcripts of Libyan messages intercepted by the U.S DID point to some Libyan involvement in the bombing of the West Berlin discotheque. But did they PROVE that Al-Qadhdhafi had planned and ordered the attack? In the absence of such absolute certainty, the peace-loving Thomas Jefferson would, we are sure, have deplored the YOU MASSACRE ONE OF OUR GUILTLESS CIVILIANS AND WE'LL MASSACRE A FEW OF YOURS approach of his current successor.

HONG KONG STANDARD ON TERRORISM, U.S. POLICY

HK170449 Hong Kong HONG KONG STANDARD in English 17 Apr 86 p 6

[Editorial: "No Alternative To Picking Off Terrorists Individually"]

[Text] Mr Ronald Reagan, referring to his bombing of Libya and to Colonel Mu'ammar al-Qadhdhafi, said: "He counted on America to be passive. He counted wrong." The American president himself is entirely wrong on several counts.

Col al-Qadhdhafi would not be where he is if his mind worked along such tracks. It may be the conventional wisdom to have him branded a "mad dog." And to decry his support of terrorism as "irrational." But made dog and irrational he is not. The judicious selection of targets proves the contrary. The colonel is a military man and must be acutely aware that he cannot keep shooting at America without some fire being returned.

Where Mr Reagan and a lot of Americans are missing the whole point is their perception of others' preceptions. Rightly or wrongly, many people in the world no longer see the United States as having the will to fight. The post-Vietnam syndrome. With the fall of Vietnam in 1975 the Soviet Union and its satellites have successfully rolled back the frontiers of America's "free world." Afghanistan, Angola, Ethiopia, Chad, Nicaragua, to name a few of the countries now under the Soviet orbit. This perception has been strengthened by such events as Iran. America and Americans are seen as able and willing to swat troublesome mosquitoes like Grenada. But utterly powerless in the face of a Khomeini, an Al-Qadhdhafi, an Ortega and even, for a while, a woman like Corazon Aquino.

It is now open season for the small and the daring take potshots at a gigantic Uncle Sam lurching and stumbling blindly from self-inflicted wounds. After the miserable and humiliating years of Jimmy Carter, the Americans, perhaps, saw the need for a presidential president. A backwoods preacher is all right for Georgia's state mansion, but not the White House. If Mr Reagan was not of presidential calibre, at least he could act. That is precisely what Mr Reagan is doing. It hasn't escapted notice outside the United States.

But we live in a real world. With real guns. Real flesh and blood. Mr Reagan and many Americans remain locked in a make believe world. Mr Reagan was a combat captain in World War Two. In training films. After the shooting, he washed off the ketchup and went for his beer. Now he's being carried away by Rambo; both as celluloid as they are without substance. Col al-Qadhdhafi is a real-life army man who has fired his gun with cold calculation and in anger. These are the differences between two men and between America and much of the rest of the world today.

Mr Reagan is now bent on widening the differences with Tuesday's attack on Libya and with promises of more. Where Col al-Qadhdhafi was judicious in picking his targets, Mr Reagan has gone in for random destruction. But in one respect at least Mr Reagan is drawing closer to Col al-Qadhdhafi. Both are indulging in very much the same thing.

Terrorists can be dealt with. It requires painstaking collection of intelligence, patience in stalking the terrorist. There is no alternative to picking off the terrorists individually. The argument that terrorists are state-protected and therefore cannot be got at holds no water. Terrorists have been winkled out of sanctuaries before; it can be done again. But not as long as Americans rely on technology and not as long as impatience remains a strong character trait of the American nation.

But state-sponsored terror is something else altogether. Both Mr Reagan and Col al-Qadhdhafi must be aware of this. They're both sponsoring it. The rest of the world can only watch in dismay. There's nothing they can do about is. If the United States wants a re-ordering of the world, with the free, the rational and the good men lined up against the baddies, then there must be a thorough review of policies and priorities. A United States supporting remnants of the Somoza dictatorship, giving discreet adknowledgement of apartheid, supporting corrupt regimes across the globe and shackled by a Jewish lobby and a grotesquely intransigent Israel in its search for peace in the Middle East, must expect to face the bullets of the frustrated and the desperate. Mad dogs must be dealt with. So also must the cause of rabies be eliminated.

SOUTH CHINA MORNING POST VIEWS LIBYAN BOMBING

HK160355 Hong Kong SOUTH CHINA MORNING POST in English 16 Apr 86 p 2

[Editorial: "Reagan Lights a Fuse in Libya"]

[Text] President Reagan's cure for "the mad dog of the Middle East" may prove more lethal than the disease. He may also have lit the fuse to a wider conflagration in the inflamed, and highly inflammable, Middle East cauldron that is the Arab world. What President Reagan's White House aides presented yesterday as a precise and surgical United States military strike on Libya's terrorist infrastructure in the early hours of Monday [as published] fell far short of its prime target. Colonel Mu'ammar al-Qadhdhafi, "the mad dog," is still at large, a wounded beast now free to exact revenge when and where he chooses. In a convoluted expression of ends and means, President Reagan set out to deal a lethal body blow to terrorism. However, many were killed in the raids, there will be many more who will volunteer for service. Where next will Mr Reagan aim his strikes?

It could be argued his real target should have been the evil genius behind it -- assuming this was either a justified or acceptable course of action at the moment for the United States. If it is, then a prolonged U.S.-Libyan guerrilla war in the Mediterranean is inevitable.

The Reagan rhetoric for Monday's punitive strike against Libya is questionable on two counts. First, while there may be a prima facie case linking Libya with last month's bomb blast in a TWA plane and the explosion on April 5 in a West Berlin discotheque frequented by American servicemen, is the evidence conclusive? Even the West Germans appear to have doubts that the Libyans were behind it, though this did not stop them ordering the expulsion of two diplomats apparently to appease the Americans. Second: it flew in the face of counsel to the contrary from most of America's European allies, except Britain which, regrettably, provided the launch site for the American F111 fighters that bombed Tripoli.

In claiming to have exercised its "right to self-defence," the free world's number one superpower also expressed the naive hope that this action would "preempt and discourage Libyan attacks against innocent civilians in the future." "We have done what we had to do. If necessary, we shall do it again," President Reagan said in his address to the nation. By that time, American fighter planes had dropped 2,000 lbs of laser-guided bombs on Tripoli and the Libyan port city of Benghazi. While Libya claimed to have shot down three of the planes, the U.S. Defence Secretary, Mr Caspar Weinberger, said that only one American plane had not returned from the air strike.

Though reports have been scant about casualties, radio and television accounts confirm that the U.S. planes struck a military airport in Tripoli, Col al-Qadhdhafi's barracks headquarters and his house, with casualties among "some members of his family."

President Reagan having had his way, the world now watches anxiously for the fallout. The next move will probably be made by Col al-Qadhdhafi, a move which diplomats say "could further polarise the Middle East and strain U.S. relations with East and West Europe." Even if the "mad dog" does not dispatch suicide squads to hit U.S. missile sites and nuclear bases in Europe, Col al-Qadhdhafi hit men will not fall short of targets as the tourist season opens in the continent. Worst of all, the American strike has invested the Libyan leader with a kind of black mystique in the eyes of many of his Arab brethren who will see him as the leading radical, taking over where the PLO left off.

UK ROLE IN LIBYA RAID CRITICIZED

HK170425 Hong Kong SOUTH CHINA MORNING POST in English 17 Apr 86 p 2

[Editorial: "Misguided Action by Britain"]

[Text] Britons have every right to be dismayed that the Prime Minister, Mrs Margaret Thatcher, took the decision to allow U.S. bombers to take off from air bases in the United Kingdom to strike at Libyan targets on Monday. In doing so she set Britain apart from her European allies which refused to join in supporting the action and, in the case of Spain and France, to allow the bombers to use their air space. Today, as a result of that, Britain joins the United States on the hit list of Libyan terrorist strikes. It may be argued that Britain has already been the victim of Libyan terrorism, notably in the disgraceful incident outside the former Libyan People's Bureau in London when a British policewoman was murdered.

It may be further argued that neither diplomatic approaches nor economic sanctions have brought the "mad dog" of Libya to heel, and therefore there was no other avenue open to the United States to deal with the murderous intrigues of Colonel al-Qadhdhafi.

Yet what is the prospect now? The shots will in future be called by the United States, with Britain the docile ally, dragged into whatever form of escalation President Reagan deems appropriate to respond to further acts of terrorism or Libyan retaliation. Mrs Thatcher, having committed herself once, will find it very difficult to disassociate herself from fresh action. Yet it is difficult to see that the latest move by President Reagan will succeed in taming a man who now may assume the stature of an Arab martyr in the eyes of many in the Middle East.

British memories are not so short that they will have forgotten the American attitude to the Anglo-French invasion of the Suez Canal in 1956 in their efforts to retain control following President Nasser's nationalisation. One of the strongest critics of Britain at that stage was the United States. Today, however, when American interests are threatened British support is requested, and freely given. There is no point in arguing the merits or otherwise of the Anglo-French action 30 years ago; no doubt many Americans would insist they were right to take that stand, that the issues differ, that terrorism is not directed at one country but is international in its impact. So be it, but it is also hard to understand the logic of massive retaliation of the kind practised by the United States when it is likely not to curb terrorism but only to inflame it.

It may give many American people a sense of satisfaction to see their President ordering in the might of the U.S. Air Force to rain bombs and missiles on Libyan targets regardless of the cost of civilian casualties. After all innocent people are also the victims of Libyan terrorism. But if the price of that satisfaction is yet another midair explosion with the loss of hundreds of lives, or another building blown apart by a suicide bomber, is it worth it? There is no answer to terrorism other than to devise the best security measures possible and catch the perpetrators. That and maximum diplomatic pressure on the states believed to be harbouring or instigating terrorism. The other alternative, if state involvement is beyond question, is to go to war. However, the Israeli experience in Lebanon is hardly encouraging.

Britain is already fighting one war in Northern Ireland which is growing more complex each day. It can do without another, brought on by Mrs Thatcher's personal and, in our view, somewhat misplaced sense of loyalty, without considering fully the consequences.

TA KUNG PAO VIEWS WESTERN EUROPE REACTION TO U.S. RAID

HK170356 Hong Kong TA KUNG PAO in Chinese 17 Apr 86 p 2

["Political Talk" by Shih Chun-yu: "Views in Western Europe Are Divergent on U.S. Attack on Libya"]

[Text] Britain Alone Supports the Raid

The U.S. raid against Libya has this time caused division among many countries, and most prominent is the fact that except for Britain, nearly all Western European countries expressed their regret over this act by the United States. In particular, the southern European countries situated on NATO's frontline, such as Greece and Spain, feel very uneasy, and put forward an emergency proposal that the foreign ministers of the 12 EC countries hold another emergency conference today (14 Apr) [date as published] and once more discuss the world situation after the raid. Because of the vigorous support of the "Iron Lady" and Geoffrey Howe, the United States was able to use British bases to launch its biggest air raid since the Vietnam war. However, this has roused fierce opposition inside Britain. The mass demonstrations and strong objections inside the Conservative Party have put Mrs Thatcher in a difficult position and facing a political storm.

Reasons for Worry

Western Europe has always been a reliable ally of the United States and has constantly and strongly opposed terrorists and violence. However, they were worried when the United States retaliated against Libya. The first reason for this is that Western Europe is not willing to be led by the nose by the United States. It has already established its own prestige and is no longer the Europe of the period after World War II when it followed the United States in everything. What the United States has done has brazenly violated international law and in addition, it may cause Western Europe to suffer serious consequences from retaliation by Middle East terrorists.

Unwilling To Be Dragged in by the United States

Second, Western Europe gets most of its supply of energy from the Middle East and Italy, West Germany, and France all have huge industrial investment interests in Libya. Western Europe hopes that the United States does not act rashly toward Libya. Mu'ammar al-Qadhdhafi's terrorist activities perplexed Western Europe greatly, but Western Europe also worries about the possible heavy blow to its economy if the Arab countries are offended and suspend the supply of oil.

Third, Western Europe hopes to maintain a peaceful and prosperous Europe. One of the strategic goals of the two consecutive attacks on Libya by the United States is to test Moscow's response. The United States is in fact unwilling to hold talks with the Soviet Union and does not wish that a prolonged detente emerge after the U.S.-USSR summit. The emergence of detente is detrimental to Ronald Reagan's implementation of his "star wars" plan. Even today, the United States continues to have a blind faith in strength in dealing with the Soviet Union. Since Mikhail Gorbachev came to office, he has been making efforts to carry out economic reform and has had a desire to reduce the arms race with the United States. Moscow took the initiative to stop its nuclear tests, but the United States did not follow suit. Moscow has time and again demanded that the United States suspend its "star wars" plan, but this has been turned down by Ronald Reagan. By using its modern weapons to attack Libya, the United States can not only display its power, but also aggravate the tension between itself and the Soviet Union.

British People Feel Uneasy

If Western Europe follows the United States in dealing with Libya, it will benefit the United States and suffer losses itself. Moreover, it will also suffer if terrorism spreads. Both the bomb explosion incidents in Rome and Vienna airports at the end of last year took place in Western Europe. This time, Britain has followed the United States and has become one of the first targets of terrorist retaliation. How can British people treat this lightly?

LIBYA RAID, SOVIET, EUROPEAN REACTION VIEWED

HK171204 Hong Kong HSIN WAN PAO in Chinese 17 Apr 86 p 1

["New Talk" column: "Al-Qadhdhafi Reappears, Second Clash Ends"]

[Text] At last, al-Qadhdhafi, the strongman of Libya, reappeared last night. In his 20-minute TV speech, he declared the restoration of normal life over the whole country and the cancellation of the blackout imposed in preparation for war.

As the U.S. action ceased immediately after the raid had been carried, Al-Qadhdhafi did not reemphasize striking at the U.S. military bases in the Mediterranean. The second U.S.-Libya clash of this year can now be regarded as over. However, no one knows whether the third clash will erupt soon. The U.S. propaganda before and after the incident all mentioned the three possibilities: first, Al-Qadhdhafi would be killed or wounded; second, Al-Qadhdhafi would have to step down; and third, Al-Qadhdhafi would become a hero because of the raid.

The air raid showed that the United States has deployed many intelligence personnel in Libya. The bombing of Al-Qadhdhafi's home at night can be put on a par with the plot of a James-Bond-type movie. However, Al-Qadhdhafi had moved to a tent for the sake of safety.

Obviously, the United States also pinned hope on the opposition forces in Libya. The U.S. media repeatedly mentioned that he might be overthrown and therefore showed much interest in gunshots in the streets of the Libyan capital after the bombing. Nevertheless, this hope has also come to nothing.

As for the Soviet Union, their response has been only to call off temporarily the conference between the U.S. and Soviet foreign ministers. Not long ago, the U.S. Sixth Fleet entered the Black Sea, and the Soviet Union did not resist. Last month, when U.S. naval air forces rushed into Libya's Gulf of Sidra, the Soviet Union did not make any particular response. This time, when the United States has launched an air attack on the capital of Libya, we still have not seen any escalation of activities by the Soviet Union.

Judged from a macrostrategic viewpoint, it seems that Gorbachev employs the tactic of "a gentlemen means what he says," does not flare up over the military actions of the United States, and always maintains the position of demanding joint disarmament by the United States and the Soviet Union, so as to distance the relationship between the United States and Western Europe and cause more media in the West European countries to express dissatisfaction with the United States.

U.S. President Ronald Reagan is not very much interested in the U.S.-Soviet summit meeting. The summit meeting of the two countries held in Geneva at the end of last year was only the necessary honoring of a promissory note which Reagan had given during his election campaign. Therefore, Gorbachev seized this opportunity to reach an agreement with him on their visiting each other in the next 2 years. However, up to now, Reagan has not shown much enthusiasm for it.

In order to make known its position in connection with the Libyan incident, the Soviet Union cancelled the meeting between the foreign ministers of the two countries but has not declared the cancellation of the summit meeting. The meeting between the foreign ministers of the two countries was originally planned to arrange the schedule and agenda of the summit meeting. If it is not appropriate to have a face-to-face meeting now, other ways can still be sought to have contacts, or to once again propose arrangement of a meeting between the foreign ministers of the two countries after a period of time.

Member countries of NATO in western and southern Europe have expressed serious dissatisfaction with the U.S. air raid on Libya, and this is part of a struggle between control and anticontrol. Despite being aware of these countries' opposition to the military action, the United States still carried it out. This was in order to maintain its prestige as the head of the alliance and will invite more criticism. As for Britain, perhaps the Iron Lady allowed the U.S. aircraft to take off from their bases in England to demonstrate the special relationship and to repay the U.S. support for British military aircraft during the Falklands war (the lending of bases and in-flight refueling). From now on, a greater distance may appear in the relationship between Britain and Western Europe.

FBIS DAILY REPORT

China

CONTENTS

Vol I No 076 21 April 86

PRC INTERNATIONAL AFFAIRS

GENERAL

Chen Muhua Thanks Asian, African Ambassadors A 1
World Bank, IDA Credit To Boost PRC Transport A 1
Beijing International Book Fair in September A 1
PRC Continues To Modernize Marine Salvage Network A 2
[CHINA DAILY 18 April]
Minister Opens Beijing Electronics Exhibit A 3
International Fish-Raising Course Opens in Wuxi A 3
World Bank Extends Loan for Hunan Orchards A 3
UNESCAP Concerned About Rapid Urbanization A 4
Nonaligned Ministerial Conference Continues A 4
Adopts Economic Resolution A 4
Adopts Political Declaration A 5
Ministerial Meeting Concludes A 6
XINHUA Analysis Views NAM A 6
Soviet, GDR Leaders Meet in East Berlin A 7

UNITED STATES

Further Reaction to U.S. Attack on Libya B 1
XINHUA on U.S. Motive B 1
'Tarnished' U.S. Image B 2
U.S. Pays 'Dearly' B 3
Raid 'Probe' for Moscow Reaction B 3
Gorbachev: Raid Will Affect Ties B 4
Soviet Still Hopes for Meeting B 5
UNSC Fails To Adopt Resolution B 5
XINHUA on U.S. Farm Exports' Continued Decline B 6

NORTHEAST ASIA

Wu Xueqian Ends Visit With Japan's Abe D 1
No Formal Document D 1
Arrives in Beijing D 1
LIAOWANG Cites Yao Yilin on Economic Issues D 1
PRC-Japan Nongovernmental Meeting Ends in Tokyo D 2
Wang Zhen, Delegation Pay Visit to Hiroshima D 2
Wan Li Meets Korean University Delegation D 3
Deng Yingchao Meets Japanese Calligraphers D 3

PRC NATIONAL AFFAIRS

ZHONGGUO QINGNIAN BAO Views April 5th Incident [5 Apr] K 1
LIAOWANG on Last Days of Dazhai's Chen Yonggui [7 Apr] K 3
State Council Appoints, Removes Officials K 5
Hu Qili in Shanghai on Conditions for Artists K 6
Sentencing of Economic Offenders Draws Comment K 6

Discipline Inspection Official on Major Cases K 7
[LIAOWANG 7 Apr]
'Full Text' of Song Ping NPC Economic Report K 9
Propaganda Director on Literature Development K 20
[WENYI BAO 12 Apr]
NONGMIN RIBAO on Proper Handling of Grain Production [11 Apr] K 22

PRC REGIONAL AFFAIRS

EAST REGION

Huang Huang Attends Anhui CPPCC Meeting Opening O 1
Nanjing Military Region Relays NPC Guidelines O 1
Wang Fang Addresses Zhejiang Political Meeting O 2

CENTRAL-SOUTH REGION

Guangdong Prepares Transfer of Armed Forces P 1
Henan Notice Urges Crackdown on Larceny P 1
Henan Radio Commentary P 1
Hunan Governor on Developing Lateral Ties P 2

SOUTHWEST REGION

Two Xizang Cadres Arrested on Corruption Charges Q 1
Xizang Radio Commentary Q 1
Pu Chaozhu Conveys NPC Session Spirit to Yunnan Q 2

NORTH REGION

Hebei Discipline Commission Holds Plenary Session R 1
[HEBEI RIBAO 7 Apr]
Tianjin Congress Standing Committee Session Ends R 2

NORTHWEST REGION

Qinghai Meeting Urges Crackdown on Economic Crime T 1
Qinghai Radio on Practicing Planned Parenthood T 1
Shaanxi Leader Decries Feudal, Patriarchal Ideas T 1
'Rude' Behavior of Shaanxi Law Enforcers Criticized T 2
Xinjiang: Song Hanliang, Wang Enmao Plant Trees T 2

HONG KONG MEDIA ON CHINA

Deng Xiaoping Discusses Reform, Other Issues W 1
[TA KUNG PAO 20 Apr]
Hu Qili Remarks on Royal Navy Visit, USSR Cited W 2
[SOUTH CHINA MORNING POST 20 Apr]
Dissenting Votes at NPC Session Reported W 4
[SOUTH CHINA MORNING POST 13 Apr]
Dissenting Voters 'Required Great Courage' W 5
[WEN WEI PO 13 Apr]
CHING PAO Profiles New Fujian CPC Secretary [10 Apr] W 6
Minister on Laws for Foreign, Joint Ventures W 10
[SOUTH CHINA MORNING POST 16 Apr]

CHEN MUHUA THANKS ASIAN, AFRICAN AMBASSADOR

OW181853 Beijing XINHUA in English 1654 GMT 18 Apr 86

[Text] Beijing, April 18 (XINHUA) -- Chinese State Councillor Chen Muhua, on behalf of President Li Xiannian, today thanked the governments and peoples of six Asian and African countries for the warm reception that they extended to President Li during his recent travels. Chen gave a banquet at the State Guesthouse here this evening for the envoys of Bangladesh, Sri Lanka, Egypt, Somalia, Madagascar and Pakistan, and their wives.

She described President Li's tour as a great success. Chen said President Li exchanged views with leaders of those countries on the growth of bilateral friendly relations and cooperation, and international issues of common interest, thus further exploring new ways for strengthening cooperation for mutual benefit. She said the Chinese Government and people have always attached great importance to developing friendship and cooperation with the Third World, including the above-mentioned countries. "I am sure that our friendship and cooperation will be further strengthened through our common efforts," she added.

On behalf of the other guests, Jean Jacques Maurice, ambassador of Madagascar to China, said that President Li Xiannian's visit to Africa showed the Chinese people's friendly feelings toward the African people. "So it is a great honor and pride for us," he added. He said President Li's visit indicated that the relations between China and those countries have entered a new stage and also showed China's aspiration to strengthen its unity and cooperation with the Third World countries.

WORLD BANK, IDA CREDIT TO BOOST PRC TRANSPORT

OW181036 Beijing XINHUA in English 0833 GMT 18 Apr 86

[Text] Washington, April 17 (XINHUA) -- The World Bank and the International Development Association (IDA) today announced 230 million U.S. dollars in credit to help China increase its railway capacity in four southeast and southwest provinces. A loan of 160 million dollars and an interest-free credit of special drawing right (SDR) 63 million (70 million dollars) from the two organizations will go toward a 577.5-million-dollar project involving China's Sichuan, Guizhou, Fujian and Jiangxi provinces. The government of China will provide 347.5 million dollars to the project. According to the World Bank, the transport of agricultural and mining products will improve with the upgrading and electrification of the 456-kilometer Chongqing-Guiyang line in the southwest and the 704-kilometer Yingtan-Xiamen line in the southeast. The World Bank loan is set for 20 years with variable annual interest rate now at 8.5 percent. The IDA credit will be paid back in 50 years.

BEIJING INTERNATIONAL BOOK FAIR IN SEPTEMBER

OW181242 Beijing XINHUA in English 1218 GMT 18 Apr 86

[Text] Beijing, April 18 (XINHUA) -- China is to hold the first Beijing International Book Fair in September this year, Vice-Minister Wu Mingyu, of the State Science and Technology Commission disclosed here today. Wu said, Li Peng, vice-premier and concurrently minister in charge of the State Education Commission, is honourary chairman of the organizing committee.

Wu Mingyu, chairman of the organizing committee of the book fair, said that the program is jointly sponsored by the Education, Science, Culture and Public Health Committee of the National People's Congress, the State Education Commission, the Ministry of Culture, the Council for the Promotion of International Trade, as well as the State Science and Technology Commission.

Chen Weijiang, president of the China National Publications Import and Export Corporation which has been put in charge of the details of the program, said, by now, 500 publishing houses and companies from about 30 countries have decided to take part in the book fair, among them, 150 are from China. Displayed at the book fair will be 40,000 to 50,000 kinds of books on natural science, applied techniques, social science, humane studies, etc., published in the recent two years, covering about 5,000 square meters.

China National Publications Import and Export Corporation is the largest company in China to trade books, newspaper and periodicals, musical and recording products, etc., and have trading relations with about 1,000 publishing houses, academic institutions of over 100 countries and regions. The corporation imported about 100,000 kinds of books and 27,000 species of newspapers and periodicals last year. In recent years, the corporation held about 90 foreign book exhibitions and film shows in provinces, municipalities and autonomous regions across the country.

PRC CONTINUES TO MODERNIZE MARINE SALVAGE NETWORK

HK180359 Beijing CHINA DAILY in English 18 Apr 86 p 3

[By staff reporter]

[Text] A large-scale marine salvage network covering China's 3,000-kilometre-long coastline has been credited with rescuing a total of 200 ships in distress and saving 81 lives in and outside China's coastal waters over the past five years. The China Salvage Company, which now managers a fleet of 200 vessels with a total workforce of 8,000, was responsible for "pulling 41 foreign-registered ships out of difficulties and saving the lives of 19 foreigners," CHINA DAILY was told.

The company, which has become a signatory member of the International Convention on Maritime Search and Rescue, now has 17 marine salvage centres in key ports from Qinhuangdao in North China to Sanya Harbour on the southern tip of Hainan Island in the South China Sea. From them it can dispatch rescue teams ranging from the massive 2,500-ton floating crane S/S Dali to remote-controlled submarine searchers. Its submarine salvage technique has developed rapidly. The company now has more than 80 divers holding international certificates and is training still more at its divers' school in Shanghai.

While continuing to develop a modernized air, sea and underwater salvage system complete with helicopters, speedboats, submarine detectors and up-to-date communications facilities, the company has already extended its scope of operations to as far away as Dutch Harbour in Alaska, the Persian Gulf, and Suez Canal where its 20,000-hp trawlers are playing a key role in shipping some "extra-large or extra-heavy cargo that could not be handled by ordinary freighters," Wu Nong, the company's operation director, told CHINA DAILY. The company's fleet has salvaged 106 vessels from the sea bottom. The success rate of its rescue and salvage operations has exceeded 96 percent over the past five years, Wu added.

MINISTER OPENS BEIJING ELECTRONICS EXHIBIT

OW181813 Beijing XINHUA in English 1629 GMT 18 Apr 86

["Internepcon China'86 opens in Beijing" -- XINHUA headline]

[Text] Beijing, April 18 (XINHUA) -- Over 250 manufacturing firms from 12 countries and regions are displaying their sophisticated electronics and semiconductor production equipment at an exhibition which opened here today. On show are exhibits including printed circuit board production lines, optical electronics testing and examination instruments and semiconductor parts. The show is housed at the China International Exhibition Center on the eastern outskirts of the capital. The exhibition was organized by the Cahners Exposition Group of the U.S. A senior official from the group said that more and more American firms are eager to establish links with the Chinese market as the United States has relaxed restrictions on high-technology exports. More than 50 U.S. firms are attending the exhibition, ranking the first among the participants, he added.

The multilayer printed circuit board production line is displayed for the first time in China, according to an official from the Electronics Industry Ministry. Electronics Industry Minister Li Tieying cut the ribbon to open the exhibition. During the seven-day show, the participating firms will hold seminars on more than 40 topics and carry out out technical exchanges with their Chinese.

INTERNATIONAL FISH-RAISING COURSE OPENS IN WUXI

OW181725 Beijing XINHUA in English 1536 GMT 18 Apr 86

[Text] Nanjing, April 18 (XINHUA) -- The sixth fish-raising course for trainees from 13 developing countries was opened today in Wuxi in east China's Jiangsu Province. Twenty-six students from Asian, African and Latin American countries will study for four months at the Asian-Pacific Fish-Raising Center located on Lake Taihu in Wuxi, a nationality renowned fish-breeding center and scenic spot.

The center was set up in 1981, and jointly run by China and the United Nations Development Program (UNDP) and the Food and Agriculture Organization of the United Nations (FAO). Over the past five years, the center has trained 109 people from 14 developing countries, according to officials at the center.

Trainees will study official breeding, disease prevention and treatment, and management. Beside lectures, they will also do field work and make investigation in Shanghai and Guangdong Province.

WORLD BANK EXTENDS LOAN FOR HUNAN ORCHARDS

OW181801 Beijing XINHUA in English 1622 GMT 18 Apr 86

[Text] Changsha, April 18 (XINHUA) -- Central China's Hunan Province is building new orchards with World Bank loans to boost orange supplies to Chinese and foreign markets, a provincial official said here today. The orchards, covering 13,300 hectares, will produce 50,000 tons to oranges a year when completed by 1989.

The World Bank has extended 250,000 U.S. dollars in interest-free loans for construction of the orchards in seven countries in western Hunan. Moreover, the provincial government has raised two million yuan (about 660,000 U.S. dollars) for the project.

Local peasants opened 2,700 hectares in the first quarter of this year, the official said. Work will begin later this year on three fruit-storage facilities in western Hunan, known in China as the "land of fruit".

UNESCAP CONCERNED ABOUT RAPID URBANIZATION

OW181038 Beijing XINHUA in English 0850 GMT 18 Apr 86

[Text] Bangkok, April 18 (XINHUA) -- Rapid urbanization in big Asia-Pacific cities may lead to anarchy and chaos, warned the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP). The warning was contained in a study report prepared by the commission for the 42nd session of ESCAP to be held in Bangkok from April 22 to May 2. The report deals mainly with human resources development. It predicts that by the year 2000, 15 Asian-Pacific cities will emerge with populations ranging from over 10 million to 20 million.

China's Shanghai will lead the parade of megacities with a projected population of 25.9 million, followed by Japan's Tokyo -- 24.2 million, China's Beijing -- 22.8 million, India's Bombay -- 17.1 million, India's Calcutta -- 16.7 million, Indonesia's Jakarta -- 16.6 million, South Korea's Seoul -- 14.2 million, India's Madras -- 12.9 million, Pakistan's Karachi -- 11.8 million, India's New Delhi -- 11.7 million, Iran's Tehran -- 11.3 million, Japan's Osaka -- 11.1 million, and Bangladesh's Dhaka -- 10.2 million.

By the end of this century, the report says, some 1.4 billion out of the projected regional population of 3.6 billion will be crowding in cities. "In the early part of the next century, the emerging possible scenarios are frightening," it adds. The U.N. body urged government leaders and metropolitan planners not to delay any longer the decision and action on what kind of city of the future they want their people to live in.

The ESCAP report considers improving urban transport an important factor in fostering orderly growth cities. "The physical structure of a city, its size and sprawl, its way of life and character, are all dependent upon the nature and quality of the urban transport system," it says. "Walking is the cheapest and may be the healthiest mode of urban transport," the report says.

NONALIGNED MINISTERIAL CONFERENCE CONTINUES

Adopts Economic Resolution

OW202110 Beijing XINHUA in English 1519 GMT 20 Apr 86

[Text] New Delhi, April 20 (XINHUA) -- The Non-Aligned Movement (NAM) countries today adopted an economic declaration at their ministerial conference, emphasizing a direct link between peace, disarmament and development. The declaration strongly condemned the use of economic measures by some developed countries as a means of exerting economic and political coercion against developing countries, and stressed the need for the international community to put an end to such practice.

The participants expressed their firm conviction that the global negotiations remained the most important and comprehensive endeavor of the international community for the restructuring of international economic relations, and urged the developed countries to demonstrate the necessary political will to enable the launching of global negotiations.

Referring to the lack of progress in bringing about an effective reform of the international monetary and financial system, the ministers emphasized the need for the early convening of an international conference on money and finance for development proposed by the 7th NAM summit. They expressed deep concern at the continued decline in the prices of commodities exported by developing countries and the deterioration in their terms of trade. "There had been an intensification of protectionist measures and almost one third of the exports of developing countries to develop countries continued to face barriers of one kind or the other," the declaration said.

The ministers stressed that strengthening the collective self-reliance of developing countries would reduce their dependence on the developed countries and enable them to play a more dynamic role in sustaining world growth and development. Emphasizing the role of science and technology for promoting the development of the developing countries, the ministers called upon interested developing countries to evolve a cooperative approach for the sharing of experience capable of furthering the acquisition, transfer and absorption of technologies from the north.

Adopts Political Declaration

OW202158 Beijing XINHUA in English 2029 GMT 20 Apr 86

[Text] New Delhi, April 20 (XINHUA) -- The political declaration adopted here this morning at the ministerial meeting of the coordinating bureau of the non-aligned countries called for a comprehensive treaty on complete prohibition of nuclear weapon tests. The declaration stressed "the urgent need for a comprehensive treaty on the complete prohibition of testing of all types of nuclear weapons in all environments by all states." It pointed out that the accumulation of weapons, particularly nuclear weapons, "constitutes a threat for the future of mankind." The time has come "to put an end to this situation," it said. The foreign ministers strongly appealed to nuclear-weapon states, particularly the superpowers and their allies, "to refrain from taking any measures aimed at developing, testing or deploying weapons and weapons systems in other space" -- the common heritage of mankind.

In the political declaration, the ministers noted with deep copncern that the international political situation had been "further aggravated," conflicts, disputes and instability in many regions had "persisted." They said that "there is increasing recourse to the use of threat of force, aggression, occupation, pressure, economic coercion and interference" in violation of the principles of the U.N. Charter. The ministers condemned "all terrorist activities, whether perpetrated by individuals, groups or states," and resolved to counter them by every legal means possible. At the same time, they pointed out that the legitimate struggle of peoples under colonial and racist regimes and all forms of foreign domination and occupation, can in no way be considered or equated with terrorism.

Reviewing the situation in Southeast Asia, the ministers expressed grave concern at the continuing conflicts and tension in the region. They reaffirmed their "support for the principles of non-interference of sovereign states and inadmissibility of the use of force against sovereign states."

They stressed the urgent need to de-escalate the tensions in the region "through a comprehensive solution" and called for "the withdrawal of all foreign forces, thus ensuring full respect for the sovereignty, independence and territorial integrity of all states in the region, including Kampuchea."

The ministers welcomed the attitude of the Korean people in their efforts to reunify their homeland peacefully and to do so without any foreign interference, by means of dialogue and consultation between North and South.

The ministers agreed that the situation in Afghanistan "could have dangerous consequences" for the peace and security of the region and reiterated their call for a political settlement "based on the withdrawal of foreign troops" from Afghanistan.

Voicing their concern over the continuous escalation of the great powers' military presence in the Indian Ocean, the ministers reaffirmed the determination of the Non-Aligned Movement to attain the objective of making the Indian Ocean a zone of peace.

The ministers condemned Israel's continued practice of "aggressive and expansionist policies" in the Middle East and called for a just and comprehensive peace settlement to the Middle East crisis based on "Israel's total and unconditional withdrawal from all the occupied Arab and Palestinian territories."

On the role of the non-alignment, the ministers observed that the movement had "played a vital and catalytic role" over the years in efforts to promote peace an peaceful coexistence, independence, disarmament, economic growth of developing countries and the struggle for an equitable world economic order. The vowed to continue to be committed to the policy of nonalignment, based on the principles and objectives of the struggle against imperialism, colonialism, neo-colonialism, apartheid, racism, and all forms of foreign aggression, occupation, domination, interference or hegemony, as well as against great power or bloc policies.

Ministerial Meeting Concludes

OW202116 Beijing XINHUA in English 1445 GMT 20 Apr 86

[Text] New Delhi, April 20 (XINHUA) -- The ministerial meeting of the Coordinating Bureau of non-aligned countries concluded here today after adopting two declarations on political and economic issues. The political declaration calls for a comprehensive nuclear arms ban, condemns terrorism and supports the just cause of southern African and Palestinian peoples. The economic document calls for more South-South cooperation, the reform of the international monetary and financial system and the establishment of a new world economic order.

XINHUA Analysis Views NAM

OW202105 Beijing XINHUA in English 1638 GMT 20 Apr 86

["Analysis: Viability and Limitation of Non-Aligned Movement (by Tan Renxia)" -- XINHUA headline]

[Text] New Delhi, April 20 (XINHUA) -- The outcome of the ministerial meeting of the Non-Aligned Movement (NAM) in the past four days testifies to its viability and limitation.

In the political and economic declarations adopted at the concluding session today, the ministers urge major nuclear powers to stop nuclear arms race, condemn the U.S. bombings of Libya, support the just cause of the Southern African and Palestinian peoples, and put forward some positive proposals on South-South cooperation and North-South dialogue.

The achievements would have been more impressive if the diverse views and interests among the member countries of NAM had been accommodated to a consensus. The final results of the meeting merit a reappraisal of the role played by NAM in the international arena.

Twenty-five years have passed since the NAM emerged as an important moral and political force in the world. Its membership has increased from 25 to 101. What binds the non-aligned countries is their common aspiration for peace, independence and development. They have made unabated efforts for disarmament, detente and a new international economic order, and contributed a lot to the struggle against imperialism, colonialism and racism. However, the NAM could not take a strong and united position on certain important issues owing to factors in and outside the movement.

The confrontation between the United States and the Soviet Union has its impact on the movement. Both of them are trying to turn the movement into a course conducive to their respective strategic benefits and the non-aligned countries have different relations with each of them. Although they unanimously condemn the U.S. bombings of Libya, they gave different response to the Libyan appeal to cut off their political and economic links with the United States. What is more, on the Afghan issue, many non-aligned countries condemned the Soviet military occupation, some kept silent, a few defended the occupation.

The members of NAM comprise countries of different political systems and diverse economic and social conditions. It is only natural to have diverse opinions on the issues NAM is facing. What is vital for the movement is to seek common ground in a wider perspective so that it can effectively play its role as a viable strength for peace, independence and development.

SOVIET, GDR LEADERS MEET IN EAST BERLIN

OW210130 Beijing XINHUA in English 0125 GMT 21 Apr 86

[Text] Berlin, April 20 (XINHUA) -- Democratic German and Soviet leaders Erich Honecker and Mikhail Gorbachev in a meeting here today discussed the ways and means for further strengthening cooperation between Socialist Unity of Germany (SED) and the Soviet Communist Party.

Gorbachev is here attending the 11the Congress of the SED, the ruling party of the German Democratic Republic, which opened last Thursday. It is the first time that Gorbachev has made appearance at the party congress of a Warsaw Pact member country since he became the Soviet Communist Party Chief in March last year.

The official Democratic German news agency ADN said that during the meeting today, the two leaders also exchanged views on current international issues. No details were given about their discussions.

FURTHER REACTION TO U.S. ATTACK ON LIBYA

XINHUA on U.S. Motive

OW190826 Beijing XINHUA in English 0803 GMT 19 Apr 86

["News Analysis: U.S. Motive Behind Attack on Libya (by Bao Guangren)" -- XINHUA headline]

[Text] Washington, April 18 (XINHUA) -- The United States has tried to justify its air raid on Libya as an act of "self-defense" which it said was aimed at "terrorist infrastructure", but denied that Mu'ammar al-Qadhdhafi was a "direct target" of the U.S. action. According to reports from the Libyan capital of Tripoli, however, Al-Qadhdhafi's residence was seriously damaged during the air strike. His 15-month old adopted daughter was killed and two of his sons were wounded. Al-Qadhdhafi himself survived the raid.

From what U.S. officials and press reports said about the strike, one can be led to the conclusion that Al-Qadhdhafi was a target of the U.S. attack and that it has been and still remains the prime objective of the official U.S. policy to overthrow the Libyan leader.

It was disclosed that the strike plan called for at least one F-111 bomber to blast Al-Qadhdhafi's compound with four 2,000-pound bombs. The blasts could damage everything in the vicinity. One U.S. official was quoted by THE WASHINGTON POST today as saying that "we hoped we would get him." The paper also said that the U.S. National Security Council had even drafted a statement for administration use describing Al-Qadhdhafi's death, should it happen, as "fortuitous." U.S. leaders also used harsh languages to describe the Libyan leader and even called him names.

At a Pentagon news briefing, reporters raised the question as to whether dropping four 2,000-point bombs on the Libyan leader's compound violated the executive ban signed by former U.S. President Gerald Ford in 1976 which prohibits any U.S. attempt to assassinate foreign leaders. The Pentagon spokesman certainly dared to admit it. But the problem is there.

At a news conference Thursday, U.S. Secretary of State George Shultz, when asked if the U.S. raid would prompt a coup in Libya, replied that "if a coup takes place, that's all to the good," adding that the purpose of the raid was to unseat Al-Qadhdhafi.

U.S. Ambassador to the United Nations Vernon Walters also confirmed that the purpose of the strike was to encourage Al-Qadhdhafi's opponents. "I think what we did the other night would cause those people to have new hope," he said.

Two days after the U.S. raids, a senior White House official was quoted by THE NEW YORK TIMES as saying that the Reagan administration had kept periodic contacts with Al-Qadhdhafi's opponents over the past several years. He indicated that the efforts had not gone far, but they were continuing. He said "pockets of opposition" exist, particularly in the Libyan military.

The United States has on many occasions tried to topple a legitimate foreign government by force. So it is nothing unusual if it wanted to topple the Libyan leader this time.

'Tarnished' U.S. Image

OW202147 Beijing XINHUA in English 1934 GMT 20 Apr 86

["U.S. Relations with Arab States Further Estranged After Bombing of Libya (by Chen Ruining)" -- XINHUA headline]

[Text] Cairo, April 20 (XINHUA) -- The U.S. air strikes Tuesday at the Tripoli and Benghazi in Libya have further estranged U.S. relations with almost all Mideast countries, except Israel which hailed the bombing. Official reactions from Arab and Islamic countries ranged from "strong condemnation" to "grave concern". Most countries asked for 'restraint' on both sides, depending on their existing relations with the U.S. and Libya. Massive anti-U.S. demonstrations took place in Syria, Iran and other hardline Arab states, while the demonstrators were restrained by the governments of moderate Arab countries such as Egypt and Jordan. What is more important is the image of the U.S. tarnished by its bombing of an Arab state. While the U.S. talked about anti-terrorism, it had some sympathy among some Arab people. But when it resorted to bombing to kill the people of an Arab state under the pretext of fighting terrorism, the U.S. lost their sympathy and pan-Arab nationalism surfaced.

In Jordan, the U.S. bombing is seen as a setback for the Middle East peace process. The U.S. claimed itself as a mediator in the Arab-Israeli conflict. But whether the U.S. can play such a role properly is more doubtful after the U.S. started killing people of an Arab state with its F-111 bombers. The government of Egypt, which has the worst relations with Libya among Arab countries, while deploring the U.S. raid, offered to sent Libya a medical team and relief material for the injured Libyans.

It is seen as a matter of course that all member states of the Arab League agreed to a proposal to hold an Arab summit meeting to discuss the U.S. air attack in the next few days. If the summit is convened, the U.S. will certainly be censured in its resolution.

However, the U.S. bombing does not dissolve the divergence within the ranks of the Arab countries as it is shown in preparing the agenda for the summit. While Libya and some other Arab states insist that the summit should discuss the U.S. bombing only, Saudi Arabia, Kuwait and some other Gulf Arab states asked for the inclusion of the flare-up of the Iran-Iraq war threatening their own security to be included also in the agenda.

While the U.S. bombing further estranged the U.S. relations with Arab states, it does not make the Soviet relations with the Arab states closer. Several days prior to the U.S. bombing, Moscow reportedly withdrew its warships from Libyan waters. Kuwait daily AL RA'Y AL-'AMM asked why the Soviets retreated just before the armed conflict? Moscow's action is not surprising as its objective is only to divide the sphere of influence with the U.S. and it dares not offend the U.S., the paper said.

U.S. Pays 'Dearly'

OW202000 Beijing XINHUA in English 1956 GMT 20 Apr 86

["U.S. Pays Dearly for Raid on Libya (by Rui Vingjie)" --XINHUA headline]

[Text] Amman, April 20 (XINHUA) -- The U.S. raid on Libya has hurt the pride of the Arabs, thwarted the aspirations for a peaceful settlement of the Mideast problem and impaired U.S. own prestige, observers here noted. They held the view that bombs fallen ino Tripoli have made U.S. President Ronald Reagan's proposals on Mideast peace utterly worthless.

The Jordanians, who have been described as moderates, are enraged. Seven Jordanian organizations, including the associations of journalists, engineers, teachers, and medical doctors, have issued a statement declaring that the United States, as a superpower, "is no more now a supporter of peace but a barrier of peace." Just as an Amman paper has pointed out, superficially, the U.S. raid of Libya seems to have no connections with the Middle East peace process. But, the paper said, the American bombs have exploded away the veil over the hypocritical words of peace.

Observers noted that those Jordanians who had still pinned their hopes on the Americans for pressurizing the Israelis in favour of the Middle East peace process have been disillusioned. The U.S. bombs are the eye-openers. It is the view shared by many Jordanians and Palestinians as well that the Americans will continue to contact with some Middle East countries to keep up the peace process out of strategic considerations in their contention with the Soviet Union. But, they say, now the Americans will no more be trusted by the Arab people.

The Americans have paid dearly for the raid on Libya.

Raid 'Probe' for Moscow Reaction

OW201705 Beijing XINHUA in English 1645 GMT 20 Apr 86

["News Analysis: U.S. Raids on Libya -- A Probe for Moscow's Reaction (by Mei Zhengmin) -- XINHUA headline]

[Text] Beijing, April 19 (XINHUA) -- The large-scale U.S. air raids on Libya on April 15, the biggest American military operation since the Vietnam terrorism, were carried out under the pretext of "opposing terrorism", but to a certain extent they were also a probe for Moscow's reaction to the U.S. bombings. Since their Geneva summit last November, the two superpowers have somewhat readjusted their tactics and strategies toward each other.

Moscow wants a more favorable international environment for "speeding up (Soviet) social and economic development" through economic and social reforms. It has therefore launched one peaceful offensive after another against Washington.

Being fully aware of Moscow's intentions, the United States has categorically turned down the Soviet request to stop its nuclear tests and the Strategic Defense Initiative program. On the contrary, the United States has increased its military strength so as to gain an upper hand over Moscow militarily. Meanwhile, Washington has stepped up its rivalry with Moscow in various "hot spots" in the world.

In his policy statement to the Congress on March 14, U.S. President Ronald Reagan put forth a strategy to push back rather than contain Soviet influences in the world so as to regain its lost ground. Since late February, the U.S. administration has provided the anti-government forces in Nicaragua with a 100 million dollar aid and held joint military exercises with Honduras as a threat to the Nicaraguan Government.

On March 24 and 25, the U.S. Sixth Fleet maneuvering in the Mediterranean bombed SAM-5 missile bases in Libya and attacked Libyan patrol boats. By so doing, Reagan wanted to test how Moscow would react, the Paris weekly "AL-MUSTAQBAL" pointed out. On March 30, the U.S. administration announced it would provide the anti-government forces in Angola with sophisticated Stinger ground-to-air missiles. The announcement represented another escalation of the U.S. regional policies. The U.S. air raids on Libya were not an isolated action.

In a statement on April 15, the Soviet Government said the U.S. attack on Libya would affect the Soviet-U.S. relations and that the Soviet Union could no longer attend the meeting of the two foreign ministers scheduled in May. If Washington does not stop similar actions, the statement said, the Soviet Union had to draw even more profound conclusions from the developments. This is the simple way Moscow reacted toward the U.S. raids on its ally Libya.

Gorbachev: Raid Will Affect Ties

OW181922 Beijing XINHUA in English 1908 GMT 18 Apr 86

[Text] Berlin, April 18 (XINHUA) -- Soviet leader Mikhail Gorbachev today warned that the latest U.S. air raids on Libya would affect Soviet-U.S. relations and Eat-West ties as a whole. In an address to the 11th Congress of the Socialist Unity Party of Germany which opened yesterday, Gorbachev reaffirmed solidarity with Libya "in words and deeds" and said that the U.S. air strikes against Libya as well as America's refusal to join a Soviet moratorium on nuclear tests were doing direct harm to dialogue between the Soviet Union and the United States and East-West dialogue in general. Soviet-American relations cannot develop independently of Washington's behavior in the international arena and the subsequent developments, Gorbachev added. The Soviet leader said Washington bears a grave responsibility for its military actions, which were leading to a serious worsening of the situation in the world.

The United States launched the air strikes early Tuesday on charges of Libyan involvement in series of terrorist attacks on U.S. targets. Washington wanted to teach a lesson in order to force the Arab countries to give up their struggle for a just settlement of the Middle East conflict, but it resulted in a bankruptcy of the American policy in the region, Gorbachev said.

Gorbachev, in his speech to the first party congress of a Warsaw Pact country he has attended, also proposed "substantial reductions" in conventional armaments and forces in Europe. He suggested that both the Warsaw Pact and NATO substantially cut all components of land forces and tactical air forces in Europe, including those of the United States and Canada.

The cuts should cover the territory of the entire Europe from the Atlantic Ocean to the Ural Mountains and be reliably supervised, the Soviet leader said. "The formations and units to be reduced should be disbanded and their weaponry either destroyed or stored in national territories," he added. The formulation of the above-mentioned question will make it possible to cut the knot which has strangled central Europe troop reduction talks in Vienna for many years, Gorbachev said in his speech, but he did not elaborate.

The Soviet leader also reassured all West Europeans that his country "will never and under no circumstances begin armed operations against Western Europe unless we or our allies become targets of a NATO attack."

USSR Still Hopes for Meeting

OW210312 Beijing XINHUA in English 0228 GMT 21 Apr 86

[Text] Berlin, April 20 (XINHUA) -- Soviet leader Mikhail Gorbachev said today that he is still prepared to meet U.S. President Ronald Reagan this year, but there must be a "suitable atmosphere in international relations" for such a meeting. Gorbachev made the statement in Potsdam when he was visiting the Cecilienhof Palace where the famous Potsdam Agreement was signed in 1945.

Asked by a Federal German television reporter about the chances of his summit with Reagan following the Nevada nuclear tests and American air attack on Libya, Gorbachev replied that for a new meeting with the U.S. President to take place, there must be a suitable atmosphere for the meeting to take a fresh step forward.

"If the United States realizes it is necessary to take this path, we are ready. If it goes on as it is today, trying to poison the atmosphere and heighten the tensions, this will throw a shadow over any future meeting," Gorbachev warned. The Soviet leader said that this should be considered by the United States rather than the Soviet side which is prepared for serious steps. "We are ready to take a realistic step toward peace," he added.

Gorbachev, who has been in Democratic Germany to attend the 11th Congress of the German Socialist Unity Party since April 16, proposed for a reduction of conventional weapons in Europe when he was addressing the Congress on April 18.

UNSC Fails To Adopt Resolution

OW191822 Beijing XINHUA in English 1435 GMT 19 Apr 86

[Text] United Nations, April 18 (XINHUA) -- The U.N. Security Council wounded up its seventh meeting this evening without adopting a resolution on a complaint by Libya and others on the latest U.S. "military aggression" against Libya. However, a draft resolution sponsored by the Congo, Ghana, Madagascar, Trinidad and Tobago, and the United Arab Emirates is expected to come before the Council for a vote next Monday. The draft circulated among delegates and journalists this afternoon would have the Security Council "strongly condemn the armed attacks by the United States of America in violation of the Charter of the United Nations and the norms of international conduct."

Calling on the United States to "refrain forthwith from any attacks or threats thereof," the draft also "condemns all terrorist activities whether perpetrated by individuals, groups or states."

U.N. diplomatic sources say that although there may be a majority or the required quorum of nine votes from the member nations in support of the draft, it is destined to be vetoed by the United States if not opposed by Britain and the other three Western nations altogether.

Ali Treiki [spelling of name as received] Libya's new ambassador to the United Nations who arrived here from Tripoli yesterday, displayed some photographs of dead children whom he called "the innocent victims of so-called 'American civilization'" in his speech before the council. The Palestine Liberation Organization was also one of the six speakers at the council's debate today.

XINHUA ON U.S. FARM EXPORTS' CONTINUED DECLINE

OW202151 Beijing XINHUA in English 1948 GMT 19 Apr 86

[Text] Washington, April 20 (XINHUA) -- America's farm exports continue to fall, reaching the lowest level in 46 years. The U.S. Department of Commerce reported today. The department's statistics showed that farm products now make up less than 14 percent of the total value of all U.S. exports, the lowest figure since 1940.

From October through February, the latest reporting period, the value of farm exports dropped to 12.8 billion dollars, 20 percent below the previous same period, according to U.S. Agriculture Department figures.

For fiscal year 1986, the Agriculture Department had predicted -- based on a new farm law signed in 1985 -- total overseas sales of 29 billion dollars. The new farm law was designed to boost America's farm exports by lowering government price supports. However, the recent performance has been so poor that the department has revised the figure downward to 28 billion dollars. The projected surplus in farm trade for 1986 would be 7 billion dollars, the lowest since 1972.

Some officials are optimistic about the trend of America's farm trade, saying the lower dollar and the new farm bill will make American farm products more competitive soon, with the possible edge showing up in this summer's wheat harvest.

In 1981, American farmers exported a record 162 million metric tons of farm products worth 44 billion dollars. Last year, the figure was 126 metric tons, and for 1986, it is estimated to be around 122.5 million metric tons. U.S. wheat exports in 1981 totaled 48.2 million metric tons or nearly 45 percent of world sales. By 1985, the wheat exports had dropped by nearly half, to 24.5 million metric tons or about 26 percent of world sales.

The U.S. Government is hard pressed to sell its stored grains to overseas markets. This year, government expenditure for buying and storing surplus farm products will reach 230 billion dollars, the Agriculture Department reported. The U.S. is working hard to open up the world market for its grain sales. But it is facing opposition from the European Community because the EC changed some rules regarding U.S. grain exports after the admission of Spain and Portugual earlier this year.

WU XUEQIAN ENDS VISIT WITH JAPAN'S ABE

No Formal Document

OW181206 Beijing XINHUA in English 1145 GMT 18 Apr 86

[Text] Tokyo, April 18 (XINHUA) -- Chinese Foreign Minister Wu Xueqian left here today after two rounds of talks with his Japanese counterpart Shintaro Abe. Wu came here for the second regular foreign ministerial talks between the two countries, during which the two ministers exchanged views on bilateral, regional and global issues of common concern. The week-long visit, Wu's fourth to Japan, ended with no official documents, but the two diplomatic chiefs have reportedly discussed in some depth trade issue and have agreed to take measures to reduce China's increasing trade deficit with Japan. Wu also met Prime Minister Yasuhiro Nakasone and other Japanese Government officials during the visit. The Chinese foreign minister also travelled to Japan's southern main island of Kyushu.

Arrives in Beijing

OW201446 Beijing XINHUA in English 1431 GMT 20 Apr 86

[Text] Beijing, April 20 (XINHUA) -- Chinese Foreign Minister Wu Xueqian returned here this afternoon after a visit to Japan. Receiving him at the airport were Vice-Foreign Minister Liu Shuqing and Japanese Ambassador to China Yosuke Nakae. Wu left Osaka and arrived in Shanghai last Friday.

LIAOWANG CITES YAO YILIN ON ECONOMIC ISSUES

HK200822 Beijing XINHUA Hong Kong Service in Chinese 0130 GMT 20 Apr 86

[Text] Beijing, 20 Apr (XINHUA) -- At a meeting with Japanese visitors, Vice Premier Yao Yilin said: "There will be no major problems in the Chinese economy as far as foreign trade is concerned." On 8 January, this year, Yao Yilin met a survey group sent by Japan's Asian Economics Institute and headed by Susumi Kobayashi. On that occasion, Yao Yilin answered questions raised by the visitors. The weekly LIAOWANG, which will be on sale tomorrow, reports on what Yao said during the meeting. Yao Yilin said: Although there are some unfavorable conditions for China's foreign trade this year, last year's performance can be maintained. The unfavorable conditions mainly refer to the fall in the prices of oil and farm products on the international market and the effects of worldwide protectionism on China's textile exports. Textile goods are China's most important export product. However, he pointed out, since we have to take into account future development, say post-1990 development, we still cannot cut down on importing some goods. He continued: Although China does not have much foreign exchange reserves, it has some gold reserves. In addition, China's foreign debts are quite insignificant. Commenting on China's financial situation, Yao Yilin said that China had not had a deficit the year before and that he did not expect one this year. Speaking on this year's economic growth rate, he said: According to tentative figures, the economic growth rate will be 7 percent and this growth rate will not lead to strains on the supply of fuel, electronic products, or raw and processed materials but will on transportation. He continued: We must have some reserve strength for national economic development. We have a shortage of steel products, nonferrous metals, and timber. The shortage of steel products and nonferrous metals is due to low output. The shortage of timber is due to our unwillingness to fell trees or to expend our limited timber resources. This is why we are importing it.

Yao Yilin also spoke to the Japanese visitors on the need for China to raise its people's living standards and to ensure some reserve strength for economic development, the relations between the central government and the localities, the strategy for developing the Chang Jiang delta, the pace of economic development, and other issues.

Yao Yilin said: Our policies are to speed up the development of the Chang Jiang and Zhu Jiang deltas and to enable them to play a leading role in national economic development. The Chang Jiang delta comprises three groups of localities: The first group is Shanghai; the second group comprises Suzhou, Wuxi, and Changzhou; and the third group comprises Jiaxing, Hangzhou, and Ningbo in Zhejiang. Shanghai's most serious problem is that, over the past several decades, its construction of basic facilities has been quite unsuccessful. It has been lagging behind in its regard.

He said: The Chinese Government intends to devote vigorous efforts to building basic facilities in Shanghai. Now that the municipality is open to the outside world, the main obstacle to its cooperation with foreign countries and other regions is its shortage of basic facilities. So we must try to make the construction of basic facilities a success. Starting from last year, we have been doing this. We will continue with this work this year. We expect success in 10 years or so.

PRC-JAPAN NONGOVERNMENTAL MEETING ENDS IN TOKYO

OW181152 Beijing XINHUA in English 1047 GMT 18 Apr 86

[Text] Tokyo, April 18 (XINHUA) -- Participants to the third meeting of the Sino-Japanese nongovernmental personages pledged to expand links between the two countries in all fields at the session's conclusion today. In the meeting's summary, the participants applauded the positive results of the meeting.

"The nongovernmental personages attending the meeting have discussed ways to improve bilateral relations and international issues of common concern in a spirit of frankness, which, will be beneficial to the further improvement of the relations between the two countries," the summary said. The first meeting of the group was in 1982 in Tokyo and the second in Beijing in 1984. The fourth meeting is scheduled for 1988 in Beijing.

WANG ZHEN, DELEGATION PAY VISIT TO HIROSHIMA

OW181803 Beijing XINHUA in English 1632 GMT 18 Apr 86

[Text] Tokyo, April 18 (XINHUA) -- The Chinese people firmly oppose the nuclear arms race, stand for the complete prohibition and thorough destruction of nuclear weapons and are striving for preventing a repetition of the Hiroshima tragedy, a senior Chinese official said in Hiroshima today. Wang Zhen, chairman of the Sino-Japanese Friendship Association who heads the Chinese delegation at the third Japan-China meeting of non-governmental personages, said this at a press conference in Hiroshima when the delegation was visiting the city.

Flying over from Tokyo today, the Chinese delegation was welcomed at the airport by Toranosuke Takeshita, governor of Hiroshima Prefecture, and Takeshi Araki, mayor of the city.

Later at the press conference, the mayor asked the delegation to convey to the Chinese people the aspirations of the city's one million residents to develop friendly relations with the Chinese people. Wang announced that his association will present to the Hiroshima residents a monumental work of art dedicated to peace.

WAN LI MEETS KOREAN UNIVERSITY DELEGATION

OW191302 Beijing XINHUA in English 1229 GMT 19 Apr 86

[Text] Beijing, April 19 (XINHUA) -- Vice-Premier Wan Li met here today a delegation from the Kim Chaek Engineering University of Korea headed by its President Kim Chong-Wan. Wan Li briefed the guests on China's education and discussed educational exchanges between the two countries with them.

The visitors had exchanged views on strengthening its cooperation with Qinghua University in Beijing after their arrival here April 17. They will visit colleges in Shanghai, Quangzhou and Tianjin.

DENG YINGCHAO MEETS JAPANESE CALLIGRAPHERS

OW181819 Beijing XINHUA in English 1528 GMT 18 Apr 86

[Text] Beijing, April 18 (XINHUA) -- Deng Yingchao, chairman of the National Committee of the Chinese People's Political Consultative Conference, met with a calligraphers' delegation from Japan here this afternoon. Led by Yasus Nakamura, member of the House of Representatives, the delegation is here to attend an exhibition of calligraphic works by Chinese and Japanese statesmen, to be opened April 19.

During the meeting Deng said, "This is the first time such an exhibition has been held since the normalization of Sino-Japanese relations. So we extend to you a particular welcome." She said the exhibition shows the progress of cultural exchange between the two countries and also adds a friendship flower to bilateral friendly relations.

Nakamura expressed the hope that there would be a further strengthening of mutual understanding and friendship between the statesmen of the two countries through calligraphic exchanges.

Chu Tunan, vice-chairman of the National People's Congress Standing Committee, also met with the delegation this afternoon. The meetings were followed by a banquet for the Japanese hosted by Zhang Wenjin, president of the Chinese People's Association for Friendship with Foreign Countries. Chu Tunan was present on the occasion.

ZHONGGUO QINGNIAN BAO VIEWS APRIL 5TH INCIDENT

HK170211 Beijing ZHONGGUO QINGNIAN BAO in Chinese 5 Apr 86 p 1

[Editorial: "Struggle for Truth, Dedicate Ourselves to Modernization -- Commemorating the 10th Anniversary of the 5 April Incident"]

[Text] The long process of history is surging ahead. Fully 10 years have passed since the powerful protest movement in memory of Premier Zhou and against the "gang of four" took place in Tiananmen Square on 5 April 1976.

Ten years ago, we lived in grief and indignation. The "gang of four" rode roughshod and the vicious "leftist" line brought calamity to the country and the people. It was under such historical conditions that the great Tiananmen Incident took place. Countless party and CYL members, enthusiastic youths, and honest people gathered around the Monument to the People's Heroes to hold a memorial ceremony for Premier Zhou and to indignantly denounce the "gang of four." This expressed their sincerity as well as heroic and dauntless spirit in seeking truth and justice, in supporting the party's correct line, and in showing their solicitude for the country's destiny and future. The Tiananmen Incident proved that under the long-term guidance and education of the party, the vast number of party and CYL members and the masses have a high level of political consciousness, can make a clear distinction between right and wrong, and are bold in supporting justice and fighting evil. It was the party's correct line that silently guided them in that heroic and inspiring movement. The resolution on certain questions in the history of the party since the founding of the People's Republic of the 6th Plenary Session of the 11th CPC Central Committee pointed out: "In essence, this movement was in support of correct party leadership represented by Comrade Deng Xiaoping. It laid a solid foundation among the masses for smashing the Jiang Qing counterrevolutionary clique." This is the high appraisal which history has made of the significance of the Tiananmen Incident.

Ten years have passed since that Qing Ming festival in 1976, and great changes have taken place in the country. Today, when we commemorate the April 5th Incident under the new situation of stability and unity in which reforms are proceeding in a deepgoing way and the urban and rural economies are thriving, all kinds of feelings have welled up in our minds. We have full confidence in the correct leadership of the CPC Central Committee and the bright future of the socialist motherland.

Ten years ago, why did people express such profound condolences for our beloved Premier Zhou, support loyal revolutionaries of the older generation such as Comrade Deng Xiaoping, but bitterly hate the vicious "gang of four"? Because Premier Zhou and Comrade Deng Xiaoping represented the will of the people, carried forward the "four modernizations" proposed by the CPC Central Committee, and exerted their utmost efforts in socialist construction. But in spite of all this, they were framed up. The 10 years of turmoil brought China's economy to the brink of collapse. A handful of crooks tried to drag the Chinese people into a more confusing, more backward, and darker situation. The inspiring poems at Tiananmen Square echoed the voice of the people: "Vanquish all demons and monsters," restore the party's correct line and leadership, concentrate our efforts on modernization, and invigorate our great country. These wishes have become inspiring facts over the past 10 years. We have punished the "gang of four," thoroughly negated the "Great Cultural Revolution," discarded the ultraleft line, profoundly summed up bitter historical lessons, shifted the party's work focus, resolutely carried out various types of reforms, and made remarkable achievements in socialist modernization.

"The premier would have beamed with satisfaction" at all this -- the inevitable victory of the people in their endeavor to propel history forward. These achievements also mark the beginning of the revitalization of the Chinese nation under the leadership of the party. We should treasure today's excellent situation.

The situation has changed, the tasks are different, and the new generation has a new mission to fulfill. From now on our central task is to build the motherland. We are carrying out various types of reforms, speeding up the development of the productive forces, promoting social progress, exploring and creating socialism with Chinese characteristics, building China into a developed country with a high degree of civilization and democracy, and working hard to materialize the great target in "three steps." Since the shifting of the party's work focus, and since the 12th CPC National Congress in particular, the CPC Central Committee has led the people in striving to achieve this target. In this new historical period, the party and the people sincerely hope that the vast number of young people will dedicate themselves to reform, make contributions to the prosperity of the motherland and the people, and in the course of practice strive to become a new generation of people who have ideals, morality, cultural knowledge, and discipline and who are proficient in Marxism. To ensure the smooth progress of reforms and the modernization drive, we must consciously preserve the good situation of stability and unity. With regard to party and social conduct as well as problems in reforms and work in various fields, we must have a correct attitude toward them. Only be taking account of the overall situation and observing socialist democracy and the legal system under the leadership of the party can we solve these problems and contribute to the promotion of social progress.

Today, how should we learn from and bring forward the April 5th revolutionary spirit? Learning from the spirit of safeguarding truth and justice which they displayed 10 years ago, we should wholeheartedly dedicate ourselves to reforms and the "four modernizations" drive. This is a valuable experience the Tiananmen Incident has left for us. Promoting reforms and realizing the "four modernizations" have an important bearing on the fundamental interests of the Chinese nation and the happiness of the people. Young people should dedicate their youth to the realization of this lofty target. They will certainly add splendor to history so long as they act in the April 5th spirit, concern themselves with the future of the country, take part in reforms with immense political enthusiasm, overcome difficulties like despising all vicious monsters, and boldly make explorations. The "four modernizations" drive badly needs talented people and has provided young intellectuals with enough room to display their talents. There are millions upon millions of talented young people in China. They are our precious wealth and constitute an important condition for carrying out the "four modernizations." However, it will not do to acquire theoretical knowledge without practical knowledge or to possess practical knowledge without theoretical knowledge. Young people, and in particular young intellectuals, should study in practice and learn from the masses apart from studying theoretical knowledge. Without participating in the practice of transforming nature and society, without going in for economic construcion and scientific experiments, and without improving their talents through solving complicated practical problems, how can they become the talented people required for building socialism with Chinese characteristics? The more the party and the people pay attention to the importance of knowledge and talented people, the more young people should motivate themselves in their work.

In the course of studying Marxism-Leninism and modern scientific knowledge, they should conscientiously engage in practical training, modestly learn from the worker and peasant masses, and understand the overall situation of the national economy and the people's livelihood. Only in this way, can they enrich their brains, stimulate their creative spirit, serve the people better, and prevent or overcome all types of weaknesses and shortcomings resulting from separation from practice and the masses. History has suggested that young intellectuals can grow well only by plunging themselves into the practice of revolution and construction and combining with the worker and peasant masses. This is an irrefutable truth. We hope that young intellectuals will advance along this correct road and temper themselves into qualified talented people who meet the requirements for socialist modernization.

LIAOWANG ON LAST DAYS OF DAZHAI'S CHEN YONGGUI

HK170325 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 14, 7 Apr 86

[Article by Huang Zhenggen: "Chen Yonggui on His Deathbed"]

[Text] It was early spring. The sun was shining into room 103, Beijing Hospital. Chen Yonggui, China's famous model laborer and former secretary of the Dazhai CPC Branch, Xiyang County, Shanxi Province, was lying in bed.

This 72-year-old man was suffering from advanced lung cancer. He looked lean and haggard and the wrinkles on his forehead seemed to have been carved out with a knife. He was struggling against the god of death. After suffering high fever the year before, Chen Yonggui, a formerly strongly-built old peasant, had collapsed. When he was sent into the Beijing Hospital, the doctor diagnosed the illness as advanced lung cancer. Since the cancer was located between the trachea and the heart, chemical treatment could not be given. Within a few months, the cancer cells had proliferated rapidly and several cancer tumors could be seen near the lymph at the neck. This gave him terrible pain. People from the CPC Central Committee General Office had put water melons, oranges, and tomatoes, which he liked so much, in the refrigerator in his room. However, he was already unable to eat anything.

Although afflicted with this fatal disease, Chen Yonggui remained calm. He was aware that he had only a few days to live, despite the medical treatment given him. He wanted to make arrangements for matters to be handled after his death. He said to his wife, son, and daughter at his side:

"After I die, move out of the suite of four rooms in the multi-storied building into a single-storied house and repay the state for the quilts and furniture borrowed from it.... Don't enjoy anything you are not entitled to. Much less should you ask for anything from the party Central Committee!"

At 0900 on the morning of 21 March 1986, Ruan Bosheng, chairman of the Shanxi Provincial People's Congress Standing Committee, who had come to Beijing to attend the Fourth Session of the Sixth NPC, came to the hospital to see him. Chen Yonggui asked his son to help him to his wheelchair. Holding Ruan Bosheng's hands, he said with a feeble and yet humorous voice, "You are among the first to come. Thank you!" The workers of the CPC Central Committee General Office had told him in advance that friends from his hometown Dazhai and from Shanxi Province would come to see him. Chen Yonggui thanked the party Central Committee for making these arrangements from the bottom of his heart. During the meeting, he suppressed his pains and looked better! After Ruan Bosheng had left, he sat with his back against the head of his bed and listened silently to footsteps in the corridor.

How he longed to meet his fellow villagers from his hometown at the foot of Hutou Shan in the Taihang Mountain area during these last moments of his life!

He know who would come to see him from Dazhai: Song Liying, Liang Bianliang, Guo Fenglian, Jia Laihuan, and Zhao Cuntang. They were all his comrades-in-arms. In decades of trials and hardships, they made achievements and met with defeats. They had happy times and had also made mistakes...

Chen Yonggui was born in 1914 in a peasant's family in Xiyang County, Shanxi Province. He joined the CPC in 1948. After the founding of the country, he took up a succession of posts: member of the production committee, secretary of the party branch, and director of the agricultural cooperative of Dazhai Village; deputy to the Third, Fourth, and Fifth NPC's; member of the 9th, 10th, and 11th CPC Central Committees; and member of the Political Bureau of the 10th and 11th CPC Central Committee. From 1975 to 1980 he was vice premier of the State Council.

Chen Yonggui was the country's most famous model laborer and was on many occasions awarded by the county, prefecture, and the province. In the early years after liberation, he took the lead in organizing the cooperatives. In order to get rid of poverty in the mountain areas, he energetically led the cadres and the people in doing pioneering work, depending on their own efforts. He devoted his whole life to promoting the development of agriculture in mountain areas. His spirit of daring to fight against heaven and earth was highly spoken of by the CPC Central Committee, Chairman Mao Zedong, and Premier Zhou Enlai.

During the "Great Cultural Revolution," Chen Yonggui had taken a winding course. After the "gang of four" was smashed, Chen Yonggui saw for himself the tremendous changes brought about in China's rural areas by the 3d Plenary Session of the 11th CPC Central Committee. There the people's minds were emancipated, truth was being sought from facts, relaxed economic policies were implemented, agriculture, forestry, animal husbandry, sideline production, and fishery were developed in an overall manner, millions upons millions of peasants had embarked on the road to prosperity, and rural production was full of vitality. With all sorts of feelings welling up in his mind, he said: "During the 'Great Cultural Revolution,' Dazhai was engaged in class struggle every day and capitalist tails were cut every day. It turned out that such experience ran counter to the reality of China's rural areas. The results of promoting 'hard work' with 'mass criticism' was 'extreme poverty.' Now, the contract responsibility system which is based on output is being implemented and the rural economy has been enlivened. We have now embarked on the right road and this is a great invention and creation!"

During the Spring Festival this year, Chen Yonggui felt a little better and went back to Dazhai to celebrate the festival. He saw that the old women there were radiant with joy and young girls were wearing beautiful fashionable clothes. Chicken coops and sheds for rabbits were standing in front of cave-houses. Peddlers often visited the villages. Orchards, vegetable farms, pig farms, flour mills, vinegar workshops, and so on had all implemented the contract system based on output. The Dazhai peoples' living standards were improving day by day. He said joyfully, "The present way is better! If I were to stay here, I would do the same. The practices of counting 'political points' and 'eating out of the same big pot' should be thoroughly abandoned!"

At about 1000, Song Liying, Liang Bianliang, Guo Fenglian, Jia Laihuan, and Zhao Cuntang came into his room together. Their eyes were full of tears and this brought tears to Chen Yonggui's eyes too. At a moment when they were to part forever, no words could express what they wanted to say. With difficulty, Chen Yonggui shook hands with them one after another. He only said, "The people of Dazhai must listen to the words of the party!" Lying on the bed, he silently recalled what happened in the past. What made him feel very happy was that the rural areas today were much more beautiful than in the past. Dazhai today was much more beautiful than in the past. Was this not the very thing he struggled and pursued all his life?

In 1983, Chen Yonggui was appointed as the adviser to Beijing's Dongjiao Farm. He accepted the assignment and conducted investigative and study activities in order to enliven the commodity economy of the farm. He made many friends. He went to the farm nearly once a week. However, whenever the apples on the farm were ready for harvest, no one could find Chen Yonggui there.

Chen Yonggui lived in a suite of four rooms in a multi-storied building and was given a car for his own use. His monthly salary was more than 150 yuan and he did not have to pay for water, electricity, or his house. Chen Yonggui often took his grandchild walking with him in the sandy shady avenues near Beijing's Sanli He. He seldom went by car and often went to buy vegetables in the market. While queuing up for something, he would easily be picked out by others and priority was offered him. Chen Yonggui would smile and nod to show his appreciation but would decline such offer and remain where he was to wait his turn. When Chen Yonggui was seriously ill, Xi Zhongxun, Hu Qili, Hao Jianxiu, Wang Zhaoguo, and other central leaders; Yang Dezhong, first deputy director of the General Office of the CPC Central Committee; Chen Xitong, mayor of Beijing; and his friends from the Dongjiao Farm came to see him one after another. Chen Yonggui repeatedly expressed his thanks. He also repeatedly thanked General Secretary Hu Yaobang for saying so much on his behalf when the issue of Shanxi was being resolved.

At 2035 on 26 March, Chen Yonggui left this world forever. We should add that he was the country's most influential peasant after the founding of new China. While appraising this merits and mistakes, the people understand and tolerate his mistakes in the political storms during the "Great Cultural Revolution" and most people praise him for retaining the virtues of being hardworking, simple, and thrifty which are characteristic of a Chinese peasant.

STATE COUNCIL APPOINTS, REMOVES OFFICIALS

OW181349 Beijing XINHUA Domestic Service in Chinese 0733 GMT 18 Apr 86

[Text] Beijing, 18 Apr (XINHUA) -- The State Council appointed and removed a number of state functionaries on 2 April 1986.

The State Council made the following appointments: Xu Youfang [1776 2589 5364] as vice minister of forestry, Liu Deyou and Song Muwen as vice ministers of culture, Pang Bingan and Ding Xiangqi [0002 5046 6386] as deputy directors general of the XINHUA news agency, Li Xinghao [2621 2502 3185] and Chen Baigao [7115 4101 4108] as deputy directors of the Overseas Chinese Affairs Office of the State Council, Liu Daosheng as chairman of the State Committee for Spoken and Written Language Work, Zhang Enshu as chairman of the Board of Directors of the China National Construction Engineering Corporation, Ma Tinggui [7456 2185 6311] as general manager of the China National Construction Engineering Corporation, and Li Zhimin [2621 1807 2404] as alternate representative of the People's Republic of China at the Permanent Mission to UN office at Geneva and to other international organizations in Switzerland.

The State Council made the following removals: Li Guangxiang and Wang Wentong from the posts of vice ministers of public security, Liu Kun and Wang Dianwen from the posts of vice ministers of forestry, Shi Xiyu from the post of vice minister of railways, Zhou Weizhi and Lu Zhixian from the posts of vice ministers of culture, Feng Jian and Yang Jiaxiang from the posts of deputy directors general of the XINHUA news agency, Mo Yanzhong and Zhuang Yanlin from the posts of deputy directors of the Overseas Chinese Affairs Office of the State Council, Liu Daosheng from the post of chairman of the Committee for Reforming Chinese Written Language, Xiao Tong from the post of chairman of the Board of Directors of the China National Construction Engineering Corporation, and Zhang Enshu from the post of general manager of the China National Construction Engineering Corporation.

HU QILI IN SHANGHAI ON CONDITIONS FOR ARTISTS

OW202122 Beijing XINHUA in English 1917 GMT 20 Apr 86

[Text] Shanghai, April 29 (XINHUA) -- The party and government will continue to provide good working conditions for the artists, a party leader said during an inspection tour here.

Harmonious atmosphere will be created for the production of more works that reflect the significant changes today and the characteristics of the Chinese people, said Hu Qili, member of the Political Bureau of the Communist Party Central Committee. During talks with people from the field of social sciences, he urged that special efforts be made to takle major theoretical and policy problems concerning social development.

"Workers of social sciences should make full play of their role as the think tank of the party and government," he said.

Visiting the Jiaotong University here, Hu urged students to take care of themselves. "They should not be treated as children."

"Students should be encouraged to rely on, discipline and improve themselves," he said, calling them to become more creative and make direct contacts with the society. During his stay here from April 14 to 19, Hu also paid a visit to Chinese noted writer Ba Jin.

SENTENCING OF ECONOMIC OFFENDERS DRAWS COMMENT

OW201215 Beijing XINHUA Domestic Service in Chinese 1415 GMT 19 Apr 86

[Excerpts] Beijing, 19 Apr (XINHUA) -- The Beijing Municipal Intermediate People's Court's recent conviction and sentencing of Zhang Changsheng and Ye Zhifeng for leaking state secrets and taking bribes have aroused a strong reaction nationwide. Cadres and the masses throughout the country generally held: Severely punishing criminals for leaking state secrets and taking bribes and resolutely striking at all types of serious economic offenses are an important guarantee for continuing the policy of opening to the outside world and invigorating the domestic economy. They are also necessary measures for achieving a fundamental turn for the better in party style and social ethics.

Cadres and the masses throughout the country said: Colluding with each other, leaking vital state secrets to foreign businessmen, and taking bribes, Zhang Changsheng and Ye Zhifeng deserved severe legal punishment.

Shang Juntian, a cadre of the Economic and Trade Office of the Beijing Municipal CPC Committee, said: The bribes Zhang Changsheng and Ye Zhifeng took from foreign and Hong Kong businessmen were, in fact, the people's hard earned money. Criminals like them should be firmly dealt with when they are discovered.

Tian Wenchang, deputy chief of the Department of Law of the University of Political Science and Law, said: Both Zhang Changsheng and Ye Zhifeng fully deserved their punishment. Having accepted an exceptionally large bribe of over 710,000 yuan, Zhang Changsheng was involved in an extraordinarily serious case. According to the related clauses of the criminal law of our country and the NPC Standing Committee's "Decision on Severely Punishing Criminals Who Seriously Disrupt the Economy," bribe-taking should be punished the same way as embezzlement and, in particularly serious cases, the highest legal penalty should be the death sentence Zhang Changsheng's criminal offense, the nature and circumstances of his crime, and the harm his crime caused to society sufficed to give him the death penalty. On top of that, he committed the offenses of leaking state secrets and illegally possessing arms and munitions. Ye Zhifeng divulged important state secrets. According to the stipulations of Article 186 of our criminal law regarding the divulging of important state secrets, the highest legal penalty would be 7 years of imprisonment. Having accepted huge bribes, Ye Zhifeng's case was serious. According to Article 155 of our Criminal Law, he should be sentenced to imprisonment for not less than 5 years. He was sentenced to 17 years of imprisonment and deprived of political rights for 3 years for a combination of two crimes. This gives expression to the principle of giving the heaviest possible punishment allowed by law. The announcement of their crimes and sentences is a profound education in law and discipline for cadres and the masses.

DISCIPLINE INSPECTION OFFICIAL ON MAJOR CASES

HK200520 Hong Kong LIAOWANG Overseas Edition in Chinese No 14, 7 Apr 86 p 6

[Special Report by Shen Song and Yun Shan: "Wang Heshou on Handling Major and Important Cases"]

[Text] The CPC Central Committee and various localities have, since last year, handled a number of major and important cases, and have promoted the good trend that the whole party is tackling the issue of improving party style. Therefore, the cadres and masses are applauding and cheering. Recently, in an interview with our reporters, Wang Heshou, second secretary of the CPC Central Committee Discipline Inspection Commission, discussed the issue of correcting party style and handling major and important cases.

Wang Heshou said: We must not treat cases concerning unhealthy tendencies leniently. Actually, if we do so we shall tolerate and abet evil. Our experience over the years has shown that it is not easy to accomplish this requirement because there is interference from many sources. It is just because of such kinds of interference, including interference from our own thinking and other sources, that our discipline inspection departments and discipline inspection cadres must always bear in mind the principle of overcoming all kinds of interference, upholding the party's principles, and handling matters according to the party spirit and principles. One is one and two is two. Zhang is Zhang and Li is Li. This the mental attitude that should be taken by the discipline inspection cadres.

Quoting the Chen Yun's remarks, Wang Heshou said: It is better for us to offend some people, rather than offending the broad masses by ignoring the situation or treating cases leniently. Therefore, discipline inspection cadres and all party members must be stern when dealing with various kinds of unhealthy tendencies. They should resolutely struggle against those people and acts that undermine the socialist cause, bring harm to the lofty image of the party and violate the socialist social ethics. Every party member must unconditionally and strictly observe party discipline.

In connection with the unhealthy tendencies, which still exist despite repeated campaigns of checking them, Wang Heshou said: Some party members and party member-cadres were poorly trained in the area of party spirit. Though they have joined the party through their organizations, their thinking still cannot meet the requirements of the party and they make serious mistakes in the areas of ideology and understanding. Because of this, they repeatedly do things wrong. Therefore, in addition to strengthening ideological education within the party, we should also seriously deal with cases of violating the law and discipline. We must strictly enforce party discipline and take disciplinary measures in connection with the party Constitution against those members who have violated discipline. We may even expel them from the party if the case so deserves. All party members must set examples in safeguarding discipline and the law, and punish by law those who violate the discipline and law. In other words, when correcting unhealthy tendencies, we must uphold the important step of grasping major and important cases, grasping typical cases and grasping the focus. The task of checking unhealthy tendencies and correcting them is of course a long-term one. It is impossible for us to be successful overnight. Neither can we pin all our hopes on "several wars of annihilation." Instead, we must grasp the work unremittingly. Judging from the overall situation, we should act in the spirit of the foolish old man who removed the mountains, and must not relax our will to fight. When exercising their power and in their work, organiations must grasp the task firmly from start to finish. In other words, we must have an unremitting spirit of struggle.

Wang Heshou said: Deng Xiaoping recently pointed out that we must thoroughly investigate and handle cases that involve ranking cadres, including their children, and celebrities. This is because the harm and impact produced by these people are the greatest. Once we have grasped these cases and handled them, we can get fruitful results. Thus, we must attach great importance to this point and resolutely implement the work.

Then, Wang Heshou said: Of course, in the course of handling the cases, we face an important principle -- to seek truth from facts and to seriously discover the facts. The more important the cases are, the greater is the need for us to verify the facts, particularly facts that determine the nature of a case. We must take a sober-minded and objective attitude. It is not easy to accomplish this. This is because major cases of unhealthy tendencies always concern disgusting and hideous conduct, which will of course provoke the people's anger. It is just because of this that we shall tend not to act in a sober-minded way. Thus, this requires us to investigate the facts more thoroughly. For facts that determine the nature of a case, there must be a complete set of written documents. Only thus can our procedures for handling cases stand the test of time. Such a cautious atttitude is an objective and sober-minded one, rather than being softhearted.

Wang Heshou said: On the one hand, we must not be softhearted and, on the other, we must act cautiously and take the attitude of being objective and seeking truth from facts. Both are necessary. Why do we stress these two points? This is because in the course of reform, some good people make mistakes because through inexperience or insufficient knowledge. These are mistakes of work, and the nature of this kind of mistake is different from that in which some people took advantage of the reforms and practiced unhealthy tendencies. When handling cases, we must pay attention to distinguishing between these two kinds of mistakes. We must not mistakenly take the mistakes of the work as unhealthy tendencies. At the same time, we must also clearly distinguish unhealthy tendencies from criminal acts. Of course, mistakes of the work often lead to and develop unhealthy tendencies; and unhealthy tendencies are always linked to crimes. Therefore, when carrying out their work, the discipline inspection commissions, from the central to the local levels, must, on the one hand, seriously and cautiously consider the nature of a case; and, on the other, establish good links with the political and legal departments, properly handling cases through joint discussion with these departments.

Wang Heshou stated: In order to correct unhealthy tendencies, we must also seriously do well in conducting education in party spirit, and in political and legal work. He said: I have mentioned many times that the work of discipline inspection commissions is not limited to handling cases. Through the handling of major and important cases, the commissions should also conduct ideological work among the party members. Thus, discipline inspection is also an important department of ideological work. This issue may become clearer after a period of time. If this issue is not solved and if the party members do not have a clear idea about party spirit and cannot distinguish right from wrong, the unhealthy tendencies that you correct now will develop in other forms again several days later. The unhealthy tendencies should be checked one by one. It is necessary to correct several unhealthy tendencies this year and correct several next year. But we should not always stay at the present level. The basic key for solving the issue is to deal with thinking and to improve the ideological level of party members and cadres. We should help them develop a criterion for making judgements, make them able to distinguish right from wrong, and strengthen their capability to resist the corrosion of decadent capitalist thinking. Wang Heshou stated that we should conduct, within the whole party, education on opposing the thinking and work style of individualism (such as taking advantage of one's office for personal gain), the thinking and work style of bureaucratism, and the thinking and work style of liberalism. We must strengthen ideological work and education in party regulations and party discipline, so that both party members and cadres will constantly have their party spirit strengthened. This is the basic issue in eliminating the unhealthy tendencies in the party.

'FULL TEXT' OF SONG PING NPC ECONOMIC REPORT

OW150050 Beijing XINHUA in English 0032 GMT 15 Apr 86

["Full Text of Report on Draft 1986 Plan for National Economic and Social Development" -- XINHUA headline]

[Text] Beijing April 15 (XINHUA) -- Following is the full text of the report on the draft 1986 plan for national economic and social development delivered by Song Ping, state councillor and minister in charge of the State Planning Commission, at the Fourth Session of the Sixth National People's Congress on March 26 and endorsed by the congress on April 12, 1986:

Report on the Draft 1986 Plan for National Economic and Social Development (Delivered on March 26, 1986 at the Fourth Session of the Sixth National People's Congress) Song Ping, State Councillor and Minister in Charge of the State Planning Commission

Fellow deputies, in his report on the Seventh Five-Year Plan, Premier Zhao Ziyang has already spoken about the execution of the Sixth Five-Year Plan including the 1985 plan. On behalf of the State Council, I now submit for examination and approval by this session a report on the 1986 plan for national economic and social development.

I. Tasks and Objectives of the 1986 Plan

At the same time as it was formulating the Seventh Five-Year Plan, the State Council, bearing in mind the Central Committee's proposal for that plan and taking into account the present conditions in the country, also drafted the plan for 1986.

Nineteen eighty-six is the first year of the Seventh Five-Year Plan. If we are to fulfill the new plan, it is extremely important for us to do solid work in this first year so as to get off to a good start. In the new year, we shall work hard to consolidate, assimilate, supplement and improve the reforms in the economic structure. At the same time we should undertake in-depth investigation and study, draw up plans and try to lay the groundwork for further advance in the reform over the next two years. In economic construction, we shall continue to keep investment in fixed assets and funds for consumption from growing too fast. Meanwhile, we shall try to improve market supply, to further invigorate all aspects of commodity production and circulation and to achieve a general balance between demand and supply, so that the national economy can develop in a steady and balanced way. To this end, while improving product quality and economic performance, we shall adopt positive measures to increase production of readily marketable commodities and maintain the necessary rate of economic growth. While strictly controlling the scale of investment, we shall readjust the investment pattern, and accelerate the construction of key projects and the technological transformation of existing enterprises in order to obtain better returns on investment. We shall take measures to give a strong push to export and introduce from abroad necessary advanced technology, key equipment and raw and semi-finished materials that we badly need. We shall reduce the import of ordinary equipment and materials, so as to achieve a basic balance in foreign exchange. We shall also work to improve the people's daily life insofar as expanded production permits. And in this year, we must make even greater efforts to build a socialist society that is advanced culturally and ideologically as well as materially.

The specific tasks and major objectives of the 1986 plan are as follows:

1. To develop a diversified rural economy in accordance with local conditions, while ensuring the steady growth of grain output.

As projected in the draft plan, total agricultural output value for 1986 will increase by 3 per cent over that of last year (or 6 per cent if village-run industries are included), and grain output will reach at least 400 million tons.

To ensure the steady growth of grain production, the state plans a moderate increase in agricultural capital investment and will adopt economic policies to offer favourable terms to grain growers and grain-growing areas. Capital investment is to be used mainly for key water conservancy projects, for the building of areas specialized in the production of commodity grain or of farm and sideline products for export, and for the promotion of scientific research in agriculture and the wide application of technologies. When drawing up plans, all local authorities and all departments should give priority to agriculture, providing it with more materials, technologies and equipment.

Acting on the principle that we must never relax our efforts to increase grain production and to develop a diversified rural economy, we shall steadily readjust the structure of rural undertakings so as to create balanced multi-sector rural economy. Such readjustment should be predicated upon on-going efforts to ensure grain production by increasing per-unit yields, improving strains and raising quality. Under these conditions and with careful planning, we shall promote increased production of various cash crops and the development of forestry, animal husbandry, sideline occupations, fishery, processing of farm and sideline products, mining, building trade, etc. In the course of restructuring rural undertakings, it is imperative to severely restrict the use of arable land for non-agricultural construction purposes, and to ensure conservation of water and soil and protection of the environment.

Development of township-run enterprises should be encouraged and given adequate guidance. The orientation of development and the steps to be taken should be determined in accordance with the particular socio-economic conditions and natural resources of each locality. Priority should be given to the preliminary processing of farm produce and the improvement of services before and after the production process. In places where conditions permit, we should encourage other types of development as well, always in accordance with the state's relevant regulations and with the need to conserve resources. These include the construction of small mining projects and small hydroelectric power stations, the development of building materials industries, processing industries that supply large industrial enterprises with parts and auxiliary equipment, and industries that process export commodities and the production of small items of daily use. In launching township-run enterprises, localities should rely mainly on their own accumulated funds, acting within the limits of their own capabilities. A certain portion of the profits accumulated from such enterprises should be used to assist crop farming, forestry, animal husbandry and fishery. This policy of developing rural industry to subsidize agriculture is conducive both to the rational distribution of economic benefits and to the complementary and balanced development of various economic sectors in rural areas.

All localities and departments should regard helping poor areas to overcome backwardness as an important item on their agenda. At present, they should give priority to helping the most poverty-stricken areas, where people still lack adequate food and clothing. Following investigation and overall planning, they should take measures to help people in those areas expand production and gradually improve their lives through their own efforts by using locally available resources.

The old revolutionary base areas, the frontier areas, the poverty-stricken areas and areas inhabited by minority nationalities should adopt a policy of opening to other counties and provinces. They should take the initiative in establishing lateral ties with economically and technologically advanced areas and regions, so as to import financial and human resources from other areas to develop their own. According to the draft 1986 plan, state expenditure to aid the under-developed areas comes to 800 million yuan. The state will continue to provide, as scheduled, some grain, cotton and cloth in exchange for equivalent labour on road construction and water conservancy projects. The localities concerned should pool the funds that have been earmarked as aid to these areas and make an overall plan so that they can be used to best advantage.

2. In industrial production, to give high priority to manufacturing products of better quality and properties and to reducing consumption of energy and raw and semi-finished materials, while at the same time maintaining an appropriate growth rate.

As projected in the draft plan for 1986, total industrial output value will increase by 8.8 percent over last year (or 8 percent if village run industries are excluded), that is by 9.7 percent for light industry and 7.8 percent for heavy industry. The total output of non-renewable energy resources (coal, petroleum, natural gas and hydroelectric power) is expected to reach the equivalent of 858.5 million tons of standard coal, an increase of 19.5 million tons over last year; the output of rolled steel will be 37.6 to 38.4 million tons, an increase of 810,000 to 1,610,000 tons. As the demand for oil products, electric power and rolled steel grows rapidly, great efforts should be made to increase their production, and supply should be planned on a priority basis. In the meantime, we should see to it that power-generating equipment is overhauled at regular intervals. All industrial enterprises should try their best to conserve fuel, power and raw and semi-finished materials. They should work out ways off expanding production, but with no increase or only a moderate increase in the consumption of those items. Enterprises should readjust their product mix according to market demand and manage production in such a way as not to squander badly needed energy and raw and semi-finished materials on non-marketable commodities.

Departments and local authorities should keep tabs on technological transformation and innovation, continue to tap potential productive capacity and improve economic performance. Both light and heavy industrial enterprises should improve the quality and properties of products, increase their scientific and technological personnel, set up or improve institutions for quality control and testing, establish quality standards, perfect inspecting and testing methods and responsbility system, and strictly observe specified standards in production. Those enterprises which turn out sub-standard products should be ordered to improve their products within a given time limit, or to suspend operations in order to consolidate. Sub-standard products should not be allowed to leave the factory, nor should they be included in calculation of output and output value. We must stamp out deceptive practices such as passing off inferior goods as high-grade ones.

According to the draft 1986 plan, total rail freight volume for the year is expected to reach 1,320 million tons, up 3.5 percent from 1985. Of this total, coal to be transported out of Shanxi Province accounts for 136 to 139 million tons, a rise of 7.7 to 10 percent.

This represents a formidable task. We should tap the potential of the transportation system by increasing railway freight capacity, making more use of highway transport and increasing the handling capacity of harbour facilities. This last can be accomplished by moving more off-loaded goods out by trucks and barges, so that harbours can accommodate larger vessels. These measures will increase overall freight capacity and take some of the strain off the transportation system.

3. While strictly controlling overall investment in fixed assets, to adjust the pattern of investment, emphasizing construction projects for such basic industries and infrastructure as energy, transport, communications and raw and semi-finished materials.

The party Central Committee has decided that the scale of investment in fixed assets in the first two years of the Seventh Five-Year Plan should remain more or less at the 1985 level so as to ensure steady economic development. Accordingly, the draft 1986 plan provides that the total investment in fixed assets for state enterprises shall be 157 billion yuan. Of this, capital construction accounts for 95 billion yuan, investment for equipment renewal and technological transformation will be 42.1 billion yuan, investment for the purchase of rolling stock, ships and airplanes will be 2.9 billion yuan and investment in other fixed assets will be 17 billion yuan. If investment in construction of primary and secondary schools is included, the total investment in fixed assets in all state enterprises and institutions will be roughly the same in 1986 as in 1985.

Of the total investment of 95 billion yuan in capital construction for state enterprises and institutions, 40 billion yuan (including an investment of 2 billion yuan from local financial resources) comes from state budgetary appropriations -- representing an increase of nearly 4 billion yuan over last year. This increase is earmarked mainly for the energy, transport, and raw and semi-finished materials industries, for agriculture and for intellectual development. On the other hand, in order to control the level of total investment, the proportion of investment financed by enterprises themselves is somewhat reduced, as compared with the preceding year. At present, the key to controlling investment and sustaining future economic development is a rational readjustment of the investment pattern. During the past few years, investment in ordinary processing industries has grown out of proportion. In 1986, such investment should be cut down so as to provide more funds for construction projects in basic industries and infrastructure and, at the same time, to ease strains on the supply of energy, transport and raw and semi-finished materials. According to the draft plan, this year's investment in these areas will be 51.4 percent of the total in capital construction for state enterprises and institutions as against 46.8 percent last year. Investment in non-productive projects will also be scaled down proportionately, thus the construction of office buildings, auditoriums, hotels (except for necessary tourist facilities) and housing should be brought under control. All departments and local authorities are therefore required to reduce their investment in non-productive projects by 10 to 20 percent from the level of 1985. They will thus have more funds available for constructing productive projects and setting up facilities for teaching and research work, and the same amount of investment will yield greater capacity for production and expansion.

Effective control over the scale of investment, readjustment of the investment pattern and increased returns on investment all result from rational planning of various construction projects. Therefore, we must make determined efforts to take stock of projects now under construction and strictly control the number of those to be newly launched. A total of 681 large and medium-sized projects are scheduled for construction under the state plan this year, of which 597 are continuing projects and 84 are new. Of the new projects, 45 are for construction starting from scratch and 39 are for reconstruction and expansion of existing facilities. Beginning from this year, departments that are in charge of newly launched large and medium-sized projects must see to it that necessary funds, materials and equipment are available and that construction proceeds according to schedule. Furthermore, it is necessary for all departments and local authorities to make a reassessment of all large and medium-sized projects now under construction and arrange them in order of priority. They must not hesitate to stop or suspend construction of those projects that do not satisfy construction and operational requirements, so as to ensure that over the next two or three years construction of the remaining ones will proceed according to schedule.

Funds earmarked for equipment renewal and technological transformation of existing enterprises must be used exclusively for those purposes, and not for capital construction. In carrying out technological transformation, enterprises should give priority to improving the quantity and properties of their products, reducing consumption of materials, earning more foreign exchange through exports and increasing the output of readily marketable goods. A strict limit must be placed on the expansion of production capacity for products that are in excess of supply.

4. To ensure an adequate supply of goods for the market and keep prices basically stable, so as to improve the people's living standards.

According to the draft plan, the total payroll for workers and other employees in 1986 will increase by 14 billion yuan over last year, of which 10 billion yuan will go to those working in state enterprises and institutions. Most of the total increase is designed to cover: automatic payroll increases in 1986 following last year's wage reform (wages were increased only in the latter half of last year but will be paid for the whole year in 1986) and an increase necessary to solve some outstanding problems left over from the wage reform and to carry out readjustments of wage categories for certain regions. In 1986 the average monetary wages for workers and other employees will increase by 7 per cent over 1985. As the rural economy develops, the peasants' income will continue to grow considerably. In 1986 the average per capital net income in rural areas is expected to be up 7 per cent over last year.

To continue improving the people's living standards in both urban and rural areas, we must work hard to ensure an adequate supply of goods for the market. The total value of retail sales in 1986, as envisaged in the draft plan, will reach 482 billion yuan, showing an increase of 12 per cent over the preceding year. The key to balancing the volume of commodities available for marketing and social purchasing power is to increase the supply of industrial consumer goods and farm and sideline products and, in particular, to properly organize the purchase and marketing of grain and the production and supply of vegetables, pork and other non-staple foodstuffs. In the suburbs of big and medium-sized cities, emphasis should be placed on expanding the production of vegetables, poultry, eggs, mild and other non-staple foods.

In order to keep prices basically stable, we must pay special attention to prices of vegetables and other major commodities in big and medium-sized cities and other key localities, while maintaining a balance between market supply and demand. State-owned grocery corporations must control major sources of supply of ordinary vegetables and serve to guarantee supplies an keep the prices stable. Supervision over small retailers should be improved and random jacking-up of prices and profiteering must be prohibited.

5. To greatly increase exports and broaden trade and technological exchange with foreign countries.

In view of the changes in the current international markets and proceeding from the principle of tying imports to exports, we set the total volume of imports and exports for 1986 at U.S. 56.8 billion dollars in the draft plan. Compared with last year, the total volume of exports this year will be increased and that of imports will be reduced to maintain a basic balance of foreign exchange, all departments and local authorities concerned should take measures to ensure an adequate supply of readily marketable export commodities, with a view to reaching or surpassing the export goal set by the state. It is important to continue giving priority to exports, to guarantee necessary conditions for producing export commodities and, where the supply of certain commodities for domestic markets clashes with that for export, to meet the needs of export first. All departments concerned should faithfully apply the regulations approved by the State Council that are designed to encourage exports for more foreign exchange earnings. It is essential to improve the management system, to exercise strict control over export licensing and over exports to Hong Kong and Macao and to adhere to the principle of taking coordinated action under unified guidance in foreign business transactions. Blind competition in price cutting between enterprises which deal with foreign trade partners in violation of state regulations must be stopped. We should take a flexible approach to trade, promoting a variety of forms such as barter trade, import-based export, entrepot trade, multilateral trade and frontier trade. Efforts should be made to establish bases for production of export commodities and to gradually build an integrated system for production of such commodities.

To keep strict control over the volume of imports and to conserve foreign exchange reserves, it is indispensable to retain approval procedures for imports. While ensuring the planned import of materials vital to the national economy and the people's daily life, we should ban the import of those that are domestically available. As for optional materials, we should impose strict control, allowing few or none to be imported. We should introduce, through various means, certain key new technologies that we badly need, avoid duplication of imports, stop the import of low-quality items and prevent competitive purchases at high prices.

Efforts should be made to increase non-trade foreign exchange earnings and reduce non-trade foreign exchange payments. We should do all we can to increase foreign exchange earnings through tourism by attracting a growing number of foreign tourists to China. The number of delegations and individuals who go abroad on official visits should be strictly controlled.

6. To further develop education, science, culture, public health and physical culture and other related undertakings, so as to build a socialist society with an advanced culture and ideology.

We shall gradually introduce the nine-year compulsory education system in keeping with the conditions prevailing in different localities and continue to restructure secondary education and develop vocational and technical education. The draft plan for 1986 sets the total enrolment of polytechnic school students at 710,000, an increase of 6.3 per cent over last year. Efforts should be continued to readjust faculties and disciplines of higher education, with emphasis on the development of faculties and disciplines which we lack or are weak in. These include finance and economics, political science, law, economic management and education. In 1985, the enrolment of undergraduates and postgraduates was a little too high in relation to the capacity of regular universities and colleges. In order to guarantee teaching quality and raise the level of education, the 1986 plan calls for enrolling no more than 600,000 undergraduates and 45,000 postgraduates. Radio and TV universities should mainly enrol fresh graduates from high schools and young people in general.

Outstanding scientists and engineers should be organized to start tackling key research projects systematically in the period of the Seventh Five-Year Plan. We should lose no time in making overall planning for all major research projects and making specific assignments to the relevant institutions at the grass-roots level, so that work can be begun as soon as possible. We should encourage scientific and technological research institutes and enterprises to establish relations with each other and give full play to the technology market. We should undertake a number of key industrial pilot projects and demonstrate projects for technological development and dissemination, so as to accelerate the transformation of research results into productive forces. We should continue to attach great importance to basic research, complete the planned key laboratory projects on schedule and start new ones.

Progress should be made in all cultural under-takings such as literature, art, broadcasting, the cinema, television, the press and publication, and in public health and physical culture. We should do our best to raise the ideological and artistic standards of all cultural undertakings, to contribute to scientific and general knowledge and to enrich the cultural lives of the people. This will help to promote the economic structural reform, to build a socialist culture and ideology and to improve party conduct and general social conduct.

We should continue our good work in family planning. While encouraging the people to practise family planning, we should help them to solve their problems in that connection and disseminate health and hygiene information.

II. Strengthening and Improving Macro-Management To Ensure Fulfillment of the 1986 Plan

To achieve a general balance between supply and demand and ensure steady economic growth in 1986, it is essential to strengthen and improve macro-management and to check the excessive expansion of demand while increasing industrial and agricultural production and improving supply.

First, we must continue to exercise strict control over the scale of investment in fixed assets. Executive growth of investment in fixed assets, especially in capital construction, was an important factor contributing to excessive distribution of national income, shortage of materials, precipitous increases in consumption funds and jacked-up commodity prices in the past two years.

To stabilize the economy, it is necessary to strictly apply the relevant provisions of the State Council and to firmly control the scale of investment in fixed assets. The solution is to establish effective control over the investment funds raised by local authorities, departments and enterprises themselves and over bank loans for investment in fixed assets. The self-raised funds must be deposited in construction banks for six months before they are used. These funds must be fed back into the sectors that raised them. That portion of construction funds raised by local authorities for key energy and transport projects which is in excess of state plans and is retained by them must be spent on those projects. Urban maintenance and construction taxes must be used primarily for the maintenance of the city before they can be spent on municipal construction. Bank loans and trust investment must not be listed as self-raised funds. Bank loans granted for investment in fixed assets must be incorporated in the state plan for such investment as well as in the state credit plan. No bank loans will be extended for construction projects outside the state plan.

It is essential to set up a rigorous system of project assessment to control new construction projects and by this means to control investment in fixed assets. Henceforth, evaluation will be required for all feasibility study reports on proposed large and medium-sized capital construction projects and above norm technological transformation projects as well as for detailed preliminary designs of large projects. This will be done by the relevant departments of the China international projects advisory corporation as authorized by the State Planning Commission. These projects will be incorporated in the annual plan only after the commission has examined them, weighing them against each other and given its approval.

As the economy has become increasingly revitalized, investments made by urban and rural collectives and individuals have exceeded 70 billion yuan annually in the past few years, which is about half the amount of the investments in fixed assets by state enterprises. Tightening control of such investments and giving correct guidance for their use constitute an important means of controlling the entire amount of such investments in society at large. This is also in the interest of the collective and individual investors. We should be selective in giving support to township collective enterprises, mainly to help them with technological transformation. Control will be tightened over the amount of bank loans issued for setting up enterprises by individuals or for constructing non-productive projects.

Second, we must continue to prevent any sharp increase in consumption funds. In addition to checking enormous growth of investment in fixed assets, we have to prevent a sharp increase in consumption funds in order to control total social demands. The peasants will get more income chiefly by increasing production. The purchase prices for farm and sideline products will generally remain unchanged this year, except that some irrational price ratios need to be readjusted. Control should be tightened over funds earmarked for paying the wages of workers and other employees. We will continue to fix staff size and total payrolls for state enterprises and institutions, and banks will be responsible for controlling such funds in accordance with state plans and relevant regulations. With the exception of selected enterprises, no experiment is to be made in floating total payrolls according to the amount of taxes or profits to be delivered to the state; that experiment must be carried out in strict compliance with state regulations.

Without approval by the State Council, no unit is permitted to appropriate funds other than those earmarked for the purpose to furnish allowances and subsidies. Bonus taxes and wage regulation taxes will be levied strictly in accordance with relevant regulations on those state enterprises and institutions that pay extra-high bonuses and wages. Investigations will be conducted with regard to the extent of tax reductions or remissions on products of collective and township enterprises and readjustments will be made as appropriate. Every effort should be made to keep group purchasing power under control. All enterprises, government departments and institutions should persevere in building our country through thrift and hard work and guard against extravagance and waste.

Third, we must effectively manage the granting of credit. Bank credits and loans provide an important means of encouraging production and construction and of restricting the scale of investment and readjusting the investment pattern. In 1986 macro-monetary control will be tightened and improved. Credits will be granted on the merits of each case and not indiscriminately. In order to hold prices stable, efforts should be made to get more people to deposit their savings in banks, to tap all available sources for funds, and to keep a tight grip on the issuing of currency. Priority for loans to above used for circulating funds should go to those enterprises that turn out high-quality products, products that are badly needed by the community or that are intended for export. Now, while our pricing system is not yet completely rationalized, all specialized banks should, first of all, carry out state policy and help regulate the economy as a whole. In deciding to whom to grant loans and in what amount, they should adhere to overall state policy decisions and act in accordance with state credit plans and plans covering investment in fixed assets. Especially where key construction projects are concerned, they should grant loans strictly in accordance with state plans. Local authorities are not entitled to imposing credit quotas on banks.

Fourth, we must tighten control over foreign exchange. Use of foreign exchange should be under centralized control. All local authorities and all departments should subordinate their interests to those of the country as a whole. They must use foreign exchange strictly within the quotas set by the state, and no deliberate deviation from those quotas will be permitted. An increasing proportion of foreign exchange is to be retained by local authorities and by departments, and the system governing their expenditure for imports should be reformed in consequence. The amount to be allocated to them by the central authorities will be reduced, now that they will have more funds at their own disposal for importing raw and semi-finished materials, farm equipment and other materials.

We should tighten centralized control over foreign loans too. The Bank of China will have chief responsibility for contracting foreign commercial loans in conformity with the plan approved by the state. Loans procured by local authorities and by departments must be keep under the ceilings set by the state and must be repaid by themselves. Before applying these funds, they should select the right kinds of projects and conduct feasibility studies to make sure that funds for the manufacture of supporting facilities are available and that they will be able to repay the loans. Those departments which have obtained state approval to procure foreign commercial loans directly still need further state approval for the amount of their loans and for their above-norm projects.

Fifth, we must continue to improve the planning system. Although the State Planning Commission has reduced the amount of mandatory planning, local authorities and government departments are still issuing too many mandatory plans. Their number should be appropriately reduced. When it is necessary for those authorities and departments to issue mandatory plans, they should organize major factors of production in a coordinated way so as to stimulate enterprises. They are required to provide the State Planning Commission with lists of products that come under their mandatory plans. Major enterprises that receive mandatory plans from the commission should stick to them; no department or local authorities may add to such plans.

All enterprises whose products are covered by mandatory state plans for distribution must take their orders for goods strictly in accordance with those plans and make products of the varieties required and to the specifications indicated. They may not sell their products unless they have fulfilled state distribution plans in terms of specified quality and quantity. The state bureau of materials and equipment will withhold an appropriate amount of state-allocated materials from those enterprises that fail to fulfil state plans and contracts.

Efforts should be made to establish inter-trade and trans-regional economic ties. Local authorities and departments responsible for the work will allot production assignments to the principal factory of the economic association, which will then divide these assignments among all the member factories. Materials scheduled for unified distribution can be transferred to other trades and regions, and local authorities and responsible departments may not withhold such materials. To encourage the establishment of lateral economic ties without relaxing control over the scale of investment, the state has provided a certain amount of money to all major projects for energy, transport, raw and semi-finished materials industries whose construction by joint effort it has approved. This applies especially to projects in developing areas undertaken by enterprises from developed regions. Other joint projects will be incorporated in the investment plans of the regions and departments that take part in the endeavour. All such projects should be examined and approved in accordance with state regulations concerning capital construction. After completion and commissioning of the joint projects, the distribution of products and profits and the proportion of foreign exchange to be retained by enterprises concerned should be in accord with the contracts signed.

We should exercise better control over economic information, calculations and statistics. These are essential for framing plans and making policy decisions and for better overall management of the economy. We should continue our efforts to institute a state a economic information system, make economic calculations and produce more accurate statistics and analyses, in order to improve indirect macrocontrol. At the same time, we should promote the exchange of economic information and conduct market surveys to provide guidance for production and construction and to help invigorate the economy at the grass-roots level.

To sum up, in 1986, we will continue the reforms, further invigorate the economy, eliminate all unhealthy practices and take strong action to solve problems and surmount difficulties that may arise as the national economy advances. We will make sure that all the goals set by the 1986 plan are reached or surpassed, so that the national economy will develop in a steady, balanced way, creating a favorable economic and social environment for reforms of the future.

PROPAGANDA DIRECTOR ON LITERATURE DEVELOPMENT

HK190732 Beijing WENYI BAO in Chinese 12 Apr 86 p 1

[Report by Wen Chu: "Zhu Houze, Director of the Propaganda Department of the CPC Central Committee, on the Need To Create a More Harmonious Atmosphere and Promote the Development of Literature and Art"]

[Text] The excellent situation amidst China's vigorous economic development has been universally acknowledged. But how should we appraise the situation in the literature and art circles? How should we correctly understand the relationship between adhering to the fourth basic principles and upholding the freedom of literary creation? How should we view those problems which have emerged in literary creation? There has been much comment on such questions. During the enlarged meeting of the second session of the Fourth Chinese Musicians Association Standing Committee, Zhu Houze, director of the Propaganda Department of the CPC Central Committee, exchanged views with and talked intimately with the members on the above issues. Zhu Houze's views stirred up strong reaction among the participants.

The Literature and Art Circles Are in an Unprecedented Lively Mood, But There Are Also Some Ripples

After reviewing China's economic successes since the 3d Plenary Session of the 11th CPC Central Committee, which have attracted worldwide attention, Comrade Zhu Houze said: At a time of reform and opening up to the outside world, how should we appraise the ideological sphere, the people's spiritual state of affairs, and social general mood? Is it correct to say that the economy and material production have developed while the general mood and moral values have degenerated? In my opinion, since China resolutely discarded the "leftist" mistake of "taking class struggle as the key link," unswervingly shifted the focus of work onto the building of socialist modernization, and simultaneously grasped the building of material and spiritual civilization, besides economic invigoration, China's literature, art, and theoretical studies have also been in an unprecedented lively situation. Regarding literary and artistic creation as a whole, everyone is in a good mood and the situation is better than at any period in the past. Writers and artists now have more opportunities to display their abilities. There are favorable conditions for blazing new trails and for the prosperity of literature and art. Under such an extensive environment, however, there are still some ripples and aftershocks. Some of these are due to normal literary criticism and academic discussions within the academic and literature and art circles. Naturally, the normal discussions may possibly evoke certain recollections. Some of these are related to the disputes over the nature and appraisal of certain literary works or to inappropriate ways and words used in the disputes ... these matters become extremely sensitive when they are reflected in literature and art circles and may easily upset some comrades. It is quite natural to be sensitive, Zhu Houze said. Writer and artists would not be worthy of their titles if they were not sensitive. Nevertheless, it is not a strongpoint to be easily upset. It does no good to harbor suspicions and worry about a sudden change when you get wind of something. Viewed from another angle, however, it shows that there are still "repercussions" and "lingering fear." In order to encourage literary creation and dispel misgivings, Zhu Houze pointed out, it is absolutely necessary for the comrades of our party and government departments in charge of culture and art work to frequently get in touch with comrades in the literature, art, and academic circles so as to enhance mutual understanding and trust.

Steadfastness in Implementing the Party's Principles and Policies Should be Realized by Relying on a High Degree of Creativity in Writers and Artists

People in literature and art circles may ask: Will adherence to the four basic principles become the convention that restricts the development of literary creation? The capitalist exploitation system still exists in most of the areas throughout the world, Zhu Houze said. As a new social system, China's socialism is still undergoing a process from founding to constant perfection. During this period, we cannot assume that all people without exception are definitely clear about taking the socialist road or the capitalist road. Proceeding from such a background, it is necessary for China to use succinct words to idniate the political orientation, objective, and road it should follow. As a result, we put forward the general strategic principle and slogan of "adherence to the four basic principles." It is the political principle for all fields of social life. Nevertheless, it is not the fixed standard for the specific artistic creation of artists. It cannot replace the laws and methods of artistic creation. Therefore, adherence to the four basic principles is not an obstacle to freedom of literary and artistic creation. Under this common, general political objective, writers and artists can give full play to their initiative and creativity, and may create literary and artistic works with unique characteristics. Literary and artistic creation is closely related to individual character, Zhu Houze said. It cannot be produced by following an order form or a certain model. He believed that steadfastness in implementing the party's principles and policies can be realized by relying on a high degree of creativity by writers and artists. Unity of political objective is precisely manifested in the diversification of literature and art. Our principled stand can be expressed through flexibility. A serious theme can be easily accepted by the masses only when it is expressed in a vivid, artistic form. A profound philosophic theory is comprehensible to readers only when it is readable and acceptable. Our ideological departments at various levels have a great influence on the masses, Zhu Houze stressed, and the influence is exerted in a variety of ways. The use of concepts to explain a theory is like a scalpel penetrating the essence of a matter through numerous and complicated phenomena. It plays the role of imprinting theory in mind and enlightening the unenlightened. Similarly, literature and art affect people through images. Literature and art mean edification, enlightenment, and deriving educational value from amenities. So long as we can achieve a dialectical unity of the socialist road, objectivity, and orientation on the one hand, and principles for developing academic research, literature, and art, such as "letting a hundred flowers blossom and a hundred schools of thought contend," "making the past serve the present and foreign things serve China," and "weeding through the old to bring forth the new" on the other hand, there will be bright prospects for the development of our literature and art.

Create A Harmonious Atmosphere for the Prosperity and Development of Literature and Art

If we want writers and artists to display and give full play to their individual characters in creation through artistic practice, Zhu Houze continued, why can't we draw some experience from the economic front? After the CPC Central Committee laid down the strategic principle of shifting the focus of its work onto economic construction, it also set forth the task of maintaining a political situation characterized by stability and unity to promote the development of the economy.

Our literature and art circles should also have a harmonious atmosphere, a lively, spacious environment for public opinion, and a fine mood that encourages artistic exploration, criticism in these explorations, and emulation among different schools of thought. While criticizing and discussing, we must deal with rights and wrongs, thinking, and the nature of works in a reasonable manner. The views expressed should embody a mood of mutual consultations. The time and form of the works published should encourage unity. In short, all work done should encourage freedom of thinking and earnest discussions and be advantageous to the development of literary and artistic creation.

Elevate the People's Moral Values With a Foothold on the Land of our Country

Regarding the negative phenomena in society and literature and art circles that worried some comrades, Zhu Houze said: I think we should make a materialistic and historical analysis of these matters. It would be inappropriate to simply blame a certain individual or event. In turn, the tendency will not disappear by an article written or a general call made by a certain person, because these phenomena have deep social and historical roots and are characteristic of the times. We must neither be surprised at nor pessimistic about these phenomena, as they are somewhat inevitable when people's minds are distorted and their lofty sentiments are trampled upon following the shocking cultural catastrophe in a large nation with a population of 1 billion and a fine tradition of splendid ancient culture and modern revolutionary literature and art. In this regard, we should show understanding and sympathy for writers and artists and their affection for the people. Zhu Houze said it is necessary to make a profound study and deliberation of complicated problems in social life, such as the changes in the people's views on the development of commodity production that have undergone a process of selection and adaption. However, it is quite obvious that without the development of a socialist commodity economy or the development of lateral economic ties among specialized departments, which is closely related to the commodity economy, there would be no mass production. How, then, can we establish and consolidation a socialist political system without mass production? Therefore, we must be aware that there is still a profit-before-everything mentality on the road of advance; we can reach our destination only by going down this muddy road. We have no choice at all. Thus truth, thought bitter, is truth after all. We cannot carry our social and economic reforms by romantic enthusiasm alone. Lastly, Zhu Houze said: It is the scientific attitude of seeking truth from facts and the honorable mission of writers and artists to set their foothold on the land of China, base themselves on China's current social and economic conditions, and elevate the people's moral values step by step from this base.

NONGMIN RIBAO ON PROPER HANDLING OF GRAIN PRODUCTION

HK181352 Beijing NONGMIN RIBAO in Chinese 11 Apr 86 p 1

[Commentator's article: "Pay Earnest Attention to Grain Production"]

[Text] Now is an important time for spring sowing and summer grain control. There is need to once again stress the importance of the proper handling of grain production. We must make wresting a bumper grain harvest this year the main conscious action of the masses of cadres and people.

Everyone knows the importance of grain production. The people cherish grain as everything. To a big country with a population of 1 billion, the eating of rice is, after all, a matter of the highest importance. There is no stability without farming. Agriculture is the foundation of the national economy, as the saying goes. The substance of it is inseparable from the word "grain." Our country's economic construction in the past few years has been marked by a relatively large scale and a relatively ideal pace. This is, to a very large degree, attributable to increasing grain production year by year.

At present there has been quite a big improvement in the situation concerning grain production in our country. But we still have no reason to be fully satisfied. The problem of "selling grain with difficulty" arose in certain areas 2 years ago, chiefly because of our work not having caught up, giving rise to a transient, local, and low-level surplus. It was not a genuine surplus and, still less, an indication of our grain production being sufficient to fully satisfy the needs of the people. As far as the next 5 years are concerned, the Seventh 5-Year Plan calls for a total grain output of 900 billion jin, with around 800 jin per capita maintained. Entering such a new stage as this production level is a very arduous task. It will take a lot of doing and much hard and conscientious work.

Given the new situation in which our countryside is switching over from a self-sufficient or partially self-sufficient economy to relatively large-scale commodity production, there should also be a new understanding of the current effort to take good care of grain production. In rural commodity production, grain is a product with a low return. Income from grain is not as good as that from economic crops. Compared with industry, commerce, transportation and other multiple undertakings, crop planting is labor-intensive and risky and is the least profitable. A number of years ago, everyone was restricted to several mu of land, with the key elements of production not brought into full play. The problems that existed were concealed. Now, given the era of commodity production, the peasants have decision making power and have the freedom to choose items for production with the law of value as a guide. The problem of grain production not being given attention has become increasingly noticeable. Given this situation, if we do not give grain peasants special help and refrain from making rational readjustments between gains from grain planting and various other undertakings, grain production will show the trend is not checked, this will ultimately become an obstacle to economic development.

Last year there was a reduction in grain production after several consecutive years of bumper harvests. Though the reduction in production was chiefly the result of national calamities, it also signaled a need to raise awareness and improve work. To this end, this year's Central Document No 1 stressed the need to further straighten out the place a of agriculture in the national economy. It called for providing a realistic guarantee for grain production. It also put forth a series of policies and measures calling for increasing input, properly reducing the procurement quota on a contract basis, raising the percentage of purchase at negotiated market prices, stabilizing the selling prices of means of production for agricultural purposes, making industry support agriculture, and so forth. The aim is to arouse the peasants' enthusiasm for growing grain. The fundamental spprit of Document No 1 and relevant concrete policies and measures must be seriously upheld, with firm implementation linked to local conditions.

Does the emphasis on taking good care of grain production mean retracing the old road to "grain as the key link?" Of course not. At present, on the one hand, certain areas have, up to now, failed to keep a firm grip on grain production, with measures to arouse peasant enthusiasm for grain production not firmly carried out. On the other hand, certain areas also use the emphasis on grain production as an excuse to restrict and kill the momentum of commitment to the launching of multiple undertakings. We must not only take note of the former but also note that the latter is not in line with the spirit of Document No 1 and not conducive to the effort to wrest a bumper grain harvest this year. Historical experiences and lessons should not be forgotten. In the past, we got involved in the matter of "taking grain as the key link," with labor confined to the fields and no other undertakings allowed. As a result, the aim of increasing grain production at a still quicker pace was not attained. On the contrary, several hundreds of millions of peasants were reduced to a state of being not even adequately fed. In the past few years, a diversified economy has been launched, including the development of economic crops, of forestry, animal husbandry, and fishery, and of town industries, construction, transportation, service industry, and so forth. Results of another kind have been achieved: The growth of grain production at a very rapid rate and the long stagnant rural economy heading for overall prosperity. A comparison between the positive and the negative tells us the following: do you, after all, genuinely or half-heartedly want to increase grain production? If you really want to, then you should not neglect the development of a diversified economy. You should allow a close combination of a diversified economy and a grain production, enabling the two to promote each other.

Our party has formulated a guideline that calls for never loosening the grip on grain production and actively developing a diversified economy. In line with this guideline, we must not only put grain production in a very important place but also resolutely refuse to follow the old road of "taking grain as the key link."

HUANG HUANG ATTENDS ANHUI CPPCC MEETING OPENING

OW201003 Hefei Anhui Provincial Service in Mandarin 1100 GMT 18 Apr 86

[Excerpts] The Fourth Session of the Fifth Anhui Provincial CPPCC Committee opened ceremoniously at the Jianghuai Theater in Hefei on the morning of 18 April.

The main agenda of the session is to hear and examine a work report by the Standing Committee of the Fifth Anhui Provincial CPPCC Committee, a report on the handling of motions, and a report on collecting cultural and historical data; to hear explanations of the guidelines of the Fourth Session of the Sixth CPPCC National Committee; to attend the Fourth Session of the Sixth Provincial People's Congress as observers; to hear a provincial people's government work reports by the provincial higher people's court and the provincial people's procuratorate; to discuss the major policies of the province and the formulation of the Seventh 5-Year Plan; to elect new and additional personnel as chairman, vice chairmen and Standing Committee members of the provincial CPPCC Committe; and to discuss and adopt various resolutions.

Sitting on the rostrum were provincial CPPCC Committee Vice Chairmen Sun Zongrong, Li Qingquan, Hong Pei, Zhu Nong, Wang Zenong, Sun Youqiao, Pan Ezhang, Zheng Jiaqi, Cao Zhenqiu, Chen Tianren, Ma Leting, Ding Jizhe, Guang Renbong, and Teng Maotong and a number of provincial CPPCC Committee Standing Committee members. Responsible comrades of the provincial CPC Committee, the provincial Advisory Commission, the provincial People's Congress, the provincial people's government, the provincial military district, PLA units in Anhui, and armed police units, including Huang Huang, Wang Yuzhao, Yuan Zhen, Wang Guangyu, Shi Junjie, Lu Rongjing, Liu Guangcai, Zhang Linyuan, (Chen Guanghua), Hou Yong, Cui Jianxiao, Su Hua, (Zhang Zuoying), Xia Deyi, Zheng Rui, (Zhao Yongji), (Kang Zijie), (Du Weiyu), Zhang Dawei, (Shao Min), Yang Jike, (Wang Houhong), (Zhou Fang), (Rui Bin), and (Zhou Ayu) attended the meeting to extend their warm greetings.

The meeting adopted the agenda of the Fourth Session of the Fifth Anhui Provincial CPPCC Committee

NANJING MILITARY REGION RELAYS NPC GUIDELINES

OW180618 Nanjing Jiangsu Provincial Service in Mandarin 1100 GMT 17 Apr 86

[Text] The Nanjing Military region convened a rally this morning to relay the guidelines of the Fourth Session of the Sixth NPC. Cadres, fighters, staff members, and other employees of the organs, units, and military academies and schools under the military region -- 3,600 in all -- heard the relay in four assembly halls.

Present at the rally were Nie Fengzhi, member of the central Advisory Commission; Zhan Danan, member of the Central Discipline Inspection Commission; leading comrades of the Nanjing Military region including Xiang Shouzhi, Shi Yuxiao, Liu Lunxian, Yu Yongbo, and Chen Hui as well as NPC deputies and CPPCC members in Nanjing representing the Army including Wang Jingmin, Zhou Deli, Long Qian, Ding Qiusheng, and (Guo Jiafang).

Shi Yuxiao, deputy political commissar of the Nanjing Military Region, presided over the rally. Chen Hui, NPC deputy and director of the Logistics Department of the Nanjing Military Region, relayed the guidelines of the Fourth Session of the Sixth NPC.

Xiang Shouzhi, commander of the Nanjing Military region, spoke at the rally. He urged the leadership at all levels to take the lead in studying and publicizing the guidelines of the Fourth Session of the Sixth NPC, with Premier Zhao Ziyang's report and the three laws adopted at the NPC as the focal point of study.

Comrade Xiang Shouzhi also said: The contents at the core of the Seventh 5-Year Plan are developing our national economy. We must continue to carry forward the fine traditions of the Army by persistently submitting ourselves to and serving the general interests of national economic construction and make still greater contributions to national defense and national construction. We must persistently give top priority to reform, pay continued attention to the structural reform and administrative streamlining of the Army, exert every effort to explore new approaches for peace-time Army construction emphasize the strengthening of ideological and political work, do a good job in promoting socialist ethics, and work hard to fundamentally improve party work style.

WANG FANG ADDRESSES ZHEJIANG POLITICAL MEETING

OW191139 Hangzhou Zhejiang Provincial Service in Mandarin 1000 GMT 18 Apr 86

[Text] Wang Fang, secretary of the provincial CPC Committee, delivered an important speech today at a provincial work conference on political and legal affairs. He pointed out that Comrade Deng Xiaoping's instruction on promoting the four modernizations with emphases on construction and discipline should serve as the guiding principle for our party work and our political and legal work from now on.

Comrade Wang Fang said: This is a crucial year in cracking down on serious criminal offenses and economic crime. These two tasks should be done by fully mobilizing and various departments and the masses under the unified leadership, plans, and command of the provincial CPC Committee and the government. The tasks should be done resolutely and vigorously. Serious criminal offenders should be promptly given severe punishment; serious cases of economic crime should be thoroughly investigated and tackled through organized efforts. The guilty should be severely punished so as to discourage economic crime.

Discussing a comprehensive program to improve social order, Comrade Wang Fang said: CPC committees at all levels should consider a comprehensive program for improving social order an important part of the work of building spiritual civilization. They should set up and perfect measures for preventing and checking crime. Comrade Wang Fang also stressed that it is necessary to strengthen the ranks of the public security, procuratorial, and judicial personnel in order to better serve the people, reform, and economic development.

The provincial work conference on political and legal affairs opening in Hangzhou on 15 April. Attending the meeting were members of the CPC committees of prefectures, cities, and counties; officials of the departments of political and legal affairs, and participants to the joint meeting on cracking down on economic crime.

GUANGDONG PREPARES TRANSFER OF ARMED FORCES

HK170322 Guangzhou Guangdong Provincial Service in Mandarin 1000 GMT 14 Apr 86

[Text] In accordance with the decision of the CPC Central Committee, State Council, and Central Military Commission on the transfer of the county and city people's armed forces departments to local authority, our province has recently started the work of transferring county and city people's armed forces departments to local authority. The provincial CPC Committee, provincial government, and Guangdong Military District have demanded that this work be completed in the first half of this year. To successfully complete the work of transferring the county and city people's armed forces departments to local authority, the provincial CPC Committee, provincial government, and Guangdong Military District have seriously made arrangements and the prefectures and cities have successively set up leadership organs for taking over the people's armed forces departments. At present, organs at all levels are making preparations for taking over the people's armed forces departments.

HENAN NOTICE URGES CRACKDOWN ON LARCENY

HK200205 Zhengzhou Henan Provincial Service in Mandarin 2300 GMT 19 Apr 86

[Excerpts] The Henan Provincial Higher People's Court, People's Procuratorate, Public Security Department, and Judicial Department today issued a joint notice on cracking down hard on larceny. The notice says: Beginning today, the urban and rural areas of the whole province are to launch a mass drive to crack down on larceny in wages and finances. People who have committed larceny [words indistinct] and other illegal activities must clearly understand the situation, immediately cease their lawbreaking, and voluntarily give themselves up to the local public security and judicial organs or the security departments of their own units. They should make a clean breast of things with the aim of being treated leniently. People who refuse to do this, organize alliances for attack and defense, transfer hidden loot elsewhere, destroy evidence of crime, or deal blows in revenge at those who exposed them must be severely punished according to law.

The notice demands that the relations of criminals act with uprightness by exposing the criminals and urging their sons and daughters who have committed crimes to give themselves up. They must not conceal or connive at crime. The notice expresses the hope that the cadres and masses throughout the province will immediately swing into action to take part in local anticriminal and security work as a contribution to improving public order.

Henan Radio Commentary

HK200207 Zhengzhou Henan Provincial Service in Mandarin 2300 GMT 19 Apr 86

[Station commentary: "Go Into Action To Struggle Against Larceny"]

[Excerpt] Thanks to the common efforts of the masses and the political and legal organs, there has been a marked turn for the better in public order in the urban and rural areas in recent years. However, we are still facing many new problems. One of them is the big increase in larceny cases. The crime of larceny not only directly threatens the security of state, collective, and individual property, but also does great damage in all aspects of society. Large quantities of raw materials and products are stolen from certain factories, mines, enterprises, and research units.

Some key machine parts are removed, as a result, these expensive machines lie idle, production comes to a halt, and research is interrupted. In some places, agricultural power lines are cut down and removed, and water conservation facilities are destroyed, resulting in inability to provide timely irrigation for large areas of farmland. Industrial and sideline production also suffers. The draft and domestic animals, automobiles, and expensive appliances belonging to people are stolen, with a serious impact on people's initiative to get rich through hard work. The masses' normal life is also ruined in this way. Certain valuable relics are stolen. This has a very bad effect. In particular, these criminals use their ill-gotten gains to indulge in lavish expenditures, thereby ruining the social mood, poisoning youths and juveniles, and seriously sabotaging the building of social socialist spiritual civilization. Hence, it is completely essential to launch a struggle against larceny throughout the province.

HUNAN GOVERNOR ON DEVELOPING LATERAL TIES

HK200121 Changsha Hunan Provincial Service in Mandarin 2300 GMT 19 Apr 86

[Text] According to HUNAN RIBAO, Governor Xiong Qingquan was interviewed by the Shanghai WEN HUI BAO and HUNAN RIBAO on 18 April. During the interview he introduced three regulations recently instituted by the provincial CPC Committee and government on stimulating lateral economic ties between enterprises.

These three regulations are: 1) Completely hand over to the enterprises decision-making powers regarding lateral ties. The departments in charge and the localities may not hamper them or cause difficulties for any reason. 2) Respect the enterprises' legal status. When ties involve the economic interests of their own locality or department, the departments in charge and the localities must always give their views of line with the State Council's regulations on a number of questions in further promoting lateral economic ties. They are not allowed to raise difficult issues or erect obstacles outside the framework of their policy principles. 3) After such ties are formed, the parties to the combine should be allowed to look after themselves in accordance with the principle of equality, voluntariness, and mutual benefit. No more companies of an administrative type should be set up. If they are, the enterprises have the right to boycott them.

Governor Xiong was happy to inform the WEN HUI BAO reporter that Hunan has established economic cooperation with 25 provinces and municipalities in the past 2 years. Over 2,000 projects are involved. After going into operation, these projects can increase output value by 1.1 billion yuan and tax and profit by 200 million yuan. Hunan's economic cooperation relations with Shanghai are the most harmonious and stable. Economic results are also the most marked. From now on, we should further open our doors and step up our ties with coastal and neighboring provinces and municipalities, especially with Shanghai. We should bring in capital, talent, and technology to tap Hunan's abundant resources and turn strong points in resources into economic strong points. We should also develop economic ties and cooperation within the province, between cities, between town and countryside, between research units and production departments, between defense and civilian industries, and between developed and undeveloped areas. We should organize ties and cooperation within the circulation field, between the communications and transport departments, and between financial enterprises, so as to stimulate coordinated development of the province's economy.

TWO XIZANG CADRES ARRESTED ON CORRUPTION CHARGES

HK210432 Lhasa Xizang Regional Service in Mandarin 1130 GMT 17 Apr 86

[Excerpts] (Ge Jingyuan), former responsible person of the capital construction bureau of the regional economic planning commission, took advantage of his power to pursue private ends, practiced graft, and accepted bribes of some 30,000 yuan. He also extorted a set of furniture valued at 1,600 yuan, and a large number of goods, including a color television set, a high-grade radio cassette-recorder, blankets, and high-grade cigarettes and wine.

(Liu Jiacheng), former director of the regional construction bureau, took advantage of his function and power to practice graft and accepted bribes of some 20,000 yuan.

After the Lhasa City People's Procuratorate seriously conducted investigation, it was confirmed that (Ge Jingyuan) and (Liu Jiacheng) had violated Articles 155 and 185 of the PRC Criminal Law and that they had a case to answer for the crimes of graft and of accepting and extorting bribes. By virtue of the provisions of Article 40 of the PRC Criminal Procedural Law, these two persons were arrested in accordance with the law.

(Ge Jingyuan) was a responsible person of the regional capital construction bureau and an engineer. Since he was appointed the director of the examination office of budgetary estimates and budgets for the 43 projects of the region in October 1984, he had abused the power in his hands; in collusion with (Liu Jiacheng), former director of the regional construction bureau and director of the project tender office, and with certain responsible persons of the regional economic bureau, he formed an extremely complicated network of relationships and committed a series of economic crimes, such as practicing graft and accepting and extorting bribes. The acts of (Ge Jingyuan), (Liu Jiacheng), and their accomplices encouraged unhealthy trends in the construction trade in our region and jeopardized capital construction in our region to a certain extent. At present, (Ge Jingyuan's) and (Liu Jiacheng's) case of graft and accepting and extorting bribes is being tried.

Xizang Radio Commentary

HK210434 Lhasa Xizang Regional Service in Mandarin 1130 GMT 17 Apr 86

[Station Short Commentary: "It Is Necessary To Act in Accordance With the Law, if Any; To Strictly Enforce the Law; and To Investigate and Hold Accountable Those Who Violate the Law"]

[Excerpt] (Ge Jingyuan's) and (Liu Jiacheng's) case of graft and accepting bribes is shocking. The case shows that on the road of our four modernizations, among the ranks of our cadres a small number of people have taken advantage of the power in their hands to violate the law and discipline by hook or by crook, to practice graft, to accept bribes, to line their pockets with public funds, to disregard party discipline and state law, and to seek ill-gotten gains. What they have done seriously interferes with the progress of the four modernizations and sabotages the current reform.

We have solemn and just laws and the powerful organs of dictatorship of people's democracy. No matter how great the criminals' power is and how high their posts are, our organs of dictatorship and the masses will by no means turn a deaf ear to them and sit by idly and remain indifferent as they bring calamity to our country and the people.

It is necessary to act in accordance with the law, if any; to strictly enforce the law; and to investigate and hold accountable those who violate the law. Everyone is equal in the face of the law. We absolutely do not allow anyone to violate the law. For serious crimes and serious economic criminals, we must carry out thorough investigation and mete out severe punishment.

PU CHAOZHU CONVEYS NPC SESSION SPIRIT TO YUNNAN

HK210424 Kunming Yunnan Provincial Service in Mandarin 1100 GMT 17 Apr 86

[Text] This morning, the provincial CPC Committee, the provincial People's Congress Standing Committee, and the provincial government jointly held a meeting of cadres of organs directly under the provicial authorities to convey and act in the spirit of the Fourth Session of the Sixth NPC. The joint meeting was presided over by Li Guiying, chairman of the provincial People's Congress Standing Committee.

Pu Chaozhu, deputy to the NPC and secretary of the provincial CPC Committee, delivered a report. He said: The recently-concluded Fourth Session of the Sixth NPC was a successful meeting which further carried out our great plan and forged ahead courageously. The report delivered by Premier Zhao at the session reviewed China's achievements during the Sixth 5-Year Plan period, summed up the experiences, and put forward the principle of building in an all-round way socialism with Chinese characteristics during the Seventh 5-Year Plan. The report is the guiding principle for our work, as well as an important document of historic significance.

Party committees and governments at all levels must organize the cadres and masses to seriously study the spirit of the Fourth Session of the Sixth NPC and the report of Premier Zhao. Also, in their practical work, they should resolutely implement it.

In connection with the actual conditions of Yunnan, Pu Chaozhu discussed in his report his experience in studying Premier Zhao's report: 1) on the situation in implementing the national economic plan during the Sixth 5-Year Plan; 2) on the major tasks of the Seventh 5-Year Plan; 3) on doing well in economic structural reform.

The main venue of the joint meeting was the People's Victory Hall, Kunming. There were five other venues also.

The joint meeting was attended by over 6,000 people, including leaders of the provicial CPC Committee, Advisory Commission, Discipline Inspection Commission, People's Congress, government, and CPPCC including He Zhiqiang, Zhu Zhihui, Liu Shusheng, Li Jingwang, Liang Jia and Gao Zhiguo; leading CPC group and committee members of various departments, committees, offices and bureaus directly under the provincial authorities; responsible people of democratic parties; local organizations and mass organizations; deputies to the NPC in Kunming; retired old cadres at and above department and bureau levels; and organ cadres.

HEBEI DISCIPLINE COMMISSION HOLDS PLENARY SESSION

SK180800 Shijiazhuang HEBEI RIBAO in Chinese 7 Apr 86 p 1

[Text] The Third Enlarged Plenary Session of the Second Hebei Provincias1 Discipline Inspection Commission ended today after a 6-day session. The session correctly appraised the province's situation in rectifying party style, clearly defined tasks, pointed out the necessity of exerting resolute and persistent efforts while rectifying party style, and put forward specific demands for the CPC committees at all levels.

At the plenary session, Bai Shi, secretary of the provincial Discipline Inspection Commission, relayed the guidelines of the Seventh Plenary Session of the Central Discipline Inspection Commission and delivered a work report. The report states that this year's main task in rectifying party style is to relentlessly check all kinds of malpractices, to grasp education on party spirit, to strictly consolidate discipline, and to deepen the work of dealing blows to serious economic crimes. At the plenary session, the commission members promoted the party's fine traditions, freely aired their views, and put forward many constructive ideas and suggestions. Ten units, including the Cangzhou Prefectural CPC Committee and the Baoding Prefectural CPC Committee, introduced their experiences in rectifying party style and checking unhealthy trends at the session. They were unanimously praised by the commission members.

At this morning's plenary meeting Comrade Bai Shi gave a further explanation on several specific issues. Comrade Xing Chongzhi gave a speech. Comrade Xing Chongzhi first affirmed the successful convocation of the plenary session. He then touched on the following three issues:

1. The province's current situation in rectifying party style should be correctly understood. He said: Since last year, the province has rectified party style and witnessed a good situation in checking malpractices. A situation in which the whole party has grasped party style has emerged. Most of the CPC committees at all levels have a clear understanding of the work of rectifying party style and have grasped the work firmly. All departments, in line with the situations in their own units, have taken the initiative in grasping party style and checking malpractices. All discipline inspection departments at all levels have exerted vigorous efforts in the work and scored very great achievements. The progress of the work, however, has been uneven and the difference in progress has been great among various units. Some units have even lagged far behind others. Through checking malpractices, we have greatly promoted reforms and production, mobilized the enthusiasm of the broad masses of cadres, and enabled reform to unceasingly advance along the correct path charted by the CPC Central Committee. Some comrades worried that checking malpractices will affect reform and production. This is mainly caused by their inadequate understanding of the demarcation lines and of what they should do and should not do, which has greatly restricted their actions. Therefore, while handling problems, we should clearly distinguish between what are malpractices and what are mistakes caused by a lack of experiences in reform. We should resolutely check malpractices on the one hand and formulate some methods for solving existing problems on the other. At present the province's six unhealthy trends such as lavish dining and wining, competing with one another in buying luxurious cars, and wantonly paying visits to foreign countries, have been basically checked. Checking malpractices, however, does not mean elminating them. In the future, some people will make such kinds of mistakes again; therefore we still have much to do. We should unceasingly discover and sort out problems and further improve some rules and regulations.

2. The policy of the CPC Central Committee of "exerting resolute and persistent efforts in checking malpractices" should be resolutely implemented. Comrade Xing Chongzhi said: While checking malpractices in the previous stage, we have not overdone our work; instead we have treated some problems too leniently and softly. Therefore, in the future, we should persist in the policy of "exerting resolute and persistent efforts" while checking unhealthy trends. "Resolute" means to be accurate and quick, and "persistent" means not to slacken our efforts but to grasp the work without interruption. In implementing such a policy, we should exert efforts in three fields: investigating and handling major and appalling cases; conducting education on ideals and discipline; and establishing and improving rules and regulations. Without investigating and handling major and appalling cases, it is impossible to grasp the major points; without conducting education on ideals and discipline, it is impossible to solve the problems fundamentally; and without establishing and improving rules and regulations, we will not have rules and regulations to follow.

3. The work of the discipline inspection departments should be attended to and supported by the CPC committees at all levels. Comrade Xing Chongzhi said: Our discipline inspection ranks are very good. They have a strong fighting strength and have worked diligently and painstakingly. CPC committees at all levels are obligated to support their work. We should be concerned about the building of the discipline inspection ranks, create working conditions for them, and guarantee them the necessary expenses for investigating and handling major and appalling cases.

Comrade Xing Chongzhi pointed out at he end of his speech: This year, the tasks of achieving fundamental improvements in party style for the provincial, prefectural, county and township party and government organs and for more than a half of the number of grass-roots units will be very arduous. The whole party should participate in rectifying party style and checking malpractices, clarify the situation and the demarcation lines, make rapid progress and achieve good results. We should grasp the work firmly and realistically and tackle difficult problems. If we grasp the work in each and every unit and check malpractices one after another, it is absolutely possible for us to attain our goal after 9 months of intense fighting.

TIANJIN CONGRESS STANDING COMMITTEE SESSION ENDS

SK170448 Tianjin City Service in Mandarin 1430 GMT 16 Apr 86

[Text] The 27th Standing Committee meeting of the 10th municipal People's Congress concluded this morning. Yang Jianbai, vice chairman of the municipal People's Congress Standing Committee, presided over today's meeting.

The meeting discusses a report given by the municipal Higher People's Court on the situation in strictly punishing economic criminals and a report given by the municipal People's Procuratorate on the situation in dealing blows to serious economic crimes, and decided on personnel changes.

Li Zhongyuan, Zhao Jun, Liu Zengkun, Xu Ming, Fan Quan, Han Tianyao, Yu Fujing, and Shi Jian, vice chairmen of the municipal People's Congress Standing Committee, attended today's meeting. The meeting began yesterday morning.

QINGHAI MEETING URGES CRACKDOWN ON ECONOMIC CRIMES

HK190525 Xining Qinghai Provincial Service in Mandarin 2330 GMT 18 Apr 86

[Excerpts] A provincial conference of procurators has proposed that, while continuing to crack down hard on serious crime, it is essential to regard cracking down on serious economic crime as the main task of the procuratoratorial organs. The meeting pointed out that a certain degree of success has been scored in economic procuratorial work since 1982. A number of cases have been investigated, and 1.7 million yuan in economic losses have been recovered for the state. Although this success has been scored, economic crime is still rather serious in Qinghai. To ensure the smooth progress of building the two civilizations, we must take effective steps to score a breakthrough in economic procuratorial work within about 1 year. The procuratorates must therefore shift their work focus to cracking down on economic crime.

Provincial CPC Committee Deputy Secretary Huanjiecailang made an important speech at the conclusion of the meeting on 18 April. The speech was in four parts: 1) Have a clear picture of the situation and strengthen the sense of responsibility and urgency in launching the struggle against economic crime. 2) Get priorities right and have a good grasp of all-round strategy for this struggle. 3) Grasp the case well and hit hard at economic crime that harms society. 4) Strengthen the building of the legal system and vigorously undertake crime prevention measures.

QINGHAI RADIO ON PRACTICING PLANNED PARENTHOOD

HK210241 Xining Qinghai Provincial Service in Mandarin 2330 GMT 20 Apr 86

[Station Commentary: "Seriously Implement the Qinghai Provincial Planned Parenthood Regulations"]

[Text] The Qinghai provincial planned parenthood regulations have now been officially promulgated after examination and approval by the 18th meeting of the 6th provincial People's Congress Standing Committee. This is an important law on planned parenthood in Qinghai. Its promulgation is of great significance for fulfilling our population plan for the Seventh 5-Year Plan.

Under the principle that a couple should only have one child, the regulations relax the conditions for urban couples who are in difficulties, for peasant households in difficulties, and for minority-nationality herdsmen in the pastoral areas to have further children. This regulation, which lays down different guidelines for different areas and different nationalities, is suited to conditions in Qinghai and will help to stimulate the progress of planned parenthood work in the province. All areas and units must seriously implement these regulations by observing them and strictly enforcing them. Planned parenthood departments at all levels must launch extensive propaganda and education, to ensure that everyone will know about and understand the intentions of the regulations and spontaneously observe them.

SHAANXI LEADER DECRIES FEUDAL, PATRIARCHAL IDEAS

HK190222 Xian Shaanxi Provincial Service in Mandarin 0030 GMT 19 Apr 86

[Text] Provincial CPC Committee Deputy Secretary Zhou Yaguang pointed out when addressing a gathering of Yanan prefectural organs cadres on 10 April: In correcting unhealthy trends and straightening out party style, we must resolutely eliminate feudalist ideology and the feudal patriarchal concept.

Zhou Yaguang said: Some cadres act in the fashion of being really keen to correct unhealthy trends while actually greatly disliking this work. The masses criticize them as showing great resolve when the facts have not been brought to light but as having nothing to say when these become apparent. Such an attitude comes about because correcting unhealthy trends involves the personal interests of these cadres, or else because those people who are punished have relationships of various kinds with them.

Zhou Yaguang pointed out that only stressing individual personal relationships while ignoring party discipline and state interests is a feudal partiarchal concept resulting from a closed small peasant economy. Comrade Zhou Yaguang said: Feudalist ideology includes the feudal patriarchal concept, and this too is a root of unhealthy trends. For instance, certain leading cadres use their powers to promote and arrange jobs for their sons and daughters. Certain cadres put on airs [words indistinct]. The wives of certain leading cadres take part in political affairs, and so on. All these are manifestations of the feudal patriarchal concept.

'RUDE' BEHAVIOR OF SHAANXI LAW ENFORCERS CRITICIZED

HK210327 Xian Shaanxi Provincial Service in Mandarin 0200 GMT 15 Apr 86

[Text] Today's FAZHI ZHOUBAO [LEGAL WEEKLY] carried a commentator's article entitled: "Law-Enforcers Must Have Affection for the People." The article said that some people on the political and legal front threaten the people coldly and peremptorily. With bureaucratic airs, they often froth at the mouth and glare with rage, or even cuff and kick the innocent. With guns in their hands, these persons have power and backing. The masses often choke with silent fury toward them. It is because of the behavior of these cold, rude, and heartless persons that the image of political and legal personnel is not so good in the minds of the people. Therefore, the ideological building of political and legal personnel must first be grasped. The most important thing is that political and legal personnel must fully understand the task of political and legal organs, maintain flesh-and-blood ties and establish close relations with the people. This merits our serious attention.

XINJIANG: SONG HANLIANG, WANG ENMAO PLANT TREES

HK210440 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 18 Apr 86

[Excerpt] On the morning of 18 April, leading comrades of the regional party, government, and Army, the regional CPPCC, the Xinjiang Production and Construction Corps, and Urumqi City, together with nearly 300 cadres and people, planted trees at the (Hongyanqu) reservoir.

At 0800, Song Hanliang, Wang Enmao, Tomur Dawamat, Janabil, Amudong Niyazi, Tang Guangcai, Shi Geng, and Simaiyi Yashenenuofu went to the management office of the (Hongyanqu) reservoir, where they listened to a work report given by a responsible comrade of the office. Learning that more than 10,000 trees have been planted near the reservoir in recent years and that the trees are growing well, Song Hanliang, Wang Enmao, Tomur Dawamat and the other leading comrades were delighted and smiled. Then, together with the cadres and people, the leading comrades went to the southwestern side of the reservoir to plant willow trees on wasteland.

DENG XIAOPING DISCUSSES REFORM, OTHER ISSUES

HK200444 Hong Kong TA KUNG PAO in Chinese 20 Apr 86 p 1

[Special dispatch from correspondent Hou Tung-hai: "Deng Xiaoping Hopes the Basic Law Will Be Drawn Up Well"]

[Text] Beijing, 19 Apr -- During a meeting with some well-known Hong Kong personages including Yue-kong Pao, Wong Kwan-cheng, Henry Fok Ying Tung, and Lee Shan-kee held this morning at the Great Hall of the People, Deng Xiaoping, chairman of the CPC Central Committee Advisory Commission, said: "We hope that the basic law will be drawn up well because it is related to whether the 'one country, two systems' will work or not." Deng Xiaoping said humorously: "I am very healthy though I am over 80 I have not had a cold for 8 or 9 years. The only trouble is weakness in my leg. I must strive to live to 1997. I will pay a visit to Hong Kong after 1997. This is also my personal ambition."

Deng Xiaoping praised Yue-kong Pao, Wong Kwan-cheng, Henry Fok Ying Tung, Lee Ka-shing, and Lee Shan-kee for their enthusiastic donations to help with education in the motherland. Deng said: "Education is a fundamental cause of a nation. In this regard, your contributions to the country deserve commendation." Lee Ka-shing could not attend the meeting in Beijing because of his mother's illness.

After introducing China's long-term development plan to the Hong Kong guests, Deng Xiaoping said: "We have set forth the target of an average per capita income of $800 by the end of the century. Now it seems that the target will definitely be exceeded and may possibly reach $1,000." "By then, the living standards of all the Chinese people, rather than a minority, will reach a comparatively affluent level. Our national strength as a whole will change and become much stronger than the present."

Deng Xiaoping said: "Now we are thinking over the matter every day. It is like a triple jump to reach an anticipated goal by the end of the century. We have just taken the first hop." Deng Xiaoping said: Our weaknesses and difficulties in carrying out the four modernizations are mainly the lack of knowledge and qualified personnel. Sufficient knowledge and qualified personnel cannot be obtained overnight. Our policies are correct. Even if there are mistakes, they can be easily corrected when discovered. We must make efforts for a long time to train qualified personnel. It is our long-term fundamental task to respect knowledge and value qualified personnel. Deng Xiaoping hoped that Hong Kong and Macao compatriots and Chinese nationals residing abroad would concern themselves with and support China's education cause and run education well together with the people of the whole country.

China has made rapid progress recently in science and technology, Deng Xiaoping continued. We now have A-bombs and have launched experimental communications satellites. However, we still lag behind in many fields compared with the developed countries. Science and technology are developing rapidly in the world so we must step up our efforts to catch up with other. We must also make efforts to develop advanced branches of science including lasers, directed energy, and ions.

Briefing the guests on the current reforms of China's economic structure, Deng Xiaoping said: The general situation of the reforms is good. The current reforms of the economic structure are full of promise. The reforms cover many fields. Deng continued, but the reform of the pricing system is most sensitive. Now commodity prices have been basically stabilized. Prices are related to the interests of various trades and professions and every household.

For many years, we had two heavy burdens on our shoulders. One was the price subsidies and the other was enterprises lacking decision-making power. In a sense, our reforms aimed at removing the burdens to enable us to march with light packs. Our pace accelerated too quickly last year and has been reduced to digest the achievements of reform. We will conduct readjustments and straighten out various relations in a relatively short period of time. We will further speed the pace of reform in the next year. Deng Xiaoping said that the central task of the Seventh 5-Year Plan is to do a good job of the reforms. While carrying out the reforms, we may make mistakes and meet with mishaps. Nevertheless, our reforms will definitely succeed. Reforms will not succeed if we lack determination or if we are unwilling to take risks. It is also the basis and condition for China's long-term stability and development to do a good job of the reforms. Our reforms have been carried out after careful consideration. We are determined to carry out the reforms well. The people of the world have focused their attention on us, as have the Hong Kong and Macao compatriots.

Present at the meeting were Li Peng, vice premier and minister in charge of the State Education Commission; Xu Jiatun, director of the Hong Kong branch of the XINHUA NEWS AGENCY; and Li Chuwen, deputy director of the Hong Kong branch of the XINHUA NEWS AGENCY. After the meeting, Li Peng gave a banquet in honor of the Hong Kong guests at the Yang Yuan Zhai restaurant at the Diaoyutai Guesthouse.

HU QILI REMARKS ON ROYAL NAVY VISIT, USSR CITED

HK200648 Hong Kong SOUTH CHINA MORNING POST in English 20 Apr 86 p 9

["China" column by John Martin in Beijing: "On a Rendezvous in the New Forbidden City"]

[Text] It's almost 3 pm on spring afternoon in Beijing as I alight from a taxi at the west gate of Zhongnanhai. This enormous complex is the headquarters of the Central Committee of the Chinese Communist Party and the home of its highest leaders. It is the place where Mao Zedong lived and worked until his death. In a word, it is China's Kremlin -- the new Forbidden City.

I'm here on someone else's coat-tails. The Australian Broadcasting Corporation's Beijing correspondent, Helene Chung has, after month's of spade work, managed to obtain a television interview with Politburo member Hu Qili. Once past the second lot of guards, we find ourselves driving around a large lake fringed with weeping willows gently dipping their tendrils into the still water. Large carp can be seen leaping from the lake to snap at the fresh spring leaves. We are stopped in a clearing by plainclothes security guards and ordered to leave our cars and walk the remainder of the distance. The guards point the way across an ornate stone bridge leading to an island in the centre of the lake. We are already short of time but start off over the bridge lugging cameras, tripods, sound equipment and leads and heavy cases of film.

Halfway round the island we draw abreast of the facade of a large red mansion, partly hidden by dusty fir trees. As foreigners are not usually permitted into Zhongnanhai, even the most detailed guide books have nothing to say about this building. It is, however, heavy and ornate in the northern Chinese style and is similar to the 19th century Qing Dynasty buildings which abound at the summer palace. We decide later that it is probably Mao Zedong's former residence. In front of the house a large, bright red wooden pavilion stands on a concrete platform jutting into the lake. It is here that the interview is to take place. The pavilion is quite unsuitable for television. There is a stone flagged floor which distorts our voices and large lattice windows admit light on all four sides.

A rectangular table is arranged as if for a summit meeting with a large bowl of flowers in the centre. The Chinese officials stiffen with fear when the cameramen shift the flowers. The crew explain that the flowers will obstruct the camera's view of Hu Qili, an argument which carries no weight at all with the Chinese. They have no authority, they tell us, to permit any alteration to the room. We appeal to a member of the Chinese Foreign Ministry. She, too, regrets she has insufficient authority.

When all is ill-prepared, the door is opened to admit Hu Qili, a very tall, slim and ascetic looking man, a native of Shaanxi Province. He has an appropriate air of authority and gives permission for the moving of the flowers. It is known that Hu Qili speaks English extremely well but today he insists upon speaking in Chinese. An inadequate interpreter with a heavy accent translates the interviewer's previously submitted questions into Chinese and Hu's prepared answers into English. This all takes a long time and the interview lacks spontaneity.

The interview soon becomes bogged down on the question of the cancellation of last year's planned visit to Shanghai by U.S. Navy ships and the recently announced forthcoming goodwill visit to the same city by ships of the Royal Navy. Mr Hu reiterates China's "well known" embargo on nuclear armed ships but adds that China respects the United Kingdom's position. Chung insists on pressing Hu on whether or not China has received assurances from Britain that her ships won't be nuclear-armed. Eventually Mr Hu ends this discussion by refusing to answer any more about ships.

That evening an official of the Chinese Foreign Ministry phones the ABC's Beijing office to say the interpreter got something wrong. What Mr Hu really said was "China respects the Untied Kingdom's statements" not "the United Kingdom's position."

Helene Chung's next question is about the stationing of U.S. seismic equipment and experts on China's soil. Won't this offend the Soviets as it will enable the Americans to monitor Soviet bomb tests? Hu Qili argues that the American equipment has neither the capacity nor the sensitivity to monitor bomb tests. Besides, the seismic operations will be managed by the Chinese.

Questioned about the Soviet Union, Mr Hu said that while social and cultural relationships between the two countries had improved, the political climate had not. The three obstacles remained -- Soviet troops on China's northern border, Soviet support for the Vietnamese in Cambodia and the war in Afghanistan. Mr Hu recalls that at the 27th Soviet Communist Party Congress Mr Gorbachev had insisted that relationships between the Soviet Union and China should not harm the interests of third countries. Mr Hu now chose to throw Gorbachev's words back at him by pointing out that Cambodia is a third country. Asked for an opinion of Mr Gorbachev, Mr Hu says: "We shall wait and see."

Chung asks Mr Hu to comment on China's campaign against corruption in high places, the campaign known as, "shoot the tiger and swat the flies."

Mr Hu replies that since January of this year when the campaign began party members had imposed strict demands on themselves, that the masses had been pleased and their sense of law enhanced. He argues that the extent of corruption within the party has been exaggerated. That out of a party membership of 44 million, only between 0.2 and 0.3 per cent had been found guilty of corruption. Mr Hu admits that this is still an awful lot of people and that China's new open door policy is partly to blame. He adds with a smile: "When you open the windows to let fresh air in, flies and mosquitoes fly in also."

However, he insists that the reforms should continue. "We will not stop," he says, and directs the interview towards a discussion of China's collective leadership. The Communist Party wants people who are revolutionary, young and professionally competent.

He describes himself as somebody already overburdened by his work in the Politburo and as "a small horse drawing a very big cart." Chung refers to the rumour that Mr Hu is to become the party's general secretary after the next party congress. "How would you feel pulling that bigger cart?" she asks. Mr Hu answers that his present job is beyond his capacity.

I gain the impression that Hu Qili does expect to become the new party secretary, replacing Mr Hu Yaobang.

All at once the interview is over and Hu Qili stands and suggests a brief walk outside. We all follow him through the door and out on to the concrete walkway bordering the pavilion. It is indeed a short walk. Mr Hu says a few words of farewell then disappears into the big red house at the rear of the pavilion. As soon as he's gone the fixed smiles vanish from the faces of the security guards.

The visitors are ordered to return to the pavilion, pick up their equipment and go. In order to expedite our departure the officials gather up most of the equipment themselves and dump it carelessly and unceremoniously on the concrete walkway. All the reels of newly-shot film are mixed up and it is fortunate that nothing falls into the water. The crew pack their equipment as best they can, urged on by the impatient guards. It is now late afternoon and to the west the sun is just a dull white glow behind a thick band of pollution. A chilling wind is blowing across the lake as we hurry along its edge in the direction of the waiting cars.

DISSENTING VOTES AT NPC SESSION REPORTED

HK130438 Hong Kong SOUTH CHINA MORNING POST in English 13 Apr 86 p 3

[By Terry Cheng in Beijing]

[Text] A small group of dissenting delegates yesterday broke with tradition and voted against a number of motions at the closing meeting of the National People's Congress in Beijing. Among the dissenters were two members of the Taiwanese delegation who now live on the mainland. The disenters were almost lost in the sea of faces among the 2,700 delegates, but their actions were highly significant because negative votes have been rare at NPC meetings in the past.

Some of the no votes yesterday were cast during the elections to the Standing Committee of the NPC. They were registered against Mr Chu Tunan, who was nevertheless elected as a Standing Committee vice-chairman, and against two committee members, Mr Yu Wen and Mr Cheng Siyuan. Mr Yu is a former head of the party's Propaganda Department and Mr Cheng is a member of the National Committee of the Chinese People's Political Consultative Conference.

Several deputies also voted against the two work reports by the Supreme People's Court and the Supreme People's Procuratorate, an investigative body attached to the court.

The last session of the Sixth NPC, which started on March 25, endorsed the appointment of Mr Qiao Shi, a member of the powerful Politburo and Secretariat of the Communist Party, as a vice premier. Mr Song Jian, a Central Committee member and minister of the State Scientific and Technological Commission, was also endorsed as a state councillor.

Both appointments were unanimous.

Mr Fan Zhensheng, who is deputy head of the Port Authority of Shanghai, said he would vote against some candidates he considered too old. All officials born before 1900 should be retired, he said. "NPC deputies should be relatively young and energetic so that they can assume their duties." He said it was the duty of an NPC deputy to cast an opposing vote if he believed the candidates were of fit for office.

Miss Liu Caipin, a deputy researcher with a Nanjing observatory, voted against the two reports of the Supreme Court because she believed this would result in the court and the procuratorate having more "respect" for the law. Casting an opposing vote was not necessarily the best way to express an opinion, she said, but it was needed to let the authorities know some people were not satisfied with their work. However, she said the NPC session this year was more democratic than it used to be. "Many of our proposals were accepted," she said. "Many resolutions were based on consideration for the one country -- two systems plan."

The three members of the Standing Committee of the NPC elected unanimously by the session were Mr Doje Cering, chairman of the Tibet Autonomous Government; Mr Tao Dayong, vice chairman of the China Democratic League; and Mr Peng Qingyuan, vice chairman of the Revolutionary Committee of the Kuomintang.

Calls for an early release of the draft of the Basic Law under which Hong Kong will be governed after 1997 have won the support of a delegate to the Chinese People's Political Consultative Conference.

Mr Ho Sai-chu, who returned yesterday from a CPPCC meeting in Beijing, said it was inappropriate that only a few members of the drafting committee should have a preview of the draft. Early release of the document to all drafting committee members would facilitate discussions at a second meeting, which begins in Beijing on Friday, he said. Mr Ho said he believed that the views of Hong Kong people had been taken into account in the draft but Hong Kong issues and the Basic Law were not formally discussed during the Fourth Session of the Sixth National Committee of the CPPCC, he said.

DISSENTING VOTERS 'REQUIRED GREAT COURAGE'

HK140949 Hong Kong WEN WEI PO in Chinese 13 Apr 86 p 1

["Sidelight" by Juan Chi-hung, staff correspondent in Beijing: "Dissenting Votes at the NPC"]

[Text] Beijing 12 Mar -- It required great courage and determination to cast dissenting votes while over two thousand pairs of eyes were watching. With great courage, Liu Caipin and Fan Zengsheng, Taiwan NPC delegates, cast dissenting votes at the closing ceremony of the NPC meeting today.

In 1957, Liu Caipin went to Japan from Taiwan to study astronomy. She came to China in 1971 and is now an assistant researcher in the Zijinshan observatory in Nanjing. She was of the opinion that delegates should fully exercise their rights. She was not satisfied with the report by the Supreme Court and maintained that the report should examine the work the Supreme Court did last year rather than laying emphasis on what to do in the future. Her vote was registered against the election of Chu Tunan and Cheng Siyuan as a Standing Committee vice chairman and Standing Committee member, her reason being that they were too old. However, she stressed that personally, she had absolutely no feeling of resentment toward them.

Fan Zengsheng graduated from the Chi Lung oceanography institute of Taiwan in 1970. Subsequently, he went to Japan for further studies. He went to the United States in 1973 and came to the Chinese mainland from the United States in 1980. He is now deputy bureau chief of the Shanghai harbor administrative bureau. He cast two dissenting votes, one against the report by the Supreme Court and the other against the election of Chu Tunan as a Standing Committee vice chairman. He asserted that as the state had called for lowering the average age of leading cadres, the NPC leading body, being in the forefront of NPC work, should all the more take the initiative in making the average age of its members younger.

Did their actions of casting dissenting votes suggest that the democratic process had not been brought into full play? Liu Caipin indicated that she had aired the above view in all earlier group discussion but that her view was not published in the meeting bulletin. Therefore she was of the opinion that the form of democracy was not fully observed. She said, however, that most of the views expressed by other NPC delegates were published in the meeting bulletin.

Fan Zengsheng said that before he came to China, he never expected that views and criticism could be expressed more freely than in Taiwan and that this was great progress the country had made. He indicated that it would take time for the country to practice the democratic system. He emphasized that opinions expressed by NPC delegates were given full attention. Their dissenting votes did not merely express their dissatisfaction but were also aimed at cherishing more hope for the NPC leading body. They pointed out they were two of the 13 NPC delegates elected from among the 25,000 Taiwan compatriots in the mainland. Fan Zengsheng said that through casting dissenting votes, he wanted to express that the people were supervising the NPC Standing Committee and its other organs. He hoped that the country would move in the direction of the democratic and legal system and toward a bright future.

CHING PAO PROFILES NEW FUJIAN CPC SECRETARY

HK200900 Hong Kong CHING PAO in Chinese No 105, 10 Apr 86 pp 28-30

[Article by Tien Chia: "The Mysterious Chen Guangyi, the Newly-Appointed Secretary of the Fujian Provincial CPC Committee"]

[Text] Xiang Nan, who exercised able leadership over Fujian for 5 years and made brilliant achievements during his term of office, is known to people in the country and abroad, whereas Chen Guangyi, who has succeeded him as secretary of the Fujian Provincial CPC Committee, is not known to most people either in Fujian or abroad.

Chen Guangyi was formerly deputy secretary of the Gansu Provincial CPC Committee and governor of the province, which is far from Fujian. As he has seldom made any public appearances since he assumed office in Fuzhou on 10 March and the CPC's propaganda machines have the tradition of not revealing the backgrounds of high-ranking leaders, people cannot help asking: Who is this Chen Guangyi, after all?

He Was Born to a Poor Family and Built His Career Through Diligence

The writer went to visit Chen Guangyi's native place -- Chenggun in Putian County. Xu Muxin, his 84-year-old mother, lives in a room in "Dazongbodi" -- a famous building of the Ming Dynasty in Chongshou Street in Putian. The news of her son's return to Fujian to work made this gray-haired old woman beam with happiness, but at the mention of her son's past, she could not hold back her tears.

Chen Guangyi was born to a very poor family. His father ran a small paper shop named "Renmei" where he sold self-made products to support his family of seven, Chen Guangyi was born in the winter of 1933. When he was 3 years old, his 32-year-old father died of an illness resulting from exhaustion. He was survived by six family members. To eke out a living, his uncle worked as a teacher, his grandmother stitched the soles of cloth shoes, and his mother patched clothes for others. Chen Guangyi was a poor boy who grew up amid suffering.

Because his family was very poor, he was extraordinarily diligent and assiduous in his study. At 7, he studied at the Changshou private primary school in Putian. After finishing primary school, he enrolled in the Putian middle school no 5, where he finished junior and senior middle school. Lin Wenhao, now chairman of the Putian City CPPCC Committee, was the principal of Putian middle school no 5 in the early 1950's. He said that Chen Guangyi's family was too poor to pay his school fees, so he had to study hard to win scholarships to the school. Although most of the students studied diligently, there were few so diligent as Chen Guangyi. At the end of each school term, he was always ranked among the top three students.

In 1950, after graduating from the senior middle school at the age of 18, Chen Guangyi took the matriculation examination. By the time the examination ended, he was recommended for admission to the metallurgy faculty of the Dongbei engineering institute, as he had done exceedingly well in his examination. This was a key step Chen Guangyi took on his way to success.

He Worked in Gansu for 27 Years and Gained Much Practical Experience

He studied hard for 3 years at the Dongbei engineering institute. During those 3 years, he never went back to his native place but made use of his summer and winter vacations to study. As in the middle school, he was a top student at the institute, with both ability and political integrity.

In 1953, to meet the urgent needs of the country's construction, Chen Guangyi was allowed to graduate early and was assigned to work in the Ministry of Metallurgy in Beijing. He was transferred to Gansu in 1959 to work as a technician in the Baiyin City nonferrous metal company. From then until his transfer to Fujian, he worked and lived on the northwestern plateau for 27 years. The country was in economic difficulties when Chen Guangyi arrived in Gansu, where he was admitted into the CPC as he was proficient in skills and hardworking. He was transferred to the Lanzhou nonferrous metal design institute in 1965 and appointed assistant leader of the production guiding group of the institute in 1967. Thus, he went from being an ordinary technician to a leader.

In the more than 10 years after that, he held the posts of deputy section chief of the Gansu provincial metallurgical department; section chief, deputy chairman, and chairman of the Gansu Provincial Planning Commission; and director of the Gansu Provincial Economic Coordination Office.

Between 1981 and 1982, as the principal leaders of Gansu were withdrawing to the second line, Chen Guangyi, who had been selected as one of the successors, was sent to open coastal provinces such as Guangdong, Fujian, and Zhejiang to study and conduct investigations. It was said that the central assessment work team on the selection of leading cadres, which was then in Gansu, had a very high opinion of Chen Guangyi and decided to recommend him for an important leading position. In 1983, when Li Dengying was relieved of his post as governor and appointed chairman of the provincial People's Congress Standing Committee, Chen Guangyi succeeded him as governor.

He Solved Two Problems and Had Practical Spirit

After assuming office in Gansu, Chen Guangyi was faced with two difficult problems: one was the serious ecological imbalance and the other was the problem of the people's food and clothing.

At the mention of Gansu, as scene of whirling wind and dust comes to people's minds. Not long after he became governor of Gansu, he was appointed chairman of the Gansu provincial afforestation commission. He decided to plant trees and grass to bring the wind and dust control and restore the econological balance. According to statistics, the province planted 4.19 million mu of trees and 5.86 million my of grass in 1984 and afforested 3.45 million mu of trees and 24.47 million mu of grass in the first half of 1985. Thus, the province was beginning to take on a new look. For example, areas like Dingxi, which were seriously affected by natural disasters in the past, are now beginning to turn green. In the agricultural field, Chen Guangyi made thorough investigations and worked out a whole set of strategic principles for developing agricultural production. He also attached importance to the development of township enterprises. As a result of all this, the standard of living of the peasants in Gansu improved by a large margin in the short span of several years, and the peasants in most parts of the province have freed themselves from poverty by engaging in agricultural production.

Beside all this, Chen Guangyi also paid attention to bringing into play the superiority of the natural resources in Gansu. With him in charge, the province drew up a long-term plan for exploiting and using the nonferrous metal resources for the purpose of developing the nonferrous metals industry. Jinchuan, known for its nickel production, has bee able to double its annual output. Baiyin, China's second largest copper base, is doing well in tapping its industrial potential.

On the afternoon of 14 November 1985, an entirely new type of on-the-spot meeting was held at the Gansu Provincial Physical Culture and Sports Commission. Present at the meeting were Li Ziqi secretary of the provincial CPC Committee; Chen Guangyi, the governor, and responsible persons of the departments, bureaus, and offices of the provincial government. The meeting was, naturally, presided over by Chen Guangyi.

It was reported that his purpose in convening this meeting was to change the situation in which the development of physical culture in Gansu had not been ideal. He said at the meeting: In developing physical culture, both athletes and directors of physical culture and sports commissions must make efforts. As governor, I guarantee the following two points: One is the construction of a auto race track and the investment of 10 million yuan in the Lanzhou gymnasium and the other is increasing the number of persons in the provincial physical culture and sports commission to 128 for the purpose of selection and turning ou top athletes in preparation for the sixth national games. In conclusion, he reiterated his practical principle saying: "We should not spend our money without achieving actual results. In whatever we do, we must pay attention to 'actual results.'" Some people said that his remarkable achievements during his 3 years in Gansu were, to a large extent, due to his practical spirit.

He Often Wrote Letters Home Advising His Family Members Not to Seek Privileges

A noted personality in Putian who once called at Chen Guangyi's house in Lanzhou told the writer that Chen Guangyi was honest, kind, simple, and aboveboard and strict with himself as well as his family. He has two sons and one daughter, who are working or studying. They dress casually, are modest, and never put on airs, as some children of high-ranking officials do.

Chen Guangyi also frequently wrote letters to his old mother in Fujian telling her not to try to enjoy the special consideration provided by the local cadres because of his having a high position in Gansu. Prior to his transfer to Fujian, he especially wrote a letter to his mother reminding her that on no account should she seek privileges after he was transferred to take up a high post in Fujian.

Recently, after his assumption of office in Fujian, he went to southern Fujian on an inspection tour. In Putian, en route back to Fuzhou, he told some of the local cadres: I have many relatives, friends, and former fellow students in Putian. They should be treated as others without special consideration.

Prior to his departure for Fuzhou to assume office, Chen Guangyi made a long-distance call to Fujian stressing that there was no need for a welcome ceremony. He said that it would be good enough just to have the secretary general of the provincial CPC Committee meet him at the railway station. So on 10 March, only Secretary General Zhang Yumin went to meet him at the station.

He Is Full of Feelings for the Locality, Which Inspires the Local People

On the evening of 12 March, for the first time he met the provincial party and government leaders as well as retired cadres. His remarks were full of feeling for Fujian. He said that Fujian was a treasure land. Its geographical location, political position, and economic development have special bearings on the country. With the implementation of the policy of opening up to the world and of flexible measures in recent years, Fujian's economic construction and social undertakings have developed by a large margin and the standard of living of its people has markedly improved. Chen Guangyi said that in this situation, his task is to bring all positive factors into play, to unite with all the forces that can be united with, to unite with Overseas Chinese who take an interest in Fujian's construction, and to make full use of the present favorable conditions and opportunities for further exploration and progress. His proposition is "unity, stability, exploration, and progress."

To realize the target of his endeavors, he got down to business as soon as he arrived in Fuzhou. He asked Xiang Nan to show him around Fuzhou so that he could get a good idea of the great achievements made by the city in recent years. On 13 March, he asked Yuan Qitong, secretary of the Fuzhou City CPC Committee, and other leaders of the city, to take him to the Mawei economic and technological development zone and Haixun and Longxia Villages in Changle County. On their way, they visited the PLA soldiers who were responsible for the tunnel construction projects in the expansion of the Fuzhou-Mawei highway.

On his way to Mawei, he saw an injured road construction worker with a group of his fellow workers, who did no know what to do about him, crowding around him. Chen Guangyi told his driver to stop the car and suggested that another car which accompanied him immediately take the injured worker to the Fuzhou City hospital no 2 for emergency treatment. The rest of the road construction workers were deeply moved to learn that this was the newly-appointed secretary of the provincial CPC committee.

His Remarks Are Concise and to the Point, and He Is Good at Summation

After his inspection tour in Fuzhou, Chen Guangyi, again accompanied by Xiang Nan, went to coastal cities and counties such as Xiamen, Zhangzhou, Quanzhou, and Putian. He made a fervent speech in the Xiamen Special Economic Zone. He said that the achievements the Xiamen Special Economic Zone had made in its construction in recent years could be summed up in three points, that is, its construction is fast, its economic results are good, and its achievements are great.

He added that the orientation of development of special economic zone boiled down to three points, that is, adherence to the policy of opening up to the world, adherence to reforms, and adherence to economic invigoration.

A press source in Gansu said that Chen Guangyi was amiable and good at summation and that his remarks were concise and to the point. This is easy to judge from the remarks he made during his visits to various places.

Chen Guangyi said that he would spend about 20 days conducting investigations in the coastal areas and mountains regions in Fujian and that he would work our detailed measures for administering Fujian after he had gained a good understanding of the situation. How will he straighten out things in Fujian? This is a question of common interest. As for the answer, let us wait and see.

MINISTER ON LAWS FOR FOREIGN, JOINT VENTURES

HK160413 Hong Kong SOUTH CHINA MORNING POST (BUSINESS NEWS Supplement) in English 16 Apr 86 p 5

[From Paul Sham in Guangzhou]

[Text] China's Minister for Foreign Economic Relations and Trade, Mr Zheng Tuobin, said yesterday laws governing wholly foreign-owned enterprises and joint ventures should be different as the two entities are not the same. "If these two groups of enterprises were completely the same, it would not be necessary to have two separate laws," he said. His remarks came after a meeting with representatives of the leftwing Chinese General Chamber of Commerce of Hong Kong, who attended the opening ceremony of the Guangzhou Trade Fair, which began yesterday.

Asked by reporters about his views that the law governing the operations of wholly foreign-owned enterprises should be tougher, Mr Zheng only said the laws governing the two should be different. He said his views seemed to have been upheld by the National People's Congress which passed a milder law governing the operations of wholly foreign-owned enterprises late last week.

The tough position of Mr Zheng, on behalf of the State Council, was challenged by the former party secretary of Fujian, Mr Xiang Nan. When conferring with members of the Fujian delegation to the NPC last week, Mr Xiang urged more relaxed rules governing the wholly foreign-owned enterprises in order to boost foreign investment.

The law passed by the NPC will allow foreigners to own enterprises that either introduce advanced technology or primarily produce goods for export. Under the original draft, only foreigners who brought advanced technology to China and agreed to generate foreign exchange by exporting most of what they produced were to be allowed to establish enterprises with foreign capital. However, some foreign investors said the modified version of the law is still on the tough side.

Mr Zheng said details of the implementation of the new law will be disclosed soon. Mr Zheng said the law governing the operations of contractual joint ventures is being drafted and work on the draft law regulating foreign trade will begin soon.

FBIS DAILY REPORT

China

CONTENTS

Vol I No 077 22 April 1986

PRC INTERNATIONAL AFFAIRS

GENERAL

XINHUA on 'Arafat, Gorbachev Meeting in Berlin A 1
Nonaligned Foreign Ministers Arrive in Libya A 1
XINHUA on Terrorism, Power Politics A 1

UNITED STATES

XINHUA Sees West Europe-U.S. Ties at New Low B 1

NORTHEAST ASIA

Criticism of ROK Suppression of Signature Drive D 1
[RENMIN RIBAO 19 Apr]
Japanese Expert Aiding Tianjin Harbor Project D 2

SOUTHEAST ASIA & PACIFIC

Deng Xiaoping Praises Hong Kong Entrepreneurs E 1
Briefing in Beijing E 1
Comments on Hong Kong's Future E 1
Ji Pengfei Reaffirms Policies on Hong Kong E 2
Zhao Ziyang Asks Yue-Kong Pao To Advise Ningbo E 2
Li, Zhao Joint Greetings to DK Leaders E 3
Beijing Reception Marks Cambodian National Day E 4
Commentary on Maung Maung Kha's 'Successful' Visit E 4
Philippines To Emphasize Ties With ASEAN E 5
Commentary Views Philippine-U.S. Relations E 5
Qian Quchen Leaves for Bangkok ESCAP Meeting E 6

SOUTH ASIA

Pakistan President Satisfied With PRC Ties F 1
India Buys More Spot-Market Oil, Less From USSR F 1

WESTERN EUROPE

Qian Shi at Italian Communist Party Congress G 1
Hosts Reception G 1
Leaves for PRC G 1
Stopover in Bonn G 1
Arrives in Beijing G 1

MIDDLE EAST & AFRICA

RENMIN RIBAO on Antiracist Trend in South Africa [15 Apr] I 1
Qaddumi PLO Delegation Arrives in Beijing I 1

PRC NATIONAL AFFAIRS

Hu Qili Conducts Inspection in Shanghai K 1
'Full Text' of Wang Bingqian NPC Budget Report K 3
XINHUA Carries Compulsory Education Law K 17
Management of Water Conservancy Funds Viewed K 20
[RENMIN RIBAO 8 Apr]
Yang Dezhi on Compilation of Military History K 21
JIEFANGJUN BAO Article on Strict Management K 21
Rules on Employment by Foreigners Issued K 22
[CHINA DAILY 21 Apr]

PRC REGIONAL AFFAIRS

CENTRAL-SOUTH REGION

Guangdong Experiences 1st Quarter Export Boom P 1
Guangxi Meeting on Rectification, Ideological Work P 1
Hubei Issues Circular on Zhao's 5-Year Plan Report P 2
Hubei Party Secretary Inspects Jianghan Oilfield P 3

NORTH REGION

Beijing Holds Meeting To Commend Teleplay Group R 1
[BEIJING RIBAO 13 Apr]
Beijing Military Region Improves Party Conduct R 1
Beijing Scores Achievements in Training Cadres R 2
[BEIJING RIBAO 10 Apr]
Nei Monggol CPC Committee Relays NPC Guidelines R 3

NORTHWEST REGION

Gansu Leader Addresses Political, Legal Meeting T 1
Qinghai's Yin Kesheng Attends CPPCC Opening Session T 1
Shaanxi's Bai Jinian Recommends Plays to Cadres T 2
[SHAANXI RIBAO 4 Apr]
Xinjiang's Song Hanliang Attends Grass-Sowing Rite T 2

HONG KONG MEDIA ON CHINA

MING PAO Cites Hu Yaobang Remarks on Intellectuals [18 Apr] W 1
Zheng Tuobin Interviewed on Foreign Trade W 2
[WEN WEI PO 2 Apr]

XINHUA ON 'ARAFAT, GORBACHEV MEETING IN BERLIN

OW211942 Beijing XINHUA in English 1908 GMT 21 Apr 86

[Text] Cairo, April 21 (XINHUA) -- Chairman of the Palestine Liberation Organization (PLO) Yasir 'Arafat met Soviet leader Mikhail Gorbachev last Friday in Berlin, capital of the German Democratic Republic, a PLO official in Cairo told XINHUA today. Taib Abdu Rahim, [spelling of name as received] director of the PLO Cairo office, said the two sides discussed the latest developments in the Arab region, the Palestine problem and the international situation in general. They denounced U.S. policy of power politics which aims at suppressing the struggle of the Arab nation and the Palestine people. 'Arafat also held a three-hour discussion with Gorbachev's aids on the Mideast situation and the Palestinian problem in particular. According to Taib Rahim, relations between the PLO and the Soviet Union had been cool because of the Soviet Union's firm support to Syria which supports PLO's rival groups. But now their relations have improved. He hoped that the improvement would be in the interest of the Palestinian cause.

NONALIGNED FOREIGN MINISTERS ARRIVE IN LIBYA

OW210830 Beijing XINHUA in English 0805 GMT 21 Apr 86

[Text] Cairo, April, 21 (XINHUA) -- Foreign ministers of six non-aligned countries arrived in the Libyan capital of Tripoli Sunday to demonstrate their support of Libya after the U.S. raid last week. Libyan television reported that the non-aligned delegation met Libyan leader Mu'ammar al-Qadhdafi Sunday evening, but gave no details of the meeting. One of the six non-aligned ministers, Indian Foreign Minister Bali Ram Bhagat, told reporters that the delegation wanted to show solidarity with Libya "at a time of its greatest crisis." The foreign ministers of Yugoslavia, Cuba, India, Ghana, Congo and Senegal will go to the United Nations after their one-day stay in Tripoli to present a non-aligned petition for a Security Council condemnation of the U.S. raid, which has claimed dozens of deaths and injuries.

Meanwhile, Libya has charged that the U.S. is intercepting commercial airliners headed for Tripoli's airport and said it filed a protest with the International Air Transport Association. Libyan Minister of Transportation and Communication Mubarak Shama [name and title as received] said that U.S. planes from the Sixth Fleet began Tuesday to turn back Libya-bound civilian flights in international airspace. A Libyan jet flying from Rome to Tripoli Friday was intercepted, and a Turkish plane was met by U.S. jets the following day and forced to return to Istanbul, he said. "This American action is terrorism carried out by the Reagan administration against international airspace," the minister said.

XINHUA ON TERRORISM, POWER POLITICS

OW220848 Beijing XINHUA in English 0828 GMT 22 Apr 86

[Text] Beijing, April 21 (XINHUA) -- (by Want Lianzhi) The large-scale U.S. air raid on Libya has stirred up a global wave of condemnation. Most of the world countries including American allies in West Europe expressed denunciation or disapproval of the operation as what was running counter to international norms. Massive anti-American demonstrations broke out in many countries.

The United States argued that the move was defensive, in that it was in retaliation against terrorist activities.

Now the question is: What is terrorism and who is responsible for the terrorism in the Middle East?

An American expert in terrorism defined the phenomenon as individual or collective resort to violence internationally for political purpose. Judging from this definition, terrorism in the Middle East has originated from none other than Israel backed by the United States and some other western nations.

Since its establishment as a state in 1948, Israel has been bent on an expansionist policy. It annexed the homeland of Palestine and encroached upon large tracts of Arab territory, forcing millions of Palestinians to take refuge in other countries. It is Israel which has hatched the biggest tragedy of the world today. In recent years, the Israelis have killed a large number of Palestinian refugees in Lebanon and even sent bombers to attack the Palestine Liberation Organization (PLO) headquarters in Tunis. Obviously, the Palestinian people and Arab countries are the poorest victims of aggressive expansionism and power politics in the Middle East over the past 30 years or more. Their struggle in all forms for recovering homeland and safeguarding national dignity is a just one, not at all terrorism.

All the U.S. administrations in the past three decades, in advancing the interests of their domestic politics and global strategy, always considered Israel as an unsinkable aircraft carrier at their service, leaving no stone unturned in supporting Tel Aviv's policy of war. It is precisely because of the U.S. support and connivance that Israel has all along refused to pull out from the occupied Arab lands, still less to enter into negotiation with the PLO. Instead, it has stepped up the suppression of the Palestinians and the Arabs. Hence, a no-peace and no-war situation has persisted there and disappointment and hostilities to the U.S. and Israel have fermented and increased. It is against this background that some radicals started to resort to extremist way to give vent to their resentment. In other words, it is power politics that has triggered off terrorism, which, in turn, has become an excuse for furthering power politics. This is a veritable vicious circle.

One point should be made clear, terrorism is not normal armed struggle. Blind adventures by a handful of people can never help realize a just cause but only besmear and hurt it. In addition, it will victimize innocent people to the indignation of the international community. In recent years, the heavy growth of international terrorism has caused great concern and uneasiness among the world people. In 1985 alone, over 600 people have died of explosion, assassination and kidnapping incidents. Some experts noted that the U.S. and Israel are the number-one targets and the majority of the terrorist activities took place in the Middle East and Western Europe.

In order to put an end to terrorism, it is necessary to remove its root cause. In the case of the Middle East, it is imperative to stop Israeli aggression and expansion against the Arab nation, solve the Palestine issue on the basis of justice, and find a formula for settling the protracting Arab-Israel dispute by peaceful means.

XINHUA SEES WEST EUROPE-U.S. TIES AT NEW LOW

OW211903 Beijing XINHUA in English 1841 GMT 21 Apr 86

["News Analysis: W. Europe-U.S. Contradictions Deepen (by Xia Zhimian)" -- XINHUA headline]

[Text] Bonn, April 20 (XINHUA) -- The relations between the United States and Western Europe have sunk to a new low following U.S. attacks on Libya -- a development undenied by both Washington and its allies.

Most Western European countries see the U.S. military actions against Libya as having upgraded tensions in the Mediterranean, thus endangering their security. They complained that they were kept in the dark about the U.S. attacks, not being informed beforehand. A leading Social Democrat here had this to say: "Politically, its West European allies count very little in the eyes of the United States."

Washington, on its part, is irritated at its allies' "incooperative" attitude that has, among others, forced its warplanes to fly over the open sea, instead of over French territory, on their way to Libya.

The way things stand has led the press in Western Europe to raise a grim question: In case of a crisis, will the U.S.-W. European Alliance and the North Atlantic Treaty Organization (NATO) still have a role to play? The alliance, formed after World War II originally as a joint effort to counter the Soviet Union, has been used by the United States as a leverage in its rivalry with the Soviet Union for world hegemony. The West European nations, though aware of this, have had to comply because of their weaker military position. But with the passage of time, West European countries have come closer and grown in strength. As a result, the discrepancy of interests across the Atlantic surfaced and even volatiled into open clashes from time to time.

On security matters, Western Europe, while hoping the U.S.-W. European military alliance and the strategy of nuclear deterrent to stay as a counterbalance to the Soviet Union, does not want to be involved in the arms race for global hegemony between the United States and the Soviet Union. What the United States seeks is just the opposite. While making full use of Western Europe's force, it wants to detach itself in nuclear strategy, so that the U.S. proper can be saved from the holocaust in a regional nuclear war. This discrepancy of interests has found expression in a range of events in recent years.

In disarmament talks, for example, the United States is more concerned about strategic nuclear weapons threatening the U.S. proper, than about cuts in medium-range and conventional weapons. U.S. President Ronald Reagan is adamantly pushing ahead with his Strategic Defense Initiative (SDI), known as "star wars" program.

The plan, once realized, would shield the United States from nuclear attacks, but would also unhinge its nuclear defense from Western Europe's. Western European countries, on their part, have revived the long-dormant Western European Union, and intended to develop a small "star wars" program of its own. In the meantime, they have stepped up contacts with Eastern Europe, emphasizing the need for European countries to make direct contribution to disarmament and detente.

In foreign affairs, the United States seeks closer collaboration from Western Europe in its contention with the Soviet Union, but to no avail. A case in point is the U.S. intent to enlarge the competence of NATO to allow the use of its military force to intervene in the rest of the world. Difference of interests between the two parties has also surfaced on such issues as sanctions against Poland and boycott against the Moscow Olympic Games. On the Middle East issue, the United States wants to have the Soviet influence there eradicated, while West European countries aim to prevent any escalation of tensions there in order not to endanger their own security. The United States has resorted to force on several occasions, but Western Europe has managed to stay away for fear of involvement.

Economically, Europe has grown to become an opponent of the United States, unleasing "steel war," "car war," "orange war," one on the heels of the other. Lately, the wrangle over farm subsidies has hotted up, with both sides threatening with retaliatory measures. In the monetary field, Washington has followed a policy of three highs (of deficit, interest rate and exchange rate), to the bitterness of its West European allies. What adds to their bitterness over economic matters is the fact that the United States always goes its own way, leaving its allies faced with faits accomplis.

Nevertheless, given the Soviet military threats, the contradictions between the two sides will not develop to a point where their alliance would fall apart. But Western Europe's independent acts represent an irreversible trend: the world, after all, is no longer evolving around two poles. This certainly will give new contents to the Western Europe-U.S. alliance.

CRITICISM OF ROK SUPPRESSION OF SIGNATURE DRIVE

HK210933 Beijing RENMIN RIBAO in Chinese 19 Apr 86 p 7

[Correspondent's commentary by Liu Zhengxue: "South Korean Political Developments and Their Impact"]

[Text] Since February this year, the South Korean authorities and a nongovernmental force have been involved in a struggle centering on the campaign to collect signatures for the revision of the South Korean constitution. Since this struggle bears on South Korea's political stability, it has aroused people's concern.

This signature drive is jointly organized by the New Korea Democratic Party, which is not in office, and the Council for the Promotion of Democracy, which is a civilian organization. It is a systematic, well-organized anti-government "mass demonstration" whose objectives are to amend the "constitution" currently in force, to replace indirect presidential elections with direct balloting by popular vote, to rally support from half of South Korea's 20 million voters, and to force the present administration to step down. On 12 February, Yi Min-u, NKDP president, Kim Tae-chung, Kim Yong-sam, chairmen of the Council for the Promotion of Democracy, and more than 200 leaders of opposition parties and advocates of democracy, signed the "constitutional-amendment" petition. The more than a dozen universities in Seoul immediately formed a "Headquarters of the Constitutional Amendment Movement" aimed at democracy and national unification, in order to show their active support. The South Korean authorities immediately announced that this movement was illegal and, under various pretexts, arrested and put under house arrest leaders and members of the opposition parties and searched their offices. At the same time, policemen raided and searched 129 universities, seized students' propaganda material, and arrested more than 200 young students on charges of violation of the relevant laws.

The signature drive reached a climax in March. In Seoul, the NPDK established a "Seoul Branch of the Headquarters for Promoting Constitutional Amendment" and a central coordinating organ for the four parties and organizations striving for democracy. The constitutional amendment movement has spread to every corner of the country. In Pusan, Kwangju, and Taegu, at each rally marking the establishment of a branch, crowds of several hundred thousand gathered. When the rallies were over, they shouted the slogans "down with military despotism" and "amend the constitution, practice democracy" and fought bravely with the policemen who had arrived to make trouble. People from all walks of life and, in particular, members of religious organizations, have indicated their positions by signing the petition. The "South Korean Christian Council" formed by the six major protestant denominations issued a statement on 17 March, indicating its support for the movement and calling for direct balloting. Mun Yik-hwan, a protestant clergyman who has been under prolonged arrest by the South Korean authorities, called for an end to Chon Tu-hwan's despotic military rule. The South Korean Catholic Justice and Peace Committee issued a 9-point statement calling for freedom of speech and of the press, the democratization of central and local government, and an end to the use of force to suppress dissidents. The turn in the political situation in the Philippines has also greatly encouraged the democratic forces in South Korea.

In the face of increasing pressure, the South Korean authorities are both surprised and shocked. On the one hand, they stress that the political and economic situation is different from that in South Korea. On the other, they try to appease the parties not in office by: Approving the signature drive so long as the mass demonstrations are peaceful; stopping the arrest, or putting under house arrest of leaders of the parties not in office; releasing some arrested students; and initiating a dialogue with these parties.

President Chon Tu-hwan has repeatedly announced that he would discuss the "constitutional amendment" and the plan for "peaceful transfer of political power" in 1988, when his term of office comes to an end. However, he also announced that by then, the conventions according to which presidents will be elected will be proposed by the presidential candidate nominated by the party in office.

What merits our attention is that in order to stabilize the political situation, the South Korean authorities have resorted to psychological tactics and propaganda by saying that there would be a "southern drive" by the North before 1988. Thus, on the one hand, they expand their police and security forces and have proclaimed martial law. On the other hand, they appeal to the United States in the hope that they will get more military aid. In addition, they have reached an agreement with the United States on the "Team Spirit" joint military exercises to be conducted prior to 1988. This way of doing things cannot alleviate the contradictions between the government and the public but will have adverse effects on tension in the Korean peninsula and on the dialogue between North and South.

JAPANESE EXPERT AIDING TIANJIN HARBOR PROJECT

OW210822 Beijing XINHUA in English 0802 GMT 21 Apr 86

[Text] Tianjin, April 21 (XINHUA) -- Work began today on an expansion project in Tianjin Harbor, one of the biggest in China. The project involves the building of seven piled piers out over water for 10,000-ton ships to be loaded or unloaded by barges.

Proposed by Yukio Torii, director of the Kobe Harbor Bureau, Japan, and now chief advisor to the Tianjin Harbor Administration, the 48.75 million yuan project is designed to increase the present handling capacity of the harbor and solve the present serious ship delay problem.

According to the Japanese expert, more than 1.1 million tons of handling capacity will be added after the project is completed.

The project will be undertaken in two stages. The first stage of the project involves eight piers which can accommodate four 15,000-dwt ships and the annual handling capacity may reach 700,000 tons.

To match the project, six barge unloading docks will be built along the lower reaches of the Haihe River.

DENG XIAOPING PRAISES HONG KONG ENTREPRENEURS

Briefing in Beijing

OW191604 Beijing XINHUA Domestic Service in Chinese 0926 GMT 19 Apr 86

[By reporter Fan Songjiu]

[Text] Beijing, 19 Apr (XINHUA) -- Deng Xiaoping, chairman of the CPC Central Committee Advisory Commission, today praised some well-known Hong Kong personages who have made donations to help with education in China as having done something very good for the country and the people. The well-known Hong Kong personages who met Deng Xioping at the Great Hall of the People this morning included Yue-Kong Pao, Wong Kwan-Cheng, Henry Ying Tung Fok, and (Li Chao-chi).

Deng Xiaoping said: In order to attain the goal of the four modernizations, we need to solve the problem of a shortage of knowledge and qualified personnel. The training of qualified personnel is in the fundamental interest of the whole nation. He emphasized the need to respect knowledge and talented persons. He said: Qualified personnel cannot be trained overnight. We must rely on education to cultivate them and begin the training in their childhood. He pointed out: Compared with the developed nations, China does not lag behind in everything, but it does lag behind in many fields and must step up its efforts to catch up with others. Science and technology develop very rapidly in the world. Although we are poor, we still should make some investment in the scientific and technological fields. Some other countries have developed high-technology. We should also do something to develop certain fields of high-tech, and it won't do if we ignore it. Briefing the guests on the situation of reforms, Deng Xiaoping said: The general situation of reforms is good. The reforms are a product of several years of our careful consideration. For many years, we walked with heavy burdens on our shoulders. One of the burdens was the price subsidy, and another was that enterprises did not have the power of decision; nor did they have responsibilities. The reforms aim at removing the burden to enable us to march with light packs. We must carry out the reforms; otherwise, the burdens will sooner or later become too heavy to bear. The reforms will not succeed if we lack determination, or if we are unwilling to take risks.

Yue-Kong Pao said during the meeting: It is a great pleasure to be able to do something for the education and the future generations of the country. Present at the meeting were Li Peng, vice premier and minister in charge of the State Education Commission; He Dongchang, vice minister in charge of the State Education Commission; and Xu Jiatun, director of the Hong Kong Branch of the XINHUA News Agency. After the meeting, Li Peng gave a banquet for the guests at the Diaoyutai Guesthouse. Zhou Peiyuan, vice chairman of the CPPCC National Committee, attended the banquet.

Comments on Hong Kong's Future

OW211521 Beijing XINHUA in English 1514 GMT 21 Apr 86

[Text] Beijing, April 21 (XINHUA) -- China will adhere to socialism, but will not force it on Hong Kong, senior Chinese leader Deng Xiaoping said here tonight. Deng, chairman of the Communist Party's Central Advisory Commission, was speaking at a meeting with Yue-Kong Pao, chairman of the Hong Kong Worldwide Shipping Group, at Beijing's Diaoyutai State Guesthouse. He said the Chinese Government would keep its word in carrying out the concept of "one country -- two systems". Hong Kong need not worry about this. Yue-Kong Pao, also vice-chairman of the Hong Kong Basic Law Drafting Committee, is currently attending the committee's second plenary session here. He told Deng that drafting work was proceeding enthusiastically. State Councillor Gu Mu was present at tonight's meeting.

JI PENGFEI REAFFIRMS POLICIES ON HONG KONG

OW180914 Beijing XINHUA in English 0858 GMT 18 Apr 86

[Text] Beijing, April 18 (XINHUA) -- Ji Pengfei, chairman of the drafting committee for the Basic Law of the Hong Kong Special Administrative Region, pointed out today that the Chinese Government will not change its policies on Hong Kong, as they are China's established national policies. He was speaking at the second plenary session of the Hong Kong Basic Law Drafting Committee, which opened here this morning.

He listed these general and specific policies as a pledge not to practice socialist system and policies in Hong Kong, allowing Hong Kong to maintain its existing capitalist system and way of life for 50 years, and putting Hong Kong directly under the jurisdiction of the central government, and allowing it to enjoy a high degree of autonomy. Also included are: The Hong Kong Special Administrative Region Government and its legislative body will be formed by local people. The region will enjoy executive, legislative, and independent judicial power, including that of final adjudication. The democratic rights and right of freedom will be guaranteed for the local residents in accordance with the law.

Ji urged all the committee members to go by these principles in their work, in order to embody the "one country, two systems" concept in the basic law comprehensively and precisely. He added the basic law must preserve China's sovereignty and maintain Hong Kong's stability and prosperity. He stated the committee must draw up the law in the light of Hong Kong's actual conditions, rather than to copy from the practices in inland China. Nor should foreign countries be imitated, as Hong Kong is a part of China and not an independent country, he emphasized. According to the committee's plan, the Basic Law (draft) will be ready in early 1988.

Reviewing the Hong Kong's situation since the committee's first session last June, Ji said "conditions in Hong Kong are quite good in various aspects. People there now have a greater confidence in the future of Hong Kong." Progress also has been made in the work of the Sino-British Joint Liaison Group and the Sino-British Land Commission, he noted. He stated people in all walks of life in Hong Kong have paid great attention to the drafting work of the basic law and also raised many beneficial and constructive suggestions. Thus the committee will be more confident of fulfilling its task.

ZHAO ZIYANG ASKS YUE-KONG PAO TO ADVISE NINGBO

OW172053 Beijing XINHUA in English 1458 GMT 17 Apr 86

[Text] Beijing, April 17 (XINHUA) -- Chinese Premier Zhao Ziyang today invited Chairman of the Hong Kong Worldwide Shipping Group, Sir Yue-Kong Pao, to be advisor to the coordinating group for the economic development of the east China coastal city of Ningbo. The coordinating group is an office under the State Council. Handing the letter of invitation to Pao in Zhongnanhai this afternoon, Zhao said marked progress has been made in Ningbo, which has a comparatively good industrial and agricultural foundation. "Quite a few key projects will be undertaken in Ningbo during the period of the Seventh Five-Year Plan (1986-90)," he said. "There are bright prospects for this city."

Pao said he would make efforts to work for the development of Ningbo, his hometown. "Attention should be paid particularly to the role of the city's Beilun Port," he told Zhao.

State Councillor Gu Mu said that in addition to the port Ningbo has many other favorable conditions for its development. Noting that there are many Ningbo people residing overseas, Zhao said their enthusiasm for the development of their hometown should be brought into full play.

Earlier this afternoon, Chinese Vice-Premier Yao Yilin discussed the international economic situation with Pao.

LI, ZHAO JOINT GREETINGS TO DK LEADERS

BK180953 Beijing in Cambodian to Cambodia 1030 GMT 16 Apr 86

[16 April greetings message from President Li Xiannian and Premier Zhao Ziyang to DK President Samdech Norodom Sihanouk, CGDK Prime Minister Son Sann, and DK Vice President Khieu Samphan, on 11th founding anniversary of Democratic Kampuchea]

[Text] On the occasion of the 11th founding anniversary of Democratic Kampuchea, on behalf of the Chinese Government and people and in our own names, we wish to extend warmest greetings to you and the CGDK and, through you, to the heroic Cambodian people.

The Vietnamese authorities have committed armed aggression against and have occupied Cambodia for more than 7 years now. This aggression has brought grave destruction to the Cambodian nation and people and posed a serious threat to peace and security in Southeast Asia and the Asia Pacific region. The majority of countries and peoples in the world, which cherish peace and justice, have firmly opposed this aggression. During the past years, under the leadership of the CGDK headed by Samdech Norodom Sihanouk, the Cambodian people and patriotic armed forces have nurtured great indignation against the enemies and launched a fierce and valiant struggle against them, thus defeating successively the enemies' military operations and frustrating their political maneuvers one after another. This has greatly contributed to seizing independence for Cambodia and safeguarding peace in this region and elsewhere in the world. This struggle has enjoyed broad sympathy in and support from the world community. We have noted with great joy that the situation in Cambodia is developing more favorably to the Cambodian people's struggle against the Vietnamese aggressors. Recently, the CGDK Cabinet meeting set forth an 8-point proposal for a political settlement of the Cambodian problem. This is an event of historic significance. This reasonable idea of the CGDK clearly shows that the CGDK is willing to solve the Cambodian problem through peaceful means. This idea has been welcomed internationally.

The two countries — China and Cambodia — and their peoples have a tradition of friendship with each other. The Chinese Government and people, together with the ASEAN countries and the justice-loving countries in the world community, have firmly supported the Cambodian people's struggle against the Vietnamese aggressors for their national salvation and firmly supported the CGDK's efforts for a reasonable settlement of the Cambodian problem.

We are firmly convinced that in the Cambodian people's just struggle against the Vietnamese aggressors and for realizing Cambodia's independence, peace, neutrality, and nonalignment as well as friendship between the peoples of China and Cambodia will further strengthen and develop.

[Signed] Li Xiannian, president of the PRC
[Signed] Zhao Ziyang, premier of the PRC State Council

[Dated] Beijing, 16 April 1986

State Councillor Gu Mu said that in addition to the port Ningbo has many other favorable conditions for its development. Noting that there are many Ningbo people residing overseas, Zhao said their enthusiasm for the development of their hometown should be brought into full play.

Earlier this afternoon, Chinese Vice-Premier Yao Yilin discussed the international economic situation with Pao.

LI, ZHAO JOINT GREETINGS TO DK LEADERS

BK180953 Beijing in Cambodian to Cambodia 1030 GMT 16 Apr 86

[16 April greetings message from President Li Xiannian and Premier Zhao Ziyang to DK President Samdech Norodom Sihanouk, CGDK Prime Minister Son Sann, and DK Vice President Khieu Samphan, on 11th founding anniversary of Democratic Kampuchea]

[Text] On the occasion of the 11th founding anniversary of Democratic Kampuchea, on behalf of the Chinese Government and people and in our own names, we wish to extend warmest greetings to you and the CGDK and, through you, to the heroic Cambodian people.

The Vietnamese authorities have committed armed aggression against and have occupied Cambodia for more than 7 years now. This aggression has brought grave destruction to the Cambodian nation and people and posed a serious threat to peace and security in Southeast Asia and the Asia Pacific region. The majority of countries and peoples in the world, which cherish peace and justice, have firmly opposed this aggression. During the past years, under the leaderahip of the CGDK headed by Samdech Norodom Sihanouk, the Cambodian people and patriotic armed forces have nurtured great indignation against the enemies and launched a fierce and valiant struggle against them, thus defeating successively the enemies' military operations and frustrating their political maneuvers one after another. This has greatly contributed to seizing independence for Cambodia and safeguarding peace in this region and elsewhere in the world. This struggle has enjoyed broad sympathy in and support from the world community. We have noted with great joy that the situation in Cambodia is developing more favorably to the Cambodian people's struggle against the Vietnamese aggressors. Recently, the CGDK Cabinet meeting set forth an 8-point proposal for a political settlement of the Cambodian problem. This is an event of historic significance. This reasonable idea of the CGDK clearly shows that the CGDK is willing to solve the Cambodian problem through peaceful means. This idea has been welcomed internationally.

The two countries -- China and Cambodia -- and their peoples have a tradition of friendship with each other. The Chinese Government and people, together with the ASEAN countries and the justice-loving countries in the world community, have firmly supported the Cambodian people's struggle against the Vietnamese aggressors for their national salvation and firmly supported the CGDK's efforts for a reasonable settlement of the Cambodian problem.

We are firmly convinced that in the Cambodian people's just struggle against the Vietnamese aggressors and for realizing Cambodia's independence, peace, neutrality, and nonalignment as well as friendship between the peoples of China and Cambodia will further strengthen and develop.

[Signed] Li Xiannian, president of the PRC
[Signed] Zhao Ziyang, premier of the PRC State Council

[Dated] Beijing, 16 April 1986

BEIJING RECEPTION MARKS CAMBODIAN NATIONAL DAY

OW162351 Beijing XINHUA in English 1912 GMT 16 Apr 86

[Text] Beijing, April 16 (XINHUA) -- A reception to celebrate the 11th anniversary of the national day of Democratic Kampuchea was held here this evening. It was jointly sponsored by the Chinese People's Association for Friendship with Foreign Countries and the China-Kampuchea Friendship Association.

In his speech, President Zhang Wenjin of the host association extended his congratulations on the victory won by the Kampuchean people and the patriotic armed forces of Kampuchea, under the leadership of the Democratic Kampuchean Coalition Government headed by Samdech Norodom Sihanouk, in the struggle against the Vietnamese aggressors. He said the Chinese people resolutely supported the eight-point proposal raised by the Coalition Government of Democratic Kampuchea last March, as it "is of historical significance and is reasonable." He expressed his belief that the Kampuchean people would win worldwide sympathy and support, and would surely be victorious in realizing the country's independence, peace and neutrality.

In his speech, Ambassador Chan Youran of Democratic Kampuchea to China paid high tribute to the friendship between the Kampuchean and Chinese peoples, adding it was of great significance for the Kampuchean people's struggle against Vietnam and for the independence of his country. He said that the Kampuchean people had won remarkable victories with the continuing support of the peace-loving countries in the world, including the Association of Southeast Asian Nations and with the leadership of the Coalition Government of Democratic Kampuchea, headed by Sihanouk. He pointed out that now Vietnam not only found itself in military trouble, but had also landed itself in an isolated political position, as it had refused the Kampuchean proposal.

COMMENTARY ON MAUNG MAUNG KHA'S 'SUCCESSFUL' VISIT

BK190941 Beijing International Service in Burmese 1130 GMT 18 Apr 86

[Station Commentary: "A Successful Visit"]

[Text] After successfully concluding an official good-will visit to China, Prime Minister U Maung Maung Kha of the Socialist Republic of the Union of Burma today left Shenzhen carrying with him the love the Chinese people hold for the Burmese people. This successful trip to China by Prime Minister U Maung Maung Kha will make new contributions to Sino-Burmese friendly relations. Prime Minister's U Maung Maung Kha's visit to China coincided with Thingyan [water festival] and the talks between the leaders of the two countries were held in a happy and festive atmosphere.

Prime Minister U Maung Maung Kha and the Chinese leaders discussed very important matters during their friendly talks which promoted mutual friendship and understanding. The two sides have similar or identical views on major international issues. The leaders of the two countries reiterated that the five principles of peaceful coexistence form the basic norm for international relations. The two sides sincerely expressed their desire to give fresh impetus to Sino-Burmese friendship.

In recent years, China has been practicing an open-door policy and expanding economic and technical exchange and cooperation with foreign countries. Being developing countries, both China and Burma have a common historical duty to accelerate their countries' development. China attaches great importance to the expansion of economic and technical cooperation with Burma, which is a friendly neighbor.

There are many fields in which China and Burma can cooperate for mutual benefit. The two countries can contribute to their economic development and improve their people's living standard by helping each other and making up each other's deficiencies in the course of their cooperation.

Peace and development are two issues confronting the world today. Safeguarding peace cannot be separated from economic development and prosperity. There can be economic development only when there is peace in the world.

China is practicing a peace-oriented independent foreign policy. The Chinese people, together with the people of the world, including the Burmese people, will continue to strive for safeguarding world peace.

Sino-Burmese relations have been smooth and good all along. It is an intimate "paukphaw" [kindred] friendship. We believe that Prime Minister U Maung Maung Kha's visit and our mutual endeavors will further promote bilateral friendly cooperation on the political, economic, and cultural fronts, bring benefits to the peoples of the two countries, and contribute to peace and stability in Asia and peace and stability in the world.

PHILIPPINES TO EMPHASIZE TIES WITH ASEAN

OW210752 Beijing XINHUA in English 0733 GMT 21 Apr 86

[Text] Manila, April 21 (XINHUA) -- Vice-President and Foreign Minister Salvador Laurel emphasized that the new government headed by President Corazon Aquino is determined to strengthen its relations with the ASEAN member countries, according to an interview published today.

In an exclusive interview with the Philippine "BUSINESS DAY" on the government main thrusts of foreign policy, Laurel said the Philippines will make no enemy if it can make a friend -- "that is the basic thrust of our foreign policy."

The Philippines will give special emphasis on the relations with the ASEAN which were somewhat strained under the Marcos Government, he said. Besides the Philippines, the Association of Southeast Asian Nations also groups Thailand, Malaysia, Singapore, Indonesia and Brunei. "I intend to make our relationship with ASEAN countries as close as possible and to be actively involved in the ASEAN," he added.

Another special thrust, he said, is the improvement in trade relations with other countries. The balance of trade where it is not favorable to the Philippines will have to be corrected, he stressed. Laurel expressed his welcome to foreign investment. However, "those would only supplement and not supplant Filipino capital and entrepreneurs," he noted.

COMMENTARY VIEWS PHILIPPINE-U.S. RELATIONS

HK170823 Hong Kong ZHONGGUO TONGXU SHE in Chinese 1213 GMT 15 Apr 86

["Short" commentary by staff reporters Zhang Suifeng and Xu Shaoling: "Changes in Philippine-U.S. Relations Under the Corazon Aquino Administration"]

[Text] Manila, 15 Apr (ZHONGGUO TONGXUN SHE) -- On 14 April, in his first foreign policy speech since he took office, Philippine Vice President and Foreign Minister Salvador Laurel said that although subject to the restrictions of the Philippine-U.S. Military Agreement, the new Manila government will follow a "genuinely independent foreign policy."

Earlier, when visiting Manila on 7 April, U.S. Defense Secretary Caspar Weinberger met anti-American demonstrations outside the gate of the Philippine presidential palace. A small number of demonstrators held signs with various slogans reading "Weinberger Go Home," "Stop U.S. Interference in the Philippines," and so on. Philippine-U.S. relations were fairly close during the Marcos regime. Will there be any changes in the policy of the new Corazon Aquino Government, which came to power through the "February revolution," toward the United States? People naturally are concerned about this. According to Manila sources familiar with the Philippine political conditions, the Philippine political situation became unstable after Benigno Aquino was assassinated at Manila airport in 1983. This, coupled with the effects of a global economic recession and a languishing domestic economy, generated a stronger desire for change among the people. The United States was worried that the situation was worsening in the Philippines. However, both the United States and Marcos himself misjudged the strength of the opposition party. The United States had no alternative but to "change horses" at the last moment by supporting Corazon Aquino to prevent the Philippines from being thrown into turmoil.

It can be said that Corazon Aquino came to power primarily with the support of "people power." Psychologically, at least, she did not think she was much indebted to the United States. It is noticed that her cabinet bears fairly strong nationalist feelings and that, in dealing with domestic and foreign affairs, it has adopted a more independent posture and kept the United States at a distance. Although the United States failed to curry favor with either side in the general election, it still maintains a good relationship with the new government. Both the United States and the Philippines have identical objectives in stabilizing the Philippine situation. For this reason, the United States still plays an important role in Philippine affairs.

In her meeting with Weinberger after the political situation had initially stabilized, Corazon Aquino primarily talked about the question of increased economic aid. Weinberger stressed, however, that "some" military aid (used primarily for dealing with the Communist Party of the Philippines) is "also very important."

The methods used by the new Philippine Government in dealing with the Communist Party of the Philippines and the futures of the U.S. military bases have obviously failed to satisfy the United States. During his 18-hour visit to the Philippines, besides discussing economic aid with Aquino, Weinberger also reportedly studied the "terms of agreements on the question of the Communist Party of the Philippines. The crowd demonstrating outside the presidential palace in Manila, however, were opposed to U.S. interference in Philippine internal affairs, such as the questions of the Communist Party of the Philippines and the military bases, and called on the United States "not to bring war to the Philippines."

In the eyes of the Philippine people, the Aquino Government has a more pronounced nationalist color than the previous Philippine Government. They hope that the new government will be able to lead the country toward genuine national independence, not only in foreign affairs but also in political, economic, and other fields. Naturally, in order to thoroughly shake off the influence of foreign powers and to stand independently in the family of nations, the Philippines still has a long and laborious way to go.

QIAN QICHEN LEAVES FOR BANGKOK ESCAP MEETING

OW210644 Beijing XINHUA in English 0635 GMT 21 Apr 86

[Text] Beijing, April 21 (XINHUA) — Vice Foreign Minister Qian Qichen left here for Bangkok, Thailand, today to attend the 42nd annual meeting of the Economic and Social Commission for Asia and the Pacific (ESCAP). He is the head of the Chinese delegation to the meeting.

PAKISTAN PRESIDENT SATISFIED WITH PRC TIES

OW220414 Beijing XINHUA in English 0229 GMT 22 Apr 86

[Text] Islamabad, April 21 (XINHUA) -- President Mohammad Ziaul Haq expressed satisfaction here today over the development of economic relations between Pakistan and China.

When meeting Chinese Deputy Minister of Machine Building Industry Zhao Mingsheng, Zia said that with the assistance from China, a foundation for developing heavy industry has been laid down in Pakistan. He expressed the hope for expansion of the existing economic cooperation between the two countries.

Prime Minister Mohammad Khan Junejo in a separate meeting with the Chinese guests said that the Pak-Chinese friendship exists not only between the two governments but also between the two peoples.

A seven-member Chinese delegation led by Zhao Mingsheng arrived in Pakistan on April 17 on a 12-day visit to the country. During their stay in Pakistan, the delegation attended the foundation stone-laying ceremony of the heavy electrical complex being built in cooperation with China in Haripur, north west frontier province, on April 20. The delegation is scheduled to attend on April 26 the inauguration of the Guddu power plant built in cooperation with China in Sind province.

INDIA BUYS MORE SPOT-MARKET OIL, LESS FROM USSR

OW211304 Beijing XINHUA in English 1255 GMT 21 Apr 86

[Text] New Delhi, April 21 (XINHUA) -- India will import a total of 14.6 million tons of crude oil during the current financial year as against 14.2 million tons last year, local press reported today. Of this total, about 5.5 million tons are expected to be purchased from international spot markets and about 9 million tons through term contracts on country-to-country basis.

Following the recent steep drop of oil prices in international market, New Delhi decided late last month that it would go in for spot purchase of crude oil instead of a renewal of contractual purchase at higher prices from Moscow.

Of the 9 million tons of crude oil to be imported on country-to-country basis this year, 3 to 3.5 million tons would be imported from the Soviet Union, one of India's largest oil supplier for years, 2 million tons from Iraq, nearly 2.5 millions tons from Saudi Arabia, one million tons from Iran and 0.5 million tons from the United Arab Emirates.

According to the reports, the negotiations with "the traditional suppliers" of crude to this country "are in final stages" and agreements on the prices and quantum of crude imports from the suppliers are likely to be signed early next month.

QIAO SHI AT ITALIAN COMMUNIST PARTY CONGRESS

Hosts Reception

OW180746 Beijing XINHUA in English 0716 GMT 18 Apr 86

[Text] Rome, April 17 (XINHUA) -- Politburo member Qiao Shi, head of a Chinese Communist Party delegation, gave a reception at the Chinese embassy here today to thank the Italian Communist Party for its hospitality.

The Chinese delegation attended the 17th National Congress of the Italian Communist Party, which was held in Florence April 9 to 17. The Chinese group arrived in Italy April 7.

Italian Communist Party leaders who attended the reception included Giancarlo Pejetta, Paolo Bufalini, Gavino Angius and Antonio Rubbi. The hosts and guests agreed they are satisfied with the friendly relations between the two parties, that the ties will be developed further. Chinese ambassador Du Gong also attended the reception.

Leaves Italy for PRC

OW182149 Beijing XINHUA in English 1858 GMT 18 Apr 86

[Text] Rome, April 18 (XINHUA) -- The delegation of the Chinese Communist Party headed by Qiao Shi, member of its Political Bureau and Secretariat, left here for home today. The delegation headed by Qiao, who is also a newly-appointed vice premier, had been here attending the 17th National Congress of the Italian Communist Party and visiting San Marino at the invitation of the its Communist Party. Seeing the delegation off at the airport were Alfredo Reichlin, member of the Secretariat of the Italian Communist Party, Antonio Rubbi, head of its external Liaison Department, and Du Gong, Chinese ambassador to Italy. The Chinese delegation arrived here on April 7.

Stopover in Bonn

OW190314 Beijing XINHUA in English 0257 GMT 19 Apr 86

[Text] Bonn, April 18 (XINHUA) -- Federal Germany's Vice-Chancellor Hans-Dietrich Genscher and Chinese Vice Premier Qiao Shi agreed at a meeting today their countries want to strengthen relations and cooperation here this afternoon. Also attending the meeting were Li Shuzheng, deputy head of the International Liaison Department of the Central Committee of the Communist Party of China (CPC), and Guo Fengmin, Chinese ambassador to Federal Germany.

Qiao, also a member of the Political Bureau and Secretariat of the CPC, stopped over in Bonn on his way home after attending the 17th National Congress of the Italian Communist Party.

Arrives in Beijing

OW200720 Beijing XINHUA in English 0701 GMT 20 Apr 86

[Text] Beijing, April 20 (XINHUA) -- A delegation of the Chinese Communist Party led by member of the Political Bureau of its Central Committee Qiao Shi returned here today after attending the 17th National Congress of the Italian Communist Party.

The delegation was greeted by Tian Jiyun, member of the Political Bureau, and Zhu Liang, head of the International Liaison Department, of the CPC Central Committee.

RENMIN RIBAO ON ANTIRACIST TREND IN SOUTH AFRICA

HK211229 Beijing RENMIN RIBAO in Chinese 15 Apr 86 p 6

["Random Notes" by Li Wenzheng: "An Unexpected Gravedigger"]

[Text] A court in South Africa sentenced a young white man, Ailike Peiersai, to 7 years imprisonment on the charge of "participating with the black guerrilla forces in fighting the government." It is said that Peiersai is "the first white man to participate in the outlawed African National Congress of South Africa in the past 20 years." In the eyes of the South Africa authorities, white youths should be a pillar of the racist regime. So, while using bloody means to suppress the black masses, the South African regime also spares no effort to inculcate racist ideas in the younger generation of white people in the hope of training them into successors of the racist system. However, when he was conscripted into the government army, Peiersai went to join the guerrilla forces led by the African National Congress without hesitation. He solemnly declared in court: "I do not want to become a defender of an unjust cause which some people try to make permanent.... I am not willing to join an army which is illegally occupying Namibia and disrupting the stability of neighboring countries." He used his action to express his contempt for the racist system of South Africa.

In recent years, more and more white people in South Africa have joined forces with black people in fighting against racism in their country. Many white people who the South African authorities took pains to try to train to succeed to the racist system have become gravediggers for this evil system. This may be beyond the expectations of the South African regime, and it also shows how unpopular the evil regime has become. The young people of the same age as Peiersai are growing up against a bloody background of the South African regime suppressing black people. From the Sharpeville incident and the Soweto incident in the 1960's to the recent "state of emergency," the South African regime has used bayonets and armored cars to suppress black people; and black people have shed much blood and tears in their resistance. Numerous facts have made the younger generation of white people realize the ugly features of the racist system and have aroused their feelings of upholding justice to oppose racism. They have lost confidence in the South African authorities. The firm voice of Peiersai in court shows that more and more white people have begun to think and are seeking the real way out for their country.

At present, under the rule of the racist regime, social unrest is continuing in South Africa and most people there are living in dire poverty. The social productive forces have been seriously destroyed. The masses of black people are rising to fight against the apartheid system which has deeply tortured them, and more and more white people have also taken part in the struggle against apartheid. If the South African authorities continue to stick to the brutal racist system, then more and more young people like Peiersai will appear on the battleground to fight against the apartheid system. This may go beyond the original expectations of the racist regime.

QADDUMI PLO DELEGATION ARRIVES IN BEIJING

OW191224 Beijing XINHUA in English 1211 GMT 19 Apr 86

[Text] Beijing, April 19 (XINHUA) -- A delegation from the Palestine Liberation Organization led by a member of its executive committee and head of its political department Faruq Qaddumi flew into here this afternoon for a friendship visit to China at the invitation of the Chinese Foreign Ministry. The delegation was greeted at the airport by Qi Huaiyuan, Chinese vice-minister of foreign affairs, Yusuf Rajib Radhi, head of the PLO mission in Beijing, diplomatic envoys or officials of Arab countries. The PLO guests will leave here this evening for a tour of Shanghai and Nanjing.

HU GILI CONDUCTS INSPECTION IN SHANGHAI

OW211051 Beijing XINHUA Domestic Service in Chinese 1613 GMT 20 Apr 86

[By reporter Chen Maodi]

[Text] Shanghai, 20 Apr (XINHUA) -- During his inspection and working visit to Shanghai from 14 to 19 April, Hu Qili, member of the Political Bureau and member of the Secretariat of the CPC Central Committee, went deep among plants, schools, and scientific research units to carry out investigation and study and hold meetings with some comrades from literary and art, theoretical, and scientific and technological circles in Shanghai. He listened attentively to their views and proposals on issues of further deepening the reform of the economic, educational, and scientific, and technological structure; strengthening socialist spiritual civilization; making socialist literary and art creation prosper; improving ideological and political work; and speeding up the training and cultivation of talented personnel.

Comrade Hu Qili said: Only by regularly visiting, observing, and listening to lower-level units to learn about their actual working conditions and by listening to the views, demands, and voices of the masses can we, comrades affiliated with the central authorities, work correctly and make correct decisions.

At the forum with personages from Shanghai's literary and art, film, and television circles, Comrade Hu Qili engaged in full and enthusiastic discussions with comrades participating in the forum on issues of how to further implement the party's literary and art policy and the principle of "letting a hundred flowers blossom and a hundred schools of thought contend", and how to make literary and art, film, and television creation prosper. Comradt Hu Qili said: Living in this great era, literary and art workers shoulder the lofty mission of stimulating and inspiring the people throughout the country to contribute to the "four modernizations" and revitalize China. It is hoped that everyone will go deep into the thick of life; base himself on and take root in Chinese soil; absorb the beneficial experiences of ancient and modern times of China and of foreign countries; grasp the whole situation; and boldly create works which fully reflect our great transformation. Spiritual civilization, like material civilization, is a process of gradually accumulating experience and enhancing understanding through practice. The party and state will continue to provide literary and art workers with fine conditions for creating works, and to create an atmosphere of harmony in order to provide suitable soil and nourishment for the creation of works which reflect the spirit of the age and the style of the nation and enjoy the appreciation of more and more people.

At a forum with social scientific circles in Shanghai, Comrade Hu Qili stressed: Our country's reform and four modernizations need social science; and social science must be oriented toward reform and the four modernizations. He said: The reform of our country's economic structure has not only brought unprecedented economic prosperity but, more importantly, ended the state of isolation which had existed in our country for a long time, dealing a tremendous blow to ignorance and backwardness. We must, through spiritual civilization, pave the way for the establishment of a new economic structure. It is necessary to organize forces to carry out systematic study of important theories and policies of social development to bring into full play the role of social scientific workers as the think tank of the party and the government.

It is necessary to use the basic theory of Marxism to study our pressing needs to solve the practical problems confronting us. The comrade leaders at all levels of our party should make joint efforts with social scientific workers and comrades on the entire ideological and cultural front to create an atmosphere of unity, harmony, mutual trust, and mutual understanding. This is the foundation for the advancement of our entire cause.

While inspecting Fudan and Shanghai Jiaotong Universities, Comrade Hu Qili had discussions with representatives of the two universities' teachers and students on the ideological and political work in school and on educational reform. Comrade Hu Qili said: Don't treat college students as "kids" and don't allow them to be "nursed" in any respect. They must be guided to take care of themselves and to educate themselves. They must be taught to "stand on their own legs, exercise self-discipline, and strive for self-improvement." Scientists and scholars of the older generation and all teachers must do ideological and political work among students, support and encourage young students' creative activities, and strive to enable them to surpass teachers ideologically and professionally. Comrade Hu Qili stressed: Young students must try to understand more about reality and keep in contact with society. All intellectuals should do so. While implementing the policy on intellectuals, we must also encourage intellectuals to delve deep into reality, keep in contact with the masses, and understand society. This is of tremendous significance to the intellectuals' growth. After viewing some teaching and scientific experimentation facilities, Comrade Hu Qili fully affirmed the achievements the two universities had made in educational reform, teaching, scientific research, and cultivation of talented personnel.

At a forum with Shanghai's scientists and technicians, Comrade Hu Qili listened to their opinions and suggestions on further reforming scientific and technological development. Comrade Hu Qili said: China's scientists and technicians have tremendous creative power and potential. We must not belittle ourselves. In the past few years, we have made gratifying progress in reforming scientific and technological development. We must carefully sum up our experience, preserving what is good and discarding what is bad in order to ensure still healthier continuation of the reform. He encouraged Shanghai's scientists and technicians to blaze new trails on the basis of the achievements already made, and to make more creative efforts and progress. While inspecting the Chinese Academy of Sciences' Shanghai Institute of Optics and Fine Mechanics, Silicate Research Institute, Metallurgical Institute, and Atomic Nuclear Institute's Irradation Base, Comrade Hu Qili congratulated these institutes on their research achievements.

During his stay in Shanghai, Comrade Hu Qili paid a visit to Ba Jin, the renowned writer, at his residence to extend best regards to this Chinese literary master. He also met three old artists, Yu Ling, Huang Zuoling, and Zhang Junxiang, and had heart-to-heart talks with them on literary creation problems at present.

While inspecting the Shanghai Petrochemical Complex, Comrade Hu Qili listened to reports on how the complex enforced the plant director responsibility system, conducted ideological and political education among staff and workers, and exercised democratic management. He said: Ideological and political work is by no means simply "I talk, you listen" or "I speak, you obey" but depends on being democratic, on convincing people by reasoning, and on liveliness and vividness. Thus, the requirements for ideological and political work are higher, and not lower, than in the past, because it is an important aspect of socialist spiritual civilization.

There should be a crack, top-quality contingent of cadres for ideological and political work and the cooperation of all workers in order to arouse the workers' enthusiasm as masters of the country.

Comrade Hu Qili also inspected the Shanghai Dazong Automobile Company Ltd. and the Shanghai Aircraft Manufacturing Company, and on 17 April made a special trip to the construction site of the Qinshan Nuclear Power Plant in Haiyan County, Zhejiang Province, to extend best regards to the selflessly laboring construction workers. Holding the hands of these workers, he said: "Comrades, many thanks! Wish you still greater contributions to the motherland."

On the evening of 19 April Hu Qili, together with Wu Xueqian, member, of the CPC Central Committee's Political Bureau, state councillor and foreign minister, who was also in Shanghai, met with leading party, government, and military comrades of Shanghai Municipality.

Rui Xingwen, secretary of the Shanghai Municipal CPC Commiitte, and Jiang Zemin, deputy secretary of the committee and mayor of Shanghai, separately accompanied Comrade Hu Qili on his inspection.

'FULL TEXT' OF WANG BINGQIAN NPC BUDGET REPORT

OW150300 Beijing XINHUA in English 0235 GMT 15 Apr 86

["Full Text of Report on Implementation of State Budget for 1985 and on Draft State Budget for 1986" -- XINHUA headline]

[Text] Beijing, April 15 (XINHUA) -- Following is the full text of the report on the implementation of the state budget for 1985 and on the draft state budget for 1986 delivered by Wang Bingqian, state councillor and minister of finance, at the Fourth Session of the Sixth National People's Congress on March 26 and endorsed by the congress on April 12, 1986:

Report on the Implementation of the State Budget for 1985 and the Draft State Budget for 1986 (Delivered at the Fourth Session of the Sixth National People's Congress on March 26, 1986) Wang Bingqian, State Councillor and Minister of Finance

Fellow deputies, on behalf of the State Council, I now submit for your examination a report on the implementation of the state budget for 1985 and on the draft state budget for 1986.

I. Implementation of the State Budget for 1985

Before I report on the implementation of the state budget for 1985, I shall briefly review the final state accounts for 1984. At the Third Session of the Sixth National People's Congress held in March 1985, I made a report on the implementation of the state budget for 1984. According to the final accounts worked out later, state revenues in 1984 stood at 150.186 billion yuan (including domestic receipts of 146.7 billion yuan), or 112.2 per cent of the budgeted figure. Total expenditures amounted to 154.64 billion yuan, or 113 per cent of the budgeted figure, creating a deficit of 4.454 billion yuan. Both revenues and expenditures were higher than our estimates in March 1985, and the deficit was 546 million yuan less. The situation was fairly good. To make up the deficit, local authorities contributed 1.454 billion yuan that had been accumulated over many years, and the state overdrew 3 billion yuan from the People's Bank of China.

I shall now report on the implementation of the state budget for 1985. In 1985, under the leadership of the Chinese Communist Party and the people's government and in accordance with the guidelines of the Third Session of the Sixth National People's Congress, the people of all our nationalities achieved encouraging successes in production and construction and in economic reforms. With the steady, balanced growth of the national economy, both revenues and expenditures were greater than expected and achieved a balance.

According to present estimates, state revenues in 1985 totalled 185.411 billion yuan (including domestic receipts of 182.9 billion yuan), or 120.8 per cent of the budgeted figure. State expenditures amounted to 182.594 billion yuan, or 116.7 per cent of the budgeted figure. The balance showed a surplus of 2.817 billion yuan, the bulk of which came from local authorities and will be left to their discretion in accordance with state financial control regulations.

Of revenues for 1985, tax receipts amounted to 201.082 billion yuan; funds collected for construction of key energy and transport projects came to 14.273 billion yuan; receipts from state treasury bonds totalled 6.04 billion yuan; receipts from foreign loans came to 2.5 billion yuan; and receipts from other sources amounted to 9.541 billion yuan. Apart from this, subsidies for losses by enterprises and for price rises came to 48.025 billion yuan. These were deducted from the total state revenues as they had been in the previous year's budget.

For total state expenditures in 1985, the essential breakdown is as follows: budgetary appropriations for capital construction totalled 56.973 billion yuan. Funds expended to tap the potential of existing enterprises, finance their technological transformation and subsidize the trial manufacture of new products totalled 10.05 billian yuan. Aid to rural production and other operating expenses for agriculture came to 10.156 billion yuan. Operating expenses for culture, education, science and public health services totalled 31.716 billion yuan. Expenditures for national defence accounted for 19.148 billion yuan. Administrative expenses amounted to 13.296 billion yuan. And expenditures for repaying principal and interest on foreign loans totalled 3.255 billion yuan.

As the figures for 1985 show, gratifying changes have taken place in our financial situation. These were due to the fact that we increased overall control of the national economy while continuing to uphold the principles of invigorating the domestic economy, opening to the outside world and carrying out economic structural reform.

(1) The position of state finances has changed from one of small deficits to one of balance. In 1979 and 1980, deficits arose because large state appropriations were made for readjusting the national economy and for solving problems in people's daily life which had accumulated over the years. Starting in 1982, with steady improvements in the financial situation, state revenues reversed their downward trend and a basic balance was maintained for the next several years. In the state budget for 1985, a deficit of 3 billion yuan was listed owing to difficulties in balancing revenues and expenditures. Although a small deficit is not something to worry about, it is unfavourable to the stability of prices and markets and to the development of the national economy.

To eliminate the deficit and stabilize the economy in the course of implementing the budget, the state adopted a series of measures to expand production, develop financial resources, increase revenues and restrict expenditures. As a result, we achieved a balance of revenues and expenditures, when both grew considerably. This balance will help to eliminate destabilizing factors in the economy and ensure smooth progress of the economic structural reform.

(2) State revenues have entered a period of steady growth thanks to expanded production and augmented financial resources. For many years, China's revenues hovered around 100 billion yuan, with an annual increase of 5 to 6 billion. A ten billion yuan growth rate would be considered remarkable. Since 1983, state revenues have grown steadily. In 1983 and 1984, they went up by 12.7 billion and 25.5 billion yuan respectively over the previous year, and in 1985 by 36.2 billion yuan, which was 24.7 per cent more than the 1984 figure. However, it must be pointed out that this growth was attributable to some special factors, including the extra-high industrial growth rate in the first half of 1985, price rises for some commodities and increased revenues from customs duties due to increase in imported consumer goods. After allowing for these incomparable factors, revenues in 1985 still rose by about 16 per cent, which is a fairly high growth rate. Thanks to efforts made over many years, state revenues reached over 180 billion yuan, a figure that represents a new zenith as well as a new starting point for our economic growth. This indicates that our national economy is developing vigorously and that we have great possibilities for acquisition and accumulation of funds.

(3) Funds have been rationally allocated and utilized, ensuring the construction of key state projects and the development of intellectual resources. In 1985, domestic expenditures rose by 28.9 billion yuan, 19 per cent more than the 1984 figure. Of this, appropriations for capital construction went up by 9.06 billion yuan, or 20 per cent over 1984. Operating expenses for culture, education, science and public health services were 5.399 billion yuan, or 20.5 per cent, more than the previous year. The rate of increase for these areas exceeded that for total state expenditures. Further progress has been made in capital construction and an accelerated pace of construction of key projects was reported last year, with 97 large and medium-sized projects and 134 single projects completed or commissioned. Of these, energy and transport projects constituted 35 per cent of the former and 72 per cent of the latter. Because a number of energy and transport projects have been built over the past few years, and existing enterprises have been technologically transformed and revitalized, the output of coal in 1985 reached 850 billion tons; crude oil 125 million tons, and electricity 407.2 billion kwh. Also, a number of new railways and highways have been built and communications facilities installed. In the same year, rapid development was also achieved in cultural, educational, scientific, and public health undertakings. New enrolments for regular or special courses in colleges and universities totalled 619,000, an increase of 30 per cent over 1984. There was rapid growth in all types of adult higher education, new progress was made in universal primary education, and the nine-year compulsory education system was initiatied. New achievements were scored in scientific research, and public health and medical facilities were improved.

Physical culture and sports, cultural work, the press, and broadcasting and television contributed to economic structural reform and to the building of a socialist civilization that is culturally and ideologically advanced.

(4) The people's living standards have improved markedly with the growth of production. In 1985, we took a major step forward in wage reform in government departments and institutions. We introduced a system under which the better part of one's wage is determined by one's job. We experimented on a number of large and medium-sized enterprises where conditions permitted with the practice of floating the total payroll according to economic performance. In most enterprises, however, we continued the basic-wage-plus-bonus system, after appropriately readjusting the wage scales of the workers and other employees. To those enterprises that have very small bonus funds and have difficulties readjusting their wage scales, the state granted appropriate subsidies. By and large, wage reform has progressed fairly smoothly. In addition, in the pricing reform last year, the state raised the retail price of pork. To ensure that this would not affect people's living standards, it allocated 3.1 billion yuan to subsidize urban residents. Over the past few years, we have adhered to the principle of first feeding the people and then building the country, striving to improve living standards on the basis of increased production. The average per capita income of urban and rural residents in 1985 rose by 10.6 per cent and 8.4 per cent respectively, after allowing for price rises. Generally speaking, the people's income level is low, and there are many problems yet to be solved in the course of economic development and reform.

(5) Through comprehensive check-up on taxation, finance and prices, initial results have been achieved in strengthening fiscal and economic discipline. Since the beginning of last year, in line with the principle of building up our country through thrift and hard work, we have stressed the need for strict control over expenditures and have adopted such measures as setting ceilings on administrative expenses, group purchases and other unproductive expenditures, with a view to curtailing expenditures. We have thus put to rights the abnormal situation which prevailed in the fourth quarter of 1984 when expenditures increased sharply and some organizations went on buying sprees. At the same time, in order to enhance financial supervision and put an end to violations of fiscal and economic discipline, a nation-wide check-up on taxation, finance and prices was launched in August last year. Leaders at all levels have attached importance to this widely publicized and highly influencial check-up. Special teams were set up in the State Council and at lower levels and large numbers of personnel were sent to different areas, departments and key enterprises to do the work, while most units conducted the check-up themselves according to set procedures. Lasting over five months, the check-up was most fruitful. Many cases of violations of fiscal and economic discipline were dealt with, which not only led to an increase in revenues and contributed to balancing revenues and expenditures, but also helped improve party conduct, raise the standards of social conduct and enhance the cadres' and the mases' sense of policy and law and their understanding of the need to give first priority to the general interest.

The 1985 state budget was implemented satisfactorily. But we must nevertheless realize that there still remain quite a number of problems. On the one hand, some destabilizing factors in the economy have not been eliminated. For example, the scale of investment in fixed assets was excessive and funds for consumption were increasing too fast. Many enterprises failed to reach high standards in terms of management and technology and to improve their low economic returns fundamentally. Consequently, state enterprises suffered considerable losses in 1985. All this has directly or indirectly affected state finance, upsetting its stability and balance. There also remains quite a few problems in financial work itself such as serious cases of tax evasion and losses from wasteful expenditures. It is therefore necessary for us to strengthen fiscal control and supervision and continue to combat unhealthy practices in the economic field and violations of discipline and law. There always exists the contradiction between necessity and feasibility in budgeting revenues and expenditures. The contradiction can be felt more keenly and budgeting can become more difficult, especially when the financial situation improves and more funds become available for disposal. Therefore, the more the situation improves, the harder we should work to increase revenues and cut expenditures, instead of becoming unduly optimistic, We should keep analysing new developments and fresh experience, extending achievements and overcoming shortcomings, in order to do better in all our endeavours.

II. The Draft State Budget for 1986

Nineteen eighty-six is the first year of the Seventh Five-Year Plan. For the fulfilment of the economic and financial tasks set forth in the plan, it is of vital importance to work out a well-considered state budget for the year and carry it out. In keeping with the policies and tasks set by the Central Committee of the Chinese Communist Party in its proposal on the Seventh Five-Year Plan and with the objective needs of economic and social development, the 1986 state budget was drawn up according to the following major principles: 1) We should implement financial policies correctly and, on the basis of increased production and better economic performance, maintain the steady growth of state revenues. 2) In light of the need for consolidation, assimilation, supplementation and improvement in our economic structural reform, we should improve measures for the reform of all financial and taxation systems and continue, in a planned and selective way, to enhance the ability of enterprises to upgrade their technological progress. 3) While giving priority to controlling the overall scale of expenditure and of investment in fixed assets, we must rationalize the investment structure by making more investment in such basic industrial and infrastructural projects as energy, transport, communications and raw and semi-finished materials production, increasing the investment in agriculture, giving further support to the development of culture, education, science and public health services, continuing to raise the living standards of urban and rural people and ensuring a balance between state revenue and expenditure.

The draft state budget for 1986 I am submitting for examination and approval has the total state revenues and expenditures in balance at 214.147 billion yuan.

Of the total revenues in the 1986 state budget, domestic receipts will account for 208.647 billion yuan and foreign loans for 5.5 billion yuan. The essential breakdown for domestic receipts is as follows. Tax receipts: 205.651 billion yuan; construction funds collected for key energy and transport projects: 15 billion yuan; receipts from state treasure bonds: 6 billion yuan; and income from other sources: 9.617 billion yuan. Subsidies for anticipated losses of enterprises are 27.621 billion yuan which is already deducted from the budgetary state revenue as was the case in the previous year.

The essential breakdown for 1986 expenditures is as follows. Budgetary appropriations for capital construction: 56.78 billion yuan; funds to tap the potential of existing enterprises, finance their technological transformation and subsidize trial manufacture of new products: 6.24 billion yuan; aid to rural production and other operating expenses for culture, education, science and public health services: 35.7 billion yuan; expenditures for national defence: 20.02 billion yuan; administrative expenses: 14.375 billion yuan; expenditures for payment of principal and interest on state treasury bonds: 1.152 billion yuan; expenditures for payment of principal and interest on foreign loans: 4.1 billion yuan; and expenditures for price subsidies: 27.715 billion yuan. In addition, allocations for the general reserve fund total 3 billion yuan, of which half is at the disposal of the central authorities and half is available to local authorities.

In light of the changed economic situation and the need to reform the budget control system, when we drafted the state budget for 1986 we made some changes in the structure of state revenues and expenditures and the method by which they are listed, and we drew up certain policy measures. In this connection I would like to explain the following points:

(1) The need to change the way of listing price subsidies in the budget. As we all know, price subsidies that cover such items as grain, cotton, edible oil and other farm and side-line products as well as marketable coal and leather products made from pigskin, are provided by the state out of policy considerations. In previous years, we used to deduct these subsidies from budgetary revenues. At recent sessions, quite a number of deputies have expressed the view that these subsidies should be listed as an item of expenditure instead of being deducted from state revenues. So, the budget for this year lists them in that way. The represents a reform in our control of budgetary system. Before approving state budgets, the supreme organ of state power can now better examine the actual total of revenues and expenditures and policies for financial allocation. The people can also have a more comprehensive understanding of the state's efforts to improve their living standards and to accelerate industrial and agriculture production. Moreover, when all price subsidies are made known to the public, they can be kept under more effective control and supervision. The major price subsidies being no longer deducted from budgetary revenues but listed as an item of expenditure, the 1986 budget will show an increase of more than 20 billion yuan both in revenues and in expenditures. At the same time, when calculating 1986 state budgetary revenues, we have taken into consideration other policy measures adopted by the state.

These include reducing regulatory taxes for large and medium-sized enterprises, raising the depreciation rates for fixed assets of enterprises and reducing the volume of high-grade consumer goods to be imported. They also include factors which add to production costs while reducing income this year, such as the wage reform carried out in enterprises last year and the upgrading of welfare and material benefits for retired workers and administrative staff. Allowing for the above incomparable factors, the 1986 budgetary revenues from domestic sources are estimated to exceed the previous year's by about 8 per cent -- an increase corresponding to this year's 7.4 per cent growth rate for total industrial and agricultural output value.

(2) The need to continue issuing state treasury bonds in order to concentrate a portion of the funds now dispersed in society. It has been five years since the state began to issue treasury bonds for the purpose of concentrating funds and expediting economic development. Now that the economic situation is excellent and the financial situation has considerably improved, one may ask if it is necessary to continue issuing these bonds. In recent years, the extra-budgetary funds of various local authorities, of departments and of units have increased rapidly, and they are expected to reach 140 billion yuan or more for 1985. There have also been marked increases in the savings deposits of both city and country dwellers; last year these amounted to more than 160 billion yuan. In view of the above, the State Council has concluded, after repeated deliberations and discussions, that to issue a certain amount of state treasury bonds annually will not overtax institutions or people. The council has also concluded that it is in the national interest to do so, because concentrating funds for national construction and for other urgent needs not only will accelerate the construction of key projects and other production and construction undertakings, but will prevent money from lying idle, dispersed in many hands. No more state treasury bonds are to be issued this year than last, but the interest rate is higher. To ensure success, it is important for all local authorities and all departments to do a good job of publicity and organizing, so that institutions and individuals everywhere understand why we are issuing bonds and will be enthusiastic about purchasing them.

(3) Further reinvigorating large and medium-sized enterprises in order to enhance their ability to transform themselves technologically and expand. According to the draft 1986 state budget, the state is to appropriate 3 billion yuan this year to make up for the gradual reduction of the regulatory tax for those large and medium-sized key enterprises that are confronted with formidable tasks of transforming themselves technologically and of providing large quantities of products for export, or that make greater contributions to the state treasury but pay a higher rate of regulatory tax. This 3 billion will also serve to gradually raise the depreciation rate for fixed assets of certain enterprises. The national average depreciation rate of fixed assets for industrial enterprises used to be 4.2 per cent. After more than a year of investigation and study, the State Council last year promulgated regulations concerning the depreciation of fixed assets of state enterprises. According to these regulations, the depreciation rate will gradually be raised and a system of depreciation by category will be introduced.

It is estimated that the average depreciation rate will reach 5.5 per cent by 1990, the last year of the Seventh Five-Year Plan. Our state enterprises have switched to the substitution of tax payments for profit delivery, but some, for one reason or another, are required to pay a certain amount of regulatory tax after paying income tax at a specified rate. This portion of the regulatory tax will gradually be reduced in the light of economic development, progress in the reform of the pricing system and the needs for technological transformation of enterprises. This will stimulate competition among those enterprises operating under similar conditions, encourage those which are ahead and spur on those which lag behind. Last year, we reduced the regulating tax by 200 million yuan and we will make a further reduction of 2,000 million yuan this year. In making this year's reduction we must take into consideration what each and every enterprise actually needs to effect technological transformation; we must not simply treat all enterprises alike reducing the tax by an equal share for each. The additional profits retained by the enterprises because of such reductions should be used for technological trnasformation and innovation, and not for such non-productive expenses as additional welfare benefits or extra wages and bonuses.

(4) Budgetary investment in capital construction. While controlling the overall scale of capital investment, ensuring the completion of key construction projects and readjusting the investment structure, the state will allocate a total of 56.78 billion yuan for capital construction in the 1986 budget, equaling the figure of last year. Of this total, 38 billion yuan will be allocated in the form of state loans rather than of appropriations and 5.5 billion yuan in the form of foreign loans. These figures represent an increase over last year of 3.9 billion yuan and 3 billion yuan respectively. The capital investment from local reserve funds comes to 5.4 billion yuan, 7 billion yuan less than last year. The increased investment in the form of state loans is to be used mainly for the development of the infrastructure and basic industries such as energy, transport, communications and raw and semi-finished materials. Our purpose is to alleviate the acute shortages of energy, materials and transport services. It is imperative to keep the capital construction projects using local extra-budgetary funds and bank loans within the limits set by state plans for investment in fixed assets and for bank credits. Moreover, it should be reaffirmed that all extra-budgetary capital construction funds, either from local finances or from departments and enterprises, are to be handled strictly in accordance with the relevant rules and regulations set by the state. Such funds should be deposited in, and put under the supervision of, construction banks. After going into operation, the enterprises built with such funds must raise a certain amount of circulating funds themselves.

(5) The need to allocate additional funds for agriculture and for the development of underdeveloped areas. To maintain a harmonious development of industry and agriculture, as of 1986 the state will increase by appropriate amounts investment in rural capital construction and other agricultural undertakings. A portion of the increase in the income tax and industrial and commercial tax levied by the state on township enterprises will be used to speed up agricultural growth. The 1986 budgeted expenditure for aiding rural production and for other operating expenses in agriculture totals 11.79 billion yuan, an increase of 1.634 billion yuan, or 16.1 per cent over the estimated figure for last year. This represents a substantial increase.

These funds will be used mainly to improve conditions for agricultural production, disseminate agricultural science and technology, and ensure the steady growth of grain production, thus accelerating the growth of the rural commodity economy. Moreover, since 1980 in order to expedite production and construction and to help elminate poverty and backwardness in the old revolutionary base areas, areas inhabited by minority nationalities, frontier areas and poverty-stricken areas, the state has set aside funds for aid to such areas. The annual amount has been 500 to 600 million yuan totalling more than 3.2 billion yuan by the end of last year. The budgeted figure for this year is 800 million yuan, an increase of 20.1 per cent over last year's estimated figure. The increased portion is to be used mainly to develop production in the old revolutionary base areas so that they will get rid of poverty and become prosperous as soon as possible. According to initial statistics, the state will appropriate a total of about 3 billion yuan this year to aid those four types of areas. This includes expenses for construction and other undertakings in frontier areas; for grain, cotton and cloth to be supplied to poverty-stricken areas in exchange for work; for development of the three poorest areas (Dingxi and Hexi in Gansu Province and the Xijie-Haiyuan-Guyuan sector of the Ningxia Hui Autonomous Region); and for preferential treatment to minority nationality regions. This suggests that the funds are by no means meager for one year. In accordance with the principle of solving problems step by step governments at all levels in affected areas should use these funds first of all in places where they are most needed, places where even today people do not have sufficient food and clothing, to enable them to increase production and raise their living standards through their own efforts.

(6) The need to increase allocation for culture, education, science, public health and other undertakings. The party Central Committee and the State Council place great emphasis on the development of science and technology, education and public health. During the Sixth Five-Year Plan period, operating expenses for culture, education, science and public helath totalled 117.2 billion yuan. This represents an average annual growth rate of 15.2 per cent and exceeds the rates of increase for domestic revenues and expenditures, which were 11.9 per cent and 9.6 per cent respectively. Operating expenses budgeted for these areas in 1986 come to 35.7 billion yuan, a rise of 3.98 billion yuan, up 12.6 per cent over the estimated figure for last year. The growth rate is higher than that for revenues from regular items in 1986. These expenses include regular operating expenses and special funds provided by central financial departments. For instance, 50 million yuan will be used to subsidize impoverished areas in their effort to make primary school education universal, 50 million yuan to expand vocational and technical education, 46 million yuan in subsidies to improve medical services for middle-aged intellectuals, and 50 million yuan for a science foundation. Special appropriations for developing traditional Chinese medicine come to 65 million yuan as against 25 million yuan in 1985. One hundred million yuan will be allocated to fund teacher training and an extra tax for education will be levied as of 1986, providing around 1 billion yuan more for expenditure. In addition, we will improve the management system for scientific and technological research funds. In the interest of unified control, we will transfer the power to allocate funds from the central departments to the State Science and Technology Commission.

Furthermore, we should introduce a system of accepting bids for major scientific research projects, signing contracts and providing compensation for the funds. All this will help promote scientific research and make more fruitful use of funds. The development of our science, technology and education still falls short of the needs of the modernization drive, a fact we cannot afford to overlook. We should allocate more funds for the development of culture, education, science and public health, as the growth of production and steady increases in state revenues permit.

(7) The need to allocate funds for wage reform. Allocations for wage reform in government departments and institutions in 1986 come to 3.2 billion yuan. These funds will chiefly be used for the "phase-in payment" resulting from the wage reform of 1985, for solving certain outstanding problems that cropped up in the reform, and for readjusting regional wage categories. All these funds have been incorporated into relevant budget items. As for state enterprises that continue to practise the basic-wage-plus-bonus system, the additional expenditure resulting from readjustment of the wage scale can be incorporated into their production costs within the monthly amount of 7.5 yuan per capita as of January 1, 1986. If the increased expenses due to readjustment of regional wage categories are incorporated in the production costs of enterprises, the total figure exceeds 5 billion yuan. At the same time, funds for awards will increase constantly with expanded production and improved economic performance. At present our chief concern should be to correct the tendency of enterprises to vie with each other in raising wages and handing out bonuses, and to gradually harmonize the wage system of different sectors through reform. Since our production is not highly developed and the state lacks adequate financial resources, the problems that have accumulated in the wage system over many years have to be solved gradually as the economy grows. But, the growth rates of consumption funds and wages should not exceed the growth rates of national income and labour productivity. Otherwise, we will not have enough reserves for economic development, and that would be at variance with the fundamental, long-term interest of the people.

Fellow deputies, on the whole, we are optimistic that the revenue goals set in the state budget for 1986 will be reached and that expenditures will be kept under control. We therefore believe that through the concerted, hard work of all localities and departments and the people of all our nationalities, this year's budget will be successfully executed.

III. Execution of the State Budget for 1986

In order to execute the state budget for 1986, maintain balance between revenues and expenditures and carry out the economic and financial tasks set for the first year of the Seventh Five-Year Plan, we must unify our thinking, pool our wisdom and efforts and do the following:

We must do our utmost to increase production, practise economy and improve economic performance so as to achieve a steady growth in state revenues. Years of practice have shown that the key to solving financial problems is to expand production.

Especially now that we are revitalizing the economy, opening to the outside world and reforming the economic structure, we need to conserve and expand existing financial resources and to cultivate and accumulate new ones. For this purpose, we should explore new possibilities for production and, acting in accordance with state plans and policies, endeavour to expand production in every field, tourism, service trades and the socialist commodity economy, so as to add to state revenues. At the same time, we should be aware that poor product quality, high consumption of materials, slow capital turnover and long construction cycles are ubiquitous in production, construction and commodity circulation. Some production and construction units, in particular, set no store by science, pay no attention to business accounting and have no sense of responsibility at all. As a consequence, they cause damage to construction projects, turn out worthless products and let their materials deteriorate. In this way, they squander enormous amounts of money.

Everybody knows that embezzlement is a crime and would agree that embezzlement of, say, 10,000 yuan should be punished. But some people are not sure whether waste too is a crime, so they are not bothered if somebody wastes 10 million yuan. Or if they themselves are involved, they find a thousand and one excuses to justify themselves and avoid responsibility, trying first to make their mistake sound less serious, and then to reduce it to nothing at all. Therefore, it is essential to make strict demands for bettering economic performance, increasing revenues, practising economy and combating waste. And much can be accomplished here. All economic departments and units should give first priority to the improvement of economic performance and getting everybody involved in the effort to prevent losses and waste. Where heavy losses or enormous waste occur, governments at all levels and departments in charge are required to investigate the matter and deal with it sternly, holding leading members and other people concerned responsible. At the same time, in order to attain the greatest possible economic results at the lowest possible cost, all local authorities and all departments should ensure that enterprises are operated and managed more effectively, that they practise careful accounting and work hard to improve the quality of their products, and that they turn out more marketable goods, reduce costs and consumption of materials, speed up capital turnover, and shorten the construction cycles. In financial work, enterprises should pay particular attention not only to making money and accumulating funds, but to using them in the most effective way, that is, where they are needed most. Perfect control is needed and funds should be used flexibly, so that they will yield the best possible results. It is essential to adopt measures to support the technological transformation and upgrading of enterprises and to tap their potential to the fullest in order to bring about a marked improvement in production, construction, commodity circulation and in other areas. Those enterprises that are operating at a loss must do all they can to reverse that situation, and those that suffer heavy losses and cannot repay their debts through sale of their products must convert to the manufacture of other products. Financial departments and banks should refuse to provide funds for projects that were undertaken without state approval and the state will not subsidize those that are operating at a loss even if they were commissioned.

As production expands and economic performance continues to improve, taxation departments at all levels should make every effort to collect taxes due so that state budget revenue goals will be met.

We should increase and improve macroeconomic control, undertake only what is within our financial capability, keep expenditures under control and practise economy. Proceeding from the need to maintain a basic balance of overall supply and demand, we should bring the amount of expenditure and expenses on major items under the strict control of the state plan and budget and ensure that no funds are wasted. Last year, a considerable sum was invested in capital construction of state enterprises: 106.1 billion yuan, or 42.8 per cent more than the preceding year. The government sets the ceiling of investment at 95 billion yuan for 1986. If we are to achieve steady economic growth, it is crucial to keep the scale of investment to this level. Hence, both budgetary and extra-budgetary investment, both investment by central authorities and by local authorities should be restricted within that figure. Moreover, in accordance with the requirements of state plans, we should readjust the pattern of investment. We should reduce the amount for non-productive projects and the processing industries and increase that for the energy, transport and communications, raw and semi-finished materials industries. This will create conditions favourable for the smooth growth of the national economy. In recent years, consumption funds increased too fast, faster than the growth rate of the economy. Last year, total wages of workers and other employees throughout the country increased by 20.9 per cent over 1984, representing a rapid rise. In order to keep consumption funds to a reasonable rate of growth, financial departments should exercise effective control over expenditure on consumption and, in particular, they should continue to strictly control administrative expenses and institutional purchases and set ceilings for expenses in these two areas. As regards allowances for cadres who are going on trips abroad, more effective control should be exercised over the use of both foreign exchange and rmb, and overlapping study visits and other kinds of waste must be stopped. In addition, to facilitate overall balancing of funds to be allocated to different areas, the State Council has decided to exert strong control over extra-budgetary funds, to monitor the use of funds raised by various units and to institute control systems to ensure the rational use of such funds and achieve better economic returns.

In line with the requirements of consolidation, assimilation, supplementation and improvement, we must make appropriate readjustments in our economic structural reform and continue to improve our financial and taxation systems. Aside from reducing the regulatory tax on large and medium-sized enterprises, gradually raising the depreciation rate and further revitalizing large and medium-sized key enterprises and export-oriented enterprises as I have mentioned earlier, we should continue to perfect the industrial and commercial taxation systems in 1986. In light of the new developments following readjustment of the prices of some commodities, certain taxes for existing products should be raised or lowered as the case may be.

The value-added tax should be applied to a wider range of products, the rates for such taxes should be appropriately readjusted and the methods of calculation improved. Where conditions permit, taxes should be imposed on mineral resources according to the amount extracted. Regulations on land use taxes, housing taxes, and vehicle- and ship-utilization taxes should be worked out as soon as possible and promulgated for trial implementation. Reform of the financial system was carried out last year. The provinces, autonomous regions and municipalities directly under the central government should continue to define different categories of taxes, and examine and approve revenue and expediture, the authorities at different levels each fixing its responsibilities. Cities and counties below the provincial level should improve their methods of financial control by constantly reviewing their experience. In accordance with the principle of keeping government functions separate from commune management in rural areas, townships too should gradually improve their financial control by summing up their experience in trial implementation of regulations concerning financial work at the township level. Meanwhile, the financial departments should concentrate on preparing for the reform to be carried out in the next two years. They should co-ordinate and support the reforms in the economic structure and in the management systems of science, technology, and education. In particular, they should encourage lateral economic associations of enterprises from different regions and departments by means of financial policy and financial allocations.

We must strengthen financial supervision, enforce rigorous financial discipline and work earnestly to check unhealthy tendencies. This is important to ensure that we successfully execute the state budget for 1986 and keep a balance between revenue and expenditure. It is also important for pushing forward economic structural reform and for building a socialist society that is advanced both culturally and ideologically. The campaign to improve party conduct and overcome malpractices is sweeping across the country. The central departments are taking the lead and the situation is excellent. To accomplish this task, we must mobilize the cadres and masses on all fronts throughout the nation. We must call on them to eliminate malpractices by maintaining the fine traditions of building up the country through thrift and hard work, by vigorously increasing production, practising economy, combating extravagance and waste and strengthening supervision and inspection.

Judging from the problems brought to light in the general examination of taxation, finance and prices in 1985, we can see that violations of financial and economic discipline are serious indeed. Proceeding from selfish departmentalism, some people knowingly violate the law by evading taxes, retaining a larger share of profits than they are entitled to for their own enterprises, diverting state funds to other purposes, making unauthorized decisions on tax reductions and exemptions, or raising the ceilings for funds allocated for special purposes. Others, in the name of "restructuring and revitalizing the economy," set up "corporations" and "centres" which are actually collective enterprises, diverting state-owned property, products, funds and profits for collective use, thus they appropriate state property for use by individual units and turn public property into property of those units, or into private property.

Some take advantage of their power and of the special conditions of their particular trades to seek personal gain, transferring commodities, loans, subsidies and foreign exchange to their relatives, friends and special connections who are in business. Some people wilfully raise commodity prices and service charges, impose fines and extort money from the masses in disregard of state laws and the interests of the people. Some, with exaggerated individualism, compete with each other to purchase imported cars or to replace the cars they are using with newly imported ones, and to travel abroad on all kinds of pretexts. Some go touring and give lavish dinner parties and presents on public funds, squandering state funds. In addition, a small number of people have committed serious crimes, such as embezzlement and theft, accepting and offering bribes, speculating, swindling, smuggling, trafficking in smuggled goods and selling economic information. Although only a few units and a small number of cadres have been involved in such cases, they have had a severe impact and grave consequences. They have disrupted construction, the policy of opening to the outside world and economic reform. They have had a corrosive effect on the cadres, undermined party conduct and social conduct in general and tarnished the image of the party and government among the people.

The achievement of a fundamental improvement in the state financial and economic situation is tied to the achievement of a fundamental improvement in the conduct of party members and in general standards of social conduct. Malpractices in the economic field, if allowed to spread unchecked, will not only cause still greater losses to the economy but will seriously hamper the fundamental improvement of the party conduct and of general social standards. For this reason, the State Council has decided that while strengthening the socialist legal system and regular supervisory and administrative work, we should carry out a general examination of taxation, finance and prices at proper time annually over the next few years, seeking out in particular instances of waste and extravagance. The purpose of these investigations will be to eliminate malpractices in the economic field, to have the law and discipline abided by and strictly enforced and to ensure that law-breakers are duly punished, so that the building of a socialist society with advanced material, cultural and ethical standards will progress smoothly.

Fellow deputies, matters went as expected in terms of the state budget in January and February this year. With the improvement in party conduct and in standards of social conduct and with the gradual perfection of various measures in the economic structural reform, our national economy will grow in a steadier and more balanced way this year. That will provide highly favourable conditions for the execution of the 1986 state budget. We should rely firmly on the people of all our nationalities, do a good job in all our endeavours and renounce empty talk in favour of practical work so as to achieve the successful execution of the state budget for 1986.

XINHUA CARRIES COMPULSORY EDUCATION LAW

OW180130 Beijing XINHUA Domestic Service in Chinese 0005 GMT 17 Apr 86

[Text] Beijing, 17 Apr (XINHUA) -- The Compulsory Education Law of the People's Republic of China

(Approved by the Fourth Session of the Sixth National People's Congress on 12 April 1986)

Article 1: This law has been formulated on the basis of the Constitution and the reality in China in order to develop primary education and promote the material and spiritual building of socialism.

Article 2: The state institutes a 9-year compulsory educational system. Each province, autonomous region, or municipality should decide on the steps to make the compulsory education universal according to the condition of local economic and cultural development.

Article 3: In introducing compulsory education, it is necessary to adhere to the state principles concerning education and strive to improve the quality of education in order to enable children and youngsters to develop in an allround manner, morally, intellectually, and physically, and lay the foundations for training talented builders of socialism with ideals, morality, general knowledge, and discipline, thereby improving the quality of the whole nation.

Article 4: The state, community, school, and family should ensure the right of school age children and youngsters to attend school according to law.

Article 5: Children who have reached the age of 6 should, regardless of sex, nationality, and race, attend school for the prescribed period of years. In places where conditions do not permit, compulsory education may be postponed until children have reached the age of 7.

Article 6: Schools should popularize and use Putonghua [Mandarin], which is commonly used throughout the country.

Schools that enroll mainly minority nationalities may use the spoken and written languages that are popular among minority nationalities.

Article 7: Compulsory education may be divided into two stages, elementary school education and junior middle school education. Work to popularize the latter should be started after the former becomes universal. The school system of both stages shall be worked out by State Council departments in charge of education.

Article 8: The undertaking of compulsory education is to be carried out and supervised by local governments at different levels under the leadership of the state Council.

State Council departments in charge of education should consider the needs of socialist modernization program and the condition of physical and mental development of children and youngsters in working out the teaching program, contents, and curricula and examining the textbooks for compulsory education.

Article 9: Local people's governments at various levels should set up elementary schools and junior middle schools at convenient locations so that children and youngsters can attend nearby schools.

Local people's governments at various levels should set up special schools (classes) for the blind, deaf and mute, and mentally retarded children and youngsters.

The state shall encourage enterprises, institutions, and other quarters of the community to set up various types of schools prescribed in this law in accordance with basic government requirements and under the unified supervision of local people's governments.

Urban and rural construction and development plans must include appropriate facilities for compulsory education.

Article 10: The state shall exempt the tuition of students in compulsory education.

The state shall offer stipends to students from impoverished households.

Article 11: Parents or guardians must ensure that their school age children or wards attend school on schedule for the prescribed period of years.

Parents or guardians of school age children and youngsters, who need to postpone or be exempted from attending school because of illness or other special reasons, should obtain the approval from local people's governments.

Organizations and individuals are forbidden to employ school age children and youngsters.

Article 12: The State Council and local people's governments at various levels shall be responsible for raising funds for operating expenses and capital construction of compulsory education.

The growth rate of the state financial appropriations for compulsory education should be higher than that of the regular financial revenues, and the average expenses per student enrolled in school should be increased gradually.

Local people's governments at various levels should, in accordance with the State Council regulations, levy an extra tax for education in cities and towns to be used mainly in introducing compulsory education.

The state shall subsidize economically undeveloped areas to introduce compulsory education.

The state shall encourage various social organizations and individuals to donate funds to schools.

The state shall assist areas inhabited by minority nationalities with qualified teachers and financial resources to introduce compulsory education.

Article 13: The state shall take measures to improve and develop normal education, accelerating the training of qualified teachers and systematically ensuring that all elementary school teachers have attained the level of a secondary normal school graduate or better and that all junior middle school teachers have attained the level of a normal college graduate or better.

The state shall establish a system to evaluate teachers and issue certificates to qualified teachers.

Graduates of normal schools and colleges should be engaged in educational work according to regulations. The state shall encourage teachers to devote themselves to education for a long time.

Article 14: The whole society should respect teachers. The state shall protect teachers' legitimate rights and interests, take measures to raise their social status and improve their material benefit, and commend outstanding teachers.

Teachers should dedicate themselves to the socialist educational undertaking, striving to raise their ideological consciousness and cultural and professional levels, take care of their students, and be loyal to their duty.

Article 15: Local people's governments at various levels should create the conditions to enable all school age children and youngsters to attend school. Local people's governments should criticize and educate parents and guardians of school age childrens and youngsters not attending school, except for those who are ill or have other special reasons and having the approval of local people's governments, and should take action to order the parents and guardians to send their children and wards to school.

Organizations or individuals that employ school age children and youngsters shall be criticized and ordered to stop the employment by local people's governments. Those involved in serious cases shall be given a fine or ordered to suspend business, or have their business licenses revoked.

Article 16: No organizations and individuals are allowed to seize, retain, or divert, for other purposes, funds for compulsory education; nor are they allowed to disrupt school order and seize, occupy, or destroy school grounds, buildings, and facilities.

Verbal abuses and beatings of teachers and physical punishment of students are forbidden.

Activities obstructing compulsory education in the name of religion are forbidden.

Disciplinary action or administrative punishment shall be meted out for violations of the stipulations in Section 1 and Section 2 according to the degree of seriousness; those who have caused damages should pay compensation for the losses; and those involved in serious cases that constitute a crime shall be investigated for their criminal responsibilities.

Article 17: State Council departments in charge of education shall work out detailed rules and regulations on the basis of this law, and enforce these rules and regulations after submitting them to the State Council for approval.

All provincial, autonomous regional, and municipal people's congress standing committees may formulate concrete measures for introducing compulsory education on the basis of this law and in the light of actual conditions in each locality.

Article 18: This law shall come into force on 1 July 1986.

MANAGEMENT OF WATER CONSERVANCY FUNDS VIEWED

HK171023 Beijing RENMIN RIBAO in Chinese 8 Apr 86 p 4

[Report: "The State Auditing Administration Reports on Auditing Funds for Water Conservancy Projects"]

[Excerpts] The State Auditing Administration has made a report on the basis of the results of the auditing organs at various levels in auditing the funds for water conservancy projects. The unsound practices in the use and control of the funds for water conservancy projects are a problem at present which warrants our attention. The report enumerates the main existing problems and their causes and suggests that effective efforts be made to tighten the control over and make the most of the funds for water conservancy projects.

The report of the State Auditing Administration points out: In recent years, the returns on the use of the funds for water conservancy projects have been considerably raised. They have played an important role in altering the production and living conditions in the rural areas and preventing and combating natural disasters. However, there are still numerous problems in the use and control of the funds. According to the 1984 statistics of 556 counties in 13 provinces, autonomous regions, and municipalities directly under the central government, of the funds specially earmarked for flood control, annual repairs, and small farmland irrigation works, the use of 229.46 million yuan was discovered to be problematic. The amount constituted 23.2 percent of the sum of funds totaling 970.14 million yuan which was audited. The amount of funds used in violation of financial and economic discipline was 164.25 million yuan or 16.9 percent of the audited funds.

To effectively tighten control over and make the most of the funds for the water conservancy projects, the State Auditing Administration made the following proposals in its report:

1. The departments in charge of water conservancy projects at various levels must tighten financial control, perfect financial organs, train financial personnel and accountants, and institute and perfect financial management, project acceptance, and responsibility systems.

2. It is necessary to rigorously implement the financial budget and final accounting systems and the system of drawing and allocating funds, and to strictly ban the practices of "listing financial allocations in expenditures" and "using the funds drawn for a reimbursement purpose." The supervisory role of the financial organs at the county and township levels should be strengthened. The funds allocated to the units below the county level for water conservancy use shall not be deposited in personal accounts. They should be used through township financial organs and under their supervision.

3. It is necessary to strengthen the management of the property and goods and materials of the departments in charge of water conservancy projects.

4. To raise the returns on the use of the funds, it is suggested that, together with the departments in charge of water conservancy projects, the financial departments study how to reform the control methods of the funds for water conservancy use, actively create conditions, institute a system of using funds with interest paid under which the funds which one borrows should be repaid and used as need arises, and raise the returns on the use of the funds.

5. City and county auditing bureaus should audit the departments in charge of water conservancy projects at regular intervals and encourage them to properly control and use the funds for water conservancy use.

YANG DEZHI ON COMPILATION OF MILITARY HISTORY

OW201038 Beijing XINHUA Domestic Service in Chinese 1559 GMT 19 Apr 86

[Text] Beijing, 19 Apr (XINHUA) — The writing of the first draft of the "Contemporary China" series volumes on military affairs has already begun. A meeting on compiling the military affairs volumes was held in Beijing recently. The meeting pointed out that the compilation of those volumes is to inspire this generation and educate future generations to inherit and carry forward the fine tradition of our party and Army in a better way.

The General Staff Department and the National Defense University are in charge of compiling the military affairs volumes. Various major military units are taking part in the writing. The main contents include two parts, namely the building of our Army since the founding of the People's Republic of China and major military actions. It is estimated that they will total 1 million characters. More than 100 people have been taking part in the writing and compilation of the draft. After 2 years of hard work they have gathered more than 50 million characters in data and materials.

Yang Dezhi, chief of the General Staff, addressed today's meeting. He said: Since the founding of the People's Republic of China, our Army has made great achievements in military affairs and has accumulated abundant experience. Especially since Comrade Deng Xiaoping took charge of the Military Commission's work, he has carried forward and developed Mao Zedong military thought. He has made a series of important policy decisions on Army building in the new period. As a result, Army bulding is now full of vitality. The writing and compiling of the military affairs volumes of the "Contemporary China" series are to make a systematic analysis of the past course of our Army and scientific conclusions with the theoretical weapon of Marxism-Leninism-Mao Zedong thought. We should constantly improve our work and do out best to successfully write and compile this series.

JIEFANGJUN BAO ARTICLE ON STRICT MANAGEMENT

OW181105 Beijing Domestic Service in Mandarin 2230 GMT 17 Apr 86

[Text] JIEFANGJUN BAO on 18 April carries on its front page a commentator's article on strict Army management.

The article points out: Strict training and management are a basic requirement which the PLA must meet in consolidating and increasing its fighting capabilities and a basic factor affecting all aspects of military life.

The article stresses: Army cadres must be first in strictly running the Army. The key to strict Army management is to have cadres set an example with their own conduct.

RULES ON EMPLOYMENT BY FOREIGNERS ISSUED

HK210532 Beijing CHINA DAILY in English 21 Apr 86 p 3

[By staff reporter Wu Jingshu]

[Text] Chinese people and organizations wishing to work for foreigners in Beijing will have to abide by a new set of employment rules, the municipal government announced yesterday.

These rules, which "go into effect immediately," are aimed primarily at "guaranteeing the security of foreign persons and properties in this city, at a time when the number of foreign agencies and residents here continues to increase," a spokesman of the Beijing Municipal Government's Foreign Affairs office told CHINA DAILY yesterday.

The rules cover those working with diplomats, foreign journalists, companies and United Nations' personnel. They do not affect those foreigners known as "foreign experts".

The rules stipulate that all Chinese organizations or individuals who seek to work for or get business from foreign, Hong Kong-Macao or overseas Chinese agencies or individuals living in Beijing should first register for an introduction from the relevant government department. According to the rules:

-- Those who seek employment or business, such as building or repair work, from foreign diplomatic or, individuals stationed in Beijing, must first register with the Beijing Foreign Diplomatic Services Bureau and apply for an official introduction to the foreign agency or individual;

-- Those looking for employment or offering services of foreign, Hong Kong-Macao or overseas Chinese businesses, other economic agencies or individuals stationed in Beijing Municipal Foreign Enterprise Services Corporation.

-- Those wishing to do translation, interpretation or publication work for foreign agencies or individuals stationed in Beijing, must get an introduction from the China Foreign Translation and Publishing Corporation, the Shijie Zhishi (World Knowledge) Publishing Agency or the International Cultural Publishing Corporation.

-- All those who have been employed through the Beijing Municipal Foreign Enterprise Services Corporation should register themselves with the Beijing Administration of Industry and Commerce within 10 days after signing contracts with employers, and then register themselves again with the Beijing Public Security Bureau's Foreign Entry and Exit Department.

All those who have been employed or have received work from foreign agencies or individuals in Beijing before the rules were announced, should fulfill the introduction and registration procedures "retrospectively" before May 20, according to the spokesman of Beijing Municipal Foreign Affairs Office.

Violations of these rules will be inspected and punished by the Beijing Public Security Bureau and the Administration of Industry and Commerce, the spokesman added.

GUANGDONG EXPERIENCES 1ST QUARTER EXPORT BOOM

HK211239 Beijing ZHONGGUO XINWEN SHE in Chinese 1521 GMT 15 Apr 86

[Text] Guangzhou, 15 Apr (ZHONGGUO XINWEN SHE) -- At a press conference at the spring commodities fair today, Vice Governor of Guangdong Yu Fei revealed that Guangdong's total volume of export trade for the first 3 months of this year increased about 50 percent compared with the corresponding period of last year, an increase higher than the average national increase. This is an achievement rarely seen in recent years.

In analyzing the factors behind the appearance of such an encouraging situation, Yu Fei said that the most important factor is tightened control over "parallel goods," with the elimination of a number of "briefcase companies" involved with exports and not included in the plans. Another factor is that thanks to early action, the authorities concerned had formulated plans by the end of last year and made early arrangements.

Yu Fei said that the readjustment of selling prices in domestic and foreign trade is also an important factor responsible for increased exports. An increased profit margin for enterprises producing export products has stimulated their enthusiasm in increasing exports. In addition, asl long as they are suited for the international market and quoted at acceptable prices, 169 categories of commodities subject to the issuance of permits by Guangdong are allowed to be exported. Guangdong issued a total of 9,000 permits for goods in these categories in the past year, and 8,000 in the first quarter of this year.

Since the beginning of this year, relevant departments in Guangdong have sent five groups to Shenzhen, Zhuhai, Zhanjiang, Shantou and Hainan Island respectively to work in these places issuing permits. This means increased efficiency, facilitating foreign businessmen. Yu Fei thinks that the boom in Guangdong's export trade for the first quarter of this year will last.

GUANGXI MEETING ON RECTIFICATION, IDEOLOGICAL WORK

HK200443 Nanning Guangxi Regional Service in Mandarin 1100 GMT 19 Apr 86

[Excerpts] A regional conference on grassroots party rectification and on ideological and political work concluded in Nanning yesterday.

Wei Chunshu, deputy secretary of the regional CPC Committee, presided at the meeting yesterday. Chen Huiguang, Secretary of the regional CPC Committee, and deputy secretaries Jin Baosheng and Tao Aiying made important speeches.

Comrade Chen Huiguang reviewed the importance of ideological and political work and outlined arrangements for rural grassroots party rectification. He said: Rural party members in Guangxi account for 68.8 percent of the region's party members. We must fully understand the importance of rural party rectification work and strengthen leadership over it. In accordance with the regional CPC Committee's arrangements, rural party rectification is being unfolded throughout the region following the completion of spring plowing and sowing.

Chen Huiguang said: In rural party rectification, we must focus on solving two key problems: 1) We must build the rural party branches into strong fortresses; and 2) we must closely integrate party rectification with the current rural reforms and production development. Party rectification should spur reform and economic development, while the results of reform and economic development should be applied to test party rectification.

Comrade Jin Baosheng spoke on a number of questions in strengthening ideological and political work. He demanded that all the party committees and leaders at all levels have their own liaison points. They should guide the overall effort through the experiences gained at these points. Comrade Tao Aiying called on leaders at all levels to currently pay attention to agricultural production, planned parenthood, and the improvement of land management.

HUBEI ISSUES CIRCULAR ON ZHAO'S 5-YEAR PLAN REPORT

HK190936 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 16 Apr 86

[Excerpts] The general offices of the Hubei Provincial CPC Committee and of the Hubei Provincial People's Government issued a circular on 15 April, demanding that CPC committees and governments at all levels throughout the province seriously organize the cadres and the masses to study Premier Zhao Ziyang's report on the Seventh 5-Year Plan.

The circular points out: The report on the Seventh 5-Year Plan made by Zhao Ziyang, premier of the State Council, at the Fourth Session of the Sixth NPC is an important document which guides our country's economic construction and social development for the new socialist period. To assist in studying and implementing the spirit of the report, after study by the provincial CPC Committee and provincial government, the following circular has been drawn up:

1. It is necessary to fully understand and study the important significance Premier Zhao Ziyang's report on the Seventh 5-Year Plan. Seriously studying and completely implementing the spirit of the report is of important guiding significance for boosting the development of our province's socialist cause, successfully realizing the Seventh 5-Year Plan and the great target put forward by the 12th party congress, and striving to place all items of socialist construction in our province at the forefront of development. Seriously organizing the party members, the cadres, and the masses to study Premier Zhao Ziyang's report well is an important task for party organizations and people's governments at all levels throughout the province.

2. On the basis of completely studying the report, we must grasp the focal point and profoundly understand the spirit and essence of the report. Through study and in connection with realities, we must seriously sum up the historical experience of our own areas, departments, and units and persist in putting the focus of our work on socialist modernization. We must understand the basic tasks and main principles of construction of the Seventh 5-Year Plan. We must fully understand the importance and necessity of continuously and systematically reforming the economic structure and conscientiously putting reform above everything else so that all our reforms and construction can promote each other and develop in a coordinated way.

3. It is essential to adhere to the principle of linking theory with practice. Party and government organs at all levels must integrate study with straightening out party style and government style, seriously improve their work method and work style, eliminate bad bureaucratic habits, and wholeheartedly serve the people. In the places and units where party rectification is carried out, we must regard the report as the basis of study in party rectification and further correct the guiding ideology of all aspects of work. All places, departments, and units must link the study and implementation of the spirit of the report with the implementation of spirit of the provincial CPC Committee's work conference and with the arrangements made by the provincial conferences on economic, planning, agricultural, scientific, and educational work.

4. CPC committees and people's governments at all levels must strengthen leadership over study. Their principal responsible comrades must take the lead in study and personally grasp study. In particular, leading cadres at and above the county level must study it. Newspapers, journals, radio, and television departments must publicize the study of the report well and promptly report the experiences of party members, cadres, and the masses in studying the report and in the method of work to push the intensive development of study.

HUBEI PARTY SECRETARY INSPECTS JIANGHAN OILFIELD

HK210426 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 17 Apr 86

[Excerpts] After conducting an investigation of the Jianghan oilfield from 8 to 11 April, provincial CPC Committee Secretary Guan Guangfu pointed out that the CPC Committee of the oilfield has made a breakthrough in exploring a new way of doing ideological and political work in the new situation, resulting in marked improvement in party style in the oilfield. They are not creatively exploiting and building the oilfield, making great contributions to the country and the province. The close combination of the building of socialist material and spiritual civilization has provided valuable experiences. He pointed out that the practice of the oilfield indicates that it is possible for enterprises in some areas to bring about a basic turn for the better in party style in advance of others and to build the two civilizations in a coordinated way.

During his 4-day investigation, Comrade Guan Guangfu and his party inspected grassroots units and held investigation meetings in the daytime. In the evenings they watched videotapes about political and ideological work in the oilfield and the deeds of (Xiong Yuanqi), an outstanding political work cadre, and discussed reports on the building of the two civilizations in the oilfield.

Accompanying Comrade Guan Guangfu were Comrade Li Haizhong, and responsible comrades of the general office and propaganda department of the provincial CPC Committee. (Wen Guanghui), secretary of the CPC Committee of the oilfield, gave a report on the situation in the oilfield.

Since the 3d Plenary Session of the 11th CPC Central Committee, the Jianghan oilfield has carried out overall consolidation and reform in a coordinated way. The oilfield has now been built into an oil base which includes prospecting, exploitation, machine-building, oil refining, scientific research, design, education, training, and daily life services. What is gratifying is that in the new situation of carrying out reform, opening up to the outside world, and enlivening the domestic economy, the Jianghan oilfield has explored a new way for building the two civilizations, and found some laws in this respect.

Comrade Guan Guangfu fully affirmed what the oilfield has done, and summarized their experiences as correctly handling several relationships.

1. Regarding ideological understanding and work arrangements, attention should always be paid to correctly handling the relationship between the building of material civilization and that of spiritual civilization, so that the two can closely combine and promote each other. The principle of building the two civilizations simultaneously should be applied to grassroots and specific work.

2. Correctly handle the relationship between correcting party style and improving the general mood of society.

3. In carrying out ideological and political work, attention should be paid to correctly handling the relationship between adherence to principles and flexibility of methods, so as to apply the spirit of our party's principle to various specific tasks.

4. Under the premise of getting to the root of problems, it is necessary to correctly handle the relationship between general and systematic theoretical study on the one hand and day-to-day ideological and political work for individuals on the other.

5. Correctly handle the relationship between reason and feelings. While convincing others by reason, it is also necessary to move others by feelings, so that reason and feelings can be closely combined.

6. Correctly handle the relationship between setting strict political demands on people and showing concern for their daily life. Efforts should be made to help staff and workers overcome their difficulties and remove their worries.

7. Correctly handle the relationship between upholding justice and driving out evil. Both positive and negative examples should be used to conduct vivid education for staff and workers so as to make clear the rights and wrongs and give proper rewards and punishments.

After his investigation, Comrade Guan Guangfu highly praised them for resisting malpractices and not following unhealthy trends. He said that their firm stand in face of malpractices is an important indication and concrete reflection of marked improvement of party style in the oilfield. He praised the CPC Committee of the oilfield for its good example in correcting party style. He expressed the hope that some areas and large enterprises would take the lead in bringing about a basic turn for the better in party style, score on achievement after another, and bring about a basic turn for the better in party style in the whole province. He pointed out that the meter and instrument factory of the oilfield has basically improved party style in advance of other units and has thus set a good example.

In the course of his investigation, Comrade Guan Guangfu particularly pointed out that in correcting party style, on the one hand, we must curb and correct several malpractices which have appeared in recent years. On the other hand, we must adhere to the notion of seeking truth from facts. We must work creatively in accordance with the spirit of central instructions, proceed from reality in everything, and implement the policies and principles of the party. All these must be placed in an important position in correcting party style.

During his investigation, Comrade Guan Guangfu visited the exhibition of the deeds of (Xiong Yuanqi's) wife, and held a discussion meeting with staff and workers of the meter and instrument factory on how to learn form (Xiong Yuanqi). He pointed out that the emergence of (Xiong Yuanqi) as an outstanding political work cadres in the oilfield is due to nurturing by Marxism-Leninism and the party's policies since the 3d Plenary Session of the 11th CPC Central Committee and to the good climate and environment of the oilfield where party style has been pure and political work has been carried out properly.

He believed that the drive for giving much publicity to and learning from (Xiong Yuanqi) will result in a bumper harvest of spiritual and material wealth.

BEIJING HOLDS MEETING TO COMMEND TELEPLAY GROUP

SK210620 Beijing BEIJING RIBAO in Chinese 13 Apr 86 p 1

[Excerpts] Yesterday afternoon, the Beijing Municipal CPC Committee and the municipal People's Government held a meeting to commend a teleplay group of the Beijing television art center which has produced a play entitled "Four Generations." Based on Mr Lao She's novel "Four Generations," the Beijing television art center had revised and produced a teleplay series of the same name as the novel, which was warmly acclaimed by the broad masses of viewers and all social circles in China after it was put on television. All viewers held that this play is an outstanding work imbued with a patriotic spirit, rich national style, and the local characteristics of Beijing, which has contributed to developing China's television art undertakings.

Attending the commendation meeting were Li Ximing, secretary of the municipal CPC Committee; Xie Wenqing, vice minister of the Ministry of Radio and Television; Xu Weicheng, deputy secretary of the municipal CPC Committee; and Chen Haosu, vice mayor. The meeting was presided over by Wang Lixing, Standing Committee member of the municipal CPC Committee and director of the Propaganda Department.

BEIJING MILITARY REGION IMPROVES PARTY CONDUCT

OW201434 Beijing XINHUA Domestic Service in Chinese 1435 GMT 19 Apr 86

[By reporters Liu Huinian and Zhao Su]

[Excerpts] Beijing, 19 Apr (XINHUA) -- Party committees must attach importance to and leading cadres should take initiative in grasping the work of improving party conduct in order to achieve solid results in straightening out the party's workstyle. This is the basic experience pointed out by Comrade Qin Jiwei, commander of the Beijing Military Region, when he summarized the work of improving party conduct at a meeting of secretaries of party committees at corps level of the military region.

The Central Military Commission demanded that the Beijing Military Region take lead in fundamentally improving party conduct. In the past several months, party committees at various levels of the military region have grasped the work of improving party conduct in a solid manner and have achieved significant results. To further promote the work, the military region held a meeting of secretaries of party committees at the corps level from 15 to 18 April. The meeting commended typical units and individuals with good party conduct, introduced the new situation of various units as a result of grasping the work of improving party conduct, and seriously summed up the experience in grasping the work of improving party conduct. Through recalling the previous situation and summing up their experience, the comrades participating in the meeting realized that their solid achievements in improving party conduct during the preceding period were basically due to the following reasons:

1. The principal leading cadres stood at the forefront and personally grasped the work.

2. The leading cadres had the courage to tackle difficult problems and were not afraid of displeasing people. In the past several months, the military region has resolutely corrected such problems as senior leaders' exchanging their old cars for high-class sedans, occupying additional motor vehicles and having extra orderlies; stopped a number of leading comrades from building houses in excess of the established standard; corrected the erroneous practice of recruiting local athletes; and handled several cases which could not be solved for many years.

3. The leading cadres took firm action in correcting problems and did their work carefully.

4. The leading cadres combined education with the work of improving party conduct.

BEIJING SCORES ACHIEVEMENTS IN TRAINING CADRES

SK220445 Beijing BEIJING RIBAO in Chinese 10 Apr 86 p 1

[Text] As of now, the municipality has more than 100,000 in-service cadres formally trained or being trained at higher educational institutions and secondary specialized schools. Of these cadres, 32,000 persons have received graduation certificates. "The 100,000-contingent of trained personnel will exert important and active influence on upgrading the quality of cadres throughout the municipality." This was the main content of the report happily made by the responsible comrade of the Organizational Department under the municipal CPC Committee with regard to cadre training at the municipal work conference which concluded on 8 April.

The municipality has spent 3 years implementing the 8-year plan for training cadres and basically fulfilled the target set by the municipal CPC Committee for the first 3 years.

During the past 3 years, the municipality has achieved vigorous development in the work of training cadres while launching the drive of conducting reforms and indeed scored gratifying achievements in this regard. During the 1983-85 period, the municipality trained more than 60,000 personnel at higher educational institutions and specialized colleges; of them, 20,000 persons received graduation certificates. In addition, the municipality trained 40,000 in-service cadres at secondary specialized schools and senior middle schools and the number of cadres each year who have attended the short-term rotation training classes reached 200,000 persons. The program of training cadres also involved 10 departments and 98 specialized courses.

The channels of training cadres have also been greatly increased. At present, the municipality has had 42 party schools, 5 colleges of personnel affairs management, 37 staff member and worker universities, 1 radio broadcasting university, 1 television broadcasting specialized college, 116 staff member and worker secondary specialized schools, 15 peasant scientific and technological schools, and 13 higher educational institutions that have often offered specialized courses for training cadres. Thus, the municipality has fundamentally changed the backward situation in the past in which "in-service cadres had no way to take more advanced study courses and often incurred difficulties in further studies".

While achieving great development in the work of training cadres, the municipality has also incurred some shortcomings. Therefore, while stressing the training work to be fixed in orientations and to be upgraded in quality, the work conference pointed out that "the erroneous practice of operating schools as a means of making money, collecting various kinds of tuition fees, and setting forth excessively high standards should be resolutely corrected."

When discussing the demand for the training work for the next 5 years, the work conference stressed that it is imperative to organize the training work in line with the actual situation prevailing among the cadres on various fronts by aiming at certain problems and to refrain from "seeking uniformity" in the work. Efforts should be made to enable the training courses to be closely integrated with the working necessity.

At the work conference, Comrade Jin Jian, deputy secretary of the municipal CPC Committee, delivered a speech in which he stressed: The key to pushing every work forward lies in upgrading the quality of cadres. This is a great project that is closely related to the whole situation and has strategic significance.

The party committees and the personnel affairs departments at all levels should regard the work of enhancing education among the cadres and upgrading the quality of cadres as an important task that need not be further delayed they should do a good job in grasping the work in a down-to-earth manner.

NEI MONGGOL CPC COMMITTEE RELAYS NPC GUIDELINES

SK210446 Hohhot Nei Monggol Regional Service in Mandarin 2300 GMT 20 Apr 86

[Excerpts] On the afternoon of 19 April, the regional CPC Committee held a meeting of party-member leading cadres of regional organs at and above the department and bureau level to relay the guidelines of the Fourth Session of the Sixth NPC and to work out plans for the regional organs to further study, publicize, and implement the NPC guidelines.

Batubagen, NPC deputy, deputy secretary of the regional CPC Committee, and chairman of the regional People's Congress Standing Committee, and Zhou Rongchang, member of the regional CPC Committee Standing Committee and director of the Organizational Department, relayed the guidelines of the Fourth Session of the Sixth NPC, the speeches of the central leading comrades, and the relevant reports.

Tian Congming, deputy secretary of the regional CPC Committee, presided over the meeting. He gave a speech at the end of the meeting, in which he said: Since the convocation of the Fourth Session of the Sixth NPC, the various units of the regional organs and the broad masses of people have studied the important documents and guidelines of the NPC session through various kinds of activities and have begun to implement them in line with the reality. Today, we have relayed the guidelines in line with the arrangements of the regional CPC Committee Standing Committee meeting, which will help up deepen our study and implementation of the NPC guidelines and documents.

The meeting stressed that while studying the guidelines of the Fourth Session of the Sixth NPC, we should also implement them in line with our actual situations. At present, we should conscientiously make preparations for and concentrate our energies on the convocation of the fourth session of the Sixth Regional People's Congress in late April. The purpose of holding this congress session is to make the NPC guidelines a definite goal of our region. Therefore, it will be a very important meeting of our region. The party organizations of the various units of the regional organs and the party's responsible cadres should work conscientiously and fulfill their duties in order to make the congress session successful. Furthermore, we should also seize the opportune moment to make the current economic construction, economic structural reform, rectification of party style, and other fields of work successful. In the first quarter of this year, the region's situation was generally good. The region's industrial output value increased 8.87 percent over the same period of last year and financial revenues increased some 30 percent. If some specific factors are excluded, the increase was 15.9 percent greater than the figure for the corresponding period of last year. The trend of development in the agricultural and animal husbandry sectors was also good. However, we should not slacken our efforts, because this is a very important season for developing agriculture and animal husbandry. We should pay attention to making careful arrangements and grasping them meticulously.

In conclusion, Tian Congming said: We are convinced that through studying and implementing the guidelines of the Fourth Session of the Sixth NPC, we will make new progress in all fields of work in the region, and will deepen our study and further enhance our understanding of the theories of building socialism with Chinese characteristics.

GANSU LEADER ADDRESSES POLITICAL, LEGAL MEETING

HK200323 Lanzhou Gansu Provincial Service in Mandarin 1100 GMT 19 Apr 86

[Excerpts] From 14 to 19 April, the political and legal commission of the provincial CPC Committee held a provincial political and legal work conference in Lanzhou to convey the spirit of the national conference and study and arrange this year's work. The meeting stressed that it is essential to vigorously increase the building of the socialist legal system, continue to wage the struggle to crack down on serious economic and other crime, solve public order problems in a comprehensive way, and achieve a steady turn for the better in this respect.

The meeting stressed that it is necessary to continue to launch the struggle to crack down on people who commit serious crimes. In light of the province's realities, the meeting decided to provide appropriate guidance according to the different circumstances. The focal areas of the crackdown this year are Lanzhou, Tianshui, Jinchang, Xiayuguan, and Baiyin cities, and also Wuwei, Jiuquan, and Yumen cities, along with areas along the railroads. We should focus on curbing larceny, robbery, gun theft, murder, and other violent crimes; on catching criminals on the run; and on correcting ugly phenomena in society.

The meeting held that outstanding successes have been scored in cracking down on serious economic crimes in Gansu. However, the remaining problem is lack of firm action and measures. In connection with certain shocking cases, the comrades attending the meeting analyzed the new situations, problems, and characteristics of economic crimes. They demanded that the party committees and government at all levels fully understand the complex and arduous work involved in cracking down on serious economic crimes. The arrogance of economic criminals should be deflated within about 1 year.

The provincial CPC committee attached great importance to this meeting. Li Ziqi, Lu Kejian, and Wang Zhanchang made speeches. Hou Zongbin and Liu Shu attended.

Comrade Li Ziqi said: Comrade Deng Xiaoping's important speech on grasping construction with one hand and the legal system with the other specifically pointed out the party's fundamental task in the new period. The party committees at all levels must seriously study this speech and profoundly appreciate its spirit.

Li Ziqi stressed: The party committees at all levels, and especially the leading cadres, must strengthen their concept of the legal system, spontaneously accept the supervision of the masses and the constraints of party discipline and the law, and cultivate a democratic work style and the habit of acting according to the law. They must also teach their relatives, sons, and daughters to observe discipline and law.

QINGHAI'S YIN KESHENG ATTENDS CPPCC OPENING SESSION

HK220133 Xining Qinghai Provincial Service in Mandarin 2330 GMT 21 Apr 86

[Excerpts] The fourth session of the fifth Qinghai provincial CPPCC opened in Xining on 21 April. Leading comrades of the party, government, and army in the province including Yin Kesheng, Song Ruxiang, and Huanjuecailang attended the opening.

SHAANXI'S BAI JINIAN RECOMMENDS PLAYS TO CADRES

HK211404 Xian SHAANXI RIBAO in Chinese 4 Apr 86 p 1

[Report: "Provincial Party Committee Secretary Bai Jinian Recommends Three Plays to Cadres Throughout the Province"]

[Text] At the recent provincial conferences on judicial work, discipline inspection work, and the work of implementing the intellectual policies, as well as in a speech about the work of handling people's complaint letters, provincial CPC Committee Secretary Bai Jinian repeatedly recommended three art works to all cadres in this province. They are the stage play "the Moon in Mid-Month," and the TV dramas "The Hut in Fencheng" and "A New Star."

Bai Jinian said: When watching these plays, I linked myself with the plays plots to conduct introspection. I hope that all cadres, especially leading cadres, will watch these three plays and draw good lessons from them. After seeing them, we should consider some questions: As our party has held the ruling position in our country for more than 30 years and our cadres are leading a rather comfortable life, do we still remember the interests of the people and our fundamental task of serving the people wholeheartedly? Do we still remember that our power is entrusted by the people and that we must only use our power for the people's benefit?

Comrade Bai Jinian pointed out: The first requirement for our comrades engaged in judicial work, handling letters, policy implementation, and all other activities is to love the people and to do our work by cherishing this feeling. There are still various problems among some of our leading organs and cadres. These problems are not only reflected in the economic irregularities of taking graft, giving and taking bribes, and indulging in extravagance and waste. But they are also reflected in the bad style of bureaucratism, which has appeared because we have forgotten our duty to serve the people wholeheartedly and to take good care of the people's well-being and because we have stood aloof from the masses. That is the root cause of all corrupt phenomena, and that in itself is the most dangerous corruption. Our present efforts to straighten out party style and office work style must really solve this problem.

XINJIANG'S SONG HANLIANG ATTENDS GRASS-SOWING RITE

HK210436 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 17 Apr 86

[Excerpts] This morning, leading comrades of the regional party, government, and army, the regional CPPCC Committee, and Xinjiang Production and Construction, corps and some organ cadres went to a grassland center in Urumqi County to take part in grass-sowing.

Today was the third day of the second regional grass-sowing week. At 1100, leading comrades, including Song Hanliang, Wang Enmao, Tomur Dawamat, Janabil, Amudong Niyazi, Zhang Sixue, Shi Geng, Ismail Yashengnuofu, and Tang Guangcai, went to the grassland center. Three leaders, Song Hanliang, Wang Enmao, and Tomur Dawamat, worked side by side, sowing seeds.

During the rest time at noon, Comrade Wang Enmao asked comrades of the grassland center how the forage grass sown last year was growing. When the comrades of the grassland center told him that there was a very good harvest of the grass sown last year, Comrade Wang Enmao smiled. Standing by his side, Comrade Tomur Dawamat said: Grass-sowing is of important significance for developing Xinjiang. In greening Xinjiang, it is necessary to put grass-sowing above everything else.

MING PAO CITES HU YAOBANG'S REMARKS ON INTELLECTUALS

HK220045 Hong Kong MING PAO in Chinese 18 Apr 86 p 5

[Special dispatch from Shanghai: "Hu Yaobang on Intellectuals' Political Orientation in Zhejiang"]

[Text] Recently, when talking about the issue of cultivating intellectuals, Hu Yaobang, general secretary of the CPC Central Committee, pointed out that at present, "intellectuals still should be required to maintain a firm and correct political orientation and a hard-working style. This was mentioned too little in the past. Too much attention was paid to the diplomas of the intellectuals."

According to a report by ZHUZHI RENSHI XINXI BAO [ORGANIZATION and PERSONNEL AFFAIRS], Hu Yaobang talked about cultivating intellectuals in his recent inspection visit to Zhejiang Province. He said: "When drafting the decision on reforming the educational system, I proposed that something be added to the end of the document. It seems that we still have to require people to 'maintain a firm and correct political orientation' and to 'cherish a hard-working style.' Now this has been changed into a 'work style of closely linking oneself with the realities and the masses'.

Hu Yaobang said: The weak point of intellectuals is caused by their environment. They only live in various schools, from primary schools to secondary schools and then at universities and postgraduate colleges. Their school life prevents them from realizing the strength of the masses. So their weak point is not inborn but is caused by their limited experience. They know the importance of knowledge, but they only worship some famous scholars and do not see the role of the masses.

Hu Yaobang said such famous statesmen as Roosevelt, Churchill, and Mao Zedong themselves were intellectuals, but they all tempered themselves at the grass-roots level. Roosevelt and Churchill served in the Navy when they were young. Then, Hu Yaobang criticized the present university graduates who refuse to go to grass-roots units and go among the masses but just want to enter various brain trusts. He said: "on the issue of how to treat intellectuals, we should draw a lesson from the past experience, and should not use the methods of putting a bad label on them or bludgeoning them. However, our party has not soundly solved the issue of cultivating intellectuals properly."

Hu Yaobang said: In the past 64 years since the founding of the CPC, the party's policy toward intellectuals can be divided into five stages. In the first stage between 1921 and 1928, the party did not look down on intellectuals, because almost all the party activists who were disseminating Marxism, such as Chen Duxiu, Li Dachao, Mao Zedong, Qu Qiubai, and Fang Zhimin, were intellectuals.

In the second stage, between 1928 and 1935, or before the Zunyi conference, the party did not properly draw a lesson from the failure of the revolution but simply blamed the intellectuals. The party recruited many workers, including such people as Xiang Zhongfa and Gu Shunzhang, and kicked out many intellectuals. Zhang Guotao himself was an intellectual, but he took the lead in killing and excluding other intellectual comrades and indiscriminately promoting worker cadres.

The third stage spanned 20 years from 1936 to 1956, in which the party recruited a large number of intellectuals and cherished this force.

It also advocated that "intellectuals should learn from workers and peasants, and workers and peasants should learn from intellectuals." At the same time, intellectuals were required to "maintain a firm and correct political orientation, a hardworking style, and flexible strategy and tactics."

After 1946, maybe Mao Zedong thought that the issue of intellectuals had been solved, and he did not emphasize the role of intellectuals any more. In the last 10 years of the third stage, few documents mentioned the issue of intellectuals. Then came the event in 1957 and many intellectuals were named rightists.

The 20 years between 1957 and 1977 constituted the fourth stage, in which serious mistakes were committed. Intellectuals were excluded and many of them were called "rightists," "the ninth stinking category," or "reactionary academic authorities." Mao Zedong himself also changed from respecting intellectuals to despising intellectuals. Only after the downfall of the "gang of four," did the party begin to restore the correct attitude toward intellectuals. However, we have not talked enough about a firm and correct political orientation and a hardworking style.

ZHENG TUOBIN INTERVIEWED ON FOREIGN TRADE

HK110853 Hong Kong WEN WEI PO in Chinese 2 Apr 86 p 3

["Dispatch" from Beijing By WEN WEI PO reporters' group: "Zheng Tuobin, Minister of Foreign Economic Relations and Trade, on This Year's Foreign Trade and Other Issues"]

[Text] Beijing, 1 Apr -- Zheng Tuobin, minister of foreign economic relations and trade, answered Hong Kong and Macao reporters' questions today. The questions and answers are as follows:

[Reporter] What are China's circumstances regarding the use and earning of foreign exchange this year, particularly the effects of the oil price slump?

Oil Price Fall Incurs Heavy Foreign Exchange Loss

[Zheng Tuobin] A matter of the utmost concern to all people is the foreign exchange question, particularly the question of whether or not China will have a foreign exchange problem following the fall in oil prices and of how it will make up for the shortfall. Since oil prices began fluctuating last year, there has been no change in the confused oil market. Undoubtedly, it will bring losses to China's foreign exchange income. We shall lose a little more than $200 million for every dollar the price of a barrel of crude oil falls. Now that the crude oil price has fallen by more than $10, we shall lose about $2 billion.

Export Growth Will Still Be Very Fast

We have also studied this question. Although oil has caused us losses, China's exports are still expected to grow this year. The principal reason is that China's industrial and agricultural production has grown rapidly over the past few years. Agriculture has developed rapidly. The rate of industrial production was also very high last year. For this reason, we have a fairly sound material foundation in exports. In addition to increased production, the policy of opening up carried out in the past few years has enabled the old regions to transform themselves. They have made great technological advances and have great potential in developing production. Not only can the newly-built industrial enterprises supply export commodities but also the town and township enterprises, which have developed rapidly in the past few years, have become a force in exports and have provided many export commodities.

Therefore, judging from the reports coming in from various localities, although the price of oil has fallen and although the prices for cotton and coal are not good, our exports as a whole will continue to grow. Naturally, the growth rate will surely be affected by oil. If it had not been for the oil effect, the growth of our exports would have been very fast. Nevertheless, we still have registered an increase and, by 20 March, the growth rate was 17 percent.

[Reporter] Commodity prices have risen in China recently. Will this affect the export commodity prices?

Rising Commodity Prices Will Not Affect Exports

[Zheng] There have been some price fluctuations in China. But this will not greatly affect export prices. China's export commodity prices are set according to international market prices and we try as hard as possible to sell our goods at better prices. Naturally, there are the problems of parallel goods and competition among ourselves. However, our general principle and our principal aspect are to try our best to sell our commodities at higher prices and not at lower prices. For this reason, we set our prices according to the market trends. Our export commodity prices for the Hong Kong market are primarily affected by the international market and not by the rising or falling of prices on the domestic market.

Judging from recent selling prices, the international market looks optimistic and prices are rising. Prices have risen at the Jiangsu and Shanghai fairs, the small-scale Hong Kong fair held by the textiles corporation, and the small-scale Jiangsu fair held by the textiles corporation, and the small-scale Jiangsu fair held by the silk corporation. We also hope to sell our goods at higher prices. At the forthcoming Guangzhou Export Commodity Fair we hope the prices will be up. With the exception of a few commodities whose prices will fall slightly, the prices as a whole will firm.

[Reporter] The external world has always held that losses in China's foreign trade have been caused by export subsidies. Will you please explain this?

Losses Have Not Been Caused by Export Subsidies

[Zheng] We should have a basic concept on the question of losses incurred in foreign trade. We have indeed suffered losses in foreign trade but our losses are not due to exports. We have also suffered losses because the international market and the domestic market have two price systems. Taken as a whole, however, we have not suffered losses in exports in recent years. Nor is there a question of export subsidies. For a certain time in the past, when the exchange rate was so irrational that 1.5 yuan could be exchanged for $1, there were some export subsidies. However, with the gradual rationalization of the exchange rate between the renminbi and the U.S. dollar and the gradual solution of the question of the overvalued renminbi, we no longer suffer losses in exports.

The Principal Cause Lies in Import Subsidies

Our losses have been primarily caused by import subsidies. We import goods for the purpose of ensuring market supplies, principally for industrial and agricultural production and the needs of the urban population in their daily life. We not only subsidize import commodities but also grain and many other products. This is our policy. The import subsidies are concentrated on steel products. We import them at international market prices but we supply them to the industrial production departments in the country at government prices. If we adjusted the prices of steel products, production costs would be affected. We also subsidize timber, chemical fertilizers, and, more importantly, grain.

The price of grain supplied to urban residents has remained unchanged because of our subsidies. Therefore, our losses have been caused by import subsidies and, generally speaking, the question of subsidies does not exist in exports.

Taken as a Whole, We Still Make a Profit in Foreign Trade

However, taken as a whole, we still make profit in foreign trade, including imports. Even if we include customs duties and various other taxes, we still make a profit in foreign trade. You seem to think that the larger the foreign trade volume, the heavier the state losses, but this is not the case. The development of foreign trade has ensured domestic production and market needs. Even if we include customs duties, we still provide the state with revenues. It was so in the past and it is still so today.

[Reporter] Will you please explain China's position on the Multifiber Agreement [MFA] talks?

The Textiles Trade Must Be Liberalized

[Zheng] We are very much concerned about the MFA. We hold that it is an accommodation and a compromise agreement reached by various countries through negotiations even though it is not in keeping with free trade. For this reason, we should strive for the gradual liberalization of the textiles trade. However, some countries are not only against liberalization but are also imposing more restrictions. Therefore, the textiles talks and the MFA talks are a very strenuous task. We support the stand taken by the developing countries in the textiles talks and we do this with the aim of gradually reducing restrictions and achieving liberalization.

[Reporter] What are the effects of unhealthy practices on foreign trade work? How are you going to overcome them?

[Zheng] Generally speaking, the effects of unhealthy practices on foreign trade work do not constitute the principal aspect but we should not underestimate this question either. Unhealthy practices also have a considerable influence in foreign trade work, particularly in foreign exchange. Some people fail to observe the stipulations on foreign exchange controls. They engage in illicit foreign exchange remittances and transactions and even buy and sell foreign currencies at a profit on the black market. This unhealthy practice is the most important aspect affecting foreign trade. For this reason, we have adopted strict control measures in this respect. The situation has greatly improved this year. In addition to this, there is also the question of parallel goods on the Hong Kong market. We have adopted strict administrative control measures, the most important of which is the system of quota plus export license. Since the implementation of this system, the impact of parallel goods on the Hong Kong and Macao markets has been lessened. Because of this and because of price rises, our exports increased by a big margin. This has played a very important role in stabilizing supplies to the Hong Kong market. We have derived benefits from opposing the unhealthy practices. However, unhealthy practices still exist. The impact of parallel goods, particularly in medicinal materials, on the Hong Kong Market is still fairly strong. Therefore, we should still adopt corresponding measures.

Some People Have Falsified Export Licenses

Moreover, we have imposed stricter restrictions on personnel going abroad. There are also unhealthy practices among personnel going abraod. We deal with them as soon as we discover them.

We are now investigating and dealing with the problems of those who went abroad unnecessarily, who tried to go abroad by employing unjustifiable means, and who sought prive gains through unjustifiable means. We are holding a meeting on rectifying party work style in the economic and trade departments, at which we shall formulate a series of measures to rectify unhealthy practices. There are also people who falsify export licenses. As soon as we discover people engaging in this unhealthy practice, we immediately rescind their rights to conduct foreign trade.

[Reporter] A situation has emerged in the country whereby it is better to sell goods on the domestic market than on the foreign market and it is better for the producers themselves to sell their goods than to sell them through government channels. Will this greatly affect foreign trade?

The Prices of Export Goods Will Be Fixed According to Their Prices on the Domestic Market

[Zheng] This problem occurred only last year. The cause lay in price rises and increased demands in the domestic market. Although prices were raised on the domestic market, the prices of export commodities were not adjusted. The export commodities were still sold at planned prices. For this reason, these prices were lower than those on the domestic market. We shall solve this problem this year and fix the prices of our export goods according to their prices on the domestic market. If we make profits in foreign trade, we shall give some more [as published] in order to solve this problem, but this has nothing to do with subsidies.

[Reporter] China releases trade statistics from the customs and the foreign trade department. Will these systems be combined into one?

The Two Kinds of Statistics Existed Long Ago

[Zheng] We have two sets of statistics now: One set is business statistics from the department of Foreign Economic Relations and Trade and the other is the statistics from Customs. I read some Hong Kong newspaper reports to the effect that the statistics from the Ministry of Foreign Economic Relations and Trade are political ones and the statistics by from Customs are the practical ones. The argument that the Ministry of Foreign Economic Relations and Trade releases statistics out of political considerations is wrong. This is because we have had the two kinds of statistics since the early period of the founding of the PRC. At that time, the Ministry of Trade of the central government and the General Administration of Customs dealt with the statistics separately. After the General Administration of Customs was incorporated into the Ministry of Foreign Economic Relations and Trade, we still had two kinds of statistics. For several years during the Cultural Revolution the Customs statistics were abolished because people considered the two kinds of statistics were superfluous. A few years later, however, people thought it would not do to abolish the Customs statistics and so the statistics were restored in the last stage of the Cultural Revolution.

Having Their Own Needs, the Two Kinds of Statistics Will Continue

Why do we adopt two kinds of statistics? This is inseparable from the nature of our socialist planned economy. We have to draw up plans every year and plans should be drawn up on the basis of actual import and export figures. We cannot draw up plans according to import and export figures released by Customs but should base our plans on the business statistical figures. In the past 1 or 2 years, there have been some people who believe it is necessary to abolish the business figures and retain the Customs figures.

After discussions, we hold that abolishing the business figures would not meet our needs in economic planning. For this reason, the business statistics will continue. In my view, the two kinds of statistics will continue in the near term.

[Reporter] What measures or plans do your three departments have for the training of capable persons?

[Zheng] Since opening up to the outside world, we have been aware that our greatest problem is that we lack people to engage in foreign economic relations and trade work and that our people do not have great professional competence. For this reason, it is necessary to reform our educational structure and to strengthen the training of cadres engaged in foreign economic relations and trade work. Now, we have 5 institutions of higher education and 17 secondary vocational schools specializing in foreign economic relations and trade. Many other universities also have foreign trade departments. We chiefly rely on the above-mentioned schools to train our personnel. We have trained more than 13,000 people since the founding of the PRC. They have become the backbone force in the nation's foreign economic relations and trade work. On the one hand, we should increase our investment in order to improve the facilities of our schools. On the other hand, we should increase the number of teachers. We should also vigorously cooperate with foreign countries, as well as the Hong Kong and Macao region. Some time ago, I met with the leaders of Macao University. They are ready to cooperate with our Institute of Foreign Economic Relations and Trade. This afternoon I shall also sign an agreement with the Italian Government on aiding our University of Foreign Economic Relations and Trade.

DAILY REPORT

China

Vol I No 078 23 April 1986

PRC INTERNATIONAL AFFAIRS

GENERAL

Foreign Ministry Spokesman Holds Weekly Briefing A 1
Wu Xueqian's Japan Visit Assessed A 1
Wu To Visit Europe A 1
UN Security Council Split on U.S. Raid on Libya A 1
U.S. Seeks 'New Jersey' Port Call in Japan A 2
LIAOWANG on Soviet-U.S. Military Contention [7 Apr] A 2

UNITED STATES

Hu Yaobang Discusses Sino-American Relations B 1
U.S. President Speaks of Summit With Gorbachev B 1
U.S. President Interviewed on Tokyo Summit B 2
U.S. Conducts Third Nuclear Test in Month B 2

SOVIET UNION

Arkhipov Comments to IZVESTIYA on PRC Visit C 1
Shevardnadze Says Resuming Talks Depends on U.S. C 1
PRC, U.S., USSR Arms Policies Reviewed C 2

NORTHEAST ASIA

Chinese Leaders Meet With Japan's Fukuda D 1
Deng on Army Reduction D 1
Deng Professes 'Good Health' [KYODO] D 1
Hu Yaobang Welcomes Criticisms D 2
Offer to Host Meeting [KYODO] D 3
Wang Zhaoguo Fetes Visitors D 3
Wang Zhaoguo Meets Japanese Writer D 3
Gu Mu on Trade Issue With Japanese Visitors D 3
PRC To Send Large Trading Delegation to Japan D 4
XINHUA Follows Japanese Yen's Continued Rise D 5
DPRK Minister Views Economic Cooperation D 5
Pyongyang's Energy Policy Remains Unchanged D 6
DPRK Condemns Weinberger's Visit to S. Korea D 6
DPRK Foreign Minister Calls for Reunification D 6
DPRK Protests 'Repeated Invasions' of U.S. Jets D 7
Constitutional Revision Drive Grows in S. Korea D 7
S. Korea Opposition Holds Rally in Taejon D 8
South Korean Students Mark 1960 Uprising D 9
South Korea's Chon UK Visit Protested D 9

PRC NATIONAL AFFAIRS

RENMIN RIBAO on Party Style in Rectification [22 Apr] K 1
Hu Qili on Problems in Social Psychology, Reform K 2
Wang Meng's Collected Essays Published K 4
[GUANGMING RIBAO 10 Apr]
Wang Hanbin Explains Principles of Civil Code K 4
RENMIN RIBAO Commentary Hails Civil Code [17 Apr] K 11
GUANGMING RIBAO Views NPC, CPPCC Closings [13 Apr] K 13
Commentary Views Foreign-Owned Enterprises Law K 15
[RENMIN RIBAO 18 Apr]
RENMIN RIBAO on Proper Use of Agricultural Funds [8 Apr] K 20
Commentator on Merging Urban, Rural Areas K 21
[RENMIN RIBAO 9 Apr]
Hu Yaobang, Zhao Ziyang Praise Shanghai Plant K 22
Ye Jianying, Others Send Memorial Wreaths K 23
Hu Qiaomu at Premier of Beijing Orchestra K 23

PRC REGIONAL AFFAIRS

EAST REGION

Jiangsu Leaders Attend Late Official's Centenary O 1
Shandong's Liang Buting Sods Lawns in Jinan O 1

CENTRAL-SOUTH REGION

Guangdong To Give Coal Production Subsidies P 1
[NANFANG RIBAO 16 Apr]
Chen Huiguang Writes on Boosting Guangxi Economy P 1
[GUANGXI RIBAO 18 Apr]

SOUTHWEST REGION

Guizhou's Hu Jintao Inspects Nayong County Q 1

NORTH REGION

Hebei Article Views Straightening Out Party Style R 1
[HEBEI RIBAO 7 Apr]
Nei Monggol Improves Lateral Economic Ties R 2
Tianjin Holds Political Science, Law Conference R 3
[TIANJIN RIBAO 31 Mar]

NORTHEAST REGION

Heilongjiang Procurators Conference Concludes S 1
Liaoning: Wu Disheng Elected Shenyang City Mayor S 1

NORTHWEST REGION

Xinjiang Leader Stresses Current Work Tasks T 1
Shaanxi Circular on Selecting, Appointing Cadres T 1

TAIWAN

Taiwan Not To Attend ADB Meeting in Philippines V 1
Yuan Issues Statement V 1
Indirect Trade With Mainland Increases V 1
[CHINA POST 20 Apr]
Group Formed To Discuss Satellite Technology V 2
Briefs: Service Industry Foreign Investment V 2

HONG KONG MEDIA ON CHINA

Body To Safeguard Foreign Investors Interests W 1
[SOUTH CHINA MORNING POST 21 Apr]
Minister Interviewed on Oil Industry, Prospects W 1
[WEN WEI PO 2 Apr]

FOREIGN MINISTRY SPOKESMAN HOLDS WEEKLY BRIEFING

Wu Xueqian's Japan Visit Assessed

OW230936 Beijing XINHUA in English 0931 GMT 23 Apr 86

[Text] Beijing, April 23 (XINHUA) -- A Foreign Ministry spokesman said here today that Foreign Minister Wu Xueqian's recent visit to Japan "will play a positive role in promoting the long-term and steady development of friendly relations between the two countries." Responding to correspondents' question on China's assessment of Wu's visit, the spokesman said, during the visit Wu held substantial and fruitful talks with foreign minister Abe and met with Prime Minister Nakasone and personages from all walks of life both in and outside the government.

"Both sides considered that in general, relations between the two countries had developed well and smoothly over recent years. They expressed the will to maintain and further develop this healthy momentum on the basis of the Sino-Japanese joint statement, the Sino-Japanese Treaty of Peace and Friendship and the four guiding principles for Sino-Japanese relations," he said. The two sides made sincere and frank exchange of views, thus further enhancing the mutual understanding and trust, he added.

Wu To Visit Europe

OW230908 Beijing XINHUA in English 0905 GMT 23 Apr 86

[Text] Beijing, April 23 (XINHUA) -- State Councillor and Foreign Minister Wu Xueqian will pay a visit to nine European countries from May 12 to June 4 at the invitation of his counterparts in these countries. The nine countries are the Republic of Finland, the Kingdom of Norway, the Kingdom of Sweden, the Kingdom of Denmark, the Kingdom of Belgium, the Grand-Duchy of Luxembourg, Ireland, the German Democratic Republic and the Hungarian People's Republic. This was announced by the spokesman of the Foreign Ministry at today's weekly news briefing. He said this is the first time for a Chinese foreign minister to visit Democratic Germany and Hungary since the later years of the 1950s.

UN SECURITY COUNCIL SPLIT ON U.S. RAID ON LIBYA

OW221005 Beijing XINHUA in English 0838 GMT 22 Apr 86

[Text] United Nations, April 21 (XINHUA) -- The Security Council failed this afternoon to adopt a draft resolution sponsored by its non-aligned members, who sought to condemn the armed attack by the United States against Libya. The draft, submitted by the Congo, Ghana, Madagascar, Trinidad and Tobago and the United Arab Emirates, condemned the U.S. action as "in violation of the Charter of the United Nations and the norms of international conduct." It called upon the United States to refrain from any attacks or threats of attacks. It also condemned all terrorist activities whether perpetrated by individuals , groups or states.

China and eight other countries voted for the resolution. But because of the veto cast by the United States, the United Kingdom and France, the draft was not adopted. Australia and Denmark also voted against it. The only abstaining vote was cast by Venezuela.

The council began the current round of meetings on Monday, April 14 after the U.S. military actions against Libya. In eight meetings since then, altogether 36 speakers addressed the council, most of them condemning the U.S. action.

Ambassador Li Luye, China's permanent representative to the United Nations, told the council on April 15 that China condemned attacks on the territory of another state and encroachment upon its sovereignty as violations of the norms governing international relations.

After today's vote in the council, Ambassador 'Ali al-Turayki, permanent representative of Libya to the United Nations, made another strong condemnation against the United States for its "armed aggression" against his country and for the veto it cast today.

More meetings on the same item are expected in the council after the arrival in New York tomorrow of the foreign ministers of six non-aligned countries -- India, Yugoslavia, Cuba, Congo, Ghana and Senegal. The ministers met with Libyan leader Mu'ammar al-Qadhdhafi in Tripoli yesterday to express their solidarity with the Libyan people. They are now on their way to New York to make a stronger case for Libya in the council. There are speculations here at the U.N. that they might wish to call an emergency session of the General Assembly to discuss the matter.

U.S. SEEKS 'NEW JERSEY' PORT CALL IN JAPAN

OW191350 Beijing XINHUA in English 1317 GMT 19 Apr 86

[Text] Tokyo, April 19 (XINHUA) -- A senior American naval officer said he hoped that the U.S. battleship New Jersey could berth at a Japanese port after completing a drill in the western Pacific, the local press reported today. Huntington Hardisty, deputy commander-in-chief of the U.S. Pacific Fleet, said he has not yet asked the Japanese Government for permission to berth. It was the first time that a senior U.S. officer openly pleaded to use a Japanese port. According to military sources here, the battleship might enter Japan's Yokosuka port in July after the fleet's "round-the-Pacific exercise" in June. The local press noted that the matter might be put before the Diet since the battleship is equipped with cruise missiles which can be armed with nuclear warheads.

LIAOWANG ON SOVIET-U.S. MILITARY CONTENTION

HK180731 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 14, 7 Apr 86 pp 26-28

[Article by Xie Wenqing: "Soviet-U.S. Military Contention in the Asian-Pacific Region" -- Capitalized passages published in boldface]

[Text] Increasing signs in recent years demonstrate that both the Soviet Union and the United States are attaching greater importance to the Asian-Pacific region. Both sides have readjusted their military strategies in this region, actively beefed up their military strength and deployment, and stepped up their contention, which has caused great threats to the peace, security, and stability of the region. The Asian-Pacific region has always been an important aspect of the Soviet-U.S. global contention. Since the beginning of the 1980's, this region has had an increasingly prominent place in both Soviet and U.S. global strategies. First, the long-term antagonism between the two superpowers in Europe and the closely guarded confrontation of the two military groups, each possessing powerful nuclear weaponry, have formed into a deadlock.

The Asian-Pacific region is vast in area and characterized by its large population, abundant natural resources, and imbalance in development. Thus, to the Soviet Union and the United States, there is still room for contention. Both sides are attempting to gain superiority over this region to improve its strategic position. Second, great changes have taken place in the political structure in the Asian-Pacific region. In diplomacy, China has persisted in the stand and principle of independence and taking initiative in its own hands, opposing hegemonism, and safeguarding world peace; it is playing an increasingly important role in world affairs. With its growth in economic strength, Japan has stepped up pace in its transition to a "political power." The ASEAN nations are gaining more influence and playing an increasing role in this region. This situation has made the Soviet Union and the United States pay greater attention to this region, each doing its best to maintain and expand its sphere of influence in the region and to reduce the effect of its counterpart. And third, the economic strength of the Asian-Pacific region comprises a larger proportion of the world's economy with each passing day, with a growth rate exceeding all other nations. The United States has already exceeded Europe in its trade volume and investment growth rate in the Asian Pacific region, while Soviet trade volume in this region has also increased by a large margin in recent years. The Soviet-U.S. contention over economic interests is also an important factor for their attaching greater and greater importance to this region.

Starting from the needs of their global stategies, both the Soviet Union and the United States are revising their military strategies in the Asian-Pacific region. The Soviet basic principle and intentions are: with the United States as its chief opponent, Soviet affects and sphere of influence are to be continuously expanded with military backing, in order to break through the U.S. stonewall, to ensure the security of its sea-lanes from the Pacific in the east to the Indian Ocean in the south, to further strengthen the link between the east and the west fronts, and to improve its position in its global contention with the United States. In revising its global strategy, the Reagan administration has also made important readjustment of its military strategy in the Asian-Pacific region. The Far East, Western Europe, and the Middle East are listed with equal importance as the three major strategic regions, and the Pacific is regarded as the region in which the United States is "most likely to confront the Soviet Union."

In order to realize each of their strategic purposes, both the Soviet Union and the United States have in recent years beefed up their military strength and deployment in the Asian-Pacific region:

1. ORGANIZING NEW COMMAND ORGANS, STRENGTHENING THE CONCENTRATED AND UNIFIED COMMAND OF VARIOUS ARMED FORCES AND SERVICES. The Soviet Union has set up and made complete and perfect its Far East Theater headquarters in Ulan-Ude, which is in charge of conducting and coordinating the military activities of the Far East Military Region, the Rear Baikal Military Region (including the forces stationed in Mongolia,) the Siberia Military Region, and the Soviet Pacific Fleet. This is the first permanent theater command organ the Soviet Union has set up since the end of World War II, as well as an important strategic measure for strengthening the deployment on the East Front and a preparation for simultaneous actions on the two fronts. The U.S. Navy set up a "central headquarters" in Yokota in 1985, which has greatly strengthened the unified command of U.S. ground, naval, and air forces stationed in Japan, as well as its fighting effectiveness in cooperation with the Japanese Army. The U.S. Navy plans to set up a "fleet telecommunications center" in Yokosuka. This will make Yokosuka not only a base at the forefront for the United States to contend with the Soviet Far East strategic missile bases and Soviet nuclear-powered submarines, but also a U.S. naval center of command, control, and telecommunications in the Far East. Besides, the United States has further completed and perfected its military command system at Diego Garcia in the Indian Ocean.

2. COMPETING WITH EACH OTHER IN INCREASING MILITARY STRENGTH, VYING WITH EACH OTHER FOR MILITARY SUPERIORITY OVER THE ASIAN-PACIFIC REGION. The ground forces under the command of the Soviet Far East Theater headquarters have expanded to 50-some divisions, and a garrison equal to a division is stationed on the four islands north of Japan. The equipment of its forces has markedly improved, with T-72 battle tanks, new-type infantry fighting vehicles, and cannon replacing old ones. The structural reforms of the air force and air defense forces have been completed, with focus on the command system of long-range air arm and with the corps air arm organized and its territorial air defense redivided. Weaponry renovation rate is stepped up. The army is now equipped with large number of third generation interceptor aircraft such as MG-23, MiG-25, MiG-27, SU-15, SU-17, and SU-25, and MiG-31 is beginning to come into service. The growth in Soviet naval forces is all the more conspicuous. The Soviet Pacific Fleet has been continuously reinforced by such large-type attack warships as two aircraft carriers, DIII-class ballistic missile submarines, nuclear-powered attack submarines, Kara-class guided missile Cruisers, Kirov-class nuclear-powered guided missile cruiser, as well as a large number of supply and support vessels. The fleet now has more than 600 ships of various categories, with a tonnage of 1.6 million. According to a recent article in the U.S. quarterly FOREIGN AFFAIRS by Allen (Ronberg), former State Department spokesman, the Soviet Union had by 1985 deployed its largest naval fleet, one-third of its fighting forces, 2,000 interceptor planes, 80 long-range bombers, and more than 100 intermediate and long-range nuclear ballistic missiles in Asia. William Crowe, charman of the U.S. Joint Chiefs of Staff and former commander-in-chief of the U.S. Pacific Forces, said that the Soviet military forces have been steadily on the rise in Asia and "the Kremlin is making untiring efforts to break up the balance."

At the same time, the United States is continuing its efforts to reinforce its military strength in the Asian-Pacific region. By the end of September 1985, U.S. military forces stationed in the Pacific theater totaled 195,500 men, up 7,000 from the previous year, accounting for 33.1 percent of its overseas forces. Not only has the number of men in its land forces increased, but it has stepped up the pace in renovating equipment. This is focused on adopting the most updated developments of the 1980's to equip its land forces in the Pacific according to plan, such as M-1 battle tanks, M-2/3 fighting vehicles, multi-launcher rocket guns, Apache helicopters, and 'patriot' tactical air defense system. Replacement of such new-type interceptor aircraft as F-15, F-16, and A-10 is underway in U.S. tactical air forces, and it is planned that there will be an additonal two F-16 units in Japan by July 1987. The U.S. 7th Fleet has strengthened its comprehensive fighting effectiveness in attack, air defense, and countering warships and submarines with the increase of new-type warships, aircraft, and the renovation of warships and weaponry carried on aircraft. Noteworthy is the fact that both the Soviet Union and the United States are stepping up their deployment of nuclear attack forces in the Asian-Pacific region in a big way. Since 1977, the Soviet Union has deployed 171 SS-20 IRBM's and more than 100 Backfire long-range strategic bombers in Asia, while the United States has continuously renovated its deployment of interceptor aircraft carrying nuclear weapons on its forefront bases in the West Pacific and aircraft carriers, and equipped its attack warships with Tomahawk cruise missiles. All its B-52D bombers stationed on Guam have been replaced by G-type bombers carrying SRAM's.

3. ACTIVELY BEEFING UP OVERSEAS BASES BUILDUP, DOING THEIR UTMOST TO CONTROL IMPORTANT SEA-LANES. The Asian-Pacific region has a vast sea area, and maritime traffic here is very important. Sea warfare will be the major form in future war. Therefore, control over important sea-lanes, some bottlenecks in particular, is of vital importance to both the Soviet Union and the United States. In order to seize control over the sea, both the Soviet Union and the United States have beefed up their overseas bases in a big way.

The Soviet Union has in recent years further expanded its military installations at such bases as Cam Ranh Bay, Danang and Kompong Som. Besides, a naval task force, a number of long-range reconnaisance planes and patrol planes are permanently stationed at Cam Ranh Bay and some TW-16 medium-range bombers and MIG fighters are also stationed there. This is of great significance to improving the Soviet position in the West Pacific and strengthening its control over such important sea-lanes as the strait of Malacca and Bashi Channel. The United States has also further completed and perfected its overseas base system. It has in recent years opened or reopened some large-type naval and air installations in Japan, South Korea, and Thailand, as well as on Saipan and Tinian, while continuously expanding the original bases. Besides, both sides have often conducted naval exercises in the West Pacific, with the seizure of maritime control as their chief target, and other military exercises are constant. The recent Team Spirit-86 military exercise held between the United States and South Korea involved a force of 200,000 men.

4. CLOSELY COOPERATING WITH EACH ALLY, IMPROVING EACH STRATEGIC POTENTIAL. Soviet military deployment in the Asian-Pacific region is limited by its geographical conditions, its outlet to the sea in particular, which is beyond its control. The U.S. mainland is far from the West Pacific, and the battleline is overextended. Therefore, both sides need the support of each of their allies in their military contention in the Asian-Pacific region, and each has been trying to sabotage the relations of the other with its allies. The Soviet Union continues to strengthen its strategic linkage with Vietnam, giving it a huge volume of military and economic aid and supporting Vietnam in its aggressive war in Cambodia; in return, the Soviet Union has permanent use of the naval and air bases in the Indochinese region. Besides, the Soviet Union has actively unfolded its "peace offensive," sabotaging U.S. military cooperation with Japan, South Korea, Australia, and New Zealand, doing its best to disintegrate the anti-Soviet forces in the Asian-Pacific region. On the other hand, the United States has actively pursued a strategy of forming alliances with many countries, while further strengthening its "defense partnership" with Japan and South Korea. The United States attaches great importance to developing cooperation with the ASEAN and various South Pacific nations, doing its best to form many defensive lines to stonewall the Soviet expansion to the south.

The trend of both the Soviet Union and the United States to increase their military strength in the Asian-Pacific region will continue. However, attaching importance to the Asian-Pacific region does not mean that the strategic focus of the Soviet Union and the United States will undergo important changes. For a considerably long period from now on, Europe will remain the focus of Soviet-U.S. contention, and the Asian-Pacific region will be in a secondary position compared with Europe.

Looking at the present conditions, the Soviet-U.S. military contention in the Asian-Pacific region is generally balanced in strength, with the United States having slightly the upper hand. This situation will remain unchanged in the short term. Soviet ground forces have outstripped the United States, while U.S. naval and air forces are comparatively mightier. The Soviets have improved their strategic potentials since their use of Vietnamese bases. However, their outlet to the high seas is still greatly restricted. The United States has further improved its strategic cooperation with Japan and South Korea and strengthened its stonewall against the Soviet Union. With the exception of Vietnam, the Soviet Union lacks powerful, reliable alliances, while the United States has a great number of alliances. Besides, both sides have some other weak points and unfavorable factors. Therefore, it is rather difficult for the Soviet Union to change its present unfavorable situation; nor is the United States capable of changing the present situation in the near future and gaining greater superiority over the Soviet Union. And the peace-loving nations and peoples of the Asian-Pacific region are a tremendous force in checking the superpowers creating trouble in this region.

HU YAOBANG DISCUSSES SINO-AMERICAN RELATIONS

OW230802 Beijing XINHUA in English 0753 GMT 23 Apr 86

[Text] Beijing, April 23 (XINHUA) -- Chinese Communist Party leader Hu Yaobang said here today that China wishes for a long-term friendship with the United States. Hu, who is general secretary of the Chinese Communist Party Central Committee, said this at a meeting with Selig S. Harrison, a senior research fellow of the Carnegie Endowment for International Peace, here this morning.

Hu told Harrison that the development of the Sino-U.S. friendship has shown that it benefits both countries. To develop this friendship, he said, is not only in keeping with the fundamental interests of the two peoples both at present and in the future, but also conducive to world peace and stability. He said that there are no serious problems in the Sino-U.S. relations except the Taiwan issue. He hoped that the U.S.Government will adopt a far-sighted policy in this regard and make efforts to promote friendly relations between the two countries.

Hu praised Harrison for his contributions to the development of the Sino-U.S. friendship, and talked with him on the Sino-U.S. relations and some international issues for over an hour. Harrison arrived here on April 12 at the invitation of the Chinese Academy of Social Sciences.

U.S. PRESIDENT SPEAKS OF SUMMIT WITH GORBACHEV

OW221052 Beijing XINHUA in English 1036 GMT 22 Apr 86

[Text] Washington, April 21 (XINHUA) -- U.S. President Ronald Reagan said today although Soviet leader Mikhail Gorbachev is angry over the recent U.S. raids on Libya, he made no indication that he would cancel the U.S.-Soviet summit this year. In an interview with the ASSOCIATED PRESS and other three news agencies at the White House, Reagan said, "I thought even in these somewhat angry statements that he's made recently he, however, indicated that -- or made no indication that he was planning any change away from the summit. I thought he kind of indicated, in the most recent remarks, that he was expecting to be meeting in a summit." Reagan and Gorbachev agreed to hold their second summit in Washington this year when they met in Geneva last November. However, the two sides have failed to set a date so far for the summit.

After the recent U.S. bombing raids on Libya, the Soviet Union decided to cancel the planned meeting in May between U.S. Secretary of State George Shultz and Soviet Foreign Minister Eduard Shevardnadze. The Soviet cancellation of the meeting, which is to make preparation for the summit, has cast doubt on whether the second summit could be held this year. Asked to comment on the Soviet cancellation, Reagan said, "Frankly, I don't understand it because he himself has recently made statements about the evils of terrorism, and I would hate to think that he's being rather selective in it, that he's only opposed to terrorism if certain people are doing it but not if others are doing it."

Gorbachev said Sunday in Potsdam, Democratic Germany, that he is willing to meet Reagan this year providing the United States quits "poisoning the atmosphere." "If the United States recognizes that it is necessary to follow the path of detente, the Soviet Union is ready to do so," the Soviet leader declared.

U.S. PRESIDENT INTERVIEWED ON TOKYO SUMMIT

OW221118 Beijing XINHUA in English 1104 GMT 22 Apr 86

[Text] Washington, April 21 (XINHUA) -- President Ronald Reagan today said he expects to discuss ways to stabilize world currencies with leaders of six other industrial countries next week at the Tokyo economic summit. In an interview with wire services reporters, Reagan said, "I think very definitely there will be a discussion of monetary policy and is there something that we can do to stabilize it and quit having this volatility and ups and downs." Reagan, who had strongly advocated floating exchange rates and was often heard speaking about the merits of a high dollar, said early this year in his State of the Union address that he was asking Treasury Secretary James Baker to study the possibility of calling an international conference on stabilizing the exchange rates of the world's currencies.

Earlier this month, Baker suggested the idea at the meetings of the International Monetary Fund (IMF) and the World Bank here in Washington, but his Japanese and German counterparts didn't seem ready for it. Later, even Baker admitted that the necessary conditions for such a conference weren't present, and the caucus of industrial countries, the group of ten, dismissed the idea.

The Japanese and Germans have reservations about whether or not the exchange rates at the levels the U.S. prefers are in their interests.

Reagan also talked about the dollar's fall against the Japanese yen. He said the dollar "has been one of the great problems" for the United States because it has created huge trade deficits. He welcomed the yen's devaluation [as received] and he admitted that the present yen-dollar exchange rate is the highest since World War II.

The yen's value will also be a topic at next month's summit of the seven industrial countries -- the United States, France, Federal Germany, Britain, Italy, Canada and Japan. The high yen is now causing political trouble for Japanese Prime Minister Yasuhiro Nakasone and Finance Minister Noboru Takeshita because small and medium-sized industries, a very powerful force in Japan's political arena, are complaining about reduced orders. Takeshita was reportedly telling Baker that his popularity in Japan's "has sunk." Baker answered, "I'm sure your popularity will rise again if you boost Japan's domestic demand."

The current speculation is that Nakasone will again promise Reagan that he will do something to change the Japanese people's lifestyles and boost domestic consumption, while Reagan will be persuaded not to push for further appreciation of the yen.

U.S. CONDUCTS THIRD NUCLEAR TEST IN MONTH

OW230332 Beijing XINHUA in English 0248 GMT 23 Apr 86

[Text] Washington, April 22 (XINHUA) -- A major U.S. nuclear weapons test was conducted at the Nevada test site today, according to local press reports from Las Vegas. This was the third announced U.S. nuclear test in a month. The blast had an explosive power of 150 thousand tons of TNT, the reports said. The blast measured 5.3 on the National Earthquake Information Center in Boulder, Colorado. The explosion was reportedly used to demonstrate corrtex, a device measuring the force of nuclear tests. President Ronald Reagan had invited Soviet scientists to the Nevada test site to observe the system, but the Soviet Union gave no response.

ARKHIPOV COMMENTS TO IZVESTIYA ON PRC VISIT

OW211134 Beijing XINHUA Domestic Service in Chinese 1752 GMT 19 Apr 86

[Text] Moscow, 19 Apr (XINHUA) — Arkhipov, first deputy chairman of the Soviet Council of Ministers, told an IZVESTIYA reporter that his visit to China not long ago gave him "abundant impressions." Last month Arkhipov led a delegation to Beijing to attend the first meeting of the Sino-Soviet Economic, Trade, and Scientific and Technological Cooperation Committee. The Soviet Union's IZVESTIYA today published his talk to the paper's reporter.

Arkhipov said: At present, China's "economic life is lively," "a number of industrial enterprises are being built or remodeled," and "the industrial growth rate in a number of industrial districts is very fast." Arkhipov said that he was "doubly interested" in his visit to China and in talking with representatives enterprises and urban and rural residents because he had worked in China for a long time in the 1950s. He said he believed that Soviet-Chinese scientific and technological cooperation "has great potential" and the scope of this cooperation "will no doubt be expanded." Arkhipov said finally: The development of the economic, trade, and scientific and technological cooperation between the two countries "conforms to the long-term fundamental interests of the people of the two countries."

XINHUA NOTES GORBACHEV 21 APR STATEMENT ON SUMMIT

OW211956 Beijing XINHUA in English 1945 GMT 21 Apr 86

[Text] Berlin, April 21 (XINHUA) -- Soviet leader Mikhail Gorbachev today expressed his willingness to hold a summit meeting with U.S. President Ronald Reagan and called for the "simultaneous disbanding" of the Warsaw Pact and NATO military alliances.

"We are ready for a Soviet-American meeting so long as the appropriate international a atmosphere is created, and real disarmament steps are possible," the Soviet leader told workers at a machine factory here. Gorbachev said the dissolution of the rival pacts could begin with their military organizations. His speech, translated into German, was carried on state television this afternoon. According to the television report, Gorbachev said, "The course of political dialogue and search for solutions acceptable to both sides are supported by all Soviet citizens."

SHEVARDHADZE SAYS RESUMING TALKS DEPENDS ON U.S.

OW230646 Beijing XINHUA in English 0635 GMT 23 Apr 86

[Text] Moscow, April 22 (XINHUA) -- The Soviet Foreign Minister Eduard Shevardnadze today again accused the United States of "seriously complicating the possibility of improving Soviet-U.S. relations," and, he added, this has occurred even more intensely since preparations for a second summit began. "In Washington there are forces which would like to destroy the signs of a thaw in Soviet-U.S. relations and do away with the 'Spirit of Geneva'. Their influence has been felt in recent U.S. policy and the events in Libya have been part of this policy," he said. Shevardnadze made the accustion at a celebration here marking the 116th anniversary of Lenin's birth.

Noting that the Soviet Union had ceased nuclear tests for more than eight months and is "not in hurry to resume them", the Soviet minister "once again" urged U.S. leaders to "listen to the voice of reason." "If they do not do this," he warned, "Then they will assume grave responsibility before the world." He stressed that the Soviet Union is able to meet any military challenge including those in space. "But this won't be our choice.

"We are convinced that not only we ourselves but also all the other nations do not need it." he added. Shevardnadze also said that the USSR is ready for constructive dialogue with all countries, including the United States. "We are for carrying on the process started in Geneva." But, he noted, "the creation of conditions necessary for resuming direct dialogue at a high level now depends on the U.S. administration."

PRC, U.S., USSR ARMS POLICIES REVIEWED

OWL82329 Beijing in Russian to the USSR 1800 GMT 15 Apr 86

[The "International Affairs" program]

[Text] Dear Soviet radio listeners: On such a vitally important question for mankind as disarmament, China, the Soviet Union and the United States have proposed that the nuclear arsenals of the latter two be decreased by 50 percent in the first stage of disarmament. Our listeners may be interested by the question: Does this indicate a unity of position in the three countries on the issue of disarmament? What are the differences between these proposals? Today, we shall devote our "International Affairs" program to this question.

First, let us take a look at China's proposal. The proposal to reduce nuclear arsenals by 50 percent was first made by the Chinese Government in 1982, at the second special session of the UN General Assembly on questions of disarmament. Because no progress had been made in the disarmament sphere since the first special UN General Assembly session, the cause of peace throughout the world was faced with an increasingly serious threat. The PRC delegation, on behalf of the Chinese Government, proposed major measures for immediately ending the arms race and achieving disarmament. One of the proposed measures demands that the Soviet Union and the United States end the testing, perfecting, and production of nuclear arms, and decrease all types of nuclear weapons by 50 percent, including the means of delivery. In elucidating this measure, the Chinese delegation noted that this would be the first concrete step at this stage in implementing the aim of complete liquidation of all nuclear stockpiles. In 1983, at the 38th Session of the UN General Assembly, China elucidated the matter further, and said the following points were envisaged: That the Soviet Union and the United States end tests, improvements, and production of nuclear arms first, and decrease all kinds of nuclear arms at their disposal and the means for their delivery by 50 percent of the world's nuclear warheads, and is feasible for practically preventing the qualitative escalation of the arms race. At the same time, the PRC Government continuously announced that China has an insignificant number of nuclear arms exclusively for defense purposes. It will never be first to use nuclear ewapons, will not proliferate them to other countries, and will not deploy them in foreign countries. China is always ready to undertake obligations in the field of disarmament after the United States and the Soviet Union undertake obligations in the field of nuclear disarmament. The Chinese Government's position and proposals on the disarmament issue have met with positive reaction at and outside sessions of the UN General Assembly. Various countries' delegations highly praised China's proposals, and found that they have fully shown the sincerity of the Chinese Government in restraining the arms race. Let us consider the Soviet and U.S. proposals for reducing nuclear arsenals by 50 percent.

It has to be said that similar figures hide great differences, which can be reduced to the following: First, the Soviet proposal for reducing strategic nuclear weapons by 50 percent is conditioned on a ban on the development, testing, and deployment of space weapons. The United States thinks that its purpose is to force the United States to give up the SDI, and has therefore categorically rejected it. At the same time, the U.S. counterproposal links nuclear disarmament with a reduction in conventional arms, and disarmament is linked with the settlement of regional conflicts, and for this reason it is opposed by the Soviet Union. Secondly, by offering to reduce nuclear arsenals by 50 percent and retaining 6,000 nuclear warheads, the Soviet Union is thinking of nuclear weapons capable of reaching the territory of the other country. Thus, Soviet intermediate-range missiles of the SS-20 type, which cannot reach U.S. territory, should not be included in the list of weapons subject to reduction. U.S. Pershing-2 and the cruise missiles deployed in Western Europe can reach the territory of the Soviet Union, and therefore qualify for the list of weapons subject to reduction. It has to be noted that the United States came out against this. As to what type of weapons belongs to the list of strategic weapons and how the nuclear warheads must be counted, each side offers versions favoring itself. Concerning the problem of intermediate range weapons, the United States, in its counter-proposal, also did not agree to the additional conditions on the reduction of Soviet intermediate-range missiles in Asia and on freezing the nuclear forces of Britain and France, as outlined in the Soviet Union's proposal on the destruction, during the first stage of disarmament, of Soviet and U.S. intermediate-range missiles in Europe. The United States in its turn offered to reduce, by the end of 1989, all intermediate-range missiles to nil, and that includes missiles deployed both in Europe and in Asia. There are great differences between the United States and the USSR in the field of reduction of land-based ICBM missiles, strategic missiles carried in submarines and bombers, as well as in limiting the improvement in the quality of nuclear weapons. In a word, each side continues to try to preserve its superiority over the other and eliminate the other's superiority.

As to the Chinese proposal, it is very explicit and clear, to reduce, by 50 percent, all types of nuclear arms and their delivery systems. The scale of such disarmament is not limited by reduction, as advocated by the Soviet Union, of nuclear arms reaching each other's territory, or a reduction in strategic nuclear weapons as the United States insists. The Chinese proposal does not contain vague phrases or complicated counting. In addition, it is easy to implement and verify. These are the differences between the proposals of the three countries. The basic principles of the Chinese Government in the disarmament issue, and the measures it has undertaken in this connection, were outlined in accordance with the domestic and foreign policy of China and the vital interests of the people of the entire world. At the "Chinese People are for Peace in the Entire World" meeting, held in Beijing on 21 March, Premier Zhao Ziyang once more outlined the basic positions and the views of the Chinese Government on the disarmament issue, and particularly stressed that the United States and the Soviet Union must be the first to stop testing, production, and deployment of all types of nuclear arms, considerably reduce and destroy various types of nuclear arms deployed in various parts of their countries and abroad. After this, Zhao Ziyang stated, it will be necessary to convene a broadly representative international conference, with the participation of all states possessing nuclear arms, in order to discuss steps for a mutual reduction and complete destruction of nuclear arms. The Chinese Government proposal on the issue of nuclear disarmament shows the correct way to achieve genuine disarmament. The two superpowers, possessing 95 percent of the world's nuclear arsenals, must carry out businesslike talks, undertake serious obligations, and be the first to carry out radical nuclear disarmament, thus laying the foundation for the ultimate imposition of a complete ban and final destruction of nuclear arms.

CHINESE LEADERS MEET WITH JAPAN'S FUKUDA

Deng on Army Reduction

OW231004 Beijing XINHUA in English 0951 GMT 23 Apr 86

[Text] Beijing, April 23 (XINHUA) -- Deng Xiaoping, chairman of the Communist Party Central Advisory Commission, said today that China wanted disarmament, while the superpowers were responsible for the arms race. Speaking at a meeting here with former Japanese Prime Minister Takeo Fukuda, Deng said that China had been a supporter of disarmament for many years. "In early 1985, we declared a cut of one million of our troops, and this is expected to be completed towards the end of this year," he said. "This will mean a one-million reduction within two years. We base our actions on the following observation -- the international situation is still tense, but the forces for world peace are growing stronger. We regard conferences concerning disarmament as conferences for peace."

Deng said China had changed its view that war was unavoidable. "Judging from the trend ofof the development of the international situation, we can say peace can be won, but only through a lot of effort," he said. Noting that there were two vital global issues -- war and peace and North-South dialogue, Deng said it seemed a solution might be found for the former, but that there were no practical proposals for the latter.

Referring to China's domestic affairs, Deng said the next five years were very important, and would decide the success or failure of China's economic reforms. "Our road of reform is correct, and this is the road we must take. We have no other way out, but whether we can make it a success or not depends on our capability," Deng said. "I believe we will be successful." Deng told Fukuda that China's population control was in line with the country's vital interests. China was striving to hold its population to 1.2 billion by the end of the century. He said that certain people abroad who opposed China's family-planning policy were secretly hoping that China would stay poor for ever. Birth control measures were helping China to develop more rapidly.

Fukuda, who is now president of the Japanese Parliamentarian Forum on International Population Problems, said world population problems were very serious. The world population was now five billion. If each year, the population increased by 90 million, the planet would have about six billion inhabitants by the end of the century. The world economy would not be able to recover properly if birth control was not being practised and the arms race not halted, Fukuda said. Afterwards, Wu Xueqian, state councillor and minister of foreign affairs, gave a luncheon in honor of the Japanese visitor.

Deng Professes 'Good Health'

OW230921 Tokyo KYODO in English 0817 GMT 23 Apr 86

[Text] Beijing, April 23 KYODO -- Chinese leader Deng Xiaoping Wednesday met former Japanese Prime Minister Takeo Fukuda at the Great Hall of the People and said he has no health problem. Fukuda, here to promote popular Japanese actor-singer Ryotaro Sugi among Chinese, is the first Japanese to meet Deng this year.

Deng told Fukuda he has some hearing difficulties and asked an interpreter to repeat what Fukuda said over and over again. But Deng in an apparent display of his good health, smoked one cigarette after another and said: "Smoking is a key to my good health."

Fukuda is visiting China with Sugi who donated some 100 million yen to a Chinese youth education fund.

Hu Yaobang Welcomes Criticisms

OW220016 Beijing XINHUA Domestic Service in Chinese 1640 GMT 22 Apr 86

[By reporter Yu Jiafu]

[Text] Beijing, 22 Apr (XINHUA) -- At a meeting with former Japanese Prime Minister Takeo Fukuda and celebrated actor Ryotaro Sugi this afternoon at Zhongnanhai, Hu Yaobang, general secretary of the CPC Central Committee, said: We welcome foreign friends' frank criticisms of the work of our country in all fields. Hu Yaobang said to the guests: Recently Yoshiro Hayashi, secretary-general of the Japan-China Friendly Parliamentarians League criticized China's service trade at a meeting of Japanese and Chinese nongovernment figures. On his visit to China last September, Mr Yoshiro Hayashi ordered a Tang-style, tricolored, glazed ceramic horse to be given as a gift to Mr Kuakei Tanaka. In December the article arrived in Japan, but when he opened the package, he found that the horse had no tail. He wrote to the supplier, asking that the missing tail be mailed to him, but what he later received was a goat horn. This was exactly what the saying describes: "A goat horn is not the same as a horse tail."

Hu Yaobang said he deeply appreciated Mr Yoshiro Hayashi's remark that "daring to speak bluntly is for the good of a true friend and will enable China to develop still more fully." He added, "A true friend should speak bluntly. Here I wish to say one more thing: If you are to be long-term friends, you must pay attention to your trustworthiness."

Takeo Fukuda said: Trustworthiness is the foundation of everything. Trustworthiness should be given attention between friends. This is also the case between countries. Otherwise it would be impossible to establish good relations. Takeo Fukuda is an honorary advisor to a goodwill visiting group headed by Ryotaro Sugi currently touring our country. In Shanghai, Nanjing, and Beijing, Ryotaro Sugi gave many performances, which were well received by the Chinese audience. He also donated money to set up a "youth-training fund" for China's young people. Hu Yaobang thanked Takeo Fukuda and Ryotaro Sugi for their contributions to the development of friendship between the Chinese and Japanese peoples.

After their short conversations, Hu Yaobang took a stroll on the bank of Zhongnanhai Hu along with the Japanese friends, namely Takeo Fukuda, Ryotaro Sugi, and other leaders of the visiting group, including Tokuma Utsunomiya, Masatoshi Wakabayashi, Masao Shimizu, and (?Kawata) Hiroya. Hu Yaobang said: Every morning and evening I stroll here. I take 10,000 steps a day. "How many steps have you taken today," asked Fukuda. Holding up his coat, Hu Yaobang pointed to a step counter attached to his belt and said: Up to now I have taken 6,000 steps.

He told Fukuda that he recently made a trip to the Taihang Shan area, and it was only the day before yesterday that he returned from that trip. He said: Many new houses have appeared in that area, and the local people's living standards have improved. Of course, their living standards cannot match yours.

Fukuda said: I visited China in 1981. The changes you have made in these years are by no means small. My feeling is that China's color is much brighter now than in the past. Then, they bypassed Yingtai and came to Yingxun Pavilion. In this small pavilion surrounded by water on three sides, Hu Yaobang and Wang Zhaoguo discussed with the guests matters concerning cultural exchanges between the two countries.

Offer To Host Meeting

OW231113 Tokyo KYODO in English 1107 GMT 23 Apr 86

[Text] Beijing, April 23 KYODO -- China is offering to host the next annual session of a group of former world leaders called the Interaction Council in Beijing, former Japanese Prime Minister Takeo Fukuda said here Wednesday. Communist Party General Secretary Hu Yaobang made the offer during a meeting Tuesday with Fukuda, who is one of leaders of the council. Fukuda told reporters he will convey the Chinese offer to other members of the council, which is chaired by former West German Chancellor Helmut Schmidt.

Thirty retired leaders from 26 countries met in Tokyo and the sea resort of Hakone April 7-10 for the fourth general meeting of the council. They issued a statement calling on the leaders of the United States and the Soviet Union to continue their dialogue. China's former foreign minister Huang Hua attended the session as an observer. Fukuda arrived in China Tuesday on a two-day visit.

Wang Zhaoguo Fetes Visitors

OW222029 Beijing XINHUA in English 2016 GMT 22 Apr 86

[Text] Beijing, April 22 (XINHUA) -- A banquet was given here today for the Japanese good-will delegation led by actor Ryotaro Sugi. In his toast, Wang Zhaoguo, member of the Secretariat of the Communist Party Central Committee, called the "successful" visit by Ryotaro Sugi the result of common efforts of both old and new generations of the two countries. Ryotaro Sugi replied that he will come to China every year and make every effort to promote the Sino-Japanese friendship.

WANG ZHAOGUO MEETS JAPANESE WRITER

OW221208 Beijing XINHUA in English 1155 GMT 22 Apr 86

[Text] Beijing, April 22 (XINHUA) -- Wang Zhaoguo, member of the secretariat of the Chinese Communist Party Central Committee, met with a delegation from the Japan-China Cultural Exchange Association led by its chairman Inoue Yasushi here earlier today. The 79-year-old Yasushi is a well-known Japanese writer. Wang, also China's chief representative on the 21st Century Committee for China-Japan Friendship, praised him and other Japanese friends for their contributions to the promotion of the China-Japan friendship and cultural exchanges. Wang also extended his congratulations to Yasushi on his winning an honorary doctorate degree of philosophy by Beijing University and on the 30th anniversary of the founding of the Japan-China Cultural Exchange Association. Yasushi presented Wang with his book "Standing by a River", the theme of which is China's rivers.

GU MU ON TRADE ISSUE WITH JAPANESE VISITORS

OW221234 Beijing XINHUA in English 1211 GMT 22 Apr 86

[Text] Beijing, April 22 (XINHUA) -- Chinese State Councillor Gu Mu said here today that China and Japan should exchange views in order to reach a consensus for solving problems in their economic cooperation, trade, technology transfer and establishment of joint-venture enterprises. Such an exchange of views should be conducted with a view to a solution of existing problems and long-term development, he added.

The state councillor made these remarks at a meeting with a delegation from the Japanese Committee for Economic Development led by Gohei Kogure, director of the committee's China department and president of Dentsu Incorporated. The state councillor said that the overall development of Sino-Japanese friendly cooperation is satisfactory. However, he said, Sino-Japanese trade has shown an imbalance in the past two years. "If China continues to suffer a deficit, it will be harmful to trade between the two countries," he added. To solve this problem, he said, China should upgrade the quality of its export products, eliminate inadequacies and open up new fields for cooperation. However, China slso hopes that Japan will take a positive attitude and adopt effective measures in this regard, he said.

As for establishing joing-venture enterprises, the state councillor said, Japanese friends, who had some misgivings a few years ago, began to change their attitude last year. As a result, rapid progress has been made in this field. He also pointed out that the growth of technology transfer lags behind that of Sino-Japanese trade. He expressed the belief that, despite these problems, the Japanese Government, industrialists and businessmen will consider the problems with a view to long-term development.

Kogure said that the development of Sino-Japanese economic relations is very important from a long-term point of view. His committee is now studying proper measures for the long-term development of economic relations between the two countries. He said that his delegation will discuss with Chinese scholars three questions: How to correct the imbalance in Japan-China trade, how to promote joint ventures between the two countries and how to carry out technology transfer effectively.

PRC TO SEND LARGE TRADING DELEGATION TO JAPAN

HK220820 Beijing CHINA DAILY in English 22 Apr 86 p 2

[By staff reporter Chen Zhisong]

[Text] China is to send a big trading delegation to Tokyo this summer, a spokesman for the China Council for the Promotion of International Trade told CHINA DAILY.

China Export Commodities Fair, to be held in Tokyo from July 28 to August 10, will be showing such Chinese export products as foodstuffs, cereal oil, light industrial goods, textiles, silk, local specialisties, chemicals, hardwares, minerals, arts and crafts. The fair is being organized by the council and other departments from both countries. The 280-member delegation, representing 103 Chinese companies from 24 provinces and municipalities, will also hold trade talks with Japanese partners. "We aim to promote sales and export of Chinese products in Japan and to strengthen Sino-Japanese trading co-operation," the spokesman said.

Japan is China's largest trading partner. Trade volume between the two countries was $16.44 billion last year, up 29 percent over 1984, according to China's Ministry of Foreign Economic Relations and Trade. But China has recorded large deficits in its import-export trade with Japan for several years. Figures from customs show that China saw an $845 million deficit in such trade for the first two months this year. For the 1985 financial year it was $5,22 billion, 3.2 billion more than in 1984.

XINHUA FOLLOWS JAPANESE YEN'S CONTINUED RISE

OW221854 Beijing XINHUA in English 1839 GMT 22 Apr 86

[Text] Tokyo, April 22 (XINHUA) -- Despite the intervention of the Bank of Japan, the Japanese yen kept soaring today on the Tokyo foreign currency market and closed at 169.35 against the U.S. dollar as financiers predicted it would continue to rise to as high as 160. This is the first time that the yen has broken the 170 barrier. At one point during the day it jumped to 168.60, the highest of all time. Analysts said the continuous appreciation of the yen against the dollar was due to speculation that the Bank of Japan would again lower its official discount rate.

Following last week's U.S. discount rate cut of half a point, Japan followed suit by the same margin in an attempt to invigorate its domestic economy. The concerted cuts have acted against the two countries' original aim to avoid fluctuations on foreign currency markets. Instead, the cuts triggered the yen's surge. Recent gains by the Japanese currency also resulted from efforts by the group of five industrial countries -- the U.S., Britain, France, Federal Germany and Japan -- to weaken the U.S. dollar.

The United States has reportedly welcomed the recent rise in the yen's appreciation because it will ease its huge trade deficit with Japan, a record 49.7 billion U.S. dollars in 1985. The rising yen constitutes a serious blow to Japan since Japanese goods abroad will now cost more. In an emergency cabinet meeting today, Prime Minister Yasuhiro Nakasone expressed his concern over the "erratic rise of the yen" calling on the United States and other major European countries to make joint efforts to check its rise.

DPRK MINISTER VIEWS ECONOMIC COOPERATION

OW220940 Beijing XINHUA in English 0925 GMT 22 Apr 86

[Text] Pyongyang, April 22 (XINHUA) -- Vice Minister of External Economic Affairs Chon Il-chun has stressed closer economic ties with other countries, saying it is "disadvantageous" to the country to rely entirely on domestic resources and economy. He made the statement in an article published in the latest issue of "KULLOJA" magazine. He said that the economic and technical cooperation and exchange with other socialist countries are becoming more and more brisk for the last two years. In the preceding year, he recalled, Korea reached long-term agreements with the Soviet Union and other socialist countries for a big increase in the volumes of trade.

Premier Kacg Song-sam signed with a high-ranking Soviet Official last December contracts on economic and technical cooperation between the two countries and on Soviet assistance in the project of building a nuclear power station in Korea.

On South-South cooperation, Chon said that Korea has so far helped 30 developing countries in nearly 70 projects and has sent more than 5,000 technologists abroad. Talking on joint ventures, the vice-minister said that since the law of joint ventures was promulgated, active measures have been taken to encourage foreign investment in the country. The vice-minister gave emphasis on expanding production, promoting joint projects and importing high technology.

Observers here regarded Chon's remarks as a summary of the implementation of the resolution on South-South cooperation and external trade, adopted at the fourth session of the Supreme People's Congress of Korea two years ago.

PYONGYANG'S ENERGY POLICY REMAINS UNCHANGED

OW181120 Beijing XINHUA in English 0738 GMT 18 Apr 86

[Text] Pyongyang, April 18 (XINHUA) -- Korea remains unchanged in its energy policy to save crude oil and substitute locally-produced fuel for imported oil despite the declining oil prices on the world market. Korea, a non-oil producer, is still going ahead with its effort to look for oil resources, but no oil fields have been found so far. Therefore, in recent years the country has been trying hard to use home produced fuel such as coke-oven gas in place of imported oil. It is estimated that Korea imports about three million tons of oil yearly. Major oil suppliers to Korea are China, the Soviet Union and some Middle East nations.

DPRK CONDEMNS WEINBERGER'S VISIT TO S. KOREA

OW070744 Beijing XINHUA in English 0729 GMT 7 Apr 86

[Text] Pyongyang, April 7 (XINHUA) -- The recent trip to South Korea by U.S. Defense Secretary Caspar Weinberger was an attempt to further intensify the situation on the Korean peninsula and a threat to peace in Asia and the world as a whole, a statement issued by the Foreign Ministry said here today. The two-day visit, the statement said, was also a challenge to the Korean people crazying [as received] for peaceful reunification of the fatherland.

During his stay, Weinberger attended the 18th annual Security Consultative Meeting held by the United States and South Korea. A joint communique issued at the meeting believed that the United States will continue to station and increase its forces in South Korea to deal with a possible "military provocation" from the North side before the 24th Olympic Games. Such action, the statement pointed out, indicates that what the United States has done on the peninsula is not to ease tensions and remove distrust and misunderstanding between the North and South sides but consciously intensify the military confrontation and tensions between them.

The United States must stop its war schemes in South Korea and withdraw its troops and nuclear weapons from there as quickly as possible, the statement said, adding that this is the only way to solve the Korean problem and maintain its peace.

The trip to South Korea is the first leg of his two-week Asian tour. He left Seoul for Japan on April 3. He is now on a visit to the Philippines. The tour will also take him to Thailand and Australia.

DPRK FOREIGN MINISTER CALLS FOR REUNIFICATION

OW190316 Beijing XINHUA in English 0216 GMT 19 Apr 86

[Text] New Delhi, April 18 (XINHUA) -- Kim Yong-nam, foreign minister of Korea (DPRK), stated here today that the DPRK government would seek a reunification of the Korean peninsula by means of peaceful talks rather than war. Addressing the ministerial meeting of nonaligned countries, Kim Yong-nam said that the Korean problem was one of international urgency that required "an immediate solution." Kim recalled the DPRK Government's sincere efforts last year in an attempt to achieve a break through in Korea's North-South talks.

Kim said this year, too, that Democratic Korea had already taken steps including suspending of all military exercises during the North-South dialogues, "in order to ease tensions and remove the danger of a war on the Korean peninsula."

Meanwhile, for the purpose of turning the Korean peninsula and Northeast Asia into "a nuclear free, peace zone," he strongly demanded the United States pull out all of its nuclear weapons, nuclear facilities and military bases and troops.

DPRK PROTESTS 'REPEATED INVASIONS' OF U.S. JETS

OW182225 Beijing XINHUA in English 1856 GMT 18 Apr 86

[Text] Pyongyang, April 18 (XINHUA) -- The Democratic People's Republic of Korea today protested against repeated invasions of its air space by U.S. SR-71 reconnaissance planes, which have aggravated the tension in the peninsula. The Korean central TV station reported that today's invasion occurred in the air space over the country's Kosong County. Fifteen such invasions were reported in the past month. The intrusions coincided with the frequent visits by U.S. military officers to South Korea to discuss "security problems," the report noted.

CONSTITUTIONAL REVISION DRIVE GROWS IN S. KOREA

OW171308 Beijing XINHUA in English 1234 GMT 17 Apr 86

["Roundup: Signature Movement for Constitutional Changes Gets Stronger in South Korea" -- XINHUA headline]

[Text] Pyongyang, April 17 (XINHUA) -- The New Korea Democratic Party (NKDP), the largest opposition in South Korea, is pooling all efforts to bring about a constitutional revision through what it calls the mass signature movement. The campaign, launched in February, is aimed at collecting 10 million signatures to press the government for a new constitution to replace the present electoral system with a direct, popular presidential vote.

According to reports from Seoul, the NKDP has decided to step up the campaign and get one million signatures by the end of the month, one-tenth of the planned figure. The party has organized a number of rallies in Seoul and other major cities, such as Pusan, Kwangju and Taegu, to show public support for constitutional changes. Similar gatherings are scheduled during the next few weeks in Inchon and Masan to gear the movement toward all of South Korea. The party also will open a branch office in Taejon later this week.

Meanwhile, the opposition campaign for constitutional revision to allow direct presidential elections and greater democracy is winning support from more religious leaders, students and professors. Some 300 ministers and evangelists issued a statement Wednesday, supporting demands that the six-year-old constitution, authored in accordance with martial law, should be rewritten before the end of the year.

In Kwangju, more than 40 professors at Chonnam University declared they will side with the opposition in demanding a new electoral system. Democratization is the only way to avoid further political crisis, they said in a statement.

The recently formed 300-member student organization for democracy, which mainly comprises students from six universities in Seoul, stressed a declaration it will fight for "a national democratic government through joint sturggle of workers and students."

So far, the South Korean authorities and the ruling Democratic Justice Party (DJP) have adopted a wait-and-see attitude toward the signature campaign. The government lack of a harsh stance, as some observers put it, can only be interpreted as a sign of worry over a stronger political unrest that can pose a direct threat to the Chon Tu-hwan regime. The government, however, has expressed its determination that it will not allow the campaign to go too far. The DJP, at a recent meeting, accused the movement organizers of "stirring up mass rebellion" by recruiting anti-government participants. It also decided to rely on lobbying tactics as a countermeasure to the signature campaign.

S. KOREAN OPPOSITION HOLDS RALLY IN TAEJON

OW192231 Beijing XINHUA in English 2006 GMT 19 Apr 86

[Text] Pyongyang, April 19 (XINHUA) -- Over 30,000 people today attended a rally for constitutional revision held by the main opposition New Korea Democratic Party (NKDP) in Taejon, South Korea's fourth largest city, according to reports received here.

The NKDP announced at the rally the establishement of a Taejon branch of a campaign to collect 10 million signatures on a petition demanding changes in the existing "constitution" and direct ejection of a "president." The Taejon branch is the fifth of its kind following those already set up in Seoul Pusan, Kwangju and Taegu. The rally coincided with the recent student activities to mark the 26 anniversary of the student uprising that took place on April 19, 1960, which played an important role in toppling the then South Korean regime led by Yi Sung-man (Syngman Rhee).

Some 2,000 college students today rallied and demonstrated before the graveyard of martyrs of the April 19 uprising, calling for an end of the dictatorship in South Korea. Many workers signed their names on the petition for constitutional revision at the graveyard.

Kim Yong-san, standing advisor of the NKDP and one of the co-chairmen of the Council for Promotion of Democracy, told reporters at the graveyard that he will appeal to the people to prevent the reoccurrence of the 1960 coup d'etat that benefitted from the uprising.

Kim Tae-chung, the other co-chairman of the council, told foreign correspondents recently that the opposition has held the sway in South Korea and that political developments will come to an important point around the spring of 1987, when the opposition will complete preparations for the direct election of a "president." If the authorities refuse to revise the "constitution" before 1988, the opposition will boycott the presidential election and struggle against the "government," Kim warned.

The South Korean authorities insist that no constitutional changes will be considered before 1989.

SOUTH KOREAN STUDENTS MARK 1960 UPRISING

OW182113 Beijing XINHUA in English 1843 GMT 18 Apr 86

[Text] Pyongyang, April 18 (XINHUA) -- More than 15,000 students at Koryo University in Seoul staged a large-scale anti-government demonstration today to mark the 26th anniversary of the student uprising that took place on April 19, 1960, according to a report from the KOREAN CENTRAL NEWS AGENCY. The 1960 uprising reportedly played an important role in toppling the then South Korean authorities led by Yi Song-man (Syngman Rhee).

Today's demonstration, the report said, followed a marathon race to observe the anniversary. The demonstrators shouted, "Down with military dictatorship", "U.S., withdraw nuclear weapons (from South Korea)" and other slogans as they marched through the streets toward a cemetery in northeastern Seoul in which 180 people who died in the April 19, 1960 uprising are buried.

Meanwhile, students of other universities including Songgyun-gwan in Seoul as well as 14 universities outside the city staged similar demonstrations, during which they also clashed with the police.

SOUTH KOREA'S CHON UK VISIT PROTESTED

OW100927 Beijing XINHUA in English 0646 GMT 10 Apr 86

[Text] London, April 9 (XINHUA) -- Britain's Korea Friendship Committee is protesting South Korean leader Chon Tu-hwan's visit to Britain, accusing him of abusing democracy and human rights. In a statement, the organization described Chon's regime as "unpopular and dictatorial" and accused him of suppressing South Korean students and purging his political opponents. Members of the organization picketed Downing Street for about one hour this evening, distributing leaflets opposing the South Korean dictator's stay in Britain.

Chon, who arrived here April 7 for a four-day visit to Britain, has discussed bilateral trade and next month's summit in Japan with British Prime Minister Margaret Thatcher.

South Korea's annual trade is about six billion U.S. dollars with the European Economic Community. Britain is South Korea's second largest European trading partner and its seventh largest world-wide. After his visit to Britain, Chon will go to Federal Germany, France and Belgium.

RENMIN RIBAO ON PARTY STYLE IN RECTIFICATION

HK230131 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 22 Apr 86 p 2

[Commentator's article: "Grasp Seriously and Earnestly for 2 Years"]

[Text] More than 3 months have elapsed since the meeting of the 8,000 officials of the central organs. With regard to party rectification in the central organs and Beijing Municipality, this has been a period of work conducted in a down-to-earth manner. Both the central organs and Beijing Municipality have started dealing with specific cases, handled seriously a number of important and major cases, and made public some typical cases. In accordance with the circular of the General Offices of the CPC Central Committee and State Council, all departments and units have made comparisons, examinations, and corrected their unhealthy tendencies in six respects. In order to perfect the rules and regulations and enforce discipline, the CPC Central Committee and State Council have promulgated a series of decisions and stipulations on making proper use of personnel, sending delegations or groups abroad, and receiving foreign guests. Influenced by the central organs, all provinces, municipalities, and autonomous regions have also worked out plans for party rectification and gone into action. The masses say: "With great determination, the CPC Central Committee has chosen the correct path and has seized the matter firmly," "Now we can see real, tough, and practical moves." The people have enhanced their confidence in the turn for the better in party style. We should say that a new breakthrough has been made in party rectification work and the situation is developing in a favorable direction.

Practice over the past 3 months or so has proved the following: So long as we deal sternly with cases, they can be properly handled. Naturally, the work of the past 3 months or so is just a good beginning. We should not overestimate the success. The unprecedented destruction of the party's fine tradition during the decade-long internal turmoil, the corruption of the party's body by the pernicious influence of feudalism, and the invasion of decadent bourgeois ideas under the conditions of stimulating the domestic economy and opening up to the outside world have determined the protracted nature and arduousness of party rectification. To this end, the CPC Central Committee has put forward the principle of being resolute and making sustained efforts. The principle for the near future is to grasp seriously and earnestly for 2 years.

Why seriously and earnestly? Generally speaking, there are the following two requirements: First, handle affairs seriously and earnestly according to the actual circumstances of each locality, department, and unit; and second, dare to deal with all problems in light of principles of seeking truth from facts and all people are equal before law and discipline, and handle the cases according to their nature.

In order to be serious and earnest, it is necessary to solve the question of weakness and incompetence. We must adhere to principles and dare to tackle tough problems. No matter who is involved in the cases, we must neither skirt around or evade problems nor use the labels bureaucratism or unhealthy tendencies to absolve certain people from criminal offenses or violations of discipline. Following the meeting of 8,000 officials of the central organs, we have gained successful experiences in party rectification, that is, beginning with investigation and handling of important and major cases. With this good beginning, we have opened up a new phase for party rectification as a whole. We must continue to make unremitting efforts without the slightest degree of relaxation.

Stressing important and major economic cases conforms with reality. Nevertheless, we must never neglect cases that seriously undermine party and government discipline, such as appointing people by favoritism in personnel affairs, substituting rule by man for rule by law in the legal system, and abusing power or irresponsibility in work. As these cases have caused colossal economic and political losses to the state, they should be investigated and handled earnestly.

To correct our party style, we must start with investigating and handling important and major cases. However, investigating and handling important and major cases does not cover the total content of party rectification. While investigating and handling important and major cases, which is the focus of our work, we must do a better job in correcting unhealthy tendencies, particularly the unhealthy tendencies among leading organs and chief leading cadres. In accordance with the different circumstances of various fronts, we must further correct party style in connection with the characteristics of each trade and develop our work in depth. Naturally, this work should also start with leading organs and chief leading cadres. Having leading cadres setting an example is better than any other method.

The purpose of dealing with important and major cases and correcting party style is to further implement the economic policy of opening up to the outside world and stimulating the domestic economy, push the reform of the economic structure forward, and promote the development of China's socialist modernization program. We must never at a single moment neglect this point. We must take note of drawing clear lines of demarcation in applying a policy. We must take special note of differentiating between mistakes made in exploration or due to imperfect rules and measures or lack of experience and the unhealthy tendencies practiced by exploiting the advantages of reform so as to protect the enthusiasm of cadres and masses. Moreover, we must avoid the practice of forcing everyone to make a self-criticism to pass the test. Regarding the common mistakes made by cadres, we must conduct education and heighten their awareness. As to matters of vital interest to the masses, we must adopt a prudent policy and handle them with great care.

Compared with 3 months ago, our efforts to correct party style have won the confidence of the masses. However, the people want to make a further observation. This is understandable. Indeed, we should have a sense of urgency in correcting party style. Whether investigating and handling important and major cases or correcting unhealthy tendencies, we must grasp the work firmly without leaving any loose ends. However, what we want are practical results rather than ways to placate the higher authorities and the masses. Therefore, we must never try to vie with one another in figures, progress, and momentum because that method is neither serious nor earnest. If we apply the usual practice of launching a mass movement to the current party rectification, it will only make a mess of everything. This method must be avoided. The responsibility of a leading cadre is not to indulge in empty talk. Similarly, he should not be addicted to making statements and declaring his position in the course of correcting party style. We must continue to make unremitting efforts and use practical action and results to manifest our party's determination and further enhance the confidence of the masses.

HU QILI ON PROBLEMS IN SOCIAL PSYCHOLOGY, REFORM

HK180901 Beijing ZHONGGUO XINWEN SHE in Chinese 0714 GMT 17 Apr 86

[Text] Beijing, 17 Apr (ZHONGGUO XINWEN SHE) -- A senior CPC official said: There is now a strange phenomenon in China. Whenever reform is mentioned, everybody expresses support without reservation and nobody raises an objection.

However, when concrete reform measures are taken, some people become anxious and worried; and they may even get alarmed at, and make much fuss over, the problems appearing in the course of reform, and become doubtful about reform. Why is there such a phenomenon? There are many reasons. The party style problem is a major reason. Some cadres, especially some leading cadres, have definitely abused their power by taking graft and bribes and engaging in other malpractices. This has aroused the resentment of the masses. In my view, however, there is also an issue of correctly understanding the characteristics and regularity of the reforms.

On 23 March, Hu Qili, member of the CPC Central Political Bureau and Secretary of the CPC Central Secretariat, made a speech to CPC members among the people's deputies who were attending the NPC session and the members of the CPPCC National Committee. The full text of this speech is published in the latest issue of HONGQI magazine.

Hu Qili said: In general, reforms in the past few years have promoted the development of production and have enabled urban and rural people to increase their incomes and improve their livelihood, although there is still something imperfect and ill-coordinated in the concrete reform measures. However, some people are still discontented with the situation. Their attitude can be described with this saying: "Holding up the bowl to eat meat, and putting down the chopsticks to shout abuses." They are apt to lose their temper and become very bitchy. This gives a contradictory impression: On the one hand, people all acknowledge that the present situation is good; on the other hand, they are querulous and some people even have an indefinable feeling of anger.

Hu Qili said that now we are changing a closed or semi-closed condition to an unprecedented open condition inside and toward the outside, superseding a long-standing natural economy with a planned commodity economy, and replacing the old system with a new system. These extensive and profound changes will certainly produce repercussions in our state political life, economic life, and all aspects of social life, and will deeply affect people's values, mentalities, and lifestyle to an unprecedented degree. So it is natural that people may have different views and opinions and may make various comments on the reform measures. This is a historical phenomenon which cannot be avoided.

In order to ensure the smooth development of reform, Hu Qili said, it is necessary to make economic, theoretical, and even mental and psychological preparations.

When talking about the psychological preparations, he said: Reform will inevitably lead to a readjustment of the powers and interests of various social strata and will touch various interest relations. Reform will eventually pave the way for China's rapid development and will bring real benefit to all people in China. However, this ultimate objective of reform cannot be achieved in one single move. In the reform process, not every reform step will immediately bring actual benefit to every member of the community. On the contrary, sometimes, the partial and individual interests may have to be sacrificed for the sake of the overall interests, and the immediate interests may have to be sacrificed for the sake of the long-term interests. In order to advance the reforms smoothly, we should actively guide the masses to adapt their mentalities to the reforms and raise their psychological ability so that the masses can better understand, support, and take an active part in reform.

He said: If we can, through making further efforts, bring about a better economic situation as well as a better political and sociopsychological environment, we will be able to advance the reforms in greater strides next year.

WANG MENG'S COLLECTED ESSAYS PUBLISHED

HK181056 Beijing GUANGMING RIBAO in Chinese 10 Apr 86 p 3

[Report by Feng Chuan: "Wang Meng's 'Literary Creation Is a Kind of Combustion' Published"]

[Text] Wang Meng's collected essays, entitled "Literary Creation Is a Kind of Combustion" has been published by People's Literature Publishing House. The book contains 40 theoretical articles written by the author, first carried in the press between early 1983 and early 1985. The book covers a wide range of topics, such as the general characteristics of socialist literature, the mission and responsibility of literature and art at the present stage, views on the criteria for, and attitude toward, literary criticism, principles and policies on literature and art, including the principle of "letting a hundred flowers bloom, letting a hundred schools of thought contend," and an evaluation of the recent situation in literature creation, literature and art theory, and literary criticism. The book also includes Wang Meng's impressions on the works of such middle-aged and young writers as Jiang Zilong, Lu Wenfu, Li Chunbao, Zhang Xianliang, Wan Anyu, Zhang Chengzhi, Zhang Xinxin, Tie Ning, Hang Ying, Li Hangyu, and Lu Yao. It also includes Wang Meng's self-analysis on the artistic pursuit in his own novels, the concept of literature creation, specifically the novel, and his explorations in the realms of the unity of contradictions between subject and object, between direct perception and ideological differentiation, between microscopic and macroscopic values, between definition and supposition, and between the sense of history and the sense of the times, and also the issues of literary styles and genres, language, and other skills. The book also deals with the author's reflections on how writers should strengthen the accumulation of their own life experiences, and the basic channels to ideological and artistic attainments. Most of the collected essays have the character of informal and impromptu discussions, and the style is lively. A summary of Wang Meng's life, literary and social activities is included at the end of the book in question and answer form.

WANG HANBIN EXPLAINS PRINCIPLES OF CIVIL CODE

OW180043 Beijing XINHUA Domestic Service in Chinese 0116 GMT 16 Apr 86

[Text] Beijing, 16 Apr (XINHUA) -- Explanation on "General Principles of Civil Code (Draft)" made at the fourth session of the Sixth National People's Congress on 2 April 1986 by Wang Hanbin, secretary general of the NPC Standing Committee and Chairman of the Legislative Affairs Commission.

Deputies: The civil code is one of the basic laws of the nation. To formulate the civil code is a major event in establishing the legal system of the state. It is of great significance in protecting the legitimate rights and interests of the citizens and legal persons, meeting the needs to carry out reforms, open the country to the outside world and invigorate the domestic economy, strengthening control over the economy with legal measures, and safeguarding the smooth development of the socialist modernization program.

During the 1950's, the NPC Standing Committee began to draft the civil code. In 1979, the Legal Affairs Commission specially organized a group to draft the civil code and it completed the fourth draft of the civil code in 1982.

Because the civil code is a complex law concerning many things, our reforms in economic structure have just begun and we still lack experience in this regard, and some of the conditions for the formulation of a complete civil code are not yet ripe, we have dealt with some of the most needed or well-considered portions of the code and formulated some special laws. Over the past several years, we have drawn up some civil laws or laws that serve to readjust civil relations, such as the law on economic contracts, the law on economic contracts with foreign countries, the patent law, the trademark law, the marriage law, the inheritance law, and so on. However, some of the issues of common nature in the civil activities such as the legal status of citizens and legal person, the civil legal acts, civil representatives, and the time limitation still lack legal definitions. At the same time, civil disputes, particularly economic disputes, rapidly increased over the past few years. There is a pressing need to set up some standards that all of us can follow so that we can conform to them in carrying out civil activities and apply them in readjusting civil relations. Summing up our experience and practice in formulating the relevant special laws, in reforming the economic structure, opening the country to the outside world, in handling civil and economic disputes in the people's courts, and in reviewing China's usual customs in handling civil relations, we have already been able to make some legal provisions in dealing with those issues of a common nature about which we are not so clear. We think: The General Principles of Civil Code are no yet the Civil Code. The draft civil code can make stipulations about some well-considered issues that we are sure we can tackle. It can skip those which are not well-considered and those which we are not so sure that we can tackle.

On the basis of this principle, the Legal Affairs Commission, together with Supreme People's Court and some legal experts, has repeatedly conducted investigations and study and drawn up the draft general principle of civil code on the basis of the fourth draft of the civil code after extensively soliciting opinions of legal experts, relevant departments under the central authorities, various local departments, and legal institutions and research units. It submitted the draft General Principles of Civil Code to the 13th Session of the NPC Standing COmmittee for preliminary deliberation in November 1985. After the session, the Law Committee and the Legal Affairs Commission held a discussion meeting which was attended by more than 180 people including experts on civil law in the country, some responsible cadres of various civil courts and couets that handle economic cases under the people's courts at all levels as well as responsible comrades of the standing committees of the people's congresses of various provinces, autonomus regions, and municipalities directly under the central government. They also invited experts on economic law in Beijing to attend a forum and once again distributed the draft civil code in printing form to the various departments concerned under the central authorities, standing committees of the people's congresses of various provinces, autonomous regions, and municipalities directly under the central government as well as law professors and students to solicit their opinions. They revised and supplemented many provisions of the draft civil code on the basis of the opinions put forward by members of the NPC Standing Committee after their preliminary examination of the draft civil code.

The 15th Session of the NPC Standing Committee has examined the General Principles of Civil Code (draft) and decided to submit it to the Fourth Session of the Sixth NPC for further examination and approval. Now, allow me to explain the main content and questions of the draft as follows:

1. The Basic Principles and Limits of Readjustment of the General Principles of Civil Code

1) the civil code reflects the social and economic relations and the norms of the civil code express in reform of law the conditions of economic life in the society. The civil code of our country is a socialist civil code serving the socialist base. The articles of the General Principles of Civil Code should embody socialist principles and stipulate the common norms for civil activities in consideration of China realities and the new situation, problems and experience of reform, opening to the outside world, and invigorating the economy. They should also show certain distinct features of China's socialist economic, including planned commodity economy, development of lateral economic ties, greater decision-making power for state enterprises, individual or collective contractual business undertakings on the basis of socialist public ownership economy, and individual sectors of economy as a necessary supplement to the socialist public ownership economy. Therefore, the General Principles of Civil Code should show these distinct features in its articles dealing with citizens, legal persons, ownership, right of contractual business undertakings, civil responsibilities, and civil rights, so that it is a socialist civil code with Chinese characteristics.

(2) The draft stipulates that the civil code serves to readjust the property relation and personal relations between equal parties, such as between citizens, between legal persons, or between a citizen and a legal person. This stipulation embodies two basic principles of the civil code. First, a very big portion of the civil code expresses in the form of law the relations of commodity economy. The parties concerned in commodity exchange are equal in status and rights. Therefore, the equality in legal status of the parties concerned in civil relations is a basic principles of the civil code. Second, the civil code mainly serves to readjust the property relations between equal parties, namely, lateral property and economic relations. The economic management by the government, and the vertical economic relations or administrative relations between the state and enterprises, or between the higher and lower levels within an enterprise are mainly subject to readjustment by relevant economic laws and administrative laws, not by the civil code, because they are not the economic relation between equal parties.

(3) The civil code also serves to readjust personal relations within the limits of civil affairs. Although a citizen's right to prevent others from slandering his reputation, to prevent others from using his portraits for commercial purpose without his permission, and to life and health, and a legal person's right to exclusive use of its title and right to prevent others from slandering its reputation are protected by the criminal law, it should also be protected by the civil code.

(4) Civil rights and obligations are the core of civil relations. The General Principles of Civil Code should stipulate the basic principles of civil activities, the parties to civil rights, the contents of civil rights and obligations, acquisition and exercise of civil rights, protection of civil rights, and civil responsibilties.

2. Legal Person

A legal person, like a natural person, is a party to civil rights.

It is an organization that has civil rights and civil conduct competence and, according to law, is independently entitled to civil rights and bound by civil obligations. The 3d Plenary Session of the 12th CPC Central Committee decided that we should turn state enterprises into "legal persons with certain rights and obligations." To institute a system of legal persons is of importance to reform of the economic structure and to opening to the outside world. The draft puts forward that a legal person should meet the following four requirements: First, it must be set up according to law. In other words, enterprises, institutions, and mass organizations which are to be set up must be in conformity with the law and legally permissible. Second, it must have the necessary property or funds. Seperate provisions may be formulated to govern the exact amount of funds that enterprises are required to have. Third, it must have its name, organization, and site. Fourth, it must be able to shoulder civil responsibilities independently. Those so-called companies or centers that do not have the necessary properties and organizations and speculate to reap staggering profits are not qualified to be legal persons. They should be banned according to law, if necessary.

The foundation of China's socialist economic system is socialist public ownership of the means of production; that is, public ownership and collective ownership by the working masses. Economy based on individual workers in urban and rural areas is a necessary supplement to socialist economy of public ownership. Legal persons refer mainly to state and collectively owned enterprises; as for the legal status, rights, obligations, and duties of urban and rural self-employed workers in civil activities, the stipulations governing individual citizens in these regards are applicable to them. In addition, Chinese-foreign joint ventures, Chinese-foreign cooperative enterprises, and foreign capital enterprises established on Chinese territory meeting the requirements of legal persons may be granted the status of Chinese bodies after they are approved by responsible althorities and registered with the registration departments for legal persons.

In assuming civil liabilities, such as debts, by legal persons state enterprises cannot dispose of their assets totally independently, because these are publicly owned; but they must assume such civil liabilities by themselves. For this reason, the draft provides that these enterprises assume their civil liabilities, with all the assets assigned them by the state for operation and management, and that the state shall not assume civil liabilities other than those assumed by such legal persons. The legal persons in collectively-owned enterprises shall assume their civil liabilities with all their assets.

The draft also stipulates that, if legal persons are engaged in illegal business activities beyond the business scope approved by the registration departments, or if they attempt to withhold facts from registration and tax departments to illegally transfer funds, conceal assets, or evade liabilities, or if they engage in illegal activities infringing on the interests of the state and the public, in addition to civil liabilities which must be assumed by these enterprises, representatives of legal persons involved may also be subject to administrative disciplinary action, and, if criminal offenses are committed, they will be investigated for criminal liability. This is necessary to prevent illegal business activities and unhealthy business practices and to safeguard our socialist economic order.

In addition to legal persons, the draft also stipulates that all organs, public service units, and mass organizations meeting the requirements or legal persons in civil activities may also be granted the status of a legal person, and are eligible to enjoy civil rights and should assume civil obligations.

In order to give impetus to the healthy development of lateral cooperation among enterprises and between enterprises and public service units, the draft provides the following provisions:

First, economic establishments jointly set up by enterprises, or by enterprises and public service units assuming civil liabilities themselves and meeting the requirements of legal persons, will be granted the status of a legal person with approval from industrial and commercial administration departments. Second, joint venture liabilities established among enterprises or between enterprises and public service units not meeting the requirements of a legal person should be assumed by the partners of the joint ventures in proportion to the percentage of shares they have in them, or in accordance with agreements signed among them, with the assets respectively possessed or controlled by these partners. Those with joint liabilities, obtained legally or by agreement, should assume such joint liabilities. Third, the rights and obligations of joint ventures established among enterprises or between enterprises and public service units, independently managed by partners of the joint ventures according to agreements signed among them, shall be specified in the agreements. Civil liabilities of these joint ventures shall be assumed by individual joint ventures.

Because development of lateral cooperation of various forms among enterprises and between enterprises and public service units is in progress, the draft only specifies certain principles. Provisions have not been made for the time being for those problems of which we are not currently certain, so that room will be available for the development of lateral cooperation among enterprises and between enterprises and public service units.

3. Regarding Individual Tradesmen and Craftsmen, Contract Producers and Sellers in the Countryside, and Partners

There are over 10 million households containing individual tradesmen and craftsmen throughout the country, and there are huge numbers of contract producers and sellers in the countryside who are engaged in commodity production and selling. To safeguard their legitimate rights and interests and clearly define their economic responsibility in order to promote their sound development, the draft stipulates: First, the legitimate rights and interests of individual tradesmen and craftsmen and the contract producers and sellers in the countryside are protected by law. Second, the debt of individual tradesmen and craftsmen and contract producers and sellers in the countryside shall be repaid from the property of the individual or family, whichever is running the business.

Along with the economic development, many individual laborers enter in to partnerships to run a business with partners jointly managing and using their property, jointly running their business, jointly working, and sharing income and responsibility. Now, the internal and external responsibilities of such individual partnerships are quite unclear and economic disputes among them abound. For this reason, the draft stipulates: First, partners should have a written agreement on such things as the amount of money to be invested, sharing of profits, responsibility for debt, entrance to and withdrawal from partnership, and break up of partnership. Second, debts of the partnership shall be borne by partners according to the ratios of their investments or according to the clauses of their agreement.

However, unless otherwise covered by law, partners shall bear related responsibilities and a partner whose repayment for the partnership's debts exceeds his due share has the right to demand compensation from other partners. There are individuals' partnerships that have developed into organizations smacking of collective economy. As the situation in this aspect is more complex and is still developing, the draft has not made any stipulations.

4. Regarding Acts in Civil Law

In order that citizens and corporate bodies have common principles to follow in their civil activities, that they avoid and reduce civil disputes, and that speculators' availing themselves of legal loopholes may be prevented, the draft stipulates: First, all parties are equal before the law, and they go by the principle of voluntariness. This is different from the administrative superior-subordinate relationship. Second, the principle of fairness, equal-value consideration, honesty, and trustworthiness must be observed. An act in civil law is legally binding at the outset. Third, the law and social public morals must be abided by and the public interests of society must not be harmed. At present, bribery, bribe-taking, and other illegal means have been reported in both domestic foreign economic activities. There have been reports of abusing power for personal gain. These all cause losses to the state and collectives. Therefore, the draft stipulates: Civil acts are null and void if they violate the law and the public interests of the society and, in malicious collusion, harm the interests of the state, collectives, or others. Fourth, the state economic plan shall not be undermined, the social economic order shall not be disrupted. Economic contracts shall not conflict with the state's directive planning.

As the commodity economy develops, agent-commissioning is becoming very common. Often, the procedure for commissioning is chaotic, with rights and responsibilities not clearly defined. Problems about unauthorized agents frequently arise. The draft contains pertinent stipulations on these problems. It also lists civil responsibilities the agent and the consigner should bear under various circumstances.

5. Regarding Civil Rights

The civil rights of a citizen and a legal person mainly include property proprietary right; creditor's rights; intellectual property rights such as copyright, patent right, and trade mark right; and trade mark right; and personal rights. The draft stipulates: The legitimate rights and interests of a citizen and a legal person are protected by law and nobody and no organization shall violate them.

The property proprietary right is the most important of the civil rights. The draft stresses the protection of public-owned property and that owned by collectives, and seizure or destruction of this property by an organization or an individual is prohibited. At the same time, the draft stipulates protection of a citizen's legitimate property and prohibition against seizure, destruction, or unlawful closure, distraint, freeze, and confiscation of this property by any organization or individual.

Management and utilization rights are important rights of property closely related to, but can be properly separated from, ownership. Based on the experience in our economic structural reform, the draft provides the following stipulations: First, state enterprises have the right to manage the property given by the state, and such right should be protected by law. Second, state-run establishments, as well as collectively owned units, may utilize state-owned land, forests, mountains, grasslands, undeveloped land, beaches, and water surface according to law, and their utilization and profit rights should be protected by the state.

Third, individuals and collectives may contract the management of land, forests, mountains, grasslands, undeveloped land, beaches, and water surface owned by collectives, or by the state but used by collectives, according to law, and their right to contract the management should be protected by the state. There are no provisions in the draft concerning town and township enterprises contracted by citizens or concerning small state enterprises by collectives or citizens, which will be stipulated in other relevant economic laws. Fourth, state-run establishments, collectively owned units, and citizens may extract state-owned mineral resources according to law, and their legitimate mining right should be protected by the state. Fifth, in view of new developments in rural reforms, as well as the three-level ownership by the commune, the production brigade, and the production team, with the production team as the basic accounting unit, which existed in rural areas over a long time, the draft stipulates that collectively-owned land in rural areas that legally belongs to the peasants of a village should be managed and supervised by village peasants' economic associations such as the village agricultural production cooperative or by the village committee; and that land that already belongs to township (town) peasants' economic associations may be owned collectively by the peasants of the township (town).

The draft stipulates that authorship (copyright), patent, trademark, discovery, and invention rights of citizens and legal persons should be protected by law, and nobody is allowed to infringe on such rights with plagiarism, imitation, or other forms. Such stipulations are essential for flourishing China's science, technology, and other cultural undertakings and introducing advanced science and technology from abroad.

6. Civil Responsibilities

In order to effectively guarantee the civil rights of citizens and legal persons, the draft stipulates that citizens and legal persons who have mistakenly damaged socialist public property, encroached upon other people's property or personal rights, violated a contract, or failed to repay debts, should undertake civil responsibilities. In general, we follow the principle of holding one responsible for one's mistake; that is, undertaking the civil responsibility for the commission of a mistake. However, the draft also stipulates the civil responsibility for behavior that does not constitute a mistake.

The following stipulations in the draft are especially for civil responsibilities: First, government institutions and functionaries should shoulder civil responsibility for the damage done to the legitimate rights and interests of citizens and legal persons in the course of performing their duty. This principle, already stipulated in the constitution, is intended not only to protect the legitimate rights and interests of citizens and legal persons, but also to help government institutions and functionaries improve their work, correct unhealthy tendencies, and eliminate bureaucracy. Second, manufacturers and sellers of a product that has damaged other people's property or caused personal injury because of its substandard quality should shoulder the civil responsibility according to law. Should the responsibility lie on transporters and storage-keepers of the product, the manufacturers and sellers have the right to demand compensation for the losses from them. Such provisions can help protect the interests of consumers and improve product quality. Third, a party that has failed to fulfill the contract because of reasons decided by higher authorities should still compensate the other party for the losses according to the terms stipulated in the contract, or should adopt other reasonable remedial measures and then request higher authorities concerned to take care of the losses.

7. Application of the Law in Civil Relations Involving Foreigners

Due to China's growing exchanges with foreign countries and increasing civil disputes involving foreigners as a result of the implementation of the policy of opening to the outside world, we are facing a pressing need to adopt a law for handling civil and economic lawsuits involving foreigners. The draft summarizes China's practical experience in handling such disputes and uses international laws and regulations as reference in the following aspects: First, when stipulations in the international treaties signed or participated in by the PRC vary from those in its civil laws, the former will be applicable, except for articles and sections for which the PRC has declared its reservation. When stipulations are not found in both the PRC laws and international treaties signed or participated in by the PRC, international practice may be followed. Second, Chinese laws will be applied to civil activities involving foreigners within PRC territory, except for those otherwise stipulated in the law. Third, the parties in an economic contract involving foreigners may jointly choose the law applicable to the contract, except for that otherwise stipulated in other Chinese laws. For examples, Chinese laws are applicable to fulfillment of contracts involving Sino-foreign joint ventures, Chinese and foreign cooperated enterprises, and Chinese and foreign cooperation in prospecting and developing natural resources. Fourth, application of foreign laws or international practice according to the stipulations in the General Principles of Civil Code should not run counter to the public interests of te PRC. All these stipulations are conducive to opening to the outside world as well as safeguarding China's sovereignty and interests.

8. Formulation of Regulations or Provisions in Making Adaptations in National Autonomous Areas

In view of different customs, habits, and conditions of the minority nationalities, the draft stipulates that people's congresses in the autonomous regions inhabited by minority nationalities may formulate separate flexible or supplementary rules or regulations on the basis of the spirit of the General Principles of Civil Code and in the light of the special characteristics of local nationalities.

Please examine the General Principles of Civil Code (draft) and the above explanation and determine if they are adequate.

RENMIN RIBAO COMMENTARY HAILS CIVIL CODE

HK220657 Beijing RENMIN RIBAO in Chinese 17 Apr 86 p 2

[Commentator's article: "An Important Step Toward the Strengthening of the Legal System"]

[Text] The "General Principles of the Civil Code of the PRC" adopted by the Fourth session of the Sixth NPC is a basic law that guides the civil actions of citizens and legal persons in our country. The promulgation of this law represents a major step forward our country has taken along the course of building a sound legal system.

Since the 3d Plenary Session of the 11th CPC Central Committee, with the in-depth development of reform and opening up, civil actions in our country have become more common, and the number of civil cases has increased sharply. A sound civil code is urgently needed to guide the handling of these civil actions and cases. However, as our country is still undergoing changes and development, many civil legal relations are also undergoing changes and development. The conditions for enacting a civil code have not become ripe yet.

The present "civil code general principles" still cannot be regarded as a sound civil code, but it provides some general rules that all civil activities should follow and summarizes the basic content that a civil code should include. This content is not only closely related to all state organs, social organizations, enterprises, and institutions which have the status of legal persons, but is also closely related to every citizen. From the founding to the end of an organization, this is a legal person, and from the birth to the death of a citizen, his civil actions should all be in line with the basic rules specified by the civil code.

According to the legislative principles of our country, the difference between civil law and economic law is: economic law regulates the vertical economic relations and administrative management relations between state organs and enterprises and institutions: but the civil law regulates the lateral property relations and personal relations between citizens, between legal persons, or between citizens and legal persons. The civil law emphasizes the equal position of all litigants in civil actions and emphasizes the principles of voluntary participation, equity, compensation on the basis of equal value, honesty, and goodwill. In all civil activities, one party cannot impose his own will on the other party, cannot force the other party to sign a contract or to vitiate a contract, cannot employ fraudulent means or predatory means to violate the interests of the other party. The core of the civil law is to specify the civil rights and duties of all citizens and legal persons in a legal form. The "civil code" provides that the property, patent, trade marks, reputation, and all legitimate rights and interests of citizens and legal persons will be protected by the law from being violated by any organizations or individuals. It also provides that citizens and legal persons have the duty to perform their obligations. They should repay their due debts and perform the contracts which they have committed themselves to.

Among all legal sections, civil law and economic law are most closely related to the economic foundation and most directly serve the economic foundation. The "civil code" of our country provides that state property is inviolable and no civil activities can disrupt state economic plans and the economic order. Embezzling, seizing, or damaging collective property is prohibited. These provisions will effectively protect socialist public ownership and maintain the socialist economic order. The provisions of the "civil code" also protect the legitimate rights and interests of individual industrial and commercial handlers, agricultural contractors, and "individual partnership" businesses, protect the rights of citizens and collectives to undertake contracts and handle businesses, protect the operating rights of the enterprises owned by the whole people, and stipulate the legal person system which will promote the development of lateral economic association between enterprises. Meanwhile, the "civil code" also provides that by passing some legal procedures, Chinese-foreign joint ventures, cooperation enterprises, and enterprises completely owned by foreigners can also achieve legal person status in China, and their civil rights can also be protected by Chinese laws. This embodies the spirit of protecting and promoting reform and the measures for opening up and stimulating the economy. The enforcement of the "civil code" will certainly further consolidate the stability and unity of the country and will promote the development of the two civilizations and the socialist modernization process.

With the promulgation of the "civil code," citizens and legal persons can base their civil activities on the common rules that they all should observe, and the people's courts will have the legal foundation for the handling of civil cases. The "civil code" has relations with the vital interests of all citizens and legal persons, so it should be understood by all citizens and legal persons.

It is hoped that all state organs, social organizations, enterprises, institutions, citizens will seriously study the "civil code" and actively publicize this law so as to convey its spirit to all people and to ensure its effective enforcement.

GUANGMING RIBAO VIEWS NPC, CPPCC CLOSINGS

HK230419 Beijing GUANGMING RIBAO in Chinese 13 Apr 86 p 1

[Editorial: "Persist in Carrying Out Reforms and Struggle for the Fulfillment of the Seventh 5-Year Plan -- Greeting the Successful Conclusion of the Fourth Session of the Sixth NPC and the Fourth Session of the Sixth CPPCC National Committee"]

[Text] Through 19 days of hard work, the Fourth Session of the Sixth NPC successfully completed its agenda and closed yesterday. And the Fourth Session of the Sixth CPPCC which was held concurrently also triumphantly concluded the day before yesterday. With a serious, responsible, sincere, and straightforward attitude, all the NPC deputies and CPPCC members attending the two conferences raised many valuable opinions and important suggestions on persistence in carrying out the reforms thoroughly, strengthening the legal system, and examining and implementing the Seventh 5-Year Plan, thus bringing into full play the functions of the NPC as the supreme state organ of power and the roles of CPPCC in political consultation about the democratic supervision of state affairs. We would like to extend happy greetings to the success of the two conferences.

The Seventh 5-Year Plan examined and approved by the NPC session is both a progressive and a realistic plan. The key to realizing this magnificent plan lies in persisting in putting reform first. During the Seventh 5-Year Plan period, one of the fundamental tasks for every locality, department, and enterprise is to further create a good economic and social environment for reform. Reform is an arduous and complex cause which cannot be accomplished overnight and once and for all. Both the elimination of an old system and the establishment and perfection of a new system require a gradual process. During this transitional process, there must be many conditions and issues as well as shortcomings and mistakes. Nevertheless, the ongoing reform has already stimulated the economy, developed the productive forces, and improved the people's livelihood, thereby opening unprecendentedly flourishing prospects for the political situation and economic construction in our country. This is the essence and primary direction of things and a sign that reform is in conformity with the trend of historical development and possesses great vitality. Reform represents the fundamental interests of all the Chinese people. We must have a clear understanding of this and should not waver in our confidence and determination to persist in carrying out reforms.

One of the distinctive characteristics of the Seventh 5-Year Plan is attaching importance to scientific and technological development, so as to base the growth of our country's economy on the advance of science and technology. During the Seventh 5-Year Plan period, many important issues in the economic construction in our country all have to be resolved by relying on making breakthroughs in science and technology.

In order to develop science and technology, first, it is necessary to carry out the "spark" plan well to vigorously develop, popularize, and promote scientific and technological achievements which can produce good and fast results and help the vast numbers of enterprises, including township and town enterprises, step up technological progress and closely integrate science and technology with production; and second, it is necessary to combine all the financial, material, and human resources to tackle key scientific and technological problems, strive to master the most advanced new technology in the world, and strengthen applied and basic research, so as to create conditions for shifting the national economy onto a new technological basis. The vast numbers of scientific and technological workers should make contributions to meeting the new requirements, made by economic construction, on science and technology.

Scientific and technological advances, as well as the four modernizations drive, cannot be separated from the training of talented people and the development of education; and paying attention to education is our long-term strategy. The NPC session approached the question of energetically popularizing elementary education from the high plane of national legislation; and the "law of compulsory education" followed by the people in the whole country. This fully shows that the state attaches great importance to the training of talented people and the development of education and will surely further promote the popularization of elementary education and raise the spiritual and cultural quality of the whole nation. Governments and the administrative educational departments at all levels should seriously study, implement, and carry out the "law of compulsory education." The vast numbers of teachers should all the more become models in propagating and implementing the "law of compulsory education" and do their bit to popularize elementary education and increase the cultural and educational levels of youth.

The "general principles of civil code" adopted by the NPC is one of the basic laws of our country and another sign that the legal system in our country is becoming more and more perfect. The "law on wholly-owned foreign enterprises" passed by the session is an important law to strengthen economic cooperation between our country and foreign capital as well as another reflection that the policy of opening up to the outside world upheld by our country will not change for a long time to come. The peoples of all nationalities in the whole country should seriously study these above-mentioned laws. In particular, the vast numbers of intellectuals should take a good lead in studying them sell, strengthen their sense of the legal system, and actively exercise the sacred rights and fulfill the glorious obligations given by law to every citizen.

The Fourth Session of the Sixth NPC and the Fourth Session of the Sixth CPPCC National Committee have set forth the objectives for which we should strive in the next 5 years; and the Seventh 5-Year Plan has drawn an inspiring perspective for us. At present, the task confronting the people of the whole country is to realize the Seventh 5-Year Plan. Under the leadership of the party, let us unite, persist in carrying out reforms, and strive for the successful fulfillment of the Seventh 5-Year Plan.

COMMENTARY VIEWS FOREIGN-OWNED ENTERPRISES LAW

HK220725 Beijing RENMIN RIBAO in Chinese 18 Apr 86 p 2

[Commentator's article: "The Purpose Is To Attract and Encourage Foreign Capital"]

[Text] The "PRC law on enterprises operated exclusively with foreign capital" approved by the Fourth Session of the Sixth NPC embodies the spirit of firmly carrying out the policy of opening up to the outside world in line with the relevant provisions of the Constitution, and the main purpose of this law is to quicken the pace of attracting foreign investment and to encourage more foreign businessmen to run more foreign-owned enterprises in China.

Since 1979, direct investment made by foreigners in China has increased sharply. Especially in 1985, the value of investment agreements totaled $5.85 billion, marking an increase of 127.7 percent over the previous year. In general, however, our work of using foreign capital is still in the initial stage, and we have not introduced much advanced foreign technology. Some overseas investors are still taking a wait-and-see attitude. In view of this situation, the law on foreign-owned enterprises emphasizes full guarantees for the legitimate rights and interests of foreign investors. The promulgation of the law on foreign-owned enterprises provides a legal foundation for the operation of these enterprises and for the management of the relevant domestic departments. This will remove the misgivings of the overseas investors and will increase their confidence in making investments in China.

When pursuing the policy of opening up to the outside world, our country will proceed from the basic principle of mutual benefit and adopt various forms and ways to make use of foreign funds, introduce advanced technology and equipment, and bring in scientific management methods. Our attitude should be positive toward various ways to get access to foreign funds, so long as this will be favorable to our economic development. When weighing advantages and disadvantages, we should focus our attention on our long-term interests, and should ensure the reasonable benefit of the foreign investors and offer them room for selecting investment forms.

Since we began to open up to the outside world, we have continuously and gradually established and perfected a legal system which is related to our foreign economic activities, and this has improved the investment environment in our country. So far, China has enacted nearly 200 laws and regulations concerning the use of foreign funds. The law on foreign-owned enterprises was enacted on the basis of summing up our experience in recent years and absorbing the useful points of foreign practice in this regard. When giving incentives to foreign investors, the law also specifies necessary measures for supervising and managing foreign investment.

Foreigners running enterprises in our country must abide by the laws and regulations of our country. The law on foreign-owned enterprises clearly stipulates that foreign-owned enterprises must keep their accounts in China, must conduct independent accounting and submit their balance sheets and accounts to the Chinese authorities for scrutiny, and must subject themselves to the supervision of China's tax department. Tax evasion and other illegal activities are prohibited.

As far as foreign investors are concerned, so long as they abide by the laws and regulations of our country, their business in China will certainly have brighter and broader prospects.

LIAOWANG REVIEWS TASKS OF SEVENTH 5-YEAR PLAN

HK210718 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 14, 7 Apr 86 pp 10-11

[Article by LIAOWANG reporter: "A Review of the Basic Tasks of the Seventh 5-Year Plan"]

[Text] The Fourth Session of the Sixth NPC is now being held in China to examine and approve the draft Seventh 5-Year Plan for national economic and social development which was put forth by the State Council.

This plan covers the period from this year to 1990. Judging from the current reform and the future development, the coming 5 years will be a period of key importance to China.

Grasping Both Reform and Development

First, the 5 years is a period of key importance to China's current reform of the economic structure. This reform was first started in the countryside in 1978 and was then carried out in the cities beginning last year. Although a breakthrough has been made, a new trail been blazed, and marked and acknowledged achievements have been obtained in the reform, taking the reform of the entire economic structure as a whole, it is still in an initial stage. In the next 5 years, systematic and comprehensive reforms of the planning system, the price system, the financial system, the banking system, and the wage and labor system will continue to be carried out under the guidance of the general policy of enlivening the domestic economy and opening up to the outside world, so as to attain the goal of invigorating the enterprises, perfecting the market system, and improving the method of state management of enterprises. Therefore, on the question of the economic structure, the 5 years will be a period of turning from the old pattern characterized by overconcentration and rigidity to a new one, characterized by making a better use of the law of value and market mechanism and invigorating the economic development. The most complicated and most arduous tasks for the reform of the economic structure will be accomplished during this period, or at least a foundation will be laid and a framework established. Just like a boat sailing against the current, the reform must forge ahead or it will be driven back. Therefore, whether China's reform of the economic structure will develop successfully depends on the coming 5 years, which is of key importance.

Second, this 5 years is also a period of key importance to China's strategy for economic development. China plans to quadruply its total industrial and agricultural output value on the 1980 basis and make its per capita national income reach about $800, or reach the level of a relatively comfortable standard of living, by the end of this century. This is the first target. The second target is to make China one of the most advanced countries in the world during the first half of the 21st century. In order to attain the first target two steps are being taken: First, to lay a good foundation and accumulate strength in the first decade from 1981 to 1990 and second, to start a new period of vigorous economic development in the second decade beginning 1991. During the Sixth 5-year Plan, which began in 1981, much work was done to lay a good foundation. However, many arduous tasks for capital construction as well as material, technological, and personnel preparations have yet to be accomplished in the next 5 years. The Seventh 5-year Plan can be likened to the last few steps of run-up in a high jump before taking off, and the desired height is the strategic target for the end of this century.

From this we can see that the Seventh 5-yer Plan occupies a specially important position in the development of history. Therefore, special attention was paid to the drafting of this plan.

As a matter of fact, the CPC Central Committee and the State Council began to draft the plan as early as the beginning of 1984, and after more than 2 years of repeated discussions and consultations, it was submitted to the People's Congress for examination and approval. It may be said that this plan was drawn up with much care and prudence.

Creating Good Environment to Ensure the Development of Reform

Then, what are the basic tasks in this 5-year plan period? There are chiefly the following three: 1) o create a sound environment for the smooth progress of reform of the economic structure; 2) to maintain a continuous and steady economic growth and speed up the construction of key projects, technological transformation, and intellectual development so as to provide the material, technological, and personnel conditions for the development in the future; and 3) to continue to improve the people's livelihood on the basis of developing production.

Now I would like to explain the above-mentioned three tasks separately as follows:

The most important task during the Seventh 5-year Plan is to further carry out the reform of the economic structure in a systematic way. This is because the reform not only has a bearing on the fulfillment of this 5-year plan, but also has a bearing on the long-term economic development and prosperity. In order to ensure the smooth progress of the reform, it is necessary to create a sound economic and social environment for it.

A sound economic environment is mainly characterized by the basic balance between the social supply and demand in general, the balance within state finance, credits, materials, and foreign exchange, and a general balance among them. Without this, the economic life will be put into disorder and further reform will not be possible. Great achievements were made during the Sixth 5-Year Plan. But in the last 2 years, a number of problems have arisen, such as excessive investment in fixed assets and excessive growth rate of production. As a result, the general social demand exceeded the general social supply. In the past, similar or even more serious phenomena also appeared in China's economic construction. For this reason, the Seventh 5-year Plan attaches great attention to this problem. This is great progress in our planning work.

In order to maintain the balance between various sectors, especially the balance between the general social demand and general social supply, the draft Seventh 5-year Plan sets an appropriate scale of investment and economic growth rate.

The draft plan stipulates that the total investment in capital construction of state-owned units in the coming 5 years will be 500 billion yuan while investment in their technological renewal and transformation will be 276 billion yuan, and that in other fields will be 130 billion yuan, which are respectively an increase of 47 and 87 percent over that during the Sixth 5-year Plan. Since there was an excessive investment in capital construction during the later period of the Sixth 5-year Plan, the investment in this field will generally be maintained at the 1985 level in the first 2 years of the Seventh 5-year Plan and then be appropriately increased in the last 3 years. To suit the scale of investment to our national strength is a decisive factor for stabilizing the economy.

With regard to the economic growth rate, the total industrial and agricultural output value will increase by 38 percent in the next 5 years and reach 1,677 billion yuan in 1990, at an average 6.7 percent increase each year. This rate is lower than the average annual growth rate during the Sixth 5-year Plan, which was 11 percent.

But it tallies better with the improvement of the agricultural production conditions, the growth in energy and raw material production, and the development of communications and transportation. It is especially suitable for creating a favorable and relaxed economic environment for the overall reform in the future.

In order to create a sound social environment for the reform, the draft Seventh 5-Year Plan emphasizes the construction of socialist spiritual civilization, strengthening ideological and political work, and enhancing democracy and the legal system.

Maintaining a Steady Development and Ensuring the Construction of Key Projects

A prime purpose in maintaining an appropriate growth rate during the Seventh 5-Year Plan period is to change the past practice of one-sidedly pursuing his growth rates, high output value, and high output, so that people's attention may be concentrated on improving product quality and increasing economic returns. The draft plan requires that the quality of consumer goods be greatly improved and the policy of better quality, better price be gradually implemented, so as to encourage greater variety of new products. It requires that the key engineering and electronics enterprises organize production according to international standards and make their main products conform to these standards, so that the quality of half of their main products may reach a level as high as those of the developed countries at the end of the 1970's or the beginning of the 1980's. It also requires that automobile manufacturing be greatly developed and become a key industry in our country and that the technical function of the main products reach a level as high as those of the developed countries at the beginning of the 1980's.

At the same time, the industrial structure will be readjusted so that the economy may be developed more steadily and harmoniously. The general demand is to improve the internal structure on the premise of maintaining the continuous and overall growth of agriculture and promoting the development of both light and heavy industries.

In industry, it is necessary to speed up the development of energy and raw material production and exercise appropriate control over the growth of ordinary processing industries, so that the proportional relations between them may become more and more harmonious and the shortage in energy and raw material supply may be gradually alleviated. Priority will be given to the development of transport and telecommunications; the building industry will be greatly developed; and new technologies will be used to transform traditional industries and products. Intelligence and technology intensive products will be developed in order of importance and new production spheres will be opened up. Efforts will be made to promote the formation and development of some new industries.

In the readjustment of the rural production structure, the proportion of crop farming will be reduced while that of forestry, animal husbandry, fishery, and sideline production will increased. In the total product of society in rural areas, the proportion of agriculture will be reduced and that of industry, building industry, excavation industry, transportation, commerce, and service trade will be increased.

It is expected that in 1990, the proportion of the agricultural output value in the total industrial and agricultural output value will be about 20 percent and that of light and heavy industries will respectively be about 40 percent.

In capital construction, efforts will be made to control the overall scale of investment so that it does not exceed the financial capacities of the state. On the other hand, the investment structure will be readjusted so as to ensure the completion of construction of the key projects and a quicker economic development in the last decade of this century.

Energy, communications, and raw materials are three weak links of the economy at present. According to the draft plan, capital construction in these sectors will be forcefully strengthened. In the next 5 years, a number of thermal power stations will be built in some major coal production bases, coastal areas, and major electricity loading areas; water resources of the upper reaches of the Huang He and Chang Jiang and in the Hongshui He valley will be tapped and a number of large-scale hydropower stations will be built there; and nuclear power stations will be built in order of importance and in a planned way. Total generated energy of power stations built in these 5 years will reach 60 to 65 million kilowatts, total productive capability of coal bases built in the same period will reach 300 million tons, and the crude oil and natural gas productive capabilities will respectively increase by 60 million tons and 3 billion cubic meters. Some 10 thousand kilometers of new railways, including trunk, double track, and electrized railways, will be built during the 5 years. In addition, some new highways, airports, and seaports will also be built so that the total freight volume and passenger transport volume may respectively increase by 44 and 60 percent over 1985. Steelmaking ability will be increased by 15 million tons, and the ability to produce nonferrous metals, glass, timber, and various synthetic materials will also be greatly increased.

According to the draft plan, a major characteristic of the Seventh 5-Year Plan will be attaching great importance to the development of science and technology and educational undertakings and to tapping intellectual resources and training able people.

In respect of science and technology, great efforts will be made to develop and put into wide use those scientific and technological inventions which can yield best and fastest returns and apply them to both industrial and agricultural production so as to promote technical progress. On the other hand, financial, material, and human resources will be concentrated on tackling key technological problems in our economic construction and social development. Whether our economy can be vigorously developed in the future largely depends on our progress in science and technology.

In the field of education, the investment in the next 5 years will be 70 percent more than during the Sixth 5-Year Plan. Basic education will be strengthened by effective measures, vocational and technical education will be greatly developed, and higher and adult education will be further consolidated and improved. In the next 5 years, the 9-year compulsory education will be gradually introduced, the number of graduates from secondary, vocational, and technical schools will be double that in the Sixth 5-Year Plan period, while the number of university and college graduates will increase by 70 percent and that of postgraduate students increase by 350 percent.

Promote Production and Improve the People's Livelihood

According to the draft plan, the third main task during the Seventh 5-Year Plan is to constantly improve the living standards of both urban and rural people on the basis of promoting production. In the next 5 years, the net income of the peasants in our country will increase by 7 percent each year on an average, the actual wage income of staff and workers will increase by about 4 percent each year, and the average annual income of city residents will increase by an even higher percentage with the increase in the number of people obtaining jobs.

The average level of consumption for the country as a whole will increase by 5 percent each year. There will be a steady growth in the number of houses built, and some 400,000 sickbeds will be added to hospitals. Our policy in this respect is: to make our production and construction develop harmoniously with the improvement of the people's livelihood. During a rather long period in the past, production and construction were one-sidedly emphasized to the neglect of improving the people's livelihood. This was not only harmful to the improvement of the people's livelihood but also seriously impeded the development of production and construction. This erroneous trend has been corrected by our practice over the past 7 or 8 years. However, the people's livelihood should be improved on the basis of promoting production and the increase in daily consumption should not exceed the increase in production. Experiences of many countries have proved that when consumption exceeds production, the economy cannot be further developed. Therefore, we must continue to carry forward the tradition of building up our country through thrift and hard work. Meanwhile, in social distribution, we must continue to implement the policy of letting some people become rich before the other and overcome egalitarianism within enterprises. Efforts must also be made to prevent sharp differences among enterprises and social members in this respect so as to maintain stability and unity in our society and better implement the principle of distribution according to work.

The above-mentioned three basic tasks are closely related to one another. The first task is the most important, because only when reform is carried out in an all-round way and achievements are made can China have a glorious future.

RENMIN RIBAO ON PROPER USE OF AGRICULTURAL FUNDS

HK171033 Beijing RENMIN RIBAO in Chinese 8 Apr 86 p 4

[Commentator's Article: "Ensure the Proper Use of Various Agricultural Funds"]

[Text] The report by the State Auditing Administration on the auditing of the funds for rural water conservancy use is a topic which deserves our attention. There is great confusion about the use and control of the funds for rural water conservancy use in some localities. Some localities have used the funds for other purposes and others have falsely listed expenses in the funds for water conservancy projects by resorting to fraud. Some projects have neglected quality, thus causing losses and waste. Some units have indiscriminately distributed allowances in kind and sent lavishly on banquets and gifts. All these show that some localities have not effectively supervised their finances and that the unhealthy practices in violation of financial and economic discipline are far from being curbed.

The party and the state have attached particular importance to the construction of water conservancy projects. Of the investment in agricultural production, the funds used for water conservancy projects occupy a great proportion. Whether or not the funds can be used properly has a great bearing on the development of agricultural production. At present the state's financial capabilities are still limited. Therefore, all funds should be used rationally and by practicing careful calculations and strict budgeting. Stress should be put on the returns of the use of the funds. Practicing the system under which localities assume responsibility for their own financial matters does not in the least mean that state funds can be used for other purposes or used wantonly. Over the last few years, there has been a marked improvement in the returns of the use of agricultural funds, including the funds for water conservancy projects, but the problem of using the funds for other purposes or using them indiscriminately has not been thoroughly solved.

The surveys of the auditing organs show that the above problem is a matter of the management system and that of the leading cadres' style of thought, with the latter becoming more noticeable in certain aspects.

To strengthen agricultural production as the foundation of the national economy and to provide a strong backing for the development of agriculture, the state will steadily increase its investment in agricultural production. Document No 1 of 1986 of the CPC Central Committee clearly stipulates: "All provinces, autonomous regions, municipalities, and counties are encouraged to ensure the proper use of the various funds allocated by the central authorities for agricultural production. They should not be used for other purposes. Local financial departments should also try their best to invest in agricultural production by using some of their own funds and should put an end to the phenomena in which investment in agricultural production in some places is decreasing progressively. The investment in water conservancy projects should be restored to the levels of 1980 when the financial contract system was instituted." While the state has construction fund shortages, the central authorities have decided to steadily increase its investment in agricultural production. This shows their great determination. If the practice of using agricultural funds for other purposes or using them indiscriminately is not curbed, the unhealthy practice of violating financial and economic discipline is not corrected, and the return on the use of funds is not raised then the greater the investment, the greater the losses and waste of the funds will be. On no account must this state of affairs be allowed to continue.

Since the beginning of this year, the central authorities have adopted a series of powerful measures to rectify party conduct, and party conduct and social behavior are being improved. In the course of rectifying party organizations and improving party conduct, the party committees, governments, and professional departments concerned at various levels must, in accordance with the spirit of the 1986 central Document No 1, earnestly pay a great deal of attention to the use and control of agricultural funds, improve rules and regulations, strengthen financial supervision, check tax evasion, and punish those who grossly violate the law and disciplinary codes according to party discipline and state laws. In the future, this supervision should be regularized and institutionalized. Only in this way can we make most of the state's limited investment in agricultural production.

COMMENTATOR ON MERGING URBAN, RURAL AREAS

HK170429 Beijing RENMIN RIBAO in Chinese 9 Apr 86 p 1

[Commentator's article: "Both the Urban and Rural Areas Gain Profits When They Merge Into a Single Whole"]

[Text] In some economically developed areas in our country, the extensive, comprehensive economic combination of the urban and rural areas has taken the place of the former ties between the urban and rural areas for the joint undertaking of a few economic projects. This is an important reason why the urban and rural commodity economies in these areas have developed rather quickly at present. Further efforts to create creations for promoting economic combination between the urban and rural areas will be beneficial to the healthy, steady, and coordinated development of the national economy.

Merging the urban and rural areas into a single whole is the inexorable trend of historical development and also an inevitable demand of socialist planned commodity production. The separation of the urban areas from the rural areas is a historical

As the social productive forces, the commodity economy, and modern science and technology go on developing, the separation of the urban areas from the rural areas will gradually be substituted by the combination of the urban rural areas. This is a historical law. By consciously following this law and actively promoting the merger of the urban and rural areas into a single whole, we can quickly score economic results and push the urban and rural economies forward toward common prosperity. The economic development of Changshu city is an excellent example.

In order to merge the urban and rural areas into a single whole, it is first necessary for both the urband and rural areas to adopt the open policy. To use a common expression this means that the city must open its "gate" and the village must also open its "gate." For a long time, as a result of the influence of the secluded natural economy and our habit of applying adminsitrative measures to economic management, the urban and the rural economies have been separated from each other. Many articles stipulated in the policies and many administrative measures are detrimental to the contacts between the urban and rural areas. For example, peasants in some localities are still subject to various restrictions when they enter the city; some supervisory departments "block the road" when a problem arises and even deliberately make things difficult for peasants who want to enter the cities, instead of actively giving the peasants guidance and convenience; some urban enterprises and units are also restriced by the barriers between departments or regions, so that they can hardly maintain contacts with the rural areas, and so forth. We must uphold the open policy and actively and prudently continue to reform production, communications, scientific and technological work, and commodity circulation in accordance with the requirements for merging the urban and rural areas into a single whole. We must open the doors in various relevant spheres and gradually establish industrial and agricultural economy networks, commodity circulation networks, communications and transportation networks, scientific and technological work networks, financial and credit networks, and economic information networks that cover both the urban and rural areas, so that the urban and rural areas are linked together and merge into a single whole.

Merging the urban and rural areas into a single whole is a topic of "systems engineering." It involves all aspects of the social economy. Being inexperienced, we can hardly avoid meeting some problems in the course of forming economic combination of the urban and rural areas. For example, some signs of acting blindly are seen in economic contacts between some urban and rural areas; some urban enterprises fail to achieve the goal of benefitting both parties and first of all benefitting the rural areas when they conduct economic activities in rural areas; some peasants are in discord with the urban enterprises when they conduct businesses in the cities, and so forth. These phenomena are inevitable before the old economic order has been totally destroyed and a new economic order completely established. These problems can be solved gradually as long as we handle them seriously and adopt more measures of reform. We must take a long-term view, conform to the general trend of development of the commodity economy, and push the urban and rural economies forward to the road to mutual support, mutual promotion, increasing harmony, and common prosperity.

HU YAOBANG, ZHAO ZIYANG PRAISE SHANGHAI PLANT

OW141333 Shanghai City Service in Mandarin 0100 GMT 14 Apr 86

[Excerpts] The Shanghai Yuejing electric motors plant, which mainly manufactures small AC electric motors for export, has earned for the state $9.2 million in foreign exchange in the past 6 years. Since 1980 this plant began mass production of quality electric motors for export. Its sale of electric motors in Europe was China's very first such sale there.

Comrades Hu Yaobang and Zhao Ziyang, leaders of the party Central Committee and the State Council respectively, affirmed the plant's performance and gave it some written instructions. Immensely encouraged, staff and workers of the plant have in the past several years been constantly striving for better quality products and for wider markets.

YE JIANYING, OTHERS SEND MEMORIAL WREATHS

OW110352 Beijing XINHUA Domestic Service in Chinese 1909 GMT 10 Apr 86

[Excerpt] Guangzhou, 10 Apr (XINHUA) -- Li Boqiu, Standing Committee member of the CPPCC National Committee, Standing Committee member of the Central Committee of the Chinese Peasants and Workers Democratic Party, and vice chairman of the Fifth Guangdong Provincial CPPCC Committee, died of illness in Guangzhou on 1 April, at the age of 82.

A memorial service was held for Comrade Li Boqiu in Guangzhou this morning. Guo Rongchang, deputy secretary of the Guangdong Provincial CPC Committee, presided over the memorial service. Wu Nan, chairman of the Guangdong Provincial CPPCC Committee, delivered a eulogy.

Attending the memorial service were personages of party and government departments of Guangdong Province and Guangzhou City, noted figures of the various democratic parties, as well as friends of Comrade Li Boqiu, totaling more than 500 people.

Among those who sent wreaths were: Ye Jianying, Peng Zhen, Deng Yingchao, Wang Zhen; responsible persons of the various democratic parties Ji Fang, Xu Deheng, Huang Dingchen, Zhu Xuefan, Zhou Gucheng, Zhao Puchu, Fang Rongxin, and Mao Yisheng; and officials of Guangdong Province Comrades Lin Ruo and Ye Xuanping. The CPPCC National Committee, the United Front Work Department of the CPC Central Committee, the Central Committee of the Chinese Peasants and Workers Democratic Party, the Central Committee of the Revolutionary Committee of the Chinese Kuomintang, the Central Committee of the China Democratic League, the All-China Federation of Returned Overseas Chinese, the Guangdong Provincial CPC Committee, the provincial Advisory Commission, the provincial People's Congress Standing Committee, the provincial government, the provincial CPPCC Committee, and other units also sent wreaths.

HU QIAOMU AT PREMIERS OF BEIJING ORCHESTRA

OW120343 Beijing International Service in Mandarin 0900 GMT 11 Apr 86

[Excerpts] Dear listeners and friends: The newly founded Beijing Symphony Orchestra recently gave a grand premiere at the newly completed Beijing music hall. Present at the premiere were Hu Qiaomu, member of the Political Bureau of the CPC Central Committee; Rong Yiren, vice chairman of the NPC Standing Committee; Zhu Muzhi, minister of culture; and Chen Haosu, vice mayor of Beijing Municipality. They warmly congratulated the orchestra.

JIANGSU LEADERS ATTEND LATE OFFICIAL'S CENTENARY

OW181315 Nanjing Jiangsu Provincial Service in Mandarin 1100 GMT 17 Jan 86

[Excerpts] Today, 9 March on the lunar calendar, is the centenary of the birth of Mr Liu Guojun, former vice chairman of the All-China Federation of Industry and Commerce, vice governor of Jiangsu Province, vice chairman of the Jiangsu Provincial CPPCC Committee, and chairman of the Provincial Committees of the China Democratic National Construction and the All-China Federation of Industry and Commerce. Some 250 personages from various circles of the province attended a commemorative meeting this morning at the provincial CPPCC auditorium in Nanjing. Qian Zhonghan, chairman of the Provincial CPPCC Committee, presided over the meeting. Vice Governor Chen Huanyou was the meeting's first speaker.

The meeting also received inscriptions or telegrams from relevant leaders including Hu Ziang, vice chairman of the NPC Standing Committee; Jiang Weiqing, member of the Central Advisory Commission; and Xu Jiatun, director of the Hong Kong Branch of the XINHUA news agency.

Attending the commemorative meeting were Hui Yuyu, member of the Central Advisory Commission, and leaders of the province and Nanjing including Han Peixin, Shen Daren, Gu Xiulian, Sun Han, Zhang Xuwu, Cheng Weigao, and Zhang Yaohua.

SHANDONG'S LIANG BUTING SODS LAWNS IN JINAN

SK200706 Jinan Shandong Provincial Service in Mandarin 2300 GMT 19 Apr 86

[Text] On the morning of 19 April, leading comrades of the province, Jinan City, and the Jinan Military Region joined in voluntary activities to sod lawns in Jinan City together with some 14,000 cadres and the masses.

Jinan City was warm and sunny on the morning of 19 April. More than 400 office cadres and PLA commanders and fighters built tracts of green lawns with their shovels along both sides of the (Daweier) road.

Liang Buting, secretary of the provincial CPC Committee, carefully built a lawn with pieces of sod. Li Changan, deputy secretary of the provincial CPC Committee and governor, while clearing section for the sod with his hands, told the comrades beside him to ensure the quality of the lawn.

Liang Buting affirmed Jinan City's method of combining the work of making the urban areas green with that of encouraging peasants in the suburban areas to plant sod. He said: Such a method is very good. Peasants can earn more than 1,000 yuan from growing sod on barren hills and mountain slopes, which is a much greater amount of money than they can get from growing cotton. Such a practice helps to make the city green and the peasants prosperous.

Liang Buting said: Planting grass and flowers in order to beautify the city environment and the people's lives is an important matter. We should be determined to further improve the environment of the provincial capital.

Leading comrades of the province and Jinan City, including Lu Maozeng, Jiang Chunyun, Yang Yanyin, Zhou Zhenxing, Zheng Weimin, Liu Zhongqian, Sai Feng, Wei Jianyi, Yuan Bo, Zhang Jingtao, and Zhai Yongbo, as well as leading comrades of the Jinan Military Region such as Li Jiulong, also participated in the activity.

That morning, Jinan City laid out a total of some 37,000 square meters of lawns and planted more than 4,000 trees.

GUANGDONG TO GIVE COAL PRODUCTION SUBSIDIES

HK220645 Guangzhou NANFANG RIBAO in Chinese 16 Apr 86 p 1

[Report by Wang Dekuan [3769 1795 1401]: "Guangdong Province Decides To Give Policy-Related Subsidies to Coal Production"]

[Text] The Guangdong Provincial CPC Committee and Provincial Government recently decided to give policy-related subsidies to coal production and required that all departments concerned should support this production. Coal production departments are also required to develop a diversified economy.

Since the founding of the PRC, the broad masses of staff and workers on the coal production front in our province have produced 160 million tons of raw coal, which is a great contribution to the development of our provincial national economy and improvement of the people's livelihood. However, since there are comparatively poorer coal resources in our province and more difficult productive conditions, we have to dig more than 600 meters of tunnels in order to produce 10,000 tons of raw coal. But in the north, they only need to dig over 100 meters of tunnels. Thus, the cost of raw coal produced by our province is about 50 percent higher than that of the north. For this reason, many coal mines in our province are suffering losses. On the other hand, our province is a coal-deficient province. Although more coal has been purchased from other provinces over the past few years, the coal produced by our province is still about half of the total consumption in this province. Therefore, we must further consolidate the coal production position in our province.

In view of this, the provincial CPC Committee and Provincial Government have decided to offer coal mining enterprises support and take proper measures to solve the problem concerning policy-related subsidies for overfulfilling the tunnelling task. They also required the relevant departments to support coal production. In those mining areas with comparatively richer coal resources, it is necessary to build power station at all gallery entrances. Such power stations should be built as soon as possible especially in the Eastern Guangdong area, where conditions are more difficult for transport. In this way, not only will coal be consumed on the spot but also more electric power will be produced to promote economic development. At the same time, while mainly promoting coal production, the coal mining enterprises must also vigorously develop a diversified economy and stimulate the coal mining economy.

CHEN HUIGUANG WRITES ON BOOSTING GUANGXI ECONOMY

HK190143 Nanning Guangxi Regional Service in Mandarin 1100 GMT 18 Apr 86

[Excerpts] Today's GUANGXI RIBAO frontpages an article by regional CPC Committee Secretary Chen Huiguang on promoting the region's economy. The article is in three parts: 1) have staunch confidence; 2) avoid weak points; 3) handle well a number of relationships in economic work.

The article says that the period of the Seventh 5-Year Plan is an important period in attaining the strategic goal of bringing about an upswing in Guangxi's economy as soon as possible. How well economic work is done during this period is related to whether the good momentum in reform and economic development in the past 2 or 3 years can be consolidated and further developed. Under the premise of seeking economic results, we must speed up the pace of economic development and strive for an economic growth rate higher than the national average during the period of the plan. This should become our orientation and goal of endeavor.

The article also says that there is a lot to do to boost the economy. Judging by our present conditions, the most important thing is to have staunch confidence. To strengthen confidence from top to bottom is a major affair and represents great spiritual force. The problem of confidence is a problem of ideological understanding. The way to solve this problem is to reason and set out the facts. The article proceeds to list the favorable conditions for promoting the region's economy.

1. The CPC Central Committee and State Council are extremely concerned for the region's economic development. Leading comrades of the CPC Central Committee and State Council have come to Guangxi many times in recent years to provide guidance for our work.

2. As a result of more than 30 years of socialist construction, we have accumulated abundant experience and laid an excellent foundation.

3. The achievements scored during the Sixth 5-Year Plan not only laid an excellent foundation for the Seventh 5-Year Plan but also amount to an excellent preparation for promoting stability and unity and concentrating efforts for economic work.

4. Reform is now going deep into people's hearts.

5. Guangxi has relatively abundant natural resources and an excellent natural and geographical environment. Regarding the region's strong points, the article proposes grasping one foundation and taking advantage of six strong points. The one foundation is agriculture. The six strong points are: 1) ferrous and non-ferrous metals; 2) abundant resources of non-metallic minerals; 3) hydroelectric resources; 4) the natural environment for developing subtropical agriculture; 5) tourism; and 6) the communications and transport advantages resulting from our geographical position.

On the question of avoiding weak points, the article lists the factors limiting Guangxi's economic development:

1. The foundation is weak. We are still in great financial difficulties.

2. The degree of exploitation of resources is low. Some resources are, as a set, incomplete.

3. We have a large population and not much farmland.

The article says: Our general approach should be to acknowledge our backwardness without being reconciled to it. We must have staunch confidence.

In the last part, the article gives views on handling a number of relationships in economic work: 1) between grain production and developing subtropical industrial crops; 2) between economic construction and living standards; and 3) between advanced and backward areas.

In conclusion, the article says that we have many things to do during the Seventh 5-Year Plan. There are at least six things to be done well: build the two civilizations together and bring about a fundamental turn for the better in party style and social mood; unfold rural party rectification and strengthen the building of grass-roots rural party organizations; continue to carry out reforms of the economic, science and technology, and education structures; do a good job in economic work and fulfill the Seventh 5-Year Plan; develop subtropical economic crops without any relaxation of grain production; and do a good job in supporting poor areas.

GUIZHOU'S HU JINTAO INSPECTS NAYONG COUNTY

HK210420 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 16 Apr 86

[Excerpts] From 3 to 5 April, provincial CPC Committee Secretary Hu Jintao inspected Nayong County, listened to a work report of this county, conducted on-the-spot inspection of eight districts and towns, several key factories, and two key middle schools, and put forward specific views in light of the practical situation of the county.

Nayong County is one of the 26 poor counties of our province. Comrade Hu Jintao found out in detail the situation of the county and affirmed the achievements scored by the leaders of the county CPC Committee and government. In the light of the abundant mineral resources of Nayong, he pointed out: To invigorate Nayong, it is necessary to first solve the problem of understanding. The comrades who work in Nayong must, on the one hand, take a serious view of the fact that Nayong is a poor county and, on the other hand, see that Nayong is really a good place. He hoped that the leadership group of the county CPC committee will lead all people throughout the county to work hard in a planned and systematic way to turn advantage in resources into economic advantage.

Nayong County is now short of qualified technological personnel. In view of this, Comrade Hu Jintao pointed out:

1. It is necessary to try in every possible way to select and employ qualified personnel in this county.

2. It is essential to train people locally or send them to other places to receive training in a planned way.

3. It is imperative to recruit qualified personnel from outside in various ways.

Regarding the current problem of how to conduct large-scale discussion on increasing income and getting rich, Comrade Hu Jintao said: This work must be done well. We cannot judge work by the number of people who have gone down but by whether or not the spirit of the documents of the central authorities has been really conveyed to the masses, whether or not the masses have been really mobilized, and whether or not measures for increasing income and getting rich have been proposed. The cadres who have gone down must really find a way to get rich for the masses and really improve these places financially by the end of this year.

Comrade Hu Jinato pointed out: Forestry and animal husbandry are the strong points of Nayong. However, these have not yet been embodied and brought into play.

As for the problems of party rectification and straightening out party style, Comrade Hu Jinato emphatically pointed out: In the course of party rectification and straightening out party style, we must really solve some specific problems and seriously grasp the big cases; otherwise, party style cannot be straightened out or the masses' enthusiasm aroused.

HEBEI ARTICLE VIEWS STRAIGHTENING OUT PARTY STYLE

SK221348 Shijiazhuang HEBEI RIBAO in Chinese 7 Apr 86 p 1

[Commentator's article: "Make Persistent Efforts and Vigorously Do Solid Work"]

[Text] Since 1985, our province has scored great achievements in straightening out party style thanks to the common efforts exerted by the party organizations and the vast number of party members at all levels, and has achieved an obvious turn for the better in various aspects of party style. However, we must be sober enough to note that the tasks in straightening out party style are still very arduous, and much work should be done and arduous efforts exerted in creating a fundamental turn for the better in party style. Therefore, we should enhance our sense of emergency, truly do solid work, and continuously and deeply carry out the work of straightening out party style every day.

The "Guiding outline for the work of 1986" issued by the provincial CPC Committee has put forward that the party and government organs at the provincial, prefectural, county, and township levels and the grassroots-level units of more than half of both urban and rural areas should achieve a fundamental turn for the better in party style within the year. The third enlarged plenary session of the second provincial Discipline Inspection Commission, which was just concluded, also put forward the four tasks for straightening out party style in 1986. All of these have set forth the major fighting target and the program of action in straightening out party style in 1986. At present, by bearing in mind the actual local situation and the situation in their departments, the party organizations at all levels should earnestly and successfully implement the spirit of the third enlarged plenary session of the second provincial Discipline Inspection Commission.

Efforts should be made to further develop the situation in which the entire party is grasping the work of straightening out party style and to earnestly deal with the current problems whereby the party organizations in some localities and units have not brought about obvious results in the work of straightening out party style and still have confused ideas about the relationship between party style and economic construction and between transformation and discipline. The leading cadres of the party and government organs at all levels should not only take the lead in straightening out party style, but also set strict demands for themselves in order to set examples in party style for the vast number of party members. This is the key to truly creating a situation in which the entire party is grasping the work of straightening out party style and continuously and deeply carrying forward the work in this regard.

During the upcoming period, units at all levels and various departments should concentrate their efforts on investigating or dealing with major or serious cases and regarding the investigating and holding work as a breakthrough in straightening out party style in order to satisfactorily examine the exposed major or serious cases and to deal with them adequately within the year. Meanwhile, efforts should be made to continuously look for clues as regards major or serious cases. Leading comrades in the party and government organs at all levels and in various departments should personally take charge of or give guidance to the work of investigating and dealing with major or serious cases, and should give a helping hand to solving the problems cropping up in dealing with cases.

In the course of correcting malpractices or dealing blows to economic crimes, attention should be paid to repeatedly and clearly telling cadres and the masses that there is no inevitable relationship between malpractices and economic crimes and the drives of conducting reforms and enforcing the open policy in order to enliven the domestic economy.

Furthermore, these malpractices and crimes have destroyed the correct enforcement of the policies of conducting reforms and opening our door to the outside in order to enliven the domestic economy and have brought about damage to party style. In dealing with some problems and cases, efforts should be made to uphold the principle of being resolute on the one hand and adopting a careful attitude toward them on the other hand. We should strictly distinguish between the faults caused by the drive of conducting reforms and the malpractices cropping up in the drive, between the malpractices and economic crimes, and between the bureaucratic work style and the serious crimes involving neglect of duties.

In dealing with problems that occurred in the past, it is also necessary for us to take the historical background into consideration and to refrain from appraising the problems in line with the current policies and regulations. Efforts should be made to protect the enthusiasm of cadres and the masses in conducting reforms in order to ensure that the drive of conducting reforms makes smooth progress along a correct road.

The current situation in straightening out party style is very fine. Only by earnestly doing solid work in line with the arrangements made by the central authorities and the provincial CPC Committee will the party organizations at all levels certainly be able to fulfill the task of straightening out party style this year and to achieve a fundamental turn for the better in the province's party style within the given time frame.

NEI MONGGOL IMPROVES LATERAL ECONOMIC TIES

OW230428 Beijing XINHUA in English 0256 GMT 23 Apr 86

[Text] Hohhot, April 23 (XINHUA) -- The Inner Mongolia autonomous region has signed 1,300 agreements with other parts of China over the past five years, involving 440 million yuan and bringing in 8,000 technicians, according to Buhe, chairman of the regional government. He said that improving ties between Inner Mongolia and coastal areas is an important measure for the region's economic development, as it abounds in natural resources and coastal areas have funds, technology and personnel. Inner Mongolia has 71 kinds of mineral resources and its pastures and forests rank first in China.

Through joint ventures or compensation trade, the cooperative projects cover coal mining, building materials, metallurgical, chemical and forestry industries, he said. Some of the cooperative projects have already paid off, he said. For example, Tongliao City developed 200 new products last year thanks to technology introduced from Beijing and Shenyang. Its industrial profits reached 14.5 million yuan, 4.7 times more than in the previous year. With 50 million yuan from other areas, Inner Mongolia added 151 small coal mines with an annual production capacity of 2.2 million tons.

Buhe said that, marking progress in the lateral economic ties, a delegation headed by Shanghai's major visited Inner Mongolia earlier this month. Shanghai has agreed to help Inner Mongolia set up non-ferrous metal enterprises, and production centers for wool and fodder, and retool machine-building, textile, food, leather and garment factories, while the latter will provide the former with raw materials. Shanghai will also help Inner Mongolia boost its exports.

Inner Mongolia's efforts are in line with the policies of the central government. At the recent annual session of the National People's Congress, Premier Zhao Ziyang urged the development of lateral economic ties for mutual benefit.

TIANJIN HOLDS POLITICAL SCIENCE, LAW CONFERENCE

SK200620 Tianjin TIANJIN RIBAO in Chinese 31 Mar 86 p 1

[Excerpts] Our municipality should achieve sustained and stable turn for the better in public security, curtail the occurrence of major or serious criminal cases as much as possible, and crush the arrogance of economic criminals in order to create a new situation in public security work in various fields and to lay a favorable foundation for public security and social order for the implementation period of the Seventh 5-Year Plan. These were the tasks put forward at the municipal work conference on political science and law, which concluded on 30 March.

The municipal work conference on political science and law opened on 28 March. Wu Zhen, deputy secretary of the municipal CPC Committee and secretary of the municipal commission on political science and law, delivered a speech at the conference.

The conference pointed out that our municipality still has a large number of problems and weak links with regard to social peace. Therefore, in learning about the current situation in public security, efforts should be made not only to acknowledge the obvious turn for the better in this regard, but also to soberly estimate the prominent problems cropping up in public security. By no means in this regard should we go no further, being satisfied with the achievements already scored and relaxing our efforts.

The conference also pointed out that crimes involving robbery have become the prominent problem with regard to current criminal cases. The robbery cases that occurred in 1985 accounted for 68.7 percent of the total number of criminal cases; the occurrence of such cases in January and February [of this year] showed a 35-percent increase over the figure for the corresponding period of 1985. From now on, we should, therefore, spend a period of time concentrating on launching a struggle against robbery crimes in a prepared and planned manner. Meanwhile, we should uphold the principle of dealing blows as soon as possible at such crimes as gang fights, insulting women, oppressing the people, cheating people and dominating markets, and bringing about damage to social peace, in order to enable them to come to a quick end. Efforts should be made to strictly investigate and suppress social evil and ugly phenonmena.

The conference stressed that efforts should be made to spend about 1 year on striving to crush the arrogance of economic criminals. At present, efforts should be made to vigorously deal with major or serious cases and to concentrate on dealing strict blows to such serious criminal activities as conducting speculation and swindle by taking advantage of conducting reforms, embezzling public funds, receiving bribes, engaging in smuggling and trafficking involving contraband goods, illegally sharing state or collective property, illegally conducting price hikes, indulging in tax evasion, illegally sharing foreign exchange, and manufacturing fake commodities and drugs. We should handle, and see through to the end, major or serious cases involving big sums in illegal gains and thoroughly investigate and deal with the cases in line with the law no matter how complicate they are, what organs they involve, and what level cadres are involved. The judicial organs should make concerted efforts and unite as one in order to form a strong force to effectively deal blows to serious economic crimes. Attention should be paid to successfully conduct prevention work while dealing blows to them.

Attending the work conference were responsible comrades from the municipal CPC Committee and the municipal People's Government, secretaries of the commissions on political science and law at the district-county level, and responsible comrades form the departments of political science and law at all levels.

HEILONGJIANG PROCURATORS CONFERENCE CONCLUDES

SK220948 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 18 Apr 86

[Text] The provincial conference of chief procurators concluded on 18 April, urging the people's procuratorates at all levels to regard as a main task the work of dealing blows to serious economic crimes this year and to spend 1 year on crushing the arrogance of economic criminals.

The conference urged the procuratorates to enhance their inspection work over economic activities and to combat the phenomenon of ineffectiveness in attacking economic crimes. A good job should be done in firmly investigating and dealing with major or serious cases. In particular, efforts should be made to thoroughly deal with the cases that have brought great harm to society, caused great interference and obstruction, and exerted great influence. Criminals who have committed these serious crimes, and who deserve to be killed, should be resolutely killed in line with the legal procedures. Those who deserve to be heavily punished should be sentenced to heavy punishment in order to educate the vast number of people by making use of these crimes. The work emphasis should be placed on carrying out the investigation work among the banking, industry and communications, grains, and construction fronts in order to enable the struggle against economic crimes to be carried out steadily and effectively.

The conference urged the procuratorial offices and units to continuously carry forward, in their inspection over economic affairs, the spirit of boldly dealing with knotty difficulties and being good at copying with them. Those who have interfered in the work of dealing with cases, given shelter to criminals, and engaged in reprisals, and who deserve to be dealt with in line with the law, should be punished accordingly. Those who deserve to be punished with disciplinary and administrative action should be strictly dealt with in cooperation with the party committees and the administrative departments in order to bring into full play the legal supervisory role of the procuratorial organs.

LIAONING: WU DISHENG ELECTED SHENYANG CITY MAYOR

SK220255 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 21 Apr 86

[Text] On 21 April at the Fourth Session of the Ninth Shenyang City People's Congress, Wu Disheng was elected mayor of Shenyang City.

XINJIANG LEADER STRESSES CURRENT WORK TASKS

HK210207 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 20 Apr 86

[Text] Regional CPC Committee Secretary Song Hanliang pointed out in his speech yesterday at the gathering of 3,000 cadres convened by the regional CPC Committee and people's congress standing committee: While conveying and studying the spirit of the fourth session of the sixth NPC, all areas and departments must thoroughly grasp all current tasks, especially agriculture, animal husbandry, and industry, and the work of straightening out party style.

Comrade Song Hanliang said: The general state of agriculture and animal husbandry in the region is good. However, drought is still prevailing in many areas. We must pay serious attention to this situation. All localities must strengthen leadership and firm up measures in organization, policy, capital, material, and action. We must ensure victory in the struggle against drought.

On industrial production, Comrade Song Hanliang said: The first quarter performance was not good enough. We must attach importance to the current problems in industrial production. The departments in charge and the leading comrades at all levels must confront reality and get into the frontline to identify and solve the problems. We must ensure the fulfillment of this year's industrial production plans under the premise of improving economic results.

Comrade Song Hanliang stressed: Straightening out the party style is the current central task. All localities, departments, and units must get a really earnest grasp of this work, investigate and deal with major and important cases, and rectify the party style on all fronts and in all sectors in a planned and measured way. The leading cadres must set an example. The principal responsible comrades of the autonomous region are preparing to go to the grassroots in the near future to investigate, study and tackle practical work. I hope the comrades of the regional organs and departments can also go deep into the grassroots and among the masses to help them in conveying and implementing the spirit of the fourth session of the sixth NPC and in grasping all current work tasks.

SHAANXI CIRCULAR ON SELECTING, APPOINTING CADRES

HK210438 Xian Shaanxi Provincial Service in Mandarin 0030 GMT 18 Apr 86

[Excerpts] On 16 April, the provincial CPC Committee issued a circular calling on all party organizations to resolutely implement the CPC Central Committee circular on selecting and appointing cadres according to party principles, to improve and strengthen cadre work, and to select and appoint cadres strictly according to party principles.

The circular pointed out that the problem of the province's current work of selecting and appointing cadres is when carrying out the work, some localities and departments do not follow the party principles of insisting on both ability and political integrity and appointing people on their merits. They take their own erroneous impression as the criterion for selecting and appointing cadres. They usually appoint cadres who are submissive, slick, and sly. Some leaders proceed from the feudal and patriarchal thinking and, appoint their children and relatives through various illegal means. Some do not follow the stipulated procedures for handling matters but instead appoint cadres in a hurry. Some accept bribery in the course of recruitment. Some upgrade their subordinate units without approval, arbitrarily increase the number of leading cadres, and improve the employment terms of cadres without approval. Some staff in charge of personnel affairs in organizations do not uphold principles and even abuse power in order to curry favor with certain leaders.

In order to resolutely correct and prevent the unhealthy tendencies in cadre work, and to select and appoint cadres strictly according to the party principles, the provincial CPC Committee raises the following issues in the circular:

1. We should seriously study the CPC Central Committee circular on selecting and appointing cadres, and conduct a full-scale examination on the work of appointing cadres. We must deal seriously with problems discovered in an examination. Those who have been appointed but are really incompetent for various reasons must be quickly removed from office.

2. When selecting and appointing cadres, we must seriously follow the stipulated procedures. The CPC Central Committee circular states that when selecting and appointing leading cadres of party and government organs, a unit should carry out democratic nomination, solicit opinions in a comprehensive way, and prepare a list of candidates. It should organize the departments in charge of personnel affairs to examine the candidates and let the party committee discuss the list at the meeting. Then, the unit should report the revised list to the authorities in charge of cadre affairs. The organization department at upper levels should further examine the list and ask the party committee to approve it. The party committees and organization departments in charge of personnel affairs must resolutely implement this system. The leading cadres should also strictly observe it.

3. We should select and appoint leading cadres from among comrades who can stand the test of time. Since the work of structural reform in recent years has been quite urgent and only a few young cadres are experienced in the work of leading cadres, some localities and departments tended to appoint these young cadres who failed to meet the requirements for leading posts. Therefore, party organizations at all levels must investigate these cadres thoroughly and case by case, and make appropriate arrangements for them.

4. We should resolutely correct the unhealthy tendency of arbitrarily forming establishments, changing the setup of organizations, and increasing the number of leading cadres. Party and government organs and mass organizations at all levels are prohibited from aribitrarily forming establishments or changing the setup of organizations. Organizations of the party and government at provincial, prefectural and county levels which are newly formed or which have had their setup changed following the structural reform must be examined again by the departments responsible for the size of their staff. The departments will, according to the situation of each case, propose suggestions on maintaining the present status, dissolving the organization concerned, merging it, or returning to the former setup. Then, the departments should submit its suggestions to the party committee and government at upper level for approval.

5. The leading cadres must set examples in following party principles and the organizational discipline concerning personnel affairs. If the children and relatives of a leading cadre really have both ability and political integrity, they should be treated in the same way as other cadres. When selecting and appointing them, the leading cadres should go through the necessary stipulated procedures.

6. We should greatly strengthen the organization departments and the departments responsible for personnel affairs. These departments are assistants of the party committees in the field of selecting and appointing cadres. The quality and work style of cadres play an important part in correctly implementing the party's principles, and policies towards cadres. Therefore, party committees at all levels must strengthen the building of organization departments and the departments responsible for personnel affairs. In addition, these departments should strengthen their building.

TAIWAN NOT TO ATTEND ADB MEETING IN PHILIPPINES

OW211453 Taipei CNA in English 1445 GMT 21 Apr 86

[Text] Taipei, April 21 (CNA) -- The Republic of China [ROC] has decided not to attend the 19th annual conference of the board of governors of the Asian Development Bank to be held in Manila from April 30 to May 2, a spokesman for the Ministry of Foreign Affairs [MOFA] announced Monday.

MOFA spokesman Cheyne J.Y. Chiu told a press conference that Chang Chi-cheng, governor of the Central Bank of China, sent a letter to the ADB headquarters April 18 saying hat the ROC will not send its delegate to attend the ADB meeting and represent this country under a name different from its official designation in the bank.

Chiu said the ADB authorities decided unilaterally to change the ROC's official designation in the bank to "Taipei, China" after approving Red China's admission to the bank on March 18. Such a decision has seriously damaged the ROC's basic stand and right and interests, he said.

In addition to lodging a strong protest, the ROC Government has asked the ADB to reconsider its decision and find a more rational solution to the issue.

Yuan Issues Statement

OW211049 Taipei CNA in English 1004 GMT 21 Apr 86

[Text] Taipei, April 21 (CNA) -- The Republic of China's [ROC] refusal to attend the upcoming annual meeting of the Asian Development Bank under the name "Taipei, China" would not undermine its international position, the Executive Yuan said Monday.

In a written reply to an interpellation by Legislator Chiang Peng-chien, the Yuan said that the "Asian Development Bank formula," like Hong Kong model" and "one country, two systems" scheme, is nothing but a Peiping-engineered united front tactics.

The Yuan stressed that if the nation accepts the name "Taipei, China" it would be tantamount of submitting to Peiping's attempt to downgrading the ROC's status to that of a local administation.

The Yuan said that as long as the nation stands on its own feet to fulfill its obligation in the international community, the people in the world would respect the ROC no matter how difficult situation the nation is in.

INDIRECT TRADE WITH MAINLAND INCREASES

OW230437 Taipei CHINA POST in English 20 Apr 86 p 8

[Text] Republic of China [ROC] products totaling HK$7.9 billion (NT$39.5 billion) reached mainland China through Hong Kong from January to November last year, for an increase of 153 percent compared with the same period in 1984, according to statistics. The statistics also showed that HK$850 million (NT$4.25 billion) worth of mainland Chinese goods were re-exported to the ROC from Hong Kong during the first eleven months last year, for a decrease of 10.3 percent compared with the same period in 1984. The trade surplus between the two was HK$6.24 billion (NT$31.2 billion) in favor of the ROC, the statistics showed.

The Chunghwa Economic research Institute, analyzing indirect trade, said the prospects this year are dimmer than in the preceding year. The likelihood of the mainland's purchasing consumer goods has grown smaller, the institute said. Exports of machine tools and synthetic fibers stand better chances of growing this year, it added.

The communist Chinese in November 1985 exempted some ROC-made products from tariffs in an effort to promote direct trade with the ROC, the institute said.

An exhibition of ROC products was also held for the first time in Shenchen in the mainland last December. Products on display in exhibit included electronics, electrical and chemical basic materials, textile products, construction materials and consumer goods.

GROUP FORMED TO DISCUSS SATELLITE TECHNOLOGY

OW230449 Taipei CNA in English 0322 GMT 23 Apr 86

[Text] Taipei, April 22 (CNA) -- The Government is organizing an inter-ministerial consulting group on the development of satellite communications technology in the Republic of China [ROC], a spokesman for the Directorate General of Telecommunications said Tuesday.

He noted that a multi-function satellite would be more appropriate to its requirements than a single-function one if the ROC has to own or share with other countries a satellite communications system over the next decade.

According to the spokesman, the inter-ministerial consulting group will be entrusted to coordinate the research and development responsibilities among government agencies involved.

Meanwhile, participants in the telecommunications group of the eighth meeting of the Board of Advisors for Science and Technology to the Executive Yuan unanimously held Tuesday that the Directorate General of Telecommunications should submit its study report of the national strategy of satellite development to the government by the end of 1989. It will be used as a basis for making decisions on policy.

Director General of Telecommunications Liu Shih-hua told the participants that his agency formed a study team last December to conduct an in-depth study on the feasibility of satellite development in this nation.

BRIEFS

SERVICE INDUSTRY FOREIGN INVESTMENT -- Taipei, 17 Apr (CNA) -- The Legislative Yuan Thursday approved in principle a revision of the statutes governing foreign investment allowing foreigners to make investment in the service industry in the Republic of China. Wang Chih-kang, executive secretary of the Economics Ministry's Investment Commission, said that according to Article 5 of the statutes, foreign businessmen from now on may invest in any kind of service industry here that the nation needs. The adding of this stipulation is tantamount to opening the door of the nation's service industry to foreign investors, he said. Wang, however, pointed out the revision does not mean foreigners can invest in any kind of service industry here because the government still preserves the right to decide if the nation needs such an industry. Wang promised that the government will continue to study the committee's proposal and make efforts to meet the committee's request in future revisions. [Text] [Taipei CNA in English 0316 GMT 18 Apr 86 OW]

BODY TO SAFEGUARD FOREIGN INVESTORS INTERESTS

HK210858 Hong Kong SOUTH CHINA MORNING POST (BUSINESS NEWS Supplement) in English 21 Apr 86 p 1

[By Paul Sham]

[Text] China is to set up a nongovernment body to safeguard the interests of foreign investors, according to a spokesman for the Ministry of Foreign Economic Relations and Trade (MOFERT). Foreign Investment administration official Sun Wei said the plan had received a positive response from joint ventures and foreign-owned firms, and was awaiting approval from higher authorities. The body was needed to provide a bridge between government departments and commercial operations, he said. It would give foreign investors an official channel for making complaints and suggestions.

Mr Sun is leading a group of foreigners who are exhibiting at the Guangzhou Trade Fair. He said a separate trade fair for joint ventures and foreign-owned companies had been considered since the last Guangzhou fair, but the idea was shelved for want of an organising body.

Only 38 of China's 6,000 joint ventures and foreign-owned companies are taking part in the fair, which may reflect the predicament now facing foreign investors in the country, he said. "Every foreign-invested company would like to exhibit its products in the fair, as it provides a good chance to meet so many potential buyers. The problem is, our allotted space is limited."

The standing committee of the new body will be composed of retired officials from MOFERT, he said.

MINISTER INTERVIEWED ON OIL INDUSTRY PROSPECTS

HK101230 Hong Kong WEN WEI PO in Chinese 2 Apr 86 p 3

[Report from Beijing: "Wang Tao, Minister of Petroleum Industry, on the Present Situation and Prospects for the Petroleum Industry"]

[Text] Beijing, 1 Apr -- Wang Tao, Chinese minister of petroleum industry, was interviewed by Hong Kong and Macao reporters today. The following are his answers to their questions:

Question: Does the drop in world oil prices influence our country's cooperation with foreign countries in oil exploration? What flexible measures will we take so that we can attract more foreign companies?

Answer: The drop in world oil prices this year means not only huge economic losses for oil exporting countries, but also greatly affects the world oil industry. Because of the drop in oil prices, some multinational oil companies have been compelled to reduce their investment in foreign countries and their numbers of employees. As far as we know, they have generally reduced their investments abroad by one fourth. This cannot but affect foreign oil companies' investments and operations in China. This year we are cooperating with 39 companies from 12 countries in offshore oil exploration, and have carried out joint operations in 30 contracted areas. Judging from the present situation, our total oil exploration work this year will be one third less than last year.

Of course, we have adopted more flexible measures to attract foreign companies to make investments in our offshore continental shelf, increase their exploration work, and discover more oil reserves. With regard to contracted areas set during the first tender, we have adopted the method of extending the contracted areas. This will give them more chances to discover oil. Furthermore, we have employed the method of shifting the volume of work. If some wells drilled in the contracted areas are of no great value, we allow the companies concerned to shift their remaining work volume, as stipulated in the contracts, to other areas which they think useful. In so doing, they can complete their work volume in accordance with the stipulations contained in the contracts concerned. Recently, the Occidental Oil Company of the United States drilled a test well in a new area which was considered valueless in the past. A new discovery has been made in the area. This is good result gained following the implementation of a flexible policy.

Our government has further adopted a more flexible policy toward contracted areas set during the second tender. Specifically speaking, we have adopted the method of tax reduction and exemption to encourage foreign investment. Due to the slump in international oil prices, production costs for exploring medium and small-sized offshore oil wells are generally high. Generally speaking, foreign companies are no longer willing to make such investment. In the process of inviting the second tenders, we worked out the following policy: With regard to the exploration or small oilfields with an annual output of less than one million tons, the government will exempt tax on using the mining area (the tax rate as stipulated by the same is 12.5 percent). We use this method to encourage foreign oil companies to exploit medium and small-sized offshore oil fields.

The relevant government departments are considering the possibility of adopting a more flexible tax policy for the exploration of small and medium-sized oil fields in the first contracted area.

Question: Could you tell us the achievements made since the signing of the first batch of contracts for offshore oil exploration?

Answer: We have, to date, signed 30 oil contracts with 39 companies from 12 countries since the start of the cooperation project with foreign countries in offshore oil exploration. From 1982 to the end of last year, foreign oil companies spent a total of $1.6 billion on oil exploration in China in a period of 3 years or so. They have completed the project of defining 240,000 kilometers of seismic geodesic lines, and drilling 106 test wells. We have drilled 6 wells, so the total number of test wells is 112. In this area of 130,000 square km covered by our contracts signed with foreign companies, we have discovered more than 1,000 reservoir structures which can be used for prospecting. Of the 112 wells, we have discovered oil and gas in 41. We have also made a total of 23 discoveries in 83 structures (accounting for less than 1/10 of the 1,000 structures). What is more prominent is that we have discovered a comparatively large gas field in the Yingke Hai in the South China Sea. Up to now, we have drilled three test wells in this gas field, and the fourth well is being drilled.

According to available data, the reserves of this gas field are about 100 billion cubic meters. It is a fairly big gas field. We have signed a contract with Arco on making use of natural gas. We are preparing to exploit this gas field and lay more than 1,000 km of pipeline from Shanya to Shenzhen. They will carry the gas from the sea to Guangzhou, Shenzhen, or even Hong Kong. Of course, the gas is for civil use.

In addition, we have also appraised nine medium and small-sized oil fields. Judging from the present situation, we have not yet discovered any large, or reasonably large oil fields. This is not in accord with people's former expectations.

However, after appraising the nine medium and small-sized oil fields, we have found that their per well unit output is fairly high. Therefore, it is economically viable to exploit them. Thus, of these medium and small-sized oil fields, one is being exploited and will go into operation soon, and the other one will be put into production during the second half of this year. Some other oil fields are being appraised.

Whether these medium and small-sized oil fields will go into operation remains to be seen, particularly some deep-water oilfields in basins at the mouth of Zhu Jiang in the South China Sea. If oil prices continue to drop, this will be detrimental to exploitation projects. According to our present estimation, if oil prices remain at less than $15 per barrel, 2/3 of our medium and small-sized oil fields will not be exploited and put into production. A drop in oil prices cannot but delay our efforts to exploit medium and small-sized oil fields. Of course, we do not rely too heavily on offshore oil output, therefore its influence on us is limited.

Generally speaking, how should we assess the result of our cooperation with foreign companies in offshore oil exploration? Although we failed to fulfill former expectations of discovering large oilfields after the first tender -- this was only a general expectation, but difficult to realize (contrary to the expectations of the Chinese and foreign sides, we have not achieved the best results) -- all our results in offshore exploration conform to the laws governing the exploration of new basins and exploration work as a whole. There was nothing which was particularly bad. We can say that the results are comparatively good.

Whether there are any large oil fields is a problem which should be solved by carrying out further exploration. We need a process and should do more work in order to solve the problem. According to work carried out over the past 3 years, I think that oil company experts from various countries and Chinese experts have further clarified the laws governing the dispersion of our underground gas deposits. I believe that it will not take long before we can discover big oil fields in our sea areas -- the cooperative area of our continental self.

Question: Are there more cooperation contracts with foreign countries in the exploration for land oil?

Answer: At present, the government has only made a decision on cooperation with foreign countries for prospecting and exploiting land oil resources in 10 provinces in the south. The decision was made in February last year. Various countries have paid close attention to this decision. More than 50 companies from 16 countries sent some 60 delegations or groups to China to discuss the matter of cooperating with us in the exploration of land oil in the 10 southern provinces and areas. This shows that many countries are interested in cooperation with us with regard to exploration for land oil. However, they have delayed the cooperation because of the drop in oil prices. Up to now, only Australian CSR has signed a contract with us. We will carry out production in the Fushan area on Hainan Island. At present, the contract is being implemented smoothly, and production is in full progress. We have signed no other contracts than this one. The number of other oil business contracts is also limited. This is a reaction to the worldwide oil price drops' effect on our projects of absorbing foreign capital in order to explore onshore deposits. If oil prices rise, I think that some companies will come back again.

Our government has not yet made any other decisions except the decision on those 10 provinces and areas. We do not know in what provinces and areas we will further expand our cooperation with foreign countries in land oil exploration.

However, as far as cooperation in land oil exploration is concerned, we will further expand it. This because our cooperation with foreign countries in oil projects not only includes items of joint operations and cooperative prospecting and exploration, but also covers various other aspects, such as basic facilities, funds, equipment, personnel training, and so on. I believe that our cooperation with several countries in land oil projects will be wider in scope and field. During the past 5 years, in the process of implementing a policy of opening to the outside world, our cooperation with foreign countries in these aspects has been constantly expanding, especially in 1984 and 1985 -- the last 2 years of the Sixth 5-Year Plan.

I will give you some total figures. We have employed foreign drilling teams, seismic teams, well logging teams, testing teams and so on, and we have learned advanced operating experience and technology from these foreign countries. In the meantime, we have invited foreign consulting and service companies and oil companies to provide us with consultative services with regard to oil exploration projects; oil prospecting; core analysis; technological designs for pipelines; and so on. In addition, we have imported and purchased technology and complete sets of equipment from foreign countries. Over the past 5 years, the amount of foreign exchange spent by China on these projects was 200 million more than the 1.6 billion invested by foreigners in China. In other words, our entire oil departments have spent 1.8 billion. Our money has mainly been spent during the last 2 years. Therefore, I say that our cooperation with foriegn countries in land oil projects covers many aspects, and that it is expanding constantly. At the current NPC session, Premier Zhao stressed again that we should further implement the policy of opening to the outside world. I believe that our cooperation with foreign countries in land oil projects will expand.

Question: Will the drop in oil prices adversely affect the development and production output of our oil industry during the Seventh 5-Year Plan?

Answer: Yes, it will. During the period of the Seventh 5-Year Plan, on the basis of constantly increasing oil reserves, we will increase crude oil output at home from 125 million tons in 1985 to 150 million tons in 1990. In the meantime, we should ensure stable and sustained growth, and avoid sudden rises and falls in oil output. Although oil prices have dropped, we will not change the plan. We have full confidence in our plan, and believe that it will be overfulfilled. Why? Because we believe that the sharp drop in oil prices will only last for a very short period. In particular, the present situation of oil prices slumping to $12 per barrel will not last too long. If it lasts a long time, oil-producing countries will suffer great losses. In particular, the economy of those developing countries which are heavily in debt will be severely damaged. In addition, the world oil industry will decline, and oil output will drop. All this not only seriously affects oil-producing countries, but also pounds at world trade and financial markets, so that developed countries are also harmed. Therefore, such an abnormal and sudden drop in oil prices will not last long. If were to last long, the world economy would be too dramatically affected. Oil-producing countries will suffer losses, and the world economy will be greatly affected. Of course, it does not mean that oil prices will rise again tomorrow. They will not rise so fast. All this is determined by the attitude adopted by OPEC members states and other oil-producing countries not belonging to OPEC, and by whether or not they can cooperate and pay mutual regard to each other's interests. After that, they may carry out dialogue and consultations, and make concerned efforts to stabilize oil prices at a reasonable level. China hopes that oil prices will be stable and reasonable. However, China exports only a small amount of oil. As I mentioned just now, during the period of the Seventh 5-Year Plan, China's oil output will increase continuously, mainly to satisfy home demand. At present, supply (of oil) exceeds demand in the international market. There is a daily overproduction of 3 million barrels in the international market.

Therefore, it is not easy for oil prices to rise rapidly again. However, the situation is completely different in China's internal market. Our demand for oil exceeds supply. The demand for crude oil and natural gas due to economic development is a basic reason for our country to develop its oil industry.

We do not rely on exports to develop our country's oil industry. At present, the development of China's oil industry as a whole is slower than the development of its national economy. Our oil industry is not developing quickly. On the contrary, its development is not rapid enough. Our oil output cannot yet satisfy domestic demand.

Why whould we export our oil? Of course, we export a limited amount of oil. The main reason for doing so is to earn foreign exchange so that we can import technology from foreign countries more effectively; promote cooperation, exchanges and trade with foreign countries; carry out personnel training... We need foreign exchange. This is our main purpose for exporting oil. Although our foreign exchange revenue has been reduced because of the drop in oil prices, the influence oil has over us is not too great. In spite of the fact that our foreign exchange revenue has dropped, we can raise funds from other quarters. Therefore, generally speaking, the actual price of oil will not substantially influence the development of our country's oil industry. It can merely cause some economic losses to us.

Question: The development of the oil industry is slower than the development of the national economy. What impact will this have in our country?

Answer: Of course, our country has been influenced. There is a strain on fuel supply at home. This is the impact on us. When you travel in the south, you will see some people selling gasoline in cans on the roadside. It is because we have so many cars, and our oil supply is not sufficient. It is clear that we should solve the problem in the following ways: As far as state policy is concerned, we should strengthen the development of energy, which is a weak link in our economy. This has been stressed by Premier Zhao in his recent report. We should ensure faster development of the energy industry in terms of planning and finances.

On the other hand, we should adopt measures aimed at saving energy. We should rely on this method, or the method of producing oil substitutes to solve the problem of insufficient oil supply. Of course, due to these measures, the difficulties encountered by the state in its economic construction because of insufficient oil supply have been lessened and reduced. At present, although there is a strain on the oil supply, the situation is not too bad. This is precisely because of efforts by all workers and staff members in the oil industry, who are working hard day and night in order to speed the development of our oil industry.

I mentioned just now the issue of producing substitutes for oil. Our present situation in coal production is better. China is fairly rich in its coal resources. Apart from that we are gradually developing natural gas. There are many methods which can be adopted to solve the problem of gas and oil. If we work hard for another 5 to 10 years, it is expected that we will have a more sufficient supply of energy in our country. We are working out a plan to ensure synchronous progress and development of oil and the entire national economy by the end of this century.

Question: How will the natural gas in the South China Sea be utilized?

Answer: The project exploiting natural gas in the South China Sea has been approved by the government, and plans concerned are being implemented. We will mainly utilize natural gas in the following three ways: 1) generating electricity; 2) using gas as a substitute for oil. Those sectors which used oil in the past may now use gas.

This will save on heavy and crude oil and achieve better economic results; 3) promoting civil use of natural gas. This includes laying pipelines from Hainan Island to Guangzhou and Shenzhen. We are even considering the project of supplying Hong Kong with natural gas. Of course, this problem is being negotiated.

With regard to the balance between income and expenditure in foreign exchange, this truly is a problem. It is because we cooperate with the U.S. company Arco in exploiting natural gas. We need foreign exchange to repay Arco for exploiting the gas, and the company will also get its share of the profits in foreign exchange. Therefore, we need a certain amount of foreign exchange.

Besides, we can lay the pipelines and carry out the projects at the lower levels in accordance with international standards, but this inevitably means that we need technical consulting services from foreign companies and their help in installation projects. We also need instruments, meters, and equipment which our country has not yet been able to manufacture. We need foreign exchange in this regard. Of course, if conditions exist, we will do our best to make use of materials and facilities manufactured at home, labor services in particular.

We definitely need foreign exchange and renminbi to carry out such projects. However, the projects at the lower reaches are utilized in the interests of home consumers alone. We can only get renminbi from them. Where should we get the foreign exchange then? We will solve this problem later. This problem will mainly be solved by the China national offshore oil corporation through adjustment of its accounts. The company is a unit which is entitled to carry out cooperation with foreign companies. It can earn foreign exchange from oil by cooperating with foreign companies in oil exploration. In the meantime, it has a great number of service teams. When they are employed to carry out offshore operations, they are paid in foreign exchange. The national offshore oil corporation will earn more and more foreign exchange with the increase in offshore oil exploration projects. It is able to make use of its own revenue in foreign exchange to satisfy its own demands. It can use its own revenues in foreign exchange to buy gas from its collaborators. It can also use its own renminbi income, derived from reselling gas to consumers at home, to develop its own oil projects in our country. In such a way, all problems can be solved.

DAILY REPORT

China

CONTENTS

Vol I No 079 24 April 1986

PRC INTERNATIONAL AFFAIRS

UNITED STATES

Reverse Effects of Libyan Raid Outweigh Gains B 1
U.S. Rejects Dissolving Warsaw Pact, NATO B 2
Reagan Decides To Dismantle Two Submarines B 2
Zhu Qizhen Meets U.S. Disarmament Official B 3
Fang Yi, Song Jian Meet American Visitors B 3
Congress Urges No Missile Sales to Saudis B 3

NORTHEAST ASIA

Beijing Commentary on South Korean Opposition D 1

SOUTHEAST ASIA & PACIFIC

Reportage on ESCAP Meeting in Bangkok E 1
Qian Qichen Presides E 1
Qian on Asian Peace, Security E 1
Thai, PRC Deputy Ministers Support CGDK Proposal E 2
CPPCC Delegation Welcomed at Melbourne Reception E 2
SRV Resolution Calls for Economic Reform E 3
Hong Kong Basic Law Committee Ends Session E 3
Committee Members Satisfied E 3
Group Issues Communique E 4

WESTERN EUROPE

Wang Bingqian, FRG Finance Minister Hold Talks G 1
Ye Fei Meets Delegation From Norway 23 April G 1
Western 'Rift' Results From U.S. Attack on Libya G 1

EASTERN EUROPE

Polish Monthly Hails PRC Reform Achievements H 1
Communications Delegation Visits Poland H 1
Meets Vice Premier H 1
Ends 'Friendly' Visit H 2
Poland Supports Soviet Arms Reduction Proposal H 2
Chu Tunan at PRC-Bulgaria Sports Pact Signing H 2

MIDDLE EAST & AFRICA

Iranian Delegation Arrives in Beijing [IRNA] I 1
Meeting With NPC Official [IRNA] I 1
Zhang Jingfu Arrives in Iraq for Talks I 1
'Satisfaction' Over Cooperation Noted I 1
Zhang Jingfu Meets Iraqi Leader I 2
INA Report on Meeting I 2
Wu Xueqian Reiterates PRC Support for PLO I 3
Chen Muhua Meets Suez Canal Administrator I 3
Xi Zhongxun Receives Visitors From Seychelles I 3

PRC NATIONAL AFFAIRS

Hu Yaobang Inspects Hebei Mountain Area K 1
Li Xiannian Appoints, Removes Ambassadors K 3
RENMIN RIBAO on Eliminating Feudal Practices [18 Apr] K 3
Currency Recovery Demonstrates Sound Economy K 6
Forced Sales of Undesirable Goods Banned K 7
Zhao Ziyang on Science Supporting Defense Work K 8
Yu Qiuli Stresses Party Rectification in PLA K 9
PLA Opens Tactical Training Center in East China K 9
Li Peng Explains Draft Compulsory Education Law K 10
RENMIN RIBAO Commentary [18 Apr] K 17
Questions on Foreign-Owned Companies Law Answered K 19
[CHINA DAILY 23 Apr]
Commentator on Best Use of Existing Funds K 20
RENMIN RIBAO on Grasping Grain Production Links [16 Apr] K 20
RENMIN RIBAO Views Socialist Capital Market [7 Apr] K 22
No Change Seen in Specialized Households Policy K 27
[RENMIN RIBAO 19 Apr]
Leaders Write for Beijing Science Monograph K 28
[BEIJING RIBAO 31 Mar]
Central Leaders, Others Honor Late CPC Adviser K 29
Tian Jiyun Meets Rural Employment Seminar Group K 29
Zheng Tuobin Attends Guangzhou Fair Opening K 30
Nie Rongzhen Greets New Gerontology Society K 30

PRC REGIONAL AFFAIRS

EAST REGION

Huang Huang Meets With Non-CPC Personnel in Anhui O 1
Fourth Session of Anhui People's Congress Opens O 1
Han Peixin Attends Jiangsu CPC Meeting 19 April O 2
Jiangsu City Attracts More Foreign Investment O 3
Jiangsu: Commander Addresses Nanjing PLA Meeting O 3
[ZHEJIANG RIBAO 14 Apr]
Nanjing Opens Training Center for 'Group Armies' O 4
Shandong's Liang Buting Relays NPC Guidelines O 4
Shanghai's Rui Xingwen at Commendation Meeting O 5
Shanghai: Computerized System for Chinese Developed O 5
First Optical Fiber Communications Line in Shanghai O 6
Shanghai Targets Major Industries for Expansion O 6

CENTRAL-SOUTH REGION

Guangxi: Shanghai Group Arrives for Economic Talks P 1
Hainan To Establish Export Production Base P 1

SOUTHWEST REGION

Guizhou Meeting Stresses Lateral Economic Ties Q 1
Sichuan Holds Political, Legal Work Conference Q 1
Sichuan Commentary Views Improving Social Order Q 2

NORTH REGION

Beijing To Check Unhealthy Sales Practices R 1
Nei Monggol 16th Standing Committee Meeting Ends R 1
Tianjin's Ni Zhifu Visits With CPC Participants R 2
Tianjin People's Congress Session Opens 22 April R 2

NORTHWEST REGION

Qinghai Security Official Discusses Public Order T 1
Xinjiang Cadre Meetings Convey NPC Session Spirit T 2
Briefs: Shaanxi Machine-Building Industry; T 2
Shaanxi Rural Specialized Households

TAIWAN

President Receives Pacemaker in Successful Operation V 1
Taiwan Official Urges Japanese Investment Incentive V 1

HONG KONG MEDIA ON CHINA

Hong Kong Paper Analyzes Basic Law Session Results W 1
[SOUTH CHINA MORNING POST 23 Apr]
KUANG CHIAO CHING Assesses Wang Meng Appointment [No 163, 16 Apr] W 2
PRC Struggle For Law and Order Considered W 5
[SOUTH CHINA MORNING POST 10 Apr]

REVERSE EFFECTS OF LIBYAN RAID OUTWEIGH GAINS

OW232036 Beijing XINHUA in English 2016 GMT 23 Apr 86

["Round-up: U.S. Air Raid on Libya: More Losses Than Gains (by Bao Guangren and Li Yanning)" -- XINHUA headline]

[Text] Washington, April 22 (XINHUA) -- The United States launched a massive air raid on Libya, believing that it was a success. And yet the developments of the past week have demonstrated that the reverse effects of the attack greatly outweigh the gain it desires. The 11-minute attack has aroused strong protests and condemnation from most countries of the world except a few such as Britain and Israel. These countries, a number of U.S. allies included, lashed out at this surprise attack by a big power on a small nation as a violation of its territorial sovereignty. Anti-U.S. sentiments were found in many regions demanding "Yankees, Go Home".

The attack has also caused rift in the relations between the United States and its West European allies. U.S. warplanes had to fly 2,500 miles from Britain to Libya because they were rejected passage over the territorial space of France and Spain. U.S. President Ronald Reagan openly blamed France as an unworthy friend. British Prime Minister Margaret Thatcher, though lauded in the U.S. press as a "friend in need," found herself in a sea of accusations in her own country. Opinion polls conducted by "NEWSWEEK" showed that more than 60 percent of those contacted in Britain were not in favor of the attack. In the past few weeks the United States has continued to accuse this or that ally only to make the new wounds more difficult to heal.

The attack has further worsened U.S. relations with the Soviet Union which has called off the planned meeting of foreign ministers of the two countries in Washington next month. This has at least created more difficulties on the way to holding the U.S.-U.S.S.R. summit this year. The attack has estranged Arab countries further from the United States. Although these countries do not all share Libya's stance toward the United States and the Soviet Union, this wanton attack however will naturally bring the Arab governments and peoples together in condemning the United States, which of course will not help the United States in its rivalry with the Soviet Union in the Middle East. The "CHRISTIAN SCIENCE MONITOR" has pointed out that "the real, long-term net gainer from any American attack on any Arab is -- Moscow."

Reports have it that the United States had planned to kill Mu'ammar al-Qadhdhafi in the military operation, or at least encourage the opposition in the country to overthrow him in a coup. But the outcome, falling far short of U.S. expectations, has incited Libyans' national indignation and patriotic sentiments, precipitating the vicious circle of retaliation and counter-retaliation between the two countries.

Terrorist activities have continued unabaded following the U.S. raid on Libya. At least six terrorist actions had been reported in a week after the raid: A kidnaped American and two Britons were killed in Lebanon in a "retaliation action"; an Irish woman carring a bomb in her hand bag at Heathrow Airport in London attempted to set the explosive on an Israeli airliner; a staff member in the U.S. Embassy in Sudan was deadly shot and most of the staff members and their dependents had to be withdrawn afterwards; a truck loaded with explosives tried to run into the residence of the U.S. Ambassador in Peru; and the U.S. Consulate in Costa Rica was exploded. These incidents have forced the United States to tighten security in U.S. Embassies and Consulates elsewhere and U.S. embassy staff are "in a constant state of anxiety". In the United States, 80-90 percent of American tourists have cancelled their plans to travel to the Mediterranean and the Middle East.

Several big newspapers and companies in Washington have received phone calls these days, saying there would be "bomb explosions". At least 20 such calls were reported to the police in the capital the day after the raid, causing a terrifying effect. The Capitol, the Washington Monument and subway stations were once cordoned off on urgent notice, and people were dispersed from these areas for fear of bomb explosions.

The air raid on Libya is a violation of international law. It has further deteriorated the situation in the Mediterranean as well as the world at large. The loss outweighs the gain even in terms of the United States interests. In announcing the attack, President Ronald Reagan said, "We have done what we had to, and will do it again if necessary." But on the basis of the above analysis, one can draw the conclusion that since the action that is committed once is even overdone, how can that be done again?

U.S. REJECTS DISSOLVING WARSAW PACT, NATO

OW230914 Beijing XINHUA in English 0716 GMT 23 Apr 86

[Text] Washington, April 22 (XINHUA) -- The United States today virtually turned down a Soviet proposal for dissolving both the Warsaw Pact and the NATO Alliances. Soviet leader Mikhail Gorbachev Monday called for the "simultaneous dissolution of the Warsaw Pact and NATO or, at least for a start, their military organizations."

White House spokesman Larry Speakes yesterday declined to give a U.S. reaction to the proposal. When pressed for an answer at a regular news briefing today, Speakes said that he had nothing to say, adding, "It's nothing new," and it's "a familiar Soviet idea advanced over the years." He alleged that the source of tension in Europe "is not the existence of NATO, but rather the threat posed by the large, well-equipped, forward-deployed Soviet troops, and the Soviet military build-up, which is far in excess of any legitimate defensive needs."

"We believe that the key to reducing tensions, to meaningful arms control agreements, and more stable East-West relations is through serious proposals, negotiated confidentially and not through public press releases," Speakes said.

REAGAN DECIDES TO DISMANTLE TWO SUBMARINES

OW220750 Beijing XINHUA in English 0736 MT 22 Apr 86

[Text] Washington, April 21 (XINHUA) -- President Ronald Reagan has tentatively decided to dismantle two U.S. Poseidon submarines next month in order to keep the United States within the limits of the unratified Strategic Arms Limitation Treaty (SALT II). The ASSOCIATED PRESS today quoted an anonymous U.S. official as saying that the decision was made a month before a new Trident nuclear submarine, the USS Nevada, begins sea trials on May 20. The new Trident submarine, with its 24 international ballistic missiles, will push the United States over the ceiling of 1,200 missiles with multiple warheads set by the SALT II unless the two Poseidon submarines, each carrying 16 missiles, are dismantled under the terms of the treaty.

The proposal to dismantle the submarines, the USS Nathan Hale and the USS Nathanael Greene, was put forth by Secretary of State George Shultz and Special Representative for Arms Control Talks Paul Nitze during a meeting with the President last week. But most of the other senior advisers who attended the meeting urged Reagan to permit the U.S. total to surpass the ceiling because, according to them, the Soviet Union has violated the SALT II.

The treaty was signed by former U.S. President Jimmy Carter and the last Soviet leader Leonid Brezhnev in 1979 in Vienna. However, the United States has never ratified it and it expired at the end of 1985. The official said that Reagan has also decided to send two special envoys to consult with leaders in Europe and Asia on the status of the treaty.

ZHU QIZHEN MEETS U.S. DISARMAMENT OFFICIAL

OW231530 Beijing XINHUA in English 1517 GMT 23 Apr 86

[Text] Beijing, April 23 (XINHUA) -- Zhu Qizhen, vice-minister of foreign affairs, met here this evening E. L. Rowney, special consultant to the President of the United States for disarmament, they exchanged views on disarmament. Rowney arrived here today as a guest of the U.S. Embassy in Beijing. He is scheduled to leave here tomorrow.

FANG YI, SONG JIAN MEET AMERICAN VISITORS

OW231222 Beijing XINHUA in English 1213 GMT 23 Apr 86

[Text] Beijing, April 23 (XINHUA) -- Chinese State Councillors Fang Yi and Song Jian met here this afternoon Erich Bloch, director of the United States National Science Foundation, and his party. During the meeting, they expressed satisfaction with the Sino-U.S. scientific cooperation in the past five years and hoped to expand this cooperation. Bloch and his party arrived here April 20 at the invitation of the Chinese Academy of Sciences. They signed with Chinese officials an agreement to extend the 1980 protocol between the two countries on cooperation in the basic sciences on Monday. The agreement provides that the two countries will further their cooperation in natural sciences, engineering and social sciences. The two countries have worked on 81 cooperation projects in these fields in the past five years.

CONGRESS URGES NO MISSILE SALES TO SAUDIS

OW240854 Beijing XINHUA in English 0843 GMT 24 Apr 86

[Text] Washington, April 23 (XINHUA) -- Both the U.S. Senate and House Foreign Relations Committees today adopted resolutions asking Congress to reject the White House proposal for more missile sales to Saudi Arabia. President Ronald Reagan has proposed to sell 354 million dollars worth of missiles to Saudi Arabia, which is about one-third of the 1.1 billion dollar arms deal the Saudis originally requested.

The delivery of the arms is to begin in 1989. The sales include 800 Stinger missiles, which are shoulder-fired ground-to-air weapons, and 1,066 Sidewinder air-to-air missles and 100 Harpoon ship-to-ship missiles.

Opponents of the arms deal accused Saudi Arabia of supporting Syria and the Palestine Liberation Organization (PLO).

If both chambers of Congress pass resolutions as suggested by the two committees, President Reagan is expected to exercise his veto right. In that case, a two-thirds majority of each chanber would be needed to override Reagan's veto and limit the arms sale.

BEIJING COMMENTARY ON SOUTH KOREAN OPPOSITION

SK230510 Beijing International Service in Korean 1100 GMT 19 Apr 86

[Station commentary: "The Development of the South Korean Situation and Its Effects"]

[Text] Since February this year, the ruling and opposition parties in South Korea have been struggling in connection with the signature collection campaign for constitutional revision. Since this struggle is connected with the stability of the South Korean situation, it has aroused concern among people.

The signature collection campaign, initiated jointly by the NKDP, the South Korean opposition party, and the Council for Promotion of Democracy [CPD], an opposition organization, is a mass antigovernment demonstration which is being conducted in an organized and systematic manner.

The main purpose of this struggle is to revise the current constitution, changing the indirect presidential election system into direct elections through the people's popular vote and bringing an end to the present regime by obtaining the support of more than half the 20 million South Korean voters.

On 12 February some 200 opposition party leaders and democratic figures, including Yi Min-u, president of the NKDP, and Kim Tae-chung and Kim Yong-sam, cochairmen of the CPD, first signed their names in the signature book for the constitutional revision. In active support of this campaign, the constitutional revision campaign headquarters for democracy for the masses and for national reunification were inaugurated in some 10 universities in Seoul.

The South Korean authorities declared that this campaign is an illegal activity, placed under house arrest, arrested, and detained opposition party leaders and members under various pretexts, and even searched the office of the opposition party.

The authorities dispatched many policemen and, in surprise raids on 129 universities and colleges across the country, searched and confiscated many propaganda leaflets prepared by the students, and arrested some 200 students on charges of violating relevant laws.

The signature collection campaign for constitutional revision assumed great vigor in March. The NKDP inaugurated in Seoul the Seoul branch of the headquarters for the promotion of constitutional revision, and established a unified organization for democracy with four other opposition parties and organizations.

As the whirlwind of the campaign for constitutional revision spread throughout South Korea, rallies for the formation of the branch offices for the signature collection campaign were held in provincial areas such as Pusan, Kwangju, and Taegu with the participation of tens of thousands of residents. After the rallies, the South Korean people waged brave struggles against the police attempting to supress them, holding up signs and chanting the slogans "Down With the Military Dictatorship," "Revise the Constitution," and "We Demand Democracy."

South Korean figures from all strata, especially religious organizations and the figures of religious circles, signed their names in support of the signature collection campaign for constitutional revision.

The South Korean National Council of Churches, consisting of six protestant congregations, on 17 March issued a statement supporting the signature collection campaign and calling for direct presidential elections through the people's popular vote.

Num Ik-hwan, a protestant minister who was detained in prison for a long period by the South Korean authorities, called for the termination of the Chon Tu-hwan military dictatorial regime at an early date. The Catholic Council for Justice and Peace of South Korea, in a 9-point statement issued recently, called for the freedom of speech and the press, democratization of the central and provincial governments, and an end to the violence and suppression against people holding different political views.

Developments in the Philippines also greatly encouraged the South Korean democratic forces. The South Korean authorities, facing heavy pressure, were very frightened. They raved that the South Korean political and economic situation is different from that of the Philippines, adopted an appeasement policy toward the opposition parties, saying that as long as the signature collection campaign is a peaceful demonstration they would acknowledge it as legitimate, decided to call off the house arrest and detention of the opposition leaders and to release some detained students, and decided to carry on a dialogue with the opposition parties.

Nevertheless, Chon Tu-hwan repeatedly raved that he had decided that constitutional revision and the plan for the so-called peaceful transfer of power [as heard] could be discussed after he stepped down from power in 1988 after his presidential term expires. He raved that the pledge for constitutional revision will be made by the presidential candidate of the ruling party.

We ought to pay attention to the fact that in an attempt to bring stability to the current situation, the South Korean authorities are conducting massive pro-U.S. propaganda, augmenting the police security units and declaring an emergency martial law [as heard] under the pretext of the threat of southward invasion from the North before 1988. Receiving increased military aid from the United States, they are raving that the United States and South Korea have agreed to continue the Team Spirit joint military exercises until 1988.

This tactic employed by them, however, will not solve the conflict between the ruling and opposition party forces, and will have a negative impact on the alleviation of tension on the Korean peninsula and the improvement of the North-South dialogue.

REPORTAGE ON ESCAP MEETING IN BANGKOK

Qian Qichen Presides

OW222043 Beijing XINHUA in English 1513 GMT 22 Apr 86

[Text] Bangkok, April 22 (XINHUA) -- Thai Prime Minister Prem Tinsulanona said here today that modern technology should play a crucial role in the development strategy of the Asian and the Pacific countries which are now at the transitional stage of development. He said, "Present technology has become increasingly complex, calling for highly specialized operating skills and abilities and making demands on manpower training. Prem made these remarks while addressing the opening ceremony of the 42nd session of the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) which was held at the ESCAP main building here this morning.

Qian Qichen, chairman of the Chinese delegation and deputy foreign minister, presided over the ceremony which was attended by some 250 delegates from 38 ESCAP members including 22 ministers and deputy ministers, as well as 130 observers from non-ESCAP countries and U.N. bodies.

Prem in his inaugural address mentioned a number of key problems plaguing developing countries in this region such as slow growth, structural adjustment difficulties, mounting indebtedness, chronic trade deficits, increasing protectionism and across-the-board slump in commodity prices. He appealed to countries in the Asia-Pacific region to "work together as best" to solve these common problems.

After Prem's address, ESCAP Executive Secretary S.A.M.S. Kibria read out a message from U.N. Secretary-General Javier Perez de Quellar. The U.N. chief pointed out in his message that protectionism in developed countries against imports from developing countries, extremely low commodity prices and the heavy burden of external debts, continue to thwart the aspirations of many developing countries.

The 1986 Commission session, which will last for 10 days, will focus on the theme of technological dimensions of human resources development. Its choice has been linked to the topic of the two previous sessions, "Technology for Development".

Qian on Asian Peace, Security

OW222120 Beijing XINHUA in English 1446 GMT 22 Apr 86

[Text] Bangkok, April 22 (XINHUA) -- Chinese Vice Foreign Minister Qian Qichen today called for the restoration of peace and stability in the Asia and Pacific region so as to "create favorable conditions for its economic development." He made the statement when addressing the plenary meeting of the 42nd session of the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP), which opened here this morning.

Qian, chairman of the Chinese delegation to the ESCAP session, said, "Peace and stability are prerequisites for economic development. The ongoing sanguinary conflicts in the Asia-Pacific region are jeopardizing the economic and social development of the region. He called for the withdrawal of all foreign troops "from the countries they have occupied, so that the people of these countries can solve their problems by themselves.

"The eight-point proposal for a political settlement of the question of Kampuchea put forward by the Coalition Government of the Democratic Kampuchea is fair and reasonable and conforms with the spirit of the relevant U.N. General Assembly resolutions and the declaration of the International Conference on the Question of Kampuchea," he said. He declared the Chinese Government's support for the proposal.

Qian also called for the strengthening of regional economic cooperation in the fields of trade, capital, technology and energy resources. He said "developed countries should stop or lessen trade protectionist and other discriminative restrictions directed against developing countries in the region, provide bigger share of their markets for products from developing countries and improve terms of trade for the export of primary products.

On cooperation in the field of capital, Qian pointed out "to solve the problem of capital shortage in their economic development, developing countries should pay attention to creating a favorable environment for direct capital investment, while developed countries should make available the capital market and create conditions for the developing countries to make use of the capital.

Qian said that as a country in the Asia-Pacific region, China is ready to actively support and take part in regional economic cooperation and make efforts for promoting economic development in the region. He proposed that a "regional seminar on forecasting, planning and development of technological human resources" in Asia-Pacific be held in China in 1987 as a contribution of the Chinese Government to the development of human resources in this region.

THAI, PRC DEPUTY MINISTERS SUPPORT CGDK PROPOSAL

OW231514 Beijing XINHUA in English 1504 GMT 23 Apr 86

[Text] Bangkok, April 23 (XINHUA) -- Thai Deputy Prime Minister Sitthi Sawetsila and Chinese Deputy Foreign Minister Qian Qichen said both countries supported the eight-point proposal recently made by the Coalition Government of Democratic Kampuchea (CGDK), it was learned here today. The two ministers met at the Foreign Ministry today. Qian was here attending the on-going 42nd United Nations Economic and Social Commission of Asia and the Pacific (ESCAP). Expressing their appreciation of the proposal, they held that it is reasonable and practical and has won wide support the world over.

The proposal calls for the withdrawal of Vietnamese troops from Kampuchea in two phases and the formation of a national reconciliation government of the Kampuchean parties including the Heng Samrin regime.

The two ministers have also expressed satisfaction over the development of the friendly and cooperative relations between China and Thailand and hoped that the relations will be strengthened and consolidated. The two ministers also exchanged views and information over other international and bilateral issues.

CPPCC DELEGATION WELCOMED AT MELBOURNE RECEPTION

OW240832 Beijing XINHUA in English 0637 GMT 24 Apr 86

[Text] Melbourne, April 23 (XINHUA) -- Melbourne hopes to further strengthen relations of friendship and cooperation with China, Councillor of Melbourne City Wellington Lee said here today. Lee was speaking on behalf of the Melbourne mayor at a reception in honor of a delegation from the Chinese People's Political Consultative Conference (CPPCC). Also present at the reception were leaders of Chinese communities here.

The delegation, led by Yang Zhengmin, deputy secretary-general of the CPPCC, arrived here Tuesday on a 13-day friendship visit to this country at the invitation of Australia-China Council. This is the first time that China has sent a CPPCC delegation to visit Australia.

Melbourne, capital of Australia's southern Victoria state, has established sister relationship with Tianjin, one of the major cities in China. And Victoria has also established a sister-state relationship with China's Jiangsu Province.

SRV RESOLUTION CALLS FOR ECONOMIC REFORM

OW232010 Beijing XINHUA in English 1959 GMT 23 Apr 86

[Text] Hanoi, April 23, (XINHUA) -- The Politbureau of the Central Committee of the Vietnamese Communist Party today adopted a draft resolution calling for new economic reforms to guarantee autonomy to industries and businesses. The resolution noted that many public enterprises had benefited from earlier reforms. However, said the resolution, the bureaucratic system still acts as if the state monopolizes everything. The resolution complained that some obsolete policies and systems are obstacles to production and that indiscipline, larceny and waste of state property have increased, which is a "very bad influence on society and the national economy."

In its draft resolution, the Hanoi authorities advocated the abolishment of state monopoly, granting of autonomy to basic economic units and the reformation of the general management system.

The Vietnamese newspaper NHAN DAN described the current reform movement as a "profound and complicated revolution" which must "be carried out actively and intensely." It said the government will soon issue decrees to implement the reforms. Observers here believe Hanoi's new reforms are designed to overcome its current economic difficulties.

HONG KONG BASIC LAW COMMITTEE ENDS SESSION

Committee Members Satisfied

OW221240 Beijing XINHUA in English 1226 GMT 22 Apr 86

[Text] Beijing, April 22 (XINHUA) -- The five-day second plenary session of the Committee for Drafting the Basic Law of the Hong Kong Special Administrative Region closed here today with a decision to hold the committee's third session in the fourth quarter of this year. Sub-committees formed to study special subjects will then present reports dealing with the concrete contents of the Basic Law (draft).

Ji Pengfei, chairman of the committee, pointed out in his closing speech that the committee members were satisfied with the framework of the Basic Law adopted by the session after discussion and revision, thus providing a good beginning for the later concrete drafting work. He added that some differences in ideology and work style existed between members from China's mainland and Hong Kong due to the different social systems. After exchanging views, they came to hold identical views on many questions. The session also adopted the "structure of the basic law of the Hong Kong Special Administrative Region of the People's Republic of China (draft)", "working regulations of the committee for drafting the basic law of the Hong Kong Special Administrative Region of the People's Republic of China", and the "decision to set up sub-committees of the committee for drafting the basic law of the Hong Kong Special Administrative Region of the People's Republic of China".

Secretary General Li Hou told XINHUA that four members had voiced different opinions on the working regulations, but only on part of the wording -- not the content. The other two documents were approved unanimously. He considered the differences would not affect the drafting work.

According to the session, the dissenting opinions will be reflected in the memorandum. The committee members from Hong Kong described the session as a "successful one".

The framework of the basic law (draft) has ten chapters dealing with the relationship between the central government and that of the Hong Kong Special Administrative Region; the basic rights and duties of Hong Kong citizens; and Hong Kong's political system, economy, education, science, technology, culture, sports, religion, foreign affairs, and flag and emblem.

Group Issues Communique

OW221135 Beijing XINHUA Domestic Service in Chinese 0909 GMT 22 Apr 86

[Text] Beijing, 22 Apr (XINHUA) -- Communique of the Second Plenary Session of the PRC Basic Law Drafting Committee for the Hong Kong Special Administrative Region:

The PRC Basic Law Drafting Committee for the Hong Kong Special Administrative region held its second plenary session in Beijing from 18 to 22 April 1986. Fifty-six members attended the meeting. Members Li Jiacheng and Xiang Chunyi were absent due to personal reasons. Member Guo Dihuo unfortunately passed away on 9 April this year.

The meeting discussed such issues as the framework of the basic law, the work rules for the drafting committee, the grouping of special issues, and the formation of ad hoc groups. The members took a serious and responsible approach toward the issues and spoke frankly and freely. Accordingly, they were able to enhance their mutual understanding and their confidence in drafting a sound basic law.

The plenary session held by the drafting committee this afternoon adopted the "Draft Framework of the PRC Basic Law for the Hong Kong Special Administrative Region," the "Work Rules for the PRC Basic Law Drafting Committee for the Hong Kong Special Administrative Region," and the "Decision on Forming Ad Hoc Groups under the PRC Basic Law Drafting Committee for the Hong Kong Special Administrative Region."

The session decided to hold the third plenary session of the drafting committee in Beijing in the fourth quarter of this year for the various ad hoc groups to deliver work reports and hold preliminary discussions. In 1987, the drafting committee will separately discuss such special issues as relations between the central authorites and the special administrative region; the fundamental rights and obligations of the residents there; and the region's political system, economy, education, science, technology, culture, sports, and religion. Then, a manuscript of the discussion on the draft basic law will be adopted at a meeting to be held in early 1988.

WANG BINGQIAN, FRG FINANCE MINISTER HOLD TALKS

OW240838 Beijing XINHUA in English 0828 GMT 24 Apr 86

[Text] Beijing, April 24 (XINHUA) -- Wang Bingqian, Chinese state councillor and minister of finance, held talks with Gerhard Stoltenberg, minister of finance of the Federal Republic of Germany, here today at the Great Hall of the People. The two ministers exchanged views on issues of present international situation and briefed each other on the economic development and finance in their own countries.

Wang said, China now is facing an acute shortage of funds in its socialist construction. To solve the problem, China would open up its domestic financial resources self-reliantly by developing the economy and improving economic results and, at the same time, make an active use of foreign funds.

Both expressed the hope to further develop economic relations and cooperation between the two countries. FRG Ambassador to China Per Fischer attended the talks. Stoltenberg and his party arrived here yesterday as guests of Wang Bingqian.

YE FEI MEETS DELEGATION FROM NORWAY 23 APRIL

OW231228 Beijing XINHUA in English 1211 GMT 23 Apr 86

[Text] Beijing, April 23 (XINHUA) -- Ye Fei, vice-chairman of China's National People's Congress Standing Committee, met here today a delegation from the Norwegian Ministry of Health and Social Affairs led by State Secretary Harald Overvaag. The nine-member delegation arrived here yesterday at the invitation of the Chinese Ministry of Civil Affairs.

WESTERN 'RIFT' RESULTS FROM U.S. ATTACK ON LIBYA

OW191554 Beijing XINHUA in English 1531 GMT 19 Apr 86

["Round-up: Fresh Rift in Western Alliance Caused by U.S.-Libyan Conflict by Xia Zhimian" -- XINHUA headline]

[Text] Bonn, April 19 (XINHUA) -- The U.S. bombing of Libya has not only left deep craters in the north African state but also opened crevasses in the Western Alliance. Most West European nations were shocked, dissatisfied or even angered upon learning that the U.S. had attacked Libya without first consulting them. The Western allies were caught unprepared Tuesday when the White House ordered its lighting [as received] strike against Libya. They feel they were hoodwinked by Washington.

On April 13, a special envoy from Washington consulted the United States' Western allies on how to deal with the terrorist actions allegedly sponsored by Libya, a nation the Americans consider to be the arch foe of the Western world. The next day, however, without any advanced notice to the Western allies, a fleet of U.S. F-111 bombers secretly took off from Britain to pound Libyan targets.

On April 14, 12 foreign ministers of the European Community countries held an emergency meeting in the Hague, calling for restraint and a "political solution" to the U.S.-Libyan conflict so as to avoid an escalation of violence in the Mediterranean. Federal German Foreign Minister Hans-Dietrich Genscher was sent to Washington the same night to inform the Reagan administration of the result of the E.C. meeting. Genscher never had a chance to complete his mission, for even before his plane touched down in Washington D.C., U.S. bombs had hit Libya. Federal German Chancellor Helmut Kohl first heard of the attack through the media.

The U.S. strike against Libya provides another example of how the United States is inclined to put its own interests before everything else, ignoring even those of its closest friends. Western Europe has business interests in Libya and, because of its proximity to Northern Africa, bears the brunt of tensions in the Meditterranean. Futhermore, as the closest allies of the United States, West European countries have insisted that the White House consult them before any major political or military move is made. All this, however, was ignored by the U.S. administration.

As a Belgian newspaper commented, the U.S. bombing of Libya has humiliated the European Community and brings into question the value of the partnership between the United States and its Western allies.

But his is not the first time in post-war history that America's allies in the West have been humiliated in this way. In 1974, the United States reached the SALT II Treaty with the Soviet Union while remaining silent on the Soviet development of its SS-20 intermediate-range missiles, missiles that can reach Western European targets but not the United States. In 1983, the U.S. Government imposed the "star wars" program upon its Western allies, calling for a radical change in the nuclear deterrent strategy of the Western Alliance, a move that would give the Americans a space-based anti-missile shield while leaving Western Europe defenseless.

Many Western European politicians have bitter memories about disputes with Washington over such issues as the planned deployment of the neutron-bomb, the theory of a limited nuclear war in Europe, the economic sanctions against the Soviet Union and Poland, and the invasion of Grenada. On those and many other issues the U.S. Government has placed its own interests above all, taking actions that are detrimental to its allies.

The Western European countries, with their growing economic strength, are gaining more and more political influence in world affairs and want to be more independent of the United States. This may explain why the Western allies, with the exception of Britain, have shown no support for the latest U.S. action against Libya, why the U.S. bombers had to fly around France en route to the Meditterranean, and why even a close friend such as Federal Germany said it "opposes violence in principle", a veiled criticism of the U.S. action.

POLISH MONTHLY HAILS PRC REFORM ACHIEVEMENTS

OW240117 Beijing XINHUA Domestic Service in Chinese 1215 GMT 23 Apr 86

[Beijing XINHUA Domestic Service in Chinese at 0907 GMT on 23 April carries a service message canceling the following item]

[Text] Warsaw, 22 Apr (XINHUA) -- "China in the Eyes of Foreigners": The 1986 No 3 issue of the Polish monthly "(PEOPLE'S ARMY)" published a signed article which says: "Every objective observer must admit that the fast achievements made by China in reforming its political and economic life are amazing." Excerpts of the article follow:

The reform began soon after the 3d Session of the 11th CPC Central Committee made its decision in December 1978. The meeting was a significant turning point. It drew up a blueprint for transformation and reform that meets China's characteristics and the international environment. Since then, the reform has unprecendentedly liberated manpower resources, brought into play people's wisdom and talents, and greatly enhanced efficiency.

Agriculture was the first to be reformed. Agricultural production has greatly increased mainly because of the implementation of a "household contract" system. At the same time, the efficiency and production of industry and other economic sectors have also increased.

The economic achievements, the progress of reform, and the proportionate distribution of major economic sectors show that China is smoothly implementing its major strategic objectives.

The preliminary results of the Sixth 5-Year Plan were not bad. Chairman Deng Xiaoping has reasons to say that by the year 2000, the current objectives will not only be fulfilled but will be overfulfilled. However, this has not made Chinese leaders blindly optimistic. They have fully considered the Chinese people's experience in the "Great Leap Forward" and the "Cultural Revolution." They are now, acting in a moderate peaceful, and prudent way.

The developments in China in the last 5 years are great but quite uneven. Moreover, there is another question; that is, can China maintain the inspiring economic growth rate without worrying about "overgrowth" and "economic setback"? Chinese leaders realize the possible dangers. Chairman Deng Xiaoping is convinced that China's reform and experiment will succeed because China has no other way to go and no other choice; this is what he has said.

COMMUNICATIONS DELEGATION VISITS POLAND

Meets Vice Premier

OW230828 Beijing XINHUA in English 0813 GMT 23 Apr 86

[Text] Warsaw, April 22 (XINHUA) -- During a meeting today with the Chinese Communications Minister Qian Youngchang, the Polish Vice Premier Wladyslaw Gwiazda said that the two countrias can develop cooperation in shipping, port construction, fishing, scientific research and the training of professionals.

Qian hoped to cooperate in ocean shipping, highway construction and other departments of communications.

The two sides spoke highly of the achievements made by the Sino-Polish shipping company since its founding 35 years ago. Qian came here for the celebration of the 35th anniversary of the founding of the Sino-Polish shipping company and for a friendly visit to the country.

Ends 'Friendly' Visit

OW240641 Beijing XINHUA Domestic Service in Chinese 1524 GMT 23 Apr 86

[Text] Warsaw, 23 Apr (XINHUA) -- A delegation of the Chinese Ministry of Communications would up its friendly visit to Poland and left here for home by plane today. The delegation was led by Qian Yongchang, minister of communications. The delegation arrived in Poland on 13 April at the invitation of the Polish Bureau of Marine Economy. During its stay in Poland, the delegation attended activities in celebration of the 35th anniversary of the Sino-Polish Shipping Company; met with ledders of the Sino-Polish Shipping Company; met with leaders of the Polish Bureau of Marine Economy, and visited the cities of Gdynia, Gdansk, and Krakow. It also visited the Gdynia branch of the Sino-Polish Shipping Company, the Gdansk Oceanographic Institute, the Gdansk Maritime College, and the Gydnia Commerical Harbor. Polish Vice Premier Gwiazda received Minister Qian Yongchang on 22 April.

POLAND SUPPORTS SOVIET ARMS REDUCTION PROPOSAL

OW231131 Beijing XINHUA in English 0653 GMT 23 Apr 86

[Text] Warsaw, April 22 (XINHUA) -- Poland "fully supports and is ready to implement" the new proposal on European disarmament put forward by Soviet leader Mikhail Gorbachev at the recently-held 11th Congress of the Socialist Unity Party of Germany. The new proposal is the continuation of the Soviet peace offensive and it shows the firm stand of the Warsaw Treaty countries, said Jerzy Urban, spokesman for the Polish Government at a regular news briefing today.

On 18 April Gorbachev proposed "substantial reductions" be made in Europe's conventional armaments and forces and suggested that both the Warsaw Pact and NATO substantially cut all components of land forces and tactical air forces in Europe, including those of the United States and Canada. The spokesman said that the proposal "is of special importance to the European disarmament negotiations." Urban said that Poland hopes the Soviet proposal will receive constructive reaction from governments of Western countries.

CHU TUNAN AT PRC-BULGARIA SPORTS PACT SIGNING

OW181320 Beijing XINHUA in English 1238 GMT 18 Apr 86

[Text] Beijing, April 18 (XINHUA) -- Bulgaria and China will exchange more sports teams this year under an agreement signed by the two countries here this afternoon. The 1986 sports exchange agreement was signed by Chinese Sports Minister Li Menghua and Trendafil Martinski, president of the Central Committee of the Bulgarian Physical Culture and Sports Union. Chu Tunan, vice-chairman of the Standing Committee of the National People's Congress, met the Bulgarian sports delegation headed by Martinski in the Great Hall of the People after the signing ceremony.

China will send 12 sports teams to Bulgaria this year. These include a fencing team from April 24 to Mary 5, a rhythmic gymnastics team between May 9 and 11, a gymnastics team from June 6 to 8, an archery team between June 9 and 15, a shooting team between June 25 and 30, a sports acrobatics team from July 4 to 9, a water polo team between July 23 and 27, a women's volleyball team between July 27 and August 2, a wrestling team and a sports delegation. Bulgaria will dispatch five teams to China. They include a weightlifting team between June 6 and 24, a rhythmic gymnastics team in October, an archery team between November 24 and December 4.

Prior to the ceremony, Martinski handed to Li Menghua a copy of Sofia's application for hosting the 1992 Winter Olympic Games. Doncho Donchev, Bulgarian ambassador to China, was present on both occasions. The Bulgarian guests will leave here for Shanghai tomorrow.

IRANIAN DELEGATION ARRIVES IN BEIJING

LD240518 Tehran IRNA in English 0901 GMT 23 Apr 86

[Text] Beijing, April 23, IRNA -- The Iranian political-economic delegation headed by the Deputy Foreign Minister for International Affairs, Mohammad Javad Larijani, arrived here Tuesday afternoon and was welcomed by Chinese Foreign Ministry officials.

The Iranian delegation which also includes the Iranian Ambassador to the United Nations, Seyed Rajaie-Khorassani, during its stay in China will visit various research, educational and industrial centers and will also hold talks with Chinese officials.

The trip has taken place upon a formal invitation from the Foreign Ministry of the People's Republic of China.

Meeting with NPC Official

LD240933 Tehran IRNA in English 0725 GMT 24 Apr 86

[Text] Tehran, April 24, IRNA -- The Iranian deputy foreign minister for international affairs, Mohammad Javad Larijani, currently in Beijing met with an official from the Standing Committee of the National People's Congress of the People's Republic of China Wednesday. Larijani who is heading an economic-political delegation to China during the meeting discussed possibilities for expansion of mutual relations.

On the issue of the 5-1/2 year old Iraqi-imposed war, Larijani told the Chinese official that adoption of a rational stance by countries friendly to the Islamic Republic of Iran can accelerate return of peace to the region.

The Iranian delegation is in on official visit in China to discuss possibilities of research cooperation in the field of international affairs.

ZHANG JINGFU ARRIVES IN IRAQ FOR TALKS

OW231606 Beijing XINHUA in English 1540 GMT 23 Apr 86

[Text] Baghdad, April 23 (XINHUA) -- Chinese State Councillor Zhang Jingfu arrived here last night on the first leg of his tour of Iraq, Arab Yemen and Kuwait.

The Chinese state councillor told reporters upon his arrival at the airport that his visit to Iraq is aimed at promoting understanding and cooperation between the two countries through exchange of views with Iraqi leaders.

Zhang's visit is the second to Iraq by high-ranking Chinese officials since that of Chinese Foreign Minister Wu Xueqian last December.

'Satisfaction' Over Cooperation Noted

OW231608 Beijing XINHUA in English 1537 GMT 23 Apr 86

[Text] Baghdad, April 23 (XINHUA) -- Chinese and Iraqi officials in their talks here today expressed satisfaction with the smooth development of their friendly cooperation in various fields.

In the talks between the visiting Chinese State Councillor Zhang Jingfu and Iraqi Minister of Trade Hasan 'Ali Nasar, both sides expressed the hope to further expand the relations. The Iraqi minister briefed the Chinese guest on Iraq's stand on the Iran-Iraq war, Zhang Jingfu reiterated Chinese government's stand that the conflict between Iran and Iraq should be settled in accordance with norms of the international law and under conditions acceptable to both sides.

Present on the occasion were Chinese and Iraqi officials in charge of trade, foreign affairs and irrigation. Chinese Ambassador to Iraq Zhang Junhua was also present.

The Chinese state councillor and his party laid a wreath this morning to the monument of Iraqi unknown soldiers.

Zhang Jingfu Meets Iraqi Leader

OW240754 Beijing XINHUA in English 0719 GMT 24 Apr 86

[Text] Baghdad, April 23 (XINHUA) -- Iraqi President Saddam Husayn told visiting Chinese State Councillor Zhang Jinfu today that "to develop cooperative relations with China in various fields will be in conformity with the interests of both the Chinese and Arab peoples.

During his meeting with Zhang, the Iraqi president appreciated China's economic policy pursued in the last 10 years.

Saddam said, "we are satisfied with the development of the Sino-Iraqi relations. We hope that such relations will be enhanced to a higher level. The Chinese state councillor said that the Chinese leaders highly treasure the friendly relations with Iraq. "It is our established policy to develop friendly relations with Iraq," he added.

Zhang said the long-term agreement on economic and technological cooperation to be signed soon between our two countries will lay down the foundation for our long-term cooperation in the future.

The Chinese state councillor conveyed the regards from the Chinese leaders to President Saddam. He reaffirmed the invitation by Chinese President Li Xiannian for President Saddam to visit China. Saddam accepted the invitation with pleasure and asked Zhang to convey his regards to the Chinese leaders.

Also present on the occasion were assistant minister of the Chinese Ministry of Economic and Foreign Trade Wang Wendong, Chinese Ambassador to Iraq Zhang Junhua and Iraqi Minister of Trade Hasan 'Ali.

INA Report on Meeting

JN231758 Baghdad INA in Arabic 1725 GMT 23 Apr 86

[Text] Baghdad, 23 Apr (INA) -- President Saddam Husayn received here today PRC State Councillor Zhang Jingfu, and his accompanying delegation. The PRC official conveyed to President Saddam Husayn the greetings of PRC President Li Xiannian, Military Commission Chairman Deng Xiaoping, and the Chinese leadership.

The Chinese official reiterated President Li Xiannian's invitation to President Saddam Husayn to visit the PRC. His excellency promised to make the visit when circumstances allow him to do so.

President Saddam Husayn asked the Chinese official to convey his greetings to President Li Xiannian, the Military Commission chairman, and the Chinese leadership. There was a discussion of relations between the two friendly countries and ways to promote them.

The meeting was attended by Hasan 'Ali, RCC member and Iraqi trade minister.

WU XUEQIAN REITERATES PRC SUPPORT FOR PLO

OW222020 Beijing XINHUA in English 2013 GMT 22 Apr 86

[Text] Beijing, April 22 (XINHUA)-- Chinese Foreign Minister Wu Xueqian today reiterated China's support for the just struggle of the Palestine Liberation Organization (PLO) and other Arab countries.

Hosting a dinner for a PLO delegation there, Wu said that China has always held that Israel must withdraw from the Arab land occupied in 1967 and renew the legitimate right of the Palestinians to set up their own country. All the Middle-East countries should have an equal right for life, which, he described as a reasonable base for the settlement of the Middle-East issue.

"China's has always took the PLO as the only legitimate representative of the Palestine people, who should be treated as an equal party in solving the Middle-East issue," the minister said. Wu added that China welcomes any effort and initiative that is in keeping with the above related principles.

In reply, Faruq Qaddumi, member of the PLO executive committee and political department said that the Palestinians regard the Chinese people as their true friends. He also condemned Israel and the United States for their obstruction of the peaceful efforts of the international community and the Palestinians for settling the issue.

CHEN MUHUA MEETS SUEZ CANAL ADMINISTRATOR

OW231540 Beijing XINHUA in English 1444 GMT 23 Apr 86

[Text] Beijing, April 23 (XINHUA) -- Chinese State Councilor Chen Muhua met 'Izzat 'Adil, head of the Suez Canal Authority, here today. The two sides exchanged views on further cooperation in navigation along the Suez Canal between China and Egypt. 'Adil arrived here yesterday as guest of Minister of Communications Qian Yongchang.

XI ZHONGXUN RECEIVES VISITORS FROM SEYCHELLES

OW221936 Beijing XINHUA in English 1436 GMT 22 Apr 86

[Text] Beijing, April 22 (XINHUA) -- Xi Zhongxun, member of the political bureau of the communist party Central Committee, met a delegation from the Seychelles People's Progressive Front here today.

Xi paid tribute to the efforts of the Seychelles people led by President France Albert Rene and the People's Progressive Front in fighting against imperialism, safeguarding national independence and sovereignty and developing national economy and culture.

The visit of the delegation led by Esme Jumeau, secretary for finance and minister of health, will further deepen understanding and promote cooperation between the two countries, he said. Jumeau briefed Xi on Seychelles's development in the past few years.

The delegation arrived here yesterday at the invitation of the Chinese Communist Party. After the meeting, Xi gave a dinner for the visitors.

HU YAOBANG INSPECTS HEBEI MOUNTAIN AREA

OW240243 Beijing XINHUA Domestic Service in Chinese 0823 GMT 23 Apr 86

[By reporter Jiang Shan]

[Text] Shijiazhuang, 23 Apr (XINHUA) -- During his recent inspection tour of the Taihang Shan area in western Hebei Province, Hu Yaobang, general secretary of the CPC Central Committee, pointed out: Young and middle-aged cadres who have been newly promoted to leading bodies at various levels should learn to creatively implement the policies of the CPC Central Committee and higher authorities and to correctly handle inner-party contradictions in order to carry out construction more effectively during the Seventh 5-Year Plan than during the past 5 years.

Comrade Hu Yaobang arrived in the Fuping County seat from Beijing at noon on 17 April. He then left by station wagon for an inspection tour of a remote mountain area. In recent years, Comrade Hu Yaobang has been very concerned about construction in Hebei Province's Taihang Shan area. He has concerned himself with the work here on 10 occasions, inspecting the area, hearing briefings on its situation, inviting cadres of the area to visit Zhongnanhai as his guests, and so on.

In the 4 days from 17 to 20 April, Comrade Hu Yaobang traveled 1,000 li by car crossing one mountain after another. In the 4 days, he successively inspected Baoding Prefecture's Fuping, Guyang, Tangxian, Wanxian, and Yixian Counties; heard reports on the work of 10 counties in Baoting and Shijiazhuang Prefectures; and discussed with the cadres and people major plans to accelerate construction and afforestation in the mountain area. He pointed out: In helping poor households, it is necessary to mainly help them further increase their means of production by providing them with techniques, information, and funds, the most important of which is techniques.

Comrade Hu Yaobang, who fought battles here, heartily rejoiced at the notable changes that have taken place in various fields in the Taihuang Shan area over the past few years. After seeing nearly 1 million newly planted jujube trees on a mountain slope in Fuping County, he joyfully wrote these words of praise: "Be as determined as the foolish old man and plant jujube trees all over Taihang Shan." In Chengnan Village where Chairman Mao once stayed, Hu Yaobang planted four jujube trees. In Quyang County where people are pursuing a policy of "making prompt use of available natural resources" and are quickly becoming prosperous by exploiting marble and other mineral resources, Hu Yaobang praised them by saying that they have found a way to use local natural resources to develop the mountain area. Visiting Zhang Ming, a peasant in Tangxian County's Lingbei Village, Hu Yaobang understood that many poor households in the locality have basically improved their livelihood in recent years. He told Zhang Ming that the party Central Committee's policy of letting people become prosperous would never change. In his speech to leading cadres at the provincial, prefectural, and county levels in Hebei Province on 20 April, Hu Yaobang said: There are three gratifying changes that have taken place in the Taihang Shan area over the past few years: 1) Production has developed quite quickly, and in particular, a way has been found to eliminate poverty and to become prosperous -- this is most rewarding; 2) living standards of the masses have generally improved, and even the living standards of peasant households, which are still called poor households, have also improved in varying degrees as compared with that several years ago; 3) peasants in mountain areas are now confident of becoming better off by making use of natural resources in the mountains, and afforestation in the Taihang Shan area has noticeably accelerated in recent years.

In his speech, the general secretary held: the first reason for such achievements is that the party Central Committee has laid down a series of correct principles and policies since the 3d Plenary Session of the 11th CPC Central Committee. He said: Many old comrades are retiring from the front line, and most of those now working on the front line are young and middle-aged cadres. The party Central Committee's principles and policies have been tested for more than 7 years. Whether or not we can do better during the Seventh 5-Year Plan than during the sixth depends mainly on the practical abilities of members of new leading bodies at various levels.

Hu Yaobang pointed out that young and middle-aged cadres should learn to do two things:

The first is to creatively implement the party Central Committee's principles and policies. He said: By creativeness, it does not mean working in a general way; mechanically implementing the instructions of the party Central Committee and higher authorities; or waiting for, relying on, or seeking assistance from higher levels. The principles and policies laid down by the 3d Plenary Session of the 11th CPC Central Committee have been tested during the Sixth 5-Year Plan. The Seventh 5-Year Plan has also been mapped out. Everything now depends mainly on whether or not various central ministries and commissions as well as various provinces, autonomous regions, municipalities under the central government, prefectures, cities, and counties can creatively implement the party Central Committee's policies to push their practical work forward. Our comrades must acquaint themselves with several situations: 1) The party Central Committee's policies are based on the conditions of the country. In a big country like ours, the party Central Committee cannot lay down specific and detailed stipulations in all official documents, and various local authorities should do things according to their actual conditions. The party Central Committee particularly stresses that the past situation in which rigid control was exercised must be changed and that continuous efforts must be made to solve this problem. 2) Fresh experience can be gained only through practice, and the party Central Committee formulates its policies according to practical experiences gained at lower levels; comrades at lower levels are duty-bound to report new experiences to the party Central Committee. 3) After a policy is laid down, there might be errors during implementation. This requires those at lower levels to take the initiative in reporting such instances to the party Central Committee or to give it a timely "signal." All these three situations require comrades at lower levels to do their work in a creative way. The general secretary emphatically pointed out that the first of the three situations is the most important. All localities must act according to their own conditions and persist in seeking truth from facts. He said: Many of our comrades now do their work in a general way mainly because they have failed to make thorough study and investigation and thus have scant knowledge of their work. One can eventually consolidate his position by persistently seeking truth from facts.

The second is to correctly handle inner-party contradictions. Hu Yaobang said: Some of our comrades do not realize that there are contradictions within the party. In fact, there are contradictions in everything in the world, and everything develops from contradictions and in the course of resolving them. The general secretary said: We should not fear or avoid inner-party contradictions. Many such contradictions involve differing views in work and understanding. In general circumstances, such contradictions, which are not antagonistic, can be resolved. They should be solved by exchanging views, democratic consultation, individual discussions, and mutual understanding. One should adopt correct methods and should not be afraid of problems or democracy.

Of course, some antagonistic contradictions also exist in our party, such as people committing serious criminal acts and violations of the law and discipline, but they are few in number. We must sternly deal with such people without sparing their sensibilities. Comrade Hu Yaobang stressed: Our comrades should draw a lesson from past events and learn to correctly analyze and handle different types of contradictions in the party. When this problem is solved, the unity of the party and leading bodies at various levels will be greatly strengthened and more progress will be made in our work.

LI XIANNIAN APPOINTS, REMOVES AMBASSADORS

OW211722 Beijing XINHUA Domestic Service in Chinese 1315 GMT 21 Apr 86

[Text] Beijing, 21 Apr (XINHUA) -- Pursuant to a resolution adopted by the NPC Standing Committee, Li Xiannian, president of the People's Republic of China, made the following appointments and removals:

1. Wu Jiaxuan [0702 3946 6693], is appointed PRC ambassador extraordinary and plenipotentiary to Jamaica.

2. Wu Chenghua [6079 3397 7520] is appointed PRC ambassador extraordinary and plenipotentiary to the Republic of Djibouti. Wang Changyi is removed from the post of PRC ambassador extraordinary and plenipotentiary to the Republic of Djibouti.

3. Wang Changyi is appointed PRC ambassador extraordinary and plenipotentiary to the Syrian Arab Republic. Lin Zhaonan is removed from the post of PRC ambassador extraordinary and plenipotentiary to the Syrian Arab Republic.

4. Zhang Dezheng [1728 1795 2398] is appointed PRC ambassador extraordinary and plenipotentiary to the Republic of Botswana. Lu Defang is removed from the post of PRC ambassador extraordinary and plenipotentiary to the Republic of Botswana.

5. Shen Yunao [3088 0336 3581] is appointed PRC ambassador extraordinary and plenipotentiary to the Argentine Republic. Wei Baoshan is removed from the post of PRC ambassador extraordinary and plenipotentiary to the Argentine Republic.

RENMIN RIBAO ON ELIMINATING FEUDAL PRACTICES

HK230623 Beijing RENMIN RIBAO in Chinese 18 Apr 86 p 5

[Article by Bai Jinian: "Conscientiously Eliminate Pernicious Feudal Influences in Political Life"]

[Text] While taking the lead in rectifying party conduct, the leading organs should not only continue to resolutely rectify unhealthy practices in the economic field but also conscientiously rectify unhealthy practices in political life. In the past we have not done quite enough in criticizing and rectifying the feudal elements in political life. Therefore, we should attach sufficient importance to this issue.

The patriarchal system, or the practice of what one says goes, is an important manifestation of the pernicious feudal influences in political life. In a number of localities inner-party life is still not sufficiently normal and there is a lack of democratic practices, with one person, having the final say and everybody else being absolutely obedient. People dare not raise differring views, still less criticize unhealthy practices. The leaders of some departments or units hand over to the higher authorities reports on appointements and dismissals without the knowledge of the other members of the party committees. Some leaders regard the departments or units entrusted to them by the party and the people as independent kingdoms.

Neither listening to the advice of the higher authorities nor accepting the supervision of the masses, they are imperious, despotic, and extremely conceited. Some have turned the relationship between the leader and the led into one of feudal personal attachment by asking the lower levels to obey them in an unprincipled manner. At meetings of the leading bodies, the principal leaders of some departments and units speak throughout the meeting without allowing other people to chip in. As a result, holding collective discussions and pooling the wisdom of the masses becomes empty talk. All these cannot but seriously stifle the enthusiasm and initiative of cadres and party members, weaken and undermine the collective leadership based on democratic centralism, and damage our cause.

As historical materialists, we recognize the important role of leaders but we resolutely oppose the practice of placing oneself in an inappropriate position. In order to give better scope to his role, a leader should mix with the collective and consciously place his activities under the supervision of the party and the people. This is a manifestation of the party spirit of a communist. The principal leader of a party committee should provide the other party committee members, the cadres at all levels, and the large numbers of party members and people with the conditions to fully exercise their democratic rights and to express their own views. He should create a cordial, natural, and harmonious atmosphere in which all people are equal and dare to speak out freely. In this way, the higher and lower levels, as well as the cadres and the masses, come together in thought and feelings, genuinely building up an intimate relationship of mutual equality, unity, and cooperation among comrades. He should never inappropriately exaggerate the role of an individual by placing himself above the party organization and the masses. Nor should he wilfully infringe upon the democratic rights of party members and other party committee members as stipulated in the party Constitution. During the "Great Cultural Revolution," the normal political life of the party, as well as the collective leadership based on democratic centralism, was undermined, and the personality cult reached the ultimate limits, bringing serious disaster to the party and the state. This lesson should never be forgotten.

In organization and personnel work, some people always like to form small coteries. In selecting and appointing cadres they do not act fairly and honestly but rely on their personal impressions, like and dislikes, and even feelings. They like to appoint those cadres who are respectful, submissive, sleek, and sly. In particular, they try by every possible means to promote and put in important positions their relatives, friends, acquaintances, fellow villagers, and former subordinates. But they censure, reproach, and even discriminate against those new cadres who are genuinely knowledgeable, who have courage and strong characters, and dare to carry out reform and to blaze new trails. This is quite similar to the system and style of the feudal families of power and influence in ancient China. In recent years, due to various reasons, the family members of our cadres, such as husbands and wives, fathers and sons, mothers and sons, relatives by marriage, parents and daughters-in-law, fathers-in-law and sons-in-law, and brothers and sisters, as well as cousins, nominal relations, nieces, uncles, and in-laws, work together in many of our government organs, institutions, and other units, developing networks of complicated blood or marriage relationships. The people describe this phenomenon by saying: "Kinship prevails among party and government cadre, with fathers and sons serving as political and legal cadres." This is currently a fairly common social phenomenon tinted with a strong feudal patriarchal color, which has become an outstanding new problem in organization and personnel work. This phenomenon has many defects and does serious harm. We should attach great importance to it, conscientiously study it, and explore ways to solve this problem. If we fail to solve this, it will leave behind serious trouble.

Pernicious feudal influences in political life are also invisible ideological "shackles" hindering us in creatively implementing the party's principles and policies and carrying out our work. In some departments, when holding meetings, making speeches, writing documents, or handling matters, some comrades often indiscriminately copy or transmit something from the higher authorities or the words of some authorities. They dare not say or do what has not been stated in the documents from the higher levels or spoken by the leaders at the higher levels. They dare not tackle or handle problems or difficulties without first asking whether there are any documents or precedents to do by. They do not ask what they should do in order to benefit the people, to conform to reality, or to be in accord with the principles of party character. They simply do not want to do what should, and can, be done. Some documents and reports can be applied anywhere, by anyone, and at any time because they are neither directed against any particular problems nor have distinctive characteristics. These spiritual conditions characterized by the practice of invariably following the lead of the higher authorities and simply relying on "officialese" to handle affairs without daring to go a step beyond the limits show that many comrades are still unaware that they have been seriously poisoned by feudal autocracy. It is quite necessary for them to emancipate their minds. If we fail to solve this problem, we shall not be able to genuinely carry out our work well and it will be entirely impossible to open up a new situation. A passage in the party Constitution approved by the 12th CPC National Congress says: "The party's ideological line is to proceed from reality in all things, to integrate theory with practice, to seek truth from facts, and to verify and develop truth through practice. In accordance with this ideological line, the whole party must scientifically sum up historical experience, investigate and study actual conditions, solve new problems in domestic and international affairs, and oppose all erroneous deviations, whether 'left' or 'right'." In my view, we should use this passage and this yardstick to judge whether our work is correct and worthy. The current line, principles, and policies of the CPC Central Committee are entirely correct and it is necessary to resolutely implement them. There is no doubt about this. However, the results of our implementation depend on whether we explore and practice on the basis of this ideological line. A person who genuinely persists in seeking truth from facts and who genuinely and resolutely implements the CPC Central Committee's principles and policies should also be one who dares to raise questions that have not been raised by his predecessors or other people, who dares to adopt practical measures to solve actual problems, and who is keen on reform and forges ahead. This is what is called being creative. We should energetically encourage and vigorously advocate realistic, independent, and creative work, break with the various feudal ideas that hinder our carrying out creative work, and genuinely keep to the principled stand of the proletarian party spirit. In the new period of overall reform, we should especially advocate this creative spirit. It can be said that whether or not a cadre, particularly a leading cadre, can creatively carry out his work on the basis of adhering to the four basic principles is a concentrated manifestation of whether he has courage, resourcefulness, and knowledge and whether he has a high ideological level, a good understanding of policy, strong professional competence, and a strong sense of political responsibility.

For a long time in the past, a very bad work style has also developed in some organs and units, namely, serving a handful of persons in authority. As soon as a person holds a leading position, many people ask after his well-being, attentively offer their services, and even try by every possible means to flatter, and to curry favor with him. But they are indifferent about the interests of the vast numbers of cadres, workers, and staff members and do not try hard to serve these people. There are various reasons for the emergence of this phenomenon, such as the problems in the system itself and the ideas of the working personnel.

However, the most important reason is that a small number of leaders deem it right and proper for officials to seek ease and confort. They like to be flattered and want others to satisfy their irrational demands in an unprincipled manner. They even take this as a basis for assessing and selecting cadres, thus bringing about an extremely abnormal relationship among people. The vast number of cadres, workers, and staff members are very much dissatisfied with this unhealthy practice. Naturally, it is necessary to serve a leader. However, this service is different in principle from all feudal and old bureaucratic yamen [government offices in feudal China]. The practice of currying favor with, and flattering, persons in power stems from personal gains or losses. In the feudal yamen, everything was carried out for, and centered on, the highest person in power, while the ordinary working personnel had no status. Now, some old comrades say that as soon as they withdraw from leading posts, they have a sense of being cold-shouldered. This also has something to do with the unhealthy work style of some people who are keen on taking the "hot door" rather than the "cold door." When the old comrades were still on the job and were fully occupied, these people often called on them. This seemingly enthusiatic attitude actually caused these comrades a lot of trouble. Having withdrawn from the frontline, these comrades have less things to do but greater difficulties. However, when they look forward to visits and need help, these people hide themselves for fear of being related to them. This snobbish attitude is by no means the work style of the proletariat and the Communist Party but of the old-style bureaucratic yamen. This is a pernicious feudal influence which should be resolutely eliminated.

These pernicous feudal influences, which represent major stumbling-blocks to our efforts to conduct reform, to invigorate the economy, and to build socialist spiritual and material civilizations, should be conscientiously removed.

CURRENCY RECOVERY DEMONSTRATES SOUND ECONOMY

OW240236 Beijing XINHUA in English 0136 GMT 24 Apr 86

[Text] Beijing, April 24 (XINHUA) -- A record currency recovery in the first quarter of this year showed that the economy is sound, a Chinese central bank official said here today. According to him, China recovered 89 billion yuan from circulation in the first three months of this year, breaking the record for the same period in a year.

A major reason for this was the increase of savings deposits in both urban and rural areas, and the decrease in the net currency spending in the countryside, the official said.

Statistics show that savings deposits grew by 2.3 billion to 10.15 billion yuan, while the net currency spending in the countryside went down by 3.8 billion in the first quarter compared to the same period last year.

Meanwhile, two other elements which affect the currency recovery -- earnings from commodity selling and expenditure on wages -- have also been brought under control, the official added.

Financial experts often take the issue and recovery of the currency as a mirror of a nation's economy. The new record in currency recovery proved that the state had been right in implementing macro-economic control since early last year, he said.

The control measures included regulating the ratio of deposits, the quotas of loans and the interest rates for deposits and loans between the central bank -- the People's Bank of China -- and the specialized banks. Eight specialized financial institutions function under the People's Bank of China.

FORCED SALES OF UNDESIRABLE GOODS BANNED

OW240840 Beijing XINHUA in English 0821 GMT 24 Apr 86

[Text] Beijing, April 24 (XINHUA) -- Authorities here are calling for an immediate stop of the prevalent malpractice of forcing customers to buy undesirable goods in order to buy what they really want.

The Ministry of Commerce and the Beijing Municipal Government all came out this week, blaming it for jeopardizing consumer interests and doing disservice to state commerce.

Chen Xitong, mayor of Beijing, told leaders of commercial departments Wednesday to come down sharply on the malpractice and resolve the problem in one week. After issuing six urgent rules, the City Council today published telephone numbers which customers may dial when they find the practice still continues.

He Jihai, vice-minister of commerce, urged consumers to stand up against the practice and report cases of violations. The managers of four major department stores in Beijing responded quickly, calling on their counterparts throughout China to boycott hard selling of inferior goods by whole-sellers. Some shops voiced their support by promising never to repeat the practice.

The malpractice had started a long time ago. The state commercial departments have reafirmed time and again the policy to stop it, but to no avail.

The hard-hit victims of forced selling are cigarette smokers. They often have to spend extra money to buy undesirable brands if they want to have good ones. Purchasers of washing machines, vegetables and stamps also suffered from it sometimes.

Economists here believed that it was the result of unsalableness of shoddy goods and the pressure from wholesale departments. "We understand our customers. But we cannot afford to avoid it because we buy cigarettes the same way from the wholesale department," said a shop manager.

But some shops deliberately practise forced selling to avoid stockpiling of goods. Some wholesale agents said they were also victims of hard selling by factories, which forced them to buy inferior goods in order to buy standard ones.

Government officials have offered suggestions to overcome this tendency, including readjusting the price system immediately according to the quality of goods.

Others called for strengthened supervision over the implementation of the existing rules.

ZHAO ZIYANG ON SCIENCE SUPPORTING DEFENSE WORK

OW170907 Beijing XINHUA Domestic Service in Chinese 1417 GMT 16 Apr 86

[By reporter Yu Youhai]

[Text] Beijing, 16 Apr (XINHUA) -- At Zhongnanhai today, Zhao Ziyang and other leading comrades at the central level held a discussion meeting with some 20 specialists in the electronics and shipbuilding fields in China to discuss matters of vital importance on how scientific and technical work for national defense can serve the motherland's modernization program.

Spring is very much in the air at Zhongnanhai with water rippling in streams. Willow trees are beginning to sprout, while early flowers contend in beauty. The specialists invited to attend the discussion meeting jubilantly came to the Huairen Hall to meet with the leading comrades at the central level.

At 1450, Zhao Ziyang and other leading central comrades arrived and shook hands with the specialists. Zhao Ziyang told them cordially: I am attending this meeting today primarily to hear opinions from you comrades.

Zhao Ziyang pointed out: China's scientists and researchers for national defense have worked hard over a protracted period and made significant contributions to tackling advanced technology and strengthening China's defense capability. They have helped to elevate China's status and win glory for the state and the people. Right now, we are developing the modernization program and exerting efforts to realize the goal of quadrupling the overall industrial and agricultural output value by the end of this century. We need our scientists and researchers in the military industries to throw themselves into this battle to serve the defense industry and national economic construction as a whole. Under the new situation, what is the task of the defense industry and how should we carry out our scientific and technical work for national defense? I hope that all of you will voice your opinions.

Professor Liu Shenggang, vice president of the Chengdu College of Telecommunications Engineering, was the first to speak. He said: Electronics technology is the key to modern scientific and technological development. From now on, we should train qualified personnel in this regard to lay a solid foundation, follow the development of high technology in the world and serve the four modernization program still better. Liu Shenggang said: In this connection, China's electronics industry should also make a still greater contribution.

Well-known hydromechanics specialist Gu Maoxiang proposed in his speech that the government support the existing scientific and technological research bases for national defense and at the same time open those bases to civilian industries to make full use of their equipment and technology. He also suggested attaching importance to seabed resources and striving to conduct research work on underwater high technology.

When senior engineer Wang Huitong, a computer specialist, spoke, Premier Zhao Ziyang asked him: what kind of role should China's software play? Wang Huitong replied: The development of software is very important. That will promote the widespread application of computers. We must also attach importance to the development of hardware, because it is impossible to develop software without the support of hardware.

Comrade Li Peng also delivered a speech at today's discussion meeting. Also attending the meeting were Tian Jiyun, Hao Jianxiu, Song Jian, and the leading comrades of the National Defense Science, Technology, and Industry Commission, the Ministry of Electronics Industry and the China State Shipbuilding Corporation.

Also attending the discussion meeting were specialists Chen Xingxin, Chen Rihua, Liang Zhongheng, Zhang Guangyi, Xu Juyan, Liu Cunyou, Sha Qiliang, Mei Suisheng, Huang Xuhua, Xu Xueyan, Zhu Yuanjun, Shi Luzai (female), Huang Zhengyi, Chen Shizong, Deng Shanrui, Pan Jingfu, and Zhang Aiyong.

YU QIULI STRESSES PARTY RECTIFICATION IN PLA

OW211426 Beijing Domestic Service in Mandarin 2230 GMT 20 Apr 86

[Text] JIEFANGJUN BAO today carried on its frontpage excerpts of Comrade Yu Qiuli's speech at a meeting of the Party Rectification Investigation and Study Group sent out by the PLA General Political Department.

Yu Qiuli made five specific points. He also called for bringing into full play the role of the party branch as the fighting force, and the exemplary vanguard role of the party member through party rectification in order to continue to carry forward the fine traditions of our party and Army and enhance our Army's fighting capacity under the new historical condition.

PLA OPENS TACTICAL TRAINING CENTER IN EAST CHINA

OW230047 Beijing XINHUA Domestic Service in Chinese 1451 GMT 22 Apr 86

[By reporter Wu Dongfeng]

[Text] Nanjing, 22 Apr (XINHUA) -- The first joint tactical training center of the PLA was officially inaugurated today at a certain locality in east China.

This is reportedly the largest comprehensive training base with the most advanced equipment currently in our country. It is a new training site opened by the Central Military Commission to meet the needs following the reorganization of the field armies into group armies. It symbolizes that our PLA'S military training has entered a new stage of high-level training involving different services of the armed forces.

Li Peiji [2621 1014 1015], director of the joint tactical training center, told this reporter that, after construction of the center is completed, it will be able to provide the complicated battlefield conditions that ordinary training sites cannot provide, simulate various actions of an imaginary enemy, and organize PLA units to hold combat maneuvers combining air and ground forces. All units of group armies in the entire armed forces will come to this center on a rotational basis to undergo training, using an advanced combat-simulating laser system in an environment resembling the real battlefield. According to a stage-by-stage construction program, this training center will gradually form an effective training system within the next few years with the following features: An electronic installation to direct training exercises; a training site equipped like a real battlefield; all targets shown automatically; and a multifunctional organization setup.

LI PENG EXPLAINS DRAFT COMPULSORY EDUCATION LAW

OW180453 Beijing XINHUA Domestic Service in Chinese 0025 GMT 17 Apr 86

[Text] Beijing, 17 Apr (XINHUA) -- Explanation of the "Compulsory Education Law (Draft) of the People's Republic of China," made at the Fourth Session of the Sixth National People's Congress on 2 April 1986 by Li Peng, vice premier of the State Council and Chairman of the State Education Commission.

Deputies: The "Decision of the CPC Central Committee on Education Structural Reform" in May last year called for the formulation of a compulsory education law. After carrying out investigations and study and widely hearing opinions from the various provincial, regional, and municipal education departments and various circles in society, the State Education Commission has drafted the "Compulsory Education Law (Draft) of the People's Republic of China" (hereinafter referred to as the "draft"). The "draft" was submitted to the NPC Standing Committee for examination. In accordance with the post-examination views of the 14th and 15th sessions of the NPC Standing Committee, changes were made to the original. The revised version of the "draft" is the one now being submitted for examination by this meeting. Entrusted by the State Council, I shall now make the following explanation of the "draft."

1. The Need To Formulate the Compulsory Education Law

Since the founding of the New Republic, our country has made great progress in developing primary and middle school education, which has brought a fundamental change from the backwardness of old China in elementary education. In old China, only 20 percent of school-age children could go to school. Today, over 90 percent can. Progress in junior middle school education is even greater. The number of junior middle schools has increased from over 4,000 to nearly 76,000, a 1,700 percent increase; and the total enrollment of junior middle schools has increased from over 800,000 to nearly 40 million, an increase of 4,600 percent. But, generally speaking, China's elementary education is still relatively weak, and cannot meet the needs of our socialist modernization and construction. In a considerable number of rural areas, primary school education has not been made universal, and many school-age children, particularly female children, have not completed their primary school education. This has caused illiterates and semi-illiterates to continually appear among our young people and those in the prime of life. Many primary and middle school teachers lack the necessary training, and, in general, the teachers' education and professional level has failed to meet state standards. A considerable number of primary and middle school buildings are dilapidated and in poor repair, and teaching aides and cultural and sports facilities are seriously inadequate. This situation cannot but hamper the improvement in teaching quality. In some cities, towns, and villages, a salient problem is the dropping out of junior middle school students to find work or do manual labor. Some enterprises frequently hire school-age children and adolescents. This backwardness in elementary education cannot but arouse the concern and worry of the party and government, as well as that of the vast number of people of insight in society. They have arrived at a unanimous conclusion that this situation has presented a sharp contradiction to the grand goal of the people of the whole nation in building China into a wealthy, strong, civilized, democratic, and modern socialist nation.

Therefore, our country has an urgent need to formulate a compulsory education law as a legal basis for systematically enforcing compulsory education in the entire nation. It not only is called for by the construction of the socialist material and spiritual civilization, but also reflects the desire of the entire Chinese people.

The promulgation and implementation of the "compulsory education law" will mark the beginning of a new stage in the popularization of elementary education in China. With unremitting efforts, by the end of this century, school-age children and adolescents in an overwhelming majority of areas in China will be able to receive a 9-year school education, and the cultural and scientific qualities of the people of various nationalities in China will be raised to a new level. This will not only lay a good foundation for the fostering and training of various kinds of professional people, but also create necessary conditions for the success of the "two civilizations." It will also make our education "meet the needs of the four modernizations, the world, and the future," and have a far-reaching impact on our future social development and scientific and technological progress, both now and in the future. Therefore, the formulating and implementing of a "compulsory education law" is an important strategic measure related to the future of the state and the nation.

2. The Nature of Compulsory Education

In accordance with the law, compulsory education is an education for citizens, which every school-age child and adolescent must receive, and which the state, society, school, and family must guarantee. Implementing the compulsory education is an obligation of the state to the people, as well as of the parents to the state and society. The state and society must provide the conditions whereby every Chinese child and adolescent can receive certain years of education, as stipulated by law, and whereby all parents must ensure that their children receive such an education. Article 4 of the "draft" stipulates: "The state, society, schools, and families must guarantee, by law, the right of school-age children and adolescents to receive compulsory education." Article 15 stipulates: "Local people's governments at all levels must create conditions for school-age children and adolescents to go to school and receive their compulsory education." Other articles of the "draft" have made specific stipulations on obligations respectively shouldered by the state, society, school, and the family.

Compulsory education is mandatory in nature. Therefore, the "draft" has stipulated mandatory measures against failure to fulfill obligations. Article 15 of the "draft" stipulates: Regarding school-age children and adolescents, with the exception of those approved by local people's governments because of illness or other particular reasons, who have failed to enroll in schools for compulsory education, and the local government will carry out criticism and education against their parents or other guardians, and will take effective measures and order their parents or other guardians to send their children or other wards to enroll in schools." The same article also stipulates that "regarding those organizations or individuals hiring school-age children and adolescents, the local people's governments will carry out criticism and education against them and order them to stop such practices. In serious cases, they may be fined, ordered to suspend their businesses, or have their licenses revoked." Currently, some parents, because of their shortsightedness or for short-term economic gain, have made their school-age children drop out of school to join the production force or find other work.

Some parents, who are under the influence of feudalist ideas, have made their school-age daughters or adolescent children quit school; and some organizations or individuals are hiring school-age adolescents for immediate economic interests. All these practices have deprived the children and adolescents of their right to receive a normal education, do harm to state and national interests, and damage the long-term interests of the children, adolescents, and their families. Therefore, mandatory measures are stipulated to guarantee the implementation of compulsory education. In enforcing mandatory measures, criticism and education come first. However, punitive measures must be taken against those few individuals or units not mending their ways even after criticism and education, or those committing serious offenses.

3. The School Age for Compulsory Education

Compared with the early years of the founding of the New Republic, China's economic, cultural, scientific, and technological levels, as well as the people's living standards, have made great progress. All this has exerted a positive impact on the Chinese children's intellect and physical development, and created favorable conditions for the children's intellectual growth. Based on the above-mentioned conditions and in the interests of China's long-range education development, Article 5 of the "draft" stipulates: "All school-age children, who have reached the age of 6, must be enrolled in schools for a prescribed period of compulsory education, regardless of their sex, nationality, or race." But it must be noted that currently, in an overwhelmingly large number of areas across China, primary school education begins at the age of 7. If all the primary schools were required to lower their school age to 6 in a short time, their teachers, school buildings, facilities, funds, and other needs could not be expected to meet the requirement. Particularly, the rural areas, where primary school education has not yet become universal, will face even bigger problems. Proceeding from reality, the various localities must create necessary conditions to gradually lower their primary school age to 6. However, they should proceed with caution, and pay close attention to the transition to avoid the situation wherein children of two different school ages are being enrolled in the same school year. Therefore, Article 5 of the "draft" stipulates that "areas where conditions are not yet ripe may delay the school age to 7."

4. The School System of Compulsory Education

Article 2 of the "draft" stipulates that it is necessary to "decide on the steps to make compulsory education universal according to the extent of local economic and cultural development." We currently have different types of system for our elementary and junior middle schools, including the "6-and-3" [6 years for elementary school and 3 years for junior middle school], "5-and-4," "5-and-3," and a 9-year system. The coexistence of different academic years is a characteristic of our current school system. In the countryside, most elementary and junior middle schools adopt the "5-and-3" school system. Under the present circumstances, when we have considerable difficulties in faculty, school buildings, equipment, and budget, to bring about a changeover from the "5-and-3" years system without adequate preparation will not contribute to the popularization of junior middle school education in our vast countryside. Therefore, in the course of implementing 9-year compulsory education, we should allow the existence of the "5-and-3" academic system in the transitional period.

However, in the long run, we must have a basic system for our elementary and junior middle schools. The establishment of a basic school system is a rather complex issue.

It should be established on the basis of investigation and study and after careful examination and discussion, in light of the characteristics of the physical and mental development of our children and in consideration of the needs of our social and economic development and other factors. Therefore, the "Draft" did not specifically make provisions on this issue but delegated the power to the "State Council departments in charge of education to work it out."

Whether or not to incorporate the primary vocational technical school into 9-year compulsory education and make it one of the types of school is another question related to the school system. In the course of deliberation, a majority of our comrades agreed that adding an appropriate number of vocational technical courses in the junior middle school curriculum suits our country's needs, especially the needs of rural economic development. However, there are different views on whether to make the primary vocational technical school, which is to be established separately, one of the different types of school for 9-year compulsory education. There are also different approaches to this issue abroad. Therefore, the "Draft" did not make specific provisions on this issue. The State Education Commission, the province, the autonomous region, or the municipality may decide on this issue and make relevant provisions in the detailed rules and regulations or measures on the basis of our experience gained from the existing primary vocational technical schools.

5. On Adhering to the Party's Education Principles

Article 3 of the "Draft" stipulates: "Compulsory education must adhere to the state's principles for education. Efforts must be exerted to improve the quality of education so that children and youngsters can have a comprehensive moral, intellectual and physical development, and so that a foundation will be laid for improving the quality of the nation through training ethical, educated, and disciplined builders of socialism having lofty ideals." This is an important guideline for 9-year compulsory education which all primary and secondary schools must adhere to. Currently, they must effectively reduce the students' schoolwork and guard against the lopsided pursuit of sending more students to study in schools of a higher grade. Primary and secondary school education must adhere to the principle of achieving comprehensive moral, intellectual, physical and aesthetic development, and they should provide an appropriate amount of labor education so that our young people can acquire a relatively comprehensive basic education. While constantly improving the teaching of languages and mathematics, they should also improve musical, artistic, and physical education to help students become better people with lofty sentiments, and lay a good foundation for intellectual, physical, and mental growth. Educational departments in various localities have been effectively dealing with problems in this area. For example, in areas where junior secondary education has been popularized, primary and junior high school students will gradually be able to attend schools near their homes, and primary school graduates will no longer be required to take a centralized examination in order to study in junior high schools. These areas are revising their educational program and curriculum to improve the quality of education and reduce the students' schoolwork, and they are also reforming and improving their ideological, moral, and political education. It is hoped that people in society will pay attention to, and support reform of primary and secondary school education and contribute to the growth of young people in all fields.

Now, I would like to comment briefly on the popularization of putonghua in the country. China is a huge country with many local dialects. To promote mutual understanding and cultural exchanges, as well as economic and social development, popularizing the use of putonghua is essential.

At the same time, China is also a country with many nationalities, and we must respect the languages of various minority nationalities. That is why Article 6 of the "draft" stipulates the "schools should popularize the use of putonghua," and that "schools which enroll mainly minority nationalities may teach using the minority nationalities' popular spoken and written languages." This article is in line with the spirit of what has been stipulated in the Constitution and the law on regional autonomy of minority nationalities.

6. The Implementation of 9-Year Compulsory Education

China is a big country with 1 billion people. Economic and cultural development is highly uneven in different parts of the country. Nine-year compulsory education must therefore be carried out in a practical manner and in a way appropriate to local conditions. On no account should we try to achieve arbitrary uniformity or attain unrealistically high targets. Guided by this general requirement, we have roughly divided the nation into three different categories. The first category consists of the economically and culturally developed regions. These are required to basically achieve 9-year compulsory education around 1990. The second category consists of regions with intermediate economic and cultural development, and they are required to basically popularize primary compulsory education around 1990, and take positive measures to achieve 9-year compulsory education 1995. The third category covers the economically and culturally underdeveloped regions. These regions are required to make efforts to have primary compulsory education popularized in most parts by the end of this century, in line with their economic development.

This categorization of three types of regions is based on national considerations. In fact, economic and cultural development in each province or autonomous region is not the same. Even in an economically and culturally developed province there may be economically and culturally underdeveloped districts and counties. By the same token, in an economically and culturally underdeveloped province there may be economically and culturally developed districts and counties. Development within a county may also be uneven. Such being the case, each province, each municipality, and even each county, must proceed from reality and draw up a realistic plan according to its own individual situation and then implement it systematically. Authorizing the various provinces, autonomous regions, and municipalities directly under the central government to map out their own measures and methods as well as their own timetable for popularizing 9-year compulsory education, the "draft" clearly stipulates in Article 2 that "each province, autonomous region, and municipality directly under the central government must decide on the steps to popularize compulsory education according to its economic and cultural development."

7. On Basic Education, for Which the Local Authorities Should Be Responsible, and on Enlisting Social Efforts To Promote Education

In the course of economic reform, China has also achieved remarkable successes in restructuring the administration of primary and secondary schools in recent years. The CPC Central Committee Decision on Restructuring the Educational System clearly delegates the responsibility for promoting basic education to local authorities, meaning that, under the State Council's guidance, the local authorities at various levels should divide the responsibility of administering the development of basic education. Article 8 of the "draft" sets forth clear-cut requirements in this regard. While appropriately delegating the administration of secondary and primary schools to lower departments, we have corrected the defect of overcentralization and aroused the enthusiasm of local governments at all levels in promoting education.

We must point out that the development of basic education has a close bearing on local prosperity, social stability and unity, and spiritual construction. Local governments should therefore regard the development of basic education as an important objective. With the development of the local economy, they must spend more money on education. While this is an obligation the local governments should fulfill, it is also essential for developing the local economy.

In promoting education, we must uphold the principle of "walking on two legs." This is an important experience China gained in popularizing primary education. It means that while the state assumes major responsibility in promoting compulsory education, it cannot possibly take care of everything in every field. This is why Article 9 of the "draft" prescribes: "The state encourages all enterprises, institutions, and other social sectors to set up all types of schools prescribed in this law, in accordance with basic government requirements and under the local governments' unified supervision." Enterprises, institutions, and other departments should not consider the responsibility of undertaking educational work as an irrational burden because promoting education is in their basic interests. On a voluntary basis and within their means, workers, staff, and peasants should be encouraged to donate money to assist educational development.

8. On Free Tuition in Compulsory Education

Free Tuition is an important measure in carrying out compulsory education, and a policy adopted by all countries in the world, especially economically developed countries, in carrying out compulsory education. Article 10 of the "Draft" provides that "the state provides for free tuition for students receiving compulsory education." This provides school-age children with even better opportunity to receive compulsory education.

The issue of whether a small amount of miscellaneous fees should be collected is quite complex. In principle, steps should be taken so that the miscellaneous fees can also be exempted. However, this should be realized step by step according to the local governments' financial situation; it is up to the people's governments of the various provinces, autonomous regions, and municipalities directly under the central government to decide according to their actual situations.

9. On Funds for Enforcing Compulsory Education and Conditions in Running Schools

Increasing the necessary operating funds and capital construction investment, and gradually improving conditions in running schools, are an important guarantee for enforcing compulsory education. Proceeding from the situation in our country, we must adhere to the principle of raising educational funds through various channels. To ensure that funds for enforcing compulsory education are available, Article 12 of the "draft" stipulates: "The growth rate of state financial appropriations for compulsory education should be higher than that of regular financial revenues, and the average expenditure per student enrolled in school should gradually be increased." It also stipulates: "The local people's governments at various levels should, in accordance with the State Council's regulations, levy extra charges for education in cities and towns mainly for the purpose of introducing compulsory education." Achieving "double growth" in raising educational funds has been put forward in the decision adopted by the central authorities on reforming the educational system. To achieve this "double growth," we must rely on central government financial resources on one hand and local financial resources on the other. We must support and ensure the funding from both sides.

The operating funds appropriated by the state for education under the "Seventh 5-Year Plan" period will reach 116.6 billion yuan, an increase of 72 percent as compared with those under the "Sixth 5-Year Plan." This rate of increase already exceeds the rate of increase of funds in our financial plan for the same period. To ensure that the average educational expenditure per student enrolled in school increases every year, we must not only rely on the efforts of the central government and the local governments at all levels, but also on the assistance of all sectors of society. Right now, while controlling the scale of capital construction, the State Council agrees to exclude the capital construction projects related to primary and middle schools and teachers colleges from its quotas. This is a policy to encourage people to promote education by raising funds themselves and an important measure to support the various social forces in enforcing compulsory education.

10. On Teachers for the Introduction of Compulsory Education

To build a sufficiently large, rationally organized, and relatively stable contingent of well qualified teachers is the key to enforcing compulsory education. To strengthen teachers education and train more qualified teachers for schools of all grades is a strategic problem in China's education. All sectors of society must pay full attention to this problem and give financial and material support. Article 13 of the "draft" stipulates: "The state shall take measures to improve teachers education; accelerate the training of qualified teachers, and systematically ensure that all elementary school teachers achieve the level of secondary normal school graduates or better and that all junior high school teachers attain the level of normal school graduates or better." Naturally, it is necessary to achieve this goal step by step, according to the actual conditions in the respective areas. Under no circumstances should we rush headlong into mass action and practice formalism without taking into consideration the various conditions.

Right now, China has more than 7.5 million elementary and junior high school teachers. They have made tremendous contributions to the people's educational cause. To meet the needs of the 9-year compulsory educational system, we must, on the one hand, develop and reform teachers education while training and adding new teachers. On the other hand, we must adopt various forms and use various means to train the current teachers and improve work. To strengthen on-the-job training by means of correspondence and television education is an effective method. We will make use of the television satellite to open up special educational channels to help train primary and middle school teachers. In training the current elementary and junior high school teachers, we must gradually set up a regular system of learning by closely following the principle of learning whatever is taught and making up for whatever we lack. Those who pass examinations may be given various certificates indicating academic levels equivalent to those of a normal school, teachers' college, or university graudate.

Gradually raising the social status and economic benefits of primary and middle school teachers and attracting more outstanding teachers to teach in primary and middle schools are fundamental measures to preserve and improve the quality of teachers. It is for this reason that Article 14 of the "draft" stipulates: "The whole society should respect teachers. The state shall protect teachers' legitimate rights and interests, take measures to raise their social status and improve their material benefits, and commend outstanding teachers." Last year, we made public the "Decision of the CPC Central Committee on Reforming the Educational System," celebrated the first Teachers' Day since the founding of the nation, and raised the pay of primary and middle school teachers.

The general mood in society of respecting teachers and attaching importance to education was given full play. From now on, we must continue to display the spirit of "talking less and perfoming more actual deeds," and practically solve actual problems in improving teachers' living and working conditions, particularly those of teachers hired by the local people. Teachers continuously carry out their work under fairly difficult working conditions, and make contributions to the people's educational cause. From now on, teachers hired by the local people in any locality should be treated in the same way as their counterparts hired by the government, politically as well as socially, whenever they are being considered for promotion or for election as advanced teachers.

By respecting teachers, the whole society imposes even higher demands on teachers. Teachers must continue to raise their ideological, cultural, and professional standards. They must not only teach but also educate people. Only by being truly worthy of their name as teacher, will the masses of teachers justify the great trust placed in them by the party, the state, and the people. People's teachers hold glorious posts. The state should impose strict demands on teachers. Article 13 of the "draft" stipulates: "The state shall establish a system to evaluate teachers and issue certificates to qualified teachers." Therefore, the promulgation and enforcement of the "law on compulsory education" will create even better conditions, and at the same time impose even higher demands on teachers. Teachers should play their leading, exemplary role well in the course of enforcing the "law on compulsory education."

The "draft" contains principled stipulations on all major issues concerning the enforcement of compulsory education. However, the stipulations cannot be made very specific. Therefore, Article 17 of the "draft" stipulates: "State Council departments in charge of education shall work out detailed rules and regulations on the basis of this law, and enforce these rules and regulations after submitting them to the State Council for approval." It also stipulates: "All provincial, autonomous regional, and municipal people's congress standing committees may formulate concrete measures for introducing compulsory education on the basis of this law and in the light of actual conditions in the localities." For this, it is necessary for us to bring into full play the spirit of making reforms, carry out practice, and continuously sum up our experience so as to gradually improve China's compulsory education.

Deputies, the formulation of the law on compulsory education is a major event that affects the future of the state and the nation. It has a close connection with the masses of workers, peasants, intellectuals, and the PLA and tens and thousands of families. The "draft" is still not perfect, although we have quite extensively solicited the opinions of various sectors of society and it has been repeatedly revised. All deputies are welcome to continuously offer their opinions for the revision of this "draft."

RENMIN RIBAO Commentary

HK230507 Beijing RENMIN RIBAO in Chinese 18 Apr 86 p 3

[Commentator's Article: "A Great Event in China's Education History"]

[Text] The "PRC Law on Compulsory Education" has been officially promulgated. This isa great event in China's education history.

Its promulgation indicates that China has established a system of universal compulsory education and that China's basic education has developed to a new stage.

Basic education is of fundamental importance to the rejuvenation of the state and the takeoff of the nation. Doing a good job of basic education is of great strategic significance to improving the quality of the Chinese nation and stimulating the building of socialist material and spiritual civilizations. Without changing the backward outlook of China's current basic education, it would be difficult to achieve the four modernizations. Historical experience has proved that in strengthening basic education it is far from sufficient to rely on general calls and administrative measures alone it is also necessary to guarantee it by law. For this reason, in the compulsory education law recently promulgated. China defines two stages of the basic education, namely primary education and junior secondary school education, totaling 9 years, as compulsory education which all children and adolescents of school age must receive and which the state, society, schools, and families should ensure according to the law.

Guaranteeing basic education in the form of a law is a global trend following the progress of modern educational undertakings. In-China, since the Qing Government began raising the question of compulsory education in the "regulations on compulsory education" promulgated in 1906, all subsequent Chinese governments have raised the slogan of "universal education" or "compulsory education." However, due to corrupt politics, a backward economy, and the people's dire poverty at that time, compulsory education actually became a mere formality. After the founding of the PRC, the party and government explicitly put forth the task of making primary education universal throughout the country and regarded it as a major national policy. Over the past 30-odd years, tremendous achievements have been attained in China's educational undertakings, thus changing once and for all the backward conditions in old China, in which some 80 percent of the population was illiterate. Now, 95.9 percent of the children of school age attend primary schools. However, in a considerable number of the rural areas primary education has not been universal and there are still a sizable number of illiterate or semi-illiterate people. There are various reasons for this, such as the damage caused by the "Great Cultural Revolution" and the faults in our work. However, an important reason for this is our failure to formulate a compulsory education law conforming to our national conditions and to conscientiously carry it out. In the "decision of the CPC Central Committee on the Reform of the Educational Structure" issued last year, the CPC Central Committee set forth the task of formulating and promulgating a law on compulsory education. Now, the first complete and well-considered law on conpulsory education in China's histroy has finally come into being. The educational circles and those in all walks of life have looked forward to this law for a long time. The party and government also attach great importance to this. The examination and approval of this law by the NPC precisely reflect the will of the people throughout the country. In the new period of socialist modernization, we have full confidence in our ability to implement the compulsory education law satisfactorily.

Implementing the compulsory education law is an extremely serious task! Having been without a perfect legal system fora long time, quite a few cadres and people have not been mentally prepared to observe the compulsory education law. In addition to taking the lead in observing the law in an exemplary way, the party committees and government at all levels, particularly the judiciary, propaganda, and education departments, should should also conduct extensive publicity and education among cadres at all levels and the masses so that they can understand that the compulsory education law reflects the fundamental interests of the entire people.

By conducting publicity and education in the compulsory education law we should foster two concepts among the cadres and the masses. First, receiving a specified period of compulsory education is a minimum requirement to educate qualified citizen. This is not only the right of every citizen but also his duty toward the state and the nation. Second, like other laws that have gone into effect, the compulsory education law is a mandatory one, which the whole society must observe and not violate.

In implementing the compulsory education law, we should create the necessary material conditions, possess the capability to make the 9-year compulsory education universal and, in particular, train a sufficient number of qualified teachers. This task should principally be assumed by the local governments at all levels and should be fulfilled step by step and in a planned way in light of the specific conditions in various localities. Learning to rely on the law to manage and develop basic education will surely be a good beginning in reinvigorating China's educational undertakings and improving the quality of the Chinese nation.

QUESTIONS ON FOREIGN-OWNED COMPANIES LAW ANSWERED

HK230811 Beijing CHINA DAILY in English 23 Apr 86 p 2

[By Staff Reporter Xu Yuanchao]

[Text] The National People's Congress recently adopted a law on wholly owned foreign companies that encourages foreign investors to put up funds for China's modernization.

The law was promulgated after 120 such enterprises were established in China. Chinese lawyers say the law provides for general principles with detailed rules and regulations for implementation to be formulated by departments of foreign economic relations and trade under the State Council.

Since the law was published, many questions have been raised by foreign businessmen. The C & C [expansion unknown] Law Office provided CHINA DAILY last week with explanations of the new law.

Question: Can foreign investors use Chinese renminbi as equity capital when a new enterprise is launched in China?

Answer: As I understand, they cannot. Foreign investors must invest in foreign currency, but renminbi can be used to expand production once the enterprises has earned profits.

Q: Who decides whether or not technology and equipment used by a wholly owned foreign enterprises are up-to-date?

A. Technology and equipment must be approved by a Chinese department, usually the State Science and Technology Commission.

Q: Does a foreign enterprise have the right to export its products directly or must it go through a Chinese foreign trade department?

A: The foreign enterprise has the right to export its own products. If the sales posed a competitive threat to Chinese exporters permission to set up the company would not have been given.

Provisions detailing lines of business prohibited for wholly owned foreign enterprises will soon be made by the State Council.

Q: Under what circumstances can the State expropriate wholly owned foreign companies?

A: Foreign enterprises can only be expropriated under special circumstances. The government, for example, may exercise the right of eminent domain for construction of public works, such as airports or railway lines. Such a right extends over Chinese as well as foreign enterprises.

When a foreign enterprise is to be expropriated, the Chinese authorities must properly compensate the loss based on the evaluation of both domestic and foreign accountants.

COMMENTATOR ON BEST USE OF EXISTING FUNDS

OW230521 Beijing XINHUA Domestic Service in Chinese 0816 GMT 22 Apr 86

[XINHUA commentator: Strive To Improve Economic Results in Using Available Funds for Enterprises]

[Excerpts] Beijing, 22 Apr (XINHUA) — Currently, many enterprises are faced with the problem of a shortage of circulating funds for production. However, the city of Changzhou had opened way to improve the tense situation in the use of funds by tapping the potential and improving the economic results in the use of existing funds.

Over a protracted period, all funds in our enterprises -- those for basic capital construction projects to the circulating funds for production -- are allocated by the state. There is no need for the enterprises to repay capital with interest, and no one cares to check the economic results in the use of funds. As a result, the more funds an enterprise uses, the poorer its economic results are in the use of funds.

In an effort to tap the potential in the use of funds its departments in charge of financial and economic affairs to help enterprises carefully balance their accounts and carry out such work in a down-to-earth manner. In July 1985, the departments in charge of financial and economic affairs in the City of Changzhou organized special groups to help enterprises balance their books. After carefully checking the supply of raw and semi-finished products, the inventory of finished products in the warehouses and the accounts receivable, they had found that over 100 million yuan were receivable.

It must be realized that to strive to improve economic results in the use of existing funds will not only alleviate the tense situation in the supply of funds for production in the fields of industry and communications, but also fundamentally improve the management of China's industrial enterprises. It is hoped that all relevant departments fully realize the significance of this issue and carry out this work in a down-to-earth manner.

RENMIN RIBAO ON GRASPING GRAIN PRODUCTION LINKS

HK220049 Beijing RENMIN RIBAO in Chinese 16 Apr 86 p 1

[Commentator's Article: "Grasp Every Link in Grain Production]

[Text] Some 40 days have passed since this newspaper published on 5 March its commentary entitled "Grasp the Crucial 100 Days" on this year's national agricultural production. At present, the northernmost province Heilongjiang has also begun spring sowing. In the previous stage, the spring plowing situation in various localities was better than in former years.

Leaders at various levels attached importance to agriculture and grain production and took such measures as providing some chemical fertilizers and diesel oil for farm use, expanding funds for agricultural production, and instituting a grain purchase system under which rewards are to be given to grain contractors who fulfill the grain quotas as prescribed in their contracts. Their measures were well received by the peasants. Consequently, the peasants' enthusiasm for growing grain has run higher. They have become more vigorous in developing diversified undertakings than in previous years. Summer grain crops promise a good harvest. The situation in grain production is gratifying as a whole.

The summer harvest is a little over a month away now. The crops to be harvested this fall have just been sown. A good beginning does not necessarily mean a good harvest, so we must not relax. At present there are some specific problems cropping up in production which warrant urgent solutions. The peasants are very pleased with the State Council's circular on price cuts for ordinary chemical fertilizers. Some localities have implemented the circular and others have not, because the problem of financial subsidies have not been solved. In many localities, grain farmers have been scrambling to compensate for shortages of chemical fertilizers, diesel oil, and electricity for farm use; farm tools and implements; and improved seeds. The departments concerned in some parts of the country have not yet signed grain and cotton purchase contracts with the peasants, making it impossible for farmers to know just how much to plant. All these problems will seriously affect spring sowing and the smooth management of the summer's grain crops. It is hoped that the departments concerned at various levels in all parts of the country will take prompt and effective measures, conscientiously solve problems, and avoid delaying the right season. The principal leading cadres in various localities are urged to personally solve some of the problems by making overall plans and taking all factors into consideration. Only in this way can problems be solved thoroughly.

This year's summer grain production has entered the crucial stage of field management. As the saying goes, "If we promote the fall harvest with the summer harvest, there will be a bumper harvest throughout the year. If we make up for a lean summer harvest with the fall harvest, a bumper harvest over the year is not certain." This is the precious experience of the peasants. With regard to summer grain production, a good job should be done in spring irrigation, top-dressing, and weeding and attention should be paid to the prevention and control of plant diseases and elimination of pests. After fall grain crops are sown, we should ensure the seedlings will grow smoothly and sturdily with a high survival rate. Rice seedlings should be raised properly. If we carefully attend to these links of farm work, we will be able to reap a bumper harvest in summer grain production and proceed to reap a bumper harvest in fall grain production.

China's grain output dropped last year due to natural disasters. It is not at all surprising that there are both bumper and lean harvests in agricultural production. At the same time, since before 1985 we had good harvests several years in a row, last year's decreased production has not damaged the country's overall supply of grain. However, agriculture is the foundation of the national economy and grain is the foundation of agriculture. Central Document No 1 of 1986 urges us to further put agricultural production in its proper place, to increase investment in agriculture, and to do all we can to ensure good harvests in grain production. This year we must strive for a harvest better than last year's.

At present, at a time when flowers are blooming in the warm spring, a small number of southern provinces have been hit by snowstorms and hail. Although the areas hit by the disasters are insignificant in size in terms of the country as a whole, we must note these unfavorable factors in our fine situation and raise our willingness to carefully attend to every link of grain production and of our work. We must never slacken our efforts.

RENMIN RIBAO VIEWS SOCIALIST CAPITAL MARKET

HK181045 Beijing RENMIN RIBAO in Chinese 7 Apr 86 p 5

[Article by Yang Peixin: "A Probe Into the Establishment of a Socialist Capital Market in China"]

[Text] The Rise of a Socialist Capital Market in China

Due to the changes in ownership and economic policies since the 3d Plenary Session of the 11th CPC Central Committee, the situation of capital has undergone major changes. Thanks to the implementation of the contracted responsibility system with payment linked to output, fixing output quotas for individual households in rural areas, and the measures taken to raise the purchase prices of farm and sideline products, the peasants now have money to expand the scale of their production. The number of workers and staff members employed totals tens of millions. With an increase in their wages and bonuses, they have more money to spend. Following the allocation of decision-making power, enterprises can retain part of their depreciation funds and profits. After the imposition of income taxes, enterprises began to have their own funds. As a result of local finance setting up separate accounts, the locality, department, and unit could all have some extrabudgetary funds. As the portion of the national income distributed among the peasants, workers, enterprises, and localities cannot be collected by the financial departments unconditionally, the functions of pooling funds have been gradually transferred to the banks.

The supply of funds for expanding production has also changed correspondingly from the single channel of financial allocation to four main channels. The case in 1983 was as follows: 1) The financial allocation channel: The investment called for by the budget in 1983, including the portion from investment in capital construction used for expanding production, the additional funds allocated for circulation, and the outlay for testing new products, totaled around 29.6 billion yuan. The portion from investment in capital construction used for non-productive projects and the loans granted by the World Bank and other organizations are not included in the sum. 2) The bank channel: Banks absorbed savings totaling over 30 billion yuan. If the additional currency issued and remittances are added, the total funds provided would be 47 billion yuan. 3) Social funds: The pooling of social funds started in 1980 and developed on a considerable scale in 1983, totaling around 20 billion yuan. The sum included the extrabudgetary investment and savings deposits of urban and the rural people (not including the peasants' funds invested in production). 4) Foreign capital: Foreign investment in 1983 totaled $3.4 billion, or 10 billion yuan when converted into renminbi. The fixed and floating capital derived from the above four channels totals around 110 billion yuan. Through these four channels, we have respectively solved the problem of funds needed by the state, peasants, collectives, localities, sino-foreign joint ventures, and enterprises with exclusively foreign investment.

Viewed from the above four major capital channels, a socialist capital market has appeared in an embryonic form. In the course of its development, China's socialist capital market will inevitably take shape.

The Socialist Commodity Economy Needs a Capital Market

Why did four major channels appear in the supply of funds and why are they developing toward a socialist capital market?

It is the inherent demand of the socialist commodity economy. A commodity economy requires a centralized commodity market in the country and at the same time allows technology to flow into the market as a commodity. It is also necessary to implement the policy of opening up to the outside world and to let our commodities flow into the international market. Correspondingly, we must have a market for the means of production and a labor market that can rationally distribute qualified personnel and manpower. In addition, we must also have a socialist capital market. Instead of supplying funds exclusively through a single channel and allocating funds with the approval of the administrative organs, a capital market should involve the financial organs of the state, the collective, Overseas Chinese and foreign invested enterprises, and Sino-foreign joint ventures, and should allow various means of funds collection including the issuance of shares and company bonds, application of foreign loans. Only in this way can we encourage competition, extend coverage, and enable enterprises to compare and select the most reasonable and beneficial means of capital supply. The capital market should follow economic laws, the interest rates should fluctuate reasonably, and both principal and interest should be paid. Enterprises should strive to attain better investment returns and have a correct understanding of capital and interests. Only by establishing various forms of capital markets at various levels can enterprises obtain the funds they need for expanding production and can we ensure independent operation of enterprises, arouse their initiative, and attain better economic results. Only by establishing a socialist capital market can China extricate itself from the capital supply system that offered free use of funds, that required no payment of interest, and that produced poor investment returns. Therefore, it is an urgent need of China's economic reform to establish a socialist capital market.

Compared with a capitalist capital market, China's capital market has the following characteristics: 1) The financial organs of the socialist state occupy a dominant position while those of the collectives, joint state-private ownership, and Overseas Chinese and foreign invested enterprises occupy a supplementary position. 2) The funds come mainly from the peasants, workers, enterprises, organs, and institutions, and there stratum that lives mainly on interest does not exist. 3) Although China's capital market is connected with the international financial market, the relations between the two are not closely maintained. As China has a great demand for foreign exchange in the course of its construction, it is necessary to exercise management over foreign exchange. Because renminbi is not convertible to foreign currency, capital cannot flow in or out freely.

The Problems to be Probed and Solved

1. We must turn the banks into genuine banks and expand the decision-making power of the financial enterprises, particularly the organs of the specialized banks at the grass-roots levels, so that the banks have motivation, some outside pressure, and vitally. The capital market, also called the financial market, includes banks, trusts and investment, insurance, securities, and foreign exchange organs and their respective markets. The banks are the main body of a capital market. Both fixed and floating funds of enterprises come principally from bank loans.

In order to establish a capital market, it is necessary to first accelerate the reform of the financial system and turn the banks into banks that can truly perform their functions. Although we have achieved marked success recently in banking reform, so far, the old system of a state monopoly over savings deposits and granting loans (turning over savings to the state and applying for loans from the state) and a state monopoly over revenue and expenditure (turning over revenue to the state and requesting approval for expenditure from the state) has not yet been transformed. As a matter of fact, the banks were taken as administrative units. They received outlay for operations and training cadres and the bonuses and welfare benefits for staff members and workers from the higher authorities. This method hindered the development of the banks. In order to transform this state of affairs, the organs of the specialized banks at the grass-roots levels should link savings and loans, and revenue and expenditure, and relate the business development of the banks to the interests of the grass-roots organs and workers. With increased savings, the banks can grant more loans, and with more revenue, they can retain more. By doing so, we can encourage the banks at the grass-roots levels to draw more savings, withdraw currency from circulation, improve their loan-granting work, attain better results from the granting of loans, and diminish the losses incurred from bad debts. On the basis of earning more, the banks can use more outlay to computerize their operations, train cadres, improve the quality of banking cadres, and put an end to the backwardness of the banks as quickly as possible. It is necessary to have competition among the banks so that they have motivation from within and pressure from outside and can display their abilities through competition.

The current reform of the financial system should be focused on increasing savings deposits, improving services, and attaining better results from the capital. They key to realizing this objective lies in maintaining ties between savings and loans, and between revenue and expenditure, and stimulating the enthusiasm of the banks at the grass-roots level, thus putting an end to the current decline in financial undertakings.

2. We must bring the financial allocation channel of capital supply into the centralized capital market, correspondingly carry out reform, and establish a fixed capital market with the Construction Bank as its center. Since the 3d Plenary Session of the 11th CPC Central Committee, the change from financial allocation to loans granted by the Construction Bank has produced fruitful results and proved that the economic results of granting loans are better than financial allocation. However, the old system was not thoroughly reformed. The projects were still determined by the State Planning Commission and the funds allocated by the Ministry of Finance.

The following steps can be considered for bringing financial allocation into the long-term capital market: 1) The Ministry of Finance should deposit capital construction investment into the construction fund of the Construction Bank each year. The Ministry of Finance should undertake responsibility for allocation according to the budget while the Construction Bank will pay interest to the Ministry of Finance every year. The Ministry of Finance is just a depositor of the construction bank. 2) Feasibility studies, comparisons, and selection of the specific projects should be conducted by the construction bank and submitted to the State Council for approval. The State Planning Commission should be responsible for development strategies and long-term plans, rather than deciding on specific projects. The responsibility for overall planning goes to the State Planning Commission, while that of policy decisions goes to the Construction Bank. 3) Turn the Construction Bank into a genuine bank so that it can undertake the economic responsibility for making investment policy decisions.

4) Turn the Construction Bank into a long-term credit bank. Besides granting loans, it should maintain 10 percent of the investment so that it can join and control the board of directors, the Construction Bank should help enterprises work out development plans and improve their operations and management. Meanwhile, it should ensure that state property is maintained intact and that is appreciates, it should manage well the year-end accounts and distribution of bonuses, and retain sufficient money for accumulation and reserve funds to prevent excessive consumption. 5) If the financial allocation for construction funds is not sufficient, the Construction Bank may issue financial bonds or issue stocks and bonds on behalf of enterprises. Funds can also be mustered by inviting the localities, enterprises, collectives, masses, foreign capital, and other beneficiary units to make investment in a certain project. 6) The Construction Bank should use economic statistics and information to acquire a balance between construction investment and capital construction materials and manpower. It should take note of market information concerning capital construction materials, provide information to the government and society, and have the scale of investment in capital construction under control It should also expand the capacity for capital construction by supporting the development of the building materials industry and the building trade.

The establishment of a perfect fixed capital market has the advantages of strictly following the economic laws, fundamentally checking the investment craze, eliminating the overexpanded scale of investment, preventing the waste caused by mistakes in investment policy decisions, and effectively attaining better economic results.

3. We must correctly guide the acquiring of social funds and vigorously create conditions for issuing stocks in society and establishing a long-term capital market. In 1984, the pooling of social funds developed rapidly. For example, the funds collected by Guangdong's Dongwan County totaled 600 million yuan. The rural areas gathered funds to run enterprises; urban enterprises issued stocks to staff members and workers; and the large energy and communications projects pooled funds from the central and local authorities, enterprises, and the masses. Such a direct means of gathering funds can generally produce better investment returns because the investors and producers are directly related to each other.

The trust departments of the Construction Bank, the Industrial and Commerical Bank, Agriculture Bank, and the Bank of China should be instructed to correctly guide the gathering of funds and create conditions for the issuing of stocks.

The issuing of stocks should be carried out first in the enterprises where production and operations are proceeding fairly well so as to build up creditability as quickly as possible. The issuing of stock and the establishment of a stock exchange can first be carried out in Guangzhou, Shanghai, Tianjin, and Wuhan. Prior to the establishment a stock exchange, the trust departments of various specialized banks should undertake the work concerning registration and transfer of stocks and bonds.

4. We must import foreign capital and accelerate our economic development. China's import of foreign capital gradually increased through the following channels: First, the government obtained long-term loans with low interest from the World Bank and Japan's overseas foundation [hai wai xie li ji jin hui 3189 1120 0588 0500 1015 6855 2585]. Second, the Bank of China transferred funds from its branches in Hong Kong and Singapore, borrowed money from foreign banks, and granted foreign exchange loans within the country. By the end of 1984, accumulated foreign exchange loans reached over $20 billion, of which 90 percent were granted over the past 6 years.

Third, the China International Trust and Investment Corporation and the Bank of China issued bonds in Japan, Hong Kong, and West European countries to attract funds and grant loans within the country. Fourth, foreign and Overseas Chinese businessmen made investment in China by running enterprises in which they exclusively invested of Sino-foreign joint ventures. Investment made by Overseas Chinese businessmen has already flowed into the field of energy, communications, and other key construction projects. For example, Gordon Wu invested $470 million in the first phase project of the Guangzhou-Shenzhen expressway, $450 million in the 700,00 kilowatt thermal power station in Shajiao in Dongwan County, and $60 million in the Shenzhen railway station project.

As the import of foreign capital is conditioned by China's foreign exchange income from exports and tourism, the capital imported should be used first to develop marketable export goods that can increase our foreign exchange income and create better conditions for the use of foreign capital. China has a favorable condition for importing foreign capital, and this is Hong Kong, the third international financial center, which radiates through the Asian and Pacific region. We can gain special advantages from our favorable position. However, we are also conditioned in this respect by the operations and management level of our domestic enterprises. The interest rate on the international financial market is around 7-10 percent, while our enterprises cannot even bear the loans granted by domestic banks at the interest rate of 6-8 percent. Herein lies a question of improving our operations and management level and gradually increasing profits. Only by solving this problem can we have the opportunity to use more foreign capital.

The fundamental point of establishing a socialist capital market is to completely abolish the system set up under the rigid pattern which distributed funds in an administrative manner. This includes the distribution of budgeted investment by administrative organs which required no repayment of principal and interest, which did not make feasibility studies, and which failed to conduct scientific and technological deliberations. It also includes the credit system characterized by state monopoly over savings and loans and over revenue and expenditure, which stipulated that an enterprise is allowed to open an account only at a certain branch of a bank, which prohibited transfer of funds among enterprises, and which prohibited the development of horizontal financial ties among the banks. The establishment of a socailist capital market requires the demand and supply of capital to follow market principles. As a long-term credit bank, the Construction Bank should undertake economic responsibility and work out policy decisions by itself, conduct feasibility studies, and make investment or grant loans to the projects that can bring about better investment returns. The grass-roots organs of various specialized banks should assume sole responsibility for their profits and losses and acquire funds for expenditure by attracting savings, granting loans, and expanding their business. The banks may select and grant loans to the trustworthy enterprises they think appropriate. Enterprises may also chose the banks that provide better services and apply for loans from these banks. The relations between banks and enterprises are the relations between legal entities based on equality. Therefore, the establishment of a capital market includes the issuing of stocks and bonds, a long-term capital market, and also some essential changes such as the transformation from financial allocation to loan-granting and turning the banks into enterprises.

NO CHANGE SEEN IN SPECIALIZED HOUSEHOLDS POLICY

HK200830 Beijing RENMIN RIBAO in Chinese 19 Apr 86 p 1

[Commentator's Article: "Developing Specialized Households Is a Long-Term Policy"

[Text] A symptom that merits attention has recently appeared in some of the rural areas: Some people say that all the gains of the specialized households that became rich ahead of others were ill-gotten, and some cadres no longer support the specialized households. Some specialized households have become anxious and dispirited; fearing that some campaign is going to descend on them, they have asked that all the projects they operate and the money they have made be handed over to the collective, or else they engage in some far-from-voluntary gratis assistance and donation raising activities. Many peasants are asking whether the policies will change again.

There is no change in the party's policy of allowing and encouraging some people to get rich ahead of others through hard work, nor will there by any change. The emergence of the specialized households is a great fruit of the rural reforms of the past few years. The higher productiveity, commodity rate, and economic results that the specialized households pursue are of markedly progressive significance for breaking China's heavy tradition of the small peasant economy and for developing the commodity economy. The transmission, leader, and demonstration role they play in their production operations is bound to lead increasingly large numbers of peasants forward to embark on the road of getting rich.

The CPC Central Committee pointed out in its "Circular on Rural Work in 1984": "The specialized households that have emerged in the rural areas on the basis of practicing the contract responsibility system with payment linked to output take the lead in getting rich through hard work, in developing commodity production, and in improving production technology. They are a new-born thing in rural development, and should be cherished and actively supported." Developing specialized households is certainly not just an expedient but a long-term policy. The party will gradually develop and perfect a diversified cooperative system in accordance with the principle of mass voluntariness and the requirements of the development of the rural productive forces. However, household contracts (including specialized household contracts), as an indespensable level in the cooperative economy, will be developed and strengthened, and certainly not weakened or abolished. The individual economy (including specialized households operating undertakings themselves), as an essential supplement to the socialist economy, will also be allowed to exist and develop. Practice has proven that the past cooperativization method of "belonging to a big crowd" and the practice of not allowing the individual economy to exist were extremely harmful. In the process of developing the socialist planned commodity economy, our party will adhere for a long time to come to the principle of having the state, the collective, and the individual all working together.

It is a fact that in recent years a very small number of peasant households have made ill-gotten gains by flouting discipline and the law. However it is essential to distinguish between this very small number and the overwhelming majority of law-abiding specialized households; between violating the law and discipline and invigorating the economy; and between accepting the necessary invitations in the course of commodity exchange on the one hand, and bribing and corrupting state work personnel on the other.

Strengthening the socialist legal system, rectifying the party style, and promoting a turn for the better in social mood are all aimed at spurring the smooth progress of rural reforms and the further prosperity of the rural economy. The law-abiding specialized households who get rich through hard work are pioneers in rural reform and in developing the rural economy. Their production operations and the benefits they derive from them should enjoy legal protection and social respect. At present, specialized households only account for a very small proportion of rural households, and their growth as independent commodity producers is still far from mature. They should be cherished all the more on that account. The party and government departments at all levels must do a good job in explaining and implementing the policies, and encourage the specialized households to continue to develop production, make a success of their operations, and get rich through hard work.

Due to the long period of "leftist" policies in the past and the more or less universal impact of the traditional idea of egalitarianism in the rural areas, in the early days of the specialized households some of them acted like birds frightened by a bowstring, saying, "Having seen the initial results, we will go no further." Moreover many specialized households frequently donate money to the collective and to individuals. In some cases this is voluntary, but in others it is done because they come under all kinds of pressure and are left with no choice. There is nothing arguable about suitably commending specialized households who have gotten rich ahead of others for voluntarily making whatever contribution they can to society, but we should not create any visible or invisible pressures to force the specialized households to "provide assistance" and "donate." The true contribution to society made by specialized households who have gotten rich through hard work lies not in providing assistance and donations, but mainly in their probing, pioneering, and demonstration role in extricating people from poverty and making them rich, and in their role in developing the rural productive forces. This is the most important kind of contribution.

LEADERS WRITE FOR BEIJING SCIENCE MONOGRAPH

SK112226 Beijing BEIJING RIBAO in Chinese 31 Mar 86 p 1

[Text] A scientific monograph, "Jinri Beijing" ["Today's Beijing"], published by the Beijing Yanshan Publishing House, will be distributed for sale very soon. Organized by the Beijing Social Sciences Research Institute and compiled by more than 60 central and municipal units in Beijing, this monograph systematically and comprehensively introduces and discusses the course of the development of and various achievements in Beijing since 1949, involving Beijing's natural geography, long history, urban planning and construction, agriculture, industry, commerce, foreign trade, and cultural undertakings. It reflects the development and changes in Beijing since liberation, particularly since the 3d Plenary Session of the 11th CPC Central Committee. This monograph, which comprehensively and systematically reflects the course of the development of a city since the founding of the PRC, is the first of its kind in China.

Ye Jianying, Peng Zhen, Nie Rongzhen, and Wan Li wrote poems and articles for this monograph. Chen Xitong wrote a preface for it.

CENTRAL LEADERS, OTHERS HONOR LATE CPC ADVISER

OW110817 Beijing XINHUA Domestic Service in Chinese 1752 GMT 10 Apr 86

[Excerpt] Beijing, 10 Apr (XINHUA) -- Party and state leaders Li Xiannian and others paid last respects to the remains of Comrade Gan Weihan, loyal Communist fighter, outstanding leader of political work of the PLA, and member of the Central Advisory Commission of the CPC, at the Hall of the Babaoshan Cemetery this afternoon. Comrade Gan Weihan died of illness in Beijing on 1 April 1986, at the age of 78.

Hu Yaobang, Yang Shangkun, Yang Dezhi, Yu Qiuli, Qin Jiwei, Wang Ping, Li Desheng, Xiao Ke, Duan Junyi, Geng Biao, Liao Hansheng, and Hong Xuezhi called on Comrade Gan Weihan at the hospital when he was critically ill. Comrade Song Renqiong extended regards on the telephone.

The remains of Comrade Gan Weihan lay quietly amid green cypress and clusters of flowers. Wreaths sent by Hu Yaobang, Deng Xiaoping, Zhao Ziyang, Li Xiannian, Chen Yun, Peng Zhen, Deng Yingchao, Xu Xiangqian, Nie Rongzhen, and Ulanhu lined the hall of the cemetery. He Jianying and Lui Bocheng also sent wreaths.

Those who also paid last respects to the remains of Comrade Gan Weihan were: Wan Li, Xi Zhongxun, Tian Jiyun, Yang Shangkun, Yang Dezhi, Yu Qiuli, Yao Yilin, Chen Pixian, Wang Zhaoquo, Bo Yibo, Wang Ping, Wang Shoudao, Wu Xiuquan, Liu Lantao, Li Desheng, Xiao Ke, Song Shilun, Chen Xilian, Duan Junyi, Geng Biao, Wang Heshou, Han Guang, Peng Chong, Wang Renzhong, Ye Fei, Liao Hansheng, Zhang Aiping, Zheng Tianxiang, Yang Yichen, Yang Jingren, Kang Keqing, Yang Chengwu, Chen Zaidao, Lu Zhengcao, Deng Zhaoxiang, and Ma Wenrui, as well as responsible comrades of the PLA General Departments and major units of PLA units stationed in Beijing, and relatives and friends of Comrade Gan Weihan in Beijing, totalling more than 500 people.

The CPC Central Committee, the Central Advisory Commission, the Central Discipline Inspection Commission, the Central Military Commission, the Central Commission for Guiding Party Rectification, the Organization Department of the CPC Central Committee, the Ministry of National Defense, the PLA General Departments, the Discipline Inspection Commission of the Central Military Commission, the Shenyang Military Region, the Chengdu Military Region, and leading organs of Hunan Province and Pingjiang County also sent wreaths.

TIAN JIYUN MEETS RURAL EMPLOYMENT SEMINAR GROUP

OW111938 Beijing XINHUA in English 1908 GMT 11 Apr 86

[Text] Beijing, April 11 (XINHUA) -- Vice-Premier Tian Jiyun met in the Great Hall of the People today with all the representatives of an international seminar on rural employment promotion strategies, which opened here on April 8. Tian briefed them on the development of China's rural economy in the past few years and answered their questions during the meeting. Present on the occasion were Du Runsheng, director of the Research Centre for Rural Development of the State Council, and Zhao Dongwan, minister of labor and personnel. The seminar is being jointly organized by the International Labor office, the State Council's Rural Development Research Center and the Ministry of Labor and Personnel. The participants from 13 countries and 9 international organizations have since April 8 discussed ways of creating employment opportunities for surplus rural workforces. The seminar will end tomorrow.

ZHENG TUOBIN ATTENDS GUANGZHOU FAIR OPENING

OW160022 Beijing XINHUA in English 1908 GMT 15 Apr 86

[Text] Guangzhou, April 15 (XINHUA) -- The annual Guangzhou Spring export commodities fair opened here today with about 20 percent more goods in store for sale compared with those of the last spring fair.

The 59th session of the fair, scheduled to open for 20 days, attracted 4,322 business people from 43 countries and regions on the first day. Among the guests was a Burmese Government trade delegation.

Among the industrial products, new products and designes account for about 15 percent and some are offered by joint venture enterprises a fair official said.

More bartering trade will be conducted during the current session, according to the official.

Apart from export trade, negotiations will be held on import trade, joint venture projects, and labor services, he said.

After the opening ceremony, Zheng Tuobin, Chinese Minister of Foreign Economic Relations and Trade, and officials from the fair and Guangdong Province met a group of noted figures in the business circle of Hong Kong and Macao.

NIE RONGZHEN GREETS NEW GERONTOLOGY SOCIETY

OW210157 Beijing Domestic Service In Mandarin 1600 GMT 20 Apr 86

[Excerpts] The China Gerontology Society was established in Beijing on 20 April.

In his letter of congratulation to the inaugural meeting, Nie Rongzhen, vice chairman of the Central Military Commission and honorary chairman of the Chinese National Committee on Aging, pointed out: Aging is a rather complicated subject for scientific research, involving a number of branches of learning. Efforts should be made to enable old people in our country to enjoy good health and a long life and, at the same time, to solve the aging problem in the population; arrangements should be made for old people to retire and to have a chance to study and to contribute to society as much as possible in their remaining years, old people should be able to enjoy themselves in their remaining years and, at the same time, solve social and family problems in this regard. It is necessary to study and properly solve all problems concerning the aging.

The China Gerontology Society was established after a 5-day symposium on old age.

The inaugural meeting elected (Mei Yi) president of the China Gerontology Society and Lei Jieqiong, Lu Jiaxi, and Yu Guanghan its honorary presidents.

HUANG HUANG MEETS WITH NON-CPC PERSONNEL IN ANHUI

OW182326 Hefei Anhui Provincial Service in Mandarin 1100 GMT 17 Apr 86

[Excerpts] The Anhui Provincial CPC Committee invited some non-CPC personnel to a meeting at the Daoxianglou Guesthouse on the afternoon of 16 April. At the meeting, the provincial party committee held full consultations with the non-CPC personnel concerning personnel arrangements for the forthcoming meetings of the provincial people's congress and the provincial CPPCC Committee.

Huang Huang, secretary of the Anhui Provincial CPC Committee, presided over the meeting. Lu Rongjing, deputy secretary of the provincial party committee, attended the meeting. Liu Guangcai, a member of the standing committee and director of the organization department of the provincial party committee, briefed the participants on some important personnel questions that are to be discussed at the forthcoming people's congress and CPPCC committee meetings.

The more than 20 non-CPC personnel at the meeting expressed their views one after another in an atmosphere of democracy and enthusiasm.

Comrade Huang Huang spoke last at the meeting. He said: I thank you, members of democratic parties, persons without party affiliation, and responsible persons of mass organizations, for your support of the provincial CPC Committee. From now on, we should maintain contact with each other, cooperate on a long term basis, build Anhui and enhance the excellent situation in the province.

FOURTH SESSION OF ANHUI PEOPLE'S CONGRESS OPENS

OW240615 Hefei Anhui Provincial Service in Mandarin 1100 GMT 21 Apr 86

[Excerpts] The Fourth Session of the Sixth Anhui Provincial People's Congress solemnly opened at Hefei's Jianghuai Theater this morning. Jianghuai Theater was ceremoniously decorated today. A PRC emblem was hung at the center of the rostrum, flanked by 10 red flags.

At 0800 hours, deputies of the provincial people's congress from all walks of life in the province jubilantly entered the hall which was permeated with an atmosphere of unity and democracy. Seated on the rostrum were People's Congress Executive Chairman Huang Huang, Wang Guangyu, Su Yu, Su Hua, Zhang Zuoyin, Wei Xinyi, Xia Deyi, Zheng Rui, Yang Chengzong, Zhao Minxue, Ying Yiquan, Kang Zhijie, Du Weiyou, Zheng Huaizhou, and (Hu Xiangnong). Also seated at the rostrum were other members of the Presidium of the session; Governor Wang Yuzhao and Vice Governors Meng Fulin, Zhang Dawei, (Zhao Min), Yang Jike, Wang Houhong and Song Ming; (Wang Chengle), President of the provincial Higher People's Court; and Feng Jianhua, Chief procurator of the provincial People's Procuratorate. (Huang Yan), (Zhang Kaifan), (Xu Shinong) and other comrades were also present at the rostrum.

At 0830 hours, Wang Guangyu, executive chairman of the session, announced the opening of the session. Governor Wang Yuzhao delivered a report on the work of the government. His report was divided into three parts:

1. The first part contained a review of achievements over the past 5 years.

2. The second part pointed out the basic tasks and the goal for struggle during the Seventh 5-Year Plan period.

3. The third part called for attention toward fulfilling our jobs well in 1986.

In conclusion, he said: We are full of confidence that we will score victories. Workers, peasants, intelelctuals, government and party cadres, PLA commanders and fighters, public security cadres and policemen, democratic parties, mass organizations, overseas Chinese, compatriots in Hong Kong and Macao and all the people who cherish the socialist motherland: Let us bring into full play the spirit of the Foolish Old Man in removing the mountains; wage arduous struggles and build the country through diligence and hard work under the leadership of the party Central Committee, the State Council and the Anhui Provincial CPC Committee; fully implement the Seventh 5-Year Plan; and work harder than ever before to accelerate Anhui's economic construction!

HAN PEIXIN ATTENDS JIANGSU CPC MEETING 19 APRIL

OW220421 Nanjing Jiangsu Provincial Service in Mandarin 1100 GMT 19 Apr 86

[Excerpts] On the morning of 19 April, the Jiangsu Provincial CPC Committee and the Standing Committee of the Provincial People's Congress held a meeting in Nanjing's Great Hall of the People to disseminate the guidelines set by the recent Fourth Session of the Sixth National People's Congress. Attending the meeting were more than 3,000 cadres from various provincial-level government and party organs and units.

After transmitting the guidelines, Sun Han, a PRC deputy and deputy secretary of the provincial CPC Committee, pointed out the requirements for study of the guidelines. He said: All party organizations must vigorously popularize the guildelines set by the documents of the Fourth Session of the Sixth National People's Congress and conduct education on the current situation and policy as an important task in ideological and political work. This study campaign is aimed at deepening education on the current situation and policy. All party organizations must attach great importance to study the guidelines, strengthen their leadership and carry out their work well in all respects.

He called for efforts to study the documents by stressing the following five points:

1. Review the achievements scored in the Sixth 5-Year Plan, and fully understand the current situation;

2. Grasp the basic tasks of the Seventh 5-Year Plan and the policy on major construction projects;

3. Give top priority to reforms;

4. Firmly adhere to the principle of simultaneously developing the two types of civilization;

5. Persistently implement the independent foreign policy for peace.

The meeting was presided over by Chu Jiang, chairman of the Standing Committee of the provincial people's congress. Han Peixin, Hong Peilin, Li Zhizhong, Xing Pai, and other leading comrades also attended the meeting.

JIANGSU CITY ATTRACTS MORE FOREIGN INVESTMENT

OW210936 Beijing XINHUA in English 0928 GMT 21 Apr 86

[Text] Nanjing, April 21 (XINHUA) -- Jiangsu province's Lianyungang, one of China's 14 open coastal cities, plans to develop 17 projects involving 30 million U.S. dollars in foreign investment this year, a local official said today. The amount of foreign investment is 18 times that of the total foreign investment over the past six years, according to Wang Qingyun, chairman of the city foreign economic and trade committee.

The city, which used to have poor industrial and foreign investment conditions, has boosted its economy by economic and technical cooperation with 23 provinces, municipalities and autonomous regions, as well as 19 ministries, since it was designated as one of the open coastal cities in 1984. It has focused on improving transport, telecommunications and infrastructure facilities to attract more foreign investment and trade over the past two years.

The improved environment has attracted more than 1,000 business people from 24 countries and regions to come to discuss investment and cooperation here, the chairman said. Businesses using foreign investment in the city have expanded from aquatic production to light industry, textiles, chemicals, machinery, electronics, leather and plastics manufacture and tourist facilities.

JIANGSU: COMMANDER ADDRESSES NANJING PLA MEETING

OW230805 Hangzhou ZHEJIANG RIBAO in Chinese 14 Apr 86 p 1

[Text] The Nanjing Military District's leading group on preparedness against war in the field of transportation held an enlarged meeting on 9 and 10 April in Nanjing. Xiang Shouzhi, commander of the Nanjing Military District, addressed the meeting. He said: Based on the international and domestic situation, the party Central Committee and the Central Military Commission have made a brilliant policy decision on bringing about a strategic change in the guiding ideology for national defense to make military construction projects serve peacetime construction. In doing our work of strengthening preparedness against war in the field of transportation, an important component part of the work of developing national defense, we must reflect this strategic change, correctly handle the relations between national defense and economic construction, vigorously combine efforts in peacetime with those in wartime, follow the principle of benefiting both civilians and armymen, and achieve the following goal: In time of peace our work in this regard should serve the national economy and the people's production and livelihood, while in time of war we should be able to meet the needs of war.

The meeting announced personnel changes in the leading group on preparedness against war in the field of transportation under the Nanjing Military District. Deputy Commander Guo Tao of the Nanjing Military District was appointed head of the leading group. Appointed as deputy heads of the leading group were Shanghai Vice Major Ni Tianzeng, Jiangsu Vice Governor Chen Huanyou, Zhejiang Vice Governor Wu Minda, Anhui Vice Governor Zhang Dawei, Fujian Vice Governor You Dexin, Jiangxi Vice Governor Qian Jieming, Nanjing Military District Deputy Chief of Staff Zheng Bingqing, and Nanjing Military District Logistics Department Deputy Director Xia Yucheng.

NANJING OPENS TRAINING CENTER FOR 'GROUP ARMIES'

OW222012 Beijing XINHUA in English 1952 GMT 22 Apr 86

[Text] Nanjing, April 22 (XINHUA) -- A military training center aimed at improving battle co-ordination between different services within the armed forces was opened today in eastern China. A military source, who would not disclose the center's exact location, said it had been designed specifically to meet the needs of China's new "group armies", which had been formed over the last year. These combined different services, for instance, air forces and ground forces, into single fighting units.

The center would organize and co-ordinate maneuvers of group armies using "advanced equipment", including laser devices, according to the source. Equipment there would simulate "complicated battlefield conditions", and the movement, weapons, and "even the psychology" of an imaginary enemy. All China's group armies would be trained in turn at the center, said the source.

The center has been established by Nanjing military area commander under authority from the Central Military Commission and the headquarters of the general staff of the People's Liberation Army.

SHANDONG'S LIANG BUTING RELAYS NPC GUIDELINES

SK210528 Jinan Shandong Provincial Service in Mandarin 2300 GMT 18 Apr 86

[Excerpts] On the morning of 18 April, the provincial CPC Committee and government held a meeting of cadres of the provincial-level organs at Zhenzhuguan to hear a report given by Comrade Li Zhen, leader of the Shandong Provincial Delegation and chairman of the provincial People's Congress, on the guidelines of the Fourth Session of the Sixth NPC and his opinions on implementing the guidelines.

Liang Buting, secretary of the provincial CPC Committee, presided over the meeting and delivered a speech. Responsible comrades of the provincial CPC Committee, the provincial Advisory Commission, the provincial Discipline Inspection Commission, the provincial People's Congress Standing Committee, the provincial government, and the provincial CPPCC Committee, including Li Changan, Lu Maozeng, Yang Yanyin, Zhou Zhenxing, Feng Lizu, Liu Zhonggian, Sai Feng, Wei Jianyi, Yuan Bo, (Xiao Han), Xu Leijian, Gao Fengwu, Zhang Zhusheng, Ma Lianli, Song Yimin, Zhang Jingtao, and Zuo Yicheng, deputy leaders of the provincial delegation to the Fourth Session of the Sixth NPC, responsible persons of the provincial-level departments, commissions, offices, and bureaus, various mass organizations, and colleges and universities in Jinan, and cadres at and above the section level, totaling some 1,500 people.

Comrade Li Zhen introduced the agenda and grand occasion of the Fourth Session of the Sixth NPC.

Comrade Liang Buting gave a speech at the end of the meeting, in which he said: This NPC session was held at a time when the Sixth 5-Year Plan was successfully fulfilled and when the Seventh 5-Year Plan has just begun. It was a grand session for carrying forward the revolutionary cause as well as one for mobilizing the people throughout China to work with one heart and one mind and to struggle for the realization of the Seventh 5-Year Plan. We should conscientiously implement the NPC guidelines in an effort to promote the development of the province's reform and various construction undertakings.

Comrade Liang Buting pointed out: In implementing the NPC guidelines, the most important thing at present is to study the documents well. The leading cadres, in particular, should take the lead in the study, and persist in studying them deeply and thoroughly. Only by doing so can they enhance their understanding, unify their thinking, and mobilize the people throughout the province to implement the various tasks put forward by the congress session. Through study, we should further enhance the people's understanding of reform and make them understand that the key to China's development lies in reform. We should correctly treat the difficulties and determination in reform, unswervingly give top priority to reform, and deeply carry out comprehensive reforms of the economic structure and the scientific and technological and educational structures. Through implementing the congress guidelines, we should promote all current tasks, and consolidate and develop the excellent situation.

SHANGHAI'S RUI XINGWEN AT COMMENDATION MEETING

OW230009 Shanghai City Service in Mandarin 1100 GMT 21 Apr 86

[Text] The Shanghai Municipal Committee for Promoting the Five Stresses, Four Beauties, and Three Loves Activities held a meeting at the Shanghai Exhibition Center this afternoon to name and commend civilized units in the municipality for 1985.

Leading comrades of the municipal party committee, the Standing Committee of the municipal people's congress, the municipal government, and the Municipal CPPCC Committee were present, including Rui Xingwen, Jiang Zemin, Hu Lijiao, Huang Ju, Chen Tiedi, Shi Zhusan, Shu Wen, Ni Tianzeng, and Yang Kei. Also present were leading comrades of various municipal departments, commissions, and offices as well as PLA units stationed in Shanghai.

Xie Liuan, vice mayor of the municipality and vice chairman of the municipal committee for promoting the Five Stresses, Four Beauties, and Three Loves Activities, presided over the meeting.

At the meeting, certificates and silk banners were presented to 379 organizations named by the municipal government as civilized units.

Huang Ju, deputy secretary of the municipal party committee and chairman of the municipal Committee for Promoting the Five Stresses, Four Beauties, and Three Loves Activities, addressed the meeting.

SHANGHAI: COMPUTERIZED SYSTEM FOR CHINESE DEVELOPED

OW221904 Beijing XINHUA in English 1858 GMT 22 Apr 86

[Text] Shanghai, April 22 (XINHUA) -- While a speaker addressed a meeting here, a computer operator was busy keying his words in the Chinese language into a computer. To the man's surprise, a clean copy of his speech was printed out in Chinese characters as soon as he had finished speaking. The meeting was held at Shanghai Hall of Science on Monday to give the first official demonstration of a new system of computerized printing of Chinese. It has been developed by 12 Shanghai research institutes, factories and academic societies. One of its developers said the system was designed to aid office automation and consisted of a processor, a laser photo-typesetter and a printer. Fourteen different methods can be used to key in Chinese, including the pinyin alphabet and codes which can compile characters. The input English can be translated into Chinese.

The developers say the system enables a worker to process more than 30,000 characters a day. The system's software, Pioneer C, was developed by a group of young scientists in Shanghai.

FIRST OPTICAL FIBER COMMUNICATIONS LINE IN SHANGHAI

HK221550 Beijing ZHONGGUO XINWEN SHE in Chinese 1225 GMT 18 Apr 86

[Text] Shanghai, 18 Apr (ZHONGGUO XINWEN SHE) -- The experimental section of China's first optical-fiber communications line has passed the inspection test and been put into operation after 6 months of trial use in Shanghai. This shows that China's optical fiber communications technology has entered the practical stage in the public communications network.

The section of the communications line, with four core optical cables and 1.8 kilometers in length, is installed between in Haining Road and Sichuan Road branches under the Shanghai Urban Telephone Bureau. It has a total capacity of 120 telephone channels. All the equipment and materials are produced in Shanghai. The communications system has proved after trial use that it features accord with the standards proposed by the Internationa Telecommunications Consultative Conference and that the system functions properly.

It has been reported that Shanghai is now executing a plan to set up a 22.5 kilometer optical fiber communications system. By the year 1990, Shanghai will have an optical fiber communications network of over 100 kilometers. Meanwhile, the programmed electronic switchboard system will be extensively popularized so that the city's communications network will gradually be computerized and the strain on Shanghai's communications will be alleviated.

SHANGHAI TARGETS MAJOR INDUSTRIES FOR EXPANSION

OW212015 Beijing XINHUA in English 1457 GMT 21 Apr 86

[Text] Shanghai, April 21 (XINHUA) -- Shanghai, China's major industrial city, will expand its major industries -- steel, chemiautomobiles, passenger planes, power equipment and electronics production -- in the next five to 10 years to serve the country's modernization drive. Its new target is to achieve an annual production of more than 10 million tons of steel, 450,000 tones of ethylene and 300,000 cars. It will also attempt to manufacture large passenger planes and conventional and nuclear equipment to generate between 600,00 kw and 900,000 kw each year.

The Baoshan steelworks will be able to produce 6.7 million tons of steel by 1990 when its second phase of construction is completed. Its third period of construction will enable the giant complex to produce nearly 10 million tons. By then, together with the current annual capacity of five million tons, Shanghai will surpass the Anshan Iron and Steel Company to become China's largest steel producer.

A constructon project for producing 300,000 tons of ethylene yerly has started in southern Shanghai. The Shanghai Volkswagen corporation, a joint venture between China and the Federal Republic of Germany, plans to expand its annual output to 100,000 cars during China's Seventh Five-Year Plan (1986-1990). Its final goal is 300,000 a year. Cooperating with an Amercian firm, the city plans to produce 25 md-82 passenger planes in 1991. The first plane is expected to join China's aviation fleet in autumn next year.

About 160 million yuan will be invested during the next five years in revamping Shanghai's power generator factories. Some 170 hectares of land has been designated for computer, large-scale integrated circuit, laser and other modern technology factories.

GUANGXI: SHANGHAI GROUP ARRIVES FOR ECONOMIC TALKS

HK230151 Nanning Guangxi Regional Service in Mandarin 1100 GMT 22 Apr 86

[Excerpts] A 16-member Shanghai municipal economic, technology,and trade delegation arrived in Nanning by plane yesterday for talks on developing lateral economic and technological cooperation. The delegation is headed by Wu Bangguo, deputy secretary of the municipal CPC Committee, seconded by Dong Jiabang, member of the standing committee of the municipal advisory commission.

In the afternoon, Chen Huiguang, secretary of the regional CPC Committee; Tao Aiying, deputy secretary; Zhang Chunyuan, vice chairman of the regional government; and Wang Zhuguang, vice chairman of the regional advisory commission, received the Shanghai delegation in the Mingyuan Hotel.

Chen Huiguang said: Although Guangxi has abundant resources, our economy is still backward. Shanghai has actively helped us since the 1950's. Our economy has now developed somewhat, but our resources are far from being exploited. I hope our big brothers from Shanghai will help us more. In the future we will further promote economic and technological cooperation with Shanghai as a contribution to invigorating Guangxi's economy.

HAINAN TO ESTABLISH EXPORT PRODUCTION BASE

HK220047 Beijing ZHONGGUO XINWEN SHE in Chinese 1356 GMT 18 Apr 86

[Report: "Hainan Draws Up Plan for Building Production Base of Export Tropical Farm and Sideline Products"]

[Text] Haikou, 18 Apr (ZHONGGUO XINWEN SHE) -- In order to speed up Hainan's exploitation and construction, the Chinese Government plans to establish a production base of export tropical farm and sideline products in Hainan.

On 17 April, He Kang, minister of agriculture, animal husbandry, and fishery; Zheng Tuobin, minister of foreign economic relations and trade; officials of the Hainan regional government; and over 50 experts held discussions and consultations at the Hainan regional government in Haikou on the items, investment, and operational methods concerning the establishment of the production base.

He Kang said: "The purpose of establishing an export production base is to produce export commodities and earn more foreign exchange, which can benefit both the country and people. Hainan should develop its unique advantages and produce commodities that cannot be produced by other localities within the country, such as black tea, coffee, and pepper. Hainan should also produce some famous brand goods, stabilize its production, and ensure supply. In addition, the quality of products should meet the needs of the international market."

Zheng Tuobin said: "Only by increasing exports and earning more foreign exchange can we speak of opening up." He emphasized that Hainan should develop its advantages. He said that large numbers Chinese who have returned from overseas and scientific workers engaged in tropical crops research are to Hainan's advantage. These advantages are favorable for building the production base that combines production with scientific research, processing, storage, and marketing.

GUIZHOU MEETING STRESSES LATERAL ECONOMIC TIES

HK220131 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 21 Apr 86

[Text] A provincial urban economic structural reform work conference concluded in Guiyang on 21 April. The meeting summed up the situation and experiences in this work in recent years and clearly understood that the main task in structural reform work this year is to consolidate, digest, replenish, and perfect the reform policies and measures, with the focus on promoting lateral economic ties.

The meeting pointed out: Promoting lateral economic ties is the objective demand of developing a socialist commodity economy. It is an important content of economic structural reform and an important measure for exploiting Guizhou's resources and invigorating the province's economy. The government at all levels and the departments concerned must encourage and develop ties between the advanced areas and principal cities on the one hand and poor areas on the other, between defense and civilian industries, and between large and medium enterprises on the one hand and small enterprises, collective enterprises, and township enterprises on the other.

We must attract capital, technology, and talent from the advanced coastal areas. We must integrate lateral economic ties with readjustment of the product mix and plans for sectoral development. We must organize combines in the fields of production, circulation, and science and technology which span different areas, departments, and ownership systems. The government at all levels and the departments concerned must actively clear the way for enterprises to develop ties, and also do a good job in making all-round arrangements, coordination, service, and supervision.

Leading comrades of the provincial CPC Committee, people's congress standing committee, government, and CPPCC, Hu Jintao, Wang Chaowen, Ding Tingmo, Zhang Yuhuan, Zhang-Shukui, and Miao Chunting attended the meeting.

SICHUAN HOLDS POLITICAL, LEGAL WORK CONFERENCE

HK221131 Chengdu Sichuan Provincial Service in Mandarin 0030 GMT 21 Apr 86

[Excerpts] A provincial conference on political and legal work was held by the Political and Legal Affairs Commission of the Provincial CPC Committee in Chengdu from 16 to 20 April. The conference conveyed and implemented the spirit of the national conference on political and legal work and in light of our province's realities, studied the strategic problems of strengthening the establishment of the legal system, continuously and severely cracking down on serious crimes and economic crimes, and striving for a continuous and steady turn for the better in social order. It also made arrangements in this regard. The conference was presided over by Bai Shangwa, provincial CPC Committee Standing Committee member and Political and Legal Affairs Commission secretary.

Leading comrades of the provincial CPC Committee and provincial government, including Yang Rudai, Jiang Minkuan, and Xu Chuan, attended the conference and spoke. Attending this conference were responsible comrades of all city, prefectural, and autonomous prefectural CPC committees who are in charge of political and legal work; responsible comrades of all city, prefectural, autonomous prefectural, county, and district political and legal affairs commissions, courts, procuratorates, public security bureaus and departments, and judicial bureaus; responsible comrades of the political and legal affairs and public security departments of the railroads, banks, petroleum, forestry, and communications systems; responsible comrades of the political and legal colleges and schools; and responsible comrades of the political and legal affairs departments and other departments concerned at the provincial level, totaling some 1,300 people.

The conference held that it is necessary to step up severely cracking down on serious criminals. In the course of the struggle, in light of the new situation in the new period, we must especially crack down on [words indistinct] and adhere to the principle of quickly meting out severe punishments and striking blows surely, accurately, and relentlessly. We must resolutely stop and ban those corrupt and evil phenomena which seriously jeopardize the general mood of society.

The conference emphatically pointed out that while continuously and persistently cracking down on serious crimes, we must severely strike at serious economic crimes. We must stamp out economic criminals' arrogance.

The conference also pointed out that it is imperative to completely carry out all measures for comprehensively tidying up social order so that a new breakthrough and great progress in the work of comprehensively tidying up social order can be made. We must improve and strengthen the work of reform through labor and the work of re-education through labor and work hard to improve the quality of reform. We must continuously persist in popularizing elementary legal knowledge among the whole people. We must further strengthen the building of the political and legal affairs ranks and strive to improve their political and professional quality.

SICHUAN COMMENTARY VIEWS IMPROVING SOCIAL ORDER

HK221135 Chengdu Sichuan Provincial Service in Mandarin 0030 GMT 21 Apr 86

[Station commentary: "It is Necessary To Arouse Enthusiasm and Achieve a Steady Turn for the Better in Social Order"]

[Excerpts] In accordance with the strategic guiding ideology on the necessity of grasping construction in one hand and the law in the other hand in the four modernizations, the provincial conference on political and legal work recently held in our province seriously analyzed the current situation in social order and studied the problems of how to persist in the dictatorship of people's democracy in the new situation, how to promote the steady improvement of social order, how to consolidate the political situation of stability and unity, and how to serve economic reform, opening up, invigoration, and social material and spiritual civilization.

Practice has proved that seriously cracking down on criminals is very necessary. However, even with marked improvement, we must by no means relax our efforts. CPC committees at all levels must strengthen leadership over political and legal work, and, in coordination with all fronts, make concerted efforts to do all aspects of work still better and further promote the building of socialist democracy and the legal system. It is imperative to unswervingly persist in the dictatorship of people's democracy, to severely crack down on crimes and economic crimes, and to resolutely ban and stop all corrupt and evil phenomena which jeopardize the general mood of society.

The comrades on the political and legal front must continue to carry forward their achievements, arouse their enthusiasm, and with practical actions, and make concerted efforts to make new contributions toward achieving a steady turn for the better in social order.

POLITICAL-LEGAL WORK CONFERENCE OPENS IN LHASA

HK190728 Lhasa Xizang Regional Service in Mandarin 1130 GMT 18 Apr 86

[Text] A regional political and legal work conference opened in Lhasa on 18 April. Under the guidance of Comrade Deng Xiaoping's recent speech and speeches by Comrade Peng Zhen and other central leading comrades at the national political and legal work conference, the conference reviewed public order in the region; discussed and studied the need to hit hard at criminal and serious economic criminal activities, strengthen reform-through-labor work, and build political and legal personnel; and made concrete arrangements for this year's political and legal work.

This morning's meeting was presided over by Zi Cheng, president of the regional people's higher court and deputy secretary of the regional political and legal affairs committee. Gyanincain Norbu, deputy secretary of the regional CPC Committee and secretary of the regional political and legal affairs committee, conveyed the spirit of the national political and legal work conference. Cao Xu, vice chairman of the regional people's congress standing committee, also attended the meeting. Nearly 200 other people, including responsible comrades from public security, procuratorial, court, judicial departments of all prefectures and cities, responsible comrades in charge of political and legal work of all prefectures, and representatives from the region's civil administration departments, regional armed police general detachment, and the Xizang Military District also attended.

LHASA CITY ADOPTS MEASURES TO CORRECT PARTY STYLE

HK180630 Lhasa Xizang Regional Service in Mandarin 1130 GMT 16 Apr 86

[Excerpts] On the afternoon of 15 April, the Lhasa City CPC Committee and the city leading group for correcting party style held a meeting of city organs on correcting party style, in which they further arranged such work in the city. Yang Youcai, city CPC Committee secretary, spoke at the meeting. Comrade Yang Youcai made specific proposals for correcting party style in the next stage.

1. Leading organs and cadres must set a good example in correcting party style.

2. Resolutely correct malpractices and seriously investigate and deal with major and important cases.

3. Strengthen education in party spirit and upgrade the political quality of party members.

4. Enforce party discipline and perfect inner-party democratic life.

Comrade Yang Youcai expressed the hope that party members and cadres in the city will immediately take action, pay attention to party building, and correct party style by first dealing with their own malpractices and those of people around them, so as to bring about a situation in which the whole party grasps improvement of party style.

Dangzin, deputy secretary of the regional CPC Committee, attended the meeting and spoke.

More than 1,000 party members from organs, enterprises, and institutions directly under the city authorities attended the meeting.

BEIJING TO CHECK UNHEALTHY SALES PRACTICES

OW232323 Beijing XINHUA Domestic Service in Chinese 1134 GMT 23 Apr 86

[By reporter Yan Zhenguo]

[Text] Beijing, 23 Apr (XINHUA) -- Chen Xitong, mayor of Beijing Municipality, today called a meeting of heads of districts in the urban area and on its outskirts and proposed that the capital take the lead in resolutely checking the unhealthy practice of forcibly selling unsalable commodities together with readily marketable items. The current situation must be changed, and results should be seen in checking this unhealthy practice within a week, he urged.

Chen Xitong said: Forcibly selling one commodity together with another commodity is an unhealthy practice that has not yet disappeared despite our longtime efforts to try to ban it. In not only harms the consumers' interests and affects the prestige of our socialist commerce, but also hampers the producers from developing good products to replace bad ones and the businessmen from improving their managerial style. He called on district heads to personally assume responsibility for this work. If no effective steps are taken to correct this unhealthy practice, he said, the concerned leader should be investigated to determine his repsonsibility. Chen Xitong also stressed that the masses should be mobilized to supervise the work in this regard, and both the municipal and district authorities should publicize telephone numbers for the masses to use to report such unhealthy practices. Moreover, the competent authorities should assign personnel to conduct thorough investigations, and if any case of forcibly selling one commodity together with another commodity is still found, it should be dealt with seriously, he added.

NEI MONGGOL 16TH STANDING COMMITTEE MEETING ENDS

SK230756 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 22 Apr 86

[Text] The 16th Standing Committee meeting of the 6th Autonomous Regional People's Congress concluded on the morning of April 22. At the meeting, it was decided that the Fourth Session of the Sixth Autonomous Regional People's Congress will be held in Hohhot City on 30 April this year.

Batubagen, chairman of the regional People's Congress Standing Committee, presided over the meeting at which members held earnest discussions of and examined various issues amid the full democratic atmosphere created at the meeting.

The meeting unanimously approved the draft agenda of the fourth congress session and decided to submit this draft agenda for approval to the preparatory meeting for the fourth session. The major items of this draft agenda chiefly are to hear and discuss the report given by Bu He, chairman of the regional People's Government, with regard to the draft Seventh 5-Year Plan for the national economy and social development; to discuss and approve the regional Seventh 5-Year Plan; to hear and discuss the report given by the regional People's Government with regard to the implementation of the 1985 plan for the national economy and social development and the 1986 draft plan in this regard; to examine and approve the report; to hear and discuss the report given by the regional People's Government with regard to the 1985 final accounts and the 1986 draft budget; and to examine and approve the accounts and budget.

The 22 April morning session of the meeting also strictly approved the draft namelist for the presidium and secretary general of the upcoming fourth session. The meeting decided to submit this draft namelist ot the preparatory meeting for the fourth congress session for election and also approved the report given by the credentials committee with regard to the qualification examination of supplementary deputies. The meeting also discussed the draft work report of the People's Congress Standing Committee and approved the report in principle. The work report that should be revised will be delivered by Chairman Batubagen on behalf of the regional People's Congress Standing Committee at the fourth congress session and will be submitted to the session for approval. The meeting also approved the draft namelist for the executive members and executive chairmen of the session's presidium and for the deputy secretaries general of the session and decided to submit the draft namelist to the session's presidium for election.

Attending the meeting were vice chairmen of the regional People's Congress Standing Committee, including Hao Xiushan, Zhou Beifeng, He Yao, Seyinbayar, Chao Luomeng, and Butegequi.

Attending the meeting as observers were Ma Zhenduo, vice chairmen of the regional People's Government; Wang Linzhong, chief procurator of the regional People's Procuratorate; (Yeqidaorji), vice president of the regional Higher People's Court; and Zhou Junqiu, secretary general of the regional People's Government.

TIANJIN'S NI ZHIFU VISITS WITH CPC PARTICIPANTS

SK230217 Tianjin City Service in Mandarin 1430 GMT 22 Apr 86

[Text] The fifth meeting of the north and northeast China group of the Advisory Commission of the CPC Central Committee was held in Tianjin from 16 to 22 April. Attending the meeting were members of the Central Advisory Commission, including Huo Shilian, Luo Guibo, Ting Mao, Guo Feng, Song Li, and Yan Dakai. Participants to the meeting studied Premier Zhao Ziyang's report on the Seventh 5-Year Plan, and held discussions on the guilding ideology of the plan, the urban and rural reform, and the rectification of party style. They also toured Tianjin.

During the meeting, Lu Zhengcao, vice chairman of the National CPPCC Committee, and Ni Zhifu and Li Ruihuan, party and government leaders of Tianjin, visited the participants, and held cordial talks with them.

TIANJIN PEOPLE'S CONGRESS SESSION OPENS 22 APRIL

SK230228 Tianjin City Service in Mandarin 1430 GMT 22 Apr 86

[Text] The 5th Session of the 10th Tianjin Municipal People's Congress opened at the cadres club this morning. At the opening ceremony, Mayor Li Ruihuan gave a government work report entitled "Sum Up Experiences, Advance on the Crest of Victory, and Strive To Comprehensively Fulfill the Seventh 5-Year Plan" to the deputies of the 7 million Tianjin people. This report is composed of three parts: a review of the Sixth 5-Year Plan period; an explanation on the Seventh 5-Year Plan; and some opinions of this year's work. Executive chairmen of the opening ceremony were Ni Zhifu, Wu Zhen, Zhang Zaiwang, Bai Hua, Li Zhongyuan, Zhao Jun, Liu Zengkun, Xu Ming, Yang Jianbai. Fan Quan, Han Tianyao, Yu Fujing, Shi Jian, Huang Difei, and Lan Baojin.

All the members of the Fifth Session of the Seventh Municipal CPPCC Committee attended as observers. Those seated on the rostrum included responsible persons of the municipal CPC Committee, Advisory Commission, government, CPPCC Committee, Higher People's Court, and People's Procuratorate, and some veteran comrades.

QINGHAI SECURITY OFFICIAL DISCUSSES PUBLIC ORDER

HK230242 Xining Qinghai Provincial Service in Mandarin 2330 GMT 19 Apr 86

[Text] A reporter from this station interviewed Comrade (Hu Changming), deputy director of the Provincial Public Security Department, on the problems of our province's current social order. He was asked to answer questions posed by the reporter.

The reporter first asked Comrade (Hu Changming) to talk about the current social order situation in our province.

The reporter said: Since our province began cracking down on serious crimes, its social order has improved markedly. The number of criminal cases in 1985 was 26.8 percent less than in 1983. The number of criminal cases which seriously jeopardize social order, including crimes committed by gangs waiting somewhere to rob people or to rape women, assault and battery and inflicting injury on people in public places, has dropped greatly and urban and rural social order has been relatively stable. The masses' enthusiasm for upholding social order and for struggling against criminals has been aroused.

Comrade (Hu Changming) said: Although social order in our province has markedly improved, the situation is not very steady. Some new problems have emerged. The main problem is that the number of criminal cases, particularly the case of theft, is relatively large. Heinous cases of murder, robbery, and inflicting injury on people have occurred often. The number of social order cases has risen relatively greatly. The conspicuous ones are the cases of assault and battery and theft of small amounts of money and goods. In addition, the number of juvenile delinquents is relatively large.

In dealing with the cases [words indistinct], Comrade (Hu Changming) said: Apart from [words indistinct], public security organs have not cracked down on some criminals vigorously enough and measures for comprehensively tidying up social order have not been carried out thoroughly enough by some units and places. This is a very important reason.

The reporter then asked Comrade (Hu Changming) to talk about the plan and measures for tidying up social order.

Comrade (Hu Changming) said: Some problems exist in current social order. However, we have advantageous conditions for realizing a further steadiness of, and turn for the better, in social order. The main work which the public security organs should do in future is:

1. They must unswervingly implement the principle of quickly meting out severe punishment in accordance with the law. They must crack down resolutely on serious thieves, murderers, rapists and robbers; serious economic criminals; criminal gangs of hooligans; criminals who injure people with knives, very seriously disturb social peace, and jeopardize the safety of people's lives and property; and criminals and organizations who make, peddle, and show obscene video tapes. [sentence indistinct] Those criminals who should be sentenced to reeducation through labor must be so sentenced. Their punishments must not be reduced. [sentence indistinct] We must organize forces to vigorously strengthen the investigation and cracking of theft cases and vehemently crack down on criminals [words indistinct].

2. It is necessary to strengthen the management of social order; to uphold social order in public places; to promptly discover and stop cases of drunkenness and creating distrubances, assault and battery, stabbing people with knives, and gambling, and to protect the masses' safety.

3. It is essential to carry out all measures to comprehensively tidy up social order.

XINJIANG CADRE MEETINGS CONVEY NPC SESSION SPIRIT

HK200117 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 19 Apr 86

[Excerpts] The regional CPC Committee and People's Congress Standing Committee held a gathering of 3,000 cadres in the People's Hall this morning to convey the spirit of the Fourth Session of the Sixth NPC. Present were Wang Enmao, vice chairman of the CPPCC and chairman of the regional advisory commission; and responsible comrades of the party, government, and CPPCC in the region and the product and construction corps, Song Hanliang, Tomur Dawamat, Janabil, Amudong Niyazi, Zhang Sixue, Shi Gent, Yang Yiqing, [word indistinct] Yashengnuofu, and Chen Shi.

Tomur Dawamat, deputy secretary of the regional CPC Committee and chairman of the regional government, presided. Amudong Niyazi, deputy secretary of the regional CPC Committee and chairman of the regional People's Congress Standing Committee, convened the main guidelines of the NPC session. Song Hanliang, secretary of the regional CPC Committee, spoke on how to convey and implement the spirit of the session.

Song Hanliang said: We must first understand the great significance of the fourth session of the sixth NPC. This session was held at an important moment when the people of our country have victoriously fulfilled the Sixth 5-Year Plan for national economic and social development and are starting the Seventh 5-Year Plan. It was an extremely important meeting.

He said: We must organize the cadres, staff, and workers of all nationalities to seriously study the main documents of the session, with the focus on Premier Zhao Ziyang's report and the Seventh 5-Year Plan. Leaders at all levels must take the lead in studying these two documents.

The Xinjiang Military District held a report meeting today to convey the spirit of the NPC session. Over 3,000 persons were present. Zhang Defu, an NPC delegate and deputy commander of the military district, conveyed the spirit of the session. Tang Guangcai and other leading comrades were also present.

BRIEFS

SHAANXI MACHINE-BUILDING INDUSTRY -- The gross machine-building industrial output value of Shaanxi Province in the first quarter of this year was 465.08 million yuan, or 8 percent more than in the same period last year. The output value of the large and medium-sized machine-building industrial enterprises accounted for over 70 percent of the gross output value. [Summary] [Xian Shaanxi Provincial Service in Mandarin 0030 GMT 21 Apr 86 HK]

SHAANXI RURAL SPECIALIZED HOUSEHOLDS -- Rural specialized households and new economic combines of Shaanxi Province have developed quickly. The whole province now has 177,000 specialized households and their total income has reached 820 million yuan. They are 90 percent and 170 percent, respectively, more than in 1984. The province now has 10,075 new economic combines and their gross income has reached 371 million yuan. The number of economic combines is 88.9 percent more than in 1984. [Summary] [Xian Shaanxi Provincial Service in Mandarin 0030 GMT 21 Apr 86 HK]

PRESIDENT RECEIVES PACEMAKER IN SUCCESSFUL OPERATION

HK241058 Hong Kong AFP in English 1039 GMT 24 Apr 86

[Text] Taipei, April 24 (AFP) -- Taiwan's 76-year-old President Chiang Ching-kuo has been given a pacemaker in a successful operation, the government said Thursday. The Government Information Office (GIO) said Veterans General Hospital doctors discovered cardiac arrhythmia, or irregular heartbeats, in the president early last week and implanted the pacemaker Friday. The one-hour operation, conducted by C.W. Kong, chief surgeon of the intensive care unit, was successful, the GIO said. The president was discharged from the hospital Monday and has resumed normal working and daily activities, GIO said. He met Paraguayan Foreign Minister Carlos Augusto Saldivar Thursday after Mr. Saldivar signed an extradition treaty with Taiwan.

The president, who is known to have been suffering from diabetes, was reported by doctors to be in good health after a thorough medical checkup in early March. But he was advised not to put too much weight on his left foot because of chronic neuritis caused by diabetes. He had a cataract removed from his right eye last August and has regained normal eyesight.

TAIWAN OFFICIAL URGES JAPANESE INVESTMENT INCENTIVE

OW240323 Taipei CNA in English 0236 GMT 24 Apr 86

[Text] Taipei, April 23 (CNA) -- A ranking official with the Ministry of Economic Affairs [MOEA] urged the Government Wednesday to attract Japanese investments to the Republic of China [ROC], taking advantage of the continued appreciation of the Japanese yen against the U.S. dollar.

Wu Hui-jan, deputy director of the MOEA's Industrial Development Bureau, suggested that the government map out a short-term strategy to offer incentives for investments from Japan. This will serve the dual purposes of expanding the ROC's exports throughout the world and narrowing the huge trade gap between the two countries.

He opined that the incentives might include an import tariff examption or reduction on machinery equipment, even used items, brought into this country by Japanese businessmen if half of their products manufactured here were re-exported back home. Wu noted that many medium-sized Japanese manufacturers are struggling to avoid going bankrupt because of the continued drastic slide of the U.S. dollar against the Japanese yen. "We should try to win them over to this country," he said.

According to the IDB [as received] deputy chief, South Korea is likely to attract some of the struggling Japanese manufacturers if we don't take actions soon enough. And they, in turn, would probably become strong competitors against ROC exporters in the future, Wu added. He also appealed to domestic businessmen to actively expand their export markets by taking advantage of the sharp decline of the U.S. dollar's value against the Japanese yen, which has drastically reduced the competitiveness of Japanese products in international markets.

HONG KONG PAPER ANALYZES BASIC LAW SESSION RESULTS

HK230727 Hong Kong SOUTH CHINA MORNING POST in English 23 Apr 86 p 16

["Analysis" by K.C. Tsang]

[Text] There are lessons to be learned by both sides from the meetings of the Basic Law Drafting Committee (BLDC), which concluded its second session yesterday. The first BLDC was held in July to go over the fundamentals of setting up the work on drafting the Basin Law for Hong Kong after 1997. But the latest session was the first time Hong Kong members of the BLDC went into earnest -- and often heated -- discussion on crucial issues. To mainland members, this was the first time they had encountered the working style of Hong Kong people. While mainland members may have been shocked by the aggressive attitude of certain Hong Kong members, they probably also admired their no-punches-pulled attitude in presenting cases. Mr. Martin Lee's persistent and vociferous demand for a provision to delineate the relationship between Basic Law and the Chinese Constitution seemed impressive. He and his like-minded colleagues finally got what they wanted.

It is not surprising that on this, and other issues concerning the exercise of "additional powers and duties" not specified in the Basic Law, they also got support from their mainland colleagues. Members from both sides were forthright in presenting their cases, and pretty soon, they will adapt to each other's style. Heated arguments should be expected anyway on an issue of such significance, and rubber-stamping will do nobody any good.

The draft structure will provide a workable document in the months ahead, although further changes may still be needed as the drafting exercise gets down to detail. The inclusion of a provision in chapter nine on the relationship between the Basic Law and the Constitution -- subject to the final wording being worked out -- will form the cornerstone of the constitutional link between the SAR [Special Administrative Region] and China. Effectively, it is designed to exempt the SAR from the application of socialist policies by means of constitutional stipulations. This should comply with the "general principles" provisions of allowing the SAR to continue for 50 years with a capitalist system with a "high degree of autonomy."

What remains to be seen is whether the National People's Congress (NPC) will exercise its power to interpret Article 31 so that inappropriate provisions in the Constitution will not be applied to the SAR after 1997. One suggestion is that such an interpretation may be incorporated in both an appendix of the Constitution and the preamble of the Basic Law. The constitutional link will be incorporated into the chapter dealing with the relationship between the central government and the SAR. The provision that the SAR will be "under the direct authority of the central people's government" -- a description carried in the Sino-British Joint Declaration -- will be in line with China's political system, in which central power is supreme.

Theoretically, this may contradict the provision that the SAR exercises a high degree of autonomy on the authority of the National People's Congress (NPC). Some arrangement will have to be worked out after the SAR comes into existence, as both the NPC and the State Council are -- unlike the American system of separation of executive and legislative powers -- integral parts of the central people's government. In actual terms, the "high degree of autonomy" is being protected by the various provisions in chapter two safeguarding the exercise of executive, legislative and independent judiciary powers by the SAR.

The argument over the exercise of residual powers has achieved concrete results. As a compromise, the NPC and the State Council "will authorise the SAR to exercise other duties and powers" other than those stipulated in the Basic Law. This arrangement has avoided the term "residual powers" and also carries a safeguard to alleviate China's fear of having its sovereign rights eroded. Another significant achievement are the provisions allowing for the continued use of common law and observance of the Basic Law and laws of the SAR. Once arrangements to exempt the SAR from various provisions of the Constitution are implemented, Hong Kong residents of the SAR will then continue to be covered by a jurisdiction that has been in existence in the territory all along.

KUANG CHIAO CHING ASSESSES WANG MENG APPOINTMENT

HK230804 Hong Kong KUANG CHIAO CHING in Chinese No 163, 16 Apr 86 pp 24, 25

[Article by Lu Wen [6424 3080]: "The Ins and Outs of Wang Meng's Appointment as Minister of Culture"]

[Text] Despite repeated personal denials, Wang Meng has just been appointed minister of culture. This is now an undeniable fact.

Wang Meng was asked whether he would become culture minister when attending the International PEN's [International Poets, Playwrights, Editors, Essayists, Novelists] 48th session in New York City in January 1986, as reported by a Hong Kong journal not long ago. "Never! It's sheer fiction!" And that was the definite answer Wang Meng gave. In less than 3 months, what Wang Meng asserted as "never" has come true. Could it be that the famous Chinese writer was telling a lie in January? No! A changed situation accounts for it.

A Dangerous "Mined Zone" Nobody Would Enter

Former Culture Minister Zhu Muzhi is well advanced in age and could long ago have retired from office. He was dropped from the CPC Central Committee during the mass CPC top echelon shakeup in September 1985, but maintained his government post as a minister of culture, simple because difficulties existed in determining his successor.

China is such a vast country, with so much talent, that many eligible people would qualify for the office of culture minister. However, even when China has engaged in economic reforms for quite a few years, Deng Xaoping disclosed in a U.S. weekly TIME interview last year that it remained a disputable issue. Culture and art has always been a most sensitive realm in China. So, it is not strange that different views exist on literature and art principles under the new situation of reforms and opening up to the world both in the CPC top echelon and the literature and art circles. Therefore, regarding the selection of a new minister culture, opinions differed, and it was very difficult to reach unanimity. It is said several candidates were thus negated.

Not that a possible candidate did not exist who would be generally accepted by all sides, but many people believed that the literature and art realm is all too complicated. A culture minister focuses on contradictions, with the danger so great that it is like stepping into a "mined zone," to be blasted up sooner or later. Therefore, those who were nominated would unanimously turn the job down.

Scared Nominee "Sweating All Over"

Since September 1985, Beijing's relevant responsible department had been actively looking for candidates to replace Zhu Muzhi, according to sources the author learned when he was in Beijing. Several celebrities in the cultural circles had been selected for appointment to the office of culture minister, including Wang Meng and another writer. It was said that included in the list was also Yu Shizhi, the famous actor who has played the role of Wang Lifa in "The Tea House." They were all sent for to solicit their opinions. Wang Meng did "try to seize all possible chances to express his unwillingness to become minister of culture," just as he told an AP reporter in late 1985. The others assumed the same attitude; none would accept the job.

Later, several personalities on ministerial posts from other than the literature and art circles were sought. Likewise, none would take the job. "I was so scared that I was sweating all over," a nominee told one of his friends about his personal experience when sent and asked whether he would take the job of culture minister.

News once spread that an army writer named Xu had already been selected for the post of culture minister, and that he had agreed to take it. It was likely that under such circumstances, Wang Meng made such a definite answer as "never" to his becoming culture minister.

For unknown reasons, the proposal for the army writer to become culture minister was shelved later on. So Gao Zhanxiang, Hebei Provincial CPC Committee deputy secretary, was sought. Gao was originally a writer of worker origin, having written many poems and essays. Gao was promoted to high office in charge of culture and education when Gao Yang was Hebei Provincial CPC Committee secretary. Gao Zhanxiang has been rather enthusiastic about promoting popular literature and art. It was said that after repeated consideration, Gao pleaded that at best he could only take up the office of vice culture minister, on the grounds of his comparatively young age, low level, and lack of experience, and that the office of culture minister was quite beyond him. The several vice culture ministers would be replaced anyway; both Zhou Weichi and Lu Zhixian have shot the stet of their retirement age. Thus, Gao Zhanxiang was appointed vice culture minister.

Then news spread from Beijing that Gao Di, Jilin Provincial CPC Committee secretary, was also transferred to the Ministry of Culture to become one of its vice ministers. However, at the current NPC, he still appeared as Jilin Provincial CPC Committee secretary. Perhaps it was because the order of appointment had not been made public, and his old official title was maintained.

The NPC was scheduled to convene in late March. Therefore, replacement of government leaders at the ministerial level had to be promptly arranged. Thus, in early March, Beijing's top official echelon hammered out the appointment of the culture minister. That was how Wang Meng came into office despite his personal dread.

When Deng Youmei was pressed for verification whether Wang Meng was appointed culture minister by Hong Kong reporters during the NPC session,he made a most meaningful remark: "Thank God the disaster has not falled on me!" It is up to Wang Meng to answer the question of whether it is "disastrous" or lucky to have become culture minister.

Disputes Stemmed From Removing the Movie Industry From the Administration of the Ministry of Culture

The Ministry of Culture in Wang Meng's charge is greatly reduced in its sphere of work, compared with the ministry in the past. This is because the movie industry is now under the administration of the Ministry of Radio and Television.

Purportedly the movie industry has a contingent of half a million of workers and staff, including the production, circulation, and projection sectors. At the same time, the movie industry is rather complicated because it involves problems concerning literature and art creation as well as production techniques.

According to friends in Beijing, Ai Zhisheng, minister of radio and television, was greatly strained when he learned about the expansion of the ministry and its change into the Ministry of Radio, Movies, and Television. He pointed out that the number of workers and staff of the national radio and television system was already close to 300,000; it would be 800,000 when half a million workers and staff of the movie industry were merged into the system. That would be quite beyond him. Therefore, he held a different view on the merger. When the above finally hammered out the decision, he had to carry it out, but he required a vice culture minister in charge of the movie industry be transferred from the Ministry of Culture. And that was now Ding Qiao was appointed vice minister of radio, movies, and television.

It is learned that Ding Qiao is over 60 years of age, and Xie Wenqing, the orginal vice minister of radio and television, is 64 this year. Both of them have shot the roof of retirement age for vice ministerial posts. Therefore, it is forecast that the recently appointed leading body at the ministerial level of the Ministry of Radio, Movies and Television is a transitional one, and changes will eventually take place in the near future.

When in Beijing, the author heard about two diametrically opposed views concerning the change in the responsible department of the movie industry. Some believed that as a result of the rise of televisions plays, it would be favorable for overall arrangement, reducing contradictions, and promoting economic results if both the movie and television industries came under the administration of the same ministry. Others though otherwise, believing it inappropriate to have the movie industry separate from the Ministry of Culture, since the movie industry is an important component part of cultural undertakings. Which view is correct remains to be proved in the future.

He Jingzhi Remains Deputy Director of the CPC Central Committee Propaganda Department

News spreads that reshuffling has also been made in the top echelon of CPC Central Committee Propaganda Department, which is responsible for ideological work. Yu Wen and Wang Weide, the two deputy directors, have retired because they have reached the ceiling of retirement age, and two cadres at bureau level have been promoted to become their successors. Prior to this, Wang Daming, former Beijing Municipal CPC Committee Propaganda Department director, had been appointed deputy director of the Central Committee Propaganda Department. Li Yan, a recently appointed deputy director, was promoted from the Central Committee Propanda Department. Teng Teng, originally deputy director of Tsinghua University, who was appointed deputy director of the State Scientific and Technological Commission a few years ago, has now been appointed deputy director of the CPC Central Committee Propaganda Department. This may signify that the Propaganda Department will strengthen its leadership in the science and technology circles. He Jingzhi, who has been most discussed among personalities abroad, maintains his office. It is learned that he has long age shot the roof for retirement age; moreover, he has long been suffering from an illness and has not been taking up any practical work. He Jingzhi will probably retire when an appropriate successor for him is found.

PRC STRUGGLE FOR LAW AND ORDER CONSIDERED

HK100411 Hong Kong SOUTH CHINA MORNING POST in English 10 Apr 86 p 10

[By K.C. Tsang]

[Text] Legal experts in China are still fighting an uphill battle in the current campaign to impose the rule of law in the country -- as against the rule of individual officials through administrative decisions and abuse of power. One crucial point still being pondered by cadres at various levels is whether all parts of the Government machinery, including the judiciary and legal prosecutions, should be subordinate to the party. Such reasoning suggests that party rule, as set out in the Chinese Constitution, is above everything and thus on disciplinary matters, party discipline has all along superseded judicial procedure in both civil and criminal cases. The same applies to the administration of state affairs, where party decisions take precedence over everything else, including decisions at the highest level of Government.

The party reigns supreme in absolute terms especially in times of political turmoil, such as during the Cultural Revolution. At all levels during that period, party committees permeated the government structure and no administrative decision could be made without the party's hallmark. For a Government which is controlled by the party, this may sound logical, but the serious consequences of its application in judiciary matters have been overlooked until recently. The absence of a sound judiciary system and an effective prosecution arm has practically turned China into a state without law or into a situation where law only exists on the statute books. It therefore followed that provisions of the constitution existed in work only and were trampled underfoot by powerful party officials. One example is unlawful detention, which was recently found to be quite prevalent under some cadres and legal authorities.

The Chinese Government is making every effort now to rectify the situation by gradually inscalling a legal system which should reduce the importance of personal connections and politics to the minimum. A legal system is taking shape slowly and in a form unique to the Chinese situation, to govern both criminal and civil cases. Such a system will, by degrees, lessen the effect of the fundamental socialist principle of the dictatorship of the proletariat, which lays emphasis on the original social and economic background of an individual facing a charge. The emphasis on the background of the individual explains the situation whereby prosecution was often difficult when it involved children of senior veteran cadres and those of good [preceding word published in italics] backgrounds arising from their participation in the Chinese revolution that brought the Communist Party to power in 1949. Such a phenomenon is likely to be reduced if the principle that all are equal before the law is applied to the letter.

However, numerous cases unearthed in recent months suggest that the concept of the rule of law has yet to sink in with many cadres, resulting in repeated emphasis by Chinese leaders on the need to adhere to the law of the state and stern warnings of penalties for offenders. To further emphasise the point, the chairman of the National People's Congress, Mr Peng Zhen, made it abundantly clear last week that the party and its members must all work within the confines of the Constitution and the law of the state. And party discipline must not supersede the law. Those who have committed offences against the law must be dealt with by the law and disciplinary actions against them would be treated separately.

But the absence, yet, of a fully-fledged independent judiciary and the presence of a prosecution arm that is over-influenced by personal relations will in the end obstruct the course of justice. There are glaring holes in the administration of justice, as can be seen from a number of cases where the type of treatment meted out depends very much on the individuals involved. The trial of the radical leaders know as the gang of four in late 1980 gave the impression of a political show trial for the whole world to see, despite an abundant display of "evidence of crimes committed." Observers noted that the trial of a Hong Kong man in Shenzhen for alleged swindling early this year and that of an American over a fire in a Heilongjiang hotel last year reflected different treatment for people who were not residents of the country. Priority treatment is also given to Hong Kong and overseas people who are involved in claims to recover property seized from them during the Cultural Revolution. Here administrative orders have often supplanted the judiciary process. Only in a very few cases were the disputes settled in the courts.

To tidy up the situation, one aspect of the work of the Chinese central Government during the next few years will be to strengthen the judiciary machinery on the one hand and to establish a new economic system through reforms on the other. This was decided at the current session of the National People's Congress. The idea is to make the legal machinery serve economic activities, regardless of whether these activities involve an organisation or an individual. A series of economic laws, however strewn with loopholes and the recent introduction of a draft civil code are some of the measures towards the same end. A healthy legal system is not only indispensable in achieving a fair administration of justice in criminal cases, whose numbers are growing. It is also needed to protect private property and other civil rights.

The latest draft civil code, which borrows a number of features from Western as well as Russian and East European practices, purports to provide protection of civil rights. One Chinese legal expert said that under the code, "civil acts should proceed on the principle of viluntary participation, impartiality, honesty and credibility." The act carries provision for safeguarding such features as the equal status and rights of all people involved in disputes and the property rights of the state, the collectives and the individual.

The months ahead are likely to see more economic and other laws as the number of civil or "economic" cases increases. According to official figures, the number of disputes of an economic or financial nature stood at 220,000 last year, compared to practially none in 1979 when the country adopted an open policy. Most of these involved contractual obligations, labour relations, property, and copyright. However, the greatest test of China's administration of justice still lies in criminal cases, particularly those involving party officials in senior positions in the government. Here the prosecution arm poses the greatest problem. Influences arising from personal relations have yet to be cut off and these are by far the greatest obstacles to a rigorous enforcement of the law, as cases over the past few months have shown. A major task the prosecution branch would have to undertake in building a workable legal system is to scrap the different standards applied in cases of party and non-party members. As practically all higher-ranking government official are party members, the concept of the separate administration of party discipline and law must be driven home to all who have hitherto been used to penalties arising from disciplinary actions, not legal actions.

At a meeting of the NPC this week, the head of China's highest procuratorate, Mr Yang Yichen, called on prosecution units at all levels to strive to "strictly enforce the law, hit hard, break the relations complex and all protective covers." He charged that "quite a number of cadres" simply trampled on the law by means of their power and in the name of "protecting the incentives of cadres."

FBIS DAILY REPORT

China

CONTENTS

Vol I No 080 25 April 1986

PRC INTERNATIONAL AFFAIRS

GENERAL

Italian Daily Interviews Vice-Premier Qiao Shi A 1
[AVANTI! 22 Apr]
UNWFP To Deliver 350,000 Tons in Food Aid A 2
[CHINA DAILY 24 Apr]
Time 'Ripe' for Honecker Visit to Bonn A 2
USSR Calls for Cooperation Through ESCAP A 3

UNITED STATES

U.S. Symposium Discusses Investment in PRC B 1
Newspaper Reviews Philip Habib's Political Career B 1
[ZHONGGUO QINGNIAN BAO 19 Apr]
Reagan on Military Action Against Libya, Syria B 2

NORTHEAST ASIA

DPRK Appeals for Resumption of Dialogue D 1
DPRK Army Day Marked at Embassy Reception D 1
Deng Liqun Meets DPRK Publishing Group D 1

MIDDLE EAST & AFRICA

Hu Yaobang Criticizes U.S. Bias Toward Israel I 1
Zhang Jingfu Received by Iraqi Deputy Premier I 1
GCC States Suffering 'Severe Recession' I 2
Japan Studying Participation in SDI Research I 3

WESTERN HEMISPHERE

Reportage on Visit of Surinamese Foreign Minister J 1
Briefed by Wang Hanbin J 1
Wu Xueqian Praises Prospects J 1
Meets With Wan Li J 1
Signs Economic Agreement J 2
Leaves for Home J 2
Yao Yilin Meets Former Argentine President J 2
Vice Premier Yao Yilin Meets Canadian Visitors J 2
Chinese Exploring New Socialist Economic Models J 2
Trade Deficit With Brazil To Continue To Increase J 3
[CHINA DAILY 23 Apr]

PRC NATIONAL AFFAIRS

Chen Pixian Report on NPC Committee Work K 1
RENMIN RIBAO Commentator on Crime in Postal Work [21 Apr] K 14
RENMIN RIBAO Stresses Horizontal Economic Ties [18 Apr] K 16
Article Discusses Macroeconomic Control Targets K 18
[RENMIN RIBAO 14 Apr]
RENMIN RIBAO on Macroeconomic Management [18 Apr] K 24
Officials To Get Modern Agricultural Training K 27
Zhao Ziyang Visits Shanghai Plants, Science Unit K 27

PRC REGIONAL AFFAIRS

EAST REGION

Fujian Official Punished for Abusing Authority O 1
Jiangxi Deputy Secretary on Party Rectification O 1
Rui Xingwen Attends Shanghai CPPCC Meeting O 2
Shanghai Launches Grass Roots Party Rectification O 2
[JIEFANG RIBAO 18 Apr]

NORTHEAST REGION

Heilongjiang Relaxes Economic Cooperation Policies S 1
Liaoning: Dalian CPC Notes Serious Economic Crime S 1
Northeast Economic Zone Holds Joint Conference S 2

NORTHWEST REGION

Qinghai People's Congress Session Opens 23 Apr T 1
Shaanxi: Examining Cadres Political Qualities Urged T 1
Shaanxi Defense Industry Production To Be Shifted T 2

HONG KONG MEDIA ON CHINA

TA KUNG PAO Analyzes Results of U.S. Raid on Libya [24-30 Apr] W 1
WEN WEI PO Reports Tang Wensheng's New Post [24 Apr] W 2
Personnel Changes in Beijing Press Circles Viewed W 3
[KUANG CHIAO CHING No 163, 16 Apr]
Part I: Foreign Trade, Investment Policy Detailed W 6
[WEN WEI PO 17 Apr]
PLA To Adopt Western-Style Military Uniforms W 10
[WEN WEI PO 22 Apr]

ITALIAN DAILY INTERVIEWS VICE-PREMIER GIAO SHI

PM241412 Rome AVANTI! in Italian 22 Apr 86 pp 1-2

[Interview with PRC Vice Premier Giao Shi by F. Gozzano, G. Salmone in Rome; date not given]

[Excerpt] [Journalist] What is the PRC'S appraisal of the international situation?

[Giao] The current international situation remains worrying. There are still elements which could spark a world conflict, which stem from the hegemonic dispute between the two superpowers, and toward which we must be vigilant. It is a positive and noteworthy fact that an increasing number of countries and their peoples are displaying their determination to be masters of their own destiny, that they are not subordinate to the superpowers, and that they are imparting an impetus to peace and the world's development by means of various initiatives. The increase in the elements of peace is greater than that of elements of war. We are convinced that world peace can be safeguarded and that its future can be bright thanks to the joint efforts of the peoples and the peace-loving forces.

[Journalist] What is the PRC'S position regarding the disarmament proposals made by the United States and the USSR?

[Giao] The United States and the USSR have put forward some new disarmament proposals but the two sides' positions on the major issues in this regard are still very divergent. We hope that they will responsibly conduct negotiations that will constitute a step forward. We take account of all proposals really in favor of detente. Disarmament cannot be an exclusive concern of certain powers, on the basis of the hope of a positive outcome to the U.S.-USSR negotiations: It is too important and affects the security of all the world's peoples. There must therfore be a right to equality and everyone must take part in the debate on disarmament in order to find a solution. For our part, we intend to pursue the constant endeavor, together with other countries, to advance a process of genuine disarmament.

[Journalist] Is the PRC willing to accept a ban on nuclear tests, on certain conditions?

[Giao] The purpose of China's very limited nuclear strength is in fact defense. From the day China began deploying nuclear weapons we explicitly pledged not to use them first under any circumstances. China has carried out no nuclear tests in the atmosphere for many years; and we will not carry them out in future, either. We maintain that nuclear weapons should be totally prohibited and banned forever. At present the United States and the USSR possess the largest nuclear arsenals and they must be the first to ban testing, manufacture, and deployment, introducing a moratorium and pledging to ban every kind of nuclear weapon. This would make it possible to create positive conditions for convening an international conference involving all countries possessing a nuclear strength, with a view to promoting the disarmament process and the total banning of nuclear weapons.

[Journalist] What is the PRC'S assessment of its relations with Italy?

[Giao] The relations of friendship and cooperation between China and Italy have developed and become consolidated over the years thanks to joint efforts. There has been an increasing growth of exchange and cooperation between the two countries in the economic, commercial, technological, and other fields. We are still persevering with our open-door policy toward the outside world. We want to extend and develop cooperation and trade with Italy in all fields, on the basis of equality and mutual benefit. It is very important that both countries are working to safeguard world peace, have convergent or similar viewpoints on several major international issues, and are developing major cooperation in several fields. I am convinced that the relations of cooperation and friendship between the two countries will become increasingly close.

UNWFP TO DELIVER 350,000 TONS IN FOOD AID

HK241001 Beijing CHINA DAILY in English 24 Apr 86 p 1

[By Staff reporter Xu Yuanchao]

[Text] The United Nations World Food Programme [WFP] is expected to deliver around 350,000 tons of food to China, James Ingram, executive director of WFP, said at a press conference yesterday. Ingram said China is one of the largest rec of food aid for development. The country's per capita consumption of cereals is 400 kilograms, one of lowest in the world.

"There are 100 million people who are not able to earn a lot of money to feed themselves and clothe themselves. These people have per capita income of less than 120 yuan and less than 200 kilograms of grain per capita," he said. The food aid is to not only help improve poor people's nutrition but also to use the food as an incentive to the beneficiaries to engage in productive work.

"China is making very good use of WFP food aid," he said. The WFP's evaluation shows that China's development objectives are obtained and projects there have operated efficiently and effectively. Chinese agricultural official said although the State's policy has greatly boosted agricultural production in recent years, China is still not a net exporter of cereals.

Li Jinhua, spokesman of the Ministry of Agriculture, Animal Husbandry and Fishery, told CHINA DAILY that China exports an average of 6-7 million tons of soybeans and corn annually and imports the same amount of wheat. The imports and exports are aimed at regulating food varieties. Total grain output last year dropped by 28 million tons because of unexpected natural disasters. He admitted China's ability to cope with natural disasters was still weak.

TIME 'RIPE' FOR HONECKER VISIT TO BONN

OW231650 Beijing XINHUA in English 1523 GMT 23 Apr 86

["Roundup: Time for Honecker's Bonn Visit? (by Xia Zhimian)" -- XINHUA headline]

[Text] Bonn, April 22 (XINHUA) -- The long expected Bonn visit by Democratic German Leader Erich Honecker is a frequent topic in the newspapers here, which always pay much attention to the relations between two Germanys. Despite the fact that Honecker has canceled his planned visit to Bonn more than once, the latest developments show that the time for Honecker's visit is ripe.

On April 2, Horst Sindermann, president of the People's Chamber of Democratic Germany, told reporters in Berlin that it would be "possible" for Honecker to make a trip to Bonn in the first half of this year after the April congress of the German Socialist Unity Party. After that, Socialist Unity Party Politburo Member Guenter Mittag paid a visit to Federal Germany on April 9-10. During his stay in Bonn, Mittag met with Federal President Richard Von Weizaecker, Chancellor Helmut Kohl and Economics Minister Martin Bangemann. Wolfgang Schaeuble, the federal chancellor's office director, also estimated that Honecker would come to Bonn in the first half of this year. He revealed that Mittag had promised to discuss with Bonn Honecker's visit after the party's congress. In fact, relations between the two Germanys have been improved since relations between the two superpowers thawed last year, which was highlighted by the Geneva summit meeting of U.S. President Ronald Reagan and Soviet leader Mikhail Gorbachev last November.

A series of high-level visits have since been exchanged. Among Democratic Germany's high officials who came to Bonn during the first four months of this year were three party politburo members, including Sindermann.

The trade volume between Bonn and Berlin scored a record 17 billion marks (about 7.82 billion U.S. dollars) last year. A cultural accord that has been under negotiation for about a dozen years is expected to be signed next month. Progress is also made in the talks on an environmental agreement, which some Bonn officials said might be signed within this year.

In an interview with the Federal German magazine "DIE ZEIT" in January, Honecker stressed that they should make "a good use" of the results of the U.S.-Soviet summit. He admitted that there were many possibilities that should have been made use of in developing the "political relations between two Germanys." Analysts believe that his visit to Bonn in the near future would be a logical result of the ideas expressed in these remarks.

The just-concluded party congress in Berlin affirmed what Democratic Germany had achieved under the leadership of Honecker and reelected him leader of the party. This is regarded by the press here as a factor favorable to Honecker's Bonn trip. Nevertheless, the visit to Bonn by the leader of Democratic Germany does not merely hinge on the mutual needs of the two countries. It is also decided by the evolution of the international situation as a whole. Honecker's visit to Bonn scheduled for September 1984 was canceled as a result of the changes in the international situation.

The recent U.S. airstrikes against Libya have increased tension in U.S.-Soviet relations although both Reagan and Gorbachev have expressed willingness to meet again this year.

A visit by the top leader from Berlin might be beneficial to the conservative cabinet headed by Kohl who will run in the general elections next January. All these developments might have influence on the schedule of Honecker's Bonn trip.

USSR CALLS FOR COOPERATION THROUGH ESCAP

Beijing XINHUA in English 1849 GMT 23 Apr 86

[Text] Moscow, April 23 (XINHUA) -- The Soviet Government today proposed long-term cooperation with states of the Asian and Pacific regions while criticizing the United States and its allies for staging confrontation in the area. The government statement, distributed by the official news agency TASS, said Moscow is "proposing to start a wide exchange of views between all interested countries of that part of the world" on cooperation in trade, economic matters, science and culture. Such cooperation "will promote a restructuring of international relations on an equitable, democratic basis," the statement said. It could include cooperation in developing new energy sources, improving transport and communications, protecting the environment and a host of other areas.

The statement said preliminary work for such cooperation could be conducted through the United Nations Economic and Social Commission for Asia and the Pacific. It denounced some "political circles" in the United States and Japan which see the area as a confrontational zone and attempt to form a "Pacific community." Such a coalition, the statement said, can possibly be transformed into a closed regional military grouping.

U.S. SYMPOSIUM DISCUSSES INVESTMENT IN PRC

OW241056 Beijing XINHUA in English 1046 GMT 24 Apr 86

[Text] New York, April 23 (XINHUA) -- The general state of U.S.-China economic relations is "better today than any time since 1979," said Christopher Phillips, president of the National Council for U.S.-China Trade, here today. Addressing a symposium on exploring and expanding the opportunities for American businesses in China, Phillips said today the United States is China's third largest trading partner, with a turnover amounting to about 12 percent of China's total trade in 1985. "Looking ahead, prospects for expanding business in China are encouraging, because the United States could supply advanced technology and equipment to those sectors which China has designated as high priority in their economic development." Referring to the worry about the investment climate and the recent tightening control of foreign currency in China, he said, "It is important not to overreact to these developments."

Phillips told the symposium attended by over 200 American business leaders that China is passing through a period of transition and it has made it clear that it does not intend to cut back on those imports of technology and equipment considered essential to its modernization program. He said the problems also come from the American side, mainly the growth of unconstrained protectionism and export controls. "Despite recent changes in U.S. export control regulations, as they affect China, both U.S. companies and Chinese buyers still complain about long delays in granting of export license." He also complained of the unavailability of concessionary financing for American companies from the U.S. Government, which has shut American firms "out of most business opportunities in China." Talking about the future, Mr Phillips said optimism is shared by an increasing number of American companies which have made strategic long-term commitment to the China Market.

NEWSPAPER REVIEWS PHILIP HABIB'S POLITICAL CAREER

HK240249 Beijing ZHONGGUO QINGNIAN BAO in Chinese 19 Apr 86 p 3

["Man in the News" by Xu Jingjing "Philip Habib, U.S. 'Global Envoy'" -- capitalized passages published in boldface]

[Text] Whenever an "explosive" situation emerges in any world hot spot, Philip Habib is always dispatched to that place. Not long ago, after the deadlock in the Philippine general election eased, the "trouble shooter" again received instructions to go to Central Americca to start another difficult round of shuttle diplomacy.

"FIRST-RATE PERFORMANCE" ON THE MIDDLE EAST STAGE

It is still remembered that in 1981, using the Syrian deployment of Soviet-made guided missiles in northern Lebanon as an excuse, Israel threatened militarily Lebanon so that the Middle East was faced with the fearful prospect of becoming entangled in a war. At that time in his capacity as President, Ronald Reagan asked Philip Habib, al, a diplomat who had retired twice because of heart attacks, to take up the post of Middle East special envoy and to mediate between the two parties. At that time many people did not entertain any prospects for his success. However, by virtue of his outstanding diplomatic stratagems and "miraculous efforts," Habib succeeded in relaxing the situation whereby the "triggers have been cocked and preparations have been made to open fire." In June 1982, the crisis again broke out with the Israeli invasion of Lebanon. Habib shuttled back and forth scores of times among the capitals of the Middle East countries and attended an endless series of secret meetings. Eleven weks later, he finally succeeded in putting out the flames of war temporarily. For this reason, President Reagan presented him with a Freedom Medal, the highest honor awarded to nonmilitary personnel in the United States.

THE "SECRET" OF HIS SUCCESSFUL MEDIATION

Habib's talent does not lie in guiding the development of the situation in order to seek a solution, but in coordinating the conflicting parties and guiding them patiently and by roundabout routes. In the course of negotiations, he first listens patiently to the views of other people and promptly and accurately transmits information from various parties, and then sets forth his proposals according to the circumstances.

Habib is good at assessing the mood of the other party and removes tense feelings with his sense of humor. He grew up in a Jewish residential area in Brooklyn, New York. His father was a Lebanese American. When he held talks with the Israelis, he jokingly said: "I had been a Zionist before I knew what Zionism meant." And, when he met with Lebanese representatives, he often slipped inco his conversation, a few Arab curses which he had learned as a child, in order to please the Lebanese repsentatives.

As a mediator in a difficult situation, Habib often attains his success by dint of his indomitable will. During the Beirut negotiations, he often had to be woken up whenever a new crisis emerged. Sometimes he stood simply in his underpants, dictating cables to Washington while eating sandwiches.

He keeps his mouth shut about his work. Whenever reporters press him on any new progress in the negotiations, he invariably replies: "Sorry, this is a dumb show." -- you figure it yourselves! [punctuation as published]

SPENDING MOST OF HIS DIPLOMATIC CAREER IN COUNTRIES WHERE DISPUTES OCCURRED

Habib's superb diplomatic stratagem is inseparable from his previous extraordinary experiences. At the age of 22 he received a Master's Degree at Idaho University and in 1949 he joined the diplomatic service. In 1952 he received a PHD at Berkeley University. He spent most of his diplomatic career in countries where disputes occurred. In the 1960's he was a government affairs attache in the U.S. Embassies in South Korea and South Vietnam. During the Paris talks to solve the Vietnam issue, he was an important member of the U.S. delegation and was once acting head of the delegation. When Richard Nixon opened U.S. relations with China, Habib was an important member of the policy-making body. He visited China with Henry Kissinger and Gerald Ford on two occasions. After Jimmy Carter took office, he was appointed Under Secretary for Political Affairs and tried to mediate privately for a thaw in U.S. relations with Cuba. Suffering a heart attack in 1978, he retired from the government service and worked as a senior research fellow at the Harvard Institute. In 1979, at the request of Secretary of State Cyrus Vance, he worked as a government senior policy adviser. In 1980 he again retired because of illness. One year later he was reappointed by Reagan.

REAGAN ON MILITARY ACTION AGAINST LIBYA, SYRIA

OW241124 Beijing XINHUA in English 1117 GMT 24 Apr 86

[Text] Washington, April 23 (XINHUA) — U.S. President Ronald Reagan today threatened to take military actions against Iran and Syria if there was "irrefutable evidence" that the two countries were involved in terrorist activities. Reagan made the threat during an interview with a small group of journalists at the White House.
Asked whether he would order attacks similar to those against Libya last week on the capitals of Iran and Syria, Reagan replied, "Yes, if we had that kind of evidence." "If we have irrefutable evidence, I think we should do that. We must have the same policy" against terrorism regardless of which state sponsors it." However, he said that "it is much more difficult to trace to the source of terrorism sponsored by others than it is by Lybia." He also noted that "state sponsored terrorism is a form of warfare and you just can't sit by and let somebody else declare war on you and pretend that you're still at peace."

DPRK APPEALS FOR RESUMPTION OF DIALOGUE

OW242024 Beijing XINHUA in English 1513 GMT 24 Apr 86

[Text] Pyongyang, April 24 (XINHUA) -- The Democratic People's Republic of Korea (DPRK) called today on South Korea to help create the proper atmosphere for the resumption of the three-channel North-South talks suspended since the U.S.-South Korean war games started in early February. The KOREAN CENTRAL NEWS AGENCY (KCNA) said in a dispatch that the appeal was issued in a joint statement by the DPRK delegations to economic, Red Cross and parliamentary talks between Pyongyang and Seoul.

The statement again accused South Korea of "intensifying day by day their war moves against the dialogue partner," saying that Seoul is "indifferent to the resumption of the dialogues at present." The South Korean authorities "must make it plain whether they truly want to have dialogues for reconciliation and unity, peace and reunification desired by the whole nation or to go along the road of confrontation, war and division (by) continuing such provocative military maneuvers as Team Spirit," the statement added.

DPRK ARMY DAY MARKED AT EMBASSY RECEPTION

OW241242 Beijing XINHUA in English 1226 GMT 24 Apr 86

[Text] Beijing, April 24 (XINHUA) -- Major General Chong To-chol, military, naval and air attache of the embassy of the Democratic People's Republic of Korea, gave a reception at the embassy in celebration of the 54th anniversary of the founding of the Korean People's Army here today. Among the guests present were Yang Dezhi, chief of the general staff of the Chinese People's Liberation Army, and some other high-ranking military officers. Military attaches of other countries' embassies in Beijing also attend the reception.

DENG LIQUN MEETS DPRK PUBLISHING GROUP

OW241221 Beijing XINHUA in English 1216 GMT 24 Apr 86

[Text] Beijing, April 24 (XINHUA) -- Deng Liqun, member of the Secretariat of the Chinese Communist Party Central Committee, met here today a delegation from the Korean foreign languages publishing house led by Deputy Director Han Pong-Chan. The delegation arrived here Sunday for a visit in line with the 1985-1986 cultural exchange plan between China and the Democratic People's Republic of Korea.

HU YAOBANG CRITICIZES U.S. BIAS TOWARD ISRAEL

OW241524 Beijing XINHUA in English 1504 GMT 24 Apr 86

[Text] Beijing, April 24 (XINHUA) -- Communist Party of China (CPC) General Secretary Hu Yaobang today reiterated China's condemnation of Israel's aggression and expansionism. During a meeting here with Faruk Qaddumi, member of the executive committee of the Palestine Liberation Organization (PLO), Hu criticised the United States for its bias toward Israel and ignoring the reasonable demand of the Palestinians.

"Over the past 20 years, the just struggle of the Palestinians has won worldwide support and sympathy," which, he described as a "heroic chapter in the 20th century history of national and people's struggles." He added, "The Chinese people will stand by the Palestinians till their final victory, resolutely support the PLO, the only legitimate representative of the Palestinians, and firmly demand the restoration of all their legitimate rights."

In reply, Qaddumi said that PLO Chairman Yasir 'Arafat and other leaders, as well as the Palestinian people themselves, highly appreciate China's consistent stand concerning the Palestine issue. Qaddumi denounced the United States and Israel for pushing aside the continued peace efforts of the PLO and Arab countries for solving the Middle-East and Palestine questions. He said that Israel is continuing its expansionist and racist policy. "What it is doing is in fact pursuing a power policy aimed at annexing the West Bank of the Jordan River step by step to Judaize it," he pointed out. At the same time, he said, Israel still occupies part of the territory of Lebanon and the United States, ignoring United Nations resolutions, is backing Israel in what it is doing. He emphasized that the Palestinian people will persist in their struggle, and the PLO will continue its efforts to strengthen the unity of Arab countries. He added that he hoped that an Arab summit would be convened as soon as possible.

Chinese Foreign Minister Wu Xueqian was present on the occasion. The PLO delegation led by Qaddumi will leave here tomorrow.

ZHANG JINGFU RECEIVED BY IRAQI DEPUTY PREMIER

OW250442 Beijing XINHUA in English 0244 GMT 25 Apr 86

[Text] Baghdad, April 24 (XINHUA) -- Iraqi First Deputy Premier Taha Yasin Ramadan conferred today with visiting Chinese State Councillor Zhang Jingfu on further development of the friendly and cooperative relations in all fields between the two countries, especially in the economic and trade relations.

They considered that there exist broad prospects in cooperation between the two countries and hoped that the two countries will take measures to promote the cooperation both in range and depth and to increase the exchange of visits of the leaders of the two countries at all levels as well as non-governmental contact.

Iraqi Deputy Premier and Minister of Foreign Affairs Tariq 'Aziz also met here today with Zhang Jingfu and they had a friendly discussion on bilateral relations and international issues of common interest. Ambassador Zhang Junhua tonight gave a banquet on the occasion of the visit to Iraq by State Councillor Zhang Jingfu. Iraqi Minister of Trade Hassan 'Ali and other Iraqi friends attended the banquet.

GCC STATES SUFFERING 'SEVERE RECESSION'

OW231956 Beijing XINHUA in English 1932 GMT 23 Apr 86

["GCC States Tighten Their Belts To Cope With Economic Recession (by Huang Jianming)" -- XINHUA headline]

[Text] Kuwait, April 23 (XINHUA) -- The six Gulf Cooperation Council (GCC) states are tightening their belts to cope with the severe recession plaguing their economies since 1982. A combination of factors, including regional hostilities, depressed oil markets and prices, declining global interest rates and the devaluation of the U.S. dollar, to which Gulf currencies are closely linked, has given a heavy pounding to the economies of the GCC states, according to the recently-released 1985 annual report of the National Bank of Kuwait.

A prominent Kuwaiti economist Jassem al Sa'adoon [spelling as received] predicted recently that the six GCC states -- Saudi Arabia, Kuwait, Bahrain, Qatar, the United Arab Emirates and Oman -- could lose up to 60 billion U.S. dollars this year as a result of the current drop in oil prices and the depressed value of the U.S. dollar. The substantial current accounts surpluses of the booming decade of 1974-1982 are fast disappearing. Although most states still had a positive surplus, Saudi Arabia posted a 13 billion dollar deficit in 1984. The budgets of the Gulf states, which showed a 13 billion dollars surplus in 1982, posted a 10.4 billion dollar deficit in 1984. The deficit is expected to be even higher in the current fiscal year. The GCC states had to borrow about 17 billion dollars from their foreign reserves last year to finance part of their current account deficit.

The new economic realities have prompted harsh cutbacks in all the Gulf countries. Non-urgent infrastructural and industrial projects have been suspended.

In Kuwait, following official announcement of a 25 percent cut in the budget for the next fiscal year and a 15 percent reduction in the current fiscal year's public expenditures, the government cancelled several entertainment and luxury projects, imposed new taxes and raised the cost of public utilities like electricity to raise domestic revenues. A new employment policy aimed at reducing foreign workers will soon be put into effect.

To maintain OPEC's unity and market share, Saudi Arabia, the world's largest oil exporter, has played the critical role of 'swing producer' and its oil exports dropped to the lowest level ever last year. Last month, it postponed its 1986/87 budget for five months because of uncertainty in the world oil market. The sharp reduction in its oil revenue reduced imports by 31 percent during the first half of last year and they are expected to fall even further this year. The Saudi Arabian planning minister has announced that his government had decided to terminate the contracts of over 600,000 expatriates working in the public sector.

UAE Finance Minister Ahmad al-Ta'ir disclosed recently that his country began cutting its budget four years ago, and is planning to slash the current expenditure by 15 percent in the light of the slump in oil prices.

Oman, which devalued its currency in January by 10.2 percent in a bid to boost government revenues from oil, has frozen most new government spending and is reportedly preparing to borrow up to 500 million dollars from banks.

Challenged by abrupt changes in the world oil market, the GCC states, which depend on oil for more than 90 percent of their revenues, are also trying to diversify their economies by developing local industries in an effort to reduce the over-dependence of their economies on oil.

However, economists here are pessimistic about the chances for recovery of the Gulf economy in the near future. They note that due to the on-going Iran-Iraq war and the unstable oil market, the recession in the Gulf states has not yet reached its lowest point, and the current economic slowdown will last for some years. The grim truth is that the six Gulf states will likely have to continue tightening their belts.

JAPAN STUDYING PARTICIPATION IN SDI RESEARCH

OW231942 Beijing XINHUA in English 1913 GMT 23 Apr 86

[Text] Tokyo, April 23 (XINHUA) -- Japan is studying possible participation in the U.S. star wars program, but its stand will not be disclosed before the May Tokyo summit.

According to local press reports, at a cabinet meeting today, five ministers, including Foreign Minister Shintaro Abe, Chief Cabinet Secretary Masaharu Gotoda and Director-General of the Defense Agency Koichi Kato listened to a report on potential Japanese participation in the program by an investigation team which just concluded a visit to the United States.

The delegation, comprising representatives of 21 big enterprises and officials of governmental institutions, said in its report that Japanese participation in the program "in a proper way" would greatly enhance Japan's technology and production.

After the cabinet meeting, Foreign Minister Abe said "Japan will consider participating in the star wars program in a prudent fashion." However, Chief Cabinet Secretary Gotoda said, "We won't take a stand on this issue before the summit of the seven industrialized countries."

Observers here noted that the Japanese Government has moved a step forward in participating in the program by admitting to the possibility. Earlier, the government had never openly indicated that it might contemplate Japanese involvement in the program. The cabinet is expected to meet again to discuss this issue.

REPORTAGE ON VISIT OF SURINAMESE FOREIGN MINISTER

Briefed By Wang Hanbin

OW230734 Beijing XINHUA in English 0657 GMT 23 Apr 86

[Text] Beijing, April 23 (XINHUA) -- Wang Hanbin secretary-general of the Standing Committee of China's National People's Congress, met with Henk Herrenberg, foreign minister of Suriname, and his party here today. Wang briefed the visitors on the system and works of the National People's Congress and its Standing Committee. He hoped the current visit by Herrenberg would further the friendly relations between the two countries and parliaments.

Wu Xueqian Praises Prospects

OW231638 Beijing XINHUA in English 1635 GMT 23 Apr 86

["Sino-Suriname Cooperation Bright: Wu Xueqian" -- XINHUA headline]

[Text] Beijing, April 23 (XINHUA) -- Chinese Foreign Minister Wu Xueqian said today that Sino-Suriname economic cooperation is certain to witness a further expansion. In his toast at a banquet for Suriname Foreign Minister Henk Herrenberg, Wu said, so long as the two countries strictly abide by the principles laid down in the communique on their establishment of diplomatic relations, their friendly ties will surely register even greater development in the next decade. "There will be a broader vista for our economic cooperation," he added.

Wu noted that since the establishment of diplomatic relations in 1976, the two countries have increased exchanges, deepened mutual understanding and started economic cooperation. "Both China and Suriname are developing countries, facing a common task of developing our respective national economies and lifting ourselves from underdevelopment at an early date," he said.

"We can draw useful lessons from each other's experiences and learn from each other's strong points." He paid tribute to the efforts of the Suriname people in safeguarding national independence and developing their national economy. "Particularly, as a member of the coordinating bureau of the Nonaligned Movement, Suriname has played an active role in promoting the development of the movement," he said.

In reply, Herrenberg expressed his pleasure at making a trip to China, adding that the Suriname Government hopes to strengthen friendship and cooperation with China in the areas of economy and trade. Wu and Herrenberg held talks earlier this afternoon.

Meets With Wan Li

OW241228 Beijing XINHUA in English 1210 GMT 24 Apr 86

[Text] Beijing, April 24 (XINHUA) -- Vice-Premier Wan Li met Henk Herrenberg, foreign minister of Suriname, here this afternoon. Wan said Herrenberg's current visit to China had enhanced the friendship, cooperation and mutual understanding between the two countries.

Herrenberg told the vice-premier that he had found that the two countries can develop their cooperation in various fields. He said that Suriname would treasure its friendly relations with China. Herrenberg and his party visited the Beijing general internal-combustion engine plant this morning.

Signs Economic Agreement

OW241254 Beijing XINHUA in English 1246 GMT 24 Apr 86

[Text] Beijing, April 24 (XINHUA) -- An agreement on economic and technical cooperation between Chinese and Surinamese Governments was signed here this evening. According to the agreement, China will provide Surinam with an interest-free loan, which shall be used for implementing projects to be mutually agreed on, providing individual equipment, general commodities and technical assistance. The document was signed by Chinese Foreign Minister Wu Xueqian and Surinamese Foreign Minister Henk Herrenberg on behalf of their respective governments.

Leaves For Home

OW250510 Beijing XINHUA in English 0209 GMT 25 Apr 86

[Text] Beijing, April 25 (XINHUA) -- Henk Herrenber, foreign minister of Surinam, left here for home this morning, winding up his three-day visit to China. Among those seeing him off at the airport was Chinese Vice Foreign Minister Zhu Qizhen.

YAO YILIN MEETS FORMER ARGENTINE PRESIDENT

OW241128 Beijing XINHUA in English 1121 GMT 24 Apr 86

[Text] Beijing, April 24 (XINHUA) -- Yao Yilin, member of the Political Bureau of the Chinese Communist Party Central Committee and vice-premier, met and feted Arturo Frondizi, former President of Argentina, and his party here at noon time today. Among those present was Zhu Liang, head of the liaison department of the Chinese Communist Party Central Committee.

VICE PREMIER YAO YILIN MEETS CANADIAN VISITORS

OW231220 Beijing XINHUA in English 1207 GMT 23 Apr 86

[Text] Beijing, April 23 (XINHUA) -- Chinese Vice-Premier Yao Yilin met here today a delegation from the International Development Agency of Canada, led by its President M. Catley Carlson. The Canadian guests are invited here by China's Ministry of Foreign Economic Relations and Trade to exchange views on Sino-Canadian economic and technological cooperation.

CHINESE EXPLORING NEW SOCIALIST ECONOMIC MODELS

OW241952 Beijing XINHUA in English 1439 GMT 24 Apr 86

[Text] Beijing, April 24 (XINHUA) -- Chinese economists made a major breakthrough when they rejected the belief that there was only one model of building a socialist economy, a seminar heard today. This breakthrough enabled them to explore new models of socialist economic development with Chinese characteristics, Dong Fureng, director of the Chinese Academy of Social Sciences's Institute of Economics told the seminar of Chinese and Canadian economists.

Dong told the seminar, which opened on Wednesday, that Chinese economists were daring to break with outdated theories and those already proved to be incorrect, and were developing new ones, while taking the fundamental tenets of Marxism as their guide. The theory that denies the existence of a relationship between commodity and money under a socialist economy and of the role of market regulation had been proved incorrect, and had been replaced by a socialist planned commodity economic theory, said Dong, who is also a professor at Beijing University.

Chinese economists also believed that the theory that under a socialist system there existed only state and collective ownership was incomplete. They believed that provided public ownership was in a dominant position, the existence of other forms of ownership and methods of management could exist under socialism.

Dong told the seminar that economic reforms in rural and urban areas in recent years had paved the way for further advance of China's economic theories. He pointed out, however, that the pace of theoretical development still lagged far behind practical development. There remained many problems to be solved theoretically. Chinese economists were keen to learn about foreign academic achievements, and to absorb those most suitable for China's needs.

TRADE DEFICIT WITH BRAZIL TO CONTINUE TO INCREASE

HK230809 Beijing CHINA DAILY (BUSINESS WEEKLY Supplement) in English 23 Apr p 1

[By He Qingquan]

[Text] China's trade deficit with Brazil, its biggest trade partner in Latin America, reached $550 million last year and will continue to increase this year because of the nosedive in oil prices, an official of the Ministry of Foreign Economic Relations and Trade told BUSINESS WEEKLY.

The official said he hoped the Brazilians would make greater efforts to import more Chinese goods so that trade between the two countries could keep developing smoothly. "If our exports to Brazil continue to decrease, our capacity to import from that country is bound to be affected," he said.

In 1985, 98 percent of China's exports to Brazil consisted of its 2.5 million tons of oil, valued at about $400 million. Between 1980 and 1983, China had a favourable trade balance of $800 million over Brazil. Price reduction of oil reversed the trend; and in 1984, China began to have an unfavourable balance for the first time in the 1980s. China hopes that the Brazilians adhere to the agreement to import 3 million tons of oil in 1986. The agreement was reached during Chinese Premier Zhao Ziyang's visit to that country, according to the official.

The official described Brazil as a "very friendly country," and said that China is seeking trade balance with Brazil by "active development." "We will try not to reduce our imports from Brazil but rather to increase our exports to that country. We hope the Brazilians will also make an effort to import more from China," he said. China now imports large amounts of steel products, pig iron, lumber, paper pulp, cars and other items from Brazil. In 1985, China's imports from Brazil were valued at nearly $1 billion.

Meanwhile, a Brazilian Embassy official, Carlos A.P. Parellas, described the trade deficit as normal and said that one should not worry too much about it. According to the Brazilian official, the trade deficit could be an "incentive" for further trade. He said that new areas of trade and co-operation are created almost every month.

Some of the 40 Brazilian companies participating in an exhibition here in Beijing are exploring the possibilities of buying products from China, and at the end of this month the second meeting of the Scientific and Technological Cooperation Commission will be held in Brazil. This, the official said, could lead to more possibilities of buying and selling. The two countries could trade not only in products, but also in services and technology as well, the official told BUSINESS WEEKLY. He said that he is very optimistic about trade and co-operation between the two countries.

CHEN PIXIAN REPORT ON NPC COMMITTEE WORK

OW201301 Beijing XINHUA Domestic Service in Chinese 0005 GMT 18 Apr 86

[Text] Beijing, 18 Apr (XINHUA) -- Report on the work of the NPC Standing Committee, delivered by Chen Pixian, vice chairman of the NPC Standing Committee, at the Fourth Session of the Sixth NPC on 2 April 1986

Deputies:

On behalf of Chairman Peng Zhen and the NPC Standing Committee, I now deliver to the current session a report on the work of the Standing Committee since the Third Session of the Sixth NPC.

In the past year, the Standing Committee, following the resolution of the Third Session of the Sixth NPC on the report on the work of the Standing Committee and exercising its constitutional functions and powers, has strengthened its supervision over the implementation of the PRC Constitution and over the work of the administration, the courts and the procuratorates. It has stepped up legislative work, particularly economic legislation, improved its own organization and system and the work of its special committees, and recorded new progress in developing socialist democracy and improving the socialist legal system.

1. Stepping up the legislative work to meet the needs of reform and construction

Following the guidance of the decision of the Third Session of the 12th CPC Central Committee that "more and more norms guiding economic relations and activities will have to be framed in the form of law in the restructuring of the economy and national economic development," the Standing Committee has further stepped up its legislative work -- particularly economic legislation -- since the Third Session of the Sixth NPC. In the past year, it has formulated the Grasslands Law, the Fishery Law, the Meteorology Law, the Mineral Resources Law, the Law Governing the Exit and Entry of Foreigners, the Law Governing the Exit and Entry of Chinese Citizens, and the Regulations on Identification Cards for Chinese Citizens. After a preliminary examination, it has decided to submit the drafts of the General Principles of the Civil Code, the Law on Enterprises Operated Exclusively with Foreign Capital, and the Compulsory Education Law to the current session for further examination and approval. Of the 10 laws, 5 are economic laws and 2 deal with our opening to the outside world; the General Principles of the Civil Code is also a very important law for readjusting economic relations within certain limits.

In order to meet the needs of opening to the outside world, attracting foreign investment and importing advanced foreign technology and equipment, the draft Law on Enterprises Operated Exclusively with Foreign Capital provides legal protection to the rights and interests of such enterprises in China, and stipulates preferential conditions to attract foreign investment. At the same time, it also stipulates that enterprises to be established exclusively with foreign capital shall be conducive to the development of China's national economy, and that such enterprises shall use advanced technology and equipment or market all or most of their products outside China. The Law Governing the Exit and Entry of Chinese Citizens, formulated by the Standing Committee, has eased some restrictions in this respect and simplified the application procedures. The Law Governing the Exit and Entry of Foreigners has abolished the practice of requiring exit visas and eased some travel restrictions. Those stipulations facilitating exit and entry will further promote economic cooperation and scientific, technological and cultural exchanges with foreign countries.

The Grasslands Law, the Fishery Law and the Mineral Resources Law formulated by the Standing Committee pay attention to ensuring rational development, use and protection of natural resources. In line with the principle of reform, economic invigoration and good management, we have codified our experience of success in reform of the economic structure into some of the articles of these laws. In accordance with the principle of properly separating the right to ownership from the right to use, the Grasslands Law and the Fishery Law stipulate that state-owned grasslands, water areas, and beaches may be assigned to state-owned organizations and collectively-owned organizations for use. They also stipulate that collectively-owned grasslands, water areas and beaches being used by collectives may be contracted out to individuals or collectives for productive use. On the assumption that the mining industry can be developed by the state, collectives and individuals, the Mineral Resources Law stipulates that the state safeguards the consolidation and development of state-operated mining enterprises; encourages, guides and helps collectively-owned mining enterprises in their development; and guides and helps individuals to undertake mining according to law. Moreover, these three laws all contain necessary stipulations concerning the protection of resources. The stipulations are not designed to restrict the development and use of resources. They are aimed at improving the development and use of resources, and are conducive to our economic construction. The Standing Committee has also formulated a Metrology Law which will also play an important role in maintaining economic order and ensure that socialist economic construction proceeds smoothly.

The drafting of the Civil Code, which is one of the state's basic laws, is an important matter concerning the building of the state's legal system. The draft Civil Code sets forth the standards to be observed in handling certain issues of common interests in civil activities. It also stipulates the way the Civil Code regulates the relationship of property between equal bodies, such as between citizens, between corporations, and between citizens and corporations. To provide a legal basis for civil activities as well as the regulation of civil relations, it also stipulates the civil rights and civil responsibilities of citizens, corporations, individual businessmen, contractors, individual partners, and cooperative operations by corporations. Thus, the law is significant for protecting the legitimate civil rights of citizens and corporations, for promoting economic, cultural, scientific and technological exchanges and cooperation with foreign countries, and for administering economic operations with more efficient legal means to facilitate economic reform.

The drafting of the Compulsory Education Law is urgently needed to promote fundamental education, train needed personnel, and improve the quality of the people of the whole country. The draft Compulsory Education Law provides that a 9-year compulsory educational system shall be instituted in the country, and that provinces, autonomous regions, and municipalities directly under the central government shall determine the steps and establish a timetable for instituting the system according to the situation of their economic and cultural development. The state will adopt measures to ensure schooling for school age children and promote teacher-training education to train qualified teachers. It will also take positive measures to help economically disadvantaged areas and minority areas develop compulsory education.

In accordance with a decision of the Third Session of the Sixth NPC, the 11th meeting of the NPC Standing Committee decided last June to set up a committee to draft the Hong Kong Special Administrative Region Basic Law.

During its first meeting held in early July last year, the committee presented the outline and tentative concept of how the law should be drafted. In Hong Kong, the Hong Kong Special Administration Region Basic Law Consultative committee was also set up. The drafting of the basic law is now in full swing. The basic law drafting committee will soon hold a second meeting. We believe that, with hard work and on the basis of extensively soliciting the opinions of countrymen and people in all circles in Hong Kong, we will be able to produce a Hong Kong Special Administrative Region Basic Law that is in line with the aspirations of the people of the whole country -- including our countrymen in Hong Kong -- that is in accordance with the Sino-British Joint Declaration on the Question of Hong Kong and the Principles of "one country, two systems," and that safeguards our country's sovereignty and maintains Hong Kong's stability and prosperity.

To keep pace with the needs in economic reform and socialist modernization -- in order of importance and urgency, and on the basis of the actual conditions -- we have acted positively and responsibly in expediting economic legislation. Currently being drafted are important economic and administrative laws governing land use, state-operated industrial enterprises, customs affairs, maritime affairs, corporations, bankruptcy, rural enterprises, and labor. Being studied and drafted are laws concerning education, science, culture and public health, including laws governing state functionaries, copyrights, technical contracts, and so forth. Because reform is still continuing in the economic, educational, scientific and technological spheres, and since experiences are still being accumulated from certain important projects of reforms, these laws will be drawn up step by step according to actual conditions. On the basis of summing up experiences, these laws will be enacted as soon as conditions are ripe. To make up for the lack of certain laws, for which the conditions for legislation are not yet ripe, and which involved the restructuring of the economic system and the policy of opening to the outside world, the State Council will draw up tentative regulations or measures according to the NPC's authorization. Meanwhile, all provinces, autonomous regions and municipalities directly under the central government are working hard on drawing up local laws. When certain state laws are not yet available, these local laws will help expedite state legislation.

During the legislative process, the Standing Committee paid attention to soliciting the opinions of all localities, departments and quarters, and gave full scope to the role of legal experts, making sure that legal theoretical workers and law enforcement personnel work together to fulfill their legislative work well. On two occasions last year, the NPC Standing Committee's Legislative Affairs Commission sent copies of the draft of the General Principles of Civil Code to all provinces, autonomous regions, municipalities directly under the central government, and pertinent central departments as well as law colleges, law departments and research units to solicit their opinions about the draft. The commission also sponsored three meetings to hear the opinions of civil code experts, and leading cadres of civil and economic affairs tribunals of people's courts, as well as comrades of the relevant central departments, and economic law experts in Beijing. While drafting, researching and revising the Law on Enterprises Operated Exclusively with Foreign Capital and the Grasslands Law, the commission also invited many experts and workers in the legal, economic and other pertinent fields to discuss and revise the two laws, and received many good ideas from them about revising or expanding the laws. Actual experiences prove that, as far as legislative work is concerned, this is a good way of intergrating theories with practice and implementing democratic centralism. Moreover, legal personnel can also be trained in the legislative process. These measures will be institutionalized in the future.

2. Intensifying supervision over the implementation of the Constitution and other laws

Actual experiences prove that, to ensure normal and sound progress in socialist construction, we must carry out construction and enforce laws at the same time, and that unless we have a sound legal system -- under which laws are invariably and strictly enforced and offenders are punished -- we cannot possibly guarantee success in building a socialist society with advanced material progress and an advanced culture and ideology. Over the past several years we have accomplished a great deal of work in perfecting the socialist legal system. As far as legislation is concerned, the NPC and its Standing Committee have drawn up 47 other laws in addition to the Constutution. Furthermore, the State Council has also drawn up over 400 administrative laws and regulations, as well as certain interim regulations and rules regarding economic reform and the policy of opening to the outside world, which were drawn up under the NPC's authorization. Although our legal system is still incomplete, we do have laws for all major areas. The conspicuous issue concerning our legal system today is the fact that lawlessness and ineffective law enforcement are still quite serious in certain spheres in certain parts of the country. This situation must be firmly corrected.

Following the Third Session of the Sixth NPC, the Standing Committee has taken the following measures regarding how it has supervised the execution of law: First, it has supported and supervised some localities in checking violations of the constitution and other laws. For example, when electing, appointing or dismissing state organ personnel, some localities have ignored the democratic rights of NPC deputies or members of the NPC Standing Committee. Disrespecting the authority of the NPC and its Standing Committee, and without going through the legal process, these localities have announced the appointment of cadres, who should have been elected by the NPC, or appointed or dismissed by the NPC Standing Committee according to law. Some localities have willfully transferred elected county, township or town cadres, and failed to appoint or dismiss them according to law. In certain cases, the NPC Standing Committee was criticized for exercising its legitimate rights and not approving certain appointments. The Standing Committee has advised these localities that they must handle such unconstitutional and illegal actions, and the Standing Committee's general office has also published in its newsletter the news of how some localities have adopted measures to correct lawless actions. Over the past year, the NPC Standing Committee's Legislative Affairs Commission also answered over 200 questions concerning legal matters in various localities. All this has played a positive role in ensuring the implementation of the Constitution and other laws.

Second, in light of the problems prevailing under the new situation in some localities where laws are not observed or their enforcement is not strict, the Standing Committee has strengthened its supervision over the implementation of some laws. At the 12th Session of the Standing Committee, members pointed out: In some localities, the illegal practice of manufacturing and selling fake and inferior pharmaceuticals, toxic or bad food and imitations of famous-brand merchandise remains serious. The judicial organs and the relevant departments have been urged to seriously tackle this issue on the basis of the Law on Trademarks, the Law on Food Hygiene (for trial implementation) and the Law of Pharmaceutical Administration. Economic sanctions should not be used to replace criminal sanctions in dealing with persons who are held responsible for any crime. Third, the Standing Committee has also paid attention to acting according to law. All matters that should be submitted to the National People's Congress for deliberation and decision in accordance with the Constitution and the provisions of the laws are referred to the NPC for examination and deliberation.

However, the Standing Committee makes no decisions on any matter within the purview of the functions and powers of the government. All matters under the jurisdiction of the Standing Committee are properly handled according to the Constitution and the provisions of the laws, and the responsibilities of the Standing Committee are conscientiously performed. By doing this, it has avoided some unlawful practices.

In order to help the broad masses of people and cadres strengthen their concept on the legal system, learn how to use the legal tools to struggle against any activity that runs counter to the Constitution and the law, and safeguard the legitimate rights and interests of the citizens, the Standing Committee has adopted the "Resolution on Popularizing Common, Basic Legal Knowledge Among Citizens." This is a document of great significance. People both at home and abroad have attached great importance to this document. It will have a great impact on promoting China's democracy and legal system. In order to ensure the implementation of the resolution, the Standing Committee held a discussion meeting of the responsible persons of news media in the capital to discuss how to spread the common knowledge of law. Right now, various localities and departments are exerting efforts to implement the guidelines in this connection, and the work of spreading the knowledge of law is being gradually carried out throughout the country.

It takes a considerably longer time to improve the socialist legal system and earnestly act according to law. The Standing Committee has done some work in providing legal supervision. However, the measures it has adopted are not strong enough, and it has not done enough to check how laws that have been introduced are being implemented. From now on, it must make even greater efforts to improve and strengthen its work in this regard.

3. Hearing and Examining Reports on the Work of the State Council, the Court and the Procuratorate, and Intensifying its Supervision Over Their Work

To hear and examine the reports on the work of relevant state organs is the basic form of supervision over these state organs adopted by the Standing Committee. This is also a form to support and help promote their work. On various major issues concerning socialist economic construction and the economic restructuring, over the past year the Standing Committee, has heard and examined Vice Premier Li Peng's report on the economic situation, the report submitted by the State Economic Commission on the current situation in production quality and on measures for the improvement of production quality, the report submitted by the State Administration of Commodity Prices on the situation in commodity price reform, as well as the report submitted by the Auditing Administration on auditing work. It has also heard a report submitted by the Ministry of Water Resources and Electric Power on the plan to prevent torrential floods in the Huang He the Chang Jiang, the Huai He and the Yong Ding He. The members are satisfied with the reports and with the important measures taken by the State Council in promoting economic construction and developing the reform of economic structure. They held: The current economic situation in China is fine. China's current political and economic situation is one of the best since the founding of the nation. The tempo in last year's reform was quicker and the results were better than what we had expected. We had really achieved the goal of "surely winning the initial battle." The State Council has also adopted on a timely basis a series of measures to tackle some of the problems that had cropped up in the course of developing the national economy, and attained marked results in strengthening macro-control. China's socialist modernization program is advancing along a path of healthy development.

We must unswervingly implement our policy in reform. At the same time, the members also held: The new unhealthy trends which cropped up in recent years have seriously hampered the smooth development of the policy of carrying out reforms and opening the country to the outside world. We must resolutely combat and correct them, and never permit any unit or individual to make use of reform and the opening of the country to the outside world to carry out activities that violate the law and discipline, seek private gain at public expense, and make use of one's authority to serve private interests. The practice of correcting unhealthy trends and that of strengthening the development of spiritual civilization are closely related. While developing socialist material civilization, we must attach importance to and strengthen socialist spiritual civilization; persistently educate the broad masses of people to have lofty ideals, moral integrity, education and a sense of discipline; adhere to the four cardinal principles; and oppose and resist the corruption of capitalism, feudalism and other decadent ideologies as well as bourgeois liberalism. While invigorating our economy, we must strengthen the control, management and supervision of our economic activities in an overall manner. Particular efforts must be made to strictly enforce discipline on financial and economic matters. Effective measures must be adopted to firmly correct the trend in some enterprises to onesidedly emphasize production value and profits while neglecting production quality and social economic results. In carrying out price reform, we must adhere to the principle which combines relaxed control with readjustments and aims at making steady progress, and maintain the basic stability of commodity prices as a whole.

In order to wage an in-depth struggle against serious economic crimes and ensure that the reform of the economic structure and socialist construction proceeds smoothly, the Standing Committee heard reports by the president of the Supreme People's Court, Zheng Tianxiang, and by the procurator-general of the Supreme People's Procuratorate, Yang Yichen, on cracking down on serious economic crimes. The members of the Standing Committee were satisfied with the achievements made by the Supreme People's Court and the Supreme People's Procuratorate in cracking down on serious economic crimes over the past year. They held that a major problem during an earlier period was laxity in dealing with economic crimes. The handling of some economic cases could not proceed, not because we did not have the law to follow, but because we did not strictly enforce the law. We must resolutely handle cases according to law. In particular, we should pay attention to investigating and handling major cases, dare to deal with tough cases, break under-the-table relationships and the criminal umbrella, get to the bottom of a case no matter who is involved in it, and sternly deal with criminals according to law. The members of the Standing Committee also pointed out that we should not "treat crimes as merely a poor work style," nor should we "substitute administrative disciplinary actions for legal punishment." In line with the opinions of the Standing Committee members, the State Council has decided to change the practice of "retaining a certain percentage of collected fines and confiscated property," and stipulated that all collected fines and confiscated property must be turned over to the state treasury. This is a necessary measure to intensify our efforts to crack down on economic crimes and overcome unhealthy tendencies.

In addition, the members of the Standing Committee also listened to reports on the visits of President Li Xiannian and Premier Zhao Ziyang to some European, Asian and American nations, and a report by State Councillor and Minister of Foreign Affairs Wu Xueqian on the international situation and China's foreign affairs in 1985. The members of the Standing Committee held that China made remarkable achievements over the past year in foreign affairs, proving the correctness and success of our independent foreign policy of peace.

The Standing Committee decided to ratify or join five international conventions -- the "International Telecommunications Convention," the "Convention Concerning the Protection of the World Cultural and Natural Heritage," the "Convention on the Prevention of Marine Pollution by Dumping Wastes and Other Matters," and conventions concerning narcotics and psychiatric drugs. It also ratified the "Consular Treaty Between the People's Republic of China and the Democratic People's Republic of Korea." These are important to the development of foreign relations.

4. Seriously Handling the Proposals and Suggestions Put Forward by NPC Deputies

At the Third Session of the Sixth NCP, the deputies put forward 128 proposals. The presidium of the session assigned 33 of the proposals to relevant NPC Special committees for examination. The remaining 95 proposals were assigned to various departments concerned for handling, because ther were just suggestions, criticism of comments regarding work in various fields. After finishing the necessary investigations and studies and seeking the opinions of the departments concerned under the State Council, the Nationalities Committee, the Law Committee, the Financial and Economic Committee, and the Education, Science, Culture and Public Health Committee examined the 33 proposals one by one, and made reports on the results of their examination. The Standing Committee has approved their reports. Of those proposals, 21 concerned legislative work, and most of them were accpeted. For instance, we have already promulgated the Fishery Law, the draft Compulsory Education Law has been submitted to the current session for examination and approval, and the departments concerned are forumulating the Corporation Law, the State Highway Law, the Electirc Industry Law, the Agricultural Drug Management Law, the Workers and and Staff Members Vocational Protection Law, and the Law on the Protection of Military Installations. There are some laws and regulations which still cannot be formulated at present, and we will study their practicability after accumulating and summing up experience. The other 12 proposals dealt with important questions concerning finance, economy and education. We have joined the departments concerned in studying them, and have put forward our opinions on their solution. The Standing Committee also examined all of the 33 proposals and decided to assign them to the departments concerned for further handling and implementation, and not to place them on the agenda of the NPC session or any sessions of the Standing Committee.

Most of the 95 motions treated as porposals concerned specific projects in the economic, cultural, educational, scientific and technological affairs and public health fields, such as the construction of railways, seaports, airports, irrigation facilities, schools, scientific and technological halls, and so forth. The State council's relevant departments are making a comprehensive study of these projects in accordance with the state's financial and material resources as well as the conditions in other areas. Some projects have already been incorporated in the Seventh 5-Year Plan, some cannot be carriedout now, and some are local projects which should be handled by local governments. The deputies or delegations that presented the motions have all received written repleis of how their motions have been handled, and the NPC Standing Committee has also received a report about how those motions have been handled.

During the 14th session of the NPC Standing Committee, 59 members cosigned 2 motions, namely intensifying teacher-training education and considering it a special proejct of the Seventh 5-Year Plan, and allocating special funds for ensuring the implementation of compulsory education.

The opinions presented by the State Planning Commission and the Ministry of Finance after careful study of the motions were approved by the State Council and reported to the NPC Standing Committee. After reviewing the opinions on two occasions, a meeting chaired by the NPC Standing Committee chairman decided that the motions should be reexamined by the Financial and Economic Committee. It also solicited the opinions of the Education, Science, Culture and Public Health committee, and then explained to the deputies about the treatment of their motions. The deputies were satisfied to find that their motions were being handled seriously.

During the Third Session of the Sixth NPC, the deputies also put forward 2,832 proposals, voicing their criticism as well as suggestions about the state's political life, economic construction, administrative reform, educational and scientific development, spiritual construction, and other work. The number of these proposals exceeded those received during the previous two sessions. With a serious and responsible attitude, many units that handled the proposals studied the proposals one by one, and handled, without delay, whatever that could be handled, or gave a responsible answer to any proposal that could not be handled immediately. By mid-January, all the deputies' proposals had been handled. Of all the issues raised in those proposals, 26 percent have been resolved, and 55 percent are being resolved or have been incorporated into various plans to be carried out gradually. The remaining issues will either be resolved when conditions permit, or have been referred to the relevant departments for their study and reference.

The motions and proposals put forward by deputies reflect the people's wishes and demands. While these motions and proposals serve as important ways for the deputies to maintain close ties with the masses and exercise their authority, properly handling them is an important way for state organs to heed the masses' opinions and improve their operation.

Certain proposals put forward by NPC deputies were not treated seriously and responsibly enough, and we must correct this attitude.

5. Improving NPC Deputies' Inspection

In accordance with the experiences gained by some localities in organizing inspection by NPC deputies, as well as the opinions of comrades of the standing committees of people's congresses of some provinces, autonomous regions and municipalities directly under the central government, the General Office of the NPC Standing Committee has published the Opinions on Improving NPC Deputies' Inspection, and decided to gradually replace scheduled, organized inspections by NPC deputies with regular, unorganized inspections so that NPC deputies can directly hear the opinions and demands of the people at the grassroot level and play an even better role as the people's deputies. In accordance with what they are familiar with or what they want to know, deputies may now decide exactly what and when they want to inspect. They may inspect individually, or in groups of several people. Deputies may also inspect certain important issues or certain special fields collectively according to the nature of their work or their wishes. To facilitate their inspection, all provinces, autonomous regions, municipalities directly under the central government, and cities where there are relatively large numbers of NPC deputies may organize themselves into inspection groups and join the members of the standing committees of the local people's congresses on their inspections. That was exactly what was done last February and March. According to the deputies, because of the improvement in inspection, their investigation and study of the actual situation was more effective, they could address problems more effectively while deliberating motions at NPC sessions, and they advised that future inspections should be regularized and institutionalized.

Following the Third Session of the Sixth NPC, members of the NPC Standing Committee conducted a number of inspections pertinent to the examination of some motions. In October 1985, five groups of Standing Committee members went to Nei Monggol, Shandong, Hunan, Guizhou and Qinghai to inspect how they had restructured their educational systems. Collectively or individually, members of the inspection groups visited over 80 schools and kindergartens in 31 cities and counties. Some even inspected old revolutionary bases, minority areas, frontier regions and impoverished areas. They learned from the inspection that all these localities had adopted many measures and accomplished a great deal of work in implementing the CPC Central Committee decision on restructuring their educational systems. These localities, for example, have successfully restructured their educational systems by increasing their educational budgets, broadly popularizing primary compulsory education, enrolling more students in schools, arousing the initiative of teachers by further implementing policies toward intellectuals, and restructuring the secondary education. The Standing Committee members pointed out that, to achieve a faster educational development on the basis of economic growth, more effective measures should be adopted to promote teacher-training education, deal with problems concerning shortages of qualified teachers and educational funds, systematically restructure the secondary and higher educational system, and give old revolutionary bases, minority areas, frontier regions and impoverished areas special consideration and support. The inspection played a significant role when the Draft Compulsory Education Law was deliberated in the NPC Standing Committee.

6. Promoting the Ties Between the Standing Committees of the NPC and Local People's Congresses

Stronger ties and exchange of experiences between standing committees of the NPC and local people's congresses will help improve the operation of standing committees of people's congresses at all levels. Over the past year when the chairman, vice chairmen and members of the NPC Standing Committee were inspecting some provinces, autonomous regions and municipalities directly under the central government, they invariably held talks with comrades of standing committees of the local people's congresses in order to familiarize themselves with their work. On many occasions Chairman Peng Zhen personally chaired meetings of the standing committees of people's congresses of provinces, autonomous regions and municipalities directly under the central government, and discussed the operation of various standing committees and their proposals with leading comrades. At a meeting held last November, he exchanged experiences with comrades of the standing committees of the local people's congresses and put forward many constructive ideas. They maintained that, while the standing committees of local people's congresses have substantially improved their operating procedures and accomplished a great deal of work in recent years, they have also encountered many difficulties and problems. These include how the standing committees of people's congresses should exercise their authority according to law, examine and decide on major projects of their administrative areas, supervise the work of governments and people's courts and procuratorates of the same levels, and draw up local regulations and rules to meet local needs; how standing committees of people's congresses are going to strengthen their own organization and institution and reorganize the standing committee members so that they can function more effectively and the operation of the standing committees can become more institutionalized and standardized; how deputies can fulfill their roles more effectively; and how to improve the operating organs, staff them with personnel selected on the basis of the "four requirements" for cadres, and properly solve other problems, such as the authorized size of standing committees, budgets and working conditions. These problems must be gradually dealt with in the course of practice.

The key issue confronting us today is that all cadres must heighten their concept of democracy and law, and genuinely respect the Constitution and the status and authority of the standing committees of the local people's congresses prescribed by local organic rules and regulations. Comrades of the NPC Standing Committee must clearly realize, first of all, that building socialist democracy and law is of fundamental importance as the state's major construction project. Additionally, it must be recognized that this is an important assignment that the people have given the NPC and its Standing Committee, and we must make long-term, unremitting efforts to accomplish this mission.

Over the past year, the various NPC special committees have also strengthened their ties with the standing committees of the local people's congresses. The Financial and Economic Committee has more than once proposed holding discussion meetings on the work of the financial and economic committees of various provinces in East China, Central-South China, Northwest China, Southwest China, Northeast China and North China, and those of various autonomous regions and municipalities directly under the central government. The Education, Science, Culture and Public Health Committee held a discussion meeting on the work of the education, science, culture and public health committees of the 15 provinces, autonomous regions and municipalities directly under the central government in Northeast China, North China and East China. The Overseas Chinese Committee invited the responsible persons of the Overseas Chinese committees or those in charge of the Overseas Chinese affairs in the people's congresses of some provinces and autonomous regions to attend two discussion meetings in which the participants summed up the work experiences of the relevant special committees, and studied and tackled the problems that they had encountered in the course of doing their work. They had further reaffirmed the need for the special committees of various provinces, autonomous regions and municipalities directly under the central government to regard the active participation in and the formulation of local rules and regulations as an important task, to assist the standing committees in carrying out their supervisory work well, to refrain from inappropriately interfering with the work which is within the limits of the functions and powers of the government, to strengthen themselves organizationally and to improve their administrative bodies. The Nationalities Committee has strengthened its investigation and research work on how regulations on self-government in national autonomous areas were being formulated, and held discussions with some comrades of the various provinces, autonomous regions, autonomous prefectures and autonomous counties on how to draft regulations for self-government. It has stressed that in formulating regulations for self-government, it is necessary to adhere to the principle of unifying the legal system and avoid going against the provisions of the Constitution and the Law Governing Regional National Autonomy. It is also essential to reflect the characteristics of one's own district and regard the acceleration of economic and cultural developments as a focal point. All this was a great help to various localities in formulating regulations governing regional national autonomy. In addition, the Legislative Affairs Commission of the NPC Standing Committee and the Ministry of Justice jointly sponsored classes for the training of legislative cadres. The standing committees of the people's congresses in various provinces, autonomous regions, municipalities directly under the central government as well as various special economic zones and coastal cities that have been opened to the outside world selected and dispatched cadres to attend these classes for the training of legislative cadres. The participants emphasized the study of the guiding ideologies, the basic principles and the main experiences in carrying out legislative work, and helped various localities strengthen their work in improving the legal system.

The "Newsletter on Work" published by the General Office of The NPC Standing Committee introduced the experience of the standing committees of some of the local people's congresses. This experience played an active role in promoting the work of the standing committees of the people's congresses at all levels.

7. Further Promoting Exchanges and Ties With Foreign Parliaments

Since the Third Session of the Sixth National People's Congress, the NPC Standing Committee has made new progress in foreign affairs. In April last year, NCP Standing Committee Chairman Peng Zhen's visit to Japan was another important visit by China's principal party and state leaders to Japan since the normalization of diplomatic ties between Japan and China. It has further promoted the good neighborly relations between China and Japan. NPC Standing Committee Vice Chairmen Geng Biao, Wang Renzhong, Liao Hansheng and Huang Hua separately led NPC delegations to tour a total of 13 countries. Through such visits, they further strengthened unity and cooperation with Third World countries, and continued to strengthen friendship and cooperation with Romania and Yugoslavia. At the same time, the NCP Standing Committee has once again restored its ties with the national assemblies of the some socialist nations in East Europe after restoring the ties with the USSR Supreme Soviet; and further developed its relations of friendship and cooperation with some countries in West Europe and North America. An NPC delegation visited the United States for the first time. In addition, another NPC delegation attended the third session of the Inter-Parliamentary Union, while an NPC Population delegation visited India. The NPC Standing Committee also sent its members to participate in various activities to mark the 65th anniversary of the founding of the Grand National Assembly of Turkey. During their tours, NPC Standing Committee Chairman Peng Zhen and the NPC delegations were given solemn, warm and friendly receptions. This has shown that China's international prestige has been raised and that its foreign policy is correct.

During this period, the NPC Standing Committee and the special committees also received 33 delegations from 28 countries from 5 continents and 1 region. The NPC has established 10 bilateral friendship groups with foreign countries and carried out some activities in foreign affairs. Two NPC friendship group delegations visited the European Parliament and France. Recently the 15th Session of the Standing Committee decided to set up 6 new bilateral friendship groups with foreign countries. This will play a positive role in developing friendly relations with the parliaments of the relevant countries.

We are carrying out these activities with foreign countries, while taking into consideration the different situations in different countries. When NPC Standing Committee Chairman Peng Zhen visited Japan to discuss the issue of economic cooperation between the two countries, he emphasized on various occasions the need to link the economic relations between China and Japan with their political relations and to develop capital and technical cooperation on the basis of their trade relations. He also elucidated from a legal point of view that the trend of opening China to the outside world and carrying out economic restructuring in the country will not change.

In promoting ties with the Third World countries, we clearly indicated that we would resolutely support the struggle waged by the various countries of the Third World to safeguard their national independence and national sovereignty, actively develop their national economy and seek to reform the irrational international economic order; join our efforts to explore new ways and new forms for economic and technical cooperation on the basis of the principle of equality and mutual benefit, stress practical results, diversity in form and attainment of common progress; and open the possibilities for barter trade. In promoting exchanges with the Soviet Union and the socialist nations in East Europe, we pointed out that China's policy of opening the country to the outside world is not solely aimed at the Western countries. It also includes socialist countries and the Third World nations. We also said: It is hoped that the Soviet Union would perform actual deeds to remove the three major obstacles so as to improve the relations between the two countries in a down-to-earth manner. In promoting ties with the national assemblies of some economically developed nations in West Europe and North America, we emphatically introduced China's open-door policy and its legal guarantee as well as its environment for investments. We also expressed our willingness to further develop economic and trade ties and promote technical cooperation with these countries on the basis of equality and mutual benefits. We welcomed their enterprises to make investments in China and run businesses. At the same time, we also hoped that in providing the market and facilitating technical transfers, the governments of these countries would adopt an even more liberal policy so that the prices of Chinese export merchandise would become even more competitive. In meeting the people of the government and the public in the United States, our delegation pointed out: It is a fine thing that the two countries have witnessed progress in developing their relations in recent years. However, the issue of Taiwan remains the main obstacle in developing bilateral relations. It is hoped that the United States would demonstrate actual deeds in supporting -- not obstructing -- China's efforts in realizing its goal of peaceful reunification. The Chinese NPC delegation expressed its just stand and concern over the attacks of the U.S. Congress against China's policy on planned parenthood and the U.S. bill to restrict the import of Chiense textile products.

Through our ties with foreign parliament, we have elucidated China's independent foreign policy and its principled stand in dealing with a series of major world issues, and introduced China's favorable situation in reforming its economic structure and its achievement in construction. This has played a positive role in helping the parliamentareans of various countries understand China and strengthening the bilateral relations of friendship. Some visitors were moved by our warm and friendly receptions, careful arrangements and sincere attitude which helped them eradicate some of their misunderstanding and worries. They expressed their willingness to exert efforts to develop friendly relations with our country. The delegations of some developing countries held that China's experience in construction was something that they can draw lessons from and make use of. At the same time, our ties with foreign parliaments have also helped us deepen our understanding of the situations in foreign parliaments, increase the contacts between our NPC and foreign parliaments and learn from the valuable experience of many foreign parliaments in doing their work and developing their economy and culture. In addition, during their visits to some countries, our NPC delegations have also met with Overseas Chinese and foreign nationals of Chinese origin, and briefed them on the favorable situation in China, on China's magnificent goal for development and its policy on Overseas Chinese affairs.

The overseas Chinese and foreign nationals of Chinese origin were greatly inspired after hearing the briefings and expressed their willingness to work harder than ever for the rejuvenation and the reunification of the motherland.

The foreign affairs work of the NPC and its standing committee is an important component part of China's diplomatic work as a whole and an indispensable channel in China's contacts with other countries. With the increasing development of China's foreign affairs and the further implementation of the policy of opening to the outside world, more and more bilateral and multilateral contacts can be expected between the NPC Standing Committee and foreign parliaments. In future, the NPC Standing Committee must further sum up its experience in foreign affairs, strengthen investigation and study, and adopt flexible and diverse methods to actively carry out multilevel parliamentary diplomatic activities.

8. Strengthening the Building of the Standing Committee's Organization, System, and Work Organizations.

Chairman Peng Zhen has repeatedly pointed out: It is necessary to study a solution to the question of strengthening the NPC Standing Committee's work, organization, and system, so that the Standing Committee's work can become systematized and standardized step by step. In addition, it is necessary to improve the Standing Committee's work organizations step by step so as to help strengthen the its day-to-day work and maintain the continuity of its work. Over the past year, the Standing Committee has made some efforts and carried out some experiements in this connection. The First Session of the Sixth NPC established the Nationalities Committee, the Law Committee, the Financial and Economic Committee, the Education, Science, Culture and Public Health Committee, the Foreign Affairs Committee, and the Overseas Chinese Committee as the NPC'S permanent organizations. Over the past 2 years and more, these six special committees have done much work in deepening investigation and study and examining and drafting related laws and proposals. They have effectively exercised the legislative power of the NPC and its Standing Committee. They have exercised the functions and powers of the supreme organ of the state in a better way and played an important role in strengthening and giving substance to the day-to-day work of the NPC and its Standing Committee. To further strengthen the work of these special committees and bring the NPC Standing Committee members' role into better play, the NPC Standing Committee chairman has held a meeting to study this question. The meeting suggested that except for in a few special cases, all NPC Standing Committee members who reside in Beijing have not joined any special committees should in principle be recruited as members of a special committee. A plan to augment the special committees has been drawn up and will be submitted to this NPC session for discussion. According to this plan, the component personnel of the six NPC special committees will increase by 60 percent. The number of NPC Standing Committee members joining the special committees will increase and make up two-thirds of the Standing Committee's component personnel. This is an important step to organizationally strengthen the Standing Committee and the special committees. In addition, the NPC chairman's meeting adopted standing committee members' suggestions and decided to recruit them into doing the day-to-day work of formulating laws. At present, 47 members have taken part in the drafting, researching, and revising of 15 draft laws. These members have rich practical experience and professional knowledge. Their participation in drafting, researching, and revising draft laws has played a very good role in the Standing Committee's work of examining draft laws and instituting laws.

Over the past several years, the Standing Committee's working body has been strengthened. Particularly since party rectification, the Standing Committee's working body has further understood that it must contribute to the successful convening of NPC sessions and standing committee meetings, help NPC deputies and Standing Committee members exercise functions and powers according to law, and contribute to the development of socialist democracy and the improvement of the socialist legal system by acting as a good "assistant" and "staff officer." As a result, our organizational work has improved and strengthened. However, neither in the setting up of organs nor in the quality and number of cadrer have we met the needs of our work. They all urgently need readjustment and improvement. All necessary organs must be fully staffed. In addition, according to the directive issued by the meeting of central organizations, it is necessary to oppose unhealthy trends, improve work style and work method, overcome bureaucracy, raise work efficiency, and strengthen the work system to meet the needs of strengthening the standing committee's work.

Deputies, since the Third Session of the Sixth NPC, the Standing Committee has improved and strengthened its work in all fields and played an increasingly important role in China's political life. However, we must also understand that compared with the functions and powers entrusted to us by the Constitution and the expectations placed on us by the people throughout the country, the Standing Committee still has a long way to go and there still exist quite a few shortcomings and questions in the Standing Committee's work. Our laws are not perfect yet. Our economic legislative work in particular still cannot catch up with the needs of socialist modernization and the reform of the economic structure. How to strengthen supervision in enforcing the Constitution and other laws and supervision of administrative work, the administration of justice, and procuratorial work depends on continued study and improvement. A number of problems regarding how to organizationally and systematically strengthen the Standing Committee so as to bring the role of all special committees into full play, how to strengthen the Standing Committee's ties with its deputies so as to bring the role of the deputies into full play, and how to strengthen the NPC Standing Committee's ties with local people's congress standing committees still exist and call for solution step by step through practice. We must further sum up experience, study the new situation and new questions, continuously improve work, seriously exercise the functions and powers the constitution has entrusted the NPC Standing Committee, strive to fulfill the Seventh 5-Year Plan, carry out the party's general task and meet its general goals in the new period, and build China into a highly civilized and democratic modern socialist country.

Deputies, please examine, criticize, and correct this report for its appropriateness.

RENMIN RIBAO COMMENTATOR ON CRIME IN POSTAL WORK

HK240010 Beijing RENMIN RIBAO in Chinese 21 Apr 86 p 1

[Commentator's article: "Strengthen the Ranks of Postal and Telecommunications Workers"]

[Text] In the new situation of opening ot the outside world and enlivening the domestic economy, the postal and telecommunications departments are taking up creasingly heavier tasks. Postal and telecommunications workers have done much work for building the socialist spiritual and material civilizations and have made remarkable achievements. However, because of limited capacity in communication, postal matters are often accumulated and held up and delivery delayed.

This is not in keeping with the modernization drive. Poor quality in postal and telecommunications services and rather serious crimes and illegal activities in this field have greatly impaired the interests of the people. While accelerating the construction of postal and telecommunications facilities, it is a pressing task to carry out education on professional ethics and on observing laws and discipline among the workers and other employees in order to raise their political and professional levels by a big margin.

Postal and telecommunications services are basic services for economic and social development. They are indispensable factors in production, circulation, distribution, consumption, and other economic activities. They are are important tools for politics, culture, propaganda, education, and intercourse among the people. Postal and telecommunications workers and other employees should consciously serve the building of the socialist spiritual and material civilizations. The social benefits brought about by transmitting messages and delivering postal matters are far greater than the economic results of postal and telecommunications services themselves. Therefore, postal and telecommunications workers should first of all pay attention to increasing social benefits and on this basic strengthen management and operation to increase the economic results of their work. In case contradictions between the two occur, they should not maintain the economic results of their respective departments at the expense of social benefits. This is one of the principles to which postal and telecommunications departments should adhere.

China's postal and telecommunications departments have a glorious tradition and fine style and enjoy high prestige. Many postal and telecommunications workers are called by the people "green envoys" and "trustworthy people." Most of the postal and telecommunications workers and other employees are good. However, there are indeed a few black sheep in the postal and telecommunications departments. They steal postal parcels; illegally open, hide, and destroy others' letters; graft; misappropriate public funds; and even blackmail the masses and extort money from them. The harm and consequences of these cases are much more serious than ordinary cases of corruption and theft. They have created an extremely bad impression at home and abroad. Therefore, it is imperative to tightly grasp work in investigating and handling these cases and grasp work in improving the ranks of the workers and other employees. Of course, we should draw a clear distinction between unhealthy trends and crimes. In particular, we should not ask everybody to make self-criticism. Regarding those who have done something that runs counter to professional ethics, we should educate them and help them increase their consciousness. Regarding criminals who have seriously and repeatedly violated professional ethics even after education, we must sternly punish them. We should dismiss them or bring them to justice according to the seriousness of their cases and should not tolerate or connive over their crimes.

It is very important to formulate basic statutes concerning postal and telecommunications work as soon as possible. With these basic statutes, the postal and telecommunications activities of the people will be legally protected and the postal and telecommunications workers will have something to go by. We believe that so long as we are determined and adopt correct and effective measures, we shall certainly get good results in strengthening the ranks of postal and telecommunications workers and effect a turn for the better of the style of postal and telecommunications departments and that the postal and telecommunications workers will certainly remain worthy of their glorious title "green envoys."

RENMIN RIBAO STRESSES HORIZONTAL ECONOMIC TIES

HK231458 Beijing RENMIN RIBAO in Chinese 18 Apr 86 p 1

[Editorial: "Only by Breaking Through the Barriers Between Departments and Regions Can We Develop the Productive Forces -- A Second Talk on the Great Significance of Developing Horizontal Economic Ties"]

[Text] A mighty force of reform lies hidden in the current vigorous development of horizontal economic ties. It will inevitably shake China's existing mangement sytem which is characteized by barriers erected between departments and regions and demand that departments, regions, and enterprises break with the depressing situation of carrying out economic activities with the doors closed and develop various forms of economic coordination and cooperation with their doors open to each other.

For a long time, China's economic management system was characterized by the exercise of leadership and mangement over the national economy according to the administrative relations between department and region. There were barriers erected between departments and regions as a result of their activities being restricted to a designated area, which cut off the horizontal ties required for developing the socialist commodity economy. This state of affairs has changed in recent years. However, the existing economic mangement system is still playing the leading role and hindering the development of the social productive forces.

The impact of barriers erected between departments and regions on horizontal economic ties can be summed up into the following:

-- In the field of production, enterprises could not display their abilities. As enterprises were under the administrative leadership of different departments and regions, they could not carry out economic and technological cooperation and complement each other.

-- In the field of commodity circulation, the goods were not accessible to the market. Theregions and cities proceeded from their own narrow interest and restricted the flow of commodities from other localities to their market under the excuss of "protecting" local industry. Consequently, the more they practiced protectionism, the more they lagged behind, which hampered the development of production and hindered technological progress an the upgrading of products.

-- In the exploitation of natural resources, the materials were not used to be fullest extent. Many inland areas were unwilling to supply raw materials to the economically developed coastal areas and would rather develop local industry than let large numbers of technologically advanced enterprises stop production due to shortage of raw materials. As a result, the large amount of raw material input produced little and the economic results were poor.

In the past we adopted measures on several occasions in an attempt to solve the contradictions between departments and regions. For example, in order to overcome the defects of overcentralism, the central departments delegated the power of economic management to the localities during the late 1950's to stimulate the enthusiasm of the regions.

During the early 1960's, the central authorities assumed power again under the slogan of exercising unified leadership. Later there were debates on several occasions centered on "regaining power" or "delegating power," but we could not extricate ourselves from the administrative management method which separated departments from regions. We made a fuss of whether "you" or "I" will exercise management as regards the central and local authorities, which did not begin to touch the essence of the barriers erected between departments and regions. In other words, enterprises were under rigid and excessive administrative controls and were completely separated from each other in operations. When enterprises were under the management of departments, there were vertical boundaries; and when enterprises were under the management of regions, there were horizontal boundaries. The crux of the matter was that enterprises were not separated from government management.

By carrying out horizontal economic cooperation that transcends regions and departments, enterprises can truly extricate themselves from the irrational administrative interferences and become independent producers and operators of commodity production, thus enabling the smooth flow of commodities, funds, materials, technology, equipment, and other production factors under the guidance of state plans and policies and in light of the laws of the socialist commodity economy, and encouraging competition among enterprises so that only the best can survive. In order to develop horizontal economic ties, it is essential to shake the foundation of the traditional product economy which is characterized by barriers erected between departments and regions and to establish a new economic management system suited to the needs of the socialist commodity economy. We should understand the profound meaning of the development of horizontal economic ties from this angle and have a clear idea about the following criterion: To judge whether the orientation of a specific reform is correct or not, we should see whether it is advantageous or not to breaking through the barriers between departments and regions and whether it conforms to the objective needs of the socialist commodity economy and promotes the development of the social productive forces.

Since the 3d Plenary Session of the 11th CPC Central Committee, the reform of China's economic structure has advanced on the track of simplifying administrative procedures, delegating power, and invigorating enterprises, and has smashed the old system characterized by barriers created between departments and regions. Following the reform of the planning system, the substitution of tax payments for profit delivery carried out in two steps, and measures taken to give full play to the pivotal economic role of key cities, the state of departments and regions being separated from each other has been weakened somewhat. Nevertheless, we should still guard against a new separation of departments from regions along the road of advance. At present, some departments and regions (including some key cities) are always trying to put "me first" and maintain an administrative, closed-type economic system. For example, they place restrictions on cooperation between local enterprises and other regions and departments, terminate the relations of cooperation with other localities, force local enterprises to product the goods that should be processed or purchased from other localities, erect invisible "tariff barriers," and try by every means to stop the commodities of other localities from flowing into their markets.

In order to put an end to such a state of affairs, it is necessary to further perfect the reforms of the financial and taxation systems and gradually effect a transition from the current financial system characterized by setting up separate accounts and based on sharing profits to the financial system at various levels based on different categories of taxes. Only in this way can enterprises truly become independent economic entities after paying taxes respectively to the central and local authorities according to the tax rates determined by the state. Enterprises can also avoid the irrational administrative interferences imposed by the departments and regions. Meanwhile, we must further strengthen the corresponding reforms which include the planning, circulation, material supply, financial, and foreign trade systems, and create a fine external environment for developing horizontal economic ties and breaking through the barriers erected between departments and regions.

Horizontal economic ties have great vitality. They will inevitably promote the vigorous development of the social productive forces.

ARTICLE DISCUSSES MACROECONOMIC CONTROL TARGETS

HK221231 Beijing RENMIN RIBAO in Chinese 14 Apr 86 p 5

[Article by Wang Jiye: "Issues in Macroeconomic Control Targets and Regulatory Mechanisms" -- capitalized passages published in boldface]

[Text] Tightening and improving macroeconomic control is both the inevitable demand of the progress in the economic structural reform and the objective need to create a good environment for the reform. The question of macroeconomic control in transforming the economic structural patterns is a very complicated one, involving a wide range of issues. I shall concentrate on discussing the following points:

1. Runaway Macroeconomic Growth in the Initial Period of the Reform

In the initial stage of the economic structural reform, it is always necessary to stress relaxation of microeconomic controls; otherwise it will be difficult to initiate the reform. In invigorating the microeconomy, because the original macroeconomic control mechanism is partially out of order and because the new means of macroeconomic regulation cannot be immediately initiated and perfected, it is inevitable that, in the initial period of the reform, microeconomic activities cannot be brought into line with the macroeconomic demands, and that runaway macroeconomic growth may even occur in certain areas. If we carry out our work satisfactorily, we can keep the runaway macroeconomic growth within a narrow range and thus avoid great economic fluctuations. Completely avoiding runaway macroeconomic growth is the best of people's intentions. Therefore, how to deal with the runaway macroeconomic growth in the initial period of reform is a major issue of strategic importance that has a strong bearing on whether to push on with the reform, to bring it to a standstill, or to pull it back. On this issue we have four strategic alternatives:

First, being afraid of the runaway growth in the initial period of the reform, we do not have the courage to conduct the reform, particularly to invigorate the enterprises by introducing flexible policies. The result is that the reform of the economic structure as a whole is placed in a very difficult position. As we fail to take crucial steps in carrying out the reform, we can only patch up the original structure. Although there will not be any uncontrollable macroeconomic growth, the microeconomy is bereft of vitality and motivating force.

Second, we only stress invigorating the microeconomy by introducing flexible policies but fail to adopt effective measures to solve the question of runaway macroeconomic growth in some areas. If the situation goes on like this for a long time, it will lead to runaway growth of the macroeconomy as a whole and cause the national economy to lose its balance over a long period.

Third, being frightened out of our wits by the runaway macroeconomic growth in the initial period of the reform, we hurridly put on the brakes and apply old methods in solving the question of runaway macroeconomic growth. As a result, we slip back into the old rut of the outdated structure, bringing the reform to a premature end.

Fourth, we promptly discover the problems and adopt effective measures to solve the question of runaway macroeconomic growth that occurs in the initial period of the reform and, at the same time, improve the macroeconomic control in order to create a favorable economic environment for, and to push on with, the reform.

In my view, we are adopting the fourth measure in our current reform.

The runaway macroeconomic growth that cannot be completely avoided in the initial period of the reform sets us thinking about the following problems. What is the cause of the runaway macroeconomic growth? How can we discover and promptly control it? As far as our country is concerned, the principal manifestations of the runaway macroeconomic growth in the initial period of the reform were as follows: Competing for higher growth rates led to an excessive scale of investment in fixed assets, an excessive growth of consumption funds, an excessive expansion of credit, and a drop in foreign exchange reserves. The principal cause for the runaway growth was investment. When investment begins to get out of control, more often than not people do not pay immediate attention to it. Therefore, with the development of uncontrollable investment, both the capital and goods will increasingly be in short supply. Moreover a considerable portion of the investment in fixed assets is directly transformed into consumption funds, thus sowing the seeds of expanding consumption funds. Furthermore, without a remarkable improvement in the investment results, the phenomenon of overheated economic growth that is liable to happen in the initial period of the reform gives a strong impetus to expanding investment, thus leading to an excessive extension of credit. Since our degree of self-sufficiency in supplying equipment and raw materials for production and construction is low, the imports of steel products and other raw materials rapidly increase. Our poor ability to earn foreign exchange has affected the balance between international receipts and payments, thus leading to a drop in foreign exchange reserves. The chain reaction in the runaway macroecnomic growth has a certain regularity. It tells us: If we overlook or fail to control investment, it will inevitably involve other aspects and cause difficulties for the onging reform. For this reason, in the initial period of the reform, we should pay particular attention to controlling the scope of investment. We should be able to see how things will develop from the first small beginnings in order to discover problems without delay, to take effective measures, and to strive to eliminate the runaway growth.

2. Targets of Macroecnomic Control

The targets of macroeconomic control can be divided into two levels: general target and specific targets. In economic and planning management, the general target of macroeconomic control can also be divided into three levels.

THE BALANCE BETWEEN AGGREGATE SOCIAL SUPPLY AND AGGREGATE SOCIAL DEMAND. The material form of aggregate social supply and aggregate social demand includes the supply of and the demand for the means of production and the means of consumption. The value form of aggregate supply and aggregate demand refers to the supply of and the demand for compensation funds, accumulation funds, and consumption funds. Whether a balance can be achieved between aggregate social supply and aggregate social demand involves the question of whether or not the proportions among the major branches of the national economy are correct and rationa. This balance is the most inclusive target of macroeconomic control.

THE BALANCE BETWEEN THE AGGREGATE SUPPLY OF NATIONAL INCOME AND THE AGGREGATE DEMAND FOR ACCUMULATION AND CONSUMPTION. If no major breakthroughs have been made in technological advances and if the material consumption of social production is quite stable, the aggregate supply and aggregate demand will concentrately take the form of the aggregate supply of national income and the aggregate demand for accumulation and consumption. The so-called "excessive distribution" of national income that has occurred in our economy precisely refers to the fact that the aggregate demand for accumulation and consumption has exceeded the aggregate supply of national income. Under such circumstances. the economic development contains unstable factors and the general price level is on the rise. Particularly when the demands for both accumulation and consumption are excessive, the further development of the economy as a whole will be adversely affected.

THE BALANCE BETWEEN THE AGGREGATE SUPPLY OF NEWLY INCREASED NATIONAL INCOME AND THE AGGREGATE DEMAND FOR NEWLY INCREASED ACCUMULATION AND CONSUMPTION. When the original ratio between accumulation and consumption remains unchanged, the expansion of production and construction and the improvement of the people's living standards will depend on the supply of the newly increased national income. Given a basic balance between the aggregate demand for the newly increased accumulation and consumption and the aggregate supply of the newly increased national income, there is still a question of appropriately fixing the ratio between accumulation and consumption in the newly increased national income, there is still a question of appropriately fixing the ratio between accumulation and consumption in the newly increased national income. In some years, in an effort to speed up production and construction, it is necessary to raise the rate of accumulation in the newly increased national income. In other years, in an effort to considerably improve the people's living standards, it is necessary to appropriately lower the rate of accumulation and to raise the rate of consumption in the newly increased national income. Therefore, exercising macroeconomic control on the aggregate supply of the newly increased national income and the aggregate demand for the newly increased accumulation and consumption actually involves two questions: 1) controlling the aggregate demand for the newly increased accmulation and consumption so that it will not notably exceed the aggregate supply of the newly increased national income; and 2) appropriately fixing the ratio between accumulation and consumption in the newly increased national income. They affect each other. When the aggregate demand for the newly increased accumulation and consumption notably exceeds the aggregate supply of the newly increased national income, the foundation is fairly weak even though the ratio between accumulation and consumption as a whole is rational Excessive demand often leads to an increased rate of accumulation and aggravates the imbalance between the aggregate supply of national income and the aggregate demand for accumulation and consumption.

The overall macroeconomic control at the three levels stated above, or the general target of macroeconomic control, can still be specifically divided into two levels in the course of economic and planning work: The first is the demand for and the supply of investment and consumption.

Controlling investment is the more important of the two. The second is the credit supply and the foreign exchange receipts and payments. If the demands for investment and consumption notably exceed their supply and if this cannot be adjusted through other channels, an excessive credit supply and even a drop in foreign exchange reserves will be inevitable. Only by distinguishing the two levels of macroeconomic control targets is it possible to get at the root of the matter and to more accurately grasp the focus of macroeconomic control.

The general target of macroeconomic control can be divided into specific targets which should be fulfilled at all levels of national economic management. Investment is an example. It is necessary to clarify which level should be responsible for controlling a certain amount of budgetary investment, which level should be responsible for controlling a certain amount of extrabudgetary investment, and which level should control other channels of investment. This is also the case with consumption funds. It is necessary to clearly define the scope and duty of controlling the total wage amount (including bonuses) of the enterprises and the expenses of government organizations and institutions at all levels. Only in this way can we genuinely exercise macroeconomic control and attain the desired results.

3. Overall Macroeconomic Control and Structural Adjustment

In the course of economic movement, an absolute balance between aggregate supply and aggregate demand is only accidental or exceptional. They are not balanced under most circumstances. There are two kinds of imbalances: One is serious imbalance and the other is imbalance resulting from the aggregate demand being slightly larger than the aggregate supply. The latter can be regarded as basically in balance, and can and should be achieved by overall macroeconomic control. The question is, in terms of economic and planning management, whether it is favorable to economic development for the aggregate demand to be slightly larger or smaller than the aggregate supply. Both the theory and practice of the socialist planned commodity economy call for the aggregate demand to be slightly smaller than the aggregate supply to facilitate the emergence of the buyer's market as a whole. However, it will still be difficult for us to achieve this target all at once. Judging from the current development and future trend of our economy, we shall probably have to take the following steps in order to achieve this target: First, we should tighten and improve macroeconomic control in order to ease the situation in which the aggregate demand notably exceeds the aggregate supply; second, we should strike a basic balance by making the aggregate supply slightly larger than the aggregate demand; and third, we should make the aggregate demand slightly smaller than the aggregate supply. For some time to come, we should first achieve a basic balance by making the aggregate demand slightly larger than the aggregate supply.

To execute the above measures, it is important to handle the relations between overall control and structural adjustment. If we control the total amount without carrying out structural adjustment and if we turn out unmarketable products, we shall not be able to meet the needs of production and construction or the needs of the people in their daily life. Maintaining an overall balance will lose its practical significance and it will be impossible to control the total amount in the end. On the other hand, if there is not an overall balance, it will also be difficult to have a rational structure. The most important thing in macroeconomic management is to know when to place the focus of our work on overall control and when to shift the focus of our work to structural adjustment.

In view of the serious imbalance of the macroeconomy as a whole since the second half of 1984, the central authorities have held four meetings of governors to concentrate on solving the question of overall control and have attained notable results. At present, the situation whereby the aggregate demand notably exceeds the aggregate supply has eased to some extent. In order to achieve the short-term macroeconomic control target of making the aggregate demand slightly larger than the aggregate supply and in order to place the balance between aggregate supply and aggregate demand on the basis of an increasingly rational structure, we should shift the focus of macroeconomic control to structural adjustment in good time.

Generally speaking, the structural adjustment is a big task. What links should we grasp in carrying out structural adjustment?

The first is the consumption pattern. The adjustment of the consumption pattern should be subordinated to the need to continuously meet the growing material and cultural needs of the people, but our efforts to meet the people's consumption needs and the changes in the consumption pattern are again subjected to the restrictions of the existing production structure. For this reason, we should guide the growth of consumption and the changes in the consumption pattern with correct policies in order to avoid a dislocation between the consumption pattern and the production structure. The production structure is closely linked to technological pattern and the geographical distribution of production. At present, the degree of adjustment in the production structure is primarily determined by the adjustment in investment pattern. In the big lineup of consumption pattern, production structure, technological pattern, regional distribution, and investment pattern, the investment pattern is a crucial link. The irrationality our investment pattern finds concentrated expression in: 1) Compared with the ordinary prodcessing industry, the proportion of such basic industries as energy, transport, and raw materials and infrastructure in the total investment is rather small. 2) Compared with nonproductive investment, the proportion of productive investment is rather small, which adversely affects the sustained economic growth. 3) Compared with investment in capital construction, although investment in technological transformation has increased a little, the results have not been unsatisfactory. 4) The proportion of civil engineering in the investment in capital construction is too big. Although the state has taken steps (such as taxation) to restrict it, there has not been a tangible result. This has considerably contributed to a delay in the completion of construction projects.

Investment in capital construction accounts for a fairly large proportion of the overall investment. To improve the investment pattern, it is necessary to bring the scope of investment in capital construction under control and to adjust the investment pattern of capital construction. Our experience shows that the key to adjusting the capital construction pattern lies in making rational arrangements for construction projects. First, we should sort out the projects under construction and second, we should strictly control the number of new projects. In this way we can use our limited financial and material resoruces in projects yielding better economic results and urgently needed by the state. We can also organize our construction projects according to rational time limits to ensure their completion and commissioning on schedule, thus improving the investment results.

4. Macroeconomic Regulatory Mechanisms

The first macroeconomic regulatory mechanism is the planning mechanism. A basic balance between aggregate supply and aggregate demand can be achieved through a planned balance of finance, credit, goods and materials the market, and foreign exchange. In the course of our economic activities, the dynamic equilibrium between aggregate supply and aggregate demand should also be adjusted through the planning mechanism as a whole. It is even more necessary for us to apply the planning mechanism in determining the growth rate of the national economy, guiding the consumption pattern, adjusting the production structure and the investment pattern, determining the development orientation of science and technology, and coordinating the development of the economy and society. Naturally, in order to bring into proper play the role of the planning mechanism, it is necessary to attach full importance to the market role, to integrate direct with indirect regulation, and to gradually make a transition to the predominence of indirect regulation. The planning mechanism is, after all, a principal means of macroeconomic regulation. Other macroeconomic regulatory mecahnisms should coordinate with it and gradually develop into a perfect and sound macroeconomic regulatory system.

As a macroeconomic regulatory mechanism, the planning mechanism primarily relies on mandatory planning and guidance planning to give scope to its role. Reducing the scope of mandatory planning is not the responsibility of the planning organ at the central level alone. The local authorities and departments should also reduce the scope of mandatory planning issued to enterprises. In practicing mandatory planning, is necessary to study how we can make the enterprises willingly accept mandatory plans. Beside persisting in the practice of who should issue mandatory plans and who is responsible for balancing and linking major production conditions, we should also try to allow the enterprises which manufacture products according to mandatory plans to reap proper benefits. For this reason, the prices should be appropriately set and the supply of energy and raw materials should be guaranteed. Moreover, it is necessary to stress the inviolability of mandatory planning and to ensure its fulfillment. The key to implementing guidance planning lies in its guidance role. Guidance planning should be managed and balanced at different levels. The state should give priority to and support the production of urgently needed goods with the materials, funds, and foreign exchange at its disposal. It should also gradually place guidance planning on the basis of economic contracts in order to stabilize the relations of cooperation and to ensure the implementation of the plans. With regard to those products which are vital to the national economy and the people's livelihood and for which there is a fairly notable contradiction between supply and demand, it is necessary to set floating prices. The enterprises should carry out production and operations in a flexible and vigorous manner. They should also be guided to fulfill the state plans and to meet the market needs.

The second macroeconomic regulatory mechanism is finance and credit. They serve as two gates for macroeconomic regulation and are important levers for regulating aggregate supply and aggregate demand, bringing the investment scope under control, and adjusting the investment pattern. Bringing into play the role of finance and credit in regulating the macroeconomy must be based on the state plans and closely integrate with the planning mechanism. Bank credit is an example. The banks must observe the credit plan formulated by the state. The plan for investment in fixed assets serves as an important basis for the banks in bringing investment scope under control and holding on to the investment orientation.

In short, it is necessary to pull planning, finance, and bank credit together in order to fulfill the targest of the macroeconomic plan more satisfactorily.

The third macroeconomic regulatory mechanism is the market mechanism. The most important market mechanism is prices. Bringing into play the role of the market mechanism is, in the final analysis, bringing into play the regulatory role of prices. To apply the market mechanism in macroeconomic regulation, it is necessary to distinguish between different circumstances: it is necessary to distinguish between different circumstances: if we use prices to regulate the supply of and the demand for products that have a short production cycle and are in short supply, the result will be quite remarkable. If we use prices to regulate the supply of and the demand for products that have a long production cycle and are in short supply, the result will not be instantaneous. In regulating the relations between the supply of and demand for the latter products, it is even more necessary to apply the price mechanism in coordination with the planning mechanism. With regard to products which are in short supply as a result of the irrational distribution of resource, prices can play a bigger regulatory role.

The role of the market mechanism will gradually increase with the expansion of horizontal economic ties. Developing horizontal economic ties is the trend of the times and an objective demand of the planned commodity economy. In developing horizontal economic ties we can not only make up for the deficies of planning mechanism but also smash the trammels of departments and regions at different levels and further expose the contradictions in the existing structure, thus pointing out the specific direction for the reform. Naturally, in developing horozintal economic ties and bringing into play the role of the market mechanism, we do not exclude or weaken macroeconomic management through planning but raise new problems for the application of planning mechanism, such as how to manage investment in the course of developing horizontal economic ties so as not to exceed the fixed assets investment plan laid down by the state, how to do a good job of the comprehensive balance so as to avoid duplicate construction, and how to regulate the distribution of profits so that the sources of raw materials can derive benefits. We should pay close attention to the development of horizontal economic ties, study and solve new problems in the new structure, and strive to improve the macroeconomic regulatory measures in order to carry the reform to a new stage of development.

RENMIN RIBAO ON MACROECONOMIC MANAGEMENT

HK240750 Beijing RENMIN RIBAO in Chinese 18 Apr 86 p 5

[Article by Wang Zhuo: "An Important Question in Macroeconomic Management"]

[Text] A major problem that we should solve in conducting our macroecononic management is to persist in striking a balance of the distribution of our national income and eliminate excessive distribution of our national income. In order to eliminate excessive distribution of our national income, it is necessary to find out in which links in the distribution of our national income and excessive distribution has taken place, and then take suitable measures to overcome it. Only by so doing can our efforts be fruitful. Judging by the situation in our country, the excessive distribution of our national income has mainly taken place in the following links:

1. Financial deficit. We obstinately wanted to do things beyond our limited financial resources and incurred a financial deficit to make up for the shortage of funds. This kind of financial deficit is a direct reflection of the excessive distribution of our national income.

2. Abnormal phenomena in the spheres of production and circulation has given rise to nominal revenue and actual expenditure for our finance. For example, in our production, waste and defective products produced by our industrial enterprises; products that have to be sold at reduced prices; the stock of components; parts, machinery and equipment that cannot be used; and bad debts have not been quickly taken into account to reduce the figure of our profits. As a result, some of our tax payments and profit delivery are based on overrated profits, but they are paid to the state's exchequer as real ones. However, as soon as they are paid, the state regards them as real revenue and takes them into consideration in arranging its expenditure. For another example, in our sphere of circulation, after an industrial enterprise has fulfilled its planned target for output value and sold its products to commercial enterprises, some of the products may be unmarketable and stockpiled in the warehouses of the commercial enterprises. As a result, their value cannot be realized. From the point of view of the industrial enterprise, its products have already been sold to the commercial enterprises and it has correspondingly paid taxes and delivered profits to the state. Therefore, the tax payments and profit delivery that our finance receives from an industrial enterprise on its unmarketable products is not real either. If this revenue is used for our financial expenditure, it will give rise to excessive distribution of our national income.

3. When prices rise, our enterprises can sell at higher prices raw materials they purchased or stored before the price rise and correspondingly increase their profits. However, this increase in profits is due to the fact that we have not raised the prices of the raw materials in our stock that were purchased at lower prices. From a macroeconomic point of view, the profits caused by such price rises are not real. When a portion of these profits is paid to our finance in the form of taxes and profit delivery, it gives rise to nominal revenue and actual expenditure and thus to excessive distribution of our national income.

4. Our bank issues currency as a source of loans for the purchase of agricultural and sideline products. In the 1950's when we had no money to purchase agricultural and sideline products, we issued banknotes and purchased materials and goods with these, but when the materials and goods were sold we would withdraw the banknotes. Moreover, as the value of the agricultural and sideline products rose after we processed them, we could withdraw more banknotes than we had issued; therefore, this would not give rise to inflation or excessive distribution of our national income. Things have, however, changed in the past few years. There have been bumper harvests and the stock of our agricultural and sideline products has increased, but the state has no corresponding reserve of funds for the increase in the stock of agricultural products. Therefore, there is no corresponding amount of commodities to withdraw a portion of the banknotes that we have issued for the purchases of agricultural and sideline products. A portion of the banknotes for which there are no commodities to withdraw are in the hands of our peasants, which can have a shocking impact on our market at any time; another portion of the banknotes has been deposited in our banks and lended by them to their customers and thus given rise to excessive expansion of demand. This is also a kind of excessive distribution of our national income.

5. We have issued excessive currency (in other words, noneconomic issuance of currency). On the one hand, there has been financial issuance of currency caused by our financial deficit; on the other hand, there has been the issuance of currency to make up the shortage of funds for loans, some of which has been invested in fixed assets. The latter kind of excessive issuance of currency may also give rise to excessive distribution of our national income.

6. Derivative deposits have caused excessive credit has also been a cause for excessive scale of lending. Expansion of credit has also been a cause for excessive distribution of our national income.

In short, under these circumstances, a fairly large portion of our national income is overstated. If we do not make an analysis of this and uphold that we spend as much as the revenue we collect, we may give rise to excessive distribution of our national income. Therefore, the state must exercise proper control over its spending. In order to avoid excessive distribution of our national income, we should not spend as much as we have according to the amount of revenue in our account book. In the past, we mainly adopted administrative means to control our spending and failed to pay enough attention to the overstatement of our national income. In the future, we must adopt the method of eliminating overstatement of our financial resources in order to overcome the abovementioned loopholes that cause excessive distribution of our national income and in order to ensure that there is a guarantee of the corresponding supply of materials and goods for every sum we spend. Only under this precondition can we implement the principle of doing as many things as our funds allow.

In order to achieve funds balance and in order to improve and intensify our macroeconomic management, we must grasp the following three aspects of our work: First, we should regulate the distribution of our national income through the mechanism of funds regulation and thus achieve a balance of funds. Funds balance consists of balance of financial funds, balance of credit funds, balance of foreign payments, and an overall balance of the three. In order to achieve this balance, we must persist in controlling our expenditure within the scope allowed by our revenue so that when we get more revenue, we can spend more, but when we get less revenue, we must spend less. We should not draw up a plan in which the budget expenditure exceeds the budget revenue and which thus causes excessive distribution of our national income.

Second, we should control our macroeconomic decisions in accordance with the principle of funds balance. In making any macroeconomic decision that requires spending of money, in the main the decision about the scale of investment in our fixed assets, we must observe the principle of funds balance no matter how urgently we need the spending from a long- or short-term point of view. We should not adopt the method of excessive distribution or our national income in order to pursue high accumulation, high input, and high growth rate. At the same time, concerning our system, we can consider the method of substituting control over financial resources for control by planned targets in controlling the scale of investment in fixed assets.

Third, we should implement a multilayer funds balance management system, in other words, a management system in which each unit "eats out of a separate kitchen" and is responsible for its own balance under the guidance of the state's policies and plans. The governments at various levels each collects its own revenue and manage its own spending at its respective level of macroeconomic management. By so doing, we will have the mechanism of demand self-readjustment as well as that of development self-readjustment. This also means that we should implement a management system in which all levels of government, central or local, control their expenditures within the scope allowed by their revenue. Only by so doing can we thoroughly cure the obstinate illness of excessive expansion of demand, which repeatedly emerged under our old system, and can we provide fundamental preconditions for the reform in our price system.

OFFICIALS TO GET MODERN AGRICULTURE TRAINING

OW220928 Beijing XINHUA in English 0701 GMT 22 Apr 86

[Text] Beijing, April 22 (XINHUA) -- All officials responsible for agricultural development at and above country level will be trained in the management of modern agriculture and rural commodity economy in about three years, beginning this year.

A circular issued recently by the Organization Department of the Chinese Communist Party Central Committee and the Ministry of Agriculture, Animal Husbandry and Fisheries described the comprehensive training of rural officials as a "pressing task" of strategic importance. The subjects taught include management science, rural commodity economy, management of rural industrial enterprises, agricultural systems engineering and computer science. The training will be conducive to their understanding of the overall economic situation, thus accelerating rural economic development and pushing ahead the economic reforms, the circular says.

Only a small number of officials at and above the county level have received systematic training in modern agricultural management, though more than 190,000 younger professionals have been promoted to leading posts in the past few years, The circular notes. Most of the newly promoted people were technical, scientific and educational personnel. The branches of the central institute for agricultural management officials in all the provinces, municipalities and autonomous regions have run many such training courses since the latter half of last year.

ZHAO ZIYANG VISITS SHANGHAI PLANTS, SCIENCE UNIT

OW160428 Beijing XINHUA Domestic Service in Chinese 0755 GMT 15 Apr 86

[By reporter Chen Maodi]

[Text] Shanghai, 15 April (XINHUA) -- During a recent visit to Shanghai's factories and science research institute, Premier Zhao Ziyang of the State Council expressed gratification with Shanghai's achievements in economic construction and science research during the Sixth 5-Year Plan, and urged workers and science researchers, to to carry out reform thoroughly, scale the peak of science courageously, and work hard for the implementation of the Seventh 5-Year Plan.

Premier Zhao Ziyang arrived at the Shanghai petrochemical plant beside Hangzhou Wan directly via the Shanghai-Hangzhou highway, after concluding a visit to Zhejiang Province. That morning, in the warm sunshine, a springtime atmosphere pervaded the "petrochemical town." Accompanied by Shanghai Municipal CPC Committee Secretary Rui Xingwen, Premier Zhao visited the spinning workshop of the no 2 polyester fiber plant. The place had been an expanse of barren, alkaline land when Premier Zhao first visited the Shanghai petrochemical plant in July 1981. Today magnificent factory buildings have sprung up, and a Chinese-made short polyester fiber production line, with a production line, with a capacity of 15,000 metric tons, is running around the clock. After watching with rapt attention the whole production process of the line, Premier Zhao asked with a note of concern, "Are the designs of these facilities finalized? Can they replace their foreign counterparts ?"

Zhou Dakui, chief engineer of the Shanghai petrochemical plant, replied: "after more improvements, they can replace their foreign counterparts." On hearing this, Premier Zhao exclaimed: "Good!" Afterwards, Premier Zhao proceeded by car to the newly-built industrial chemicals wharf. More than 100 freighters have docked at this modernized industrial chemicals wharf, which has two berths in the 5,000-metric ton range, and over $500 million in foreign exchange have been earned since the wharf was put to use at the end of 1984. Premier Zhao surefootedly stepped onto a high spot on the wharf to take a look at Hangzhou Wan to the south and the "petrochemical town" to the north. When told that foreign vessels can now reach here directly from Wusong Kou to unload their cargoes, and that cargo backlogs have thus been reduced, Premier Zhao said approvingly: "The wharf serves a good purpose. It offers much convenience."

Premier Zhao also heard reports on the construction of the second-stage project and the preparations for the third-stage projects of the Shanghai petrochemical plant and voiced his views on how to use foreign bunds and import equipment.

In the afternoon, Premier Zhao inspected the Shanghai boiler plant, the Shanghai heavy-duty machinery plant, the Shanghai electrical machinery plant, and the Shanghai steam turbine plant in the Minhang industrial development zone. He listened attentively to the leading cadres and technicians of these four plants as they spoke on how to expedite the development of China's power station, especially nuclear power station facilities. Premier Zhao urged them to fully exploit Shanghai's advantages in manufacturing power station facilities and compete with their counterparts in other parts of China to produce larger-capacity nuclear power station facilities. He emphatically noted: In order to boost competitiveness, it is necessary to improve product quality, eliminate or reduce reliance on the state for funds or foreign exchange, lower product prices, deliver the goods on schedule, and render fine service to customers.

The following morning, Premier Zhao visited the Chinese Academy of Sciences' Shanghai silicate research institute. As he viewed the products displayed in the institute's showroom, he was primed with relevant information. Bismuth germanate [she suan bi 7926 6808 6940] crystal is a substance for detecting high-energy particles and is widely used in high-energy physics, radiology, nuclear physics, geology, and petroleum exploration. The bismuth germanate crystal developed by the Shanghai slicate research institute is the world's longest and most even in structure. This has enabled China to lead the world in research on bismuth germanate crystals. After extending heartfelt congratulations on this great achievement, Premier Zhao learned with great interest and in great detail about research on the use of heat-resistant ceramics in motors. He stated: Since the application of motor-use ceramics is rewarding, and research on ceramics falls under the scope of new technological revolution, it is necessary to develop the best-quality ceramic substance for use in motors at an early date by rallying the relevant research forces, coordinating the institute's internal and external efforts, and repeatedly conducting experiments in a dauntless spirit.

While in Shanghai, Premier Zhao Ziyang also visited the newly-built knitting mill and the Sino-U.S. joint enterprise of the Shanghai-(Foxboro) Co., Ltd.

Huang Yicheng and Lin Zongtang, respectively vice ministers in charge of the State Planning Commission and the State Economic Commission, accompanied Premier Zhao on the inspection tour.

FUJIAN OFFICIAL PUNISHED FOR ABUSING AUTHORITY

OW250449 Fuzhou Fujian Provincial Service in Mandarin 1130 GMT 23 Apr 86

[Text] (Li Kezhong), former Standing Committee member of the Sanming City CPC Committee in Fujian, used his authority to help his son procure rolled steel, which had serious consequences. The Sanming City Economic Commission recently gave (Li Kezhong) a disciplinary warning. In this connection, the Fujian Provincial Discipline Inspection Commission recently issued a province-wide circular.

In October 1984, (Li Jian), son of (Li Kezhong), produced a letter of introduction -- the validity of which had expired -- from the Quanzhou City Construction Company, and bought a total of 42.65 tons of steel ingots with the approval of his father (Li Kezhong). (Li Jian) made a profit of more than 6,000 yuan by processing the ingots into 32 tons of rolled steel. Later he was sentenced to 3 years and 6 months in prison by a judicial organ.

The circular of the provincial Discipline Inspection Commission said: As a party member and a leading cadre, Comrade (Li Kezhong) used his authority and position to help his son carry out illegal activities, which had serious consequences. The circular pointed out: Right now, a handful of our cadres are turning a deaf ear to the illegal activities of their sons and daughters and letting them have their own ways. Some of them are even deliberately covering up the crimes committed by their sons and daughters. The provincial Discipline Inspection Commission called on the party committees and the discipline inspection commissions at all levels to carefully check cases that involve leading cadres using their authority to help their sons, daughters and spouses illegally buy or sell merchandise or smuggle goods to reap staggering profits, or to offer or accept bribes. Thorough investigations must be carried out from beginning to end, and all cases be seriously handled. It is not only necessary to pursue the liability of those who have violated law and discipline, but also investigate and affix the responsibility of the relevant party organization and personnel.

JIANGXI DEPUTY SECRETARY ON PARTY RECTIFICATION

OW241421 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 21 Apr 86

[Excerpts] Xu Qin, deputy secretary of the Jiangxi Provincial Party Committee and deputy leader of the group for guiding party rectification work of the provincial party committee, held a forum in Yiyang County from 18 to 19 April to learn about the situation of rural party rectification. He carried out a special investigation on the situation of party rectification in Chengfang Township in Yanshan County, Geyuan Township in Hengfend County, and Lieqiao Township in Yiyang County. He joined responsible comrades of party committees of the three counties in studying ways to do a still better job in rural party rectification. Xin Qin pointed out that based on the current situation in township-level party rectification and in view of the tasks facing the entire rural party rectification campaign, party organs at the county and township levels must do well in four aspects:

First, they must do well in township-level party rectification from the start to finish. Four requirements must be met in the township-level party rectification in the entire province: 1) education in party spirit and goals has been effectively carried out to enhance the party members' consciousness; 2) education in the party's current rural policy has been widely promoted, thereby deepening the reform; 3) major problems have been resolved to bring about a change for the better in party style; and 4) the ideological level and leadership ability of leading bodies have been enhanced, and a transition from stressing only production to emphasizing management and service has also been achieved.

Second, do a good job in preparing for the township-level party rectification. Third, attention must be paid to correctly understanding the policy. During the township-level party rectification, it is necessary to master the policy. On the one hand, problems must be solved, while on the other hand, enthusiasm of the grass root cadres must be protected to facilitate development of the reform. Fourth, it is necessary to strengthen leadership over township-level party rectification. 1) It is necessary to draw upon experience gained in major points. 2) It is necessary to pay attention to training key personnel. 3) It is necessary to publicize typical cases.

RUI XINGWEN ATTENDS SHANGHAI CPPCC MEETING

OW250035 Shanghai City Service in Mandarin 0100 GMT 23 Apr 86

[Excerpts] The Fifth Meeting of the Sixth Shanghai Municipal CPPCC Committee was ceremoniously held at the Fuxing Park Theater this morning. Li Guohao, chairman of the municipal CPPCC committee, presided. Also seated at the rostrum were vice chairmen of the municipal CPPCC Committee Mao Jingquan, Yang Shifa, Yang Kai, Zhao Chaogou, Xu Yifang, Ye Shuhua, Tang Junyuan, Dong Yinchu, Wu Wenqi, Zhou Bi, and Zhang Ruifang. Officials of the municipal CPC Committee, the municipal advisory commission, the municipal planning commission, the municipal People's Congress Standing Committee, and PLA units stationed in Shanghai, Rui Xingwen, Jiang Zemin, Huang Ju, Chen Guodong, Hu Lijiao, Wang Daohan, Zhang Dinghong, (Ping Changqi), (Fen Xinghong), Ni Tianzeng, and Xie Lijuan, attended the meeting. Liu Jingji, vice chairman of the CPPCC National Committee also attended the opening ceremony. The Standing Committee members of the municipal CPPCC Committee were also seated at the rostrum. Chairman Li Guohao delivered an opening speech.

Entrusted by the Standing Committee of the municipal CPPCC Committee, Vice Chairwoman Ye Shuhua made a work report at the meeting. She said that the central tasks in 1986 are to earnestly study and actively carry out the guidelines of the Fourth Session of the Sixth NPC and the Fourth Session of the Sixth CPPCC National Committee, and of the Fifth Municipal Party Congress. In order to accomplish the Seventh 5-Year Plan, we must do a good job in carrying out reforms, the open policy, and the revitalization of Shanghai. We must also make contributions to promoting the reunification of the motherland.

Vice Chairman Yang Kai made a report on the handling of motions since the Third Meeting of the Sixth Municipal CPPCC Committee. The CPPCC members heard a report by Vice Chairwoman Zhang Ruifang on the guidelines of the Fourth Session of the Sixth CPPCC National Committee. The meeting also adopted a resolution approving the resignations of eight Standing Committee members of the municipal CPPCC Committee.

SHANGHAI LAUNCHES GRASS ROOTS PARTY RECTIFICATION

OW241341 Shanghai JIEFANG RIBAO in Chinese 18 Apr 86 p 1

[By reporter Zhang Jian]

[Excerpts] Shanghai has launched a large-scale grass root party rectification campaign involving over 6,000 grass root party organs and 220,000 party members. The campaign, the largest of its kind since the party rectification was first launched in 1983, is an important one. Success in party rectification in these units (second batch in the second stage) is a key link in fulfilling the task of all-round party rectification. A few days ago, a responsible person of the municipal office for party rectification talked to this reporter on the peculiarities of units involved in the current rectification campaign and the requirements of rectification.

The responsible person said that the current batch of units undergoing party rectification can generally be classified into three groups. In the first group are the village and township organs, which shoulder the important tasks of developing the rural economy, organizing social activities, and building up the political power and the spiritual civilization, and are hence a very important tier of leadership in the rural areas. Included in the second group are large and medium-size backbone enterprises and scientific research and professional units, which are directly related to the implementation of scientific research, economic, and production plans under the Seventh 5-Year Plan. The third group consists of middle and primary schools, hospitals, small factories and shops, and other service units scattered in every corner of the society.

The responsible person said that based on the actual situation in grass root party rectification, the second batch of units in the second stage of party rectification are required to achieve distinct results in the following three aspects: Distinct results must be achieved in education in party spirit. They must integrate education in party spirit with that in the current situation, policy, and reform. One's attitude toward the current reform is a test of one's party spirit; and the ideal of a party member is to have faith in the reform. While actively joining in the reform, all party members, particularly party-member cadres and members of leading bodies, must resist corrosion by the bourgeoisie's decadent ideas, strengthen their party spirit, and bring into play the vanguard and model role of a communist.

Distinct results must be achieved in correcting the party style. 1) It is necessary to regard correcting the party style as a very important task. While carrying out party rectification, each and every unit must show a marked improvement in its party style and strive to bring about a fundamental change for the better in party style. 2) It is necessary to really improve relations between cadres and the masses. Party-member cadres must never abuse their authority for personal gain, compete with the masses for profit, or encroach on the interests of the masses, particularly in housing and bonus distribution, wages, and promotion. Instead, they must strictly enforce regulations and educate the masses with their own model deeds. 3) It is necessary to persist in the policy of correcting mistakes while carrying out party rectification and make a genuine effort to solve problems which anger the masses most and which are really urgent. 4) It is necessary to achieve breakthroughs in investigating and handling specific cases, particularly important and key cases.

Distinct results must be achieved in enhancing the level of the contingent of party members, particularly the quality of the cadre contingent. Every party member must make strict demands on himself in accordance with the standards for a party member and play a vanguard and model role.

The responsible person said that during party rectification, it is necessary to strictly follow the mass line. At the beginning of each party rectification phase, the campaign must be publicly announced. During each phase of the campaign, the masses must be informed of the situation by various means to let them understand the situation. The masses' views concerning the rectification and on correcting mistakes must be attentively listened to. At the end of the rectification campaign, mass forums, including forums of social departments directly related to the campaign, must be held to hear their views, consolidate and carry forward the achievements of party rectification, and correct deficiencies. Concerning problems uncovered during the grass root party rectification, higher authorities must improve their leadership work, style, and method on their own initiative and solve problems encountered in structural reform and in implementing the policy.

HEILONGJIANG RELAXES ECONOMIC COOPERATION POLICIES

SK220815 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 21 Apr 86

[Text] At today's provincial conference on the economic structural reform, Governor Hou Jie pointed out: This year, our province will regard great lateral economic cooperation as the focal point of the economic structural reform, and will relax the policies in six fields to promote such cooperation.

First, we will relax the policies on investment. Within the prescribed scale of fixed assets investment, our province will set aside a certain amount of money every year, which will be increased year after year, to be used as subsidies for cooperation in the production of products. From now on, no new project will be started as long as the supply of products can satisfy demands through lateral cooperation.

Second, we will relax the policies on tax collection. No duplicate taxes on the products produced by the units of economic associations will be levied by tax departments any more, joint ventures will repay their loans and share their profits before paying taxes, and no taxes will be levied on the raw materials which are distributed among the units of the associations and which are not for sale.

Third, we will relax the policies on finance. Finance departments should actively support the development of economic cooperation with funds, coordinate with enterprises to do a good job in fund collection and movement of capital, allow interregional, intertrade, and interdepartmental use of the fixed assets investment, and loans used as circulating funds should be increased for the newly expanded production capacity of an association.

Fourth, we will relax the policies on industrial and commercial administration. Newly organized associations are permitted to make registration, and enterprises which join the associations are permitted to register as branch plants.

Fifth, the authority to examine and approve economic associations will be clearly defined. Economic associations should be categorized in a unified manner according to their trades, and should be examined and approved by the economic coordination departments of the areas where they belong.

Sixth, we will relax the policies on economic transportation. Railway and transportation departments should include in their plans and make active arrangements for the transportation of the materials needed in the cooperation of the units which carry out cooperation, and the products to be mutually supplied by the units of the associations. Other departments, such as planning, statistical, supplies, financial, price, and industrial and commercial departments, should formulate provisional administrative regulations in line with the actual situation of our province to provide convenience and services to the production and operation of economic associations.

LIAONING: DALIAN CPC NOTES SERIOUS ECONOMIC CRIME

SK230524 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 22 Apr 86

[Text] The Discipline Inspection Commission of the Dalian City CPC Committee circulated a notice today on respectively inflicting severe punishment on 22 party and government cadres who acquiesced in, supported, connived, or engaged in serious economic criminal activities relating to (Liu Yueshan), general manager of the Dalian Beifang Limited Company.

(Liu Yueshan), general manager of the Dalian Beifang Limited Company, had been sentenced to 10 years' imprisonment for joining two counterrevolutionary groups and plotting to escape to other places in groups. After having been released upon completion of the sentence, he seized the opportunity of conducting reform to gain a business licence by falsely reporting to the relevant units that he had funds to run a business, and then organized an individual owned company to engage in speculation and swindling activities. He reaped staggering profits, totaling 872,000 yuan, by illegally buying and selling materials scrapped by the state.

(Liu Yueshan) adopted the means of using money to buy power, and drew over to his side more than 20 party and government cadres by giving gifts and bribes, totaling 100,000 yuan, to them. He lured these cadres by arranging full-time or part-time jobs with high salaries for their relatives, lending cadres money to buy shares, and sending cadres' children to university with his own money. Thus, these party and government cadres went all out to work for him. Some party and government cadres who forgot their integrity under the temptation of personal gain intentionally revealed information to him, and helped him find ways to engage in speculation and profiteering.

With these cadres' assistance, he fished for a huge sum of loans. After his plots were exposed, some cadres even masterminded schemes for him, to the neglect of party discipline and state law. As a result, they brought about obstacles and damage to work in other fields.

So far, this case has been thoroughly investigated and (Liu Yueshan) has been arrested. Four party and government cadres who shielded (Liu Yueshan's) criminal activities were respectively expelled from the party, removed from their posts, arrested according to the law, and held in custody. Twelve party-member cadres and six nonparty cadres who supported, connived with, and themselves engaged in illegal criminal activities were respectively punished according to party and administrative discipline.

NORTHEAST ECONOMIC ZONE HOLDS JOINT CONFERENCE

Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 23 Apr 86

[Text] A joint conference participated in by the mayors of four cities in the three northeastern provinces -- Shenyang and Dalian Cities, Liaoning Province; Changchun City, Jilin Province; and Harbin City, Heilongjiang Province -- and by the mayor of Chifeng City, Nei Nonggol Autonomous Region, as well as by the heads of three leagues in Nei Monggol Authonomous Region -- Jirem, Xingan, and Hulun Buir Leagues -- opened in Shenyang City on 23 April.

The five cities and three leagues are under the jurisdiction of the northeast economic zone. The joint conference is aimed at further carrying out cooperation and coordination on precision technology, enhancing lateral economic associations, and better bringing into play the economic role of the central cities in order to accelerate the pace of developing and building the minority areas and to promote the fulfillment of the strategic targets of the northeast economic zone, which were set for economic development.

Attending the joint conference were leading comrades from the State Economic Commission, the State Commission for Restructing the Economic System, the planning office of the northeast economic zone, and the provincial People's Government.

QINGHAI PEOPLE'S CONGRESS SESSION OPENS 23 APR

HK240155 Xining Qinghai Provincial Service in Mandarin 2330 GMT 23 Apr 86

[Excerpts] The Fourth Session of the Sixth Provincial People's Congress opened in Xining on 23 April. The opening ceremony was attended by responsible comrades of the party, government, and Army in the province including Yin Kesheng, Song Ruixiang, Han Yingxuan, Zhao Haifeng, and Shen Ling; and Zhang Guosheng, member of the CPPCC Standing Committee. Song Lin presided at the ceremony.

Xabchung Garbo delivered a report conveying the spirit of the Fourth Session of the Sixth NPC. The report was in three parts: 1) outline of proceedings at the session; 2) the Seventh 5-Year Plan; 3) the situation in wage and price reforms and in financial and foreign trade work.

The session held its second full gathering in the afternoon. Song Lin presided. Governor Song Ruixiang delivered a report on the draft for the province's seventh 5-year national economic and social development plan. The report was in four parts: 1) on the implementation of the Sixth 5-Year Plan; 2) the basic guiding principles and main tasks of the Seventh 5-Year Plan; 3) economic structural reform during the Seventh 5-Year Plan; 4) take a thoroughly sound first step in the Seventh 5-Year Plan.

He said that the strategic idea on economic development in Qinghai during the Seventh 5-Year Plan is to reform, open up, eliminate poverty, make the people rich, exploit resources, and prepare for the shift. He called on the people of all nationalities in the province and the cadres, workers, peasants, herdsmen, intellectuals, PLA commanders and fighters, public security cadres and policemen, the democratic parties, mass organizations, and non-party democratic figures, and all laborers and patriots who love the socialist motherland to carry forward the spirit of the foolish old man and actively plunge into the great practice of the Seventh 5-Year Plan under the correct leadership of the CPC. They should translate the blueprint of the plan into reality.

Governor Song Ruixiang pointed out in his report that during the Sixth 5-Year Plan, under the leadership of the CPC Central Committee, the State Council, and the Qinghai Provincial CPC Committee, the government at all levels seriously implemented the line, principles, and policies since the 3d Plenary Session of the 11th CPC Central Committee. Thanks to the hard work of the people of all nationalities, we victoriously accomplished the Sixth 5-Year Plan. This was one of the best periods of vigorous economic and social development in Qinghai since the founding of the country.

He said that during the period of the plan, total social output value rose at an annual average of 8 percent, industrial and agricultural output value rose at an annual average of 6.3 percent, and national income rose at an annual average of 6.3 percent, and national income rose at an annual average of 8.1 percent. These figures were all higher than those for the Fifth 5-Year Plan.

SHAANXI: EXAMINING CADRES' POLITICAL QUALITIES URGED

HK230237 Xian Shaanxi Provincial Service in Mandarin 0200 GMT 23 Apr 86

[Text] Issue No 4 of ZHIBU SHENGHUO [PARTY BRANCH LIFE] carries a commentary entitled "It Is Essential To Seriously Examine People's Political Qualities when Appointing Them." The articles says that we must pay attention to political qualities when selecting cadres. This is a principle long ago laid down by the Central Committee for appointing cadres to posts. However, some places and units fail to seriously examine cadres' political qualities when appointing them.

Some cadres, not long after promotion, use their powers to engage in malpractices, and some are retained in important posts even though they violate law and discipline. It is therefore, essential to stress that in selecting cadres in the future, we must unswervingly practice the principle of ability and political integrety and seriously examine their political qualities. There must not be the slightest slackness or muddled thinking in this respect.

SHAANXI DEFENSE INDUSTRY PRODUCTION TO BE SHIFTED

HK240159 Xian Shaanxi Provincial Service in Mandarin 0030 GMT 24 Apr 86

[Excerpts] A provincial conference on switching the defense industry to producing civilian goods while ensuring defense needs opened in Xian yesterday. The main tasks of the meeting are to implement the instructions of the central authorities on establishing a new setup integrating defense and civilian production and to organize lateral ties between defense industry enterprises and between defense and civilian enterprises, centered on developing and producing civilian goods, so as to take full advantage of the strong points in technology and talent in the province's defense industry system and contribute to stimulating the province's economy.

Vice Governor Zeng Shenda pointed out in a speech at the opening of the meeting that in recent years the defense industry enterprises and research units in Shaanxi have done a lot of work in developing civilian production and in promoting lateral ties with civilian enterprises. The momentum of this development is good. However, we are still far from taking full advantage of the strong points of the defense industry system. The economic indices in this system lag behind those in the civilian industries. The fixed assets and the number of staff and workers in the defense industry system respectively account for 25 percent and 20 percent of the totals for enterprises under ownership by the whole people in Shaanxi, but the output value of the system accounts for less than 10 percent of the total. Output value per 100 yuan of original investment in fixed assets is two-thirds less than in local enterprises, while the profit and tax per 100 yuan of output value is only half the provincial average.

Analyzing the reasons for these discrepancies, Zeng Shenda said: Due to the closed-style production operations systems which has been followed over a long period, plus the influence of traditional concepts, the defense industry enterprises are still shackled by the conventions of "large and complete" or "small and complete." They have been unable to get going in promoting lateral ties with local civilian enterprises, and their development of civilian goods output does not meet requirements.

Zeng Shenda pointed out that developing lateral ties is the essential way to follow in order to implement the principle of integrating defense and civilian production. The defense industry system must eliminate the concept of ownership by departments, in which central departments are separated from the localities, streamline the administration and delegate powers to the enterprises, and create conditions in every way for the enterprise to promote lateral ties.

The Xian Aircraft Manufacturing Company, the state-owned 262 plant, and the 210 research center of the Ministry of Astronautics introduced their experiences in developing civilian production and promoting lateral economic ties. Vice Governor Zhang Bin presided at the conference.

TA KUNG PAO ANALYZES RESULTS OF U.S. RAID ON LIBYA

HK241015 Hong Kong TA KUNG PAO in English 24-30 Apr 86 p 2

["The Past Week" column]

[Text] The Libyan Crisis

Has the US air strike on Libya succeeded in bringing 'closer a safer and more secure world for decent men and women,' as President Ronald Reagan assured his fellow Americans? The string of terrorist hits and threats during the attacks in strife-torn Lebanon, the Sudan, Nigeria, the American base on the island of Lampedusa south of Sicily, at London's Heathrow Airport, and even the high seat of the UN Security Council, confirmed worldwide fears to the contrary.

Having failed to bring 'the mad dog of the Mideast' (an acrimonious sobriquet bestowed by President Reagan on Colonel Mu'ammar al-Qadhdhafi) to terms, Washington is prepared to strike a third time. Coming from US Vice-President George Bush, the warning echoes the statement issued by President Reagan on the morning after US F-111 bombers destroyed [his] headquarters and house in Tripoli and the Libyan missile base at Benghazi that 'if necessary we'll do it again'.

Indeed, what worries the world at large, except for the three or four countries which conspicuously supported the recent US shows of military might, is exactly whether a third or even a fourth punitive attack on Libya would make the world safer and more secure as hoped. Certainly, the cries of vengeance from the Arab world do not attest to this. Stronger Muslim Arab countries like Iran and Syria will not pass off injuries done to their brother Al-Qadhdhafi with their eyes shut, and then who knows what might happen to other disco clubs frequented by US servicemen in Europe or the American and British hostages still held in Lebanon.

The 15 April raid on Libya sparked the greatest post-war wave of anti-American protests in Europe. Even in Britain, the only European country to sanction the US raid, Conservative backbenchers joined the opposition in reproaching Prime Minister Margaret Thatcher for allowing President Reagan to use US bases in UK as a springboard for his raid on Tripoli. Two former prime ministers, Conservative Edward Heath and former Labour leader James Callaghan, told the Iron Lady bluntly that they would have turned the US request down. An opinion poll showed that 66 percent of Britons were against the bombing of Libya and 71 percent considered Mrs Thacher's support of the US strike a misguided decision. It was widely felt that Britain's complicity in the US reprisal left Britons at home and abroad in peril.

However, it would be wrong to attribute Europe's reservations about the US raid to fear of terrorism alone as some US newspapers have alleged. Contrasting Mrs Thatcher's 'magnificent' stand with a 'fearful France', a hardline editorial published in the ASIAN WALL STREET JOURNAL even blamed the missing F-111 less on the 'Libyan defences' than 'the burdens imposed by the French decision' which denied airspace to the US fighter-bombers. In fact, the French decision was jointly made by Socialist President Mitterrand and Conservative Prime Minister Chirac.

The reasons behind the unpopularity in Western Europe of the US strike are much more complex than fear of international terrorism, although Europe stands as the most vulnerable victim in the vicious cycle of US-Libyan confrontation. More important considerations concern matters of principle and keeping the peace in Europe. Other reasons may be found in Europe's dependence on Libyan oil and the growing undercurrent of European unity against US control in defence as well as economic affairs.

Gorbachev's 'New Initiative'

If driving a wedge between Western Europe and the Soviet bloc was in the back of the mind of Mr Reagan's aides who planned the raid, the response from European capitals certainly showed little to indicate that European leaders are in a mood to oblige Washington's large interests in this respect.

In a typical statement over the weekend, Italian Prime Minister Craxi called on Libya to stop terrorism and the superpowers to begin a new era of peaceful negotiation. The call falls interestingly in line with the 'new initiative' unveiled by Soviet leader Mikhail S. Gorbachev at the East German Party Congress in which he called on the US and the Soviet Union to reduce their troops and tactical aircraft stationed in Europe. 'Do not believe the mere figments of the imagination about the aggressiveness of the Soviet Union!' he told the Congress. 'Never and under no circumstances will our country start a war against Western Europe if we and our alliance partners are not the object of an assault by NATO! I repeat: Never!'

It is true that the Soviet leader also said that the US air strike on Libya was part of a 'militaristic and aggressive' policy that could damage relations between the Soviet Union and the US. But the main thrust of the speech was unmistakably to keep the Soviet-US dialogue open.

Although this message was addressed to Washington, obviously, it is also meant to strike a concordant note in Western Europe. Judging this move against other proposals advanced by Moscow since Gorbachev assumed the top office, it is clear that the Soviet Union has made a major policy shift away from the longstanding Soviet-US confrontation. Other recent overtures from Moscow have been a unilateral moratorium on nuclear tests and a proposed summit meeting to discuss the reduction of nuclear armaments. Analysts note that this is dictated by the domestic economic reforms which Mr Gorbachev and his new men seem to be pushing in earnest.

The recent US raid on Libya has left Moscow with no choice but to call of the planned meeting of US and Soviet foreign ministers to discuss the date and agenda of the second Reagan-Gorbachev summit scheduled for this year. But this should not be construed as cancellation of the summit itself as arrangements can still be made via other avenues if indeed the shelved foreign ministers meeting is not mooted again at some future date.

Thus the ball is in Washington's court again in high Soviet-US diplomacy in which Mr Reagan has the options of either smiling back at Mr Gorbachev's recent overture, which seems unlikely or to continue unperturbed with his "stars war" program to keep the Soviet economy haplessly tied to the enormous but wasteful defence machine, which seems to be the more likely preoccupation of the American president. But for the present, it is true that Mr Gorbachev has adroitly driven a wedge in trans-Atlantic relations by involving the US-Libyan crisis.

WEN WEI PO REPORTS TANG WENSHENG'S NEW POST

HK240440 Hong Kong WEN WEI PO in Chinese 24 Apr 86 p 2

[Text] Beijing, 23 Apr -- Wang Hairong and Tang Wensheng (Nancy Tang) were two active figures in the diplomatic circles during the Great Cultural Revolution. It has been learned that Tang Wensheng recently left the English-language CHINA DAILY and took a new post at the Foreign Affairs Bureau of the Ministry of Railways. She applied for the job transfer herself, and the application was approved by the leaders concerned. A few years ago, Wang Hairong was transferred to work as a deputy director of an advisory group in the Foreign Ministry. Her post has not been changed to date.

PERSONNEL CHANGES IN BEIJING PRESS CIRCLES VIEWED

HK220053 Hong Kong KUANG CHIAO CHING in Chinese No 163, 16 Apr 86 pp 10-11

[Article by Lu Wen [6424 3080]: "Major Reshuffle in Beijing Press Circles"]

[Text] Liu Aizhi, deputy editor-in-chief of GUANGMING RIBAO, was removed from office, and Du Daozheng, the chief editor, will retire. The leading body of RENMIN RIBAO has been reshuffled. Ding Xiangqi and Pang Bingan have been appointed deputy director-generals of XINHUA NEWS AGENCY. [preceeding passage published in boldface]

This reporter went to Beijing to gather news while the NPC was in session and learned from counterparts there quite a few things about the press circles. The leading bodies of various large mass media organizations in Beijing were being reorganized; some had already been promulgated and some were still awaiting new appointments. Some were normal replacements of the old by the new, but some might be for other reasons.

Qian Liren Takes His Turn on Duty Smoothly

People in Hong Kong have attached greater attention to the new appointments of the editor-in-chief and deputy editor-in-chief of RENMIN RIBAO and some papers have already carried reports on this. This time when I was in Beijing, I learned some more details, which might be helpful to our readers.

At the end of last year, Qian Liren, the then head of the CPC Central Committee's International Liaison Department, replaced Qin Chuan and became director of RENMIN RIBAO. On the day this was reported, there were many comments by Hong Kong papers and journals. Some said that this was a "sign" of "restriction" and some held that this was a result of the "factual struggles." In its first issue this year, KUANG CHIAO CHING disclosed: "The CPC Central Committee Secretariat decided last summer that both the director and editor-in-chief of RENMIN RIBAO should be replaced by younger people. However, in order not to affect the current work, one of the two leaders, Qin Chuan and Li Zhuang, will remain in his post for a period of time." "In November last year, the Organizational Department CPC Central Committee sent some people to the general office of this paper to solicit opinions. Later it was decided that Li would remain at his post and Qin would leave first." Judging from what I was told by some veteran reporters in Beijing, this was really the background of Qin Chuan's removal from office. The report by KUANG CHIAO CHING was quick and accurate.

After Hu Jiwei and Wang Ruoshui were removed from office at the beginning of the "elimination of spiritual pollution," the leading body of RENMIN RIBAO was always incomplete. When Qian Liren took charge of the work of RENMIN RIBAO, he had only two old colleagues: Li Zhuang, the editor-in-chief who remained at his post for the time being, and Tan Wenrui, deputy editor-in-chief who took care of the overseas edition. So, for a new director who had never run a newspaper, establishing a perfect leading body was certainly an overriding task in order to improve the newspaper and its inefficient internal work. It was said that as soon as Qian Liren took up his post at the RENMIN RIBAO office, he visited various sections and talked with the staff members. His purpose was to familiarize himself with the work and, as was reckoned, to look for qualified persons for the new leading body.

Now, more than 3 months have passed, and Qian Liren may have grasped the basic situation of the office. Li Zhuang, who is already 67 and has remained in his office, can also retire. The new leading body has thus been established.

Major Reshuffle in the Leading Body of RENMIN RIBAO

In its January issue, KUANG CHIAO CHING quoted an old editor of RENMIN RIBAO: The editor-in-chief and deputy editor-in-chief will be selected from among the staff of RENMIN RIBAO. Facts prove that this is also correct.

According to a reporter in Beijing, soon after Qian Liren took up his post, he announced at a meeting that he would not transfer any people from outside to the RENMIN RIBAO general office, except for a driver, who lived in the same building, in order to make transport convenient. The staff members were all pleased to hear this, because there were many experienced and qualified editors and reporters in this office. Quite a few RENMIN RIBAO staff who had been transferred to other news-reporting units in Beijing or elsewhere became leaders of these units and had been doing an excellent job. In the past, however, whenever the leading body was reorganized, the new leaders were transferred in from other units rather than selected from inside. The working staff had many complaints about this prejudice that "monks from other places recite scriptures better." This time, just as he had announced, Director Qian transferred no one in from other units to the new leading body. So, the staff members are all pleased with this.

"Roommate Friendship" Between Tan Wenrui and Cha Liang-yung

Tan Wenrui, former deputy editor-in-chief and the newly-appointed editor-in-chief of RENMIN, was once an experienced editor of a Hong Kong journal, using a pen-name of "Chi Pei-ou" [3069 0554 0260] when publishing satirical poems. KUANG CHIAO CHING already had a report on this in an earlier issue. This time I was also told that there is a "roommate friendship" between this new editor-in-chief and Cha Liang-yung, a well-known figure in Hong Kong's press circles. It so happened that both of them once worked for the Hong Kong TAO KUNG PAO and both families lived together in the same flat for a period of time, hence the deep friendship. If this is true, some day when Tan has an opportunity to visit Hong Kong, Cha might as well ask him to stay in his home for a few days so that they can talk about swordsmen, Buddhist scripture, and Weiqi again.

The three newly-appointed deputy editors-in-chief, Lu Chaoqi, Fan Rongkang, and Li Renchen, are completely new to Hong Kong people. Friends in the Beijing press circles told me that Lu and Fan, who have worked on RENMIN RIBAO for more than 30 years, graduated from universities before the founding of the PRC. Lu Chaoqi was originally director of the general editorial board. He was a reporter in his early years and wrote some commentaries. Over the past 20 years or so, he has been in charge of the night shift. He is a good editor. Fan Rongkang, who was originally the director of the commentary department, always thinks clearly and writes quickly. He has written many commentaries and is quite experienced in this field. XINWEN ZHANXIAN is now serializing his article on his experience in writing commentaries. Li Renchen is a new editor, just a little over 40. He has not worked in this office long, but since he has an exceptional literary talent and is very diligent, he was soon promoted to the post of deputy director of the commentary department. The four editors-in-chief, old, middle-aged, and young, are all experts in running a newspaper. Undoubtedly, for Director Qian, who is a new man in the press circles, this new leading body is reliable.

"What Sharp Ears Hong Kong Reporters Have"

I would like to mention an interesting episode here. The working personnel of RENMIN RIBAO did not learn of the appointments of the new editor-in-chief and deputy editors-in chief as soon as some Hong Kong reporters did.

On 24 March, a Hong Kong paper had already reported that Tan Wenrui had replaced Li Zhuang and become editor-in-chief of RENMIN RIBAO. On 25 March, another paper continued to disclose the names of the four editors-in-chief. According to my friends in the Beijing press circles, the document about this new appointment was issued on 22 March, a Saturday, and when it reached the RENMIN RIBAO office, only some people concerned were informed. It was not made known to all working personnel until Monday afternoon, 24 March. No wonder some people said: "What sharp ears Hong Kong reporters have!"

The Director of JINGJI RIBAO Suddenly Changed

The appointment of the members of RENMIN RIBAO's new leading body was something the Beijing press circles expected. However, the change of the director at JINGJI RIBAO surprised many people.

According to recent information, JINGJI RIBAO Director An Gang has been removed from office and replaced by Fan Jingyi, former director of the Foreign Language Publishing Bureau. People who know the inside story said that there was a quake in JINGJI RIBAO at the end of last year. Some people submitted complaint letters against An Gang to the higher authorities and the atmosphere became rather tense when the Central Discipline Inspection Commission sent people to investigate the matter. However, An Gang was still in his post when a reorganization was carried out in the leading body at the beginning of this year. It seemed that he had not gotten into trouble. But not long after that, his removal was announced, and An Gang was replaced by a new director transferred in from the outside. It was said that he will be appointed to another post. There must be some other reason that this is unknown to the common people.

A New Director Who Was Once a "Rightist"

Some people held that appointing Fan Jingyi director of JINGUI RIBAO is a proper arrangement. Fan studied in Shanghai's St John's University in his early years. After graduation, he worked at DONGBEI RIBAO in the early 1950's and was transferred to LIAONING RIBAO later when the large administrative areas were abolished. He is openhearted and very straightforward in what he says. For this reason, he became a "rightist" in 1957 and was then sent to the countryside to do manual labor. He resumed his work at LIAONING RIBAO later and, after his case was redressed, he became a leader in the LIAONING RIBAO office. Several years ago he was transferred to the Foreign Language Publishing Bureau and was head of the bureau, but he said that he was interested in running a newspaper. Thus, we may say that he had his wish fulfilled when he returned to the office of a newspaper this time. It was also said that last year, when the Foreign Language Publishing Bureau decided to publish overseas editions of two periodicals, Fan came to Hong Kong to host a cocktail party and carry out an investigation and study. JINGJI RIBAO has been distributed in Hong Kong for a long time and has a special column on Hong Kong's economy. After Director Fan assumes office, it can be expected that JINGHI RIBAO will have more contacts with Hong Kong.

Hearsay About Reorganization of the Leading Body of GUANGMING RIBAO

People in the Beijing press circles are also talking about the reorganization of the leading body of GUANGMING RIBAO. Liu Aizhi, deputy editor-in-chief of this paper, has been removed from office due to involvement in an economic case. Recently, people said that Du Daozheng, the editor-in-chief, will soon retire, and there will also be some changes in the leading body, but final decisions have not yet been made. Whether or not this is an effort to make the leading body younger or a further development in the case of Liu Aizhi, I dare not speculate.

XINHUA News Agency Uses Experts in International Reporting

Other sources said that there will also be changes in the leading members of the XINHUA news agency. Two deputy directors-generals, being overage, will retire. One is Feng Jian, an old reporter who has engaged in this work for dozens of years and has always been regarded as a capable assistant to Director Mu Qing. The other is Yang Jiaxiang, a cadre transferred in from the army, who was originally in charge of administrative affairs. The two new deputy directors-general are Ding Xiangqi [0002 5046 6386], former resident correspondent in Yugoslavia, and Pang Bingan [1690 3521 1344], former resident correspondent in Latin America. Appointing experts of international reporting to leading posts is possibly a measure to make XINHUA news agency a real news agency with world influence.

It is said that certain personnel changes will also take place in some major papers and journals in Beijing. According to some friends in press circles, this is chiefly a normal arrangement to make the leading bodies younger, which will become a regular practice in the future.

"Ageing" of the Leading Body of All-China Journalists' Association

The leading bodies of Beijing's newspapers and journals are being made younger. However, that of the All-China Journalists' Association may continue to be in a situation of "ageing." The fact is that in the past, the leaders of this organization were all chief leaders of various journalists organizations. Over the past few years, more and more leaders who are overaged have retired from these journalists organizations but retained their posts in the journalists' association. On the mainland, this is probably a good method to enable retired leading cadres to continue to take part in social activities. However, when young journalists from Hong Kong find that there are more and more gray-haired old people in the leading body of the journalists' association, they might be flabbergasted!

PART I: FOREIGN TRADE, INVESTMENT POLICY, DETAILED

HK230956 Hong Kong WEN WEI PO in Chinese 17 Apr 86 p 10

[Article by Wu Chao, [2976 6389], consultant researcher and deputy head of the Foreign Economic Relations Group of the Economic, Technological, and Social Development Research Center of the State Council: "China's Policy on Absorbing Direct Investment" -- first installment -- This article, slightly abridged by WEN WEI PO, was originally a speech at a symposium on "China's Foreign Trade and Investment"]

[Text] The Rapid Development of the Enterprises Invested in by Foreign Businessmen

Since implementing the policy of opening up in 1979, our country has made great achievements in absorbing foreign funds to establish joint ventures, cooperative enterprises, and enterprises with exclusive foreign investment (hereinafter all referred to as foreign-invested enterprises). By the end of 1985, we had approved and signed agreements with foreign businessmen on establishing 2,301 joint ventures with a total of US$3.377 billion of contracted investment and a total of US$1.03 billion of actual expenditure; 3,756 cooperative enterprises (or cooperative projects) with a total of US$8.103 billion of contracted investment and a total of US$1.633 billion of actual expenditure; and 120 enterprises with exclusive foreign investment, whose total amount of investment reached US$0.517 billon and actual expenditure reached US$0.13 billion. If the three kinds of foreign-invested enterprises are added together, there are 6,177 foreign-invested enterprises, with a total of $11.998 billion of contracted investment and a total of $2.792 billion of actual expenditure. [figures as published]

The establishment of foreign-invested enterprises has to a certain extent counteracted our country's lack of construction funds, imported some advanced technology and absorbed some scientific enterprise management and administrative methods and the experiences of foreign countries, all of which is playing a positive role in the construction of the socialist modernization of our country.

Over the past 6 years, our country has achieved marked success in absorbing foreign funds to establish foreign-invested enterprises. The main reasons are: 1) The relevant departments and regions of our country have implemented our country's policy of opening up to the world and invigorating the domestic economy, and have consistently carried out the principle of equality and mutual benefit so that both China and foreign investors can make a profit by inviting foreign funds to establish enterprises. 2) Our country has gradually formulated and perfected the laws and regulations concerning the use of foreign capital so that the establishment and operation of foreign-invested enterprises can be protected and controlled by law. There are laws to go by and regulations to observe. 3) According to the demands of the development of our country's national economy, our country has properly readjusted and relaxed some of the policies regarding foreign businessmen investing in and establishing enterprises in China so as to arouse foreign businessmen's enthusiasm for establishing enterprises in China. 4) According to the actual needs of establishing foreign-invested enterprises, we have tried our best to improve the investment environment and provide various conveniences and good services for the foreign businessmen who come to invest in China. 5) Through various contacts, foreign investors have acquired a further understanding of the situation in our country and our country's policy of opening up so that they can cast away their doubts and worries and become more willing to invest in China. The broad masses of Hong Kong and Macao compatriots and Overseas Chinese who cherish deep feelings for their motherland and native areas have been very enthusiastic about investing in their motherland.

To use foreign funds and attract foreign businessmen to come to China to establish joint ventures, cooperative enterprises, and enterprises with exclusive foreign investment is a beneficial and necessary supplement to our country's socialist economy. I believe that along with the in-depth development of the construction of the four modernizations, China will certainly attract more foreign funds and establish more foreign-invested enterprises. The prospects are very broad and bright.

Increase the Economic Results of Foreign-Invested Enterprises

Over the past 2 years, our country's rate of absorbing direct foreign investment to establish enterprises has been very rapid. In 1984, our country formally signed agreements on establishing 1,856 foreign-invested enterprises with a total of US$2.59 billion of contracted investment and a total of US$0.735 billion of actual expenditure, an increase of 311 percent, 254 percent, and 114 percent, respectively, as compared with the figures of 1983. In 1985, our country formally signed agreements on establishing 2,960 foreign-invested enterprises with a total of US$5.491 billion of contracted investment and a total of US$1.042 billion of actual expenditure, an increase of 59.5 percent, 112 percent and 41.8 percent over the figures in 1984. As far as the present situation is concerned, this momentum will continue. Along with the rapid development of the foreign-invested enterprises, it is more and more important to increase the economic results of these enterprises. This is the issue with which both China and foreign investors are concerned.

The economic results of the foreign-invested enterprises consist of two aspects: One is the enterprise microeconomic results. As far as the microeconomic results are concerned, the main purpose of the foreign investors who come to China to make investment and establish enterprises is to enable their capital to incrase in value, and to make a profit.

If the foreign-invested enterprises can not earn a profit for the foreign investors, they will not come to make investments. Even if they come, the cooperation between the two sides will not last long. Although China wants to make use a foreign funds to counteract her shortage of construction funds and wants to import advanced foreign science and technology and management and administrative experiences, one of China's main purposes in establishing foreign-invested enterprises is to make a profit. Making a profit is not only a requirement for the continued existence and development of Chinese investors, but is also the basis for the cooperation between Chinese and foreign investors.

Thus, making a profit is both the motivating force for the establishment, operation, and production of the foreign-invested enterprises, and the main aspect of the microeconomic results of the foreign-invested enterprises. As far as the macroeconomic results are concerned, when approving the establishment of foreign-invested enterprises, the state not only demands that these enterprises make profits and achieve better microeconomic results, but also demands that these enterprises contribute to rationalization of our production structure and product structure, our technological transformation and program of the present enterprises, and our export and foreign exchange earnings, to push forward with the realization of the general goals of socialist economic construction. This is both the main purpose of our country's establishment of foreign-invested enterprises and the main aspect of the macroeconomic results of these enterprises. Generally speaking, the microeconomic and macroeconomic results of the foreign-invested enterprises conform with each other. For example, if the foreign-invested enterprises operate well and make a lot of profits, they will be able to turn over more taxes to the state and increase the state's financial income.

The proper selection of projects will be beneficial to the rationalization of our production structure and product structure, the technological transformation of existing enterprises, the expansion of export products and the increase of foriegn exchange expenditure so as to push forward to realize the general goal of our country's economic construction. Meanwhile, the gradual rationalization of the general goals of economic construction for different periods wil help to create a better investment environment for establishing the foreign-invested enterprises and provide better conditions for the production and operations of the foreign-invested enterprises, and enable these enterprises to make more profits and achieve more microeconomic results.

However, we must also admit that under certain circumstances, the microeconomic and macroeconomic results of foreign-invested enterprises might not conform with each other or might even contradict each other. For example, althoughsome projects can achieve good microeconomic results and make a lot of profits, they can not bring in advanced technology and management experiences, but instead need to use a lot of the state's foreign exchange for a long time to import assembly parts for processing and assemblying . Establishing more such enterprises will be detrimental to the rationalization of our country's production structure and product structure, the increase of our country's foreign exchange earnings, and the reduction of our country's foreign exchange earnings, and the reduction of our country's foreign exhcnage expenditure.

From this we can see that in establishing the foreign-invested enterprises, we must not only pay attention to the microeconomic results of the enterprises so as to enable the enterprises to make profits, but also pay attention to the social macroeconomic results of the enterprises so as to enable the production and operations of the foreign-invested enterprises to conform with the needs of the general goal of our country's economic construction. In order to realize this, we need both state guidance and the cooperation and joint efforts of both Chinese and foreign investors.

Correctly Grasp the Orientation and Stress of Investment

To correctly grasp the orientation and stress of investment is the prerequisite for increasing the economic results of the foreign-invested enterprises.

In order to correctly grasp the orientation and stress of the investment of the foreign-invested enterprises, we should first have the correct state guidance. According to the needs of the economic construction of their own respective departments and regions, over the past few years, the relevant departments and regions have, at regular or irregular intervals, promulgated some lists of projects indicating where foreign investors can establish enterprises with their own investment. These lists of projects have been playing a positive role in guiding foreign investment, preventing some blindness in action, carrying out the planned import of foreign capital, and increasing the microeconomic and macroeconomic results of the foreign-invested enterprises.

However, because of the rapid development of the foreign-invested enterprises, it is obvious that the lists of projects promulgated by the relevant departments and regions of our country according to their own respective situations can no longer meet the needs of the new situation. For example, some areas have developed such blindness and have repeatedly imported the same kind of production equipment. It is now necessary for the state to make an overall plan for establishing, for foreign-invested enterprises, according to the needs of the overall situation, and promulgate, at regular or irregular intervals, the lists of projects whose establishment should either be encouraged, restricted, or banned. As far as I know, this work is now underway. Considering the actual needs of our country's present economic construction and our practical experiences of establishing foreign-invested enterprises over the past 6 years, for a period in the future, the projects encouraged by the state can generally be divided into the following types:

1. The projects which can help to bring in advanced foreign technology and crafts and produce the urgently-needed new products, new equipment, and new materials, and the type of new products, new equipment, and new materials which our country cannot produce at present, such as some mechanical and electronic products, key components, spare parts, and new building materials;

2. The production projects which require a large amount of investment and advanced technology for development and construction, and which can help to carry out the technological transformation of our country's present enterprises, such as the projects concerning the development of resources urgently needed by the state and the projects concerning the technological transformation of large and important enterprises, and

3. The projects which can help develop new products for export, whose products are wholly or mostly exported, and which can help our country to open up the international market and earn more foreign exchange.

For a period in the future, the projects restricted by the state can be divided into the following types:

1. The projects which will import the advanced technology which foreign countries have already imported, for which production output is at a surplus or almost a surplus level, or whose products cannot be wholly exported, such as the assembly lines of color televisions and refrigerators and the assembly lines of some other household electrical appliances;

2. The projects which can neither bring in advanced production and management technology nor export their products to earn foreign exchange, such as the projects concerning the enlargement and development of color photographs and the projects concerning the exportation of small automobiles; and

3. The projects whose export product is limited by quotas, such as the projects concerning the production of cotton and flax textiles clothes processing, and so on.

There are a limited number of projects banned by the state. These projects are mainly: 1. The projects which will infringe on China's sovereignty and national security; 2. The projects which violate China's laws; 3. The projects which do not conform with the needs of the development of our country's national economy, such as the projects which rely only on the import of assembly lines or component parts for assemblying and then sell their products on the domestic market to make a profit from the difference in prices on the foreign and domestic markets; and 4. The projects which cause environmental pollution.

In the future, while promulgating the lists of projects whose establishment should either be encouraged, restricted, or banned, the state should also adopt some economic measures to indirectly control the foreign-invested enterprises. For example, as far as the projects encouraged by the state are concerned, when approved by the relevant responsible departments of the state, we can provide one or more special or preferential treatments in such aspects as revenue and credit, foreign exchange balance, production instead of importation (namely, import substitutes), the extension of the term for joint investment, and some other aspects, for the projects encouraged by the state, so as to attract more foreign investors to invest in these projects. Meanwhile, the state can also adopt some measures which contradict the preferential treatments mentioned above when dealing with the enterprises restricted by the state.

Only when the foreign investors have grasped the correct investment orientation when making investment in China and only when the foreign investment conforms with the interests of both the Chinese and foreign investors can the foreign-invested enterprises develop rapidly and have bright prospects.

PLA TO ADOPT WESTERN-STYLE MILITARY UNIFORMS

HK220509 Hong Kong WEN WEI PO in Chinese 22 Apr 86 p 2

[Report: "China's Armymen to Wear Western-Style Uniforms"]

[Text] According to a dispatch from Shanghai, China will change its present military uniforms. It is expected that as of 1987, the present military uniforms will be changed into Western-style uniforms with epaulets and tie, and the material of the uniforms will also be better than that used at present.

DAILY REPORT

China

CONTENTS

Vol I No 081 28 April 1986

PRC INTERNATIONAL AFFAIRS

GENERAL

Li Peng on Sino-U.S., Sino-Soviet Relations A 1
Fang Yi Meets Thermophysics Conference Members A 1
Wan Li Meets International Trade Unionists A 1
Olympic President Arrives in Beijing 27 April A 2
Greeted by Li Menghua A 2
Meets Peng Zhen A 2
PRC Representative Addresses UNICEF Meeting A 3

UNITED STATES

'Political Significance' of Reagan Bali Visit B 1
Reagan To Try 'Peddling U.S. Politics' at Summit B 2
Reagan To Raise Cambodian Issue on Asian Tour B 3
Reagan Phones Aquino To Discuss Aid Package B 3
Yang Dezhi Discusses U.S. Tour, Defense, Economics B 4
[CHINA DAILY 28 Apr]
Fang Yi Entertains U. of California Professor B 5
Electronics Industry Minister Leaves for U.S. B 5

NORTHEAST ASIA

PRC To Try To Persuade DPRK to Seoul Asian Games D 1
[HONG KONG STANDARD 28 Apr]
South Korean 'Warships' Sink DPRK 'Fishing Boat' D 1
Seoul-U.S. Maneuvers Create Tension D 2
Beijing Military Region Celebrates DPRK Army Day D 2
[RENMIN RIBAO 23 Apr]
Criticism of Japanese Court's Decision on Hostel D 3
[LIAOWANG 20 Apr]
Japanese Steel Exports to PRC, U.S. Decrease D 4

SOUTHEAST ASIA & PACIFIC

Chen Muhua To Lead Delegation to ADB Meeting E 1
Hong Kong Becomes Contracting Party to GATT E 1
CGDK Official Urges Vietnam To Negotiate E 2

MIDDLE EAST & AFRICA

Wu Xueqian at Tanzanian Envoy's Banquet I 1
PRC-Algerian Cooperation Commission Meets I 1
Zheng Tuobin Speaks I 1
Tian Jiyun Entertains Algerian I 1
RENMIN RIBAO on Israel's Trial of Demjanjuk [19 Apr] I 1

PRC NATIONAL AFFAIRS

Deng Xiaoping Honors Mao Zedong's Brother K 1
Hu Yaobang Encourages Development in Southwest K 1
[BAN YUE TAN 10 Apr]
Hu Yaobang Urges Beijing-Tianjin Tree Planting K 3
Zheng Tianxing Report on Supreme Court Work K 4
LIAOWANG on Second Step in Rural Reform [14 Apr] K 16
LIAOWANG Views Changes Wrought by PLA Reforms [21 Apr] K 21
PLA Opens 1st Combined Tactical Training Center K 24
State Council Urges Improving Vegetable Production K 24
RENMIN RIBAO Views Agricultural Policy [19 Apr] K 26
Commentator's Article K 26

PRC REGIONAL AFFAIRS

EAST REGION

Fujian's Jia Qinglin Examines Party Rectification O 1
[FUJIAN RIBAO 11 Apr]
Rui Xingwen Addresses Shanghai Cultural Forum O 3

CENTRAL-SOUTH REGION

Guangxi's Chen Huigang Attends CPC Session P 1
Guangxi People's Congress Session Opens 25 Apr P 1
Handling Capacity Increased at Haikou Harbor P 2
Changing Prevailing Habits, Customs Emphasized P 3
Hunan's Mao Zhiyong Meets Basic Law Study Cadres P 3
Briefs: Hebei Meteorite Shower P 3

SOUTHWEST REGION

Sichuan's Yang Rudai Attends S&T Forum 14-18 Apr Q 1
Sichuan Secretary Addresses Political-Legal Meeting Q 1
Xizang Destroys Confiscated Pornographic Articles Q 2
Xizang Official Arrested; Charged With Embezzlement [AFP] Q 2

NORTHEAST REGION

Li Guixian Inspects Eastern Liaoning Mountains S 1
Liaoning Governor Stresses Lateral Economic Ties S 2

NORTHWEST REGION

Ningxia Sends Cadres To Perform Grass-Roots Work T 1
[NINGXIA RIBAO 16 Apr]
Urumqi Meeting Commends Demobilized Army Cadres T 2

HONG KONG MEDIA ON CHINA

Power Politics Method To Combat Terrorism Denounced W 1
[WEN WEI PO 22 Apr]
Part II: Foreign Trade, Investment Policy Detailed W 2
[WEN WEI PO 18 Apr]

LI PENG ON SINO-U.S., SINO-SOVIET RELATIONS

HK280440 Beijing ZHONGGUO XINWEN SHE in Chinese 1128 GMT 27 Apr 86

["Li Peng on Sino-U.S., Sino-Soviet Relations" -- ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 27 Apr (ZHONGGUO XINWEN SHE) — Li Peng, vice premier of the State Council, recently talked about Sino-Soviet and Sino-U.S. relations, saying that there had recently been some development in Sino-Soviet relations, mainly in the spheres of economic, technological, and cultural exchanges and cooperation. The political differences between the two sides remain unsolved. On the basis of the five principles of Peaceful Coexistence, China and the Soviet Union can become friendly neighbors living in harmony with each other, but they will not become allies as they did in the 1950's.

Li Peng gave the above view on 16 April when he met a reporters group from the Stratic and International Problems Research Center of Georgetown University in the United States. Issue No 17 of LIAOWANG weekly to be published on 28 April will disclose what he said at that meeting.

Li Peng said that China is willing to normalize its state relations with the Soviet Union on the basis of the removal of the three major obstacles. We have noticed that on several important occasions, General Secretary Mikhail Gorbachev spoke about his desire to improve relations with China. We think that what is important is not words but deeds.

Li Peng pointed out that in order to normalize the relations between China and the Soviet Union, the three obstacles must be removed. The normalization of Sino-Soviet relations will not only benefit the two countries, but will also be conducive to world peace.

When Li Peng talked about Sino-U.S. relations to the U.S. reporters, he said that China would not establish "strategic relations" with the United States. He said that China is willing to carry out some technological exchanges and cooperation with the United States in the sphere of advanced weapons, but these exchanges will only play a limited role in China's defense modernization. China mainly relies on its own efforts in modernizing its defense.

He reiterated that strengthening China's defense does not constitute a threat to any country. China's defense modernization will only be conducive to safeguarding world peace.

FANG YI MEETS THERMOPHYSICS CONFERENCE MEMBERS

OW231904 Beijing XINHUA in English 1853 GMT 23 Apr 86

[Text] Beijing, April 23 (XINHUA) -- Chinese State Councilor Fang Yi met here today members of the program and organization committee of the first Asian Thermophysical Properties Conference. The conference held here from April 21 to 24 was attended by representatives from 18 countries, including Canada, China, Egypt, India, Japan, Pakistan, USSR, United Kingdom, USA and Yugoslavia.

WAN LI MEETS INTERNATIONAL TRADE UNIONISTS

OW261644 Beijing XINHUA in English 1431 GMT 26 Apr 86

[Text] Beijing, April 26 (XINHUA) -- Vice-Premier Wan Li met here today with trade union delegations from 10 countries in Asia, Africa, Latin America and Europe and a representative of the International Labor Organization. Wan welcomed the guests to join the Chinese workers for activities of the International Year of Peace.

Wan said that peace is the common desire of the people all over the world. The maintenance of world peace needs the concerted efforts of all the workers, peace-loving countries and peoples throughout the world.

Dusan Bogdanov Senko, member of the Presidium of the Confederation of the Trade Unions of Yugoslavia, on behalf of the guests present, said that it is very beneficial to the cause of world peace that the representatives of the trade unions from different countries gather together to discuss peace.

The guests have attended the forum on "Peace and Trade Unions" sponsored by the All-China Federation of Trade Unions, visited an exhibition of paintings, calligraphic works and photographs contributed by Chinese workers on the theme of peace. They also visited some factories and workers' families.

OLYMPIC PRESIDENT ARRIVES IN BEIJING 27 Apr

Greeted by Li Menghua

OW271344 Beijing XINHUA in English 1327 GMT 27 Apr 86

[Text] Beijing, April 27 (XINHUA) -- International Olympic Committee (IOC) President Juan Antonio Samaranch arrived here this evening for a three-day visit of China. Samaranch and his party were greeted at the airport by Li Menghua, minister of the Chinese State Physical Culture and Sports Commission and president of the Chinese Olympic Committee (COC), He Zhenliang, vice minister of the Sports Commission and member of the IOC executive board.

Samaranch said at the airport that he had brought with him the Olympic cup, which an IOC executive board session in Lausanne, Switzerland, decided to award to the Chinese Olympic Committee, for China's efforts in building sports facilities in Africa. Other decisions at the session included the awarding of a gold Olympic order to Chinese Vice Premier Wan Li and a silver Olympic order to Huang Zhong, vice president of the COC.

Samaranch said China is one of the important members of the Olympic family. Referring to China's contribution in promoting sports in Africa, the IOC president said, "On my visits to African countries, I saw many sports facilities built by China." During Samaranch's stay here, the Olympic cup, the gold and silver Olympic orders would be awarded to the COC and the Chinese officials. Accompanying the IOC president on the visit were Richard Pound, member of the IOC executive board, Walfher Troger, sports director of the IOC, and other IOC officials.

Meets Peng Zhen

OW280826 Beijing XINHUA in English 0759 GMT 28 Apr 86

[Text] Beijing, April 28 (XINHUA) -- Peng Zhen, chairman of the Standing Committee of the Chinese National People's Congress, said today that the development of the Olympic movement has played a positive role in safeguarding world peace. The Chinese leader made this statement when he met Juan Antonio Samaranch, president of the International Olympic Committee in the Great Hall of the People this morning. "It has not only pushed forward the development of sports in the different parts of the world, but also promoted friendship among the people and sportmen in general, but among the young people in particular," he said.

"You are an old friend of the Chinese sports people as well as the whole Chinese people," he said. "We appreciate your positive efforts in helping restore the legitimate seat of the Chinese People's Republic in the IOC."

"In realizing our modernization program," Peng Zhen noted, "It is essential to improve the physique of the people and therefore to develop sports on a wide scale throughout the country." He said that the fast development and improvement of the sports in China in recent years was inseparable from the support and help of the IOC.

Samaranch said that China enjoys a significant status in the international sports organizations. He said that China has made surprisingly big headway in the field of sports during the past few years, and Chinese athletes created a great furor at the Los Angeles Olympic Games which the Chinese people have taken great pride in. The IOC president said that he was also very pleased with the China's success in Los Angeles and felt it a great honour to present the first 1984 Olympic gold medal to the Chinese athlete. He said he had accepted the invitation to visit China again next year and to attend the Sixth Chinese National Games in Guangzhou.

PRC REPRESENTATIVE ADDRESSES UNICEF MEETING

OW261024 Beijing XINHUA in English 0839 GMT 26 Apr 86

[Text] United Nations, April 25 (XINHUA) -- The executive board of the United Nations Children's Fund (UNICEF) concluded its annual meeting here this evening, calling on all countries, relevant international agencies and non-governmental organizations to give moral and material support to children in especially difficult circumstances. A document, unanimously adopted at today's meeting, said that UNICEF should expand the scope and range of its cooperation in programs benefiting children in especially difficult circumstances. The programs for such children, it added, "form an appropriate part of UNICEF strategy for child survival and development." The document also called for the early adoption of a convention on the rights of children.

During the meeting, U.N. Secretary-General Javier Perez de Cuellar and representatives from China and other dozens of countries and international organizations spoke highly of UNICEF's achievements in the past 40 years. The working of UNICEF, Perez de Cuellar said, "Constitutes a record of achievement and aspiration for building a better future for humanity." In collaboration with other organizations, "Considerable progress has been made and the lives of hundreds of thousands of children saved," he added. While calling for a strengthened commitment to the needs of children and achieving universal immunization by 1990 in particular, the U.N. chief stressed that all efforts must be exerted to meet the goal of reducing infant mortality.

Chinese representative Wang Shuxian reaffirmed China's stand in supporting the universal immunization project for the world's children. "For this purpose, our Ministry of Public Health has mapped out a working program for nationwide planned immunization in order to develop the work step by step," she added. She noted that peace and development are the common aspiration and strong desire of peoples everywhere. "We believe that world peace is indispensable to the economic development of various countries and, in particular, to the betterment of children's lot throughout the world. In order to ensure that children the world over can live a happy life and grow up healthily, the Chinese people are willing, together with the peoples in other parts of the world, to exert common efforts for the defense of lasting world peace and economic prosperity for all," the Chinese representative stated.

'POLITICAL SIGNIFICANCE' OF REAGAN BALI VISIT

OW251858 Beijing XINHUA in English 1835 GMT 25 Apr 86

["News Analysis: Reagan's Visit and U.S.-ASEAN Relations by Li Yongmin" -- XINHUA headline]

[Text] Singapore, April 25 (XINHUA) -- On his way to the Tokyo Summit of the seven major industrialized countries, U.S. President Ronald Reagan will visit the Indonesian island of Bali from April 29 to May 2 to demonstrate the importance the United States attaches to its relations with countries of the Pacific region, particularly members of the Association of South East Asian Nations (ASEAN). During his visit, President Reagan will meet with Indonesian President Suharto and discuss with foreign ministers of the six ASEAN member countries political and economic issues between the United States and the ASEAN.

In recent years, especially since the Vietnamese invasion of Kampuchea in 1978, relations between the United States and the ASEAN have strengthened considerably. The United States regards the ASEAN as critical to its policy towards Southeastern Asia and has been trying to improve and consolidate its ties with it by supporting the ASEAN position on the Kampuchean issue and by expanding political, economic and diplomatic relations with its member countries.

On the other hand, the ASEAN countries, facing increasing threats from Vietnam and the Soviet Union, which has established a military base on Vietnam's Cam Ranh Bay, have felt the need to improve relations with the United States to maintain a military balance in Southeast Asia. Singaporean Premier Lee Kuan Yew said in a recent statement that "ASEAN needs the United States to balance the number of war planes and ships in this region."

It is expected that the Kampuchean issue will be a major topic of discussion during Reagan's conference with the ASEAN foreign ministers. Economic relations between the ASEAN and the United States are also expected to figure prominently at the conference.

The ASEAN had enjoyed close economic relations with the United States in the past decade. It is the fifth largest trade partner of the United States, with a trade volume in 1985 of 23.5 billion U.S. dollars, a remarkable increase from 0.9 billion dollars in 1967 when the ASEAN was set up. U.S. investment in the ASEAN countries has hit 10 billion U.S. dollars. However, due to the rampant trade pretectionism in the United States, the ASEAN exports to the United States have been impeded. In 1985, the ASEAN exports to the United States decreased by 7 percent and U.S. exports to the ASEAN countries reduced by 16 percent. The slowdown of the economy in the United States, ASEAN's largest overseas market, has also hurt the economic growth of the ASEAN countries. So, the ASEAN foreign ministers will urge President Reagan to take greater efforts to sustain free trade and further open U.S. markets to the ASEAN countries.

The Bali conference will also provide the ASEAN countries with an opportunity to voice their position on the world economy and international trade. A group set up by the standing committee of the ASEAN has completed a draft suggestion asking industrialized countries to give better trade terms to the ASEAN and to abolish protectionist measures. Officials of the ASEAN countries believe that Reagan's visit will be of considerable political significance and will also benefit the United States.

REAGAN TO TRY 'PEDDLING U.S. POLITICS' AT SUMMIT

OW261716 Beijing XINHUA in English 1652 GMT 26 Apr 86

["News Analysis: What's in Reagan's Portfolio at the Tokyo Economic Summit? (by Liu Zhiguang)" -- XINHUA headline]

[Text] Washington, April 25 (XINHUA) — U.S. President Ronald Reagan departed today on a 22,000-mile Far Eastern trip which will climax in Tokyo with an economic summit of seven major western industrialized countries. According to senior U.S. officials, there are four main topics on the American agenda for the summit with leaders of Japan, Federal Germany, Italy, Britain, France, Canada, and the European Community. They are: strengthening the performance of the seven nations' economies, improving growth in developing countries and addressing the debt problems of some of these countries, strengthening the world trade system, and cooperating on international economic and monetary issues.

The framework of the U.S. position on the four issues was outlined by Reagan in his speech to the U.S. Chamber of Commerce just two days before his departure for the summit. In that speech, Reagan said his economic policies had powered the United States to 40 straight months of growth. "Now we urge others to join us in tackling those domestic policies and structural problems that inhibit growth and serve only as roadblocks to progress," he said. His remarks indicated that he will continue to press U.S. allies -- Federal Germany and Japan in particular -- to take actions to stimulate their economic growth.

On the question of improving growth in developing countries and the debt problem, Reagan said, "Our policies toward the Third World should be aimed at establishing partners in trade, not recipients in aid. Our approach should be to keep open our markets, not to empty our treasury." Reagan lauded the six-month-old "debt initiative" of U.S. Treasury Secretary James Baker. However, many developing countries consider Baker's aid program of 29 billion dollars as inadequate to solve their debt problem.

Reagan asserted that the United States is ready and willing to work with its partners to "maximize the benefits of a worldwide open trading system." The United States has been pushing hard to include both trade and services in the new round of multilateral trade negotiations to the objections of several Third World countries. Referring to the U.S. trade deficit which reached a record 148.5 billion dollars last year, Reagan said the U.S. trade imbalance should be solved through multilateral negotiations that open markets, not unilateral legislation that closes them. "Now is not the time to surrender to trade-killing protectionism," he said, adding that the United States is moving forward aggressively and vigorously to keep the markets of the world open to American goods and to see to it that American interests are treated fairly. This statement forebodes intensification of the U.S. trade conflict with Japan and Western Europe.

The United States has recently pressed its allies for joint efforts to promote economic development, but the allies have defied the U.S. pressure. Yesterday, the Federal German Central Bank decided not to lower its discount rate from the current 3.5 percent. The Japanese Finance Ministry has also announced that Japan isn't planning to take any more steps, such as tax cuts and increased public spending, to stimulate its economy.

Although the Tokyo Summit will be primarily devoted to talks on important economic issues, political issues are also expected to be high on the agenda.

Reagan said he will discuss in Tokyo arms reductions and other initiatives connected with his Geneva meetings with Soviet leader Mikhail Gorbachev last November. According to press reports, Reagan and other leaders are also expected to exchange views on upcoming Western-Soviet meetings. Aside from a likely U.S.-Soviet summit later this year, French President Francois Mitterand and Italian Prime Minister Benitto Craxi are scheduled to meet Gorbachev.

Reagan is also expected to vehemently denounce terrorism at the Tokyo Summit. As Reagan has repeatedly called for collective and forceful Western actions against terrorism, he will certainly raise the issue again at the summit, observers said. But, the extent to which he will succeed in peddling U.S. politics and policies in his portfolio in his longest trip since becoming President in 1980 remains to be seen.

REAGAN TO RAISE CAMBODIAN ISSUE ON ASIAN TOUR

OW270254 Beijing XINHUA in English 0233 GMT 27 Apr 86

[Text] Washington, April 26 (XINHUA) -- U.S. President Ronald Reagan said today that he would raise the subject of Vietnam's occupation of Kampuchea when he meets the foreign ministers of the Association of Southeast Asian Nations (ASEAN) in Bali, Indonesia next week. The President made the remarks in his weekly radio address from Los Angeles as he is leaving on a trip to Bali and Tokyo, where he will attend the seven-nation economic summit from May 4 to 6.

"Vietnam should withdraw its forces from Cambodia (Kampuchea) and permit the Cambodian people to determine their own destiny," Reagan stressed. "Vietnam has spurned any and all reasonable ASEAN requests for a negotiated settlement of the problem, to the detriment of their own national interests." Reagan said that his country "has made it clear that it is ready to participate constructively in an overall settlement" of the Kampuchea issue.

In Bali, President Reagan will meet with Indonesian President Suharto and the foreign ministers of ASEAN, which groups Thailand, Indonesia, Malaysia, Brunei, Singapore and the Philippines. The ministers will undoubtedly press Reagan on U.S. protection against rice imports from the region during their meeting with the U.S. President, a local report predicted. Meanwhile, during a telephone conversation with Philippine President Corazon Aquino Friday, Reagan extended an invitation to her to visit the United States. According U.S. press resports from Manila, President Aquino has accepted the invitation and the two leaders also discussed a 150 million dollar U.S. emergency aid to the Philippines.

REAGAN PHONES AQUINO TO DISCUSS AID PACKAGE

OW251242 Beijing XINHUA in English 1239 GMT 25 Apr 86

[Text] Washington, April 24 (XINHUA) -- U.S. President Ronald Reagan today discussed by telephone with Philippine President Corazon Aquino a 150-million-dollar U.S. emergency aid plan for the Philippines, the White House announced. This is the first time Reagan has telephoned Aquino since she took office in February. The Philippine aid package, including 100 million dollars in economic aid and 50 million in military assistance, will be submitted to Congress for approval this week, the U.S. officials disclosed yesterday.

Reagan, accompanied by his wife Nancy, is scheduled to leave Friday on a trip to Bali, Indonesia, where he will meet on May first with foreign ministers of the Association of South East Asia Nations (ASEAN), including Philippine Vice President Salvador Laurel.

YANG DEZHI DISCUSSES U.S. TOUR, DEFENSE, ECONOMICS

HK280506 Beijing CHINA DAILY in English 28 Apr 86 p 1

[By staff reporter Liu Dizhong]

[Text] National Defence is an integral part of China's modernization programme and should keep pace with the modernization of industry, agriculture and science and technology, Yang Dezhi, chief of General Staff, said yesterday.

Strong national defence, Yang said, was indispensable to the nation's territorial integrity. It would ensure a prolonged period of peace in which to carry out the nation's Seventh Five-Year Plan. The modernization of national defence depended on the development of the nation's economy. "Without modern industry, agriculture, science and technology, there is no modernization for the Armed Forces," Yang told CHINA DAILY in an exclusive interview on the eve of his visit to the United States. Therefore, he said, priority must be given to the economic development of the country by coordinating development of industry, agriculture, science and technology and national defence.

Yang said the decision by the Central Military Committee to cut 1 million PLA troops was based on an analysis of the current international situation. It also showed that China has been a supporter of disarmament and a country which really wanted disarmament. The demobilization of the army could also help the PLA train more young and competent officers and divert money to speed up the research and production of new weaponry to narrow the gap between China and some developed countries, Yang said. Despite the existing gap, Yang said the PLA had its own strong points. "It is wrong to think that we are backward in all sectors," he said.

"China was striving for a longterm peaceful environment for its economic construction," he said. "If a war was forced on us, China would win the final victory with its existing armed forces supported by the people and the world's peaceloving people," the chief of the general staff declared.

"The demobilization," Yang said, "should be geared not only to the ongoing modernization drive but also to the world situation and to the possibility of any conflict in the next century. The streamlining had won the support of both the army and the whole nation and could be completed on schedule," he said. Meanwhile, efforts should be made to strengthen the army's reserve services and militia training so that forces could be quickly mobilized in the event of war.

Yang said that China would still wage a people's war to combat any possible aggression against the country. The theory of the people's war was not out-of-date and remained the previous heritage of the party and army. People's war was a strategy used during the revolutionary wars to defeat a better armed force by relying on the people's resources and dedication. It was through people's war that the Chinese Communist Party won the war against Japanese aggression and victory over Chiang Kai-shek. "We should further our studies of the strategy and tactics of people's war under new historical conditions," Yang said. "Efforts would be made to improve the general public's understanding of national defence, particularly among youngsters."

Spurred by the nation's open policy, Yang said, "Exchange visits and military technology exchanges between the PLA and foreign armies had increased over the last few years."

Of his tour of the United States, which starts this week, Yang said it was a return visit after General John Vessey, former chariman of the U.S. Joint Chiefs of Staff, and General Willian J Crowe, now the chairman, who visited China in January last year. Their visits to China helped promote mutual understanding and exchanges between the two armies, Yang said. "My visit to the United States aims to seek new friendship. It is not directed against a third country." Yang said he would exchange views with U.S. Army leaders on issues of common concern, in addition to visiting army bases and some military installations.

Relations between the two countries and armies have developed since the Shanghai Communique was issued in 1972, particularly the establishment of diplomatic relations in 1979. Exchanges of military technical personnel have also increased since the defence leaders started visiting each others' defence establishments and armed forces. "This, Yang said, was not only in keeping with the interests of the two nations but also conductive to world peace. Sino-U.S. relations would continue to develop in all fields as long as the two countries kept to the principles of the several joint communiques. There were also broad prospects for further friendly exchanges between the two armies.

FANG YI ENTERTAINS U. OF CALIFORNIA PROFESSOR

OW251614 Beijing XINHUA in English 1443 GMT 25 Apr 86

[Text] Beijing, April 25 (XINHUA) — Chinese State Councilor Fang Yi met and gave a dinner [illegible] professor of the University of California Choh-hao Li and his wife here today.

ELECTRONICS INDUSTRY MINISTER LEAVES FOR U.S.

OW261148 Beijing XINHUA in English 1136 GMT 26 Apr 86

[Text] Beijing, April 26 (XINHUA) — Chinese Minister of Electronics Industry Li Tieying left here today to visit the United States at the invitation of the Secretary of Commerce M. Baldrige and the American Electronics Association. During his stay in the U.S., the Chinese minister will visit electronics industrial enterprises, and explore into more channels of bilateral economic, technical cooperation and trade in this field.

PRC TO TRY TO PERSUADE DPRK TO SEOUL ASIAN GAMES

HK280836 Hong Kong HONG KONG STANDARD in English 28 Apr 86 p 8

[By Yau Shing-mu]

[Text] China is trying to persuade neighbouring ally North Korea to take part in this autumn's Asian Games in Seoul. Reliable sources in Beijing told THE STANDARD that a team of Chinese officials left secretly for Pyongyang last week to discuss the matter.

China will be sending an athletic team to Seoul but its decision has not been announced, pending the outcome of these talks. China does not want to offend its ally by making its decision public before talking things over with the chairman of North Korea, Mr Kim Il-song.

Mr Kim does not want to have direct contacts, even among the people, with South Korea before the U.S. withdraws its hand from Korean affairs. North Korea has stopped ongoing talks with South Korea when the U.S.-South Korean military training exercise were conducted early this spring.

Although China and South Korea have no diplomatic ties, both have been increasing indirect trade and cultural exchanges over the years. Korean businessmen have estimated trade between Beijing and Seoul -- much of it through Hong Kong and Japan -- at more than U.S. $100 million. China also sent a delegation to the International Monetary Fund World Bank meeting in Seoul last October. In 1983, the former head of the Civil Aviation Administration of China, Mr Shen Tu, went to the South Korean capital to negotiate the return of a hijacked plane. South Korean athletes have also competed in China. And On April 17, China announced plans to host the Asian games in 1990. It is understood that China does not want to see a South Korean boycott, which might be the case if China did not show up in Seoul this year.

The Seoul Games will take place from September 20 to October 2. Chinese victories there would be a big boost to China's pride and international standing. Moreover, it will prepare the Chinese team for the 1988 Olympics, also to be hosted by Seoul. Neither China nor South Korea would like to see the stature of the games diminished by either country's absence, the two being athletic giants in Asia.

In the last games at New Delhi, China won the most gold medals, 61, followed by Japan's 57, and South Korea's 28. The Asian Games is the world's second biggest sports festival next to the Olympics. The last event took place in 1982 in the Indian capital where 4,000 athletes and officials from 33 Asian Countries took part.

SOUTH KOREAN 'WARSHIPS' SINK DPRK 'FISHING BOAT'

OW250926 Beijing XINHUA in English 0906 GMT 25 Apr 86

[Text] Pyongyang, April 25 (XINHUA) -- South Korean warships shelled a fishing boat of the Democratic People's Republic of Korea (DPRK) at 4 p.m. Tuesday, killing a fisherman and sinking the boat, the local press reported today. The boat, "Trawler No 1390," belonging to the Kosong Fishery Station of Kangwon Province, was sunk in the open sea of Kosong when it was returning home from fishing. The report alleged that the South Korean warships shelled and sank the boat when they failed to kidnap it.

Yi Tae-ho, senior member of the Korean-Chinese side of the Korean Military Armistice Commission, sent a protesting message to the United States side yesterday over the South Korean Navy's act of "piracy." It is a crude violation of the international law, the message said. The press report didn't mention how many others were on board the trawler or if they were injured.

SEOUL-U.S. MANEUVERS CREATE TENSION

OW250840 Beijing XINHUA in English 0829 GMT 25 Apr 86

["News Analysis: Seoul Poisons Dialogue With War Games" -- XINHUA headline]

[Text] Pyongyang, April 25 (XINHUA) — In the wake of the large-scale U.S.-South Korea joint military exercise, "Team Spirit-86," a chain of military exercises, or war games have been launched lately in South Korea, unfavourably affecting the North-South dialogue and the relaxation of tension on the peninsula. According to reports from Seoul, following the end of the "Team Spirit-86," which started on February 10 and lasted for two months, additional military maneuvers were conducted from April 14 through 17. Again on Monday, another military exercise was launched -- "coordination drills." It mobilized not only military forces, but also office workers and ordinary residents.

The Seoul authorities have announced that there would be a "civilian defense exercise" in 25 cities throughout South Korea next month with warplanes and armoured cars participating. These frequently held military exercises have put the North on alert and have aroused concern that the reopening of the North-South dialogue and the process of detente on the peninsula would be negatively affected. The North side pointed out that such actions by Seoul under the pretext of the North's "aggression against the South," are aimed at increasing military power in preparation for starting a war.

Delegations from the North to the North-South dialogue criticized Seoul authorities in a statement Thursday saying that the military buildup showed that the South side didn't care about the dialogue and was toying with it. The dialogue had been interrupted in 1984 and 1985 by the annual U.S.-South Korea joint military exercises. However, observers here said that this year's dialogue could only be resumed in a favorable atmosphere which would hardly be brought about with intensified war games.

BEIJING MILITARY REGION CELEBRATES DPRK ARMY DAY

HK250129 Beijing RENMIN RIBAO in Chinese 23 Apr 86 p 4

[Report by Luo Tongsong and Lan Zhongyu: "A Certain PLA Unit of the Beijing Military Region Holds Gathering To Mark Korean People's Army Day"]

[Text] On 22 April, a certain PLA unit attached to the Beijing military region held a gathering to celebrate the 54th anniversary of Korean People's Army Day.

Yan Tongmao, deputy commander of the Beijing military region; Sin In-ha, DPRK ambassador to China and others attended the gathering. Zhao Bingpu, political commissar of this PLA unit attached to the Beijing military region, said in his speech at the gathering: For a long time, both the peoples and the armies of the two countries have been supporting each other and studying with each other. We must always cherish our profound militant friendship cemented with blood. At the gathering, Chong To-chol, military attache of the DPRK Embassy in China, introduced the Korean People's Army's history of growth and struggle and praised the fraternal friendship between the peoples and Armies of Korea and China. After the gathering, the comrades-in-arms of Korea and China together watched "Steel Wings," a Korean feature movie. Also, the Korean comrades visited the exhibition hall of this PLA unit and watched the unit's shooting show.

CRITICISM OF JAPANESE COURT'S DECISION ON HOSTEL

HK251048 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 16, 20 Apr 86 pp 28-29

[Report by LIAOWANG contributing correspondent Zhang Kexi: "The Court Decision on the 'Kuang-hua Hostel' Case Impairs Sino-Japanese Friendship"]

[Text] Special dispatch from Tokyo -- After the District Court of Kyoto, Japan, made its unreasonalbe decision on turning over to the Taiwan authorities the ownership of the Kuang-hua Hostel which is the state property of China, the Union of Chinese Students in Japan lodged an appeal with the Osaka Higher Court on 18 February. The Chinese Government authorities concerned also conducted negotiations through diplomatic channels with the Japanese side over this problem, a political problem of creating "two Chinas." The Overseas Chinese in Japan and Japanese friendly people and amity groups are closely watching the development of the case. They hope that the Japanese judicial authorities concerned will observe the principles specified in the Sino-Japanese Joint Declaration and the Sino-Japanese Treaty of Peace and Friendship and defend the friendly relations between China and Japan by fairly and properly handling this case.

Located at Kita Shirakawanishi-cho, Sakyo-ku, Kyoto-shi, the Kuang-hua Hostel has all along been used as a dormitory for Chinese students. It is a reinforced concrete cement building with five stories and a basement, and has a floor space of about 1,000 square meters. Completed in 1931, it was owned by the Lo-tung Apartment Company. In April 1945, the Japanese Government commissioned Kyoto University to rent the Kuang-hua Hostel for use as a dormitory for Chinese students, in order to conduct so-called "intensive education" for the Chinese students. In October 1945, the Chinese students, having been deprived of their source of income, formed a union and took over management of the building, which they have maintained ever since.

In 1950, the Taiwan authorities, "delegation in Japan" purchased the property with the Chinese people's money; that is, money obtained by selling the supplies and materials which the Japanese Army had plundered from China. The property was registered with the Japanese Government in 1961, under the ownership of the so-called "Republic of China." In August 1967, the Taiwan authorities, with their ambassador to Japan Chen Chih-mai as the plaintiff, appealed to the Kyoto District Court to demand possession of the house and eviction of the eight persons, including Yu Ping-huan, who were then living at the Kuang-hua Hostel. After the normalization of diplomatic relations between China and Japan, in 1977 the Kyoto District Court rejected the appeal and decided that the ownership of the Kuang-hua Hostel and the right to manage the property belonged to the PRC. Refusing to accept the court decision, the Taiwan authorities, in the name of the "Republic of China," filed an appeal with the Osaka Higher Court. In April 1982, the Osaka Higher Court had the impudence to overrule the decision made after the first trial and ordered the Kyoto District Court to reexamine the case. On 4 February this year, the Kyoto District Court went so far as to reverse its own decision. In its written judgment, it nonsensically said that "the government of the Republic of China as a matter of fact is exclusively and continuously administering and ruling Taiwan; the "Kuang-hua Hostel is not diplomatic property;" and the PRC Government is "not entitled to total succession." Therefore, it decided to turn the Kuang-hua Hostel over to the Taiwan authorities.

This unreasonable decision is an overt political attempt to create "two Chinas." It is incompatible with the common wish of the Chinese and Japanese people and is intolerable, especially at a time when the friendly relations of the two countries have developed quickly over the past decade or so since the establishment of diplomatic relations between China and Japan.

The decision made by the Kyoto District Court is untenable politically and juristically. It has aroused the strong opposition of the Overseas Chinese in Japan and the close concern of Japanese friendly people and amity groups. The Overseas Chinese associations in Kyoto, Osaka, Kobe, Tokyo, and Yokohama have made protests in utter indignation, and the Chinese newspapers there have carried articles condemning the court decision. They point out: The Kuang-hua Hostel is the state property of China and not private property. This is beyond any doubt. When Sino-Japanese diplomatic relations were normalized, the Japanese Government recognized, in explicit terms in the Sino-Japanese Joint Declaration, the PRC Government as the sole legitimate Chinese government. The Kuang-hua Hostel should therefore belong to the PRC Government. It is also specified in in explicit terms in the Sino-Japanese Treaty of Peace and Friendship that the various principles in the Sino-Japanese Joint Declaration should be strictly observed. The acceptance and hearing of the appeal filed by the so-called "Republic of China" are actually in violation of the principles laid down in the Sino-Japanese Joint Declaration and the Sino-Japanese Treaty of Peace and Friendship and are an attempt to create "one country with two governments," that is, "two Chinas."

The Sino-Japanese Treaty of Peace and Friendship is a major treaty between China and Japan. It was ratified by the Diet on the Japanese side and has legal effect. This is laid down in Article 98 of the Constitution of Japan: "The treaties signed by Japan and the established international laws must be observed honestly." Undoubtedly, the Japanese judicial organs should strictly observe and in no way violate the Sino-Japanese Joint Declaration and the Sino-Japanese Treaty of Peace and Friendship. As far as international relations are concerned, it is extremely abnormal for the judicial organ of a country to take a stand completely different from that taken by the administrative and legislative organs of the same country. Mr Hiroshi Kashiwagi, chairman of the Japanese-Chinese Association for the Exchange of Jurists, said: "Juristically, Japan has negated the existence of the government of the Republic of China. It is illogical for a nonexistent government to own property in Japan.

Chen Kun-wang, chairman of the Tokyo General Association of Overseas Chinese, pointed out: The decision made by the Kyoto District Court runs counter to the Sino-Japanese Joint Declaration and is an attempt to create "two Chinas." According to the norms of international laws, following the normalization of Sino-Japanese diplomatic relations, all public property, including the Kuang-hua Hostel, of the Taiwan authorities, in Japan should be owned by the PRC. The decision of the Japanese judicial authorities concerned on turning the property over to the Taiwan authorities is an overt interference in China's internal affairs. We must firmly oppose it. The Overseas Chinese in Japan will fight for victory together with the vast number of Japanese people wishing for eternal Sino-Japanese friendship.

JAPANESE STEEL EXPORTS TO PRC, U.S. DECREASE

OW260918 Beijing XINHUA in English 0754 GMT 26 Apr 86

[Text] Tokyo, April 26 (XINHUA) -- The Japanese iron and steel export decreased by 3.2 percent to 32,080,000 tons in the fiscal year of 1985 compared with the preceding year, a Japanese newspaper reported today. The report was based on a statement of the Japan Iron and Steel Federation released yesterday, which showed steel exports to China and the U.S., its two main markets, have decreased sharply since last July. In March 1986, the report instanced, export to China decreased to 540,000 tons, or a 42.6 percent drop as compared with the corresponding period of last year, while export to the U.S. decreased by 41.4 percent to 390,000 tons. The yen's appreciation since last September resulted in a worsening situation of the iron and steel exports, it added.

CHEN MUHUA TO LEAD DELEGATION TO ADB MEETING

OW241039 Beijing XINHUA in English 1031 GMT 24 Apr 86

[Text] Beijing, April 24 (XINHUA) -- China is sending its first delegation to the Asian Development Bank Board of Governors' annual meeting in Manila next week, State Councillor Chen Muhua said here today. Chen, governor of the People's Bank of China, said the delegation hoped to be able to contribute to economic, financial and social development in the asia-pacific region. China was officially admitted to the Asian Development Bank (ADB), the Manila-based Asian financial organization, on March 10.

Chen, who is also the Chinese governor of the ADB, will head the delegation to the three-day meeting whcih begins next Wednesday. She told XINHUA that China was keen to participate in ADB activities under the principle of "equality and mutual benefit", and would abide by ADB rules and regulations, fulfil its obligations and enjoy its appropriate rights; China was willing to work with other ADB members for the prosperity and development of the ADB and the economic development of the region.

She said she expected to exchange views during the meeting with ADB President Mauao Fujiopa and other bank governors and discuss bilateral relations with finance ministers of several countries. ADB now has 47 members, and its business area is inhabited by half the world's population.

HONG KONG BECOMES CONTRACTING PARTY TO GATT

OW241300 Beijing XINHUA in English 1252 GMT 24 Apr 86

[Text] Geneva, April 24 (XINHUA) -- Hong Kong has become the 91st contracting party to the General Agreement of Tariffs and Trade (GATT) with effect from April 23, announced the GATT Secretariat in a communique here today. The communique said that Hong Kong's status as a contracting party was confirmed in accordance with a statement submitted by the British Government to the GATT Secretariat yesterday. The statement said that the British Government agrees that Hong Kong becomes a GATT contracting party in accordance with the relevant provisions of the general agreement and "the wishes of Hong Kong."

Hong Kong was represented in the GATT by Britain since the GATT was established in 1948 to achieve a substantial reduction of tariffs and other barriers of trade.

China said in a statement yesterday that under the Sino-British Joint Declaration on the question of Hong Kong signed on December 19, 1984, China will resume the exercise of sovereignty over Hong Kong with effect from July 1, 1977, and Hong Kong will become a special administrative region of the People's Republic of China from that day. The Hong Kong special administrative region will retain the status of a free port and separate customs territory and may participate in relevant international organizations and international trade agreements such as the GATT in the name of "Hong Kong, China", the statement noted. It stated that the special administrative region may continue its status as a contracting party to the GATT using the name of "Hong Kong, China", with effect from July 1, 1977. The statement was submitted to the GATT Secretariat yesterday by Qian Jiadong, Chinese permanent representative to the U.N. office here.

CGDK OFFICIAL URGES VIETNAM TO NEGOTIATE

OW242224 Beijing XINHUA in English 1623 GMT 24 Apr 86

[Text] Bangkok, April 24 (XINHUA) -- Kampuchean resistance leader Khieu Samphan said here today that "the only way which could lead to a political settlement to the problem of Kampuchea is that the warring parties agree to negotiate with each other." Khieu Samphan, vice president of the Coalition Government of Democratic Kampuchea (CGDK), made the statement at a press conference which was also attended by Boun Say and Prince Norodom Chakkrapong of the Son Sann and Sihanouk Parties. "While proclaiming incessantly its intention of seeking a political solution, Vietnam refuses flatly to negotiate with the CGDK," he said. Khieu Samphan described the eight-point proposal put forward by the CGDK as "comprehensive and quite reasonable," adding that it is a very generous offer to Vietnam.

The resistance leader announced that his government does not "demand that Vietnam withdraw all its forces of aggression at once." "We allow Vietnam to withdraw in two phases, in a specific frame of time, although we know very well from experience that Vietname could also in the meantime prepare other things," he said. He further stated that after the withdrawal of all the Vietnamese forces, the CGDK is ready to sign with Vietnam a pact of non-aggression, peace and multiform cooperation for many generations to come. The vice president reaffirmed that the CGDK allow the Heng Samrin group to form a "quadripartite coalition government" with the CGDK and "to participate in the general elections. [quotation marks as received] He declared that CGDK's peace proposal "is for the sake of peace in Kampuchea, in Vietnam, in Southeast Asia and the Pacific, of genuine national reconciliation among all Kampucheans, and of a genuine reconciliation between Kampuchea and Vietnam."

He charged Vietnam for resorting to all pretexts "to evade a reasonable and equitable political solution to the problem of Kampuchea." He also pointed out that the Soviet Union is behind Vietnam in the aggression against Kampuchea because it has its own strategic needs in the region. However, the vice president said that he is sure of a victory in the war against the Vietnamese if the Kampucheans persist in their struggle.

Asked about how the factions of the resistance forces are getting along, Khieu Samphan said that they are cooperating both in the military and diplomatic fields. "We have no other alternative but to unite in the struggle," he said. Khieu Samphan said that the CGDK is not only making efforts to strengthen the unity among the three parties but also with the soldiers of the Heng Samrin regime. The Phnom Penh forces are "cooperating with us because every Kampuchean except the Heng Samrin group is against the Vietnamese invaders," he said.

The three resistance leaders disclosed that their forces have gone deep inside Kampuchea during the current dry season. Chakkrapong said that the Sihanoukian Nationalist Army (ANS) has sent more and more troops inside Kampuchea. "More than 7,000 ANS soldiers are fighting in the interior," he added.

WU XUEQIAN AT TANZANIAN ENVOY'S BANQUET

OW251152 Beijing XINHUA in English 1140 GMT 25 Apr 86

[Text] Beijing, April 25 (XINHUA) -- Tanzanian Ambassador to China Clement George Kahama gave a banquet here this evening to mark the national day of the United Republic of Tanzania. Chinese state Councillor and Foreign Minister Wu Xueqian and Director-General of the XINHUA News Agency Mu Qing were among those present at the banquet.

PRC-ALGERIAN COOPERATION COMMISSION MEETS

Zheng Tuobin Speaks

OW260828 Beijing XINHUA in English 0757 GMT 26 Apr 86

[Text] Beijing, April 26 (XINHUA) -- The second session of the Sino-Algerian mixed Commission for Economic, Commercial, Scientific and Technical Cooperation opened here today. The meeting was jointly presided over by Zheng Tuobin, chairman of the Chinese side of the commission and minister of foreign economic relations and trade, and Zitouni Messaoudi, chairman of the Algerian side of the commission and minister of light industry.

In his speech, Minister Zheng said that since the establishment of diplomatic relations between China and Algeria in 1958, bilateral cooperation in the fields of politics, economy, trade, technology, culture, and health have achieved remarkable results. Both sides had made an extensive exploration of channels of cooperation since the first meeting of the commission in March 1985, he added. The Chinese minister pointed out that the continued development of friendship and cooperation between the two countries is China's unswerving policy.

Zitouni Messaoudi stated that both Algeria and China hope to strengthen their friendly relations through various channels of cooperation. He expressed his belief that cooperation between the two countries would develop fast and be a model of South-South cooperation.

Tian Jiyun Entertains Algerian

OW251610 Beijing XINHUA in English 1442 GMT 25 Apr 86

[Text] Beijing, April 25 (XINHUA) -- Chinese Vice-Premier Tian Jiyun met and gave a dinner for Zitouni Messaoudi, Algerian minister of light industry, here today. Messaoudi arrived here Wednesday for the second session of Sino-Algerian Commission of Economic, Trade and Technological Cooperation to be held tomorrow.

RENMIN RIBAO ON ISRAEL'S TRIAL OF DEMJANJUK

HK240854 Beijing RENMIN RIBAO in Chinese 10 Apr 86 p 6

["Jotting" by Xu Ping: "Both Are Slaughterers and Yet They Are Treated Differently"]

[Text] According to Israel's schedule, Nazi war criminal John Demjanjuk, who sent thousands of Jews to their death in the gas chambers of an extermination camp at Treblinka, Poland during World War II, is going to be brought to trial in the next few days. Of course he deserves punishment.

It was reported that when this war criminal, called "Ivan the Terrible," was extradited from the United States to Tel Aviv on 28 February this year, the Israeli police set for him a special security procedure called "Justice Operation." Two video cameras have been specially installed in his detaining cabin at (Ayelong) prison and seven prison officers are in charge of keeping watch on him round the clock. All food is tasted by others before being sent to him lest he "commit suicide" or "be murdered."

That Israel has given so much thought to this matter is blameless, since more than 6 million Jews were cruelly slaughtered by the German fascists. Just as the saying goes: "Every injustice has its perpetrator; every debt has its debtor." Thus, it is right and proper for Israel to pursue and punish Nazi war criminals.

People who were forced to wander as refugees for over 2,000 years must be the ones who most keenly cherish peaceful life, and those who survived the most massive genocide in human history must know the value of life better than others. So, Israelis, who suffered all hardships, should respect human rights and hate cruelty as well as the crime of slaughter more than others. However, since the founding of Israel in 1948, the rulers of this country have ignored history and violated ordinary rules and practices, launching aggressive wars again and again and producing numerous Palestinian refugees. Israel has gone so far as to plot and take part in a Nazi-type fascist massacre in Lebanon in recent years. People may still remember the night several years ago when Israeli troops suddenly surrounded the Sabra and Shatila refugee camps in West Beirut and blocked all the ways out. The slaughterers searched every house in the camps, forced Palestinian refugees living there to "face the wall and then massacred them by shooting them from behind." Corpses stacked up in the refugee camps and the scene was just horrible. "Why do innocent people have to suffer such a fatal disaster, with bones piling up like hills?" However, to people's surprise, former Israeli Defense Minister Sharon, who was held responsible for this inhuman genocide, dared to appear in court in the United States, looking unshamed, together with his wife, to accuse TIME Magazine of reporting this massacre in a way that defamed him. Of course, the Israeli authorities would not set any security procedure like the "Justice Operation" to deal with Sharon, but praised him to the skies and gave him exceptionally good treatment.

Just consider these two cases: Both men are slaughterers who have recklessly murdered innocent people, and yet they are treated completely differently. In fact, Demjanjuk and Sharon have almost equally heavy blood debts. But, considering their attitude toward their guild, we can find that the Nazi slaughterer, anyway, has realized that he is sinful and has had a guilty conscience; therefore, he has lived incognito in the United States for several decades; whereas the Beirut slaughterer has never shown the least guilty conscience, counting on his strong backing by Israel.

In the middle of last year, the case of Nazi criminal Josef Mengele attracted the world's attention for a while. This man, called "the Angel of Death," sent thousands of prisoners to their death in the gas chambers and dissected live human beings for biological experiments at Auschwitz extermination camp. He also obstinately denied that he had committed any crime, claiming that nobody was justified to put him on trial. Apparently, he was as shameless as Sharon is today and that is the very thing in common between them.

As the Chinese saying goes: "Good will be rewarded with good and evil with evil." Sharon and his ilk have not yet been imprisoned; this, of course, is because the Israeli authorities are backing them. But, while trying the case of Nazi war criminal Demjanjuk, who has escaped punishment for 40 years, has Israel ever realized that peoples in the world may find out from the Israel's different attitude toward Sharon that this court which is trying others is not so fair and just in itself?

DENG XIAOPING HONORS MAO ZEDONG'S BROTHER

OW280606 Beijing XINHUA Domestic Service in Chinese 1243 GMT 27 Apr 86

[Text] Nanchang, 27 Apr (XINHUA) -- An inauguration ceremony for the memorial to Martyr Mao Zetan, an outstanding CPC Member and staunch communist fighter, was held in the old Red Capital of Ruijin County yesterday. Comrade Deng Xiaoping inscribed the name of the memorial.

The memorial to Martyr Mao Zetan, located in front of the Ruijin County revolutionary Martyrs Memorial Hall, is 5.4 meters high and made of milky white and green marble. Its front is inlaid with the brass characters for the title "Comrade Mao Zetan Memorial" which was inscribed by Comrade Deng Xiaoping. A full-length brass statue of Martyr Mao Zetan stands erect on the memorial's foundation. His biography is engraved on the back of the memorial. The memorial as a whole looks simple but stately.

Martyr Mao Zetan was born in Shaoshanchong of Hunan on 25 September 1905. He joined the CPC in 1923, and took part in the Nanchang Uprising and the struggle to found the Jinggangshan revolutionary base area. He served successively as secretary of the Yongfeng-Jian-Taihe special party committee, director of the political department of the Red III Corps, secretary of the Gongluezhongxin County party committee, and secretary general of the central district of the Soviet area. After the Red Army started the Long March, he remained in the Soviet area and continued a guerrilla war there. On 26 April 1935, he heroically gave his life at the age of 30 during a battle with the enemy in the Hongling Mountain in Ruijin.

HU YAOBANG ENCOURAGES DEVELOPMENT IN SOUTHWEST

HK251135 Beijing BAN YUE TAN in Chinese No 7, 10 Apr 86 pp 7-15

[Newsletters by Feng Jian: "'The Latecomers Surpass the Old-Timers' -- on General Secretary Hu Yaobang Visiting Guizhou, Yunnan, and Guangxi"]

[Excerpts] From 7 to 9 February 1986, Hu Yaobang, general secretary of the CPC Central Committee, visited a remote mountainous area in the Guizhou-Yunnan-Guangxi border area and spent the Spring Festival there with peasants and workers of various nationalities. That was the fourth Spring Festival that Hu Yaobang had spent with the grass-roots masses in recent years.

On the Spring Festival of 1983, Hu Yaobang went to Yaxian County on Hainan Island and joined the PLA men and local people in celebrating the festival. Then, he wrote a pair of couplets: "The treasure island is full of spring vigor; the motherland resounds with songs of triumph."

On New Year's Day 1984, Hu Yaobang went by car from Sichuan to Bijie Prefecture in Guizhou and visited some poor mountainous areas, walking along snowy paths. During the Spring Festival period of that year, he went to a forward position at Fakashan at the border of Guangxi and extended festival regards to the PLA men there.

Hu Yaobang spent the Spring Festival of 1985 in Pujia Village, which is located deed in the forests in the western Yunnan Plateau. During that period, he visited and inspected some remote mountainous and border areas in Yunnan.

On New Year's Day 1986, he visited the Xisha Islands and met with the garrison force and local cadres. He made a New Year speech there, and planted a coconut tree on Yongxing Island. He specially brought some earth from Zhongnanhai with which to plant the tree.

This time, from 4 to 20 February, he visited the southwest region of the country to find out about the situation of production and people's livelihood in the remote rural areas and the poor mountainous areas. He took a medium-sized car to cross the high mountain ridges in western Guizhou, the small plains in eastern Yunnan, and the river valleys in northwest Guangxi. He finally came to the open city of Beihai and inspected urban construction projects and harbor facilities there.

Since 1982, the CPC central leadership has issued five Documents No 1 on rural work at the beginning of each year. These documents are guiding our country's agriculture to develop vigorously. When the countryside had become full of vigor in economic development, the CPC central leadership and the State Council issued a circular in September 1984 on helping poor areas change their conditions as rapidly as possible. Now that more than 1 year has passed, what changes have occurred in the poor areas? This is what the party central leadership and the State Council are keen to know, and it is also a question that the people throughout the country are concerned with. This time, when making an inspection tour in Guizhou, Yunnan, and Guangxi, Hu Yaobang also led an inspection group composed of 30 leading cadres from various central departments. These cadres were divided into three small groups and went separately to make investigations in Bijie Prefecture in Guizhou, Wenshan Prefecture in Yunnan, and Hechi Prefecture in Guangxi.

During this inspection tour, Comrade Hu Yaobang particularly took 1 and 1/2 days to inspect Beihai, and open city on the coast of the Beibu Gulf.

He asked a responsible cadre of Beihai City: "In your view, what are the differences between Beihai City and the other 13 open cities? Which city is Beihai more like?"

After thinking for a while, the cadre answered: "Beihai is nothing like other cities. Beihai City and Fancheng Harbor should be considered an integrated body. As I see it, the major characteristic of this city, which distinguishes it from other open cities, is its function as a passage and port that links Guangxi and the entire southwest region, including Yunnan, Guizhou, and Sichuan, with the outside world."

Hu Yaobang then said: "The key to Beihai's prosperity lies in the development of its transport facilities. The cargo handling capacity of the Beihai and Fangcheng Harbors should reach millions of tons a year in 2 to 3 years' time. Beihai City should first consider how to improve its harbor services, and should develop all the backup facilities in the fields of land transportation, storage, trade, packing industry, and other tertiary industries that are needed for harbor operations. This is a major issue concerning the economic results and social benefit of Guangxi and the entire southwest region. If you do a good job in developing the harbor services, you will give a great impetus to the economic development in southwest China.

He said: There are two types of "outwardly oriented" products. One type is industrial goods, particularly those industrial goods which are produced by making use of local resources, the other type is mineral products and native products. Guizhou, Yunnan, and Guangxi have favorable conditions to develop the second type. "Outwardly oriented" products should not be defined too narrowly. He hoped that Beihai City would make full use of its local favorable conditions to develop sea fishery and sea aquiculture so as to supply the markets with more aquatic products.

After returning to Nanning from Beihai, Hu Yaobang listened to the reports by responsible cadres of Guangxi, Yunnan, and Guizhou.

Then he emphatically pointed out: The three provinces and the region should develop their own economies by making full use of their favorable conditions in the following three aspects: First, they all abound with a rich variety of mineral resources, including ferrous metal, nonferrous metal, and non-metal mineral resources. The development of these mineral resources is of great significance in our national economy. Second, the river valley areas in Guangxi, Yunnan, and southern Guizhou are good places for planting subtropical cash crops. Those areas can grow more sugarbearing crops, more subtropical fruit, more valuable medicinal crops and crops for making balm and grassland at high altitudes in these provinces and regions, and these places can be used to plant trees and forage grass and to raise many cattle, horses, and sheep. Finally, he said: "I hope that we will see obvious results in these areas when celebrating the 40th anniversary of the founding of the PRC."

Yunnan, Guizhou, and Guangxi are inhabited by nearly 100 million industrious and intelligent people of some 20 nationalities, and cover a total area of nearly 800,000 square kilometers. Due to the natural, historical, and social conditions and due to the weak economic foundation, their present economic levels still lag behind most other provinces and regions. However, the untapped treasure and resources reserved in these areas show that they have great economic potential. Once the door of the treasure house is opened, they will have broad and bright prospects in economic development.

At present, this treasure and potential are being more and more recognized by people. The opening of Bejihai City has also given a new impetus to the tapping of this treasure and potential. With the development of the socialist modernization process, the people in Yunnan, Guizhou, and Guangxi, through hard work and vigorous efforts, will certainly realize the target, as General Secretary Hu Yaobang wrote to them: "The latecomers will surpass the old-timers."

HU YAOBANG URGES BEIJING-TIANJIN TREE-PLANTING

OW280452 Beijing Domestic Service in Mandarin 1200 GMT 26 Apr 86

[Text] The state is formulating overall short-term and long-term plans for planting trees and grass in the Beijing-Tianjin area in order to remarkably improve the environments of this area by the end of the century.

Given that winds and dust are still problems in the Beijing-Tianjin area and more trees should be planted there, Comrade Hu Yaobang in November last year gave some written instructions on an investigation report. In the instructions, he called on Beijing an Tianjin Municipalities and Zhangjiakou, Chengde, and Tangshan Prefectures to make great efforts to plant trees and grass under a unified plan and strive to transform the environments around Beijing and Tianjin before the end of the century. Soon afterwards, the State Planning Commission, the Ministry of Forestry, and the departments and prefectures concerned seriously studied how to implement Comrade Hu Yaobang's instructions.

A greening group for the Beijing-Tianjin area was inaugurated in Beijing on 26 April. State Councillor Song Ping and Minister of Forestry Yang Zhong addressed the inauguration. They held that to plant more trees around Beijing and Tianjin is of great significance for transforming the environments and alleviate the water shortage in the Beijing-Tianjin area. The planned tree-planting, as a special project of the second-stage task for building the shelter forests for the northwest, northeast, and north China regions, will cover 75 counties in the Beijing-Tianjin area.

In 1986, efforts will be made to formulate an overall plan, cultivate saplings, prepare land, train technical personnel, make other necessary preparations, and conduct experiments in four selected countries in the northern part of Chengde Prefecture.

ZHENG TIANXIANG REPORT ON SUPREME COURT WORK

OW242322 Beijing XINHUA Domestic Service in Chinese 0002 GMT 19 Apr 86

[Text] Beijing, 19 Apr (XINHUA) -- Report on the work of the Supreme People's Court by Zheng Tianxiang, president of the Supreme People's Court, at the Fourth Session of the Sixth NPC on 8 April 1986

Deputies:

In the past year, the people's courts at all levels in China have further understood that the administration of justice must serve the general tasks and objectives of the party and the state and serve socialist modernization. Following the guidelines of the resolution of the Third Session of the Sixth NPC, the Supreme People's Court concentrated on the following three aspects: First, after winning a great victory in the struggle to strike vehemently at crimes seriously jeopardizing public security, the Supreme People's Court comprehensively stepped up the administration of justice to meet the new situation, and actively participated in the efforts to make a general improvement in public order. Second, it enforced the law conscientiously and worked hard to improve the socialist legal system. Third, it made efforts to revolutionize, professionalize, and modernize the people's courts. In the coming year, the Supreme People's Court will make comprehensive arrangements, in accord with the overall situation, to concentrate on "two strikes" -- namely, to continue a firm and vehement strike at crimes seriously jeopardizing public security, and to resolutely intensify our strike at crimes seriously disrupting the economy. It will pay attention to the trial of economic and civil cases and continue to work hard to improve the socialist legal system and the quality of judicial cadres. Our general situation and major tasks are as follows:

1. Continuing a Vehement Strike at Crimes Seriously Jeopardizing Public Security, and Striving for a Steady Improvement in Public Order

On 2 September 1983, the Second Session of the Sixth NPC Standing Committee adopted a "resolution on severely punishing criminals who seriously jeopardize public security" and a "resolution on expediting the trial of criminals who seriously jeopardize public security." Since then, the people's courts at all levels throughout the country have resolutely implemented the two resolutions. In view of the current situation in public order, the people's courts this year will continue to firmly adhere to the principle of speedy trial and severe punishment according to law to strike vehemently at criminals who seriously jeopardize public security. The people's courts will continue to strive for a steady improvement in public order to lay a solid foundation for a further and fundamental improvement in public order.

From August 1983 to the end of 1985, the people's courts and special courts at all levels in our country heard of some 1,102,000 criminal cases and sentenced more than 1,395,000 people according to law. Stress was put on punishing criminals in seven categories who seriously jeopardized public security, such as hooligan gangs, killers, rapists, and robbers. They accounted for 51 percent of those who were sentenced. Our strike at serious crimes was accurate and vehement.

The situation in which criminals once rampantly and seriously jeopardized public security and disturbed people has greatly changed, hooligan gangs have suffered destructive blows, and public order has improved remarkably. National statistics show that, after 28 months of effort to strike vehemently at crimes seriously jeopardizing public security, criminal cases decreased by 35.9 percent. In 1985, 542,000 criminal cases were reported, showing a crime rate of 5.26 per 10,000. The 1985 crime rate was lower than that of many other countries, and higher than our lowest crime rate of about 3 per 10,000 in 1956 and 1965. However, it was remarkably lower than the crime rates of 8.9 per 10,000 in 1981, 7.4 per 10,000 in 1982, and 6 per 10,000 in 1983. This was the result of joint efforts by all public security and judicial organs under the party leadership, and with the support of the people. Facts have proved that the principles, policies, and decisions of the party Central Committee and the NPC Standing Committee to strike vehemently at serious crimes are completely correct.

While adhering to the principle of speedy trial and severe punishment according to law, we also implemented a policy of integrating punishment with leniency. In striking severely at serious crimes, people's courts at all levels in the country have tried and sentenced criminals according to law and dealt with each case on its merits. Of those who were tried, 42 percent were sentenced to 5 years' imprisonment or more, life imprisonment, or death (including death sentence with reprieve), and 58 percent were sentenced to less than 5 years' imprisonment or hard labor, granted probation, exempted from punishment, or acquitted. In 1985, some 107,000 inmates who had shown repentance or performed meritoriously during their imprisonment had their sentences reduced or were released on parole by people's courts at all levels in the country. The courts also passed additional sentences according to law on more than 5,600 convicts who had escaped from prison or committed crimes again after escape. The actions taken by the courts have yielded very good effects.

Public order has improved markedly, but we must not overestimate the improvement. In 1985, people's courts at all levels in our country accepted and heard more than 246,000 first-offense criminal cases, involving some 277,000 criminals. The number of criminal cases in 1985 decreased 43 percent while the number of criminals dropped 54 percent, as compared with 1984. However, the decrease does not reflect the overall situation in public order, for the following reasons: First, more than 540,000 criminal cases were reported in 1985, showing an increase of some 28,000 cases over 1984. Second, the improvement in public order was uneven, with some localities being in very good order while other localities were still plagued by poor public security. Third, vicious criminal cases occurred frequently, and some crimes increased. Therefore, the people's courts at all levels should absolutely neither slacken their efforts nor lower their guard. We must realize the protracted, complex, and arduous nature of the struggle against crime, uphold the people's democratic dictatorship, and pay great attention to the struggle against crimes that seriously jeopardize public security. We must continue to stress striking at criminals of seven categories. At the same time, we must pay special attention to the following new situation in our administration of justice:

First, we must resolutely combat such rampant crimes as theft, fraud, and robbery. The main target of such crimes is public property. Some criminals also engage in blackmail and rob self-employed and specialized households. In some localities, theft rings that steal, and transport and dispose of stolen goods have become a force of organized crime disrupting the socialist economic order.

We must continue to deal sternly with the crime of seriously violating public property. In addition, we must investigate and punish according to law those who neglect their duties and cause serious losses to the state. Otherwise, it will be very difficult to improve management.

Second, we must resolutely stop the reappearance and rampancy of some ugly phenomena of the old society. Some crimes which completely disappeared after the founding of the People's Republic, such as luring, keeping, or coercing women to prostitute themselves or using feudal superstitions to commit crimes, have reappeared in some localities. The crimes of smuggling, making, selling, and showing pornographic video films were quite conspicuous for some time in many localities. Tabloids and books dealing with terror, sex, and the decadent bourgeois life style were once quite rampant. These things have a very bad corrosive influence on people, especially on youngsters. In recent years, juvenile delinquency has occupied a pretty big proportion of the total number of crimes, and is rising in some localities. It is directly related to filthy and serious spiritual pollution. We must henceforth continue to resolutely ban and deal severe blows at them. We must resolutely impose severe punishment according to law on those who abet or teach youngsters to commit crimes.

Third, we must deal head-on blows to hooligan gangs and rascals whose crimes of disturbing public order have gained ground in some places. In quite a few localities, some scalpers have appeared at railway stations and wharves and in fish and vegetable markets perpetrating outrages. We must be thorough in exterminating these severe criminal activities, and deal sternly with the ringleaders and backbone elements of these scalpers in accordance with law.

Fourth, we must impose heavy and severe punishment according to law on habitual offenders, recidivists, and convicts who commit crimes again after escaping from prison. Some habitual offenders, recidivists, and escapees have fled hither and thither to commit crimes. Many major and vicious crimes have been committed by none other than such bad elements. We must resolutely impose heavy and severe punishment according to law on habitual offenders who commit such crimes as theft, robbery, and fraud, recidivists, people who commit crimes again after serving sentences and being released, and inmates who commit crimes again after escaping from reform-through-labor farms.

While continuing to implement the principle of speedy trial and severe punishment according to law in the struggle to strike fiercely at crimes which seriously endanger public order, people's courts at all levels must conscientiously strengthen the administration of justice, put stress on accuracy, and strike surely, accurately, and relentlessly at criminals.

2. Resolutely Striking at Serious Economic Crimes and Safeguarding Smooth Progress in Reforming and Building the Socialist Economic Structure

On 8 March 1982, the 22d session of the 5th NPC Standing Committee adopted the "resolution on severely punishing criminals who seriously disrupt the economy." From 1982 to the end of 1985, courts at all levels throughout the country completed trials of more than 183,000 economic crime cases involving such categories as corruption, bribe-offering, bribe-taking, smuggling, profiteering, fraud, and theft of public property, and sentenced more than 224,000 persons. Since last year, while promoting socialist spiritual civilization, the party Central Committee and all local party committees have strengthened leadership over the struggle to strike at serious economic crimes.

The party's discipline inspection departments and the state procuratorial and public security organizations have cracked a number of major and key cases. People's courts in all localities have severely punished a number of criminals who have committed serious economic crimes. As a result, the struggle to strike at serious economic crimes has made some headway. However, serious economic criminal activities are still very rampant, and many serious economic criminals still remain at large. If we view the situation as a whole, our strike has not been forceful enough. The main reason is that we have not acted in accordance with law or strictly enforced the law. Last January, I reported at the 14th Session of the NPC Standing Committee on five questions which must be solved to strengthen the struggle against serious economic crimes: First, it is necessary to rationally solve the question of "substituting the payment of fines for serving time." In other words, if we must investigate a person and affix criminal responsibility for his serious economic crime according to law, it is necessary to take him down to judicial organizations for punishment instead of simply imposing a fine on him as a disciplinary sanction. Second, while dealing with speculation and fraud, we must strictly investigate those who tolerate or even cooperate with criminals after taking bribes from the latter. Third, we must strictly investigate both the givers and the takers of bribes and affix responsibility for their crimes. Fourth, those who neglect official duties must be severely punished according to law. Fifth, it is necessary to conduct thorough investigation into economic crimes committed by party, government, or Army organizations, mass organizations, enterprises, or institutions. To sum up, we must strictly enforce the law. Our views have won support from many departments. On 7 March, the Ministry of Finance issued a circular on solving questions concerning "substitution of fines for judicial punishment."

Currently, serious economic crimes are conspicuously shown as follows: There are many cases of embezzlement, taking and offering bribes, and using economic contracts to speculate or swindle; major cases, especially those of collusion between insiders and outsiders, are increasing remarkably; and many serious economic crimes involve, and are shielded or directly perpetrated by, state and collective enterprises and institutions, party, government, and Army organizations. These serious economic crimes are highly disruptive to reform, opening to the outside world and economic invigoration, poisonous to party style and the standards of social conduct, and harmful to socialist construction. In order to wage an in-depth struggle against serious economic crime, we think we should do the following:

1. We must persist in investigating law violations, and resolutely impose severe punishment on criminals who seriously disrupt the economy.

Comrade Deng Xiaoping pointed out as early as 1982: It is necessary to resolutely combat economic crimes. "Without this struggle, the four modernizations and the policy of opening to the outside world and stimulating the economy will end in failure. So, we must employ dual tactics. That is, we must unswervingly pursue the policy of opening to the outside world and stimulating the economy and, at the same time, wage a resolute struggle against economic crime." In his report to the 12th CPC National Congress, Comrade Hu Yaobang reiterated the dual tactics and said: "It would be wrong to attend only to the latter aspect and be skeptical about the former, and it would be dangerous to stress the former aspect to the neglect of the latter."

He also emphasized particularly that we should on no account rank serious economic crimes "with the common run of offenses or antisocial acts, because they are important manifestations of class struggle under the new historical conditions, in which we are pursuing a policy of opening to the outside and taking flexible measures to invigorate our economy domestically." Recently, Comrade Deng Xiaoping again pointed out emphatically: "We must have dual tactics for the four modernizations, single tactics won't do. The so-called dual tactics means that we should undertake construction on the one hand, and enforce the legal system on the other." He also said: "Why do the four cardinal principles contain one of unholding the people's democratic dictatorship? If there is only a democracy among the people and no dictatorship over saboteurs, we shall be unable to maintain political stability or unity in society, nor shall we be able to succeed in modernization." One of the important conditions for our political stability and unity, and our steady and coordinated economic development is that we uphold the people's democratic dictatorship. In order to consolidate and enhance the excellent situation, we must continue to uphold the four cardinal principles and the people's democratic dictatorship. The people's courts at all levels must firmly combat serious economic crime without mercy, just as they combat other serious crimes.

Currently, there is an erroneous view that, to combat serious economic crimes will obstruct reform, opening to the outside world, and economic invigoration. The truth is precisely the opposite. Only by vehemently striking at serious economic crime can we ensure a successful reform of the economic structure and consolidate the successful results of that reform. If one lacks experience, one will surely make mistakes in work, but mistakes in work and crimes are entirely different in nature. For instance, if one produces or sells fake medicine, fake liquor and wine, or poisonous food, what road is one taking? Is one a reformer or a criminal? This is clear at a glance. If one engages in speculation or smuggling, is one invigorating the economy or committing crimes? This is also clear at a glance.

In some localities, some persons produced fake tung oil and offered bribes to facilitate its marketing. In Zhoushan Prefecture along, more than 200,000 kilograms of it was sold to fishermen for repairing boats. During last year's winter fishing season, since November, 19 boats sank, causing 33 deaths. Can such a serious crime develop productive forces, or will it disrupt them? Isn't this also clear at a glance? Can socialist reform proceed smoothly if we do not sternly combat these serious economic crimes? Some persons arbitrarily put "pioneer" laurels on the heads of criminals who seriously disrupt economic reform, dub those criminals "meritorious persons" in "invigorating the economy," and stubbornly insist that severe punishment of perpetrators of grave economic crimes will "dampen" their enthusiasm for reform. Such absurd arguments as "to perpetrate a crime is justified" and even "to perpetrate a crime is to perform a meritorious service" are definitely detrimental to socialist reform and construction. We must resolutely overcome such interference.

1. We must adhere to the principle of combining punishment with education and eliminate the corrosiveness and poison of bourgeois thinking.

The enforcement of the law and efforts to strengthen political and iedological education must be coordinated and complement each other. Most people in our country have improved their living conditions, and some of them have greatly improved their livelihood. Currently some persons are perpetrating serious crimes mainly because of corruption by decadent bourgeois thinking, not because of difficulties in livelihood.

The most serious form of ideological corruption is putting profit-making and money above everything else. For the sake of money, some persons resort to foul means, disregard national dignity and moral integrity, sell national secrets and interests, ignore party discipline and law, do contemptible things, and engage in dirty deals. For the sake of making money, regardless of consequences, some organizations go so far as to regard some hardened criminals, escapees, swindlers, and some backbone elements of the Lin-Jiang counterrevolutionary clique as "talented persons" and "a ready source of money," assign them to important positions, give them vast powers, and allow them to carry hugh sums of money, official seals, and letters of introduction to deceive people everywhere. In order to make money, some enterprises and institutions invent all sorts of names to perpetrate such crimes as specualtion, smuggling, and disruption of the currency market in the name of so-called "companies" or "centers." Some law-enforcement organizations knowingly violate the law, and some of their personnel even collude with lawless businessmen. To our surprise, the ugly phenomena of giving and taking bribes, which are common in feudal society and in the capitalist world, have become prevalent in some of our localities and organizations. Many big speculators and swindlers succeed in their tricks because some cadres can be bought with large sums of money, some cadres facilitate criminal activities, and some even collude with them in perpetrating crimes. They key to eliminating the ideological root of economic crime is to emphasize the need to build simultaneously socialist spiritual and material civilization, to make more efforts to study Marxism, and to strengthen ideological and political work. The party Central Committee has decided to closely combine the improvement of party style with the investigation of major cases, and has emphasized again the need to impose severe punishment on perpetrators of serious economic crimes according to law. The people's courts at all levels should closely cooperate with the departments concerned in dealing sternly with the perpetrators of serious economic crimes without any mercy. Severe punishment is also an education. We must carry out a lively and concrete education on lofty ideals, on the legal system, and on discipline by citing typical cases as examples. We must educate cadres and the masses to distinguish clearly between the socialist road and nonsocialist road, and between legitimate things and illegitimate things, and thus promote the building of socialist spiritual civilization.

3. We must thoroughly investigate major economic crimes and handle them in a comprehensive manner.

Major economic crimes often involve collaboration between inside and outside and many units and people may be involved in those cases. Therefore, under the unified leadership of the party Central Committee and party committees at various levels, the public security organs, procuratorial organs, and the people's courts should closely coordinate with the party's discipline inspection departments and leading organs for party rectification to thoroughly investigate those cases and get to the bottom of the matter. Departments concerned must promptly transfer those who violate laws to judicial organs and must not let them escape punishment. The people's courts must adhere to the principle that all people are equal before the law and take decisions without hesitation. At the same time, we must make a comprehensive analysis of a case, clearly understand nature of problems, distinguish between minor and serious crimes, and handle a case in a comprehensive manner. We must punish those who should be punished in accordance with the law and party and political discipline. We must not merely punish the principal offender while shielding other offenders and tolerating evil things.

In handling cases of speculation and fraud, we should not only punish those law offenders strictly according to the law but also investigate why so many units and people are so easily "fooled and tricked."

Article 9 of the Constitution of the People's Republic of China stipulates: "All state organs, the Armed Forces, all political parties and public organizations and all enterprises and undertakings must abide by the Constitution and the law. All acts in violation of the Constitution and the law must be investigated". Therefore, if party, government, and military organizations; public organizations; and enterprises are engaged in serious economic crimes, they should also be investigated and handled in a strict manner. Such crimes would cause far greater damage to the party and state politically and financially. If convicted, those who directly plan, organize, and direct such criminal activities must be punished in accordance with the law. We must not let some of them go unpunished just because they have not "lined their pockets." Those who did not line their pockets may not have committed the crimes of corruption and accepting bribes, but they still should be held criminally responsible for their other crimes.

4. [As received] It is imperative to adhere to the principle of seeking truth from facts and lay stress on being "accurate."

Striking at serious economic crimes is a very complicated struggle. The people's courts must take a clear-cut stand, be firm in their attitude, and also handle cases in a meticulous and firm manner. They must "handle cases based on facts and use the law as the norm," conscientiously make investigation and study, and seriously check all evidence. They should ensure that all facts are clear, evidence is solid, the nature of crimes is correct, sentences are appropriate, and procedures are lawful. Under all circumstances, they must adhere to the ideology of seeking truth from facts and lay stress on "being accurate." They must be sure, accurate, and relentless in handling all cases. They should distinguish between mistakes that happened because of lack of experience and crimes committed in violation of the law. They should not consider mistakes resulting from lack of experience as criminal offenses and must not cover up crimes in violation of the law under the pretext of "lacking experience." They should distinguish between unhealthy tendencies in the economic field and economic crimes. They should not consider unhealthy tendencies as crimes and also must not cover up crimes by describing them as unhealthy tendencies. They should distinguish between problems caused by bureaucratism and criminal activities. They should not consider common problems caused by bureaucratism as crimes and also must not cover up crimes by describing them as problems caused by bureaucratism. They should distinguish between problems resulting from imperfection of a certain system and methods in carrying out reform and the policy of opening to the outside world and enlivening the economy and such crimes as corruption, accepting bribe, smuggling and selling smuggled items, speculation, and fraud. They should not consider the objective cause of problems as subjective responsibility and also must not absolve law violators from guilt and criminal responsibility by describing their crimes as caused by "objective reasons."

In making judgment on cases of economic crimes, the people's court should naturally use the amount of money involved in those cases as the basis for sentencing. However, the amount of money involved should not be considered as the only basis. The people's court should also take circumstances of a crime and the extent of its harm to the socialist cause into consideration. Some law violators receive only a small amount of money from their illegal activities but their crimes may cause great economic losses to the state.

For such cases, the people's court should mete out severe punishment to the law violators. Some law violators' crimes may only cause minor economic losses to the state but their activities cause great harm to the state and people politically. For such cases, the people's court should also mete out severe punishment to those law violators.

We are firmly convinced that, under the leadership and supervision of the party Central Committee, the National People's Congress, and the NPC Standing Committee and in close coordination with departments concerned, the public security organs, procuratorial organs, and the people's courts can certainly deepen the struggle against serious economic crimes with concerted efforts.

4. We must do a good job in the adjudication of economic and civil cases, protecting the people's legitimate rights, and developing the role of regulating economic relations and activities.

In the new situation of deepening reform in the economic structure and further developing the national economy, the people's courts must attach importance to and strengthen adjudication of economic cases and raise their work to the level of regulating socialist economic relations and activities. In recent years, the number of cases of economic disputes has doubled and redoubled. In 1983, there were more than 44,000 such cases. In 1984, they numbered more than 85,700, nearly double the figure for the previous year. The total number of such cases in 1985 increased to more than 226,600, a 160 percent increase over the 1984 figure. If we do not promptly and correctly handle these cases, commodity production and circulation will be adversely affected.

In this situation, we are now faced with a sharp contradiction. On the one hand, the tasks of adjudication of economic cases are extremely heavy. On the other hand, it has been only 3 years since the establishment of economic courts by the people's courts at various levels throughout the country, the number of judicial workers for those economic courts is insufficient, and those judicial workers for economic cases also lack experience and necessary professional knowledge. Accordingly, the subjective forces cannot meet the objective demand. Many cases of economic disputes were not handled in a highly satisfactory manner and the work efficiency of those judicial workers was not high. We plan to work hard to raise quality and efficiency in handling these cases within 1 year or a little longer in order to fundamentally solve the contradiction.

Among the cases of economic disputes, more than 90 percent were disputes about economic contracts. The people's courts at various levels should stress handling disputes over economic contracts, go deep into the realities of life, go deep among the masses, and carry out careful and systematic investigation and study into the new situation and new problems. They should grasp typical cases in their investigation: make concrete analysis of economic disputes in cities, districts, and counties; sum up their experiences; learn legal affairs by handling such cases; and master the adjudication of economic cases through their practice in handling such cases. The judges should learn some knowledge of economics, make efforts to understand economic work, and take the initiative in establishing ties with various economic departments. Numerous cases of economic disputes have been solved through mediation by administrative departments, economic management departments, and other departments concerned. In handling cases of economic disputes, the people's courts should also pay attention to following the principle of solving disputes through mediation. The mediation must be able to distinguish between right and wrong, and ascertain where the responsibility lies. It must be implemented legitimately, voluntarily and effectively. Judges should go deep into plants, mines, enterprises, and rural areas to publicize economic contract law and other related economic regulations and take the initiative in assisting local party committees and government departments to smooth out matters related to economic contracts.

They should grasp typical cases, explain legal affairs by handling such cases, and help grass-roots level cadres and masses clearly understand the significance of abiding by a contract, the limit between lawful and unlawful activities, and the difference between a valid economic contract and an invalid economic contract and a false contract. They should arm the masses with the weapon of law and educate them to conform themselves to proper economic activities. The Supreme People's Court is planning to select and compile typical legal cases and strengthen specific guidance for the adjudication of economic cases.

In 1985, people's courts at all levels in the nation accepted over 846,000 first trials of civil cases. The number was slightly higher than in 1984. As a result of certain adjustments and changes regarding production and property, the number of disputes over land, mountain forests, irrigation facilities, and other means of production rose 12.7 percent over 1984; and there was a large number of very complicated disputes over the renting, buying, or selling of living quarters; occupation or use of homesteads; inheritance of property; or support or raising of family members. Because of young people's hasty attitude toward marriage and divorce, as well as because of a third party's involvement, the number of divorces increased noticeably. People's courts will continue to investigate and study these new situations and new issues and, while handling these cases, pay attention to ensuring production and family harmony, and protect the legitimate rights and interests of all citizens, especially those of women, children, and elderly people.

A particularly noteworthy situation today is: There is a conspicuous rise of homicides and serious injuries because of the sharpening of ordinary civil disputes. Some of these cases have something to do with the courts' tardy or improper handling. In order to do their best in helping various pertinent parties settle their disputes before they sharpen, judges of people's courts at all levels, especially their grass-roots agencies, must strive to improve their work, continue to carry forward the revolutionary spirit of plain living and hard struggle and the fine tradition of maintaining close ties with the masses, make the rounds at the basic-level units and handle their cases on the spot. As judges doing judicial work, they should also act as propagators of the legal system among the masses, taking positive and active steps in providing comprehensive measures for ensuring public security and guarding against the sharpening of disputes.

The NPC Standing Committee has now presented the draft of the General Principles of Civil Code to this NPC session for deliberation. The Legislation of this basic law for regulating the nation's civil and economic conduct is a major achievement in building the nation's socialist legal system. After the General Principles of Civil Code have been promulgated, people's courts at all levels throughout the country must study and implement them earnestly and, with the general principles as the basic guidance, attain a new level in handling civil and economic cases.

4. [As received] We Must Enforce the Law Seriously and Struggle To Improve the Socialist Legal System.

Following the 3d Plenary Session of the 11th CPC Central Committee, China has made much headway in enacting laws. With regard to major and essential work, we can no longer argue that there are no laws to follow. Salient progress has also been achieved in law enforcement. Our cadres and people have also had a clearer concept in obeying law. However, the work of improving socialist democracy and legal system still will be a protracted and arduous historical task. As indicated by numerous facts, the present major issue is not whether or not there are laws to follow, but whether the laws which have been drawn up are or are not being universally followed or enforced.

Thus, the most important issue in improving the socialist legal system is to enforce laws seriously, making sure that laws are strictly enforced, and that anyone who breaks them is punished.

According to decisions made by the party Central Committee, the State Council, and the NPC Standing Committee at one time or another last year, people throughout the country will be educated to gain a basic understanding of the law over a period of 5 years. This is an important matter in the Chinese people's political life and a great pioneering project which certainly will effectively expedite socialist spiritual and material construction as well as the building of the socialist legal system. People's courts at all levels must take part in this arduous project actively and positively.

To enforce laws seriously, the Supreme People's Court has intensified its supervision over trials, especially the process of trying certain major cases. When lower courts encounter new and difficult problems in some cases, it also provides them specific guidance by explaining applicable legal provisions to them and helping them with precedents. People's courts at all levels have attached great importance to protests lodged by procuratorial organs, appeals, petitions, and inspection of trials; and they have made it a practice to correct whatever mistakes have been discovered, and uphold the correct verdicts. According to the Constitution, no unit or individual is allowed to have the prerogative of transcending the Constitution and laws. Comrade Deng Xiaoping has also pointed out: Our system and laws "will not change according to a change in leaders, nor will they be changed according to a change in leaders' viewpoints or attention." An important guideline for people's courts in supervising trials is: They must check and combat the interference from anyone who tries "to substitute law with order" or "to suppress law with authority."

Because of historical reasons, and especially because of the pernicious influence of the "decade of turmoils," there are more than just a few cases involving contempt of court, "substituting law with order," "suppressing law with authority," and obstructing the people's courts' lawful operation. Some people do this because they are ignorant of the law, some due to a bias, some want to demonstrate their power, and some want to seek personal gains by taking advantage of their authority. Within the economic sphere, some cadres have treated laws pragmatically, regarding laws as tools for protecting the interests of their own areas, instead of regarding laws as the weapons with which to protect the people's legitimate rights and interests. If the court's verdicts were in the interest of their areas, they were happy and said the court was a good court; but if the court decided that they should repay the debts of another place, they were displeased and accused the court of "operating in other people's favor." In some cases they would even obstruct the court from accepting a case, or passing a verdict and enforcing the order. Of course, problems always appear on the path of progress. In the course of law enforcement, as in the movement and development of all contradictions, the struggle between interference and counterinterference and between lawlessness and countering lawlessness will be a long one. Our people's courts, however, must not evade this struggle.

People's courts must be loyal to the law, the institution, the people's interests, and the truth. They must dare to eliminate interference, uphold principles, seek truth from facts, be incorruptible, and execute laws impartially.

While it is wrong for a judicial officer to make an unlawful judgement against his conscience because of outside interference or pressure, it is also wrong for anybody to use power to force a judicial officer to make an unlawful judgment. All serious offenses in this regard must be investigated. A judicial officer who bends the law for personal reasons and anyone using his power to force a judicial officer to bend the law must be investigated for criminal responsibilities according to law. Anybody who should render assistance according to law but fails to do so, and anyone who obstructs — or refuses to -- execute a court verdict shall be handled and punished according to the privisions of the Law of Civil Procedure of the PRC (for trial implementation) and the Criminal Law.

Comrade Deng Xiaoping's recent concept that we must "pay attention to construction on the one hand, and pay attention to building the legal system on the other" is a sublime conclusion of the positive and negative experiences gained by the country during the past 36 years since its founding. It is a solid combination of universal Marxist truth and the practice of building a Chinese-style socialist society, and an important development of the theory of people's democratic dictatorship under new historical conditions. Implementing this guiding thought of Comrade Deng Xiaoping, implementing the party Central Committee's instruction on improving socialist democracy and the legal system, and strictly following and executing the state's constitution, laws and other regulations and rules will certainly expedite the nation's spiritual and material construction and accelerate the process of building China into a highly civilized and democratic modern socialist country with long-term stability and prosperity.

5. We must make our people's courts more revolutionary, professionally more efficient and more modernized.

We emphasize strengthening the contingent of our judicial personnel by educating them and disciplining them.

While carrying out a large-scale and relatively regular training of our judicial personnel in 1985, we provided them all forms of professional training. With the approval of Chairman Peng Zhen and other leading comrades of the party Central Committee and the State Council, as well as the support from the State Educational Commission, we set up a university of law extension program for the nation's judicial workers. An educational system staffed by full-time and part-time teachers and teaching assistants has been set up from the Supreme People's Court down to the courts at the grassroot level. We have had warm support from experts and professors of the educational and judicial circles. After a regular exam, we enrolled over 30,000 students for the first semester. We plan that, in 3 years or slightly longer, the students will be just as proficient as those of law colleges. We are determined to surmount all difficulties, ensure its quality, and make it a success. Our teaching particularly stresses the need of integrating theories with practice, summing up and systematizing China's judicial experiences, and improving the students' knowledge of Marxist theories and their capacity for adjudication. Meanwhile, we have also sponsored all types of short-term training classes to train cadres on a rotational basis. Last year, the attendance rate of these training classes exceeded 100,000. According to our plan, the nation's judicial personnel will become noticeably more proficient by the year 1990.

We stress that we should learn to improve upon the work of court trials in the course of holding them. With our smooth progress in carrying out the socialist economic structural reform and in implementing the policy of opening to the outside world and enlivening the domestic economy, new circumstances and questions in connection with the work of court trials are cropping up endlessly.

The judicial personnel, whether they are experienced or not, are faced with the need to brush up on their knowledge or even begin studying again from the very beginning. We stress that our court cadres should use the Marxist stand, viewpoint, and method to conduct in-depth investigations and studies, analyze the new circumstances and questions and, at the same time, learn from comrades on all fronts. They should make concrete analyses of typical cases with a view to learning legal work from these cases. Cadres working in courts should not only be familiar with the laws of our country, they should also know the laws and judicial systems of foreign countries as well as the relevant international treaties and international practice so as to correctly apply the Chinese laws, safeguard the sovereignty and interests of our country, protect the legitimate rights and interests of the Chinese and foreign parties concerned according to the law, and serve the needs of our country's policy of opening to the outside world when handling cases involving foreign nationals.

Discipline guarantees the strict enforcement of the law. Cadres working in courts must play an exemplary role in observing discipline and abiding by the law. Before the courts of our country now are many advanced collectives and individuals who are seeking truth from facts, acting according to the law, behaving uprightly and selflessly, and serving the people wholeheartedly. The past 2 years have seen more than 80 court cadres and bailiffs beaten up and injured when carrying out their tasks, and there are even some who have died in the line of duty. Working under very difficult conditions, the vast number of court cadres carried out hard struggles and made great efforts to fulfull their arduous tasks by relying on the fine traditions of our party and of the political and legal work front and by displaying party spirit. In 1985, some 1.5 million cases of one kind or another were tried and settled. The work involved in handling these cases was indeed hard, but it was marked by strict discipline and an upright style of work. This was the essential aspect of the matter. In the meantime, however, we found some instances -- though very few in number -- where our court cadres violated the law and discipline or even committed crimes. Last year 372 cases of violations of the law and discipline and criminal activities involving 380 court cadres were investigated and dealt with by people's courts at various levels in our country. Of the court cadres involved in these cases, 34 violated the criminal law and were prosecuted for their criminal liabilities, while the other 346 were given disciplinary sanctions by the party or the government. We have put forward the requirement that people's courts and their cadres and bailiffs must be prohibited from doing eight things: 1) they are prohibited from making subjective guesses; 2) they are prohibited from bending the law out of personal considerations; 3) they are prohibited from perverting the law to obtain illegal gains; 4) they are prohibited from accepting invitations to dinners and receiving gifts; 5) they are prohibited from seeking and receiving bribes; 6) they are prohibited from doing business to make profits; 7) they are prohibited from riding roughshod over the masses; and 8) they are prohibited from leaking secrets. It is our hope that the people's deputies and all communities in society will supervise the workstyle and discipline of people's courts and their cadres and bailiffs.

Modernization of the method for court management has been placed on the agenda. We have stressed the need to strengthen the transmission of information, statistical work, and comprehensive analysis so as to change our backwardness in this area due to poor information work. As for using electronic computers to manage the courts and assist the work of court trials, the supreme people's court and some higher people's courts have begun to study this matter and have formulated plans to be put into practice in a gradual manner commensurate with the state's financial condition.

Deputies, the political and economic situation is presently very fine in our country. Comrade Hu Yaobang pointed out: In the first 5 years of the 1980's, we created a new situation and began a period of rejuvenation. In the latter 5 years of the 1980's, we should carry forward the spirit of the old foolish man and make it a 5-year period of striving to work hard in unity, in a down-to-earth way, and in an unremitting spirit. The people's courts at all levels across the country should comply with the party Central Committee's instructions and the resolutions adopted at this session, strive to work hard in coordination with all political and legal departments and with the comrades on all fronts, and see to it that a new and still greater victory is scored in all fields of our socialist construction and reform during the first year of the Seventh 5-Year Plan so as to provide an effective guarantee for the successful filfullment of this plan.

I have submitted the above report for your examination and approval.

LIAOWANG ON SECOND STEP OF RURAL REFORM

HK251328 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 15, 15 Apr 86 pp 18-19

[Article by Chen Kaiguo: "The Second Step of Reform in China's Countryside"]

[Text] Last year was the first year China's countryside carried out the second step of reform. What was the situation concerning rural reform last year? What will the future trends be in reform and development of the rural economy? What kind of work should we do to stimulate the development of the rural economy in a sustained, lasting, steady, and coordinated manner?

A Review of Rural Reform

Since rural reform began with the 3d Plenary Session of the 11th CPC Central Committee, after several years of efforts, the contracted responsibility system linking remuneration with output has been universally established in the countryside and the rural economy has become increasingly active. The contract system linking remuneration with output is a combination of operations on two levels — cooperative operations and family operations -- with family operations as the basis. This provides fundamental conditions for the development of the rural commodity economy. The rural economy has developed at relatively quick pace from a self-sufficient and partially self-sufficient economy to a commodity economy. This has inevitably imposed new demands on the rural reform. The development of the commodity economy calls for an appropriate external economic environment. To put it simply, we must have a market environment, market conditions, and a market mechanism. The production, circulation, distribution, and consumption of commodities depend on the market. The market must also be adapted to the production, circulation, distribution, and consumption of commodities. From this point of view, the first step of the rural reform took care of only the most fundamental problems in the development of the rural commodity economy — the problem of a driving force behind commodity production and a relevant form, and the problem of major aspects of industrial development. Of other problems, the most important ones are those in the field of circulation and those in the field of production that arise from new changes in market needs owing to the establishment and development of new market relations such as the readjustment of the industrial composition, the formation of an appropriate scale of operations, the rational use of scientific products in a transition to intensification and modernization, and so forth.

These are problems that must be solved in the second step of the rural reform. The problems in distribution and consumptionmus t also be appropriately solved. This is especially the case with the problem of distribution. With the development of the commodity economy, certain problems have arisen in distribution. They have gone beyond the simple relations and expression involved when there was relatively low development of the contract system linking remuneration with output in the first step of the reform, and they have become more complicated. This also calls for a further solution.

The second step of the rural reform calls for thoroughly carrying out work, with the problems discovered during the first step in mind. Last year the state began to reform the system of planned state purchase and sale of agricultural and sideline products that had been practiced for many years. In line with market needs, it readjusted agricultural production and the industrial mix in the rural economy, linking them with social needs. This was a very bold step taken in the second step of the rural reform. What have the results been? Althoug practiced for only 1 year, the second step has proved the correctness of the direction of the reform. The results achieved have been tremendous. Despite a drop of several tens of billions of jin in grain production due to the effects of natural disasters last year, no effect of any kind on the market supply was felt due to the relatively large reserves of the past few years. People can clearly see this from the stable grain prices on the market.

With the stimulation of the commodity economy, various industries in the countryside have shown relatively great development. The enthusiasm of the peasants is still running very high. Income from multiple undertakings still shows a relatively big in-reasse crease. This is what has been achieved in the first year of the second step of the reform. This is an excellent situation prevailing in the rural economy of today.

The Features of the Second Step of the Rural Reform

The features of the second step of the rural reform are related to the development of the commodity economy under socialist conditions. Properly handling the socialist commondity economy in China's countryside is a big task and is the main theme to be taken up during the second step of the rural reform.

Looking back over the situation in the first step of the reform, was like a big reservoir surrounded by towering mountains and giant dams, with the water level going higher and higher. The giant dams were at last broken through, letting loose a deluge and an irresistible force. The second step of the reform calls for taking advantage of the smooth flow of the river opened up during the first step to excavate and dredge a network of channels, large and small, and guide the flow to the vast area of farmland for the benefit of the soil of the commodity economy. This project, though not so impressive as a rushing mountain stream, is unprecedented as far as its complicated, arduous, and delicate nature is concerned.

The deepening of the reform of develop the rural commodity economy cannot be separated from the real situation in China's countryside and from the background of China's commitment to socialist modernization in the 1980's. Many old systems must be abolished and reformed. Many new systems need to be set up. Like the establishment of the contract system linking remuneration with output, this calls for mass practice to bring about a solution.

But given the different degrees and stages of economic and social development of various areas and the different problems in the relations of production and the productive forces, different demands and problems may arise as the reform continues. For that matter, reforms in various areas may have their own characteristics. But the further development of the commodity economy will gradually remove regional restrictions and involve regional economies, with their different levels of development, in the domestic market, thus forcing areas that developed later and underdeveloped areas to carry out reforms at a relatively quick pace in order to maintain their own advantages in certain fields and participate in the development of the commodity economy as a whole. The varied and abundant development of the commodity economy will find full expression in reality. The reclassification of people will also proceed quickly. "Peasants" will no longer be a sector in its original sense. They will be classified as a new social economic sector. They will be linked with certain industries in the social economy particular way and lead a life based on new modes of production and ways of life. The rural economy will operate in the orbit of the commodity economy with its completely new style and new features. Its independent or semi-independent state will become a thing of the past. In a new way, it will be increasingly tied to the urban economy and the world economy. The relations between town and country will be built on a new economic foundation. The urban economic reform has merged with the rural reform. Only through mutual coordination can they show common development. Such development attributable to the commodity economy will ultimately result in a complete change in all old relations incompatible with the new situation. But the trend toward the development of all social economic relations in the direction of being more closely linked itself determines the breadth, depth, and difficulty of a penetrating rural reform and a relatively lasting reform. At present we can hardly tell what course this new reform will follow and what the concrete results will be. But the trend as reform and its general features can be anticipated.

Several Main Problems To Be Solved at Present

The first step of the rural reform was an uninterrupted effort of 6 years, with good results achieved. A brave step has also been taken in the second step of the reform. The problem now is how to consolidate our gains and digest and supplement the existing results of reform in order to make proper preparations for deepen the reform. In this sense, we should seriously do a good job of this year's rural work.

1. We must further realize that agriculture is the foundation of the national economy. We must strengthen the economic role of agriculture.

Facts in the past few years have shown the following with unusual clarity: The rapid development of agriculture provides a basis for the healthy development of the whole national economy. It not only makes for a trend toward rationality in the whole national economy but also brings life to the latter. China is a country with a population of 800 million peasants. Her economy is also at a relatively low level of development. Agriculture and light industry with agricultural products as a source of raw materials are mainly relied upon to satisfy the demand for consumer goods that account for an important part of mass consumption. This fundamental national condition vests the theme of "agriculture being the foundation of the national economy" with extremely great significance.

The varied development of the rural economy, the readjustment of the industrial mix, the trend toward the commercialization of agricultural products, and the breakaway [from agriculture] of the rural population in the process of reform further point to the important role of agriculture in the modernization of the rural economy.

Without the past few years of speedy and steady development of agriculture, these new changes in the rural economy would not have come about. Without a flourishing agriculture, there can be no thriving rural economy. China's affairs, especially those in the countryside, are in a certain sense ultimately determined by the degree of development of agriculture and by the number of the members of the rural population breaking away from agriculture and the pace of such a breakaway. All this can be realized only by strengthening the role of the rural economy and speeding up the development of agriculture.

Agriculture since reform has begun to operate under market conditions. Peasants are also doing things according to the law of value. Under existing production conditions, agriculture is at a disadvantage given a market environment. All those peasants who have the ability and the opportunity will give up agriculture to take up other trades. Therefore, we must strengthen the economic position of agriculture and let peasants involved in agriculture make profits and take an interest in this undertaking. In this end, we must have realistic and practicable measures. Concretely speaking, the state must first increase its share of investment in building projects and facilities that peasants to not have the money to launch individually or collectively. Peasants must also increase their share of investment individually or collectively in farmland capital construction projects that are within their means, in order to improve conditions for agriculture. Second, the market environment, the pricing system, marketing conditions, and the service system should be improved by every possible means in order to facilitate trade in agricultural products. Prices for agricultural products should especially be given necessary support. The rise in the prices for the means of production should be controlled. This is an important measure to preserve the peasants' enthusiasm for agricultural production. Third, peasants invest in agriculture in order to develop multiple undertakings, especially to develop town and township enterprises and rural industries. This should be used to improve and strengthen the economic position of agriculture and peasants. This is a policy of "supplementing agriculture with industry." This also means diverting peasants' accumulation through participation in rural industries and sideline occupations to investment in agriculture-intensive production.

2. We must correctly handle the relations between grain production and the development of a diversified economy.

In the past, a one-sided emphasis on grain production resulted in no increase in grain production and a slump in all kinds of trades in the countryside. In the past few years, we have not only taken care of grain production but also paid attention to the development of a diversified economy. A thriving scene has prevailed throughout the countryside. Of course, the breakthrough achieved in bringing about a new economic situation in the countryside in the past few years is the result of the combined effects of various factors. One important such factor is the introduction of the economic reform stimulating peasants' enthusiasm. The readjustment of the production guideline is also an important factor not to be underestimated.

For a big country like China with a population of 1 billion, grain production is of great importance. "There is no stability without agriculture," as a saying goes. This chiefly refers to the role of grain. Given the development of the rural commodity economy, the opening up of the market, and a change in the composition of urban and rural residents' consumption and the mix of relevant foods, the rural industrial composition must be subject to rational readjustment. But such readjustment first of all must guarantee the steady growth of production. We should take this as a prerequisite for developing a diversified economy and developing town and township enterprises, and should do so with local factors in mind.

A given area planted with grain must be ensured. This is the most fundamental rule. Another rule is that we must devise ways and means to further arouse the grain peasants' enthusiasm. The peasants' enthusiasm for the development of a diversified economy now runs very high. We should preserve such enthusiasm. Meanwhile, we must also find a good way to combine the enthusiasm for the planting of grain and that for the development of a diversified economy. This calls for following the new road of "supplementing agriculture with industry, supporting agriculture with sideline occupations, and taking commerce as a stimulus for agriculture," and achieving overall results as based on the rural of "grain meaning stability and industry meaning greater prosperity." Within a cooperative economic entity, we can make readjustments to allow the coexistence of a specialized trade and sideline occupations. Real specialized grain households must also be developed and fostered. In developing specialized households, as far as internal economic conditions are concerned, an important rule is to have a moderate operating scale. This also calls for the combination of external conditions. Certain social services must be provided. Without these conditions, specialized households' operations can hardly be rewarded with relatively good economic results.

3. Science and technology must serve the rural economy. In developing the rural economy, we must rely upon science and technology. This is an important guideline for accelerating the process of modernizing the rural economy.

The development of rural productive forces, an increase in labor productivity, and a change in the peasants' economic position will ultimately depend on the degree to which the rural economy is armed with modern science and technology and on the degree to which the rural economy is capable of absorbing modern science and technology. The modernization of China's countryside will be marked with general, multi-level, and unbalanced development. Different areas and different industries call for different technologies that fit in a gradual transition. Therefore, in using science and technology, various areas must make proper choices. Fundamentally speaking, they must have a long-term plan starting now. An especially important factor here is an improvement in the quality of the population, as this is the most fundamental condition for the application of science and technology to the rural economy. To demand the realization of this aim in a short period of time is unrealistic. We should use various forms and make various arrangements. We should pay attention to the exemplary role of specialized households and fine enterprises in the use of science and technology and in scientific management. We must make a point of combining traditional technology with modern science and technology. The revitalization of China will ultimately depend on the rise of a new generation of peasants. The feature of this new generation of peasants calls for their development in a commodity economy environment and grasp of more modern science and technology.

4. The rural reform calls for properly handling follow-up work with an eye to policies already in force. It especially requires us to adjust to the demands of the development of production and the commodity economy in perfecting and developing a system of cooperation and consolidating and perfecting the reforms already introduced regarding the system of circulation.

In perfecting and developing a system of cooperation, we should do our work in light of the actual conditions of different areas and in line with the needs of economic development and the peasants' demands. We should put the emphasis on the proper handling of various production services. Such a foundation as the family economy cannot be freely changed.

Such useful experience as the system of operations on two levels must be introduced on a long-term basis. Various new ways of cooperation and new cooperative organizations should be established, perfected, and developed on the basis of the development of the commodity economy.

In the reform of the system of circulation, the main task now is to perfect and introduce the contract system. The contract system is a good way of closely combining production, supply, and marketing, and combining peasants, workers, and businessmen along the lines of an economic contract. It is a good way of linking peasants' scattered production with social needs. Meanwhile, it is also a good way for peasants to develop the system of cooperation and combine the system of cooperation with other economic forms. We must also try to organize organizations that act as mediums in the circulation of commodities. For example, we must develop a wholesale market to facilitate the circulation of agricultural and sideline products in quantity. We must also set up new types of commercial undertakings that cut across the boundaries between areas or departments. Such undertakings can be combinations of peasants and workers and combinations of peasants and businessmen. We should also strenthen the building of commercial service facilities and gradually devote existing facilities to serving society after experiments. In summation, a lot of concrete work remains to be done in this respect. The aim is to further pave the way for circulation outlets facilitate the development of the rural commodity economy.

LIAOWANG VIEWS CHANGES WROUGHT BY PLA REFORMS

HK240857 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 16, 21 Apr 86 p 19

[Article by Zhang Qinsheng and Zhang Chunting. "Reforms and Opening Up Have Brought Profound Changes to China's Armed Forces -- capitalized passages published in boldface]

[Text] China is now in a period of transformation, carrying forward the revolutionary cause, forging ahead into the future, and replacing the old with the new. Under the impetus of the tide of reform in the conomic, political and other fields, China's Armed Forces have moved out of certain obsolete, ossified, and closed environments and embarked on the developmental road of building a modern Army with Chinese characteristics. In past few years, in particular, profound changes have taken place in the building of China's Armed Forces and the development of national defense forces. These changes are chiefly demonstrated in the following aspects:

THERE HAS BEEN A MAJOR STRATEGIC SHIFT IN THE GUIDING IDEA ON BUILDING THE ARMY. There has been a shift from the guiding idea of "basing work on fighting an early, major, and nuclear war" onto the track of building the Army in peacetime. It indicates that the leaders of China's Armed Forces have emancipated their minds and that they have gained a more profound understanding of the development of world politics and the military situation, of changes in the form of war, and of the growth and decline in the relative strength of war and peace in recent years.

Deng Xiaoping, chairman of the Military Commission of the CPC Central Committee, pointed out: "We have changed our original view that the danger of war was very pressing. We hope that there will be no war for a relatively long time, at least up to the end of the century. This is quite possible, and is not just empty talk." In line with this, the CPC Central Committee and the Central Military Commission made the strategic policy decision to reduce the size of the regular Armed Forces by 1 million.

Along with this, we launched large-scale streamlining and reorganization, abolished or amalgamated strategic regions, organized group armies, streamlined the organs, and strengthened the coordination of the different branches of the Armed Forces. This has enhanced their capability for warfare under modern conditions.

The first stage of reorganizing the whole Army has now been completed. All types of Army units have finished reorganizing according to the new establishment. The General Staff Department, the General Political Department, the General Logistics Department, the National Defense Science, Technology, and Industry Commission, the different branches of the Armed Forces, and the organs of the greater military areas have carried out their work according to the newly promulgated establishment and structure. According to the original plan of the Military Commission, the principal task this year is to streamline and reorganize the military academies and schools, the People's Armed Forces departments, and the organizations engaged in logistics. The work is expected to be basically completed at the end of this year.

THERE HAVE BEEN NEW DEVELOPMENTS IN THE COMPREHENSIVE BUILDING OF NATIONAL DEFENSE. Over the years, the comprehensive building of China's national defense has been limited to the building of the armed forces. This has swelled the number of soldiers, led to lopsided development in the comprehensive building of national defense, increased the contradictions between Army building and national construction and between national defense expenditure and national economic construction, and thus fundamentally weakened the actual strength of national defense. After the enlarged meeting of the Central Military Commission in 1979, the leaders of China's Armed Forces further realized that defense capability is a pluralistic combination and that, in increasing national defense capabilities, we should ultimately rely on the coordinated development of military strength, national defense science and technology, and the war mobilization structure. These complement one another in a single entity. Therefore, while deciding on a rational size for military strength, the Armed Forces have formulated a development strategy for national defense science and technology, established quick-reaction units and various types of reserve units, and have also set to work with the State Council to draft a new war mobilization law. As a result, the comprehensive building of national defense is steadily developing in a measured and balanced way.

NATIONAL DEFENSE SCIENCE, TECHNOLOGY, AND INDUSTRY HAVE BECOME AN IMPORTANT FORCE IN THE NATION'S ECONOMIC CONSTRUCTION. In the past, the national defense science, technology, and industry departments and affiliated organizations have been in closed environments for a long time and it has been very difficult to exploit the advantages of their technology, funds, competent personnel, and equipment, as well as to tap their numerous potentials. Moreover, the long-standing system of "everybody eating from the same big pot" followed in national defense science, technology, and industry and characterized by the practice of one being reimbursed for what one spends, has stifled the vigor and vitality of the enterprises. In recent years, the national defense science, technology, and industry departments have referred to the experiences of the development of national defense science, technology, and industry in developed countries and have also adopted a number of useful measures in China's domestic, local economic reforms.

At the same time, the study of national defense economics, a burgeoning new topic, has been brought into the field of national defense science, technology, and industry, and the principles and policies of "integrating military with civilian production, combining production in peacetime with that in wartime, giving top priority to the manufacturing of military products, and supporting military with civilian production" and "transferring patent technology" have been put forward. This has added great vitality to the field of national defense science, technology, and industry and played a very great stimulating role in the national economy. At the military-turned-civilian technology fair held in Beijing last year, the total trade volume of technology transfer between the organizations engaged in national defense industry and the local authorities was as much as several billion yuan.

MILITARY EDUCATION HAS IMPROVED IN THE COURSE OF REFORM. In an effort to fundamentally change the situation whereby military education lags behind national education and fails to suit the need of modernizing the Armed Forces, education in military academies and schools is being shifted onto the strategic direction of gearing to the needs of modernization, the world, and the future. The focus of the work is to train competent personnel for Army modernization in the 1990's up to early in the next century in order to set up a modern military educational structure conforming to China's national conditions, to smash the self-seclusion of military school education, and to gear military education to the needs of society and the world. The 13th all-Army military academies and schools meeting held in mid-February conscientiously studied the measures for effecting the above mentioned changes in order to push forward the building of China's military academies and schools to a new stage.

THERE HAVE BEEN NEW BREAKTHROUGHS IN MILITARY THEORETICAL STUDIES. During the war years, China's military theoretical work reached a high degree of proficiency. It was a period of great prosperity. After the founding of the state, due to "leftist" ideological influence, military theoretical study to a very large extent went no further than explaining a certain article or speech of a leader, and certain theories themselves become a kind of religious doctrine. In recent years, all types of military theory study activities have been unprecedentedly lively. The previous scholastic study, which departed from reality, has been smashed and various nongovernmental academic organizations and salon-type military academic research organizations have sprung up like mushrooms. China has broken into fields of research which were originally held to be forbidden areas, and simultaneous research in many fields including national strategy, military strategy, the comprehensive building of national defense, and the development of the Armed Forces. Many of the fruits of this research has filled in blanks which had lasted for many years in domestic military theory studies. People's vision has been directed to the future. At the same time, attention has also been paid to solving practical problems in the current reforms.

VERY GREAT RESULTS HAVE BEEN GAINED IN THE ARMED FORCES' EXTERNAL EXCHANGES. In the past, undue stress has been laid on the difference between our state system and People's Army and those of the capitalist countries. As a result, China's Armed Forces have been narrow-minded, responded slowly to the latest developments, and almost closed themselves to international intercourse for a long time. In recent years, due to the implementation of the policy of opening up, China's Armed Forces have been constantly expanding exchanges with foreign armed forces.

This includes contacts and dialogues between Army leaders, mutual visits by various military delegations, and military science and technology or military academic exchanges and cooperation, such as asking foreign academics and professors to give lectures in China and sending scientists and technicians abroad to engage in advanced studies or to make on-the-spot investigations. This has enriched our ideas, broadened our horizons, and stimulated the building of China's Armed Forces.

PLA OPENS 1ST COMBINED TACTICAL TRAINING CENTER

HK240847 Beijing ZHONGGUO XINWEN SHE in Chinese 0826 GMT 23 Apr 86

[Text] Beijing, 23 Apr (ZHONGGUO XINWEN SHE) -- The PLA's first "combined tactical training center: was set up in the Nanjing Military Region yesterday. So far this is China's largest and best equipped comprehensive military training base.

JIEFANGJUNG BAO carries a report on this today, stating that the establishment of this "combined tactical training center" indicates that the military training of the Chinese Army is going to gradually and fully shift onto the track of modernization and regularization for peacetime and enter a new stage of multi-arms and high-level training.

The center has made initial efforts in designing a laser battle field [ji guang jiao zhan chang 3423 0342 0074 2069 1034], a live ammunition practice ground, an indirect firing ground [jian miao huo pao she ji chang 7035 4178 3499 3517 1410 2345 1034], a computer-simulated battle command post, and a general command and control unit. Meanwhile, 12 systems relating to laser battles, remote control, screen display, battlefield display, computers, and telecommunications, have been installed to support the normal operations of the training center.

The training center will make full use of various modern training means and organize military exercises involving combined operations of various branches of the services or two confronting parties, as well as other tactical and technical experiments.

According to another report, a system of simulating combined tactical training for commanders has been developed. With the help of this high-speed and time-saving system, it takes just 2 hours to input a combat plan and one to three persons can conduct a military exercise involving a "red" party and a "blue" one fighting against each other. The system can also automatically draw up a supplementary program [xiang ding 1927 1353]. This system, which takes various factors on the battlefield into consideration, will make military exercises more scientific and thus more closely meet the needs of actual combat.

STATE COUNCIL URGES IMPROVING VEGETABLE PRODUCTION

OW250501 Beijing XINHUA Domestic Service in Chinese 1237 GMT 22 Apr 86

[Excerpts] Beijing, 22 Apr (XINHUA) -- The State Council recently distributed to all localities a report on improving the production and marketing of vegetables in urban areas jointly submitted by the Ministry of Commerce, the Ministry of Agriculture, Animal Husbandry and Fishery, the State Bureau of Commodity Prices, and the State Administration of Industry and Commerce.

In its circular to all local authorities, the State Council noted that it had approved the report and urged them to implement it conscientiously in the light of actual conditions.

The circular states that we achieved marked results in undertaking the task of reforming the production and marketing structure of vegetables last year. The road we took was correct. Although reform is developing in the right direction, it must be pointed out that our reform tasks in the years to come are still arduous. Leaders at all levels must attach great importance to vegetable work, constantly sum up their experiences, promptly solve new problems, firmly continue the task of restructuring the production and marketing of vegetables, do a good job in improving the production and supply of vegetables remain basically stable, to make new contributions for consolidating and developing the excellent situation.

The report submitted to the State Council by the ministries and departments concerned made eight suggestions for improving the production and marketing of vegetables in urban areas.

1. Serious efforts should be directed at improving vegetable production. In large and medium-sized cities it is necessary to rationalize the geographical distribution of vegetable production. We should implement the principle of ensuring vegetable supplies by mainly relying on production in suburban areas, supplementing supplies with production from outer suburban areas, and regulating supplies with production from other cities.

2. The systematic service for vegetable production must be improved. We should provide vegetable growers in suburban areas with systematic services such as production techniques, the supply of the means of production, and the marketing of vegetables.

3. We should pursue lateral economic cooperation in the production and marketing of vegetables.

4. We must pay attention to building markets for the wholesale trading of vegetables. As wholesale markets are centers for promoting the circulation of vegetables, the construction of such centers should be undertaken on the basis of urban construction plans.

5. The role of state-run vegetable companies in large and medium-sized cities must be brought into play. Following the decontrol of vegetable markets, the state-run vegetable companies still have to carry out the important task of stabilizing vegetable prices and arranging markets.

6. We must ensure that the prices of vegetables remain basically stable. The retail prices of vegetables in 1986 should be stabilized at the average level of those in 1985 following the decontrol of vegetable prices. Efforts should be made to bring down the price of vegetables which rose excessively in 1985.

7. We must improve the management of vegetable markets and successfully organize country fairs. We must strengthen the management of vegetable markets, protect lawful business operations, and curb illegal profit-making. Individual dealers are required to obtain a licence for a fixed spot in a market or at a designated area. They must pay taxes and fees according to regulations.

8. We must strengthen leadership over vegetable work. Vegetable supplies and prices have a direct bearing on stability and unity and on the people's living conditions. Leaders at all levels must attach great importance to this work as it involves not only an economic issue but also a political issue.

All pertinent departments should support the production and marketing of vegetables with financial and material aid.

RENMIN RIBAO VIEWS AGRICULTURAL POLICY

HK240158 Beijing RENMIN RIBAO in Chinese 19 Apr 86 p 4

[Report by Wu Chu: "Jilin's 55 Township Livestock Centers Procure Wool in Accordance With the Principle of Serving Production, Letting the Peasants Have More Profits"]

[Excerpt] In accordance with the principle of serving production and letting the peasants have more profits, 55 township livestock centers of 6 countries in Baicheng Prefecture, Jilin Province, last year began the business of procuring wool and have acted as a bridge between demand and supply. Last year, they procured more than 560,000 jin of wool and directly delivered the goods to factories. The move received a warm welcome by the peasants and woollen mills.

In order to serve better the sheep raising industry and woollen textile industry, these township livestock centers have promoted the business of procuring wool while doing well in their own job of providing technical services. They procured quality wool at an attractive price. They then packed the goods and sold them to the mills in accordance with the national grading system. Therefore, they reduced the number of links in the circulation chain by three and formed a circulation system of animal husbandry-industry-commerce marked by fewer links in the circulation chain. This has not only made things convenient for the peasants but has also reduced the amount of cost and wool losses, has eased the pressure on the transport sector and warehouses, and has reduced the turnover expenses of woollen textile enterprises. Some livestock centers accomplish the procedures of procurement, packaging, and delivery to mills within the same day. Therefore, they have received a warm welcome from the woollen textile enterprises.

Furthermore, the production-oriented livestock centers have implemented the policy of letting the peasants have more profits. By means of reduction and exemption of charges, as well as the development of technological services, they have refunded to the peasants the major part of gross profits earned from the procurement of wool.

Commentator's Article

HK240246 Beijing RENMIN RIBAO in Chinese 19 Apr 86 p 4

[Commentator's article: "Implement the Policy of Letting the Peasants Have More Profits"]

[Text] In accordance with the requirement of serving production and the principle of letting the peasants have more profits, 55 township livestock centers of 6 counties in Jilin Province started the business of procuring wool. This has not only supported the local production of the sheep raising industry and satisfied the needs of woollen factories, but also expanded their scope of business. Therefore, they have achieved results in many areas, and their experience is worth being paid attention to.

Over the past 2 years, China faced a drop in the amount of sheep and the output volume of wool. One of the reasons is because the expenses of circulation were so high that the herdsmen could have only little profit. Why were the expenses of circulation so high? First, too many links in the circulation chain pushed the cost very high; and second, in terms of operation, some links in the circulation chain competed with the herdsmen for profits.

For instance, some localities implemented a 3-tier wholesale circulation channel in which level upon level of operation pushed up the cost and wasted a lot of time. In order to increase their own profits, some of them demanded a price so low that the peasants' and herdsmen's initiative of production was dampened. To link supply and demand is a duty of the circulation departments. But high expenses always hinder circulation. Other agricultural products also frequently face a similar situation in terms of circulation. It is therefore an important issue yet to be resolved in the course of reforming the circulation channels.

In order to eliminate the disadvantages of the links in the circulation chain, which is increasing charges and competing with the peasants and herdsmen for profits, we must put an end to the situation in which the operation is monopolized and there is only one circulation channel. Jilin Province took a bold attitude toward reforms and allowed livestock centers to run the wool business. This is a positive experiment of opening up new circulation channels and reducing the number of links in the circulation chain. At present, some localities rush into centralization of the right of procuring wool whenever there is a drop in wool output volume. Then, they return to the old way of allowing the supply and marketing cooperatives to monopolize the business. Therefore, they reduce the number of circulation channels and cannot invigorate production.

When we introduce more channels, reduce the number of links in the chain, and invigorate circulation, we should advocate the practice of letting the peasants have more profits and oppose that of competing for profits with them. It is impossible to run business and to offer services for the process of circulation without making any profits. But the profits must be made in a rational way. Production is the source, and circulation is the channel. How can there be a stream in a channel without headwaters? If a circulation department checks production because of profit competition, it will be unable to safeguard its operation. Only when we develop production can there be an endless supply of water in the channel. Therefore, no matter who organizes the circulation, he must understand clearly the dialectical relations between production and circulation, correctly handle the relations of interests of the producers and distributors, and voluntarily offer services to both suppliers and consumers.

At present, most of China's peasants are still not rich and have rather poor technological conditions for production. In particular, peasants engaging in planting and breeding industries have only rather poor economic results. Therefore, they need considerable help from various areas, including the circulation departments. When running the business of procuring wool, the 55 township livestock centers of Jilin Province returned through various forms most of the profits made. This is a far-sighted practice that brings benefits to both the state and the people. All other departments and units that offer services for agricultural production must attach great importance to the aspirations of the peasants and help them meet their needs. They should implement the policy of letting the peasants have more profits and firmly place their standpoint on the foundation of developing production.

FUJIAN'S JIA QINGLIN EXAMINES PARTY RECTIFICATION

OW231431 Fuzhou FUJIAN RIBAO in Chinese 11 Apr 86 p 1

[Text] A provincial conference on party rectification in rural areas ended on the afternoon of 9 April after 5 days in session. Jia Qinglin, deputy secretary of the provincial party committee, summed up the results of the conference; Zhang Yumin, member of the Standing Committee of the provincial party committee and deputy head of the provincial party committee's group for guiding party rectification, presided over the conference.

Comrade Jia Qinglin said that in carrying out party rectification in rural areas, it is necessary to uphold the principle of promoting and ensuring the development of reform and the economy. He then stressed that the following several problems must be properly solved while carrying out party rectification in townships and towns:

1. It is necessary to further have an accurate understanding of the party's policies on reform and economic development in the rural areas. In the course of party rectification, education on the situation and policies should be conducted among the large numbers of party members in the rural areas, and stress should be put in particular on the following four aspects: First, the contracted responsibility system based on the household will remain unchanged in the rural areas. This year's Document No 1 mentioned the need to develop a cooperative economy, but that absolutely does not mean carrying out "collectivization" as we did in the past; it means that peasants are in urgent need of servicing cooperation. Even such cooperation must be conducted on a voluntary basis. There must be no coercion, nor should we spoil things by excessive enthusiasm. From now on, all types of cooperative economy should be based on household economy as an individual unit and with servicing as its central content. In production, we must not engage in the practice of doing things in a massive and unplanned way; and in the distribution of income, we must refrain from sharing food from the same big pot. Second, we must firmly establish the guiding idea that "agriculture is the foundation of the national economy, and grain is the foundation of agriculture." Measures should be taken to support agriculture and grain production. While developing grain production, we should also boldly develop a diversified economy in order to promote all-round development of the rural economy. Third, it is necessary to implement the policy of achieving common prosperity by allowing some people to become prosperous first. Some people should be allowed to become prosperous first; common prosperity will be achieved through an economic spreading effect. This is the principle. Providing relief for the poor by the rich will only lead to common poverty. It is therefore necessary to commend party members who have been leading people in becoming better off. Party members who have become better off through hard work should be protected. The small number of cadres and party members who abuse their powers to seek personal gain, or use illegal means to reap staggering profits, should be sternly dealt with according to their individual cases. Fourth, it is necessary to vigorously guide and support the development of village and town enterprises. Problems discovered in the course of party rectification involving party members who run village and town enterprises are generally problems of education, except for the following: Problems of seeking personal gain by abusing one's power or at public expense, which should be sternly dealt with, and clear violation of party policies and principles and unreasonable rules on income distribution, which should be thoroughly handled. It is essential to protect party members' enthusiasm in developing village and town enterprises and invigorating the rural economy.

2. It is necessary to make helping poor areas eliminate poverty and achieve prosperity an important ideological guideline in party rectification. Supporting the poor in rural areas should be integrated with party rectification. Currently there are 11 poor counties and 153 poor townships in our province. To help them eliminate poverty and become better off, we need first of all a sympathetic attitude. We must be keenly aware of the need to eliminate poverty, and we must actively help the poor people to become better off. We must support them out of our profound feelings toward the people in the old revolutionary base areas. Second, we need a correct workstyle. We must go deep into the realities of life and show concern for the people's sufferings before we can successfully carry out this work. Third, we need to adopt effective measures. In the course of party rectification, cadres should foster the idea of settling down in the mountain areas and be determined to lead the masses in eliminating poverty and becoming better off. They should draw up plans and work out measures to produce visible results in 1 or 2 years.

3. It is necessary to firmly stop the malpractice of building houses on cultivated land. The spread of this malpractice has added to the seriousness of this question. To make the matter even worse, cadres have taken the lead in engaging in this unhealthy practice. Therefore, it is necessary to seriously resolve this unhealthy practice as a matter concerning party style and discipline. First, we must stop this unhealthy practice. Second, we must mobilize party members and cadres to investigate and correct themselves. We must seize upon some typical cases of party members or cadres knowingly committing this wrongdoing and refusing to mend their ways despite education and deal with them accordingly. Third, we must draw up plans to enable peasants to build houses.

4. It is necessary to seriously resolve the question of the unhealthy party practice of using one's official position for personal gains. This is something the masses are currently reacting most strongly to. For example, some party members have taken advantage of rural reform to occupy or divide collective property among themselves, some have refused to pay back debts owed to the collective, some have drawn dividends without actually putting in capital, at low prices some have contracted projects that are easy to operate and capable of producing quick returns and then subcontract them out at higher prices, some have assigned their unqualified children and relatives to work at profitable posts in rural enterprises, and some have indiscriminately collected charges and fines and divided them up among themselves. The masses will not be satisfied until these questions are properly resolved in the course of party recitification. In dealing with cases of using official positions for personal gains and of serious violations of law and discipline, especially in dealing with big or major cases of this nature, it is necessary to overcome all kinds of obstacles to find out the facts and strictly enforce discipline. Appropriate punishment should be meted out, including expulsion from the party. Those who violate the criminal law should be punished according to the law. It is hoped that correct party style will bring about an improvement of the entire social atmosphere.

5. It is necessary to change our workstyle when working at the grassroots level. It is necessary for cadres to overcome bureaucratism, in working at selected grassroots units, in conducting investigation and study, in exercising direct leadership, and in resolving problems on the spot.

6. It is necessary to carry out the building of leading bodies at the grassroots level. It is necessary to build up the leading bodies at the township and village levels to make them play a core role in the building of socialist material and spiritual civilization in the countryside. First of all, to build the leading bodies, it is necessary to resolve the problems of the existing leading bodies and cadres. It is necessary to readjust those leading bodies that have incompetent, incapable cadres and to assign qualified ones selected in the process of party rectification to fill the positions.

It is necessary to build the grass-roots organizations into a united core of leadership that has a correct ideological and political line, an upright workstyle, strong vigor, and high combat effectiveness.

In conclusion, Comrade Jia Qinglin said: It is essential to seriously strengthen leadership over rural rectification. It is necessary to continue implementing the system of touring inspectors and liaison men. It is necessary to integrate all departments and localities. Units stationed by various departments in towns or townships should carry out party rectification in accordance with the unified arrangements of the town or township party committee. At the same time, departmental guidance should be strengthened to resolve the question of unhealthy practices in various trades. It is also necessary to carry out the building of grass-roots organizations of the CYL and the women's federation in the course of party rectification.

RUI XINGWEN ADDRESSES SHANGHAI CULTURAL FORUM

OW250229 Shanghai City Service in Mandarin 0100 GMT 23 Apr 86

[Text] A forum aimed at helping literary and art creations in Shanghai to flourish ended in an atmosphere of unity, harmony and liveliness after holding session for 5 days. More than 500 people of literary and art circles in Shanghai freely aired their views on the current situation and future prospects. Leaders of the municipal party committee and of the literary and art circles held cordial discussions with the writers and artists on helping literary and art creations in Shanghai to flourish. The forum closed 3 days later than scheduled.

Comrade Rui Xingwen fielded questions by representatives at the forum at the literature and art hall on 22 April. Dwelling on the party's literary and art policy, Comrade Rui Xingwen said: Literature and art must serve the people and society. The party's basic policy toward literary and art creations is to let a hundred flowers bloom and a hundred schools of thought contend. The Shanghai Municipal Party Committee is delighted to implement this policy of the CPC Central Committee, and provide such favorable conditions as soil, water, fertilizer and sunlight for literary and art creations and enable the writers and artists to boldly engage in creative works without fear. The municipal party committee permits mistakes and encourages writers and artists to correct their mistakes. Rui Xingwen urged the writers and artists to enhance their sense of responsibility toward society, follow the party's literary and art policy, and improve their creative abilities by reflecting deeply on life. He also urged them to strengthen their theoretical work and promote criticism in literature and art.

In conclusion, Comrade Rui Xingwen also expressed the hope that the literary and art circles would show concern for reform of the literary and art system. He said: As a fertile land in literary and art creations, many great writers and artists have emerged from and grown up in Shanghai. A great epoch is bound to produce great writers and artists. A great epoch of flourishing literary and art creations has descended upon China; likewise, it is sure to descend upon Shanghai as well.

GUANGXI'S CHEN HUIGUANG ATTENDS CPC SESSION

HK260440 Nanning Guangxi Regional Service in Mandarin 1100 GMT 23 Apr 86

[Text] On 22 April, leading comrades of the regional CPC Committee, including Chen Huiguang and Jin Baosheng, relayed the spirit of the Second Plenary Session of the Fifth Regional CPC Committee to responsible persons of all democratic parties and the federation of industry and commerce of the region and to nonparty democratic personages. Attending this meeting were the responsible persons of all democratic parties and the federation of industry and commerce of the region and nonparty democratic personages, including Huang Qihan, Mo Naiqun, Lu Yannan, Zhang Jingning, Sun Zhongyi, Huang Dufeng, (Mo Wenbiao), Shi Zhaotang, Gan Huaiyi, Wu Keqing, Yang Taiyang, and (Mo Xuguang).

At the meeting, Comrade Chen Huiguang said: This plenary session of the regional CPC Committee mainly discussed the suggesions on the outline of the regional Seventh 5-Year Plan. He introduced the guiding ideology and main target of our regional Seventh 5-Year Plan and the main measures for carrying it out. He asserted that all democratic parties and people of the whole region must unite as one, work with one heart and one mind, and further promote stability and unity. He hoped that all democratic parties, federations of industry and commerce, and nonparty democratic personages would make new contributions toward the realization of our regional Seventh 5-Year Plan.

At the meeting, Comrade Jin Baosheng introduced the views of the regional CPC Committee on strengthening the building of spiritual civilization and on strengthening ideological and political work in our region.

GUANGXI PEOPLE'S CONGRESS SESSION OPENS 25 APR

HK260207 Nanning Guangxi Regional Service in Mandarin 2300 GMT 25 Apr 86

[Excerpts] The Fourth Session of the Sixth Guangxi Regional People's Congress opened in Nanning on 25 April. The main tasks of the session are to sum up the region's achievements in building the two civilizations during the Sixth 5-Year Plan and to decide on the Seventh 5-Year Plan goals. Wei Chunshu, chairman of the regional People's Government, delivered a report on the outline of the region's Seventh 5-Year Plan. He called on the people of all nationalities to work in concert and strive to fulfill the targets of this plan and to invigorate Guangxi.

The executive chairmen at the opening ceremony were Chen Huiguang, Gan Ku, Huang Yun, Qin Yingji, Jin Baosheng, Zhong Feng, Li Yindan, Gan Huaiyu, Qin Zhenweu, and (Zhang Jinming). Comrade Gan Kun delcared the session open at 0800.

Chairman Wei Chushu's report was in 5 parts, totalling 25,000 characters. The first part dealt with the execution of the Sixth 5-Year Plan in Guangxi. Part two dealt with the goals and main tasks in economic and social development during the Seventh 5-Year Plan. He said [begin recording]: In our economic and social development during the Seventh 5-Year Plan, we must continue to implement the instructions of the CPC Central Committee Secretariat on work in Guangxi and the spirit of the important speech of Comrade Hu Yaobang delivered during his inspection of the region. We must carry out reform in depth, uphold the principle of invigorating the domestic economy and opening up to the world, relax the policies, haromonize the relationships, take advantage of our strong points, improve economic results in an all-round way, and achieve a growth rate slightly higher than both the Sixth 5-Year Plan in the region and the Seventh 5-Year Plan in the whole country. [end recording]

In this part of the report, Chairman Wei Chushu proposed 10 major tasks for social and economic development during the Seventh 5-Year Plan: 1) vigorously strengthen agriculture, the foundation; 2) maintain a relatively high and sustained and steady growth rate in industrial production; 3) rationally readjust the structure of investment in fixed assets and improve the results of investment; 4) make the urban and rural markets prosper and improve circulation services; 5) actively develop external economic relations and trade and tourism; 6) vigorously organize financial revenue and bring into full play the role of bank capital; 7) spur the progress of science and technology and increase the work of exploiting brain-power; 8) improve the work of supporting poor areas; 9) gradually improve people's material and cultural living standards; and 10) strive to control population growth.

Part three of the report was entitled "Make rational arrangements and take advantage of strong points." Wei Chushu said: [begin recording]: During the Seventh 5-Year Plan, guided by the principles for the economic arrangements of the whole country, we must base our efforts on the region's actual conditions in further readjusting the production structure and arranging production patterns in a rational way. We must stress our strong points, avoid the weak ones, take advantage of our resources, and lay the foundation for initially establishing and forming a competitive economic basis and structure with Guangxi's own characteristics. We should create excellent conditions for economic invigoration during the 1990's. [end recording]

Part four of the report was entitled "Put reform in the first place." Chairman Wei Chushu said [begin recording]: In order to fulfill the construction tasks for the region during the Seventh 5-Year Plan, the key lies in continuing to carry out far-reaching and systematic reform of the economic structure. We should accelerate the work of forming a complete set of reforms, harmonize the various relationships, and fully mobilize the enthusiasm and creativity of the enterprises and laborers. All areas, departments, and enterprises must put reform in first place. [end recording]

Part five of the report was entitled "Vigorously increase the building of socialist spiritual civilization." Chairman Wei Chushu pointed out that we should grasp at present and for a time to come the following tasks: 1) Strengthen and improve ideological and political work. 2) Resolutely correct unhealthy trends. 3) Bring socialist democracy into fuller play and put the socialist legal system on a sound basis. 4) Continue to promote the drive for five stresses, four beauties, and three loves, and the joint building of civilization by army and people.

The session held its second full gathering in the afternoon. (Xie Zhixiong), chairman of the regional planning commission, reported on the draft of the 1986 plan for national economic and social development in the region. (Liu Mingshan), deputy director of the regional finance department, reported on the final accounts for 1985 and the draft budget for 1986. Executive chairman Li Yindan presided.

HANDLING CAPACITY INCREASED AT HAIKOU HARBOR

HK221552 Beijing ZHONGGUO XINWEN SHE in Chinese 1357 GMT 18 Apr 86

[Text] Guangzhou, 18 Apr (ZHONGGUO XINWEN SHE) -- The main part of a key construction project on Hainan Island -- the building of two berths for 5,000-ton class vessels in Haikou Harbor -- was completed on 12 April. After the project is put into operation, the handling capacity of Haikou Harbor will increase by 550,000 tons per year. The two berths occupy an area of 140,000 square meters. They can be used by two 5,000 ton ships at the same time or can be used by one docked container ship.

CHANGING PREVAILING HABITS, CUSTOMS EMPHASIZED

HK260915 Zhengzhou Henan Provincial Service in Mandarin 1030 GMT 24 Apr 86

[News center commentator's atricle: "Change the Prevailing Habits and Customs and Build Spiritual Civilization"]

[Excerpts] In recent years, rural areas have successfully carried out economic reform, agricultural production has developed, and peasants have become rich. The peasants are very satisfied with this. However, we must see that while we are concentrating our energy on grasping reform and production, the phenomenon of relaxing ideological and political work and disregarding the building of spiritual civilization really exists. This provides opportunity for unhealthy trends, including extravagant wedding and funeral cermonies, feudal and superstitious practices, and gambling, to gain ground.

The lessons of some places tell us that if we do not take effective measures to resolutely curb these unhealthy trends, not only can we not realize the target of fundmentally improving the general mood of society of the rural areas, but also the great achievements scored in economic reform will be sabotaged. Therefore, party organizations at all levels must grasp curbing these unhealthy trends and changing the prevailing habits and customs as an important matter of doing a good job in the building of two civilizations. They must by no means lower their guard.

At the same time, like Liuzhuang, Xinxiang county, and Xingyang, Huaiyang, and Zhecheng, we must establish a new organization system and have a varied and colorful cultural life in rural areas so that these unhealthy trends cannot enter them.

HUNAN'S MAO ZHIYONG MEETS BASIC LAW STUDY CADRES

HK240705 Changsha Hunan Provincial Service in Mandarin 1100 GMT 23 Apr 86

[Text] The second 15-day basic law study class attended by cadres at provincial department and bureau levels ended in Shaoshan on 22 April. The 97 students in the class, earnestly studied the basic theory of law and basic knowledge about the Constitution and criminal and contract law. They took an exam on the afternoon of 21 April. Dong Zhiwen, Standing Committee member of the Provincial CPC Committee, was among them. The average grade of the students in the examination was 96.5.

On the afternoon of 19 April, Bo Yibo, vice chairman of the CPC Central Advisory Commission; Mao Zhiyong, secretary of the Provincial CPC Committee, Wan Da, chairman of the Provincial Advisory Committee; and Wang Zhiguo, vice chairman of the Provincial Advisory Committee, met with all the students and had a group photo taken with them to mark the occasion.

BRIEFS

HUBEI METEORITE SHOWER -- Beijing 17 Apr (XINHUA) -- A meteorite shower fell Tuesday evening on the outskirts of Shuizhou City, Hubei Province, today's PEOPLE'S DAILY reported. It covered an area of 25 square kilometers. The largest meteorite found weighs 55 kilograms, the smallest 2.35 kilograms, the paper said. They have black surfaces and grey cores, containing both metal and nonmetal elements, said the paper, quoting local scientists. The paper made no mention of whether there were injuries or deaths. [Text] [Beijing XINHUA in English 1115 GMT 17 Apr 86 OW]

SICHUAN'S YANG RUDAI ATTENDS S & T FORUM 14-18 APR

HK230219 Chengdu Sichuan Provincial Service in Mandarin 0030 GMT 20 Apr 86

[Text] In order to make the front of science and technology better serve the goal of invigorating the economy and further promoting the province's rural economic development during the Seventh 5-Year Plan period, the provincial scientific and technological commission, as well as the provincial scientific and technological association held a joint symposium in Chengdu between 14 and 18 April, on local science and technology work. Yang Rudai, secretary of the provincial CPC Committee, attended the symposium and held a forum of responsible people of prefectural, city and autonomous prefectural scientific and technological committees, as well as scientific and technological associations. He listened to their suggestions and made a speech. Governor Jiang Minkuan, as well as Vice Governors Gu Jinchi and Kang Zhenhuang, delivered speeches at the symposium.

The symposium held that the province's present situation in the rural areas is very good. Following the first stage of reforms, the rural areas have adopted a relaxed attitude and have become invigorated. Through reforms, the areas have readjusted rural production relations and shaken off fettered productive forces, thereby promoting the peasants' initiative of production and the development of rural economy. However, we must realize that in order to continue to develop this good situation, we must greatly develop the rural commodity economy. Now, to mobilize the peasants' production initiative by simply relying on policies has become outmoded. Instead, we must give full play to the role of science and technology in developing the rural economy. Thus, we should rely on policies on the one hand, and science and technology on the other. This year's Central Document No 1 clearly pointed out that science and technology must serve the rural economy, and when developing the rural economy, we must rely on science and technology. We should take this as an important principle, and thoroughly understand and implement it. We must use modern science and technology to promote the development of the rural economy, so as to constantly improve the scientific and technological standards of agricultural production, and to greatly improve economic results.

At the meeting with responsible people of prefectural, city and autonomous prefectural, scientific and technological committees and associations, Comrade Yang Rudai stressed: For the sake of the common goal, the scientific and technological committees and associations must make concerted efforts and be united. Only thus can the two strengthen their power and succeed in the work. Only thus can the two invigorate the local economies and serve the four modernizations and the work of quadrupling the output value.

SICHUAN SECRETARY ADDRESSES POLITICAL-LEGAL MEETING

HK230309 Chengdu Sichuan Provincial Service in Mandarin 0030 GMT 23 Apr 86

[Excerpts] On the morning of 20 April, at a provincial political and legal work conference, provincial CPC Committee Secretary Yang Rudai delivered a speech on applying the fundamental tenets of Marxism-Leninism to completely and deeply understand socialist democracy and the socialist legal system, to strengthen and reform political and legal work, and to serve the building of socialist material and spiritual civilization even better.

In his speech, Comrade Yang Rudai said that it is necessary to treat building a high degree of socialist democracy and a socialist legal system as strategic targets and basic tasks and to firmly take them up. To strengthen the building of the legal system it is necessary to strengthen the democratic dictatorship of the people.

He said that the strategic guiding thought of grasping construction on the one hand and the legal system on the other hand is a development of the theory of the democratic dictatorship of the people since the 3d Plenary Session of the 11th CPC Central Committee. To adhere to and strengthen the building of the democratic dictatorship of the people, on the one hand, we must carry forward socialist democracy and make it a regular legal system; on the other hand, we must strengthen dictatorship and adhere to the principle of punishing, according to the law, those criminal elements who undermine socialist construction and public order. At present, we must hit hard at serious crimes and economic crimes. Comrade Yang Rudai stressed that in dealing with economic crimes, we must pay attention to protecting the lawful interests of the people and collective units, and the lawful interests of specialized households in particular.

XIZANG DESTROYS CONFISCATED PORNOGRAPHIC ARTICLES

HK260927 Lhasa Xizang Regional Service in Mandarin 1130 GMT 24 Apr 86

[Text] On the afternoon of 23 April, the regional public security department destroyed a batch of confiscated pornographic articles in its yard. The majority of these pornographic articles were seized from foreign businessmen by the public security organs and custom house of our region; a small number was seized within our region. These pornographic articles included videotapes, handwritten copies, all kinds of picture albums, toys, picture calendars, lighters, books, periodicals, and ball point pens. These pornographic articles poisoned people's ideology, included crime, and were very harmful.

To protect the physical and mental health of the people, particularly young people and juveniles, uphold social order, and guarantee the smooth progress of reform of the economic structure and of structural reform of our region, in compliance with the State Council's regulations on strictly prohibiting pornographic articles and under the supervision of the regional discipline inspection commission, the regional public security department destroyed this batch of seized and confiscated pornographic articles.

The pornographic articles were destroyed under the supervision of Gyanincain Norbu, deputy secretary of the regional CPC Committee and secretary of the regional Political and Legal Affairs Commission; Zi Cheng, president of the regional People's Higher Court and deputy secretary of the regional Political and Legal Affairs Commission; Baimaduojie, director of the regional Public Security Department; (Zhaxi Pingcuo), director of the regional Civil Affairs Department; and Xiang Dong, regional Discipline Inspection Commission Standing Committee member.

XIZANG OFFICIAL ARRESTED; CHARGED WITH EMBEZZLEMENT

HK251434 Hong Kong AFP in English 1409 GMT 25 Apr 86

[Text] Beijing, April 25 (AFP) -- A Tibet official has been arrested and charged with pocketing more than 30,000 yuan (9,400 dollars), a Chinese newspaper here said Friday. It was the first economic crime case from Tibet reported in the Chinese media. The law journal said Ge Dingyuan had kept 5,000 yuan (1,567 dollars) while overseeing the budgets for 43 major construction projects. Then after being appointed director of the Urban Bureau in 1984, he pocketed 26,000 yuan (8,150 dollars) and had two apartments built for himself in the Tibetan capital Lhasa and the Sichuan capital Chengdu, the paper said. The paper criticized him for participating in the "destruction of the building of Tibet," an autonomous region in China. Chinese authorities at the beginning of the year launched a drive against economic crime, threatening those guilty with the death penalty.

LI GUIXIAN INSPECTS EASTERN LIAONING MOUNTAINS

SK271253 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 23 Apr 86

[Text] Comrade Li Guixian, secretary of the provincial CPC Committee, carried out an investigation and studies among the mountainous areas in eastern Liaoning from mid-March to mid-April and instructed them to accelerate their pace of promoting the economy in order to become wealthy and to strive to thoroughly change their outlook within the next 5 or 6 years.

Comrade Li Guixian went in succession to Xifeng, Liaoyang, Huanren, Benxi, Fengcheng, Kuandian, Xiuyan, Donggou, and Haicheng counties to make a 21-day investigation tour. During his tour, he learned about the situation as he went along and held discussions while carrying out investigations and studies, in which he explored jointly, with cadres and the masses, the road of combating poverty and becoming wealthy in the mountainous areas. In his speeches at the discussions, he pointed out that the mountainous areas of eastern Liaoning occupy an important position and play an important role in developing the economy and society in the province. Success in building these areas not only has a crucial bearing on enabling mountainous areas to break away from poverty in order to become wealthy, but also has important strategic significance in maintaining an ecological balance in the province and making smooth progress in implementing the Seventh 5-Year Plan and building the four modernizations. He repeatedly stressed that efforts should be made to earnestly develop the forestry resources as a main task in building a diversified economy in mountainous areas. We should maintain the mountains well as long as we live in them. The people in mountainous areas will become wealthy if their mountains are full of luxuriant forests. Otherwise, they will be poor.

During his investigation tour at (Xiaoshutaizi) village in Baoshan township, Fengcheng county, after inspecting the disaster-stricken areas, he pointed out that the lesson we had experienced was profound. We can hardly maintain farmland well if we fail to maintain the mountains well. If we fail to develop the mountains and to cope with the problems of the mountains though we live in mountainous areas, we will not only be unable to become wealthy, but our living conditions will suffer as well.

During his investigation tour in Huanren and Kuandian counties, he fully acknowledged the achievements scored by some localities in achieving a higher rate in forest vegetation and preliminarily setting up vegetation systems at various levels, which had been well arranged with shelter, timber, and cash forests mixed with high trees and bushes. He also pointed out that the mountainous areas of eastern Liaoning must follow the road of forestry undertakings as a main task in a diversified economy.

During his investigation tour, Li Guixian also stressed that efforts should be made to firmly grasp the key task and the crucial link in building mountainous areas, to develop undertakings with strong points, and to actively carry out a diversified economy so that products in short supply can support those in excessive supply and so that both can complement each other. He also stated: Our standpoint is aimed at enabling the natural strong points of mountainous areas to become commodity and economic strong points as soon as possible. The provincial, city, county, and township authorities should concentrate their efforts on increasing the function of yielding results in business. For instance, the work to vigorously increase the variety of black fungus can motivate thousands upon thousands of households to engage in fungus production.

During his investigation tour, Li Guixian also stressed that, in developing a diversified economy, it is imperative to enhance scientific management, to stress economic results, and to achieve an intensive economy.

He stated that efforts should be made to educate cadres and the masses to eliminate their shortsighted view, to operate open businesses, to follow the traditional viewpoint of planting and harvesting wide-range crops, and to foster an efficient view of investing less funds and turning out more results. During his investigation tour, Comrade Li Guixian held many discussions with cadres, scientific and technical personnel, and teachers of various counties, townships, and villages, in which he urged them to set examples in striking roots in mountainous areas and undertaking construction there. He also repeatedly warned cadres at all levels to pay attention to the weal and woe of the masses and to foster the viewpoint of serving the people. He said to some comrades of the party committees at the county level that the county CPC committees should concentrate their efforts on building mountainous areas. In presenting questions and doing things, we should proceed from the interest of the people and share the comforts and hardships of the masses.

LIAONING GOVERNOR STRESSES LATERAL ECONOMIC TIES

OW260941 Beijing XINHUA Domestic Service in Chinese 0737 GMT 24 Apr 86

[By reporter Ge Daxin]

[Excerpt] Beijing, 24 Apr (XINHUA) -- Faced with a new situation in which lateral economic ties are sweeping away obstacles that have blocked the development of social productive forces, Liaoning province's economic departments have strengthened their concept of service and are making every effort to eliminate obstacles blocking the promotion of lateral economic ties and to guide the trend to develop on a sound course.

Quan Shuren, governor of Liaoning province who recently attended a meeting in Beijing, told this reporter of two examples. When lateral ties among provincial enterprises were first introduced in Liaoning a couple of years ago, several bearing plants got together to set up a transregional bearing company with the Wafangdian Bearing Plant near Dalian city as their nucleus. They did improve specialized cooperation and raise economic results. However, unable to free themselves from regional control, several enterprises failed to secure needed funds and materials from the local departments, thus putting the joint venture in a predicament. The other example is an entirely different story. Not long ago, when the Fushun Electromagnetics Plant convinced 10 other enterprises both inside and outside the province to set up a group electromagnet enterprise, it encountered a serious shortage of funds. Thereupon, the Fushun City Bank of Industry and Commerce cooperated with five other local banks concerned to give transregional financial support to the joint electromagnetics enterprise. The result was that the growing enterprise group raised the funds, and the banks also benefited from its development.

Quan Shuren said that such examples have enlightened Liaoning's economic departments to the fact that in the new situation of fast and irresistible development of lateral ties, the economic departments will fall far behind if they only try to promote cooperation among enterprises. In addition, they must deepen the reform, remove all obstacles, and guide the development of lateral economic ties onto a sound course.

Since last year, responsible persons of the Liaoning Provincial CPC Committee and the Liaoning Provincial People's Government have led leading cadres of departments concerned to visit various localities in the province and earnestly studied new situations and solved new problems encountered in the development of lateral ties among the enterprises. Based on the above study and in view of the practical problems, such as funds, materiel, finance, taxes, statistics, and specialized management encountered in promoting lateral ties, Liaoning Province has implemented a number of new policies and regulations on a trial basis to meet the province's actual needs which have been well received by the enterprises and have accelerated the development of lateral economic ties.

NINGXIA SENDS CADRES TO PERFORM GRASS-ROOTS WORK

HK260353 Yinchuan NINGXIA RIBAO in Chinese 16 Apr 86 p 1

[Report: "Ningxia Sends 1,000 of Its Cadres at and Above County Level To Do Grass-roots Work in the Countryside"]

[Text] In order to implement Central Document No 1 and put the spirit of the central leaders' instructions into practice, and also in order to help poor areas change their conditions and strengthen grass-roots work so as to realize the strategic objective of "letting Ningxia be the first to shake off poverty," the CPC Committee of the autonomous region has decided to send 1,000 cadres from regional, prefectural, and county organs to help the rural work at the grass-roots level. Among these cadres, 200 from various regional organs will be sent to 21 poor townships, with each regional department being responsible for helping 1 township. The personnel sent to the countryside will be changed every year. They are required to help the townships shake off poverty in 3 years.

This decision of the regional party committee is warmly welcomed by grass-roots cadres and the masses, and is also firmly supported by cadres in various government and party leading organs at various levels. Some cadres in regional organs voluntarily ask to be sent to the countryside. A cadre meeting was held between 8 and 14 April to arrange the work of sending cadres from regional organs to the countryside to help grass-roots work. Regional leading comrades Ma Yingliang, Ma Sizhong, and Cai Zhulin made mobilizing speeches at the meeting. Regional party committee Secretary Li Xuezhi made an important speech at the meeting on 14 April. He said that cadres going to the countryside to help poor areas change their conditions as rapidly as possible is a major measure for training our cadres and is a concrete step for implementing the central instruction that leading organs should serve the grassroots units and the masses.

It is of great significance in carrying forward the party's fine tradition and style, overcoming bureaucracy and improving office work style. This measure will also effectively cultivate our young and middle-aged cadres. Comrade Li Xuezhi said that in recent years, the condition of the mountainous areas in southern Ningxia has changed greatly, but there are still 40 townships in which the per capital income of 20 percent of the peasant households is below 100 yuan a year. These peasants still cannot get sufficient food and clothing.

This is a major problem that affects Ningxia's economic development. This time, the measure of sending cadres to help work in the poor areas will definitely help change the backward conditions in the mountainous areas and promote Ningxia's economic development. Meanwhile, the poor areas are mostly inhabited by national minorities. So, changing the economic conditions of these areas is not only an economic task, but is also a political task concerning the consolidation of nationality unity and progress.

As for the arrangement of each regional department taking responsibility for helping a poor township, Comrade Li Xuezhi said that we should give more publicity to the party's principles and policies, unite all grassroots cadres and the masses, and encourage them to rely on their own efforts, display a hardworking spirit, and strive to increase incomes trhough planting more trees and forage grass, raising more animals, and conducting diverse econommic activities. We must ensure that the poor conditions in those areas will basically be changed within 3 years.

To achieve this purpose, we should: first, carry out an all-round examination of the implementation of various rural policies and take measures to ensure better implementation of these policies; second, carry out investigation to find out the favorable conditions in those poor areas to work out realistic and effective measures for developing commodity production; third, pay attention to the work of planting trees and forage grass, conducting farmland transformation, building roads and electricity transmission facilities to lay a founcation for long-term development, and at the same time focus on the development of cash crops production, animal husbandry, household sideline production, and various rural industries that require modest investments and yield quick returns; fourth, attach importance to the work of introducing advanced technologies to the mountainous areas and relaxing control over the economic activities there to develop products and industries which are in a competitive position on the markets; fifth, give priority to cultural development there and realize compulsory elementary education in 3 years, and at the same time lower the population growth rate to below 1.5 percent; sixth, to properly implement party rectification.

In his speech, Comrade Li Xuezhi expressed his ardent hope that comrades who go to help grassroots work will bear in mind the party's principle of serving the people wholeheartedly, take the lead in maintaining a good party style and in seriously studying Marxism-Leninism-Mao Zedong throught and the party's policies, maintain close ties with the masses and cherish a realistic attitude and a hardworking spirit, and achieve good results in their work when they finish their 1-year stay in the countryside.

URUMQI MEETING COMMENDS DEMOBILIZED ARMY CADRES

HK240526 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 22 Apr 86

[Excerpts] The first regional meeting on commending advanced demobilized Army cadres and advanced units in resettling demobilized Army cadres opened in Urumqi on the morning of 22 April. Of the 300 delegates attending the meeting, some are incumbent factory managers, some are model workers fighting on the first line, some are outstanding cadres working in party and government administrative organs, and some are advanced people who have made remarkable achievements in political, legal, cultural, educational, public health, and scientific research units. Many of them rendered outstanding service when they were in Army, and they have now been awarded the titles of outstanding party members, advanced workers, and various pacesetters.

This meeting will earnestly sum up and extensively exchange advanced experiences in resettling demobilized army cadres, give much publicity to the advanced deeds of demobilized Army cadres in building the four modernizations, commend the advanced, and set up pacemakers to promote the mass campaign in the region for respecting and cherishing the army and vigorously supporting the Army in carrying out construction and reform.

At today's meeting, Tomur Dawamat, chairman of the regional government, delivered an opening speech. Huang Baozhang, vice chairman of the regional People's Government, delivered a report on resettlement of demobilized Army cadres. (Liu Huijie), deputy director of the resettling demobilized Army cadres office under the State Council, spoke.

POWER POLITICS METHOD TO COMBAT TERRORISM DENOUNCED

HK231001 Hong Kong WEN WEI PO in Chinese 22 Apr 86 p 2

[Editorial: "Power Politics Should Not Be Used in Dealing With Terrorism"]

[Text] Last week's U.S. air raids on Libya have brought more grave consequences than last month's military conflict between the two sides in the Gulf of Sidra. The U.S. bombing raids were launched under the pretext of opposing terrorism. People of the world who bitterly hate terrorism should have warmly applauded the action. However, things are quite different. Except for Mrs. Thatcher, leaders of most countries in the world did not support Reagan's action. Moreover, anti-U.S. demonstrations, on an unprecedented scale since the Vietnam war, were held in many major cities throughout Western Europe last weekend.

Of course, this does not mean that people are sympathetic to terrorism. In fact, terrorism has become a malignant tumor in today's international political life. Kidnappings, assassinations, hijackings, bombings, and detaining of hostages are now taking place one after another. They are endangering many innocent, common people. People intensely dislike such evil deeds and hope to see them stopped. However, there are different views on how to deal with terrorism. The U.S. air raid on Libya has stirred up strong reactions in many countries of the world. This is not just because the attack was a violation of international law and undertaken without heeding the warnings of others, but because it is impossible to eliminate terrorism by using violence to counter violence. This only makes the Middle East issue more complex. Developments in the past few days have shown that people's worries are justified.

The air strikes have unleashed an endless stream of abusive propaganda between the United States and Libya. Ronald Reagan, George Bush, and other U.S. leaders have repeatedly said that the United States might do it again if necessary; Libya has also threatened retaliation. Although the two sides have not had another trial of strength with their modern weapons, other sensational incidents, which people abhor, have occurred one after another. In Lebanon, two kidnapped Britons were shot dead and another was kidnapped. In London, an attempted bombing of an Israeli airliner was discovered. If the United States unleashes another attack by claiming Libya's involvement in these incidents, the tense situation in the Mediterranean will no doubt become more intense and likely deteriorate.

There is fertile soil for terrorism in the Middle East. The complicated Palestine issue, which has been burning for nearly half a century, has produced a long-term confrontation between the Arab countries and Israel. The internal disorder in Lebanon and the endless war between Iran and Iraq have increasingly complicated the Middle East question. Libya, which has long been accused of having close ties with many terrorist organizations, has provided terrorists with large sums of money and weapons. If there were only one terrorist center in the world, it would be easy to deal with. Unfortunately things are not that simple. If Libya, which has a population of only 3 million, were forced to knuckle under, this would not mean that millions of Palestinians living in exile in many countries indeed the entire Arab world, would have been forced into submission. As long as the Middle East issue is unresolved there is still fertile soil for terrorism.

Knowing the historical background of terrorism, it is not difficult for us to realize that the task of eliminating terrorism can only be solved by political means. Following the U.S. air raid on Libya, it has become apparent that leaders of many countries agree that there is a problem.

The foreign ministers conference of the European Common Market adopted a resolution to apply sanctions against Libya, though it did not openly support the U.S. air raid. This recent event will certainly change Libya's policies, to some extent. The Libyan representative at the UN General Assembly declared that his country hoped to have a dialogue with the United States. How to take advantage of the present situation and to encourage cooperation between various countries in dealing with terrorism is an issue for all far-sighted statesmen to consider.

PART II: FOREIGN TRADE, INVESTMENT POLICY DETAILED

HK231340 Hong Kong WEN WEI PO in Chinese 18 Apr 86 p 10

[Article by Wu Chao [2976 6389], consultant researcher and deputy head of the Foreign Economic Relations Group of the Economic, Technological, and Social Development Research Center of the State Council: "China's Policy for Absorbing Direct Investment" — second and last installment — This article, slightly abridged by WEN WEI PO, was originally a speech at a symposium on "China's foreign trade and investment"]

[Text] Foreign investors are interested in making investments in China since it is one of the world's largest markets. They are very concerned about whether the merchandise produced by their enterprises in China can be sold in the country and, if so, what the sales percentage will be. It is reasonable for China to demand that foreign-invested enterprises in China sell a certain quantity of their products abroad and do their best to maintain a positive balance of payments in foreign exchange. The reasons are as follows:

1) The establishment, production, and operation of foreign-invested enterprises require foreign exchange funds. For example, the bonuses of these enterprises, the wages of their employees who come from abroad, and the money for importing raw materials, equipment, and parts must be paid in foreign currency. Foreign-invested enterprises will have no foreign exchange earnings if they are not allowed to sell a certain quantity of their products abroad.

2) The products produced by the advanced technology introduced by foreign-invested enterprises must be tested in the course of competition in the international market so that constant improvement in technology and operations can be made.

3) It is necessary to combine China's favorable conditions with those of foreign businessmen for the purpose of exploring the international market in a more effective way. This is one of China's purposes of running foreign-invested enterprises.

In addition, the Chinese Government adopts realistic, flexible methods for specific analysis of conditions dealing with different problems in different ways with regard to opening the domestic market to foreign-invested enterprises. China will provide foreign-invested enterprises with part of its domestic market for them to sell advanced equipment China needs or products China has to import from foreign countries.

However, some foreign-invested enterprises find it difficult to maintain a favorable balance of payments in foreign exchange. To settle this problem as appropriately as possible, on 15 January 1986 the State Council promulgated the "Regulations Concerning the Favorable Balance of Payments in Joint Ventures' Foreign Exchange." The nine methods stipulated by the regulations have played an important role in maintaining a foreign exchange balance for joint-capital enterprises and Sino-foreign cooperatively run enterprises.

Methods for Solving the Problem of a Foreign Exchange Balance

Practical experience in running foreign-invested enterprises over the past few years suggests that to appropriately maintain a foreign exchange balance, it is necessary to proceed from the following:

Cooperation projects must be appropriately selected. This is a prerequisite for foreign-invested enterprises to solve the problem of maintaining a foreign exchange balance. Foreign-invested enterprises which have been run with China's approval over the past few years can be classified into the following categories: 1) enterprises that make foreign exchange earnings through exports; 2) enterprises that produce import substitutes; 3) enterprises that transfer technology; and 4) enterprises that seek domestic profit.

Enterprises that make foreign exchange earnings through exports market all or most of their products abroad, and their foreign exchange income exceeds their foreign exchange expenditures. Enterprises in this category are very recommenable in China.

Enterprises that produce import substitutes refer to enterprises that can manufacture products to substitute for those imported by China to meet its urgent needs. These enterprises can carry out the production of import substitution products with the approval of the responsible departments of the State Council or local responsible departments according to the quality and size requirements for such products and the need for importing such products. But joint-venture contracts or contracts for production and demand signed by both sides must explicitly provide that foreign exchange expenses for the production of import substitution products must be put in the state's long-term or annual plan for the use of foreign exchange according to the State Council's relevant regulations on the procedures for submission and approval. Over the past few years, China has imported cars, color television sets, refrigerators, recorders, and cameras for the purpose of regulating domestic market supply and withdrawing some money from circulation. But these commodities have been imported with a little surplus in our foreign exchange balance to meet a temporary demand. They are not to meet China's long-term or urgent demands. Therefore, enterprises producing these products do not belong to the second category.

By enterprises that transfer technology, we mean those foreign cooperators who provide advanced or key technology to facilitate the production of advanced products or top quality products which are competitive on the international market. In case the country urgently needs such products, preferential treatment can be provided for the production of these products with the approval of the responsible departments concerned. The percentage and quantity of products to be sold on the domestic market must be explicitly explained in the contract signed by both parties.

There should be a percentage of overseas sales for the products manufactured by enterprises of the second and third categories, to test their competitiveness on the international market, to renew their products, and to enable them to reach advanced international levels.

Enterprises in the fourth category consist mainly of two types: The first type is enterprises which use the price disparity between domestic and foreign markets to import a large quantity of assembly parts and components to be assembled for the domestic market at a profit. Apart from being unable to export their products (sometimes they are allowed to export a small quantity of their products), they have to use a large amount of foreign exchange to import assembly parts and components and for maintenance and servicing. In addition, they also have to import some goods with foreign exchange earnings. Some of them sell their products for foreign trade purposes and others to domestic citizens.

Those which sell their products for foreign trade purposes can have some foreign exchange earnings, but those which sell their products to domestic citizens cannot have foreign exchange earnings at all. Limitations will be imposed on the number of this type of enterprises in the future.

Second, preparations before work is started include selecting the products to be produced, sorting out suggestions, and engaging in feasibility studies. Of these, the most important is to engage in feasibility studies. In carrying out a feasibility study, attention must be paid to the following two points: One is the support of raw materials, components, and parts, and the other is the sales of products. The latter is more important than the former. Through making a feasibility study of the above supply and sales, foreign-invested enterprises will have a clear idea of their foreign exchange balance after going into operation.

In the study of the sales of products, it is important to do a good job in forecasting the international market demand so that foreign-invested enterprises can have a good understanding of the international market situation before selling their products abroad. With regard to import substitutes and technological transfers, we should know what can and cannot be substituted as well as the percentage of substitution; what can and cannot be sold in the domestic market as well as the percentage of sales; and whether a favorable balance of payments in foreign exchange can be maintained. Furthermore, we should also do our best to select the products to be sold to facilitate signing contracts for producing these products.

Third, the country should be helped in such a manner that it will gradually be able to manufacture the components, parts, and materials for the products concerned. There are two conditions for foreign-invested enterprises to maintain a favorable balance of payments in foreign exchange: One is to export all or the larger part of their products, and the other is to use China-made materials, components, and parts. In the initial stage of operations, it may be difficult for some enterprises to use China-made materials, components, and parts in their production, as China cannot meet the requirements for variety, quality, sizes, prices, and delivery. But in the long run and viewed from maintaining a favorable balance of payments in foreign exchange, it is necessary and possible to study how to help China manufacture the materials, components, and parts concerned. In undertaking a feasibility study of the products to be produced, we should work out a plan on enabling the country to manufacture the materials, components, and parts concerned, and the departments concerned should build horizontal relationships with foreign-invested enterprises. If necessary, they can sign long-term contracts for supply and demand and form a fixed supply channel.

Fourth, it is ncessary to stick to the percentage of products to be sold abroad as clarified by the contracts for joint ventures. Before signing such contracts, careful investigation should be made so that an accurate percentage of products to be sold abroad can be fixed. Once the percentage is fixed, the foreign cooperators concerned are obliged to perform the duty of selling the products abroad and to seriously implement the regulations of the contracts on the percentage of products to be sold abroad.

Fifth, it is necessary to fully respect the managerial and operational autonomy of foreign-invested enterprises. This is a manifestation of the principle of equality and mutual benefit as well as an important factor for enlivening the management of foreign-invested enterprises. China's departments concerned and various localities began to attach importance to this problem several years ago.

Foreign-Invested Enterprises Will Have More Autonomy

Following the development of economic structural reform, state-run enterprises are carrying out the policy of separating government administration from enterprise management and delegating power to the lower levels. This has played an important role in bringing into play the vigor and initiative of these enterprises in production and business dealings. In comparison with state-run enterprises, foreign-invested enterprises have their own characteristics in terms of ownership, organizational form, financial system, and economic relationship. This being the case, they should have more autonomy in economic management. Therefore, foreign-invested enterprises can decide on the establishment of their in-house departments; the appointment and removal of cadres; the recruitment and dismissal of employees; the form and standard of wages and bonuses; the accumulation and use of bonuses; expenditures and their management; the purchase, use, and management of production materials; the arrangement of production; the sales of products; and the distribution of profits. The departments concerned should not interfere in their affairs as long as they do not violate China's laws.

Regulations on the Prices of Materials and Products

A new situation has appeared in China's management of plans and prices following the development of economic structural reform, the invigoration of the economy, and the relaxation of prices. In view of this situation, China has formulated some practical regulations on the supply and prices of materials for foreign-invested enterprises as well as on the sales and prices of their products. These regulations are mainly as follows:

1) The production and construction tasks of foreign-invested enterprises will be listed in a mandatory plan with the approval of the departments concerned. Planning and material departments at various levels concerned will supply materials for foreign-invested enterprises whose products are listed in state or local plans for unified distribution. The departments which arrange production and construction tasks for foreign-invested enterprises will be responsible for supplying the materials required by these enterprises for production and construction. Foreign-invested enterprises which are engaged in production and construction tasks outside state or local plans can buy materials from the market according to the supply and demand contracts signed by both sides, at state or international prices, or at prices negotiated by both sides.

2) The products manufactured by foreign-invested enterprises under state mandatory plans will be distributed and allocated by the state at prices fixed by the state. As for the rest of their products, they can sell them of their own accord.

3) Foreign-invested enterprises can fix the prices of their products which are outside government prices and can make suggestions on fixing the prices of products which are within the range of government prices. They must, however, accept the management and supervision by the pricing departments concerned.

FBIS DAILY REPORT

China

CONTENTS

Vol I No 082 29 April 1986

PRC INTERNATIONAL AFFAIRS

GENERAL

PRC Gives Disarmament Verification Views to UN A 1
Further Reportage on Visit of IOC's Samaranch A 1
Wan Li Gives Banquet A 1
Lectures Sports Students A 2
LIAOWANG on High-Level U.S.-Soviet Dialogue [21 Apr] A 3

UNITED STATES

World Watching Reagan Latin America Policy B 1

NORTHEAST ASIA

Conflicting Reports on Participation in Games D 1
Spokesman Says Still Undecided [KYODO] D 1
Applies for Asian Games [KYODO] D 1
Participation in Seoul Olympics [Seoul] D 1
DPRK's Kim Yong-nam on Relations With PRC D 1

SOUTHEAST ASIA & PACIFIC

Li Xiannian Supports Sihanouk's Coalition Proposal E 1
DK's Khieu Samphan Interviewed on Peace Plan E 2
SRV 'Poor Showing' in Dry-Season Offensive Noted E 3
Anniversary of Sino-Lao Diplomatic Relations E 4
Peng Chong, NPC Delegation Leave for Australia E 5

WESTERN EUROPE

Yao Yilin, Chen Muhua Meet FRG Finance Minister G 1
Analysis of U.S. Raid Affect on Thatcher G 1

PRC NATIONAL AFFAIRS

Hu Qili Speech on Seventh 5-Year Plan Goals [HONGQI 16 Apr] K 1
Yang Yichen Procuratorial Work Report to NPC Session K 11
GUANGMING RIBAO on Literary, Art Problems [17 Apr] K 19
Household Management System To Remain Unchanged [BAN YUE TAN 10 Apr] K 21

PRC REGIONAL AFFAIRS

EAST REGION

Fujian Leaders Address Educational Work Conference O 1
[FUJIAN RIBAO 18 Apr]
Chen Guangyi, Hu Ping Inspect Poor Fujian Areas O 2
[FUJIAN RIBAO 18 Apr]
Han Peixin Attends Jiangsu Provincial Congress O 3
Jiangxi's Liu Fangren Speaks on Family Planning O 3
Radio Commentary O 4
Briefs: Fuzhou Silk Exports O 4

CENTRAL-SOUTH REGION

Guangdong: Lateral Economic Ties Strategy Viewed P 1
Guangxi Governor on Sixth 5-Year Plan Achievements P 1
Henan Holds Economic Reform Work Conference P 3
Briefs: Guangdong Offshore Oil Well P 3

NORTH REGION

Beijing Experience-Exchange Meeting on Party Reforms R 1
[BEIJING RIBAO 19 Apr]
Ni Zhifu Attends Tianjin CPPCC Closing Session R 2
Tianjin: Ni Zhifu Outlines Economic Reform Tasks R 3
[TIANJIN RIBAO 17 Apr]
Over 1,700 Tianjin Criminals Surrender to Police R 4

HONG KONG MEDIA ON CHINA

Yao Yilin Examines Current Economic Situation W 1
[LIAOWANG OVERSEAS EDITION No 16, 21 Apr]
Ji Pengfei Stresses No Socialism in Hong Kong W 4
[WEN WEI PO 26 Apr]

PRC GIVES DISARMAMENT VERIFICATION VIEWS TO UN

OW290804 Beijing XINHUA in English 0737 GMT 29 Apr 86

[Text] United Nations, April 28 (XINHUA) -- The Chinese Permanent Mission to the United Nations today sent a letter to Secretary-General Javier Perez de Cueller, presenting its government's basic views on the question of verifying international disarmament agreements. The letter, first of all, reiterated that "in light of the growing intensification of the arms race between the superpowers and the existence of the danger of a new world war, it will be conducive to the maintenance of world peace to reach an agreement on promoting effective arms reductions."

"Stipulation of appropriate verification measures is conducive to the effective implementation of the agreements" and, therefore, "verification measures should be an essential component to disarmament agreements," the letter said.

On the principles which should be taken into account in international disarmament negotiations on the question of verification, the letter said that "as verification measures are to guarantee the concrete implementation of disarmament agreements, the provisions concerned should be determined by the purposes, scope and nature of the relevant disarmament agreements." The letter demanded the affirmation of "the role of necessary international verification means" and suggested the employment in combination of international and national verification means in accordance with the nature of disarmament agreements.

"In order to ensure the participation in international verification by all countries concerned on an equal footing, an international verification system should be established and perfected step by step, it added. The letter also stressed that "verification should not be discriminatory in forms and methods, nor should it cause interference in the internal affairs of the relevant countries or hindrance to their economic and social development."

The Chinese delegation sent this letter to the U.N. secretary-general according to the resolution on the question of verification adopted by the 40th session of the U.N. General Assembly, which invited all member states of the organization to communicate to the secretary-general their views and suggestions on verification principles, procedures and techniques.

FURTHER REPORTAGE ON VISIT OF IOC'S SAMARANCH

Wan Li Gives Banquet

OW281557 Beijing XINHUA in English 1529 GMT 28 Apr 86

[Text] Beijing, April 28 (XINHUA) -- Juan Antonio Samaranch, president of the International Olympic Committee, was guest of honour at a banquet given by Chinese Vice Premier Wan Li here this evening. The IOC president was apparently pleased with the fact that the dinner was arranged in the building in the Diaoyutai Guest House where King Juan Carlos and Prime Minister Felipe Gonzalez of Spain had stayed during their visits in Beijing. "I feel a great honour to have a dinner here," he replied. Samaranch lives in building No 11, next to the banquet hall in the same guest house. He presented a Gold Olympic Order to the Chinese vice premier this afternoon.

Wan Li asked why tennis had not been a competitive sport on the Olympic program. Samaranch told him that tennis was first introduced into the Olympic games in 1924 and would be included in the 1988 Olympic program again as a competitive event.

Chinese Sports Minister Li Menghua told Samaranch that the vice premier was the honorary president of the Chinese Tennis Association and an enthusiastic tennis amateur who had played tennis with U.S. Vice-President Bush and Australian Prime Minister Hawke, and played tennis four times a week. Samaranch asked whether the vice premier would concede a game to him if he wanted to play tennis with him. "Friendship is friendship, and play is play," Wan Li replied. Wan Li was also introduced as the honorary president of the Chinese Bridge Association, but Samaranch told him that bridge was not considered as a sport in many countries.

The IOC president suggested that a sports museum be established in China, because China wanted to apply for hosting Olympic games in the near future. He was told that the sports museum was included in China's Seventh Five-Year Plan ending in 1990.

At the end of the dinner, Samaranch presented silver plates with the five Olympic rings and his personal signatures to Wan Li, Li Menghua and Beijing Mayor Chen Xitong as a token of thanks for their warm hospitality and congratulations on the efforts they had made in developing sports in China.

Richard Pound, Canadian member of the IOC executive board, and He Zhenliang, Chinese member of the IOC executive board, were present. Earlier this afternoon, Vice Premier Wan Li had a separate meeting with the IOC president in the presence of the two IOC Executive Board members and Chinese sports leaders.

Lectures Sports Students

OW290850 Beijing XINHUA in English 0819 GMT 29 Apr 86

[Text] Beijing, April 29 (XINHUA) -- Juan Antonio Samaranch told Chinese students here today that the most important task of the International Olympic Committee (IOC) is to develop peace and friendship in the world and cooperation between the people. He said that apart from organizing Olympic games, the IOC is also very interested in improving sports education and sports in the different countries of the world. The president of the International Olympic Committee was invited to give a lecture at the Beijing Physical Culture Institute, a school specialising in the training of sports teachers for various parts of China.

Samaranch said that the Olympic movement had a great development after its founding in 1896. Its membership has risen from 14 to more than 140, more than that of the United Nations. The president told the students table tennis, in which China is very strong, and tennis will be officially listed as Olympic competitive events at the 1988 Olympics and badminton, in which China is also strong, will be added to the Olympic programe in 1992.

The IOC president showed intense interest in the institute which has 7 departments and 2,000 students studying sports theory, sports science and the basic skills of most sports. He said that this will guarantee the future development of sports in China.

When asked whether Wushu, or Chinese martial arts as known outside this country, would be possibly listed as an Olympic sport, the president replied that it is very difficult because an Olympic sport must be developed in over 60 countries. He said, however, it can be listed as a demonstration sport if China holds the Olylmpic games in 2,000. He also said the Asian games to be held in Beijing in 1990 will be the first step for China towards holding Olympic games.

The president said the IOC is trying to solve the problem of allowing professional athletes to compete together with amateurs in future Olympic games. "Now the professionals are not permitted by individual sports organizations so they can not participate in the Olympics. We are trying to let all athletes compete together in the olympics."

The president indicated the IOC would encourage the national sports in each country so as to protect the national culture. A Chinese source revealed that the IOC president had said the IOC would give a cup to the third Chinese Minority Nationality Games to be held in Urumqi, capital city of Xinjiang Uygur Autonomous Region in August.

Joshua Grant of the United States, who is studying in the institute, asked whether the IOC president would suggest China train foreigners for developing Wushu in the world. The president said the Chinese had done many things in the world for raising the sports level. "I think they also do this in Wushu." The president said it would not be his last visit to the institute and hoped the students would study hard and make contributions to the development of sports in China.

LIAOWANG ON HIGH-LEVEL U.S.-SOVIET DIALOGUE

HK251550 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 16, 21 Apr 86 pp 27-28

[Article by Peng Di: ["Bumpy Road for High-Level U.S.-Soviet Dialogue"]

[Text] With the high-level name-calling turning into high-level dialogue, the atmosphere in U.S.-Soviet relations eased slightly last year. This brought people some comfort. However, the development of the situation this year has hardly made people optimistic. Both the U.S. and Soviet governments unanimously hold that relations between the two countries have detereorated since the Geneva sumsmit last November.

The progress of the high-level disalogue itself has met with obstacles. According to agreement, the next summit should be held in the United States. The United States proposed that the meeting be held next June or July, but the Soviet Union deemed it too early and inconvenient for the Soviet Union. The Soviet Union proposed that the meeting be held next September instead, but the United States deemed it too late and inconvenient for the United states because it would be too close to the U.S. congressional mid-term elections in November. As a result, the summit will probably be postponed until December or even the turn of the year. The meeting date has become a bone of contention.

Naturally, this is not merely a question of the meeting date. There is more to it than meets the eye. After the last summit, both parties bickered endlessly in public, speaking in deep, gruff voices.

When delivering a State of the Union message on 5 February, Ronald Reagan said that he hoped that a continued dialogue between top American and Soviet leaders would lead to a "more stable relationship," but he also stressed that fundamental differences between the two countries still existed and that an improvement or a deterioration in the relationship would depend on whether the Soviet Union would "reduce threats" and "observe the agreements." The Soviet news agency TASS immediately denounced Reagan's State of the Union message as "disappointing" and said that Reagan had adopted a "dangerous policy."

At the center of the disputes over the meeting date is still the arms race, a matter of life and death to the two superpowers. The Soviet side indicated that it hoped to see some progress in the U.S.-Soviet arms control talks before the second summit is held. If there is no prospect for a practical result in this respect, Gorbachev will be unwilling to go to the United States to meet Reagan. The U.S. side, however, opposes making progress in the arms control talks a precondition for the next summit. Reagan indicated that if no date could be fixed for a meeting in the United States this year, he would not go when it was his turn to go to the Soviet Union for a meeting.

The arms control issue is indeed complicated. Despite years of discussions, the U.S. and Soviet delegates have not made much substantive progress on the issue. It is perhaps difficult to attain much in the line of practical results before the summit this year. If this should be made a condition, the next summit will undoubtedly not come to pass. At the least, it will be postponed indefinitely. Does this mean that the Soviet leader is not anxious to have another meeting with the U.S. President? Obviously not. Judging from the last Geneva meeting, the Soviet Union has a greater interest in the summit than the United States does. The fact that the Soviet Union has raised the terms for holding a summit shows that the new Soviet leader has launched new diplomatic offensives against the United States.

The offensives primarily center on the arms control talks. Soon after the Geneva meeting, on 15 January, Gorbachev set forth a relatively comprehensive proposal stipulating the objective of thoroughly destroying nuclear weapons in three stages by the end of this century. In the first stage, which will last 5-8 years, both the United States and the Soviet Union should reduce by half the number of nuclear weapons that can hit the other's territory, and restrict the number of each other's nuclear warheads of 6,000.

Reducing by half the over-expanded nuclear arsenals of the United States and the Soviet Union will not have a great impact on the total nuclear power of the two countries. However, the variety, functions, and deployment sites of the nuclear weapons of both parties are differeit. It takes a lot of learning to determine what weapons should be reduced and how they should be reduced so as not to disrupt the nuclear balance and to place either of them in an unfavorable position. With each side having a different understanding or explanation of the definition of the "nuclear weapons that can hit the other," it is unavoidable that there should be some controversies. Obviously, both the United States and the Soviet Union are ideologically prepared to conduct complex and possibly protracted negotiations.

However, the main thrust of the current Soviet offensives does not end here. What is more important, the Soviet Union plans to use this relatively comprehensive plan to include space weapons on the agenda, to force the United States to give up its Strategic Defense Initiative, and to prevent the United States from gaining an upper hand in this field. Naturally, this is widely divergent from the U.S. strategic plan. In an attempt to disrupt the American plan, the Soviet Union proposed that both parties immediately suspend all nuclear test.

In order to find a point of breakthrough in this field, the Soviet Union at first announced that from August to the end of December 1985 it would unilaterally call a moratorium on nuclear tests and called on the United States to do the same. Later, Moscow extended the moratorium until 31 March this year. It also announced that the moratorium could be further extended so long as the United States refrained from conducting further nuclear tests. On 29 March, Gorbachev again embarrassed the United States by suddenly proposing that the leaders of the two countries hold an early meeting in Europe to specifically discuss the question of stopping nuclear tests.

In this series of offensives, the Soviet Union has also adopted more flexible policies than in the past and made concessions in certain aspects. For example, it has agreed to hold separate talks on reducing medium- and long-range missiles in Europe without insisting on their simultaneous solution with the issue of strategic nuclear weapons. Unlike its previous position, it has also agreed not to insist on including the British and French missiles when the Soviet and U.S. medium- and long-range missiles deployed in Europe are destroyed. Naturally, it has also set forth a condition, namely, that both Britain and France will no longer increase their nuclear weapons and neither will the United States provide them with nuclear weapons. The Soviet Union has also been slightly flexible on the question of verifying the arms reduction. It has agreed that both parties may dispatch people, when necessary, to conduct "on-the-spot inspections."

The Soviet offensives also contain a defensive side. On certain crucial issues, the Soviet Union has refused to budge. For example, it is ready to discuss only the question of controlling medium-range missiles deployed in Europe but not in Asia. According to NATO estimates, the Soviet Union has deployed 171 SS-20 missiles in Asia, which are more than the 120 missiles it has deployed in Europe.

As for the question of reducing conventional weapons on which the Soviet Union has certain advantages, as well as the question of "regional conflicts" in which it has been more deeply involved than the United States (including its armed occupation of Afghanistan and its support for Vietnam's invasion of Cambodia), the Soviet Union is unwilling to go into detailed discussion. This can perhaps be called "making the best possible use of favorable conditions and avoiding the effects of unfavorable ones."

The new Soviet proposals are incompatible with the U.S. existing policy. On the one hand, the United States said that the Soviet proposals contained new elements; on the other hand, it also said that there were new "traps" in them. Given the serious nuclear confrontation between both parties, the United States refuses to give up its long-established Strategic Defense Initiative. The United States holds that the Soviet Union consent to holding separate discussions on long- and medium-range missiles represents progress. However, it insists that questions on these types of missiles which are deployed in Europe and Asia should be considered and solved together.

On the question of suspending nuclear tests, the dispute between both parties is even more violent. The United States holds that "the Soviet Union has made rapid progress" in nuclear arms tests and that since the security of the United States and its alies still depends on nuclear weapons and since the United States wants to develop space weapons, including solving the energy problem for its laser weapons, it is necessary for the United States to continue the tests. The United States immediately rejected Gorbachev's proposal for Reagan to go to Western Europe to discuss the suspension of nuclear tests, pointing out that according to agreement, the next summit should be held in the United States and that the issues discussed "should involve all questions in U.S.-Soviet relations" and not the question of suspending nuclear tests alone.

The United States also holds that since verbal statements on suspending nuclear tests are no guarantee, there should be on-the-spot verification. On 22 March the United States conducted another underground nuclear test in Nevada. Prior to the test, on 14 March, the United States asked the Soviet Union to send experts to visit the site and to jointly discuss the question of on-the-spot verification. The Soviet news agency TASS pointed out right away that the invitation was a "political trick" on the part of the United States. It also denounced the U.S. nuclear test as "another militarist act." On 10 April the United States again conducted another underground nuclear test in the Nevada desert. In a statement issued the following day, the Soviet Union announced that it was released from the obligation of unilaterally undertaking a halt of nuclear tests.

In the face of the Soviet offensives, the United States keeps a low profile. It advocates more private consultations and less public debates. It calls on both parties not to unilaterally make public the negotiation plans, holding that such a practice will only have propaganda value and will not help matters.

The Soviet practice is different from that of the United States. Besides publishing the Soviet Plans, the Soviet newspapers and magazines have continuously upgraded their public denunciation of the United States. When U.S. Secretary of State George Shultz made some explanations on the U.S. Strategic Defense Initiative, stressing its defensive character and objective, TASS issued an article sharply asking in its headline: "Whom are you deceiving?" The article denounced Shultz's argument as "standing facts on their heads," "utterly preposterous," "fist-shaking," and "pursuing an imperialist policy." The Soviet magazine NOVOYE VREMYA criticized the United States for "being impervious to reasons," "creating new obstacles," and engaging in "political fraud." PRAVDA reproached the United States for being "shameless."

The recent situation in U.S.-Soviet relations is that the atmosphere has become tense again as a result of the clash on substantive issues and that they have begun berating each other again before they agree on the next summit. It can thus be seen that it will be very difficult to achieve a substantive improvement in the relations between the two countries in the near term.

However, will the high-level dialogue come to a premature end? It will probably not. This is because all the people concerned with peace hope that the United States and the Soviet Union will be able to reach an agreement and to drastically reduce their armaments. Both parties need a summit and want to use it as means to gain a more favorable position. The problem is that people's expectations for the summit have begun to shrink. The gap between the U.S. and Soviet positions arising from the conflict of interests is so wide that it cannot be bridged in one or two summits.

WORLD WATCHING REAGAN LATIN AMERICA POLICY

OW261658 Beijing XINHUA in English 1641 GMT 26 Apr 86

["Roundup: Reagan's Envoy Lobbies 10 Latin American Nations" -- XINHUA headline]

[Text] Beijing, April 26 (XINHUA) -- U.S. President Ronald Reagan's Special Envoy to Latin America Philip Habib wound up his lightning visit to 10 Latin American nations yesterday and left Lima, Peru, for home. Habib started his visit on April 18, two days after the U.S. House of Representatives tossed out Reagan's 100 million dollar military aid package for Nicaraguan rebels and adopted a Democratic proposal calling for 27 million dollars in aid for Central American refugees and another 2 million dollars to help the Latin American nations of the Contadora Group. The House also banned all military aid to Nicaraguan rebels.

It is reported that Habib's visit was aimed at lobbying for Reagan's Central American policy and seeking support from the 10 countries to exert presure on the Nicaraguan Government. These countries included Honduras, Guatemala, El Salvador and Costa Rica in Central America, Colombia and Venezuela of the Contadora Group, and Argentina, Uruguay, brazil and Peru of the Lima Group.

Habib publicly said that the United States respects the Contadora Group's peace efforts and that his country would stop military aid to the Nicaraguan rebels, if Nicaragua signs the Contadora-proposed Central American peace treaty. However, it is learned that during his talks with leaders of the 10 countries, Habib imposed many conditions on U.S. acceptance of the draft peace treaty. Nicaragua has indicated it will sign the treaty if the United States halts militry aid to the Nicaraguan rebels.

During Habib's visit, President Reagan made several threatening remarks against Nicaragua. On April 22, he twice charged the Nicaraguan Government with having "close links" with international terrorists, claiming that Nicaragua "is building a new Libya" on the U.S. "doorstep". He also announced that the United States had decided to prolong its economic blockade of Nicaragua because the Latin American country constitutes an unusual threat toward U.S. security and foreign policies.

What the U.S. Government did toward Nicaragua in recent days immediately evoked strong reactions from the Nicaraguan Government. The Nicaraguan Foreign Ministry in a letter to U.S. Secretary of State George Shultz charged that the United States trains and supports Latin American terrorist forces and contras for the purpose of invading Nicaragua and that Reagan was creating a smokescreen to cover his plans for invading Nicaragua by sending several special envoys to Latin America.

Before Habib concluded his trip, Nicaraguan President Daniel Ortega Saavedra pointed out that what Habib said in public was "demagogic and false" in attempt to "hoodwink public opinion in Latin America."

Most countries Habib visited reacted prudently. They reaffirmed the Contadora Group's consistent policy that Latin American issues should be solved through negotiations instead of resorting to arms. The steps the Reagan administration takes after Habib's visit will arouse worldwide attention.

CONFLICTING REPORTS ON PARTICIPATION IN GAMES

Spokesman Says Still Undecided

OW290707 Tokyo KYODO in English 0659 GMT 29 Apr 86

[Text] Beijing, April KYODO -- A spokesman for the China Olympic Committee Tuesday denied an earlier REUTERS report that China announced its decision to participate in the 1988 Summer Olympic Games in Seoul. The spokesman told KYODO news service that China is still studying whether to participate in the Seoul games. He also denied earlier reports that China has filed application with the International Olympic Committee for its participation in the 1988 Olympiad.

Applies for Asian Games

OW290749 Tokyo KYODO in English 0744 GMT 29 Apr 86

[Text] Beijing, April 29 KYODO -- China has formally applied for participation in the 10th Asian Games to be held in Seoul in September, a spokesman for the Chinese National Olympic Committee announced Tuesday. The application was filed with the Seoul Games organizing committee, he said. Since China does not have diplomatic relations with South Korea, whether Beijing will take part in the September 20-October 5 Asian Games had been watched with keen interest. The spokesman said, however, no decision has been made on China's participation in the 1988 Summer Olympic Games in Seoul.

Participation in Seoul Olympics

SK290215 Seoul Domestic Service in Korean 0200 GMT 29 Apr 86

[Text] REUTERS from Beijing -- The Communist Chinese Olympic Committee officially announced today that Communist China will participate in the Seoul Olympics in 1988. The spokesman for the Communist Chinese Olympic Committee disclosed that Communist China registered with the International Olympic Committee for the participation in the 1988 Seoul Olympics.

DPRK'S KIM YONG-NAM ON RELATIONS WITH PRC

OW281746 Beijing XINHUA in English 1633 GMT 28 Apr 86

[Text] Pyongyang, April 28 (XINHUA) -- Minister of Foreign Affairs Kim Yong-nam said that nothing can harm the close relations between the Korean and Chinese peoples. Kim, also vice premier of the administration council, made the remarks during his meeting here today with a group of visitors from the Chinese Foreign Ministry led by Wang Yanchang, assistant to Foreign Minister Wu Xueqian.

Kim said that the Chinese guests' visit has contributed to the friendship and cooperation between China and Korea. The Korean people will spare no effort in strengthening that friendship, he added. The Chinese visitors arrived here on April 22 and are scheduled to return home May 1.

LI XIANNIAN SUPPORTS SIHANOUK'S COALITION PROPOSAL

OW290522 Beijing XINHUA Domestic Service in Chinese 0335 GMT 29 Apr 86

[Text] Beijing, 29 Apr (XINHUA) -- President Li Xiannian yesterday cabled Chairman of Democratic Kampuchea Prince Norodom Sihanouk to express his support for the eight-point proposal on a political settlement of the Combodian Issue put forward by the Coalition Government of Democratic Kampuchea [CGDK] on 17 March. The text of the message is as follows:

Pyongyang
Prince Norodom Sihanouk, Chairman of Democratic Kampuchea

Respected Prince:

It is a pleasure for me to have received Your Highness's April letter and a copy of the eight-point proposal for a political settlement of the Cambodian issue put forward by the CGDK. I highly admire Your Highness' patriotism, excellent political foresight, and efforts to win national independence and liberation for Cambodia and to reach a fair and rational settlement of the Cambodian issue at an early date.

The eight-point proposal on a political settlement of the Cambodian issue put forward by the CGDK on 17 March emobdies the CGDK's sincere wish, extremely flexible actions, and truly conciliatory spirit, just as Your Highness' letter has said. This reasonable proposal us universally welcomed by the ASEAN nations and the international community as a whole.

Contrary to this spirit, the Vietnamese authorities have arbitrarily rejected the proposal. This shows that they have no sincerity at all in wanting to settle the Cambodian issue politically. It also expresses their stubborn stand on pursuing a policy of aggression and expansion. Such a stand can only isolate them even more in the world.

The Chinese Government and people will firmly continue to support the Cambodian people's just struggle against The Vietnamese aggressors and for national salvation, sincerely support the correct stand of the eight-point proposal on a political settlement of the Cambodian issue put forward by the CGDK, and joint all other peace-loving and justice-upholding countries and peoples in making concerted efforts to deamand the withdrawal of Vietnamese troops from Cambodia and create the necessary conditions for an early political settlement of the Cambodian issue.

I am convinced that the wish of Your Highness, the CGDK under your highness' leadership, and the heroic Cambodian people for turning Cambodia into an independent, peaceful, neutral, and nonaligned country will surely come true at last.

I avail myself of this opportunity to renew to Your Highness the assurances of my highest consideration.

Li Xiannian, President of the People's Republic of China
28 April 1986, Beijing

DK'S KHIEU SAMPHAN INTERVIEWED ON PEACE PLAN

OW290146 Beijing XINHUA in English 0120 GMT 29 Apr 86

["Democratic Kampuchean Leader on Situation in His Country (by Yu Yuanjiang)" -- XINHUA headline]

[Text] Cairo, April 28 (XINHUA) -- Visiting Vice-President of the Democratic Kampuchea Khieu Samphan said here today that the eight-point proposal made last month by his Coalition Government for a political solution to the Kampuchea issue has won support from the majority of countries in the world and he is optimistic about Kampuchea's future.

In an exclusive interview with XINHUA, Khieu Samphan said that so far China, Japan, the United States, Yugoslavia, Pakistan, Mauritania, Egypt, Somalia and dozens of other countries have officially expressed their support to the proposal, which, he said, should be considered as the only way for a political solution to the Kampuchean problem.

He said that Vietnam has refused the proposal, but it is now facing great difficulties both in Kampuchea and in Vietnam itself. Besides, the burden of supporting the Kampuchean war is becoming heavier and heavier to the Soviet Union, which is facing as great difficulties as Vietnam, he said. Both Vietnam and the Soviet Union should reconsider their stand towards the proposal of the Coalition Government of Democratic Kampuchea (CGDK), he added. Khieu Samphan said that the struggle of the Kampuchean people against the Vietnamese aggressors is making progress thanks to the support of the international community.

He pointed out two conspicuous facts during the war in the recent drought seasons. The first is the Vietnamese aggressors have not been able to carry out any important operation either on the border or inside the country, he said. "On the contrary," he emphasized, "we attacked them daily inside the country, especially in the countryside, and some strongpoints and towns and even in some Vietnamese positions in Phnom Penh including the airport. [no end quotation as received]

The second fact is that the army of the Coalition Government of the Democratic Kampuchea has not been strengthened by launching more active operations and winning support from more and more people in the country, Khieu Samphan said. "By destroying local puppet administrations set up by the Vietnamese, we created a better condition for local people to participate more freely in the resistance activities along with our armed forces against the Vietnamese aggressors", he noted.

"Meanwhile," he added, "the Vietnam-supported Heng Samrin regime could not find manpower for the Vietnamese and many people have turned to cooperate with our forces.

"Judging by the situation in the past drought season," Khieu Samphan said, "we can confirm that the Vietnamese have got into a total and complete impasse in the military field after seven years of their occupation of Kampuchea."

"In the years to come," he said, "they will be forced to narrow down their operations in the military fields in Kampuchea. Besides, Khieu Samphan said, in the diplomatic sphere, the eight-point proposal has enjoyed a wide support in the world while Vietnam's ambitions were exposed by continuing its occupation of Kampuchea and rejecting such a generous proposal.

According to the eight-point proposal, CGDK accepts the withdrawal of the Vietnamese forces from Kampuchea in two phases and agrees to negotiate with Heng Samrin regime to set up a quadripartite coalition government. Khieu Samphan said the main obstacle on the way to the solution of the Kampuchea problem is Vietnam's hegemonism in Indochina and its policy of expansionism, which is backed by the Soviet Union who does not want the Kampuchea problem to be solved for fear of losing its military base in Southeast Asia.

SRV 'POOR SHOWING' IN DRY-SEASON OFFENSIVE NOTED

OW251520 Beijing XINHUA in English 1459 GMT 25 Apr 86

["Commentary: Vietnamese Eighth Dry Season Offensive a Failure by Yan Ming" -- XINHUA headline]

[Text] Beijing, April 25 (XINHUA) -- As the end of April approaches, the evidence of the past five months shows that the Vietnamese eighth dry season offensive in Kampuchea has been the weakest in more than seven years in both the Thai-Kampuchean border zone and the interior of the country. There are several reasons for the poor showing of the Vietnamese forces:

First, the Democratic Kampuchean National Army (DKNA) operating in Vietnamese-occupied areas pinned down the main Vietnamese force. After being routed from their bases near the Thai border during last year's dry season, the tripartite DKNA forces spread into the vast Kampuchean countryside to fight a co-ordinated guerrilla war. As the latest dry season began, the resistance forces launched attacks in the provinces around Tonle Sap Lake. Early this year the DKNA troops stormed the heavily guarded and Vietnamese controlled cities of Kompong Thom, Siemreap, Battambang, Pursat, Kompong Chhnang, Kompong Speu and Phom Penh. The anti-Vietnamese units also fought in the provinces of Prey Veng, Takeo, Kampot and Kompong Cham, ones the Vietnamese described as "reliable rear bases."

In the battles the DKNA destroyed a number of key Vietnamese logistics bases, military command systems, military training centers, munitions storehouses and vehicles as well as damaging Pochen Tong International Airport in Phom Penh and the Bek Chan Air Base in Battambang Province. Such attacks forced the Vietnamese to move their crack units in from the eastern, northern and western parts of the country to strengthen forces in Phom Penh and in the capitals of other provinces.

The second reason is that the Vietnamese, despite great efforts, failed to block DKNA transportation routes that supply its forces deep inside Kampuchea. The Vietnamese carried out their plans to construct positions along several hunred kilometers of the Thai-Kampuchean border, used tanks and artillery and forced several hundred thousand Kampucheans to set up barbed wire, dig trenches and plant mines.

At the end of 1985 the anti-Vietnamese troops launched a series of attacks on no. 36 tank regiment and No. 14 armoured regiment in Phnom Sanpoeu district of Battambang Province and on the headquarters of division No. 330 and its artillery position in the town of Pailing. The Vietnamese blockade of the Thai-Kampuchean border was broken and the DKNA supply routes remained open.

While the DKNA was free to transport military supplies to the front, the Vietnamese were suffering from a lack of sufficient arms and troops, and were forced to stay where they were.

The sharpening of the differences between the Vietnamese and the Heng Samrin troops is the third reason. Reluctant to be under Vietnamese rule and unwilling to be cannon fodder in the war, more and more Heng's troops mutinied or deserted. Two typical cases are the clashes between Heng's troops and the Vietnamese in Pursat Province and in Koh Kong Province, during which a number of Vietnamese were killed. In the provinces of Sienerap, Battambang, Koh Kong and Takeo large numbers of Heng Samrin soldiers deserted.

Finally, the unity between the three factions that make up the resistance forces -- the Democratic Kampuchea National Army, the Khmer People's National Liberation Armed Forces and the Nationalist Sihanoukian Army -- and the support they receive from the people of Kampuchea are of great help. The three factions cooperated well in the joint guerrilla war. Penetrating the enemy's rear base, the forces successfully carried out the new policies of the Democratic Kampuchea Coalition Government.

[XINHUA Domestic Service in Chinese at 1304 GMT on 25 April 86 in a similiar item adds the following paragraph at this point: "Vietnam is beset with difficulties at home and abroad, and the Vietnamese troops in Cambodia have become war-weary. The invasion of Cambodia has consumed a huge amount of the manpower and material and financial resources of Vietnam, preventing Vietnam from fulfilling its annual production plan year after year and causing disastrous consequences for Vietnam's economy. As the Vietnamese people have become more and more dissatisfied with the rule of the Le Duan Clique, it is quite difficult to send additional troops to Cambodia. As the war-weary mood spreads among the soldiers, open factional fighting and desertions become frequent. Internationally, Vietnam is very isolated and its scheme of a political peace talk on the Cambodia issue and 'withdrawal of troops' has not succeeded so far. The eight-point proposal made by the Coalition Government of Democratic Kampuchea has put the Vietnamese authorities in an even more defensive position."]

In addition, the forces are backed by the patriots -- youth took to the forests to join them, the people supplied them with food and Heng's soldiers secretly guided the way for them. But despite all this, the Vietnamese still have military superiority, and as a result will go running risks.

ANNIVERSARY OF SINO-LAO DIPLOMATIC RELATIONS

BK261236 Beijing International Service in Lao 1230 GMT 25 Apr 86

[Text] Today marks the 25th anniversary of the establishment of Sino-Lao diplomatic relations. On 21 April, Comrade Wu Xueqian, state counselor and foreign minister of the PRC, sent a message to Comrade Phoun Sipaseut, foreign affairs minister of the LPDR, extending wholehearted greetings to him. The message reads as follows:

On the occasion of the 25th anniversary of the establishment of diplomatic relations between the PRC and the LPDR, I would like to convey wholehearted greetings to you, Comrade, and through you, to the government and fraternal people of Laos. I sincerely wish for quick restoration and improvement of the friendship relations and cooperation between our two countries.

PENG CHONG, NPC DELEGATION LEAVE FOR AUSTRALIA

OW281602 Beijing XINHUA in English 1536 GMT 28 Apr 86

[Text] Beijing, April 28 (XINHUA) -- A delegation from China's National People's Congress (NPC) left here this evening for a visit to Australia at the invitation of that country's Commonwealth Parliament.

The head of the delegation is Peng Chong, vice-chairman of the NPC Standing Committee, and its deputy head is Bainqen Erdini Qoigyi Gyaincain, also a vice-chairman of the NPC Standing Committee.

Speaking to journalists at the airport, Peng said that the delegation aims to reinforce and develop the existing friendship between legislators of the two countries and between the two peoples. It also hopes to further promote the growth of friendly relations and cooperation between the two countries in various fields.

Bainqen, wearing a Tibetan robe and holding prayer beads, said that he was pleased to make his first visit abroad for 30 years. His last trip abroad was with the Dalai Lama to India in 1956. He said that he plans to visit other countries as well to promote friendship between the Chinese people and peoples of other countries. He said that he plans to meet Tibetans residing in Australia and is willing to meet people from religious circles there. Tibet, he said, has been an inseparable part of China since the Yuan Dynasty (1271-1368). "Only by being member of the big family formed by various Chinese nationalities can Tibet develop and Tibetans obtain happiness," he added.

The other members of the delegation include: Vice-Chairman of the China Association for Promoting Democracy Lei Jieqiong, Vice-Chairman of the China Zhi Gong Dang (China Party for Public Interest) Wu Juetian, Vice-Chairman of the Revolutionary Committee of the Chinese Kuomintang Peng Qingyuan, Vice-Chairman of the China Democratic League Tao Dayong, Vice-Chairman of the Taiwan Democratic Self-Government League Tian Fuda, Vice-Chairman of the All-China Federation of Industry and Commerce and Vice-Chairman of the Liaoning Provincial Committee of the China Democratic National Construction Association Jiang Pailu, member of the Jiusan (September 3) Society An Zhendong, and member of the Chinese Peasants and Workers Democratic Party Liu Duzhou.

YAO YILIN, CHEN MUHUA MEET FRG FINANCE MINISTER

OW241234 Beijing XINHUA in English 1223 GMT 24 Apr 86

[Text] Beijing, April 24 (XINHUA) -- Vice-Premier Yao Yilin met here today Gerhard Stoltenberg, minister of finance of the Federal Republic of Germany, and his party. During the meeting, Yao said that as there were a lot of conditions favorable for cooperation between China and Federal Germany, bilateral economic cooperation weas bound to grow. Chinese State Councillor and Governor of the People's Bank of China Chen Muhua also met Stoltenberg today to exchange views on the world economy and monetary situation as well as bilateral economic relations and trade.

ANALYSIS OF U.S. RAID AFFECT ON THATCHER

OW250736 Beijing XINHUA in English 0716 GMT 25 Apr 86

["News Analysis: U.S. Bombing in Libya Affects Mrs Thatcher" by Huang Yong -- XINHUA headline]

[Text] Beijing, April 26 (XINHUA) -- The U.S. air raids on Libya on April 15 have resulted in another bad shaking for British Prime Minister Margaret Thatcher after a series of political setbacks she has received this year.

Britain was the only Western European ally of the United States which not only voiced political backing for but played a supporting role in the U.S. raids by allowing 18 F-111 bombers to take off from the U.S. bases in Britain to assail Tripoli and Benghazi. The Conservative Government has also adopted harsh measures against Libya, including the expulsion of 21 Libyan students on Tuesday.

Mrs. Thatcher had originally hesitated to permit the use of U.S. bases in Britain. "I pondered long and hard ... for the decision we were asked to take was indeed difficult," she wrote in a British newspaper afterwards. But she decided to stand firmly behind the United States after Washington provided what the British Government said was "irrefutable evidence" that Libya was responsible for a terrorist bombing in a West Berlin disco.

Mrs. Thatcher's stance, however, has come under violent attack from the opposition parties and some conservative backbenchers, who charged that her go-ahead to the bombing could incur retaliations on Britons at home and abroad.

Labor Party leader Neil Kinnock charged Mrs. Thatcher with "abandoning British hostages to their fate" when words reached Britain last week that three of the Britons kidnapped in Lebanon were slain with a note on the bodies indicating they were the first victims of such retaliations. "Does the prime minister now accept her share of personal responsibility... for exposing British citizens to increased fanaticism and terrorism?" Liberal Party leader David Steel shouted at her in the House of Commons, prompting a loud chorus of "hear, hear." "Doesn't she now recognize that that's what happens when you turn the British bulldog into a Reagan poodle?" Steel said.

The opposition MPS also argued that Britain should have pressed for allied sanctions against Libya instead of what they charged was a futile escalation of tension in the Mediterranean. Two former prime ministers, Mr Edward Heath and Mr James Callaghan, told Mrs Thatcher bluntly they would have turned Reagan down, while Kinnock said economic measures that were rejected by Mrs Thatcher would be more effective against the alleged terrorism of Libya and "less lethal" to its people than U.S. bombing raids.

Public opinion polls since the U.S. bombings attacks show scant support for Mrs Thatcher's stance. In a Harris poll, 68 percent of the 1,055-strong sample of Britons questioned thought she was wrong to sanction the use of British-based bombers while 28 percent supported the move.

However, Mrs Thatcher, having managed to rally most of the Conservative members of Parliament behind her, fended off an opposition bid to censure her for backing the U.S. bombing in the debate last Wednesday in the conservative-dominated Parliament. Defending her stance on the U.S. raids, Mrs Thatcher expressed her firm belief in carrying out the duty of a U.S. ally, saying that "their decision (the United States') was justified. As friends and allies we support them." She also recalled that President Ronald Reagan had come to Britain's aid during the 1982 Falklands war with Argentina. "She (the United States) gave us unstinting help when we needed it in the South Atlantic four years ago..." Mrs Thatcher said.

Foreign Secretary Sir Geoffrey Howe, one of her closest colleagues, said the government did not rule out further use of bases in Britain as a springboard for U.S. jets to strike at Libya.

But the "SUNDAY TIMES" this week said that "although the Cabinet endorsed Thatcher's decision to allow the use of the British bases, several senior ministers made clear that future action should have broader support within Europe." "There is also little doubt that a majority of the cabinet would be extremely reluctant to allow a second American strike from British bases," it said.

Since Mrs Thatcher took power in 1979, Britain has sustained a steady growth in the past five years with inflation declining. Until the end of last year, the conservatives and Mrs Thatcher had led the opinion polls so that many political observers speculated that she would call an early general election, possibly this fall.

However, the chance of the Tory's winning an early election has diminished since a political crisis erupted at the beginning of this year over the sale of a British helicopter maker to the United States, which led to the resignation of two cabinet members, and was followed by the break-down of negotiations over the British Leyland to General Motors and the conservative defeat in the parliamentary by-election in Fulham. The strong criticism over Mrs Thatcher's stance on the U.S. raids on Libya will do nothing but further impair her political image. With the election at most two years away, there is not much time left for Mrs Thatcher, who has said explicity that she will seek a third term in office, to catch up, political commentators said.

HU QILI SPEECH ON SEVENTH 5-YEAR PLAN GOALS

HK281341 Beijing HONGQI in Chinese No 8, 16 Apr 86 pp 3-9

[Article by Hu Qili: "Pool the Wisdom and Efforts of Everyone to Struggle for the Fulfillment of the Seventh 5-Year Plan" -- a speech by Comrade Hu Qili on 23 March 1986 at a meeting of party members attending the Fourth Session of the Sixth NPC and CPPCC National Committee]

[Text] I. On the Situation

A correct analysis and understanding of the situation serves as out guideline in laying down tasks, making policy decisions, and formulating principles and policies, and provides a basis for achieving unity in thinking, will, and action throughout the party. The principles and policies of the CPC Central Committee are formulated in light of the overall situation and its requirements. Only by gaining a comprehensive and correct understanding of the situation is is possible to profoundly understand the basis on which the CPC Central Committee formulate various principles and policies, and thus to raise our consciousness in implementing them in our action.

At present, the political and economic situation in our country is excellent.

We have taken an important step forward in our reform. The reform is being launched full swing from the rural areas to the cities and from the economic to the scientific and technological, educational, military, and political fields. It is developing soundly and steadily.

We have fulfilled the Sixth 5-Year Plan in an all-round way. During the Sixth 5-Year Plan period, the gross value of China's industrial and agricultural production increased by an average of 11 percent annually and the GNP by 10 percent. What does such an economic growth mean? Compared with our past performances, the rate was more or less equal to that in the First 5-Year Plan period but higher than those in the other 5-year plan periods. Compared with other countries the rate was also higher than that of the major countries in the modern world, for the same period.

As an economically underdeveloped country, we should have the necessary growth rate to either increase our national strength, or to improve the people's living standards. It should neither be too low nor too high. Our growth rate in the Sixth 5-Year Plan period was relatively rapid. With the exception of superhigh industrial growth in the first half of last year, which indeed contained some abnormal factors, the economic situation in the Sixth 5-Year Plan period as a whole was good and constituted the principal aspect. Because remarkable successes have been achieved in reform, the economy as a whole has been invigorated, and the initiative in various quarters has been aroused.

With the development of the economy, the people's living standards in urban and rural areas have markedly improved. This is evident to all and all comrades also know from their own experience. In the Sixth 5-Year Plan period, after allowing for price increases, the peasants' per capita net income increased by an average of 13.7 percent annually and the per capita income of the family members of workers and staff members in cities and towns by 6.9 percent, a record pace since the founding of the PRC.

While the economy developes in a steady, stable, and balanced way, our country is more stable and united politically. Party work style and the standards of social conduct are continuously improving and negative phenomena are being overcome.

Since the national conference of party delegates last year, the CPC Central Committee has been determined to rectify party work style and, as a start, to deal with party work style in party, government, and Army organizations at the central level. The 8,000-people meeting of the central organs explicitly called on the central organs to act as a good example to the whole country and to play an exemplary role for the whole party. Later, the CPC Central Committee and the State Council made a series of decisions and stipulations, such as selecting and using cadres in strict accordance with party principles; resolutely curbing tours at public expense; curbing the practice of indiscriminately sending delegations, teams, and personnel abroad; streamlining the procedures for leading cadres at various levels to perform their duties outside their units or to receive guests; and further banning party and government organs, as well as party and government cadres, from engaging in trade or running enterprises. At the same time, they speedily investigated and dealt with a number of major cases, some of which were publicized to the whole nation. The secretariat of the CPC Central Committee also listened directly to work reports on the television, film, literature, education, social sciences, and other fields and established guiding ideas for the ideological and cultural fronts. It now seems that such methods of work have yielded good results and exerted great influence. All party members and all the people are pleased with this. The whole nation, from the highest levels to the grass roots, has enhanced its revolutionary vigor and strengthened its confidence in rectifying party work style and the standards of social conduct and in doing a good job of the various reforms.

Practice in the past few years shows that the party's line, principles, and policies laid down since the 3d Plenary Session of the 11th CPC Central Committee are correct; that tremendous achievements attracting international attention have been scored in reform of the economic structure; and that we have found the correct path for building socialism with Chinese characteristics. This is our conclusion. Naturally, there are still shortcomings in our work, there will still be difficulties in the course of our advance, and there are still many unsatisfactory things. Moreover, there are quite a few serious problems in party work style and standards of social conduct, unstable factors still exist in economic life, and the reforms should be further coordinated and improved. New problems are emerging one after another before the old ones are solved. However, even if there are numerous difficulties, we should adhere unswervingly to the party's Marxist line and win victories with one heart and one mind.

II On the Reform

The present excellent situation is the outcome of the party leading the people of all nationalities throughout the country in persisting in reform and adhering to the principle of opening up to the outside world and invigorating the economy. In order to consolidate and develop the present excellent situation, it is necessary to continuously adhere to the principle of opening up to the outside world and invigorating the economy and to carry the reform forward unswervingly.

During the Seventh 5-Year Plan period, we should make further effort: To create fine economic and social environments for the reform of the economic structure; to maintain a stable and steady economic growth in order to provide the strength needed for the continued socioeconomic development in the 1990's; to continuously improve the living standards of the people in the urban and rural areas on the basis of increased production and better economic results; and basically to strive to lay the foundations for a new type of socialist economic structure with Chinese characteristics within 5 years, or a little longer. The key to achieving the above-mentioned requirements lies in carrying out the reform properly.

There is something quite unusual when talking about reform. Nobody is opposed to it and all people put up their hands to show their approval. However, when some practical measures are taken, some people feel uneasy and find it difficult to adapt themselves to the measures taken. If something goes wrong, they make a fuss about it and even take a skeptical or vacillating attitude toward the reform. Although the specific reform measures taken over the past few years still leave something to be desired and lack coordination, by and large, the reform has stimulated the development of production. The income of the urban and rural population has increased and their living standards have improved. But some people are still dissatisfied. In the words of the masses, these people "take up the bowl to eat the meat and, after laying down their chopsticks, utter abusive language." As soon as something is not to their liking, they make cynical remarks or grumble. This presents people with a contradictory phenomenon: On the one hand, everyone acknowledges that the situation is fine; on the other hand, they have a lot of complaints. Some people have an "indefinable feeling of anger." There are many reasons for this, including problems in party work style. There are indeed some people among our cadres, particularly the leading cadres, who abuse their positions and powers, indulge in corruption and bribe-taking, and engage in unhealthy practices, thus arousing the indignation of the masses. But I think there is also the problem of correctly understanding the characteristics of, and the law governing, the reform.

In the past our party fought in various wars for over 20 years. Since the founding of the PRC, we have engaged in peaceful construction for over 30 years. It is only in the past 6 or 7 years that we have genuinely conducted reforms and implemented the policies of opening up to the outside world and invigorating the economy. In conducting reform of the economic structure, we have neither a ready-made pattern to go by nor mature experience to copy. We can only conduct difficult experiments, which have never been conducted before, under the guidance of basic Marxist principles. Since we have neither direct nor indirect experience, it is impossible for us to put forward a complete plan. We can only deepen our understanding and sum up our experiences while practicing. Turning from a closed and semiclosed pattern to an unprecedented pattern opening up to the outside world and other parts of the country, and from a long-standing natural economy to a planned commodity economy, and replacing an outdated structure with a new one, represents an extensive and profound transformation. It is inevitable that it will produce repercussions in political and economic life and in social life as a whole. This transformation will also produce an unprecedentedly profound effect on people's concepts, spiritual conditions, way of life, and modes of thinking. For this reason, people have divergent views or understandings and they may even carry on endless discussions. Generally speaking, this is a historical phenomenon that can hardly be avoided.

As the current reform is an enormous and very arduous social system engineering project to be carried out in China, a country with 1 billion population and a serious imbalance in economic and cultural development, it cannot possibly be developed simultaneously in all fields and at all levels. Instead, it should only be carried out from one level to another, step by step, in accordance with different circumstances and conditions. Failure to maintain harmony, to keep pace, and to ensure that a whole range of supporting measures are taken, can hardly be avoided for a certain period. Reform is also a gradual process which cannot be carried out straightforwardly, still less be accomplished in one move. In the course of reform, we must also try our best to reduce unstable factors, avoid mistakes, and minimize losses. Thus it can be seen that the reform will be even more difficult.

This leads to a complicated situation in which both the old and new structures coexist for a period. We will be facing still more problems when the new structure is replacing the old one, particularly at the stage when neither of them dominates the situation. As far as reform of the economic structure with the urban economy as the focus is concerned, the old structure played the leading role during the year before last. And, as the influence of the guiding plan has been expanded since the fourth quarter of the year before last, the new structure has been playing a greater and greater role in economic life as time goes by, but it still cannot completely replace the old one once and for all. So we are facing contradictions. Problems usually arise while the new structure is working, as it remains incomplete and immature. Such being the case, we are forced to bring the situation under control by resorting to the old structure. Inevitably this will intensify the role of the latter. Now it is clear that this stalemate is extremely disadvantageous, is the origin of many issues and has given rise to numerous ideological problems among the masses. Anyway, we cannot possibly skip over this process. In the course of replacing the old structure with the new one, our leadership, system, and legislature may fail to keep up with the situation for a while. As the old structure has already lost its control over certain fields, there will inevitably be temporary "vacuums" and "loopholes" in the administrative setup. So, some lawless elements may make use of these loopholes to engage in speculation and profiteering, to practice corruption, and to smuggle and sell smuggled goods. This situation characterized by numerous contradictions has caused the "throes" of reform. There are two ways to get rid of these "throes" The first is to restore the old structure; and the second is to uphold the reform and strive to replace the old structure with the new one as quickly as possible so that the latter will very soon play a leading role. The first way is very simple and we are familiar with it -- we have to do nothing but to issue coupons and certificates, practice the system of unified procurement and marketing, and keep everything under rigid control. The meaning of such a choice is obvious to everybody. Our practice during the past several decades has proved that this is no way out. Therefore, the only choice for us is to discover a solution by further carrying on the reform in depth and by striving to create conditions for shortening the process of replacing the old structure with the new one. It is estimated that it will probably take 10 years or even longer to fully shift to the new structure. But the stalemate in which neither of the structures dominates the situation should not last too long. We must try our best to make bigger strides in the reform in the next 2 years, lay down the foundations of a new socialist economic structure with Chinese characteristics during the "Seventh 5-Year" Plan, and thus let the new structure play the leading role.

To achieve this target, we must take the initiative in making preparations this year. Last year we already took a big stride forward. This year, we want relative little change. Our main tasks for the moment are to "consolidate, digest, replenish, and improve," to carry out investigations and studies, sum up experience, retain advantages and get rid of disadvantages; and take the initiative in preparing conditions for making bigger strides in reform during the next 2 years. We must make economic and theoretical preparations, and also make ideological and psychological preparations. With regard to financial administration, this year we must continue to keep the scale of capital construction under strict control and reasonably readjust the investment structure; curb the increase in consumption funds; promote exports and strive to earn more foreign exchange; and take appropriate measures to ensure that processing industries will not grow too rapidly, so as to help maintain the harmonious development of the energy industry, the raw material industry, and also communications and transportation.

In brief, we must provide a relatively relaxed economic environment. Our theoreticians should carry forward the spirit of bravely seeking the truth and blazing new trails; thoroughly study the intrinsic laws of the operation of the socialist commodity economy; and try their best to make a new theoretical summation of the reform which will, in turn, serve as guidance for further practice. We must also be ideologically and mentally well prepared. Apart from objective material conditions, the masses' psychological ability to bear the pressure is an essential factor in determining whether a specific reform will be successful. If the masses are ready to bear the mental pressure, the reform will be carried out smoothly; otherwise there will be great difficulties. The reform will inevitably involve the readjustment of the power and interests of all social strata and will affect the various relations of interests. The reform will eventually invigorate China and bring the Chinese people "material benefits." But it takes time to fulfill the goal. We cannot expect that every step of the reform will instantly bring every member of society real interests. On the contrary, sometimes, some partial and personal interests will possibly have to give way to the interests of the whole, and some short-term interests will have to give way to the long-term ones of the whole. We must guide the masses in: Taking a correct stand; using correct methods to analyze and understand the practice of reform; correctly handling the relations between personal and national interests, between short-term and long-term interests, and between partial interests and the interests of the whole; fully recognizing the reform as a gradual and arduous process; and in adopting a correct attitude toward all mistakes and setbacks in the reform. Practice has shown that the masses can more and more readily bear the mental pressure arising from the reform, provided that some material conditions are guaranteed in due course. In order to carry out the reform smoothly, we must do a meticulous job and be patient in persuading the masses, actively guide them in unremittingly enhancing their ability to bear the mental pressure, help them to gradually incline to a mentality favorable to the reform and to understanding the reform, and encourage them to support it and to plunge themselves into the cause.

General guidelines for the reform of the economic structure during the "Seventh 5-Year" Plan are to invigorate enterprises, further develop the socialist commodity market, gradually perfect various economic and legal means, adopt some necessary administrative measures as auxiliary means, strengthen indirect control, reduce direct control, and exercise control over and readjust economic operations.

If we can secure a better economic environment, a better socio-political environment, and a better socio-psychological environment through this year's efforts, we are bound to make bigger strides in the reform during the next 2 years.

III. On Ideological and Political Work

The "Seventh 5-Year" Plan is an ambitious but realistic and feasible plan. To fulfill this plan, we must exert ourselves to the utmost, do a good job in many fields, and create favorable conditions in various aspects. Above all, the key lies in our efforts to give full play to the initiative and creativity of the hundreds of millions of the masses, and in a clear understanding of the goal on the part of the broad masses which will inspire them to struggle along with us. Our duties are to mobilize and organize all the Chinese people, bring the vast reservoir of socialist initiative and revolutionary enthusiasm among the masses into play, and seek unity of thinking, will, and action among all the Chinese people on the basis of the party's line and the goal of building socialism with Chinese characteristics.

In order to fulfill all these duties, we rely on effective ideological and political work. We must adhere to the four basic principles and strengthen ideological and political work. It is also necessary to introduce reform in ideological and political work.

After last year's national conference of party delegates, we launched an education drive on the situation and policies throughout the country. The drive has proved to be a great success and has provided us with new successful experience regarding ideological and political work in the new period. The education drives on the situation and policies launched in different places had different features, but they did present some common experience:

-- The principal leading cadres at all levels have gone deep among the masses at grass-roots units to have face-to-face "dialogues" with them, sincerely solicit opinions from them, answer their queries on a selective basis, publicize and explain policies, discuss issues, and exchange views with them on an equal footing.

-- We have adhered to the principle of persuasion and education and have launched no political movement. We have not intensified contradictions by criticizing people from the higher plane of principle and two-line struggle. Nor have we forsaken our principles, evaded acute contradictions, or pandered to any erroneous views among the masses. Instead we have, frankly and faithfully, told the masses about the overall situation, presented the facts and reasoned things out. Since we in our party seek no selfish interests but only the interests of the people, we can dare to tell the mases the facts. We have publicly admitted that bureaucracy and corruption really exist in our work and in our cadres' ranks. But we have also declared with perfect assurance: Our party and government, on the whole, are honest and are serving the people, and our cause promises high hopes of success. By adriotly guiding action according to circumstances and launching democratic discussions, we have distinguished right from wrong and enhanced our understanding. A small number of people who have differences of opinion with us are allowed to have reservations and we hope future practice will persuade them otherwise.

-- We should treat the opinions and demands of the masses correctly. We should listen to the various kinds of opinions aired by them. If conditions exist, we should deal expeditiously with those correct opinions and satisfy rational demands without any delay. If it is temporarily difficult for us to satisfy the rational demands of the masses because conditions do not exist, we should patiently and clearly explain the matter to them. With regard to erroneous opinions and irrational demands, we should not yield to them at the expense of principle. The method of "satisfying the demand partly if only small trouble is made, satisfying the demand complete if big trouble is made, and doing nothing at all if no trouble is made" should not be employed on any account. We should criticize and educate the people concerned as the case may be.

-- We should promptly discover and make use of advanced typical examples with the characteristics of our times, which have come to the fore among the masses. We should let those who have ideals give publicity to ideals, let those who observe discipline give publicity to discipline, and let those who have morals give publicity to morals. We should let them advise people by using their own experiences as examples. This will make our ideological and political work most infections and convincing.

The above-mentioned experiences can be summed up as follows: We should expand socialist democracy to political and social life so that democracy becomes the method of the masses for their own self-education.

We should establish equal relations among people on the one hand, and promote correct relations between individuals and society on the other, in accordance with the principles of socialist democracy. Leaders should vigorously overcome bureaucracy.

They should also respect public opinion, listen to criticism and carry forward democracy. All these experiences should be used in our ideological and political work in a more extensive way.

Ideological and political work during the new period should closely center on the four modernizations program, and be subordinate to and serve the general tasks and objectives of the party. It should be used to unite and educate the masses so that they strive to reinvigorate the Chinese nation with one heart and one mind. To this end, we should overcome unhealthy trends, get rid of corrupt phenomena, resist the corrosion of decadent feudal and capitalist ideology, and create a good political and social environment to ensure the fulfillment of the Seventh 5-Year Plan, and the smooth progress of reform.

The policy of opening up to the outside world and carrying out reform, which we have implemented in recent years, has provided more vigor and vitality for our ideological and political work. It has also put new tasks and questions before us. With enlivening the economy and opening up to the outside world, we will inevitably face certain negative things and unhealthy factors. While vigorously developing the commodity economy, we should pay attention to overcoming and correcting the attitude which "regards money as everything." With regard to our distribution system, we should further overcome egalitarianism characterized by eating from the same big pot, adhere to the principle of distribution according to work, and allow some sections of the people to get rich first. (Of course, they should get rich through hard work.) However, we should also guide the people to prevent and overcome the narrow view of being preoccupied with one's personal gains and losses, and the hired hand mentality of "working according to the amount of money paid" and "labor according to remuneration." We should further expand the decisionmaking power of enterprises so that they become the producers and operators of socialist commodities, assume sole responsibility for their profits or losses, and independently carry out their business management. However, we should also guide enterprises so that they correctly handle the interests between the state, enterprise, and workers; consciously assign the interests of the state a most important position; and prevent and overcome the tendencies of departmental selfishness and of onesidedly stressing the interests of enterprises and workers at the expense of the overall interests of the state. We should further implement the policy of opening up to the outside world, and actively import foreign capital, advanced science and technology management experience. However, we should also guard against the corrosion of bourgeois ideology and the bourgeois way of life, preventing these things from influencing and harming our people, the younger generation in particular. We should attain the objective of "discarding corrupt things without opposing things foreign."

When overcoming unhealthy tendencies, we should pay attention to demarcation lines in the policies concerned. We should work out rules and regulations. It is also one of the objectives of reform to gradually enact and perfect economic laws and regulations so that people will have something to go by. Without a clear demarcation lines in the policies, we are liable to go about things according to "spirit." [jing shen 4737 4377] Sometimes, we grasp our work firmly, and sometimes we relax our efforts. When the restrictions are relaxed, we dare to do anything. When the restrictions are tightened, we do not dare do things which should be done. This situation should be changed.

In a word, we should adhere to the policy of reform, opening up to the outside world, and enlivening the domestic economy.

In the meantime, we should do well in improving the mental outlook of the people throughout the country. This is a new question encountered by our ideological and political work under the new historical conditions. It is obvious that our present ideological and political work has not yet conformed with the new situation and new tasks. To raise our ideological and political work to a new level, an urgent task facing us is that we should exert efforts to enhance the political and vocational quality of our cadre contingent, and cadres working on the propaganda, ideological, and political fronts in particular.

During the revolutionary wars period, the whole party had to focus attention on military affairs and to study military knowledge. At present, in the period of economic construction under the new situation of opening up and enlivening the economy, we will meet with many new things and new problems which we have not encountered before and with which we are not familiar. We will have no experience in dealing with these new problems and new things. Our ideological and political work in the new period should serve the purpose of developing social productive forces and building socialism with Chinese characteristics, and should meet the requirements of the development of the socialist commodity economy. How can we shoulder this important historical misssion if we do not study economic structural reforms, do not have a knowledge of the commodity economy and the law of value, do not know how to use economic levers to manage the economy, and do not understand the basic knowledge and laws of economic construction? If we still look at and comment on the reforms by sticking to the traditional ideas of feudal society, the mentality of a small-scale peasant economy, and the concept of absolute egalitarianism, how could we fail to go against the spirit of the reforms? The party's line, principles, and policies formulated since the 3d Plenary Session of the 11th CPC Central Committee and the documents issued by the party central leadership since then are products of the combination of basic Marxist principles with our country's modernization practice, and they are effective ideological weapons for guiding us to carry on the modernization process. If our comrades working on the ideological front have no interest in studying these things and do not have a thorough knowledge of the Marxist principles existing in the realities, how can they achieve high efficiency in their political work? Therefore, in order to improve the quality of our cadres, we should urge them to study. They should study basic Marxist principles, study Marxist theory which is combined with China's practice, study modern scientific and technological knowledge, study economic and business management knowledge, and study history and law. If there are conditions, cadres should be sent to study in some special schools. Of course, only a small part of the cadres will have the chance to study in school, and most of them will study through their practical work. As a person learns to swim by swimming, our cadres will know how to conduct construction in the course of carrying out construction.

This year is the 10th year after the downfall of the "gang of four" and the end of the "Cultural Revolution." The past 10 years marked a major turning point which has ushered in a new period in the history of our party and our People's Republic. In the past 10 years, the party has led the people of all nationalities to carry out creative practice and make brilliant achievements, and a new chapter has abeen added to the annals of our nation. At the upcoming NPC session, Comrade Zhao Ziyang will give a report on the draft of the Seventh 5-Year Plan, which was 3 years in the making. In the course of drafting the Seventh 5-Year Plan, members of the Standing Committee of the party Central Political Bureau held a number of discussion meetings with experts and responsible comrades of all relevant departments, and gathered many important opinions from them.

In order to draft the plan, the party central leadership and the State Council held six discussion meetings attended by responsible comrades from all provinces, regions, and municipalities, as well as from various departments. We also studied the proposals by some foreign experts and scholars. We also studied the proposals by some foreign experts and scholars. Finally, the Political Bureau and the Central Secretariat repeatedly deliberated on and discussed the draft of the 5-year plan before its submission to the NPC session. This is an extremely important historical document. We should organize comrades in the whole party, all cadres, and the masses to seriously study the spirit of this document by linking it with the reality and by making vertical and horizontal comparisons. In the course of study, we should give them in-depth education in the current situation and policies so as to help them better realize the good situation and correctly sum up historical experience. This will enable them to deepen their understanding of the party's line, principles, and policies so as to better understand the necessity and importance of reform and to see more clearly the historical road that we will take in order to build socialism with Chinese characteristics. Through this education, we will be able to unify the ideological guidelines, distinguish right from wrong, boost our courage, and establish a firmer confidence. This is of great significance in promoting the development of reforms. We should take it as a major task in our political and ideological work this year to relay and carry out the spirit of the upcoming NPC session and CPPCC meeting and the report given by Comrade Ziyang, and we should do solid and effective work in this regard so as to provide an effective ideological and political guarantee and to give a strong mental impetus to the fulfillment of the Seventh 5-Year Plan.

IV. Hopes and Requirements

The NPC session and the CPPCC meetings are used to discuss and decide major state affairs. All of us should show concern for state affairs and should join hands in handling state affairs. You comrades here have a dual capacity or even mutiple capacity. You are members of the CPC, People's Deputies, or CPPCC members, and some of you are also party or government leading cadres at various levels. In short, you form the backbone force in all fields, on all fronts, and in all developments. You are keeping contact with the masses in your localities or units. So you should always maintain a sense of responsibility as a master of the state, and adhere to the principle of being responsible to both the party and the people, no matter in what capacity and in what post you may act. On the one hand, you should examine and supervise the work of our party and government at all levels and actively put forward critical opinions on, and constructive proposals for, our work. This is your right and duty. Meanwhile, as party members, party and government cadres, and backbone activists in all fields, you comrades should take the lead in publicizing and implementing the party's line, principles, and policies and use your exemplary actions to influence and bring along the broad masses.

The system of democratic centralism is a basic principle in our state institutions. Building a socialist country with a high degree of civilization and democracy is not only the aim of our struggle, but is also a fundamental guarantee for realizing the four modernizations in our country. Our party and government are representative of the interests of the people. It is a matter of course that we should fully develop democracy and consciously accept the people's supervision. The party's leadership and the people's democratic supervision are not contradictory. Instead, they are in line with each other.

In China, a big country with a population of 1 billion people, without a highly centralized party composed of millions of members who have a high degree of consciousness and devotional spirit and a strict sense of discipline, a party which can really represent and unite the people, can maintain high prestige, and can exercise highly centralized leadership, we would not be able to unify the will and strength of the 1 billion people to advance the socialist modernization process, and the 1 billion people to advance the socialist modernization process, and the 1 billion people would become just like a sheet of loose sand. Then the consequences would be unimaginable. Meanwhile, in such a big country as ours, for such a big party which has such a large number of cadres and which holds such extensive power, if there is no effective public supervision and the party and its cadres abuse the power and do whatever they like, the consequences would also be unimaginable. At present, we already have various supervision systems. There is inner-party supervision, administrative supervision, and judicial organs supervision. Through the CPPCC, we also accept supervision from our friends outside the party. The NPC is the supreme power organ of the state, and each people's deputy has a supervisory duty. How to institutionalize inner-party democracy and socialist democracy and codify them into law is an important subject in the reform of our party and state leadership system, and we need to continue studies and exploration in this field. Our target is to bring about a situation in which all people, from party leaders to rank-and-file party members, from state leaders down to every citizen, are really equal before the law so that no special party member or special citizen can be free from the binding force of party discipline and state laws, and no one can enjoy the privilege of standing aloof beyond the bounds of party discipline and state laws.

In recent years, people's deputies to the NPC and CPPCC members have done a good job in exercising democratic supervision. Many people's deputies and CPPCC members have gone deep among the masses and plunged into making investigations and finding out about the situation in all fields. They have put forward thousands of proposals and motions to the party and the government, and have made valuable efforts to help the government make correct policy decisions, prevent and correct errors in work, and promote the development of the two civilizations. For example, in their proposal on the Baoshan project in Shanghai, People's Deputies and CPPCC members from Shanghai put forward a correct proposal that attention should be paid to strict scientific appraisals, and this proposal was accepted by the department concerned in the handling of the Baoshan project. The law on compulsory education, which this NPC session will deliberate and approve, is also formulated according to a proposal by some people's deputies. At the third session of the sixth NPC, people's deputies put forward proposals on banning unhealthy tabloids, pornographic books and video products; on strengthening propaganda and education in the legal system; on developing the Simou forests in Yunnan Province; and on continuing building the Shangqiu-Fuyang railway. They were all good opinions. CPPCC members have also put forward many constructive proposals and opinions and have organized experts in all fields to provide valuable consulting services for the government. All this is highly valued by the party central leadership and the State Council. Some corresponding decisions have been made to put the proposals into practice; some proposals have been included in the plans; and some proposals and opinions are under active consideration. All this demonstrates the people's deputies and CPPCC members' sense of responsibility as state masters, and also shows that our party and government pursue a system of democracy and respect the will of the people.

It is hoped that at the coming meeting, all comrades here will continue to emancipate your minds speak your minds freely with realistic attitudes; make criticisms in a correct way; and correctly sum up the experience in construction and reform. We welcome your exposure of problems and your proposals for solving these problems. We welcome your criticism of various mistakes in our work and your proposals for correcting the mistakes. In a word, it is hoped that you will make a diagnosis and work out a prescription through making criticisms and giving advice. Only thus can we gather the people's demands and gather the people's wisdom and strength so as to turn the coming meeting into an oath-taking rally which will pool the wisdom and efforts of the people to realize our grand plan, and into a successful meeting which will boost the people's courage and morale and will unite the people to strive for new victories. So long as we work with one head and one mind, our meeting will certainly be successful, and we will be able to use the spirit of the meeting to mobilize the people throughout the country to work hard to fulfill the glorious tasks spscified in the Seventh 5-Year Plan.

YANG YICHEN PROCURATORIAL REPORT TO NPC SESSION

OW261126 Beijing XINHUA Domestic Service in Chinese 0040 GMT 19 Apr 86

[Text] Beijing, 19 Apr (XINHUA) -- Report on the Work of the Supreme People's Procuratorate, at the Fourth Session of the Sixth National People's Congress on 8 April 1986.

By Yang Yichen, procurator general of the Supreme People's Procuratorate.

Deputies: I agree completely with Premier Zhao Ziyang's report on the Seventh 5-Year Plan; I agree completely with Vice Chairman Chen Pixian's report on the work of the NPC Standing Committee.

I now submit a brief report on the procuratorial work over the past year.

At the Third Session of the Sixth NPC, deputies expressed many opinions on the work report of the Supreme People's Procuratorate -- some of them were encouraging, some were critical, and others placed hopes on us. Following that session, we classified and sorted out those opinions and had them printed and distributed among procuratorial organs at all levels, which profoundly educated and inspired large numbers of procuratorial cadres and police and effectively promoted the development of procuratorial work. Upholding the four basic principles, the Supreme People's Procuratorate, local procuratorates at various levels, and special procuratorates of various kinds have in the past year continued to extensively carry out the struggle against serious economic and other criminals to facilitate the general task of socialist modernization in accordance with the provisions of the "Constitution of the People's Republic of China" and the "Organic Law of the People's Procuratorates of the People's Republic of China," relevant instructions of the CPC Central Committee, and resolutions of the NPC. They have developed their work in an all-round way, thus making new contributions to stabilizing and improving social order and ensuring the smooth development of the economic structural reform and economic construction.

Bigger progress was made in procuratorial work in 1985 than in other recent years. In accordance with the law, procuratorial organs across the country approved applications by public security organs for the arrest of more than 254,000 criminals and initiated public prosecutions against more than 255,000 criminals (including cases carried over from the previous year).

Procuratorial organs pursued and arrested over 4,000 criminals and prosecuted over 3,000 of them. more than 28,000 economic criminal cases were filed and investigated (a 30 percent increase over 1984); procuratorial organs decided on their own to arrest more than 17,000 economic criminals and initiated public prosecutions against more than 19,000 economic criminals, recovering over 268 million yuan of direct economic losses for the state. More than 5,800 cases involving crimes in violation of citizens' democratic rights and in dereliction of duty were filed and investigated, and it was decided to arrest over 2,800 offenders and to prosecute more than 5,000 such offenders. Procuratorial organs investigated and handled criminal cases involving offenders undergoing reform through labor and persons undergoing rehabilitation through labor and dealt with more than 240 criminal cases involving cadres and policemen working in places of reform through labor or rehabilitation through labor and detention houses. Procuratorial organs accepted and handled more than 939,000 letters and complaints from people and investigated and handled over 142,000 complaints and petitions.

In the past year, thanks to the joint efforts of the entire party, society as a whole, and the law enforcement departments, the arrogance of serious criminals has been punctured, hooligan groups' harassing and wrecking activities have been considerably reduced, the masses' sense of security has been greatly strengthened, and social order has been noticeably improved. A new breakthrough has been made in the struggle against economic crimes in particular, and several notable changes have taken place: 1) Phenomena such as "wait and see," "that cannot be done," and hesitating and waiting have been changed; instead, people are daring to investigate and handle cases. 2) After overcoming many "blind spots" and "blind areas," a number of major or serious cases were handled, thus opening up a new prospect. 3) In a number of localities, the struggle by special organs against economic criminals on a single front developed into a total war by relevant, closely coordinated departments against such criminals, thus forming a strong force in combating economic crimes.

Deputies, in the past year, we have paid attention mainly to work in the following several aspects:

1. Special attention has been paid to achieving ideological unity, and continuous efforts have been made to have a clear understanding of the guidelines for procuratorial work and to enhance the understanding of the importance and urgency of combating various crimes, especially economic crimes.

We have consistently stressed that we must not forget economic construction and the reform of the economic structure as the central task; we have conscientiously linked procuratorial work with economic work and adapted our work to the new situation of reform. Early last year, we called on procuratorial organs to persist in combating two types of crimes simultaneously -- to resolutely combat both grave criminal and economic offenses at the same time. In June 1985, social order noticeably improved, but the situation of economic crime was serious. In view of the situation, we further called on procuratorial organs to combat economic offenses as their main task while never relaxing their efforts to combat criminal offenses, in order to directly serve the reform of the economic structure and socialist modernization. Keeping their practical work in mind, procuratorial organs at all levels have in the past year conscientiously studied the principles and policies of the CPC Central Committee, the NPC Standing Committee, and the State Council on combating economic and other criminal offenses; they have continuously got rid of ideas that set combating economic offenses against opening to the outside world, invigorating the economy, carrying out reforms, and combating criminal offenses.

They have put "attending to two aspects" in a correct relationship to combating grave criminal and economic offenses; and they have conscientiously impelemented the above guidelines in their leaders' thinking, force organizing, and work planning, thus bringing their functions into better play. Practice shows that what the procuratorial organs have done conforms to the relevant instructions and decisions of the CPC Central Committee and the NPC Standing Committee and the requirements for opening to the outside world, invigorating the domestic economy, and carrying out reforms. This has also made it possible for procuratorial organs to better fulfill their tasks and duties entrusted by the law.

2. Efforts have been made to solve key problems to promote the deepening of the struggle.

In the latter half of 1984, new unhealthy tendencies began to appear, and criminal economic activities became rampant. Some people in a few places and units called for rehabilitating criminal elements. Some flagrantly described bribers and swindlers as "pioneers" or "reform vanguards," even published cases under investigation in newspapers, and called for holding open discussions on such cases, interfering with the handling of cases according to law. This is why many procuratorial organs were not daring to handle cases lest those involved in such cases would be "rehabilitated." To change such a depressing situation, we paid special attention to work in the following three aspects: First, efforts were made to handle two controversial cases of national importance -- the case of corruption and acceptance of bribes by Sun Yonggen, former vice chairman of the Xinqiao Commune Management Committee and secretary of the Xinqiao Woolen Mill Party Committee in Jiangsu Province's Jiangyin County and the case of bribery by Wang Yi, engineer of the Heilongjiang Provincial Construction Information Center. Closely coordinating with relevant departments, procuratorial organs throughout investigated the facts of crimes in the two cases, handled them according to law, and then issued a circular on them to various localities. Many other procuratorial organs also paid attention to solving problems like these cases and clearing up ideological confusion, thus enabling their cadres to strengthen their spirit and confidence. Second, we intensified research and interpretation of applied laws and policies to deal with ambiguities of certain laws and policies. After a thorough investigation, and on the basis of analyzing and studying some cases and listening to opinions, we and the Supreme People's Court compiled a booklet entitled "Answers to Certain Questions Concerning Specific Application of Laws in Handling Economic Crimes (for Trial Implementation)." By defining certain laws for handling corruption, bribery, speculation and fraud, we have provided the basis for striking at economic crimes promptly and accurately. By investigating and studying the new situations and new problems appearing in some cases, many procuratorial organs have also solved the problems caused by ambiguities of certain laws and policies. Third, we intensified our overall guidance with experiences drawn from selected areas. Paying special attention to the operations in Guangdong, Fujian, Hebei, and Henan, we dispatched operation groups there on many occasions to help them handle their cases and provide them guidance. Leading cadres of many procuratorial organs also strengthened their actual guidance by going to various localities to help them handle major cases. To help solve difficult problems in some cases, leading procuratorial officers have also joined their counterparts from lower-level organs in studying the major cases. Having dealt with these three key issues, we have achieved a breakthrough in struggling against economic crimes.

3. Concentrating Efforts on Handling Major Cases

Among all the cases of economic crimes handled by procuratorial organs last year, there was a noticeable increase in the number of collaborated crimes -- crimes committed through collusion between units at home and abroad, or between upper and lower departments. Major crimes involving huge amounts of money multiplied. Such crimes included briberies involving hundreds of thousands of yuan, cases of corruption involving a million yuan, and speculative trading of foreign exchange of up to 10 million yuan. By means of signing contracts, some people have swindled nearly 10 billion yuan. These serious economic crimes are extremely harmful, and if they are not dealt with promptly and harshly, the felons will become more blatant, and crimes, corruption, theft and bribery will be more widespread in our country, and the country's economic system will degenerate. We must therefore stress that procuratorial organs must concentrate their efforts on handling major cases. They should not be softhearted or irresolute, but should deal harsh blows to serious economic crimes according to the law. While handling major cases, procuratorial organs have categorized these cases according to their importance and urgency and dealt with them one by one. They have then worked systematically with the relevant departments in investigating serious economic crimes, emphasizing those in the food, banking, supply and marketing, and construction departments. Third, they have also taken advantage of the opportunity of combating new unhealthy practices and conducting tax, fiscal and price inspection as well as the opportunity of closing "corporations," "centers" and "trade companies" to discover clues for handling major crimes. In 1985, procuratorial organs placed over 6,200 major criminal cases on file for investigation and prosecution. The number was over three times higher than that of 1984. In that year, the Supreme Procuratorate handled 28 major cases with relevant departments and lower-level procuratorates. Among the major cases were the speculative trade of automobiles and foreign exchange in Guangdong's Hainan Administrative District (procuratorial organs have placed 200 cases and 290 people on file for investigation and prosecution, including 12 cases and 23 people who acquired illegal income from 50,000 to 100,000 yuan each, and 19 cases and 30 people who acquired illegal income exceeding 100,000 yuan each); the case of speculation and fraud committeed by Du Guozhen in Fujian; the case of selling bogus drugs by Chen Dai in Fujian's Jinjiang Prefecture; the smuggling case of the Guangyu Company under the Ministry of Astronautics Industry; the case of fraud committed by Liu Haoran in Guangdong's Foshan city; and the bribery of Tan Yonghao, deputy director of the Planning Department of the Guangzhou Electronics Industrial Corporation. While the handling of these major cases shocked the felons and educated cadres and people, they have strengthened the confidence of procuratorial workers and enriched their experiences.

4. Enforce Laws Strictly, and Have the Courage and Ability To Handle Tough Problems and Disregard Connections and Protection

Owing to the influence of China's feudalistic society that lasted several thousand years as well as insufficient attention given to democracy and law after the founding of the country, there are still times when laws are not followed or strictly enforced, offenders are not punished, and some leading cadres still substitute orders or authority for laws. Some people, whose sense of law is distorted and who cannot distinguish what is a crime and what is not, have one-sidedly stressed the need to "protect cadres' enthusiasm," and willfully interfered with and obstructed the operation of procuratorial organs.

Some cadres have pleaded for mercy for ciminals on behalf of their relatives or friends, or longtime colleagues or subordinates, and exercised pressure on the procuratoral personnel. Some, who are linked to criminal activities or who have committed crimes themselves, are afraid that they themselves might be implicated if they choose to expose the crimes, and have therefore done all they can to obstruct procuratorial process, and used their authority to harbor criminals. As such, procuratorial organs have encountered many more difficulties in surmounting obstacles than in handling the crimes themselves. We urge all procuratorial organs and officers to strictly enforce the law, disregard connections and protection, punish law offenders according to the law, and not be afraid of offending people or fear retaliation. They should also do a good job in investigating significant facts and details of the cases so that their cases can be prosecuted effectively according to the law on a factural ground and can stand the test of time. They should also constantly report their work to party committees and the higher procuratorial organs and solicit their support. In performing their duties, they should handle different cases in different ways. Cases of mere misunderstanding should primiarly be handled by means of education; but cases of using authority to harbor crimes must be investigated according to the law. Not only must the cases themselves be investigated, all related people and people who give protection must be investigated and handled seriously. Over the past year, procuratorial organs and officers at all levels have been working hard on disregarding connections and protection while waging a resolute struggle to safeguard the dignity of the law and handling a number of cases against all odds. Here are some examples:

When the Pixian County Procuratorate in Sichuan was investigating the case of He Xiaoping, alternate member of the county party committee and manager of the county apiculture company, who was found to have embezzled 47,000 yuan and paid bribes totalling 17,000 yuan, the county party committee secretary, the county magistrate, and the secretary of the county Discipline Inspection Commission flagrantly interfered with the investigation and labelled the procurators for "undermining reform," claiming that "the procuratorate has become too powerful and its power should be withdrawn." They also intended to let He Xiaoping speak against the procuratorate at the county rally to mark the May Day. However, the county procuratorate upheld its principle and withstood the pressure. Not only did it investigate all the facts about He Xiaoping's crimes and put him under arrest, it also found that the county party committee secretary had accepted bribes totalling over 3,200 yuan, that the county magistrate's wife and daughter had accepted bribes totalling more than 2,900 yuan, and that the wife of the county Discipline Inspection Commission secretary and He Xiaoping had shared between them some 1,300 yuan of illegally gained money as well as some 1,800 yuan of "profits." This case is still being processed.

After the Xianshao County Procuratorate in Hunan finished investigating the case of Zhou Jishan, deputy secretary of the County's Pingshang District and secretary of the Pingshang Commune Party Committee, who had on five occasions illegally detained five commune members, further prosecution was obstructed by a deputy secretary of the county party committee who was also the chairman of the Standing Committee of the county's People's Congress. Over a period of more than 260 days and on more than 40 occasions the county procuratorate reported this to the provincial, municipal and county leading organs, The time spent was 11 times that of the time spent on investigation. Zhou's case has now been handled according to the law.

When the Yanjin County Procuratorate in Yunnan took up the case of Sun Chaoming, party branch secretary of Chuansi Township, Puer District, who had illegally detained people, the secretary of the district party committee abused his power by inviting deputies of the county people's congress in the district to a meeting. At the meeting, he provocatively said: "the procurator has abused his power." A proposal to dismiss County Procurator Tang Mingyao from the office was passed at the meeting. However, Comrade Tang Mingyao did not back down because of this. Instead, he persisted in his struggle. Supported by both the superior procuratorate organs and party committees, he finally handled the case according to the law. Leading organs concerned also seriously dealt with the district party secretary.

Practice has shown that the party and the people always support us if we are true to facts and the law, stick to principle, and handle cases impartially; any type of connecting umbrella or protective layer can be broken.

5. Persist in Strict Management of Police Work, and Strengthen Building in the Contingent of the Procuratorate

Procuratorate organs at all levels have further strengthened their own ranks so as to adapt to the needs in the development of the situation and ensure the smooth progress of the struggle of the "two crackdowns." The first is to strengthen ideological and political work and do a good job in building the spiritual civilization. They have educated broad masses of cadres and police to fully recognize the position and role of procuratorate work in the building of "two civilizations;" further raised their sense of honor and responsibility; inspired a revolutionary spirit; and strengthened and reformed procuratorial work. They have educated broad masses of cadres and police to have ideals, morality, culture and discipline; resolutely resisted the corrosive thoughts of feudalism and capitalism; stood up for what is right; lived frugally; and enforced the law with impartiality. They have persisted in strictly managing police work, giving out rewards or meting out punishment accordingly. They have commended those advanced collectives and individuals who have emerged during the "two crackdowns" struggle and dealt strictly without appeasement with those cadres and police in the procuratorate who were found to have violated the law. The second is to pay more attention to the training of cadres and police. Procuratorate organs at all levels have adopted various ways and used various channels to train some 30,000 cadres. In order to set up a training base and establish a training pace, the Supreme People's procuratorate has applied to the State Education Commission for approval to establish the Central Procuratorial Institute for Cadre Management, and has called on provinces, autonomous regions, and municipalities to actively set up procuratorial cadre schools. The broad masses of cadres and police in the procuratorate met with new challenges and tests in the past year which helped to noticeably raise their political and professional quality. Despite personnel shortages, hard work and poor working conditions, they carried on their work tirelessly; they worked together and overcame difficulties; they strove conscientiously to fulfill those duties entrusted to them by law.

Procuratorial work achieved marked results in the past year. This is a main trend. However, there were shortcomings and deficiencies in our work. The work directive that the Supreme People's Procuratorate gave to lower procuratorate organs was not timely and forceful enough; work development of cracking down on economic crimes was uneven; the rate of closing cases involving economic crimes in some areas was not high enough; some areas did not persist enough in the principle of relying on the law, strictly enforcing the law, and prosecuting whomever has violated the law. A soft-hearted approach and lack of forceful strikes against economic crimes still existed in some areas.

Means should be sought to overcome and solve this. At the same time, we should attach great importance to a resurgence of criminal cases currently reported in some areas. We should not entertain any thought of blind optimism. Instead, we should continuously uphold the principle of prompt and strict handling of cases according to the law, and resolutely crack down on serious criminal activities.

Fellow deputies: The current political and economic situation in China is very good. Recently, the CPC Central Committee made a series of important instructions on further strengthening socialist democratic and legal construction as well as on stregnthening political and legal work. Of special importance is Comrade Deng Xiaoping's proposed strategic thought of "grasping construction on the one hand and the legal system on the other," which has an important guiding significance in reinforcing democratic and legal construction, adhering to the people's democratic dictatorship, and seriously cracking down on economic and criminal crimes. It is also a guiding thought for strengthening and reforming procuratorial work under the new situation.

This year is a crucial year for cracking down on criminal activities and improving the social order; it is also a pivotal year in suppressing arrogant economic criminals. Therefore, the tasks facing procuratorate organs are arduous. At a recently held national conference of procurators, we further stressed the need for procuratorate organs at all levels to treat the crackdown on serious economic crimes as a major task while not relaxing our efforts in continuously and simultaneously cracking down on serious criminal activities. We should unfold comprehensive procuratorial work by closely following the "two crackdowns and one building," that is the crackdowns on serious economic crimes and criminal activities and the building of the socialist legal system.

We call on procuratorate organs at all levels to constantly raise their consciousness and have a clear understanding of the following guiding thoughts:

A. Clearly establish a priority work partern regarding the crackdown on economic crimes. We should raise our consciousness in the seriousness and dangers of economic crimes and in the importance and urgency of cracking dcwn on economic crimes. We should not waver in our guiding thought of making the crackdown on economic crimes our peimary task. We should closely keep up with our work.

B. Clearly accept the notion that suppressing economic crimes is a long struggle and that the arrogance of economic criminals can be suppressed within a year or so. We should not only recognize the fact that the suppression of economic crimes is a long-term task, but also understand that the current grave economic crimes is an extremely abnormal phenomenon. We should not only be prepared for a long fight, but also do a practical job at the same time in suppressing the arrogance of economic crminals within a year or so. In view of the certain results achieved in fighting economic crimes and the fact that the CPC Central Committee has devoted extra efforts in correcting party style and in fighting economic crimes, the realization of such a goal is entirely possible.

C. Clearly direct our thoughts to follow the leadership of the party committee and wage a total war against economic crimes. Like any other criminal activities, procuratorate departments and justice departments should assuje full responsibility in the fight against economic crimes. Victory is possible only when the whole party and the society attach importance anda become mobilized in the fight. Only under the leadership of the party committees at all levels and only with the close cooperation among departments concerned can the arrogance of the economic criminals be suppressed.

Procuratorate organs should cooperate with justice departments, the party's disciplinary inspection departments, and various economic units to form a powerful union in fighting economic crimes.

D. Clearly follow the thought of linking procuratorial work -- especially the work of cracking down on economic crimes -- with correcting party style and strengthening the building of the legal system. Correcting the party style and strengthening the building of the legal system will promote the in-depth development of suppressing economic crimes and other criminal activities. Conversely, the in-depth suppression of economic crimes and other criminal activities will help correct the party style and strengthen the building of the legal system. We should link procuratorial work with correcting the party style and strengthening the building of the legal system. We should try to help each other in this work; maintain the unity and correct enforcement of the state law; and ensure the smooth progress of socialist modernization.

We urge procuratorial organs at all levels to stress the main areas, concentrate their efforts on investigating and handling major cases, and handle them properly and efficiently. While speeding up investigating and handling the major economic crime cases which occurred between the latter half of 1984 and the first half of 1985, they must also strike at active criminals, crack down on them effectively, and handle their cases without delay. If the children of high-ranking cadres -- or high-ranking cadres and well-known officials themselves -- are involved, even greater efforts should be exerted to investigate and handle their cases. In processing criminal cases, we must uphold the principle that all citizens are equal before the law. This means that whoever violates the law shall have his or her crimes investigated and handled according to law. We must firmly stop the misconduct of substituting law with orders or authority, and continue to combat softheartedness and irresolution, ensuring that all laws are enforced effectively and all law breakers punished.

We also urge procuratorial organs at all levels to exert continued efforts to improve themselves. Their leading groups must be staffed by proper personnel. Comrades who have high political conciousness, who are professionally proficient, and who are physically sound should be promoted to leading posts at all levels. We must continue to intensify ideological and political work and educate the vast number of procuratorial personnel to set good examples in enforcing laws and policies, firmly keeping in mind that their fundamental requirement is to serve the people wholeheartedly. They should voluntarily accept the people's supervision, enforce law in a civilized manner, dare to act as modern day "Bao Gong" [a judge of the Song Dynasty known for his impartiality] and create for themselves a good image among the people. We should also intensify the training of procuratorial personnel and pay attention to tempering them and improving their proficiency in the course of practice. We must step up improving procuratorial work in all fields and pay special attention to improving the operation of basic units. Meanwhile, in accordance with actual needs, we should also gradually modernize the technical operation of our procuratorial organs.

As far as working conditions are concerned, procuratorial organs are still confronting many problems today. Among the most outstanding ones are shortages of operational funds, inadequate means of transportation, and limited office space. We hope party committees and governments at all levels will attach great importance to these problems, take measures to solve them, allocate funds for procuratorial work, and earmark special funds for the operational needs of procuratorial organs.

When this meeting is over, we must earnestly implement its guidelines, act in accordance with the instructions and plans of the CPC Central Committee and the NPC Standing Committee, and boost our spirit and redouble our efforts to surmount the obstacles and problems ahead of us in order to achieve even greater successes in performing our duties and make still greater contributions to promoting socialist democracy, strengthening the socialist legal system, and ensuring economic reform and socialist modernization!

I request your deliberation of this report.

GUANGMING RIBAO ON LITERARY, ART PROBLEMS

HK260331 Beijing GUANGMING RIBAO in Chinese 17 Apr 86 p 1

[Report by Ji Na [4764 4780]: "Marxist Literary and Art Theory Research Journal Stresses Need To Apply Marxist Viewpoint to Analysis of Current Literary and Art Theories and Problems"]

[Text] It is necessary to apply the Marxist viewpoint to analysis of current literary and art theories and problems. This is the central topic for discussion at the symposium recently called by the editorial board of the MARXIST LITERARY AND ART THEORY RESEARCH JOURNAL of the Chinese Research Institute of Art. Over 20 workers in literary and art theory living in Beijing attended the symposium. They spoke freely, aired their views, and expressed their opinions on the current situation of literary and art theory.

In their speeches, the comrades attending the symposium fully affirmed the achievements made in the work of literary and art theory and criticism in our country in recent years and believed that historical changes have taken place in the front of literary and art theory since the 3d Plenary Session of the 11th CPC Central Committee. As the ideological yoke of "Leftism" has been shaken off and the influence of dogmatism and vulgar society has been checked, people's spirit of thinking independently and making bold explorations has been enhanced; as the abnormal situation of locking the door against the world and the cultural confinement has been smashed and large numbers of new achievements of and new trends in foreign literature and art have been introduced, people's horizons have been broadened; and as it has become a common practice to study writers' works, in particular current works, the relationship between theory and creative practice has become closer. Studies of all the important theoretical issues, like how to view the relationship between literature and art and politics and between literature and art and life, how to understand the law governing artistic thinking and creation, and so on, have also become more developed and deepened than before. Valuable explorations have also been made in some other important aspects. The study of theory has become so lively that people must have a completely new appraisal of it; and the contingents of theoreticians and critics have also become stronger than ever before.

The participants believed that while fully affirming the great achievements made in the front of literary and art theory in the new period, it is also necessary to face up to some noteworthy problems cropping up in the work of literary and art theory over the last few years. These problems are mainly as follows: While criticizing the ideology of "leftism," some articles and commentaries also tend to look upon the basic viewpoints of Marxism, the correct literary and art principles of the party and the state and the revolutionary traditions of the proletarian literature and art as "leftism," "dogmatism" and "vulgar sociology" and directly or indirectly criticize them; and while introducing the achievements of western literature and art, some people do not adopt an analytical attitude but eulogize some harmful social and artistic concepts; and some even tend to replace Marxism with these things as the ideology guiding our artistic creation, research, and undertakings.

For example, some describe the dialectical materialist theory of knowledge as "mechanical theory of reflection" and "mechanical determinism" to deny the principle that literature and art must start from life and advocate that the function and value of literature and art only lies in the self-expression of writers; some completely deprecate Lu Xun and deny the correct road and excellent traditions of the new literature and art in our country opened up by Lu Xun; some propose that our country's literature and art should take the road of the Western modernist school; and some stand for using the theory of psychoanalysis founded by Freud to guide literary and art creation in our country.

The participants maintained that the front of literary and art theory should earnestly study, propagate, and carry out the spirit of the party delegates conference and the directives issued by the CPC Central Committee Secretariat regarding straightening out the guiding ideology of ideological and cultural works, in particular the directive made not long ago regarding overcoming the weak and slack leadership in ideological and cultural work, strengthening the propaganda and education of the Marxist literary and art thinking, resisting the corrosive influence of Western bourgeois ideology, in particular the corrosive influence of the modern decadent school, and bringing into play the fine traditions of the revolutionary literature and art, so as to unify our thinking, sum up historical experiences, and improve our work. Workers in literary and art theory should apply Marxist viewpoints to analyze the current literary and art situation, encourage all the excellent and fine literary and art works and enthusiastically support theoretical explorations guided by correct thinking. As for wrong works and literary and art viewpoints and ideological trends, it is necessary to make criticisms and arguments based on facts in a spirit of being responsible to the people and comrades and promote the development of Marxist literary and art theory and the prosperity of socialist creation through discussions made in a comrade-like and equal atmosphere. The participants appealed for an atmosphere more favorable to the prosperity of theory. This is an atmosphere in which under the general goal of building the socialist spiritual civilization, various opinions may be aired freely and different views contend freely. People should be allowed to air their views in a lively way and make highly principled criticism and self-criticism. We should support people who are bold in theoretical exploration and encourage the spirit of persisting in truth, correcting mistakes, and seeking truth from facts. We should resolutely prevent the phenomenon of bludgeoning and putting labels on people and strive to avoid the phenomenon of arbitrarily slapping the political label of "bludgeoning people" on people offering normal criticisms to suppress criticism and reject the airing of different opinions. In short, on the major premise of abiding by the Constitution and upholding the four cardinal principles, it is imperative to protect everyone's rights of exploration, creation, criticism, and counter-criticism, so as to make theoretical exploration and contention become normal and happen frequently.

The participants raised some constructive suggestions on the development of Marxist literary and art theory and maintained that great efforts should be made to study the new situation and issues. Only by sufficiently studying the new situation at home and abroad and scientifically answering new questions arising in practice can we effectively clear doubts in people's minds and promote the development of Marxist literary and art theory. Some comrades expressed that young literary and art workers and college students now have the enthusiasm for seriously studying Marxism. They are very interested in the scientific and creative Marxist theories and only disgusted with those dogmatic attitudes of copying mechanically in disregard of specific conditions. Therefore, it is necessary to correctly guide them and arouse their enthusiasm for seriously studying Marxist literary and art theories.

HOUSEHOLD MANAGEMENT SYSTEM TO REMAIN UNCHANGED

HK251042 Beijing BAN YUE TAN in Chinese No 7, 10 Apr 86 pp 19-20

[Article by Chen Kaiguo: "The Policy of Management on a Household Basis in the Rural Areas Will Remain Unchanged for a Long Time"]

[Text] In our current propaganda work for the rural area, we stress that we should do well in promoting a cooperative system with the emphasis on the service trades, in order to satisfy the demand of the peasants for developing a commodity economy. Some people are worried about whether management on a household basis is still allowed to exist. They also ask whether we will return to the old ways of "turning everything to the collective" and "eating from the same big pot." Our definite answer is: Rural economy management on a household basis, in the rural area in particular, will exist and operate for a long time. The policy of the party and government for management on a household basis in the rural area will remain unchanged for a long time. What we mean by management on a household basis includes both household management in the cooperative economy based on contract system, and household management in the individual economy of the peasants.

The fact that the policy of management on a household basis will remain unchanged for a long time is determined by the level of our country's agricultural productive forces and the characteristics of agricultural production.

We should realize that management on a household basis is a basic management form which ensures the existence and development of our country's rural economy, our agriculture in particular. The foundation of such a management form will not be shaken because of the improvement of the cooperative system. Why is such a management form still full of exuberant vitality? This is connected with the level of our productive forces in the rural areas and with the characteristics of agriculture, which is a particular kind of production. Only by pursuing the contracted responsibility system on a household basis can we integrate producers with operators, and combine responsibility, power, and profit well. This management system is most easily accepted by peasants because it is beneficial to giving play to the initiative of peasants and enhancing their sense of responsibility. The is a truth which has been fully verified by the practice of collective management over the past 20 years or so, and by the practice of recent rural reform in particular.

The contracted responsibility system on a household basis is a management form in our country's rural cooperative economy characterized by combining unified planning with decentralized management. Judging from its economic contents, we know that contracted household management under a coooperative system is markedly different from the household management of the old times. The most salient feature of the household management under cooperative system is the link between public ownership of land and the cooperative economic bodies. Such household management serves as a base in the double-layered structure of the cooperative economic bodies. Although it is relatively independent, it is governed by unified management. There are a small number of household management systems based on an individual economy. However, due to the fact that they are governed and affected by external economic conditions, they are not exactly the same as the household management based on individual economy, as in old times.

Household management is also an important condition for the development of the rural commodity economy. This is because household management under the cooperative system is relatively independent, and peasants have decision-making power in management. They can make a reasonable choice in management orientation. This will also ensure free flow and reorganization of the key factors of production. It is on such a basis that specialized households, which are the new representatives of the rural commodity economy, can exist. Decision-making powers in management is the most important power acquired by peasants in the recent rural reform. Our policies and laws have fully affirmed such power of the peasants, and nobody is allowed to deprive them of it.

Household management can co-exist with the cooperative system with modernization. They can be merged into an organic whole. Experience in the developed nations since World War II has proven that household management does not conflict with modernization. The development of our rural economy will also prove that household management does not conflict with the cooperative system and modernization. Under the household management system, the socialization and modernization of production can both be materialized. This is waht we can expect in the development of household management.

The establishment of the contracted responsibility system based on output is the most important achievement we have made in the initial stage of rural reform. This has enabled us to reform and develop the cooperative system. The most salient feature of this new cooperative system is that household management is included in the cooperative body as its basic management structure. The main content of the contracted responsibility system based on output is the contracted system pursued by households. This is the most fundamental point of the entire rural reform and the most important contribution to the vividness and prosperity of the rural economy as a whole. This is the result and position which we have achieved through arduous struggle, and we will never lose them. Otherwise, it is impossible for us to continue to march forward.

In concluding, we know that at present, the rural economy -- household management in particular -- is full of vitality. There are grounds for their existence for a fairly long period of time. Therefore, the policy of the party and government for management on a household basis in the rural area will remain unchanged for a long time. We will never return to the old ways of "eating from the same big pot."

FUJIAN LEADERS ADDRESS EDUCATIONAL WORK CONFERENCE

OW271211 Fuzhou FUJIAN RIBAO in Chinese 18 Apr 86 p 1

[By Chen Zhongliang and Yang Qingqi]

[Excerpts] To rejuvenate Fujian we must unswervingly implement the decision adopted by the central authorities concerning the reform of the educational system and the principle of achieving victory with intellectual resourcefulness set by the provincial CPC Committee. This remark was put forward by Secretary Chen Guangyi of the Fujian Provincial CPC Committee and Governor Hu Ping of Fujian at the provincial conference on education work held yesterday.

Comrades Chen Guangyi and Hu Ping rushed back from other localities to attend this province-wide conference on educational work. On the afternoon of 17 April, Chen Guangyi addressed over 900 people including prefectural commissioners, city mayors, county heads, responsible persons of the educational departments, college presidents and primary and middle school principles as well as the leading comrades of various organizations directly under the provincial government. He said that the policy decision of "achieving victories with intellectual resourcefulness" adopted by the provincial CPC Committee in 1982 is correct. The situation in the field of education in the province has been fine over the past few years. Most of the places throughout the province have attached great importance to education and talented people. In the past, Fujian had a good foundation in education. Now is the best time to promote education. We must seize this opportunity, straighten out relations between the field of education and other sectors of society, overcome imbalances in education in various localities and promote healthy and vigorous developments in education.

In his speech, Governor Hu Ping put forward the following four requirements:

1. We must adhere to the strategic principle of "achieving victories with intellectual resourcefulness." To rejuvenate Fujian we must rely on education. During the Sixth 5-Year Plan, our per capita investment in education was higher than the national average, although our financial resources were somewhat limited. The enthusiasm of the leadership and masses in various prefectures and counties was high in promoting education. Shunchang, Mingxi, Zherong and Jianou Counties made particularly notable efforts in promoting education. However, in some localities, the number of primary school graduates who entered middle schools dropped, although the industrial and agricultural output value in the same localities increased. The number of new illiterates and semi-illiterates rose markedly. This is a sign of shortsightedness. The leadership in these localities needs to sum up its experiences and draw lessons from them, and work hard to catch up.

2. We must promote education in the course of carrying out reforms. Fujian has basically realized its goal of making primary education universal. However, our foundation remains weak, and our educational quality low. Our educational developments are still not balanced. We need to consolidate our achievements and further improve the quality in our education.

3. We must implement the principle of vigorously training competent teachers, and regard normal education as something of great strategic importance.

4. The leadership at all levels must continue to perform more actual deeds in promoting education and enthusiastically support the cause of education.

This conference began on 15 April. Its main task is to implement the "Decision of the CPC Central Committee on Reform of the Educational System," clearly define the goal for struggle in Fujian's educational work for a certain period to come, and push the educational reform forward. At the conference, Vice Governor Chen Mingyi delivered a report, entitled: "Implement (Decision) in An Overall Manner, Strive To Create a New Situation in Education." The representatives from Shunchang County, Zhangzhzou City, Sanming City, Datian County and the Fujian Teachers College also delivered speeches.

Attending the conference yesterday were leading comrades Zhang Yumin, Cai Ninglin, He Shaochuan, Zhang Gexin, Huang Ming, Hou Linzhou, Zeng Ming, You Dexin, Wang Yishi, and Chen Mingyi.

CHEN GUANGYI, HU PING INSPECT POOR FUJIAN AREAS

OW271738 Fuzhou FUJIAN RIBAO in Chinese 18 Apr 86 P 1

[By Huang Zhixiao]

[Excerpts] How can we bring into full play the predominant role of the mountainous areas, accelerate the pace in promoting the economy in these areas, and help people in old liberated areas shake off poverty and become well-to-do? Recently when Secretary Chen Guangyi of the provincial CPC Committee and Governor Hu Ping inpsected Jianyang Prefecture, Sanming City, and Longyan Prefecture, they pointed out that the party committees, governments, and cadres at all levels must link their words to their deeds to help poor people free themselves from poverty. They must carry out their work in a down-to-earth manner and work with each poor family to do away with poverty and become rich. They must develop the commodity economy by adopting measures suited to local conditions, turn the natural resources in mountainous areas into favorable economic factors in manufacturing commodities, and help these areas to develop.

From 6 to 15 April, Comrades Chen Guangyi and Hu Ping inspected the two prefectures and one city to understand the situation in poverty-stricken areas. they inspected some 30 factories and mines, over 10 townships and more than 20 peasant households.

During his our, Comrade Chen Guangyi pointed out: To accelerate economic development in mountainous areas and to help people in such areas eliminate poverty and become well-to-do, we must, first of all, persistently carry out reforms and open the areas to the outside world, and vigorously develop commodity production.

Chen Guangyi and Hu Ping also inspected the industrial and mining enterprises, city construction projects, markets, and rural schools in the prefectures and the city. Dwelling on economic construction in hilly areas, Comrade Hu Ping said that we must pay full attention to grain production. Longyan Prefecture must strive to achieve self-sufficiency in grain, while Jianyang Prefecture and Sanming City must shoulder even heavier responsibilities and make even greater contributions and become base areas for marketable grain.

Comrade Hu Ping repeatedly pointed out that various departments and units must adopt all means to help people eliminate poverty and become well-to-do by offering financial, material, and manpower and technical assistance. It is necessary to correctly handle the relations between spiritual civilization and material civilization. In promoting spiritual civilization, we must attach importance to educating people on communism. We shousld also pay attention to intellectual investments. Necessary urban construction reflects the superiority of the socialist system.

It is also what the people need. However, we must correctly handle the relations between nonproductive construction and productive construction. We must strictly control nonproductive construction and make the best use of our limited funds. In promoting construction, we must attach importance to industrial and agricultural production and to improve economic results. Only by doing so will it be possible for us to have staying power and to simultaneously develop the two types of civilizations.

HAN PEIXIN ATTENDS JIANGSU PROVINCIAL CONGRESS

OW280642 Nanjing Jiangsu Provincial Service in Mandarin 1100 GMT 26 Apr 86

[Excerpts] The Fourth Session of the Sixth Jiangsu Provincial People's Congress held its second plenary meeting at the Great Hall of the People in Nanjing this afternoon. A total of 1,153 deputies to the provincial People's Congress attended today's meeting.

Executive chairmen of the session sitting on the front row of the rostrum included Han Peixin, Shen Daren, Sun Han, Sun Jiazheng, Yuan Bin, (Xu Xin), (Deng Hongxun), (Hu Weiyu), (Yu Xinde), (Jiang Xiuzhai), (Tang Guanhui), (Sun Jianhua), (Jin Jicheng), (Huang Suxiang), and (Gao Zezhen).

Vice Chairman He Binghao reported to the meeting on the work of the Standing Committee of the provincial People's Cogress during the past year. President Zhou Ze of the Provincial Higher People's Court reported on the work of the Provincial Higher People's Court during the past year in promptly striking heavy blows against serious criminal activities which endangered social security, severely punishing those who seriously endangered economic work, strengthening the adjudication of economic cases and civil cases, handling people's letters and visits, and further strengthening the ranks of judicial workers. Qin Jie, chief procurator of the provincial People's Procuratorate, also reported to the meeting on the work of procuratorial organizations during the past year.

JIANGXI'S LIU FANGREN SPEAKS ON FAMILY PLANNING

OW280430 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 26 Apr 86

[Excerpts] The Jiangxi Provincial CPC Committee and the provincial government jointly held a meeting at the auditorium of the (Qingshahu) guesthouse this morning to award prizes to nationally famous, advanced collectives and individuals in practicing family planning in the province.

On behalf of the national association of advanced collectives and individuals in practicing family planning, Liu Fangren, Di Sheng, Peng Shengxi, (Chen Guisheng), Lu Liang, and (Wei Changan), leading comrades of the party, government, and Army organizations in the province, presented prizes to 344 advanced collectives and 150 advanced individuals.

In his speech at the meeting, Liu Fangren, deputy secretary of the provincial party committee, affirmed the achievements made in practicing family planning during the Sixth 5-Year Plan and called on all localities in the province to give greater priority to family planning during the Seventh 5-Year Plan and to do this work more vigorously and effectively.

Liu Fangren stressed that the work of family planning is a major task for the entire party and society as a whole, and a great social system engineering project. The key to effectively practicing family planning lies in strengthening the leadership of party committees and governments at various levels.

The party committees and governments at various levels should further implement the principle of grasping production and family planning at the same time. They should give greater priority to family planning and put it on their agenda as an important item. In strengthening their specific leadership over family planning, they should periodically make arrangements for this work, often inspect it, and make timely discoveries and solve problems in the work. In addition, they should make sure that family planning economic and material resources are available.

Radio Commentary

OW280522 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 26 Apr 86

[Station commentary: Continue To Do the Work of Family Planning Firmly and Effectively]

[Text] According to requirements set by the state, the task for our province to control its population during the Seventh 5-Year Plan will be more arduous than before. In the coming 5 years, the number of women of child-bearing age will increase by one-fifth, but the population permitted to increase will have to be reduced by one-third. To achieve these targets, it is necessary to cut the birthrate by more than one-fourth. If family planning is treated lightly and if some errors are made in this regard, population growth will exceed economic growth. That will seriously affect the development of economic construction and the improvement of people's material and cultural lives in our province. During the Seventh 5-Year Plan, we must therefore give greater priority to family planning and continue to do this work firmly and effectively in accordance with the requirements set by the National Conference of Party Delegates held last year and the recent NPC Session.

Fundamentally speaking, mobilizing the masses to change prevailing habits and customs and to practice family planning is a cause that civilizes. This is an indication that people are freeing themselves from ignorance, making progress, and advancing toward a higher level of civilization. This has a bearing not only on the prosperity of the nation but also on the happiness of each family. In practical work, we must continue to improve our workstyle and work methods an bring the work of family planning into the orbit of building a spiritual civilization. We must persist in doing civilizing work in a learned way, give first priority to ideological education, and stressing providing services. We must prevent doing things in an oversimplified and crude way or even in violation of law andf discipline and rectify things done in this way. We must guide the masses to voluntarily follow party policy in this regard and to bear children in a planned way so that family planning will yield better social benefits.

BRIEFS

SUZHOU SILK EXPORTS -- Nanjing, 24 Apr (XINHUA) -- Suzhou in Jiangsu Province produced 15 million meters of silk and satin for export in the first 3 months of this year, an official here said. This was a 31 percent increase over the same period last year. The output of pure silk, now in big demand, exceeded 9 million meters -- up by 30 percent. The city supplied a sixth of China's total silk output of 42,000 tons last year. China is the would's biggest silk producer and conducts 90 percent of international silk trade. To meet overseas demand, city authorities have refitted more than 1,000 spinning machines this year to increase the output of high-grade export fabrics such as Jacquard products. They have also introduced advanced dyeing technology. [Text] [Beijing XINHUA in English 1221 GMT 24 Apr 86 OW]

GUANGDONG: LATERAL ECONOMIC TIES STRATEGY VIEWED

HK281005 Guangzhou Guangdong Provincial Service in Mandarin 1000 GMT 26 Apr 86

[Roundup by station reporter: "Make Lateral Economic Ties a Success"]

[Excerpts] Over the past few days the delegates attending the provincial urban economic structural reform work conference have been seriously pondering a problem: How to make lateral economic ties a success to promote the province's economic development. After studying the relevant documents, exchanging experiences, and holding panel discussions, the participants have realized the current situation more clearly, deepened their understanding, and strengthened their confidence in developing lateral economic ties. Enterprises must develop lateral economic ties on their own, since departments at higher levels cannot take care of everything; nor can they force enterprises to do so. Leaders of departments and trades are thus required to abandon traditional closed ideas and to further correct their idea of serving enterprises.

Leaders of Foshan, Jiangmeng, Maoming, and Shaoguang believe that protecting the decisionmaking power of enterprises is the key to healthy development of lateral economic ties. It is necessary to thoroughly and genuinely delegate power to enterprises. Economic administration departments must change their functional role, reform the relationship between enterprises and government organs, and change direct administration over enterprises into indirect administration. They must support developing ties between enterprises regarding principles and policies.

Leaders of the Zhanjiang home appliances industrial company, the Guangzhou Baiyunshan pharmaceutical plant, and other units also attended the conference. These reform pioneers know well the road their enterprises have taken and have given much thought to it. They believe that to develop lateral economic ties between enterprises, the prerequisite is enterprises' voluntary participation and the foundation is mutual benefit. All areas and enterprises have their own strong points. To develop economic ties means to complement each other and to give full play to strong points while avoiding weak points.

They also believe that to develop economic ties between enterprises, much solid work needs to be done within enterprises. The factory manager responsibility system must be implemented and various economic responsibility systems within enterprises must be further perfected to develop coordinated reform of enterprises in-depth. Only by properly carrying out this work and giving vitality to enterprises is it possible to promote lateral economic ties between enterprises.

GUANGXI GOVERNOR ON SIXTH 5-YEAR PLAN ACHIEVEMENTS

HK270237 Nanning Guangxi Regional Service in Mandarin 1100 GMT 26 Apr 86

[Excerpts] In part 1 of his report to the fourth session of the sixth regional People's Congress, Regional Government Chairman Wei Chunshu dealt with the execution of the Sixth 5-Year Plan in Guangxi.

He said: During the Sixth 5-Year Plan, the pace of the region's economic development gradually speeded up in the wake of the shift of work focus. Total industrial output value rose by an annual average of 9.8 percent, not including village-run industry. This exceeded the demand for a growth of 6 percent, and showed a slight increase over the annual increase of 9 percent recorded during the Fifth 5-Year Plan. With the exception of chemical fertilizer, coal, and soda ash, output plans for most major products were fulfilled and overfulfilled.

Total agricultural output value rose at an annual average of 5.2 percent, exceeding the demand for a 5 percent rise set by the plan. This was double the 2.5 percent growth rate recorded during the Fifth 5-Year Plan. The plans for grain and tobacco were not fulfilled, but the plans for other industrial crops and for forestry, animal husbandry, sideline production, and fisheries were fulfilled and overfulfilled.

Wei Chunshu said that during the Sixth 5-Year Plan, investment in fixed assets in enterprises under ownership by the whole people amounted to 7.93 billion yuan, and 119 large and medium projects were constructed. Thirty-one of these have been completed and put into full or partial operation. These include the Dahua power station, Litang cement plant, Nanning plate glass plant, Fangcheng harbor, the expansion of Guixian sugar refinery, and the double-tracking of the Liuzhou-Litang railroad.

In the past 5 years, units under ownership by the whole people have increased their fixed assets by 5,597,000,000 yuan, an increase of 70.3 percent over the figure for the Fifth 5-Year Plan. The following new production capacities have been added: 720,000 kilowatts in installed generator sets; 8.03 million tons in coal extraction capacity; 34,400 tons in monthly sugar refining capacity; 149,400 tons in annual mechanical sugar-refining capacity; 55,000 tons of synthetic ammonia; 1,445,000 tons in cement production capacity; 300,000 tons in port freight-handling capacity; and 454 kilometers of new highways.

Wei Chunshu said that during the Sixth 5-Year Plan the region's financial revenue changed from stagnation to relatively rapid development. Revenue rose by an annual average of 10.4 percent from 1980 to 1985 greatly exceeding the demand of the plan, which called for 3.4 percent. Domestic and foreign trade has shown great development. Tourism is also booming.

During the past 5 years, spending on education, science, culture, and public health increased by an average of 15.9 percent a year. Science and technology was geared to production, and 2,375 feats of research were produced during the 5 years. State prizes were awarded for 36 of these. Education developed rapidly. The number of students at ordinary tertiary institutes rose from 25,000 in 1980 to 30,500 last year. Results have started to become apparent in the structural reform of secondary education. Various types of sparetime school are taking up an ever-growing proportion of education.

New success has been scored in introducing universal primary education. The number of pupils at primary schools was 5.31 million last year, an increase of 5.8 percent over 1980.

There was a marked improvement in people's living standards on the basis of the development of production during the Sixth 5-Year Plan. This is mainly shown in the following respects: 1) There have been large increases in urban and rural incomes. 2) The consumption level has risen and sharply and the consumption structure has changed markedly. 3) People's housing conditions have improved. 4) There has been a large increase in urban and rural savings deposits.

While fully affirming the achievements, Wei Chunshu pointed out the existing problems: 1) Guangxi's economic growth rate is far below the national average. 2) Economic relations have not yet been completely harmonized. In particular, agriculture -- the foundation -- remains very unstable. Basic industries such as energy, communications, and raw materials are also very weak. 3) A large part of the region is still poor. 4) We remain in great financial difficulty, and our capacity for expanded reproduction is very low. 5) In building the two civilizations, not enough attention was paid to spiritual civilization at one time, with the result that certain unhealthy trends and factors for instability emerged in society.

The regional government continues to take steps to gradually solve these problems and difficulties.

HENAN HOLDS ECONOMIC REFORM WORK CONFERENCE

HK280745 Zhengzhou Henan Provincial Service in Mandarin 1030 GMT 27 Apr 86

[Text] The 4-day provincial urban economic structural reform work conference concluded in Zhengzhou on the morning of 26 April. Provincial CPC Committee Secretary Yang Xizong gave a summation. Leading comrades of the provincial CPC Committee and government He Zhukang, Zhao Di, Lin Yinghai, Zhang Zhigang, Yao Minxue, and Hu Tiyun attended the conference.

In his speech, Comrade Yang Xizong emphasized that developing lateral economic ties is the main content of economic structural reform. Now is the best time to develop lateral economic ties, and we are also meeting serious challenges in this respect. Party and government organs at all levels must put developing lateral economic ties high on their agenda. CPC Committee secretaries, mayors, prefectural administration commissioners, and county heads must personally deal with the matter. Cadres and masses must further emancipate their minds, deepen their understanding, and strengthen their sense of urgency for developing ties between enterprises. All provincial departments must vigorously support ties between enterprises and effectively serve them. This year, the province must make a new and big breakthrough in invigorating enterprises and developing ties between enterprises.

Comrade Yang Xizong said that urban economic structural reform, financial and tax examination, and the correcting of malpractices must supplement each other. They must coordinate and promote each other to make a success. As for the problems that have come to light, it is necessary to know whether they are faults due to some people's lack of reform experience or their deliberate mistakes, whether they are general mistakes and shortcomings or serious violations of law and discipline, and whether they are faults of leaders' wrong decisions or outrages of those who carry out leaders' decisions. Different methods should be adopted to deal prudently with different problems.

Comrade Yang Xizong also called for continuously consolidating and perfecting the reform of the leadership system of cities administering counties, and for vigorously carrying out economic zoning plans to promote economic development.

During the conference the articipants discussed and revised five draft suggestions, including a suggestion drafted by the relevant provincial departments on some policies on correcting malpractices and suggestions and methods on promoting lateral economic ties.

BRIEFS

GUANGDONG OFFSHORE OIL WELL -- A new petroleum and natural gas well has been brilled in the South China Sea at the estuary of the Zhu Jiang in Guangdong Province. The newly-drilled Xijiang No 3431 well yields 2,000 barrels of crude daily, plus a small quantity of natural gas. [Summary] [Beijing Domestic Service in Mandarin 1000 GMT 22 Apr 86 OW]

BEIJING EXPERIENCE-EXCHANGE MEETING ON PARTY REFORMS

SK290151 Beijing BEIJING RIBAO in Chinese 19 Apr 86 p 1

[Text] On 18 April, the guiding group in charge of the party rectification work under the municipal CPC Committee held an experience-exchange meeting on consolidating the results scored in the drive for party rectification. The meeting urged the units that have completed or undertaken the work for the later stage, to consolidate and develop their results in a timely manner.

At the meeting, the responsible comrades from the party committees of Fangshan County, the Beijing internal-combustion engine plant, and the Yanshan cement plant delivered speeches to introduce their experience gained in consolidating the results scored in the party rectification work.

Jin Jian, deputy secretary of the municipal CPC Committee, delivered a speech in which he stated: At present, half of the party members throughout the municipality have completed their party rectification work or are engaged in the later-stage and half of them have begun or will begin to carry out the work. Under the leadership of the central authorities and the municipal CPC Committee, the municipality has achieved profound and healthy development in party rectification work and created a good trend in strengthening out party style and correcting malpractices. Under these circumstances, units that have completed their party rectification work or are undertaking the later-stage work should divert their attention in a timely manner to the work of enhancing the building of the party's day-to-day work and consolidating or developing the results scored in the party rectification work. If they fail to do so, they will certainly encounter the danger of losing their results scored in the work.

In his speech, Comrade Jin Jian pointed out that, in consolidating and developing the results scored in the party rectification work, efforts should be made to base the work of consolidating or developing the results scored in the party rectification work:

1. Efforts should be made to conduct deep education among party members in order to perfect the inner life of the party. We should earnestly implement the system of "three meetings and one class," the system of holding meetings on democratic life, the system of enabling party leading cadres to experience dual organizational life, and the system of enabling party members to set up ties with the masses in order to ensure party members and party-member cadres to experience the strict training of organizational life and to receive effective supervision over party organizations. Efforts should be made to boldly tell the truth while participating in the party organizational life, uphold the principles, and oppose liberalism and vulgarization.

2. Efforts should be made to strictly enforce the party discipline and to establish the responsibility system of straightening out party style. In consolidating the discipline, we should earnestly investigate and deal with the cases violating the discipline and strictly deal with those who have committed mistakes again while combating malpractices.

Efforts should be made to establish the responsibility system of straigahtening out party style and to implement the "four fix" principle in investigating and dealing with cases, such as fixing the mistakes of the cases, assigning full-time personnel to deal with the cases, assigning personnel to be responsible for dealing with the cases, and fixing the date for the settlement of the cases. In straightening out party style, we should have the party committee at every level be responsible for the work undertaken by its subordinate units.

3. The party's leading bodies should set examples in boldly grasping and overcoming knotty problems. This is the key to straightening out party style and ensuring the drive of conducting reforms. At present, leading cadres first should set examples in straightening out party style, and second should set examples in engaging in the drive of conducting reforms. Efforts should be made to straighten out party style while conducting reforms and to ensure the drive to conduct reforms while straightening out party style. Leading cadres at all levels should have the best state of mind and score the best work standard in this regard. The practice of having leading cadres set work examples is the best measure of all.

4. Efforts should be made to strive to become advanced in fostering the morale of encouraging the people to make progress in work. We should stress the principle of learning from the advanced, striving to be advanced, and surpassing the advanced. Efforts should be made to carry out the activities of striving to be the best and creating advanced deeds, which should be carried out in line with the tasks and by proceeding from the actual situation. Such activities should also be carried out in a regular manner.

The experience-exchange meeting also made arrangements for continuously deepening the second-stage work of the party rectification drive.

NI ZHIFU ATTENDS TIANJIN CPPCC CLOSING SESSION

SK270338 Tianjin City Service in Mandarin 1430 GMT 26 Apr 86

[Text] Having successfully accomplished the various items on the agenda, the 8-day Fifth Session of the Seventh Tianjin Municipal CPPCC Committee ceremoniously concluded this morning at the medium-sized auditorium of the Tianjin Guesthouse.

At the session, participants unanimously adopted the resolution of the Fifth Session of the Seventh Municipal CPPCC Committee, and called on all CPPCC members and personages of all circles to carry forward the spirit of the foolish old man who removed the mountains, work hard for the prosperity of the municipality, pioneer the road of advance, and offer advice and make contributions to attaining the magnificant goal of the municipality's Seventh 5-Year Plan.

Participants also unanimously adopted the resolution on receiving the requests of Comrades (Zuo Zhenhuan) and (Li Jie) with regard to resigning from their posts as Standing Committee member and member of the Seventh Municipal CPPCC Committee. Participants expressed their thanks and paid sincere tribute to these two veteran comrades with warm applause, and wished them good health and long lives.

Leading comrades of the municipal CPC Committee and the municipal People's Governmnt, including Ni Zhifu, Li Ruihuan, Wu Zhen, Nie Bichu, He Guomo, Yao Jun, and Li Changxing, attended the session, and congratulated the session on its successful closing.

TIANJIN: NI ZHIFU OUTLINES ECONOMIC REFORM TASKS

SK290016 Tianjin TIANJIN RIBAO in Chinese 17 Apr 86 p 1

[Text] Recently, the municipal CPC Committee and the municipal People's Government adopted the following decision: Beginning this month, we will schedule a period of 6 months or longer for conducting investigations and studies on questions of economic structural reform throughout the municipality so that we can learn about the actual situation, sum up experiences, discuss problems, and make good preparations for making still greater steps in economic structural reform in 1987 and 1988.

On the afternoon of 16 April the municipal CPC Committee and the municipal People's Government held a meeting to arrange for investigating the economic structural reform. Ni Zhifu, secretary of the municipal CPC Committee, and Nie Bichu, deputy secretary of the municipal CPC Committee and vice mayor of the municipality, attended and addressed the meeting. Also attending were Zheng Wantong, secretary general of the municipal CPC Committee; Huang Yanzhi, secretary general of the municipal's People's Government; and some 400 relevant personnel.

Comrade Nie Bichu made a mobilization report on behalf of the municipal CPC Committee and the municipal People's Government. Nie Bichu said: During the investigation, we should unfailingly grasp the following two tasks: One is to further simplify administrative procedures and delegate powers to the lower levels in order to invigorate enterprises, large state-owned and medium-sized enterprises in particular. The other is to promote lateral economic ties, with ties between different enterprises as the basic form. The basic methods of the investigation are: analyzing typical cases, conducting monographic studies, and carrying out the work in a comprehensive and coordinated manner. Investigations will be conducted among 31 selected enterprises whose leading bodies are well-organized, whose management is good, and whose products are marketable.

The investigation has six major subjects: 1) the way to create the external conditions for invigorating enterprises in a planned and step-by-step manner; 2) the priorities and ways of carrying out reform within enterprises under the current condition; 3) the guiding principle, policies, and measures for developing lateral economic ties, and ideological changes in this regard; 4) ways and steps for carrying out reform among industrial companies; 5) the issue that industrial administrative departments should gradually separate government functions from enterprise management, strengthen management over various trades, and reorganize and streamline their organizations; and 6) the issue that the multipurpose economic departments should simplify administrative procedures and delegate powers to the lower levels, change their functions, improve the macro-control, and strengthen supervision and service. Comrade Nie Bichu pointed out: Through investigations and studies, we should put forward the train of thinking for reforms in 1987, 1988, and the "Seventh 5-Year Plan" period.

In his speech, Comrade Ni Zhifu called on the party and government leaders at all levels throughout the municipality to fully understand the important significance of the current investigation and study activity. He emphatically pointed out: Upholding reform constitutes the most important task during the "Seventh 5-Year Plan" period. Now we are experiencing the supersession of the old structure by the new, and face many new situations and problems. We must change the unhealthy situation of attaching importance to reform only in words, and refusing to act in studying and solving problems. The current situation on the municipality's economic structural reform is very good.

At present we should conscientiously conduct investigations and studies and vigorously promote lateral economic ties, particularly lateral economic ties spanning departments and districts, with integration between enterprises as the basic form. We should develop a number of group enterprises and enterprise circles which produce brand-name products in a systematic manner in order to actually exploit the multi-functions of an economic center like our municipality. The municipal CPC Committee and the municipal People's Government demanded that leaders at all levels should personally participate in the investigation and study work, and leaders of all relevant departments should personally grasp the work of enterprises undergoing investigations and introduce a strict responsibility system in order to organize this work well.

To strengthen the leadership over this work, the municipal CPC Committee and the municipal People's Government have decided to establish a municipal group for guiding the investigation and study of economic structural reform, and have appointed Comrade Nie Bichu head of this group.

OVER 1,700 TIANJIN CRIMINALS SURRENDER TO POLICE

SK260947 Tianjin City Service in Mandarin 1430 GMT 25 Apr 86

[Text] Over the past few days, the activity of dealing blows to thieves has been launched in a penetrating manner throughout the municipality. As of 24 April, more than 1,700 persons guilty of stealing and of other illegal behavior have voluntarily surrendered to public security organs. Since the promulgation of the notice of the municipal Public Security Bureau, the masses have provided many clues for solving cases; some criminal offenders have surrendered to public security organs in succession; and a number of criminals in custody have also voluntarily exposed and informed against other criminals in order to gain leniency.

As of 24 April, more than 1,700 criminals have surrendered to public security organs; more than 600 criminals have been apprehended and handed over to the public security authorities by the masses; more than 5,800 clues for solving criminal cases have been provided by the masses for the public security authorities; and more than 3,400 clues for revealing and arresting other criminals have been provided by criminals in custody.

On 25 April, the municipal public security organs called on those people of guilty of stealing not to take a wait-and-see attitude and to rapidly confess their crimes and surrender to the police in order to gain leniency. Those who refuse to obey the government decrees will soon be punished according to the law.

YAO YILIN EXAMINES CURRENT ECONOMIC SITUATION

HK260721 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 16, 21 Apr 86 pp 4-5

["Feature": "Vice Premier Yao Yilin on the Current Economic Situation"]

[Text] Editor's note: On 8 January this year, Yao Yilin, vice premier of the State Council, met a survey group sent by Japan's Asian Economics Institute headed by Susumi Kobayashi and answered some questions raised by the visitors. Vice Premier Yao Yilin chiefly talked about the drafting of the Seventh 5-Year Plan, the development of the Changjiang Delta, the relationship between central and local authorities, and questions concerning foreign trade and finance. Excerpts of his remarks follow: [end editor's note]

Ensuring Reserve Strength for Economic Development While Improving the People's Living Standard

The first question -- what is the biggest and most difficult problem in drafting the Seventh 5-Year Plan? This is a good question. While studying and drafting the Seventh 5-Year Plan, we spent much time repeatedly pondering some major problems. What we pondered most is the question of how to gradually and appropriately improve the people's living standard and, at the same time, ensure that there is sufficient reserve strength for economic development in the Eighth or even the Ninth 5-Year Plan periods. This is perhaps the biggest and most difficult problem for us.

We have noticed that some countries have laid too much emphasis on the construction of basic facilities when making development plans. As a result, the people's living standards cannot be raised. If this situation continues for a long time, the masses of people will find it intolerable because their livelihood is not improved. Some other countries have used too much of their national income to raise the people's living standards. As a result, the trend of vigorous development in their economic construction cannot be maintained due to the loss of superiority of their economy. It often happens that a good situation cannot last long or can only be further developed after a long period of stagnation. We have also noticed the situation in your country. Unlike some other countries, you have not raised the living standard so high but have relied on your own efforts to develop the economy, thus achieving great successes. In view of the above-mentioned three situations, when drafting our Seventh 5-Year Plan, we adopted a policy of gradually improving the people's living standard while making a good arrangement for the construction of basic facilities to ensure reserve strength for future economic development. It took most of our time to ponder problems in this respect.

Relations Between the Central and Local Authorities

The second question, relations between the central and local authorities. In my opinion, this is not difficult to understand. China is a unified country. Generally speaking, the local authorities should be subordinate to the central authorities. The problem is how to grant local authorities more decision-making power so that they can play a greater role. If the local authorities had excessive power, it would be harmful to national construction as a whole. However, if their power were too limited, or everything were monopolized by the central authorities, the sense of responsibility of local authorities would be weakened and their initiative would not be brought into full play. This would also be harmful to national construction. Especially in a country as large as China, if the local authorities were not granted certain powers and all problems were solved by the central authorities, bureaucracy in the central authorities would certainly be very serious. Our policy on relations between the central and local authorities has been worked out in light of this. As the situation varies from place to place, the power granted to them also varies.

Strategy for Developing the Changjiang Delta

The Changjiang Delta is a richly endowed area in China, a bit like the area from Tokyo to Osaka. The two areas are very much alike. Our policy is to speed up the development of the Changjiang and Zhujiang Deltas and to enable them to play a leading role in national economic development. The Changjiang Delta comprises three groups of localities: the first group is Shanghai; the second group comprises Shuzhou, Wuxi, and Changzhou; and the third group comprises Jaixing, Hangzhou, and Ningbo in Zhejiang. Our policy is to enable the three areas to develop more quickly, but the concrete policies are not entirely the same. Shanghai's most serious problem is that the construction of basic facilities has been quite unsuccessful over the past several decades. It has lagged behind in this regard. We plan to devote great efforts to building basic facilities in this city. Now that the municipality is open to the outside world, the main obstacle to its cooperation with foreign countries and other regions is its shortage of basic facilities. We must therefore try to make the construction of basic facilities a success. Since last year, we have been doing this. We will continue with the work this year. We expect success in about 10 years.

Suzhou, Wuxi, and Changzhou are gradually becoming an independent economic unit. This area has close ties with Shanghai, but also has its own development. It is necessary to enable this area to rely on its own strength to develop construction. Jiaxing and Hangzhou should continue to maintain close ties with Shanghai, but from a long-term point of view, they should also establish close ties with Ningbo.

In agriculture, grain supply of this area is generally self-sufficient or slightly insufficient. In the countryside of this area, there is a trend for people to specialize in agriculture production and for small household agriculture and cooperative agriculture on a household basis to develop. There is also a trend to mechanize farm work. A large number of peasants will engage in industrial production in counties and towns and gradually become county and town residents. Changes are beginning to take place in the Suzhou-Wuxi-Changzhou area in respect of old style and small-scale farming and small peasant econony on a household basis, and more and more land has been concentrated in the hands of good farmers. The division of labor among specialized households engaging in plant farming is becoming more evident with each pasing day. Around one-half or two-thirds of the peasants will leave agriculture and engage in town and township industry or small-scale industry at the county level.

In industry, apart from Shanghai, which is the major industrial center, other localities of the delta should stress machining, small-scale industry, light industry, and the textile industry in light of their own conditions and then develop the processing industry catering to the needs of exports and the whole nation. Grain production in this area will gradually decrease while production of industrial crops will gradually increase. Grain will be supplemented by the northern Jiangsu plain and Anhui and Jiangxi provinces. Our policy encourages this trend of development. Of course, they (referring to this area) are very cautious and are reducing grain production and increasing purchases from other areas step-by-step so that their pace will not be too rapid.

Financial Policy for the Open Areas

Another question concerns financial support. At present, in the open areas like Suzhou, Wuxi, and Changzhou, the question is not how much financial support the central authorities should offer to them, but vice versa, because a large portion of their revenue should be used to support the whole nation. For example, for Shanghai, we are adopting a financial system of sharing in proportion, and this proportion changes from time to time.

In the initial stage of the Sixth 5-Year Plan period (1979-1980), the proportion of what Shanghai turned over to the central authorities was higher than at present. Over the past 5 years, since the state's financial situation has improved and the development of other areas has been accelerated, the portion of financial revenue retained by Shanghai has also increased. Along with the continuous development of the economy, Shanghai's burden will continue to be reduced, so that it can have more money for its own development. Revenues from Suzhou, Wuxi, and Changzhzou are included in Jiangsu province's financial revenue. There is also a proportional relationship between Jiangsu and the central authorities and between the provincial authorities and these cities. Now the provincial aulthorities are also adopting a more relaxed policy toward the three cities, reducing the proportion of revenue they turn over. This is because the northern Jiangsu area has also been developed step-by-step.

Perfect Macromanagement

Regarding macromanagement, we have established a macromanagement system in the economic, administrative, and legal fields. Of course, our system and laws are still imperfect and need constant improvement. A difference between our country and other countries is that we have the party leadership, which is the leadership in the ideological field and which carries out management within the party and among party members. Party leadership is suited to the system and laws of the state.

The Speed of Economic Development

The annual economic growth rate set by the Sixth 5-Year Plan was 5 percent, but it actually reached 10 percent. However, this was not reached all at once. In the first 2 years, during the period of economic readjustment, the growth rate was between 4 and 5 percent. In the next 3 years, it began to rise, and in 1985 it reached 17 percent. The so-called development at an excessively high growth rate was started in the second half of 1984. It reached its height in the period between the second half of 1984 and the first half of 1985. We tried in many ways to reduce the rate, which began to drop in of the third quarter of 1985. According to initial estimates, the growth rate this year is 7 percent. The supply of fuel, electric power, and raw materials can generally suit the situation, but transport alone still cannot. A great difference between China and your country is that you rely largely on the external market, but we rely mainly on our domestic market. Most of the fuel, raw materials, and fodder used by your country are imported and the proportion is great, but to us, this proportion is relatively small. We produce what we eat, as well as fodder and most industrial raw materials. We must have some reserve strength. We have a shortage of steel products, nonferrous metals, and timber. The shortage of steel products and nonferrous metals is due to low output. The shortage of timber is due to our unwillingness to fell trees or to expend our limited timber resoursces. This is why we import it, just as you do. For this reason, our economy has some resemblance to Japan's economy. But since the national situations differ, we cannot entirely copy Japan's method.

Foreign Trade

Although there are some unfavorable conditions for China's foreign trade this year, last year's performance can generally be maintained. The unfavorable conditions mainly refer to the following: 1) The fall in oil prices on the international market; and 2) the fall in prices of farm products on the international market; and 3) the effects of worldwide trade protectionism on China's textile exports. These are all unfavorable conditions for China's exports this year.

Since we have to consider our future development, such as development after 1990, we cannot reduce the import of certain goods. However, the import of some other products, such as television sets and radio cassette recorders, should be reduced this year. Although China does not have much foreign exchange reserves, it has some gold reserves. In addition, China's foreign debts are quite insignificant. Thus, there will be no serious problems in China's foreign trade this year.

China did not have a deficit last year, and it can be expected that there will be no deficit this year either. In capital construction, last year's level will be maintained. Nearly one-third of the GNP will be used for accumulation. This proportion is undoubtedly higher, but we have to do so in order to lay a sound basis for development in the coming decades.

During the Sixth 5-Year Plan period, there appeared some good phenomena, such as the great increase of agricultural products, which lightened our burden; the great increase in the number of people obtaining jobs; and the improvement in the coal supply.

This is China's general economic situation.

JI PENGFEI STRESSES NO SOCIALISM IN HONG KONG

HK270300 Hong Kong WEN WEI PO in Chinese 26 Apr 86 p 1

[Report by reporter: "Ji Pengfei Stresses That It Is a National Policy That Hong Kong Will Not Practice Socialism"]

[Text] Beijing, 25 Apr -- Ji Pengfei, a state councillor and the director of the Hong Kong and Macao Affairs Office, today received a 6-person visiting group from the Hong Kong Engineers' Association, including Chen Zhaoyuan, at the Great Hall of the People. Ji Pengfei said that the structure of the Basic Law for Hong Kong has been worked ut and that it will be further perfected and enriched in the future. The Fundamental issue is to implement and carry out the policy of "one country, two systems," and that Hong Kong will not practice socialism. This is a national policy and will be clearly defined in the form of law. It is hoped that compatriots in Hong Kong will feel relieved.

Ji Pengfei also said that after 1997, Hong Kong's system of education, science, technology, culture, and so on will also basically remain unchanged.

After listening about the work of the Hong Kong Engineers' Association, Ji Pengfei said that the association works very well and has united many engineering and technical personnel. He hopes that the association will train more qualified people and unite and bring along more people, so as to contribute to the prosperity and stability in Hong Kong. After 1997, Hong Kong will need more professionals. The current work will lay a foundation for future development.

Chen Zhaoyuan praised the success of the drafting work of the Basic Law, believes in and supports the concept of "one country, two systems," and hopes for more exchanges and cooperation with counterparts in the interior.

DAILY REPORT

China

Vol I No 083 30 April 1986

PRC INTERNATIONAL AFFAIRS

GENERAL

Ministry of Nuclear Industry Studying Soviet Accident [AFP] A 1
Radiation Affects Scandinavia A 1
Cui Yueli Addresses World Health Meeting in U.S. A 1
USSR-U.S. Air Service Resumes After 4 Years A 2

UNITED STATES

Yang Dezhi Leaves for U.S. Visit 29 April B 1
News Analysis Views U.S. Stand at Tokyo Summit B 1
Increased Sino-U.S. Trade; Up 27 Percent in 1985 B 2
PRC To Import Rubber Technology From U.S. B 3
Shipping Service to Alaskan Harbors To Open B 3

NORTHEAST ASIA

XINHUA Views Issues for Upcoming Tokyo Summit D 1
NPC Vice Chairman Welcomes Japanese Musicians D 2
IOC President Meets North Koreans in Beijing [KYODO] D 2

SOUTH ASIA

Banqen Lama Departs for Australia [AFP] F 1
Indian President on Friendship With PRC F 1
India's Progress in Nuclear Programs Noted F 1

EASTERN EUROPE

Ceausescu Interviewed on Human Rights, Other Issues H 1
Zheng Tuobin Meets GDR Foreign Trade Official H 1

MIDDLE EAST & AFRICA

Zhang Jingfu Holds Talks With QAR Officials I 1
Meets Deputy Prime Minister I 1
Talks With Prime Minister I 1
Guinea Bissau Parliamentarians Arrive for Visit I 1
Meet Peng Zhen I 1
Feted at Banquet I 2
Sino-Iraqi Cooperation Accord Signed in Baghdad I 3
Algerian Minister Attends Economic Meeting in Beijing I 3
Meets Ulanhu, Wu Xueqian I 3
Trade Protocol Signed I 3

WESTERN HEMISPHERE

Xi Zhongxun Meets Venezuelan Socialists J 1
Canadian Leader Pleased With Coming PRC Visit J 1
LIAOWANG on U.S. Dual Tactics Toward Latin America [14 Apr] J 1

PRC NATIONAL AFFAIRS

Licences of Party, State-Run Enterprises Revoked K 1
'Roundup' Views Ups, Downs of Economic Reforms K 1
XINHUA Urges Eliminating 'Unhealthy Tendencies' K 2
LIAOWANG Examines Reform Tasks for 1986 K 3
[21 Apr]
RENMIN RIBAO Advocates 'Realistic' Reporting [25 Apr] K 5
LIAOWANG Hails Completion of NPC Session [14 Apr] K 6
HONGQI on Eradicating Superstitious Activities [16 Apr] K 8
Production of Goods Meeting Consumer Needs Emphasized K 10
[RENMIN RIBAO 26 Apr]
JINGJI GUANLI on Unhealthy Trends in Coal Mining [5 Feb] K 11
Zhang Jingfu on Recruiting 'Foreign Intellect' K 15

PRC REGIONAL AFFAIRS

EAST REGION

Jiangsu Provincial Congress Session Ends 29 Apr O 1
Liang Buting Unveils Shandong Martyrs Monument O 1
Liang Buting Praises Shandong Workers on Progress O 2
Shanghai's Rui Xingwen at People's Congress Meeting O 2
Zhejiang: Wang Fang Addresses Defense Work Meeting O 3

SOUTHWEST REGION

Yunnan People's Congress Session Opens 25 Apr Q 1
Yunnan Meeting Reviews United Front Achievements Q 1

NORTHWEST REGION

Qinghai Governor Outlines Seventh 5-Year Plan Goals T 1
Bai Jinian Details Shaanxi Water Conservancy Work T 1
[SHAANXI RIBAO 18 Apr]
Shaanxi Defense Industry Production Meeting Concludes T 2

TAIWAN

Former PRC Air Force Pilot Arrives From S. Korea [CNA] V 1
Further Report [AFP] V 1
USSR-Type Nuclear Accident Unlikely in Taiwan V 2
Nuclear Power Plant Gas Leak Injures 6 People [AFP] V 2

HONG KONG MEDIA ON CHINA

PRC Applies for Participation in Seoul Olympics W 1
[HSIN WAN PAO 29 Apr]
KUANG CHIAO CHING Analyzes PRC's 'Tiger-Beating' Drive W 2
[16 Apr]

MINISTRY OF NUCLEAR INDUSTRY STUDYING SOVIET ACCIDENT

HK300640 Hong Kong AFP in English 0630 GMT 30 Apr 86

[Text] Beijing, April 30 (AFP) -- China's Ministry of Nuclear Industry is "studying carefully" the accident at the Soviet nuclear power plant in the Ukraine, an official said here Wednesday.

A ministry spokesman told AGENCE FRANCE-PRESSE that it was premature to comment on the accident, which reportedly might have left some 2,000 people dead, in the absence of sufficient information.

He said he did not know if the accident would threaten plans for a trip to the Soviet Union by a Chinese delegation of nuclear specialists to study possible Sino-Soviet cooperation in nuclear energy. The study trip was announced at the beginning of the month by Vice Premier Li Peng, following a proposal from Soviet Vice Premier Ivan Arkhipov on the transfer of Soviet nuclear technology to China.

The Chinese press reported the accident at Chernobyl without comment Wednesday.

Almost all of China's nuclear experts received their training in the Soviet Union in the 1950's before the two countries split over ideological issues in 1960.

China paid close attention to the 1979 accident at the Three Mile Island nuclear power plant in Pennsylvania.

An official at the Qinshan nuclear power station being built in the eastern province of Zhejiang said that the U.S. accident had been one of the reasons for the delay in launching China's own nuclear power program. The ministry has just given the go-ahead for the construction of two more Chinese nuclear power plants to be built without direct foreign participation.

Radiation Affects Scandinavia

OW291853 Beijing XINHUA in English 1845 GMT 29 Apr 86

[Text] Stockholm, April 29 (XINHUA) -- A wave of radiation caused by a leak from a Soviet nuclear power station swept most areas of the four Nordic countries of Sweden, Norway, Finland and Denmark in the past two days, said reports reaching here. The highest levels of radiation were detected in Finland, where readings in the north and center were reported to be up to six times normal. In Denmark, officials said radioactivity was reported to be between two and five times higher than normal. Swedish officials said the radiation had drifted across the sea after a leak at a Soviet nuclear station north of the Soviet city of Kiev. Swedish Energy Minister Brigitta Dahl asked for an extensive report about the accident from the Soviet authorities. She said the Soviet Union should have notified its neighboring countries after the accident.

Meanwhile, Denmark has demanded a written explanation from the Soviet Union about the accident.

CUI YUELI ADDRESSES WORLD HEALTH MEETING IN U.S.

OW291024 Beijing XINHUA in English 0903 GMT 29 Apr 86

[Text] Washington, April 28 (XINHUA) -- Chinese Public Health Minister Cui Yueli introduced to the Global Consultation on Health inaugurated in Atlanta today the achievements China has made in public health and measures it will take to solve the existing problems in this field.

He was invited by former U.S. President Jimmy Carter, who initiated the Global Consultation on Health to discuss factors harmful to health and countermeasures. Present at the meeting were more than 100 representatives from above 20 countries, representatives of the World Health Organization (WHO), the United Nations International Children Emergency Fund (UNICEF) and the World Bank, and several hundred people from relevant U.S. organizations.

Speaking at the consultation, the Chinese minister said that China has achieved great successes in preventing and curing acute infectious diseases and other severe diseases because of its policy of "putting prevention first" in medical work. He said that with the industrial development and the emergence of a large number of rural enterprises, China faces great challenges to prevent pollution and protect the people's health. The major strategies she will adopt to eliminate the old and new risk factors affecting the people's health are as follows:

1. Further establishing and perfecting the medical and health network throughout the urban and rural areas, with emphasis on the build-up of medical and health institutions at the country and township levels in the countryside.
2. Implementing an all round immunization program, raising the coverage rate and quality of innoculation.
3. Accomplishing the task of providing safe and clean drinking water for 80 percent of the rural population by the year of 1990.
4. Strengthening medical and public health legislation and enforcement, supervising and managing environmental sanitation, labor and food hygiene and sanitation of public areas.
5. Focusing efforts on the 100 subjects which have been selected as priority fields of research in medicine and pharmacology.
6. Promoting diversified public health education program, setting up patriotic health campaigns centered on cleanliness, afforestation and beautification of the environment, and encouraging sports activities and conducting publicity and education against smoking.

The Chinese minister was met by Carter last night. They exchanged views on public health in developing countries.

USSR-U.S. AIR SERVICE RESUMES AFTER 4 YEARS

OW291729 Beijing XINHUA in English 1644 GMT 29 Apr 86

[Text] Moscow, April 29 (XINHUA) -- A Soviet Ilyushin-62 left Moscow's Sheremyetevo Airport for Washington this morning with 80 passengers on board, becoming the first Soviet airliner to fly to the United States in four years. According to the Soviet official newspaper PRAVDA, a Pan American Airlines Boeing-727 is expected to arrive in Moscow later today.

The air service between Moscow and Washington began for the first time in April, 1974, but was suspended in January, 1982, because of a deterioration in relations between the two countries. However, under a new agreement drawn up after last November's Geneva summit between Soviet leader Mikhail Gorbachev and U.S. President Ronald Reagan each country will make four return flights weekly beginning this April. The Soviet service, from Moscow to Washington and New York, will include a stop-over in Gander, Newfoundland. The Pan American flight from New York will be made by a Boeing-747 jumbo jet until Frankfurt, Federal Germany where passengers will switch to a smaller Boeing-727 for the final Moscow leg.

YANG DEZHI LEAVES FOR U.S. VISIT 29 APRIL

OW291440 Beijing XINHUA in English 1431 GMT 29 Apr 86

[Text] Beijing, April 29 (XINHUA) -- Yang Dezhi, chief of general staff of the Chinese People's Liberation Army (PLA), left here tonight for a visit to the United States at the invitation of General William J. Crowe, chairman of the U.S. Joint Chiefs of Staff. Upon departure, Yang said that he was going to meet old friends and make new ones in the United States.

He described the visit as a return visit after a China visit in January of last year by General John Vessey, then chairman of the U.S. Joint Chiefs of Staff, and William J. Crowe, then commander-in-chief of the Pacific Command. Yang is expected to see some military facilities and exchange views with his U.S. colleagues on issues of common concern.

Seeing him off at the airport were State Councillor and Minister of National Defense Zhang Aiping, director of the PLA general logistics department Hong Xuezhi and U.S. Ambassador to China Winston Lord.

NEWS ANALYSIS VIEWS U.S. STAND AT TOKYO SUMMIT

OW291732 Beijing XINHUA in English 1634 GMT 29 Apr 86

["News Analysis: Reagan To Push Partners To Open Markets Wider to U.S. Products" (by Zhao Zijian) -- XINHUA headline]

[Text] Washington, April 28 (XINHUA) -- The Reagan administration will make use of the Tokyo economic summit of the seven major industrialized countries to try to convince America's trading partners that the best way to subdue the growing protectionism in the U.S. Congress is to open their markets wider to U.S. products.

The Reagan administration's tactic is not new, but the Tokyo summit offers a good occasion for Reagan to directly negotiate with leaders of such major trading nations like Japan and Federal Germany. The summit, to be opened on May 4, will be also attended by leaders of France, Britain, Canada and Italy.

Reagan and his trade officials intend to urge Japan to honor its promise to boost domestic demand and imports, to argue with Federal Germany to heat up its economic growth, and to prompt the leaders of other nations to agree on a new round of global trade talks in which the U.S. has special interests such as the protection of patents and the liberalization of trade in services.

Over the past few years, the U.S. has witnessed growing trade woes mainly due to the overvalued dollar. Last year, merchandise trade deficit for the U.S. hit a record of 148.5 billion dollars, leading to increased demand from some domestic industries for a reduction of certain imports to protect the U.S. interests.

Special interest groups have channelled their demands through both the Democrat-controlled House of Representatives and the Republican-dominated Senate, both of which face re-election later this year.

The Reagan administration has repeatedly voiced its opposition to trade protectionism for fear that protectionist moves on the part of the U.S. may arouse retaliations from its trading partners.

However, while citing the sentiments of protectionism of the Congress at the "specter," the Reagan administration has been moving towards protectionism all the time, sometimes in nicely disguised forms.

For example, it has singled out Japan as the main source of U.S. growing trade deficit. A task force of the Reagan administration has ruled that Japan had dumped electronic products in the U.S. market and higher tariffs will be put in force to "offset the loss" of U.S. electronics companies. Reagan administration officials argued that Japan only exports, thus ruining the way the international trade is conducted. U.S. Ambassador Mike Mansfield to Japan told a panel of leading Japanese businessmen recently in Tokyo that "the key word is access. We want you to open your market more" otherwise the Congress will come up with more bills to restrict imports from Japan.

The picture is the same in U.S.-European trade. The Reagan administration threatened to retaliate against the European Economic Community (EEC) if the EEC restricts U.S. grain exports to Spain and Portugal, two new members of the custom union.

Meanwhile, the Congress is reinforcing Reagan's trade stance by pushing hard for trade protections. Last week, the Senate finance committee almost denied Reagan of authority to negotiate a free trade act with Canada, and the House will introduce a catch-all trade bill this week including restricting imports of Japanese electronics and helping the U.S. retaliate against its trading partners.

So Reagan and his aides will go to Tokyo armed with the powerful weapon of "protectionist threat from the Congress," as they indicated last week. Reagan and his party will "push freer trade" at the summit" [quotation marks as received] by highlighting the pressures from the Congress.

INCREASED SINO-U.S. TRADE UP 27 PERCENT IN 1985

OW291627 Beijing XINHUA in English 1549 GMT 29 Apr 86

[Text] Washington, April 28 (XINHUA) -- U.S. trade with China rose 27 percent to a record 7.7 billion U.S. dollars last year, the U.S. International Trade Commission reported today. According to the report, in 1985 China exported slightly more to the United States than the U.S. exported to China. China's exports to the U.S. were valued at 3.9 billion dollars, while U.S. exports to China totalled 3.8 billion.

In 1985, China increased its sales of clothing, crude oil and chemicals to the U.S., while China's import of American machinery and transport equipment more than doubled over the previous year to 1.9 billion dollars, offsetting a drop in American sales of wheat.

The report said that restrictions on certain U.S. goods, formally prohibited for sale to China for security reasons, have been recently relaxed. But, according to the first 1985 figures released in Beijing by China's customs office, two-way trade between China and the United States hit a record 7.16 billion U.S. dollars, an increase of 11 percent over 1984. And China incurred a deficit of 2.66 billion dollars.

China's exports to the United States came to 2.25 billion dollars in 1985, down 7 percent from 1984, while China's imports from the U.S. rose to 4.91 billion dollars in 1985, up 22 percent from 1984, the Chinese customs office said.

The difference between the U.S. and Chinese figures is a result of the two distinct ways the countries compile data.

For example, according to the U.S. legislation of the "country of origin", textiles imported by the U.S. from other countries and regions may be considered as Chinese exports if these textiles were originally produced in China.

PRC TO IMPORT RUBBER TECHNOLOGY FROM U.S.

OW291633 Beijing XINHUA in English 1506 GMT 29 Apr 86

[Text] Beijing, April 29 (XINHUA) -- An agreement was concluded here today for China to import three production lines and finishing technology to manufacture neoprene synthetic rubber from the United States. The agreement, which is worth 10.2 million U.S. dollars, was signed by the China National Chemical Construction Corporation and Du Pont Company of the United States.

Under the agreement, the three production lines with a total annual capacity of 30,000 tons of neoprene synthetic rubber, will be located in Qingdao, Shandong Province; Datong, Shanxi Province; and Changshou, Sichuan Province. The production lines are scheduled for installation by the end of 1987. Du Pont will help train 15 Chinese technicians, and install and operate the lines.

Neoprene synthetic rubber is widely used in the production of machinery, automatic devices, adhesives, and electric wire and cables. The largest neoprene synthetic rubber producer in the world, Du Pont has transferred four items of technology to China, including hydrogel explosive technology.

SHIPPING SERVICE TO ALASKAN HARBORS TO OPEN

OW291624 Beijing XINHUA in English 1522 GMT 29 Apr 86

[Text] Dalian, April 29 (XINHUA) -- China has opened a shipping service to the state of Alaska, the United States. A 19,000-ton oil tanker, the "Yangchenghu", returned to this leading port in Liaoning Province on Sunday from a voyage to Kenai Harbor in Alaska. Another oil tanker, the 60,000-ton "Kunminghu" of the Dalian Ocean-Going Shipping Corporation, is scheduled to sail the route next month.

XINHUA VIEWS ISSUES FOR UPCOMING TOKYO SUMMIT

OW291156 Beijing XINHUA in English 1116 GMT 29 Apr 86

["Roundup: Tokyo Summit -- Roses and Thorns (by Liu Wenyu)" -- XINHUA headline]

[Text] Tokyo, April 29 (XINHUA) -- Leaders of seven industrialized countries will converge on Tokyo on May 4 for their 12th annual summit to exchange views on urgent international issues and to coordinate their relations.

Stabilizing currency exchange rates, assisting debt-stricken developing countries and international trade matters will be high on the agenda of the seven leaders. In general, Western countries are enjoying an economic boom caused by a stability in inflation and a sharp decline in oil prices. The summiteers will undoubtedly exert all efforts to maintain the momentum of their economic growth.

However, the picture is not all rosy; all the countries are facing thorny economic problems. The United States has little ability to boost the world economy because of its huge financial deficits. The industrial structural adjustments in Europe still have a long way to go. Japan's 50 billion U.S. dollars trade surplus last year is a source of grievance for Western countries who want Japan to expand its market and increase imports. The European Community complains that "the system of Japanese export surplus has caused an intolerable tension in international trade."

Japanese Prime Minister Yasuhiro Nakasone visited the United States before the summit and promised to change Japan's export-oriented economic structure and to expand its market in an effort at winning U.S. support. However, Japan is worried by yen's appreciation. On April 23, the yen exchange rate stood at 167.85 for one dollar on the Tokyo foreign exchange market. Japan asked Western states to help it stabilize the yen, but the European countries and the United States not only refused to do so, but actually called for an even greater appreciation of the yen.

The heads of the seven countries are expected to address the issue of assistance for developing countries and the thorny debt problems of these countries. According to a World Bank estimate, the total debts of developing countries will reach 1,000 billion U.S. dollars at the end of this year as a result of economic recession around the world, high interest rates and the low price of primary commodities exported by developing countries. It is doubtful that the summit will resolve these matters to the benefit of Third World countries.

U.S. President Ronald Reagan is expected to brief other countries on relations with the Soviet Union and on developments on nuclear disarmament. The seven nations will also discuss the foreign strategy of Soviet leader Gorbachev and discuss their co-ordinated response.

President Reagan is expected to ask for firm measures to combat international terrorism at the meeting, but most delegates are unlikely to support the U.S. air raid on Libya. The Soviet Union responded strongly to the U.S. move and suspended the foreign ministerial meeting scheduled for mid-May to discuss the second summit between the two countries.

The Soviet Union also sent many newly-developed weapons to Libya and deployed its guided missile cruiser near the port of Tripoli. On April 23, it issued a governmental statement calling for an international conference on the Asian-Pacific regions. In the light of the tense international situation, the leaders are expected to emphasize the importance of maintaining unity. It is expected that general agreement will be reached on a condemnation of international terrorism at the summit.

Based on previous summits, no surprises are likely at the Tokyo summit. But Japan's Foreign Ministry officials believe, "The summit will be a success, if it does not reduce to a debate on the conflicts between the member countries, and it will be of great significance if it can lead to a frank exchange of views on dealing with Gorbachev's government."

NPC VICE CHAIRMAN WELCOMES JAPANESE MUSICIANS

OW291442 Beijing XINHUA in English 1132 GMT 29 Apr 86

[Text] Beijing, April 29 (XINHUA) -- A visiting group of more than 100 Japanese traditional musicians was given a reception here today by the China International Cultural Exchange Center. The group is being led by Osamu Murata, president of the Japanese Association for Promotion of Social Culture, and Sumiko Tanii, president of Tamanohakai.

Cheng Siyuan, vice-chairman of the Council of the China International Cultural Exchange Center, expressed a warm welcome to the group on behalf of Peng Chong, chairman of the Standing Committee of the National People's Congress.

Cheng said their performances in China would promote cultural links between China and Japan.

Osamu Murata said they hoped they would make many Chinese friends during their visit.

Present at the reception were Chen Haosu, vice-major of Beijing, and Li Huanzhi, chairman of the China Association of Musicians.

The Japanese mission arrived here Monday.

IOC PRESIDENT MEETS NORTH KOREANS IN BEIJING

OW301137 Tokyo KYODO in English 1021 GMT 30 Apr 86

[Text] Beijing, April 30 KYODO -- Juan Antonio Samaranch, president of the International Olympic Committee (IOC), met with a North Korean delegation here Wednesday, and observers presumed he urged Pyongyang to participate in the 1988 summer games in Seoul. Disclosing the meeting, a source at the Chinese National Olympic Committee did not elaborate beyond saying the it lasted about half an hour. It was not known whether any Chinese officials were present at the meeting.

Samaranch was in Beijing on his way from Seoul where he attended a series of olympic meetings.

Pyongyang wants co-sponsorship of the Seoul Olympics, demanding that about half of the games events should be held in North Korea.

BANQEN LAMA DEPARTS FOR AUSTRALIA

HK281430 Hong Kong AFP in English 1415 GMT 28 Apr 86

[Text] Beijing, April 28 (AFP) -- The exiled Dalai Lama's calls for independence for Tibet are harmful to the territory's interests, the second-ranking Tibetan spiritual leader the Banqen Lama said here Monday. He was speaking to foreign reporters before leaving on a visit to Australia, his first trip abroad in 30 years.

The Banqen Lama stressed that Tibet was a Chinese territory "liberated from (Angola-Indian) imperialist domination in 1951" by Communist China. He also reaffirmed that China wanted the Dalai Lama, who has been living in exile since fleeing to India after a failed anti-Chinese uprising in 1959, to return to China -- but on condition that he lives in Beijing, not Tibet. "One can serve Tibet better from Beijing," said the Banqen Lama, who is also vice-president of the permanent committee of the Chinese Parliament and himself lives in Beijing. He said that he and the Dalai Lama wrote to each other, and that he had personally appealed to the Dalai Lama to return. The Dalai Lama was "a friend in religion, but we have political differences," the Banqen Lama said.

He refused to comment when asked if his inclusion in a delegation of Chinese parliamentarians visiting Australia from Tuesday until May 10 signalled recognition by Canberra of the current status of Tibet.

INDIAN PRESIDENT ON FRIENDSHIP WITH PRC

OW250226 Beijing XINHUA in English 0147 GMT 25 Apr 86

[Text] New Delhi, April 24 (XINHUA) -- Indian President Zail Singh here today expressed his hope to further strengthen the traditional friendship between India and China. Receiving a 12-member Indian children and youth delegation which is leaving for China on a friendly visit on April 28, President Zail Singh said India and China have been friendly neighbors for generations and China is a country with long history. He said the children and youth delegation could "play a more important role than diplomatic missions" in strengthening the friendship between the two countries, because children "speak nothing more than the truth." The president requested Chinese Ambassador Li Lianqing, who was also present at the reception, to convey his thanks to the Chinese leaders who had kindly arranged the visit of the delegation. In reply, Li Lianqing said he hoped Indian youths "will continue to promote the Sino-Indian friendship from generation to generation."

INDIA'S PROGRESS IN NUCLEAR PROGRAMS NOTED

OW291248 Beijing XINHUA in English 1226 GMT 29 Apr 86

[Text] New Delhi, April 29 (XINHUA) -- India made remarkable progress in its nuclear program during the fiscal 1985-86, according to an annual report published here today by India's Department of Atomic Energy. The completion of the indigenously designed and built research reactor 'Dhruva' at Trombay, the commissioning of the second unit of the Madras atomic power station and the achievement of critically of the fast breeder test reactor at Kalpakkam, were listed in the report as major achievements during the year. Bhabha atomic research center also made progress in developing nuclear robots to facilitate automation in atomic power plants. And it has developed a copper vapor laser for pumping dye laser which is capable of spectral tuning and narrowing of the output. In addition to the above-listed progress, a verification plant for the management of high level radio-active wastes was commissioned at Tarapur. Preparation for construction of a 500-megawatt pressurized heavy water reactor was also underway.

CEAUSESCU INTERVIEWED ON HUMAN RIGHTS, OTHER ISSUES

OW290914 Beijing XINHUA in English 0659 GMT 29 Apr 86

[Text] Bucharest, April 28 (XINHUA) -- Capitalism, like slavery and feudalism, is not eternal, and socialism is inevitable for mankind, said Romanian President Nicolae Ceausescu. But there are diverse roads leading to socialism and there is no set pattern for it, Ceausescu noted in an interview with the Swiss newspaper "TRIBUNE DE GENEVE" on April 9. He said that the Soviet Union takes one road and China another. Romania has its own solution and other countries have other solutions.

Ceausescu made this statement in response to questions concerning the "anti-communist propaganda" disseminated by some people over the issue of human rights. The problem of human rights does not exist in Romania, Ceausescu said. And the arguments of some countries that the basic human right is the right to emigrate is designed to cover up the old policy of the "brain drain," he said. Ceausescu said although he does not favor emigration, Romania has recently solved a large number of cases of reunions of families and mixed marriages.

Ceausescu also stated in the interview, which was carried by the Romanian press, that in the next five years, his country will clear its foreign debts, half of which had been repaid over the past five years. Romania's foreign debt stands at about four billion U.S. dollars, allowing for the debts owed by other countries to Romania, Ceausescu said earlier on another occasion. To accelerate the repayment of its foreign debts, Romania has striven to increase exports and reduce imports in hopes of registering more trade surplus. The country ran a total trade surplus of 10.1 billion U.S. dollars during the last five years, official statistics show.

But Romania's efforts for repayment have been impaired by negative factors in international economic relations. An official bulletin released in February said Romania suffered a loss of five to six billion dollars in its exports during the previous five year period due to the lower prices forced down by the West. Romania also suffered from the policy of high interest rates. It had to pay two billion dollars more of interest because of higher interest rates.

In the April 9 interview, the Romanian president criticized the policy of high interest rates, pursued by the West, particularly the United States, for the great damage done to developing countries. To fulfill the goal of dissolving its foreign debts in five years, Romania has decided not to incur new debts except commercial credit. Other efforts included upgrading technologies in production to raise the quality of products.

ZHENG TUOBIN MEETS GDR FOREIGN TRADE OFFICIAL

OW291204 Beijing XINHUA in English 1135 GMT 29 Apr 86

[Text] Beijing, April 29 (XINHUA) -- Zheng Tuobin, minister of foreign economic relations and trade, met Jochen Steyer, vice-minister for foreign trade of the German Democratic Republic, here today. Steyer also met today, Jia Shi, chairman of the China Council for the Promotion of International Trade. The two sides exchanged views on the holding of trade exhibitions in each other's countries. Steyer arrived here April 24. He visited the export commodities fair in Guangzhou and discussed with the Chinese side on the expansion of bilateral economic relations and trade. The Democratic German visitor is expected to leave here for home later today.

ZHANG JINGFU HOLDS TALKS WITH QAR OFFICIALS

Meets Deputy Prime Minister

OW281744 Beijing XINHUA in English 1634 GMT 28 Apr 86

[Text] Sanaa, April 28 (XINHUA) -- The visiting Chinese State Councillor Zhang Jingfu and Yemeni Deputy Prime Minister Muhammad Sa'id al-'Attar this morning held talks on ways of promoting the friendly cooperation between the two countries in economic and other fields.

The two sides expressed their satisfaction with the development of the cooperation in the past years between the two countries on the basis of mutual trust, support for each other, equality and mutual benefit. Both of them expected a bright prospect for further cooperation in economic and technical fields.

The Chinese side appreciated the successes made by the Yemeni Government and people in safeguarding national independence, developing national economy and raising the people's living standard and admired the Yemeni foreign policy of pursuing non-alignment, defending the Arab unity and supporting the Palestinian cause.

The Yemeni side spoke highly of China's successes in its national construction and independent and peaceful foreign policy.

After their arrival on Sunday, Zhang Jingfu and his party met with Yemeni Under Secretary of the Foreign Ministry Ahmed Eriani [name as received] and exchanged views on the international issues of common concerned with him.

Talks With Prime Minister

OW291702 Beijing XINHUA in English 1647 GMT 29 Apr 86

[Text] Sanaa, April 29 (XINHUA) -- Arab Yemeni Prime Minister 'Abd al-'Aziz 'Abd al-Ghani met with the visiting Chinese State Councillor Zhang Jingfu here today. Prime Minister 'Abd al-Ghani spoke highly of the four principles of "equality and mutual benefit, stress on practical results, diversity in and achievement of common progress" which have been followed by China in its economic and technical cooperation with the Third World countries. He expressed his satisfaction with the development of the Yemeni-Chinese friendly cooperation in various fields, particulary in the economic field.

Zhang Jingfu said the friendly cooperations between China and Yemen are sincere. He appreciated Yemen's foreign policy of neutrality and non-alignment and its position of safeguarding the Arab unity and supporting the Palestinian people in their struggle. Zhang Jingfu arrived Sanaa on Sunday and held talks Monday with Arab Yemeni Deputy Prime Minister Muhammad Sa'id al-'Attar on strengthening the bilateral relations.

GUINEA BISSAU PARLIAMENTARIANS ARRIVE FOR VISIT

Meet Peng Zhen

OW291546 Beijing XINHUA in English 1513 GMT 29 Apr 86

[Text] Beijing, April 29 (XINHUA) -- Peng Zhen, chairman of China's National People's Congress (NPC) Standing Committee, met here today a delegation from the Guinea-Bissau National People's Assembly led by its President, Carmen Pereira.

Peng told the visitors that to safeguard world peace is a common task for the Chinese and Guinea-Bissau peoples, and the people of the world. He reiterated that China follows an independent foreign policy for peace and upholds the Five Principles of Peaceful Coexistence.

The five principles, he said, are the fundamental principles China adheres to in handling its relations with other countries. They can be also taken as a fighting program for they embody the fight against imperialism, hegemonism and colonialism. He said that China and Guinea-Bissau should increase their mutual understanding and learn from each other.

Pereira thanked China for its support for the people of Guinea-Bissau in their struggle for national liberation and economic development. She said that all those with war experience know what war means. The Third World people want no more war and Guinea-Bissau is ready to fight for world peace. Vice-chairman of the NPC Standing Committee Ye Fei was present at the meeting.

Feted at Banquet

OW291631 Beijing XINHUA in English 1619 GMT 29 Apr 86

[Text] Beijing, April 29 (XINHUA) -- A delegation from the National People's Assembly of Guinea-Bissau, led by President of the Assembly Carmen Pereira, was welcomed at a banquet given by China's National People's Congress (NPC) Standing Committee here this evening. Speaking at the banquet, Vice-Chairman of the NPC Standing Committee Ye Fei said, the African countries have entered a new historic stage in which they take their economic development and the improvement of the life of their peoples as their main tasks. "Making the economy thriving and people prosperous is an important guarantee for maintaining social stability and consolidating the political independence of African countries and of the Third World as a whole," he added.

He paid tribute to the achievements of the people of Guinea-Bissau in consolidating their political power, safeguarding national dignity and developing their economy after winning independence. He spoke highly of the stand of Guinea-Bissau in international affairs. He said that the government of Guinea-Bissau pursues a policy of non-alignment, opposes power politics, condemns racism and apartheid, supports the just struggle of the South African people, and devotes itself to African unity and co-operation.

In her toast, Pereira expressed the belief that the visit of her delegation would further the existing friendship between Guinea-Bissau and China, as well as the cooperation between the two parliaments. The Guinea-Bissau visitors arrived here today for a friendship visit at the invitation of the NPC Standing Committee. Ye and Pereira held talks here this afternoon.

SINO-IRAQI COOPERATION ACCORD SIGNED IN BAGHDAD

OW252020 Beijing XINHUA in English 2003 GMT 25 Apr 86

[Text] Baghdad, April 25 (XINHUA) -- A Sino-Iraqi agreement on economic and technical cooperation was signed here today by visiting Chinese State Councillor Zhang Jingfu and Iraqi Trade Minister Hasan 'Ali on behalf of their respective governments. The agreement stipulates the spheres and principles for the economic and technical cooperation between the two countries in the next five years and provides a basis for their long-term cooperation in these fields, Zhang Jingfu said after the signing ceremony.

Under the agreement, Chinese firms will contract projects for building irrigation and drainage facilities, highways, bridges and railway in Iraq. There are now 20,000 Chinese workers and technicians working in Iraq. They belong to eight Chinese firms which provided labour service or contracted projects in Iraq.

ALGERIAN MINISTER ATTENDS ECONOMIC MEETING IN BEIJING

Meets Ulanhu, Wu Xueqian

OW281336 Beijing XINHUA in English 1317 GMT 28 Apr 86

[Text] Beijing, April 28 (XINHUA) -- China's Vice-President Ulanhu met here today Zitouni Messaoudi Algerian minister of Light Industry. Zitouni Messaoudi is here attending the second session of the Sino-Algerian mixed commission for economic, commercial, scientific and technical cooperation as the Algerian chairman of the commission. Ulanhu welcomed Messaoudi and his party to China and congratulated them on the success of the meeting of the mixed commission.

Messaoudi told the Chinese vice-president that the successful meeting would help consolidate cooperation between the two countries in various fields. He also forwarded to Ulanhu a letter from Algerian President Chadli Bendjedid to Chinese President Li Xiannian.

Chinese State Councillor and Foreign Minister Wu Xueqian met Messaoudi this morning to exchange views on questions of mutual concern.

Trade Protocol Signed

OW281105 Beijing XINHUA in English 0857 GMT 28 Apr 86

[Text] Beijing, April 28 (XINHUA) -- China and Algeria signed a protocol concerning barter trade and the summary of the second session of the Sino-Algerian mixed commission on economic, commercial, scientific and technical cooperation here today.

The two documents were undersigned by Zheng Tuobin, Chinese minister of foreign economic relations and trade, and Zitouni Messaoudi, Algerian minister of light industry, on behalf of their respective governments.

The summary states the two sides share the view that there are great potentials for cooperation between the two countries.

Peng told the visitors that to safeguard world peace is a common task for the Chinese and Guinea-Bissau peoples, and the people of the world. He reiterated that China follows an independent foreign policy for peace and upholds the Five Principles of Peaceful Coexistence.

The five principles, he said, are the fundamental principles China adheres to in handling its relations with other countries. They can be also taken as a fighting program for they embody the fight against imperialism, hegemonism and colonialism. He said that China and Guinea-Bissau should increase their mutual understanding and learn from each other.

Pereira thanked China for its support for the people of Guinea-Bissau in their struggle for national liberation and economic development. She said that all those with war experience know what war means. The Third World people want no more war and Guinea-Bissau is ready to fight for world peace. Vice-chairman of the NPC Standing Committee Ye Fei was present at the meeting.

Feted at Banquet

OW291631 Beijing XINHUA in English 1619 GMT 29 Apr 86

[Text] Beijing, April 29 (XINHUA) -- A delegation from the National People's Assembly of Guinea-Bissau, led by President of the Assembly Carmen Pereira, was welcomed at a banquet given by China's National People's Congress (NPC) Standing Committee here this evening. Speaking at the banquet, Vice-Chairman of the NPC Standing Committee Ye Fei said, the African countries have entered a new historic stage in which they take their economic development and the improvement of the life of their peoples as their main tasks. "Making the economy thriving and people prosperous is an important guarantee for maintaining social stability and consolidating the political independence of African countries and of the Third World as a whole," he added.

He paid tribute to the achievements of the people of Guinea-Bissau in consolidating their political power, safeguarding national dignity and developing their economy after winning independence. He spoke highly of the stand of Guinea-Bissau in international affairs. He said that the government of Guinea-Bissau pursues a policy of non-alignment, opposes power politics, condemns racism and apartheid, supports the just struggle of the South African people, and devotes itself to African unity and co-operation.

In her toast, Pereira expressed the belief that the visit of her delegation would further the existing friendship between Guinea-Bissau and China, as well as the cooperation between the two parliaments. The Guinea-Bissau visitors arrived here today for a friendship visit at the invitation of the NPC Standing Committee. Ye and Pereira held talks here this afternoon.

SINO-IRAQI COOPERATION ACCORD SIGNED IN BAGHDAD

OW252020 Beijing XINHUA in English 2003 GMT 25 Apr 86

[Text] Baghdad, April 25 (XINHUA) — A Sino-Iraqi agreement on economic and technical cooperation was signed here today by visiting Chinese State Councillor Zhang Jingfu and Iraqi Trade Minister Hasan 'Ali on behalf of their respective governments. The agreement stipulates the spheres and principles for the economic and technical cooperation between the two countries in the next five years and provides a basis for their long-term cooperation in these fields, Zhang Jingfu said after the signing ceremony.

Under the agreement, Chinese firms will contract projects for building irrigation and drainage facilities, highways, bridges and railway in Iraq. There are now 20,000 Chinese workers and technicians working in Iraq. They belong to eight Chinese firms which provided labour service or contracted projects in Iraq.

ALGERIAN MINISTER ATTENDS ECONOMIC MEETING IN BEIJING

Meets Ulanhu, Wu Xueqian

OW281336 Beijing XINHUA in English 1317 GMT 28 Apr 86

[Text] Beijing, April 28 (XINHUA) -- China's Vice-President Ulanhu met here today Zitouni Messaoudi Algerian minister of Light Industry. Zitouni Messaoudi is here attending the second session of the Sino-Algerian mixed commission for economic, commercial, scientific and technical cooperation as the Algerian chairman of the commission. Ulanhu welcomed Messaoudi and his party to China and congratulated them on the success of the meeting of the mixed commission.

Messaoudi told the Chinese vice-president that the successful meeting would help consolidate cooperation between the two countries in various fields. He also forwarded to Ulanhu a letter from Algerian President Chadli Bendjedid to Chinese President Li Xiannian.

Chinese State Councillor and Foreign Minister Wu Xueqian met Messaoudi this morning to exchange views on questions of mutual concern.

Trade Protocol Signed

OW281105 Beijing XINHUA in English 0857 GMT 28 Apr 86

[Text] Beijing, April 28 (XINHUA) -- China and Algeria signed a protocol concerning barter trade and the summary of the second session of the Sino-Algerian mixed commission on economic, commercial, scientific and technical cooperation here today.

The two documents were undersigned by Zheng Tuobin, Chinese minister of foreign economic relations and trade, and Zitouni Messaoudi, Algerian minister of light industry, on behalf of their respective governments.

The summary states the two sides share the view that there are great potentials for cooperation between the two countries.

XI ZHONGXUN MEETS VENEZUELAN SOCIALISTS

OW261626 Beijing XINHUA in English 1452 GMT 26 Apr 86

[Text] Beijing, April 26 (XINHUA) -- A senior Chinese official said here today that China appreciates the independent policy pursued by the Venezuelan movement for socialism. Xi Zhongxun, member of the Political Bureau of the Communist Party Central Committee, made the remark during his meeting with a delegation from the Venezuelan Movement for Socialism headed by Eduardo Pozo, secretary of the international affairs. Pozo expressed the desire to strengthened party-to-party relations with China on the basis of mutual respect. The visitors will leave for Europe tomorrow.

CANADIAN LEADER PLEASED WITH COMING PRC VISIT

OW260714 Beijing XINHUA in English 0631 GMT 26 Apr 86

[Text] Ottawa, April 25 (XINHUA) -- Prime Minister Brian Mulroney today said he is very pleased that he will be visiting China early in May and hoped his visit would achieve some concrete results. He made these remarks in a meeting with Chinese Ambassador to Canada Yu Zhan.

This is Mulroney's first official visit to China since he became prime minister in September 1984. He visited China in 1979 as president of the Canadian Iron-Ore Company, a trip which left a deep impression on him, Mulroney said. Mulroney said he will try his best to enhance the existing friendly relations between the two countries, which were developed by former Prime Minister Pierre Trudeau in the 1970s. Trudeau made an unofficial visit to China last week.

LIAOWANG ON U.S. DUAL TACTICS TOWARD LATIN AMERICA

HK200204 Hong Kong LIAOWANG Overseas Edition in Chinese No 15, 14 Apr p 32

[Article by Hu Tairan: "The U.S. Dual Policy Toward Latin America"]

[Text] President Reagan recently submitted a bill to the U.S. Congress requesting aid totaling $100 million for the anti-government forces in Nicaragua. This fully confirms that there are people who insist on using military means in implementing U.S. policy toward Latin America.

The Reagan administration has stepped up its efforts in Latin America following the collapse of the Haitian and Philippine dictatorial regimes. On the one hand, it has exerted pressure on the Chilean military junta and the Stroessner regime of Paraguay, urging them to institute "democratic reforms." It is also supporting opposition parties directly or through missionary activities in an attempt to bring the newly emerging "democratic process" in Latin America into the orbit of the American-type "representative system." On the other hand, the United States is increasing its military intervention in Nicaragua by means of the above aid in hope of realizing its long-cherished wish to "dismantle" the "existing structure" in this Central American country.

These efforts by the Reagan administration typically reveal dual "nonmilitary" and "military" tactics applied in the light of specific conditions in the countries concerned for the purpose of maintaining a hegemonic position in its "backyard," continuing its control over Latin America, and resisting or eliminating Soviet influence.

During discussions of his bill in the U.S. Congress, Reagan delivered a long diplomatic treatise entitled "Security in Free Regions and World Peace." This was an undisguised explanation of his dual policy which is aimed at increasing regional contention in the Third World. He wants to follow a policy which suits U.S. interests and intervenes in the internal affairs of Third World countries or supports or sabotages their governments. His claim of "opposing all tyrannies, both left and right" means, as explained by the U.S. press, "tackling rightwing regimes with votes and dealing with leftwing dictators with bullets." This is the dual tactic the United States is using in the Latin American countries.

"Nonmilitary" tactics are the main element of U.S. policy toward Latin America, with emphasis on aiming to transform a small number of dictatorial regimes which have met with strong opposition from their people into "Democratic, constitutional governments" so as to alleviate social and class contradictions, to preserve fundamental U.S. interests in Latin America, and to prevent the Soviet Union from availing itself of openings. But for Latin American countries which oppose U.S. control and safeguard their national independence and sovereignty, especially Latin American countries which have leaned toward the Soviet Union and posed a threat to U.S. interests in Latin America, the United States will resort to "military" tactics without hesitation.

There are many historic examples of U.S. armed suppression of national and democratic struggles in Latin American countries under its "gunboat diplomacy." There have been over a dozen this century alone. The U.S. dispatch of a large number of mercenary forces to Cuba's Giron Beach in the early 1960's and its invasion of Grenada are still fresh in people's minds. The United States has concentrated on military operations in dealing with Nicaragua. It has laid mines around Nicaraguan harbors and carried out military exercises in Nicaragua's neighboring countries in an attempt to bring about a change in the country by use of pressure. What merits more attention is that the United States has worked out a new tactic of "conflict of low intensity" toward the Third World, thus stepping up its efforts for regional contention in Central America. While making use of such nonmilitary means as politics, diplomacy, and economic and psychological warfare, the United States has also increased its aid to the Salvadoran and Honduran governments to suppress guerrilla forces in their countries and check the influence of Nicaragua. It has increased its military aid to the Nicaraguan anti-government armed forces, supporting them in their continuous harassment and attempts to overthrow the present government for the ultimate purpose of setting up a pro-American regime. In such a way, the United States attempts to achieve its aim of completely controlling Central America by avoiding direct military involvement under ordinary circumstances. In its 1987 foreign aid budget, the Reagan administration plans to provide aid amounting to $131 million and $87 million for El Salvador and Honduras respectively. On 25 February, a special bill was sent to the U.S. Congress urging that military aid worth $70 million and "humanitarian" aid worth $30 be provided for the Nicaraguan anti-government forces. This aid is a key element in the U.S. tactics.

It has been reported that over the past 5 years the Reagan administration has provided aid totaling $470 million for the Nicaraguan anti-government forces. Last year, the U.S. Congress approved "humanitarian" aid worth $27 million for the foreign opposition. Now, Reagan has suddenly demanded a threefold increase in U.S. aid for the Nicaraguan anti-government forces, with military aid accounting for 70 percent. This is unheard of. Over the past 2 months, Reagan has spared no effort to get this bill approved.

Several days before he proposed the bill, Reagan went with the secretary of state and defense secretary to Grenada, where he made a speech ferociously attacking Cuba and Nicaragua, brazenly likening the present situation in Nicaragua to that in Grenada on the eve of the U.S. invasion, and asserting that he could not tolerate the emergence of a "second Cuba" in Central America. After he proposed the bill, Reagan wrote letters to the Contadora group and presidents of the member countries of the Lima group, at the same time sending special envoys to the eight countries of the group trying to persuade them to support his bill. He subsequently sent Habib, who returned from his mission to realize a "peaceful transition" in the Philippines, to four Central American countries to seek support for the aid bill. Reagan also wrote letters and made telephone calls to some senators in an effort to get Congress to approve his bill.

But what the U.S. and Latin American people need is peace and stability; they are opposed to Reagan's bill. Foreign ministers of eight Latin American countries have made great efforts to achieve peace in Central America. In two consecutive months earlier this year, they held two conferences adopting the "Caraballeda statement" and the "Punta del Este communique" demanding that further negotiations be held on concluding a peace treaty among Central American countries, on stopping foreign intervention, and on allowing the Central American people to decide their own affairs. At the second conference, they strongly demanded that the United States stop its aid to the Nicaraguan anti-government forces. They unanimously agreed to set up a peace supervisory committee composed of nonmilitary personnel along the Nicaraguan-Costa Rican border to prevent border clashes arising from the activities of the Nicaraguan anti-government forces in that region. They also suggested that the same measures be taken along the Nicaraguan-Honduran border regions so as to ease the tense situation in Central America. In mid-March, representatives of these countries consulted with the Nicaraguan and Costa Rican governments on how to put their plans into effect. During this period, representatives of the eight countries went to Washington and met U.S. Secretary of State Shultz. They urged the United States to not provide aid for the Nicaraguan anti-government forces.

Under these circumstances, Reagan's bill was vetoed by the House of Representatives on 20 March. This veto was welcomed by many Latin American governments, but caused Reagan much concern. The Reagan administration thus stepped up its activities in the Senate and distorted the fact that Nicaraguan Government troops counterattacked against the anti-government forces, calling this a Nicaraguan "invasion" of Honduran territory. It sent Galvin, head of the U.S. Southern Command, to Honduras and used 18 helicopters to transport Honduran troops to the border war between Honduras and Nicaragua. This aggavated the tense situation in Central America. The U.S. Government's intent, obviously, was to create a disturbance so that the U.S. Congress would approve Reagan's bill. It also aimed to hamper the Contadora Group and other Latin American countries from finding a peaceful solution to the disputes between Central American countries.

On 27 March, the U.S. Senate approved Reagan's bill with a bare majority. Now, Reagan is engaging in various types of activities in the hope of obtaining approval of his bill in the Congress. No matter what comes of his efforts, U.S. policy toward Latin America will remain unchanged; the Reagan administration will not stop its support of the Nicaraguan anti-government forces in their attempt to overthrow the present government; Central America, as a "hot spot" of international tension, will continue to have unrest. However, the urgings of the Contadora and Lima groups for an end to foreign intervention and an opportunity for the Central American people to settle their disputes by peaceful means have won support from peace-loving and justice-upholding people throughout the world.

LICENSES OF PARTY, STATE-RUN ENTERPRISES REVOKED

OW291508 Beijing XINHUA in English 1458 GMT 29 Apr 86

[Text] Beijing, April 29 (XINHUA) -- China revoked the licenses of more than 8,700 enterprises run by party and government departments in 1985, a senior official announced here Monday. The Chinese Government has time and again stressed that party and government departments, and government functionaries are not allowed to go in for commercial activities. Ren Zhonglinn, director of the State Administration for Industry and Commerce, told a national conference on industry and commerce that over 15,000 party- and government-run enterprises have been separated from their original units and operated independently. The operations of more than 3,000 such enterprises are being investigated at present, he added.

Party and government organizations started more than 27,000 enterprises in the past few years, and over 67,000 functionaries were involved in these enterprises, he said.

'ROUNDUP' VIEWS UPS, DOWNS OF ECONOMIC REFORMS

HK300857 Beijing ZHONGGUO XINWEN SHE in Chinese 0758 GMT 29 Apr 86

[Roundup: "Ups and Downs of China's Reformists" -- ZHONGGUO XINWEN SHE headline]

[Text] Since the 3d Plenary Session of the 11th CPC Central Committee, a number of reformists have emerged in China's economic structural reforms. These people are courageous and aggressive in pioneering and advancing various reforms and have done notable work. However, in the recent period, reformists in some localities and departments had bad luck and were bogged down in a difficult position. Some people cynically described this situation as "lots of the reformists being shot off their horses." The ups and downs of these reformists have caused deep concern to the people.

It is true that some reformists have "fallen off their horses." but the reasons vary from one person to another. In some cases, the reformist lacked the willpower to persevere in the reforms and could not take new reform measures after making a big start, and they are now criticized by the people; in other cases, the reformists could not accurately carry out the policies and overacted in adopting some reform measures, and this has left them in a passive position; in still some other cases, the reformists were censured because they challenged some old concepts and old conventions and thus left themselves open to attack.

Reform is an inevitable trend in China's historical development. It not only represents the decision of China's present policymakers after drawing lessons from the bitter experience of the past, but also represents the common desire of the Chinese people who have lived in poverty for so many years. However, we have no precedent to go by when carrying out the reforms, so it is unavoidable that some errors may be made in the course of reform. At the same time, in the period when the new system coexists with part of the old one, it is unavoidable that some deviations and some setbacks may occur. Reform may also displease some people. For example, as the system of "eating from the same big pot" was broken, people who were used to their "iron rice bowls" were bound to be discontent; when measures were taken to streamline the administrative structure and to raise work efficiency, people who were used to the old system and who had indulged in a bureaucratic style of work to a serious degree would find this unbearable. Some of them came out to make a big fuss over some minor problems, or even trumped up false charges against the reformists so as to drive the reformists into a corner.

It is noticeable that the top leadership in China has paid attention to such problems. In his "report on the Seventh 5-Year Plan" to the Fourth Session of the Sixth NPC, Premier Zhao Ziyang dwelt at length on the arduousness and complexity of reform. He pointed out that it is natural that there are different opinions on various issues concerning the reforms. "Reform can only be advanced through exploration; experience can only be accumulated through practice; and it is impossible to completely avoid errors in the work." He asked leaders at all levels and the public to be mentally prepared for the appearance of various problems in the course of reform. When problems appear, they should not become jittery and should not be frightened into giving up their reform efforts. Zhao's report was indeed a shot in the arm for the reformists.

The press here has also shown concern for the condition of the reformists. In recent days, many newspapers have published commentator's articles and reports to boost the morale of the reformists who have "fallen off their horses" for a time.

GONGREN RIBAO carried a reporter's letter about the results of his investigation of some reformists unfavorable conditions and attached a commentator's article to this letter. The article quoted a senior CPC leader as saying that problems in the course of reform should not be mixed up with unhealthy tendencies.

GUANGMING RIBAO called for protecting the initiative of the people who have taken the lead in carrying out reforms, helping them solve problems and difficulties, encouraging them to sum up experience and advance further.

JINGJI RIBAO reported that Yang Minqian, director of the Taiyuan solvent plant, was attacked and framed because he persevered in reforms. The Taiyuan City CPC Committee recently redressed this mishandled case and rehabilitated Yang. The JINGJI RIBAO commentator's article called for party and government leaders at all levels to show concern for the fate of the reformists and to help them "mount their horses" again.

Some cadres at middle or high levels have clearly expressed their attitude toward such problems. Wang Maolin, secretary of the Taiyuan City CPC Committee, said: "I myself also stepped up to the leading post amid the waves of reform, so I can rather deeply understand the reformists. I share the same desire and faith with them, that is, to carry reform throughout to the end, and I will share weal and woe with them." He said that it is necessary to protect the reformists from the high plain of reform.

Under these circumstances, it is believed that the "new stars" rising amid the waves of reform in China will be able to work under better conditions to display their talents and realize their aspirations. This will also be favorable to the in-depth development and success of China's reform.

XINHUA URGES ELIMINATING 'UNHEALTHY TENDENCIES'

OW300307 Beijing XINHUA Domestic Service in Chinese 1135 GMT 29 Apr 86

[Text] Beijing, 29 Apr (XINHUA) -- Article: Make Efforts to Check Unhealthy Tendencies in Various Trades and Professions

XINHUA Commentator

Since the abuse of power -- flagging down cars for personal rides -- by some transportation supervisory personnel in Shaanxi's Lintong and Changan Counties was brought to light, officials of the Shaanxi Provincial Communications Department, the Shaanxi Provincial CPC Committee, and the Ministry of Communications have successively pledged to take action to rectify such acts of "road lords." We deem this serious attitude as essential.

The high-handed behavior of the transportation supervisory personnel in Lintong and Changan, who claimed to have the power to flag down cars for personal rides, has once again revealed that there are always some dishonest people in various localities, trades, and professions who use the small power in their hands to try, by hook or by crook, to seek personal gains. This is the case of the "road lords," as were the cases of small and big "lords" in electricity, water, and gas supply who were exposed before. Such unhealthy practices in various trades and professions constitute a major component of the current unhealthy tendencies in society. It is imperative to continue to make efforts to check unhealthy tendencies.

People abhor unhealthy tendencies in various trades and professions because they are closely related to every facet of social production and people's everyday life and have a direct bearing on the interests of hundreds of million people. Unhealthy practice in any trade or profession can never be covered up and will be discovered quickly by the people. Whoever uses power to seek personal gains or make others suffer will not get away without being condemned and punished.

It merits special attention that some people, who are involved in unhealthy tendencies in various trades and professions, do not regard their abuse of power as shameful but call it by a fine-sounding name; that is, "those living on a mountain live off the mountain, those living near water live off the water." This is extremely erroneous. Ours is a socialist country in which all trades and professions, regardless of the nature of the work, should be dedicated to serving the people. The small power in the hands of people in various trades and professions should only be used for the modernization program and the benefit of the masses. Consider this: If these people use their power to "live off" the masses, the country, and socialism, what will happen?

Checking unhealthy tendencies in various trades and professions is an indispensable step toward bringing about a fundamental improvement in general social conduct. We hope that all localities, departments, trades, and professions will make joint efforts to resolutely check unhealthy tendencies.

LIAOWANG EXAMINES REFORM TASKS FOR 1986

HK291426 Beijing LIAOWANG in Chinese No 16, 21 Apr 86, p 4

[Article by Yao Zhong: "Our Tasks Remain Arduous, We Must Do Solid Work"]

[Text] Last year, we took a major step forward in our reforms; next year, we will take an important step forward in the reforms. Then, what should we do with regard to reform this year? Some people think that we will just mark time this year as we will not take new reform measures and will be merely "consolidating, digesting, replenishing, ing, and improving" the reform measures which we have taken, so we may relax our efforts and have a rest. This is not a correct viewpoint,and this mood will be harmful to our reforms.

Premier Zhao Ziyang pointed out in his report to the fourth session of the sixth NPC that economic structural reforms should still be put in first place during the period of the Seventh 5-Year Plan and we will strive to lay foundations for the new-type socialist economic structure with Chinese characteristics within 5 years or a slightly longer time. This is to say, our reform tasks in the period of the Seventh 5-Year Plan will continue to be very arduous. In 1986, the first year of the Seventh 5-Year Plan, we will fulfill four major tasks: to digest and replenish the reform measures which have been adopted; to strengthen and improve macroeconomic control; to develop horizontal economic relations on a large scale; and to carry out pilot projects for next year's reform. Therefore, our work concerning reform this year is rich in content and is also rather difficult. We will have a lot of thigs to do for the purpose of reform.

By digesting and replenishing the reform measures which have been taken, we will further consolidate reform achievements. While developing reform in an all-round way in 1985, we successively adopted many important new reform measures and made major progress in the implementation of these measures. However, we have to do a great deal of follow-up work and take many backup measures in the fields of market and price management, income distribution, foreign trade and foreign exchange control, and financial and tax management. For example, we made major reforms in the wage system in various administrative organs, institutions, and enterprises, and we have yet to solve the problems appearing in wage reform.

Speaking specifically, we should: Sum up the experiences of enterprises of all types which have used various methods to link workers' wages with the economic results of the enterprises on a trial basis; take follow-up measures to improve the methods of wage reforms; and should set reasonable standards for dividing the enterprises into different categories so as to narrow the excessively wide income gaps between different enterprises. In addition, we also have to regulate, strengthen, and improve market management, develop the markets for farm products in cities and towns, further reform the system for purchasing and selling vegetables, improve wholesales networks, and promote the integration of industrial production with marketing activities so as to further facilitate commodity circulation. All this shows that we have to do a great deal of work to digest and replenish the reform measures which have been adopted.

Strengthening and improving macroeconomic control is a necessary step in advancing reforms. This mainly refers to the use of such economic regulatory means as monetary policies, taxes and legal means, in conducting quantitative and structural control of the overall economic situation, so as to maintain the equilibrium between total supply and total demand. At present, we should concentrate on the following three points when making efforts to strengthen and improve macroeconomic control: first, we should effectively control the scale of capital investment and regulate the investment structure in the field of planned management.

In particular, we should guide localities, departments, and enterprises to use their own funds in the correct orientation, and the use of these funds should also be included in the state's plan for maintaining an overall balance. Second, we should strictly control credit offered in the field of credit management. Credit for township enterprises' capital construction should be tightened, and more credit for their working funds can be offered. Priority should be given to the development of marketable products and export products. Third, we should promote horizontal credit and financial relations under the premise of maintaining a stable money supply quantity and a stable total amount of credit funds. In addition, we should also strengthen the work of economic legislation and the enforcement of economic laws. The work of strengthening and improving macroeconomic control is quite new for us, and there must be many difficulties in this regard. We still have to make painstaking efforts in order to achieve successful results.

The development of horizontal economic relations will pave the way for the in-depth development of reform, so for us this is a major part of this year's reform tasks. The successes in this regard will be of great significance in advancing economic structural reforms and developing social productive forces. The process of developing lateral economic relations is bound to contradict the old economic structure, especially old planning, finance, monetary, and circulation systems and will bring to light things which obstruct the development of horizontal economic ties. So, we can say that horizontal economic association itself will produce a strong impact against the old systems and will challenge the structure which severs the economic relations between different localities and departments. At present, there still exist formidable obstacles to the development of horizontal economic relations.

Some of these obstacles stem from people's erroneous ideas, and some from the old structure. In order to advance horizontal economic association, we should continue to convince people, and should particularly formulate relevant laws and policies, so that horizontal economic association will be supported by the policies and protected by the laws. The in-depth development of horizontal economic ties will certainly promote the development of reforms.

In order to make preparations for the adoption of major reform steps next year, we must make some new reforms this year. We will continue the pilot reform projects in some localities in the fields of reforming the monetary system; reasonably regulating the prices of capital goods and establishing markets for production materials; reforming the administrative structure of some medium-sized cities, building commodity houses in cities; and setting up joint-stock systems in collectively owned enterprises. Through these pilot projects and reform experiments, we will accumulate useful experience and open effective ways for next year's reforms.

Doing a good job in this year's urban economic structural reforms will not only pave the way for next year's new reform steps, but will also ensure the smooth fulfillment of reform tasks in the entire Seventh 5-Year Plan period. Therefore, we must not treat this year's reform work lightly; instead, we must work very carefully and very hard in a down-to-earth manner.

RENMIN RIBAO ADVOCATES 'REALISTIC' REPORTING

HK280855 Beijing RENMIN RIBAO in Chinese 25 Apr 86 p 1

[Text] The work of straightening out our party style includes serious handling of major cases of violating party discipline and state laws and effective checking of the unhealthy tendencies pointed out by the party Central Committee and the State Council late last year, and also includes the efforts to carry forward the fine traditional style of our party and to improve the political life of party organizations at all levels. By doing work in these two aspects -- namely, eradicating evil and fostering good -- we will bring about a fundamental turn for the better in our party style and public conduct.

One of our party's fine traditions is to report the facts accurately. This is also an important duty for all leading organs and leading cadres. The two basic tasks for leading party organs are to ensure policies are implemented and to use cadres correctly. To fulfill these two tasks properly, they must first be aware of the real situation. Only then can they correctly work out and carry out policies and correctly use cadres. Otherwise, our work will be bungled and the interests of the people will be harmed. We must understand this very clearly. In the course of straightening out the party style, leading organs and leading cadres at all levels should examine themselves to see how they have done in this regard.

It is certain that most cadres report things exactly as they stand, but some cadres, including some leading cadres, have forgotten and violate this point. When reporting their work they tend to report only the good and play down the bad. Some even try to harbor evildoers as they have common interests... This have given rise to a strange phenomenon: Many valuable facts and useful information are not reported to the higher authorities through the relevant party leading organs, but are conveyed through other channels, such as news reports, people's letters, or even news dispatches by foreign reporters. This is indeed a problem we should notice.

Of course, our domestic reporters have the right to report the true situation in the newspapers, our people have the right to report things by letter to leading organs, and we also welcome the foreign reporters' criticisms of our work. The problem is that some important facts reported by reporters and ordinary people have not been reported by our party organizations. People may ask: What have the relevant party organizations really done? Are they aware of the state of affairs within their work scope?

If time backtracked to 28 years ago when "braggadocio satellites" were launched or to more than 10 years ago when "class struggle" was being taken as the "key link," it might be excusable to give false reports, conceal the real situation, and utter words against one's conscience. Now, the "high pressure atmosphere" that forced people to tell lies has been dispelled, and the party central leadership has time and again emphasized the principle of seeking truth from facts. Why do some comrades still conceal the real situation from the higher leadership? The reason must lie in the depth of their minds. In the final analysis, they do so because they place their individual interests or the interests of their small groups above the interests of the party and people. They are afraid that the real situation would be unfavorable to them, so they try every possible means to cover things up. This is completely wrong. We must check this action in our efforts to straighten out the party style. Some cadres do not report the actual state of affairs and also forbid other people to tell the truth. They even take retaliatory action against comrades who tell the truth. We must not allow such things to occur, and those who are involved in serious cases must be severely punished according to party discipline and state laws.

In other cases, it is not because the leading cadres are unwilling to report the real situation, but because they cannot do so. They are indulged in a bureaucratic style of work. They stand aloof and far apart from the practical work and the masses at the grassroots level. So, they do not know what problems exist in the implementation of the party's policies and what opinions the masses have on the situation and what they require the leading organs and leading cadres to do. They have little knowledge of all these things. Moreover, some of them hate to listen to reports about the real situation. In order to cater to their likes, their subordinates tell them only good news. It is certain that they cannot find out about the real situation in their work scope.

In order to successfully carry out reform and to effectively straighten out the party style, it is necessary for leading organs and leading cadres to promptly and accurately know the real situation. Only this can they give correct guidance to the work. It is hoped that party organizations at all levels will seriously ensure that accurate reports will be given to the upper authorities and will make this an important part in the efforts to straighten out the party style.

LIAOWANG HAILS COMPLETION OF NPC SESSION

HK251217 Beijing LIAOWANG in Chinese No 15, 14 Apr 86 p 4

[Commentator's article: " A Grand Meeting in the Course of the Modernization Drive"]

[Text] The Fourth Session of the Sixth NPC ended on 12 April after completing its agenda. This was an important meeting which was the focus of domestic and world attention. The NPC session adopted the Seventh 5-Year Plan for national economic development and social development and passed the general principles for the civil code, the law on compulsory education, and law on enterprises exclusively run with foreign capital. All this will have far-reaching influence on the development of socialist material and spiritual civilization in our country, on the exploration of a new road to build socialism with Chinese characteristics, and on ensuring the nation's permanent stability and lasting peace.

This NPC session also reviewed the achievements and experience of the Sixth 5-Year Plan and drew up a blueprint for our construction in the last 5 years of the 1980's. The First 5-Year Plan and the Sixth 5-Year Plan were the two 5-year plans which were most successfully carried out after the founding of the PRC, and the achievements of the Sixth 5-Year Plan were particularly outstanding. Although we still have various difficulties and problems, the world has generally acknowledged that our Sixth 5-Year Plan was successful. Therefore, by correctly summing up the experience of the Sixth 5-Year Plan, we will smoothly advance our socialist modernization process. That is the reason that the Fourth Session of the Sixth NPC was so important. The meeting profoundly summed up this experience and pointed out that in the past 5 years we had begun to change our economic development strategy and our economic structure from an old pattern to a new pattern and had opened a more definite road for building socialism with Chinese characteristics. The meeting also clearly pointed out that during the Seventh 5-Year Plan, we will continue the change of our economic development strategy and economic structure to a new pattern and will strive to lay a foundation for the new-type socialist economic structure with Chinese characteristics. Undoubtedly, the conclusions summarized by this NPC session will profoundly influence the development of our socialist modernization cause.

The NPC session made concrete arrangements for our national economic and social development over the next 5 years. This was the first time in the history of the PRC that a 5-year plan was so promptly and carefully deliberated and approved by an NPC session. This shows that our state leadership over economic construction has become more mature.

The Seventh 5-Year Plan put forth by the NPC session to the people of the whole country is grand and also realistic. It gives consideration to the necessary conditions for changing the economic development strategy and economic structure to a new pattern and at the same time ensures an appropriate economic growth rate; it not only takes account of economic construction but also the improvement of the people's livelihood; in particular, it takes the continuation of the systematical and in-depth economic structural reforms as a key link of the whole plan. The implementation of the Seventh 5-Year Plan will accumulate strength for realizing economic development and prosperity in the 1990's. At present, the task for the people throughout the country is to work hard with great enthusiasm and a creative spirit to strive for the fulfillment of all targets in the Seventh 5-Year Plan.

The Fourth Session of the Sixth NPC also took a major step forward in building socialist democracy and the socialist legal system. The general principles of the civil code form part of the basic laws in our country. Not long after the founding of the PRC, we embarked on formulating a civil code. However, for various reasons, especially the major changes in our social life, we could not enact a civil code in the past. Now, a set of general principles for the civil code has been enacted on the basis of the opinions of all parties concerned, and it will be used to regulate relations among the people, to maintain social stability and unity, and to handle various disputes in socioeconomic life. This will definitely promote the implementation of the Seventh 5-Year Plan and the long-term development of the economic structural reforms.

The law on compulsory education passed by the Fourth Session of the Sixth NPC has a great bearing on the improvement of the quality of our nation. In the long run, the key to our economic development is the development of science and technology, and education is the foundation for the development of science and technology. In the present world, it is hard for a nation whose educational level is low and whose technological level is backward to stand on an equal footing with other nations. For this reason, our party and state are determined to conduct compulsory education among the whole people and stipulate that the time for compulsary education is 9 years.

This measure is not common in the world. Of course, because of our limited economic strength and insufficient teaching staff, we cannot popularize 9-year education immediately in the whole country, and we can only effect 9-year compulsory education step by step. However, the promulgation of the law on compulsory education has advanced elementary education in our country to a new historical stage. Henceforth, as long as we seriously enforce this law and take other effective measures, we will certainly narrow rather than widen the gap between our country and the developed countries in science, technology, and culture.

The Fourth Session of the Sixth NPC has successfully fulfilled its tasks, and has set forth some important tasks for the whole nation. The meeting was important to the whole socialist modernization process in our country. Under the leadership of the CPC, the Chinese people will display the same hardworking spirit as the foolish old man who removed the mountain to successfully fulfill all the tasks set forth by the recent NPC session and to make new contributions to the cause of building our country into a powerful modern socialist country.

HONGQI ON ERADICATING SUPERSTITIOUS ACTIVITIES

HK291021 Beijing HONGQI in Chinese No 8, 16 Apr 86 pp 33-34

[Article by Shi Youxin: "We Should Not Take a Laissez-Faire Attitude Toward Superstitious Activities"]

[Text] In recent years, superstitious activities have arisen in some cities and towns, and in some rural areas in particular. In some rural areas, money is raised and people are organized to build temples in every village. In many localities, witches and wizards often cheat people. In some localities, people even spend days and several thousand yuan participating in the so-called "matches to welcome deities" and "activities to offer sacrifices to ancestors." Superstitious habits such as performing Buddhist rites, holding large-scale funerals, practicing geomancy, and fortune telling can be seen in many places. These tendencies also find support among some party members, cadres, and young people. Not only do these activities affect our production and livelihood, they also corrupt people's minds, ruin social values, harm stability and unity, hamper economic reform, and are detrimental to both material and spiritual civilization.

We are now in the 1980's, but why are these superstitious activities so rampant in some localities? Chinese feudal society lasted a long time. As old ideological vestiges, superstitious ideas cannot be eliminated in a short time; they will obstinately manifest themselves. All these, naturally, are reasons superstitious activities are so rampant. But the main reason is that some party members and cadres, including leading cadres at the basic levels overlook spiritual civilization and ideological and political work while engaging in material civilization, lack correct understanding of the problem concerning superstition, and take a laissez-faire attitude toward superstitious activities.

Their wrong understanding of and mistaken attitude toward superstitious activities result from the following three views: The view that maintains that it is not necessary to interfere, the view that maintains that there is no way to interfere and the view that maintains that it is useless to interfere.

Why do they say it is not necessary to interfere? They hold that since superstition is a manifestation of "poverty" and "foolishness," it will naturally disappear when the people's material and cultural life has improved following the development of production. This view is, at best, one-sided. It is true that we cannot say that "poverty" and "foolishness" have nothing to do with superstition. However, the latter is not necessarily a product of the former. On the contrary, superstition makes people foolish and poor.

Apart from being unable to guide people in applying policies and scientific methods as well as in opening up all avenues to prosperity, superstition makes people believe in fate and deities and pray before the god of wealth for prosperity. In remote mountainous areas, some people raised money to build temples regardless of the fact that they did not even have enough food and clothing. They even changed primary schools into temples and moved Buddhist idols into them. Some villagers do not expand production after a good harvest but use their money to worship Heaven instead. If this is allowed to continue, how can we improve the people's material and cultural life? How can we change the situation of "poverty" and "foolishness" in these areas? It is true that the development of production and the improvement of material and cultural life constitute an important condition for eliminating superstition, but superstition will not vanish by itself under this condition. Specialized households in the rural areas that have high income or people with certain cultural knowledge do not believe in deities or ghosts, not to mention rich men and learned people in the past.

It was reported that in a city, when someone dies, sofas, a wardrobe, a television set, a washing machine, and other modern life necessities -- all made of paper -- are burned at his funeral ceremony, apart from making a bier and paper horses and burning paper money and pillows. From this we know that like all other decadent things, superstition will not vanish by itself if it is not swept away. Doing away with superstition and stopping superstitious activities is an important component of spiritual civilization and ideological and political work. It is also our regular task. Party members and cadres must not take a laissez-faire attitude toward it.

Do we not advocate freedom of belief? Since going in for superstition does not violate the law, how can we interfere? This is the reason for saying that there is no way to interfere. This suggests that the one who says so lacks legal knowledge. In China, no policy or law refers to abstract freedom of belief. The state Constitution only provides that all citizens enjoy freedom of belief. It does not stipulate that they have the freedom to engage in superstition. Rural policies have been relaxed following the development of reforms, but these policies have not been relaxed to such an extent that people can carry out superstitious activities. Some people have spread the rumor that "since the policy has been relaxed, there should be room for deities to stay in when they come back." This should be refuted. There is no such thing as relaxing the policy toward feudal superstition. Chinese law stipulated that citizens enjoy freedom to believe in religion and freedom not to believe in religion. Buddhism, Taoism, Islam, Catholicism, and Christianity are the major religions in China.

According to the traditions and habits of different religions, religious believers can engage in normal religious activities such as worshipping Buddha, chanting scriptures, burning joss sticks, performing religious service, saying prayers, preaching sermons, hearing mass, having baptisms, being initiated into monkhood or nunhood, adopting a vegetarian diet, holding religious festivals, and reminiscing in temples, mosques, and churches, or at home. All this is protected by the law. But building tiny temples housing the village god, asking deities to drive away pestilence and sickness, worshipping Heaven for rain, and fortune telling, which have arisen in recent years, are all restoration of feudal superstition and the feudal patriarchal clan system and have therefore gone beyond the scope of religious belief.

They are different from normal religious activities. They must be stopped and forbidden. Those who cheat people through superstitious activities, who set up superstitious activities, and who refuse to accept persuasion and repeated education must be resolutely dealt with under the law. How can we indiscriminately say that going in for superstition does not violate the law?

Some people say that it is useless to interfere as superstitious activities have a mass basis. This viewpoint does not hold water. We do not deny the fact that superstitious ideas have a mass basis. But viewed from the overall situation, those who engage in superstitious activities account for only a small percentage among the masses.

Even in localities in which superstitious activities are very serious, only a small number of people go in for superstition. Many of them just follow what others do and are forced to donate money for superstitious activities. In some localities, some people engage in large-scale superstitious activities for the dead, costing a lot of money. The masses are very dissatisfied with this, saying "it is too costly to die." The fact that superstitious ideas have a mass basis suggests the complexity and arduousness of doing away with superstition; it does not indicate that it is useless to interfere in superstitious activities. Not to interfere means not respecting the masses but following behind a small number of backward people; to interfere means having faith in the masses and corresponds with the masses' fundamental interests. Whether our interference is of much use depends on how we interfere. It is very important to interfere under the law. We must differentiate between problems concerning ideological understanding and criminal problems. Crimes and criminals must be dealt with by judicial departments according to legal procedures. Maltreatment of crimes and criminals is in itself an act violating the law. Those who have superstitious ideas or take part in superstitious activities should be given persuasion and education so that they understand their mistakes. The methods of repudiating, punishing, fining, and detaining are not recommendable.

Half a century ago, Comrade Mao Zedong said that the Communist Party's propagation policy on the question of superstition should be one of "drawing the bow without discharging the arrow just to indicate the motions." Before and after the Spring Festival, in coordination with party rectification, efforts were made in some villages to reach unanimity of understanding among party members and cadres. Typical examples were given and the deceptive nature of superstitious activities was exposed. The masses were educated in policies, the legal system, dialectical materialism, and historical materialism. This produced good results. With the enhancement of their consciousness, some people began to pull down tiny temples housing the village god which had been built with their own money. This suggests that marked results can be achieved so long as we are determined to interefere in superstitious activities in an effective manner.

PRODUCTION OF GOODS MEETING CONSUMER NEEDS EMPHASIZED

HK281501 Beijing RENMIN RIBAO in Chinese 26 Apr 86 p 2

[Commentator's article: "The Production of Consumer Goods Should Meet the Needs of the 1 Billion People"]

[Text] A noteworthy problem exists at present in the production and management of consumer goods. Some industrial departments or commercial enterprises have seen only the ever-growing desire among urban citizens for purchasing by credit and the emulation of the living standards of urban citizens on the part of some peasants who have got rich first. Hence, the pursuit of high-quality products when organizing production or management. They rush headlong into mass action vying to produce goods which are marketable, with a greater output value and higher profits, but less tax payments.

In some cases, the fact that some enterprises have already been designated by the state for the production of such goods, and production capacities are basically saturated is neglected, and voluminous investment has been made in building overlapping factories. As a result, the production scope of some durable and high-quality consumer goods is on the high side, far exceeding social demand. However, regarding manufactured goods for everyday use, the small commodities in particular which are indispensible in people's life, enterprises are not willing to produce them, nor are shops willing to stock them, because of their low output value and meagre profits, in addition to such factors as insufficiencies in the supply of raw materials, and prices. Hence, the great lack of convenience in people's lives.

The basic purpose of socialist enterprises is to serve the people. Socialist entrepreneurs should not fix their eyes on partial interests and neglect the overall interests. China has a population of 1 billion, with a wide range in the levels of income and great differences in lifestyles. People of different regions, nationalities, ages, sexes and professions have different needs in their daily necessities, which determines the multi-layers in the structural quality of goods. The production of consumer goods must meet the needs of this situation. Industrial departments and enterprises must attach great attention to studying market trends and promptly organizing production and supply, and to doing their best to meet the various needs based on the rise of social purchasing power and the structural changes in people's consumption.

Speaking of intermediate and low-grade articles for everyday use, people often think of these consumer goods as being of outmoded patterns and styles, monotonous variety and poor quality. This is a misunderstanding. In fact, consumer goods of whatever grade -- high, intermediate or low -- have the common problems of increasing variety, improving quality and replacement. The consumers sincerely hope for a continuous renewal of the patterns of manufactured goods, in rich and colorful varieties.

At present, the problem of insufficiencies in raw materials in some trades and enterprises in the light and textile industries stands out rather conspicuously. It is a common occurrence that their energy and transportation needs are not met. In order to ensure the production of consumer goods, it is imperative to earnestly implement the principle of the "six priorities," and the light and textile industries should also attach attention to using raw materials and power supplied to them as a priority by the state in focusing production on good-quality products of famous brands and marketable manufactured goods for everyday use. They should not attach importanct only to high-grade durable goods, nor should they adopt the method of egalitarian distribution. In order to bring into play the initiatives of industrial and commercial enterprises in producing and marketing manufactured goods for everyday use, and for small commodities in particular, it is also necessary to give the enterprises preferences in prices, tax and retained profits, so that they may make some profit.

The active development of horizontal economic links, in particular those taking good-quality products as the lead in particular, is an efficient measure to promote the development of consumer goods productive forces. We should actively develop such links.

JINGJI GUANLI ON UNHEALTHY TRENDS IN COAL MINING

HK250925 Beijing JINGJI GUANLI in Chinese No 2, 5 Feb 86, pp 24-25

[Article by Sun Hao: "Unhealthy Trends in the Development of Township Collieries Must Be Stopped" -- edited by Lin Daojun]

[Text] In recent years, coal production in our country has developed rapidly. This has played an enormous role in easing the stringency in energy supply and ensuring the sustained growth of the national economy. The rise of township collieries has been one of the important factors in the development of coal production. Township collieries have served not only as an important road to the wealth and well-being of the countryside but have also become an important force in the coal industry. However, how to properly handle the relationship between township collieries and state-run coal mines is a current problem that needs to be highly regarded and earnestly solved.

In accordance with the relevant State Council and Ministry of Coal Industry regulations, towns and townships are not permitted in principle to open mines and set up pits in state-run mining areas.

As for the leftover bits and pieces of coal which large mines consider to be of no mining value, or which must be extracted anew, towns and townships are permitted to take up the mining and extracting work, subject to the strict observance of the designated rules of procedure. First, application must be made to the provincial government or the coal department in charge which, after finding the application in order, will issue a mining license. Then on the basis of the mining license, application must be made to the industrial and commercial department in charge for a business license. Mining work can begin only after these two licenses have been procured. The state further stipulates that applications for mining licenses must be accompanied by: A brief outline of the location of the coal pits, the size of the colliery, and the extent of the mining and production operations; all the necessary documentary materials dealing with both the outside and inside of the pits, as well as resume biographies of the principal responsible persons. Unfortunately, in reality, these regulations have not been effectively enforced.

In recent years, small township collieries in certain localities have invaded state-run mining areas in large numbers. The great majority of these township collieries did not have operation licenses. They had no fixed and clear plans about the location of the coal pits and the scope of the mining area. They would extract coal anywhere and in any form they liked, thus resulting in serious damage to the production and operation of the state-run coal mines.

I. Damaging the Country's Coal Resources

Some state-run coal mines have been surrounded by township collieries. The collieries have been mining coal on the coal deposits of state-run coal mines without making any compensation and have earned benefits without any investments. This has damaged the coal resources and greatly shortened the life expectancy of the coal mines.

Because state-run coal mines are operated on a scientific basis according to closely knit plans and carry out proper and mechanized mining methods, their coal recovery rate is high. For example, the coal recovery rate of opencut coal mines can be up to 94 percent. On the other hand, the recovery rate of township collieries has averaged less than 25 percent. Hence, this has caused a serious waste of coal resources.

II. Seriously Affecting the Production Order of State-Run Coal Mines

Random coal extracting by a multitude of township collieries has seriously interfered with the state plan, causing certain state-run coal pits to become exhausted prematurely. This in turn has greatly complicated the tasks of promptly building new pits to follow on.

Moreover, township collieries are in general unwilling to invest in capital construction, and do not observe basic safety precaution regulations. The great majority of them are not in compliance with the mining requirements, being extremely poor in safety production and the incidence of serious accidents far surpasses the national standard. In particular, some collieries have willfully damaged the ventilation facilities of state-operated coal pits, expanded the scope of accidents and caused a serious threat to the safety production of state-run coal mines. In addition, some township collieries, for the sake of producing more coal, have disregarded the safety of the state coal pits and, of their own accord, have dug into and extracted coal from coal pillars supporting the tunnels. This has resulted in some pit tunnels changing their shape, showing signs of cracks in their roofs or actually collapsing. This has also posed a serious threat to building structures on the ground above.

III Seriously Endangering the Lives and Safety of Staff Members, Workers State-Run Mining Areas and Their Family Members

Due to township collieries building pits at random and even nonchalantly digging into and damaging supporting coal pillars, the foundations of many staff members and workers' living quarters have caved in, and cracks have appeared in the surface of the ground. Up to March 1984, there had been reports of some 24 families of 106 people having been poisoned, 5 of them fatally, by poisinous gases emitting from cracks and crevices in the ground surface. Some 120 households, occupying an area of 5,583.5 square meters, have reported the tilting of their houses and the appearance of cracks on walls of their buildings.

Included in the above was a dormitory for unmarried staff members and workers in which the state had invested 300,000 yuan and which occupied an area of 2,053 square meters. Soon after its completion, the walls of the dormitory showed signs of cracking, and the authorities could only announce its abandonment. Because of the existence of this lurking fear, the production enthusiasm of the staff members and workers has been greatly affected.

IV Aggravation of Disputes Between State-Run Coal Mines and the Surrounding Associations and Teams

Since the entry of township collieries into state-run mining areas, disputes between both parties have frequently arisen with regard to problems such as land and property rights, removals, building facilities, and so forth. Some township collieries personnel, on finding that their self-interests cannot be satisfied, adopted retaliatory measures such as damaging or ransacking the above-ground coal mine facilities. The state-run mines, though seeing the losses suffered by the state, could complain to nobody. In 1982, an incident actually occurred in which over 100 peasants rushed into a coal mine office building and wrecked the mine director's office. In the first half of 1985, the Pingdong Coal Pit, after innumerable fruitless negotiations, had to use force to blow up the pit entrances to eight small collieries which had posed a serious threat to production and operations. Disputes of this kind have happened frequently. They usually ended up with the state being on the losing end.

It must be pointed out that, although the rapid development of local small coal pits has injected vitality into the country's coal industry, we must not lose sight of the fact that the blind development of township collieries has the unhealthy trend of actually competing with the state. I believe that, in order to solve this problem thoroughly, it is necessary that the department in charge of coal industry work together with local governments, including the responsible persons of various departments in charge of finance, taxation, industrial and commercial management, judiciary and enterprise bureaus of towns and townships. They should form a joint working unit (the unit must be authoritative and have the power to solve problems on the spot) and spend some time stationing themselves in the state-run mining areas where, in accordance with the spirit of pertinent policies, they can examine each and every township colliery, and, differentiating between different conditions, carry out various handling and supervisory measures. At the same time, they should make good arrangements for future work. In starting this work, they should clearly understand the following points:

First, our country has a system of diversified economic compositions. Under the conditions of a commodity economy, the various economic compositions are commodity producers which are all reciprocally equal. State-run economy should not consider itself in a superior position and should not take advantage of its superior position to restrict the growth of the other economic compositions. However, the proper rights and interests of state-run economy must be protected effectively.

This is determined by the nature of the socialist production relationships. At present, in certain regions, responsible persons of departments, in handling the contradictions between state-run enterprises and town and township enterprises, frequently take the view, consciously or unconsciously, that since state-run enterprises belong to the state, and "since the country is big and its enterprises are big also, suffering a little loss is unimportant." Hence, they are inclined to allow, and even help, collective economy, and individual economy to encroach upon and gradually eat up state economy. Such a phenomenon is highly improper. Such actions not only damage the basic interests of people of the whole country but also directly affect the nature of operation and the direction of development of the collective and individual economy.

Second, the Constitution provides that mining resources are under the state's ownership. Hence, any collective or individual who, without authorization, goes ahead and engages in mining and extractive work is considered to be violating the state's rights and interests. The practice in capitalist countries is first to make a survey to find out the approximate amount of the deposits, and only after payment of definite fees fixed on the basis of the volume of these deposits will permission be given to start mining work. As everybody knows, land rental on mines is a constituent part of the price of mining products and reflects the economic relationship between the owner and the developer of the resources. Under socialist conditions, land rent on mines can be paid to the state in the form of a tax on resources. In particular, when collectives and individuals develop the state's mining resources, they should pay the resources tax, otherwise the state's ownership right over the mining resources cannot be realized and will become an empty legal concept. As for township collieries mining in state-run mining areas, since they are making use of the basic mining facilities invested in by the state, they should, in addition, pay a resources surtax. This is extremely necessary in maintaining the state's ownership rights over mining resources and in correctly handling the interest relationships between the state, the collective, and the individual.

Third, small local coalpits must continue to develop. But township collieries which enter into state-run mining areas without prior approval and set up mining points at will should be treated differently. In reality, this is a type of improper wind in the economic arena. Naturally, in solving this problem different conditions should be treated differently. Those collieries that have gone through the proper procedure may be allowed, subject to stronger supervision, to continue to operate. Those that have not gone through the process of applying for and obtaining permission, do not have any planning charts or programs, are lacking a definite scope of operations, and cannot conform with the state's safety mining requirements should be ordered to stop their mining work. Among them, those which have fairly good foundations for operations and can still be allowed to continue in operation subject to their having achieved the necessary application procedure. But those that have endangered the production and operations of the state-run mines must all be forced to stop their mining work. In particular, those that have violated law and discipline, or have wantonly disregarded people's lives, or have caused serious accidents, or have violated criminal codes, must all be dealt with summarily. For their part, the state-run mines should, in accordance with the state's relevant regulations, render support and aid in technology and other aspects to those township collieries which have complied with the mining procedures and requirements.

Fourth, township collieries should take the road of united development. At present, many township collieries have displayed the special features of petty producers. They have no long-range plans in mining, are unwilling to invest, do not undertake capital construction, do not provide the least labor protection and only want to make money as promptly as possible. It must be pointed out that the petty producer's ideology cannot work in modern industry.

It will only hamper the production on and operations of township collieries. United development is the only way out. Once united capital funds can be gathered together it will be possible to take up mining capital construction properly and in accordance with the state's stipulated technological standards.

ZHANG JINGFU ON RECRUITING 'FOREIGN INTELLECT'

OW121019 Beijing XINHUA in English 1517 GMT 21 Apr 86

["China Urged To Import More Brains" -- XINHUA headline]

[Text] Beijing, April 21 (XINHUA) -- China must step up its recruitment of foreign intellect to speed up its economic development, State Councillor Zhang Jingfu said here today. He said overseas managers, scientists and technicians should be brought in to improve the performance of key companies -- particularly in coastal cities open to foreign trade and investment.

Addressing the inaugural meeting of the China Association for International Exchange of Personnel, Zhang said Chinese industrial and commercial enterprises should also send more people abroad to learn foreign managerial and technical skills.

Over the past few years, the country had begun to realize the positive role foreign experts could play in modernization of factories, technology import, improvement of management and development of coastal open cities.

The China Association for International Exchange of Personnel is a non-governmental organization. It will aim to promote technological exchanges and professional co-operation between Chinese and foreign workers in industry, commerce, agriculture finance, science and technology, education, medicine and culture.

The association has set up a foundation to give financial help to Chinese enterprises to develop intellectual co-operation with the rest of the world.

Zhang urged the relevant authorities to make efforts to improve the living and working conditions of foreign experts in China.

JIANGSU PROVINCIAL CONGRESS SESSION ENDS 29 APR

OW300339 Nanjing Jiangsu Provincial Service in Mandarin 1100 GMT 29 Apr 86

[Excerpts] The 8-day Fourth Session of the Sixth Jiangsu Provincial People's Congress closed this afternoon at the Nanjing Great Hall of the People. A total of 1,148 deputies attended the closing session.

Permanent chairmen of the presidium including Chu Jiang, Chen Dexian, He Binghao, Liu Shuxun, Li Qingkui, Wang Bingshi, Hong Peilin, and Li Zhizhong were present as executive chairmen. Sitting in the front rows on the rostrum were Han Peixin, Shen Daren, Gu Xiulian, Chen Huanyou, Sun Jiazheng, Liu Lin, Zhou Ze, Qian Zhonghan, Liang Qihong, Yang Yongyi, Zhang Xuwu, Li Shouzhang, Zhu Ze and Qin Jie.

Voting by a show of hands, deputies attending the closing session passed a number of resolutions: the resolution on the Seventh 5-Year Plan for Jiangsu Province and the report on the Seventh 5-Year Plan; the resolution on the 1986 economic and social development plan for Jiangsu Province; the resolution on the 1985 final accounts and the 1986 budget of Jiangsu Province; the resolution concerning the report on the work of the Jiangsu Provincial People's Congress Standing Committee; the resolution concerning the report of the work of the Jiangsu Provincial Higher People's Court; and the resolution on the report of the work of the Jiangsu Provincial People's Procuratorate. The session also adopted a resolution on approving the resignations of Chen Dexian and Liang Gongfu as vice chairman, and member of the provincial People's Congress Standing Committee, respectively. Comrade Chu Jiang spoke at the closing session.

LIANG BUTING UNVEILS SHANDONG MARTYRS MONUMENT

SK271042 Jinan Shandong Provincial Service in Mandarin 2300 GMT 26 Apr 86

[Text] The unveiling ceremony for the (Huxi) Revolutionary Martyrs Monument, with an inscription by General Secretary Hu Yaobang on it, was held in Shanxian County on 25 April. Liang Buting, secretary of the provincial CPC Committee, and Qin Heqhen, a veteran comrade of the province, cut the ribbon and unveiled the monument.

Early in the great revolutionary period, party activities took place in the historical (Huxi) region. During the 8-year Japanese resistance war and the liberation war, life-and-death struggles were waged in this region against Japanese imperialism and the Kumintang reactionaries, and many comrades gave their valuable lives for national independence and the people's liberation.

This monument was rebuilt with the concern of the CPC Central Committee, the provincial CPC Committee, party organizations of the pertinent neighboring regions, and veteran comrades of the former (Huxi) region. Together with the (Huxi) Revolutionary Martyrs Hall, the memorial pavilion, and the martyrs' tombs, this monument looks very majestic and magnificent.

Attending the unveiling ceremony were representatives of party organizations at all levels in the former (Huxi) region from Shandong, Jiangsu, Henan, and Anhui Provinces as well as representatives of the local cadres and the masses, more than 3,000 people in all.

On behalf of the Shandong Provincial CPC Committee, and in the capacity of comrade-in-arms of the (Huxi) revolutionary martyrs, Liang Buting, secretary of the Shandong Provincial CPC Committee, delivered a speech at the ceremony.

He said: The heroic achievements of revolutionary martyrs will exist together with the mountains and rivers and shine over the country together with the sun and the moon.

These revolutionary martyrs will live in the hearts of the people forever. Now in mourning for these revolutionary martyrs, we should carry forward their spirit of building an enterprise through arduous effort in order to achieve still greater success in the work of this old revolutionary base.

LIANG BUTING PRAISES SHANDONG WORKERS ON PROGRESS

SK300324 Jinan Shandong Provincial Service in Mandarin 2300 GMT 29 Apr 86

[Excerpt] On the eve of the 100th 1 May International Labor Day, responsible comrades of the province and Jinan City went to some industrial enterprises to visit and extend regards to the masses of workers working in the forefront of production, and encourage them to score first-rate achievements and to fulfill or overfulfill the various tasks for economic construction this year.

Liang Buting, secretary of the provincial CPC Committee, and Ma Shizhong, vice governor of the province, went to the Jinan General Motor Vehicle Plant on the morning of 29 April to extend festive greetings to some 16,000 workers on behalf of the provincial CPC Committee and government. The expressed gratitude to the workers for their diligent labor and positive contributions to developing the province's economy and in promoting the two civilizations.

Comrades Liang Buting and Ma Shizhong also held discussions with some model workers, production pacesetters, advanced workers, and fine CYL members at the plant. In the frank discussions Comrade Liang Buting praised the workers for their noble character of working for the interests of the state and the people in disregard of personal gains and losses, and their mental attitude of advancing despite difficulties in producing Huanghe-model cars. He said: In order to fulfill the Seventh 5-Year Plan and guarantee the smooth progress of the four modernizations, we hope that you will work hard in your production, support reform, and safeguard stability and unity with the attitude of masters, and exert concerted efforts to score achievements.

SHANGHAI'S RUI XINGWEN AT PEOPLE'S CONGRESS MEETING

OW261213 Shanghai City Service In Mandarin 0100 GMT 26 Apr 86

[Excerpts] The Fifth Session of the Eighth Shanghai Municipal People's Congress opened ceremoniously amid the solemn strains of the national anthem at 0900 on 25 April. A total of over 850 deputies representing people of all fronts and sectors in Shanghai attended the meeting, which took place at the great hall of the Shanghai Exhibition Center. During the session, they will examine and draw up the Seventh 5-Year Plan for Shanghai's economic and social development, and discuss how to transform and revitalize Shanghai. The executive chairman of the 25 April meeting were Rui Xingwen, Chen Guodong, Hu Lijiao, Zhao Zukang, Wang Jian, Pei Xianbai, Wang Tao, Liu Jingji, Wu Ruoan, Tan Jiazhen, Liu Nianzhi, Shu Wen, Cao Tianxin, Zuo Ying, Ba Zhongtan, (Zhang Renrui), (Zhu Tangxin), (Wu Sipei), and (Huang Yanji). The meeting was chaired by comrade Hu Lijiao.

At the request of the Shanghai People's Government, Mayor Jiang Zemin made a report on the draft of the Seventh 5-Year Plan for Shanghai's economic and social development

His report was divided into three parts: 1) A review of the work of the Sixth 5-Year Plan; 2) the principles and major tasks of the Seventh 5-Year Plan; and 3) the restructuring of the economic system.

After reviewing the major successes achieved during the Sixth 5-Year Plan, Mayor Jiang Zemin pointed out: [begin recording] There is lots of work to be done during the Seventh 5-Year Plan, and we have to stress the major projects. In accordance with the municipal party committee's proposals for the Seventh 5-Year Plan, we will focus our attention on these three major projects: 1) consolidating the infrastructure and improving the environment for investment and living; 2) taking active steps to utilize foreign capital, increasing exports to earn more foreign exchange, and promoting economic and technical exchange with foreign countries; 3) accelerating scientific and technological advancement and the pace of training competent personnel, further revitalizing the economy, and expediting the work in all fields. These three projects are essential to build Shanghai into an open, multifunctional, socialist, modern city. [end recording]

In his report, Mayor Jiang Zemin also announced these main targets of Shanghai's Seventh 5-Year Plan: In 1990, Shanghai's GNP will reach 67.3 billion yuan, representing an annual average growth of 7.5 percent and doubling that of 1980; the total value of industrial and agricultural output will grow by an average of 6 percent annually; people's income will increase by an average of 7 percent annually; per capita consumption by people in urban and rural areas will increase by an average of approximately 6 percent annually; and people's living and environmental conditions will continue to improve.

On restructuring the economic system, Mayor Jiang Zemin pointed out that restructuring the economic system thoroughly and systematically is essential for implementing the strategy for Shanghai's economic growth and achieving Shanghai's Seventh 5-Year Plan. We must have a clearer understanding of this matter, give top priority to reform, strengthen our confidence, and correctly understand the complexity and arduousness of reform. We must change our thinking to keep up with the development of the planned commodity economy. There will be numerous reforms during the Seventh 5-Year Plan. In the course of carrying out the plan, we must never stop reexamining our work, and we must make careful consideration, and look before we leap so that our work can be accomplished thoroughly and meticulously, and so that our reforms can proceed soundly. Members attending the Fifth Session of the Sixth Municipal CPPCC Committee were present at the meeting on 25 April as observers.

ZHEJIANG: WANG FANG ADDRESSES DEFENSE WORK MEETING

OW291013 Hangzhou Zhejiang Provincial Service in Mandarin 1000 GMT 28 Apr 86

[Text] The provincial experience-exchange meeting on joint defense work held by the Army, the police, and the people ended in Hangzhou on 27 April. To meet the need of a strategic shift, the meeting called for long-term joint coastal defense construction during peacetime. Wang Fang, secretary of the provincial CPC Committee and head of the provincial Army-Police-People Joint Defense Leading Group, made a speech at the meeting. He stressed: The party committees and governments at all levels must strengthen leadership over joint defense work. They must unify leadership and command. The departments and units at all levels must proceed from the general goal of building and reinforcing coastal defense and form a united fighting force to improve joint defense and coordination work. Rapid progress has been scored in joint defense by the Army, the police, and the people over the past 2 years and more. A coordinated joint defense network has taken shape, thereby greatly contributing to improving social security, dealing blows at criminal activities, and promoting spiritual civilization jointly by the Army and the people.

Liu Lunxian, chief of staff of the Nanjing Military Region, fully affirmed such contributions. He called on the PLA units stationed in Zhejiang to subordiante themselves to the unified leadership of the local party committees and play a backbone role in joint defense and actively contribute to building and reinforcing coastal defense. Leaders of relevant departments Li Qing, Liu Tianzeng, and Xia Zhonglie also spoke at the meeting.

YUNNAN PEOPLE'S CONGRESS SESSION OPENS 25 APR

HK260209 Kunming Yunnan Provincial Service in Mandarin 2300 GMT 25 Apr 86

[Excerpts] The Fourth Session of the Sixth Yunnan Provincial People's Congress opened in Kunming on 25 April. The executive chairmen at the opening ceremony were Li Guiying, Qi Shan, Yan Yiquan, Ma Wendong, Wang Shichao, Yang Ming, and Yu Huoli. Qi Shan, vice chairman of the provincial People's Congress Standing Committee, declared the session open at 0900.

Li Guiying, chairman of the provincial People's Congress Standing Committee, then conveyed the spirit of the fourth session of the sixth NPC. He discussed the following issues: 1) Fully understand the great achievements of the Sixth 5-Year Plan is a practical and feasible program for construction. 2) The key to fulfilling the Seventh 5-Year Plan is to persistently put reform in the primary position. 3) Strengthening the socialist legal system is a major guarantee for fulfilling the plan.

Also present on the rostrum with the executive chairmen were Pu Chaozhu, He Zhiqiang, Zhi Zhihui, Li Shuji, Liu Shusheng, Li Xingwang, Yin Jun, Liang Jia, and Li Qiming, Liu Minghui, Zhang Zhixiu, Xie Zhenhua, Gao Zhiguo, and Zhang Zizai.

YUNNAN MEETING REVIEWS UNITED FRONT ACHIEVEMENTS

HK270357 Kunming Yunnan Provincial Service in Mandarin 2300 GMT 26 Apr 86

[Excerpts] The Fourth Session of the Fifth Yunnan Provincial CPPCC and the provincial CPPCC work forum held a full gathering on 26 April to listen to a report by Yang Yitang, director of the provincial CPC Committee's united front department, on the implementation of united front policies.

Yunnan has done a lot of work in implementing the united front policies since the 3d Plenary Session of the 11th CPC Central Committee and has scored great success. By now, policies have been implemented on 96 percent of former KMT surrenderees, and certificates have been issued to 90 percent of them . The work of distinguishing small traders, hawkers, and handicraftsmen among former industrialists and businessmen in the province has been completed. Cultural revolution miscarriages of justice involving these industrialists and businessmen have all been reexamined and corrected. Most of the miscarriages of justice involving religious figures during and before the cultural revolution have been rectified. Their salary and living expenses arrears have also been paid. The province has opened up 2,418 temples, churches, and religious activity points. Most of the occupied religious premises and property have been returned to the religious bodies to manage and use.

Yang Yitang said: The implementation of the united front politics has a very good political impact at home and abroad. It has revived and enhanced the reputation of the CPC and the People's Government among the masses. On future work, Yang Yitang said: Although the province has achieved very great success in implementing the united front policies, the development of the work is uneven. In the future we must get a good grasp of reexamining those cases that should be reexamined but have not been. We must completely rehabilitate the victims of miscarriages of justice.

QINGHAI GOVERNOR OUTLINES SEVENTH 5-YEAR PLAN GOALS

HK250139 Xining Qinghai Provincial Service in Mandarin 2330 GMT 24 Apr 86

[Excerpts] In his report on the Seventh 5-Year Plan delivered at the provincial People's Congress session, Governor Song Ruixiang pointed out that this plan covers an important period for laying the foundation and creating the conditions for the province's economic invigoration in the 1990's.

The province's main goals for the Seventh 5-Year Plan are as follows: By 1990, total social output value should reach 7.2 billion yuan, rising at an annual average of 8 percent; this includes total industrial and agricultural output value of 4.7 billion yuan, rising at an annual average of 9 percent; gross domestic output should reach 4.6 billion yuan, rising at an annual average of 8.3 percent; national income should reach 3.54 billion yuan, rising at an annual average of 8 percent; and local financial revenue should reach 350 million yuan, rising at an annual average of 8.5 percent. The average net income of the peasants and herdsmen in 1990 should reach 500 yuan, rising at an annual average of 7.8 percent. Real wages of the workers should increase by an annual average of 4 percent. Poor counties and townships in the rural and pastoral areas should basically have eliminated poverty by 1990. All other undertakings should show corresponding development.

Song Ruixiang said: The state will build nine large and medium projects in Qinghai during the Seventh 5-Year Plan, involving a total investment of 2,767,000,000 yuan. Five of these are already under construction — the Longyangxia hydroelectric station, (Qitieshan) lead and zinc mine, Qinghai aluminum plant, the expansion of Lianhe coal mine, and the survey and exploitation of Qinghai oilfield. There are three new projects -- Lujiaxia hydroelectric station, Qinghai potash fertilizer plant, and Coajiapu airport. There is one reserve project -- the expansion of the (Wangai) asbestos mine. Preparatory work is to be carried out for two more projects — stage two of the Lianhe coal mine and Laxiwa hydroelectric station, plus three projects yet to be decided.

The construction of these projects is related not only to the progress of exploiting Qinghai's resources but also to attain the goal of quadruplication and to create conditions for great development. It will also provide favorable conditions and very good opportunities for developing local industries. The areas and departments concerned must do a good job in providing support for these projects and ensure their on-schedule completion.

BAI JINIAN DETAILS SHAANXI WATER CONSERVANCY WORK

HK290929 Xian SHAANXI RIBAO in Chinese 18 Apr 86 p 1

[Report: "Bai Jinian Gives Instruction on Water Conservancy Work at a Provincial Meeting"]

[Text] At a recent provincial meeting on water conservancy and aquaculture work, provincial CPC Committee Secretary Bai Jinian emphasized: Water conservancy work in this province is experiencing major changes from the guidelines to concrete policies and will enter a new stage of development. The changes are mainly reflected in the following points:

First, people are again attaching great importance to water conservancy work, which was neglected for a time. Through experience, people have achieved a correct understanding in line with objective reality and have better realized that water conservancy is not only the lifeblood of agriculture, but also has a great bearing on the survival of mankind and the socioeconomic development of the whole nation.

Second, the guideline for water conservancy and irrigation work has been shifted to a scientific basis. Blind and headlong mass action has been replaced with careful action in line with natural laws and economic laws.

Third, the management of existing water conservancy and irrigation facilities has been strengthened and better economic results have been achieved. The previous practice of relying on huge state investments in irrigation works has been changed.

Fourth, the scope of water conservancy work has been extended from farmland irrigation works to water supply services for the development of the rural economy, township industries, and urban construction.

Fifth, measures have been taken for comprehensive utilization of water conservancy facilities, and this has accumulated more funds for the water conservancy management department and enabled it to solve some of its own problems to promote the development of the entire national economy.

Finally, Comrade Bai Jinian required all localities to further improve the water conservancy management system; increase legislation concerning water conservancy work; fulfill the arduous tasks in water conservancy construction; do a good job in water and soil conservation, aquaculture, and building small hydropower stations; overcome the difficulties in water supply for people and animals; advance economic diversification; and build an efficient contingent of workers on the water conservancy front.

SHAANXI DEFENSE INDUSTRY PRODUCTION MEETING CONCLUDES

HK270315 Xian Shaanxi Provincial Service in Mandarin 0030 GMT 27 Apr 86

[Excerpts] The Shaanxi provincial conference on switching the defense industry to production of civilian goods while ensuring defense needs concluded yesterday after 4 days in session. Governor Li Qingwei made an important speech at the conclusion.

During the meeting good progress was made in developing lateral economic and technical ties between the defense industry system and local governments and enterprises. The Baoji and Xianyang city governments and a number of civilian enterprises signed over 20 letters of intent and contracts with the defense industry system. In addition, leading comrades of Yanan, Hanzhong, Weinan, and Tongchuan prefectures and cities said they wanted to establish cooperative relations with the defense industry.

Li Qingwei pointed out in his speech that Shaanxi's national defense, science, technology, and industry occupies an important position in the whole country. However, we have not yet taken full advantage of the potential strong points. There are many reasons for this. The main one is a problem of structure.

He said that the defense industry enterprises, undertakings, and units must carry out reform. Otherwise, change is impossible. Before the central authorities carry out major reforms in the management structure of the defense industry enterprises, we must actively develop a variety of lateral ties spanning different departments, areas, and sectors, to promote reform of the economic structure. The national defense enterprises and units must change their closed-style production mode to an open-style one. They must change from being large and complete or small and complete to specialized, joint, and cooperative production, and switch from pure production to production operations. They cannot go on eating tranquility rice and insurance rice as they did in the past. Li Qingwei also gave his views on how the defense industry enterprises should identify key civilian products for development and make a success of this year's production.

FORMER PRC AIR FORCE PILOT ARRIVES FROM S. KOREA

OW301027 Taipei CNA in English 1017 GMT 30 Apr 86

[Text] Taipei, April 30 (CNA) -- Former Communist Chinese Air Force MiG-19 pilot Chen Pao-chung Arrived in Taipei from Seoul Wednesday afternoon on board a China Airlines [CAL] flight, fulfilling his wish to seek freedom in the Republic of China. On board the CAL flight 823 together with more than 160 passengers, Chen arrived at the Chiang Kai-shek International Airport at 4:42 p.m.

Chen, 26, a native of Hopei Province, is formerly a pilot of the Communist Chinese Air Force's scouting unit. Taking off from Mukden in Northeastern China, he landed his MiG-19 at Suwon Airbase, 30 miles south of Seoul, Feb. 21 in a bid to seek freedom.

The intrusion of his jet fighter into South Korean airspace had set off air raid warning sirens in the Seoul area Feb. 21 afternoon. Since his arrival in Seoul, the South Korean authorities have formally announced that they will handle the case according to international law and will respect the pilot's wishes to be sent to a third nation. Chen had expressed his intention to come to the Republic of China soon after his dash to freedom.

Further Report

HK301012 Hong Kong AFP in English 0949 GMT 30 Apr 86

[Text] Taipei, April 30 (AFP) -- A Chinese Air Force pilot who flew a MiG-19 to Seoul in a defection bid arrived here Wednesday to seek political asylum, military sources said. Chen Pao-chung, 26, was on a regular China Airlines flight which landed at Chiang Kai-shek International Airport at 0840 GMT. The former Lieutenant Colonel in the Chinese Air Force was whisked away from the airplane by military officers.

Mr Chen was due to give his first press conference since his defection later Wednesday after being debriefed by the authorities, the sources said. Announcement of the defector's flight here was embargoed until two hours after he left Seoul to ensure the aircraft was out of shooting range of Chinese forces.

Mr Chen was serving in a reconnaissance squadron in Shenyang, northeast China, when he flew to Seoul during a training mission on February 21.

Taiwan offers gold to Chinese pilots who defect with their warplanes. But it was not immediately known how much Mr Chen was to receive for landing the MiG-19 at a military airbase some 30 kilometers (18 miles) south of Seoul. Former Chinese pilot Wu Jung-ken was given 5,000 taels (6,650 ounces) of gold worth 2.75 million dollars for flying a MiG-19 fighter jet to Seoul four years ago. Mr Chen was the fifth Chinese pilot to defect to Taiwan via South Korea. The other defecting pilots had been sent to Taiwan less than one month after they flew to South Korea. Informed sources said Mr Chen's trip to Taiwan was delayed because it took time for South Korean military authorities to study the valuable documents, reported to include 57 photos of Vietnam and North Korea, that he was carrying when he defected.

Spokesman for Taiwan's foreign ministry Chiu Chin-yi said "we welcome the return of freedom fighter Chen Pao-chung, and we appreciate the South Korea Government for safeguarding justice and honoring humanity by sending him back."

USSR-TYPE NUCLEAR ACCIDENT UNLIKELY IN TAIWAN

OW300315 Taipei CNA in English 0254 GMT 30 Apr 86

[Text] Taipei, April 29 (CNA) -- A ranking official with the Atomic Energy Commission, commenting on the accident that occurred at one of the Soviet Union's nuclear power plants early this week, causing serious radiation leakage, said that such an event won't happen in Taiwan.

The official, who preferred anonymity, pointed out that the Soviet plant, about 130 km north of the populated Ukrainian capital of Kiev, is more vulnerable to accidents than those here because its design if out-of-date and no attention was paid to constructing necessary strengthening structures around the nuclear reactors to prevent radiation leakage.

Since the Republic of China's nuclear power stations are all the products of modern design and are tightly protected by varieties of safety and security systems, he stressed, there is very little, if any, chance for such an incident to occur here.

Citing the U.S. nuclear power accident at the Three Mile Island [TMI] as an example, the official said, thanks to the TMI plant's modern design and well-strengthening structure, the accident caused only limited radiation leakage.

NUCLEAR POWER PLANT GAS LEAK INJURES 6 PEOPLE

HK300438 Hong Kong AFP in English 0404 GMT 30 Apr 86

[Text] Taipei, April 30 (AFP) -- Six people at a nuclear power plant were knocked unconscious by a carbon dioxide leak during a test of the facility's firefighting system, police said Wednesday. They said that one person was in serious condition after the leak at Taiwan's second-largest nuclear power plant, located in Juo Sheng village in the country's north.

The poisonous gas spewed out during a routine daily check of firefighting equipment, designed to avoid any leakage of carbon dioxide, police said. They said that six operators in the control room were knocked unconscious and rushed to hospital.

The Taiwan Power Company (Taipower), the state monopoly that built the plant, said the cause of the leakage was being investigated. But it emphasized that the leakage had nothing to do with the generation of nuclear power.

Taipower has built three nuclear power plants. Its proposal for a fourth has been shelved by the cabinet in the face of protests from anti-nuclear forces.

PRC APPLIES FOR PARTICIPATION IN SEOUL OLYMPICS

HK291050 Hong Kong HSIN WAN PAO in Chinese 29 Apr 86 p 1

["New Talk" column: "Trying To Win the Right To Host the 2000 Olympics"]

[Text] Precisely at the time when Juan Antonio Samaranch, President of the International Olympic Committee, was visiting China, the spokesman for the China Olympic Committee made clear that Chinese sportsmen would participate in the 1988 Seoul Olympics when he answered a REUTER reporter's question. This was the first time China had expressed its attitude toward this matter.

There are two reasons why the Seoul Olympics, to be held in 2 years, arouses particular attention.

First, owing to international political turbulence, the past two Olympics did not have full participation. When the Olympics were held in Moscow in 1980, several dozen countries refused to send teams to participate and thus boycotted it in protest against the Soviet troops' invasion of Afghanistan. When the Olympics were held in Los Angeles in 1984, the Soviet Union retaliated by gathering together a dozen countries who refused to participate, but the Olympics were held as usual. Nevertheless, the consecutive emergence of incidents to boycott the Olympics have cast a shadow over their future.

Second, the issue related to China's legitimate seat on the International Olympic Committee encountered obstruction from various sides and was not solved until the late 1970's. Chinese sportsmen originally decided to participate in the 1980 Moscow Olympics, but were held back because of the Afghan incident. It was 2 years ago in 1984 that, urged by various parties, Chinese sportsmen began to show their ability in the Los Angeles Olympics and won 15 gold medals. However, South Korea, who will host the next Olympics in Seoul, has no diplomatic relations with China. Therefore, whether or not China will participate in the Seoul Olympics has become a question that is being studied with keen interest.

Now the China Olympic Committee has announced, 2 years before the opening of the Olympics, that China has filed application to the International Olympic Committee for its participation in the Seoul Olympics and that it would send a team to participate in the games. This has, in fact, played a role in promoting and stabilizing international Olympic sports and the Seoul Olympics.

Samaranch came to Asia this time to preside over the joint meeting of the Executive Board of the International Olympic Committee and the Olympic committees of various countries that was held in Seoul last week. In fact, Chinese representatives Chen Xian and He Zhenliang also went to Seoul to participate in the meeting. Since China has already become a member of the International Olympic Committee, it is only natural that China takes part in all meetings and games activities at the places designated by that organization.

It has been rumored for a long time that China had the intention of applying to host the 2000 Olympics in Beijing. If this is true, the application to send its team to participate in the Seoul games will facilitate it. At present, many cities in the world (including Australia's Brisbane and Holland's Rotterdam) are contending for the right to host the 1992 Olympics. The year 1996 will be the 100th anniversary of the modern Olympic games; therefore, it is very possible that the games will be held in Athens, the capital of Greece. Thus, China can only regard obtaining the right to host the 2000 Olympics as its goal. This may also be quite ideal timing, for by that time, the four modernizations will have been initially realized and China will have greatly developed its sports and may be better prepared to show its hospitality to sportsmen from all over the world, and meet the 21st century together with them.

Before the 1988 Seoul Olympics, the 10th Asian Games will be held in Seoul this year. So far, China has not yet announced whether it will participate in that Asian Games. Since it has made its decision concerning the Seoul Olympics, it will perhaps not be long before it makes another announcement.

KUANG CHIAO CHING ANALYZES PRC'S 'TIGER-BEATING' DRIVE

HK231421 Hong Kong KUANG CHIAO CHING in Chinese No 163, 16 Apr 86 pp 6-8

[Article by Kuan Cha-chia: "The Latest on Beijing's Tiger-Beating"]

[Text] Will Beijing's tiger-beating drive in the year of the tiger be hastily wound up with a poor ending after such a magnificent beginning? Some people abroad justifiably worry about this.

In recent years, some publications abroad have widely reported the unlawful practices of the children of some high-ranking cadres, who sought private gains by taking advantage of their parents' power and positions. It seemed that some of the reports were based on facts. The unlawful practices have not yet been disclosed and handled by the authorities in Beijing so far. As viewed by some people abroad, the cases of the Ministry of Aeronautics Industry, Chen Xiaomeng and Hu Xiaoyang, and of Zhou Erfu handled and made public following the 8,000-person meeting which was held in early January could not be considered tiger-beating. Therefore, some people, with the best of intentions, are worried that the CPC's efforts to rectify party style will end up like the previous party rectification which "went through the motions seriously."

Sharing the same worry, the writer of this article, taking advantage of covering the current "NPC" session in Beijing, had in-depth talks on the question of improving party style with well-informed sources and was informed of several inside stories. This inside information shows that the leadership in Beijing is greatly determined to "tackle difficult cases" in beating tigers and has won successes so far. At present the work is being carried out in a down-to-earth manner. We must not believe it is being halted half-way just because it is presumably not being conducted on as grand and spectacular scale.

Deng Xiaoping Once Again Expressed His Support for the Idea of Dealing With Tough Problems in Handling Major Cases

In the first 10 days of March, the central organ's group for leading party rectification made a report at a meeting on its work in the 2 months since its establishment. I was informed by a person in the high echelons of power in Beijing that Deng Xiaoping attended the meeting and made an important speech after hearing the report.

What remarks did Deng Xiaoping make then? I conducted a detailed inquiry about Deng Xiaoping's speech. "He expressed satisfaction over the general achievements of the group's work in the previous stage and also made a few suggestions on the work." After thinking this person said: "Two things impressed me most: The first thing is that he thought the measures already taken 'had been a bit too soft' and the other is that he stressed that the work of beating tigers 'should be carried through to the end.'"

By saying that the measures already taken "had been a bit too soft," does this mean that the authorities concerned failed to earnestly and courageously tackle tough problems in beating tigers in the previous stage?

"We cannot say this. Of the 12 major cases which have been handled or are under investigation, some cases involved the children of senior cadres who hold very high positions and have real enormous power and others involved high-ranking cadres themselves. Can we then justify saying that we did not have the courage to deal with tough problems in this regard?" After giving this reply, the person in the high echelons of power went on to say: "As the saying goes, nobody dares to touch the tail of a tiger. It is hard to imagine that we will face no obstructions in handling major cases and beating tigers. To remove all kinds of obstructions, members of the group for leading the party rectification have exerted a lot of effort and scored great achievements. While expressing satisfaction on the whole with the group's work, Comrade Xiaoping also said that the measures already taken 'had been a bit too soft.' According to my personal understanding, Deng Xiaoping's remarks were supportive, rather than critical, to the group, urging them to make persistent efforts to unswervingly investigate and handle all major and important cases."

Results of the Investigation and Handling of the 12 Major Cases Will be Published One After Another.

After arriving in Beijing, I learned about the oft-discussed 12 major cases while having a chat with my friends. However, nobody could tell exactly which they were. Finally, in a conversation with a person in the legal circles, I found out the origin of "the 12 major cases."

It turned out that the group for leading party rectification received quite a few accusations exposing situations concerning malpractices. As a matter of course, they had to be delivered to the party's Discipline Inspection Commission and the state's procuratorial organs for further investigation. The group first classified the cases brought to it according to their gravity. Thus, the cases were divided into 12 categories, including corruption, bribe-taking, extortion, swindling, smuggling, stealing and selling public property at a profit, violation of diplomatic codes, and selling information. My jurist friend could hardly relate the entire list of the cases classified. One major case was picked from each category and efforts would first be concentrated on investigating and handling them, hence, the origins of the 12 major cases.

I went on to ask my jurist friend, what were the standards for picking the 12 major cases? "Naturally, they are the most serious of the similar cases," said my friend without pausing to think and then went on to say humorously: "But, the cases involving high-ranking cadres, their children, or celebrities do enjoy preference among the major cases selected."

Rectify the Party Style in the Spirit of Seeking Truth From Facts.

While talking with my friends in Beijing, I asked them whether the three cases which had been made public could be considered part of the "tiger-beating" drive. As some of my friends in Beijing put it, "beating tigers" is a vivid expression used by the masses for the time being. It is entirely correct to use such an expression in urging the authorities to have the courage to deal with tough problems in rectifying party style and to handle cases involving high-ranking cadres or their children. However, in handling cases, we must seek truth from facts. The view which asserts that every major case must involve high-ranking cadres at a certain level or their children and that if it appears not to, the current party rectification will be regarded as lacking the spirit of "beating tigers" is an excessively one-sided one.

One of my friends analyzed some of the cases already publicized. He pointed out that a considerable number of smuggling cases have been discovered throughout the country. The smuggling case involving the Guangyu Company under the Ministry of Aeronautics Industry, which involved more than U.S. $40 million in loans and was committed in an absolutely vile manner, can of course be considered a major case. Those involved in the case have been handed over to judicial departments.

Two cadres at the ministerial level, who did not violate the law but acted in a bureaucratic way have been punished according to party discipline. We must not raise their problems to a higher plane of principle just for the sake of displaying the "tiger-beating" spirit. Although different from the current most-talked-about economic criminal cases, which seriously endanger the reforms, the case of Chen Xiaomeng and Hu Xiaoyang -- who committed the crimes of rape and hooliganism -- was grave in nature and has incurred the most popular indignation. The people in Shanghai were grateful for the punishment meted out to the criminals. This indicates that the case was handled correctly. Of course, handling this kind of case is not a priority in rectifying party style. Even after the 8,000-person meeting, some serious criminal cases are still under investigation. The way major cases will be handled in the future will help people see the CPC's determination to carry out the current party rectification more clearly.

Careful Consideration Given in Handling the Case of Zhou Erfu

The case of Zhou Erfu was one of the 12 major cases. People abroad talked a lot about the handling of the case. Some said the verdict passed on Zhou for his errors was too harsh and others contended that the handling of Zhou's case was aimed at making literary men the first target of attack. In Beijing I asked some friends in the cultural community about their views on Zhou's case and found that none sympathized with him.

According to the response of my friends in Beijing who had inside information about Zhou Erfu, the circumstances in which Zhou committed his mistakes in Tokyo were so vile that even the reception personnel of the host organization felt shocked. Because the details of the whole story were not suitable for reporting in print, they had to be stated briefly in the Central Discipline Inspection Commission's decision and the XINHUA news agency's coverage. Moreover, what was reported by foreign news agencies did not tally completely with the acutal situation. Under such circumstances, it is only natural for some people abroad who are unable to know the real situation to hold diverse opinions. Therefore, as I see it, because of this, it is even more necessary to publish the details of the whole story in order to show impartiality.

Having experienced all sorts of trials and hardships, people in the cultural community on the mainland are ideologically quite sensitive. This being the case, the high echelons of the CPC gave careful consideration to the handling of Zhou's case. At that time, television stations were serializing Zhou Erfu's novel "Morning in Shanghai." The departments concerned told the television stations especially not to discontinue the TV program just because Zhou was punished. To counter the past practice wherein, when a writer was criticized, there would be nowhere for him to publish his works, the departments concerned also instructed publishing houses to publish Zhou's books and articles as usual. In addition, Zhou's membership in the CPPCC was retained. It had been reported that some CPPCC members objected to how the matter was handled, asserting that this would damage the CPPCC's image. They were ready to table a motion to cancel Zhou's membership. After being convinced otherwise by the high echelons of the CPC, they gave up the idea. With this as an example, people in the cultural circles on the mainland are not worried that literary men will be made the first target of attack during the current drive to rectify party style.

Another Major Case Involving the Children of High-Ranking Cadres Is To Be Made Public

But why are cases involving children of high-ranking cadres who hold important positions not handled expediently? Compared with the three cases already made public, have these cases not been given preference? When talking with a person in the higher echelons of power, I raised these questions.

"All cases are handled after thorough investigations are made. The case of the Ministry of Aeronautics Industry and that of Chen Xiaomeng were handled in this way. Since a thorough investigation of the case of Zhou Erfu was completed, how can it be put aside without any decision reached? Of course, giving priority to handling a certain case can better inspire people. Nevertheless, we must realize that the more important the case, the longer it takes to investigate it thoroughly. Concentrating on inspiring people and adopting a perfunctory attitude toward the investigation of cases will lead to unjust, false, and wrong cases. We have had these lessons in the past." Heaving a deep sigh, the person in the high echelons of power paused at this point.

"Then, how long will these cases, which attracted people's wide attention, drag on before they are handled seriously? Handling cases dilatorily will likely cause the cases to end up with no definite outcome," I said anxiously.

"This will not be the case. Has Comrade Xiaoping not stressed that the cases should be handled thoroughly? As far as I know, there have been signs of a positive outcome in the investigations of some major cases." After thinking for a short while, he went on to say, lowering his voice: "Here I can tell you that a major case involving the daughter of a senior cadre in a very high position, whose handling is being completed, and will be made public soon. You may wait and read our newspapers."

When gathering news on 12 April, I learned about two major cases involving the children of senior cadres who hold very high positions. The handling of one of the cases was completed on the basis of a thorough investigation. It will hopefully be made public after the current NPC session is over. Efforts were being increased to investigate and handle the other one which will be made public very soon.

The High-Ranking Cadres Whose Children Are Involved in Some Cases Has Evoked Self-Criticisms

Although I have been given some confidence-boosting inside information by several persons in the high echelons of power, it has still failed to completely dispel my worries. It is unlikely that there will be no obstructions in beating tigers. Will the investigation of the cases involving the children of senior cadres who hold high positions and have enormous real power be given up halfway through when the obstructions turn out to be too great?

In view of my worries, some friends who were well informed told me that the highest echelons of the CPC had urged the high-ranking cadres in the high echelons of leadership to take a correct attitude toward their children, if any were involved in criminal cases and not to shield them out of personal considerations. Otherwise, they would be duly punished. Some high-ranking cadres whose children were involved in criminal cases had made self-criticisms on "not teaching their offspring in the right way" and pledged to support the judicial organs in conducting serious investigations and handling the cases according to the law. It has been reported that in his written self-criticism, a very famous high-ranking cadre stated that his wife might also be involved in a certain case and he would expose her involvement after serious recollections.

The Rectification of Party Style Will Not Be Abandoned Halfway

The following remarks of my friend who was engaged in theoretical work inspired me considerably.

"Will the work of rectifying party style be abandoned halfway? Quite a few people on the mainland also share this worry of yours." He went on to say: "In my opinion, the problem at issue is not whether it can be abandoned halfway, but rather whether or not it will be abandoned halfway.

"Several years ago Chen Yun pointed out: The party's work style is a question of life or death for our party. On 17 January, Deng Xiaoping also pointed out: If economic prosperity is achieved but a society in which corruption, bribery, and theft are on the rampage emerges in China, what will this mean for us? Apparently, if party style is not rectified, such a corrupt society will emerge and our reforms, construction, and four modernizations program will become meaningless. No Chinese people can tolerate this.

"The conclusion is clear; the rectification of party style can on no account be given up halfway. Since it cannot be given up halfway, it will not be scrapped unfinished. The central authorities have said that it will be carried through to the end. I do not believe this is empty talk. It shows the determination of the central authorities in the face of a question of life or death for the party."

These remarks, concise and comprehensive, contained a lot of truth. I hope that the CPC will carry out the rectification of party style unswervingly and thoroughly. If this work is successfully done, there will be a turn for the better in social behavior and there will be real prospects for rejuvenating China. This is the aspiration both of the people on the mainland and of the descendents of Emperors Yan Di and Huang Di who live abroad.

FBIS DAILY REPORT

China

CONTENTS

Vol I No 084 1 May 1986

PRC INTERNATIONAL AFFAIRS

GENERAL

Li Peng on China's Foreign, Domestic Policies [LIAOWANG 28 Apr] A 1
XINHUA Links Libyan Raid, U.S.-USSR Rivalry A 3
Envoy Blames U.S. Congress for UN Funding Crisis A 4
Newspaper Views Upcoming Round of GATT Talks [GUOJI SHANGBAO 21 Apr] A 5
Radio Beijing on International Monetary Reform A 6

UNITED STATES

U.S. Offers USSR Aid in Nuclear Plant Accident B 1
XINHUA Notes Nixon Praise for PRC Achievements B 1
U.S. May Scrap Security Pledge to New Zealand B 2
Journal on U.S. Policy Toward Dictatorships [SHIJIE ZHISHI 16 Apr] B 3

SOVIET UNION

Moscow Denies Thousands Killed in Nuclear Mishap C 1
New Soviet Ambassador Takes Up Post [AFP] C 1

NORTHEAST ASIA

Li Xiannian Greets Japanese Emperor on Birthday D 1
Japan Concerned About Soviet Nuclear Accident D 1
Nakasone Offers Assistance D 1
Roundup Views South Korea Signature Campaign D 2

SOUTHEAST ASIA & PACIFIC

Commentary Criticizes SRV's Stance on CGDK Plan E 1

MIDDLE EAST & AFRICA

RENMIN RIBAO on Israel's 'New Marshall Plan' [26 Apr] I 1
YAR Delegation Arrives 29 Apr; Given Banquet I 1

PRC NATIONAL AFFAIRS

Leaders, Editorial Mark May Day in Nation K 1
Zhao Ziyang, Li Peng in Hubei K 1
Beijing Celebration K 2
RENMIN RIBAO Editorial K 2
Bo Yibo at Hunan Rally K 4
Paper Comments on Progress in Reform K 4
[CHONGQING RIBAO 20 Apr]
RENMIN RIBAO on Transfer of Reform-Bent Manager [23 Apr] K 6
Reasons Questioned [RENMIN RIBAO 23 Apr] K 9
Investigation Conducted [RENMIN RIBAO 23 Apr] K 10

PRC REGIONAL AFFAIRS

EAST REGION

Shanghai Promotes Lateral Economic Combinations O 1

NORTH REGION

Guangzhou Holds Rally To Celebrate May Day R 1
Guangxi Governor Outlines Seventh 5-Year Plan Goals R 1
Yang Xizong Attends Henan CPPCC Meeting 28 April R 3
Hunan Official Stresses News Coverage of Reforms R 3
Hunan Radio Urges Vigilance Against Flatterers R 4

NORTHEAST REGION

Heilongjiang Carries Out Transfer of Armed Forces S 1
Jilin's Gao Di Attends May Day Celebration S 1
Jilin Commentary Views Strengthening Political Work S 2
Jilin Moves To Eliminate Nepotism in Cadres S 3

TAIWAN

Chernobyl Accident May Affect Nuclear Power Policy V 1
Information Officer Comments on PRC Defection V 1
Pilot Holds News Conference [AFP] V 2
Foreign Ministry Statement V 2

HONG KONG MEDIA ON CHINA

Daya Bay Plant Officials Studying Accident in USSR W 1
[SOUTH CHINA MORNING POST 1 May]
Editorial Examines Daya Bay Safety Precautions W 1
[HONG KONG STANDARD 30 Apr]
LIAOWANG Views Appropriate PRC Growth Rates [21 Apr] W 2
HONG KONG STANDARD on Moonlighting PRC Union Leaders [27 Apr] W 5
WEN WEI PO Discusses Debate Among PRC Artists [29 Apr] W 6
PRC Navy Logistics Examines Improving Management W 7
[MING PAO 29 Apr]

FBIS DAILY REPORT

China

CONTENTS

Vol I No 085 2 May 1986

PRC INTERNATIONAL AFFAIRS

UNITED STATES

Senate Agrees to Sale of Aircraft Parts to PRC B 1
U.S. President on U.S.-ASEAN Trade Cooperation B 1

SOVIET UNION

Possible Postponement of Nuclear Mission to USSR [KYODO] C 1
More Reportage on Chernobyl Accident C 1
18 Injured Seriously C 1
May Affect Agriculture C 1
Moscow May Day Message Focuses on Economics C 2

SOUTHEAST ASIA & PACIFIC

Asian Development Bank Meets in Philippines E 1
PRC Admission E 1
Chen Muhua Attends E 1
Welcomes Admission E 2
Leaders Urge Board Seat E 3
Members Support New Seat E 3
Meeting in PRC Suggested E 4
Developing Countries' Role Noted E 4
Chen on Taipei Representatives E 5
Taiwan Absence From Meeting Noted E 5
PRC Uncertain on Borrowing [AFP] E 6
Chen Muhua Comments on Relations With Philippines E 6

PRC NATIONAL AFFAIRS

CPC Leaders Gather for 1 May Celebrations K 1
Beijing, Shanghai Meetings K 1
Hu Yaobang, Others at Rally K 1
Hu Qili Speech K 2
Li Xiannian in Tianjin K 10
Hao Jianxiu Visits Tianjin Workers K 10
Chen Yun in Zhejiang K 11
Hu Qiaomu, Others in Shanghai K 11
Hu Yaobang on Relations Between Party, Others K 12
[WEN ZHAI BAO 24 Apr]
Gu Mu Statements on Open Policy Viewed K 12
[BEIJING REVIEW 28 Apr]
Zhao Ziyang on Economic Reform at Hubei Meeting K 13

PRC REGIONAL AFFAIRS

EAST REGION

Han Peixin Attends Jiangsu TU May Day Meeting O 1
Jiangxi Leaders Mark May Day Centennial O 1
Shandong Secretary Attends Labor Day Celebration O 1
Shanghai: Rui Xingwen Writes on Good Literary Works O 2
[WEN HUI BAO 24 Apr]
Shanghai Economic Delegation Visits Yunnan O 5
[JIEFANG RIBAO 26 Apr]
Shanghai Delegation Meets Guizhou Secretary O 5
[JIEFANG RIBAO 26 Apr]

CENTRAL-SOUTH REGION

Guangxi: Further on Wei Chunshu Economic Report P 1
Guangzhou Meeting on Strengthening Military Discipline P 3
[NANFANG RIBAO 29 Apr]

NORTHEAST REGION

Sun Weiben Attends Heilongjiang May Day Celebration S 1
Heilongjiang: Sun Weiben Writes on Party Reform S 1
[FENDOU ZAZHI 29 Apr]
Heilongjiang Conference on Normal, Unhealthy Economic Trends S 1
Jilin's Gao Di, Gao Dezhan Work at Grass-Roots S 3
Briefs: Heilongjiang Technological Transactions; S 3
Jilin First Quarter Production

NORTHWEST REGION

Ningxia People's Congress Meeting Concludes 18 Apr T 1
[NINGXIA RIBAO 19 Apr]
Shaanxi Secretary Points Out Unhealthy Tendencies T 1
Shaanxi: Expanding Lateral Economic Ties Stressed T 2

HONG KONG MEDIA ON CHINA

TA KUNG PAO Comments on Chernobyl Nuclear Accident [30 Apr] W 1
CPC Leaders Urge Relaxed Cultural Atmosphere W 2
[MING PAO 1 May]

FBIS DAILY REPORT CONTENTS

China

Vol I No 086 5 May 1986

PRC INTERNATIONAL AFFAIRS

GENERAL

Seven-Nation Summit Opens in Tokyo 4 May A 1
Chernobyl Accident on Agenda A 1
Call for Statement on Terrorism A 2
Monetary Policy, Trade Issues A 2

SOVIET UNION

Qian Qichen Remarks on Sino-Soviet Relations [AFP] C 1
Further Reportage on Chernobyl Accident C 2
PRC Nuclear Development Unaffected C 2
Nuclear Team To Visit USSR [AFP] C 3
IAEA Head Invited to Moscow C 4

SOUTHEAST ASIA & PACIFIC

More Reportage on ADB Meeting in Manila E 1
Chairman Supports PRC Seat E 1
Entry Triggers Split [AFP] E 1
Position in Question E 2
Speakers Support Admission E 2
Chen Muhua on Loan Application E 3
Chen Muhua Interviewed E 4
[LIAOWANG 28 Apr]
Hong Kong To Continue in ADB E 6
ASEAN Supports CGDK 8-Point Peace Proposal E 6
Philippines Halt Nuclear Power Plant Project E 6
Peng Chong-Led NPC Group Begins Australia Visit E 7

PRC NATIONAL AFFAIRS

Hu Qili LIAOWANG Interview on CPC, Open Policy K 1
CPC To Retain Old Cadres K 1
Open Policy Reaffirmed K 1
Fighting of Crime To Continue K 2
'Far-Reaching Impact' of Hu Qili Speech Cited K 3
HONGQI Article Views Acceptance of Marxism K 4
Academic Research Urged K 4
Marxism 'Cannot be Forced' K 5
Zhao Ziyang, Others at Conduct Report Meeting K 5
Beijing Commentator Stresses Expert Leadership K 8
JINGJI RIBAO Urges Support for Reformers [24 Apr] K 11
RENMIN RIBAO Urges Showing Concern for People [29 Apr] K 13

End to Forced Selling of Shoddy Goods Urged K 14
[JINGJI RIBAO 25 Apr]
Gu Mu Speaks on Cracking Down on Smuggling K 15
'Rash of Swindling' Hits Insurance Companies K 16
Power Ministry Official Urges End to Malpractice K 17
Zhao Ziyang Inscription for Book on Reformer K 18
[BEIJING RIBAO 17 Apr]
Wuhan Security Bureau Cracks KMT Spy Case K 18
[CHANGJIANG RIBAO 24 Apr]
RENMIN RIBAO Carries HONGQI Table of Contents [30 Apr] K 19

PRC REGIONAL AFFAIRS

CENTRAL-SOUTH REGION

Chen Huiguang Closes Guangxi CPPCC Session P 1
Guangdong Cracks Down on Economic Crimes P 1
Wei Chunshi on Guangxi Economy Strong, Weak Points P 2
Hainan PLA Holds Meeting on Party Rectification P 2
Hubei Meeting Views Rectifying Party Style P 3

PRC MEDIA ON TAIWAN AFFAIRS

Taiwanese Pilot Seeks Asylum in PRC U 1
Lands at Guangzhou U 1
CAAC Cables Taiwan Airline U 1
Guangdong Fetes Pilot U 1
Interview With GUANGZHOU RIBAO [5 May] U 2
Book To Answer Taiwan Compatriots Questions U 2

TAIWAN

CAL Asks Cathay Pacific To Negotiate on Plane Crew [AFP] V 1
Former Communist Pilot Broadcasts to Mainland V 1
Yuan Explains No Contacts Policy With PRC V 2

HONG KONG MEDIA ON CHINA

PRC Rejects CPA as Mediator Over Defecting Plane W 1
HSIN WAN PAO Criticizes Taiwan No Contacts Policy [4 May] W 1
Reaction to Chernobyl Accident Stresses Nuclear Safety W 2
[WEN WEI PO 3 May]

FBIS DAILY REPORT

China

CONTENTS

Vol I No 087 6 May 1986

PRC INTERNATIONAL AFFAIRS

GENERAL

Further Reportage on Tokyo Summit A 1
Leaders Issue Declaration A 1
XINHUA Views Declaration A 2
Ties With Developing Nations A 3
Envoy Addresses UN Session on Debt Problem A 4
UN Urges USSR To Provide Information on Chernobyl A 5
Gorbachev Message to Reagan on U.S.-USSR Summit A 5
Hu Yaobang Meets Foreign Trade Union Delegations A 5
Cui Yueli, Delegation Attend WHO Conference A 6
Wan Li, Others at Soccer Tourney Opening A 6

UNITED STATES

PLA Chief of Staff Arrives in Washington B 1
U.S. Official on Progress in Exchanges With USSR B 1

SOVIET UNION

Gorbachev Responds to Test-Ban Request C 1
Moscow Criticizes U.S. Approach to Tokyo Summit C 1

WESTERN HEMISPHERE

Bolivian Foreign Minister Begins Visit J 1
Arrives in Beijing J 1
Holds Talks With Wu Xueqian J 1
Wu Xueqian Addresses Banquet J 1
Meets With Li Xiannian J 2
Gives Medal to Wu Xueqian J 3
Meets Zhu Liang J 3
Signs Cooperation Accords J 3

PRC NATIONAL AFFAIRS

Li Xiannian, City Leaders Inspect Tianjin K 1
Xi Zhongxun Speech at 'May 4th' Movement Forum K 3
RENMIN RIBAO Urges Implementation of Policy [27 Apr] K 5
RENMIN RIBAO on Giving Priority to Reform [21 Apr] K 8
CPC Circular on Emulating Political Work Cadre K 14
Mountainous Areas Strive To Eliminate Poverty [RENMIN RIBAO 27 Apr] K 15
Commentator's Article K 16
People's Armed Forces Departments Reorganized K 17
LIAOWANG Cites Zhu Houze on Literature, Art K 18
Propaganda Chief Stresses Literary Values K 20
Dissident Punished for Publishing Memoirs [AFP] K 20

PRC REGIONAL AFFAIRS

EAST REGION

Liang Buting Attends Shandong May Day Celebration O 1
Shanghai's Rui Xingwen Attends May Day Songfest O 1
Shanghai CPPCC Secretary General Resigns O 2
[JIEFANG RIBAO 30 Apr]
Appointments, Dismissals of Zhejiang Officials O 2
[ZHEJIANG RIBAO 27 Apr]

TAIWAN

Further Reports on Taiwan Pilot's Defection to PRC V 1
Pilot Arrives in Beijing V 1
Reunites With Father [AFP] V 1
Red Cross Offers To Mediate V 2
CAL Probing 'Diversion' Incident V 2
PRC Rejects Hong Kong Mediation [HSIN WAN PAO 5 May] V 2
PRC May Detain Crew Members [SOUTH CHINA MORNING POST 6 May] V 4
Commentary Views Incident V 5
Yu Kuo-hua Meets Saudi Finance Minister 2 May V 6
Purchase of Saudi Oil To Increase V 6

HONG KONG MEDIA ON CHINA

Part I: Wang Meng Discusses PRC Literature, Art W 1
[WEN WEI PO 1 May]
TA KUNG PAO Ponders PRC Literature, Art Mood [1 May] W 2

FBIS DAILY REPORT

China

CONTENTS

Vol 1 No 088 7 May 1986

For reportage and comment on the Chernobyl nuclear accident, see the 7 May and subsequent Soviet Union DAILY REPORT supplements entitled, "Chernobyl Incident."

PRC INTERNATIONAL AFFAIRS

GENERAL

Further Analysis, Reportage on Chernobyl Incident A 1
Foreign Ministry Spokesman Holds Weekly Briefing A 1
Australian Premier To Visit A 1
Macao Issue Noted A 1
Yao Yilin To Visit U.S. A 1
Hu Yaobang to Western Europe A 1
Comments on ASEAN Statement A 1
Reportage on Tokyo Economic Summit A 2
XINHUA News Analysis A 2
Economic Declaration Roundup A 3
PRC 'Dipomatic Sources' Quoted [KYODO] A 4
Reagan 'Triumph in Tokyo' A 5
Envoy to UN on Disarmament Comments on Arms Race A 5
U.S., USSR Seek To Reduce Nuclear War Risks A 6

NORTHEAST ASIA

Participation in Seoul Olympics Hailed D 1
Japan To Extend Loan to PRC in Fiscal 1986 D 1

SOUTHEAST ASIA & PACIFIC

Hu Yaobang Meets Singapore Economist 6 May E 1
NPC Delegation Welcomed in Australia E 1
Singapore Finance Minister Receives Chen Muhua E 2
Lange 'Confident' of Pacific Nuclear Free Zone E 2

SOUTH ASIA

Sino-Pakistan Border Pass Opened to Third Countries F 1
Indian Association Calls for Unity With PRC F 1
U.S. Minimizes Impact of Karmal Resignation F 1

WESTERN HEMISPHERE

Hu Qili Meets Visitors From Argentina 6 May J 1
Mulroney Answers Questions on Coming PRC Visit J 1

PRC NATIONAL AFFAIRS

RENMIN RIBAO on Professor Paving Way for Others [28 Apr] K 1
Commentator's Article K [illegible]
JINGJI RIBAO Urges Cadres To Exchange Ideas [26 Apr] K 4
Central Leaders Greet National Nursing Conference K 6
Wang Meng Comments on Writers' Viewpoints [AFP] K 7
Circular Urges Study of Civil Code Principles K 8
State Council Issues Circular on Using Sedans K 8
Ministry To Issue Permits for TV Drama K 9
Circular on Foreign-Funded Agricultural Projects K 10
Collected Works of Marx, Engels Published K 10
Economic Growth, Export Rates Examined K 10
Exports Rise in 1st Quarter K 10
First Quarter Growth Noted K 12
'Appropriate' Growth Rate Urged K 12
[CHINA DAILY 28 Apr]
Foreign Deposits Increase K 14
Survey Shows Grain Acreage To Expand in 1986 K 14
Prospects for Spring Farming 'Encouraging' K 15
Agronomists Stress Scientific Cultivation K 16
Tian Jiyun Pledges More Agricultural Investment K 17
Rural Agricultural Centers To Be Established K 17
Land Reclamation Structure Transformation Noted K 18
[RENMIN RIBAO 22 Apr]
Reeducation Work Camp Conditions Explored [AFP] K 20
RENMIN RIBAO Urges Support for PRC-Built Planes [29 Apr] K 22
Bo Yibo Attends Hunan May Day Rally 29 April K 23
Li Xiannian, Ni Zhifu at Tianjin Congress Session K 25
Hu Qiuli, Other Leaders Visit Sick Professor K 26
Yao Yilin Addresses 3 May Trade Congress Opening K 26

PRC REGIONAL AFFAIRS

EAST REGION

Jinan Military Holds Rally To Relay NPC Guidelines O 1
[SHANDONG RIBA] 20 Apr]
Jiangxi Governor Attends Economic Reforms Meeting O 1
Rui Xingwen Attends Shanghai Municipal Congress O 2
[JIEFANG RIBAO 30 Apr]
Rui Xingwen Addresses Shanghai CPPCC Session O 3
[JIEFANG RIBAO 30 Apr]
Zhejiang: Transfer of People's Armed Forces Planned O 5
[ZHEJIANG RIBAO 25 Apr]

CENTRAL-SOUTH REGION

Guangxi's Wei Chunshu Stresses Promoting Reforms P 1
Henan Secretary Attends Military District Meeting P 1
Further on Henan Governor 5-Year Plan Report P 2
Henan Sets 'Demarcation Lines' for Unhealthy Trends P 4
Briefs: Guangxi Sugar Output P 4

TAIWAN

Reports, Comments on Taiwan Pilot's Defection V 1
Tian Jiyun Meets Pilot V 1
Beijing Press Conference V 2
[HSIN WAN PAO 7 May]
Further on Press Conference [AFP] V 2
No Conclusion Reached on Incident V 3
Communications Garbled Over Deal V 4
[HONG KONG STANDARD 7 May]

HONG KONG MEDIA ON CHINA

Zhu Houze's Propaganda Department Policies Analyzed W 1
[MING PAO 5 May]
Yang Shangkun Reportedly Heads CPC Hong Kong Section W 2
[HONG KONG STANDARD 5 May]
Part II: Wang Meng Discusses PRC Literature, Art W 3
[WEN WEI PO 2 May]
PRC Ties With Japan Secondary to Overall Policies W 5
[SOUTH CHINA MORNING POST 30 Apr]

FBIS DAILY REPORT CONTENTS

China

Vol I No 089 8 May 1986

PRC INTERNATIONAL AFFAIRS

GENERAL

Reagan Asks USSR To Fulfill Arms Talks Commitments A 1
U.S., Soviet Arms Negotiators Trade Criticism A 1

UNITED STATES

Further Reportage on Visit of PLA Chief Yang Dezhi B 1
Holds Talks With Weinberger B 1
Conversation With Bush B 1
Baker to Sino-U.S. Joint Economic Meeting B 1
AFP Views Visit B 1
Wang Bingqian Hosts Banquet B 3
Discussions Begin 8 May B 3

SOVIET UNION

Soviet Envoy Presents Credentials to Li Xiannian C 1
PRC To Continue Nuclear Power Development C 1
Washington-Moscow Hot Line Due for Upgrading C 1

SOUTHEAST ASIA & PACIFIC

NPC's Peng Chong Lauds Sino-Australian Ties E 1
Singapore Prime Minister Meets Chen Muhua E 1
Pacific Rim Symposium To Open in Australia E 1

MIDDLE EAST & AFRICA

Li Xiannian Meets Guinea-Bissau Parliamentarians I 1
Hu Yaobang Meets Zairian Official 7 May I 1
Zhang Jingfu to Kuwait for Investment Talks I 2
Delegation Arrives 3 May I 2
Gulf Representatives Attend I 2
Meets With Crown Prince I 3
Briefs Symposium I 3
Tian Jiyun Meets With YAR Trade Minister I 4
Tian Jiyun Meets Gabonese Commerce Minister I 4

PRC NATIONAL AFFAIRS

RENMIN RIBAO Urges Enforcement of Tax Law [3 May] K 1
Socialist Democracy in Modernization Stressed K 2
[RENMIN RIBAO 8 May]
State Council Regulations on Education Surcharge K 4
Railways Minister on Reform Efforts in Work K 5
Unhealthy Practices Criticized K 6
Communications Minister on Unhealthy Trends K 7
JINGJI CANKAO Discusses Price Reform, Trends [22 Apr] K 7
State Bureau Urges Vigilance on Vegetable Prices K 10
Song Ping Inspection Tour of Shandong Province K 11
Wan Li, Hu Qili View Shandong Troupe Performance K 12
Wan Li, Others Attend Painting Exhibition K 13
Yu Qiuli Addresses Political Work Meeting K 13

PRC REGIONAL AFFAIRS

EAST REGION

Ni Xiance Delivers Report at Jiangxi Congress O 1
Rui Xingwen Attends Shanghai Congress Closing O 2
Shanghai CPPCC Committee Political Resolution O 3
[JIEFANG RIBAO 30 Apr]
Zhejiang Armed Police Stage Antiriot Exercise O 4

SOUTHWEST REGION

Yunnan Leaders Attend May Day Gathering Q 1
Yunnan Governor on Seventh 5-Year Plan Targets Q 1
Yunnan Military Corrects 'Unhealthy Practices' Q 2
[YUNNAN RIBAO 19 Apr]

TAIWAN

Further Report on Defected Taiwanese Pilot V 1
Official on 'Peiping' Actions V 1
Red Cross Asked To Aid V 1
CAL Spokesman Statement V 1

HONG KONG MEDIA ON CHINA

CHENG MING on Background of Wang Meng Appointment [1 May] W 1
Ma Ding Case Sparks CPC Theoretical Dispute W 3
[CHENG MING 1 May]
Editorial Criticizes Taiwan Refusal To Contact PRC W 6
[SOUTH CHINA MORNING POST 8 May]

FBIS DAILY REPORT CONTENTS

China

Vol I No 090 9 May 1986

PRC INTERNATIONAL AFFAIRS

GENERAL

Spokesman on CAL Pilot, Afghanistan Issue A 1
PRC 'Working Paper' Urges Disarmament Talks A 1
Foreign Experts Discuss Asian Issues A 2
U.S.-Soviet Arms Talks Resume in Geneva A 2
RENMIN RIBAO on Current U.S.-Soviet Relations [6 May] A 3

UNITED STATES

Li Xiannian Meets U.S. Treasury Secretary B 1
Yang Dezhi Predicts Success for U.S. Visit B 1
U.S. Adviser on Arms Control Talks With USSR B 1
LIAOWANG on U.S. 'World Hegemony' Objective [5 May] B 2
'U.S. Aim Was To Get Rid of Al-Qadhdhafi' [LIAOWANG 28 Apr] B 5
Roundup Views U.S. Maneuvers in Central America B 8

SOUTHEAST ASIA & PACIFIC

Ji Pengfei Reaffirms Hong Kong Employment Policy E 1
LIAOWANG OVERSEAS EDITION on Cambodia Issue [5 May] E 1

EASTERN EUROPE

CPC Congratulates Romanian Party on Anniversary H 1
Romania's Dinca in Beijing for Exhibition H 1
Meets Zhao Ziyang H 1
LIAOWANG Views Development of Sino-Yugoslav Ties [21 Apr] H 2

WESTERN HEMISPHERE

Canada's Prime Minister Arrives in Beijing J 1
Holds Talks With Zhao Ziyang J 1
Bolivian Foreign Minister Concludes Visit J 1
Nicaraguan Vice President Meets CPC Delegation J 2
China Firm, Canadian Transporter Sign Pact J 2
Rong Yiren Talks With Canadian Visitors J 2

PRC NATIONAL AFFAIRS

Zhao Ziyang, Li Peng Inspect Hubei, Sichuan K 1
SHIJIE JINGJI DAOBAO Interviews Ma Ding [21 Apr] K 1
Provincial Petitioners Interviewed in Beijing [AFP] K 3
RENMIN RIBAO on Enterprise Self-Determination [2 May] K 4

LIAOWANG on PRC Census Results, Application [28 Apr] K 6
Symposium To Be Held on Classical Chinese Novel K 8
Wan Li Addresses Geological Work Session K 9
LIAOWANG on Commodity Grain Base Counties [21 Apr] K 13
Liao Hansheng on Legal System, Public Health K 15
Conference Views Cadres Running Enterprises K 16
Tighter Tax Regulations To Be Introduced 1 July K 16
[CHINA DAILY 6 May]
Meeting Discusses Labor, Wage System Reform K 17
Hao Jianxiu Inspects Tianjin Textile Industry K 18
Lauds Domestic Industry K 19
Yao Yilin, Wang Zhaoguo at Folksong Festival K 20
Ni Zhifu Unveils Zhou Enlai Statue in Tianjin K 20
Chen Pixian Addresses Shanghai Education Meeting K 20
Gu Mu Attends CCPIT Closing Meeting 4 May K 21
Fang Yi Attends Opening of Science Exhibit K 21
Xi Zhongxun, Others Attend Musical Performance K 22
Song Jian Urges Growth of Scientific Research K 22

PRC REGIONAL AFFAIRS

EAST REGION

Han Peixin Addresses Jiangsu Personnel Meeting O 1
Jiangsu's Han Peixin on Transferring Militia O 1
Jiangxi Leaders Discuss Report on 5-Year Plan O 1
Jiangxi: Militia Unit Handed Over to Local Command O 2
Wang Fang Attends Zhejiang CPPCC Session O 2

SOUTHWEST REGION

Guizhou Policy on Promoting Lateral Economic Ties Q 1
Sichuan Governor Views Seventh 5-Year Plan Goals Q 1
Yunnan Governor Outlines Economic Tasks for 1986 Q 2
Briefs: Yunnan Hydropower Station Q 3

NORTH REGION

Xie Feng Elected New Governor of Hebei Province R 1
Nei Monggol Secretary Attends Youth Day Fetes R 1
Zhang Shuguang Views Nei Monggol Military Drill R 1
Nei Monggol's Bu He Outlines 1986 Economic Tasks R 2
Tianjin Takes Measures Against Illegal Publications R 3
[TIANJIN RIBAO 20 Apr]

NORTHWEST REGION

Gansu's Li Ziqi Attends May Day Centenary Rally T 1
Shaanxi Convenes Party Rectification Meeting T 1
Shaanxi: Xian Officials Hamper Lateral Economic Ties T 2

TAIWAN

Implications of PLA Chief of Staff U.S. Visit Analyzed V 1
Papers Caution U.S. on Arms Sales to Mainland V 1
CHINA POST Lauds Resumption of U.S. Arms Sales [30 Apr] V 2
Commentary Views Development of Advanced Jet Fighter V 3
KMT Workers Urged To Promote Political Harmony V 4

FBIS DAILY REPORT

China

CONTENTS

Vol I No 091 12 May 1986

PRC INTERNATIONAL AFFAIRS

UNITED STATES

Further Reportage on Treasury Secretary's Visit B 1
Meets With Zhao Ziyang B 1
Wang Bingqian Attends Reception B 1
Trade Talks 'Successful' B 1
Yao Yilin Leaves for Visit to U.S. B 2
Yeng Dezhi Visits Kennedy Space Center B 2
Chai Zemin Attends Sino-U.S. Forum in Washington B 2
PRC Rockets To Launch Two U.S. Satellites B 3
[CHINA DAILY 12 May]

SOVIET UNION

LIAOWANG on 'Dual Challenge' to Gorbachev C 1
[LIAOWANG OVERSEAS EDITION 5 May]
Chernobyl Mishap Not To Affect Nuclear Plans C 4

WESTERN HEMISPHERE

Further Reportage on Visit of Canada's Mulroney J 1
Deng Xiaoping, Li on Health [AFP] J 1
Deng on Domestic Policy J 2
Mulroney on Increasing Trade J 2
Funding for High-Tech Equipment [AFP] J 3
Zhao Ziyang Gives Banquet J 4
Speaks With Hu Yaobang J 5
Meets With Li Xiannian J 5
Mulroney Gives Return Banquet J 6
Raises Human Rights Issues [AFP] J 7

PRC NATIONAL AFFAIRS

Zhao Ziyang Inspects Sichuan, Hebei Poor Areas K 1
Seventh 5-Year Plan Shows Early Promise K 4
Hu Qili on Rectification, CPC National Congress K 4
[LIAOWANG OVERSEAS EDITION 5 May]
Hu Qili Talks With MING PAO President Cha K 8
Yu Guangyuan Views Reaction to Ma Ding Article K 8
[SHIJIE JINGJI DAOBAO 21 Apr]
Wang Meng on Normalization of Literary Criticism K 10
RENMIN RIBAO Urges Protecting Rural Enterprises [10 May] K 13
Article Urges Publicizing Party Style Problems K 14
[WEN ZHAI BAO 4 May]
XINHUA Commentator on Correcting Irregularities K 15
Hu Yaobang Urges Developing Offshore Islands K 15
Yu Qiuli on Improving Political Cadres' Qualities K 16

PRC REGIONAL AFFAIRS

EAST REGION

Wan Shaofen Attends Jiangxi People's Congress O 1
Liang Buting Attends Shandong CPPCC Opening Session O 1

CENTRAL-SOUTH REGION

Guangdong: Tornado Strikes Doumen County 11 May P 1
Henan Radio Comments on People's Congress Session P 1
Hubei: Tornado, Hail Hit Mianyang County 11 May P 1

PRC MEDIA ON TAIWAN AFFAIRS

Taiwan Developing High-Performance Weapons System U 1'
Economic, Political Future of Taiwan, Mainland Viewed U 1

TAIWAN

Further Reports on Negotiations for CAL Plane, Crew V 1
MP's Urge Private Contact With PRC [AFP] V 1
Red Cross To Negotiate Directly V 1
Crewmen 'Interrogated' in PRC V 1
CAL Urged To Send Representative V 2
Plane Not Political Issue V 2
Commentary Views Defection V 3
Mainland Specialist Comments on Hu Qili Interview V 4
Merits, Shortcomings of 4th Nuclear Plant Considered V 4

HONG KONG MEDIA ON CHINA

PAI HSING Comments on Arrest of Hu Qiaomu's Son [1 May] W 1
Criticism of 'Ma Ding' Economic Article Analyzed [CHENG MING 1 May] W 3
TA KUNG PAO Details Wang Ruoshui's Recent Activities [8-14 May] W 7

FBIS DAILY REPORT

China

CONTENTS

Vol I No 092 13 May 1986

PRC INTERNATIONAL AFFAIRS

GENERAL

World Bank, IDA To Provide Financial Assistance A 1
WFC Asia-Africa Workshop Opens in Guangzhou A 1
He Kang on Grain Policy A 1
Food Policies Discussed A 1
Huang Hua Comments on Asian Development A 2
Chen Muhua Meets, Fetes ADB President 12 May A 2
Journal Says China Promotes Labor Service Abroad A 2

NORTHEAST ASIA

Zhao Ziyang Talks on Trade Issue With Japan D 1
Wu Xueqian Meets Japan's Health, Welfare Minister D 1
Vice-Premier Li Peng Meets JAL Delegation D 2
PRC, Japan Establish New Joint Venture D 2
Ni Zhifu-Led Trade Union Delegation Visits DPRK D 2
Meets With Kim Il-song D 3
Rally Welcomes Delegation D 3
Yi Tae-ho Condemns Sinking of DPRK Boat D 4
Tian Jiyun Receives DPRK Youth Delegation D 4
South Korean Students Demonstrate in Inchon D 4
Massive Signature Campaign Rally in South Korea D 5

SOUTHEAST ASIA & PACIFIC

NPC Delegation Continues Visit to Australia E 1
Leaves for Home E 1
Australia's Hawke Views China's Future E 1
Guangzhou Mayor in Sydney for 'China Week' E 2
PRC Insurance Firms in Hong Kong Increase Capital E 2

WESTERN EUROPE

Wu Xueqian Begins 9-Nation Eoropean Tour G 1
Arrives in Finland G 1
Meets With Finnish President G 1
Wu, Vayrynen View Disarmament G 1
Speech Reviews Foreign Policy G 2
Views Cooperation With Europe G 3
Sign Taxation Agreement G 4
Feted at Banquet G 4
Li Peng Meets FRG Party Delegation 7 May G 5
PRC Becomes FRG's Largest Third World Trade Partner G 5
Zheng Tuobin, Delegation Depart for West Europe G 5

PRC NATIONAL AFFAIRS

Ministers Explain 5-Year Plan Goals, Problems K 1
RENMIN RIBAO on Questions of Circulating Capital [28 Apr] K 3
RENMIN RIBAO Urges Emulating Political Cadre [5 May] K 8
General Offices Issue Circular on Heroes, Models K 9
Article Views Obstacles to Study of Economics K 10
[SHIJIE JINGJI DAOBAO 21 Apr]
Su Shaozhi Article Calls for Academic Freedom K 11
[SHIJIE JINGJI DAOBAO 21 Apr]
Zhu Houze Attends Shanghai Cultural Forum K 13
Import of Automobiles To Be Strictly Controlled K 14
State Control Over Material Resources Relaxed K 14
'Nationwide Network' Set Up To Supervise Prices K 15
Workers' Supervision Stressed K 16
Regulations on Research Units' Work Relaxed K 16

PRC REGIONAL AFFAIRS

EAST REGION

Anhui Discusses 'Serious' Smuggling Problem O 1
Commentary on Antismuggling Efforts O 1
Jiangsu's Han Peixin Inspects Martyrs Cemetery O 2
Wan Shaofen Attends Closing of People's Congress O 2

CENTRAL-SOUTH REGION

Hubei: Guo Zhenqian on Seventh 5-Year Plan Tasks P 1
Briefs: Hubei Cotton Sowing P 1

NORTH REGION

Hebei's Xing Chongzhi on Spiritual Civilization R 1
Shanxi Leaders Attend Youth Day Celebration R 1
Shanxi Secretary Inspects Urban Construction Sites R 1

PRC MEDIA ON TAIWAN AFFAIRS

PRC Foreign Ministry Sets Up Taiwan Affairs Office U 1
ZHONGGUO TONGXUN SHE Comments on CAAC Message to CAL U 1

TAIWAN

Taiwan Agrees To Discuss Plane Issue With PRC [AFP] V 1
CENTRAL DAILY NEWS Claims CAL Plane 'Forced' To PRC V 2
Commentary Assesses New PRC Taiwan Affairs Office V 2
Premier Yu Urges Safety Precautions on Nuclear Plants V 3
[CHINA POST 9 May]
Radiation Increases; Well Below Danger Level V 4
Yuan Says 75 Percent of Population Support Regime V 4

HONG KONG MEDIA ON CHINA

MING PAO: HONGQI Criticizes Liu Zaifu's Theories [7 May] W 1
PRC Scientist Discusses Nuclear, Weapons Development W 3
[TA KUNG PAO 10 May]
Wang Guangmei Describes Her Present Life W 4
[HONG KONG STANDARD 12 May]
PRC Increases Contacts With Taiwan Dissidents W 5
[HONG KONG STANDARD 12 May]

FBIS DAILY REPORT

China

CONTENTS

Vol I No 093 14 May 1986

PRC INTERNATIONAL AFFAIRS

GENERAL

Foreign Ministry Spokesman Holds Weekly Briefing A 1
No Weapons to Nicaragua A 1
Indian Protest 'Unjustifiable' A 1
Delegation to UNGA on Africa A 1
Cape Verdian Premier To Visit A 2
Zhao Ziyang Asks ADB To Add China to Board A 2
Developing Countries View of Tokyo Summit Noted A 2
[RENMIN RIBAO 8 May]
Soviet-American Relations Again Deteriorate A 3
BEIJING REVIEW on U.S.-Soviet Rivalry in Pacific [5 May] A 5
RENMIN RIBAO: U.S. Counters USSR in Asia, Pacific [11 May] A 6
'Only Modest' U.S.-USSR Chemical Ban Progress Seen A 8

UNITED STATES

Yang Dezhi Visits Air Force Base, San Francisco B 1
Tian Jiyun Meets U.S. Business Executive B 1
Deng Liqun Meets U.S. Broadcasting Executive B 1
Deng Liqun Thanks American Expert for Help B 1
Rong Yiren Meets U.S. Businessmen 12 May B 2
U.S. Declines to Halt Nuclear Testing B 2

SOVIET UNION

Zhao Ziyang Meets New Soviet Ambassador 14 May C 1
Heilongjiang Promotes PRC-Soviet Border Trade C 1
Soviet Nuclear Power Policy After Chernobyl Viewed C 2

SOUTHEAST ASIA & PACIFIC

Continuation of Guerrilla War in Cambodia Viewed E 1
XINHUA on Vietnamese View of Ho Chi Minh E 2

SOUTH ASIA

XINHUA Reviews Sino-Indian Border Issue F 1
Li Peng Meets Pakistan Good-Will Delegation F 2

PRC NATIONAL AFFAIRS

Zhao Ziyang, Peng Zhen Visit S & T Exhibition K 1
Zhao Greeted by 'Baby Robot' K 1
Zhao Ziyang Urges Support for Reform in Gezhouba K 2

Zhang Aiping Inspects Nuclear Power Station K 2
Li Xiannian Meets With Tianjin Workers 30 Apr K 3
[TIANJIN RIBAO 1 May]
Theorists Urged To Tackle 'Forbidden Zones' K 4
[SHIJIE JINGJI DAOBAO 21 Apr]
Local Leaders Interviewed on Seventh 5-Year Plan K 5
GUANGMING RIBAO Urges 'Hundred Schools of Thought' K 10
RENMIN RIBAO Views Literature, Art Exploration [12 May] K 11
Zhu House Makes Contact With Writers, Artists K 13
[LIAOWANG OVERSEAS EDITION 5 May]
Sha Yexin Discusses Meaning of New Play K 17
[LIAOWANG OVERSEAS EDITION 5 May]
JIEFANGJUN BAO Reports Deeds of Laoshan Heroes [2 May] K 18

PRC REGIONAL AFFAIRS

EAST REGION

Huang Huang Attends Anhui CPPCC Closing Session O 1
[ANHUI RIBAO 28 Apr]
Zhejiang CPPCC Session Ends; Wang Fang Present O 1

CENTRAL-SOUTH REGION

Guangdong: Suixi County Curbs Unhealthy Trends P 1
Commentary Outlines Prospects for Fangcheng Port P 1
Henan's He Zhukang Stresses Persevering in Reform P 3

SOUTHWEST REGION

Sichuan Radio Hails People's Congress Session Q 1
Sichuan Military Leaders Meet Long March Writers Q 1

NORTHEAST REGION

Heilongjiang's Sun Weiben Writes on Party Building S 1
[HEILONGJIANG RIBAO 21 Apr]
Liaoning Holds Meeting on Army Transfer Work S 2
Emperor's Niece Becomes Shenyang CPPCC Member S 2

TAIWAN

Taiwan No Contacts Policy With PRC Unchanged V 1
More Communists Seeking Freedom in Taiwan V 1
Commentary Condemns Communist Media News Blackouts V 2
Late Report: Meeting With PRC on CAL in Hong Kong 19 May [AFP] V 3

HONG KONG MEDIA ON CHINA

CHENG MING Details Crimes of CPC Cadre Families [1 May] W 1
PRC Ponders Launching Spaceship by Year 2000 W 7
[TA KUNG PAO 10 May]
Editorial Advocates Freedom Across Taiwan Straits W 7
[HONG KONG STANDARD 8 May]

FBIS DAILY REPORT CONTENTS

China

Vol I No 094 15 May 1986

Today's edition of the Soviet Union DAILY REPORT supplement "Chernobyl Incident" will be the last of the special series that began on 7 May. Further reportage and comment on this nuclear accident will be published in the relevant regular volumes of the DAILY REPORT.

PRC INTERNATIONAL AFFAIRS

GENERAL

PRC UN Envoy Calls for Halt to Naval Arms Race A 1

UNITED STATES

PRC To Launch U.S. Communications Satellites B 1
Zhao Calls on U.S. To Ease Technology Transfers B 1
Yao Yilin Welcomed by Shultz in Washington B 2
Addresses Banquet in His Honor B 2
Yang Dezhi Visits Various Sites in California B 2
U.S. Aerospace Exhibit Opens in Beijing B 3
No Date Set for Shultz-Shevardnadze Talks B 3

NORTHEAST ASIA

Hu Yaobang Meets DPRK Chemists' Delegation D 1
Gu Mu Speaks to Japanese Newsmen on Trade Deficit D 1

WESTERN EUROPE

Further Reportage on Wu Xueqian's European Visit G 1
Meets Finnish Parliamentarian G 1
Addresses Trade Luncheon G 1
'Successful and Fruitful' Visit G 2
Arrives in Sweden G 2
Welcomed at Stockholm Banquet G 2
Zhao, Thatcher Greet CHINA ECONOMIC WEEKLY G 3
Zheng Tuobin Signs Financial Protocol in France G 3
State Councillor Gu Mu Meets Italian Visitors G 4
Xu Xin Fetes Netherlands Army Leader 13 May G 4
Discussions With Britain Over Rail Bond Issue [AFP] G 4
Beijing-Rome Direct Flight To Begin 30 June G 5
CPC Delegation Meets Danish Party Leaders 6 May G 5

EASTERN EUROPE

Qiao Shi Meets GDR Culture Minister, Delegation H 1
Song Jian Delegation Leaves for Eastern Europe H 1
Meets Polish Deputy Premier H 1
Departs for Romania, Turkey H 1

PRC Helping Modernize Czechoslovak Shipping H 1
Sino-Polish Economic Committee Ends Meeting H 2
XINHUA Delegation Ends Visit to Yugoslavia H 2

MIDDLE EAST & AFRICA

PRC Pledges Active Participation in ADB I 1
Li Peng Meets Niger Planning Minister Soumalia I 1
Ji Pengfei Meets Cameroonian Assembly Delegation I 1
Zhang Jingfu Ends Kuwaiti Visit, Leaves for Home I 2
Mugabe Praises PRC-Zimbabwe Friendship I 2
New Sudanese Premier on Relations With PRC I 2

WESTERN HEMISPHERE

Canada's Mulroney Ends 5-Day Visit J 1
Signs Tax Agreement J 1
Departs Beijing J 1
Wan Li Meets Canadian Trade Delegation J 1

PRC NATIONAL AFFAIRS

Academic Circles Set 'Abuzz' by Reform Measures K 1
[CHINA DAILY 15 May]
RENMIN RIBAO on 'Hundred Schools of Thought' Idea [2 May] K 2
Commentary on Development of Talented People K 8
Support for Reformers in Enterprises Urged K 9
Economist Xu Dixin Interviewed on Reforms K 10
[KAIFANG 8 Apr]
RENMIN RIBAO on Improving Cooperative System [12 May] K 15
CHINA DAILY Cites Official on Economic Crisis [15 May] K 17
Fishing Malpractices, Environmental Damage Cited K 18
State Council Appoints New Consuls General K 19
RENMIN RIBAO Urges Outdoor Activities Safety [6 May] K 19
Lin Biao, Jiang Qing Cited To Define Subversion K 20
JIEFANGJUN BAO on Self-Criticism in Army K 21

PRC REGIONAL AFFAIRS

EAST REGION

Shanghai Leader at Cultural Development Meeting O 1
Shanghai Militia Transferred to Local Government O 1
Briefs: Zhejiang Satellite Ground Stations O 1

NORTH REGION

Beijing: Mayor on Reforms To Remedy Service Problems R 1
Xing Chongzhi Attends Hebei CPPCC Closing Session R 1
[HEBEI RIBAO 30 Apr]
Xing Chongzhi Attends Hebei Democratic Party Forum R 2
[HEBEI RIBAO 29 Apr]
Ni Zhifu Attends Tianjin People's Congress Session R 2
[TIANJIN RIBAO 27 Apr]

Tianjin: Ni Zhifu Examines Exports Exhibition R 2
[TIANJIN RIBAO 28 Apr]
Tianjin Leniency Rally Held for Criminals R 3
[TIANJIN RIBAO 1 May]

NORTHWEST REGION

Gansu Regulations Define Speculative Activities T 1
Shaanxi Commentary on Power Abuse for Private Gains T 1
Shaanxi: Development of Lateral Economic Ties Urged T 2
Xingjiang Commentary Promotes Nationality Solidarity T 3

PRC MEDIA ON TAIWAN AFFAIRS

Commentary Examines Pilot's Defection, 'Veteran Syndrome' U 1
ZHONGGUO TONGXUN SHE on Taiwan Nuclear Plant Fire U 2

TAIWAN

CAAC Officials in Hong Kong for Talks on CAL Plane V 1
Yuan Examines Government Arms Sales Policy V 1
No Radioactive Contamination Found in Imported Food V 1

HONG KONG MEDIA ON CHINA

Fujian Officials Hope Talks Lead to PRC-Taiwan Contacts W 1
[SOUTH CHINA MORNING POST 15 May]
HSIN WAN PAO Assesses Sino-U.S. Economic Relations [9 May] W 1
Abolition of Foreign Exchange Certificates Analyzed W 2
[TA KUNG PAO 11 May]
PRC Members of Macao Talks Delegation Named W 4
[WEN WEI PO 14 May]

FBIS DAILY REPORT

China

CONTENTS

Vol I. No 095 16 May 1986

PRC INTERNATIONAL AFFAIRS

GENERAL

PRC Spokesman on Wu Xueqian's East Europe Visit A 1
PRC, USSR, Other Experts Discuss Nuclear Safety A 1
U.S. Says Soviet Arms Proposal Not New A 2
IAEA Welcomes Gorbachev Nuclear Cooperation Call A 2
PRC Representative Speaks to UNESCO Session A 3
CAAC Announces Plans To Buy 10 Jumbo Jets A 3
Cui Yueli on 'Health for All' Strategy A 3
IISS Reviews East-West Relations Prospects A 4

UNITED STATES

Further Reportage on Yao Yilin's Visit to U.S. B 1
Meets Reagan in Washington B 1
Hosts Official Dinner B 1
Co-chairs Trade Meeting B 2
Zhang Aiping Meets Haig Delegation 15 May B 2

SOVIET UNION

Gorbachev Calls for Cooperation on Nuclear Power C 1
Gorbachev Says USSR To Extend Nuclear Test Ban C 1
Gorbachev Agrees To Meet With Reagan Again C 2
Japan Reacts 'Cooly' to U.S.-USSR Hiroshima Talks C 2

NORTHEAST ASIA

Ni Zhifu-led Delegation Attends Banquet in DPRK D 1
Gu Mu Meets Japanese Group on Cooperation D 1

SOUTHEAST ASIA & PACIFIC

Deng Signs Order Honoring Soldiers on SRV Border E 1
Australia's Hawke Off to Japan, PRC, Philippines E 1
Hawke Interview on Upcoming PRC Visit E 2
Ji Pengfei Meets Visitors From Philippines E 2

WESTERN EUROPE

PRC, UK Sign Two Economic Agreements 16 May G 1
Ni Zhifu Meets French TU Delegation G 1

EASTERN EUROPE

RENMIN RIBAO on Bulgarian Economic Reform Measures [9 May] H 1
CSSR To Continue Nuclear Power Construction H 2

MIDDLE EAST & AFRICA

Libyan Special Envoy From Al-Qadhdhafi Visits PRC I 1
Meets Zhao Ziyang I 1
Holds Press Conference I 1
PRC Envoy in Togo Meets PLO's Yasir 'Arafat I 1
Hu Qili Meets Cameroon Assembly Delegation I 2
PRC Official Views Population Policy at Conference I 2

PRC NATIONAL AFFAIRS

Sophisticated Weapons Win Top State Awards K 1
Zhao Ziyang Attends Scientific Awards Meeting K 1
Space Expert on Planning for Space Stations K 3
World's Most Advanced Laser Developed in Tianjin K 4
LIAOWANG on Technological Import Practices K 5
[LIAOWANG OVERSEAS EDITION 5 May]
Research, Foreign S & T Imports To Continue K 9
Progress in Nuclear, Other Energy Fields Noted K 10
[LIAOWANG OVERSEAS EDITION 5 May]
Agricultural Production on 'Right Track' K 14
Article Comments on 1st Quarter Price Situation K 15
[LIAOWANG OVERSEAS EDITION 5 May]
Official Explains Drop in Department Store Sales K 17
Urban Residents' Savings at All-Time High K 17
State Council To Promulgate 162 New Laws in 1986 K 18
Labor, Wage, Job Assignment Reform To Continue K 18
Jia Shi Interviewed on Trade Promotion Council K 19
[RENMIN RIBAO 5 May]
Beijing Shelves 400 City Construction Projects K 21
'Huge Investment' in Port Facilities Planned K 21
[CHINA DAILY 9 May]
Agricultural Banks Carry Out Cooperation Programs K 22
Bo Yibo Visits Tibetan Students in Hunan School K 23
Li Peng Urges School Graduates To Become Teachers K 23
Zhu Houze, Rui Xingwen at Shanghai Ballet K 24
Xi Zhongxun at Beijing Calligraphy Exhibition K 25
Zhang Guangnian Meets Jiangxi Leaders K 25
Leaders Meet Badminton Cup Winners in Beijing K 25

PRC REGIONAL AFFAIRS

EAST REGION

Shandong: Six Zones Designated for Economic Development O 1
Briefs: Anhui Resources Development O 1

CENTRAL-SOUTH REGION

Guangdong Party Rectification Forum Held P 1
Guangxi's Chen Huiguang Outlines Journalists' Duty P 1
Hebei Elects New CPPCC Officials 14 May P 2
Hunan Fights Forced Sales of Unmarketable Goods P 2

SOUTHWEST REGION

Guizhou Commentary Urges Cadres To Study Marxism Q 1
Guizhou To Undertake 13 Major Projects in 5-Year Plan Q 1
Guizhou Secretary Attends Industrial Work Meeting Q 2
Sichuan Holds Meeting on Correcting Malpractices Q 2

PRC MEDIA ON TAIWAN AFFAIRS

Prospects for Taiwan-Mainland Relations Assessed U 1
[RENMIN RIBAO 5 May]

TAIWAN

CAAC, CAL To Negotiate on Plane, Crew 17 May V 1
Talks Representative Named V 1
CAL To Hold Mock Preparatory Talks V 1
CAL Official Queried V 1
Commentary Views 'Business Talks' V 2
AFP Analyzes Attitudes to Talks V 3
Editorial Advises Position for CAL V 4
[CHUNG-YANG JIH-PAO 16 May]

HONG KONG MEDIA ON CHINA

Deng Xiaoping Urges Rectification in Party Style W 1
[TA KUNG PAO 16 May]
PRC Culture Ministry Leadership, Policy Analyzed W 1
[CHING PAO 10 May]
Ji Pengfei Welcomes 'Different Views' on Hong Kong W 4
[SOUTH CHINA MORNING POST 16 May]

FBIS DAILY REPORT CONTENTS

China

Vol I No 096 19 May 1986

PRC INTERNATIONAL AFFAIRS

GENERAL

Satellite Launching Service Attracts Inquiries [CHINA DAILY 16 May] A 1

UNITED STATES

Further Reportage on Yao Yilin's Activities in U.S. B 1
Meets Bush, Baker B 1
Trade Commission Session Ends B 1
Urges Support for Reunification B 2
PLA Chief of Staff Concludes U.S. Visit B 2
Meets U.S. Commander in Hawaii B 2
Departs for Home B 3
Fang Yi Meets U.S. Science Academy President B 3

SOVIET UNION

Arkhipov in IZVESTIYA on Improving Ties C 1

SOUTHEAST ASIA & PACIFIC

Australia's Hawke Views PRC, Japan, ANZUS Policy E 1
Australia's Hawke Begins Week-Long Visit to PRC E 1
Arrives in Beijing E 1
Holds Talks With Zhao Ziyang E 2
Hawke's Wife Meets Kang Keqing E 3
Meeting With Li Cancelled [AFP] E 3
Meets With Zhao E 4
Premier of Australian State in Nanjing E 4
Talks With Jiangsu Governor E 5
Australia Rounds Off First 'China Week' E 5

WESTERN EUROPE

Further Reportage on Wu Xueqian's European Visit G 1
Visits Factories in Sweden G 1
Visits Palme's Tomb G 1
Swedish King, Speaker Receive Wu G 1
Meets Swedish Industrialists G 2
Gives Press Interviews G 2
Holds Reception, Meets Press G 3
Departs Sweden for Norway G 4
Begins 3-Day Visit to Norway G 4
Interviewed by Norwegian Paper G 4
PRC, UK To Increase Cultural Cooperation G 5

PRC NATIONAL AFFAIRS

Xinjiang Protesters Urge Nuclear Arms Be Removed [KYODO] K 1
Bo Yibo Chairs Rural Party Rectification Forum K 1
GUANGMING RIBAO on Hundred Schools of Thought [30 Apr] K 4
Problems in Distribution of Contraceptives Noted K 12
[CHINA DAILY 17 May]
NONGMIN RIBAO Urges Continuing Economic Reform [10 May] K 14
'Crisis' Seen in Novels on Military Themes K 15
[WENZHAI BAO 8 May]
RENMIN RIBAO on Regional Economic Development [9 May] K 16
JINGJI RIBAO Urges Promoting Grain Production [26 Apr] K 18
Tables of Contents of State Council Bulletins K 22
[ZHONGHUA RENMIN GONGHEGUO GUOWUYUAN GONGBAO]
Bulletin No 35 [30 Dec] K 22
Bulletin No 36 [10 Jan] K 23
Bulletin No 1 [30 Jan] K 25
Bulletin No 2 [10 Feb] K 25
Bulletin No 3 [20 Feb] K 26
Bulletin No 5 [10 Mar] K 27
Bulletin No 7 [31 Mar] K 28

PRC REGIONAL AFFAIRS

EAST REGION

Jiangxi's Wan Shaofen Visits News Correspondents O 1
Shanghai Leaders Stress Economic Reform, Lateral Ties O 1

TAIWAN

PRC, Taiwan Meet in Hong Kong To Discuss CAL 747, Crew V 1
Taiwan Policy on PRC Unaffected V 1
CAL Talks Concern Only Jet, Crew V 1
CAL-CAAC Talks Begin 17 May [AFP] V 1
Talks Adjourn; Agreed To Meet Later [AFP] V 2
CAL Seeks Release of Pilot V 2
'Friendly Atmosphere' Noted V 3
Talks Participants Disclosed V 3
CAL Issues Statement on Progress V 3
Talks To Stretch Into Third Day [AFP] V 4
Site of Plane's Return Snags Talks [Hong Kong] V 4
CAAC Representative on Talks V 5
'No Progress' in Second Round V 5
'Break Off' of Talks Denied [Hong Kong] V 6
CAAC To Deliver Plane to Hong Kong V 6
Taipei Comments on Negotiations V 7
CHINA POST Editorial [17 May] V 8
ZHONGGUO TONGXUN SHE Commentary V 9
Taiwan Successfully Tests Air-to-Air Missile [AFP] V 10

HONG KONG MEDIA ON CHINA

Liu Zaifu Interviewed on PRC 'Cultural Atmosphere' W 1
[TA KUNG PAO 16 May]
WEN WEI PO Details Guangdong Family Planning Measures [19 May] W 2

FBIS DAILY REPORT CONTENTS

China

Vol I No 097 20 May 86

PRC INTERNATIONAL AFFAIRS

GENERAL

Sino-Portuguese Talks on Macao To Begin in June A 1
PRC Position on World Peace Outlined at UN A 1
PRC Elected to WHO Executive Committee A 2
PRC To Expand Agricultural Assistance to Africa A 2
WFC To Consider Proposal A 3
LIAOWANG on Sino-U.S. Survey of Western Pacific A 4
[LIAOWANG OVERSEAS EDITION 5 May]
Plan by West To Stabilize Currency Rates Assessed A 6
[RENMIN RIBAO 3 May]

UNITED STATES

Yao Yilin on Economic, Trade Relations With U.S. B 1
Meets Businessmen in New York B 2
Sino-U.S. Economic Commission Meeting Viewed B 2
[LIAOWANG OVERSEAS EDITION 19 May]
U.S. Defends Position on Nuclear Arms Reduction B 4
Fang Yi Meets Scientific Exchange Guests From U.S. B 4

SOUTHEAST ASIA & PACIFIC

Further Reportage on Visit of Australia's Hawke E 1
Deng Forecasts Development E 1
Zhao Ziyang Hosts Banquet E 1
Tennis Match With Wan Li E 2
Briefs: Sydney "China Today" Exhibition; E 3
Travel Service Sydney Branch

WESTERN EUROPE

Further Reportage on Wu Xueqian's European Trip G 1
Visits Norwegian Oilfields G 1
Feted by Norwegian Counterpart G 1

PRC NATIONAL AFFAIRS

RENMIN RIBAO Article on Economic Contention [19 May] K 1
JIEFANG RIBAO Urges Exchange of Opinions [14 May] K 5
Article Assesses Deng Tuo's Commentaries K 6
[RENMIN RIBAO 11 May]
Ideological-Political Work for Students Stressed K 8
Beijing Urges New Ideological, Political Work K 9
Beijing Radio Comments on Ideological Work K 10
Propaganda Department Stresses News Reporting K 11
GUANGMING RIBAO Stresses Making Breakthroughs [4 May] K 12

Forum Held on Analyzing Western Literature K 15
[GUANGMING RIBAO 6 May]
Song Ping on Tackling Technological Problems K 16

PRC REGIONAL AFFAIRS

EAST REGION

Chen Guangyi Attends Fujian People's Congress O 1
Jiangsu Governor on Opening New Revenue Sources O 1
Nanjing PLA Regiment Rectifies Party Style O 2
Liang Buting Opens Shandong Cultural Building O 2
Zhejiang's Wang Fang Addresses CPPCC Forum O 3

NORTHWEST REGION

Jia Zhijie Elected New Governor of Gansu 17 May T 1
Shaanxi's Bai Jinian Receives Hoang Van Hoan T 1
Xinjiang Leaders Discuss Overseas Chinese Policy T 1

TAIWAN

CAAC, CAL Reach Agreement on Handover of Plane V 1
Statement Issued on Transfer V 1
CAAC 'Concession' Not Victory for CAL V 3
Negotiations To Conclude 20 May [AFP] V 3
Defecting PRC Pilot Awarded 1.68 Million in Gold [AFP] V 3
Policy of Rewarding PRC Defectors To Continue V 4
Taiwan Struck by Two Earthquakes 20 May [AFP] V 5
Police Attempt To Block Protest March in Taipei [AFP] V 5

HONG KONG MEDIA ON CHINA

CHING PAO Assesses Xiang Nan's Merits, Failings [10 May] W 1
PRC Foreign Exchange Reserves Figures Distorted W 2
[SOUTH CHINA MORNING POST 19 May]
Shenzhen To Take Strict Measures To Curb Inflation W 4
[SOUTH CHINA MORNING POST 19 May]
Guangzhou Sources Cited on Proposed FEC Abolishment W 5
[TA KUNG PAO 15-21 May]

FBIS DAILY REPORT

China

CONTENTS

Vol I No 098 21 May 1986

PRC INTERNATIONAL AFFAIRS

GENERAL

Foreign Ministry Spokesman Holds Weekly Briefing A 1
Notes Pakistan Action A 1
On Relations With Israel A 1
Announces Visit of Zaire's Dondo A 1
Zhao Ziyang Meets With Outgoing Ambassadors A 1
Mongolian, Burmese Envoys A 1
Argentine, Luxembourg Envoys A 1

UNITED STATES

Yao Yilin Speaks at Dallas Luncheon B 1
Hu Qili Meets Scientist From United States B 1

SOUTHEAST ASIA & PACIFIC

Further Reportage on Australian Prime Minister's Visit E 1
Attends Executive Forum Opening E 1
Signs Construction Agreement E 1
Visits Foreign Studies University E 2
Zhao, Hawke Condemn S. Africa E 2
Leaves for Chengdu E 3

SOUTH ASIA

35th Anniversary of Ties With Pakistan Commemorated F 1
Li, Zhao Praise Relations F 1
Pakistani Leaders Hail Relations F 1
Peng Zhen Meets Pakistani Goodwill Delegation F 2

WESTERN EUROPE

Further Reportage on Wu Xueqian's European Trip G 1
Fetes Norwegian Counterpart G 1
Meets Norwegian Prime Minister G 1
Wishes To Expand W. Europe Ties G 1
Ends Norway Visit G 2
Arrives in Denmark G 2
Interviewed on Goals of Visit G 2
[SHIJIE ZHISHI 1 May]
European Parliament Delegation Arrives in Beijing G 4
Meets Peng Zhen G 4
Honored at Banquet G 5
Hu Qili, Ni Zhifu Meet French Trade Unionists G 5

Xi Zhongxun Meets Swiss Labor Party Delegation G 6
Huang Hua Meets Spanish Trade Delegation G 6
PRC-France First Round Judicial Talks End G 6

MIDDLE EAST & AFRICA

Reactions to South African Raids on Three Cities I 1
Foreign Ministry Condemns I 1
XINHUA Condemns 'State Terrorism' I 1
RENMIN RIBAO Criticizes 'New Crime' I 2

PRC NATIONAL AFFAIRS

GONGREN RIBAO Editor on Protecting Explorers K 1
[SHIJIE JINGJI DAOBAO 12 May]
Bai Hua on Writers' Duties, Future of Literature K 1
[RENMIN RIBAO 12 May]
State Economic Commission on Industrial Production K 3
RENMIN RIBAO Urges Developing Science, Technology [15 May] K 4
TV Comments on Efforts To Help Poor Households K 5
RENMIN RIBAO on Ways To Boost Grain Production [16 May] K 6
Government To Purchase 4 Million Tons of Cotton K 7
Wheat Crop Around Beijing Area Threatened K 8
Total Industrial Output Value Increases K 8
'Massive' Port Building Plan To Be Launched K 9
'Crackdown' on Serious Crime To Continue K 9
[CHINA DAILY 19 May]
RENMIN RIBAO Commentary on Development of Forests [15 May] K 10
Civil Officials to Study at Defense University K 12
Military Scientist on Self-Sufficiency in Defense K 12
[CHINA DAILY 10 May]
Zhang Aiping on Developing Military Science K 13
National Defense Economy Discussed in Xian K 13
Army Establishes Automation Command Unit K 14
PLA Reporting Group's Activities Affirmed K 14
Deng Xiaoping Signs Order Commending Soldiers K 15
Li Peng Addresses Emulation Workers Meeting K 15
Song Defu Interviewed on Role of Youth K 16
[LIAOWANG 5 May]
Chen Pixian Attends Fujian TV Award Ceremony K 19
Xi Zhongxun, Others Meet Minority Students K 19
RENMIN RIBAO Publishes HONGQI Table of Contents [16 May] K 20

PRC REGIONAL AFFAIRS

EAST REGION

Rui Xingwen Speaks at Shanghai Cinema Conference O 1
[JIEFANG RIBAO 4 May]

NORTH REGION

Li Ximing Encourages Beijing Cadres Studying Marxism R 1
[BEIJING RIBAO 6 May]
Beijing's Li Ximing Attends Non-Party Figures Forum R 1
[BEIJING RIBAO 7 May]

Hebei Completes Transfer of Militia to Local Units R 2
[HEBEI RIBAO 7 May]
Tianjin Holds Meeting on Antistealing Campaign R 3
[TIANJIN RIBAO 26 Apr]
Ni Zhifu Attends Tianjin Conference on Education R 4
[TIANJIN RIBAO 7 May]
Delivers Speech [TIANJIN RIBAO 7 May] R 4

TAIWAN

CAL Plane Return Set for Before 24 May in Hong Kong V 1
Text of Summary of Talks V 1
Stranded Crewmen Call Families V 2
CAL Official Queried V 2
Plane Flown From Beijing to Guangzhou V 3
PRC Won 'Political Victory' [AFP] V 3
Armed Forces Rallies Mark Chiang Anniversary V 4
Atomic Energy Council Warns of Radiation Risk V 4

HONG KONG MEDIA ON CHINA

Criticism of 'Ma Ding' Economic Article Reviewed W 1
[KUANG CHIAO CHING 16 May]

FBIS DAILY REPORT CONTENTS

China

Vol I No 099 22 May 1986

PRC INTERNATIONAL AFFAIRS

UNITED STATES

Vice Premier Yao Yilin Continues U.S. Visit B 1
Views Nuclear Power Industry B 1
Arrives in Seattle B 1
XINHUA Roundup Views U.S. Arms Sales to Saudis B 1

SOVIET UNION

Tongjiang Port To Open to Soviet Vessels C 1
XINHUA News Analysis Views Soviet Energy Changes C 1
Soviet Envoy Attends Beijing Gorkiy Celebration C 2
Heihe Prefecture To Resume Trade With Soviet Union C 2
[DONGBEI JINGJI BAO 15 April]

NORTHEAST ASIA

Zhao Ziyang Meets Japanese Visitors D 1
Yang Dezhi Pays Courtesy Call on Japan's Nakasone D 1
Hu Qili Meets Japanese Amity Group Members D 1
Hao Jianxiu Meets Japanese Youth Group D 2
Japan's Diet Approves Nuclear Energy Pact With PRC D 2
Shanghai Paper on Preparations for Seoul Games [KYODO] D 2
DPRK Denounces Nakasone Remarks on Korean Issue D 2
South Korea Accused of Sabotaging Dialogue D 3
South Koreans Mark Kwangju Massacre Anniversary D 3

SOUTHEAST ASIA & PACIFIC

SRV Announces Partial Cambodia Withdrawal E 1
Troop Withdrawal 'Trick' Noted E 1
[RENMIN RIBAO 20 May]
Australia's Hawke Meets Hu Yaobang in Chengdu E 2
Tours Various Sites E 2
Navy Commander Supports Thailand Against SRV E 3
Hong Kong Favors Solution to Taiwan Plane Incident E 3

SOUTH ASIA

Pakistan Minister Marwat Meets Zhao Ziyang F 1
Hosts Anniversary Reception F 1
Former Prime Minister of Bangladesh Visits F 2
Briefed by Wan Li F 2
Meets Deng Yingchao F 2

WESTERN EUROPE

Further on Wu Xuequian Visit to Denmark G 1
Meets Danish Prime Minister G 1
Meets Danish Foreign Minister G 1
Sino-Soviet Relations Viewed G 1
Austrian Leader Praises PRC Foreign Policy G 2

MIDDLE EAST & AFRICA

Foreign Ministry Statement on South African Raids I 1
ACFTU 'Strongly' Condemns South African Raids I 1

PRC NATIONAL AFFAIRS

Hu Yaobang, Tian Jiyun Inspect Rural Gansu K 1
Ma Ding Writes on China's Study of Economics K 3
[GONGREN RIBAO 2 Nov 85]
Part II of LIAOWANG Article on Technological Imports K 10
[LIAOWANG OVERSEAS EDITION 12 May]
Li Peng Inspects Guangdong Nuclear Power Plant K 13
Nuclear Safety Stressed K 15

PRC REGIONAL AFFAIRS

EAST REGION
Chen Guangyi Assumes Office as Fujian CPC Secretary O 1
[LIOAWANG OVERSEAS EDITION 12 May]
Shandong Elects Three Vice Governors 19 May O 1

CENTRAL-SOUTH REGION

Guangdong Revises Family Planning Regulations P 1
Hubei Congress Elects New Provincial Leaders P 1
Guo Zhenqian Elected Governor P 1
Shenzhen Formulates New Tax, Exemption Regulations P 2
Liu Hao Becomes Shenzhen City CPC Committee Secretary P 2

PRC MEDIA ON TAIWAN AFFAIRS

Non-KMT Personages Demonstrate in Taipei 19 May U 1
KMT Urged To Change Rigid Policy Toward Mainland U 1

TAIWAN

U.S. Avionics Sale to PRC Poses Regional Security Risk V 1
Support Urged for Taiwan Efforts To Reunify China V 1
CHINA POST Hails Kuomintang-Nonpartisan Talks [16 May] V 2
Kuomintang Official Comments V 3

HONG KONG MEDIA ON CHINA

CAAC Guangzhou Head Queried on Return of CAL Plane W 1
CAAC-CAL Talks Set 'Good Precedent' for Dialogue W 1
Economic Construction Official Comments on Priority of Projects W 3
[CHING PAO 10 May]
Controversy of Stationing PRC Troops in Hong Kong Analyzed W 7
[KUANG CHIAO CHING 16 May]

FBIS DAILY REPORT

China

CONTENTS

Vol I No 00 23 May 1986

PRC INTERNATIONAL AFFAIRS

GENERAL

PRC Journal on U.S. Policy Toward Southern Africa [SHIJIE ZHISHI 1 May] A 1
ASEAN Foreign Ministers' Meeting in Bali Viewed [LIAOWANG 11 May] A 3
LIAOWANG on Responsibility for UN Financial Crisis [LIAOWANG OVERSEAS EDITION 12 May] A 4

UNITED STATES

Yao Yilin Speaks at Dinner in Seattle 22 May B 1
Rong Yiren Discusses U.S. Trade, Huguang Case [CHINA DAILY 23 May] B 1
U.S. Denies Soviet Charge on Stalling Geneva B 3

NORTHEAST ASIA

DPRK Calls for Resumption of North-South Contacts D 1
South Korean Students Clash With Police D 1
S. Korean Students Occupy U.S. Cultural Center D 1
DPRK DFRF Group Arrives; Feted in Beijing D 2
Deng Liqun Meets DPRK Journalists' Delegation D 2
PRC Army Chief Yang Dezhi Departs Tokyo D 2

SOUTHEAST ASIA & PACIFIC

Australian Prime Minister Arrives in Nanjing E 1
Laurel To Run in Next Philippine Election E 1
Zhang Aiping Meets Royal Thai Navy Admiral E 2
PRC, Mongolian Trade Relations Increase E 2

SOUTH ASIA

Pakistan's Zia Hosts PRC Good-will Delegation F 1
Delegation Hosts Banquet F 1

WESTERN EUROPE

Further Reportage on Wu Xueqian's European Trip G 1
Danish Counterpart Praises PRC G 1
Begins Visit to Belgium G 1
Discusses Cambodia, World Issues G 1
European Parliamentarians Continue Visit G 2
Meet Zhang Jingfu G 2
Host Return Banquet G 2

EASTERN EUROPE

Romanian President Meets With Song Ping H 1
Poland, PRC Sign Scientific-Technical Accord H 1
Qiao Shi Meets Polish Cooperatives' Delegation H 1

MIDDLE EAST & AFRICA

Son of Tunisian President Bourguiba Visits I 1
Meets Xi Zhongxun I 1
Exchanges Views With Zhao I 1
Kuwait Plans To Invest in PRC, USSR I 2
XINHUA Analyzes Potential Syrian-Israeli Conflict I 2

PRC NATIONAL AFFAIRS

Officials Detail Early Satellite Launching Problems [AFP] K 1
PLA Chief Yang Dezhi Returns to Beijing 22 May K 1
Three People Arrested in Beijing for Profiteering K 2
RENMIN RIBAO Commentator's Article [23 May] K 2
Economic Commission Conducts Quality Spot Checks K 4
LIAOWANG on Responsibilty of Young Cadres K 4
WENZHAI BAO Views Effects of Three Gorges Project [11 May] K 6
GUOJI SHANGBAO on Labor Services Trade [8 May] K 8
More Students To Study Abroad in 5 Years K 9
Urban Militia Work Linked to Economic Reform K 10
Deng Liqun, Zhu Muzhi at Press Ceremony K 10
Xi Zhongxun, Others Honor Deceased Linguist K 11
Xi Zhongxun Speaks at Tibet Center Opening K 11
Xi Zhongxun Speaks on Handling Letters, Visitors K 12
Circular Urges Stabilizing Vegetable Prices K 12
Wan Li Attends Wu Zuoren Art Exhibit K 13
Ulanhu Receives Chifeng City Song, Dance Performers K 13
Labor Minister Stresses Need To Create New Jobs K 14
Fang Yi Addresses Scientific Research Meeting K 15
Economic Statistics for April Released K 16
Rui Xingwen Attends Shanghai Cultural Symposium K 17
Chen Pixian Makes Demands for Work in Fujian K 18
[FUJIAN RIBAO 10 May]
Li Peng Attends Foreign-Study Students Meeting K 19

PRC REGIONAL AFFAIRS

EAST REGION

Fujian Leaders Attend Lateral Economic Ties Conference O 1
[FUJIAN RIBAO 7 May]
Chen Guangyi Discusses Fujian Economic Reform O 1
[FUJIAN RIBAO 10 May]
Shanghai Radio on Activities of Rui Xingwen, Others O 3
Shanghai Seeks Cooperation With Foreign Investors O 4
[CHINA DAILY 16 May]

CENTRAL-SOUTH REGION

Guangxi: Liuzhou Case of Witholding Taxes Concluded P 1
[GUANGXI RIBAO]
Yang Xizong Addresses Henan Social Science Congress P 1
Henan Commentary on Social Science, Liberalization Issues P 3
Hunan Factory Leaders Ignore Environmental Protection P 3
Hunan Commentary Views Environmental Protection Work P 4

NORTH REGION

Beijing Municipal CPPCC Elects New Leaders, Members R 1
Beijing Workers Urged To Abandon 'Rude Service' R 1
Congress Accepts Resolutions R 1
Hebei's Xing Chongzhi Extends Greetings on May Day Fete R 2
[HEBEI RIBAO 1 May]
Cadres Punished for Dumping Radioactive Waste in Hebei R 2
[CHINA DAILY 23 May]
Arrested Man Threatened To Blow Up Tianjin Railway Station R 4
[AFP]
Rectification Launched Among Tianjin Town Enterprises R 4

NORTHEAST REGION

Heilongjiang: Sun Weiben Speaks on Industrial Production S 1
Jilin Students Hold Symposium on Labor as Commodity S 1
Jilin To Issue New Self-Production, Marketing Certificates S 2
Shenyang Experiments With Contract Management Factories S 3

TAIWAN

CAAC Returns CAL 747 in Hong Kong 23 May V 1
Text of CAAC-CAL Statement V 1
CAL Crewmen at Press Conference V 1
Northern, Eastern Taiwan Hit by 25 Earthquakes [AFP] V 2
Other Parties Support KMT Policy on Nonpartisans V 2

HONG KONG MEDIA ON CHINA

Prospects for CPC 'Third Echelon' Members Examined W 1
[CHING PAO 10 May]
Hong Kong Analyst Comments on Trade With PRC W 5
[SOUTH CHINA MORNING POST 23 May]

FBIS DAILY REPORT

China

CONTENTS

Vol I No 101 27 May 1986

PRC INTERNATIONAL AFFAIRS

GENERAL

PRC UN Delegate Condemns South African Raids A 1
Chinese-African Students Clash in Tianjin [KYODO] A 1

UNITED STATES

Yao Yilin Ends U.S. Visit, Leaves for Canada B 1
Li Peng Meets U.S. Senators Delegation 26 May B 1
PRC, American Motors To Continue Jeep Production B 1

SOVIET UNION

PRC Experts To Visit Soviet Nuclear Power Stations [KYODO] C 1
Cultural Agreement With USSR Signed in Moscow C 1
Gorbachev Addresses USSR Foreign Policy Conference C 1

NORTHEAST ASIA

Deng Yingchao Meets DPRK Front Delegation D 1
Li Peng Meets Visitors From Japan's Power Industry D 1

SOUTHEAST ASIA & PACIFIC

Australian Prime Minister Continues Visit E 1
Visits Nanjing With Hu Yaobang E 1
Meets Hu Qili E 2
Speaks in Nanjing E 2
Visits Xiamen E 3
Departs for Philippines E 4
Singapore Deputy Premier Begins Visit to PRC E 4
Arrives in Shanghai E 4
Meets Shanghai Officials E 5
Continues on to Jinan E 5
Vanuatu May Give Soviet Fishing Fleet Port Access E 5
SRV 'Partial Withdrawal' Just Troop Rotation E 6
LIAOWANG on CGDK's 2-Pronged Offensive E 7
[LIAOWANG OVERSEAS EDITION 19 May]
LIAOWANG Assesses U.S. Policy Since Fall of Marcos E 8
[LIAOWANG OVERSEAS EDITION 12 May]
Zhang Jingfu Receives Malaysian Trade Mission E 11

WESTERN EUROPE

Further Reportage on Wu Xueqian's European Trip G
Meets EC Officials in Belgium G 1
Received by King; Hosts Banquet G 1
Views DK, Arms Control G 1
Meets UK's Howe in Brussels G 2
Views Relations With Europe G 2
Tours Antwerp, Waterloo G 3
Arrives in Luxembourg G 3
Visits Hydroelectric Plant G 3
Meets Luxembourg Leaders G 4
Arrives in Ireland G 4
Qian Yongchang Attends FRG Embassy Reception G 5
17th Italian Communist Party Congress Viewed G 5

PRC NATIONAL AFFAIRS

Former Party Leader Hua Guofeng Appears in Public [AFP] K 1
Hu Yaobang Addresses Sichuan Leaders 22 May K 1
Deng Xiaoping Donates Book Royalties to Children K 2
Tian Jiyun Urges Ningxia Locals To Become Well-Off K 2
Soviet-Built Plane Used for Xizang PLA Transport K 5
Beijing Genetic Research on Cancer Advances K 5
Arrest of Counterrevolutionary Students Reported [KYODO] K 5
Nanjing University Discusses Ma Ding Article K 6
Wan Li Encourages Forerunners of Reform Work K 7
[GUANGMING RIBAO 14 May]
Lu Dingyi on Formulation of 'Double-Hundred Policy' K 8
[GUANGMING RIBAO 7 May]
RENMIN RIBAO Urges Exploration in Literature, Art [19 May] K 11
WENZHAI BAO on Literature About Intellectuals [15 May] K 13
Official Stresses Building of Nuclear Industry K 14
BAN YUE TAN Interviews Foreign Trade Minister K 16
RENMIN RIBAO on Theory of Socialist Construction [5 May] K 17
Li Peng Attends Foreign-Study Students Meeting K 25
Hao Jianxiu at Guangdong Toy Fair Opening K 26
Economist Ma Hong Inspects Sichuan's Dukuo City K 26
Tian Jiyun on Industry, Commerce Administration K 27
Qiao Shi Meets Armed Police Reporting Group K 27
Vice Premier Qiao Shi Speaks on Law Research K 28
Research Areas To Expand K 29
Seminar on World Peace Opens in Shanghai 20 May K 29
PLA Academy Outlines Research Objectives K 29
Wang Bingqian on Curbing Groups' Purchasing Power K 30
Strict Controls Urged K 31

PRC REGIONAL AFFAIRS

CENTRAL-SOUTH REGION

Guangdong's Lin Ruo Attends Economic Reform Meeting P 1
Guangzhou Executed Criminals Include Hong Kong Compatriot P 2
Henan Holds Meeting on Transferring Armed Forces P 2

SOUTHWEST REGION

Over 100 Killed in Sichuan Basin Storms, Hail Q 1
[CHINA DAILY 23 May]
Tibet Meeting Commemorates 'Peaceful' Liberation Q 1
Background on 1949 Liberation Q 2
Chengdu PLA Commander Commends Yunnan Border Unit Q 3

TAIWAN

Aftermath of CAAC-CAL Incident, Pilot's Defection V 1
CAL Statement on 'Diverted' Plane V 1
CAL Firm at Talks With CAAC [CHINA POST 24 May] V 1
Crewmen Describe Hijacking V 1
United Front Tactics Unpersuasive [CHINA POST 24 May] V 2
Yu Kuo-hwa Orders Investigation V 3
Pilot's Case Enters Legal Procedures V 3
CAL, Aeronautics Officials Resign V 3
CHINA POST Editorial [23 May] V 3
Tai-chi Gorge Landslide Kills 33; Many Missing V 5

HONG KONG MEDIA ON CHINA

CPC Rectification of Films, Art Appreciation Analyzed W 1
[CHING PAO 10 May]
Yan Mingfu Appointment to United Front Work Examined W 3
[KUANG CHIAO CHING 16 May]
PRC Abolishes Sanxia Province Preparatory Group W 5
[TA KUNG PAO 25 May]
Taiwan To Take Legal Action Against Defecting Pilot W 5
[SOUTH CHINA SUNDAY MORNING POST 25 May]
CAL To Investigate Defecting Pilot's Mental State W 6
[HONG KONG STANDARD 27 May]
Editorial Views Consequences of PRC Return of CAL Plane W 7
[SOUTH CHINA MORNING POST 24 May]
Hong Kong To Investigate Compatriot Executed in Guangzhou W 8
[HONG KONG STANDARD 26 May]
Legality of Execution Questioned W 9
[HONG KONG STANDARD 26 May]

FBIS DAILY REPORT CONTENTS

China

Vol I No 102 28 May 1986

PRC INTERNATIONAL AFFAIRS

GENERAL

Foreign Ministry Spokesman Holds Weekly News Briefing A 1
Notes Tianjin Student Incident A 1
Comments on SRV in Cambodia A 1

UNITED STATES

Reagan Warns USSR Against Undermining Treaty B 1
White House Rejects Proposed Cuts in SDI Funding B 1

SOVIET UNION

Dobrynin Says U.S. Lacks Goodwill Toward USSR C 1
USSR Warns U.S. Against Undermining SALT II C 1
RENMIN RIBAO Article on Soviet Agricultural Reform [21 May] C 1

NORTHEAST ASIA

Japanese Trade Delegation Arrives 27 May D 1
XINHUA 'News Analysis' Views PRC-Japan Trade Gap D 1

SOUTHEAST ASIA & PACIFIC

Thai Leader Praises Inseparable Bilateral Ties E 1
Hong Kong Banks Increase PRC Investment Loans E 1
New Philippine Ambassador Presents Credentials E 1

SOUTH ASIA

Xinhua: Najibollah Cannot Solve USSR's Afghan Problem F 1
Zia Interviewed on Sino-Pakistani Relations F 1
Pakistan Minister Meets Press on Return From PRC F 2
Iran's Prime Minister Calls for Stronger PRC Ties F 2

WESTERN EUROPE

Wu Xueqian Continues European Trip G 1
Wants All Nations in Dialogues G 1
Hopeful on U.S.-USSR Disarmament G 1
Hu Yaobang Meets British Communist Delegation G 1
PRC, Portugal To Hold Talks on Macao Question G 2
[LIAOWANG OVERSEAS EDITION 26 May]
EC President on Expanding Cooperation With PRC G 4
Li Peng Meets Federal German Education Minister G 4
Li Peng Attends Contract Ceremony With Italy G 5

Turkish President Meets Song Ping, Notes Ties G 5
PLA Commander Fetes French Air Staff Chief G 5

MIDDLE EAST & AFRICA

Cape Verdian Prime Minister Begins Official Visit I 1
Zhao Ziyang Hosts Banquet I 1
Holds Talks With Zhao Ziyang I 2
Li Peng Meets Ivory Coast Government Delegation I 3

PRC NATIONAL AFFAIRS

RENMIN RIBAO on Tolerating Opposing Views [19 May] K 1
RENMIN RIBAO Views 'Courage' of Criticism [23 May] K 2
Peng Zhen on Reform, Marxist-Leninist Tenets K 4
[BEIJING REVIEW 19 May]
Culture Leader Urges Literature, Art Reform K 6
JIEFANGJUN BAO Article on Army Policy Reprinted K 7
[GUANGMING RIBAO 20 May]
Jiangsu Agricultural Services Units Transformed K 8
[RENMIN RIBAO 21 May]
Commentator's Article K 9
WENZHAI BAO Details Dalian Black Market in Housing [15 May] K 10
Hu Sheng on Wide Study of Social Sciences K 11
[HONGQI 1 May]
SHIJI ZHISHI on Debate on Working Class Question [1 May] K 22
RENMIN RIBAO on Backbone Enterprises' Role [19 May] K 25
State Council Circular on Exaction of Funds K 27
Qiao Shi Addresses Law Society Conference K 29
RENMIN RIBAO Commentator Urges Curbing Favoritism [20 May] K 32
Beijing Radio Cites Counterrevolutionary Case K 34
WENZHAI BAO Describes Arrest of 'Gang of Four' [11 May] K 35

PRC REGIONAL AFFAIRS

EAST REGION

Chen Guangyi Comments on New Position as Fujian Secretary O 1
Fujian To Build Optical Fiber Communication System O 1
Commentary Views Shanghai's Changing Economic Policy O 2

SOUTHWEST REGION

Guizhou Holds Conference To Combat Serious Crime Q 1
Sichuan CPC Committee Emphasizes Agricultural Production Q 2
Xizang: Buddhist Anniversary Celebrated in Lhasa Q 3
Yunnan: Economic Coordination Conference Achievements Q 3
Yunnan Radio Commentary Q 4

NORTHWEST REGION

Gansu Commentary Views Problems in Lateral Economic Ties T 1
Gansu: Li Ziqi Addresses Non-party Personages T 1
[GANSU RIBAO 5 May]
Ningxia Deputy Secretary Speaks on Party Rectification T 2
[NINGXIA RIBAO 9 May]
Shaanxi Defense Industry Notes Ideological Problems T 3
SHAANXI RIBAO Article Criticizes 'Tyrannical' Work Style T 4
[21 May]

TAIWAN

Commentary Assesses CAL Aircraft Incident, Implications V 1
Another Earthquake Hits Hualien County 27 May V 1

HONG KONG MEDIA ON CHINA

Hu Yaobang Criticizes 'Conservative' Antireform Tactics W 1
[MING PAO 27 May]
Liu Zaifu Speaks at CPPCC on Advancing Second Revolution W 2
[KUANG CHIAO CHING 16 May]
Fujian Present, Former Secretaries Meet Hong Kong Reporters W 4
[TA KUNG PAO 25 May]
Shenzhen SEZ To Lay Emphasis on Industry, Efficiency W 5
[TA KUNG PAO 26 May]

FBIS DAILY REPORT

China

CONTENTS

Vol I No 103 29 May 1986

PRC INTERNATIONAL AFFAIRS

UNITED STATES

LIAOWANG Examines U.S. 'Competitive Strategy' B 1
[LIAOWANG OVERSEAS EDITION 19 May]

NORTHEAST ASIA

PRC, Japan Delegations Hope To Ease Trade Imbalance D 1
[CHINA DAILY 28 May]
Heads of Delegations Speak D 2
Minister Calls for Cooperation D 3
Zhen Tuobin Hosts Dinner D 4
Notes Exchanged for Japanese Loan to PRC D 4
Qiao Shi Meets, Fetes DPRK Party Secretary D 4

WESTERN EUROPE

Further Reportage on Wu Xueqian's European Trip G 1
Feted by Irish Counterpart G 1
Meets Irish Prime Minister G 1
Meets Press, Hosts Dinner G 1

MIDDLE EAST & AFRICA

Further Reportage on Cape Verde Premier's Visit I 1
Holds Talks With Ulanhu I 1
Attends Stage Performance I 1
Wife Meets Kang Keqing I 2
Botha Warning to S. African Blacks Criticized I 2
[RENMIN RIBAO 24 May]
African Students Demonstrate Against South Africa [AFP] I 2
Iran's Rafsanjani Receives PRC Ambassador I 3

WESTERN HEMISPHERE

Yao Yilin Arrives in Vancouver for World Expo J 1
Attends 'China Day'
XINHUA Roundup Views U.S. Central American Policy J 2

PRC NATIONAL AFFAIRS

GUANGMING RIBAO On Studying 'Western Marxism' [19 May] K 1
JINGJI RIBAO Views 'Double Hundred' Policy [24 May] K 3
CPC Members' Letter Attacks Bureaucracy K 5
Li Peng Attends Meeting of Youth Workers K 6
Stresses Moral Education K 6

Education Commission Stresses Pre-School Education K 10
[CHINA DAILY 28 May]
Chen Pixian on Promoting Compulsory Education K 11
Zhang Aiping, Others Watch Children's Performance K 11
'Gist' of Peng Zhen 1981 Speech on Civil Code K 12
[RENMIN RIBAO 15 May]
Peng Zhen Comments on Draft Civil Code K 15
[RENMIN RIBAO 15 May]
RENMIN RIBAO on Gezhouba Results, Experience [19 May] K 18
Youth Attending Church 'Causing Deep Thought' K 19
[WENZHAI BAO 15 May]
Radio Lecture on Counterrevolutionary Crime K 20
Radio Lecture Describes Case of Spying K 21
RENMIN RIBAO Urges Graduates To Work in Northwest [17 May] K 21
Ai Zhisheng on Merger of Film Industry With TV K 23
Zhang Jingfu Speaks on Industrial Safety Measures K 25
Advanced Computer System Passes Defense Appraisal K 25

PRC REGIONAL AFFAIRS

EAST REGION

Fujian Secretary Meets Hong Kong, Macao Reporters O 1
Fujian: Hu Ping Emphasizes Implementing Compulsory Education O 1
[FUJIAN RIBAO 18 May]
Jiangsu's Yizhen County Becomes Yizhen City O 2
Shandong: Liang Buting Speaks on Armed Forces Transfer O 2
Shanghai's Rui Xingwen Stresses Importance of Reform O 3
Shanghai: Rui Xingwen Meets Policy Investigation Group O 4
Shanghai's Rui Xingwen Greets Economic Society O 4

CENTRAL-SOUTH REGION

Guangxi: Wei Chunshu Speaks on Correcting Party Style P 1
HENAN RIBAO Commentator's Article on Industrial Production P 2
[27 May]
Henan Bearings Company 'Amalgamated' Only in Name P 3
[RENMIN RIBAO 17 May]
Hubei: Normal, Unhealthy Tendencies of Enterprises Noted P 3

NORTH REGION

Beijing: Li Ximing Attends Legal System Propaganda Meeting R 1
[BEIJING RIBAO 13 May]
Beijing Cracks Down on Profiteering Soft Drink Vendors R 1
[CHINA DAILY 26 May]

NORTHWEST REGION

Gansu Urges Improved Backward Counties Family Planning T 1
Gansu Radio Commentary T 1
Yin Desheng Attends Qinghai Leading Cadres Meeting T 1
Qinghai Commentary Emphasizes Grain Procurement T 3
Qinghai Mayor Addresses Rally on Serious Crime T 3
Shaanxi: Xue Muqiao Discusses Economic Development in Xian T 4
Xinjiang: Song Hanliang Attends Scientific Research Forum T 5

TAIWAN

Argentine Gunboat Fires on Taiwan Fishing Vessel V 1

HONG KONG MEDIA ON CHINA

Article Profiles XINHUA's Changing Image W 1
[SOUTH CHINA MORNING POST 27 May]
Yuan Xianlu New RENMIN RIBAO OVERSEAS EDITION Deputy Editor W 3
[HONG KONG STANDARD 29 May]
Heilongjiang Border Trade With Soviets Described W 3
[WEN WEI PO 23 May]

FBIS DAILY REPORT CONTENTS

China

Vol I No 104 30 May 1986

PRC INTERNATIONAL AFFAIRS

GENERAL

He Kang Presents African Development Plan A 1
PRC To Receive Loans From World Bank, IDA A 2

UNITED STATES

U.S. To Comply With Salt II Treaty Obligations B 1
Weinberger Says Salt II Is 'Flawed' Agreement B 1
U.S. To Equip B-52's With Cruise Missiles B 2
Zhao, Reagan Congratulate Daily on Anniversary B 2
Magazine Criticizes U.S. Moves Against Terrorism B 3
[SHIJIE ZHISHI 16 May]
Fang Yi Opens U.S., PRC Technology Exhibit B 5

SOVIET UNION

Soviet Cosmonauts Walk, Build Structure in Space C 1
U.S. Doctor Says Chernobyl Death Toll at 23 C 1

NORTHEAST ASIA

Correction: Rerun of Page From 27 May DAILY REPORT D 1

WESTERN EUROPE

Foreign Minister Wu Xueqian Ends Ireland Visit G 1
PRC, Belgium Sign Nuclear Energy Agreement G 1
FRG Trade Unions Urge U.S.-Soviet Detente G 1

EASTERN EUROPE

Vice Foreign Minister Views East Europe Relations H 1
[CHINA DAILY 27 May]
Sino-Romanian Youth Friendship Meeting Held H 2
Feted by Xi Zhongxun H 2
Meet With Hu Yaobang H 3
Hu Qili Co-hosts Dinner H 3
PRC, GDR Agree To Expand Trade Relations H 3
Fang Yi Meets GDR Science Academy Group H 3
Song Jian Meets GDR Council Chairman Stoph H 4
Science Minister Song Jian in Czechoslovakia H 4
Meets Premier Strougal H 4
Bulgaria, PRC To Increase Economic Cooperation H 5
PRC, Polish News Agencies Sign Cooperation Pact H 5
New SFRY Premier Meets Ambassador Xie Li H 5

WESTERN HEMISPHERE

PRC, Suriname Commemorate Anniversary of Relations J 1
Li Xiannian Sends Message J 1
Surinamese President Greets Li J 1
Reception Marks Relations J 1
Hu Yaobang, Cape Verde's Prime Minister Confer J 2
Yao Yilin Holds Press Conference in Vancouver J 2

PRC NATIONAL AFFAIRS

Party Style Rectification Meeting Ends K 1
'Good Beginning' Against Abuses K 1
Progress Reviewed K 1
GUANGMING RIBAO Views 'Double Hundred' Policy [21 May] K 5
HONGQI Holds Forum on 'Double Hundred' Policy K 10
[GUANGMING RIBAO 22 May]
JINGJI RIBAO Commentator Urges Academic Freedom [24 May] K 11
Part III of LIAOWANG Article on Technological Imports [19 May] K 13
ZHONGGUO XINWEN SHE on Scientific, Technology Plan K 17
Science, Technology White Paper To Be Issued K 18
Satellite TV Receiving Station Tested in Guizhou K 19
Joint Ventures To Use Metric Weights, Measures K 20
400 Self-Contained Industrial Units Planned K 20
Posts Ministry Urges Correcting Irregularities K 20
Abolishing Local Economic Restrictions Urged K 21
He Dongchang on Granting of Economic Degrees K 22
Ulanhu, Others Award Tibetan Epic Experts K 22
Zhu Houze Addresses Hubei Ideological Forum K 23
Bo Yibo Discusses Efforts To Carry Out Reforms K 24
Bo Yibo Receives 'Workers Among Children' K 25

PRC REGIONAL AFFAIRS

EAST REGION

Wang Yuzhao Attends Meeting on Anhui Militia Work O 1
[ANHUI RIBAO 13 May]
Investor Views Key to Business Success in Fujian O 1
Han Peixin Attends Jiangsu Land Reclamation Meeting O 2
Jiangsu: Nanjing Military Region Trains Dual Personnel O 2
Shanghai Catholic Diocese Opens Repository 29 May O 3
Shanghai Protestants Elect New Leadership O 3
Zhejiang's Wang Fang Views Attack on Tax Cadres O 3
Zhejiang: Wenzhou Contrasts Collective, Individual Firms O 4

CENTRAL-SOUTH REGION

Guangdong: Shantou SEZ Development, Progress Outlined P 1
Guangdong Circular Advocates Family Planning Education P 2
Guangdong Controls Issued on Teahouses, Dancing, Billiards P 2
Hainan: Party School Work Forum of Central-South China P 3
Hunan Governor Discusses Economic Links With Shanghai P 3
Hunan Issues Circular on Checking Second Child Trend P 3

TAIWAN

Official To Contact Argentina on Sinking of Trawler V 1
Crewmen Taken to Port Deseado V 1
Yu Kuo-hwa Meets FRG Bundestag Delegation 24 May V 1

HONG KONG MEDIA ON CHINA

Profile of Shenzhen SEZ Probes Prospects, Problems W 1
New Boundary Hinders Economic Growth W 1
[SOUTH CHINA MORNING POST 26 May]
Visitors Cause Price Increases W 2
[SOUTH CHINA MORNING POST 26 May]
Sharp Inflation Angers Residents W 2
[SOUTH CHINA MORNING POST 19 May]
Border Patrol Marginally Efficient W 3
[SOUTH CHINA MORNING POST 26 May]
TA KUNG PAO Opposes New Port W 4
[26 May]
PRC Reforms Labor System in State-Owned Enterprises W 6
[TA KUNG PAO 29 May]
Hainan Cadres Convicted for Automobile Case Crimes W 7

DAILY REPORT

China

Vol I No 084 1 May 1986

PRC INTERNATIONAL AFFAIRS

GENERAL

Li Peng on China's Foreign, Domestic Policies [LIAOWANG 28 Apr] A 1
XINHUA Links Libyan Raid, U.S.-USSR Rivalry A 3
Envoy Blames U.S. Congress for UN Funding Crisis A 4
Newspaper Views Upcoming Round of GATT Talks [GUOJI SHANGBAO 21 Apr] A 5
Radio Beijing on International Monetary Reform A 6

UNITED STATES

U.S. Offers USSR Aid in Nuclear Plant Accident B 1
XINHUA Notes Nixon Praise for PRC Achievements B 1
U.S. May Scrap Security Pledge to New Zealand B 2
Journal on U.S. Policy Toward Dictatorships [SHIJIE ZHISHI 16 Apr] B 3

SOVIET UNION

Moscow Denies Thousands Killed in Nuclear Mishap C 1
New Soviet Ambassador Takes Up Post [AFP] C 1

NORTHEAST ASIA

Li Xiannian Greets Japanese Emperor on Birthday D 1
Japan Concerned About Soviet Nuclear Accident D 1
Nakasone Offers Assistance D 1
Roundup Views South Korea Signature Campaign D 2

SOUTHEAST ASIA & PACIFIC

Commentary Criticizes SRV's Stance on CGDK Plan E 1

MIDDLE EAST & AFRICA

RENMIN RIBAO on Israel's 'New Marshall Plan' [26 Apr] I 1
YAR Delegation Arrives 29 Apr; Given Banquet I 1

PRC NATIONAL AFFAIRS

Leaders, Editorial Mark May Day in Nation K 1
Zhao Ziyang, Li Peng in Hubei K 1
Beijing Celebration K 2
RENMIN RIBAO Editorial K 2
Bo Yibo at Hunan Rally K 4
Paper Comments on Progress in Reform K 4
[CHONGQING RIBAO 20 Apr]
RENMIN RIBAO on Transfer of Reform-Bent Manager [23 Apr] K 6
Reasons Questioned [RENMIN RIBAO 23 Apr] K 9
Investigation Conducted [RENMIN RIBAO 23 Apr] K 10

PRC REGIONAL AFFAIRS

EAST REGION

Shanghai Promotes Lateral Economic Combinations O 1

NORTH REGION

Guangzhou Holds Rally To Celebrate May Day R 1
Guangxi Governor Outlines Seventh 5-Year Plan Goals R 1
Yang Xizong Attends Henan CPPCC Meeting 28 April R 3
Hunan Official Stresses News Coverage of Reforms R 3
Hunan Radio Urges Vigilance Against Flatterers R 4

NORTHEAST REGION

Heilongjiang Carries Out Transfer of Armed Forces S 1
Jilin's Gao Di Attends May Day Celebration S 1
Jilin Commentary Views Strengthening Political Work S 2
Jilin Moves To Eliminate Nepotism in Cadres S 3

TAIWAN

Chernobyl Accident May Affect Nuclear Power Policy V 1
Information Officer Comments on PRC Defection V 1
Pilot Holds News Conference [AFP] V 2
Foreign Ministry Statement V 2

HONG KONG MEDIA ON CHINA

Daya Bay Plant Officials Studying Accident in USSR W 1
[SOUTH CHINA MORNING POST 1 May]
Editorial Examines Daya Bay Safety Precautions W 1
[HONG KONG STANDARD 30 Apr]
LIAOWANG Views Appropriate PRC Growth Rates [21 Apr] W 2
HONG KONG STANDARD on Moonlighting PRC Union Leaders [27 Apr] W 5
WEN WEI PO Discusses Debate Among PRC Artists [29 Apr] W 6
PRC Navy Logistics Examines Improving Management W 7
[MING PAO 29 Apr]

LI PENG ON CHINA'S FOREIGN, DOMESTIC POLICIES

HK301356 Hong Kong LIAOWANG Overseas Edition in Chinese No 17, 28 Apr 86 p 4

[Article by LIAOWANG reporter Gu Wenfu: "Li Peng on Relations With Foreign Countries and Domestic Policies"]

[Text] Li Peng, vice premier of the State Council, met at the Great Hall of the People on 16 April a visiting reporters group sponsored by the Center for Strategic and International Studies of the U.S. Georgetown University. The Center for Strategic and International Studies of Georgetown University is one of the well-known "brain trusts" in the United States. Among the senior advisers to this center are Henry Kissinger, Zbigniew Brzezinski, and James Rodney Schlesinger. All the members of this visiting reporters group are senior reporters from various major U.S. newspapers. Li Peng briefed the reporters group on such important issues as Sino-Soviet and Sino-U.S. relations, as well as the economic reform of China, the drive to deal blows at criminal activities in the economic field, and joint ventures run with Chinese and foreign capitals.

China and the Soviet Union Will Not Become Allies

Li Peng said: China is willing to normalize its state relations with the Soviet Union on the basis of the removal of the obstacles. We have noticed that on several important occasions, General Secretary Mikhail Gorbachev spoke out his desire to improve relations with China. We think that the important thing is deeds rather than words. There has recently been some development in Sino-Soviet relations, mainly in the sphere of economic, technological, and cultural exchanges and cooperation. The political differences between the two sides remain unsolved. In order to normalize the relations between the two countries, the "three major obstacles" must be moved. The normalization of Sino-Soviet relations will not only benefit the two large neighboring countries but will also be conducive to world peace. We hope that China and the Soviet Union will become friendly neighbors living in harmony with each other on the basis of the Five Principles of Peaceful Coexistence. But China and the Soviet Union will not become allies as they did in the 1950's.

China Will Not Establish "Strategic Relations" With the United States

Li Peng said: China pursues an independent peaceful foreign policy. China's efforts to strengthen its defense do not constitute a threat to any country. Modernization of China's national defense will only be conducive to the safeguarding of world peace. China is willing to have technological exchanges and cooperation with the United States in the sphere of advanced weapons. But China will not establish "strategic relations" with the United States, and the above-mentioned exchanges will only play a limited role in China's modernization of defense. China relies mainly on its own efforts in modernizing its defense.

The Drive To Deal Blows at Criminal Activities in the Economic Field Is Conducive to the Reform

Li Peng said that the implementation of the policy of opening up to the outside world and invigorating the economy at home has aroused the enthusiasm of enterprises and the vast number of staff members and workers in China. However, at the moment, the new structure has just taken shape and still cannot replace the old one. During the period when the new structure is replacing the old one, a small number of lawless elements may take the opportunity to engage in criminal activities. China takes a stern attitude toward criminal activities in the economic field. But no movement is to be launched against these activities, and every action will be taken fully in accordance with legal procedures.

At the same time, we must improve various laws, rules, and regulations, and draw a clear demarcation line between normal economic operations and illegal activities. The drive to deal blows at criminal activities in the economic field will not affect the reform but will only ensure that the reform will go on along the right track. This will be a long-term struggle.

The Influence of the Slump in Oil Price

Li Peng said that China has signed contracts with companies from many countries for prospecting offshore oil. The recent oil price slump may possibly affect offshore oil prospecting work in China, and may also have some impact on the world economy. But so far we have not seen any direct impact on the cooperation between China and foreign companies in offshore oil prospecting. Just late March this year, two more American companies and one more Japanese company signed such contracts with China. We hope that entrepreneurs with foresight will not just see their immediate interests at the expense of their long-term interests. They should realize that China is a developing country with abundant resources and great potential for economic development.

Products Produced by Foreign-Owned Enterprises and Joint Ventures Should Enter the International Market

Li Peng said: We hope that products produced by joint ventures run with Chinese and foreign capital and by foreign-owned enterprises in China can be marketed on the international market. We hope that joint ventures will earn foreign exchange for China but not spend China's foreign exchange. China will also moderately open its domestic market to these enterprises if it does need to do so. But China cannot be the main market for these products. China will protect the profits these enterprises make in the country. They can remit their profits out of the country. China is going to formulate the relevant laws.

The Results of Price Reform Are Good

Li Peng said: We made a big stride forward in price reform last year. We have relaxed our control over prices of agricultural and sideline products, including meat; moderately raised the prices for short-distance railway transport service; and practiced the system of fixing the price of coal according to its quality. Generally speaking, the results are satisfactory. However, there are also some problems. For example, the prices of some agricultural and sideline products have been raised too high. This year we are to adhere to the principle of consolidation, digestion, replenishment, and improvement. This is not to retreat, but to make better progress. Price reform is the most important and difficult aspect of our economic reform. If we fail to satisfactorily readjust prices, it will be difficult for China to introduce a planned commodity economy. As the price issue has a bearing on the interests of enterprises and their staff and workers, as well as on the interests of all the people, we must handle it with great caution. Moreover, China's price reform is difficult because it is not a reform of an entire irrational pricing system. China's commodity economy is a commodity economy under the guidance of the state plan. China's pricing system is also a pricing system in a socialist economy. It differs from that in capitalist countries. Specialists estimate that China will need 5 years or even more to reform its entire pricing system.

XINHUA LINKS LIBYAN RAID, U.S.-USSR RIVALRY

OW301116 Beijing XINHUA in English 1053 GMT 30 Apr 86

["News Analysis: The Political Meaning of U.S. Strikes Against Libya (by Wu Jin)" -- XINHUA headline]

[Text] Beijing, April 30 (XINHUA) -- People around the world who were shocked by recent U.S. strikes against Libya, cannot but try to probe into the political meaning of such military action.

Was it simply Washington's accidental show of force or an indication that the United States would follow the same violent pattern in dealing with those small countries it dislikes?

What impact would this action have upon U.S.-Soviet relations?

Immediately after the U.S. carrier groups threateningly went into the Gulf of Sidra to carry out a "maneuver" and buzz Libya's missile bases on March 24-25, two leading U.S. newspapers published some knowing comments. Said a March 27 NEW YORK TIMES news analysis: "President Reagan believes he has succeeded in bringing about a more favorable Soviet-American balance of power, thus enabling him to act with greater freedom and decisiveness around the world." In a March 31 editorial, THE WALL STREET JOURNAL commented, "By inviting Col. al-Qadhdhafi to a confrontation if he wants one and being prepared to strike back, the President has proved he is not afraid to take risks abroad."

No sooner had the United States sent a large group of F-111 bombers to bomb Tripoli when President Reagan declared that the U.S. would punish Libya again if it continued to support terrorism aimed at American citizens. Making good use of his anti-terrorism theme, President Reagan has put Nicaragua in the same category as Libya. More noticeably, he threatened that his country would have no hesitation in attacking Iran and Syria if there was sufficient evidence that the two Mideast countries were involved in terrorist acts against the United States.

All this proves that what was published in THE NEW YORK TIMES news analysis and THE WALL STREET JOURNAL editorial is not far from truth. Since they were not isolated incidents, these military actions heralded a dangerous tendency in U.S. foreign policy. In fact, the U.S. strikes against Libya should not be regarded simply as actions of a superpower bullying a small country. They should also be measured against the background of the U.S.-Soviet rivalry.

Libya, which strongly opposes the U.S. policy towards the Middle East, buys huge amounts of munitions from Moscow -- over the last 15 years some 45 billion U.S. dollars worth -- and is considered to have particularly close relations with the Soviet Union. By no accident, the first targets of the recent U.S. air raids were none other than the missile bases the Soviets had helped build in Libya.

The U.S. Magazine BUSINESS WEEKLY said on April 28, "by bombing a Soviet client state, the administration has created political pressure on Gorbachev" and Moscow also regarded this action as a challenge to itself.

On the day Tripoli was bombed, Soviet leader Mikhail Gorbachev, who declared support for Libya and opposition to the U.S., describing the air raids as "a link in the chain of the challenging and provocative actions of the United States taken in response to the Soviet Union's peace initiative" and an action that was purposedly done to "damage the Soviet-U.S. relations." As a result, Moscow cancelled a meeting between U.S. and Soviet foreign ministers scheduled for mid-May. At the same time, the Soviet Union provided more advanced military weapons to Libya and sent three warships to Libyan ports.

The months following the U.S.-Soviet Geneva summit last November witnessed little progress in the disarmament talks, but rather saw the antagonism between the two superpowers increase. This was borne out by a message, titled "Freedom, Regional Security and Global Peace," submitted by President Reagan to U.S. Congress on March 14, in which the President stressed "America's stake in regional security."

"Through administrations of both parties," said Reagan, "American policy toward the Soviet Union has consistently set itself the goal of containing Soviet expansion. Today that goal is more relevant and more important than ever".

Obviously, the statement signals that the United States will step up its rivalry with the Soviet Union in all areas of the world on the grounds of "maintaining regional security."

Only 10 days after Reagan made the statement, described as "declaration of Reaganism," the United States unleashed an air attack on Libya. Apart from the Mediterranean, foreign intervention has fueled the turmoil in the Caribbean region, the Middle East and southern Africa. Such a situation indicates that the dangerous trend of escalating U.S.-Soviet competition for spheres of influence should be taken seriously.

Maintaining world peace is the common desire of the world's people and the two superpowers have no right to scramble for hegemony at the expense of small countries and world peace and security.

ENVOY BLAMES U.S. CONGRESS FOR UN FUNDING CRISIS

OW301148 Beijing XINHUA in English 1130 GMT 30 Apr 86

[Text] United Nations, April 29 (XINHUA) -- The U.S. Congress' demand for weighted voting on budgetary matters is directly responsible for the U.S. financial crisis, Liang Yufan, deputy Chinese permanent representative to the United Nations, said today.

Last August, the U.S. Congress adopted an amendment mandating big cuts in U.S. appropriations for the United Nations unless it introduces reforms and abandons the one-country-one-vote system in favor of a system of "weighted voting" to give large donors more decision-making power.

Liang said that all member states, big or small, powerful or weak, should have equal say and equal voting rights. "Herein lies the most essential expression of the principle of equality enshrined in the Charter," he said. "If voting rights were made proportionate to the assessed contribution of each member state," he added, the principle of equal rights laid down in the U.N. Charter "would be reduced to nothing more than empty words."

The United Nations determines the dues of its member states according to each country's gross national product and per capita income. Under a resolution adopted at the 40th session of the U.N. General Assembly on the scale of assessments for the contributions of member states to the U.N. budget for the financial years 1986, 1987 and 1988, the United States is required to pay 25 percent, France 6.3 percent, United Kingdom 4.9 percent, China 0.8 percent, and each of the 78 underdeveloped countries about 0.01 percent.

Liang said that after fulfilling its financial obligations as required by the relevant resolutions of the U.N. General Assembly, each member state enjoys equal voting right. "It would run counter to spirit of the Charter if any member state should arbitrarily decide on the scale of its contribution without approval by the General Assembly," Liang said.

Liang pointed out that the laws and decrees adopted by the legislative organs of a member state are valid only in that state, and "any attempt to impose one's own laws and decrees on the United Nations so as to exert pressure on the latter is in contravention with international practice."

Referring to the call for reforms in the U.N. Organization and its principles, Liang said, "For a long time the United Nations Secretariat has suffered from overlapping organs, overstaffing and a proliferation of documents and meetings. This unsatisfactory state of affairs has not only hindered the secretariat from effectively fulfilling its mandate but has also added to the financial burdens on member states."

"Although the secretary-general has already taken some temporary savings measures," he added, "there are still great potentials to be tapped in improving efficiency and cutting expenditures."

He said that the Chinese delegation has always supported reforms and savings measures in the organization. However, "all reforms or streamlining measures should serve the purpose of enhancing the functions and role of the organization," he said.

NEWSPAPER VIEWS UPCOMING ROUND OF GATT TALKS

HK301001 Beijing GUOJI SHANGBAO in Chinese 21 Apr 86 p 3

[Article by Guan Mao: "The Preparation and Influence of a New Round of Multilateral Trade Talks"]

[Text] Through several years of deliberations and exchanging views, signatory states to the General Agreement on Tariffs and Trade (called GATT hereafter for short) are preparing for a new round of multilateral trade talks, the eighth round of multilateral trade talks following the "Tokyo round."

Regarding the objective of the new round of talks, all member states agreed that efforts should be made to contain and minimize protectionism, to improve the international trade environment, and to safeguard and strengthen the multilateral trade system so that international trade can develop in the direction of liberalization. As far as the topics for discussion in the new round of talks are concerned, signatory states widely agreed that trade in agricultural products, protection measures, tariff and nontariff barriers, and resolution of conflicts should be given priority. Disagreements are focused on new problems, such as invisible trade. Countries such as India and Brazil stressed that invisible trade does not fall into the category of the GATT, and therefore the GATT has no right to handle issues concerning invisible trade. However, developed countries contended that the rules and regulations and scope of the GATT should be developed in line with the changed structures of the world economy and trade and maintained that the problem of invisible trade should be included in the agenda of the new round of talks. The two sides have not yet, reached a consensus on the issue after repeated consultations. In November 1985, the GATT's 41st general meeting set up a preparatory commission for the new round of talks. The commission has so far completed the general examination and discussion work of some 20 topics for discussion and entered the stage of drafting documents. It will submit a written proposal concerning the propositions for the new round of talks in July of this year for examination and approval. By that time, the conference will issue a declaration, officially initiating a new round of talks.

Not only will the new round of talks have a great impact on the future development of the world economy and trade and the consolidation of the multilateral trade system, but it will also have close relations with the development of China's foreign economic relations and trade. The new round of talks will affect China's foreign trade mainly in the following areas:

1. Agricultural products. China has become an agricultural-product-exporting country from an agricultural-product-importing one as in the past. The volume of agricultural and sideline products exported occupies nearly one-fifth of the country's total export volume, becoming an important source for China's foreign exchange earnings. If, in the new round of talks, the rules and regulations concerning trade in agricultural products are revised and strengthened, tariff and nontariff barriers are minimized, and liberalization of trade in agricultural products is achieved steadily, this will provide favorable conditions for the expansion of China's export of agricultural and sideline products.

2. Invisible trade. In recent years, China's invisible trade has developed rapidly. The income from exports in 1985 totaled U.S. $5.1 billion, constituting over one-fifth of the country's total commodities export volume. This has played a positive role in achieving a balance in China's international payments. The new regulations concerning international invisible trade, which are very likely to be adopted at the new round of talks, will have an impact on the country's effort to enter the international invisible trade market.

3. Reduction of and concessions on tariffs. Tariffs on China's development-deserving products on the international trade market are now comparatively high. In the new round of talks, these tariffs are likely to be reduced. This will play a positive role in minimizing the tariff barriers China must face in exporting its goods and increasing the competitive appeal of its products, and helping China earn more foreign exchange through more exports.

4. Protection measures and resolution of conflicts. With the development of China's economy and the expansion of its foreign trade, the restrictions to be imposed on the export of China's commodities and labor services and the trade conflicts resulting therefrom will also increase. The new round of talks will consolidate the multilateral trade system by improving protection measures and regulations concerning the resolution of conflicts. If the system is appropriately applied, it will provide our country with a relatively stable market for its expanded exports.

RADIO BEIJING ON INTERNATIONAL MONETARY REFORM

OW301046 Beijing in English to North America 1700 GMT 29 Apr 86

[Text] International monetary reform is once again making headlines in the United States as the Tokyo economic summit draws near. U.S. President Ronald Reagan expects the economic issues he and the other six leaders of the industrial nations will tackle at the summit will include ways to reform the world's currency exchange system. This is necessary because the present system restricts the flow of trade and investment. Here is Wei Hua with more.

Some American Government officials and economists predict the new exchange package would allow the values of the U.S. dollar, the German mark, the Japanese yen and other currencies to fluctuate within predetermined norms. The seven leaders would meet on a regular basis to coordinate their fiscal and monetary policies that are interwoven with exchange rates. These include growth margin, inflation and interest rates. The United States is at the forefront of this move.

Early in September the finance ministers of Britain, West Germany, France, Japan and the United States met in New York and agreed to lower the value of the U.S. dollar against other currencies. This was held by some Western economists as a landmark in international monetary reform. Washington's intitiative to drive the dollar down through joint government intervention in the world financial market was a remarkable change in American policy. President Reagan had previously refused to do anything to redress the exchange rate imbalance, letting the free market work on its own. So it's intriguing to wonder what is behind the new approach.

A vice president of the New York-based Chemical Bank, (James Moore), says the basic idea is to keep the dollar down for the time being. This is an attempt to save American jobs by increasing exports to diminish the excessive Japanese trade surplus and to boost economic growth in Western Europe. Opinions in and outside the Reagan administration differ on whether the United States can succeed in persuading the Tokyo summit participants to go along with this plan. Proponents say the joint intervention to lower the dollar demonstrated the viability of the managed currency exchange scheme. They feel that the concerted action taken by the central banks of West Germany, Japan and the United States to cut their discount rates in March lent new credibility to their conviction. The dollar has droppped about 29 percent against the Japanese yen and 23 percent against the German mark since the New York meeting of the Group of Five. Opponents on the other side argue that the proposed arrangement might work for a while but not in the long run, because each country has its own specific economic conditions and strategic priorities. They insist that a convergency of economic policies can lead to mutually acceptable and stable currency exchange rates but not vice versa. Disagreements over cuts in interest rates also exist among the Group of Five industrial countries. The West German Central Bank has declined to follow its counterparts in Japan and the United States who reduced their discount rates. The German bank believes further cut could kick off an inflation spiral. The Japanese also do not see eye to eye with the Americans on the appropriate exchange rate between the yen and the dollar. The yen has risen to about 170 to the dollar from 240 to the dollar last summer. This sharp appreciation brought joy to American manufactures because a weaker dollar can help spur American export, thereby narrowing America's huge trade deficit. Many American bankers tend to believe the unstable exchange rates are only a symptom rather than the real disease afflicting the current system. Many say the dollar's gyrations are directly attributable to the Reagan Administration's huge budget deficits.

Nobel Prize winner economist Milton Friedman feels a sound monetary system should be developed first by individual nations. He says reforms must work from the individual country out rather than from the world in.

That was Wei Hua with a look at the international monetary reform.

U.S. OFFERS USSR AID IN NUCLEAR PLANT ACCIDENT

OW301056 Beijing XINHUA in English 1040 GMT 30 Apr 86

[Text] Washington, April 29 (XINHUA) — The United States has formally offered the Soviet Union assistance to deal with a nuclear power plant accident that reportedly took place on Saturday in Kiev, Ukraine, the state department announced here today. The offer was made by Rozanne Ridgway, Assistant Secretary of State for European and Canadian Affairs during a meeting with Soviet Charge d'Affaires Oleg Sokolov this morning, government spokesman Charles Redman said.

He said that on behalf of President Ronald Reagan, Ridgway expressed "deep regret over the accident at the Chernobyl atomic energy station".

"We hope casualties and material damage are minimal. The United States is prepared to make available to the Soviet Union humanitarian and technical assistance in dealing with this accident," she said.

The Soviet Union today confirmed that two people were killed in the nuclear power plant mishap. But some unconfirmed news reports said the death toll may be much higher. According to the Soviet news agency TASS, local residents in three nearby areas have been evacuated and those affected are receiving medical treatment. But it did not say how many people were injured. The Kiev area has about 3.5 million inhabitants.

Redman told reporters that the Soviet Union has not yet asked for any U.S. assistance so far although it is aware of the kind of help the United States could provide.

"The United States is seeking additional information on the accident and has requested the closest possible coordination among all concerned countries. We hope the Soviet Union will provide information about the accident in a timely manner," he said.

He added that the U.S. administration is "in contact with the Soviets on the safety" of U.S. citizens in the affected areas.

Earlier, White House spokesman Larry Speakes, who is accompanying President Reagan on his Asian tour, told reporters that the Soviet Union did not independently notify the United States of the accident.

XINHUA NOTES NIXON PRAISE FOR PRC ACHIEVEMENTS

OW301910 Beijing XINHUA in English 1853 GMT 30 Apr 86

[Text] New York, April 30 (XINHUA) — Former U.S. President Richard Nixon has said that the current open policy and economic reform was "a very courageous action" on the part of Chinese leaders. In a recent interview in his office here with the special TV program "The Global View," Nixon said "it has been a policy which has had in summary a very dramatic success."

Speaking highly of the achievements China has made since it began carrying out its open policy and economic reform in 1979, he particularly mentioned China's achievements in agriculture. He said that one of the tragedies in Third World countries was that agriculture had not moved forward after their independence. "But China, the country with one billion people and not very great tillable land available, is now producing enough to feed itself and even has some more food for export. That was not the case before 1979, not the case really in China's history," he stressed.
Nixon described the changes in China as "a great significant development" which Chinese leader Deng Xiaoping and his colleagues "must take credit for." He said that China's economic development would surely have great impact on other Third World countries.

Nixon said the United States and China had made "spectacular" achievements in developing their relations in the short period since he visited China in 1972. Last year about 200,000 American tourists went to China. Over 12,000 students from the People's Republic of China are now studying in the United States and the annual two-way trade has reached eight billion U.S. dollars.

The restoration and development of Sino-U.S. relations, Nixon noted, was beneficial to the stabilization of world situation. If there had been no breakthrough in their relations in 1972, he said, "the world today would be much more dangerous and much less peaceful." The former U.S. President noted that the economic cooperation between the United States and China was still lagging behind what he expected in 1972 and urged the two great nations to strengthen their economic cooperation.

"China, on one hand, is a huge country. It has very intelligent people of one billion. It has enormous natural resources and some of them have not been developed yet. On the other hand, the United States, Japan and West Europe have tremendous technology. If they, who have very different systems, can match each other and complement each other, it will create benefits for both."

"The Global View" program is intended to introduce to the Chinese people advanced science and technology of enterprises in the West and their experience in management and training.

U.S. MAY SCRAP SECURITY PLEDGE TO NEW ZEALAND

OW301208 Beijing XINHUA in English 1158 GMT 30 Apr 86

[Text] Washington, April 29 (XINHUA) -- The United States today threatened to suspend its security obligations to New Zealand under the ANZUS (Australia-New Zealand-U.S.) treaty if New Zealand still refuses U.S. ship port calls to that country. U.S. State Department spokesman Charles Redman told reporters today that the United States has indicated since last summer that in the event legislation is enacted in New Zealand which "reinforces a port call, we will review our security obligations to New Zealand under the ANZUS Treaty." He added the probable result of such a review "would be suspension of our security obligations to New Zealand."

In order to avoid such an outcome, the spokesman said, "We have been in diplomatic contact with New Zealand, seeking to restore normal port access in accordance with our neither-confirm-nor-deny policy." However, Redman declined to say whether August is the deadline for settling the issue. He said the August dates perhaps come up in the context of the U.S.-Australian bilateral ministerial meeting which will be held in San Francisco on August 11 and 12. He said the ANZUS meeting was deferred last year by Australia as its host, and the U.S. will "defer an ANZUS council meeting this year unless normal port access is restored in New Zealand in accordance with the neither-confirm-nor-deny policy."

New Zealand refused U.S. ship calls to the country last year unless the U.S. declared there were no nuclear weapons aboard, but the U.S. refused to do that. The U.S.-New Zealand relations have been worsening since then.

THE NEW YORK TIMES reported today that the United States has informed Australia and New Zealand that it will formally scrap its 35-year old defense commitment to New Zealand if New Zealand goes ahead with legislation to ban visits by nuclear-armed or nuclear-powered ships. However, according to the paper, the United States and Australia will "together keep the ANZUS Treaty alive."

The ANZUS Treaty was signed in San Francisco on September 1, 1951, which says that in the event of an armed attack in the Pacific area on any one of them they would "act to meet the common danger."

JOURNAL ON U.S. POLICY TOWARD DICTATORSHIPS

HK300907 Beijing SHIJIE ZHISHI in Chinese No 8, 16 Apr 86 pp 11, 12

[Article by Jing Lin: "Echoes in the Philippines"]

[Text] There is much talk among people on the other side of the Pacific Ocean about Ferdinand Marcos fleeing his country in dejection. The talk centers on what military strategy the United States will take toward "a dictatorial regime" in the days to come rather than on whether Marcos or Aquino is superior. How to deal with "nondemocratic allies" has always been a knotty problem for the United States. In the 1950's, that President Dwight Eisenhower was "tied too fast with" Cuban autocrat Fulgencio Batista resulted in an open revolt by the Cuban people, who ultimately won victory in their revolution. For this, Eisenhower was repeatedly reproached by people in the U.S. ruling circles. In the 1970's, President Jimmy Carter flaunted the banner of "human rights diplomacy." Conservative contender Jeane Kirkpatrick critically said: This policy has led to the emergence of regimes in Iran and Nicaragua which are much more hostile to the United States, replacing "a minor evil with a major one." "Choose the lesser of two evils." Out of consideration of the interests of the United States, she would rather support a dictatorial regime.

Supporting dictatorial regimes and opposing democratic reforms are apparently contrary to the traditions of Thomas Jefferson and Abraham Lincoln of which the American people are proud. Nevertheless, Kirkpatrick's formulation is completely identical to the theory of the realist school of international relations. The principal proponent of the theory, Hans Morgenthau, advanced in 1948 a famous thesis which has become classic: That is, a politician thinks and acts in line with "the interests defined by power (or might.) "In other words, what is relied on in international relations is power and what is pursued in such relations is interest. As far as morality is concerned, the United States "is intoxicated with the abstract concept of morality. This is the important cause for the weaknesses and failure of its foreign policy."

After the Philippine incident, although the debaters aired diverse and conflicting opinions, they were still in the framework of the basic theory of the realist school and all based on the "national interests" of the United States. The contenders of the liberal school demanded the United States "go all out to support the democratic opposition movement" in the days to come and to do so "substantially in advance" in terms of time, because Washington's reluctance to quickly abandon its support for Marcos has left "the Philippine people a detestable legacy." Kirkpatrick adhered to her proposition and once again appealed to not pursue the so-called "replacing a minor evil with a major one" policy. It seems that the neoconservatives are inclined to ignore the Philippine pattern. They advocated "a third tactic;" that is, striving to help and support "the centrist, democratic third force" -- a force that intends to free itself from a dictatorial regime on the one hand and to prevent the emergence of a revolutionary regime on the other. An article in the weekly TIME expounded the tactic and said: A dictatorial regime is "most apt to lead to communist insurgence" and a democratic administration is "the most reliable ally of the West" and can win the trust of the American people. Of course, before there is any prospect for the emergence of a third force, they maintain that the Kirkpatrick doctrine must remain applicable.

Henry Kissinger also wrote an article entitled "The Purity and Security of the United States." It says that we must give consideration to both the "purity" of the "concept of value" and security. If the government of a "friendly country" is overthrown and if we are unable to help form a government to replace it, "Can the national security of the United States be maintained?" He expresses "anxiety" over the fact that "any objection to the U.S. ultimate abrupt separation with its old ally is almost impermissible."

He worries what would happen to the United States if some allies had to "keep a distance" from their American friends because they thought they were unreliable and changeable and keen on interfering in the internal affairs of other countries.

In the face of the diverse and confused opinions, what actions have American policy-makers taken? They have all along been followers of the study of interest. When receiving the Hans Morgenthau memorial award last year, George Shultz thoroughly developed the theory of this "forerunner." He said" Our foreign policy cannot be based on "The absolute theory of morality which is divorced from political reality." He urged the combination of ideals with realism and moral principles with "national interests." If the two were contradictory, apparently he would urge morality be subordinate to interest. Shultz' following remarks are exactly the same as Kirkpatrick's statement: Some of our allies are not always up to our standards of "free and democratic administration." However, "We cannot discard them." Otherwise, the new government may possibly be "hostile to our interests." Ronald Reagan has special partiality for the Kirkpatrick doctrine. In 1980, when he just assumed the office of President, declaring his position at this first press conference, he said: "We must not turn our back on countries that do not completely agree with our proposition on human rights in some aspects." However, today they are singing praises of morality. On 14 March, Reagan told the American Congress that he was "opposed to tyranny of any form, be it leftist or rightist," because he "believes in human rights." Shultz said that democratization in the Philippines was more important than the U.S. bases in the country.

Have they really been converted to the "absolute theory of morality" and sincerely believe that morality is more important than interest? No imbecile would believe this. Interest is still the starting point and end result of U.S. foreign policy. The problem is that interest cannot be expanded a one pleases. As Hans Morgenthau said, it was "defined by power." Preventing the anti-autocracy struggle from developing is now out of the reach of the "power" of the United States. That the United States can affect the process of democratization has become the greatest interest that it can strive to get.

Foreign press circles are trying their best to discover the significance of the following actions: Congressman Thomas Foglietta asserted in Seoul that there were similarities between the political situation of South Korea and that of the Philippines; Assistant Secretary for African Affairs Chester Crocker expressed his approval for "a majority rule" in South Africa; and the U.S. delegate to the UN Commission on Human Rights for the frist time expressed concern over "violation of human rights" in Chile. There is a speculation among people that these actions may be the application of the "third force tactic" or the expression of Reagan's so-called "opposition to rightist tyranny." However, the most fundamental significance of these actions lies in the fact that they reflect only an estimation of the limits of U.S. power and interest under current conditions.

Some 20 years ago, John Kennedy, swollen with arrogance, bragged that "to ensure the existence and success of freedom," the United States "is prepared to pay any price, to shoulder all heavy burdens, to cope with all difficulties, to support all friends, and to oppose all enemies." But before long the United States suffered a defeat in its war of aggression against Vietnam and a reduction of strength overseas. Reagan became President as a staunch conservative. Taking the rejuvenation of national strength as his own duty, Reagan posed an uncompromising stance in dealing with affairs concerning the Third World. However, the situation is more than people can control. Although U.S. military strength has actually been enhanced considerably, Shultz still had to admit that "we are not all-powerful." The people who hold power in the United States are still "realists" who believe in power and interest. This is the main information they revealed following the Philippine incident.

MOSCOW DENIES THOUSANDS KILLED IN NUCLEAR MISHAP

OW010646 Beijing XINHUA in English 0636 GMT 1 May 86

[Text] Moscow, April 30 (XINHUA) -- The Soviet Union today denied that thousands of people were killed in the accident at the Chernobyl nuclear power plant over the weekend and said 197 people were hospitalized while only two had died. A statement from the council of ministers also said in the past 24 hours, the emanation of radioactive substance decreased and radiation levels around the nuclear station were dropping. Efforts were continuing to mitigate the consequences of the nuclear plant disaster, it added.

"Some news agencies in the West are spreading rumors that thousands of people, allegedly, perished during the accident at the atomic power station," said the government statement, read over this evening's TV news program. Unconfirmed Western news reports said the death toll was higher than 2,000 from the disaster, which some nuclear experts said was the worst civilian nuclear accident.

The statement said only two were killed in the accident as reported earlier and 197 were hospitalized. Forty-nine of them had been discharged from hospital after a medical check-up, it said. The statement also claimed measuring results showed that the chain reaction of fission of nuclear fuel did not occur and the reactor was in a state of dying down. It said special technical troop units were cleaning polluted areas.

The evening news program showed a black-and-white photograph of what was said to be the Chernobyl nuclear power station, 129 kilometers north of Kiev, capital of the Ukrainian Republic. The picture, which an announcer said was taken soon after the accident, showed part of a station building collapsed but no fire and smoke were seen.

NEW SOVIET AMBASSADOR TAKES UP POST

HK290910 Hong Kong AFP in English 0902 GMT 29 Apr 86

[Text] Beijing, April 29 (AFP) -- The Soviet Union's new ambassador, Oleg Troyanovskiy, considered one of the Kremlins top diplomats, arrived here Tuesday to take up his post, East European sources said.

The posting [of] a diplomat of his stature here reflects the importance the Soviet Union accords to its links with China, Western diplomats here said. Relations between the two, which had a major falling out in the early 1960's, have improved since negotiations on normalization began in 1982.

Mr Troyanovskiy, 67, who arrived on a flight by China's national airline CAAC from Moscow, replaces Ilya Shcherbakov, 73, who is retiring after holding the post since 1978. A diplomat since 1944, the new ambassador represented his country at the United Nations from 1976 to last March. He was ambassador to Tokyo from 1967 to 1976 and is an Asian specialist.

The son of the first Soviet Ambassador to the United States, Mr Troyanovskiy also was an interpreter for late Soviet Premier Nikita Khrushchev. He made several visits to China in the 1950's.

LI XIANNIAN GREETS JAPANESE EMPEROR ON BIRTHDAY

OW010222 Beijing in Japanese to Japan 0930 GMT 29 Apr 86

["Congratulatory Message" on 29 April from PRC President Li Xiannian to Japanese Emperor Hirohito on Hirohito's 85th birthday]

[Text] On this occasion of the 85th anniversary of Your Majesty's birth and the 60th anniversary of Your Majesty's reign, I offer my sincerest congratulations. While offering my congratulations on Your Majesty's health and longevity, the prosperity of your country, and the well-being of your people, it is my wish that the friendly and good-neighborly relations between China and Japan will constantly develop and that the friendship between the peoples of our two countries will continue from generation to generation.

JAPAN CONCERNED ABOUT SOVIET NUCLEAR ACCIDENT

OW301228 Beijing XINHUA in English 1219 GMT 30 Apr 86

[Text] Tokyo, April 30 (XINHUA) -- The Japanese Government is going all out to collect information about the Soviet nuclear accident and is considering diplomatic steps to cope with possible consequences of the mishap, local press reported today.

Two people died in the accident at the Chernobyl power plant of Kiev, according to official Soviet accounts. However, unconfirmed Western news reports said the death toll from the diaster may be higher than 2,000. Some nuclear experts believe the accident may be the worst civilian nuclear accident. According to local news reports, the Japanese Government tried Tuesday to collect information about the accident from the Soviet Embassy in Japan. The accident reportedly occurred Saturday, but was officially reported by the Soviet news agency TASS only on Monday.

Government sources believe that it is possible that the Soviet Union announced the accident quickly because of the graveness of the accident. They said if it is true that the Soviet Union had asked Federal Germany and Sweden for cooperation, it would mean that the accident was so serious that it posed an international problem. They said that the Japanese Government would adopt corresponding diplomatic steps and that it would exchange information with other Western countries and discuss ways for cooperation.

In a speech last night, Prime Minister Yasuhiro Nakasone expressed Japan's willingness to cooperate with the Soviet Union on the matter. He said if asked for cooperation, Japan would help the Soviet Union with its technology to find out the cause and consequences of the disaster and take necessary protective measures.

Nakasone Offers Assistance

OW301946 Beijing XINHUA in English 1927 GMT 30 Apr 86

[Text] Tokyo, April 30 (XINHUA) -- Japan today expressed its concern over the Soviet nuclear leakage which took place at an atomic power plant north of the Ukrainian city of Kiev Monday and offered its cooperation in fighting the effects of the accident. Meeting outgoing Soviet Ambassador Pyotr Abrasimov here today, Japanese Prime Minister Yasuhiro Nakasone said that his government is concerned over the accident and that his country will offer medical help if the Soviet Union requests it.

Earlier today, leading officials from the Ministries of Foreign Affairs, Transportation, Agriculture, Forestry and Fisheries and the Defense Agency were called to a meeting to exchange information on the Soviet nuclear accident and take measures against possible nuclear radiation in Japan.

The government also decided to strengthen the system of nuclear radioactivity determination in the whole country.

Meanwhile, according to the JIJI PRESS, Foreign Minister Shintaro Abe who was also present at the meeting expressed the hope that the Soviet Union would take a positive attitude and enable him to visit Moscow at an earlier date. Abe had already let the Soviet Union know of his wish to visit Moscow through diplomatic channel before.

ROUNDUP VIEWS SOUTH KOREA SIGNATURE CAMPAIGN

OW291555 Beijing XINHUA in English 1535 GMT 29 Apr 86

["Round-up: Signature Campaign in South Korea Enters New Stage" (by Gao Haorong) -- XINHUA headline]

[Text] Pyongyang, April 29 (XINHUA) -- The signature campaign for constitutional revisions in South Korea entered the second stage at a rally in Chongju, North Chungchon Province, to inaugurate the Chongju chapter for constitutional amendments. Opposition leaders vowed to hold rallies in big cities every other week and announced that the protestors will increasingly take to the streets. More than 20,000 citizens attended Sunday's rally sponsored by the leading opposition New Korea Democratic Party [NKDP] and the Council for the Promotion of Democracy.

In his speech at the rally, Kim Yong-sam, standing advisor to the NKDP and co-chairman of the Council for the Promotion of Democracy, said the current South Korean situation "has reached a point where the authorities can no longer reject the overwhelming people's desire for democratization."

"The tide has turned and nobody can stop this overflowing democratic zeal. If anyone tries to stop this flood, he will get drowned," Kim Yong-sam said.

It was the fifth such rally in a month organized by the NKDP and the Council for Promotion of Democracy. The rallies have been staged to pep up a nationwide campaign to collect 10 million signatures on a petition calling for early constitutional changes to allow elections by popular vote. Similar and larger rallies have already been held in Seoul and bigger provincial cities such as Pusan, Taegu, Taejon and Kwangju. More than 100,000 people attended those rallies.

The signature campaign has gathered increasing support on university campuses as well as from the Roman Catholic and Protestant churches. According to reports, more than 10,000 Christians and 6,000 Catholics have joined the campaign. Nearly 600 professors from more than ten universities have also expressed their support for the campaign.

The NKDP held a series of meetings recently and consulted with the Council for Promotion of Democracy on the plans ahead. On April 24, "anti-government" leaders in South Korea decided to form a ten-member committee of the NKDP and four other "anti-government" organizations to strengthen coordination.

The second stage of the signature campaign demonstrates the firm and uncompromising attitude of the opposition parties on the constitutional amendments, their intention to build more mass support, and their determination to improve the organization and planning of their campaign. Observers here believe that the signature campaign for constitutional amendments increasingly pits the ruling and opposition parties in South Korea against each other. And that will have great impact on the South Korean political situation.

COMMENTARY CRITICIZES SRV'S STANCE ON CGDK PLAN

OW301854 Beijing XINHUA in English 1844 GMT 30 Apr 86

["Commentary: Vietnam's Reasoning Untenable" (by Tang Tianri) -- XINHUA headline]

[Text] Beijing, April 30 (XINHUA) -- Foreign ministers of the six ASEAN nations in a joint statement yesterday urged Vietnam to reconsider its refusal of the eight-point proposal made by the Coalition Government of Democratic Kampuchea (CGDK) and negotiate with the CGDK. The same appeal had been made earlier by Thai Foreign Minister Sitthi Sawetsila when he met his Vietnamese counterpart Nguyen Co Thach in Bangkok, but the latter rejected it right away.

The CGDK's eight-point proposal, unveiled on March 17, called for a two-phase military pullout by Vietnam from Kampuchea and the formation of a four-party coalition government including the Hanoi-installed Heng Samrin regime. But Hanoi quickly turned down the proposal.

Reasoning for Hanoi's refusal to reconsider the proposal, the Vietnamese foreign minister claimed that the Heng Samrin regime was the "sole legitimate representative" of Kampuchea which controlled the whole country and therefore could not accept the idea that it would be given only one-fourth of the power. Such reasoning, however, does not hold water.

The reality is that with some 200,000 Vietnamese troops stationed in Kampuchea, the Heng Samrin regime means nothing but a puppet at Hanoi's beck and call in political, military and foreign affairs.

Apart from its occupation troops, Hanoi has also set up a "Kampuchea working committee" code-numbered 478, which is known as the backstage ruler of the country. The committee has been manipulating the Heng Samrin regime and its army through "advisers" and "specialists." That is why it has been accepted neither by the Kampuchean people nor by the international community.

The CGDK's proposal is reasonable and magnanimous. Despite the fact that the Heng Samrin regime is illegitimate, the proposal, in the spirit of national unity and reconciliation, allows the regime to share political power equally with the current three parties of the coalition government. Under such a government, Kampuchea will become an independent, unified, neutral and non-aligned country without any foreign troops on its soil, and it will live in peace with Vietnam.

The international community has expressed welcome and support to the CDGK's eight-point proposal. It maintains that the proposal has opened a practical way to realizing a political solution to the Kampuchea problem in the interests of both the Kampuchean people and Vietnam as well as peace and stability of the Southeast Asian region.

Hanoi's refusal to let the Heng Samrin regime join the coalition government in defiance of the call by the ASEAN nations and world public opinion can only be seen as an attempt to perpetuate its occupation of Kampuchea through the regime and make the country a beachhead for its expansion in the Southeast Asian region.

This ambition, however, runs counter to the interests of the peoples in the area and has naturally met with strong opposition from the Kampuchean people and all justice-holding nations in the world. To persist in the ambition, Hanoi will only further isolate itself internationally.

RENMIN RIBAO ON ISRAEL'S 'NEW MARSHALL PLAN'

HK281531 Beijing RENMIN RIBAO in Chinese 26 Apr 86 p 6

["Jottings" column by Meng Kui: "Pretending To Be Philanthropic"]

[Text] While the Middle East peace process is stagnating, the Israeli Prime Minister Shimon Peres recently put forward a "New Marshall Plan" which suggests Western Europe, Japan and other developed counties provide development funds worth several billion U.S. dollars to the economically backward Arab countries so as to realize peace and stability in the Middle East. Israel, which had always been hostile to the Arab countries, seemed very "philanthropic" this time.

However, if people think about it carefully, they will find that the Arab-Israeli confict which has lasted for decades, and the several Middle East wars stirred up by the conflict, were not caused by the poverty of the Arab countries, but by Israel's policy of aggression and expansion. Peres clearly knows that so long as Israel returns its occupied Palestinian and Arab territory,and wholly restores the national rights including the right of self-determination and the right to establish a country to the Palestinian people, peace and stability in the Middle East will be guaranteed. "Whoever starts the trouble should end it." So in fact, Peres should not have issued a call to the developed countries.

Israel, as one of the main parties in the Arab-Israeli conflict, has neither responded to the peace proposal put forward by the Arab countries nor helped to push forward with the peace process in the Middle East, but has instead, obstructed it. While Israel still refuses to return occupied Arab land and resources, it seems that Peres is pretending to be philanthropic in talking about the development and stability of the Arab countries. Without lasting peace, how can you talk about development and stability? So, it was no surprise that as soon as Peres' "New Marshall Plan" came out, it was denounced by the Arab countries.

YAR DELEGATION ARRIVES 29 APR; GIVEN BANQUET

OW301601 Beijing XINHUA in English 1538 GMT 30 Apr 86

[Text] Beijing, April 30 (XINHUA) -- Zheng Tuobin, minister of foreign economic relations and trade, gave a banquet for a trade delegation from the government of the Yemen Arab Republic led by minister for supply and trade Fu'ad Qayd Muhammad, here this evening.

Zheng said that the Chinese government and people very much treasure the sincere friendship and cooperation between the two countries, and desire to continue their efforts to further promote bilateral relations under the principles of equality, mutual benefit and common development.

Fu'ad said, since Arab Yemen and China established friendly relations nearly 30 years ago great progress has been made in bilateral trade and other areas. He expressed the hope for further development of such relations.

The delegation arrived here yesterday at the invitation of minister Zheng. This morning the two ministers held talks.

LEADERS, EDITORIAL MARK MAY DAY IN NATION

Zhao Ziyang, Li Peng in Hubei

OW010254 Beijing XINHUA Domestic Service in Chinese 1705 GMT 30 Apr 86

[By reporter Xie Bangmin]

[Text] Wuhan, 30 Apr (XINHUA) -- This evening Zhao Ziyang, member of the Standing Committee of the Political Bureau of the CPC Central Committee and premier of the State Council; Li Peng, member of the Political Bureau of the CPC Central Committee and vice premier of the State Council; and Wang Renzhong, vice chairman of the NPC Standing Committee, joined model workers, cadres, and other people from Yichang Prefecture, Yichang City, and the Gezhouba Engineering Bureau to Celebrate 1 May, International Labor Day, in Yichang City, Hubei Province.

Premier Zhao Ziyang and others arrived in Yichang after inspecting mountain areas between Hubei and Sichuan. After their arrival in Yichang on the eve of May Day, they zestfully visited the key Gezhouba water control project and called on hydropower workers there. This evening, Premier Zhao Ziyang, Vice Premier Li Peng, and Vice Chairman Wang Renzhong met with representatives of model and advanced workers, engineers, technicians and teachers from Yichang Prefecture, Yichang City, and the Gezhouba Engineering Bureau, held a discussion with them, and extended festival greetings to them.

At the discussion, Zhao Ziyang said: Our country's Sixth 5-Year Plan was successfully fulfilled, and we started the Seventh 5-Year Plan this year. We have successfully fulfilled the Sixth 5-Year Plan mainly because we carried out reforms. Whether the Seventh 5-Year Plan can be successfully carried out hinges mainly on reform. During the Seventh 5-Year Plan, priority should be given to reform. How the reform will be carried out during this period will affect not only the Seventh 5-Year Plan but also the Eighth and Ninth 5-Year Plans and also the next century. Therefore, the Seventh 5-Year Plan is a critical period for reform. Reform will lead to the development of production and economic prosperity, from which workers, peasants, intellectuals, and other people of all nationalities will benefit. Then the situation in various aspects of our country will further improve.

Zhao Ziyang added: Reform is quite complicated, and we will encounter many difficulties in the course of reform. We should be prepared to cope with and overcome temporary difficulties and carry our reforms firmly and effectively. Reform is the key to successfully implementing the Seventh 5-Year Plan, and the success of reform depends on support from the broad masses of people. He hoped that people of all nationalities throughout the country would participate in the great cause of reform and that members of the working class would vigorously carry out reforms.

Comrades Li Peng and Wang Renzhong also spoke at the discussion. Comrade Li Peng pointed out: To carry out reforms, it is necessary to have qualified people, and education is the foundation for training such people. He hoped that everyone would make efforts to do a good job in education.

Following the meeting, Zhao Ziyang, Li Peng, and Wang Renzhong attended a local soiree marking May Day.

Beijing Celebrations

OW010838 Beijing XINHUA in English 0824 GMT 1 May 86

[Text] Beijing, May 1 (XINHUA) -- Party and state leaders joined more than 100,000 people from all walks of life and foreign friends in celebrations here to mark the centennial of May 1 today.

It was bright and sunny today, with red flags fluttering in a breeze on tall buildings along the Changan avenue. From early morning, holidaymakers, bringing along the old and the young, flocked to the Beijing Working People's Palace of Culture and the Zhongshan park located in the center of the capital, the two main public sites for festival celebrations. The culture palace and the Zhongshan park were decorated with colorful bunting, flowers and garlands for the festive occasion and, at their entrances, several hundred children sang and danced to the accompaniment of music to greet holidaymakers. Among the slogans on the streamers hung over there were to strengthen the unity with the people of all countries and work for peace, development and human progress and those to call the Chinese people to contribute to the fulfillment of their Seventh Five-Year Plan (1986-90).

Among the party and state leaders who visited these two public sites and watched a variety of performances today were Ulanhu, Wan Li, Xi Zhongxun, Fang Yi, Tian Jiyun, Qian Shi, Yang Shangkun, Yu Qiuli, Hu Qili, Yao Yilin and Ni Zhifu.

Former Vietnamese leader Hoang Van Hoan, and visiting President Carmen Pereira of the Guinea-Bissau National People's Assembly, members of the Zairian People's Revolutionary Movement delegation, and trade union delegations from Asia, Africa, Latin America and Europe, as well as a delegation from Hong Kong and Macao trade unions also took part in the May Day celebrations in these two parks. Moreover, 3,000 model workers and combat heros of the People's Liberation Army from all over China ascended the Tiananmen rostrum today as part of their May Day celebration activity. According to an official of the Beijing municipal government, however, about 210,000 industrial workers in the Chinese capital were still working today, and shop assistants and bus drivers and conductors are even busier than usual.

RENMIN RIBAO Editorial

OW301933 Beijing XINHUA Domestic Service in Chinese 1620 GMT 30 Apr 86

[RENMIN RIBAO 30 April Editorial: Plunge Into the Great Current of Reform -- Commemorating the Centenary of May Day]

[Text] Beijing, 30 Apr (XINHUA) -- One hundred years ago today, several hundred thousand workers in Chicago and other places in the United States, singing the battle song "We Want To Change the World," marched in the street to stage a general strike for an 8-hour work day. After a soul-stirring, bloody battle, the strike prevailed. The struggle enabled the working class the world over to realize the importance of unity. At the inaugural meeting of the Second International held in Paris in July 1889, it was decided that 1 May, a symbol of the working class' unity in struggle to win victory, be the common holiday of the international working class. Since then, working people of many countries have held rallies on 1 May to review their strength, and May Day has become a holiday of unity in struggle by workers all over the world.

Over the past century, tremendous changes have taken place in the world, and China has undergone an earth-shaking revolution. Today, as the masters of the country, China's working class and people of all nationalities join the working class and laboring people of the world in solemnly commemorating the centenary of May Day. Facing a vast scroll depicting the tempest of history and future struggles, victories and setbacks, and ideals and realities, the Chinese working class is deeply aware of the arduous historical mission they have shouldered, that is, they must, under the CPC leadership, work in unity with the masses of peasants and other laboring people and patriots and persist in making reforms and opening to the outside world in order to build China into a modern socialist country with a high degree of civilization and democracy.

The Chinese people are at a new starting point. The just-concluded Fourth session of the Sixth NPC has approved in principle the "Seventh 5-Year Plan of the People's Republic of China for National Economic and Social Development." Fulfillment of the Seventh 5-Year Plan, focused on reform, will enable China to basically start a new economic operational system, score major advances in the socialist modernization drive, and achieve progress on the road to make the country strong and prosperous and the people happy and better off, thereby further revealing the superiority of China's socialist system. The promulgation of the plan, an important event in the Chinese people's political and economic life, has attracted the attention of people in many countries. As the leading class of the country, China's working class must unite people of all nationalities to plunge into the great current of reform and fulfill the tasks of the Seventh 5-Year Plan in all fields. Workers, peasants, intellectuals, and other laboring people and patriots, fighting on the frontline of production, management, scientific research, teaching, and other trades and professions, should display the spirit of the foolish old man who removed the mountain and make the best use of their wisdom and talent. As the mass organizations of the working class, trade unions should unite and lead the large numbers of workers and staff in promoting reform in all fields and working for the accomplishment of the Seventh 5-Year Plan.

Comprehensive economic structural reform, focused on the urban economy, is an extensive and penetrating social transformation from an old system to a new one, which can produce a strong impact on long-established models, conventional concepts, and habitual forces that are incompatible with the expansion of productive forces. The gigantic waves of reform have pushed us to a new height and enabled us to see a new horizon and the wide road of socialist modernization. As the representative of advanced productive forces, the working class are the people with the least conservative thinking, and therefore should even more conscientiously stand on the frontline of reform. The large numbers of workers and staff should diligently study Marxism in the light of the special characteristics in the country during the new period. They should deepen their understanding of reform, be aware of the necessity and ardous nature of reform, and steadfastly carry out the basic policies of opening to the outside world and invigorating the domestic economy. They should also diligently study and grasp modern science and technology, general knowledge, and advanced management experience; continuously raise their political awareness and professional competence; strengthen their organization discipline; and play an exemplary role in building socialism in both the material and spiritual civilizations.

The undertaking of China's revolution and construction is inseparable from supporting and assisting the working class the world over and people in other countries. In this "International Peace Year," the Chinese people, who are now the masters of their own destiny after suffering from the wars of aggression launched by colonialists and imperialists against China for nearly a century, feel even more keenly the great value of a peaceful life. Proceeding from the vital interests of the Chinese people and people the world over, we will join the people of other countries in learning from and supporting each other and enhancing unity to jointly oppose hegemonism, safeguard world peace, and strive for the progress of mankind.

Bo Yibo at Hunan Rally

OW302316 Beijing XINHUA Domestic Service in Chinese 1546 GMT 30 Apr 86

[By reporter Zhang Zaihua]

[Text] Changsha, 30 Apr (XINHUA) -- Speaking at a rally commemorating the centenary of May Day in Hunan on 29 April, Bo Yibo, vice chairman of the Central Advisory Commission, said: The current reform is a task of prime importance for the Chinese working class, and one on which their immediate and long-range interests rely. Bo Yibo attended the May Day rally in Changsha on 29 April together with Hunan provincial party, government, and Army leaders. He presented the May Day Labor Medal to 38 advanced model workers. Bo Yibo and Mao Zhiyong, secretary of the Hunan provincial party committee, spoke at the rally. Bo Yibo said: The reform is another revolution concerning the future and destiny of China, and it is of decisive importance to China's development in the next several decades. The reform is undoubtedly a task of prime importance for the Chinese working class, and one on which their immediate and long-range interests rely. He urged the working class to persist in making reforms, be courageous in blazing new paths, study diligently, and work hard and in a down-to-earth manner to deepen the reform.

PAPER COMMENTS ON PROGRESS IN REFORM

HK010408 Chongqing CHONGQING RIBAO in Chinese 20 Apr 86 p 1

[Commentator's article: "Looking Back on Past Events Does Not Mean Turning the Clock Back"]

[Text] When climbing mountains, people often take a short rest and look back down the mountain. Those who have strong will power become more interested in the climbing when viewing the green scenery below and push themselves to climb the peak, while those with weak will power are filled with fear of the difficulties in the climbing when they look back, and then turn to go down.

This year, on the basis of summing up the experience gained in past reform, the CPC Central Committee has put forth the principle of consolidation, digestion, replenishment, and improvement, and requires us to develop the reform achievements that we have already scored while making preparations for taking greater steps in reform in next 2 years. Obviously, this is a positive principle that encourages us to open up our path and forge ahead. However, some comrades want to see this principle from its negative side. They wrongly regard consolidation as stopping progress and improving as retrogression, and they have a strong desire to abolish some of the reform measures that we have already adopted. We cannot help but feel worried about this.

For example, 392 enterprises in our city have implemented the factory director responsibility system on a trial basis and have achieved good results, but this year some comrades want to reform to the old system. The CPC Central Committee's decision on reform very clearly points out that in modern enterprises, as division of labor is intensive, as there is great continuity in our production, as the technological requirements are strict, and as the relations of cooperation are complicated, we must establish a unified, powerful, and highly efficient system of production command and [words indistinct]. Only by establishing the factory director (manager) responsibility system can we meet these requirements. The party organizations in our enterprises should conscientiously support the factory directors in exercising their power of office.

Supporting factory directors in exercising their power of office means supporting the reform and the economic development. Of course, it is still necessary to perfect the factory director responsibility system as a new leadership system. At the same time, we should strengthen our ideological and political work, perfect various systems of democratic management, and thus enable the party committee, factory director, and staff members and workers congress in an enterprise to make concerted efforts toward the same goal. However, we must persist in implementing the factory director (manager) responsibility system. This is very clear. How can we turn the clock back?

Another example, in accordance with the principle of "returning power to factories, returning the power of administration to bureaus, and turning organizations back into enterprises," and in accordance with the principle of voluntary participation and mutual benefit, our city has organized and established a number of companies having the nature of an enterprise. This is an effort toward correct orientation and has yielded good results. Recently there has been some trouble in this area: On the excuse of perfection and in violation of the principle of voluntary participation and mutual benefit, some departments have issued administrative orders to require some companies to merge with some enterprises, or they want to turn companies having the nature of an enterprise back into administrative companies. This is not a desirable practice. In 1982 we followed the path of organizing and establishing administrative companies by compulsory means, but after 2-3 years of efforts, it proved to be a failure. Therefore, we had to switch to the method of reorganizing our companies and changing their patterns on a voluntary basis. We worked hard for over a year to overcome lots of difficulties to straighten out the relations between our companies and factories. How can we turn the clock back?

In the course of reform practice in the past few years, similar phenomena have repeatedly emerged. When we encounter difficulties in the course of our reform or when we readjust certain measures of reform in light of the changes in reality, the desire to turn the clock back emerges in the minds of some comrades. Like the old women named Jiujin that Mr Lu Xun described in his short story, these comrades always sit in the corner of the room and grumble: Each generation falls short of the preceeding one. They often yearn for the past and cannot bear to part with this or that aspect of the old economic management system, including the uniform structure of public ownership, the distribution system whereby the state collects all the income and pays all the costs and in which people and units "eat out of the same big pot," the circulation system with only one channel and many links, the mechanism of macroeconomic management with direct control as the core, the management method that does not separate the functions of government from those of enterprises, and closed or semiclosed external economic relations. They frown at the socialist economic system we are creating and establishing, often find fault with it, and fail to sufficiently see the tremendous role of the reform in promoting the development of our productive forces.

Our city is an example: In the 3 years since January 1983 when the CPC Central Committee and the State Council gave their approval for carrying out a comprehensive economic structural reform, Chongqing city has already entered a period in which its economic construction has great vitality, and is most prosperous ever since the founding of PRC. Compared with 1982, the city's GNP, national income, and gross industrial and agricultural output value for 1985 increased by 47, 46, and 48 percent, respectively. The annual growth rates for these three indices all exceeded 13 percent and were greater than both the average growth rates it achieved before the reform and the national average. The reform has also brought about great changes in people's lifestyles and mental attitude that should not be underestimated.

"I looked for her thousands of times. Turning around, I suddenly see the girl I looked for where the light of lanterns was waning." When we review what we have gone through since the 3d Plenary Session of the 11th CPC Central Committee and see that a Chinese-type socialist economic management system is emerging brand new, how happy and proud we should be! Of course, while being happy, we should also fully know that this is an extensive, profound, arduous, and complicated reform. Therefore, it is impossible for us to carry it out entirely smoothly without encountering setbacks or difficulty. Setbacks and difficulty are not fearful. What is fearful is the defeat in the fight in the ideological field. As long as we correctly sum up our experience and thus "learn something new after reviewing the past," our confidence will be strengthened and we will write a new chapter for the reform with the spirit of the foolish old man who removed the mountain and with great willpower.

RENMIN RIBAO ON TRANSFER OF REFORM-BENT MANAGER

HK301307 Beijing RENMIN RIBAO in Chinese 23 Apr 86 pp 1, 2

[Newsletter by Kang Jimin, Li Jihan, Chen Zilin, and Lu Xiaoping: "The Bitter Experience of a Plant Director Who Is Determined To Make Reforms -- Story of Song Beifang, Director of the Motor Vehicle Plant of the Zhengzhou City No 2 Communications and Transportation Corporation"]

[Excerpts] On the morning of 19 December 1985, Song Beifang was dismissed from office, despite the repeated arguments of the responsible comrade of the Zhengzhou City CPC Committee.

Cherishing a High Aspiration for Reform

Song Beifang, 54, was a student of the mathematics department of Lanzhou University and was appointed director of the motor vehicle plant of the Zhengzhou No 2 Communications and Transportation Corporation in October 1984. This is a collectively-owned small plant with less than 300 workers. In the past, in the narrow factory area, the workshops were in a jumble, the equipment was old and outdated, and labor discipline was lax. Under the guidance of the "decision" of the CPC Central Committee on reform of the economic structure, Song Beifang, who was not scared by all these difficulties, began to carry out a series of bold and resolute enterprise consolidation.

First, he established the production responsibility system in his plant, linking wage, bonus, and material benefits with the profits of the enterprise and the contributions made by individuals. Under this system, those who work hard and make good products are encouraged and rewarded and those who are lazy and make inferior products are criticized and punished.

In order to solve the problem of a lack of technical forces, he went to many places and finally invited seven experienced technicians and engineers to the plant to act as advisers. Meanwhile, more than 200 workers were sent to other plants for further training. In light of the needs of production, he boldly reorganized middle-level cadres and labor organizations. He worked day and night like an untiring motor, arousing the labor enthusiasm of the workers by his exemplary action.

A miracle finally appeared. In the 1st quarter of last year, this collectively-owned small plant, with comparatively backward production conditions and technology, created a profit totaling 172,800 yuan and turned over to the state 69,000 yuan profit tax, 19,000 yuan more than the total tax paid in the year 1984. Personal income of the staff and workers simultaneously increased.

As the first step was successfully taken, Song Beifang began to scale a higher target. He was determined to firmly grasp the development of new products and joint ventures with other units so that the annual output value of this plant could exceed 10 million yuan and its profit reach 800,000 yuan. He planned to improve housing conditions on the staff and workers within 3 years and make this collectively-owned small plant one of the most advanced enterprises in Zhengzhou in the near future.

A Passage of Writing Invites Unexpected Calamity

Changes in the motor vehicle plant aroused great attention of the Zhengzhou city CPC Committee, but also jealousy of the chief leaders of the corporation, who found the "bone" to be thrown away had become a piece of "fat meat." Since then, a series of administrative orders were issued one after another to weaken the decisionmaking power of the plant and cut its profits. What surprised people is that all these administrative orders were issued after the "decision" of the CPC Central Committee on reform of the economic structure was promulgated.

Song Beifang held that they were directly counter to the guideline of "simplifying administration, extending decisionmaking power, and invigorating enterprises" put forth by the "decision," and were expressions of the practice of "everybody eating from the same big pot" in a disguised form. Thus, he told a comrade in his office to write the following passage in a performance report submitted to the city's economic committee, communications bureau, and the No 2 Communications and Transportation Corporation last April: "If the corporation shall maintain unanimity with the CPC Central Committee in action, smash the "big pot," and do things in accordance with the economic law, extend the decisionmaking power of the enterprise, and carry out the system of plant director assuming full responsibility in the enterprise, it can be expected that the annual sales volume will reach 10 million and the profit will be over 1 million."

Song Beifang never expected this passage of writing to invite bitter calamity. The secretary of the corporation's CPC committee went to see the director of the city communications bureau and said truculently: "This is a false charge against the corporation's CPC committee!" "Just for this reason I can dismiss him from his post! If he will not go, I will!" All directors of the communications bureau understood that the secretary was not a man to be trifled with, but it was not appropriate to dismiss Song Beifang from his post merely because of this. They could do nothing but gently persuade the visitor.

Later, rumors spread like wildfire in the No 2 Communications and Transportation Corporation as well as in the motor vehicle plant that "Song Beifang is involved in serious economic cases," and "Song Beifang has committed bribery." An investigation group was sent to the motor plant by the corporation CPC Committee. They checked the accounts time and again and held many meetings. The workers were all very clear what the investigation was aimed at. At this moment, how Song Beifang wished that the leaders of the communications bureau would uphold justice and pass fair judgment! Unfortunately, the chief leaders of this bureau just took an attitude of mediating between both sides and a laissez-faire attitude.

Struggle Forward While Being "Tied Up"

To strive for more decisionmaking power for the plant, Song Beifang submitted an "unhooking" plan to the city communications bureau and the corporation last July in accordance with the strong demands of the staff and workers, demanding that the plant be separated from the No. 2 Communications and Transportation Corporation. He fully explained the necessity of "unhooking" from the corporation in light of the history, the type of organization, and the operation orientation of the plant and in accordance with the requirements of reform of the economic structure. The responsible persons of the corporation got very angry about this "unhooking" plan. They threatened that if the plant was separated from the corporation, it "should repay the money to the corporation, because the plant was built by the workers with their accumulated funds."

To this unreasonable demand, Song Beifang still agreed to repay 2.75 million yuan to the corporation in 10 years. Unexpectedly, the corporation went back on its word and demanded that a total of 3 million yuan be repaid within 1 year and, in addition, fees for using the land should also be paid by the plant.

After he failed in this attempt to separate the plant from the corporation, Song Beifang found it difficult to direct production in the plant, and some people in the plant's leading body began to openly reject his direction.

Being unable to work on or to separate the plant from the corporation Song Beifang really wished that he could resign his position as plant director. However, this was a matter of food and clothing for the 300 workers. He could not bear to see that the small plant, which had just been revitalized, be destroyed. So, with tears in his eyes, he went hither and thither to seek support while making great efforts to remove obstacles both inside and outside, to expand production, and to struggle forward in great difficulties. By the end of October, the total sales revenue of the plant still reached more than 5.79 million yuan, which was 140 percent of the annual plant or 250.7 percent of the revenue in the same period of the previous year; the output value and profits obtained were respectively 2.67 million and 752,000 yuan, 143.1 and 251 percent of the annual plan or 141 and 899.4 percent of the figures of the corresponding period of the previous year; and the tax turned over to the state was 300,000 yuan, an increase of 600 percent over the previous year's figure.

"It is dangerous to stir up a hornets' nest." This advice to Song Beifang came true. On the morning of 18 December last year, the responsible person of the corporation, bringing with him a contract drafted by the corporation and written instructions of the city's communications bureau, gave Song Beifang the ultimatum: "Now you may choose between the two: To do, or not to do?" Song Beifang soon understood: "This is another method to drive me away! How could a contract be written like that? Who on earth is the contractor?" However, for the sake of the plant's future, he made a concession and said: "We can certainly sign the contract, but the following principles should be observed: 1) to act in accordance with regulations regarding plant directors; 2) to act in accordance with the enterprise law; and 3) after the targets are set, the corporation should not wantonly employ administrative intervention in this respect." Unfortunately, these just demands were all rejected.

On the morning of the following day, a decision on "relieving Song Beifang of his post as plant director for transfer to another unit" was announced. Indignantly, Song Beifang asked: "Why should I be dismissed from office?" The answer was just as high-sounding as the decision: "This is a normal transfer!" He was replaced by a deputy manager of the corporation. After the new plant director took office, the original frozen bonus, which was more than 30,000 yuan, was soon unfrozen, and a new production plan was worked out:

"In 1986, the output value will be 1.52 million yuan and the profit will be 125,000 yuan." These figures were much lower than those proposed by Song Beifang, which were respectively 2.676 million yuan and 750,000 yuan for the period from January to October. Nevertheless, the leadership power was seized by the corporation.

Many people cannot understand why a plant director who is determined to make reforms has been dismissed from his post. What does all this imply?!

Reasons Questioned

HK301335 Beijing RENMIN RIBAO in Chinese 23 Apr 86 p 1

[Commentator's article: "Why Was Song Beifang Dismissed?"]

[Text] Song Beifang, who was determined to make reforms, has been relieved of his post. This shows that some adminstrative corporations and departments in charge of economic work are still consciously or unconsciously using old ways and methods to carry out rigid management over enterprises. In the course of replacing the old system with the new, problems of this kind should be brought to our serious attention.

Whether the enterprises have decisionmaking power is one of the basic conditions for invigorating the enterprises. The regulations issued by the State Council on extending the decisionmaking power of the enterprises clearly point out that this power should be protected. Enterprises owned by the collective should be managed in accordance with the principle of "independence and self-determination, assuming sole responsibility for their profits and losses, and democratic management." Higher-level corporations and departments in charge should never exercise excessive intervention in the operational activities of the grassroots enterprises by means of administrative orders. However, instead of conscientiously implementing these regulations of the State Council, some areas and departments are still ordering people about and exercising brutal intervention in the operational activities of the enterprises.

Under the old system, as a result of separation between departments and regions, enterprises owned by the whole people and those owned by the collective became enterprises owned by the departments or regions. This became a deeply rooted idea in our minds. Some comrades are used to regarding enterprises as subsidiary bodies of their departments or even of their own, often saying: "Since it is my enterprise, it should obey my orders!" Those who air different views in accordance with the regulations of the State Council are suppressed, attacked, or even dismissed from their posts. Has the bitter experience of Comrade Song Beifang not happened due to this wrong guiding ideology? The Zhengzhou city CPC Committee decided to redress the case. This is entirely correct.

We are now in a period of replacing the old system with the new. Both old and new methods are being adopted. But there are often contradictions between old and new policies. While considering whether a plan for reform is correct, we must consider whether it conforms to the objective demand of developing the socialist commodity economy and whether it is conducive to the development of the productive forces. Practice shows that all those which are conducive to the development of the productive forces and the commodity economy should be enthusiastically supported, helped, and constantly perfected. As to reformers who have shortcomings or mistakes in their work, it is necessary to help them sum up experiences and lessons so that they may deepend their understanding and continue to make progress. It is not a correct attitude to find fault with a cadre who has made great achievements in reform and enjoys high prestige among the workers while praising another who has stuck to old ways and done mediocre work or has even brough his enterprise to the verge of bankruptcy.

Before the old system characterized by separation between departments and regions is actually changed, the leading departments at all levels should fully protect the decisionmaking power of enterprises in accordance with the decision of the 3d Plenary Session of the 12th CPC Central Committee and relevant regulations of the State Council on extending the decisionmaking power of enterprises. Only thus can we invigorate the enterprises. At present, some corporations have firmly grasped in their hands power over major issues concerning human, financial, and material resources as well as supply, production, and marketing of the enterprises, but do not assume any economic responsibility. This is obviously harmful to the normal operation of the enterprises and to mobilizing the initiative of the staff and workers. It seems that overcoming the "intermediate obstruction" in our economic work is an important matter that cannot be overlooked. A pressing problem to solve in the current structural reform is how to improve the work of certain corporations or departments in charge of economic work so that they may better serve production and operations of the enterprises and serve their reform.

Investigation Conducted

HK301315 Beijing RENMIN RIBAO in Chinese 23 Apr 86 p 1

[Article by reporters Li Wen and Fang Xiaoxiang: "Notes on an Investigation"]

[Text] The article "The Bitter Experience of a Plant Director Who is Determined To Make Reform," is finally published by this paper today after many setbacks. The writers have long been among the masses to gather materials and have changed their manuscript eight times.

We recently had an interview with the leading comrades of the Zhengzhou City CPC Committee and the No 2 Communications and Transportation Corporation, as well as some cadres and workers of the motor vehicle plant. Although certain comrades held views different than those of the report, they all admitted that facts exist as reported.

The Zhengzhou City CPC committee has sent people to investigate the matter of Song Beifang's dismissal. After the facts were learned, the responsible comrade of the city CPC committee definitely declared the Song Beifang is a good comrade. He did much work during his tenure of office, and great achievements were made in the reform carried out in the motor vehicle plant. It was wrong for the No 2 Communications and Transportation Corporation and the Zhengzhou city communications bureau to relieve Song Beifang of his post. Both the bureau and the corporation should unify their understanding on the basis of distinguishing right from wrong and take appropriate measures to resolve the problems concerning Comrade Song Beifang and the reform carried out in the motor vehicle plant. They should also draw a lesson from this.

SHANGHAI PROMOTES LATERAL ECONOMIC COMBINATIONS

HK270318 Beijing ZHONGGUO XINWEN SHE in Chinese 1140 GMT 24 Apr 86

[Commentary by reporter Chen Dawei: "Shanghai Activity Promotes Horizontal Economic Combinations"]

[Text] Shanghai, 24 Apr (ZHONGGUO XINWEN SHE) — Shanghai, the biggest industrial and commercial city in China, recently decided to make the development and promotion of horizontal economic combinations with other provinces in the interior the focal points of the city's future economic structural reform. This new move by Shanghai in its economic life has attracted the attention of people in economic and press circles.

There have been many indications over the last few months that Shanghai has increased its interest in developing horizontal economic combinations with provinces and enterprises in the interior. During the first 10 days of March, the Shanghai Municipal CPC Committee and municipal government invited leaders from Shanghai offices of all the ministries of the central authorities and provinces, municipalities, and autonomous regions to a large symposium to listen to their views and make friendly contracts. Almost all the responsible officials in Shanghai, including the secretary of the Shanghai Municipal CPC Committee Rui Xingwen and others, were present. Reportedly, this is the first time that Shanghai has held such a meeting.

As one of the largest industrial bases in China, Shanghai is, in fact, mainly a processing industry center. Just as Rui Xingwen said: Shanghai has neither mines nor oil fields, and its supply of raw materials, fuel, agricultural and sideline products depends on other parts of the country. In the past, as most of Shanghai's industrial production tasks were assigned by the state and the raw materials and energy resources were uniformly allotted by the state, Shanghai was not very enthusiastic about developing horizontal economic combinations with other provinces in the interior. With the deepening of the country's economic structural reform, rapid changes have taken place in this traditional system. This year, the amount of raw materials Shanghai can get under the state plan for unified distribution will drop from 70 percent in previous years to 18 percent. Because of such a change, Shanghai, which "never sought help from others for anything" has to find a way out by developing horizontal economic combinations.

In the first quarter of this year, the total industrial output value in Shanghai only increased by 1.8 percent over the corresponding period of last year, of which the increase rate in January was only 0.5 percent. Such a small increase has been rare in the past. Departments concerned pointed out that the main cause for this state of affairs is the lack of funds, raw materials, and energy resources. In the future, with the big reduction in the raw materials and energy resources supplied by the state according to mandatory planning, Shanghai's concerned industries and enterprises will be confronted with a more severe situation. People concerned believe that this is an important factor urging Shanghai to make up its mind to struggle for existence by developing horizontal economic combinations.

However, it is not objective enough to understand Shanghai's present enthusiasm for developing horizontal economic combinations only in this passive sense. Judging by the situation as a whole, developing "cooperation with other parts of the country" will be of special strategic significance to future economic development in Shanghai. According to Shanghai economic development strategy, it should become an open, multifunctional, and scientifically and technologically advanced modern city with a productive industrial structure and a high degree of civilization which can play "the roles of a pioneer, bridge, and base" in national economic construction.

Only by developing horizontal economic combinations with other provinces in the interior can Shanghai bring into play these three roles. Meanwhile, through the development of horizontal economic combinations, Shanghai's production, product, technology, and enterprise organizational structures will also be readjusted and become more realistically oriented. Especially if the advantage of Shanghai's processing industry and interior's resources are combined to jointly produce export products to earn foreign exchange, Shanghai and the interior will benefit significantly. Judging from the comments recently made by municipal leaders, Shanghai already has some understanding of these benefits.

Based on the above understanding, three new trends have recently arisen in horizontal economic combinations between Shanghai and other provinces in the interior: First, the economic combinations which were mainly organized by government departments by administrative means from top to bottom have developed to the extent that enterprises themselves organize the combinations by economic means and in light of the principles of economic rationality, mutual benefit, and selecting the best. Second, horizontal economic combinations which were purely production cooperations or individual projects have developed into overlapping combinations involving industry, agriculture, commerce, science and technology, education, and other fields and allowed exchanges and mergers in capital, technology, qualified people, equipment, and so on, and Third, horizontal economic combinations which were purely aimed at promoting cooperation among specialized products and strengthening the capability of producing major products have developed into high-level combinations like software developement in management, technology, and so on.

At present, a number of economic and technological combines between Shanghai and other provinces in the interior have been set up. These combines are joined by not only factories and enterprises, but also agricultural, commercial, foreign trade, scientific research organizations, and so on. It has been learned that Shanghai Municipality will soon promulgate, implement, and enforce the State Council's "regulations regarding further Promotion of Horizontal Economic Combinations and Other Issues." It is believed that the promulgation will play an active role in promoting horizontal economic combinations between Shanghai and other provinces in the interior.

GUANGZHOU HOLDS RALLY TO CELEBRATE MAY DAY

HK010656 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 30 Apr 86

[Excerpts] About 1,500 people from all walks of life in the Guangzhou area happily gathered this morning to mark the 100th anniversary of May Day. At 0825 provincial and Guangzhou city party, government, and army leaders appeared on the rostrum at the meeting. Among them were Liu Tianfu, member of the Central Advisory Commission now Guangzhou; Lin Ruo and Ye Xuanping, responsible comrades of the provincial CPC Committee; Liang Lingguang, responsible comrade of the provincial Advisory Committee; Luo Tian, responsible comrade of the provincial People's Congress Standing Committee; Kuang Ji, responsible comrade of the provincial People's Government; Qi Feng, responsible comrade of the provincial CPPCC; Zhang Zhongxian and (Liu Zhenzhi), responsible comrades of the Guangzhou Military Region and the provincial military district; and Xu Shijie, responsible comrade of Guangzhou City.

At 0830, Luo Shengan, chairman of the provincial Trade Union Federation, announced the opening of the meeting. Comrade Wang Ning, deputy secretary of the provincial CPC Committee, delivered a speech at the meeting.

GUANGXI GOVERNOR OUTLINES SEVENTH 5-YEAR PLAN GOALS

HK280257 Nanning Guangxi Regional Service in Mandarin 1100 GMT 27 Apr 86

[Excerpts] In part 2 of his report at the Fourth Session of the Sixth Regional People's Congress, regional government Chairman Wei Chunshu dealt with the economic and social development goals and the main tasks for the Seventh 5-Year Plan.

He said: In accordance with the spirit of Premier Zhao Ziyang's report to the Fourth Session of the Sixth NPC and in connection with Guangxi reality, we must, in our economic and social development during the Seventh 5-Year Plan, continue to implement the instructions of the CPC Central Committee Secretariat on work in Guangxi. In line with Comrade Hu Yaobang's speech delivered during his inspection of the region, we must carry out reforms in depth, persevere in invigorating the domestic and international economy, relax policies, harmonize relationships, make rational arrangements, take advantage of our strong points, achieve all-round improvement in economic results, and attain a growth rate slightly higher than we achieved during the Sixth 5-Year Plan and slightly higher than the Seventh 5-Year Plan growth rate for the whole country. We must gradually narrow the gap between us and the rest of the country.

The region's total industrial and agricultural output value during the Seventh 5-Year Plan should rise to 31.5 billion yuan, rising at an annual average of 8 percent. We should strive to achieve doubling this 1 year ahead of schedule. Agricultural output value should reach 10.9 billion yuan, rising at an annual average of 5.5 percent. This includes output value of 12.4 billion yuan [as heard] in industry at and below village level, rising at an annual average of 6.5 percent.

Industrial output value should reach 20.6 billion yuan, rising at an annual average of 9.9 percent. This does not include industry at and below village level, whose output value should reach 19.1 billion yuan [as heard], rising at an annual average of 9 percent.

Local financial revenue should reach 3 billion yuan, rising at an annual average of 8 percent.

These goals have a built-in margin, and we should strive to overfulfill them in arranging our annual plans and in our actual work.

He also said: Regarding the question of growth rates, we should not blindly pursue high growth nor should we one-sidedly lay stress on keeping the rate down. We must act according to our capacity. In light of Guangxi's present realities, we should do everything possible to improve the growth rate while laying emphasis on economic results. It is both necessary and possible that our growth rate increase slightly during the Seventh 5-Year Plan.

Wei Chunshu continued: This is the first year of the Seventh 5-Year Plan. We should maintain and develop the good momentum that appeared last year and strive for relatively great development of our national economy, so as to make an excellent start in fulfilling the Seventh 5-Year Plan. Total industrial and agricultural output value this year should rise by 9 percent over last year, and we should strive for a 10 percent increase. Agricultural output value should rise by 7.4 percent, and we should strive for 8 percent. Industrial output value should rise by 10 percent, and we should strive for 12 percent. Local financial revenue, under comparable headings, should rise by about 10 percent. We should strive to overfulfill this figure.

In addition, he said: In developing agriculture, we must continue to implement the principle of actively promoting diversification without any slackening of grain production. We must strive to attain basic self-sufficiency in grain, importing only a little from other places. Total grain output in 1990 should reach 28.6 billion jin, and we should strive for 30 billion jin. Output this year should top last year's by 2.5 billion jin, and we should strive for a 3 billion jin rise. While developing grain production, we should further develop various industrial crops and forestry. We should in particular raise the production of pigs, poultry, fish, eggs, milk, and vegetables, to improve the supply of nonstaple foods. We should pay attention to the following points in agricultural production during the Seventh 5-Year Plan:

1. Continue to perfect the rural economic responsibility systems. We should properly solve problems in unified operations, management, and service, and develop and perfect the cooperative economic organizations, starting by improving services. We should improve agricultural labor productivity and stimulate agricultural specialization and modernization and the development of the commodity economy. We should also further develop the grain purchase contract system.

2. Correctly handle the relationship between grain and industrial crops. We must unswervingly persevere in readjusting the rural production structure. This must be done in light of needs and possibilities and should proceed in a planned, measured, active, and steady way under the premise of ensuring steady growth in grain output.

3. Strive to improve agricultural production conditions. At present, the region's water conservancy situation is deteriorating, soil fertility and seed are degenerating, and farm machinery is ageing. This situation is rather serious. This is a potential danger in our agricultural development. During this Seventh 5-Year Plan, we must rely on science, increase input, and improve management, in order to seriously solve this problem well.

4. Further improve the standard of scientific grain cultivation. We should develop new seed strains and techniques suited to our region, and strengthen and improve frontline research and technological popularization.

Wei Chunshu also said: During the Seventh 5-Year Plan, the region's industry must formulate sectoral plans and further rationalize its production and product structures. We must accelerate the development of strong-point trade and products; expand the production capacity of energy, communications, telecommunications, and raw materials enterprises; increase output of consumer goods and export goods; and develop tertiary industry serving production and people's daily lives.

Under the premise of continually improving economic results and product quality, we should strive for a relatively high, sustained, and steady growth rate.

During the Seventh 5-Year Plan, we should universally introduce the factory manager responsibility system in a measured way by groups and batches. We should gradually perfect the economic responsibility systems and ideological and political work. We should simultaneously grasp technology and management and continually improve the capacity for self-transformation and development. In strengthening enterprise management, we should do a good job in planning and promote all-round quality control.

It is essential to do a good job in economizing energy and reducing input, and to save fuel and raw materials.

Wei Chunshu concluded: During the Seventh 5-Year Plan, a total of 12.31 billion yuan has been arranged in investment in fixed assets for enterprises under ownership by the whole people, and increase of 57 percent over the Sixth 5-Year Plan figure. In capital construction, the investment allocated by the state is mainly to be used in energy, communications, and raw materials construction. Most of the investment allocated by the region is to be used in developing energy, communications, raw materials, light and textile industries, agriculture, education, science, culture, and sports. The majority of the capital raised by the prefectures, cities, and counties should be used in production facilities and in education, science, culture, and public health. We must appropriately control housing construction. Except for tourist facilities, construction of large buildings and halls must be resolutely cut.

YANG XIZONG ATTENDS HENAN CPPCC MEETING 28 APRIL

HK290841 Zhengzhou Henan Provincial Service in Mandarin 1230 GMT 28 Apr 86

[Excerpts] The Fourth session of the Fifth Henan Provincial CPPCC Committee opened in Zhengzhou. Today the Henan People's Hall in the provincial capital was well decorated inside and out as 573 zestful CPPCC Committee members from all quarters of the province gathered happily under the same roof. At 0840, Provincial CPPCC Committee Chairman Song Yuxi announced the opening of the meeting.

The Provincial CPPCC Committee vice chairmen who attended today's opening ceremony and took their seats on the rostrum were Yan Jimin, Cui Guanghua, Dong Minsheng, Ye Renshou, Hao Fuhong, Ren Leiyuan, Zuo Mingsheng, Ren Fangqui, Duan Zongsan, Ding Zhenyu, and Tu Jiaji. Others attending today's meeting and taking their seats on the rostrum were leading comrades of the Provincial CPC Committee, Provincial People's Congress, Provincial Government, and Henan Military District, including Yang Xizong, Liu Zhengwie, He Zhukang, Zhao Di, Zhang Shude, Zhan Jingwu, Zhang Zhigang, Lin Xiao, Wu Shaokui, Guo Peijun, Fan Lian, and Wang Huayun, former chairman of the Provincial CPPCC Committee.

At the opening ceremony, the agenda and schedule for the meeting were first adopted. After that, Provincial CPPCC Committee Vice Chairman Ye Renshou delivered the work report of the fifth provincial CPPCC Committee Standing Committee.

HUNAN OFFICIAL STRESSES NEWS COVERAGE OF REFORMS

HK301159 Changsha Hunan Provincial Service in Mandarin 2300 GMT 29 Apr 86

[Excerpts] The Fourth Session of the Sixth NPC has decided that during the Seventh 5-Year Plan period, we must give priority to reforms. Similarly, journalistic workers must also give priority to reforms.

They must study, write stories about, support, and promote reforms. This is the requirement proposed by Liu Zheng, deputy secretary of the provincial CPC Committee, in his speech at the provincial meeting of radio and television reporters held on 29 April.

Comrade Liu Zheng said: To switch from a product economy to a planned commodity economy is a fundamental change that concerns the core of reforms. The most important issue in this historic change is to seek common understanding among the people about reforms.

However, why do some people still comment extensively about reforms? In the final analysis, this is because they do not have thorough understanding of the necessity, inevitability, long-term significance, complications; and arduousness of reforms. In order to carry out reforms, we must first change our concepts and thinking.

He continued: Reforms are a comprehensive, profound, and long-term change. There should be progress in adapting oneself to the situation. We must seriously do well in the propaganda work of reforms and shorten the progress of understanding their importance.

On the work of journalistic workers in reporting stories of reforms, Comrade Liu Zheng pointed out: Reforms should be arranged by the central authorities while the masses should probe innovative ways to carry them out. We must be good at and sum up the relatively successful experience. We must be bold in reporting stories about reforms. Press, radio, and television news reports are not instructions of the party, but they are commonly taken by the masses as party instructions. Thus, we must handle with care and in a solid way, matters on which we are not very certain, including commendation and criticism. We should focus on the positive side when reporting stories about reforms. This does not mean that we need no criticism or reporting of problems, but we must confirm the accuracy of criticism and reports when reporting them.

HUNAN RADIO URGES VIGILANCE AGAINST FLATTERERS

HK281013 Changsha Hunan Provincial Service in Mandarin 1100 GMT 27 Apr 86

["Sunday Chat" by (Xia Tianyan): "Be Vigilant Against Flatterers"]

[Excerpts] No leader will say: I like boasting and flattery. However, many have gone so far as to fall into the trap of flatterers. The number of flatterers has now gradually become small, but in our practical life, flatters have not become extinct. For example, a new leader has been transferred to a certain unit or a leader has been newly promoted in the unit, and no sooner had he assumed office than some people wrote articles:

Under the correct leadership of so and so, our outlook has taken an altogether new aspect. Some quietly promoted or transferred the relatives of the leader who had just assumed office. [sentence indistinct] When the leader made a certain mistake and was criticized or a disciplinary action was taken against him, some others complained of unfairness on his behalf and quickly comforted him so that the leader continued to make mistakes. Therefore, persons with breadth of vision have proposed that when a new cadre assumes office, he must pass five tests. The test of boasting and flattery is the first of the five tests. This shows keen insight.

How can we resist flattery? One of the important ways is that we must think and act in one and the same way. Second, we must keep a clear head. If a leading cadre treat flatterers as ghosts, I think that not only can party style be straightened out very well but also the number of flatterers will be greatly reduced.

HEILONGJIANG CARRIES OUT TRANSFER OF ARMED FORCES

SK250746 Harbin Heilingjiang Provincial Service in Mandarin 1000 GMT 23 Apr 86

[Text] The 94 country-level People's Armed Forces departments throughout the province will be transferred to the localities by the end of June. The county-level People's Armed Forces departments in our province were transferred to the military organizational system in 1951. Over the past 30 years or so, these departments have made contributions to army building, militia construction, local economic development, and the prosperity and consolidation of border areas.

The nature of the county-level People's Armed Forces departments and their tasks will remain unchanged even after their transfer to the local organizationsl system. These departments will work under the jurisdiction of the localities and will be subject to the dual leadership of both local and military authorities. Playing a role as the local leading military command organs, there departments will undertake the tasks of conscripting servicemen, conducting militia organizational construction, equipping and managing weapons, conducting military training and political education for militiamen and reserve servicemen, and leading militiamen to join the army or enter a war.

After these departments are transferred to the local organizational system, their rights to the use and manage equipment and materials will remain unchanged so that they can make full use of their training bases and facilities.

The People's Armed Forces departments of Suihua City and Harbin City's Nangang District carried out the transfer work on a trial basis in March. So far, the transfer work is basically ready to be conducted.

JILIN'S GAO DI ATTENDS MAY DAY CELEBRATION

SK300804 Changchun Jilin Provincial Service in Mandarin 1030 GMT 29 Apr 86

[Report on meeting to mark the 100th anniversary of May Day held in the assembly hall of the Changchun City Workers' Cultural Palace on 29 April -- recorded]

[Excerpt] [Announcer] A meeting to mark the 100th anniversary of May Day sponsored by the Jilin Provincial and Changchun City Trade Union Councils was held in the assembly hall of the Changchun City Workers' Cultural Palace today. Attending the meeting were more than 1,000 workers representatives, model workers, and trade union activists from the railway, bus, postal, telecommunications, textile, commercial, educational, and public health fields.

(Dong Guoliang), chairman of the Jilin Provincial Trade Union Council, presided over the meeting.

[(Dong Guoliang)] The meeting to mark the 100th anniversary of May Day is now open. Attending today's meeting are provincial and city leaders, including Gao Di, secretary of the provincial CPC Committee; Wang Xianjin, Gao Dezhan, and Wang Zhongyu, deputy secretaries of the provincial CPC Committee; Zhang Shiying, vice chairman of the provincial Advisory Commission; (Li Shuren) and (Wu Heng), Standing Committee members of the provincial Advisory Committee; Zhao Xiu, chairman of the provincial People's Congress Standing Committee; Huo Mingguang, Liu Cikai, Zhu Jinghang, and Xu Yuancun, vice chairmen of the provincial People's Congress Standing Committee; Gao Wen, vice governor ofthe provincial government; Liu Jingzhi, chairman of the provincial CPPCC Committee; Zhang Fengqi, Luo Yuejia, and Xin Cheng, vice chairmen of the provincial CPPCC Committee, Li Deming, secretary of the provincial Discipline Inspection Commission; (Du Qinglin), Standing Committee member of the provincial CPC Committee and director of

the organizational department of the provincial CPC Committee; (Zhu Zhang), deputy political commissar of the provincial military district; (Wu Yuxia), secretary of the Changchun City CPC Committee; and (Wang Li), chairman of the city People's Congress Standing Committee. Also attending today's meeting were Yu Lin and Song Jiehan, former deputy secretaries of the provincial CPC Committee, and retired trade union workers. First of all, we will ask Comrade Wang Xiangjin, deputy secretary of the provincial CPC Committee, to give a speech.

[Wang Xianjin] On the occasion of ceremoniously celebrating the glorious day of the working class and the 100th anniversary of May Day, on behalf of the provincial CPC Committee and the Changchun City CPC Committee, I extend festive greetings to the broad masses of staff members and workers on all fronts, throughout the province, and send cordial greetings to the labor medal winners and the vast number of trade union workers.

Our working class is a great working class with a glorious revolutionary tradition and outstanding achievements. All achievements and results that have been made were cemented with the sweat of the working class and embody the wisdom of the working class. At present, our country has formulated a new economic development plan. The task ahead of us is to build our country into a modern, culturally advanced, and highly democratic socialist country. The Seventh 5-Year Plan and Premier Zhao Ziyang's report on the Seventh 5-Year Plan examined and approved at the Fourth Session of the Sixth NPC re-represented to the people the grand blueprint for the economic and social development in the next 5 years, and reveal heartening and brilliant prospects. Realizing the Seventh 5-Year Plan is of great significance for better maintaining the current good economic situation and for successfully realizing the fighting goals by the end of this century. Thus, the broad masses of staff members and workers throughout the province should conscientiously study and implement the documents of the Fourth Session of the Sixth NPC, carry forward the spirit of the "old foolish man who removed the mountains," bring their functions into play, and make contributions to the realization of the Seventh 5-Year Plan.

JILIN COMMENTARY VIEWS STRENGTHENING POLITICAL WORK

SK280653 Changchun Jilin Provincial Service in Mandarin 1030 GMT 27 Apr 86

[Station commentary: "Analysing Economic Results and Strengthen Ideological and Political Work"]

[Text] After the third industrial production work conference of the provincial government, industrial enterprises throughout the province have launched activities of analyzing economic results. In analyzing economic results, enterprises should not only analyze and solve the actual problems in production to transform unfavorable factors and to make the most of favorable factors, but also should pay full attention to analyzing the ideological understanding of the people and sturdy ways to strengthen ideological and political work so as to spark the enthusiasm and creativeness of the broad masses of cadres, staff members, and workers. This is a key guarantee for the smooth development of industrial production.

The situation of the enterprises' ideological and political work is generally good at present. But quite a large number of enterprises still have actual problems in production and lag behind in terms of their ideological and political work. Some ideological problems requiring solution exist among their cadres and workers. Tendencies of being lax in labor discipline and management generally exist. Some enterprises often concentrate their analysis of economic results on actual problems in production and management to the neglect of the ideological factors among the staff and workers; thus, they have not done nearly enough to discover the causes affecting economic results in conducting ideological and political work.

With much work to do, the enterprises should take essential and effective measures for establishing and perfecting rules and regulations. Simultaneously, they should rely on the staff and workers to implement rules and regulations no matter how good these rules and regulations are. So, in analyzing economic results, we should not only analyze the work concerning strengthening enterprise management and setting up regulations and systems, but also analyze the present conditions of the staff and workers and the problems concerning ideological and political work.

Only when the enterprises fully spark the enthusiasm of the staff and workers for developing socialism by strengthening ideological and political work among them, safeguarding their status as masters of the enterprises, and enhancing their sense of responsibility, can the rules and regulations that have been established and perfected be implemented earnestly and successfully, and will the staff and workers be able to play their role as the masters of the enterprises to earnestly solve the problems not related to rules and regulations. Thus, enterprises should concentrate their analysis of economic results on analyzing and grasping the two civilizations, regard the analysis of economic results as day-to-day work, and persistently carry it through to the end.

JILIN MOVES TO ELIMINATE NEPOTISM IN CADRES

OW301224 Beijing XINHUA in English 1211 GMT 30 Apr 86

[Text] Changchun, April 30 (XINHUA) — Jilin provincial employment officials have introduced aptitude tests for all applicants for office vacancies in a bid to end unfair practices in cadre appointments. In the past, the provincial labor and personnel department received many complaints that new cadres were chosen through family connections rather than ability. Cadre in China is the name given to a white collar worker or official.

Under new departmental regulations, potential cadres must show that they have had adequate education and professional training, and must undergo cultural, physical and political examination. Applicants who score highly but do not meet all the qualifications are held in reserve.

A department official said efforts should be made to recruit more cadres from rural areas.

CHERNOBYL ACCIDENT MAY AFFECT NUCLEAR POWER POLICY

OW010335 Taipei CNA in English 0257 GMT 1 May 86

[Text] Taipei, April 30 (CNA) -- Economics Minister Lee Ta-hai said Wednesday that the government is watching closely the development of the Soviet nuclear reactor accident, but he declined to comment if the accident will have certain impact on the government's nuclear energy policy.

In response to interpellations by legislators Lin Lo-shan, Liao Fu-ping and Chang Chun-hsiung at a meeting of the Legislative Yuan, Lee said that people here are as much concerned about the accident as other people in the world.

He said it is too early to predict what kind of impact the accident will have on the government's policy on nuclear power plants before learning more about the accident, which some experts have described as the worst of its kind in the world.

Lee indicated that all nuclear technologies and equipment of the nuclear power plants here were imported from the United States where safety has always been the top priority in building nuclear power plants.

The U.S. Government took a long time to investigate the nuclear power accident at the Three Mile Island and finally concluded that human errors were the major cause of the accident, Lee said. Before learning more about the cause of the Soviet nuclear accident, people here should not jump to the conclusion that all nuclear power plants are unsafe, he said.

Lee promised that the government will take all necessary measures to ensure the safety of the nation's nuclear power plants.

INFORMATION OFFICER COMMENTS ON PRC DEFECTION

OW301514 Taipei CNA in English 1453 GMT 30 Apr 86

[Text] Taipei, April 30 (CNA) -- Government Information Officer [GIO] Director General Chang King-yuh said Wednesday that Chen Pao-chung's decision to flee to freedom and to join the anti-communist fight of the Republic of China on the national recovery bastion of Taiwan has clearly shown that the reunification of China through the three principles of the people is a certainty and a natural trend and is the best way to solve the China issue.

Chang made the remarks in a press conference in the afternoon through which freedom-seeker Chen was introduced to the public. Chang pointed out that in the short period of the past five years, one after another Chinese Communist Air Force pilots, including Wu Jung-ken, Sun Tien-chin, Wang Hsueh-cheng and Hsiao Tien-jun, have succeeded in flying to freedom while risking their lives. Now, he added, Chen Pao-chung has followed in their steps to flee to the free land indicating clearly that there are serious problems within the Chinese Communist Armed Forces.

"Giving them opportunities, they will all repudiate Leninism-Marxism, and the communist system and will try every means, by air, sea or land, to seek freedom," the GIO head said. "The attraction of the "Taiwan experience" will definitely give the strength to overthrow the tyrannical communist rule on the mainland," he quoted President Chiang Ching-kuo as saying.

While we extend our most hearty welcome to Chen, he said, we should doubly remind ourselves that a billion compatriots are still living under the communist regime's oppression. We must unite even more closely and strive even harder to help them regain freedom and happiness. Chang also expressed on the occasion, on behalf of the government and people of the Republic of China, his respect and gratitude to the government of the Republic of Korea for its respecting Chen's will and letting him come to the free motherland. He also took the opportunity to call on all freedom-loving nations in the world to continue to promote humanitarian values and to render help to the peoples of captive nations to overthrow totalitarian regimes.

Pilot Holds News Conference

HK301244 Hong Kong AFP in English 1434 GMT 30 Apr 86

[Excerpts] Taipei, April 30 (AFP) — A Chinese Air Force pilot who flew a MiG-19 to Seoul in a defection bid arrived here Wednesday to seek political asylum and said North Korean jets had tried to intercept him during his daring journey.

"If you were in my position as a pilot, you would have realized the danger involved," he said. There were many advanced facilities in Shenyang and 13 military bases in North Korea that could have stopped him," he added. "It was a difficult decision to leave my parents and my girl friends... I have to admit that by doing so, I have failed to fulfill my duties as a son, but between filial piety and freedom, I could choose only one."

He said he had left a statement before he left China to "denounce communism and break any ties with the Chinese Communists. I also asked them not to persecute my parents, relatives, and friends for my personal behavior, if they have any conscience left."

Foreign Ministry Statement

OW010343 Taipei CNA in English 0237 GMT 1 May 86

[Text] Taipei, April 30 (CNA) -- The Ministry of Foreign Affairs said in a statement Wednesday that "the ROC [Republic of China] Government greatly thinks its South Korean counterpart for respecting Chen Pao-chung's will to seek freedom in the Republic of China" by letting the former Red Chinese pilot come to Taipei Wednesday afternoon. The MOFA noted that the government and people of the Republic of China have been very much concerned about Chen since he landed his MiG-19 in South Korea February 21 and expected that the freedom seeker will arrive in the free motherland at an early date. Now that the government of the Republic of Korea has sent Chen Pao-chung to the Republic of China, the statement added, the ROC Government "expresses thanks for the ROK Government's viewing the friendship between the ROC and the ROK as having great value, and for its stand on safeguarding freedom and justice and respecting human rights." The Foreign Ministry also reiterated its warm welcome to Chen to arrive in the free mother country.

Meanwhile, Dr. Han Lih-wu, president of the Chinese Association for Human Rights, said Wednesday that the arrival of the 26-year-old former communist pilot in the ROC is "a strong negation" of the possibility for the Chinese Communists to succeed in applying united front tactics against the Republic of China, particularly at a time when the Peiping regime is escalating the plot. Han stressed that the best way to counter Peiping's united front tactics is to strengthen freedom, democracy and human rights in this country so as to ensure the ROC's final victory over the evil Chinese communists. However, he warned against over-confidence on the part of the ROC people in their fight against the Peiping regime, saying over-confidence will result in negligence.

DAYA BAY PLANT OFFICIALS STUDYING ACCIDENT IN USSR

HK010548 Hong Kong SOUTH CHINA MORNING POST in English 1 May 86 p 8

[Text] Chinese officials involved with the Daya Bay nuclear plant are looking with much concern at the massive nuclear accident in Russia. One top official with the Guangdong Nuclear Power Joint Venture Co., which is responsible for building and running the plant, said yesterday he would like to obtain detailed information about the accident but added: "Our country now has fairly limited links with the Soviet Union and the Russians are keeping their nuclear technology under close wraps."

Mr Shen Jiansheng, second deputy general manager of the company, said the type of reactor used by the Russians was different from that to be installed at Daya Bay. An engineer involved with the Daya Bay project explained that the Soviet reactor was a light water graphite reactor (LWGR) while those to be installed at Daya Bay are pressurized water reactors (PWR). LWGR gets its name from the fact that the reactor is cooled by light water and moderated by graphite in the reactor core. The engineer said the Soviet LWGR does not have containment surrounding the reactor core, which makes it more vulnerable to fire when the coolant system malfunctions. A PWR has triple protection for the nuclear core.

One local observer said the Chinese are probably more eager to learn about the accident because a large number of mainland nuclear experts obtained their training in Russia during the 1950's. "The Chinese are probably more familiar with the Soviet nuclear plants than their Western counterparts," he said.

Meanwhile, the Hong Kong Government will be asked to keep the public informed if Hong Kong is affected by the radioactivity from the Soviet Union. Deputy convenor of the UMELCO [Unofficial Members of Executive and Legislative Councils] public utility panel, Mr Hui Yin-fat, said last night that they were concerned about the incident and would press for more information from the government. But Mr Hui pointed out that there was no reason to be alarmed since the effect of the explosion would be a global one and there should not be any imminent danger to Hong Kong people.

However, the incident in the Soviet Union would help to remind local people to keep a closer watch on the Daya Bay plant.

Mr Hui said that although they had been reassured by the government, even so security measures would be adopted at Daya Bay.

EDITORIAL EXAMINES DAYA BAY SAFETY PRECAUTIONS

HK300433 Hong Kong HONG KONG STANDARD in English 30 Apr 86 p 6

[Editorial: The Need to Look Again at Daya Baya Safety Precautions]

[Text] It was claimed from the beginning that nuclear reactors, generating electricity, were safer than any other form of energy technology. The extravagance of such arguments has been exposed, once again, by the accident at a Soviet nuclear power station.

Indeed, it has alarmed all sectors of the nuclear industry round the world. And there can be no doubt that officials in a number of countries are now taking a serious look at the security precautions at their own nuclear power stations.

The Kiev incident will undoubtedly add extra force to the arguments of environmental groups who are strongly opposed to nuclear energy.

Some opponents want to ban any new nuclear plants. Others would halt plants already under construction. Still others would abandon those now in service.

Supporters of the nuclear industry, on the other hand, will probably insist that the relevant question is: "What can be done to eliminate the deficiencies of fission rather than eliminating fission itself?" The utter divergence of these points of view has marked the controversy in recent years about energy from fissioning atoms. The man on the street may be forgiven if he is not sure who is right. The debate has been frequently emotional, sometimes bitter, often confusing. Frightening stories about radiation hazards of nuclear materials view with worrisome forecasts of energy famine, economic troubles, and even environmental disaster if nuclear energy is abandoned.

Seven years have gone by since the 1979 accident at the General Public Utilities Corporation's Three Mile Island reactor in the United States. But nuclear jitters were sparked off again in the United States by a mishap in Florida a year or so later. Some people called the breakdown at the Crystal River nuclear plant in Florida the worst reactor accident since Three Mile Island. But how serious is that? Should the American public have been alarmed at yet another sign of nuclear frailty, or pleased that the Crystal River accident was fully contained? An American columnist wrote at the time: "The Crystal River plant operators contained the accident. But history will record whether the investigator managed to contain the public's doubts. The United States is the kind of society where the scale and potential hazards of such incidents can be freely discussed in the media.

Unlike the United States, however, the Soviet Union is not an open society. The extent of the Kiev accident was still unclear last night. Even the four-sentence TASS announcement would never have been issued if high radiation levels had not been reported earlier in several Nordic countries. Swedish Energy Minister Birgitta Dahl has noted that Moscow failed to inform its neighbours about the accident. "This accident gives added weight to our demands for the Soviet Union's entire civilian nuclear programme to be opened to international inspection," she said. It also illustrates the point about nuclear power stations which their defenders have not been able to answer.

The assurances about Daya Bay, of which we were at one time given so many, now look a bit thin. It is upwind of Hong Kong. It may be quite a long way away but it is a lot nearer than Kiev is to Helsinki. It is not, perhaps, for Hong Kong to say whether the scheme should be allowed to go ahead in its present form, or in any form at all.

The accident in Russia certainly suggests the need to look again at safety precautions at the Daya Bay plant, and the action that may be needed in Kong Kong -- potentially including large-scale evacuation -- if something goes seriously wrong. We are not threatened with a bomb on our doorstep. But we can no longer duck the fact that we are threatened with something potentially a good deal nastier than anything we have to fear from Castle Peak. [Hong Kong power production area]

LIAOWANG VIEWS APPROPRIATE PRC GROWTH RATES

HK270842 Hong Kong LIAOWANG Overseas Edition in Chinese No 21 Apr 86 p 18

[Article by Xie Hong: "Comments on China's Pursuit of an Appropriate Economic Growth Rate"]

[Text] One of the important features of the "Seventh 5-Year Plan" is that it highlights the need to maintain an appropriate economic growth rate and to make the various components of the national economy develop in proportion and with excellent results.

This is in fact an important decision made after summing up historical experience, analyzing the present state of our economy and various trends, and studying the general pattern of our economic development.

China is a developing country. In order to augment its national strength and to raise its people's living standards, it is necessary to maintain an appropriate economic growth rate. However, economic growth is rule-governed and is dependent on the balance and compatibility between various factors. Only by bringing about an overall balance and harmonizing various proportional relations can we arrive at a high growth rate which promises excellent results.

The Growth Rates During the Period Covered by the "Sixth 5-Year Plan" Were Quite Normal

At present China is experiencing a historical and strategic change and its economy, which is a "binary economy and a modern, non-agrarian economy, and is developing rapidly in the direction of a modern economy. In addition, its current closed, rigid economic system, is developing at the same time into a commodity economy full of vitality. During the period covered by the "Sixth 5-Year Plan," China's economic growth rates were very high. Economists hold different opinions on this. Generally speaking, these growth rates were quite normal because, thanks to the reforms and readjustments, some major proportional relations became harmonious. In addition, previously suppressed economic activities were given impetus and the input of the key elements to the reproduction cycles improved both qualitatively and quantitatively. Of course, one must not overlook the existence of some abnormal phenomena such as the growth rate propped up by an increase in investment, by the growth of demand, and by the vast import of raw and processed materials, parts, and components.

Create Conditions for Replacing the Economic Pattern

If we analyze the increase in the pace of economic growth in terms of developmental changes and regular, periodic changes, we will be able to clearly see that development is rational only if it is appropriate, well fostered, extremely beneficial, effective, and continuous, and that if a high growth rate is aimed at an increase in output value and achieved by means of extensive development and an increase in input, balanced overall development will be disrupted and we will be forced to make readjustments. Thus, the correct choice would be to maintain an appropriate economic growth rate, to understand anew the idea of economic growth, and to change patterns with a view toward the attainment of better results. All this is precisely what the Chinese people should strive to achieve in the future.

An appropriate economic growth rate is a necessary condition for the comprehensive reform of the economic structure. This condition should be able to make circumstances favorable for the comprehensive reform of the economic structure, to facilitate the rational readjustment of product mix and production setup, and to draw people's attention to the need to improve economic results and the quality of products.

Measures To Be Implemented in the Future

To maintain an appropriate economic growth rate, China will have to implement the following measures in the future:

-- Acquiring a new understanding of economic growth. In the next few years, China will make an effort to eliminate the influence of the old concept of economic growth dominated by an idea of the importance of output value and the influence of the traditional development pattern; to correct the practice of making output value targets more ambitious at each level and the practice of trying to outpace others; to put an end to the practice of assessing the performance of various localities, departments, and enterprises using increases in output value as a criterion; to perfect the systems governing the assignment of targets and assessment of performance; and to speed up the introduction of GNP targets.

-- Controlling social demand and strengthening the control and regulation of the composition of demand. Last year China adopted a series of measures to strengthen macroeconomic control, with the result that the "overheating" of the economy resulting from growth of demand was alleviated. However, in eliminating the destabilizing factors in economic activities, it is more important to control the composition of demand because the balance between demand and supply is always a structured dynamic balance. By bringing the composition of demand under control, we can make the composition of supply more rational, introduce a production setup commensurate with our national conditions, formulate a production policy to guide economic development, gradually transform the traditional economic growth pattern, coordinate the development of our primary industry and tertiary industry, and quicken the pace of the construction of basic facilities and of the development of the energy industry, transportation, telecommunications, the materials industry, and other basic industries.

In addition, the different pace of economic development in different economic regions will make it necessary for China to handle the problem of balancing the regional distribution of various resources and forces, to help them make the best use of local conditions and resources, to develop horizontal economic ties, to establish multi-layered, multi-faceted, and multi-functional regional economic networks with the large cities as their centers, to make its production setup more flexible, and to make the distribution of resources more advantageous to all. By doing all this, China will be able to adapt itself to the modernization of its economy and the changes in its people's consumption patterns.

-- Strengthening macroeconomic regulation and gradually replacing the state's direct control mainly by indirect control. In this regard, China will gradually replace its direct control of the distribution of its resources with control by economic means and pay close attention to the problem of how planning, financial, and banking policies and various regulatory mechanisms can back up one another in order to bring about an overall balance among finance, credit, foreign exchange reserves, and the supply of goods and materials. In addition, it will also correct various economic malpractices by perfecting economic legislation, strengthening the supervisory organs, and supervising economic activities according to the law. The state's economic management function will be readjusted and the organs responsible for this work will be correspondingly reformed. This is to enhance the ability of the departments responsible for economic management to manage the overall economic situation.

-- Striving to improve supply and to bring about a balance between gross supply and gross demand. China should, by using a rational composition of demand as a guide, increase supply with a minimum increase in input, improve the quality of its products, and enrich its product mix in order to improve the supply situation, and then bring about a limited buyers' market. This is the future course of China's economic operations. Thus, China's primary task is to establish a rational system for the distribution of the interests derived from investment, to provide conditions for equal competition between its enterprises, and to reorganize production. By doing all this, it can develop a self-balancing mechanism to ensure the rational operation of its enterprises. Second, it should develop horizontal economic ties among its enterprises and form groups of enterprises with different characteristics at different levels in order to produce group benefits and social benefits. Third, by offering preferential treatment in taxation, prices, and credit, it would encourage its enterprises to make technological advances, to improve the quality of their products, and to cut down the consumption of materials.

Fourth, it should establish a socialist market system and perfect it in order to provide its enterprises with the necessary capital, goods, materials, technology, and skilled labor for their development. Fifth, it should formulate without delay a clear production policy in order to increase supply, to improve the composition of demand, and to balance social demand and supply.

From the "Seventh 5-Year Plan" and the discussion at the NPC session, it can be seen that efforts made to hold firm to the reforms and development and to make the national economy steadily, continuously, and harmoniously develop are important features of the new 5-year plan and the key to the success of future economic operations.

HONG KONG STANDARD ON MOONLIGHTING PRC UNION LEADERS

HK270620 Hong Kong HONG KONG STANDARD in English 27 Apr 86 p 5

["Special report: by Yan Mei-ning, Stephen Morgan, Annie Lam, and Ivan Lo: "The State of the Unions: Union Leaders Who 'Moonlight' as Managers"]

[Text] Mr Li Ruiting is the trade union chairman of Luk's Industrial (Shekou) Co Ltd, but this is only a part-time job. His official position in the factory is head of the personnel department. Another example of the same person holding concurrently the positions of trade union chairman and head of personnel can be found in Huaqiang Sanyo Electronics Co Ltd in Shenzhen. Both Mr Li and the management of Huaqiang Sanyo claimed that this was only a coincidence and assured that they were very impartial in carrying out their two contradictory roles. This is just one of the many unusual features of trade unions in the SEZ's [Special Economic Zone] foreign funded enterprises.

According to law, full-time union staff should be paid by union funds. The Sunday STANDARD was told, however, that in practice this was not the case; the pay came from the employers. "Every union branch set up in an enterprise has to contribute 40 percent of its funds to the trade union at a higher level. What is left can barely cover the expense of daily union activities," explained Mr Chen Zengxiao, trade union chairman of Shenzhen Aero-Fasteners Manufacturing Co. Ltd. "In state-owned enterprises, the salary of full-time trade union staff will come from welfare funds drawn down from the employers," he added.

The position and salary of a full-time trade union chairman is equivalent to deputy head of the enterprise. As most of the employers still refuse to pay them, the majority of trade union staff are on a part-time basis and carry out their duties mainly in the evenings. Trade unions in the foreign funded enterprises are given rights to attend board meetings as non-voting members.

Huaqiang Sanyo was scheduled to have their first board meeting last Friday since the Japanese injected half of the capital two years ago. But the management told the Sunday STANDARD in an interview on Wednesday that the factory's trade union so far had not asked to be present at the meeting. Although the management was to have a meeting with the trade union staff on Thursday, their Japanese manager predicted that the trade union staff would not raise the issue at a time so close to the board meeting. He added that the trade union chairman, who is also the head of the personnel department, had many opportunities to discuss the workers' situation with the management during his everyday duties.

Mr Zhang Shijin, manager of Luk's Industrial (Shekou) Co Ltd, said that the company is wholly foreign-owned and the directors are from Hong Kong. The board meetings, of course, are held in Hong Kong. It is therefore difficult for trade union representatives to attend.

Wholly foreign-owned enterprises have to set up a regular consultative meeting system between trade unions and employers. Mr Zhang said this is very flexible in their company and the meetings are irregular.

Their trade union chairman, being head of the personnel department at the same time, can always talk to thim if he wishes. A Chinese employee responsible for overall management, will inform the Hong Kong owners through telephone and telex or during their infrequent visits.

Mr Mi Zhiliang, head of the Labour Relations Department of the Shekou district trade union, said that they had much to learn in dealing with foreign owner and management. They had to be careful in selecting titles for seminars for foreign management staff. Otherwise the foreign owners would accuse the management of being too lenient towards workers and trade unions, Mr Mi said.

To organise a committee monitoring labour safety in a factory would arouse suspicion from management and owners if the trade unions adopted the jargon used in state-owned enterprises as these terms are seen as very aggressive.

WEN WEI PO DISCUSSES DEBATE AMONG PRC ARTISTS

HK291207 Hong Kong WEN WEI PO in Chinese 29 Apr 86 p 1

[Special dispatch from Shanghai: "Appraisals on Noted Contemporary Painters of Traditional Chinese Painting Made by a Youth in Nanjing Have Triggered Off a General Debate Among Artists Throughout the Country"]

[Text] Last year, Liu Haisu, a noted Chinese painter, was criticized and somewhat negated by a young man in an article. This triggered off a nationwide debate on the fine arts. Master Haisu said that only by holding debates can academic activities be invigorated and that this article has activated the stagnant state of theoretical criticism on the fine arts.

At a recent interview given to reporters of JIANGSU HUAKAN [Jiangsu Pictorial], Liu Haisu said that "appraisals of an artist can be quite different" and that "I will not take offense at the criticism by a young man. Academic research must be done by everyone, and only by holding debates can it be invigorated."

These remarks by Liu Haisu were written in headlines in the third issue of the magazine this year.

Last July, JIANGSU HUAKAN published an article entitiled "My Views on Contemporary Chinese Traditional Paintings" by Li Xiaoshan, a graduate student of the school of art in Nanjing. Of all the painters who are relatively influential in contemporary artistic circles and rappraised in the article, Liu Haisu is more negated than affirmed. Li Xiashan maintains that although Liu Haisu is an outstanding representative of contemporary traditional Chinese painters, as his conception of painting is limited to the sphere of traditional ideology, he should certainly not be regarded as a great epoch-making master. Nevertheless, as Liu Haisu commenced the practice of aesthetic experiences in painting and ushered Chinese traditional painting into the door of modern painting, his works have added new contents to the extension of Chinese traditional painting.

As soon as this article by Li Xiaoshan was published, there was a public outcry in artistic circles and a nationwide debate on the fine arts began. Some people believed that "the criticism by Li Xiaoshan on the old painters are reasonable.

Although some have struck the vital points, some lack specific analyses." But some people believed that it is obviously not proper for the author to have negated all the most influential contemporary painters in the country and asked whether this is a reversion of overthrowing all.

While expressing his different opinions, Li Haisu explicitly pointed out that "Li Xiaoshan's article came out as by a great critic" and that "this article by Li Xiaoshan has activated the stagnant state of theoretical criticism on the fine arts."

PRC NAVY LOGISTICS EXAMINES IMPROVING MANAGEMENT

HK290813 Hong Kong MING PAO in Chinese 29 Apr 86 p 6

["Special Dispatch" from Beijing: "The Logistics Department of the PLA Navy Holds an On-the-Spot Meeting in Lushun to Improve Logistics Services and Modernize Management"]

[Text] The Logistics Department of the PLA Navy recently held an "on-the-spot target management meeting" in Lushun. At the meeting, Li Chunming, director of the Navy Logistics Departments, announced that Navy logistics work for the next 3-5 years is to gradually achieve the modernization of scientific management. The principal task this year is to spread knowledge, to train core members, and to conduct pilot experiments.

The department concerned disclosed that the on-the-spot meeting was held from 12 to 15 April and was attended by over 80 officials from Navy Logistics Departments at various levels. The meeting listened to reports on experience in "target management" conducted by Lushun Naval Base logistics department and the units under its command and organized the participants into conducting an on-the-spot inspection.

The meeting pointed out: In Navy logistics departments management work there exist extensive problems, such as emphasizing experience and neglecting laws; emphasizing qualitative analysis and neglecting quantitative analysis; emphasizing quotas and neglecting results; emphasizing quantity and neglecting quality; and emphasizing supply and neglecting management. These have led to a serious waste of material and financial resources. For this reason, it is necessary to learn and apply modern management science.

At the meeting, the Lushun Naval Base logistics department briefed the participants on how they carried out and what they gained from, "target management." For a long time in the past they had continued to apply old and methods experiences. They had spent as much effort and money as before but still attained little results. Since they conducted "target management" in 1984, they "have carried out their work well with less people and less money."

For example, by conducting factor management the 1st company of a certain automobile battalion has succeeded in reducing accidents; by applying a network method a certain submarine detachment has increased its capability to ensure logistics services in the coastal areas; and by applying "target management" a certain coastal artillery regiment has attained better economic results in agricultural and sideline production.

Navy Logistics Department director Li Chunming said: After 3-5 years of effort, Navy logistics work must gradually modernize its scientific management. The principal task this year is to spread knowledge and to train core members. Every base and every fleet should conduct at least one pilot experiment and then gradually spread the experience.

DAILY REPORT

China

Vol I No 085 2 May 1986

PRC INTERNATIONAL AFFAIRS

UNITED STATES

Senate Agrees to Sale of Aircraft Parts to PRC B 1
U.S. President on U.S.-ASEAN Trade Cooperation B 1

SOVIET UNION

Possible Postponement of Nuclear Mission to USSR [KYODO] C 1
More Reportage on Chernobyl Accident C 1
18 Injured Seriously C 1
May Affect Agriculture C 1
Moscow May Day Message Focuses on Economics C 2

SOUTHEAST ASIA & PACIFIC

Asian Development Bank Meets in Philippines E 1
PRC Admission E 1
Chen Muhua Attends E 1
Welcomes Admission E 2
Leaders Urge Board Seat E 3
Members Support New Seat E 3
Meeting in PRC Suggested E 4
Developing Countries' Role Noted E 4
Chen on Taipei Representatives E 5
Taiwan Absence From Meeting Noted E 5
PRC Uncertain on Borrowing [AFP] E 6
Chen Muhua Comments on Relations With Philippines E 6

PRC NATIONAL AFFAIRS

CPC Leaders Gather for 1 May Celebrations K 1
Beijing, Shanghai Meetings K 1
Hu Yaobang, Others at Rally K 1
Hu Qili Speech K 2
Li Xiannian in Tianjin K 10
Hao Jianxiu Visits Tianjin Workers K 10
Chen Yun in Zhejiang K 11
Hu Qiaomu, Others in Shanghai K 11
Hu Yaobang on Relations Between Party, Others K 12
[WEN ZHAI BAO 24 Apr]
Gu Mu Statements on Open Policy Viewed K 12
[BEIJING REVIEW 28 Apr]
Zhao Ziyang on Economic Reform at Hubei Meeting K 13

PRC REGIONAL AFFAIRS

EAST REGION

Han Peixin Attends Jiangsu TU May Day Meeting O 1
Jiangxi Leaders Mark May Day Centennial O 1
Shandong Secretary Attends Labor Day Celebration O 1
Shanghai: Rui Xingwen Writes on Good Literary Works O 2
[WEN HUI BAO 24 Apr]
Shanghai Economic Delegation Visits Yunnan O 5
[JIEFANG RIBAO 26 Apr]
Shanghai Delegation Meets Guizhou Secretary O 5
[JIEFANG RIBAO 26 Apr]

CENTRAL-SOUTH REGION

Guangxi: Further on Wei Chunshu Economic Report P 1
Guangzhou Meeting on Strengthening Military Discipline P 3
[NANFANG RIBAO 29 Apr]

NORTHEAST REGION

Sun Weiben Attends Heilongjiang May Day Celebration S 1
Heilongjiang: Sun Weiben Writes on Party Reform S 1
[FENDOU ZAZHI 29 Apr]
Heilongjiang Conference on Normal, Unhealthy Economic Trends S 1
Jilin's Gao Di, Gao Dezhan Work at Grass-Roots S 3
Briefs: Heilongjiang Technological Transactions; S 3
Jilin First Quarter Production

NORTHWEST REGION

Ningxia People's Congress Meeting Concludes 18 Apr T 1
[NINGXIA RIBAO 19 Apr]
Shaanxi Secretary Points Out Unhealthy Tendencies T 1
Shaanxi: Expanding Lateral Economic Ties Stressed T 2

HONG KONG MEDIA ON CHINA

TA KUNG PAO Comments on Chernobyl Nuclear Accident [30 Apr] W 1
CPC Leaders Urge Relaxed Cultural Atmosphere W 2
[MING PAO 1 May]

SENATE AGREES TO SALE OF AIRCRAFT PARTS TO PRC

OW020806 Beijing XINHUA in English 0757 GMT 2 May 86

[Text] Washington, May 1 (XINHUA) -- The U.S. Senate Foreign Relations Committee today approved in a vote of 14 to 1 the sale of aircraft avionics components to the People's Republic of China. The committee voted for the Avionics sale to China after Senator Richard Lugar, the panel's chairman, said the sale should be approved because "I believe ultimately it is in our interest to cooperate with China.

"I am convinced that this particular sale does not disrupt the current military balance or alter the current military balance between the People's Republic of China and Taiwan," Lugar added.

The Reagan administration submitted the plan of the 55 [as received] million dollar avionics sale to Congress last month. The proposed sale was opposed by such conservative senators as Jesse Helms, who cast the only vote against it today.

Acting Deputy Assistant Secretary of Defense Edward Baker told the Senate panel Tuesday that the United States intended to export to the People's Republic of China 55 integrated avionics system kits for the upgrading of 50 Chinese F-9 interceptor aircrafts, which will be completed about 1995 or 1996.

U.S. PRESIDENT ON U.S.-ASEAN TRADE COOPERATION

OW)11857 Beijing XINHUA in English 1846 GMT 1 May 86

[Text] Hong Kong, May 1 (XINHUA) -- U.S. President Ronald Reagan said today that his country will cooperate fully with the association of Southeast Asian nations (ASEAN) in efforts to keep open the avenues of world trade. The Malaysian News Agency BERNAMA quoted Reagan as saying the necessity of keeping open the trade avenues would be one of his messages to the 12th economic summit of the seven industrialized nations scheduled to begin in Tokyo on May 4.

Making his opening remarks at a meeting with the ASEAN foreign ministers in Denpasar, capital of Bali, Indonesia, Reagan promised that he would channel whatever ideas they have to the Tokyo summit. It was reported earlier that during their meeting with Reagan today, the ASEAN foreign ministers would raise two statements concerning ASEAN's economic relations with indsutrial countries and its economic ties with the United States.

On the Kampuchean issue, Reagan assured the ministers that his government would continue to support the basic principles for the settlement of the conflict as agreed upon at the international conference on Kampuchea in 1981. However, BERNAMA did not mention what Reagan's position was on the recent eight-point peace proposal made by the Coalition Government of Democratic Kampuchea. The proposal was supported by the ASEAN member countries.

Referring to his two-hour meeting with Indonesian President Suharto earlier today, Reagan said they touched on bilateral, regional and international issues.

Reagan, who arrived in Denpasar on April 29 for a three-day working visit, will fly to Tokyo tomorrow.

POSSIBLE POSTPONEMENT OF NUCLEAR MISSION TO USSR

OW020105 Tokyo KYODO in English 0057 GMT 2 May 86

[Text] Beijing, May 2 KYODO -- An Eastern Block diplomatic source here Thursday pointed to the possibility that a scheduled survey tour of the Soviet union by Chinese nuclear experts might be postponed because of the disaster at the Chernobyl nuclear power plant in the Soviet Ukraine. The source raised the possibility in a comment on the recent Sino-Soviet agreement for the survey tour to take place in mid-June. The decision, however, was made before the Soviet nuclear accident last week, the source said. The same source also did not rule out the possibility that the agreed itinerary for the Chinese experts' visit included a survey of the Chernobyl plant. The survey visit was agreed in March when the Soviet side proposed the idea during the first bilateral meeting on economic, trade and technological cooperation, which was held in Beijing.

MORE REPORTAGE ON CHERNOBYL ACCIDENT

18 Injured Seriously

OW011648 Beijing XINHUA in English 1643 GMT 1 May 86

[Text] Moscow, May 1 (XINHUA) -- Radiation levels at the Chernobyl nuclear power station and at a neighboring settlement have dropped by one-and-a-half to two times but 18 people injured in an accident at the station are in serious condition, the Soviet Council of Ministers said today. A report from the council said all 197 people hospitalized after the accident are under treatment, 18 of them badly injured.

Meanwhile, the official news agency TASS reported that the Soviet Foreign Ministry has briefed the ambassadors of Great Britain, Finland, the Netherlands, and the charge d'affaires of France and Austria on action being taken in the wake of the accident. TASS did not say what the diplomats were told.

Earlier today, the Soviet Council of Ministers announced that two people died in the Chernobyl reactor accident, which occurred last Saturday.

May Affect Agriculture

OW011847 Beijing XINHUA in English 1338 GMT 1 May 86

[Text] Washington, May 1 (XINHUA) — Some American agricultural experts who are specialists in Soviet studies have predicted that the nuclear accident at Chernobyl power station in Ukraine could have a devastating impact on Soviet farm production.

Interviewed by THE WASHINGTON POST, those experts noted that Ukraine and four other republics north of Chernobyl are the richest and most productive lands in the Soviet Union. They accound for about one-third of all Soviet dairy output, more than one-third of its winter wheat, more than one-fifth of all its other grains and major share of livestock production. Calling those most affected areas the breadbasket in the Soviet Union, a University of Illinois-Urbana economist, Steven Schmidt, said that it is frightening to think of the consequences of this accident. It could add severe stress to the Soviet food production system which is already unable to meet the nation's needs, he said.

Charles Benbrook, an agriculture specialist with the American National Academy of Sciences, predicted that the Soviet dairy industry would feel the first impact as cows eat grass and drink water that may have been contaminated by radiation.

Early reports indicated that windborne radioactivity moved northwest away from Chernobyl, over the four republics which account for 12.6 percent of the Soviet Union's output, on its way to Poland and Scandinavia. Farmers in Poland were already warned to shelter their cows in barns to avoid exposure.

Benbrook also suggested that contamination of agricultural lands northwest of the crippled power plant might be so serous that cultivation would be impossible, because cultivation stirs dust that could cause additional problems.

In addition, a University of Missouri economist, Elizabeth Claqton, noted that in the large areas south of Kiev, water could be another source of radiation and animals eating the feed produced in those areas would also pose a major concern.

MOSCOW MAY DAY MESSAGE FOCUSES ON ECONOMICS

OW100635 Beijing XINHUA in English 1445 GMT 1 May 86

[Text] Moscow, May 1 (XINHUA) — Moscow's annual May Day parade in Red Square was marked by a call from the Soviet leadership for faster economic growth. The dominant slogans, carried by tens of thousands of workers in the two-hour procession through Red Square, were: "The Social-Economic Sphere Should be Developed at an Accelerated Rate" and "Progress in Science and Technology is the Call of Time."

At the same time, many of the placards carried through the square accused the United States of a policy of "state terrorism" and called for a ban on space weapons.

Soviet leader Mikhail Gorbachev and other senior party and state officials took the salute at the traditional May Day parade.

All Moscow-based Politburo members were on hand for the parade, including 76-year-old President Andrey Gromyko, who was reported to have been hospitalized briefly in April.

One hundred years ago today, on May 1, 1886, American workers marched in the streets of Chicago with red banners to defend their rights. The day was later declared International Labor Day by the socialist international.

ASIAN DEVELOPMENT BANK MEETS IN PHILIPPINES

PRC Admission

OW291124 Beijing XINHUA in English 1100 GMT 29 Apr 86

[all quotations marks as received]

[Text] Manila, April 29 (XINHUA) -- President of the Asian Development Bank (ADB) Masao Fujioka said here today that with the entry of the People's Republic of China into the ADB on March 10, 1986, close relationship between the ADB and China will be established. In an exclusive interview with XINHUA, Fujioka said he was very glad that China had finally become a member of the ADB. "I expect very close relations between the bank and China," the 62-year-old ADB president said at his office in the ADB headquarters here just before the 19th annual meeting of the Board of Governors of the ADB due to open tomorrow.

"All participants at the meeting will welcome the Chinese delegation and congratulate China on its admission into the ADB," Fujioka added.

Aside from the Board of Governors, the highest policy-making body of the 47-member ADB, the meeting is expected to be attended by about 1,000 bankers and officials as well as representatives from other international organizations and aid agencies.

Fujioka noted that China likes to join ADB because it wants to participate in the regional efforts of the economic development in Asia, and that he would discuss what role China will play in this field with the Chinese representatives. He also said he would like to discuss with China the loans the ADB will possibly provide to the country in her drive for modernization. "The ADB is happy to cooperate with China," he said.

On his coming visit to China scheduled for May, Fujioka said the main purpose of the visit "is to establish good relations with China." Adding "It is a good occasion to discuss cooperative relationship between China and the ADB." Commenting on reports that Taipei, China, refused to attend the coming annual meeting, Fujioka said Taipei is a member of the ADB and "I wish Taipei will come to Manila to attend the meeting, but it is up to it to decide.

Fujioka, a well-known Japanese economist, assumed the ADB presidency on November 24, 1981. Dwelling on the role the ADB has been playing, the president said that the purpose of the bank is to help the economic development in the Asian-Pacific region, and that the bank has been giving assistance to its 58 members since its founding in 1966.

Chen Muhua Attends

OW301314 Beijing XINHUA in English 1300 GMT 30 Apr 86

[Text] Manila, April 30 (XINHUA) -- The 19th annual meeting of the Board of Governors of the Asian Development Bank (ADB) opened at the Philippine International Convention Center here today to review economic problems of the Asia-Pacific region and formulate the ADB's plans for the coming year. Some 1,200 delegates and observers from ADB member countries or regions and international institutions attended the meeting.

A delegation from the People's Republic of China headed by Chen Muhua, state councillor and president of the People's Bank of China, attended the meeting for the first time. The Chinese delegation received a warm welcome and congratulations from delegates of various countries and regions. China became the 47th member of the ADB on March 10 this year.

After the People's Republic of China became an ADB member, the Taiwan authorities remain in the ADB under the designation of Taipei, China. But it did not send its delegation to today's meeting.

The ADB Board of Governors is the highest policy-making body of the 47-member bank, which was established in Manila in 1966 to accelerate economic development in the Asia-Pacific region.

Addressing the opening plenary session of the meeting this morning, Philippine President Corazon Aquino said that the Philippine people now had a renewed faith in their capacity to overcome their massive poverty and other problems Marcos had left them. "We need the confidence of international banking institutions such as the ADB, our trading partner countries, and other entities that can help us revive our economy," she added.

In his speech, Ronnie de Mel, chairman of the Board of Governors of the ADB and governor for Sri Lanka, extended a warm welcome to the delegations from China and Spain, both of whom are new ADB members. "The admission of the People's Republic of China is a long overdue step, which completes the Asian character of the bank and extends its coverage to one of the most important countries in Asia," he stated. He noted the fact that so much of Asia's population remains poor, badly housed and undernourished. He called for collective effort and support to solve the pressing problems of Asia and to set an example to other regions by achieving higher levels of economic growth with equity and social justice for all.

Masao Fujioka, President of the ADB reviewed the major developments in the Bank in recent years. He noted that the ADB is a dynamic financial and development institution which has contributed much to the economic development of the Asia-Pacific region. He said that the ADB would continue providing financial and technical assistance to developing member countries. The three-day meeting will run till May 2.

Welcomes Admission

OW010810 Beijing XINHUA in English 0755 GMT 1 May 86

[Text] Manila, May 1 (XINHUA) - Chen Muhua, state councillor and president of the People's Bank of China, declared here today that the admission of China to the Asian Development Bank (ADB) had further expanded the bank's representativeness and universality in membership. This was an event of great significance both for China and for the Asian and Pacific region as a whole, she said.

Chen Muhua was speaking at the 19th annual meeting of the Board of Governors of the ADB held here this morning. She said that as the sole legitimate representative of China, the People's Republic of China was formally admitted to the membership of the ADB on March 10 this year. This was the result of joint efforts by the bank members and its management. She expressed heartfelt thanks to them for their valuable support to China.

"We regard highly the decision of the ADB on China's admission," Chen said. As a member country of the bank, she added, "we are ready to abide by the agreement establishing the ADB, fulfil the obligations and exercise the rights provided by the agreement. We wish to work together with all other members to enhance the prestige of the bank and promote its objectives."

The Chinese state councillor stated, "Since China's admission to the bank, the bank management has been consulting with its members about the settlement of the question of an additional seat for China on its board of directors, in consideration of China's position in the regional economy and that of the world as a whole. "We expect that through joint efforts by all members of the bank, a satisfactory solution of the question can be worked out at an early date," she said.

She pointed out that China would participate in the activities of the bank in keeping with the principles of equality and mutual benefits, stress on practical results, diversity in form, and attainment of common progress, and would do all it can for the economic growth of the Asian-Pacific region.

Leaders Urge Board Seat

OW301338 Beijing XINHUA in English 1327 GMT 30 Apr 86

[Text] Manila, April 30 (XINHUA) -- Two top leaders of the Asian Development Bank (ADB) spoke of the need to accommodate China in the ADB Executive Board at the opening session of the 19th annual meeting of the Board of the Bank Governors here today. Ronnie de Mel, chairman of the board of ADB governors and governor for Sri Lanka, said, "It is essential that we maintain the truly representative character of the bank. The entry of a country with one billion people should certainly be an adequate reason to consider the enhancement of the size of the board of directors."

Masao Fujioka, president of the ADB, said, "1986 has witnessed a major event in the expanding role and growing importance of the ADB. I refer to the admission of the People's Republic of China to membership in the bank. As the country with the largest area and the largest population in our region, the membership of China greatly enhances the scope, geographical coverage and operational importance of our institution."

"Now, a number of member governments have requested that the size of the board of directors be increased by one, to create a new constituency to accommodate the People's Republic of China without disturbing the existing grouping arrangements." "I hope the governors will give us guidance on this matter," he said.

Members Support New Seat

OW020222 Beijing XINHUA in English 0153 GMT 2 May 86

[Text] Manila, May 1 (XINHUA) -- The majority of the members of the Asian Development Bank (ADB) today supported the creation of an additional seat on the ADB board of directors to accommodate the People's Republic of China (PRC), which was officially admitted to the bank on March 10. At the 19th annual meeting of ADB Board of Governors here, all delegates expressed the view that the admission of China in the bank would make ADB truly representative of the region. They also agreed that China's entry to the regional economic scene would prove highly beneficial for the region's economy as a whole in a number of ways.

Head of the Pakistan delegation Syed Nisar Ali Shah said: "China's entry to the bank has placed it in the mainstream of economic and social development and will also pave the way for it to play a more vital role in helping the developing member countries of the region into an era of sustained growth and prosperity in the years to come."

C. J. Hurford, Australian immigration and ethnic affairs minister, said: "Australia has always given strong support to China's application for bank membership. Now that China is a member, arrangements have to be made for its presence on the board. We would support an increase in the size of the board from 12 to 13 to accommodate China.

Malaysian Finance Minister Daim Bin Zainuddin stated at the session: "There is no greater justification than the entry of an exceptionally large regional country like PRC with a population of one billion. I would therefore like to strongly support the proposal for the creation of an additional set for the region as this is the only way to ensure that the representation of the weaker member countries is not further weakened."

Thierry Moulonguet, head of the French delegation, said: "We consider the People's Republic of China's request to have a full seat on the bank's board of directors perfectly legitimate, and we shall support any arrangement which does not reduce the role and influence of non-regional countries on the board.

Governors from the Philippines, Japan, Singapore, India, Sri Lanka, Thailand, and Vietnam also expressed the same attitude toward the expansion of the size of the board of directors to accommodate China.

Meeting in PRC Suggested

OW010754 Beijing XINHUA in English 0739 GMT 1 May 86

[Text] Manila, May 1 (XINHUA) -- China welcomes the Asian Development Bank (ADB) to hold an annual meeting in the country in the near future. This was declared by Chen Muhua, Chinese state councillor and president of the People's Bank of China, in her speech made at the 19th annual meeting of the Board of Governors of the ADB here today.

Chen said that China took a positive approach towards its cooperation with the ADB, it had full confidence that this cooperation would be smooth and fruitful, and it would surely have a bright future. "It is our sincere wish to join in with all members of the ADB to make unremitting efforts for the achievement of economic and financial prosperity of the Asian-Pacific region, and for the maintenance of peace and people's well-being in the region and of the world as a whole," she stated.

Developing Countries' Role Noted

OW010852 Beijing XINHUA in English 0840 GMT 1 May 86

[Text] Manila, May 1 (XINHUA) -- Chen Muhua, Chinese state councillor and President of the People's Bank of China, stated here today that the accomplishments of the developing countries in the Asian-Pacific region in their economic development would contribute a great deal to the growth of the world economy.

Addressing the 19th annual meeting of the Board of Governors of the Asian Development Bank (ADB) here this morning, she said that over the past two or three decades, the vast majority of the developing countries in the region have made unremitting efforts and remarkable progress in their economic development. Once a slow-growing region has now become one of the most dynamic and fast-growing regions of the world.

Chen Muhua pointed out that the economic growth of the region's developing countries slowed down in 1985, due to such adverse factors as mounting protectionism, trade barriers, falling prices of the primary products in the international markets, heavy debt burdens, and stagnation of investment. "This situation must be changed," she said. Chen emphasized that the world economy today is more and more interdependent. No countries, not even those highly-developed ones, can afford to isolate themselves from the outside world, and expect to develop all alone without economic contacts and cooperation with other countries.

"Economic growth in the developed world is subject to insurmountabl constraints, if the developing economies remain stagnant," she said. "The increase of economic strength of developing countries is not only in their own interests, but also conducive to the cooperation between developing and developed countries, as well as to the economic prosperity of the world as a whole."

She said that operating in an area with a population of two and a half billion, the ADB plays an important role in the cooperation among its 47 members, involving both cooperation among its developing members and that between its developed and developing members. "The ADB's achievement in the regional cooperation will undoubtedly push forward the global cooperation, and thus make contributions to the vigorous economic development in the region and that of the world as a whole," she said.

Chen on Taipei Representatives

OW010820 Beijing XINHUA in English 0812 GMT 1 May 86

[Text] Manila, May 1 (XINHUA) -- Chen Muhua, Chinese state councillor and president of the People's Bank of China, stated here today that Chinese representatives are willing to work together with representatives from Taipei at the Asian Development Bank (ADB). The statement was contained in her speech made at the 19th annual meeting of the Board of Governors of the ADB here this morning.

Chen Muhua said, "Taiwan is an integral part of China. In accordance with an understanding we reached with the bank, Taiwan authorities shall remain in the ADB under the designation of Taipei, China.

"I would like to take this opportunity to state that in line with the understanding, we are willing to work together with the representative from Taipei, China, within the framework of the ADB," she said.

Taiwan Absence From Meeting Noted

OW020848 Beijing XINHUA in English 0834 GMT 2 May 86

[Text] Manila, May 2 (XINHUA) -- Chen Muhua, president of the People's Bank of China said here today "regrettably, representatives of Taipei, China did not attend the present meeting of the Asian Development Bank (ADB)."

At a press conference, Chen said, "We hope that they will be able to come to the next annual meeting of the ADB and join all the other members of the ADB in the discussions on the economic cooperation and development in the Asian-Pacific region." Chen Muhua said that it was the common wishes of the people on the both sides of the Taiwan Straits to increase their contacts and mutual understanding. "We welcome all channels and ways that will facilitate such contacts," she said.

It is our consistent stand to have trade, navigation and communication relations with Taiwan," she said, adding "in the future we are certainly willing to have business cooperation with the representatives of Taipei, China within the framework of the ADB. We have noted that people in the economic and financial circles and the media in Taiwan also entertain hopes for this."

Chen Muhua said, "Taiwan is an integral part of China. When the People's Republic of China was admitted to the ADB as China's sole legitimate representative, the Board of Governors made the unanimous decision that the Taiwan authorities should remain in the ADB under the designation of "Taipei, China"."

PRC Uncertain on Borrowing

HK020648 Hong Kong AFP in English 0604 GMT 2 May 86

[Text] Manila, May 2 (AFP) — China remains undecided on whether to borrow from the Asian Development Bank (ADB) amid continuing problems over its representation, the head of Beijing's delegation to an ADB conference here said Friday. Chen Muhua told a news conference that while China was "willing to introduce foreign resources" to modernize its economy, "we need to make further studies on whether to apply for a loan from the ADB or not." In a separate news conference, ADB president Masao Fujioka said "we still don't know if China wants to borrow from us."

China's admission in March as the latest member of the 47-nation ADB sparked a row when the bank retained Taiwan but amended its name to "Taipei, China" while adopting China's full name, the People's Republic of China. Taiwan, a charter member, boycotted the three-day ADB Board of Governors conference ending Friday, while China made a well-publicized debut in the institution's highest policy-making body.

Mrs Chen, governor of the People's Bank of China, said Beijing regretted Taiwan's absence here, but reiterated her country's stand that Taiwan was "an integral part of China." She said China was not closing the door to future "business cooperation" with Taiwan, adding that she hoped Taiwan would "adopt a cooperative approach" towards her country within the ADB.

The Manila-based ADB was established in 1966 to provide easy loans and technical assistance to its developing member countries (DMC), who now total 29. Eighteen developed countries also belong to the bank as contributors.

CHEN MUHUA COMMENTS ON RELATIONS WITH PHILIPPINES

OW020748 Beijing XINHUA in English 0742 GMT 2 May 86

[Text] Manila, May 2 (XINHUA) -- China attaches great importance to the development of its friendly cooperation and traditional friendship with the Philippines, Chen Muhua, state councillor and president of the People's Bank of China, stated here today. In an interview with XINHUA, Chen said during her meeting with Philippine President Corazon Aquino here on April 30, both sides expressed the desire to further strengthen their friendly and cooperative relations.

"We hope and believe that relations between our two countries will be strengthened. This is not only in the interest of our two peoples, but in the interest of peace and stability in the region," she added. Chen noted that the Aquino Government is now taking reform measures in various fields. "We hope the Philippines will achieve stability and wish the Philippine people every success in the economic recovery," she said.

Chen emphasized that during her stay here she has had extensive contacts with the economic and financial community of the Philippines, which has enhanced the mutual understanding between the two countries.

CPC LEADERS GATHER FOR 1 MAY CELEBRATIONS

Beijing, Shanghai Meetings

OW012358 Beijing XINHUA Domestic Service in Chinese 1236 GMT 1 May 86

[Excerpts] Beijing, 1 May (XINHUA) — Some 100,000 people today held garden parties at the Working People's Palace of Culture and Zhongshan Park in Beijing to mark the centennial of "1 May" International Labor Day, a festival of all the working people of the world.

Present separately at the two garden parties were Ulanhu, Wan Li, Xi Zhongxun, Hu Qili, Fang Yi, Tian Jiyun, Qiao Shi, Yang Shangkun, Yu Qiuli, Yao Yilin, Ni Zhifu, Qin Jiwei, Deng Liqun, Wang Zhaoguo, Liu Lantao, Li Desheng, Huang Zhen, Han Guang, Ngapoi Ngawang Jigme, Seypidin Aizezi, Zhou Gucheng, Yang Jingren, Kang Keqing, Hu Ziang, Qian Chanzhao, Yang Chengwu, Burhan, and Ma Wenrui; and leaders of the Beijing Municipal CPC Committee and Municipal Government Li Ximing, Chen Xitong, Zhao Pengfei, and Jiao Rouyu. Comrade Hoang Van Hoan also attended a garden party.

At the garden parties, Ulanhu, Xi Zhongxun and Tian Jiyun shook hands with and greeted Zhang Binggui, Tao Xiping, and Han Youjin. Zhang Binggui is a national model worker, while Tao Xiping and Han Youjin are special-class model workers of Beijing Municipality. Xi Zhongxun said to Tao Xiping, a middle school teacher for 30 years: "We need talented people like you." Wan Li, Yang Shangkun, Kang Keqing, and Chen Xitong also called on workers and staff members of celebrations at Zhongshan Park and watched a bird-taming demonstration given by the bird-lovers association of Dongcheng District.

A literary and art soiree to mark the centennial of "May Day" was held in Shanghai on the evening of 30 April. Present at the Shanghai soiree were Hu Qiaomu, member of the Political Bureau of the CPC Central Committee; Chen Pixian, member of the Secretariat of the CPC Central Committee and vice chairman of the NPC Standing committee; Song Renqiong, vice chairman of the Advisory Commission of the CPC Central Committee; and Liu Jingji, vice chairman of the CPPCC National Committee.

Hu Yaobang, Others at Rally

OW301630 Beijing XINHUA Domestic Service in Chinese 1239 GMT 30 Apr 86

[Excerpts] Beijing, 30 Apr (XINHUA) — Workers and staff in the capital gathered at the Great Hall of the people this afternoon to mark the centenary of May Day. The rally called on workers and staff throughout the country to work with stamina and diligence, be determined to carry out the modernization program, persist in making and promoting reform, and make new contributions to fulfilling the Seventh 5-Year Plan.

Attending the rally were model workers, advanced personages, and representatives of workers and staff in Beijing, as well as trade union delegations from Hong Kong and Macao and foreign countries, members of a delegation from the Australian Communist Party, and French communist scholar (Alan Lu), totalling some 6,000.

Leading comrades seated on the rostrum were Hu Yaobang, Wan Li, Xi Zhongxun, Hu Qili, Fang Yi, Tian Jiyun, Qiao Shi, Wu Xueqian, Yu Qiuli, Ni Zhifu, Wang Zhaoguo, Liu Lantao, Lu Dingyi, Han Guang, Seypidin Aizezi, Rong Yiren, Chu Tunan, Gu Mu, Zhang Aiping, Song Jian, Hong Xuezhi, Yang Jingfen, Kang Keqing, Hu Ziang, Qian Changzhao, Yang Chengwu, Burhan, Miao Yuntai, Fei Xiaotong, Qu Wu, Ma Wenrui, and Mao Yisheng.

At 1500 [0700 GMT], Ni Zhifu, member of the Political Bureau of the CPC Central Committee and president of the all-China federation of Trade Unions, declared the meeting open. All those present rose to sing the national anthem. Admist thunderous applause, Hu Qili, member of the Political Bureau and the Secretariat of the CPC Central Committee, delivered a lengthy speech, entitled "Historic Mission of the Current Chinese Working Class." On behalf of the CPC Central Committee and the State Council, he extended warm regards and festive greetings to workers, peasants, intellectuals, and all working masses of all nationalities in the country, trade union cadres and activists, model workers on all fronts, advanced producers, retired workers and staff, veteran trade union workers, patriotic compatriots in Taiwan, Hong Kong, Macao, and overseas, and trade union delegations from Hong Kong and Macao and foreign countries present at the meeting today.

The rally ended amidst the strains of "internationale."

Hu Qili Speech

OW011420 Beijing XINHUA Domestic Service in Chinese 1314 GMT 30 Apr 86

[Capitalized passages published in boldface]

[Text] Beijing, 30 Apr (XINHUA) -- Title: The Historic Mission of the Chinese Working Class in the Present Age -- speech at a meeting commemorating the May Day Centennial by Hu Qili

Comrades and friends: Today, we have gathered at this grand meeting to celebrate the centennial of May Day, a glorious festival of the working class and other working people the world over. On behalf of the CPC Central Committee and the State Council, I extend cordial regards and festival greetings to the workers, peasants, intellectuals, and other working people of all natinalities throughout the country; to large numbers of trade union cadres and activists; to model workers and advanced producers on all fronts; to retired workers, staff members, and trade union workers; to patriotic compatriots in Taiwan, Hong Kong, and Macao, as well as those residing abroad; and to the trade union delegations attending this meeting from Hong Kong, Macao, and various foreign countries.

On 1 May a century ago, hundreds of thousands of workers in Chicago and other parts of the United States staged a national general strike to strive for the right of an 8-hour work day. By waging a heroic struggle in close unity, they won a victory of great symbolic significance for the working class. At the meeting for the establishment of the Second International in 1889, 1 May was designated as the common festival for the international working class.

Changes have taken place in the international workers movement over the past century, with one climax following another. The movement went through days of relatively peaceful development as well as days of charging forward and advancing triumphantly. More than once it has won great victories which were significant milestones in human history; however, it has also more than once suffered grave mistakes and setbacks. Nevertheless, the once small trickle of the international proletarian movement, in spite of its difficult and tortuous course, has already become a big, irresistible wave pushing history and society forward, as well as a force not to be ignored in the world political arena.

Under the leadership of the CPC, the Chinese working class, with great aspirations, mounted the political stage in the early 20th century. Uniting with people of various nationalities across the country and carrying forward the spirit of the foolish old man, the working class -- one stepping into the breach as another fell -- finally won the great victory of the new democratic revolution after shedding its blood and making sacrifices for 28 years.

After the founding of New China, members of the working class who stood up and became masters of their own fate enthusiastically threw themselves into construction of the New China. We have built and consolidated the political power of the state under the people's democratic dictatorship led by the working class and based on the alliance of workers and peasants. We have achieved and consolidated the great unity of all nationalities throughout the country and have strengthened and expanded the broadest united front led by the CPC. We have basically realized public ownership of the means of production and the principle of distribution according to work. We have gradually built an independent and fairly complete industrial system and national economic system. And we have also made tremendous achievements in education, science, culture, national defense, foreign affairs, and other fields. In the course of the socialist revolution and construction, members of the working class, along with other people of the country, personally experienced the joy of victory and suffered a lot in the 10 years of domestic turmoil. But practical experiences over the past 30-odd years repeatedly show that the Chinese working class has proved itself to be the long-tested, most advanced revolutionary class and the leading force in the socialist revolution and construction. Since the 3d Plenary Session of the 11th CPC Central Committee, members of the Chinese working class, together with people of various nationalities across the country, have started a new Long March and have been working hard to accomplish their new historic mission.

THIS NEW HISTORIC MISSION IS: UNDER THE CPC LEADERSHIP, THE WORKING CLASS MUST FORGE CLOSE TIES WITH THE VAST NUMBER OF PEASANTS, OTHER LABORERS, AND PATRIOTS, AND THEY WILL PERSIST IN OPENING TO THE OUTSIDE WORLD, UPHOLD REFORM AND WORK HARD TO BUILD CHINA INTO A HIGHLY CIVILIZED AND HIGHLY DEMOCRATIC SOCIALIST MODERN COUNTRY. To achieve this great mission, several generations must work hard persistently and dauntlessly for several decades or even longer. We must eradicate the residual influence of feudalistic ideas that lasted several thousand years in China as well as conventional ideas and habits caused by a longstanding closed-door policy, and persist in opening the country to the outside world. We must also carry out a series of economic, political, cultural, and other reforms around economic construction in accordance with the general requirement of building a Chinese-style socialist society. We must persist in carrying out economic reform in order to build a dynamic, efficient, and effective socialist economic system, develop social productivity, and build a society with material progress. We must persist in carrying out political reform, energetically foster socialist democracy, perfect the socialist legal system, continue to eradicate the influence of residual feudalistic ideas and decadent capitalist ideas in the ideological and political sphere, and combat bueraucratic attitudes so the party and state leadership will become more adaptable to socialist construction. We must also persist in carrying out cultural reform and promote educational, scientific, literary, art, sports, and health work in order to build a society with advanced culture and ideology.

The CPC Central Committee has put forward a tentative 3-step plan for China's socialist construction during the next several decades. The three steps are as follow: First, quadruple 1980's total industrial and agricultural output by the end of this century and become "comparatively well off;" second, reach the level of an intermediately-developed country by around the 10th anniversary of the founding of the CPC: and third, approach the level of an economically developed county and become an advanced and prosperous modern socialist power by around the 10th anniversary of the founding of the country. For a populous, economically weak, and culturally backward big country with uneven development, it is an extremely complex and arduous task to attain this grand objective. After several decades of hard work, we have found a correct way to build a socialist society with distinctive Chinese characteristics.

However, since there was neither a pattern to follow nor mature experiences to emulate in modernizing the country, carrying out reforms, and opening the country to the outside world, we had to carry out unprecedented, difficult explorations alone under the guidance of basic Marxist principles. Transforming our closed or semiclosed economy into an open economy that makes active use of international exchange, replacing our rigid or semirigid economic system with a planned commodity economy based on public ownership, and replacing an old institution with a new one has been an extremely extensive and profound revolution. Until this revolution, never before had our people's concepts, mental state, life-style, and way of thinking been so profoundly influenced. During the process when the old system is being replaced by a new one, we should do everything we can to reduce unnecessary social shock and avoid making any mistakes. We must fully realize the complexity and arduousness of reform and be fully prepared for it mentally. It is the earnest aspiration of the nation's 1 billion people to do away with poverty and backwardness and achieve prosperity and modernization. The vast number of the nation's workers must thoroughly realize their historical responsibilities, throw themselves into the torrents of reform and four modernizations, and make even more heroic contributions. When our children ask what we have accomplished during the 1980's we can proudly tell them that we were determined to carry out reforms and build a strong China during the 1980's, and since that time China has been on its way to rejuvenation.

To accomplish their new historic mission and give full scope to their role in socialist material and spiritual construction, all workers must transform their subjective world while transforming the objective world. We must follow the instruction of the party Central Committee and Comrade Deng Xiaoping and take the initiative in tempering ourselves into ethical, educated, and disciplined socialist laborers with lofty ideals. To this end, we must work hard in various ways now and in the future:

ALL WORKERS MUST STUDY MARXISM IN LIGHT OF THE NEW HISTORICAL CONDITIONS, HEIGHTEN THEIR POLITICAL AWARENESS, AND FIRMLY CARRY OUT THE BASIC PRINCIPLE OF OPENING TO THE OUTSIDE WORLD AND ENLIVENING THE DOMESTIC ECONOMY. Marxism has never been a rigid dogma. It has always been a guide to action, providing us the correct stand, viewpoint and methods for analyzing and solving problems. While social practices are developing, Marxism must also develop along with their development. While we must uphold the basic Marxist tenets under new historical conditions, we must have the courage to break through the few conclusions that experience has already proven to be outmoded or not entirely correct. Only by doing this can we uphold and develop Marxism and expedite the dynamic development of the socialist cause. Concerning attitudes toward Marxism, while we must neither be skeptical about the basic Marxist theories nor wager in our stand toward them, we must also oppose mental ossification and avoid regarding Marxism as a dogma that never changes.

To accelerate the demise of the old system and the gradual establishment of a new system in the course of the current economic reform, we must work constantly to eliminate all outmoded ideas and old habits that cannot keep pace with the development of productivity, we must foster new concepts compatible with socialist modernization, and we must open a new spiritual realm. We must clearly realize that full-scale development of the commodity economy is a stage that cannot be sidestepped in socialist economic development and it is an essential factor for achieving China's economic modernization. While we must guard against the invasion of decadent capitalist ideas in carrying out reforms and in opening to the outside world, we must not underestimate the negative influence of residual feudalistic ideas, a small production mentality, and outmoded traditions and habits on our modernization cause.

Comrade Deng Xiaoping pointed out as early as 1980 that "We must now clearly set forth the task of continuing to eradicate the residual influence of feudalism in the ideological and political areas, and we must carry out a series of effective institutional reforms; otherwise the state and people will continue to sustain losses." We must clearly understand this issue and give ample attention to it.

Our work during the last 7 years or so after the 3d Plenary Session of the 11th CPC Central Committee is ample proof that the party Central Committee's strategic policy concerning reform and opening to the outside world is an entirely correct Marxist policy. Not only have reform and the policy of opening to the outside world ensured continuous, coordinated, and steady national economic development, but they have also brought about positive changes in the people's thinking, mental state, and way of living, and have powerfully rebuffed all residual feudalistic ideas, small production mentality, and ignorant and conservative traditions and habits that have a close bearing on our underdeveloped commodity economy.

As reform goes on and the nation continues to open to the outside world, our workers, peasants, and intellectuals have also emancipated their minds, broadened their vision, and become more aware of the need to exert all-out efforts to catch up. The enthusiasm and creativity of people living in cities and developed coastal areas, as well as people living in remote inland areas and the countryside, has been liberated on an unprecedented scale. Although there are still problems have and there, as well as some negative factors in the road ahead, our society is, on the whole, experiencing tremendous historic progress.

Dialectic materialism tells us: We may not necessarily understand at once what we perceive. We can only distinctly perceive what we understand. Only by earnestly studying the basic Marxist theories as well as the party's line, principles and policies, will China's broad masses of workers and staff members who are undergoing a tremendous change fully understand the great significance of the on-going change in China, and realize the historic responsibilities on their own shoulders so as to consciously and firmly stand on the forefront in carrying out reforms. By significantly raising their political awareness, the more than 100 million workers and staff members will be able to ensure the speedy fulfillment of the policy of carrying out reforms and opening our country to the outside world and lay a solid social and ideological foundation in ensuring the continuity of our policies.

Over the past few years, the workers and staff members have attended political seminars on a rotational basis, carried out reading activities and broadened their education on current events and policies, attaining excellent results. They should carry on this practice and continuously improve themselves. In carrying out ideological and political education of all types among the workers and staff members, we must pay attention to actual results and oppose formalism. We must resolutely help the broad masses of workers and staff members raise their awareness and strengthen their resolve in implementing the four basic principles and the policy of carrying out reforms and opening the country to the outside world. It is our firm belief that more and more workers and staff members — who have emancipated their thoughts, sought truth from facts, displayed a pioneering spirit, created new realities and remained honest at all times in performing their official duties — will become pioneers in performing reform work.

THE BROAD MASSES MUST DO THEIR OWN JOBS WELL WITH THE SENSE OF BEING THE MASTERS OF THEIR OWN AFFAIRS AND WARM ENTHUSIASM FOR CONSTRUCTION, AND CONTRIBUTE TO FULFILLING THE "SEVENTH 5-YEAR PLAN" AND REALIZE THE FOUR MODERNIZATION PROGRAM.

So far as the Chinese people are concerned, we must forever carry forward and give full play to the vigorous revolutionary spirit. In times of peaceful construction, this kind of revolutionary spirit has been transformed into warm enthusiasm in construction and strennous efforts in studying and working hard. To strive to fulfill the Seventh 5-Year Plan for national economic and social development is of great significance in helping us achieve our goal in developing our economy in "three major steps" from the 1980's of this century to the middle of the next century. The broad masses of workers and staff members must enhance revolutionary vigor, and strive to do a better job in fulfilling the "Seventh 5-Year Plan" as compared with what we did in the fulfillment of the "Sixth 5-Year Plan."

During the "Seventh 5-year Plan", we must give top priority to reform. The new situation in carrying out overall reform has imposed new stringent demands on the workers and staff members in all fields of endeavor. The existence and development of an enterprise and the increase of the material benefits of the workers and staff members will depend to a large extent on the enterprise's own management level and the way it runs its business. Therefore, the workers and staff members must actively participate in administering democratic management and suggest says and means for carrying out reforms. They must enthusiastically participate in various activities to offer rational proposals and promote technical innovations. They must try to improve production quality, put an end to waste, reduce production costs and improve economic efficiency. At the same time, they must turn out more varied and interesting low-priced and readily marketable commodities for the society and offer excellent services. Workers in the fields of education, science and technology, public health, culture and sports must actively carry out reforms, develop the four modernizations program, and make their own contributions to fulfilling the "Seventh 5-Year Plan," improving the qualities of the whole nation, and enriching the material and cultural life of the broad masses of people. Whoever does better in this regard will win even greater respect of the party, government and people. At today's meeting, we would like to commend the second group of winners for the "1 May" medals for outstanding workers. On behalf of the CPC Central Committee and the State Council, I wish to extend my heartfelt respects to you and to all the model and advanced workers in the whole country.

THE BROAD MASSES OF WORKERS AND STAFF MEMBERS MUST VIGOROUSLY STRENGTHEN THEIR SENSE FOR ORGANIZATION AND DISCIPLINE, TAKE THE LEAD IN OBSERVING LAW AND DISCIPLINE, STRENGTHEN THEIR DEMOCRATIC SUPERVISION AND BRING ABOUT A FUNDAMENTAL CHANGE FOR THE BETTER IN PARTY STYLE AND SOCIAL ETHICS. A high level of socialist legal system are major signs of our nation's success in promoting its modernization program. They also constitute the fundamental guarantee to implementing China's policy of invigorating its domestic economy. The masses of workers and staff members must actively participate in various activities to exercise socialist democracy and strengthen the legal system with their own actual deeds.

A current problem is that some people, including some leading cadres, still do not have an adequate understanding of the importance of democracy and the legal system. We should continually pursue propaganda and education efforts concerning the legal system among the people in an effort to make every citizen realize that our law is an effective measure for safeguarding national security and unity and for protecting the legitimate rights of the people and to make everyone behave within the bounds of the law self-consciously. At the same time, continuing efforts should be made to draw up and improve on the various laws in accordance with the lawmaking procedure.

With the exemplary conduct of the workers in observing discipline and the law, coupled with the people's support and endeavors in other respects, we can certainly minimize the various negative phenomena that inevitably appear in the course of carrying out reform, opening to the outside world, and enlivening the domestic economy, thereby further consolidating and enhancing the stable and united political situation and upgrading the spiritual civilization of the whole society to a new level.

Under the Chinese Constitution, PRC citizens have the right to file a petition, complaint, or report with relevant state organs concerning the illegitimate or derelict acts of any state organ or functionary, provided that the case is not fabricated and the charge is not framed up by distorting the facts. The broad masses of workers should take the lead in exercising these sacred rights bestowed on us by the Constitution and step up democratic supervision. At present, the workers should pay heed to and help with the work of rectifying party style and tightening political discipline as part of an active drive to correct party style and stop unhealthy tendencies. It is necessary to harshly combat such criminal activities as serious cases of bribery, profiteering, swindling, smuggling, and tax evasion, in accordance with the law. Efforts should be made to relentlessly crack down on such bureaucratic acts as seeking private gains through the abuse of power and serious cases of dereliction of duty that have led to immense economic and political losses. All men are equal before the law, and no privileged citizens or party members, who are unrestrained by the law, should be allowed.

With the massive rejuvenation of the Chinese workforce in recent years, it is necessary to intensify worker education, improve the workers' political and professional qualities, promote vocational ethics, perfect business management, reinforce rules and regulations, and tighten up organizational discipline. It is essential to overcome the incorrect view of setting the workers' status of being masters of their own affairs against their subordination to the management in mass production, and to vigorously consolidate labor and work discipline. Young workers should accept rigorous training for social production and transform themselves into a new crop of workers who have the strictest discipline and meet the requirements of modernization and mass production.

WORKERS SHOULD DILIGENTLY STUDY AND MASTER MODERN SCIENTIFIC AND TECHNOLOGICAL KNOW-HOW AND ADVANCED MANAGEMENT EXPERTISE, AND CONSTANTLY IMPROVE THEIR ABILITY TO UNDERSTAND AND TRANSFORM THE WORLD.

With the rapid development of the new technological revolution in the world and the penetration of science and technology into all areas of production and living with each passing day, both management and labor are confronted with increasingly higher demands for modernization and mass production. Workers with a sound knowledge of modern science and technology, intellectuals, and experts, are fast becoming a very active and a determining factor in the new social productive forces. An encouraging fervor for learning science and technology and acquiring general knowledge has gripped the Chinese workforce in recent years. Many young workers have surmounted difficulties and complete middle and high school courses through sheer perseverance. Many middle-aged and young workers have seriously undertaken technological and vocational training. More and more people are attending technical colleges, vocational schools, evening universities, correspondence schools, and other sparetime institutions of higher learning. Consequently, a large number of people have emerged as talented personnel through self-study, and worker inventions have never been scarce. The hot pursuit of science, technology, and general knowledge by the broad masses of workers is a tremendous achievement in China's efforts to build a spiritual civilization, and has given a strong impetus to the material civilization.

The current scientific knowledge, educational background, and managerial skills of Chinese workers are still inadequate for the historic missions they have undertaken. Therefore, it is necessary to keep on studying. Workers and cadres should take the needs of their jobs into account and acquire schooling, scientific and technological knowledge, and managerial skills in a planned manner. With China's actual situation in mind, they should fully exploit the advantages afforded by the open policy; conscientiously study and digest the advanced scientific and technological knowledge of other countries in the world, including capitalist developed countries, as well as the advanced managerial skills reflective of the pattern of socialist mass production; and apply these knowledge and skills to China's socialist modernization.

IT IS NECESSARY TO STRENGTHEN THE UNITY OF THE CHINESE WORKERS, PEASANTS, INTELLECTUALS, LABORERS, AND PATRIOTS.

Under socialist conditions, there still exists a difference between physical laborers and mental laborers among the working class. However, such a difference does not in the least impair the close unity established on the basis of equal rights between these two types of laborers. Thanks to efforts in recent years, the relations between physical laborers and mental laborers and between workers and intellectuals have greatly improved. More and more workers and peasants have now come to realize that the prosperity of the nation, the development of enterprises, and the improvement of the material and cultural life are inseparable from the wisdom of intellectuals. Likewise, more and more intellectuals have come to realize that contributions to the four modernizations are inseparable from the efforts of workers and peasants as well as the rich experiences of society. Therefore, workers, peasants, and intellectuals should become united in launching common efforts and should forge and expand a new type of relationship characterized by mutual respect, emulation, and assistance. It is necessary to encourage and help intellectuals, including natural scientists, social scientists, cultural workers, and party and government cadres, to go down to the grass roots in order to improve their mutual understanding and emulation with workers and peasants, and achieve better results in all the tasks through concerted efforts.

Encouraging respect for knowledge and intellectuals does not mean that physical labor can be despised and belittled. Physical laborers still account for the majority of China's workforce today. Physical laborers in all fields, especially those engaged in heavy and strenuous work, should enjoy the full respect of society because they have rendered valuable contributions to building the material and spiritual civilizations through hard work. It should be noted that there are experienced skilled technicians and craftsmen in all fields. Their roles should be fully developed and their ranks should be enlarged because they are the treasurehouse of the country, the backbone on the frontline of production, and the pioneers in boosting product quality and competitiveness.

The tremendous success of China's rural reform has promoted the coordinated, stable, and sustained development of the overall national economy, and has offered a useful experience for carrying out urban reform. Further development of rural reform and the upsurge in rural construction are now in increasing need of wide-ranging support and assistance from urban workers.

The broad masses of urban workers, especially those at state-run large and medium-sized enterprises, science research institutes, and colleges and universities, should provide their peasant brothers with all forms of services with a profound sense of political responsibility in order to satisfy the ever-increasing needs of the 800 million peasants for manufactured goods, scientific and technological knowledge, literary and artistic pursuits, education, and public health services, thereby ushering in a new stage in the worker-peasant relationship.

Having developed into a political alliance made up party of socialist workers and partly of socialist-minded patriots, the various democratic parties in China have made invaluable contributions to socialist construction. Compatriots from Taiwan, Hong Kong, and Macao, as well as Overseas Chinese are aligned with their motherland, and their wish for the reunification and prosperity of their motherland has become increasingly stronger. They have played an active role in the cause of reunification and in helping with the four modernizations. We should further strengthen our ties with them, consolidate their unity, and launch a joint struggle with them for the reunification, prosperity, and strength of our motherland. The grand unity of the various nationalities in China, as well as that of workers, peasants, intellectuals, democratic partisans, people with no party affiliation, patriots who hope their motherland will be reunified and become prosperous and powerful, and all the Chinese people at home and abroad, is the fundamental guarantee for continuing successes in our work.

The All-China Federation of Trade Unions is a major social and political organization of China's working class. It is an important link between the CPC and the masses of its own class, a major pillar for exercising people's democratic dictatorship, and a powerful backing to the governments at all levels and the administrative departments of various enterprises. Right now, the trade union organizations at all levels are shouldering heavy responsibilities in uniting with and leading the broad masses of workers and staff members in carrying out the entire economic structural reform with emphasis on the cities. The various party and government organizations must attach great importance to the role of the trade unions and vigorously support trade unions in carrying out their work. The trade unions at all levels must help trade union cadres improve their qualities and work methods, maintain close ties with the broad masses of workers and staff members, particularly the young ones, become their intimate friends, and carefully listen to and reflect their views, requirements and voices. The trade unions at all levels must help the leadership at all levels to solve the workers' actual problems -- problems that must be and can be solved in production and in livelihood -- and to protect the workers' legitimate rights and interests. The trade unons must guide the workers to correctly exercise their own democratic power, actively take part in managing political and social affairs of the state, and continuously combat the various erroneous ideas and wrongdoings in their own ranks. The trade unions must help the government and the enterprises to systematically improve the facilities for culture, sports, convalescence and public health for the well-being of the workers and staff members. We must turn trade unions into "homes for workers and staff members" trusted by the workers and staff members.

Comrades and friends: To safeguard world peace and promote social development represents a strong desire of the peoples of various countries. The relatively stable international situation after World War II has provided many countries with a good opportunity to develop themselves. Although the shadow of a world war still exists, the possibility to prevent and stop a war has become greater in each passing year. The peoples in various countries have fully realized that only by living in a peaceful environment will it be possible to carry out economic and cultural developments normally, and build material civilization and spiritual civilization of a higher level.

A world war can be avoided and world peace and development can be safeguarded as long as all the people and nations in the world that cherish peace unite as one, oppose the arms race, overcome the danger of war, and expand the forces for peace. The UNGA last year unanimously adopted a proposal for an international year for peace. This has reflected the determination of all the peoples in the world including the Chinese people in strengthening unity and safeguarding peace. The Chinese people need a peaceful international environment in order to fulfill their new historic mission. They need not only peace in the last 15 years of this century, but also a lasting peace in the next century. We must cherish the peaceful environment, strive to promote our economic construction, and work hard to make a still greater contribution to safeguarding world peace and development.

The Chinese people adhere to an independent foreign policy, oppose hegemonism and are safeguarding world peace. We unswervingly side with the Third World, continuously strengthen unity and cooperation with the Third World countries, and strive to establish or expand normal relations with all countries in the world and engage in friendly cooperation with them on the basis of the five principles for peaceful coexistence. We oppose interference and aggression against any country, advocate the settlement of international disputes through peaceful means, and are against the use of force. In order to relax the tense situation and avert regional clashes, we should strictly adhere to the principle of treating all countries, big or small, on an equal basis, with regard to international relations. No country is allowed to interfere in the internal affairs or encroach upon the sovereignty of another country in any form. We must further strengthen unity with the working class and trade union organizations and all peace-loving forces in various nations throughout the world.

All the peoples in the world unite! Wage unremitting struggles and achieve new and great victories in safeguarding world peace and working hard for an even more beautiful tomorrow!

Li Xiannian in Tianjin

OW301621 Beijing XINHUA in English 1618 GMT 30 Apr 86

[Text] Tianjin, April 30 (XINHUA) -- Chinese President Li Xiannian today said thanks to a group of Tianjin model workers for their contribution to China's modernization before a soiree marking the 1986 labor day.

Among them were industrial workers, engineers, business managers, medical workers, teachers, as well as self-employed people in this major industrial and port city in north China.

Present at the meeting and soiree were two other leaders, Hao Jianxiu and Lu Zhengcao. Hao, member of the Secretariat of the party Central Committee, attended a mass rally celebrating May Day's centenary.

Hao Jianxiu Visits Tianjin Workers

OW020504 Beijing XINHUA Domestic Service in Chinese 1510 GMT 1 May 86

[Text] Tianjin, 1 May (XINHUA) -- While inspecting Tianjin, Hao Jianxiu, member of the Secretariat of the CPC Central Committee, visited sanitation worker Liu Dugang and retired barber Peng Yixiang at their homes this morning to greet them on the occasion of May Day.

Hao Jianxiu first went to a dormitory for Hebei area sanitation workers to visit Liu Dugang, a Tianjin Municipal model worker who lives there. Liu Dugang has been a sanitation worker for 35 years. Hao Jianxiu said to Liu Dugang: "Sanitation workers, who have put in a lot of hard work for the sake of people's health and the creation of a clean social environment and have made contributions to the building of a spiritual civilization, should receive respect from all strata of society." She inquired about the working conditions and labor insurance situation of sanitation workers. When she learned that Tianjin Municipality has built showers, cafeterias, and lounges for workers, with satisfaction she said: "The work of sanitation workers is dirty and tiring; therefore, we should provide them with nice clean working conditions and a good living environment." In addition, she called on the relevant departments of Tianjin Municipality to constantly pay attention to the workers' marriage and family problems, especially to helping young workers find marriage partners.

When Comrade Hao Jianxiu entered the spacious, new three-room house of Peng Yixiang, a retired barber and national model worker, Peng and his wife were very happy. Hao Jianxiu said to Peng Yixiang: "Although you are retired, you have still preserved an old worker's true spirit by turning down offers of high wages and voluntarily cutting hair for elderly and disabled patients and children in child care centers. You deserve a commendation." She urged more people to learn from Peng Yixiang and said that young people should take Peng Yixiang as an example. Hao Jianxiu also suggested that retired workers pay attention to physical exercise, sum up their work experience, teach young workers revolutionary traditions and skills, and care about the growth of the younger generation.

Chen Yun in Zhejiang

OW020024 Beijing XINHUA Domestic Service in Chinese 1245 GMT 1 May 86

[By reporter Wu Keqiang]

[Text] Hangzhou, 1 May (XINHUA) -- Chen Yun, member of the Standing Committee of the Political Bureau and first secretary of the Discipline Inspection Commission of the CPC Central Committee, attended a get-together in Hangzhou City this morning. The get-together was held by Zhejiang Province and Hangzhou City to mark the centenial of "May Day."

Also present at the meeting were Jiang Hua, member of the Standing Committee of the Central Advisory Commission; Wang Fang, secretary of the Zhejiang Provincial CPC Committee; and Xue Ju, governor of Zhejiang Province.

After the get-together, Comrade Chen Yun met with two special-class model workers of Zhejiang Province. They were Lu Guanqiu, a peasant enterpreneur called "a person walking from the field to the outside world"; and Guo Rongqing, a textile mill worker. Comrade Chen Yun praised them for their revolutionary spirit in working hard for the four modernizations. Comrade Chen Yun also joined the cadres, model workers, and literary and art workers at the get-together for a group photograph to mark the occasion.

Hu Qiaomu, Others In Shanghai

OW020052 Shanghai City Service in Mandarin 0100 GMT 1 May 86

[Excerpt] A Shanghai municipal literary and art soiree marking the Centennial of May Day was held in the Meiqi Theater last evening. More than 1,500 people, including representatives of model and advanced workers of all trades and departments in Shanghai and personages from all circles of the municipality, took part in this happy get-together to celebrate the day of solidarity of all working people of the world.

Present at the soiree were Hu Qiaomu, member of the Political Bureau of the CPC Central Committee; Chen Pixian, member of the Secretariat of the CPC Central Committee and vice chairman of the NPC Standing Committee; Song Renqiong, vice chairman of the Advisory Commission of the CPC Central Committee; and Liu Jingji, vice chairman of the CPPCC National Committee, who were in Shanghai; as well as Rui Xingwen, Jiang Zemin, Chen Guodong, Hu Lijiao, and other leaders of the Shanghai Municipal CPC Committee, Municipal Advisory Commission, Municipal Discipline Inspection Commission, Standing Committee of the Municipal People's Congress, Municipal Government, Municipal CPPCC Committee, and PLA units stationed in Shanghai.

Present on invitation were general consuls and consuls of various foreign countries in Shanghai and their wives as well as some foreign friends, Overseas Chinese, and compatriots from Hong Kong, Macao and Taiwan who were in Shanghai.

HU YAOBANG ON RELATIONS BETWEEN PARTY, OTHERS

HK011038 Beijing WEN ZHAI BAO in Chinese No 306, 24 Apr 86 p 1

[Report: "Bring Closer Relations Between the Party and Friends Outside the Party -- Two Newly-Published Comments by Hu Yaobang -- Originally Publixhed in the 'Selected Documents on the United Front Work in the New Period' published by the United Front Department of the CPC Central Committee, the Department for Research of Party Literature of the CPC Central Committee, the Department for Research of Party Literature of the CPC Central Committee, and the Publishing House of the CPC Central Party School"

[Text] In my opinion, we should strictly supervise and inspect the implementation of policies and not leave problems that should be resolved unresolved. We should avoid being fooled by false information given by people at the lower levels. In handling specific cases, we should avoid quibbling over side issues and not think that people for whom our policies should be implemented will gain some extra advantages. In fact, they have been wronged and endured suffering for many years. How are there any extra advantages for them to gain? More often than not, the problem now is that some comrades who have not suffered in the past and still have "leftist" ideas would prevent the implementation of policies. This warrants our attention and earnest correction. (Comments written on an appealing letter on 22 April 1984)

It is very common that some comrades in our party ride roughshod over our friends outside the party or act like an overlord among them. If their malpractices are discovered by the higher auchorities, they get things over by making an apology. If not, the people concerned must endure without protest. What should be done in the days to come? If we rely on the higher authorities to discover these malpractices, it would mean that we are still practicing rule by man and not rule by law. It is advisable to encourage our friends outside the party to appeal to law in dealing with these people. (Comments written on a report submitted by the Central United Front Work Department on 11 January 1985)

GU MU STATEMENTS ON OPEN POLICY VIEWED

OW301128 Beijing BEIJING REVIEW in English 28 Apr 86 p 6

[By Yang Xiaobing]

[Text] The import licence system recently introduced in China will pose no difficulty for joint ventures with Chinese and foreign capital, State Councillor Gu Mu told the BEIJING REVIEW at a press conference attended by more than 100 Chinese and foreign reporters in Beijing on April 10.

The Chinese Government, he said, would provide every convenience for foreign investors and simplify the red tape involved in processing applications for import licenses. Permission will be given to imports prescribed in contracts already signed, he added.

The state councillor, who had postponed the press conference because of poor health, had just been discharged from the hospital and appeared a bit tired. But his confidence in the country's open policy soon got the best of it, and he talked through the conference in high spirits.

The year just gone by was a vintage year for China in drumming up foreign capital needed for the modernization drive, he said. All told, direct foreign investment in China amounted to US $5.85 billion, 120 percent more than in the previous year; and approval was given to 1,300 joint ventures with Chinese and foreign capital, equivalent to the total approved in the previous five years altogether.

But joint ventures already established in China are far from enough, Gu said. He told the reporters that the Chinese Government would do everything it could to help joint ventures overcome whatever difficulties they encountered.

Over the last six years, China gradually has set up an extroverted economic structure encompassing special economic zones, open port cities, coastal economic open zones and enterprises in its interior, pumping new life into the country's economy.

Shenzhen, the first special economic zone established in China, now has 147 industrial enterprises that manufacture export commodities. Last year the zone exported nearly twice as many industrial commodities as it did in 1984, with the percentage of exports in the zone's total sales volume rising from 33 to 43.

Referring to the Foreign Exchange Certificates currently in circulation in China, the state councillor said that China, noticing the many drawbacks to the two-currency system, would work to abolish it. Gu was quick to add, however, that the abolition would not guarantee the renminbi's immediate status as a currency free for exchange with foreign currencies. In Shenzhen, he said, three currencies were now in circulation -- the renminbi, Foreign Exchange Certificate and the Hong Kong dollar. This has proved detrimental to China's economy and will be dealt with as soon as possible.

Foreign Exchange Certificates, with a face value equivalent to that of the renminbi, are issued in limited quarters in return for foreign currencies collected.

Some reporters asked if China was disappointed that its major trade partner, Japan, had invested little in special economic zones and elsewhere in China. Gu said it was not a matter of disappointment because it was always up to the investors to decide whether to invest. He noted, however, that Japanese investment in China did show a slight upturn last year.

Responding to complaints on the part of some foreign businessmen that land use costs in the special economic zones and other open areas were too high, Gu said he deemed the charges rational, but he said China has been reassessing the issue.

ZHAO ZIYANG ON ECONOMIC REFORM AT HUBEI MEETING

OW010920 Beijing XINHUA in English 0911 GMT 1 May 86

[Text] Wuhan, May 1 (XINHUA) -- The success of the present economic reforms depends on the participation and support of the people throughout the country, said Premier Zhao Ziyang.

He told a meeting of model workers and representatives of teachers and technicians in Yichang City, Hubei Province, the premier said the successful execution of the Six Five-Year Plan from 1981 to 1985 mainly depended on economic reforms and so will the execution of the next five-year plan. The success or failure of the new five-year plan will have a long-term bearing on future economic development in China, he said. And the success of the economic reforms depends on the support of the people. He hoped that people of all nationalities, especially the working class should take an active part in the economic reforms, which will make the economy flourishing and the workers, peasants and intellectuals and all other people in the country more prosperous.

Economic reforms are complicated, said the premier. And there will be many difficulties and we are ready to cope with and overcome them.

Vice-Premier Li Peng, and Wang Renzhong, vice-chairman of the Standing Committee of the National People's Congress, attended the meeting yesterday.

They inspected mountain areas on the borders of Sichuan and Hubei Provinces.

HAN PEIXIN ATTENDS JIANGSU TU MAY DAY MEETING

OW020414 Nanjing Jiangsu Provincial Service in Mandarin 1100 GMT 30 Apr 86

[Excerpts] The trade union councils of Jiangsu Province and Nanjing City on 30 April held a grand meeting at the Great Hall of the People in Nanjing to mark the centennial of May Day.

Sitting on the rostrum at the meeting were Liu Shunyuan and Hui Yuyu, members of the Central Advisory Commission; Kang Di, member of the Central Discipline Inspection Commission; and responsible comrades of the Jiangsu provincial CPC Committee, Advisory Commission, People's Congress Standing Committee, People's Government, CPPCC Committee, the Jiangsu Military District, and Nanjing City, including Han Peixin, Shen Daren, Gu Xiulian, Sun Han, Chen Huanyou, Sun Jiazheng, Liu Lin, Chu Jiang, Qian Zhonghan, Cheng Weigao, Xing Bai, Zhou Ze, He Binghao, Ling Qihong, Yang yongyi, Zhang Xuwu, Luo Yunlai, (Liao Guoliang), and Zhang Yaohua.

Some 3,000 people attended the meeting including the May 1 Medal winners of Jiangsu Province and model workers, advanced persons, representatives of workers and staff members, and unionists of Nanjing City. Kang Te, chairman of the Jiangsu Provincial Trade Union Council, presided over the meeting. Shen Daren, deputy secretary of the provincial party committee, addressed the meeting.

JIANGXI LEADERS MARK MAY DAY CENTENNIAL

OW020140 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 30 Apr 86

[Excerpts] The Workers' Cultural Palace in Nanchang City, decorated with bunting, was the site of a grand meeting on 30 April to mark the May Day centennial. Some 1,000 model workers, advanced persons, and representatives of workers and staff members of various fronts in Jiangxi Province and Nanchang City participated.

Present at the meeting were leading comrades of provincial and city party, government, and army organizations Liu Fangren, Ni Xiance, Xu Qin, Pei Dean, Wang Baotian, Zhao Zengyi, Zhu Zhihong, (Chen Guisun), Wu Ping, (Yang Linxiong), and Li Aisun. Also present were Bai Dongcai, Zhao Zhijian, Wang Tie, and responsible persons of the Provincial Trade Union Council, Women's Federation, and CYL Committee.

Liu Fangren, deputy secretary of the provincial party committee, extended festival greetings and cordial regards to workers and staff members of the province on behalf of the provincial party committee and the provincial people's government.

SHANDONG SECRETARY ATTENDS LABOR DAY CELEBRATIONS

SK020129 Jinan Shandong Provincial Service in Mandarin 2300 GMT 30 Apr 86

[Excerpts] The province, the Jinan Military Region, and Jinan City jointly held a soiree to warmly celebrate the International Labor Day at the Bayi Assembly Hall on the evening of 30 April.

Attending the soiree were Liang Buting, secretary of the Shandong Provincial CPC Committee; Lu Maozeng, deputy secretary of the provincial CPC Committee; Jiang Chunyun, deputy secretary of the provincial CPC Committee and concurrently secretary of the Jinan City CPC Committee; Yang Xingfu, Yang Yanyin, Zhou Zhenxing, Feng Lizu, and (Tao Pengsheng), members of the provincial CPC Committee Standing Committee; Su Yiran, chairman of the provincial Advisory Commission; Wang Jinshan, vice chairman of the provincial Advisory Commission; Wang Chengwang, Wang Runzhai, (Wang Zhongqian), (Zhai Feng), and Wei Jianyi, members of the provincial Advisory Commission Standing Committee; Li Farong, secretary of the provincial Discipline Inspection Commission; Sun Shuzhi, deputy secretary of the provincial Discipline Inspection Commission; Li Zhen, chairman of the provincial People's Congress Standing Committee; Xiao Han, Xu Leijian, Gao Fengwu, Zhang Zhusheng, Xu Jianchun, and Lin Ping, vice chairmen of the provincial People's Congress Standing Committee; Ma Shizhong, Lu Hong, and Ma Changgui, vice governors of the provincial government; Song Yimin and Zhu Qimin, advisers to the provincial government; Li Zichao, chairman of the provincial CPPCC Committee; Zhou Xingfu, vice chairman of the provincial CPPCC Committee; Liang Deshan, president of the provincial Higher People's Court; Li Huimin, chief procurator of the provincial People's Procuratorate; Li Jiulong, commander of the Jinan Military Region; Chi Haotian, political commissar of the Jinan Military Region; Gu Hui, deputy commander of the Jinan Military Region; Xu Sheng, director of the Logistics Department of the Military region; Xu Chunyang, secretary of the Discipline Inspection Commission under the Jinan Military Region; Lin Jigui, commander of the Air Force of the military region; (Zhang Zhenxian), political commissar of the Air Force of the military region; He Guoqiang, alternate member of the CPC Central Committee in Jinan; Zhao Lin, member of the Central Advisory Commission; Wang Zhongyin, member of the Central Discipline Inspection Commission; Wu Kaizhang, Gao Keting, Qin Hezhen, Zhang Ye, Yang Jieren, Zhu Benzheng, Wang Baomin, Liu Gan, Wang Zhe, Li Lin, Li Sijing, Tian Haishan, Bao Yanbo, Wang Liang, and Wang Xin, veteran comrades of the province; Li Suiying and Zuo Qi, former leading comrades of the Jinan Military Region; and (Bai Yongbo), (Li Yuanrong), and (Zhang Jun), responsible comrades of Jinan City.

A color comic film entitled "A Rich Man in Southeast Asia" was shown at the soiree. Before the soiree, leading comrades of the province, the Jinan Military Region, and Jinan City cordially met with representatives of model workers and PLA model heroes.

SHANGHAI: RUI XINGWEN WRITES ON GOOD LITERARY WORKS

OW290600 Shanghai WEN HUI BAO in Chinese 24 Apr 86 p 1, 4

[Rui Xingwen article: "Create Good Literary and Art Works for the People"]

[Text] When I recently participated in a number of play-writing meetings and forums organized by comrades of the liberary and art circle, I watched the following plays: "To Find a Man" and "Sons and Daughters" by the Shanghai People's Art Theater; "March of a Fool" by the Youth Modern Drama troupe; and "A Color Question Mark" by the Luwan Ward Palace of Culture. The participants' speeches at these meetings and forums and those plays strongly reflected the profound feeling for the party of the writers, screenwriters, directors, and performers. They have expressed their full support for the party's line and principles adopted since the 3d Plenary Session of the 11th CPC Central Committee and for the current reform to restructure the economy and other reforms being undertaken throughout the country. That is why our literary and art contingent has gained the trust, support, and love of the party and people.

Shanghai's theatrical circles have been thriving recently. Theatrical workers have worked very hard to select more than 50 plays for the Shanghai theatrical festival where good plays were chosen through public appraisal. Theatrical workers have displayed their enthusiasm for writing plays as they are determined to advance the quality of this work. This kind of desire for better works is very valuable because once we have the desire to advance and are unhappy with the status quo, our literature and art are given the condition to develop and thrive. If the correct orientation for literary and art creation is further explicitly defined, there is no doubt that the literary and art creation situation in Shanghai will further improve, and outstanding works will certainly increase.

My general impressions after seeing the plays are that they represented the spirit of the times and embodied the tempo of life in our contemporary era. Moreover, these few plays also reflected real life, -- life and struggle of the people in their drive for socialist modernization. It should be said that these few plays have, at varying degrees, played the role of inspiring people and boosting their fighting power. The orientation of these plays is correct, and artistically they are of comparatively better quality. Of course, there are shortcomings. In this regard we have to heed suggestions from all quarters before improving the plays by making some meticulous revisions. It is quite difficult to write a theme that reflects the contemporary world, because we are living in a process of drastic social changes in which life is advancing at a quick tempo and contradictions keep changing and developing. It requires courage to keenly bring to light the problems of reality and to ensure that literary and art works throb with the pulse of our times. Therefore, our artists must have a profound understanding of real life and, still more, a strong sense of duty to society. At the same time, it is unreasonable to demand our writers and artists understand all problems very comprehensively and correctly and reflect reality in their works accurately and precisely. We should leave room for exploration and innovation and allow literary and art works to go through a process of achieving perfection.

There are bound to be different views and appraisals of some plays, including some of the current literary and art works. This is normal because it reflects the sound activity and contending atmosphere within the literary and art circles. We should carry out more scientific, equal, and reasonable discussions of literature and art and thoroughly explore all kinds of literary and art problems by applying the basic viewpoint of Marxism. We should refrain from hastily and simplistically reaching any conclusion. Comrade Xiaoping has said that the ideological and artistic success of a literary and art work should be determined by the people.

In appraising the ideological contents of a literary or art work, I think that we should first look at its main theme. Politically, we should judge whether it is in conformity with the party's line, principles, and policies laid down since the 3d Plenary Session of the 11th CPC Central Committee. "To Find a Man" sings the praises of pioneering youth of our times. It lashes those young people who lack manhood and moral integrity, worship foreign things, and fawn on foreign powers. I think that in our society there are indeed some persons who are conservative and cowardly and do not dare to carry out reform in accordance with the party's principles and policies and in consideration of their own particular situation. Gazing around with misgivings, they always want to find a safe haven and avoid any risks. If all the people in our society are like them and we support them, can we carry on the reforms and the four modernizations? Isn't it nice to have a drama which lashes this kind of person?

There is another kind of person who thinks that "everything Western is good." In fact, they do not know Western countries at all. Under the pretext of opening to the outside world, they blindly appreciate decadent Western things. This kind of person should also be lashed, because they are distorting the policy of opening to the outside world, not implementing it.

In this drama, there is a technical section chief who is very representative of being worldly wise and playing safe. We can see that the writer wants to portray Jiang Yi, the plant director, as the image of a genuine pioneer. However, the character seems to be somewhat weak and lacks machismo.

"March of a Fool" has a major basis with the development of a diversified economy under the precondition of the system of public ownership continuing to occupy an absolutely dominant position after the 3d Session of the 11th CPC Central Committee, some "foolish individuals" emerge as the times require; this individual sector of the economy plays to a certain extent a positive complementary role in our economic development. I think the image of the fool in the drama is very lively. Some of these people, wanting to stimulate the economy, improve operation, and become well-to-do, are very slippery and are erroneous in their thoughts and work style. Nevertheless, they will not become bourgeois, because their operations and activities are still within the framework of a dominantly socialist economy. They will end up linked to the wheels of state-owned or collectively-owned enterprises, just as the drama shows.

As long as the people's democratic political power is under the leadership of the communist party and in the hands of the proletariat, we will be able to fundamentally guarantee the socialist nature and prevent polarization and a capitalist road. This is precisely the socialism with Chinese characteristics on the basis of the four basic principles. This drama proves this truth to a certain extent. Its plot is also quite interesting. However, we still should seriously study how to further portray the fool's son in the drama.

I was deeply moved by "Sons and Daughters," because it is about us. It portrays the image of a group of cadres' sons and daughters who have courage, are upright, and are people of typical significance of our times. Some of them have impressively lofty ideals, and a few of them have made mistakes. Such a plot is realistic, not generalized. The portrayal of old cadres is reasonable and appropriate. The theme of "A Color Question Mark" is also good.

Artistic images on the stage should be very rich and colorful, just as the life of our society is in the course of reform and advance. For instance, the veterans in the film "Our veterans" are the image of communists with political consciousness and lofty thinking. We need such an artistic image of positive characters. We also need to portray the image of such people as the fool. All kinds of characters and themes can show and prove that our socialist system is good and that the reform and opening to the outside world is an irreversible historical trend. For the same reason, the style of creation and the methods of expression should also be diversified. As long as we keep to a correct orientation, we should boldly create all kinds of art works. As people have all kinds of demands for art, the more nourishment for the mind the artists can provide them, the better.

During Shanghai's recent third theatrical festival, a Zhejiang opera troupe performed a play adapted from a theatrical work by Shakespeare. This shows we have expanded our field of literary creation and increased the variety in our theatrical performances. It will be very good if we hold a festival for Shakespeare's theatrical works, for we can therefore draw on the experience of treasured foreign art to enrich ourselves. Publishing or performing some literary or theatrical works, even though they may have little social significance, should be allowed only if they have healthy contents and entertain the masses. We should persist in treating different literary works differently; some should be promoted, publishing of some should be allowed, and some others should be restricted. The policy on literature and art should remain stable for a long time to come, so that writers and artists can engage in creation with tranquil minds. If one has a lingering fear, how can one create good works?

Literature and art reflect reality, unite and educate people, and enhance their morale; literature and art play an important role, and there is no substitute for them. In the revolutionary war years, all field armies had song and dance or modern drama troupes. A good play or film can have a tremendous influence on people. It is gratifying that theatrical workers in Shanghai are determined to promote the theater so that it will become an important means to push our undertakings forward. All kinds of art in Shanghai should further flourish, and writers and artists should understand the social duties on their shoulders. They should uphold the principle of serving reform and the four modernizations. They should enhance their understanding of Marxist theory and policies and increase their artistic attainments.

In addition, they should go among the masses and delve into the realities of life in order to find raw materials for literary creation, to portray vivid artistic images, and to reflect new features and new things in the great social change. Their works should give people artistic enjoyment and encourage them to work in unity to undertake the four modernizations and to build Chinese-type socialism. Vigorous efforts should be made to turn out not only first-rate material products but also first-rate intellectual products in Shanghai. An upsurge in cultural development will certainly come with the upsurge in economic construction, and Shanghai should contribute to the simultaneous building of a material and spiritual civilization.

SHANGHAI ECONOMIC DELEGATION VISITS YUNNAN

OW020416 Shanghai JIEFANG RIBAO in Chinese 26 Apr 86 p 1

[Text] After visiting Sichuan and Guizhou, the Shanghai economic, technological, and trade delegation lead by Wu Bangguo, deputy secretary of the Shanghai Municipal CPC Committee, and Dong Jiabang, member of the Standing Committee of the Shanghai Municipal Advisory Commission, visited Kunming on 20 April where it reached initial accord with Yunnan Province on undertaking 31 economic and technological projects. The accord includes joint efforts to establish nonferrous metal, rubber, paper pulp, and other raw materials bases in Yunnan during the Seventh 5-Year Plan. In addition, Shanghai will help Yunnan accelerate the technological transformation of its light and textile industries. Secretary Pu Chaozhu of the Yunnan Provincial CPC Committee, Governor He Zhiqiang, and vice governor Zhu Kui met with the delegation.

SHANGHAI DELEGATION MEETS GUIZHOU SECRETARY

OW020235 Shanghai JIEFANG RIBAO in Chinese 26 Apr 86 p 1

[Text] A Shanghai economic, technological, and trade delegation led by Wu Bangguo, deputy secretary of the Shanghai Municipal CPC Committee, visited Guiyang in mid-April. During its visit, the delegation held talks with Secretary Hu Jintao of the Guizhou Provincial CPC Committee, Governor Wang Chaowen, and Vice Governor Zhang Shukui on establishing long-term and stable economic and technological cooperation between Shanghai and Guizhou. A minute on the talks was signed afterward.

The two sides initially decided to develop jointly Guizhou's aluminium, zinc, antimony, and other mineral resources, expand its light, textile, food, livestock, and processing industries, and make comprehensive utilization of its agricultural and sideline products. The two sides also agreed to strengthen the exchange of economic and technological information and to expand commodity flows. Under the accord, Guizhou will adopt a preferential policy to attract technological personnel from Shanghai and will systematically send the managerial cadres of its large and medium-sized enterprises to Shanghai to study.

GUANGXI: FURTHER ON WEI CHUNSHU ECONOMIC REPORT

HK290257 Nanning Guangxi Regional Service in Mandarin 1100 GMT 28 Apr 86

[Excerpts] Comrade Wei Chunshu said in his report to the regional people's congress session: We must make the urban and rural markets prosperous and improve circulation services. First, we must reform the urban and rural commodity circulation setup in order to stimulate market prosperity. Second, we must make proper all-round arrangements for the markets, to ensure the masses' needs in production and daily life. We must bring into full play the dominant role of state-owned commerce in taking part in market regulation, promote comprehensive operations, and vigorously organize the purchase and sales of pigs and vegetables. Third, we must strive to do a good job in supporting the development of production, especially rural commodity production.

Wei Chunshu said: We must actively develop foreign economic relations and trade and tourism. Our planned export volume in 1990 is $600 million, a rise of 62.2 percent over 1985. During the Seventh 5-Year Plan, we must continue to practice the policy of encouraging exports. We must improve the export commodity mix and export more industrial goods, while continuing to increase exports of traditional commodities. We should gradually switch our exports from primary to finished products, and from cheap goods to expensive and moderately expensive goods. We should also increase the variety and improve packaging. We must therefore build a number of export commodity bases with relatively good conditions and a certain size, to ensure that the sources of export goods are on a firm basis of long-term and steady growth. We must also work to consolidate and develop our traditional markets, and actively open up new markets, so as to increase our business.

Tourism too is a business earning foreign exchange. Taking Guilin as the key point, we should build a Gangxi tourism network focused on Guilin, Nanning, Liuzhou, Wuzhow, and Beihai cities.

While doing a good job in earning foreign exchange from exports and tourism, we should also get a good grasp of exporting labor, so as to earn still more foreign exchange. We must strengthen controls on foreign exchange spending on imports, and make active use of foreign investment. Our planned import volume in 1990 is $300 million, a rise of 110 percent over 1985. During the Seventh 5-Year Plan, we should strive to use $700 million in foreign investment, a six-fold rise over the actual figure for the Sixth 5-Year Plan.

Comrade Wei Chunshu said: We must vigorously organize financial revenue and bring into full play the channel role of bank capital. Financial work must be geared to and support production. We must help all areas and enterprises to accelerate development of production items that rapidly result in increased income and yield good economic results. We must support technological transformation in the enterprises and invigorate the enterprises. It is also necessary to do a good job in reducing deficits and increasing surpluses.

The banking system must fully play its role in raising and channeling capital, guiding the flow of capital to the lower levels, and improving the economic results of spending capital, to promote coordinated economic development.

Wei Chunshu said: We must stimulate the progress of science and technology and increase the exploitation of brain-power. We must specifically tackle the following tasks: 1) Organize and implement the spark plan, and select and develop a number of science and technology projects with a major impact on the national economy and people's life that yield good and rapid results.

These projects should be applied to stimulate and guide the medium and small enterprises, township enterprises, and the entire rural economy. 2) Launch a drive to have science and technology support poor areas. 3) Organize efforts to solve difficult problems in science and technology, promote technical services in conjunction with technological trnasformation of enterprises, speed up the development of brand and new products, and improve the competitiveness of exports. 4) Strengthen the capacity of the key cities in technological development. These cities should also radiate outwards to their surrounding rural areas and lead the development of the entire economy forward. 5) Increase allied and basic scientific and technological research related to building up reserve strength for national economic development, and make technological preparations for future development. 6) Actively import, digest, and absorb advanced science and technology from China and abroad.

During the Seventh 5-Year Plan, in light of local conditions, we should gradually put into effect 9-year compulsory education. Developed areas should introduce universal primary and secondary education by 1990, while ordinary areas should introduce universal primary education. Poor areas should have partially introduced universal primary education by that date.

We must readjust the structure of secondary education. While developing secondary technical schools, we should speed up the development of agricultural and vocational secondary schools. Every county and county-level city should have one to three of these. By 1990, the number of students at such schools should be roughly the same as those attending ordinary secondary schools.

In developing tertiary education, we should focus on tapping potential and improving standards of old schools, gradually improve the teaching conditions and quality there, strengthen the specialities in which we are deficient, and increase the capacity to train post-graduates. We must pay particular attention to teacher training. We must also actively popularize standard Mandarin dialect, while also popularizing Zhuang language in a planned way.

Wei Chunshu said: We must further improve the work of supporting the poor areas. During the Seventh 5-Year Plan, the region must basically solve the food and clothing problem for 1 million of the masses. We must therefore make a success of the following tasks: 1) Continue to apply the policy of allowing the poor areas a rest to recover. 2) Strive to turn the resource strong points of poor areas into commodity strong points. We must do a good job in managing and spending the state funds allocated for developing undeveloped areas, and make careful preparations and assessments before undertaking projects. 3) Strengthen leadership, organize cooperation between all parties, and take comprehensive measures to solve the problems.

Wei Chunshu said: We should gradually improve the people's material and cultural living standards. The plan calls for an annual average rise of 8.2 percent in the peasants' net income, and an annual rise of 10.5 percent in workers' wages. We must develop more employment opportunities and basically find jobs for all the newly-grown labor force in the urban areas. We should gradually turn urban housing into a commodity, develop mass cultural and entertainment facilities, and continue to carry out the patriotic sanitation drive.

The growth of consumption must not exceed the increase in production. The growth rate of workers' real wages must not exceed the growth rate of labor productivity. We must continue to practice the policy of allowing some people to get rich ahead of others. At the same time we must avoid excessive discrepancies in income between enterprises and members of society. Thus we should express the principle of distribution still better according to work and ensure social stability and unity.

Wei Chunshu said: We must strive to control population growth, ensure that the annual natural production growth rate does not exceed 12.4 per 1,000 within the next 5 years, and that the region's population does not exceed 41.19 million by the end of 1990. The leaders at all levels must fully understand the importance of planned parenthood, assign it an important position, and persevere in grasping the two kinds of production simultaneously. They must thoroughly grasp this work. Otherwise, they are in dereliction of duty. It is necessary to put the administrative organs on a firm basis, augment the technical forces, and arrange the necessary funds to ensure that this work is carried out on a regular basis.

GUANGZHOU MEETING ON STRENGTHENING MILITARY DISCIPLINE

HK010816 Guangzhou NANFANG RIBAO in Chinese 29 Apr 86 p 1

[Report by He Jinsheng: "Military Cadres Should Take the Lead in Strengthening Discipline Says Zhang Zhongxian, Political Commissar of the Guangzhou Military Region at a Mobilization Meeting"]

[Text] Yesterday morning the Guangzhou Military Region held a mobilization meeting on strengthening discipline, calling on all party members and cadres of the region's organizations to go into vigorous action and set a good example in strengthening discipline for the troops throughout the region by their own deeds.

Some 1,200 people attended yesterday's meeting. They included leading cadres of the Guangzhou Military Region and its organizations, and party members and cadres of its organizations and units directly under the jurisdiction of the region. Zhang Xudeng, secretary of the Guangzhou Military Region Discipline Inspection Commission, and Deputy Commander Zhang Wannian separately transmitted the documents of the discipline inspection commissions of the CPC Central Committee and the Central Military Commission, the speech by Yu Qiuli, director of the General Political Department, and the proposals of the military region for strengthening discipline. On behalf of the Standing Committee of the party committee of the military region, Political Commissar Zhang Zhongxian made a speech at the meeting on how to make the current work of strengthening discipline a success. He stressed that in strengthening discipline, we should have the courage to tackle tough problems and strictly investigate and deal with all cases of violating the law and disciplinary codes. On no account must we be soft-hearted in this regard. As for the problems discovered in the process of strengthening discipline, we should make serious analysis and discover their causes, study, and work out measures to correct them case by case. We should also carry out rectification and correction of faults simultaneously and further institute and perfect various rules and regulations.

SUN WEIBEN ATTENDS HEILONGJIANG MAY DAY CELEGRATION

SK020600 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 1 May 86

[Excerpts] In celebrating the 100th anniversary of the May Day on 1 May, the provincial and Harbin City authorities held a grand park celebration at the (Shaolin) Park. This morning, Harbin City with all kinds of sprouting trees was full of enchanting scenes of spring, and the (Shaolin) Park was also colorfully decorated for the festival. Attending the park celebration were more than 20,000 people, including workers, peasants, PLA fighters, intellectuals, representatives who were attending the provincial meeting of model workers representatives, and members of the provincial "four have" report group in charge of publicizing the advanced deeds cropping up on various fronts.

Also happily attending the park celebration were leading comrades from the provincial CPC Committee, the provincial Advisory Commission, the provincial People's Congress, the provincial People's Government, the provincial CPPCC Committee, the provincial Discipline Inspection Commission, the provincial military district, and the PLA units stationed in the province, including Sun Weiben, Chen Lei, Hou Jie, Li Jianbai, and Wang Zhao. Among those who were invited to the celebration were more than 200 foreign guests and experts who are currently staying in Harbin City.

At the celebration, more than 4,000 full-time or part-time literary and art workers who belong to more than a dozen troupes and teams presented their outstanding programs. The staff members and workers of the Harbin Bearings Plant, one of the national-level "six good" enterprises, presented a chorus program "Our Workers Are Powerful," in which they demonstrated the lofty aspirations and great ideals of the working class in conducting reforms in society and natural environment. Seven districts of Harbin City, the capital of the province, also carried out celebration activities on that day.

HEILONGJIANG: SUN WEIBEN WRITES ON PARTY REFORM

SK012215 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 30 Apr 86

[Text] Issue No 5 of FENDOU ZAZHI [Struggle Magazine] published on 29 April carries an article by Sun Weiben, secretary of the provincial CPC Committee, entitled "Having the Leadership Set Examples in Work Represents the Key in Straightening Out Party Style." The article states: The key to achieving a turn for the better as soon as possible in party style throughout the province lies in the work performance of leading organs at all levels, particularly on leading cadres at all levels. Each leading cadre should follow the demand set forth by the central authorities to truly regard as a central item in their work schedule the work of straightening out party style and do a good job in vigorously conducting this work in a timely manner. In particular, the principal leading cadres must regard as a most important task the work of straightening out party style.

HEILONGJIANG CONFERENCE ON NORMAL, UNHEALTHY ECONOMIC TRENDS

SK290135 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 26 Apr 86

[Text] On the afternoon of 26 April, the provincial CPC Committee and government held a press conference. Hou Jie, deputy secretary of the provincial CPC Committee and governor, announced at the conference some stipulations concerning the lines of demarcation in applying a policy while distinguishing between normal economic activities and unhealthy trends of local state-run and collective industrial and commercial enterprises. These stipulations were formally put into effect on 26 April.

The stipulations point out: We should strictly distinguish between general mistakes in reform and taking advantage of reform to engage in unhealthy trends. Mistakes, which occur in the process of reform caused by imperfect regulations and systems, ineffective measures, and inadequate work experiences, and the deviations emerged in the course of development and exploration are the problems in our course of advance. They should be corrected through summing up experiences and be improved through deeply carrying out reforms. By no means should they be considered as unhealthy trends. However, such acts as taking advantage of reforms to violate policy stipulations, ignoring the overall interests of the state and the people, abusing one's power and position and the favorable working conditions to seek personal gains for oneself or for a small group of people should be considered as the unhealthy trends of exploiting an advantage in reform, and should be resolutely checked.

The bonuses and profit retentions of enterprises should be given to units and workers as long as they are issued in line with the relevant state and provincial stipulations and in accordance with the contracts which have been approved by the higher levels. More bonuses should also be issued provided that their sources are legitimate; they are not the appropriations of the state revenue; and the above-quota portions have been taxed in line with regulations. Those bonuses which have been issued to workers should not be recalled. However, the bonuses, subsidies, and articles given to workers in violation of regulations and through improper means such as using production development funds, funds for trial manufacturing of new products, workers' welfare funds, enterprises' reserve funds, as well as other kinds of funds, should be considered illegal.

Along with the implementation of the system of substituting taxes for delivery of profits, large and medium-sized enterprises are permitted to implement the contract system of fixing the quotas of taxes and profit delivery. Their bonuses should be allocated by the financial departments of their corresponding levels, and these bonuses should be owned by enterprises. These enterprises may use part of the bonuses to reward their workers, and such bonuses should not be included in the total volume of bonus funds of enterprises and thus should not be taxed. The bonuses of leading cadres of enterprises should not be much greater than those of cadres, and the average amount of bonuses of workers should not be used as a standard for giving bonuses to leading cadres of enterprises.

It is necessary to implement the policy of integrating responsibilities with rights and profits, and widen the difference in wages of various workers in line with their actual working situations and contributions. It is proper for enterprises to carry out activities favorable to their operation and to entertain scholars, experts, professors, engineers and technical workers of the relevant units who come to give lectures, to carry out economic and technological cooperation, and to provide consulting services in the course of carrying out proper economic contacts. The entertainment funds should be allocated from the total sales of products of enterprises. The standard of entertainment should be some 10 yuan per meal for each person.

Products which enterprises are entitled to sell and the above-plan products may be sold at floating prices in line with stipulations. However, we should observe the socialist competitive principle and strictly forbid such practices as giving and receiving sales commission in the course of purchases and sales as well as giving and receiving bribes.

JILIN'S GAO DI, GAO DEZHAN WORK AT GRASSROOTS

OW291159 Beijing XINHUA Domestic Service in Chinese 0201 GMT 29 Apr 86

[Excerpts] Changchun, 29 Apr (XINHUA) — Jilin Province's principal party and government leading cadres have gone down to grass-roots level to carry out investigation and study and help enterprises practically solve pressing production problems.

Since the beginning of this year, some industiral enterprises in Jilin have been experiencing shortages in energy, funds, and raw materials, and their production has been affected as a result. The provincial party commettee and provincial government are urging leaders at various levels to serve the grass-roots units effectively and, first of all, help enterprises solve actual problems concerning them most.

In the past 2 months, provincial party committee Secretary Gao Di and provincial Governor Gao Dezhan have made successive visits to four prefectures to carry out investigation and study at nine key enterprises — including lack of funds, shortage of raw materials, difficulty in marketing, and insufficient supply of electricity — they have suggested that four coordination groups in funding, supply, electric power, production and marketing respectively be formed by the provincial departments concerned. The purpose is for these groups to make coordinated efforts to handle, on a timely basis, the specific problems the various localities find in their industrial production. Because the coordination groups have organized enterprises to supply material for the electricity they need, the province's daily average of electricity output during the first quarter increased 2.3 million kilowatt-hours compared with the corresponding period last year. This has alleviated electricity shortages for production purposes. The basic need for industrial production have also been ensured by the more than 420 million yuan provided by the provincial bank as circulation fund loans for industry.

The principal party and government responsible cadres of Jilin Province have also offered direct, on-the-spot assistance to key enterprises to help them solve problems they face in production. The Changchun cigarette factory recently had to stop production of its famous brand product — the 85-tip yellow-packed Ginseng cigarette — because the tobacco was not right. Provincial party committee Secretary Gao Di and provincial Governor Gao Dezhan organized the provincial departments concerned to send their people to jointly work on-the-spot at the factory. As a result, several approaches were worked out to solve the problem.

BRIEFS

HEILONGJIANG TECHNOLOGICAL TRANSACTIONS — At the first northeast China technological cooperation fair held in Shenyang City, Liaoning Province, Heilongjiang Province had a transaction volume of 40.7 million yuan. [Summary] [Harbin Heilonjiang Provincial Service in Mandarin 1000 GMT 27 April 86 SK]

JILIN FIRST QUARTER PRODUCTION — Jilin Province made marked progress in industrial production in the first quarter this year. It realized 5.107 billion yuan in total industrial output value, and 8.8 percent increase over the figure for the corresponding 1985 period. It also handed over 510 million yuan in profits and taxes to the state, a 7.6 percent increase over the corresponding 1985 period. Of these increases in output value, those in the light and textile industries reached 13 percent; those in heavy industry, 6 percent; those in electricity output, 12.4 percent; and those in crude oil output, 9.1 percent. [Summary] [Changchun JILIN RIBAO in Chinese 8 Apr 86 p 1 SK]

NINGXIA PEOPLE'S CONGRESS MEETING CONCLUDES 18 APR

HK301220 Yinchuan NINGXIA RIBAO in Chinese 19 Apr p 1

[Report: "The 17th Meeting of the 5th Ningxia Regional People's Congress Standing Committee Concludes"]

[Text] The 17th meeting of the 5th Ningxia Regional People's Congress Standing Committee concluded on 18 April. Ma Qingnian, chairman of the Standing Committee, attended the meeting which was presided over by Vice Chairmen Ma Youde and Ding Yimin. The meeting approved the draft agenda for the fourth session of the fifth Regional People's Congress and decided to submit it to the preparatory meeting of the people's congress of approval. According to the draft agenda, the main tasks for the fourth session of the fifth Regional People's Congress will be to relay the spirit of the fourth session of the Sixth NPC; listen to regional government chairman Hei Boli's report on the region's draft Seventh 5-Year Plan; deliberate and approve the Seventh 5-Year Plan; deliberate on the regional government's report on the draft plan for economic and social development in 1986 and approve this plan; listen to and deliberate on the regional government's report on the 1985 financial statement and the 1986 financial budget and approve the statement and budget.

The Standing Committee meeting approved the draft of the namelist of the presidium and the candidate for secretary general of the fourth session of the fifth Regional People's Congress, and decided to submit this to the preparatory meeting of the People's Congress for election. The Standing Committee meeting also approved the report on screening the credentials of the newly elected people's deputies to the fifth Regional People's Congress and some draft motions and opinions which will be submitted to the People's Congress for deliberation and approval.

The meeting also made some personnel appointments and removals. Regional People's Congress Standing Committee Vice Chairmen Ma Youde, Ding Yimin, Li Shumin, Guo Wenju, Liang Feibiao, and Feng Mao attended the meeting. Regional government Vice Chairman Ma Tengai and other responsible personnel of the regional high-level People's Court, the Regional People's Procuratorate, and various regional departments attended the meeting as observers.

SHAANXI SECRETARY POINTS OUT UNHEALTHY TENDENCIES

OW300931 Beijing XINHUA Domestic Service in Chinese 1238 GMT 28 Apr 86

[Text] Xian, 28 Apr (XINHUA) — Speaking today about an incident in which transportation supervisory personnel in Lintong and Changan counties abused their authority by flagging down cars for their own personal use, Bai Jinian, secretary of the Shaanxi Provincial CPC Committee, called on the various trades and professions to face up to their unhealthy tendencies and take effective measures to bring about a change for the better in social practice. Bai Jinian said: Cases of power abuse, such as that involving the transportation supervisory personnel of Lintong and Changan counties, are not idolated, but exist in other trades and professions as well. Those in charge of highways abuse their power to flag down cars; those in charge of water shut off water supply at will; those in charge of taxes increase taxes and fines at will. Even in departments in charge of land planning, housing management, administration of justice, and public security, there are some people who would use the power given them by the people for personal gain. If these "highway lords," "water lords," and "housing lords" were allowed to continue practicing their philosophy that "those who live near a mountain live off the mountain, those who live near water live off the water," they would inevitably cause serious damage to the interests of the state and the people and corrupt social practices.

Bai Jinian pointed out that, currently, the party organs at all levels in Shaanxi Province must regard correcting unhealthy tendencies in various trades and professions as an important task in improving the party-style, and must deepen this campaign in the various trades and professions in accordance with different situations and particular conditions in various departments. He called on the party organs in various departments to take warning from the Lintong-Changan incident, find out what are the unhealthy tendencies in their own department or unit angering the masses most, and then analyze their cause, propose corrective measures, and resolutely correct them. He particularly reminded the leading cadres and party members to regard themselves as public servants and be models in correcting unhealthy tendencies in their own trades or professions. He further called on them to take a correct attitude and welcome supervision and criticism of unhealthy tendencies in their departments by the masses and social public opinion.

SHAANXI: EXPANDING LATERAL ECONOMIC TIES STRESSED

HK010104 Xian Shaanxi Provincial Service in Mandarin 0030 GMT 29 Apr 86

[Radio talk: "Deeply Understand the Great Significance of Lateral Economic Ties; Strive To Speed Up the Development of Lateral Economic Ties"]

[Excerpts] Since the 3d Plenary Session of the 11th CPC Central Committee, along with the implementation of the policy of opening up to the outside world and enlivening the domestic economy, on the basis of giving more decision-making power to enterprises, the barriers between areas, departments, and trade have been removed, resulting in various lateral economic ties and cooperation at different levels and with different aspects. This is a prime issue in China's economic life and shows great historical progress.

Why do we say this? Because developing lateral economic ties is an inevitable trend and objective law in modern economic development. This is not only a requirement for developing the productive forces, but can also promote economic structural reform.

There are abundant natural resources and a sufficient work force in Shaanxi's rural areas, but we lack advanced science and technology and our business management is at a low level. Large and medium key enterprises and military industrial enterprises have better technology and equipment, but are often restricted in terms of raw materials, factory building spaces, and workforce. Scientific research units and higher learning institutes have advanced technology, but lack other elementary factors needed in production. The way to solve these problems is to develop lateral economic ties.

Developing lateral economic ties and compensating for anothers deficiencies can turn weaknesses into strong points. It can turn a potential productive force into a real productive force and upgrade the productive force from a relatively low level to a relatively high level. Developing lateral economic ties is an important guarantee for rural areas to upgrade their productive level and turn poverty into wealth, a basic way for large and medium key enterprises and military industrial enterprises to expand reproduction, and the only way for scientific research units and higher learning institutes to implement the principle that science and technology must serve economic construction.

All in all, to improve Shaanxi's macroeconomic and microeconomic results and to vigorously develop and invigorate Shaanxi's economy, we must increasingly develop lateral economic ties. At present, all cadres, responsible comrades at all levels in particular, must deeply understand the great significance of lateral economic ties and take effective and active measures to speed up the development of these ties to contribute to invigorating Shaanxi.

TA KUNG PAO COMMENTS ON CHERNOBYL NUCLEAR ACCIDENT

HK010802 Hong Kong TA KUNG PAO in Chinese 30 Apr 86 p 3

["Political Talk" column by Shih Chun-yu: "A Serious Accident Occurred in a Soviet Nuclear Power Station"]

[Text] TASS Was Unwilling To Reveal the Real Situation

A serious nuclear power station accident occured in Chernobyl, 80 miles north of Kiev, capital of the Soviet Ukrainian Republic, leaving many people dead or injured. The whole town has been sealed off.

At first the Soviet Union wanted to cover up the serious accident. However, northern European countries such as Denmark, Sweden, and Finland detected an unusually high amount of radiation in the atmosphere, and discovered that the cloud of radiation came from the Soviet part of the Baltic Sea. Therefore, they concluded that there was a nuclear power station accident on Soviet territory.

At 1930 on 28 April (2330 Hong Kong time), TASS still prevaricated in the face of inquiries made by foreign correspondents into the matter, and said that there would be a formal announcement at 2100 Moscow time (0100 Hong Kong time on 29 April). When asked by correspondents what really happened, the TASS spokesman still said: "It is only an accident. Please wait for a formal announcement."

The Nuclear Reactor Caught Fire

The situation was deterioting unexpectedly. It seemed that the Soviet Union was unable to control the situation for the time being. One of the huge reactors of the nuclear power plant caught fire and the graphite core of the reactor was burning. Graphite is a substance used to control nuclear fission. If the fire cannot be extinguished, large-scale radioactive pollution will occur.

Large amounts of radioactive pollutants have been discovered in the ice along the Swedish eastern seashore, and the intensity is 100 times higher than normal. The Soviet part of the Baltic Sea borders northern Europe. The cloud of radiation over the Soviet territory has entered the latter's sky. Residents of Copenhagen, the capital of Denmark, rushed to purchase iodine tablets, which were expected to prevent their throats from being damaged by radiation. Europe is worried about the accident. West German and Sweden suggested sending experts to the site where the accident occurred, and the United States also expressed its willingness to send experts to the Soviet Union to help put out the fire. Moscow has not yet decided whether or not it will accept the proposals offered by the Western countries. We only hope that the Soviet Union will get the fire under control soon. Otherwise it should immediately let European and American nuclear fire brigades help put out the fire.

"Cobalt-60" Contaminates the Atmosphere

Specialists detected that the radioactive pollutant blown to northern Europe was "Cobalt-60," which is used as a "nuclear seed" in generating electricity. It is a radioactive substance leaking out from the nuclear device. It has been reported that the level of radiation does not yet constitute a danger to northern Eurpean countries.

It has been reported that when the accident broke out at the Chernobyl nuclear power station, eight people were killed. Another report indicated that the death toll amounted to 2,000 people. The latter information may not necessarily be true to the facts. However, the authorities ordered tens of thousands of city residents to leave the city promptly, sealed off the city for a radius of 30 miles, and banned foreign reporters from gathering news there. This indicated that the accident was quite serious.

Nuclear Power Stations Must Put Safety First

Since the accident broke out at Three Mile Island nuclear power station several years ago, the construction of nuclear power stations in the United States has been at a low ebb. Now a serious accident has occurred in the Soviet Union, the first in its history. It can thus be seen that the security protection and management of nuclear power stations are extremely important. If the Soviet Union can make the causes and details of the accident public so that specialists in various countries can study ways of preventing similar occurrences, this will be a valuable contribution to future world nuclear power undertakings.

CPC LEADERS URGE RELAXED CULTURAL ATMOSPHERE

HK010945 Hong Kong MING PAO in Chinese 1 May 86 p 5

["Special dispatch" from Beijing by Keng Chun: "The CPC Will Encourage Exploration, Remove Tensions Among Intellectuals"]

[Text] A new wind recently rose from Zhongnanhai, Beijing. In response to some people censuring academic and theoretical explorations conducted by young and middle-aged intellectuals, senior CPC officials either gave written instructions or delivered speeches, calling for the creation of a harmonious and relaxed atmosphere in the ideological field in order to remove tensions among intellectuals and to encourage exploration and pioneering undertakings.

It has been reported that the department concerned is drafting a document on guiding ideological work in order to provide wider scope for intellectuals in academic studies and literary creation.

On 2 November 1985, GONGREN RIBAO carried an article entitled "Ten Major Changes in China's Study of Economics." The article summed up 10 changes that have taken place in recent years in the study of economics, from critical economics to constructive economics, from rejecting contemporary Western economics to analyzing and using it, and so on. Written under the name of Ma Ding, the article drew a strong reaction in Japan and the United States after it was reprinted in BEIJING REVIEW. In the domestic press circles, some people pounded the table and shouted "bravo!" while some others shook their heads in disapproval. Someone wrote a letter to Hu Yaobang, asking him to read Ma Ding's article and held that this was an anti-Marxist, bourgeois liberal tendency we should guard against.

After reading the letter, CPC General Secretary Hu Yaobang immediately passed it over to Prime Minister Zhao Ziyang who, after reading it, wrote the following comments: Care should be taken in criticizing liberalism in economic theories; bolder exploration is needed at present. Later, beside Zhao Ziyang's written instruction, Hu Yaobang added two large characters meaning "agree." In line with the written instructions of the two central leaders, theoretical research workers in Beijing and Shanghai held forums to criticize some rash acts toward Ma Ding's article.

Liu Zaifu, director of the Literary Research Institute of the Chinese Academy of Social Sciences, has been regarded as a promising young writer in China's literary theoretical circles. Some of his new viewpoints and explorations in the study of literary theory have also been ensured by some people in recent days. At the recent Fourth Session of the Sixth CPPCC National Committee, Liu Zaifu wrote a proposal entitled "Eight-Point View on Cultural Problems."

In his written proposal Liu Zaifu said: "Efforts should be made to create a cultural atmosphere and a cultural environment coordinated with the modernization program. Without such an environment and such an atmosphere we shall make an erroneous appraisal of the situation and exaggerate the problems in the reform so that the reformers are subjected to psychological pressures greater than the practical difficulties, which may deter them from scientifically facing up to and analyzing the existing problems."

"A leader should not be satisfied at merely playing the part of a 'sentry' or a 'referee' but should play the part of a 'builder.'"

After reading Liu Zaifu's proposal, senior CPC official Hu Qili said that these suggestions were very good. There are many crack personnel among the young intellectuals. They should be allowed to air their views so that political life can become livelier.

Two days after the conclusion of the CPPCC National Committee meeting, Hu Qili arrived in Shanghai. In a speech at the forum for literature, film, and television circles he pointed out: It is necessary to organize forces to conduct a systematic study into major theoretical and policy issues on social development and to bring into play the role of social science workers as think tanks. He hoped that party and government leaders at all levels, social science workers, and cultural circles would make joint efforts to create a united, harmonious atmosphere of mutual trust and understanding.

After Hu Qili left Shanghai, Rui Xingwen, secretary of the Shanghai Municipal CPC Committee, delivered a speech to the Shanghai literature and art circles. He said: "For writers and artists we should create a united and harmonious environment of mutual trust and understanding and provide good soil, fertilizer, water, and sunlight for the creation of works worthy of our great era. This policy will never change." He also said: "We should first have a flexible, stable, and long-term policy. We should allow people to blaze new trails and to explore and allow our works to undergo a process of continuous improvement."

On 25 April, the mainland press carried a speech by Zhu Houze, head of the propaganda department of the CPC Central Committee. In his speech Zhu encouraged theoretical workers to be bold in exploring and blazing new trails. The written instructions and speeches of the senior CPC officials were warmly received in the intellectual circles. Those in the literature and art circles, who were frightened at the end of last year by a ban on the opera "W M" ["w m" stands for the two Chinese characters "wo" and "men" which together mean "We"], suddenly felt relieved.

FBIS DAILY REPORT

China

CONTENTS

Vol I No 086 5 May 1986

PRC INTERNATIONAL AFFAIRS

GENERAL

Seven-Nation Summit Opens in Tokyo 4 May A 1
Chernobyl Accident on Agenda A 1
Call for Statement on Terrorism A 2
Monetary Policy, Trade Issues A 2

SOVIET UNION

Qian Qichen Remarks on Sino-Soviet Relations [AFP] C 1
Further Reportage on Chernobyl Accident C 2
PRC Nuclear Development Unaffected C 2
Nuclear Team To Visit USSR [AFP] C 3
IAEA Head Invited to Moscow C 4

SOUTHEAST ASIA & PACIFIC

More Reportage on ADB Meeting in Manila E 1
Chairman Supports PRC Seat E 1
Entry Triggers Split [AFP] E 1
Position in Question E 2
Speakers Support Admission E 2
Chen Muhua on Loan Application E 3
Chen Muhua Interviewed E 4
[LIAOWANG 28 Apr]
Hong Kong To Continue in ADB E 6
ASEAN Supports CGDK 8-Point Peace Proposal E 6
Philippines Halt Nuclear Power Plant Project E 6
Peng Chong-Led NPC Group Begins Australia Visit E 7

PRC NATIONAL AFFAIRS

Hu Qili LIAOWANG Interview on CPC, Open Policy K 1
CPC To Retain Old Cadres K 1
Open Policy Reaffirmed K 1
Fighting of Crime To Continue K 2
'Far-Reaching Impact' of Hu Qili Speech Cited K 3
HONGQI Article Views Acceptance of Marxism K 4
Academic Research Urged K 4
Marxism 'Cannot be Forced' K 5
Zhao Ziyang, Others at Conduct Report Meeting K 5
Beijing Commentator Stresses Expert Leadership K 8
JINGJI RIBAO Urges Support for Reformers [24 Apr] K 11
RENMIN RIBAO Urges Showing Concern for People [29 Apr] K 13

End to Forced Selling of Shoddy Goods Urged K 14
[JINGJI RIBAO 25 Apr]
Gu Mu Speaks on Cracking Down on Smuggling K 15
'Rash of Swindling' Hits Insurance Companies K 16
Power Ministry Official Urges End to Malpractice K 17
Zhao Ziyang Inscription for Book on Reformer K 18
[BEIJING RIBAO 17 Apr]
Wuhan Security Bureau Cracks KMT Spy Case K 18
[CHANGJIANG RIBAO 24 Apr]
RENMIN RIBAO Carries HONGQI Table of Contents [30 Apr] K 19

PRC REGIONAL AFFAIRS

CENTRAL-SOUTH REGION

Chen Huiguang Closes Guangxi CPPCC Session P 1
Guangdong Cracks Down on Economic Crimes P 1
Wei Chunshi on Guangxi Economy Strong, Weak Points P 2
Hainan PLA Holds Meeting on Party Rectification P 2
Hubei Meeting Views Rectifying Party Style P 3

PRC MEDIA ON TAIWAN AFFAIRS

Taiwanese Pilot Seeks Asylum in PRC U 1
Lands at Guangzhou U 1
CAAC Cables Taiwan Airline U 1
Guangdong Fetes Pilot U 1
Interview With GUANGZHOU RIBAO [5 May] U 2
Book To Answer Taiwan Compatriots Questions U 2

TAIWAN

CAL Asks Cathay Pacific To Negotiate on Plane Crew [AFP] V 1
Former Communist Pilot Broadcasts to Mainland V 1
Yuan Explains No Contacts Policy With PRC V 2

HONG KONG MEDIA ON CHINA

PRC Rejects CPA as Mediator Over Defecting Plane W 1
HSIN WAN PAO Criticizes Taiwan No Contacts Policy [4 May] W 1
Reaction to Chernobyl Accident Stresses Nuclear Safety W 2
[WEN WEI PO 3 May]

SEVEN-NATION SUMMIT OPENS IN TOKYO 4 MAY

OW041645 Beijing XINHUA in English 1438 GMT 4 May 86

[Text] Tokyo, May 4 (XINHUA) — Leaders of seven major industrialized countries began their 12th annual meeting here this afternoon to seek political unity and coordinate economic policies. Japanese Prime Minister Yasuhiro Nakasone gave a red-carpet welcome this afternoon at Akasaka Palace to heads of state attending the meeting, who are President of the United States Ronald Reagan, British Prime Minister Margaret Thatcher, French President Francois Mitterrand, Federal German Chancellor Helmut Kohl, Italian Prime Minister Bettino Craxi, Canadian Prime Minister Brian Mulroney, President of the European Council Ruud Lubbers and President of the Commission of European Communities Jacques Delors. After the welcoming ceremony, Prime Minister Nakasone gave a reception at the New Otani Hotel.

During the dinner following the reception, leaders exchanged views on East-West relations and arms control, and called for unity among the Western countries. They also agreed to add international terrorism and the Soviet nuclear plant accident to their meeting's agenda.

The political discussion begun this evening is expected to continue until tomorrow morning when a political statement, as well as a special declaration on international terrorism and a statement on the Soviet nuclear plant accident will be issued. The meeting will broach economic issues tomorrow.

Observers here say that the failure of Japan and the United States to agree on slowing the appreciation of the Japanese yen during their pre-summit meeting yesterday will cast a shadow over the meeting on economic issues.

The annual economic summit of the major industrialized countries began in 1975 shortly after the world oil crisis. This is the second time Tokyo has hosted the meeting.

Chernobyl Accident on Agenda

OW041026 Beijing XINHUA in English 0935 GMT 4 May 86

[Text] Tokyo, May 4 (XINHUA) -- The Chernobyl nuclear station accident might be high on the agenda of the Tokyo summit as heads of the seven major industrialized countries have repeatedly expressed their concern over the issue.

Federal Germany Chancellor Helmut Kohl said today that during his talks with Japanese Prime Minister Yasuhiro Nakasone he insisted that the summit meeting which is scheduled to open this afternoon should issue a joint declaration on nuclear safety.

Nakasone, who is host of the summit meeting and has the right to rule on what subject should be discussed has agreed that the nuclear accident will be one of the issues on the meeting's agenda together with other topics like world economy, international terrorism, and East-West relations, according to Friedhelm Ost, spokesman of the Federal German Chancellor.

U.S. President Ronald Reagan also criticized the Soviet Union yesterday for "its failure to give the outside world the accurate and full information about the accident." White House spokesman Larry Speakes said that Washington wanted the summit to call on Moscow to improve its procedures for the inspection of Soviet reactors by the International Atomic Energy Agency (IAEA).

A joint political statement by the summit participants -- Britain, Canada, France, Italy, Japan, Federal Germany and the United States -- might be issued Monday and could include mention of what attitude is to be adopted toward the accident, he said.

The nuclear accident occurred last Monday at the nuclear power-generating plant near Kiev, western Soviet Union, causing explosion and fire.

Call for Statement on Terrorism

OW041227 Beijing XINHUA in English 1156 GMT 4 May 86

[Text] Tokyo, May 4 (XINHUA) -- Britain and the United States today urged that a concrete statement on terrorism should be issued at the seven-nation summit which opened here today. In a briefing on British Foreign Secretary Geoffrey Howe's separate meetings with U.S. Secretary of State George Shultz and Japanese Foreign Minister Shintaro Abe earlier today, a British spokesman said Howe and Shultz talked for nearly one hour and "it became quite clear that the two sides wanted to see some credible statement" on terrorism from the summit. He said that Shultz wanted the statement to be "as concrete as possible" and that Britain shared that view. Anti-terrorist measures agreed to at a series of European community meetings last month were likely to provide the basis for the projected statement, the spokesman added.

Terrorism has become an outstanding global issue since the controversial U.S. air raid on Libya on April 15 and is expected to top the agenda of the summit. Observers here noted that Britain and Canada are the only two parties to the summit that have given unqualified support to the U.S. bombing.

According to earlier Western news reports, there has been a divergence of opinion in the United States and Europe as regards the U.S. bombing. While 70 to 80 percent of the Americans approved of President Reagan's action, two thirds of Western Europeans expressed disapproval, the reports said. Most European countries held that the air strike solved nothing and are opposed to more drastic action. Other countries around the world also condemned the U.S. air strike as an act violating the norms guiding international relations and a fight against terrorist activities with greater terrorist moves.

Monetary Policy, Trade Issues

OW030250 Beijing XINHUA in English 0219 GMT 3 May 86

["News Analysis: Tokyo Summit and Western Economic Problems by Zhang Xichun" -- XINHUA headline]

[Text] New York, May 2 (XINHUA) -- On the eve of the annual summit of the seven Western industrial countries scheduled for May 4-7 in Tokyo, people are not sure what kind of agreement these countries would reach on coordinating their efforts in solving the economic problems facing the West.

This year, the plummeting oil prices have brought many benefits to major industrialized countries, especially those dependent on oil import. As a result, their expenses on oil were reduced, unemployment rates fell and interest rates went down. All this has been stimulating consumption and industrial production. For this reason, Western observers hold that the prospects of this year's summit -- attended by leaders from the United States, Japan, Federal Germany, France, Canada, Italy, Britain and the European Economic Community -- would be better than last year's.

Nevertheless, there are still a number of factors, including serious structural problems as termed by the press here, that are affecting the stability of Western economies. One of the most controversial issues is monetary exchange rates. In fact, this is a problem caused by American policies. The high interest rates policy adopted by the United States had kept the dollar firm for a long time, which boosted an inflow of foreign capital but had negative effects on export.

The United States suffered a trade deficit amounting to nearly 150 billion dollars by the end of 1985, with much of its home markets taken over by foreign goods. To improve its trade balance, the United States decided to force down the dollar against other currencies to promote its exports.

The finance ministers of the United States, Britain, Federal Germany, France and Japan, known as the Group of Five (G-5), agreed at a meeting in New York last September to take coordinated measures to devalue the dollar. By April 28, the value of the Japanese yen had risen by 30 percent and the Deutsch mark by 23 percent against the U.S. dollar compared with the days before the New York meeting. This change, which is helpful to U.S. exports as expected, already has caused panic on the financial market. It is feared that the devaluation of the dollar might undermine people's confidence in the U.S. currency and lead to selling dollars in big quantities, which, some analysts argued, might cause an uncontrolled free fall for the dollar.

At the same time, Americans, who thought the devalued dollar was frustrating foreign investors by reducing their benefits, again raised their interest rates, a move which would somewhat offset advantages for the U.S. economic expansion. Therefore, experts have repeatedly warned that the dollar has been devalued too much.

Facing this situation, the U.S. Government is trying to further the value rise of the yen and the mark on one hand, and advocating the building of a more managed world monetary system in the place of the free fluctuation system on the other. The purpose of these efforts is to maintain the dollar's exchange rates against the yen and the mark at a level in favor of the United States.

At a mid-April International Monetary Fund (IMF) meeting, U.S. Finance Secretary James Baker proposed to his four G-5 counterparts that target zones be set up for the fluctuations of major Western currencies and demanded countries involved adopt coordinated monetary and economic policies. But, the Baker project was controversial among some U.S. allies. Opposing the Baker project, the ministers from Japan and Federal Germany questioned whether the exchange rates the United States demanded were in the interests of the two countries. "The question is," said Bonn's Finance Minister Gerhard Stoltenberg, "who would decide the zones, and even more important, who would defend them."

Meanwhile, Dutch Finance Minister H. Onno Ruding said that the stress on adjusting a country's home policies to the international situation would no doubt weaken the economic sovereignty of that country.

U.S. President Ronald Reagan will reportedly press the leaders of the six U.S. allies at the Tokyo summit for the building of the U.S. proposed monetary system. But the U.S. press predicted that the divided West can hardly turn the Baker project into a reality.

Then comes the problem of protectionism, a long argument between the United States and its leading Western partners. It has heated up because of the huge trade deficit in the United States in the recent years. The Reagan administration, while voicing opposition to protectionism, is exploiting the sentiment of protectionism in the U.S. Congress and industrial sectors as a pressure to urge Japan and Western Europe to open their markets wider for American products. Meanwhile, the White House has taken measures against the dumping of foreign goods in the United States to please the protectionists at home.

Washington and Tokyo reached an agreement last January to lift restrictions on U.S. exports of communications facilities, medical equipment and electronics to Japan. In March, the Reagan administration went a step further by taking "a radical new approach" towards the U.S.-Japanese trade issue. It asked Tokyo to change its basic domestic policy to turn Japan into a major buyer of American products. This shows that Washington is not content with Japan's decision to lift restrictions on only a few products but desires to solve the long-standing trade imbalance between the two countries in a comprehensive manner.

The conflicts between the United States and its leading West European partners are focused on farm produce. In early April, the Reagan administration announced that the United States would raise tariffs on 28 farm imports from Western Europe valued at some 10 billion U.S. dollars because the United States had suffered heavy losses in grain sales to Western Europe after Spain and Portugal joined the European Economic Community in January. Responding to the U.S. move, the EEC declared on April 9 that it would retaliate against the United States.

Washington is expected at the Tokyo economic summit to raise the problem of world markets glutted with farm produce and call on major West European countries to readjust their agricultural policies. However, as farm produce is a sensitive issue for West European countries, they may not take any joint action at the summit. They may save the issue for a new round of GATT talks in 1987, says an article in THE WALL STREET JOURNAL.

The United States and West Europe also differ on problems about Western economic growth. The United States wants Federal Germany and Japan -- the two countries which have seen a slowdown of their economic growth since last year -- to speed up the growth by reducing their interest rates and cut taxes at home, which would help the United States reduce its huge trade deficit. Federal Germany and Japan, however, are reluctant to take radical measures for fear that the move might spark inflation.

U.S. newspapers reported that all these major issues could possibly be discussed at the economic summit in Tokyo, however, it could be a mere discussion and mean nothing more.

QIAN QICHEN REMARKS ON SINO-SOVIET RELATIONS

HK040332 Hong Kong AFP in English 0309 GMT 4 May 86

[By George Biannic]

[Text] Beijing, May 4 (AFP) -- China believes that pressure exerted on Moscow by domestic public opinion could speed up a Soviet withdrawal from Afghanistan, a Chinese official has said. In an exclusive interview with AGENCE FRANCE-PRESSE Saturday, Vice-Foreign Minister Qian Qichen, who heads the Chinese delegation to Sino-Soviet talks on normalization, compared the current situation in Afghanistan with that of the United States in Vietnam. "The Americans had to abandon the burden" of Vietnam, Mr. Qian said.

Responding to a question of the possible influence that Soviet citizens could have on their government, Mr. Qian said: "I think this kind of pressure exists. Of course, the Soviet Union is a big country and Afghanistans is small, but the Soviet people are disappointed. What the Soviets are coming up against in Afghanistan is the opposition of a nation, not of a group. Military forces do not have a big role to play in the confrontation with this nation."

The Soviet military intervention in Afghanistan along with Vietnam's occupation of Cambodia and the presence of Soviet troops along the Chines border constitute the three obstacles Beijing says stand in the way of normalizing relations with Moscow. Mr. Qian said that while all three obstacles must be removed for normalization to be achieved, areas where "blood is flowing", Afghanistan in particular, should be considered priorities by the Soviet Union.

The vice-minister stressed the common denominator of the three obstacles was the fact that third countries were directly affected by Soviet policy: Cambodia, occupied by Vietnam with the support of the Soviet Union, Afghanistan and Mongolia, where Soviet forces are stationed along its border with China. Resolution of these problems would be in the interests both of the Soviet Union and of the third countries, Mr. Qian added.

A source close to the vice minister said that this question was kept at the center of Sino-Soviet talks on normalization but that so far the Soviet Union had turned a deaf ear. "It's a headache for the Soviet Union to listen to us on the question of the three obstacles and of the third countries," the vice minister said, adding that "normalization corresponds to the interests of these third countries."

"No political progress has been recorded" thus far in Sino-Soviet discussions on normalization, Mr. Qian stressed. He indicated that no dates had yet been fixed for a proposed exchange of visits this year between the Chinese and Soviet foreign ministers, Wu Xueqian and Eduard Shevardnadze. Mr Qian dismissed the possibility that Mr. Wu would travel to Moscow during the tour of East Germany, Hungary and Romania he is scheduled to begin late this month.

The vice minister conceded that the three obstacles could not be removed all at once, but that the most pressing problems, where "blood is flowing," should be solved first.

The Chinese official said Hanoi's stated plan to withdraw from Cambodia in 1990 was a deception and that the next five years would see a Vietnamization of the Indochinese peninsula with the formation of a federation of the treee countries of Indochina: Vietnam, Cambodia and Laos.

Mr Qian believes Vietnam is unlikely to overwhelm the forces of the tripartite Cambodian resistance. Western estimates put Vietnamese troop strength in Cambodia at about 150,000.

Despite the skepticism about the prospects for an imminent normalization of relations with the Soviet Union, Mr. Qian stressed the desire of both countries to develop their state-to-state relations, and notably economic cooperation. Growth of Sino-Soviet economic ties has been spectacular in the past few years. The Soviet Union now ranks as China's fifth-biggest trading partner after Japan, the United States, Hong Kong and West Germany. Bilateral trade volume last year amounted to 1.9 billion dollars and is due to reach 5 billion to 6 billion dollars in 1990. China's trade with Eastern bloc countries has been impressive growth and is expected to total 33 billion dollars in the 1986-1990 period, according to East European estimates.

Mr. Qian, considered likely to succeed Wu Xueqian as head of Chinese diplomacy, confirmed China's desire to develop exchanges with its powerful northern neighbor on the basis of "the principals of equality and mutual benefit."

The Sino-Soviet schism dates from ideological disputes which led to the recall of all Soviet advisors from China in 1960. For the first time since then, an exchange of experts between the two countries is planned for this year. At a time when China is concentrating its efforts on economic development, an increase in trade, particularly barter trade, with the Soviet Union and its allies would allow China to save the foreign currency needed to make purchases from the West.

FURTHER REPORTAGE ON CHERNOBYL ACCIDENT

PRC Nuclear Development Unaffected

HK050811 Beijing ZHONGGUO XINWEN SHE in Chinese 1134 GMT 4 May 86

[Report by Dai Yaping: "Jian Shengjie Says Soviet Nuclear Accident Will Not Affect China's Nuclear Power Development"]

[Text] Beijing, 4 May (ZHONGGUO XINWEN SHE) -- At a press conference today, Jiang Shengji, Director of the Nuclear Safety Administration, said: The Soviet Chernobyl nuclear power plant accident will not affect the progress of nuclear power development that China has started.

This nuclear industry expert said: China must draw experience and lessons from the Soviet nuclear accident. The most important point is that in China's nuclear power construction, we must stress the principle of putting quality and safety first.

Jiang Shengjie said: Before deciding on the building of a nuclear power plant, China made detailed investigations and studies of various reactor types. What the Chernobyl nuclear plant adopted were graphite-moderated pressurized water reactors. There were no safety shells installed for the reactors. The emergency water injection systems may also not be perfect enough. The current accident very likely arose from a steam explosion disrupting the waterpipe system and cutting off the reactor core water supply leaving no escape for the heat. The melting and burning of graphite was thus caused by the reactor fuel core. Due to the absence of protective safety shells, radioactive gases quickly escaped into the atmosphere after the accident. The occurence of this accident shows that the Soviet nuclear safety measures are not perfect enough. So far no official report has been issued on the cause of the accident. The melting of relevant components and the burning of graphite have become known. It is estimated that the helium coolant system has also been damaged.

Jiang Shengjie still acts as Chairman of the Science and Technology Committee of the Ministry of Nuclear Industry. He was once the chief engineer at China's largest nuclear power plant in Northwest China and was in charge of the building of China's largest reactor.

Concerning the casualties in this accident, he considers the Soviet press report about two deaths and over 100 people sent to hospital for checkups relatively credible. The two deaths were very probably directly caused by the steam explosion. There was no basis for foreign press reports about 2,000 deaths being involved, because the plant had only 1,000-odd workers. Even if quite a large number of people had received unusually large doses of radiation, they were not likely to die in a short period of time.

Jiang Shengjie said: In the design of nuclear power plant reactors, China has drawn on foreign experience and has adopted the safest design program. It calls for three protective screens: The intricately enclosed [cuo bao 6934 0545] shell for reactor nuclear elements, the pressure shell, and the safety shell. There are these three protective screens for the pressurized water reactors of the Guangdong Daya Bay Nuclear Power Plant and the Taishan Nuclear Power Plant. Even given an accident like that in the Soviet Union, the safety shell installed as a protective screen will keep radioactive gases from escaping into the atmosphere. He said: Despite a major accident, the U.S. Three Mile Island Nuclear Power Plant was well equipped with safety facilities and did not cause the escape of large amounts of radioactive materials.

He said that China has adopted a series of measures to ensure the maximum safety of nuclear power plants:

1. Safety control over nuclear plants is strengthened. Safety rules and regulations governing nuclear power plants are established and perfected. The business of checking the safety of the design for a nuclear power plant is strengthened. In accordance with safety rules and regulations governing nuclear power plants, strict supervision and inspection are carried out to ensure their operation according to relevant rules.

2. In nuclear power development, there are strict quality control programs for various work processes, such as design, construction, installation, testing, start-up, and operation. A whole set of perfect systems to guarantee quality are established. Nuclear power plants of high quality with guaranteed safety are thus set up.

3. The quality of operators is raised and efforts are strengthened in training and assessing operators.

4. A close watch is kept over developments from the Soviet Chernobyl nuclear plant accident. The Nuclear Safety Administration has quickly established a special group to follow up and study the current incident.

He said that in the past year or so since the establishment of the Nuclear Safety Administration, a series of safety systems and laws and regulations have been formulated. Safety assessment programs for the Daya Bay and Taishan nuclear power plants have been worked out. With the help of international atomic power organs, quite a large number of safety control personnel have graduated from international training classes.

Nuclear Team To Visit USSR

HK050825 Hong Kong AFP in English 0801 GMT 5 May 86

[By Pierre-Antoine Donnet]

[Text] Beijing, May 5 (AFP) -- China still plans to send a team to the Soviet Union to study possible nuclear cooperation despite the recent atomic power plant accident in the Ukraine, officials said Monday. Foreign Ministry spokesman Huang Jin expressed Beijing's "concern over the serious accident" at the Chernobyl plant, but said that this would not affect plans underway for the Chinese nuclear power program.

"The departments concerned on our side are keeping a close watch on the impact the accident may have on the atmosphere and environment over China," he said.

Jiang Shengjie, security director for China's nuclear industry ministry, said China had learned from the Chernobyl accident that security and quality must be given the highest priority in the construction of nuclear plants. China carefully studied foreign nuclear plants before deciding on its own facilities, the overseas edition of the PEOPLE'S DAILY quoted him Monday as saying. The Chernobyl accident would have no bearing on the development of China's plans, Mr. Jiang told the communist party organ.

A spokesman for the nuclear industry ministry said China still planned to send a delegation to the Soviet Union to discuss possible nuclear cooperation. "The preparations for this delegation are continuing. This visit has not been canceled but the dates have not yet been set," the spokesman told AGENCE FRANCE-PRESSE. An informed East European source said before the April 26 Chernobyl accident that the Chinese team would go to the Soviet Union around mid-June and would visit several nuclear power plants.

China has no such plants in operation. But its first unit, a Chinese-designed 300-megawatt power station, is under construction at Qinshan near Shanghai and is to be finished in two years. Chinese authorities recently said they expected to add on two 600 megawatt units at Qinshan.

An 1,800-megawatt station is to be built at Daya Bay near Hong Kong by the French firms Framatome and Electricite de France and the British corporation General Electric. China repeatedly has said that all security precautions were being built into the two plants. Officials of the Qinshan project recently said that the Three Mile Island plant accident in the United States in 1979 had delayed the inauguration of China's nuclear program.

China first announced an ambitious plan to build ten 1,000-megawatt stations by the year 2000 to resolve a chronic energy shortage. But the plans were seriously curtailed last year, mainly because of their cost. Since then, China has emphasized the building of new plants without massive foreign technology. The construction of a 2,000-megawatt facility at Sunan near Shanghai was dropped from the country's 1986-1990 plan even though negotiations with Western firms were well advanced.

The offer by Soviet First Vice-Premier Ivan Arkhipov last month for China to send a delegation to discuss possible nuclear cooperation was the first such invitation since Moscow and Beijing fell out over ideological differences in 1960. Nearly all of China's nuclear experts were trained in the Soviet Union in the 1950's. China exploded its first atomic bomb in 1964.

IAEA Head Invited to Moscow

OW041556 Beijing XINHUA in English 1540 GMT 4 May 86

[Text] Vienna, May 4 (XINHUA) -- The Soviet Union has invited the Director-General of the International Atomic Energy Agency (IAEA), Hans Blix, to Moscow in connection with the Chernobyl nuclear accident, the agency announced here today.

Blix will be accompanied by two senior experts. They are Leonard Konstantinov of the Soviet Union, who is deputy director-general in charge of the Agency's department of nuclear energy and safety, and Moffis Rosen, an American who is director of the division of nuclear safety. The three are to leave for Moscow tomorrow.

The Vienna-based agency said the invitation was officially extended on Sunday. However, the announcement did not say how long the experts will stay in Moscow or whether they will visit the Chernobyl nuclear plant.

MORE REPORTAGE ON ADB MEETING IN MANILA

Chairman Supports PRC Seat

OW011536 Beijing XINHUA in English 1500 GMT 1 May 86

[Text] Manila, May 1 (XINHUA) -- The chairman of the Board of Governors of the Asian Development Bank (ADB) today reiterated his support for the proposal to accommodate China as a member of the board of directors. Ronnie del Mel, who is also the minister of finance and planning of Sri Lanka, said at a press conference this afternoon that since China is a powerful country in Asia, it is normal for the country to have a representative in the ADB's board of directors. He hoped that the admission of China into the board of directors would not imperil the interests of small member countries in the board.

He said the ADB has laid down the principle that its main objective is to promote economic development of smaller countries in Asia. That's why many member countries, including both regional and non-regional countries, are strongly supporting the admission, he pointed out. He said, "We are trying to mobilize the support of the required 75 percent of votes to support the proposal." The chairman disclosed that they have already got 60 percent votes.

Asked about the absence of representatives from Taipei, China in the 19th annual meeting of the ADB, Ronnie de Mel said "Taipei, China is still a member of the ADB. It is my hope that Taipei, China will continue to be a member of the ADB and attend the meetings in the future."

Entry Triggers Split

HK011555 Hong Kong AFP in English 1341 GMT 1 May 86

[Text] Manila, May 1 (AFP) -- A split has developed within the Asian Development Bank (ADB) over representation problems triggered by the entry of China, the bank's chairman disclosed here Thursday. Ronnie de Mel, chairman of the ADB Board of Governors, told a press conference that a proposal by the bank's developing member-countries to increase their representation on the bank's Board of Directors was facing strong opposition from certain developed countries.

Mr De Mel said that if the developing countries were denied an additional director's seat, then six small Asian countries would have to be humped off the board to make way for China, which became the ADB's newest member only two months ago. The six countries -- Vietnam, Laos, Afghanistan, Nepal, Sri Lanka and the Maldives -- form a constituency and jointly hold one seat on the board.

Mr De Mel, who is Sri Lankan finance and planning minister, said the rejection of the proposal would be "a serious blow" to the ADB and would go "against the principles of the founding fathers of the bank."

Each of the bank's 47 member-countries are equally represented on the board of governors, which is the ADB's highest policy-making body. The Board of Governors is holding its three-day annual conference here.

The board of directors, the ADB's top management organ, takes care of the day-to-day operation of the bank. Of the 12 seats on the Board of Directors, eight go to largely underdeveloped nations of the Asia-Pacific region that comprise the bulk of the ADB membership. Four seats are alloted to the richer non-regional members.
The Manila-based ADB is a multilateral financial institution established in 1966 to provide easy development loans and technical assistance to its 29 developing member-countries. The bank also includes 18 industrialized countries in North America and Western Europe.

China's entry into the bank in March caused an uproar when the ADB amended the designation within the bank of Taiwan, China's political rival, to "Taipei, China." Taiwan has boycotted the current meeting, while the Chinese have made a grand debut here, led by Chen Muhua, governor of the People's Bank of China.

George Liu, the ADB's deputy spokesman, told AGENCE FRANCE-PRESSE there seemed to be "some confusion" about China's representation on the Board of Directors. Voting on the board is done by blocs of countries according to their paid-up capital subscriptions. Only Japan and the United States, the ADB's two biggest capital contributors, hold director's seats of their very own. Mr Liu said China had subscribed to 114,000 shares of the ADB's capital stock, but said he did not know if this entitled Beijing to its own director's seat.

Mr De Mel said the United States was the chief opponent of the proposal to increase the number of directors' seats, adding that he did not know why the Americans would object to what he called a "very fair and feasible" proposal. He said he was not optimistic about the chances of the proposal being passed because the United States held "fairly large voting power." He added that the proponents needed at least 76 percent of the vote but had been able to muster only 64 percent.

The ADB governors wind up their deliberations Friday.

Position in Question

OW021208 Beijing XINHUA in English 1148 GMT 2 May 86

[Text] Manila, May 2 (XINHUA) -- Masao Fujioka, president of the Asian Development Bank (ADB) said here today the People's Republic of China has the right to represent itself in the ADB board of directors. He was answering questions at a press conference immediately after the closing of the 19th annual meeting of the ADB board of governors.

He said there is wide support that China is entitled to a directorship and it is more reasonable that the solution to the China's membership is to create "one more seat to accommodate the People's Republic of China in the board of directors."

However, he said, his proposal to increase by one did not get sufficient support in the last few days. Some governors objected to the increase by one, while some suggested increase by two or three. He indicated he would try to solve the problem.

He also announced the ADB and China have made an arrangement that China will send a representative to attend meetings of the board of directors, but without the voting right.

Fujioka said he is going to China for a five-day working visit in May. The purpose of his visit is to establish good relationship between the ADB and China.

Speakers Support Admission

OW021304 Beijing XINHUA in English 1249 GMT 2 May 86

[Text] Manila, May 2 (XINHUA) -- The three-day annual meeting of the Board of Governors of the Asian Development Bank (ADB) came to a successful conclusion at the Philippine Convention Center in Manila today. At today's closing session, Masao Fujioka was unanimously re-elected president of the ADB for a second term in recognition of his contributions to the fruitful operation of the bank.

The governor for Japan was elected chairman of the Board of Governors in the coming year. The Japanese city, Osaka, was chosen as the place of the 20th annual meeting for 1987.

During the past three days, 44 delegates from various member countries and regions spoke on a wide range of problems concerning the economic development of the Asian-Pacific region and the future directions of the bank. Speakers discussed the economic situation in the region and expressed their concern over the problems of the developing member countries and regions — the fall in the price of primary commodities, continuing tight budgetary conditions and heavy debt service burdens. Some speakers were of the opinion that the recent fall in oil prices and lower worldwide interest rates should provide momentum for reviving economies.

Governors from developing countries in their speeches urged developed countries to refrain from practising protectionism and erecting trade barriers. They pointed out that the world economy is more inter-dependent and the increase of economic strength of developing counties is also conducive to the cooperation between developing and developed countries. They hoped the bank would play a role in helping the region to deal with its various problems.

The overwhelming majority of the speakers expressed satisfaction with the admission of the people's Republic of China to the ADB. They supported the right of China to the directorate of the ADB, although some governors from Europe had different views on specific ways to solve the question.

In his closing remarks, ADB president Masao Fujioka said that the ADB would make all possible efforts to help the developing member countries in achieving growth and market oriented adjustment. It would resume the expansion of its lending volume.

Chen Muhua on Loan Application

OW021044 Beijing XINHUA in English 1035 GMT 2 May 86

[Text] Manila, May 2 (XINHUA) — Chinese State Councillor and President of the People's Bank of China Chen Muhua stated here today that China needs to make further studies on whether to apply for loans from the Asian Development Bank (ADB) since the ADB resources are limited.

Answering questions at a press conference, she pointed out that as a developing country in the Asian-Pacific region, China mainly relies on its own resources to develop its economy and at the same time likes to introduce foreign capital in accordance with the policy of opening to the outside world.

Chen said ADB President Masao Fujioka will soon visit China to help it get familiarized with the lending procedures of the ADB. Besides, China will send specialists to the ADB to study the matter. It is premature at present to announce what will be the result of the studies.

Chen said, "China is willing to enter into extensive cooperation with the authorities and other members of the ADB within the framework of the bank, so as to make joint efforts to seek and promote the economic development and prosperity of the Asian-Pacific region. [no end quotation marks as received]

She said China would like to have an additional seat in the board of directors of the ADB. Before the settlement of the question, it will send a representative to the board.

Chen Muhua Interviewed

HK011245 Hong Kong LIAOWANG Overseas Edition in Chinese No 17, 28 Apr 86 p 5

[Report by Staff Reporter: "Chen Muhua on China's Entry Into the Asian Development Bank" — Interview with Chen Muhua, state councillor and president of the People's Bank of China]

[Text] In the capacity of the Chinese member of the board of the Asian Development Bank [ADB], Chen Muhua, state councillor and president of the People's Bank of China, left for the Philippines at the end of April to attend the 19th annual ADB board meeting. This is the first time that the PRC has taken part in ADB activities as the sole legitimate representative of China. For this reason, a LIAOWANG reporter interviewed Chen Muhua on the following questions.

[Reporter] Would you please talk about the position and role of the ADB in the Asia-Pacific region? Why has China joined the ADB? What is the significance of the PRC's entry into the ADB as the sole legitimate representative of China?

[Chen] The ADB is an international monetary organization formed by governments in the Asia-Pacific region, with the aim of promoting economic growth and cooperation in Asia and the Far East. Its main activities include collecting funds, providing loans and technological aid for its member countries in the Asia-Pacific region, providing preferential treatment for projects and plans which are beneficial to the coordinated economic development of the entire region, and giving special consideration to the needs of its small member countries or member countries which are comparatively underdeveloped. The ADB is composed of 47 member countries. Some are countries in the region and some are countries outside the region; some are developing countries and some are developed countries. Developed member countries must subscribe for shares and contribute funds to the ADB, but they cannot apply for loans. Developing member countries must also subscribe for shares and are allowed to apply for loans. The ADB also provides that enterprises of the member countries only are entitled to participate in tendering for ADB loan projects. The ADB will give priority to experts of its developing member countries when recruiting experts for its loan projects and technological aid. The ADB has two jobs: One is launching regional economic and financial cooperation, that is "South-South cooperation," and the other is promoting cooperation between its developing and developed member countries, that is "South-North dialogue and cooperation." Therefore, not only will the growth of its business be beneficial to the development of the economy and banking business of this region, it will also help promote "South South cooperation: and "South-North dialogue" throughout the world. As a formal member country of the ADB, we hope for the realization of all this and will play our proper part.

As an Asian country, it is a matter of course for China to join the ADB. With a population of 1 billion, China's entry into the ADB has expanded the scope of ADB representation to a region with 2.5 billion people. This has made the ADB an Asian development bank worthy of the name.

[Reporter] After joining the ADB, what role will China play in promoting economic development and financial cooperation in the Asia-Pacific region? What vocational activities will China take part in? What responsibility will it shoulder?

[Chen] Many developing countries in the Asia-Pacific region have made great economic achievements over the past 20 to 30 years since they won political independence. This region has become one of the regions in the world with a fast rate of economic development. There are many valuable experiences in the economic development of the Asia-Pacific region which China should study and refer to.

As a country in the Asia-Pacific region, China too wishes to play its proper role in developing the region's economy and finance. We will abide by the four basic principles set forth by Premier Zhao Ziyang in 1983 on economic and technological cooperation between China and other developing countries, that is, equality and mutual benefit, paying attention to actual results, variation of forms, and common progress. We will participate in the activities of the ADB and contribute what little strength we have to promoting economic and financial development in the Asia-Pacific region.

As a member country of the ADB, we will strictly observe its regulations, perform our duties, and enjoy our rights and interests. Since joining the ADB, China has in accordance with its rules subscribed to 114,000 shares, totaling 31.3 billion, of which 3150 million have been paid. Now China has handed over 317 million in foreign exchange and 71 million yuan. China is subscribing to about 7 percent of the ADB shares and is the third largest shareholder. As China has just joined the ADB, it is not familiar with its vocational activities, and it will take time for China to familiarize itself with them. Apart from participating in the 19th annual meeting, we are ready to invite ADB Director Fujioka to visit China for the purpose of exploring matters regarding strengthening bilateral cooperation. As the number of Chinese seats on the board has not been decided, China and the ADB have agreed that China will send representatives to the ADB to carry out business contacts. The ADB has formally invited China to take part in the round-table conference on trade liberalization and development to be held in HongKong in July this year, and China will send participants to that conference. In addition, China is also prepared to invite the ADB to send a team of experts to China to introduce business conditions. In short, China takes a positive attitude toward cooperation between China and the ADB. I am convinced that bilateral cooperation will be smooth and fruitfull and that its prospects are excellent.

[Reporter] What impact will China's entry into the ADB produce on China's four modernizations and its policy of opening to the world?

[Chen] The policy of opening to the world is China's basic state policy. China's entry into the ADB corresponds with the policy of opening to the world. We should use the strong points of other countries to serve our economic construction, and the ADB program is to promote economic and financial development in this region. So China's entry into the ADB has opened up a new road, geared to the Asia-Pacific region, for China to launch external economic and technological cooperation, to use foreign investment, to introduce foreign technology, to undertake contract projects, and to carry out cooperation in labor services. All this is, undoubtedly, beneficial to China's policy of opening to the world and its four modernizations drive.

[Reporter] The Taiwan region will remain in the ADB under the name of "Taipei, China." In future ADB activities, how will Chinese representatives handle their relationship with the Taiwan representatives?

[Chen] Taiwan is an integral part of Chinese territory. In accordance with the agreement reached with the ADB authorities, we are willing to work together and cooperate with the representatives of the Taiwan region of China within the ADB framework. During the 19th annual ADB board meeting, I am willing to mix with the representatives of the Taiwan region, relive our compatriot relationship, and discuss matters relevant to the ADB's and the region's economic and financial development.

Hong Kong To Continue in ADB

OW021103 Beijing XINHUA in English 1043 GMT 2 May 86

[Text] Manila, May 2 (XINHUA) -- Secretary for Monetary Affairs of Hong Kong David Nendick said here today that "Hong Kong's future has been assured and so has our continuing membership in the Asian Development Bank (ADB). He made the statement at the 19th annual meeting of the Board of Governors of the ADB in Manila. The Hong Kong official said, the reestablishment of confidence following the announcement of the Sino-British Joint Declaration was consolidated by its ratification. He told the meeting that local residents and foreign investors now have the assurance that Hong Kong in the immediate years ahead and beyond 1997 can continue to enjoy the stability and prosperity created over the years.

He said that there is no doubt about Hong Kong's continued participation in the ADB after 1997. "We will continue to lay our role as a member in the bank. Through the membership, we hope to continue to contribute to the development of the Asia-Pacific region," he added.

Turning to the operation of the ADB, Nendick said Hong Kong long recognized the importance of the private sector in the economic development process. However, he expressed the concern that there was a fall in emphasis in the lending to development finance institutions. He hoped that the bank will offer as quickly as possible the various forms of assistance to the private sector without government guarantee and assistance to the developing member countries and regions in privatizing public sector enterprises.

ASEAN SUPPORTS CGDK 8-POINT PEACE PROPOSAL

OW291950 Beijing XINHUA in English 1937 GMT 29 Apr 86

[Text] Manila, April 29 (XINHUA) -- The Association of Southeast Asian Nations (ASEAN) said today that the eight-point proposal put forward recently by the Coalition Government of Democratic Kampuchea (CGDK) "is reasonable and reflects the genuine effort" to find a just and durable solution to the Kampuchea problem.

In a joint statement issued today, the ASEAN foreign ministers said that they were impressed by the comprehensive nature of the proposal, including the core points of total withdrawal of vietnamese troops, self-determination for the Kampuchean people, and concrete steps to bring about national reconciliation.

The foreign ministers reaffirmed that the Kampuchea problem has to be solved by the Kampuchean people themselves, and the eight-point proposal can serve as constructive framework for negotiation.

They urged Vietnam to seriously consider the various positive aspects of the proposal, which was unveiled in Beijing in mid-March, and join in direct or indirect talks together with the the CGDK and the Heng Samrin group. Hanoi has so far rejected the proposal.

ASEAN is comprised of Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand.

PHILIPPINES HALT NUCLEAR POWER PLANT PROJECT

OW302001 Beijing XINHUA in English 1939 GMT 30 Apr 86

[Text] Manila, April 30 (XINHUA) -- The Philippine Government today decided to mothball the controversial nuclear power plant project in Bataan Province, some 250 kilometers west of Manila, presidential spokesman Rene Saguisag announced in a press briefing.

Saguisag said the decision was reached "after a thorough deliberation" at a two-hour cabinet meeting presided over by President Corazon Aquino in the presidential palace.

The nuclear power plant costing 2.1 billion U.S. dollars is the most expensive single project being built in the Philippines. The plant has taken more than ten years to build and now more than 95 percent of the construction work has been finished. Opposition to the operation of the plant centered on the safety factor. Many feared that it would endanger the lives of people living near the plant. Anti-nuclear activists here also claimed that the plant was overpriced and that "the country bought one for a price of two."

The spokesman said the cabinet members had taken into consideration the nuclear accident in the Ukraine Republic of the Soviet Union in deciding to mothball the project. The Soviet nuclear power plant accident reportedly caused many casualties and radioactive fallout reached some 900 kilometers.

Saguisag said the cabinet would instead "negotiate, arbitrate, or litigate" the issue with the plant's contractor, Westinghouse International Corporation, and the main financier of the project, American Export-Import Bank. While the cabinet meeting was in progress, hundreds of anti-nuclear activists posted a picket in front of the presidential palace to protest against the plant's probable operation.

PENG CHONG-LED NPC GROUP BEGINS AUSTRALIA VISIT

OW300756 Beijing XINHUA in English 0729 GMT 30 Apr 86

[Text] Sydney, April 29 (XINHUA) -- A Chinese National People's Congress (NPC) delegation led by Peng Chong today began a twelve-day visit to Australia at the invitation of Australia's Commonwealth Parliament. Bainqen Erdini Qoigyi Gyaincain, vice-chairman of the NPC Standing Committee, is the deputy leader of the Chinese delegation. Sydney, the first leg of the Chinese delegation's visit to Australia, is the capital of the Australian southeastern state of New South Wales, the largest industrial and financial center in the country.

This evening, Neville Wran, premier of New South Wales gave a grand reception at the Government Building in honor of the visiting Chinese. In his speech, Wran expressed his warm welcome to the Chinese delegation. He said that the relationship between Australia and China has been greatly strengthened after the exchange of visits by Chinese party leader Hu Yaobang and Premier Zhao Ziyang, and Australian Prime Minister Bob Hawke.

Peng said in his toast that since the establishment of diplomatic relations between China and Australia, the two countries have enjoyed good relations. He said China's Guangdong Province and Australia's New South Wales state, which established sister relations in 1980, had taken the lead in exchange of visits and cooperation in economic, trade, cultural educational, scientific and technological fields.

New South Wales minister for natural resources John Aquilina and Chinese Ambassador to Australia Li Xiling and more than 100 guests were present at the banquet. Afterwards, the delegation watched a performance given by the Australian Ballet at the Sydney Opera House. Early this afternoon, the Chinese delegation toured the Sydney habour on board the ship "Captain Philip" provided by the new maritime services board.

HU QILI LIAOWANG INTERVIEW ON CPC, OPEN POLICY

CPC To Retain Old Cadres

HK020913 Beijing XINHUA Hong Kong Service in Chinese 0625 GMT 2 May 86

[Report: "Hu Qili on the 13th National Congress of the CPC" -- XINHUA]

[Text] Hong Kong, 2 May (XINHUA) -- The latest issue of the Chinese Weekly LIAOWANG OVERSEAS EDITION to be published soon quotes Hu Qili, member of the Political Bureau and Secretariat of the CPC Central Committee, as saying that the 13th CPC National Congress will reelect the central leading organ of the CPC, thus taking a new step toward enhancement of cooperation between veteran and new cadres and replacement of the former by the latter. A group of old revolutionaries who have rich experience and enjoy high prestige will remain at the helm.

Hu Qili said: Founded on the principle of democratic centralism, the CPC practices a high degree of centralism on the basis of a high degree of democracy. Decisions on major issues within the party have always been made by party congresses. As scheduled by the party Constitution, the 13th CPC National Congress is to be held next year. In the meantime, the party's central leading organ will also be reelected in accordance with the party Constitution. The exact time for the 13th CPC National Congress will be fixed through discussion during the 6th Plenary Session of the 12th CPC Central Committee to be held in the latter half of this year.

In order to cope with the arduous tasks of modernization, our party has made great efforts in the past few years to reorganize its ranks of cadres so that leading cadres at all levels will be more revolutionary, younger in average age, better educated, and more professionally competent. This is a major and fruitful project that our party has engaged in with regard to political reform. In the past few years our party's central leading organization underwent two massive readjustments, the one taking place at the 12th CPC Congress and the other at last year's National Conference of Party Delegates. Both readjustments were carried out smoothly. A number of old comrades voluntarily stepped down from the central leading organization and thus made valuable contributions to the abrogation of the life tenure of leading posts which was then a reality, as well as to the rejuvenation of the central leading organization. Meanwhile, a number of young cadres have taken up new leading posts and plunged into work full of vigor. Now our new and old cadres respect each other, work in close cooperation, and unite with each other. This is an important indication of our party's prosperity. In order to ensure that our central leading organization will better meet the needs of the four modernizations, and to guarantee the continuity and stability of our party's line, principles, and policies, the 13th CPC National Congress will take a new step toward enhancement of cooperation between veteran and new cadres replacement of the former by the latter. But at the same time, it must be pointed out that ours is a big party with 40 million members and China is a big country with a population of 1 billion. The ruling of such a big party and big country needs a group of long-tested old revolutionaries to take the helm, who have rich experience and enjoy high prestige both at home and abroad. Therefore, while promoting a large number of young and middle-aged cadres, we will stick to the principle that a number of old revolutionaries will remain in their leading positions.

Open Policy Reaffirmed

HK050156 Beijing ZHONGGUO XINWEN SHE in Chinese 1013 GMT 4 May 86

[Text] Beijing, 4 May (ZHONGGUO XINWEN SHE) -- Hu Qili, member of the Political Bureau and of the Secretariat of the CPC Central Committee, said that some decadent phenomena in China's current society are related to, but are not the inevitable result of, the policy of opening up to the outside world and invigorating the domestic economy.

We will not refrain from doing something necessary for fear of a slight risk. Continuously opening up to the outside world is our unshakable, basic national policy. Hu made this remark when interviewed by a Beijing correspondent of the Australian Broadcasting Corporation on 10 April. The contents of his talk will be carried in the LIAOWANG issue to be published on 5 May.

Hu Qili said: By and large, the policy of opening up to the outside world and invigorating the domestic economy has played a positive role in the ideas and ethics of the masses of the people. This is also the principal aspect. Naturally, in the process of opening up some negative phenomena have also emerged. This is the secondary aspect. Early last year, some ideologically unsound tabloids and pornographic video tapes appeared in some localities. After carrying out investigation and dealing with them, we have basically curbed this unhealthy tendency. Prostitution is illegal in China. There were also some isolated cases. This malpractice has profound social and historical roots. It is related to, but is not the inevitable result of, the new objective conditions following the opening up and the invigoration of the domestic economy. Although there are quite a few problems in our current society, our public order and the general standards of our social conduct are still much better than those in many other countries in the world.

Hu Qili said: When engaging in a modernization program, a country cannot but derive nourishment from the material and spiritual wealth jointly created by mankind. Blind opposition to everything foreign can only lead modernization to empty talk. The change from closing our country to international intercourse to opening it to the outside world is an historic progress. In opening up to the outside world, we not only can absorb foreign capital and learn advanced scientific, cultural, and technological knowledge and managerial skills from foreign countries, but also instill new vitality to our national spirit and effect profound changes in people's spiritual life. Naturally, just as flies will enter our house when we open the doors, some decadent ideas and life styles of capitalist society will also take advantage of this opportunity to enter our country. Moreover, the pernicious influence of the remnant feudal ideas left over from old China cannot be thoroughly eliminated in a short time. As soon as there is a suitable climate, these dregs of society will come to the surface. For this reason, it is entirely unnecessary to be alarmed if some decadent phenomena increase to some extent. So long as we satisfactorily carry out the building of spiritual civilization, step up education, and improve the legal system, we will certainly be able to minimize the negative influences.

Fighting of Crime To Continue

HK050158 Beijing ZHONGGUO XINWEN SHE in Chinese 1053 GMT 4 May 86

[Text] Beijing, 4 May (ZHONGGUO XINWEN SHE) -- Hu Qili, member of the Political Bureau of the CPC Central Committee and secretary of the CPC Central Secretariat, said: Efforts will continue to be made to investigate and punish people who violate party discipline and state law; and the principle is that each case will be handled realistically and in light of the law without exaggerating the problems or involving the innocent, but no evildoer will be let off.

He said this when being interviewed by a foreign reporter.

According to the report on this interview by LIAOWANG No 18, Hu Qili told the reporter that the general public is glad to see the party act to deal with major cases and to straighten out the party style, and these actions have won the growing confidence of the public. The legal system has been consolidated. However, the public still wants to see the development of things and hopes that the CPC will persevere in eliminating the evil things inside the party and in society. However, the people do not want to see any political movement, because a movement, like a storm which may damage many houses, may create new unjust charges and verdicts which will have to be reversed some time later. This time, our practice will be different.

We will adhere to democracy and the legal system, and we have made up our mind to seriously and persistently deal with the lawbreaking cases. On the one hand, we will strengthen education, on the other hand, we will rely on legal means. We will enact more laws and regulations so as to base our socialist democracy on a sounder legal foundation.

Hu Qili reiterated: We always hold that all people are equal before the law. If a person violates party discipline or state law, no matter who he is nor how high a position he holds, he must be punished in light of party discipline and state law. No special party member will enjoy the prerogative of being above punishment when he violates party discipline or state law.

This senior CPC official said: Only a small number of people among party members and cadres are involved in various irregularities and malpractices, and only a very small number of them have become criminal offenders. Between 1981 and 1985, the number of party members who were punished according to party discipline for various reasons accounted for merely 0.2 to 0.3 percent of the total number of party members. Those being sentenced by courts for committing various crimes accounted for an even smaller percentage.

'FAR-REACHING IMPACT' OF HU QILI SPEECH CITED

HK040312 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1115 GMT 3 May 86

[Article by Zou Zongbin: "The Hu Qili Speech of Far-Reaching Impact"]

[Text] [no place-name as received] 3 May (ZHONGGUO TONGXUN SHE) -- The speech made by Hu Qili, a top CPC leader, on the eve of the 1 May Labor Day has evoked strong repercussions at home and abroad. It would have been inconceivable in the past for a member of the CPC Central Committee Political Bureau and Secretariat to call for plucking up the courage to break through certain conclusions of Marx, the great revolutionary master of the proletariat, that practice has shown to be outdated and incorrect. Hu Qili made the speech at a rally of the world proletariat, including trade union delegations sent by various countries. It goes without saying that his speech will be of profound significance and of far-reaching impact.

Marxism is the theoretical foundation of the CPC'S thought. While carrying out the arduous task of building socialism with Chinese characteristics, the CPC is bound to seek theories from Marx' philosophical thought to solve questions arising from practice and to take up the challenge of contemporary natural and social sciences. Hu Qili's speech indicates that, in the course of China's modernization program, certain of Marx' conclusions deviate from and even conflict with China's current social reality. If these problems are not solved, they will adversely affect the reform of the CPC.

The expositions of Marx, a man of over a century ago who never experienced the economic life of socialism, on the economic laws of the socialist period could only be tentative. According to Marx, commodities and currency would be unnecessary and emphasis should be put on public ownership during the period of socialism. During the 1930's, the Soviet Union looked upon such Marxist theory as a magic weapon, while the CPC also followed the same track up to the present. Over the past decades, for someone to dare to suspect these "classics" would spell disaster, to say nothing of making a breakthrough.

In fact, practice has proved that not all of Marx' conclusions are true. For example, his theory of urban uprisings was applicable to certain countries but not to China.

Could China's revolution have been a success if Mao Zedong had also looked upon this conclusion of Marx' as a "universal" truth?

A Beijing University professor recently pointed out that the reform of the ownership system will determine the success or failure of China's economic reform. This new viewpoint, which is completely different from that of the CPC, has attracted the attention of the departments concerned. Although the CPC may not necessarily accept the viewpoint, it shows that more and more people have plucked up their courage to break through outdated conventions and to probe Marxist ideology in "contemporary China" in an attempt to integrate Marxism with the practice of China's modernization program. It is quite definite that this valuable spirit of exploration will encounter obstructions in the course of seeking truth. Nevertheless, the great significane of Hu Qili's speech and the support he afforded to the reformers should not be underestimated.

HONGQI ARTICLE VIEWS ACCEPTANCE OF MARXISM

Academic Research Urged

HK021259 Beijing ZHONGGUO XINWEN SHE in Chinese 0642 GMT 1 May 86

[Text] Beijing, 1 May (ZHONGGUO XINWEN SHE) -- In an article in this year's issue No 9 of HONGQI published today, Hu Sheng, President of the Chinese Academy of Social Sciences said there are no forbidden zones in academic research.

Hu Sheng said that anything that helps social and scientific development, and anything that is needed in the light of reality, should be made a subject of research. An academic worker can do independent research and bring out his own research results. Generally speaking, a scholar's individual research results do not represent the view of the party and the government. The responsibility rests with the researcher both academically and theoretically. Any research results of value should be allowed to be made public so long as they are not against the leadership of the party and against the socialist road.

He said that since our research workers are called upon to show courage in solving actual problems, then we must allow them to err and make detours in the process of exploration. Where there are mistakes, we must use the method of academic discussion and guidance to seek a solution. Of course, be it a mistake or not, we must have discussions and go through the test of practice. No one can prejudge. Regarding any view point, we should allow criticisms and also counter-criticisms. We advocate obeying the truth in the interests of the people. This is a solemn scientific attitude. A person should not stick purely to his own views and have a narrow outlook on things. This is undesirable and contemptible. Everyone should discuss things on an equal footing. Where there is a real mistake or something is wrong, we should start all over again. So we set the rule as a prerequisite: A mistake is allowed; we cannot "deal a fatal blow at one stroke" where there is any mistake.

Hu Sheng suggested that we should not freely elevate academic mistakes to the plane of political mistakes. Some problems in social sciences are likely to touch on political ones. Even problems of this kind cannot simply be treated as political ones in our approach.

On how to use Marxism as a guide to academic research, Hu Sheng said that all the work of our country proceeds under the guidance of Marxism. Our research work in social sciences should also proceed under the guidance of Marxism. This is the most fundamental guideline for our research work.

He thinks that as far as the social sciences front is concerned, a problem likely to be of particular importance is the one of putting Marxism in simple and vulgar terms. We must now overcome such a trend. Of course, we can only use Marxism as a weapon in overcoming it.

Hu Sheng considers that academic research not involving the conscious application of Marxism should also be allowed. After citing an article in the Constitution which says: "Citizens have the freedom to carry out scientific research, literature and art creation and other cultural activities," he said: Any scientific research work that helps in promoting the creativity of the people should be encouraged and given support. It is not a case of just supporting scientific research work that involves the conscious application of Marxism as a guide. The same applies to research in the social sciences. It should be admitted that some scholars are not consciously applying Marxism as a guide in academic research. But their research contributes toward enlivening socialist academic studies and is beneficial to the people.

Marxism 'Cannot Be Forced'

OW031534 Beijing XINHUA in English 1507 GMT 3 May 86

["People Cannot be Force-Fed Marxism"] -- XINHUA headline]

[Text] Beijing, May 3 (XINHUA) -- A leading theoretician has described Marxims as a science alive with the current changes, in which people have confidence for nothing but its scientific truth.

In an article in the latest issue of RED FLAG journal, Hu Sheng, president of the Chinese Academy of Social Sciences, said that Marxism is not stagnant and sealed. Instead, he said, "it is developing to suit the current situation in China and abroad." People cannot be forced to believe in Marxism, he said, adding that in China, it has enjoyed massive trust and support as a result of its scientific truth and combination with China's actual practise. It won't do to use political power and administration to compel people to accept an idea, Hu Sheng added.

Hu, who is concurrently director of the party history research center under the party Central Committee, proposed that the current political courses in colleges be improved. At present, many students take such courses for the sake of examinations. And because of this, he said, they just try to find and recite the "standard" answers to the paper.

He also advised Chinese scholars of Marxism to discuss with the exponents of other schools of political sciences in the world.

"Marxists will make progress by having discussions with people who have different opinions to absorb useful ideas and research methods," he said.

ZHAO ZIYANG, OTHERS AT CONDUCT REPORT MEETING

OW301000 Beijing XINHUA Domestic Service in Chinese 1442 GMT 29 Apr 86

[Text] Beijing, 29 Apr (XINHUA) -- At a meeting sponsored by the Central State Organs Party Committee this afternoon, secretaries of party committees and discipline inspection commissions of all departments under state organs discussed the implementation of the Central Committee's instruction that central organs must set an example in improving party conduct. They also examined the situation of and set forth future requirements for improving party conduct.

Before the meeting, Comrades Zhao Ziyang, Wan Li, and Tian Jiyun heard a Central State Organs Party Committee report on its recent work to improve party conduct, and made important speeches. Endorsing the successes of central state organs in improving the conduct of their party members, they emphatically pointed out that the mainstream among the vast number of state organ functionaries is good; most of them are actively involved in reforms and are working hard to serve the people. They said, however, that we must also realize that certain serious problems have indeed occurred among some party members and cadres. After the party and the people give them some power, some state functionaries, instead of serving the people wholeheartedly, have resorted to all means possible to seek personal gain, taking advantage of their authority as well as the opportunity of reforms and the policy of opening up to the outside world and enlivening the economy. This is intolerable to party discipline and state law. We must be determined to take firm actions to deal with this problems so as to ensure normal progress of reform and the implementation of the policy of opening to the outside world and enlivening the economy, and to develop and consolidate the gratifying situaton. Meanwhile, we must realize the complexity of the issue, lest we handle it simplistically. While handling the issue, we must be firm and cautious. We must determine the nature of various matters in accordance with the party's principles and policies and state law, and firmly improve state organs' workstyle and efficiency. This is an objective we must strive to attain.

Addressing the meeting today, Comrade Tian Jiyun stressed: Improvement of party conduct and reforms should proceed hand in hand with our work because they can enhance each other. Leading authorities at all levels must clearly realize our long-range strategic principle, namely, material construction and spiritual construction must proceed at the same time in our socialist society. While economic work is at the center, ideological and political work can guarantee its success. Should we slacken or weaken ideological and political work, our economic work will go astray, and our reforms and work for opening to the outside world and enlivening our economy cannot possibly succeed.

He pointed out: The current main issue lies in the fact that certain departments have yet to consider improving party conduct and strengthening ideological and political work as part of their leadership. Leaders of leading party groups must genuinely understand the importance of improving party conduct. They must place the work of improving party conduct on their agenda and make sure it is attended to. While planning their work, they should also include in their plan the work of improving party conduct; and while checking their work, they should also check the work of improving party conduct. The two jobs must be done and accomplished at the same time. We must also examine our experiences in improving party conduct, carrying out reforms and performing our routine work at the same time. We must dare to commend good experiences and criticize bad ones.

Tian Jiyun said: Major cases must be investigated according to the principle that they must be handled firmly, cautiously, accurately, and efficiently. While investigating and handling cases of law-breaking and serious misconduct among party members, some departments are daunted by difficulties or become softhearted. There are many reasons for this; but it is primarily because some comrades think a lot more about their own safety than the interests of the party and the state. All departments must select honest and impartial cadres who have a strong sense of principle and policy to take part in handling cases, and they must dare to deal with tough issues persistently until they are resolved. While handling major cases, we must seek truth from facts and work according to policies.

We should not compete with each other for high figures, quick progress, or fanfare. While we should not absolve everyone, we should not implicate the innocent. Each case must be accurately, properly and thoroughly handled on the basis of proven facts so that they can stand the test of history.

Tian Jiyun said: Party operation must be strengthened. Party organizations must exercise their supervisory role, and members must exercise their vanguard exemplary role by taking care of party affairs. Party organizations at all levels must attend to these three things: education, supervision, and discipline. They must educate party members to foster the attitude of serving the people wholeheartedly and the spirit of this age, namely aiming high and bringing forth new ideas. They must strengthen their organization, lead a normal organizational life, give full scope to democracy, make criticism and self-criticism, make inner party life more ideological and political, and have a stronger sense of principle. Party members and leading party member-cadres at all levels should supervise each other's conduct.

Tian Jiyun pointed out that greater efforts should be exerted during the next 2 years to achieve a breakthrough in changing state organs' workstyle through combating bureaucratic attitude and improving operating efficiency. He added that, in order to combat bureaucratic attitude, a lot of work has to be accomplished in solving institutional problems and in intensifying ideological education.

He said: We must effectively intensify the building of a contingent of political workers, reinforcing it with cadres who have a strong party spirit, and who are law abiding, honest in performing their duties, educated, proficient, in the prime of their lives, practical, exploratory, enterprising, and dedicated.

During the meeting, Zhang Jingyuan, deputy secretary of the Central State Organs Party Committee, made a report on state organs' recent efforts to improve their party conduct. He also stated his opinions regarding future tasks. He said: Following the conference of central organ cadres, the vast number of party member-cadres of all departments under state organs have been earnestly studying and discussing the important speeches by Hu Yaobang and other central leaders as well as other relevant documents of the Central Committee concerning the need to improve party conduct. During discussions of democratic practices, leading party groups of all departments have examined their performances against stated requirements, made corrections in the course of examination, and drawn up measures for improving their conduct. They have also seriously handled a number of cases of lawlessness and indiscipline. In general, the progress has been smooth and initial success has been achieved. However, the development of the work of improving party conduct has been uneven, and a lot of hard work has to be done in the next 2 years in order to achieve a fundamental change for the better in state organs' party conduct -- a goal set forth by the Central Committee. In accordance with the Central Committee's requirements for improving party conduct, all departments under central state organs must attach great importance to the issue, intensify their leadership, firmly adhere to the principle that material and spiritual construcion must be organically combined and carried out simultaneously.

To ensure successful results, they should make rational and overall arrangements, and create a good social environment that can facilitate reforms as well as the implementation of the policy of opening to the outside world and enlivening the economy. We should use both positive and negative examples to educate state organ functionaries to heighten their sense of lofty ideals, discipline, and law, so that they will perform their public services honestly, foster the moral characters of upholding principles, strictly abiding by discipline, being devoted to their duties, and consciously resisting all types of unhealthy practices, and so that they will introduce into state organs a new order of the 1980's.

During the meeting, the Ministry of Coal Industry, the Ministry of Electronics Industry, the Ministry of Water Conservancy and Electric Power, and the Ministry of Posts and Telecommunications reported their situation in improving party conduct.

Leading comrades of leading party groups of various departments under state organs were present at the meeting, which was chaired by Chen Junsheng, secretary general of the State Council and concurrently secretary of the Central State Organs Party Committee.

BEIJING COMMENTATOR STRESSES EXPERT LEADERSHIP

OW290150 Beijing Domestic Service in Mandarin 2300 GMT 28 Apr 86

[Station commentator's article: "To Exercise Expert Leadership Is the Purpose Requiring Leading Bodies To Be Professionally Competent"]

[Text] Professional competence is an important component of the four requirements for cadres in the new period. As Comrade Hu Yaobang pointed out, in our socialist modernization drive today, party cadres at all levels should not only equip themselves with a certain level of basic scientific and general knowledge but also be familiar with the professional knowledge needed for their work and the specific situation in their professional field and its special rules.

In readjusting the leading bodies over the last few years, all localities and departments have, generally speaking, striven to comply with this requirement. A large number of capable people with professional knowledge and qualifications have used their talent at leading posts at various levels. However, in some localities and departments, no distinction is drawn between general and professional knowledge, as attention is paid only to leading cadres' general and basic knowledge while neglecting the professional knowledge necessary for them to exercise expert leadership. Besides, a number of specialized personnel are not apt at organizational and leadership work. As a result, although the members of some leading bodies are better educated after the readjustment, the structure of their professional knowledge is somewhat irrational, and their organizational and leadership capability weak.

It should be clearly pointed out that professional knowledge is related to education. Any kind of professional knowledge is based on a certain level of general knowledge. However, better education does not ensure people with professional competence. People with a certain level of general and basic knowledge are not necessarily well versed in a specialized field. Proceeding from the strategic objective to improve and strengthen the party's leadership over the socialist modernization drive in readjusting party and government leading bodies, all localities should step up the comprehensive evaluation of cadres. It is necessary to examine whether every leading members has sufficient professional knowledge and competence for the work of which he is in charge and to ensure that the leading body is rationally formed by experts with decision-making, organizational and coordinating capabilities.

Leading bodies with an unsatisfactory structure of members with professional knowledge should examine the situation and carryout further readjustment. Leading members with specialized knowledge, a reasonable share of the work, and leadership and management ability should be given the powers and jobs to bring into full play their talent. Those who are still temporarily not adjusted to leading posts but definitely have leadership potential should be given a better opportunity to undergo training for improvement. As for those whose practical experience in leading posts proves them incompetent, they should be promptly removed to posts suitable for them.

TIAN JIYUN ADDRESSES CHEMICAL CONFERENCE

OW270001 Beijing XINHUA Domestic Service in Chinese 1147 GMT 26 Apr 86

[By RENMIN RIBAO reporter Li Wen and XINHUA reporter Ding Genxi]

[Text] Beijing, 26 Apr (XINHUA) -- Addressing a national work conference on the chemical industry yesterday, State Council Vice Premier Tian Jiyun urged all chemical industrial departments and enterprises in the country to deepen the economic structural reform and do a good job in production in order to further promote the sustained, stable, and balanced growth of the national economy.

Tian Jiyun said: The chemical industry is an important raw and semi-finished materials industry that covers a wide range of trades and professions, turns out a large variety of products, serves extensive areas, and maintains close coordination with other industries. It is vital to the development of the whole national economy. In particular, scientific and technological progress and the emergence of new industries have placed new demands on the chemical industry, and chemical industrial departments are confronted with the new task of producing more new chemical industrial raw and semi-finished materials. The industry has broad prospects for development. Despite remarkable achievements scored during the Sixth 5-Year Plan, China's chemical industry still cannot cope with the needs of the national economic development and the people's livelihood.

Tian Jiyun pointed out: In order to accelerate the development of China's chemical industry to satisfy the needs of the national economy and the people's livelihood, the party Central Committee and the State Council have decided to place the production of raw and semi-finished materials, including the chemical industry, in the same important position as energy and transport construction. Currently it is necessary to pay close attention to the work in the following fields:

First, it is necessary to persistently give to priority to reform. In carrying out the economic structural reform this year, it is necessary to vigorously develop and achieve a breakthrough in promoting lateral economic cooperation while taking small steps in other areas. The chemical industry is an industry most suitable for comprehensive utilization of resources, and it has advantages for developing lateral economic cooperation.

There is a great deal of merit in lateral economic cooperation, which should be encouraged by all men. It can help the chemical industry and other related industries explore and open up more sources of raw materials and develop their processing and utilization, and it can also help individual industries promote comprehensive utilization of resources and turn "waste" into "treasure," thereby reducing the pollution and improving social benefit. Administrative departments concerned should support and facilitate the development of lateral economic cooperation and refrain from unnecessary interference. Moreover, it is necessary to perfect and reinforce the economy responsibility system in enterprises in order to further harness the enthusiasm of staff and workers. It is necessary to properly combine the distribution relationship with the economic responsibility system within enterprises.

Second, it is necessary to strive to increase the production of chemical fertilizers, farm chemicals, and other products for supporting agricultural production. Due to various reasons, small chemical fertilizer plants have been facing a serious situation in unsalable products since last year. Holding that small chemical fertilizer plants had already fulfilled their historical mission, some local governments have drastically cut coal and electricity consumption quotas for small chemical fertilizer plants and ordered them to manufacture otherr products to yield profits. It is our opinion that although small chemical fertilizer plants had made their share of contributions to history, they should continue to play their role and be given the opportunity for technological transformation and innovation. It is necessary to unify our thinking as far as this question is concerned. We should not waver in our basic orientation of supporting agricultural production because of temporary stagnation in the markets of small chemical fertilizer plants. It should be pointed out that agriculture is the foundation of the national economy, while grain is the basis of this foundation. It should be very difficult to accomplish the modernization program if we fail to lay solid foundations of agriculture and grain and production and solve the problem of feeding and clothing China's 1 billion people. It is a strategic principle of China's modernization drive to ensure an allround stable development of agriculture and a steady growth of grain production. In order to produce more, it is necessary to invest more in agriculture. Investment in agriculture, including chemical fertilizers and farm chemicals, should be increased. The government has already taken, and will continue to take, necessary measures to encourage the production of goods for agriculture. At the same time, chemical industrial enterprises that manufacture goods for agriculture are urged to strengthen leadership and mobilize the masses of staff and workers in further raising the technical standard, conserving energy, lowering consumption and costs, and building up the ability to assimilate imported technology so as to more effectively support agriculture. The State Council has decided to lower the prices of products manufactured by small chemical fertilizer plants. This is an important measure for supporting agriculture as well as revitalizing the production of small chemical fertilizer plants. It should be implemented as quickly as possible.

Third, it is necessary to thoroughly digest and assimilate imported technology and improve the quality of Chinese-made products. Chemical industrial departments have done a good job and accumulated some experience in assimilating imported technology. However, judging from the country as a whole, there have been redundant and anarchic imports of technology, and some of them are not properly assimilated. From now on, the government will rationally readjust the structure of imported goods and persist in giving priority to importing software, advanced technology, and key equipment. Special efforts will be made to digest and assimilate imported technology for building up our own capabilities.

Fourth, it is necessary to pay close attention to the production of chemical industry and maintain a suitable growth rate. The government has attached a greater importance to and made proper arrangements for the chemical industry in the Seventh 5-Year Plan. The government will continue to give necessary support within our capabilities and to arrange investment and work out economic measures to ensure the chemical industry develops harmoniously with other sectors of the national economy. The chemical industry should tap the potentials of existing enterprises and unfold activity to increase production and practice economy so as to ensure an appropriate growth rate of the industry and improve its economy efficiency.

JINGJI RIBAO URGES SUPPORT FOR REFORMERS

HK011524 Beijing JINGJI RIBAO in Chinese 24 Apr 86 p 1

[Commentator's Article: "Please Pay Attention to the Destiny of the Reformers"]

[Text] In the mighty torrent of reforming the economic structure of our country over the past few years, a number of pathbreakers have merged on all fronts and in different trades. Their creative thinking, courage in blazing new trials, and enterprising spirit have captured admirable attention in our society. The smooth progress of our reform should be attributed to their leading role, and they have rendered great service in the marked success we have achieved in the four modernizations.

However, the destiny of some reformers in some areas and departments has recently met with an adverse wind. Some have found themselves in a tight corner because of condemnation, criticism, rumors, and slanders, and some have been dismissed or transferred to other posts without explanation. People describe it by saying that "they have been hit by arrows and have fallen from horses." Such a situation appeared only in some areas, but it has greatly chilled the enthusiasm of the majority of the reformers and hampered the smooth progress of reform. We must pay close attention to the situation.

As developments in some areas show, the "falling from horses," of these reformers is due fundamentally to the following reasons.

Some reformers were censured because they could no longer make any new breakthroughs in work after they achieved some marked results in reform. This is because they are not well prepared ideologically and theoretically and they do not have novel working methods.

Some reformers, who dare to think and act, have achieved success in work, but they have now been thrown into passivity because they "went too far" in eliminating the bad and playing up the good of the reform measures already adopted and even committed some mistakes in work because they do not have deep and correct understanding of the present policies.

Another situation has nothing to do with errors. Some defects and shortcomings in work have been recklessly exaggerated and even slandered only because some reform measures offended the vested interests of some people and entrenched upon timeworn ideas and old customs, or because their marvelous work was hated by some people out of jealousy just as " a tall tree catches the wind." Such a situation also commits serious harm to the reformers.

Moreover, in another situation, some units adopted some effective rules and regulations. However, when things changed a little, some people immediately doubted these new rules and regulations and claimed to replace them with the previous ones in an attempt to negate the new rules and regulations. Meanwhile, some people who earlier supported the new rules and regulations also assumed an ambiguous attitude, surrendering from their previous position and even making a 180-degree turn. As a result, some "pathbreakers" in reform have been caught in a embarrasing situation.

Of course, there is also a small number of ill-behaved people who "pass off fish eyes as pearls" and act wildly in defiance of law in the name of reform. This has not come as a surprise. Now that reform is a profound revolution, it is inevitable that good and bad people are mixed up. Therefore, it is absolutely normal and necessary to examine and weed out a few fake reformers. However, we must distinguish this situation from the embarrasing situation into which some reformer are plunged, and must not lump them together.

As we know, the reform is another revolution in our country. Perservance in the reform has a great bearing on the future of our country and will bring about great hopes for the country. At the same time, our reform is an arduous and complex undertaking as never done by our predecessors. Therefore, we must take certain risks. To ensure the progress of our reform, reformers not only stimulate it with their utmost courage and tenacity, but also need the understanding and concern of the whole society. Especially when they are confronted with difficulties and setbacks, they need support, particularly from leaders at various levels. Whether leaders can assess the merits and shortcomings of reformers by applying the principle of "one divides into two," and whether they can distinguish principal from secondary aspects in work and give necessary support to reformers is a practical problem that we must now resolve. This affects not only policies of our party but also the entire situation of carrying out reform to the end.

It is necessary to take a correct attitude toward the achievements and shortcomings in the work of reformers. This is because they do not have a ready-made pattern to follow, they have to learn while working, and have to explore new possibilities before new progress is achieved. Meanwhile, our present reform involves complicated readjustment of relations in many aspects and the situation varies from place to place. Therefore, errors committed by reformers are perfect and sure of success. When they commit some mistakes in work, leaders should not be panic-stricken and refuse to support them as if they give up eating for fear of choking. In taking a correct attitude toward the reformers, we must consider the main aspects of their work and their political integrity, encourage them to explore new possibilities in work, and forsake their permissible errors. In concrete practice, we must boldly affirm their achievements in reform and seriously point out their problems and weak points. Meanwhile, we must adequately value their zeal and enterprising spirit for reform and protect their enthusiasm for reform. When reformers suffer reverses, we must help them draw lessons with patience, give them continuous guidance, and encourage them to rise and advance bravely. No gold is pure, and no man is perfect. Therefore, we should not make excessive demands on the reformers. When the reform went smoothly, some people "added flowers on the brocade," but when it met with setbacks, they refused to "offer timely assistance." Such an attitude and practice are not encouraging.

When reformers are castigated not because of their mistakes in work, leaders should come out boldly to prevail over all dissenting views and uphold justice and should not be controlled by irresponsible hearsay. "Zeng Cen [0582 0639] is not a real murderer, but frequent willful calumny frightens his loving mother." In carrying out reform, our leaders at various levels should be on the alert against such rumors. They must be aware of dirty tricks such as the cheap trick "an anonymous letter costs only an 8-cent stamp but leaders should investigate the case for years."

What is particularly important is that leaders, out of their sense of responsibility for the party's cause and the reformers, should come out and interfere in wrongs suffered by those who were unjustly dismissed from their posts, clarify some facts, redress trumped-up cases, and help the dismissed reformers to be reinstated. For example, the Taiyuan City CPC Committee overcame numerous difficulties and redressed the case of Yang Minqian, director of the city's solvent factory. Whether leaders can do accordingly is a test of their party spirit.

It is not very easy to make correct appraisal of the reformers and take a correct attitude toward them. Leaders should share a common fate with the reformers, go deep into the realities of reform, and throb with the pulse of reform. At the same time, they should make efforts to change their ideological method of thinking and style of work and stand in the forefront of reform. In summing up and publicizing the achievements and experiences made by reformers, we should be realistic and should neither overestimate nor understimate them. Only by so doing will they be able to guide the progress of our reform. All great social change usually creates a number of outstanding people. It is predicted that the furnace of reform will temper a large number of people who have the least conservative ideas but the most enterprising spirit and are good at management. Leaders at various levels should dare to assume responsibility without fear or favor, pay great attention to the destiny of the reformers, create a most favorable social environment for their growth, and help them to give full play to their talent so that the reform will be able to develop in depth.

RENMIN RIBAO URGES SHOWING CONCERN FOR PEOPLE

HK021221 Beijing RENMIN RIBAO in Chinese 29 Apr 86 p 1

[Commentator's Article: "Occupying a High Position, One Should Be Concerned with the Interests of the People"]

[Text] "When you are in trouble, to whom will you pour out your heart? Who will you ask for help in solving problems in your daily life?" A college student carried out a sample survey among the students regarding their answers to the above questions and found such answers to be quite different. Some said they would go to their parents for help. Others said they would go to their friends and teachers. Some also said they would ask for help from party and CYL organizations but these students did not account for a high percentage. This survey may not be very typical and it may not be scientific either. People's troubles and worries in their daily life vary greatly and their methods to dispel their depression and melancholy are not the same. Those who are willing to tell their parents about their feelings of pain or embarassment may not be willing to tell their teachers about them. Some people may not be willing to tell party and CYL organizations about thoughts which they will disclose to their friends. All this is quite understandable. Nevertheless, this survey has put the following questions to party and CYL organizations at all levels: Do you show enough concern for others? Do you know what others are thinking about? Do you know what their troubles are? Do you know what their demands are?

Since our party and CYL organizations at various levels are to serve the people, it is only proper that they should wholeheartedly help the people solve their problems and get rid of their troubles. The CPC Central Committee always advocates that cadres should go among the masses in order to make friends with them, have heart-to-heart talks with them, and earnestly help them solve some concrete problems in their thoughts, at work, and in daily life. Comrade Deng Xiaoping said in December 1980, "While paying close attention to principles and policies to the appointment of important cadres, the party's leading organs should focus their time and energy mainly on ideological and political work, work related to man, and mass work."

Anything that makes a person feel unhappy is extremely important to that person and he certainly wishes to have his problem solved as soon as possible, although it is merely something trivial in the eyes of the leaders. To a youth, for example, the problem of whether he can continue his studies at higher level school or whether he can get a good job is indeed very important. His demand may or may not be reasonable. Anyway, it is an important thing which has a bearing on his future.

The leaders should go to him and try to find out what is on his mind in order to help satisfy his reasonable demands or to help him understand why his demands are unreasonable. This will set his mind at ease.

Some comrades may think that with a country so big and with such a large population, how can we ever solve all the people's problems, which vary greatly and are complex? It is true that no one is capable of solving all these problems. Even if the old problems are solved, new ones will crop up. However, if we keep on solving one problem after another, we shall reduce their number. Besides, people will draw inferences about other cases from one instance and a kind of chain reaction will take place. The solution to one problem will help solve many other problems. In the course of solving problems, we can grasp some laws of development of things which will enable us to formulate feasible policies. What the masses worry about most is that the leading comrades of some departments merely talk about matters of principle but do not seriously solve any concrete problems.

Our party has a fine tradition and has accumulated rich experience in problems related to man. However, the "leftist" ideology had much influence in this respect and caused barriers between organizations and the masses, and even suspicions among the people. Through the work to set things aright, the situation has changed. The practice of attacking people finds little support, relations between the party and the people have been fundamentally improved, and relations between man and man have also been improved. However, the bureaucratic practices of standing high above the masses and showing no concern for them, and of exercising "principled leadership" of issuing documents and holding meetings are still quite common. Consequently, some party and CYL organizations, some leading organs, and some leading cadres are quite divorced from the masses and the masses do not feel attached to them. We should keep a watchful eye on this.

Work related to man is extremely important and it is at once difficult and not difficult to do. It is difficult to do because it needs time and painstaking work to solve the problems of the masses in their work, study, daily life, and thinking. It is not difficult to do because the masses are reasonable. If the leaders show concern for the masses, the masses can understand why there are temporary difficulties. If we do mass work well, we will be able to arouse even greater enthusiasm for building socialism among the people. "Occupying a high position, one should be concerned with the interests of the people" is a well-known sentence in Fan Zhongyan's "Yueyang Tower." Today, this sentence should have added meaning. Our leading cadres at all levels and all comrades doing ideological work, please come out of your towers and courts and work among the masses! This is the demand of the party and the appeal of the people.

END TO FORCED SELLING OF SHODDY GOODS URGED

HK021141 Beijing JINGJI RIBAO in Chinese 25 Apr 86 p 1

[Commentator's Article: "Grasp the Crucial Point in Stopping Forced Selling of Undesirable Goods"]

[Text] Commenting on the discussions initiated by this newspaper on the "prevalent malpractice of forced selling of undesirable goods," a State Council official recently pointed out that the main factors behind forced selling are that some state-owned industrial enterprises are not good at management, do not strive for technological advances, ignore consumer needs and force state-run commercial departments to sell their inferior but expensive goods to consumers. These factories first sell their shoddy but expensive and undesirable goods to commercial departments through coercive measures (or by illegal means) and the commercial departments sell them to the masses of the people by compulsory means. In resolving this problem, we must eliminate inferior goods and promote industrial progress.

These remarks by the State Council official fit the remedy to the persistent ailment of the forced selling of undesirable goods.

The malpractice of forcing consumers to buy undesirable goods appears in the field of circulation but the "source of the malpractice" flows from production departments. Some industrial enterprises lag behind technologically and are not good at management, do not strive for further progress and reform, and ignore market demands and the interests of the people and keep on blindly producing inferior and slow-selling goods. Government departments in some areas are fully aware that some goods produced by industrial enterprises in their areas are unsalable because they are poor in quality and high in price. However, being concerned with their local and immediate interests, they support or support in disguised form these industrial enterprises in continuously producing such goods and force or force in disguised form local commercial units to practice the forced selling of such goods. What is more intolerable is that some industrial enterprises abuse the decision-making power that has been extended to them in the course of reform, and promote the sale of goods under all sorts of pretexts and by illegal means such as bribery or by under-the-table commissions. As a result, some inferior and unmarketable goods flow into the field of circulation and are sold by compulsory means along with high-quality, brand-name and salable goods. This is because a rational price system has not yet been established and so far, we cannot properly widen price differentials for products of varying quality. Consequently, the the malpractice of palming off the bad as the good in the afore-mentioned production and marketing links cannot be checked but worsens.

Therefore, the key to the elimination of the malpractice of forced selling of undesirable goods lies in reforming the economic management system, delegating more decision-making power to the enterprise, promoting technological transformation in the existing enterprises, enhancing the quality of products, improving the mix of products, and increasing the output of high-quality, brand-name, and readily marketable commodities by every possible means so as to gradually stop the flow of shoddy and undesirable goods into the field of circulation. Meanwhile, through reform of the price control system, we must gradually straighten out the major price relations and properly widen price differentials for products of varying quality so as to fundamentally change the economic conditions which protect the production of inferior products and eradicate the gounds for forced selling.

Of course, reform undergoes a gradual process of progressive exploration and experimentation. We will be able to finally eliminate the forced selling of undesirable goods through reform. But this does not mean that we can allow the malpractice to spread unchecked in the course of reform. The industrial, commercial, and price control departments, the industrial and commercial management departments and consumers associations should go into action right now to strengthen economic management, administrative intervention, and social supervision so as to check and eliminate the malpractice of forced selling to a maximum in an all-round way.

GU MU SPEAKS ON CRACKING DOWN ON SMUGGLING

OW041109 Beijing XINHUA Domestic Service in Chinese 1453 GMT 3 May 86

[By RENMIN RIBAO reporter Liu Xiao and XINHUA reporter Chen Naijin]

[Excerpts] Beijing, 3 May (XINHUA) -- The fifth meeting on cracking down on smuggling in the three southeastern provinces was held from 28 April to 3 May in Beijing.

State Councillor Gu Mu attended and spoke at the meeting. Gu Mu pointed out: At present, our country has made good progress in cracking down on smuggling. Various localities and comrades directly involved in the work against smuggling have done a lot of work. Cracking down on smuggling is a prolonged struggle, and so leading cadres at various levels and comrades in charge of the work against-smuggling must carry forward the spirit of arduous struggle, wage resolute struggles against the criminal activites of smuggling and selling smuggled items, and protect state sovereignty in order to insure the successful implementation of reform and the policy of opening to the outside world and to promote the building of socialist modernization in our country.

According to the information provided by the meeting, since the fourth meeting on anti-smuggling work in 1984, the comrades in charge of the work of cracking down on smuggling at various levels in Guangdong, Fujian, and Zhejiang have been faithful to their duties, strengthened efforts to investigate and stop smuggling on land and sea, and taken vigorous measures to investigate and handle major and serious cases of smuggling activities by some enterprises. They have made great achievements in their work.

The meeting decided that attention should be paid to the following work: It is necessary to educate cadres at various levels on straightening out their ideas on and heightening their understanding of the danger and harm of smuggling and selling smuggled items. It is imperative to effectively crack down on serious smuggling activities by enforcing the law strictly. It is necessary to take comprehensive measures to deal with smuggling activities and strengthen the control and management of fishing boats and freighters in coastal areas. The examination and approval of import items in special economic zones and the Hainan Administrative Area should also be strengthened.

The representatives of offices in charge of anti-smuggling activities of Guangdong, Fujian, and Zhejiang Provincial People's Governments, the representatives of units directly handling anti-smuggling work, and responsible comrades of concerned departments of the party Central Committee and the State Council attended the meeting.

'RASH OF SWINDLING' HITS INSURANCE COMPANIES

HK020717 Beijing CHINA DAILY in English 2 May 86 p 3

["Special to CHINA DAILY" by Gu Jianzhoung]

[Text] China's insurance companies, facing a booming business across the country, have recently been hit by a rash of swindling.

According to reports from local branches, the People's Insurance Company of China has uncovered more than 40 cases of fraudulent attempts to collect insurance compensation involving tens of thousands of yuan.

The most serious case was in Changping County of Beijing where some 150,000 yuan worth of plywood was burnt to ashes at a multiple-processing factory in an effort to claim 210,000 yuan under a property insurance policy. The factory owned huge debts to its customers.

Police discovered the fraud when they found the warehouse had been forcibly entered and traces of gasoline were detected.

They arrested the factory manager and his accomplice on charges of arson.

A number of other cases of fraud involved patients who took out life insurance when they found out they were fatally ill.

In Guangdong Province, the son of 58-year-old Zhang En took out four 10-year-term policies for a total of 520 yuan on behalf of his father. He lied that his father's health was good although he knew he had lung cancer.

Yang Meiying, 47 died only three months after she bought five 20-year-term life policies for a total of 1,640 yuan. She was found to have been suffering from chronic diabetes and was in critical condition when she bought the insurance.

To prevent more incidents of this type, the People's Insurance Company of China has established new rules.

First, on-the-spot inspection of insurance claims must be made in co-operation with public security organs, transport management offices, hospitals and repair shops to make sure that property damage was due to natural causes.

Second, life insurance applicants must have health certificates verified by hospitals. For those suffering from chronic diseases, the number and terms of policies must be limited. Compensation will not be paid for deaths within three months of the issuing of policies.

POWER MINISTRY OFFICIAL URGES END TO MALPRACTICE

OW031427 Beijing XINHUA Domestic Service in Chinese 0912 GMT 2 May 86

[By Reporter Yu Youhai, correspondent Lu Bin]

[Excerpts] Beijing, 2 May (XINHUA) — An official of the Ministry of Water Conservancy and Electric Power told reporters: Over the past several years, the power department has stepped up efforts to deal with "power bullies," the malpractice of seeking personal gains has not been eliminated. A handful of workers and staff of some units have abused their powers to extort the consumers.

The official said: To combat the malpractices of the "power bullies" and to correct unhealthy tendencies in the power industry, the Ministry of Water Conservancy and Electric Power, in November 1983, issued the "Decision on Combating the Power Bullies" and published the "Open Letter from the Ministry of Water Conservancy and Electric Power to Power Consumers Throughout the Country." Subsequently, the ministry investigated and handled a number of typical cases of seeking personal gain. We must exert further efforts in this respect in future. On the other hand, we must also strengthen the spiritual civilization of the workers and staff, and foster the ideology of "the people's power industry serving the people." A campaign for high quality service by the power supply units will be launched among the power supply departments across the nation this year. We hope that the entire society will supervise our work.

ZHAO ZIYANG INSCRIPTION FOR BOOK ON REFORMER

SK280635 Beijing BEIJING RIBAO in Chinese 17 Apr 86 p 1

[Text] Premier Zhao Ziyang praised the fine Communist Party member Zhang Jieshi as an "ordinary but great reformer," whose reformative and creative spirit and honest work-style are the embodiment of the spirit of the era.

On 10 April, Premier Zhao Ziyang wrote an inscription for the book "Zhang Jieshi, A Reformer Who Is Honest in Performing His Duties," which will soon be published. The inscription reads: "An indomitable reformative and creative spirit, and an honest work-style of serving the people wholeheartedly are conspicuous strong points of Comrade Zhang Jieshi, and also an embodiment of the spirit of the era. It is hoped that the publication of the book 'Zhang Jieshi, A Reformer Who Is Honest in Performing His Duties,' will help in our study of the noble characters of this ordinary but great reformer, and then in promoting the socialist construction and reform of our country continuously." Premier Zhao Ziyang was deeply concerned over the reform of the Changcheng Raincoat Company, and once heard a report by Comrade Zhang Jieshi.

Comrade Zhang Jieshi was a special-grade model worker of our municipality, and manager of the Changcheng Raincoat Company during his lifetime. Thanks to his reformative and creative spirit, he turned a seriously overstocked enterprise into the largest raincoat company of the country in his 5-year term of office. He unfortunately died of liver cancer on 22 March this year.

The book "Zhang Jieshi, A Reformer Who Is Honest in Performing His Duties," introduces Zhang Jieshi's dedication to reform with his deeds in reform and running the company. It was compiled by the Research Office of the Ministry of Light Industry, the Organization Department and the Party Rectification Office of the Beijing Municipal CPC Committee, and the Beijing Municipal Second Light Industrial General Company, and will be published in late April by the publishing house of the Ministry of Light Industry.

WUHAN SECURITY BUREAU CRACKS TAIWAN KMT SPY CASE

HK020943 Wuhan CHANGJIANG RIBAO in Chinese 24 Apr 86, p 1

[Report: "The State Security Organ of the Wuhan City Public Security Bureau Cracks Taiwan KMT Spy Case"]

[Text] With the vigorous support of units concerned and active assistance given by the masses of people, the State Security Organ of the Wuhan City Public Security Bureau has cracked a Taiwan KMT spy case after a thorough investigation. The secret agent, Lin Qingtai, was recently sentenced by our country's judicial organ to 12 years imprisonment and deprivation of political rights for 3 years.

Lin Qingtai, a male aged 44, was formerly a worker at the Wuhan "471" Factory. Not long after he settled in Hong Kong, he became acquainted with Taiwan KMT special agents operating in Hong Kong and was recruited by the enemy secret service as a member. After he joined the service, he slipped into Wuhan and other places on many occasions to carry out his activities. With money and materials as the bait, he recruited secret gents on the mainland, gathered political, economic, and military information from our country, and worked energetically in the service of the enemy secret service, thus jeopardizing our country's security.

RENMIN RIBAO CARRIES HONGQI TABLE OF CONTENTS

HK050844 Beijing RENMIN RIBAO in Chinese 30 Apr 86 p 7

[Table of Contents of HONGQI No 9, 1986]

[Text] "Forum": "It is Necessary To Climb High Up and To Go Deep Down"

Article by Hu Sheng: "Several Questions Concerning the Strengthening of the Study of Social Sciences"

Article by Wei Liqun: "A Brief Discussion on Readjusting the Structure of Investment in Fixed Assets"

Article by Li Changchun: "New Attempt in Invigorating Large and Medium-Sized Enterprises"

Article by Xiong Fu: "Discussing Methodology for the Study of the Science of Leadership -- Preface to Lingdao Kexue [Leadership Science]

Article by Jiang Ping: "Seriously Study Marxist Theory on Religion and the Party's Policy Toward Religion"

Commentator's Article: "The Road to Healthy Growth Young Intellectuals Must Take"

Article by Zhong Peizhang: "The Times Are Beckoning to the New People"

Article by Lang Ping: "Pursuit, Sustained Pursuit"

Short Commentary: "Important Teaching Material for Carrying out Education on the Situation and Policies in a Deep-Going manner"

Article by Qu Xiao: "On the Role of Spiritual Support"

Article by Lu Wenqing: "Why Is It Necessary To Proceed From the Development of Services for the Whole Society in Perfecting the Rural Cooperation System?"

Article by Li Shuqiao: "Why Do We Say the Foreign Exchange Rate Is Also an Economic Lever?"

Article by Li Gengchen: "On 'Be More Serious'"

Article by Ding Chen: "We Have Something Brighter Than Flashes of Light Preceding an Earthquake -- reading 'Serious Earthquake in Tangshan'"

Article by We Shen and Wei Zhang: "A New Book Discussing Investigation and Study -- Introducing 'an Introduction to Investigation and Study'"

WEI CHUNSHU ON GUANGXI ECONOMY STRONG, WEAK POINTS

HK300157 Nanning Guangxi Regional Service in Mandarin 1100 GMT 29 Apr 86

[Excerpts] Comrade Wei Chunshu spoke on making tational arrangements and taking advantage of strong points in his report on the draft of the Seventh 5-Year Plan delivered at the regional people's congress session. He spoke on three issues in this respect: 1) Continually deepen understanding of Guangxi's conditions and have a clear picture of the characteristics and strong poings of its economy. 2) Make rational arrangements for economic construction, based on reality. 3) Open up all opportunities for speeding up the exploitation of resources.

Chairman Wei said: Comrade Yaobang pointed out when inspecting our region this year that Guangxi, Yunnan, and Guizhou have the following outstanding strong points, taking account of the development needs of the whole country: 1) an abundant and relatively full range of mineral resources; 2) abundant subtropical industrial crops; 3) large areas of mountains and pastures.

Guangxi also has abundant hydroelectric resources, the aquatic product resources of the Beibu Guld, tourism resources centered on Guilin, and the foreign trade ports of Beihai and Fangcheng on the coast and Wuzhou. We thus have good conditions for developing foreign economic relations and trade.

However, Guangxi's economic foundation is poor. We are in financial difficulties. There is a large population and little arable land. Our education, science, and technology are backward, and there are not enough talented people. This is the other side of the coin, which constitutes a constraining factor on economic development.

Chairman Wei said: We should gradually establish and form a number of economic development bases. These should include bases for subtropical crops; for raw materials, focused on non-ferrous metals, manganese, non-metal mining, and building materials; for export commodities; for tourism; for mountain area animal husbandry and forestry; and for aquatic production in the Beibu Gulf. We should speed up the development of the key cities and the eastern part of Guangxi, and strengthen the economic and cultural construction of the western part.

We must use our limited capital in the places and sectors where it is most necessary and appropriately concentrate it in subordination to macroeconomic policymaking. The capital should mainly be used for improving energy and communicaitons and i implementing a number of projects with strong points in resources and the ability to produce good economic results.

HAINAN PLA HOLDS MEETING ON PARTY RECTIFICATION

HK010828 Haikou Hainan Island Service in Mandarin 0400 GMT 1 May 86

[Text] The Hainan Military District recently held a meeting of CPC Committee secretaries of units at the regimental level and of party rectification inspectors to study the instructions of the leaders of the central authorities and military commission, to analyze the situation in party rectification, to exchange experiences, and tomake new arrangements for comparison and examination in party rectification at the regimental level.

Liu Guinan, Hainan Military District CPC Committee secretary and political commissar, attended the meeting and spoke. Units including Hospital 187 of a certain anti-aircraft gun regiment of the Yulin Military Subdistrict introduced their experiences at the meeting.

The meeting demanded: Party organizations at and above the regimental level must begin with idiological education and seriously do a good job in comparison and examination. Leaders must do well in publicizing the circulars of the Central Commission for Guiding Party Rectification and Central Discipline Inspection Commission on strengthening discipline and the spirit of the upper levels' relevant documents on party rectificaiton. They must define guiding ideology and the demarcation line for policies. In comparison and examination, it is necessary to regard the CPC committees and county groups as the main bodies and to regard the practical problems as the main contents. CPC committee secretaries must be bold in facing reality, work hard to accurately grasp the main problems, take the lead in doing well in criticism and self-criticism, and really correct the new unhealthy trends.

The meeting also made arrangements for the method, steps, and time of comparison and examination in the organs of the CPC committees.

HUBEI MEETING VIEWS RECTIFYING PARTY STYLE

HK021012 Wuhan Provincial Service in Mandarin 1100 GMT 30 Apr 86

[Excerpts] On the morning of 29 April, the leadership group for straightening out party style under provincial organs and the CPC Committee of provincial organs jointly held a meeting on exchanging experiences in straightening out party style. Ding Fengying, Standing Committee member of the provincial CPC Committee and deputy secretary of the provincial Discipline Inspection Committee, and Tian Xinbo, deputy secretary of the provincial Discipline Inspection Committee, attended the meeting.

At the meeting, responsible comrades from the provincial construction bank, the Chinese Science Academy Wuhan branch, and the provincial educational committee introduced their experiences in straightening out party style.

Comrade Deng Fengying delivered a speech at the meeting. After reviewing the initial achievements provincial organs have made in straightening out party style, she put forth demands on the work of straightening out party style in provincial organs in the next stage. She emphasized that while making continued efforts to curb and correct six malpractices, we must treat correcting malpractices with trade characteristics as important work in straightening out party style. At present, we must seriously deal with some malpractices with trade characteristics about which the masses have many complaints. For example, the malpractice of arbitrarily establishing schools, charging tuituion fees, and issuing diplomas; the malpractice of power industry departments seeking their own interests by taking advantage of their power supply; the malpractice of financial departments seeking their own interests by advantage of their power in granting loans; the malpractice of labor and personnel departments in recruiting workers, students, cadres, and transfering cadres; and the malpractice of commercial departments in dealing with short-supply goods by backstairs influence. Deng Fengying said that leading cadres must set a good example in straightening out party style and must take the lead in correcting malpractices.

In conclusion, Deng Fengying said that we must correctly understand and handle the relationship between straightening out party style and opening up to the outside world and enlivening the domestic economy. Malpractices and economic crimes are not necessarily related to reform, to opening up to the outside world, and to enlivening the domestic economy. On the contrary, they have undermined reform and implementation of the open policy. Therefore, it is necessary to resolve these problems.

TAIWANESE PILOT SEEKS ASYLUM IN PRC

Lands at Guangzhou

OW031327 Beijing XINHUA in English 1320 GMT 3 May 86

[Text] Guangzhou, May 3 (XINHUA) -- A Boeing 747 cargo plane of Taiwan's China Airlines, piloted by crew Commander Wang Xijue, landed at Baiyun Airport here today in a bid to return to the motherland, according to the Civil Aviation Administration of China (CAAC). The plane landed at the airport at 15:10. Also on board were co-pilot Dong Guangxing, mechanic Qiu Mingzhi and 220,000 pounds of cargo. The plane and its cargo have been taken proper care of. Commander Wang Xijue requested to be allowed to live on the mainland to be reunited with his family. CAAC has asked China Airlines to send a representative to Beijing as soon as possible to discuss how to deal with the plane, its cargo and other crew members.

CAAC Cables Taiwan Airline

OW031433 Beijing XINHUA in English 1423 GMT 3 May 86

[Text] Beijing, May 3 (XINHUA) -- The Civil Aviation Administration of China (CAAC) sent a telegram today to Taiwan's China Airlines, inviting it to send a representative to Beijing to discuss how to deal with its cargo plane which landed in Guangzhou earlier today. CAAC informed its Taiwan counterpart in the telegram that a Boeing 747 Cargo plane of China Airlines landed at Guangzhou's Baiyun Airport at 15:10 hours today. The crew commander, Wang Xijue, requested to be allowed to live on the mainland. "Please send your representative as soon as possible to Beijing to discuss with CAAC how to deal with the plane, its cargo and other crew members," CAAC says.

Guangdong Fetes Pilot

OW031706 Beijing XINHUA in English 1701 GMT 3 May 86

["Returned Taiwan Pilot Feted in Guangzhou" -- XINHUA headline]

[Text] Guangzhou, May 3 (XINHUA) -- Pilot Wang Xijue, who landed a cargo plane of Taiwan's China Airlines at Guangzhou's Baiyun Airport earlier today, was feted here this evening. The hosts included Lin Ruo, secretary of the Guangdong provincial committee of the Chinese Communist Party, and Ye Xuanping, governor of Guangdong. The two leaders welcomed Wang to come and settle down on the mainland.

The pilot, 56, is a native of Sichuan province. He entered an Air Force Academy of the Kuomintang in 1948 and went to Taiwan the following year. Later, he joined the China Airlines. Wang told the hosts that he had been missing the mainland and the kith and kin here. "I'm very happy to see you," he said. The compatriots in Taiwan are all looking forward to the resumption of trade, telecommunications and navigation between Taiwan and the mainland, he added.

[A similar item carried by Guangzhou Guangdong Domestic Service in Mandarin at 0300 GMT on 4 May adds the following: Wang Xijue said: There have been great changes in the motherland in recent years and there has been considerable improvement in living standards. The orientation now is to concentrate efforts on economic development. This is extremely correct.]

Interview With GUANGZHOU RIBAO

OW050925 Beijing in Mandarin to TAIWAN 0400 GMT 5 May 86

[Text] In an interview with reporters of GUANGZHOU RIBAO and Guangdong Television Station at the airport, Wang Xijue, crew commander of the Boeing-747 cargo plane of Taiwan's China Airlines who flew the plane back to the motherland, said with great excitement: I have longed to return to the motherland for years. The Chinese people on both sides of the Taiwan Strait wish for reunification of the motherland and believe that it will come about sooner or later. It is entirely on my own free will that I return to the motherland, and it has nothing to do with any other person. Even my relatives did not know of my plan to return. My wife and children are in Taiwan. I hope they will not be subjected to persecution by the Taiwan authorities. He added: I am now 56 years old and can still fly a few more years. I would gladly render my services to the Civil Aviation Administration of China if so requested.

Wang Xijue toured Guangzhou yesterday. He visited the ongoing China Export Commodities Fair, the China Hotel, the Dongfang Guesthouse, the White Swan Guesthouse, the Garden Hotel, and the Guangzhou Zhongshan Memorial Hall. He also toured the Baiyunshan scenic spot. Wang glowingly said: The changes that have taken place in the motherland are greater and better than I thought.

Wang Xijue flew the plane to Guangzhou from Singapore after loading it with cargo in Bangkok on the afternoon of 3 May. Wang is a native of Suining County, Sichuan Province. His father and brothers still live in his hometown.

BOOK TO ANSWER TAIWAN COMPATRIOTS QUESTIONS

HK280018 Beijing ZHONGGUO XINWEN SHE in Chinese 0850 GMT 26 Apr 86

[Text] Beijing, 26 Apr (ZHONGGUO XINWEN SHE) -- To answer the questions raised by Taiwan compatriots and Overseas Chinese interested in the motherland's great cause of reunification, the Mainland Affairs Publishing House has invited the proper specialists and scholars to compile "Answers to Questions Raised by Taiwan Compatriots," which will be published in Beijing this June.

The book is a collection of the 60 questions most frequently raised by Taiwan compatriots. They include: What is meant by "one country, two systems"? What are its essential features? What are the essential features of the mainland's opening up policies? Will the present policies continue to be implemented in the future? How do the government and people on the mainland appraise Dr Sun Yat-sen? Why does the CPC not promise the United States that it will not use force against Taiwan? How are those KMT generals captured many years ago doing now? Why does the CPC allow advocates of "Taiwan independence" to visit the mainland? How can one assure that the CPC does not intend to annex Taiwan? Why is the slogan "Rule of Taiwan by Taiwan people" not favored? Is it still necessary to transform the intellectuals on mainland? How bad was the Tangshan earthquake?

These are just some of the questions concerning the mainland rural economy and the life of urban workers on the mainland. The specialists and scholars will answer these questions on the basis of facts and the principle of seeking truth from facts.

CAL ASKS CATHAY PACIFIC TO NEGOTIATE ON PLANE CREW

HK040736 Hong Kong AFP in English 0728 GMT 4 May 86

[Text] Taipei, May 4 (AFP) -- China Airlines (CAL) Sunday asked the Hong-Kong based Cathay Pacific Airways to negotiate on its behalf for the return of its cargo plane with three crew aboard which landed at Guangzhou in southern China, a CAL official said. CAL Public Relations Director Lin Liang-chih said the flag carrier had requested that China return the jet and three crew "according to international practices, and we have asked Cathay Pacific to negotiate with China on our behalf."

The Civil Aviation Administration of China (CAAC) has sent CAL a telegram asking that it send a representative to Beijing as soon as possible to discuss how to deal with the plane, its cargo and the two other crew members. The Taipei authorities refuse to have any form of direct contact with their rivals in Beijung. The cargo plane serving the Singapore-Bangkok-Hong Kong-Taipei route landed at Guangzhou's Bai Yun airport Saturday at around the time it was scheduled to arrive in Hong Kong. The plane was carrying 214,500 pounds (96,525 kilograms) of cargo which included fruit and tires.

It was not known why Captain Wang Hsi-chueh, 56, flew the plane to China. The two other crew members were co-pilot Tung Kuang-hsing, 57, and flight engineer Chiu Ming-chih, 39. The NEW CHINA NEWS AGENCY (NCNA) quoted Mr. Wang as requesting to be allowed to live on the mainland to be reunited with his family. Mr. Wang's family here refused to believe the NCNA report and begged the Chinese authorities to return him to Taiwan.

Mr. Wang's wife of 30 years, Fei Hsin-lin, said her husband had no reason to defect to China. "We are a very happy family and he has been doing well in his job," she said. Their eldest son, 29, was married in January and another son, 17, is a high-school student. A 26-year-old daughter lives in Canada. Mrs. Wang said her husband, a graduate of Taiwan's Air Force Academy, had received a dozen awards for carrying out successful reconnaissance missions over China before he joined CAL in 1967. "If he had wanted to live on the mainland, he didn't have to wait until now," she said. "I just don't believe it was his decision to fly the plane to China and I beg them (Chinese authorities) to let him come back." Mrs. Wang added that her husband is a native of Sichuan Province in central China. His mother died when he was young, and his aging father may still be alive.

FORMER COMMUNIST PILOT BROADCASTS TO MAINLAND

OW011457 Taipei CNA in English 1448 GMT 1 May 86

[Text] Taipei, May 1 (CNA) -- Former Chinese Communist pilot Chen Pao-chung told his compatriots on the China mainland in a broadcast Thursday that the major reason he decided to leave his family and risked his life to seek freedom here is that he hopes to do something meaningful for his free mother country. Chen, who flew a MiG-19 to South Korea two months ago and returned to this nation Wednesday, visited the central broadcasting station in Taipei Thursday. Through a broadcast to the China mainland, Chen explained why he decided to seek freedom.

Chen said that his action to seek freedom is an expression of his support of the government's call for reunifying China through the Three Principles of the People. He believed that he has made a right decision to come to free China and hopes his parents and a girl friend would feel proud of him for what he has done. He also called on the Chinese communists not to take reprisal against his family and girl friend whom he described as innocent and unaware of his plan.

Talking about the current situation on the China mainland, Chen said most people on the China mainland have completely lost their faith in the Chinese Communist regime and its four modernization projects. Chen also said he hopes his colleagues on the mainland will follow his example and take actions to show their support of the call for reunifying China through freedom and democracy.

Earlier in the day, Chen called on Foreign Minister Chu Fusung at his office and expressed thanks to all personnel at the ministry and staffers at the ROC [Republic of China] Embassy in Seoul for helping him realize his wish. In the evening, Chen attended a dinner party at the Air Force Officers Club hosted by Gen. Kuo Ju-lin, commander-in-chief of the ROC Air Force. Also present at the dinner were eight former red Chinese pilots who have succeeded in their bid to seek freedom here including Kao Yu-tsung, Liy Cheng-shih, Li Hsien-pin, Fan Yuan-yen, Wu Jung-ken, Sun Tien-chin, Wang Hsueh-cheng and Hsiao Tien-jen.

YUAN EXPLAINS NO CONTRACTS POLICY WITH PRC

OW011359 Taipei CNA in English 1343 GMT 1 May 86

[Text] Taipei, May 1 (CNA) -- The Executive Yuan said Thursday that if the Republic of China establishes "substantive contacts" with the Chinese communists, it would fall into their united front traps. It also pointed out that the country's insistence on not talking and trading with the communist regime is aimed at countering its united front tactics.

The Cabinet made the remarks in a written reply to an interpellation by Legislator Hsieh Hsueh-hsien. The Cabinet said that Peiping is applying a flanking tactic to tempt this country into negotiating with it. "Its ultimate goal is to take over Taiwan," the cabinet said. "To counter Peiping's united front offensive," it added, "we should stand firm and united and continue expanding our strength based on the past achievements." The Cabinet said, "We should have the confidence that the Three Principles of the People will prevail over communism in the near future."

On the suspension of diplomatic relations with those countries that have established formal ties with the Peiping regime, the Cabinet said that the government has taken various practical factors into consideration before making a final decision. "Such decision should also comply with our basic anti-communist policy and national interests as well," it noted.

PRC REJECTS CPA AS MEDIATOR OVER DEFECTING PLANE

HK050517 Hong Kong Commercial Radio in English 0430 GMT 5 May 86

[Text] China has rejected an attempt to get Cathay Pacific Airways [CPA] to mediate in talks on the return to Taiwan of a CAL [China Air Lines] plane which landed in Guangzhou at the weekend. Head of the Civil Aviation Authority in Guangzhou (Yu Yuen Yen) told Commercial Radio that any discussion must be done directly between Taipei and Beijing, not through a third party. He stressed that the questions of the plane and the defecting pilot are an internal affair and has nothing to do with other people.

The Boeing 747 was flown to Guangzhou on Saturday bypassing Hong Kong where it was to have landed. The pilot Wang Hsi-chueh sought political asylum afterwards but two other crew members of the cargo plane want to return to Taiwan. Cathay Pacific Airways have refused all comment on the matter. But a spokesman for CAL, Larry Lin told Commercial Radio on the telephone a short while ago that they had not had word from Beijing on the matter. He said CAL has appointed Cathay Pacific to talk for them and this is permitted under international law.

[Begin Lin recording] We appointed CPA to do the contact for China Air Lines to return the aircraft and the crew members and the cargo. According to the international civil aviation traditional practice no one should keep the aircraft and crew members from other airlines. So they should return the aircraft and crew members to China Air Lines. [end recording]

HSIN WAN PAO CRITICIZES TAIWAN NO CONTACTS POLICY

HK040808 Hong Kong HSIN WAN PAO in Chinese 4 May 86 p 1

["New Talk" column: "There Should Be a Breakthrough in the Three Nos' Policy as Taiwan Plane Lands in Guangzhou"]

[Text] The Taiwan authorities face a tricky problem: how to get back the China Airlines Boeing 747 that landed at Guangzhou's White Cloud Airport yesterday. The mainland has repeatedly declared in recent years that it hopes for "three contacts" with Taiwan -- in postal services, commerce, and transport links. But the reply of the Taiwan authorities has been "three nos" -- no contacts, no talks, no compromise.

Now that this problem has cropped up, will they initiate contacts and talks with the mainland and try to reach a solution in order to recover this aircraft which was purchased from the United States only last year or not? The mainland is handling this aircraft incident in a way markedly different from those of the past. Several aspects of this merit attention.

First, the pilot Wang Xijue diverted to Guangzhou while flying from Bankok to Hong Kong. Reporting this, XINHUA merely said that he "flew the plane to the motherland and requested to stay there and to be united with his family." This is completely different from any reports issued previously.

Second, the Civil Aviation Administration of China [CAAC] immediately cabled Taiwan's China Airlines to inform them of the incident. This was obviously treating the incident as a matter to be handled by the two business organizations, without inflating or escalating it.

Third, although the cable was brief, it vaguely revealed that the aircraft and those crew members who did not wish to stay would be allowed to return. The cable said, "our administration invites you to send your representative to Beijing as soon as possible to discuss how to deal with the aircraft, its cargo, and the other crew members."

Fourth, leaders of Guangdong Province received and feted Wang Xijue yesterday evening, but the other two crew members were not present. However, Guangdong officials stated: "We welcome those who come and will give a send-off to those who leave," thus expressing an attitude of allowing freedom of movement. This is precisely an important component part of the Taiwan policy previously stated by the mainland authorities.

Up to now, China Airlines has not yet contacted the CAAC. It appears that this is not a problem that can be solved by China Airlines alone: It can only make a move after the Taiwan authorities have made their choice. However, the Taiwan authorities are unable to produce a suitable counterstrategy in a hurry, since they are locked into the policy of the "three nos."

A report from Taipei in a Hong Kong paper this morning said that China Airlines issued a statement early today to the effect that the Taiwan authorities would bring the two crew members back to Taiwan with the help of a third party. The report did not mention the aircraft. The report did not elaborate on who the third party might be. If the Taiwan authorities want foreigners to act for them, then the Chinese people on both sides of the Taiwan Strait will feel a common disappointment. The mainland has already clearly stated that this affair can be satisfactorily dealt with through contacts. If they want foreigners to act on their behalf in a small matter between Chinese, do they still want to use the old almanac of 40 years ago?

Maybe the location mentioned by the CAAC in its hope that China Airlines would send someone to Beijing was a bit conspicuous. But so long as China Airlines makes contact, it seems that this point is by no means non-negotiable.

Apart from the above-mentioned "three nos," the Taiwan authorities have recently added a further "three nos" regarding representation in the Asian Development Bank -- no recognition, no withdrawal, no attendance. A few days ago there was a welcome rally for the "anticommunist hero Chen Baozhong." All this comes under the category of strangling yourself in your own web. The result is that when this incident of the China Airlines plane landing in Guangzhou occurs, they have no room to maneuver and can hardly deal with it. It is evident that the time for a breakthrough in the "three nos" has indeed come.

REACTION TO CHERNOBYL ACCIDENT STRESSES NUCLEAR SAFETY

HK030250 Hong Kong WEN WEI PO in Chinese 3 May 86 p 1

[Dispatch from correspondent Cheng Hsiang: "China Pays Close Attention to Lessons of Soviet Nuclear Disaster, Instructs Group of Experts to Submit Report"]

[Text] Beijing, 2 May (WEN WEI PO) -- According to well-informed sources, the CPC Central Committee and the State Council are paying close attention to the accident in the Soviet nuclear power station and are asking Chinese nucelar power experts to submit a report to the central authorities about the accident and give their opinions. At the same time, the pace of the progress of the construction of the Daya Bay nuclear power station will not be affected by this incident.

According to a spokesman of the Ministry of Nuclear Industry, following the outbreak of a serious fire in the Soviet nuclear power station, the central authorities have already asked Chinese nuclear experts to provide information and give their opinions. The minister of nuclear industry is personally heading a group of experts to study the impact of this accident on the development of China's nuclear power industry. The spokesman said that the nuclear power station where the accident occurred is the type of reactor with a "graphite core," but in developing its nuclear power industry, China will choose "pressurized water reactors." Our country has selected "pressurized water reactors" for both its Qinshan nuclear power station and Daya Bay nuclear power station. He said that in the past China conducted numerous studies and according to the results, decided to select "pressurized water reactors," because the security coefficient of "graphite reactors" is inadequate and because "pressurized water reactors" are safer.

Since in a "graphite reactors," fuel rods are put in pipes and because there is pressure in the pipes when the reactor is operating, radioactive matter will directly enter the atmosphere if there is an accident. But in a "pressurized water reactor," the whole reactor is covered by a pressure shell, which constitutes a safety shell that ensures that in case of an accident, radioactive matter will be contained in this shell and will not leak into the atmosphere.

Pollution is relatively small in an accident in a "pressurized water reactor" such as the accident in the Three Mile Island nuclear power station in the United States. The group that the minister of nuclear industry personally heads, consists of security defense experts, environmental protection experts, scientific intelligence units and nuclear engineers, including "graphite reactor" experts. Their work covers the following spheres: Collecting materials about this accident; analyzing the structure and components of various types of reactors; and providing the central authorities with opinions on the development of China's nuclear power industry. At present, experts on "graphite reactors" are simulating the various scenarios which may have led to the accident. He expressed the view that so far no analysis has been made to give the actual cause of the accident and that the Soviet side has not yet published anything about its cause. Chinese and Soviet experts have not made any contact concerning the incident.

Concerning the impact of this incident on the development of China's nuclear power industry, the spokesman said that although the accident occurred in the Soviet Union, it has had a very shocking impact on us, since people have a common worry about possible accidents in nuclear power plants. It is only natural that they are talking about the incident. Therefore, the central authorities are also paying close attention to this accident. However, the spokesman has not heard of any change in policy decisions concerning our country's nuclear power industry.

On the other hand, the Guangdong Nuclear Power Joint Company has already decided to postpone its board meeting in order to collect sufficient information before the meeting. The board meeting was originally scheduled on 6 May, but it has now been decided to postpone it until 14 May in order to have sufficient information to discuss the matter at the meeting. The company said that this accident in the Soviet Union has sounded an alarm for China and made it pay close attention to security since the very beginning of the development of its nuclear industry. Before the incident occured, the central authorities issued one instruction after another calling on us to do a good job of safety. Now, the various departments concerned will attach even greater importance to this issue.

DAILY REPORT

China

CONTENTS

Vol I No 087 6 May 1986

PRC INTERNATIONAL AFFAIRS

GENERAL

Further Reportage on Tokyo Summit A 1
Leaders Issue Declaration A 1
XINHUA Views Declaration A 2
Ties With Developing Nations A 3
Envoy Addresses UN Session on Debt Problem A 4
UN Urges USSR To Provide Information on Chernobyl A 5
Gorbachev Message to Reagan on U.S.-USSR Summit A 5
Hu Yaobang Meets Foreign Trade Union Delegations A 5
Cui Yueli, Delegation Attend WHO Conference A 6
Wan Li, Others at Soccer Tourney Opening A 6

UNITED STATES

PLA Chief of Staff Arrives in Washington B 1
U.S. Official on Progress in Exchanges With USSR B 1

SOVIET UNION

Gorbachev Responds to Test-Ban Request C 1
Moscow Criticizes U.S. Approach to Tokyo Summit C 1

WESTERN HEMISPHERE

Bolivian Foreign Minister Begins Visit J 1
Arrives in Beijing J 1
Holds Talks With Wu Xueqian J 1
Wu Xueqian Addresses Banquet J 1
Meets With Li Xiannian J 2
Gives Medal to Wu Xueqian J 3
Meets Zhu Liang J 3
Signs Cooperation Accords J 3

PRC NATIONAL AFFAIRS

Li Xiannian, City Leaders Inspect Tianjin K 1
Xi Zhongxun Speech at 'May 4th' Movement Forum K 3
RENMIN RIBAO Urges Implementation of Policy [27 Apr] K 5
RENMIN RIBAO on Giving Priority to Reform [21 Apr] K 8
CPC Circular on Emulating Political Work Cadre K 14
Mountainous Areas Strive To Eliminate Poverty [RENMIN RIBAO 27 Apr] K 15
Commentator's Article K 16
People's Armed Forces Departments Reorganized K 17
LIAOWANG Cites Zhu Houze on Literature, Art K 18
Propaganda Chief Stresses Literary Values K 20
Dissident Punished for Publishing Memoirs [AFP] K 20

PRC REGIONAL AFFAIRS

EAST REGION

Liang Buting Attends Shandong May Day Celebration O 1
Shanghai's Rui Xingwen Attends May Day Songfest O 1
Shanghai CPPCC Secretary General Resigns O 2
[JIEFANG RIBAO 30 Apr]
Appointments, Dismissals of Zhejiang Officials O 2
[ZHEJIANG RIBAO 27 Apr]

TAIWAN

Further Reports on Taiwan Pilot's Defection to PRC V 1
Pilot Arrives in Beijing V 1
Reunites With Father [AFP] V 1
Red Cross Offers To Mediate V 2
CAL Probing 'Diversion' Incident V 2
PRC Rejects Hong Kong Mediation [HSIN WAN PAO 5 May] V 2
PRC May Detain Crew Members [SOUTH CHINA MORNING POST 6 May] V 4
Commentary Views Incident V 5
Yu Kuo-hua Meets Saudi Finance Minister 2 May V 6
Purchase of Saudi Oil To Increase V 6

HONG KONG MEDIA ON CHINA

Part I: Wang Meng Discusses PRC Literature, Art W 1
[WEN WEI PO 1 May]
TA KUNG PAO Ponders PRC Literature, Art Mood [1 May] W 2

FURTHER REPORTAGE ON TOKYO SUMMIT

Leaders Issue Declaration

OW051826 Beijing XINHUA in English 1813 GMT 5 May 86

[Text] Tokyo, May 5 (XINHUA) -- Leaders of seven major industrialized countries attending the May 4-6 summit today called on the United States and the Soviet Union to resume their "high-level dialogue and negotiation" to improve East-West relations.

In a declaration on political issues, entitled "Looking Forward to a Better Future," which was released at a press conference by Japanese Foreign Minister Shintaro Abe, the summit leaders said that they are "committed to addressing East-West differences through high-level dialogue and negotiation." In this regard, the declaration, while expressing appreciation for the United States' negotiation efforts, called on the Soviet Union "also to negotiate positively."

"To that end," the declaration said, "each of us supports balanced substantial and verifiable reductions in the level of arms; measures to increase confidence and reduce the risks of conflicts; and the peaceful resolution of disputes."

Speaking of their relations with the developing countries, the summit participants said they have acknowledged that their countries "cannot enjoy lasting stability and prosperity without stability and prosperity in the developing world." A number of developing nations had called on the summit participating countries to take practical steps on elimination or cut of trade protectionism, expansion of imports from the developing countries, raising and stabilization of the price of raw materials and stabilization of the price of raw materials and increase of aid for development.

In a statement on anti-terrorism, the summit leaders pledged to fight "relentlessly" against international terrorism and criticized Libya by name for its alleged "sponsoring or supporting" of terrorist activities. Terrorism "must be fought relentlessly and without compromise," the statement said. The statement specified anti-terrorism measures including refusal to export arms to states which sponsor or support terrorism, and strict limits on the size of the diplomatic and consular missions which engage in terrorist activities. The statement also called for collaboration from all nations and international organizations such as the United Nations, the International Civil Aviation Organization and the International Maritime Organization in fighting against terrorism.

In a statement on nuclear safety, the summit leaders said, "Nuclear power is and, properly managed, will continue to be an increasingly widely used source of energy. For each country the maintenance of safety and security is an international responsibility, and each country engaged in nuclear power generation bears full responsibility for the safety of the design, manufacture, operation and mainentance of its installations."

The statement called on the Soviet Union to provide more information on the Chernobyl nuclear accident.

It also welcomed and encouraged the work of the International Atomic Energy Agency (IAEA) in seeking to improve international cooperation on the safety of nuclear installations, the handling of nuclear accidents and their consequences.

XINHUA Views Declaration

OW051802 Beijing XINHUA in English 1748 GMT 5 May 86

["Roundup: Tokyo Summit Issues Political Statements by Zhao Zijian" -- XINHUA headline]

[Text] Tokyo, May 5 (XINHUA) -- The U.S. got its way in the second day of the summit of the seven industrial countries as a statement from the summit leaders blamed Libya for "sponsoring or supporting international terrorism."

Postponed three times and after three drafts, the final version of the summit statement issued this afternoon listed six measures which the summit seven will jointly take against what they regard as international terrorism.

The six measures are:

-- Refuse to sell arms to countries which support terrorism;
-- Limit the diplomatic missions and other official bodies of states which engage in terrorist activities, control the travels of their personnel or even close such missions or bodies;
-- Denial of entry of any people who have been expelled or excluded from one of the summit seven countries for terrorism;
-- Improve extradition procedures;
-- Stricter immigration and visa requirements for nationals in states suspected of terrorist activities;
-- Strengthen bilateral and multilateral cooperation between various security organizations.

The statement also said that the leaders have agreed to "intensify the exchange of information" on terrorist activities.

The statement on international terrorist issue was added to the agenda in the wake of U.S. raids against Libya on April 15. The raid was condemned worldwide and was a topic of disputes between the U.S. and its allies.

As the summit opened, the U.S. got strong backing from Britain, which is favoring an extradition treaty with the U.S. because it has "terrorist" problems with the Irish Republican Army. During the morning session today, British Prime Minister Margaret Thatcher was reportedly trying to "sharpen" the language of the statement, which centered on whether or not to name Libya in the final version.

Though the U.S. idea finally got through, sources here have doubts that the root problems of the terrorist issue have been pinpointed and that the concentration on the six measures proposed may not solve the problem.

As soon as Japanese Foreign Minister Shintaro Abe finished reading the statement to the gathering reporters, he was questioned about the wisdom of Japan's joining the action because Japan was not involved in the Libya tussel and she is now trying to promote the Middle East peace process. The naming of Libya will prevent Japan from making effective arguments due to possible Arab resentments.

In a separate statement this afternoon the summit leaders have criticised the Soviet Union for withholding information about the Chernobyl nuclear power station accident.

However, in a conciliatory note, the statement said the leaders are satisfied that the Soviet Union has shown willingness to discuss immediately with the International Atomic Energy Agency (IAEA), possibly for post-accident analysis.

The two statements, together with a previous political declaration, have taken up so much time for the three-day economic summit that economic matters have appeared secondary in terms of urgency. A Japanese official complained to reporters this afternoon that there is little time for economic discussions among the presidents and prime ministers.

Ties With Developing Nations

OW051752 Beijing XINHUA in English 1735 GMT 5 May 86

["News Analysis: Will Tokyo Summit Make Good on Commitments to Developing Countries? (by Zeng Hu)" -- XINHUA headline]

[Text] Beijing, May 5 (XINHUA) -- Some developing nations may be pleased with today's Tokyo summit political declaration in which leaders from the seven economic powers acknowledged the indispensable part of the less developed countries in the world's economic and political affairs.

But, the developing countries will have to wait and see if the "big seven" come out of the economic discussions with something to meet the real needs of less developed countries or only make their acknowledgment as good as it sounds.

In the Tokyo declaration, named "Looking Forward to a Better Future," leaders from the United States, Japan, Britain, Federal Germany, France, Italy, Canada and the European Community said that today's world is characterized by ever increasing interdependence. Their countries, the leaders noted, "Cannot enjoy lasting stability and prosperity without stability and prosperity in the developing world." The leaders also pledged to "fight against hunger, disease and poverty, so that developing nations can also play a full part in building a common, bright future."

However, as observers see it, the knotty economic problems that hamper development of Third World nations will not be solved with easily uttered commitments unless the developed countries take concrete measures.

Before the summit started yesterday, many countries in Asia, Middle East and Latin America voiced their demand for reducing trade restrictions in the industrialized world, alleviating debt burdens and stabilizing or increasing raw material prices. The Association of South East Asian Nations (ASEAN), which includes Indonesia, the Philippines, Malaysia, Thailand, Singapore and Brunei, told U.S. President Ronald Reagan last week that the summit should take a clear position against protectionism and in favor of more stable raw material prices.

Thailand repeated its particular worry to Federal German Chancellor Helmut Kohl during his stopover in Bangkok last week about the impact of the U.S. Congress' proposed farm act on its exports of rice and other agricultural goods.

India has called for reforms in the international monetary and financial systems, while Singapore, hit by a declining demand for its manufactured goods, wants Japan and the EEC to remove trade barriers.

In a message to the summit, the presidents of Argentina, Brazil, Bolivia, Colombia, Ecuador, Chile, Mexico, Peru, the Dominican Republic, Uruguay and Venezuela urged participants to take up the debt problem. The debts of these nations account for 80 percent of Latin America's total debt of 372 billion U.S. dollars.

The Latin America presidents also called for a change in the current world economic order, lower interest rates, higher raw materials prices and removal of trade protectionism by industrial countries. And, they pointed out that their debt-ridden economies are vulnerable to any fluctuations in world economy.

Economists have noted that the current international environment, though favorable to industrialized nations whose economies are expected to grow considerably this year because of the oil price slump, is not putting developing countries on a sound path toward growth.

Along with rising protectionism, the fall in commodities prices and high real interest rates have contributed to growing inflation, slow economic growth and skyrocketing unemployment in the heavily indebted countries, they said. Under such circumstances, analysts believe that participants in the Tokyo summit are facing a difficult task in deciding how much they would like to sacrifice in order to keep their commitments from becoming only lip service.

ENVOY ADDRESSES UN SESSION ON DEBT PROBLEM

OW060608 Beijing XINHUA in English 0547 GMT 6 May 86

[Text] United Nations, May 5 (XINHUA) -- With the resumption of the 40th regular session of the U.N. General Assembly, the second economic and financial committee reopened its debate today on the debt problem of developing nations. The week-long debate is to focus on international cooperation in money, finance, debt, resource flows, trade and development. Speaking on behalf of the "Group of 77", Ignac Golob of Yugoslavia said that the external debt problem of developing countries concerns everyone.

"The debt problem requires a political dialogue between the debtor and creditor countries and international financial and banking institutions. Developing countries believe that real interest rates should be brought down, while payments, grace and consolidation periods should be stretched out. Debt-service payments should be limited to a percentage of export earnings. The criteria of international financial institutions should be substantially changed." Developing countries, Golob pointed out, have consistently emphasized that the debt problem cannot be solved in an environment in which commodity prices continue to fall, foreign resources continue to dry up, real interest rates remain high and no action is taken to resist and roll back protectionist measures. Golob also said that a limited group of countries cannot decide on issues which are of vital importance to the rest of the world.

Tamas Foldeak from Hungary said that in many developing countries the debt problem has become a real threat to their economic security and that a necessary condition for solving the problem is a real reduction in interest rates, as well as the restructuring of the international monetary and financial system.

Wang Baoliu of China noted that a fundamental solution to the debt problem can only be found in promoting the growth of developing countries, and he urged the major developed countries to adopt measures to meet the real needs of the debtor countries.

Denmark's Finn Jonck said that the issues of growth, monetary stability, alleviation of debt problems, commodity earnings and trade call for intensified efforts to ensure conditions for sustained, non-inflationary growth. "That requires a continuation of growth-oriented adjustment policies in both developed and developing countries," Jonck said.

UN URGES USSR TO PROVIDE INFORMATION ON CHERNOBYL

OW030814 Beijing XINHUA in English 0700 GMT 3 May 86

[Text] Geneva, May 2 (XINHUA) -- Mostafa Tolba, executive director of the U.N. environment program, today called on the Soviet Union to provide precise information on the Chernobyl nuclear plant catastrophe to the world. Tolba told reporters that he made the call during a meeting this morning with the Soviet ambassador to the United Nations organization. "In fact, the right for information in cases of serious pollution, and particularly when the pollution passes across the borders (of a country), is one of the rights of mankind," he said. He said he wants to know the "original" intensity of the radiation, that is, the magnitude of radiation produced at the moment the accident occurred in the Soviet nuclear plant.

GORBACHEV MESSAGE TO REAGAN ON U.S.-USSR SUMMIT

OW041436 Beijing XINHUA in English 1359 GMT 4 May 86

[Text] Tokyo, May 4 (XINHUA) -- Soviet leader Mikhail Gorbachev has sent a message to U.S. President Ronald Reagan through British Prime Minister Margaret Thatcher indicating his willingness to hold U.S.-Soviet summit in the United States this year, a U.S. official said today. During a private meeting with Reagan at the Tokyo economic summit which opened here today, Thatcher passed the message handed to her last Wednesday by the newly-appointed Soviet ambassador to London, Leonid Zamyatin.

The U.S. official who declined to be named said the "upshot" of the message was that Gorbachev "is still interested in a summit this year and wondered if the United States was interested in a summit." The official said there has been no formal response from President Reagan as yet, but he added, "the answer, of course, is yes."

Gorbachev and Reagan reached an agreement during their first meeting last November in Geneva for the Soviet leader to go to the United States this year. However, the two sides failed to fix a date for the talks. The Soviet Union then canceled a meeting between Secretary of State George Shultz and Soviet Foreign Minister Eduard Shevardnadze in mid-May protesting U.S. air strike of Libya on April 15.

During her South Korean visit on the eve of the Tokyo economic summit, at which leaders from major Western industrialized nations get together to discuss political issues such as East-West relations as well as economic ones, Thatcher said a new U.S.-Soviet summit was important for progress in arms control. She said that no recent events such as the U.S. air strike on Libya or the Soviet nuclear disaster had made a summit less necessary. "I believe the need is as great as it was before, and I believe it will come about," Thatcher said.

HU YAOBANG MEETS FOREIGN TRADE UNION DELEGATIONS

OW301232 Beijing XINHUA in English 1224 GMT 30 Apr 86

[Text] Beijing, April 30 (XINHUA) -- Chinese leaders Hu Yaobang, Wan Li, Xi Zhongxun, Hu Qili, Wu Xueqian, Ni Zhifu and Gu Mu, met eight visiting foreign trade union delegations at the Great Hall of the People here today. The delegations are from Benin, Burundi, The Congo, Italy, Japan, Sri Lanka, Togo and Yugoslavia, and they have been invited to attend the centennial activities of "May 1" in Beijing. The Chinese leaders also met a Communist Party delegation from Australia and Alain Roux, a scholar of the French Communist Party.

CUI YUELI, DELEGATION ATTEND WHO CONFERENCE

OW051844 Beijing XINHUA in English 1453 GMT 5 May 86

[Text] Geneva, May 5 (XINHUA) -- The 39th conference of the World Health Organization (WHO), attended by representatives from 140 countries, opened here today to review its work in the past year and current health issues of the world. According to sources of the organization, the conference will discuss the application of the strategy of "health for all from present to the year of 2000", a work programme adopted in May of 1981, and the work report by WHO Director General Halfdan Mahler.

Other topics for discussion include the health issues of Southern Africa and Arab countries resided by Palestinian refugees and the inter-department cooperation in a country.

The conference, attended by health officials as well as ministers of finance and agriculture of certain countries, will also look for more effective ways to improve the well-being of the world.

The Chinese delegation, headed by Health Minister Cui Yueli, is attending the meeting which will end on May 16. The WHO, consisting of 166 countries, holds such a meeting every year.

WAN LI, OTHERS AT SOCCER TOURNEY OPENING

OW051002 Beijing XINHUA in English 0639 GMT 5 May 86

[Text] Beijing, May 5 (XINHUA) -- The opening ceremony of the China Youth News TDK Cup under-18 soccer tournament was held here this morning. Nearly 200 players from Brazil: England, France, Thailand, China, and China's Beijing, Liaoning and the army teams participated in the ceremony.

Among those present on the occasion were Wan Li, vice-premier of the Chinese State Council, and Chen Xitong, mayor of the capital city.

Speaking on behalf of the organizing committee, Liu Yandong, president of the committee, first welcomed the foreign guests and wished the tournament success. "The blossoming May highlights the spring of the international peace year in Beijing. It is by such a good time that the tournament starts. The youth of various countries came here to spread the seeds of friendship in safeguarding peace and humanity of the future. I believe it will surely be fruitful."

Yuan Weimin, vice minister of the Chinese Physical Culture and Sports Commission and president of the Chinese Football Association, also made remarks. He said the tourney, which will feature different styles of South America, Europe and Asia to be displayed by players from world soccer powerful nations such as Brasil, England and France, apart from Thailand, would provide the Chinese players with an excellent chance to learn from their counterparts and delight the Chinese soccer fans.

Vice-Premier Wan Li received the managers of the four foreign teams prior to the ceremony.

The tournament will start this evening with Thailand vs. China's army team, England vs. China in the Workers' Stadium, while France vs. China's Liaoning, and Brazil vs. Beijing in Xiannongtan Stadium.

PLA CHIEF OF STAFF ARRIVES IN WASHINGTON

OW060622 Beijing XINHUA in English 0611 GMT 6 May 86

[Text] Washington, May 5 (XINHUA) -- Chief of General Staff of the Chinese People's Liberation Army (PLA) Yang Dezhi arrived here this afternoon for a 16-day friendly visit to the United States.

Yang, accompanied by his wife Shen Gejun and Vice Chief of General Staff Han Huaizhi, were greeted at the Andrews Air Force Base by Lieutenant General Richard Burpee of the U.S. Joint Chiefs of Staff; Han Xu, Chinese ambassador to the United States; and Zhang Zhi, Minister of the Chinese Embassy.

Upon his arrival, Yang said that he has "come with the aim to seek friendship" and to "continue the exchange of views with the U.S. side on issues of common concern."

"I am confident that this visit will also help to further develop the relations between our two countries and our armed forces," he said in a written statement. "We have always held that a stable and amicable relationship between Ching and the United States accords with the interests of our two peoples and makes for world peace," he added.

The Chinese chief of general staff was invited here by Chairman of the U.S. Joint Chiefs of Staff Adm. William Crowe. Earlier today, Yang and his party visited West Point Military Academy in New York before leaving for Washington.

U.S. OFFICIAL ON PROGRESS IN EXCHANGES WITH USSR

OW020918 Beijing XINHUA in English 0850 GMT 2 May 86

[Text] Washington, May 1 (XINHUA) -- A high-ranking U.S. official claimed today that despite the recent strains in U.S.-Soviet relations, progress has been made in implementing the new U.S.-Soviet exchange agreement signed in Geneva last November. Speaking to the American National Press Club this morning, Charles Wick, director of the U.S. Information Agency, which is responsible for implementing the agreement, told reporters that the Soviet Union, for the first time, has agreed to send groups of Soviet teenagers to the United States this summer and is giving serious consideration to sending students to study at a prep school in New England.

"This is an important, even momentous development which we are very excited about," he said. He added that the Soviets have also agreed in principle to expand the sister cities program from six to 16 cities, with a possible increase to 25 over the next two years.

The United States wants to increase people-to-people exchanges with the Soviet Union as a first step to improving relations between the two countries, Wick said. In recent months, Wick and other U.S. officials have traveled to the Soviet Union to discuss exchanges with their Soviet counterparts. Wick termed the discussions "friendly" and fruitful."

The new U.S.-Soviet exchange agreement resulted from the Geneva summit between President Reagan and Soviet leader Mikhail Gorbachev last November. The agreement will extend through 1991.

GORBACHEV RESPONDS TO TEST-BAN REQUEST

OW030304 Beijing XINHUA in English 0239 GMT 3 May 86

[Text] Moscow, May 2 (XINHUA) -- Soviet leader Gorbachev said his country is "in no hurry to resume" nuclear testing and still wants an accord with the United States to end atomic explosions, according to the official Soviet news agency TASS today.

In his response to an April 8 letter from the leaders of six nations calling for a ban on such tests, Gorbachev repeated his earlier proposal for a special summit with U.S. President Ronald Reagan in a European capital to discuss ways for terminating nuclear weapons experiments and said he supports the call issued by these leaders to both superpowers to refrain from nuclear testing until the second Gorbachev-Reagan summit, scheduled in the United States later this year. The six nations who made the appeal to the United States and the Soviet Union are Argentina, India, Mexico, Tanzania, Sweden and Greece.

Gorbachev announced a unilateral nuclear test ban last summer lasting from August 6 to the end of 1985 and extended it until such time as the United States conducted such a test. The Soviet Union ended the eight-month-old moratorium last month following one of Washington's nuclear detonations. Noting that his country "took a certain risk" by its unilateral moratarium, Gorbachev said, "We are compelled to lift the unilateral commitment taken by us voluntarily not to conduct any nuclear explosions, because we cannot waive our own security and the security of our allies and friends. I repeat the actions of the U.S.A. compelled us to take this decision."

The Soviet leader said, however, "I would like to emphasize that the Soviet Union is doing everything necessary to make a bilateral Soviet-American moratorium a reality. We are prepared to return any moment to the question of a mutual moratorium if the United States does not conduct nuclear tests." "We are in no hurry to resume nuclear tests," Gorbachev said.

Gorbachev said Washington's actions following the U.S.-Soviet Geneva summit last November are "at variance with the task of searching ways for improving international relations and intensifying the positive tendencies that emerged as a result of the meeting." Gorbachev accused the United States of causing "direct damage" to the dialogue between the two countries.

MOSCOW CRITICIZES U.S. APPROACH TO TOKYO SUMMIT

OW050258 Beijing XINHUA in English 0155 GMT 5 May 86

[Text] Moscow, May 5 (XINHUA) -- The Soviet media yesterday criticized Washington for intending to harness its partners at the seven-nation summit in Tokyo with its "neoglobalism" and to "gloss over" disagreements in the economic field. "The very first statements by U.S. President Ronald Reagan (in Tokyo) have indicated that Washington intends to take advantage of the Tokyo meeting to harness its partners to further its aggressive neoglobalist strategy," said a report by the official TASS news agency.

TASS was referring to comments made by Reagan in his weekly radio address to the American people, which was delivered from Tokyo. The Soviet Communist Party newspaper PRAVDA said the United States wants to emphasize terrorism at the summit "to divert... attention from the most important problems of international relations." The TASS report also said the seven nations at the summit -- Britain, Canada, Federal Germany, France, Italy, Japan and the United States -- will be unable to agree on ways to resolve their economic differencas.

BOLIVIAN FOREIGN MINISTER BEGINS VISIT

Arrives in Beijing

OW021607 Beijing XINHUA in English 1558 GMT 2 May 86

[Text] Beijing, May 2 (XINHUA) -- Guillermo Bedregal Gutierrez, Bolivian minister of foreign affairs and worship, who leads a government political and economic delegation, flew in here this evening. He has come at the invitation of Wu Xueqian, Chinese state councillor and foreign minister. Among those welcoming him at the airport was Zhu Qizhen, vice-foreign minister.

Minister Bedregal is the first Bolivian foreign minister to visit China since the two countries established diplomatic relations in July 1985. Before his departure, he said at the airport of La Paz that, his China visit aims at deepening cooperation and exchanges between Bolivia and China in the fields of politics, economy, culture, science and technology. He said he will also hold discussions with Chinese leaders on international developments and issues directly related to the interests of developing countries especially Bolivia and China.

Holds Talks With Wu Xueqian

OW031338 Beijing XINHUA in English 1249 GMT 3 May 86

[Text] Beijing, May 3 (XINHUA) -- Both Chinese and Bolivian foreign ministers expressed their satisfaction with the smooth development of the bilateral relations during their talks held here today.

Wu Xueqian, Chinese state councillor and foreign minister, and Guillermo Bedregal Gutierrez, visiting Bolivian minister of foreign affairs and worship, exchanged views on the international issues of common concern and ways to continue the development of bilateral relations. Wu said since the establishment of diplomatic relations between the two countries in July 1985, relationship between China and Bolivia has entered a new stage. He spoke highly of the efforts made by the Bolivian Government for the establishment and development of the bilateral relations. He stated both China and Bolivia are engaged in the national development, and interested in the growth of South-South cooperation. He expressed his belief that mutual understanding and friendly cooperation between the two countries will continue to grow.

Bedregal said as Bolivia is a developing country, it works for Non-Aligned Movement, the enhancing of unity among developing countries and the safeguarding of world peace. He said friendly cooperation between the two countries enjoy broad prospects and, in particular, there are good conditions for further economic and technological cooperation.

Wu Xueqian Addresses Banquet

OW031628 Beijing XINHUA in English 1610 GMT 3 May 86

[Text] Beijing, May 3 (XINHUA) -- Chinese State Councillor and Foreign Minister Wu Xueqian expressed the belief here today that Sino-Bolivian friendly cooperation would see fast growth through common efforts by the two countries. Wu said this at a banquet he gave here this evening to welcome visiting Bolivian Minister of Foreign Affairs Guillermo Bedregal Gutierrez and a Bolivian Government political and economic delegation led by him. Wu praised the Bolivian Government and people for their continued efforts to safeguard their national sovereignty and revitalize their national economy. The establishment of Sino-Bolivian diplomatic relations in July 1985 opened a new chapter in the relations between the two countries, he pointed out.

He said that the visit of the Bolivian minister, in less than a year after the establishment of diplomatic relations, demonstrated the importance the Bolivian Government attached to the development of its relations with China. Wu said that the two countries share identical or similar views on many important international issues as well as a common wish to further their relations. He expressed sympathy with many Third World countries which are facing serious economic problems caused by the irrational international economic order as well as natural disasters.

[Beijing XINHUA Domestic Service in Chinese at 1635 GMT on 3 May in a similar report adds the following: "On the international economic situation, Wu Xueqian said: Because of irrational international economic order, the majority of developing countries are having great economic difficulties and facing such pressing problems as huge debts, intensified trade protectionism, lower prices of primary products, and natural disasters. We deeply sympathize with these countries."]

He reiterated that it is an important aspect of China's foreign policy to strengthen its unity and cooperation with other developing countries. China, as a developing socialist country, will stand unswervingly on the side of the Third World countries and work together with them to transform the old international economic order, promote the North-South dialogue and strengthen South-South cooperation.

Bedregal said in his toast that his visit to China is of great significance. The Bolivian and Chinese peoples share identical views on safeguarding their ideals and fighting to obtain their goals. He condemned some countries for aggravating international relations by creating tension to further their own interests. He said that Bolivia, with its political will and stability, is a basic member of the Non-Aligned Movement. The Third World countries, he said, should establish various institutions to safeguard world peace and triumph over the remnants of colonialism and neo-colonialism courageously and forcefully. Above all, he added, an international law for democracy and peace should be worked out to counter occupation of other countries and hegemonism.

Meets With Li Xiannian

OW051420 Beijing XINHUA in English 1358 GMT 5 May 86

[Text] Beijing, May 5 (XINHUA) -- President Li Xiannian said here today that China is a developing country and wants to strengthen its cooperation with Bolivia and other Third World countries in its socialist construction. Li made these remarks during a meeting with a government political and economic delegation led by Bolivian Minister of Foreign Affairs and Worship Guillermo Bedregal Gutierrez.

Li said that China and Bolivia enjoy very good relations and share identical or similar views on many issues. Li also noted that Bedregal had been the first Bolivian high-ranking official to visit China at the head of a government delegation since the establishment of diplomatic relations between the two countries last July. The current visit would promote the development of Sino-Bolivian cooperation and friendship, Li said.

Turning to international issues, Li reiterated China's firm support to the Contadora Group, hoping that the South-South cooperation will be enhanced to help promote the "North-South dialogue".

Bedregal said that Bolivia, a member nation of the Non-Aligned Movement, supports the Contadora Group and the Lima Group in their efforts for a peaceful solution to conflicts in Central America. Bedregal hoped that Bolivia and China, both Third World countries, should continue to strengthen their cooperation and share each others's experience.

The Bolivian minister forwarded Li a letter from Bolivian President Victor Paz Estenssoro to Chairman Deng Xiaoping.

Gives Medal To Wu Xueqian

OW051424 Beijing XINHUA in English 1405 GMT 5 May 86

[Text] Beijing, May 5 (XINHUA) -- Guillermo Bedregal Gutierrez, Bolivian minister of foreign affairs and worship, conferred a great-cross-grade National Medal of the Andes Condor on Chinese State Councillor and Foreign Minister Wu Xueqian here this evening.

Wu expressed his thanks for the honor accorded to him. He said that Bedregal's current China visit is a great event in Sino-Bolivian relations and that bilateral cooperations will score greater success.

Wu was also honored at a banquet given by the Bolivian foreign minister after the ceremony. The Bolivian guests left here tonight for a visit to Shanghai and Guangzhou.

Meets Zhu Liang

OW051426 Beijing XINHUA in English 1407 GMT 5 May 86

[Text] Beijing, May 5 (XINHUA) -- Zhu Liang, head of the International Liaison Department of the Chinese Communist Party Central Committee, met with Guillermo Bedregal Gutierrez, Bolivian minister of foreign affairs and worship, here today.

Bedregal conveyed the desire of the Nationalist Revolutionary Movement of Bolivia to expand its relations with the Chinese Communist Party.

Zhu Liang said the Chinese Communist Party is willing to develop its relations with the Bolivian movement and other friendly political parties on the principled basis of independence, complete equality, mutual-respect and non-interference in each other's internal affairs.

The Bolivian minister called on Chinese Minister of Metallurgical Industry Qi Yuanjing and Minister of Agriculture, Animal Husbandry and Fisheries He Kang this afternoon. They also paid their respects to the remains of late Chairman Mao Zedong here.

Signs Cooperation Accords

OW051724 Beijing XINHUA in English 1403 GMT 5 May 86

[Text] Beijing, May 5 (XINHUA) -- Four documents on cultural and economic cooperation between Chinese and Bolivian Governments were signed here this evening. The documents were signed by Chinese State Councillor and Foreign Minister Wu Xueqian and Bolivian Minister of Foreign Affairs and Worship Guillermo Bedregal Gutierrez on behalf of their respective governments. These documents comprise an agreement on cultural cooperation, an agreement on economic and technological cooperation, a protocol on projects of economic and technological cooperations and a note on the partical [spelling as received] repair of the national number one irrigation system of Bolivia.

LI XIANNIAN, CITY LEADERS INSPECT TIANJIN

OW051431 Beijing XINHUA Domestic Service in Chinese 0057 GMT 5 May 86

[By reporter Zhu Zemin]

[Text] Tianjin, 5 May (XINHUA) -- On a recent inspection tour of Tianjin, Li Xiannian, president of the PRC and Standing Committee member of the Political Bureau of the CPC Central Committee, emphatically pointed out: In developing the economy and carrying out reform, we must pay attention to strengthening ideological and political work. Our party has built itself up by relying on ideological and political work. We cannot do anything well without ideological and political work. He pointed out: In doing ideological and political work, we must continue to bring forth new ideas and pay attention to our experience and the law in carrying out ideological and political work during the new period.

From 17 April to 3 May, accompanied by Tianjin Municipal CPC Committee Secretary Ni Zhifu, Tianjin Mayor Li Ruihuan, and others, President Li Xiannian inspected factories, rural areas, and various city construction projects in Tianjin, the new Tianjin port, and the Tianjin economic and technical development zone now under construction. He also met with representatives from all walks of life and some veteran comrades who had retired. Together with Comrade Hao Jianxiu, member of the Secretariat of the CPC Central Committee, he heard a briefing on the work of the Tianjin Municipal CPC Committee and the Tianjin Municipal Government. Li Xiannian said: The leading bodies of the Tianjin Municipal CPC Committee and the Tianjin Municipal Government are united as one. This is a fundamental requirement in strengthening party leadership and scoring victories. He said: During the "Sixth 5-Year Plan" period, Tianjin's total industrial output value rose by 50 percent. It reached 28.5 billion yuan in 1985. It is not easy to attain such an achievement after a decade-long chaotic situation and a severe and disastrous earthquake. In this regard, Tianjin has the support of the central authorities as well as its own existing foundations. However, ultimately, we must attribute such an achievement to the joint efforts of the masses, cadres, intellectuals, and the people of all walks of life of Tianjin.

Li Xiannian said: Currently the situation in the whole country is fine. So is the situation in Tianjin. We may encounter some problems in the course of advance. We must face these problems squarely and try to solve them step by step. The city of Tianjin has accumulated some experience in promoting planned economy and carrying out market regulation. It should do a good job in summing up such experience. I realize that the Tianjin people's enthusiasm is high and their spiritual outlook is fine. It means that Tianjin has a bright future.

Li Xiannian hoped that the leading party and government comrades of Tianjin City will implement the guidelines of the National Party Congress and the Fourth Session of the Sixth National People's Congress in close connection with the actual situation in Tianjin, creatively do their work, overcome difficulties in the course of advance, and continue to work hard to develop the favorable situation.

President Li pointed out: The key to developing socialist modernization lies in having qualified people. We must pay full attention to education and run kindergartens, primary and middle schools, and colleges well. We must improve teaching standards and train all types of qualified people. At the same time, we must encourage people to master advanced scientific and technical skills and managerial expertise through self-study. Both measures are of great importance. We must do a good job in linking the two measures.

When President Li Xiannian was in Tianjin, the 5th Session of the 10th Tianjin City People's Congress was held there to discuss and examine the city's Seventh 5-Year Plan for economic and social development. President Li Xiannian met with the deputies attending the session and called on the people of Tianjin to work hard to fulfill the state's as well as the city's own "Seventh 5-Year" plan and to do a good job in carrying out reform and construction. He said: The central task in carrying out the state's "Seventh 5-Year" plan is to carry out reform, with reform aimed fundamentally at developing the productive forces of society. We must concentrate our efforts on developing production. In the field of industry, we must pay attention to reducing production costs, improving production quality, and raising economic efficiency. In the field of agriculture, we must grasp production. Only if grain output steadily rises, will it be possible for us to promote diversified economy. To increase industrial and agricultural production, we must first rely on policy. Second, we must rely on our knowledge of science and technology. Third, we must rely on our efforts to continuously improve production conditions. More importantly, it is necessary to rely on our awareness. We must adhere to the principle of "to each according to his work." At the same time, we must educate people on communist ideas, bring into full play the communist style of work, and make still greater contributions to the masses.

When Li Xiannian inspected Zhaoguli village in Dabizhuang Township in Tianjin's eastern suburbs, Li Wenlin, head of the village, said: The village produced 12 million jin of vegetables last year. Although the state stipulates that vegetable farmers can sell 30 percent of their vegetables on the market, peasants who contracted for vegetable plots sold all their vegetables to the state. President Li Xiannian praised him, saying: "Good. You have done well. After deregulating vegetable prices, it is necessary to keep them steady. The key lies in increasing vegetable production. You have not only supported the city and made price reform a success, but also become well-to-do yourselves." After visiting vegetable farms and the village-operated Tianhua gem and crystal factory, President Li Xiannian met with Liu Wenming, a peasant with a high income. President Li said: "If all peasants had an income like yours, our country would be rich and prosperous."

President Li Xiannian also visited the newly completed western section of the Zhonghuan line [not further identified] as well as the eastern section of the line now under construction. From the beautiful lawn of the 19-km-long belt-shaped Haihe Park, President Li watched the beautiful scenery along the banks of the Haihe River. Many earthquake shelters had been built there after the 1976 earthquake. Now, there is no earthquake shelter in sight. The place has become a recreation center with many flowers and trees as well as sightseers and tourists. President Li asked the city's leading comrades to put more chairs and benches in the park so that people can sit and relax. In the newly completed residential area north of the Tianjin College of Physical Culture, President Li showed great interest in the green lawns and some of the garden ornaments seen between rows of six-story residential buildings. Mayor Li Ruihuan said: We plan to gradually supply gas, plant more trees, provide families with domestic help, and set up a central heating system for the residential area. Li Xiannian said: "That would indeed be a big event and also a good deed. We communists seek to wholeheartedly serve the people." Accompanied by Comrade Ni Zhifu, Li Xiannian also visited the Jizhuangzi sewage disposal plant. This plant, the largest sewage treatment plant in China, can treat 260,000 tons of sewage each day. It not only purifies water for the city and irrigates farmland, but also generates electric power by using the marsh gas that it extracts from the sludge. This plant now serves 1.08 million people. President Li Xiannian wrote an inscription for the plant, which reads: "Bring benefit to people."

XI ZHONGXUN SPEECH AT MAY 4TH MOVEMENT FORUM

OW041419 Beijing XINHUA Domestic Service in Chinese 1522 GMT 3 May 86

[Captilized passages denote boldface as indicated by XINHUA]

["Several Points of Expectations of Our Youth" a talk at a forum marking the 67th anniversary of the "May 4th" Movement on 3 May 1986, by Xi Zhongxun]

[Text] Beijing, 3 May (XINHUA) -- Young friends, comrades: I am very happy today to join the youth representatives from various circles at this forum to celebrate the "May 4th" Youth Day. On behalf of the CPC Central Committee and the State Council, I want to extend my warm congratulations to you and the young people of various nationalities of the entire nation!

The "May 4th" Movement, which took place in 1919, was a great revolutionary movement to oppose imperialism and feudalism in the history of China. The May 4th revolutionary spirit has always inspired our young people to advance. What is this "May 4th" revolutionary spirit? To put it briefly, it is the spirit of patriotism, the spirit of promoting democracy and science, and the spirit of unity between the young intellectuals and the workers and peasants. In commemorating "May 4th" today, we call on the vast number of youths to carry forward the "May 4th" revolutionary spirit under new historical conditions, to more closely unite around the party and the government, and to make new contributions in building a highly civilized, democratic, and modern socialist nation. For that reason, I propose several points of expectation of our young people:

FIRST, IT IS NECESSARY TO ACTIVELY PARTICIPATE IN THE REFORM. Reform is the only way to build socialism with special Chinese characteristics. Currently, the structural reforms in economic affairs, science, technology, and education are developing in depth in both the cities and the countryside. Our vast number of young workers, peasants, and intellectuals and other working youths must seriously study to understand the target, significance, principle, and policy of reform and actively participate in various forms of reform with a keen sense of responsibility. This is also a call for carrying forward socialist democracy in the new situation. A few days ago, GONGREN RIBAO published a long letter of suggestions by a young worker of the Anshan Iron and Steel Company. In that letter, the young worker made a series of suggestions with keen insight concerning plant reform, production, management, and ideological and political work to the plant leadership. It is highly commendable that an ordinary worker should be so concerned about the overall reform prosperity and well-being of the nation, and future of the plant. We must vigorously encourage such a keen sense of responsibility. Being on the forefront of industrial and agricultural production, the vast number of young staffers, workers, and peasants are highly enthused over reform. We must encourage them to emancipate their thinking, be bold in pioneering, and dare to practice. Leaders at all levels must pay attention to the young people's suggestions for reform and warmly support any pioneering undertakings that meet the requirement of reform. In the course of the reform, the young people must also learn how to currently handle the relationship between state, collective, and individual interests and consciously put the interests of the state above all else. If the young people fulfill these things, they will be a great force in promoting the healthy development of the reform.

SECOND, IT IS NECESSARY TO DO A REMARKABLE JOB IN ONE'S OWN WORK. In a report at last year's national CYL Congress, there was a sentence, which reads "doing great pioneering work in the four modernizations means making outstanding achievements in one's own work." I think the sentence is well-said. As everyone knows, the "Seventh 5-Year Plan" adopted at the Fourth Session of the Sixth NPC not long ago was a very good plan. But a plan is only a plan no matter how good it is. Only when everyone strives to fulfill it at his own post can we turn the plan into reality. Therefore, the vast number of young people on the industrial, agricultural, scientific, technological, cultural, education, public health, finance, trade, and other fronts must comply with the requirements of the "Seventh 5-Year Plan" and make outstanding achievements at their own positions in accordance with the goals of struggle of their own professions and units. If everyone can make extraordinary achievements at his ordinary position, our "Seventh 5-Year Plan" will surely be fulfilled even better than the "Sixth 5-Year Plan." Making contributions in fulfilling the "Seventh 5-Year Plan" and realizing the four modernizations will be a heroic patriotic undertaking befitting the young people of China today.

THIRD, IT IS NECESSARY TO ENTHUSIASTICALLY PARTICIPATE IN SOCIALIST SPIRITUAL CONSTRUCTION. Because young people are full of ideas, are quick to accept new things, and have multiple spiritual needs, they are one of the most active forces in spiritual civilization construction. In recent years, the vast number of young people have been pioneers in promoting new social practices. For example, the reading and speech-making activities of the urban staffers and workers, activities to help difficult and poor households in the rural areas, activities of heroes and models to report their heroic and model deeds, and the consultative service provided by students in the streets have all been initiated by the young workers, peasants, PLA fighters, and young students. They have all played excellent roles in socialist spiritual civilization construction. It is necessary to fully affirm the status, function, and main trend of the vast number of youths in socialist spiritual civilization construction. At the same time, it is also necessary to point out that in the new situation of opening to the outside world and enlivening the domestic economy, negative factors have been found in the areas of ideal, discipline, and morality among the young people which should not be overlooked and must be overcome with sincere efforts. The vast number of youths must continuously make efforts to study science and cultural knowledge, skillfully master technology, and learn to gradually fit themselves into the civilized, healthy, and scientific socialist lifestyle. It is necessary to vigorously propagate legal knowledge among the young people and make everyone of them study, understand, and abide by the law. It is necessary to vigorously strengthen education in professional ethics, enforce labor discipline, and correct unhealthy tendencies in various professions and trades. It is necessary to vigorously strengthen marriage and family ties, promote moral training, encourage correct attitudes toward love between both sexes, and develop family relations of equality and harmony. In rural areas, it is necessary to eliminate superstition, mercenary marriages, and extravagance and waste in wedding ceremonies or funeral rites. We believe that the vast number of young people can temper themselves into a new generation which has ideals, is morality-minded and well-educated, and observes discipline.

FOURTH, THE YOUNG INTELLECTUALS SHOULD MAKE A CONSCIOUS EFFORT TO INTEGRATE THEMSELVES WITH THE WORKERS AND PEASANTS. While the young intellectuals are relatively rich in cultural and scientific knowledge, quick of mind, and pioneering in new things, they are also poor in practical experiences and are easily divorced from reality. All promising young intellectuals must consciously integrate themselves with the workers and peasants and with reality.

On the one hand, they must dare to "climb high mountains" and diligently study Marxism, while on the other hand, they must be hardworking in "penetrating depths" to widely unite with the masses and go into reality. Only by closely linking one's own ideals and goals with the interests of the party and the people and tapping one's own talent and ability to solve real economic, political, cultural, and social problems can one temper oneself in an even larger environment to improve one's ability and become a qualified person, that meets the motherland's needs. Shouldering the honorable mission of leading and organizing CYL members and other youths in promoting various activities, the vast number of CYL cadres must march at the head in uniting with the workers and peasants.

In conclusion, I would like to quote a poem by a Tang Dynasty poet Li Shangyin, who wrote: "On the 10,000-li Danshan road lined on both sides with phoenix trees, the young phoenixes can sing even better than the old ones," which says that when the phoenix trees are in full bloom, the young phoenixes can sing even more beautifully than the old ones. In quoting the poem to encourage our young people, I hope that you unite as one and make even more billiant achievements than us, the older generation, in socialist modernization.

RENMIN RIBAO URGES IMPLEMENTATION OF POLICY

HK301053 Beijing RENMIN RIBAO in Chinese 27 Apr 86 p 4

["Special Commentary" by Zong You: "Implementation of Policy Must Be Grasped to the Finish"]

[Text] Since the 3d Plenary Session of the 11th CPC Central Committee, under the leadership of the CPC Central Committee, the State Council, and the party committees at all levels, all localities and departments have done much to set right the historical problems which, under the guidance of "leftist" ideas, were erroneously dealt with before and during the "Great Cultural Revolution." They have achieved great successes and have exerted a very good influence at home and abroad. This is of great importance to consolidating and developing the practical situation characterized by stability and unity, stimulating the four modernizations program and various reforms, and facilitating the reunification of the motherland at an early date.

However, numerous problems left from the past are yet to be solved in various localities and departments, and the task of implementing the policy is still very arduous. Some 30 percent of the letters sent by the masses and their visits are concerned with requests to solve the problems left from the past. Some have become "long-standing, big, and difficult" problems either because they are long-standing and complicated, the units handling them at that time have undergone changes, or because the local authorities have insufficient financial resources. It is indeed not easy to solve these problems. However, we should not stand still in the face of difficulties but should press forward at a brisk pace and grasp the problems to the end. We can at least cite three reasons for this. First, if the problems left from the past are not satisfactorily solved, the people will not stop visiting or writing to the higher authorities. Since the relevant departments must receive these people and handle their problems, they cannot engage in the four modernizations with one heart and one mind. Moreover, the more they procrastinate, the more passive they will become. If something should go wrong, the contradictions may intensify and become an unstable social factor detrimental to the smooth progress of the four modernizations. Second, in some long-standing problems, the number of witnesses who can provide "living data" has dropped. If we do not pay close attention to handling these problems, it will be difficult to draw correct and reliable conclusions after these "living data" disappear. The problems will become unsettled issues in history.

Third, some of the relevant people are so advanced in years that it is necessary to properly handle their problems while they are alive. In this way, they can spend their remaining years with an easy mind.

The recently held national work conference on implementing the policy on Overseas Chinese affairs pointed out that effective measures should be taken this year and the next to basically solve, on a national scale, the problems relating to returned Overseas Chinese and the relatives of nationals residing abroad left from the past. Some localities and departments have also set forth the tasks of basically implementing the policy this year and the next.

These plans demonstrate the guideline of the central authorities, which repeatedly stress the need to pay close attention to solving the problems left from the past and to basically fulfill the task of implementing the policy in the near future. However, there are also some localities and departments that do not pay close attention to this work. They work slowly and even mark time. The various obstacles in ideology and style in these localities and departments must be conscientiously removed.

-- Some people refuse to redress unjust, false, and wrong cases by citing the difficulties that will be met in dealing with the aftermath of these cases. Comrades entertaining this fear of difficulty should understand this truth: As far as the party and the government are concerned, the prestige of the policy comes first, the specific difficulties come second. Therefore, the latter should be subordinated to the former. We should not forget or disregard the prestige of the party and government policies just because it is difficult to surmount the specific difficulties. Since the facts relating to unjust, false, and wrong cases have been established through investigation, it is necessary to redress them without hesitation. We should first rehabilitate the relevant people politically and remove their heavy political burdens so that they can be emancipated spiritually. As for the specific difficulties in dealing with the aftermath of the cases, we will certainly be able to find a rational solution.

-- Some people flatly refuse to redress unjust, false, and wrong cases. Some units or personnel originally handling the cases obstinately refuse to reinvestigate them because they are afraid of negating themselves or adversely affecting their own prestige or because they want to leave something to prove that at least they were not entirely wrong in the first place. Comrades entertaining this erroneous idea should understand that history is enexorable and that the whole truth will eventually come out. If they can restore historical truth 1 day earlier, they will be able to take the initiative 1 day earlier. In a sense, a person who has the courage to admit and correct his mistakes will not lower his prestige but will make a contribution in enhancing the prestige of the party and government policies. Unjust, false, and wrong cases were brought about under specified historical environments and under the guidance of "leftist" ideas. As far as the overwhelming majority of the people handling the cases are concerned, they have been responsible only for carrying out orders. So long as they correct their mistakes, they will gain the forgiveness of the relevant people and the masses. The previous facts on the implementation of the policy have amply proved this. For these reasons, we hope that the leaders of the relevant localities and departments will adopt a vigorous and conscientious attitude toward the problems left from the past.

Some people resort to the practice of "heating leftover rice." A small number of units adopt an unconscientious and irresponsible attitude toward cases against which the masses repeatedly appealed or which the higher authorities instructed them to reexamine.

They take the previous findings and decisions form the archives and dish them up in a new form in order to deal with the complainers and the higher authorities perfunctorily. This is a delaying tactic frequently adopted by some bureaucrats. Those who regard other people's political life or suffering as a trifle matter should look at everything form another person's angle and think: How would you react if you or your relatives and good friends were in their positions? Would you like others to perpetuate your suffering? In truth, you cannot deal with the relevant people and the higher authorities perfunctorily because they will not agree. You are bound to conscientiously reexamine the cases and correct the mistakes in real earnest. The problem is that you will bring greater losses to the prestige of the party and government policies.

--Some units shift responsibilities onto another. Because of institutional changes or different or ill-defined division of professional work, some departments concerned shift the responsibility for reexamining problems left form the past onto another. By making the complainers go to and fro among several departments, they have managed to leave the problems unresolved for a long time. With regard to this type of problem, we should advocate the spirit of taking the initiative. Since the problem is related to your department and since the relevant people have asked you for help, you should take the responsibility and, along with the other relevant departmens, discuss the methods for its solution. If you fail to reach a consensus, you should promptly report to the higher authorities and ask them to act as mediatiors. Even if the problem should be handled by other departments, you should also keep to the stand of the party and determine whether it should be solved. And, if the problem should indeed be solved, you should lose no time in helping the complainer till the problem is solved. This is precisely an attitude we communists should adopt.

-- Stressing that they have no specific policies to go by, some localities adopt a wait-and-see attitude. Regarding some problems left from the past, some localities stress that, since there are no specific policies from the higher authorities, they find it difficult to handle the problems, and they will have to wait until specific policies have been worked out. What they call specific policies refer to those policies that perfectly match the outstanding problems. They fail to understand, however, that the problems left from the past are so different from one another that it is neither necessary nor possible for the higher authorities to work out very detailed and specific policies. The central authorities have issued numerous documents on problems left from the past and have worked out nemerous specific policies on various major aspects. To sum up, the general guideline of these policies is: Regarding those who have been dealt with erroneously, it is necessary to thoroughly rehabilitate them politically, to make appropriate compensation economically, to rationally employ them, and to make appropriate arrangements for their livelihood. The relevant local party committees and governments can give play to their initiative and, in light of the established policies of the central authorities and the practical conditions in their localities, actively study and solve those specific problems. Over the past 2 years, a certain province has taken the initiative to arrange, in order of importance and urgency, the problems left from the past in the province. After making a thorough investigation and study, it has worked out specific policies covering a dozen aspects; these make it possible to solve the problems of hundreds of thousands of people left from the past. In light of the basic guideline of the central policies, some localities have also adopted flexible measure to appropriately solve many special problems left from the past. We should encourage this positive attitude. Other localities should also make use of their experiences.

The work of straightening out party work style and rectifying unhealthy practices currently being carried out on a national scale has created an extremely favorable condition for solving the problems left from the past and for fulfilling the task of implementing the policy as soon as possible. So long as the party committees and governments at all levels strengthen leadership, make further efforts to achieve unity of thinking, carry out ideological and political work well, prevent and overcome the ideas of fearing difficulty and being sick of the work, never slacken their efforts, and take effective measures, they will certainly be able to satisfactorily implement the policy from start to finish and to further arouse the initiative of all quarters. In this way, the whole party and the people throughout the country will be able to engage in the four modernizations program with one heart and one mind.

RENMIN RIBAO ON GIVING PRIORITY TO REFORM

HK260501 Beijing RENMIN RIBAO in Chinese 21 Apr 86 p 5

[Article by Gui Shiyong: "Adhere to the Principle of Putting Economic Structural Reform First"]

[Text] The most important characteristic of the Seventh 5-Year Plan is that it puts the all-round implementation of economic structural reform as a task of first priority and makes our reform and construction be suited to and promote each other. Deeply understanding the necessity and basic contents of this policy of the CPC Central Committee is of very great significance in correctly carrying out and satisfactorily fulfilling the Seventh 5-Year Plan.

The Necessity of Giving First Priority to Economic Structural Reform in the Seventh 5-Year Plan Period

Giving first priority to reform in the Seventh 5-Year Plan period is not determined by people's subjective desire, but by the objective process of our country's economic and social development.

For a long period of time, our country scored great, but not ideal, achievements in its economic development. The first reason for this was our political instability. As we implemented the "leftist" policy of "regarding class struggle as the key link," endless waves of political campaigns seriously hindered the normal development of our economy. During the "Great Cultural Revolution," we even went to the extreme of negating production and construction. The "leftist thoughts" have also permeated our economic work itself and our "impatience in transforming" the ownership of means of production and our "impatience in pursuing a great growth rate" in our production and construction has caused us to suffer many losses. The second reason was that the existing economic system fettered our productive forces. Our over centralized management not only seriously constrained the vitality and vigor of our enterprises, but also unavoidably gave rise to subjective willfulness and bureaucracy in managing our economy and thus made it impossible for our economic activities to achieve their due results. Since the 3d Plenary Session of the 11th CPC Central Committee, through extensively and deeply bringing order out of chaos, we have resolutely discarded "leftist" theories and policies, consolidated and developed the political situation of stability and unity, promptly switched the focus of the work of the whole party and country onto our socialist modernization, and formulated an economic strategy and a series of principles and policies that are suited to our country's basic national conditions. This has created fine political preconditions for the healthy development of our economy.

At the same time, our economic structural reform has gradually extended from our rural to our urban areas. Our reform has already made tremendous progress and scored particularly marked achievements in our rural areas. But we have only won an initial battle in carrying out the all-round reform with the focus on urban reform. In order to attain our expected goal, it is necessary to do much more work and spend a relatively long time doing it. Therefore, persisting in carrying out our reform and continuing to remove various obstacles in our economic system that fetter the development of our forces has historically become a key link that we must grasp in order to promote our country's economic development.

We should also see that through the reform in the past few years, we have broken many aspects of the old system and gradually increased the factors of the new system in our economy and made them play an increasingly important role in the operation of our economy. Generally speaking, if we say that before the 3d Plenary Session of the 11th CPC Central Committee, the old system mainly played a dominant role, then since we took a major step in carrying out all-round reform with the focus on urban reform in 1985, a new situation of the coexistence and interaction of the new and old systems has begun to emerge. This has been the result of our vigorous efforts in carrying out the reform in the past and is also the reason why we should concentrate our energy to accelerate the reform in the future. Because of various subjective and objective reasons, in our country, it is impossible for us to adopt a "1-package" method to complete the reform at one stroke and we can only proceed in an orderly way and step by step and gradually realize our reform in order to reduce social turbulence and have more opportunities to grope for our way. Therefore, it takes time for the old system to wither away and the new system to take shape. During this process, the coexistence of the old and new systems is unavoidable and it takes a relatively long time for the new system to entirely replace the old one. However, this does not mean that we can allow the two systems to coexist on an equal footing for a long time, for this would inevitably give rise to a series of conflicts and problems and be deterimental to the development of our reform and construction. The major problems are as follows: 1) It will be difficult for the mechanism of our enterprises' behavior to be rational. As there are still relatively many fetters of the old system, our enterprises, large ones in particular, still lack sufficient vitality. In addition, as the new system is incomplete, as its various parts fail to coordinate with one another, and as some reform measures are not yet perfect, it is often impossible for our enterprises to correctly exercise the power and rights they have already acquired and it is still very hard to avoid the phenomena of enterprises shouldering responsibility only for their profits but not for their losses and of blindly pursuing short-term economic results. 2) It makes it even more difficult to exercise macroeconomic control. On the one hand, many parts of the old system have become ineffective or perform much weaker functions than they did in the past; on the other hand, the relevant functions of the new system have not yet been established and perfected. This will give rise to some loopholes in our management, and any carelessness in our management will give rise to a loss of control in some sector. In addition, lawless elements will also take advantage of loopholes to carry out their activities and thus cause confusion to spread and grow. 3) The reform has to a various extent shaken and readjusted the old relations of interests, but the layout of the new relations of interests has not yet taken shape. This will inevitably give rise to some unequal opportunities and irrational distribution of income, which will make the masses of people discontented.

Once all this worsens and endangers the stability of our economy as a whole and our social stability, we will be forced to adopt strong compulsory measures to control and correct it. This will often strengthen the old system. All this proves that it is not proper to allow the balance between the strength of the old and new systems to continue for too long a time. Otherwise, the normal operation of our economy will be hindered and there will be greater difficulties for continuing the reform. This requires us to give priority to reform and strive to achieve a decisive victory in a short time. By so doing we will mainly switch the operation of our economy into the orbit of the new system and then spend relatively more time to replenish and perfect the new system. This is a key to overcoming the contradictions and difficulties that we are encountering now and to promote the healthy development of our economy.

For a long-term historical point of view, this economic structural reform differs from the partial reform in some links that we should carry out throughout the whole socialist historical period. It is an all-round reform of the methods and mechanism of our economic operation under the precondition of adhering to the basic system and principles of socialism. This reform is a self-perfection of the socialist system; at the same time, it also contains a certain degree of revolutionary reform. It yields a long-term rather than a short-term effect in promoting our construction. In order to realize it, we should draw up careful plans and adopt a series of mutually related reform measures; therefore, we should concentrate all our force to carry it out in one period. The Seventh 5-Year Plan period is percisely such a key period in which reform should be regarded as a task of first priority, and we should arrange our construction in such a way as to facilitate the reform. This has already become a must. It by no means shows that we neglect the construction, but it is percisely aimed at creating conditions for the long-term steady development of our construction.

Our Economic Construction Should Be Suited to and Promote Our Economic Structural Reform

In order to give priority to reform and in order to arrange our construction in such a way as to facilitate our reform, the most important thing for us to do is to determine an appropriate economic growth rate and a rational construction scale and thus provide a relatively relaxed and stable economic environment for our reform. Generally speaking, in our reform we should remove excess rigid and centralized control in the light of the requirement of developing the planned commodity economy, consciously follow and apply the law of value, and give play to the positive role of the regulation of market mechanism in a planned manner. This reform must have the support of financial and material resources and needs a market with a rough balance between total demand and supply. The key to all the above is that we should maintain an appropriate growth rate and construction scale.

In order to ensure the smooth development of our reform, we must achieve a certain growth rate. If the economic growth rate is too low, it will be impossible to continue to augment the state's economic strength or ensure providing for the livelihood of the annual increase of 10 million people in our population and satisfying the demand for improving the living standard of the original population. Then we will not only lack the necessary force to support the reform, but also fail to strike a rough balance between total market supply and demand.

Therefore, under the precondition of improving our economic results, we should strive to achieve a relatively high growth rate that we will be able to sustain. However, if we pursue an excessive growth rate beyond actual possibility, we will give rise to tension in all our economic relations, which is detrimental to our construction as well as reform. Even if we can achieve such a growth rate for a certain period of time, we will not be able to maintain it for a long time. Once we fail to maintain it, our growth rate will fall sharply and this will yield serious negative consequences to our economic development. Precisely because of the above, on the basis of conscientiously striking a comprehensive balance between our needs and possibility, the Seventh 5-Year Plan decides and average annual growth rate of 6.7 percent for our gross industrial and agricultural output value, with agriculture growing by 4 percent a year and industry by 7.5 percent a year, and an average annual growth rate of 7.5 percent for our GNP. These growth rates are lower than the actual growth rates in the Sixth 5-Year plan period, but they are practical growth rates that do not deprive us of our reserve strength and are conducive to our reform.

In order to create a relatively relaxed economic environment and to achieve a rough balance between total social supply and demand, we must make the scale of our investment in fixed assets match our national strength. Our historical experience has time and again proved that expanding our investment scale beyond the limit of the state's financial and material resources will inevitably cause tension in various economic relations and a serious dislocation in proportional relationships. In this situation, it is hard even to maintain a sustained and stable increase in our economy, let alone to promote our reform. As our investment in fixed assets rose too sharply at the end of the Sixth 5-Year Plan period, some unstable factors have emerged in our economic line and further efforts are necessary to remove them. The CPC Central Committee proposed that in the first 2 years of the Seventh 5-Year Plan period, we should roughly maintain the scale of our investment in fixed assets at the level of 1985 and in the latter 3 years, we will appropriately expand it in the light of the situation then. According to the CPC Central Committee's decision, the Seventh 5-Year Plan stipulates that in the 5 years, the total volume of investment in fixed assets in the units owned by the whole people will be 896 billion yuan, 70 percent more than that in the Sixth 5-Year Plan period. Investment in capital construction will be 500 billion yuan, an increase of 49 percent. In implementing the plan, we must adhere to the principle of acting according to our capacity and be sure to control our investment scale withing the scope allowed by our national strength. This is a decisive condition that ensures the smooth development of our reform.

Moreover, in order to promote the reform, besides paying close attention to maintainging an appropriate growth rate and construction scale, in carrying out our construction, we must also switch our entire economic development strategy into a new orbit. For it is necessary for the reform to last several years. In this process, our population will grow, our living standard should improve, and in order to achieve sustained development of our production, we must carry out construction of necessary projects. In addition, the implementation of various reform measures will often give rise to redistribution of the economic interests among the state, collective, and individual and among various social strata.

In order to make this redistribution more acceptable to our people, we must do our best to carry out readjustment on the basis of universal improvement of the economic interests of all parties. All these require that there should be relatively great increase in our national income. In the final analysis, only when we relatively greatly increase our national income while exercising proper control over the growth of our consumption and accumulation can our reform have a relatively relaxed economic environment and can there be relatively much room of maneuver for the implementation of various reform measures. There are only the following two methods to increase our national income: One is to greatly increase our input and to mainly rely on the increase in the total volume of production in order to increase our national income. The other is to mainly rely on reduction of material consumption and raising labor productivity in order to increase our national income as much as possible under the condition of maintaining an appropriate growth rate for our production. The former is what we adopted in the past. It is not only detrimental to promoting economic modernization. But is also inevitably restricted by our existing material resources. Pursuing an excessive growth rate and construction scale beyond the limit of our material conditions will lead to economic instability and is also detrimental to the progress of our reform. This is unacceptable. A correct choice between the two methods is to resolutely adopt the latter method, in other words, to better switch our economic development into the orbit centered on improving our economic results. This also shows that the change in the pattern of our system is closely and internally related to the change in our development strategy. They supplement and promote each other. Precisely on the basis of this requirement, the Seventh 5-Year Plan not only decides appropriate economic growth rates and construction scale, but also makes corresponding arrangements regarding our construction principles: 1) It places great emphasis on improving our economic results, in particular, on improving product quality and puts forth strict requirements and corresponding measures. 2) We should rationally readjust our investment mix, correctly select construction projects, and improve the economic results of our investment. 3) We should pay attention to scientific and technological progress and intellectual development and continue to switch to relying on scientific and technological progress in developing our economy. 4) Focusing on improving our capacity of exports and foreign exchange earning, we should continue to expand our foreign economic relations and trade and technological exchange. 5) We should fix a rational range for the improvement of our people's living standard and thus harmonize the development of consumption and accumulation. These principles reflect the major contents of our new economic development strategy and we should persist in carrying them out for a long time in the future. The conscientious implementation of these principles in the Seventh 5-Year Plan period is significant not only for the development of our construction itself, but also in making our construction and reform match and enabling our construction to support and promote our reform.

Economic Reform Should Be Suited to and Boost Development of Our Economic Construction

Persisting in putting reform first on the one hand requires that the arrangement of our construction be suited to our reform and that if necessary, our construction should appropriately make way for our reform; on the other hand, it requires that our reform should also be suited to our construction and play its role in boosting our construction.

Our reform proceeds in the process of our construction and its final goal is to boost construction; therefore, it cannot and should not proceed in isolation and divorced from our construction. At the same time, our reform needs financial and material support and should display its power through increasing the income and benefit of all sectors. All this can only be realized on the basis of the development of our construction. In this sense, we can say that boosting construction is a condition on which our reform relies for its smooth progress as well as the goal of our reform.

In order to make our reform suited to and boost our construction, first, the arrangement and steps of reform should take full account of the capacity of our economy and society in undergoing the reform and should be conducive to boosting steady economic growth. Generally speaking, the effect of our reform should be greater than the economic support it needs; otherwise, our reform will be meaningless. However, as specific reform measures often vary, so does the time they take to yield full effect. This gives rise to the problem concerning the capacity of endurance in the time when the reform measures implemented have not yet yielded their full effect. Within a certain range, we can appropriately reduce our construction scale in order to ensure the reform we urgently need to carry out, but if this is done beyond a certain limit, it will hinder the timely arrangement of some indispensable projects and thus affect the reserve strength of our economic development. Therefore, in carrying out our reform, we should also consider necessary construction and carry out our construction in accordance with our capacity under the condition of maintaining a basic balance between total social supply and demand and maintaining steady development of our economy. It is precisely under an all-round consideration of this requirement that our Seventh 5-Year Plan arranges our reform. It does not require completing all the reform work within the 5 years, but only requires roughly forming the framework of the new system and thus putting the operation of our economy into the orbit of the new system. This policy decision has been made by proceeding from reality and taking into consideration the whole situation of reform and construction, and is a decision that can be realized through making efforts.

In order to make our reform suited for and boost our construction, our reform measures should be implemented in close combination with and boost the implementation of various reform principles and thus effectively facilitate the change in our economic development strategy. Our various reform measures should be carefully designed and coordinated with one another in order to play their role fully as soon as possible and in order to minimize their mutual impedence and conflicts. As it is necessary to probe into many specific regulations and methods of the reform through practice, we should pay close attention to promptly discovering problems and summing up experience in order to improve our reform plans and measures. It is precisely out of consideration of the general goal of the reform and also of all the requirements for boosting the construction in the Seventh 5-Year plan puts forth the task of mainly and satisfactorily grasping three aspects of reform: 1) We should better intensify the vitality of our enterprises, in particular, the large and medium-sized enterprises owned by the whole people, and turn them really into relatively independent economic entities and into socialist commodity producers and operaters that are managed independently and that shoulder sole responsibility for their profits and losses.

This is not only a key link in the formation of the new system, but also a problem that urgently needs solution at present in order to boost our production and construction. Large and medium-sized enterprises are the backbone for our country's economic development and technological progress. During the Seventh 5-Year Plan period, in order to improve our economic results, product quality, production composition, product mix, and enterprise structure, we must augment our capacity of self-transformation and self-development. At the same time, we should perfect the mechanism of our enterprises' behavior and strengthen their self-restriction. 2) We should continue to develop the socialist commodity market and perfect our market system. The key to this work is to continue to reform our price system and price management system and focus on resolving the problem of the excessively low prices of energy, raw materials, and other means of production. This is not only aimed at creating for our enterprises an external economic environment that both imbues them with stimulus and bears pressure on them, but is also an important measure to rationally readjust our investment structure and production composition. 3) The state's management over enterprises has gradually switched from mainly exercising direct control to mainly exercising indirect control and a new socialist macroeconomic management system has been established. This provides a guarantee to ensure that the microeconomic activities of our enterprises conform to the macroeconomic requirements and also a necessary condition for controlling and regulating investment and consumption funds and foreign payments and maintaining a basic balance between total social demand and supply during the Seventh 5-Year Plan period.

From this analysis, we can see that conscientiously and steadily pushing forward the reform in the Seventh 5-Year Plan period is the most important guarantee for the implementation of the construction principles of the Seventh 5-Year Plan period and realizing the construction arrangement of the plan. Planning and carrying out economic reform and construction in combination in the light of the whole situation of our socialist modernization is a fundamental guiding thought for the Seventh 5-Year Plan.

CPC CIRCULAR ON EMULATING POLITICAL WORK CADRE

OW0510005 Beijing XINHUA Domestic Service in Chinese 0148 GMT 4 May 86

[Excerpts] Beijing, 4 May (XINHUA) -- The CPC Central Committee's Propaganda Department issued a circular on 28 April on learning from political work cadre Xiong Yuanqi. It called on party and government organizations at all levels and the industrial, transport, finance, trade, agricultural, and educational fronts to take Xiong Yuanqi as an example in carrying out ideological and political work, to carry forward the spirit of "self-confidence, self-strengthening, and self-respect," and to create a continuous new situation in ideological and political work.

The circular said: The late Comrade Xiong Yuanqi was head of the Propaganda Department of the party committee of the Jianghan Petroleum Administrative Bureau's meters and instruments plant. During his short life span, he set a brilliant example as an outstanding communist and model political work cadre on our ideological and political front. His advanced deeds are so impressive that they inspire people to advance boldly. He proposed the "political work cadres should have the spirit of "self-confidence, self-strengthening, and self-respect." His proposal should become a motto for all our political work cadres.

The circular pointed out: "Self-confidence, self-strengthening, and self-respect" embody the precious spirit of our political work cadres of the 1.30's in their vigorous, selfless efforts to build a socialism with Chinese characteristics.

For our political work cadres, who are like engineers of men's souls, self-confidence means to firmly belive in Marxism-Leninism and communism: To firmly believe that ideological and political work, which they are engaged in, is a noble and glorious task which is absolutely indispensable for the building of socialist spiritual and material civilization; and not to waver in their belief under any circumstances. Self-strengthening means to do one's work to the best of one's ability in accordance with the guiding principles of ideological and political work in the new period while integrating reforms with economic construction and displaying a determined and pioneering spirit. Self-respect means to strictly act in accordance with party principles, follow a correct work style, match words with deeds, and set an example for others.

The circular said: One of the important tasks we must fulfill to improve the party's ideological and political work is to improve the political quality and professional skills of political work cadres in order to meet the needs of reform and the building of the two civilizations. Party and government organizations at all levels, and all comrades engaged in ideological and political work on the industrial, transport, finance, trade, agricultural, educational, and other fronts, should take Xiong Yuanqi as an example, carry forward the spirit of "self-confidence, self-strengthening, and self-respect," study hard, practice what they advocate, strive to raise their political consciousness and professional skills, conscientiously study and explore the characteristics and rules of ideological and political work in the new period, do the work at their respective posts well, and constantly create a new situation in ideological and political work to fulfill the general task and general goal set by the party, advance economic reform, fulfill the Seventh 5-Year Plan, and promote the building of socialist material and spiritual civilization.

MOUNTAINOUS AREAS STRIVE TO ELIMINATE POVERTY

HK021406 Beijing RENMIN RIBAO in Chinese 27 Apr 86 p 1

[Dispatch by RENMIN RIBAO reporter Lu Xiaofei and LIAONING RIBAO reporter Guo Xichen: "Peasants in Mountainous Areas in Liaoning's Chaoyang Prefecture Develop Undertakings That Yield Quick Results"]

[Excerpts] The long poverty-stricken mountainous areas in Liaoning's Chaoyang Prefecture have given prominence to developing undertakings that turn out a large volume of commodities and yield quick results in the course of readjusting the production structure, thus stepping up the pace of eradicating poverty. In 1985, the rural social gross output value of the city was 1.79 billion yuan, with a per capita income of 267 yuan among its rural population, up by 52 percent and 81 percent respectively from the previous year. Now, one-third of the 50 townships with the greatest difficulties have initially changed their poverty-stricken situation.

With the readjustment of the production structure, more labor forces may be transferred from primary industry to secondary and tertiary industries. By the end of 1985, the total number of enterprises had risen to more than 54,000. Their gross output value and profits were 1 billion yuan and 200 million yuan, up by 65 percent and 75 percent respectively. Their gross output value accounted for 33 percent of the industrial output value of the city. One hundred and seventy-seven enterprises had an output value exceeding half a million yuan. Today, 250,000 peasants are employed in enterprises of various categories, accounting for 18 percent of the total social labor forces in the rural areas.

Commentator's Article

HK021446 Beijing RENMIN RIBAO in Chinese 27 Apr 86 p 1

[Commentator's article: "Proceed from the Characteristics of the Mountain Areas"]

[Text] The mountain areas have their own characteristics. We should value, and proceed from these characteristics in developing the economy of the mountain areas. It is percisely based on the characteristics of the mountain areas in changing the production structure that Liaoning's Chaoyan Prefecture has rapidly built a number of take-off undertakings with local characteristics, and taken a powerful step on the path of eliminating poverty and becoming well off. The practice of Chaoyang demonstrates that the spirit and style of being bold in seeking truth from facts and blazing new trails are needed in economic reform and construction.

True, poor natural conditions had a great bearing on the long-term poverty of Chaoyang Prefecture in the past, but another important reason to account for it was the neglect of the characteristics of the mountain areas and getting into the dead alley of "taking grain as the key link." Under the same natural conditions, the planting of grain crops is disadvantageous, when the planting of grass and trees or some economic crops is advantageous; and there is a world of difference in the results. When the rich and various natural resources of the mountain areas lie waiting to be exploited and utilized, people had to plant grain crops which "would bring in no harvest 9 out of 10 years." The practice of avoiding the advangeous but going in for the disadvangeous could only be asking for trouble! Chaoyang Prefecture has grasped firmly its own characteristics in readjusting its production structure, and explicitly proposed the principle of "taking economic crops as the key" and "developing fruit-growing and forestry, animal husbandry, and enterprises in towns and townships." Hence, the emergence of a new situation. This fully demonstrates the importance of "suiting measures to local conditions." In recent years, a large number of mountain areas like Chaoyang have persisted in the principle of proceeding from the characteristics of the mountain areas in readjusting their production structure; as a result, they have all made some breakthrough in their economic development.

For some time now, the leading comrade of the central authorities has on several occasions stressed the importance of grain production in order to overcome the deviation of neglecting grain production in some regions; the press has also increased propaganda in this field. All this is very correct and necessary in stabilizing the general situation in grain production and the correct readjustment of the production struture. However, some comrades have wavered on the principle of suiting measures to local conditions in readjusting the production structure, and they have refrained from making the necessary readjustment as the actual conditions require. Some places are located in high mountains or steep slopes, which are suitable for forestry but never grain production. In some cases, even when the land was already returned to forestry in the readjustment of production structure, it is once again returned to grain production, back to the old path leading to a dead alley, simply because the leadership there is afraid of being criticized for "neglecting grain production."

Everything has its own characteristics. Without characteristics the world would be deprived of variation.

We should do our best to avoid the neglect of the basic Marxist principle of proceeding from the actual conditions, or giving up the practice of suiting the local characteristics in economic work, simply because some leading members have made some remarks, and the press has carried some articles on a certain issue, or the issue in question has met with some opposition. Likewise, the rigid copying of an instruction, a call, or a pattern that will inevitably injure economic development and dampen the enthusiasm of the masses should also be avoided.

PEOPLE'S ARMED FORCES DEPARTMENTS REORGANIZED

OW030627 Beijing XINHUA Domestic Service in Chinese 0840 GMT 2 May 86

[By reporter Gai Yumin]

[Text] Beijing, 2 May (XINHUA) -- The transfer of command of county (city) People's Armed Forces departments to local governments is proceeding smoothly and gradually in the country.

Since the party Central Committee, the State Council, and the Central Military Commission issued a circular on questions concerning the transfer of command of county (city) People's Armed Forces departments to local governments, all provinces, autonomous regions, and municipalities have generally held meetings to study ways to implement the guidelines of the circular and have successively set up leading groups to transfer command of People's Armed Forces departments. The leading groups are composed of principal, responsible comrades of local governments and Army organizations. All prefectures, cities, and counties have also set up related agencies to speed up the transfer. In order to actively and properly transfer command of People's Armed Forces departments, the Army and local leading comrades, cooperating closely with each other, have first conducted experiements on the transfer of command in some People's Armed Forces departments to accumulate experience. Now, more than 60 People's Armed Forces departments selected for the experiment have smoothly completed their transfer of command, and the experiment has laid a good foundation for effecting the transfer of command among all other People's Armed Forces departments throughout the country.

All local party and government organizations warmly welcome the reorganization of the People's Armed Forces departments. They have, on their own accord, exchanged information and views with the Army and have actively created the necessary conditions for the transfer of command of the People's Armed Forces departments. Party and government leaders at all levels in Heilongjiang, Liaoning, Shaanxi, Gansu, and Ningxia have warmly held discussions with cadres of People's Armed Forces departments, ascertained their thinking, and helped them overcome difficulties. Some leading cadres in Shanxi and Hunan have constantly worked at People's Armed Forces departments to facilitate prompt solution of problems concerning the transfer of command. Since some 400 cadres of People's Armed Forces departments in Jiangxi Province turned over their office to local governments, the province has given priority to solving their problems, such as housing, dependent jobs, and children's education; it has thus freed them from worries. Shandong and Henan Provinces have created good conditions for the cadres of People's Armed Forces departments now under local governments and properly settled surplus cadres; they have thus promoted a smooth transfer of command of People's Armed Forces departments.

All PLA military regions and military districts, regarding the reorganization of People's Armed Forces departments as an important task, have seriously made all the necessary preparations for the transfer of command.

Leading cadres at all levels have led work groups to People's Armed Forces departments, ascertained the cadres' ideological situation, and done purposeful ideological work. They have carried out education in "loving the People's Armed Forces and one's station" and have encouraged cadres of People's Armed Forces departments to consider the interests of the whole, take root in a locality, and do good People's Armed Forces work there. The leading organs at all levels have evaluated the cadres, made organizational readjustment, and staffed the People's Armed Forces departments according to the new organization to ensure that the People's Armed Forces departments transferred to local governments are manned by cadres who are good ideologically, good in work style, and know their jobs. After the readjustment, the People's Armed Forces cadre ranks will be composed of a number of "veteran armed force cadres" as the backbone as well as a large number of young cadres who have completed training at military schools. The readjustment will improve the work of People's Armed Forces departments.

LIAOWANG CITES ZHU HOUZE ON LITERATURE, ART

HK050955 Beijing XINHUA Hong Kong Service in Chinese 0634 GMT 2 May 86

[Text] Hong Kong, 2 May (XINHUA) -- LIAOWANG OVERSEAS EDITION No 18, which will be published soon, reports that since his appointment as head of the CPC Central Committee Propaganda Department 6 months ago, Zhu Houze has made extensive contacts and had frank exchanges of views with people in literature and art circles. He is concerned about their difficulties in creative work. More and more people in literature and art circles have made him their intimate friend.

Zhu Houze, now 55, was previously first secretary of the Guizhou Provincial CPC Committee. He was appointed head of the CPC Central Committee Propaganda Department in August 1985.

People in literature and art circles asked him about the relationship between freedom of creation and adherence to the four basic principles and about important and sensitive questions such as whether it is necessary to oppose bourgeois liberalization in literature and art circles. Believing that this indicated their trust in him, he said: Only in a situation like today's can we have a frank exchange of views. Your straighforward remarks indicate your trust in me. We are seeking mutual understanding and mutual trust. Mutual understanding is a prerequisite for mutual trust.

On the question of opposing bourgeois liberalization, Zhu Houze's view was this: When our country is behind the most developed countries in the world in many aspects, it is inevitable for people in our country to cast doubts on socialism and communism and to ask whether we can solve our social, economic, and political problems better than capitalist countries solve theirs. Owing to the fact that some of our problems have not undergone the final test of practice, as a strategic policy, the slogan of holding firm to the four basic principles and opposing bourgeois liberalization must not be given up. However, adhering to the four basic principles is a political concept, a political aim, and a political road to be chosen. It does not hinder freedom of creation or independent explorations.

This new propaganda head, who endured endless sufferings during the struggle against rightists and the Great Cultural Revolution, said that the methods of exerting high pressure and making abrupt turns should now be discouraged and that study and explorations can be made on questions concerning policies. He suggested: Theoretical work should be strengthened and people should be taught to understand the inner aspect of things.

It is necessary to strengthen literature and art work so that it exerts an imperceptible influence on people's minds. We should use these two factors to enrich socialist culture and carry forward China's material and spiritual civilizations. While promoting the overall reform of the economic structure, we should enhance our national spirit to anew height, enable people throughout society to have a better mental outlook, and encourage them to have lofty ideals and values as well as zeal and drive for practical work.

Zhu Houze said: Since our country forsook the "leftist" error of "taking class struggle as the key link" and unswervingly shifted the focus of the work to socialist modernization, we have simultaneously grasped the building of material and spiritual civilizations. Not only is economic life full of vitality, but the situation in theoretical and academic circles and in literature and art is also more vigorous than ever before. Taken as a whole, our literature and art creation is much better now than in any previous period. Everyone feels much happier now. Writers and artists have much better chance to extensively develop, and to give full scope to, their talents. This is a very favorable condition for the prosperity and the blazing of new trails in literature and art. However, under such an environment there are also partial or little waves and there are still some aftershocks. This state of affairs has emerged partly because of the normal literature and art criticisms and academic discussions within the literature and art, as well as academic, circles. Naturally, normal discussions of this kind may also stir old recollections. It is also partly due to the debates on the nature and assessment of certain literature and art works or to the inaccuracy and inappropriateness of the mode of debate, choice of words, or reasoning. The literature and art circles are very sensitive about these things and some people are still easily upset.

In his view, it is quite natural for them to be sensitive. They would not have become writers and artists had they not been sensitive. As for the fact that some people are easily upset, this can hardly be regarded as a strong point. It is no good if someone should form this or that conjecture at the sound of a wind, worrying all the time about the "changeable situation." Viewed from another angle, however, this also shows that the "repercussions" are still there and that people still have a "lingering fear." For this reason, he said it is quite necessary for those in the party and government departments in charge of cultural, art, and academic work to come into more contact and to exchange more views with people of literature and art, and academic circles in order to promote mutual understanding and trust.

On the relationship between literature and art on the one hand and politics on the other, he said: Literature and art creation is most distinctively characterized by personal character and, therefore, it is absolutely impossible to engage in literature and art production according to an order form or a pattern. For this reason, the steadfastness in implementing party principles and line should be realized through a high degree of creativity on the part of writers and artists. The unity of political objectives precisely finds expression in the diversification of literature and art. A strong sense of adhering to principles in work should be reflected through flexibility. A serious theme can easily be accepted by the masses only when it is readable and readily understandable.

He pointed out: The various ideological sectors play an extremely big role in influencing the masses. However, they give scope to his role through different features and at different levels. Theory convinces people through concepts and, like a scalpel, directly gets to the essence of a matter through numerous and complicated phenomena, thus achieving an enduring enlightening effect. Literature and art, however, affect people through images. They exert a gradual, uplifting influence on people, enlightening them and containing education in recreation. If we adhere to the socialist road, objective, and orientation and dialectically integrate them with various principles for developing academic and literature and art undertakings, such as "letting a hundred flowers blossom and letting a hundred schools of thought contend" and "making the past serve the present and foreign things serve China and weeding through the old to bring forth the new," the developmental road of literature and art is very wide.

PROPAGANDA CHIEF STRESSES LITERARY VALUES

OW020236 Beijing XINHUA Domestic Service in Chinese 1526 GMT 1 May 86

[By reporter Guo Lingchun]

[Excerpts] Beijing, 1 May (XINHUA) — A relaxed, harmonious atmosphere has gradually been spreading through the literary and art circles. This was verified at a national forum on the editing work of some literary periodicals. At the forum, which ended today, this reporter noticed an inspiring tendency: Even in a relatively relaxed environment, literary and art workers are still very strict with themselves. Noticing this, Zhu Houze, director of the CPC Central Committee's Propaganda Department, urged everyone to value the good situation which has not been easily brought about.

Gathered at the forum, responsible persons of 86 literary periodicals tried to explore an important issue for literature in the new period: The obligations, status, and role of editors.

Li Ziyun, deputy chief editor of SHANGHAI WENXUE [SHANGHAI LITERATURE] reiterated this viewpoint at the forum: In addition to promoting knowledge, education, and esthetic appreciation and doing propaganda work, literature should also provide recreation. She held that as the tempo of daily life quickens, there is no reason why recreational literary works should not be allowed. However, vulgar literary works must be banned. Should vulgar works occur, we should show concern and help lead them onto a healthy path.

On the evening of 29 April Zhu Houze visited the participants and talked with them frankly and sincerely. He urged literary and art workers and periodical editors to value the atmosphere of unity, harmony, mutual trust, and mutual understanding that has taken shape in the literary and art circles.

The good political situation has created good conditions for the development and creation of literary and art works. The participants' feelings are identical with Zhu Houze's expectations: Consolidate and develop the good situation so that literature and art will not fall behind the advancing times.

DISSIDENT PUNISHED FOR PUBLISHING MEMOIRS

HK020938 Hong Kong AFP in English 0926 GMT 2 May 86

[Text] Beijing, May 2 (AFP) — One of the main activists in China's "Beijing Spring" dissident movement has been isolated from the outside world in a windowless cell as punishment for the publication of his memoirs in the West, a reliable Chinese source said here on Friday.

According to the source, 42-year-old Xu Wenli, sentenced to 15 years in jail in 1981 for "counter-revolutionary activities" has been kept alone in a windowless cell to which the sole entrance is a trapdoor in the ceiling since being moved there late last year.

He is denied visits -- even from members of his family -- and access to newspapers or a radio, his diet consists of mainly of water and pancakes made of maize, and he is allowed neither to receive nor send mail.

Mr. Xu's new prison regime in a southern Beijing jail is punishment for the publication in the West in October 1985 -- and subsequently in Chinese dissident organs published abroad -- of 262 pages of handwritten memoirs in which he describes his interrogation and trial, the source said.

Asked to comment, a spokesman for the Chinese Justice Ministry said he did not know of the publication of the memoirs abroad and said: "Chinese prison regulations prohibit the kind of treatment you describe."

He added: "We always treat prisoners with humanity."

Mr. Xu is one of the best known of the activists in the Beijing Spring movement for greater democracy, which bloomed in 1979 and 1980 before being crushed.

Mr. Xu, an electrician, became editor of the now banned publication APRIL 5TH FORUM, which took its name from April 5, 1976 riots in Beijing's Tiananmen Square that erupted in protest against the radical regime of the "gang of four," which preceded the rule of current leader Deng Xiaoping.

In his memoirs Mr. Xu said he had been given a heavy sentence after he had refused to acknowledge his "errors" and after he demanded that the judge trying him step down because he had prejudged Mr. Xu's guilt.

Mr. Xu was one of the more moderate Beijing spring activists, never having rejected the legitimacy of the rule of the Chinese Communist Party.

In his memoirs, recently published by the London-based human rights organisation Amnesty International, Mr. Xu did not complain of rough treatment, but said that he had had to undergo 200 interrogation sessions and that in prison he could hear "screams of people being struck or electrically shocked."

The memoirs were smuggled out of prison thanks to "someone who is with the Public Security Bureau in China (who) is very sympathetic with us and helped us," Mr. Xu wrote.

LIANG BUTING ATTENDS SHANDONG MAY DAY CELEBRATION

SK050035 Jinan Shandong Provincial Service in Mandarin 2300 GMT 1 May 86

[Report on celebrations held at Daminghu and Baotuquan Parks on 1 May participated in by the masses from various circles of Jinan City to mark the 100th anniversary of May Day -- recorded]

[Excerpts] [First announcer] Fellow audience: On this festive occasion, Daminghu Park, with rippling water on the lake and all kinds of trees budding, overflowed with a scene of enchanting spring.

At 0900 this morning, arriving at the park to join the celebration with the masses on the occasion were a number of model workers and combat heroes, and leading comrades from the provincial and Jinan City organs and the Jinan Military Region. Those from the provincial CPC Committee, the provincial Advisory Commission, the provincial People's Government, and the provincial CPPCC Committee, were Liang Buting, Jiang Chunyun, Yang Xingfu, Yang Yanyin, (Cao Pengzeng), Wang Jinshan, Want Chengwang, Wang Runzhai, Liu Zhongqian, (Wan Feng), Ma Shizhong, Song Yimin, Zhu Qimin, Li Zichao, Zhou Xingfu, and Xu Meisheng.

Attending the park celebration were veteran comrades from the provincial level organs, including Gao Keting, Yang Jieren, Li Sijing, Tian Haishan, Wang Liang, and Wang Xing; Liang Deshan, president of the provincial Higher People's Court; Li Huimin, chief procurator of the provincial People's Procuratorate; He Guoqiang, alternate member of the CPC Central Committee, who was currently in Jinan City; Zhao Lin, member of the Central Advisory Commission; Wang Zhongyin, member of the Central Discipline Inspection Commission; (Zhang Rushan), member of the National CPPCC Committee; and leading comrades from the Jinan Military Region and the air force units under the region, including Chi Haotian, Xu Chunyang, and Zhang Zhenxian.

[Second announcer] Fellow audience: Baotuquan Park in Jinan City, the capital of the province, was full of warm festive atmosphere and decorated with many red lanterns and colored flags. Following a drizzle, the park appeared extremely fresh. Attending the park celebration were leading comrades from the provincial CPC Committee, the provincial Discipline Inspection Commission, the provincial People's Congress, and the provincial People's Government, including Lu Maozeng, Zhou Zhenxing, Feng Lizu, Li Farong, Li Zhen, Xiao Han, Xu Leijian, Gao Fengwu, Zhang Zhusheng, Xu Jianchun, Lin Ping, Lu Hong, and Ma Changgui; leading comrades from the Jinan Military Region, including Li Jiulong, and Gu Hui; and leading comrades from Jinan city, including Zhai Yongbo and Li Yuanrong.

SHANGHAI'S RUI XINGWEN ATTENDS MAY DAY SONGFEST

OW021204 Shanghai City Service in Mandarin 0100 GMT 2 May 86

[Excerpt] On the morning of 2 May, some 3,000 workers from all trades in Shanghai gathered at the Shanghai Acrobatic Hall to sing in celebration of the International "1 May" Labor Day, a glorious day for the working class throughout the world. Leading comrades of Shanghai's party and government organs Rui Xingwen, Jiang Zemin, Huang Ju, Wu Bangguo, Chen Tiedi, Zeng Qinghong, Li Zhaoji, Liu Zhenyuan, and Xie Lijuan attended today's songfest.

Early in the morning, Comrades Rui Xingwen and Jiang Zemin visited factories, the long-distance telecommunications bureau, and other units to extend their regards to workers who were working on the holiday. Then they came to the hall especially to attend the concert.

On behalf of the municipal CPC Committee and the municipal People's Government, Comrade Rui Xingwen extended warm greetings and sincere regards to Shanghai's workers and their families. He said: [begin recording] I wish that together with the working class throughout China, Shanghai Municipality workers will follow the CPC leadership, and make fresh contributions to building socialism with Chinese characteristics, to the four modernizations drive, and to the development of the spiritual and material civilization. I also wish that Shanghai Municipality's working class will strive to contribute their share to transforming and reinvigorating Shanghai, and building Shanghai Municipality into an open and multi-purpose modern socialist city with a reasonable production structure, advanced science and technology, and highly-developed civilization. [applause] [end recording]

SHANGHAI CPPCC SECRETARY GENERAL RESIGNS

OW042355 Shanghai JIEFANG RIBAO in Chinese 30 Apr 86 p 2

[Text] The Fifth Session of the Sixth Shanghai Municipal CPPCC Committee has approved a request by Comrade Fan Zhengfu to resign from the position of secretary general of the Shanghai Municipal CPPCC Committee in the interest of making the leading group younger. The meeting maintained that during his tenure in the municipal CPPCC Committee, Comrade Fan Zhengfu assisted the chairman and vice chairmen in resolutely implementing the party's principles and policies in united front work; carried forward the CPPCC's fine traditions and work style; closely cooperated with personages outside the party; did careful and meticulous work; actively organized the municipal CPPCC Committee's various activities; and made positive contributions in the reform, the two civilizations, and opening up new vistas for political consultative work. Therefore, the meeting extended to him heartfelt thanks and esteem. It hoped that he will continue to play a role in future CPPCC work and make contributions in revitalizing Shanghai and reunifying the motherland.

APPOINTMENTS, DISMISSALS OF ZHEJIANG OFFICIALS

OW051441 Hangzhou ZHEJIANG RIBAO in Chinese 27 Apr 86 p 1

[Text] The 19th meeting of the Standing Committee of the 6th Zhejiang Provincial People's Congress decided on 26 April to appoint the following officials:

Huang Rongbo [7806 2837 3134] as director of the Zhejiang Provincial State Security Department;

Jin Linjun [6855 7207 0193] as chairman of the Zhejiang Provincial Physical Culture and Sports Commission; and

Chen Haimei [7115 3189 3780] as director of the Zhejiang Provincial Environmental Protection Bureau.

The meeting also decided to dismiss the following officials:

Yang Baozhan from the post of director of the Zhejiang Provincial Physical Culture and Sports Commission; and

Li Chunfeng from the post of director of the Zhejiang Provincial Environmental Protection Bureau.

FURTHER REPORTS ON TAIWAN PILOT'S DEFECTION TO PRC

Pilot Arrives in Beijing

OW060541 Beijing XINHUA in English 0531 GMT 6 May 86

[Text] Beijing, May 6 (XINHUA) -- The returned Taiwan pilot Wang Xijue arrived in Beijing here this morning. The 56-year-old pilot landed a Boeing 747 cargo plane of Taiwan's China Airlines at Guangzhou last Saturday, asking for permission to settle down on the mainland. When the pilot, still in his short-sleeved China Airlines uniform, stepped down from the cockpit of the Boeing 747 which he flew from Guangzhou, a girl presented him with a bouquet of flowers. Hu Yizhou, director general of Civil Aviation Administration of China (CAAC), warmly shook his hand and welcomed him to contribute to China's civil aviation and modernization program. Wang's father, Wang Boxi, 82, came to Beijing from his hometown in Sichuan Province, southwest China, to meet his son. On the day the cargo jet piloted by Wang landed in Guangzhou, the CAAC asked China Airlines to send a representative here to discuss how to deal with the plane, its cargo and the other two crew members.

Reunites With Father

HK060821 Hong Kong AFP in English 0757 GMT 6 May 86

[By Patrick Lescot]

[Excerpts] Beijing, May 6 (AFP) -- A Taiwan civilian pilot that defected to China in a Boeing 747 freighter Saturday flew his plane into Beijing from Canton Tuesday for the first reunion with his father in nearly 40 years. Captain Wang Xijue, 56, smiled and raised his arms in a gesture of victory as he emerged at Beijing airport from his jumbo jet, which belongs to the Taiwan flag carrier China Airlines (CAL). His father, Wang Boxi, 82, had come from his native province Sichuan in China's southwest, to meet him on the tarmac. Mr Wang, leaning on a cane, was flanked by two other sons, one a pharmacist and the other a dentist. He was the first Taiwan civilian pilot to defect to China.

The brief, emotional reunion was the Wangs' first since 1949 when Capt Wang, then a pilot in the Chinese Nationalist Forces, went to Taiwan with the defeated remants of Chiang Kai-shek's army as the communists took over. Capt Wang was also welcomed on arrival by Hu Yizhou, director general of the Civil Aviation Administration of China (CAAC). Capt. Wang said he was "very happy" to be in China.

Mr Hu said China would respect the wishes of the two other aircrew who had been on Capt Wang's plane -- co-pilot Dong Guangxin and mechanic Qiu Mingzhi -- who have said they want to return to Taiwan and who were not on board the plane in Beijing.

Capt Wang said he would like to see the early resumption of air links between Taiwan and China -- "which I have already begun," he remarked, laughing -- as well as telephone and postal communications.

Red Cross Offers to Mediate

OW060259 Taipei CNA in English 0249 GMT 6 May 86

[Text] Taipei, May 5 (CNA) -- The Red Cross Society of China said here Monday that if required, it will ask Red Cross International to help negotiate with Chinese Communist authorities on the return of a China Airlines Boeing 747 cargo jetliner and its crew members that were diverted to an airport on the China mainland last weekend. Ku Cheng-han, secretary general of the society, said so far it has not received any request from family members of the stranded CAL crew members.

One of the principal missions of Red Cross is assisting detained civilians around the world, he said, pledging that his organization will provide all necessary assistance to family members of the standed CAL crew members if required. Ku said he believes Red Cross International will do its best to help negotiate on the return of the plane and its crew members once it receives a formal request.

CAL spokesman Lin Liang-chih said Monday evening that his company will seek all possible means to help the stranded CAL crew members return home as soon as possible.

CAL Probing 'Diversion' Incident

OW051421 Taipei CNA in English 1415 GMT 5 May 86

[Text] Taipei, May 5 (CNA) -- China Airlines [CAL] has set up a task force to look into the possible causes that led to the diversion of a CAL cargo jetliner to the China mainland last weekend, a spokesman for CAL said Monday. Lin Liang-chih told reporters that the task force, composed of three ranking CAL officials, left Taipei Monday morning for Bangkok to investigate the possible causes of the incident. An informed source disclosed that one of the three officials leaving for Bangkok Monday was a CAL vice president. The principal purpose of the task force's visit to Bangkok is to understand the security measures at the Bangkok Airport cargo terminal, he said.

Lin also indicated that his company has entrusted the Hong Kong-based Cathay Pacific Airways to negotiate with the Peiping authorities on the return of the diverted plane and its crew members. CAL will not take any further action until it has received a formal reply from Cathay Pacific Airways, he said. According to foreign wire service reports, Peiping has refused to discuss the return of CAL's plane and its crew members through a third party.

PRC Rejects Hong Kong Mediation

HK060227 Hong Kong HSIN WAN PAO in Chinese 5 May 86 p 1

["Special dispatch" from Guangzhou by reporter Szutu Yuan: "Director and Party Secretary of the Guangzhou Civil Aviation Administration Interviewed on Taiwan Plane Landing in Guangzhou"]

[Text] Guangzhou, 5 May -- In an interview with Hong Kong reporters this morning, Yu Yanen, director of the Guangzhou Civil Aviation Administration, and Bao Peide, secretary of the party committee, said that the landing of a China Airlines [CAL] cargo plane at Guangzhou is a problem concerning the internal affairs of China and that there is no need for intervention by any other party. They hope that the Taiwan authorities will send people directly to the mainland to discuss the matter.

Yu Yanen reiterated that China will uphold the stand and spirit made known earlier in its approach to this matter. As the civil aviation enterprise stationed at Guangzhou, it [the Guangzhou Civil Aviation Administration] has so far received no answer from the Taiwan authorities.

They were asked about their views on the Taiwan authorities' intention to appoint Cathay Pacific to negotiate the matter in accordance with international aviation regulations. Yu Yanen said that the business of the two sides of the straits is the country's business. This problem is a domestic issue for China. A party so far away is not likely to be involved. Nor is intervention from any other party wanted. The business between both sides should be solved through mutual discussions between themselves. He also said that up to now, no notification has been received from the Taiwan authorities about appointing a third party to handle the matter.

In addition, they [the Guangzhou Civil Aviation Administration] said: "This is the business of China Airlines. They should send people over to claim the airplane and its personnel and cargo. Whether this matter can be solved quickly depends on China Airlines' attitude." They hold the view that with Taiwan's airplane and its personnel now here, how can the Taiwan authorities; adhering to the past policy of the "three nos," do justice to the two people that want to go home?

Both Sides of the Straits Belong to China's Territory: No Need To Act According to International Regulations

Yu Yanen said that the 747 piloted by Wang Hsi-chueh and its cargo have now been properly taken care of. There are no mechanical problems with the plane. As people in the same trade, they went to see Wang Hsi-chueh, Tung Kuang-hsing, and Chu Ming-chih. Of the three, Tung Kuang-hsing and Chu Ming-chih, who have asked to return to Taiwan, are in very good spirits and are enjoying unusually good health. Concerning their request to go back to Taiwan, this matter is now being taken up. They did not come to the mainland by fulfilling the normal visa procedures. Because of special circumstances, it is still necessary to wait for the Taiwan authorities to send people over to negotiate the matter.

Setting apart the approach to the current incident from previous practice, Yu Yanen said the following two aspects: First, according to the usual practice of various countries, military and civilian planes are treated differently. Nothing is released about a military plane in certain respects. Everything is revealed when a civilian plane is involved. Second, in line with the common wish of the people on both sides of the Straits, the developing situation has changed increasingly in a favorable direction. A change in approach is compatible with the people's wishes.

In addition, in answer to a reporter's question, another official of the Civil Aviation Administration explained what rules should be followed in solving the problem. He said that international aviation regulations apply to relations between countries. Both the China mainland and Taiwan are parts of China's territory, not two different countries. International regulations should not be applied in seeking a solution.

He said that China and South Korea have no diplomatic relations, but people were sent over to settle a similar incident, because China happened to be the owner of the plane involved then. Thus, as the owner of the plane involved in the present incident, CAL should expediently send people over to the mainland to negotiate.

PRC May Detain Crew Members

HK060602 Hong Kong SOUTH CHINA MORNING POST in English 6 May 86 p 1

[By Albert Vhan, in Guangzhou]

[Text] The two crew members of Taiwan's Boeing 747 cargo plane who want to go home may not be allowed to leave just yet, Chinese officials said yesterday. This has given rise to speculation that Beijing may hold the crewmen as a trump card to press Taiwan into agreeing to direct negotiations for their release and for the return of the plane and its cargo. Senior Guangdong aviation officials have already rejected Taiwan's request for Cathay Pacific Airways to negotiate on its behalf.

In an impromptu press conference yesterday morning in Guangzhou, the director of the Civil Aviation Administration of China (CAAC), Guangzhou branch, Mr Yu Yanen, said the whole issue was an internal Chinese affair and no third party should be involved. He also rejected the idea of using international aviation rules to resolve the case.

The SCM [SOUTH CHINA MORNING] POST asked Mr Yu if the two crewmen could leave the mainland any time they wanted to, since China had said it fully respected their wishes and that they were free to follow -- or not -- their pilot, Commander Wang Xijue (known in Taiwan as Wang Hsi-chueh), who has defected.

Both Mr Yu and a top Guangdong official, Mr Chen Kaizhi, who held a separate press conference in the afternoon, refused to say whether China would allow the two crewmen to leave the mainland. The officials would only repeat a previous statement that China had invited Taiwan's China Air Lines to go to Beijing to sort out arrangements for the two crewmen, the jumbo jet and the goods. Mr Yu said: "There are limits to freedom. Even Hong Kong Chinese need an entry permit to come to China and for the two Taiwanese to leave some procedures need to be taken." He also hinted that Taiwan officials should come to China to arrange for the "procedures."

But both officials stopped short of admitting that they were holding the two Taiwanese crewmen to force Taipei to open a dialogue with Beijing. Mr Yu said: "If Taipei remains stubborn with its no contact policy, they are not being fair to the two crewmen."

Another senior CAAC official, Mr Liang Jingzhao, added: "When our plane was hijacked to South Korea, we sent officials to Seoul to solve the problem. Why shouldn't Taiwan do the same? After all it was their plane that landed in our territory and they should come and take it back." After being told it was a crime in Taiwan to make direct contact with the communist mainland, Mr Yu said: "Laws could be changed."

Mr Chen, vice secretary-general of the Guangdong provincial party committee, disclosed that the two crewmen, Mr Dong Guangxing (Tung Kuang-hsing) and Mr Qiu Mingzhi (Chiu Ming-chih), had already had "several options" in mind about their fate. One of the options is to go to a third place other than Taiwan if the Taiwanese Government does not take them back.

Mr Dong's wife, who has a heart ailment, is now in California. According to Mr Chen, China Air lines' officials have told the wife that they are trying hard to arrange for her husband's return. Mr Chen confirmed that Mr Dong and Mr Qiu had asked for total secrecy about their whereabouts. "It is our sincere hope that they will come out meet the press and take a good look at the mainland but they refused and we respect their decision," said Mr Chen.

As for Mr Wang, it was disclosed that the defector has high blood pressure which is one of the reasons why he could not leave Guangzhou immediately.

Mr Chen also said doctors were assigned to look after the Taiwanese on a daily basis. Another reason why Mr Wang is stranded here is that he is waiting for new suits. "They only brought along a few things and we have arranged for tailors to make clothes for them and they will not be ready for a few days," said Mr Chen.

Commentary Views Incident

HK060511 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1310 GMT 5 May 86

[Commentary by Tian Ye: "The 'CAL' Case Should Be Handled Soberly"]

[Text] Hong Kong 5 May (ZHONGGUO TONGXUN SHE) -- Commander Wang Hsi-chueh, former China Airlines (CAL) pilot, landed his CAL cargo plane in Guangzhou because he was so anxious to return to his home. After that, the mainland's CAAC immediately sent an appropriately and sincerely worded telegram, inviting the CAL to send people to Beijing as soon as possible to discuss the problem of handling the matters concerned.

Judging from the present situation, we know that the CPC authorities do not intend to treat the "CAL case" as a political event. The telegram was sent by the CAAC, and the consignee was the unit which owns the cargo plane -- the privately owned CAL in Taiwan. Although the CAAC is an institution of the Chinese Government, it deals with matters concerning civil airplanes. It is natural for the CAAC to invite the other party to discuss the matter of repatriating the plane and persons concerned.

However, it seems the Taiwan side has not been sober enough in handling this matter. Some papers in Taiwan said that the CAL cargo plane landing in Guangzhou meant a "recantation." Some other papers said that the cargo plane was "forced to land by the Air Force of the CPC." The authorities concerned sang the same old tune of "refusing to contact the CPC." Why bother their heads about this matter?

Up to now, the CPC authorities have not treated Wang as a "hero who crossed over." On 4 May, when answering questions raised by reporters, Wang Hsi-chueh said: "When I was in Taiwan, I missed the mainland, my compatriots, and relatives desperately. Sometimes, I simply got mad. Returning to the mainland is my long-cherished desire. I have now attained it." As a person directly involved in the case, Wang Hsi-chueh told people the motives behind the "CAL case." There is no reason for either side to treat this matter as a political event.

The argument that "the plane was forced to land by the CPC Air Force" is not tenable either. On the day the incident happened, Baiyun Airport in Guangzhou was informed by Hong Kong's Kai Tak Airport that a CAL cargo plane intended to land at Baiyun Airport, and that it was asking for permission to land. The mainland learned about the matter only after receiving this notice, and allowed the plane to land. Where did the " forced landing" come from?

Since the incident has happened, we hope that both sides will hold talks to handle it properly, and that they will avoid making it more complicated. It stands to reason that people long for their homes. This was Wang Hsi-chueh's motive in diverting his plane to the mainland. We may temporarily put aside the rights and wrongs of the matter.

The plane has landed on the mainland, and two other people in the plane have expressed their desire to return to Taiwan. Under these circumstances, the CPC has considered the matter as it stands, and asked the CAL to send people to discuss the matter. There is no cause for criticizing the CPC. What is the use of the Taiwan authorities singing the same old tune of "refusing to contact the CPC?" It is an unnecessary move for Taiwan to ask a third party to handle the matter. In addition, the mainland and Taiwan are Chinese territory. It is inappropriate to handle their own affairs according to international practices.

At yesterday's press conference, Chen Kaizhi, deputy secretary general of the Guangdong Provincial CPC Committee said: The Hong Kong office of the CAAC will actively contact the CAL to discuss the matter. The departments concerned in Taiwan should adopt a sober attitude and make a positive response.

YU KUO-HUA MEETS SAUDI FINANCE MINISTER 2 MAY

OW021025 Taipei CNA in English 0952 GMT 2 May 86

[Text] Taipei, May 2 (CNA) -- Premier Yu Kuo-hua met with Shaykh Muhammad Aba al-Khayl, Saudi Arabian minister of finance and national economy, Friday at the Grand Hotel in downtown Taipei. Premier Yu extended warm welcome to the Saudi minister. They then exchanged views on the promotion of cooperation between the two countries, particularly in economic and financial fields. Yu said that relations between the Republic of China and Saudi Arabia have been close and cordial. He expressed the hope that this traditional ties of friendship will be further strengthened through frequent exchange of visits by both Chinese and Saudi officials.

Aba al-Khayl said he has visited Taiwan several times. He has been impressed by economic prosperity and political stability here. The Saudi minister also said that his country is undertaking a fourth five-year economic development plan and welcomes greater ROC [Republic of China] participation in the project. Also present at the meeting were Economics Minister Li Ta-hai, ROC Ambassador to Saudi Arabia Tsai Wei-ping and Saudi Ambassador to ROC As'ad 'Abd al-Aziz al-Zuhayr.

Following the meeting, Premier Yu hosted a luncheon in honor of Aba al-Khayl and his entourage. The Saudi minister arrived in Taipei Wednesday to attend the 9th ROC-Saudi Arabia Economic and Technical Cooperation Conference, which ended this afternoon.

Purchase of Saudi Oil To Increase

OW050427 Taipei CNA in English 0234 GMT 5 May 86

[Text] Taipei, May 4 (CNA) -- The Republic of China [ROC] will increase direct purchases of oil from Saudi Arabia, Minister of Economic Affairs Lee Tai-hai said Sunday. The Saudi Government is satisfied with this plan, Lee said. The ROC authorities are negotiating with their Saudi counterparts on the planned increase of oil purchase, he said, adding, a contract will be signed soon.

The nation increases its direct imports of Saudi oil from the initial 10,000 barrels a day to the present 60,000 barrels a day over the years, the minister said. He noted that the increase in Saudi oil supply during the past two energy crises has helped this nation greatly. Currently, the nation buys another 60,000 barrels daily through foreign oil companies, adding up to a total of 120,000 barrels daily.

It is reported that one of the Middle East oil exporting countries has not lowered the prices it asks this nation to pay, and the government decided to buy from Saudi Arabia which lowered the price to U.S. dollars 12 a barrel.

PART I: WANG MENG DISCUSSES PRC LITERATURE, ART

HK011321 Hong Kong WEN WEI PO in Chinese 1 May 86 p 3

["Special interview" by reporter Liu Men-yi: "Wang Meng on Reform in Literature and Art -- "Part 1"]

[Text] "Revolution is a sacred cause. However, it may also make people impatient, and the result of impatience is usually not being able to effectively reach the scheduled target." Wang Meng, a well-known Chinese writer who is to assume the post of minister of culture, declared today that he would be interviewed by the reporter in the capacity of a writer. Since he has not yet been appointed "minister," all matters concerning that position would be discussed later. He spoke with fervor and assurance, introducing China's current policy on literature and art. He talked about relations between reform and literary creation and between literature and politices, his views on Liu Binyan and Ke Yunlu, and questions about the novel Jin Ping Mei ["The Romance of Ximen Qing"]. Wang Meng joined the CPC at the age of 14 and became a "rightist" at 22, but he has not changed his nature of being a Communist Party member and began his talk discussing revolution. He said that after many setbacks, China is now luckily on the road of healthy development.

Abandoned Writing Because Jiang Qing Was in Power

Wang Meng began his career as a writer in 1953. In 1955, he published "Long Live Youth," which attracted much attention in the literary circles. Then in 1956, he wrote his "A Young Man From the Organization Department," but soon after that, he was labelled as a "rightist." He was sent to a Beijing suburb to do manual labor for 4 years and then transferred to Xinjiang. He stayed there for 16 years, during which he engaged in manual labor for 8 years. This experience in his life once made him unwilling to do anything related to writing. He said: "When Jiang Qing was in power, I even threw away my pen. I kept no diary for more than 20 years, and every time I finished reading my wife's letters, I burned them..." He was in such great fear that even a single character might breed a crime.

What is estimable is that this bitter experience has not dampened his enthusiasm for writing, but has deepened his understanding of China's destiny. He said: "This experience has deepened my understanding of the difficulties and arduousness of China's development and reform and especially made me more knowledgeable about the peasants. I feel that all great theories, ideas, and aspirations will just be empty talk if they are not linked with the vast land of China and especially with the peasants."

He is convinced that China's literature and art will be developed better and more healthily. He said: "This is not decided by a certain leader, but by the result of reform." He continued: "Reform of the economic structure will inevitably exert an influence on the people's thinking, ideas, and way of life, as well as on the social atmosphere and environment. This social atmosphere and environment is of great importance to writers. If the reform is carried out successfully, as expected, Chinese writers and artists will be able to promote the cause of literature and art under better conditions and in a more unrestricted environment. In other words, if the reform is not carried out smoothly, the Chinese people will encounter great difficulties, and so will Chinese writers."

There Have Always Been Many "Tendencies" in Literature and Art Circles

When talking about China's current policy on literature and art, he hoped that the reporters would not study China's policy on literature and art merely through materials gathered from the newspapers and leaders' speeches.

Although these materials are very important, they are not the most important. The most important thing is real life (referring to literary life), vivid life. He pointed out that since the third plenary session, the literature and art circles have become animated. On the whole, emancipation of the mind, opening up, blazing new trails, and bringing forth new ideas have been encouraged. Of course, there are also many controversies over differeing literary opinions. He said: There have always been many "tendencies" in literature and art circles. Fortunately enough, over the past 6 or 7 years, these tendencies have only been insignificant, rather than serious, and none have been disastrous.

Then he changed his subject to relations between literature and politics in China. He said: "Chinese literature has a strong political and social sense. This was not started by the Communist Party, but has existed since the Confucian period. Confucius attached great importance to the social effects and role of information and the education of poetry. Through folk songs, a statesman might know whether the society is in good order or not; by examining poems, an emperor might know whether the people had lots of complaints about him and whether there were many corrupt officials in the society."

Wang Meng said that this is a long-standing tradition, but has been further developed in recent years. The main reason is that over the past century since the Opium War, China, an ancient closed country with a distinctive civilization, has made its weakness, poverty, ignorance, and backwardness known to the world...It could hardly live on. Chinese society is now in the course of violent changes. The writers have an especially strong social and political sense. Under such conditions, it is impossible for the people to consider the concept of pure literature. The destiny of all literature and writers is inseparable from the political life of their times.

Destiny of Writers and Politics

He said: "Just now, when I said 'since the third plenary session, things have developed so and so,' I thought in very few countries would an accomplished writer say things in this way. For example, U.S. writers would not have said, since a certain meeting of the Republican Party we have...and British writers would not have said, since Mrs Thatcher assumed office, our literature creation has so and so. In those countries, literature creation has little to do with political parties. However, in China, when Jiang Qing was in power, I even threw away my pen...The destiny of Chinese writers and literature creation are too closely related to politics. As a matter of fact, Chinese writers had no freedom and there were no new creation or new literary missions until the third plenary session."

He hoped that the current situation of stability and unity can be maintained. Thus, the influence of politics on literature creation would be reduced, because the people will have manifold demands and needs. He said: "Along with the increase in the people's living standards, their level of reading and appreciation of literature will also be increased. Thus, they will have manifold needs for literature, which will provide more opportunities for the development of the literature cause toward diversification."

TA KUNG PAO PONDERS PRC LITERATURE, ART MOOD

HK010558 Hong Kong TA KUNG PAO in English 1 May 86 p 2

["The Past Week" column]

[Text] "Rustle in the Trees"

Speaking at a recent congress of musical workers, the newly-appointed chief of the CPC Propaganda Department, Zhu Zehou, made a point that most certainly carried much weightier implications than can be gathered from the scant reports published outside China.

In his assessment of the prevailing mood in the field of art and literature, Zhu observed that the "lively situation" was not without "gentle rings of ripples".

Comparing the ripples to the aftershocks of an earthquake, Zhu pointed to the fact that there are still those in art and literary circles who remain overly sensitive. "Weak-minded persons still get flustered at the slightest rustle in the trees". "Although this is not exactly a good thing," he said, "the ripples are indications that we have yet to get rid of remnants of grievances."

There have been two cases in different fields recently which seem to confirm Zhu's allusion to "ripples" and "rustling in the trees". Both, unfortunately, reminded many of the "sticks" and "hats" in the ten sad years.

The most recent "rustle" occurred in the field of theoretical research in literature caused by an article by no less than the director of the Institute of Literature under the Chinese Academy of Social Sciences, Liu Zaifu. Concurrently a member of the CPPCC and a probable Chinese candidate for the Nobel Prize in theoretical research, Liu's recent postulations include what might loosely be translated as the dual personality of characters, e.g. that one personality contains both strong points and weaknesses, and other original thinking which has attracted a great of deal of interest in Chinese literary and theoretical circles.

Liu believes that in present day China there is a tendency for literary research to detach itself from the economic base and the superstructure, such as politics and the author's world outlook. Instead, according to Liu, the emphasis in theoretical research seems to have been diverted into what he calls the "inner laws" of creative works by which he means their aesthetic qualities and the disciplines governing the different genres. "In a nutshell, the tendency is to return to literature itself."

Liu's analysis brings a new dimension to creative works. For instance, it can be inferred that great writers and, indeed, the characters they create, need not be morally better than the rest of humanity.

But recently, Liu's views have been taken to task by a critic writing in the theoretical journal RED FLAG. Proclaimed this critic: Liu's postulations are quite alien to Marxism and dialectical materialism. This is by means a small question, he lashed out, but one that concerns the "destiny" of Marxism as well as the whole edifice of socialist art and literature in China.

The matter might have rested here if the critic, Chen Yong, was seen to be giving his personal opinion. But there are fears that this may not be the case as Chen is a leading cadre in the policy-research office at the CPC Secretariat.

Be this as it may, there is a consensus that brandishing a big stick is never a good policy. In theoretical matters, especially, progress is never derived from old ideas alone but rather from the impact of new thinking and fair discussions thereof.

'Much Ado About Nothing'

The clampdown on Liu Zaifu calls to mind the tough handling five months ago of a treatise on economics by the pseudonymous Ma Ding published in BEIJING REVIEW on 9 December 1985. But it is of interest that in this case, the author was castigated not because of any fault of his article but because of what foreign press reports said about it. Entitled "Ten Major Changes in China's Study of Economics", the article drew wide attention for its assertion that not all Karl Marx's writings apply to present-day economics.

"Marxist political economy faces different tasks in different historical periods," it says. But in the 20th century, after socialism has changed from a scientific theory to reality, the main task confronting Marxist political economy is no longer to criticize the old capitalist world but to facilitate the more strenuous historical task of building a new socialist world...For these questions, no ready answers can be found in 'Das Kapital.'"

After pointing out that Marx, Engels and Lenin not only critically assimilated classical economics but also affirmed the "rational and valuable elements" of contemporary bourgeois economics, the article also gives a list of contemporary Western economic thinking which it considers "should not be ignored". These included J.M. Keynes' method of macro-analysis and his theory of using fiscal and monetary expansion to activate circulation and consumption, and the analysis made by the neo-laisser-faire school on the market mechanism and the harm done by excessive state interference in economic activities, etc.

As it transpired, Ma Ding's applecart was upset by two foreign newspapers. The first was YOMIURI SHIMBUN which, in a report on 12 December 1985 misinterpreted the article by reporting that its author had written that "Das Kapital" had lost its validity in an appeal "to boldly adopt the fruits of contemporary Western economics".

Taking its cue from YOMIURI SHIMBUN, the second was the CHUNG newspaper based in New York, which then sounded a warning against the emergence of what it called "academic ultilitarism" in China. In an editorial published on 19 December 1985, it cautioned Chinese economists against "indigestion from gobbling down foreign theories".

But the cycle of falsification was completed by a third party, this time, from China itself. This was the economic reference published in Beijing which joined the fray by blindly parroting the CHUNG newspaper's fairy tale without checking Ma Ding's article. The pompous editorial the CHUNG newspaper carried was entitled "Marxist Economics Has Great Vitality" -- as if Marx had really been seriously challenged by Ma Ding.

The upshot was the scandalous "mini-storm caused by Ma Ding". That this "storm", which had no cause whatever in the first place, actually wreaked considerable havoc among academics in Beijing can be seen not only from the outpouring of criticisms against Ma Ding, but also from the fact that a special meeting called by the CPC Propaganda Department in March devoted half its agenda to setting the record straight.

It was not surprising, therefore, that some incisive observations were made by Chinese economists at this meeting. Zhu Shaowen, a research fellow at the Economic Institute, observed that China watchers seem to have a penchant for seizing upon any development on the theoretical plane as a negation of Marxism. Other views expressed, however, were more self-critical, e.g., woe to him who becomes a subject of foreign comment, favourable or unfavourable.

The latter observation calls to mind a passage in Premier Zhao Ziyang's report on China's 7th Five-Year Plan delivered at the recent NPC: "At present, our research in economic theories lags behind the reform and economic development...we should continue to uphold the principle of integrating theory with practice and give encouragement to those who dare to pioneer in theory and practice. In the meantime, we should learn from all other countries, including the developed capitalist countries, by drawing on their advanced methods of economic management, which reflect the laws governing large-scale, socialized production."

DAILY REPORT

China

CONTENTS

Vol 1 No 088 7 May 1986

For reportage and comment on the Chernobyl nuclear accident, see the 7 May and subsequent Soviet Union DAILY REPORT supplements entitled, "Chernobyl Incident."

PRC INTERNATIONAL AFFAIRS

GENERAL

Further Analysis, Reportage on Chernobyl Incident A 1
Foreign Ministry Spokesman Holds Weekly Briefing A 1
Australian Premier To Visit A 1
Macao Issue Noted A 1
Yao Yilin To Visit U.S. A 1
Hu Yaobang to Western Europe A 1
Comments on ASEAN Statement A 1
Reportage on Tokyo Economic Summit A 2
XINHUA News Analysis A 2
Economic Declaration Roundup A 3
PRC 'Dipomatic Sources' Quoted [KYODO] A 4
Reagan 'Triumph in Tokyo' A 5
Envoy to UN on Disarmament Comments on Arms Race A 5
U.S., USSR Seek To Reduce Nuclear War Risks A 6

NORTHEAST ASIA

Participation in Seoul Olympics Hailed D 1
Japan To Extend Loan to PRC in Fiscal 1986 D 1

SOUTHEAST ASIA & PACIFIC

Hu Yaobang Meets Singapore Economist 6 May E 1
NPC Delegation Welcomed in Australia E 1
Singapore Finance Minister Receives Chen Muhua E 2
Lange 'Confident' of Pacific Nuclear Free Zone E 2

SOUTH ASIA

Sino-Pakistan Border Pass Opened to Third Countries F 1
Indian Association Calls for Unity With PRC F 1
U.S. Minimizes Impact of Karmal Resignation F 1

WESTERN HEMISPHERE

Hu Qili Meets Visitors From Argentina 6 May J 1
Mulroney Answers Questions on Coming PRC Visit J 1

PRC NATIONAL AFFAIRS

RENMIN RIBAO on Professor Paving Way for Others [28 Apr] K 1
Commentator's Article K 3
JINGJI RIBAO Urges Cadres To Exchange Ideas [26 Apr] K 4
Central Leaders Greet National Nursing Conference K 6
Wang Meng Comments on Writers' Viewpoints [AFP] K 7
Circular Urges Study of Civil Code Principles K 8
State Council Issues Circular on Using Sedans K 8
Ministry To Issue Permits for TV Drama K 9
Circular on Foreign-Funded Agricultural Projects K 10
Collected Works of Marx, Engels Published K 10
Economic Growth, Export Rates Examined K 10
Exports Rise in 1st Quarter K 10
First Quarter Growth Noted K 12
'Appropriate' Growth Rate Urged K 12
[CHINA DAILY 28 Apr]
Foreign Deposits Increase K 14
Survey Shows Grain Acreage To Expand in 1986 K 14
Prospects for Spring Farming 'Encouraging' K 15
Agronomists Stress Scientific Cultivation K 16
Tian Jiyun Pledges More Agricultural Investment K 17
Rural Agricultural Centers To Be Established K 17
Land Reclamation Structure Transformation Noted K 18
[RENMIN RIBAO 22 Apr]
Reeducation Work Camp Conditions Explored [AFP] K 20
RENMIN RIBAO Urges Support for PRC-Built Planes [29 Apr] K 22
Bo Yibo Attends Hunan May Day Rally 29 April K 23
Li Xiannian, Ni Zhifu at Tianjin Congress Session K 25
Hu Qiuli, Other Leaders Visit Sick Professor K 26
Yao Yilin Addresses 3 May Trade Congress Opening K 26

PRC REGIONAL AFFAIRS

EAST REGION

Jinan Military Holds Rally To Relay NPC Guidelines O 1
[SHANDONG RIBA] 20 Apr]
Jiangxi Governor Attends Economic Reforms Meeting O 1
Rui Xingwen Attends Shanghai Municipal Congress O 2
[JIEFANG RIBAO 30 Apr]
Rui Xingwen Addresses Shanghai CPPCC Session O 3
[JIEFANG RIBAO 30 Apr]
Zhejiang: Transfer of People's Armed Forces Planned O 5
[ZHEJIANG RIBAO 25 Apr]

CENTRAL-SOUTH REGION

Guangxi's Wei Chunshu Stresses Promoting Reforms P 1
Henan Secretary Attends Military District Meeting P 1
Further on Henan Governor 5-Year Plan Report P 2
Henan Sets 'Demarcation Lines' for Unhealthy Trends P 4
Briefs: Guangxi Sugar Output P 4

TAIWAN

Reports, Comments on Taiwan Pilot's Defection V 1
Tian Jiyun Meets Pilot V 1
Beijing Press Conference V 2
[HSIN WAN PAO 7 May]
Further on Press Conference [AFP] V 2
No Conclusion Reached on Incident V 3
Communications Garbled Over Deal V 4
[HONG KONG STANDARD 7 May]

HONG KONG MEDIA ON CHINA

Zhu Houze's Propaganda Department Policies Analyzed W 1
[MING PAO 5 May]
Yang Shangkun Reportedly Heads CPC Hong Kong Section W 2
[HONG KONG STANDARD 5 May]
Part II: Wang Meng Discusses PRC Literature, Art W 3
[WEN WEI PO 2 May]
PRC Ties With Japan Secondary to Overall Policies W 5
[SOUTH CHINA MORNING POST 30 Apr]

FOREIGN MINISTRY SPOKESMAN HOLDS WEEKLY BRIEFING

Australian Premier To Visit

OW070836 Beijing XINHUA in English 0833 GMT 7 May 86

[Text] Beijing, May 7 (XINHUA) -- Australian Prime Minister Robert Hawke and his wife will pay an official visit to China from May 19 to 24, a Foreign Ministry spokesman said here today. According to the spokesman, the two sides will exchange views on international and regional issues of common concern and explore ways to further develop friendly relations and cooperation between the two countries. It will be the second official visit to China by Prime Minister Hawke.

Macao Issue Noted

OW070844 Beijing XINHUA in English 0841 GMT 7 May 86

[Text] Beijing, May 7 (XINHUA) -- A Foreign Ministry spokesman said here today that discussion is under way between China and Portugal concerning the time, location and other matters related to the negotiation on the Macao issue. He did not say when the negotiation would begin.

Yao Yilin To Visit U.S.

OW070952 Beijing XINHUA in English 0940 GMT 7 May 86

[Text] Beijing, May 7 (XINHUA) -- Vice-Premier Yao Yilin of the State Council will pay an official visit to the United States of America at the invitation of U.S. Vice-President George Bush from May 14 to 22. A Foreign Ministry spokesman made this announcement at today's weekly news briefing. During his visit, Yao will cochair the 4th session of the China-U.S. Joint Commission on Commerce and Trade.

Hu Yaobang to Western Europe

OW070956 Beijing XINHUA in English 0936 GMT 7 May 86

[Text] Beijing, May 7 (XINHUA) -- General Secretary Hu Yaobang of the Chinese Communist Party Central Committee will pay an official visit to Britain, Federal Germany, France and Italy from June 9 to 23, announced a Foreign Ministry spokesman at today's weekly news briefing. Hu has been invited by Prime Minister Margaret Thatcher of the United Kingdom of Great Britain and Northern Ireland, Chancellor Helmut Kohl of the Federal Republic of Germany and Chairman Willy Brandt of the Social Democratic Party of Germany, President Francois Mitterrand of the Republic of France, and Prime Minister Bettino Craxi of the Republic of Italy. Hu will also pay a return visit to the Italian Communist Party during his visit to Italy at the invitation of Alessandro Natta, general secretary of the Communist Party of Italy, the spokesman said.

Comments on ASEAN Statement

OW071000 Beijing XINHUA in English 0941 GMT 7 May 86

[Text] Beijing, May 7 (XINHUA) -- China appreciates the position taken in the joint statement by the foreign ministers of the ASEAN countries, a Chinese Foreign Ministry spokesman said at the weekly news briefing here today. He said that China appreciates ASEAN's effort to seek a political settlement of the Kampuchean question and active support of the eight-point proposal put forward recently by the Coalition Government of Democratic Kampuchea.

Asked about the situation along the Sino-Vietnamese border, the spokesman replied, the Vietnamese authorities have never ceased their military provocations against China along the Sino-Vietnamese border and the Chinese border troops have made necessary counter attacks.

Commenting on the recent reshuffle of the Afghan regime, he said that the key to a political settlement of the Afghan issue lies in the withdrawal of Soviet troops from that country.

REPORTAGE ON TOKYO ECONOMIC SUMMIT

XINHUA News Analysis

OW061238 Beijing XINHUA in English 1216 GMT 6 May 86

["News Analysis: Summit Proceeds With U.S. Views Prevail (by Zhao Zijian)" -- XINHUA headline]

[Text] Tokyo, May 6 (XINHUA) -- As the three-day Tokyo economic summit draws to an end, results yielded so far show that the U.S. views have prevailed in economic matters as well as in political issues discussed at this meeting, the 12th of its kind.

On the exchange rate issue, Japan had indicated earlier to the U.S. that the desirable level of the yen against the dollar was 180 to one. However, resisted by the U.S. side, Japan backed down a little by favoring the current level of about 170 yen to one dollar, although Federal German Chancellor Helmut Kohl had assured Japan of his support to Japan's request. Federal Germany is, too, worried about its Deutsch mark's rise against the dollar.

The United States on the other hand has insisted, as Treasury Secretary James Baker indicated during the summit, that the dollar's desirable level is that decided by the market force, which partly contributed to the continued slide of the dollar so far.

The United States also had its influence on policy coordination among major industrialized nations, which is part of the reason why the summit is called annually. Policy coordination, now a fashionable term among the major industrialized countries, requires the governments to confer with one another when needed to correct certain undesirable development such as currency rates fluctuations. It also calls for intervention in the financial market and the outcome of the interventions by the G-5 nations under their "plaza agreement" reached in New York last September only showed that the United States is the most benefitted from such actions.

Last night, the United States also played an important part in including Canada and Italy in the finance ministers' club of the Group of Five. The European Community and Federal Germany had resisted the idea of adding Canada and Italy in the club for different reasons. The EC holds that the currency matters should be consulted in a large group incorporating countries in the Group of 10 of the IMF, while Federal Germany believes the Group of Five makes consultations easier and more effective. With the U.S. and Japan supported adding the two countries in the group, Canada and Italy threatening to oppose the final economic decision of the summit if they were not let in. [sentence as received] The deal finally got through, and, as a compromise, the Group of Five will remain in a "quieter" manner, to use the words of British Chancellor of Exchequer Nigel Lawson.

Of course, not all the economic punches at the summit came from the United States. During the meeting, France called for reforms in the international monetary system, more aid to developing countries and adding agricultural issues to the agenda of the next round of global trade talks under the General Agreement of Tariffs and Trade (GATT).

Economic Declaration Roundup

OW061432 Beijing XINHUA in English 1404 GMT 6 May 86

["Roundup: Tokyo Summit Ends With Economic Declaration, by Zhao Zijian" -- XINHUA headline]

[Text] Tokyo, May 6 (XINHUA) -- The 12th Economic Summit of the Seven Industrial Countries concluded here today with an economic declaration that calls for further coordination of economic policies among the summit nations and for helping the developing nations through cooperation with multilateral institutions.

The six-page declaration, announced here this afternoon by Japanese Prime Minister Yasuhiro Nakasone, said, "Developments since our last meeting reflect the effectiveness of the policies" the summiteers have adopted since the last summit in Bonn, Federal Germany.

Observers interpret the declaration to mean that there will be continued tightening of fiscal measures in some countries to prevent resurgence of inflation while loosening to a certain extent of monetary controls to promote economic growth and to lower unemployment.

In accessing the current world economic situation, the declaration said, "There has been a significant shift in the pattern of exchange rates which better reflects fundamental economic conditions."

Together with the drastic drop in oil prices, which will save the industrial countries about 10 billion dollars in energy costs this year, "these developments offer brighter prospects, and enhance confidence in the future of the world economy," it said.

Overviewing such problems, as high unemployment, large domestic and external imbalances, world debt, and the uncertainty of oil prices, the declaration calls for policies that take into account medium and longer term considerations and deal with the "structural problems" of large trade imbalances, labor market constraints and industrial reforms.

The declaration refrained from pointing out the disruptions to the world economy by large U.S. fiscal deficits that have absorbed world capital. Instead, it referred in general terms to the present tight fiscal policies in some industrial countries.

On the touchy question of policy coordination, especially of financial policy, the declaration approved the expansion of the Group of Five -- United States, Britain, France, Federal Germany and Japan -- to include Italy and Canada. The leaders of the industrial countries also agreed to strengthen multilateral surveillance of their economic policies according to nine indicators, namely GNP growth rates, inflation rates, interest rates, unemployment rates, fiscal deficit ratios, current account and trade balances, monetary growth rates, reserves, and exchange rates. Last month, the Group of 10, a caucus of industrial countries in the International Monetary Fund (IMF), asked the IMF to study the kind of indicators needed for policy surveillance. The nine indicators endorsed by the summit leaders would eventually be applied in cooperation with the IMF.

On issues concerning developing countries, the declaration insisted on a "case-by-case" approach toward the international debt problem, in opposition to the demands by developing countries for a general package. It endorsed the initiative of U.S. Secretary James Baker last September that calls for providing 29 billion dollars in new lending to 15 major debtor countries over the next three years on conditions that these countries reform their policies.

However, the declaration said the the leaders "attach great importance" to an early capital replenishment of the International Development Association (IDA), which is affiliated to the World Bank but concentrates on assisting the world's poorest nations through concessionary terms.

The summit leaders also indicated their willingness to a general capital increase of the World Bank and to start the World Bank's investment guarantee scheme designed to encourage investment in developing countries, but added the words "when needed" to its commitments.

The declaration said that the summit countries are ready to assist in resolving the hunger problem in Africa, focusing on medium- and long-term economic developments in the countries that need help.

Leaders of the industrial countries repeated their commitments to halt trade protectionism, but failed to mention specific measures to solve the issue, leaving it to the September ministerial meeting.

The declaration showed disagreements among the summit leaders over the timing of a new round of global economic negotiations. It says simply that the summiteers will work "to make decisive progress in this direction" at the September OECD ministerial meeting in Uruguay.

Agricultural trade is dealt separately in the declaration. The only encouraging word is that, in regard to surpluses, "action is needed to redirect policies and adjust the structure of agricultural production in the light of world demand."

The declaration also emphasizes the need to increase oil stocks as prices are low, the need for better scientific and technological cooperation between the industrial countries and the need to protect the environment.

Today's declaration is the fourth during the May 4-6 Tokyo summit. The first is a political declaration demonstrating the common stands of the major industrial countries, followed by two statements on international terrorism and on nuclear power safety.

The next summit will be held in 1987 in Italy.

PRC 'Diplomatic Sources' Quoted

OW061252 Tokyo KYODO in English 1246 GMT 6 May 86

[Text] Beijing, May 6 KYODO -- Chinese diplomatic sources Tuesday unofficially criticized the Tokyo summit nations for naming Libya in a statement on international terrorism. The sources said the U.S. bombing raid against Libya on April 15, which they claim was a violation of both territory and sovereignty, cannot be justified among world society. However, they appreciated the summiteers' attitude of attaching importance to the Asian area. In particular, the sources welcomed the reaffirmation in the statement that industrial countries could not see sustained and stable development without fostering the development of the developing countries.

Referring to economic issues, the sources expressed their keen interest in calls in the Tokyo summit economic statement calling for the strengthening of multilateral economic surveillance and expansion of the original Group-of-5 finance ministers to include those of Canada and Italy.

Reagan: 'Triumph in Tokyo'

OW070632 Beijing XINHUA in English 0627 GMT 7 May 86

[Text] Tokyo, May 7 (XINHUA) -- U.S. President Ronald Reagan today described the just-concluded economic summit as "a triumph in Tokyo", saying that the summit had opened the way for a new round of trade talks. Speaking to reporters shortly before boarding the presidential jet for home, Reagan said the meeting with leaders from Japan, Federal Germany, Britain, France, Canada, Italy and the European Community was "constructive" and was "the most successful of the six that I have attended." He said the summit has given "a green light" to a new round of multilateral trade talks under the General Agreement on Tariffs and Trade (GATT).

Because of opposition from France and the European Community, the summit leaders failed once again to set a starting date for the talks and have left "decisive progress" to be made at the ministerial meeting in September in a bid to reduce protectionist pressures. "One danger to the common prosperity that we all recognize is the spectre of protectionism, that vain search for security behind tariff walls and in closed markets," he said.

The president said another agreement reached by the summit participants would help ease the trade imbalance between the United States and its trading partners and promote greater stability in exchange rates.

He also said the summit would lead to concerted action against terrorism." "We are going to treat with it on a united front," Reagan said. Propelled mainly by the United States, the three-day economic summit adopted a statement on combatting international terrorism in which summit leaders, after ironing out disagreement on matters of "wording", criticized Libya by name for "sponsoring" and "supporting" terrorist activities.

ENVOY TO UN ON DISARMAMENT COMMENTS ON ARMS RACE

OW070819 Beijing XINHUA in English 0751 GMT 7 May 86

[Text] United Nations, May 6 (XINHUA) -- Chinese Ambassador for Disarmament Fan Guoxiang, depicting the present disarmament situation, said today, "On the one hand, the general atmosphere has somewhat improved, offering a bit of optimism. On the other, nothing has been achieved in the concrete implementation of arms reductions." He made the remarks when reviewing the development of disarmament in the past year at the 1986 substantive session of the United Nations Disarmament Commission. The annual session of the Disarmament Commission, which began yesterday and will last four weeks, will focus on various aspects of the arms race, particularly nuclear disarmament.

The newly-appointed Chinese ambassador for disarmament noted that though the United States and the Soviet Union, which possess the largest nuclear arsenals, undertook some responsibilities for disarmament during the past year, their arms race was still continuing and even extending into a new sphere -- the outer space.

Fan reiterated the Chinese Government's nine-point basic position and views on disarmament, which were outlined by Chinese Premier Zhao Ziyang last March at a rally in Beijing marking the International Year of Peace.

The basic position and views include: The United States and the Soviet Union should take the lead in halting the testing, production and deployment of all types of nuclear weapons and drastically reduce all types of nuclear weapons they have deployed anywhere inside and outside their countries and destroy them on the spot; the ultimate goal of nuclear disarmament should be the complete prohibition and thorough destruction of nuclear weapons; all nuclear-weapon states should undertake not to be the first to use nuclear weapons in any circumstances; along with nuclear arms reduction there should be a drastic reduction of conventional arms; an international agreement on the complete prohibition of space weapons should be concluded through negotiations as soon as possible; and all countries should enjoy equal rights to participate in the discussions and settlement of problems related to disarmament.

The position and views, he stressed, had been formulated after taking into account the desire of all the peoples in the world and the position of all the parties concerned. "We are convinced that they constitute a practical approach towards a genuine disarmament and a lasting peace."

Fan noted that disarmament is not the only issue affecting world peace and security. In international relations, he said, all countries, big or small, should strictly observe the principle of equality and refrain from interfering in the internal affairs or encroaching upon the sovereignty of other countries in any form. The question of nuclear and conventional disarmament involves the matter at the core, he said, adding "The key issue to its solution remains the same -- whether the two superpowers have the goodwill for disarmament and whether they undertake their responsibilities for disarmament."

The Chinese ambassador reiterated that China is consistently opposed to the arms race and stands for disarmament, nuclear disarmament in particular. "Like other countries in the world, China is concerned about the progress in disarmament negotiations," he said.

U.S., USSR SEEK TO REDUCE NUCLEAR WAR RISKS

OW070410 Beijing XINHUA in English 0051 GMT 7 May 86

[Text] Washington, May 6 (XINHUA) -- U.S. State Department spokesman Charles Redman announced today that the United States and the Soviet Union met this week to discuss establishing centers to reduce the risk of an accidental nuclear war. The two-day meeting, held Monday and Tuesday in Geneva, was called for in the communique signed last November at the Geneva summit meeting between U.S. President Ronald Reagan and Soviet Leader Mikhail Gorbachev.

If established, the centers in Washington and Moscow would exchange information about American and Soviet military operations and discuss each other's military doctrine, thereby reducing the chances of an unintended military confrontation. Redman said the discussions were between experts in the field and were "exploratory" in nature. He refused to say whether the recent Soviet nuclear reactor accident in Kiev was discussed.

PARTICIPATION IN SEOUL OLYMPICS HAILED

HK021355 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1157 GMT 1 May 86

[Commentary by Yao Wang: "It is a Pleasure to Learn of China's Decision to Participate in the Asian Games and the Olympics to be Held in Seoul"]

[Text] Hong Kong, 1 May (ZHONGGUO TONGXUN SHE) -- Newspapers recently reported that China had officially decided to participate in the 10th Asian Games to be held in Seoul in September this year and the 24th Summer Olympic Games to be held in the same city in 1988.

Strictly speaking, China's decision to participate in the Asian Games and the Olympics is nothing new. This is because China has participated in several successive Asian Games and the outstanding performance of Chinese athletes has been appreciated by all. Also, China has along played a part in the Olympic Games. What is particularly remarkable is that during the Los Angeles Olympics, the first Olympics in which China participated since it regained its membership in the Olympic movement in 1979, China made not just a breakthrough in emerging as a new medalist but also won at one stroke 32 medals, 15 of which were gold medals. All Chinese around the world were overjoyed with the splendid achievements made by the Chinese athletes and felt an upsurge of emotion on learning the news.

After the site for the next Asian Games and Olympics was set, a question that worried people, because there are no diplomatic relations between China and South Korea [nan han 0589 7281], was whether China would participate in these games or would rule out the possibility of participating in them in view of certain factors? There were repeated boycotts at several previous Olympics. These were regrettable and cast a shadow on the sacred Olympic movement.

Pierre de Coubertin, founder of the modern Olympics, said: "What is important in the Olympics is not to win but to participate." Truly, the important thing is to participate. If a country is apt to boycott, withdraw from, or refuse to participate in the Olympic Games, and thus deprive its athletes of the opportunity to compete in sports, how can the motto of the Olympics -- "faster, taller, and stronger" -- be achieved? How can the goal of the Olympic movement -- "to cultivate and foster friendship among athletes of different nations" -- be fulfilled?

China's decision was a wise one. this is not only because China, as a member of the Olympic movement and the Asian Games organization, has to meet its obligations, of course, but also because Chinese athletes will have the opportunity to "participate" and to try hard to "win" in the games, thanks to this decision. In addition, this decision will lend the Chinese people an opportunity to contribute to promoting friendship with different peoples.

JAPAN TO EXTEND LOAN TO PRC IN FISCAL 1986

OW021613 Beijing XINHUA in English 1543 GMT 2 May 86

[Text] Tokyo, May 2 (XINHUA) -- The Japanese Government decided today to extend 80.6 billion yen (about 474 million U.S. dollars) in a loan to China in fiscal 1986, the JIJI press reported today. The loan will be mainly used for seven projects in China, including the expansion of the railway between Shengyang and Guangzhou in the south and of the Qinhuangdao Harbor on China's eastern coast. China, Indonesia and Thailand are three top recipients of Japanese loans.

HU YAOBANG MEETS SINGAPORE ECONOMIST

OW061342 Beijing XINHUA in English 1332 GMT 6 May 86

[Text] Beijing, May 6 (XINHUA) -- Chinese leader Hu Yaobang said here today that China would continue to introduce the talented personnel from abroad. At a meeting with Dr. Goh Keng Swee, a Singaporean economist, Hu, general secretary of the Chinese Communist Party Central Committee, said, "While attaching importance to the training and use of our own skilled people, we also need to turn to the world for help.

"China has many talented people. In the past few years we have promoted many knowledgeable and capable people to leading posts," he added. Hu said, as China has limitations in its understanding of the present world, "That is why we need to introduce talented people from abroad," he said. Hu called this a strategic policy, adding that it is China's long-term task to learn from foreign experts.

The Chinese leader thanked Dr. Goh for the work he has done since he accepted the Chinese Government's invitation to serve as economic advisor for the development of China's coastal areas and tourism advisor last year. He hoped Dr. Goh would give his suggestions and opinions on China's economic construction in a wide-ranging areas.

The Singaporean economist said over the past four years, the world economy has developed slowly, but the rate of China's economic development has increased by more than ten percent each year." This is terrific," he added. He considered China's policy of opening to the outside world to be "perfectly correct", as China has imported the technology it required and built needed industry.

He hoped Chinese economic management personnel would not only be familiar with the law of the development of China's economy, but also with that of the world economy and international markets. He also suggested the close integrity of science and technology and production, as well as the strengthening of training talented personnel and vocational education.

Present on the occasion were State Councillor Gu Mu and Chairman of the Port of Singapore Authority Lim Kim San who is accompanying Dr. Goh on the visit. Dr. Goh arrived in Beijing May 2, and Gu Mu met and gave a banquet for him yesterday. He is due to visit Nanjing, Yangzhou and Suzhou for a field study of tourism.

NPC DELEGATION WELCOMED IN AUSTRALIA

OW061912 Beijing XINHUA in English 1839 GMT 6 May 86

[Text] Canberra, May 6 (XINHUA) -- Australian parliamentary leaders gave a grand reception here today in honor of the visiting Chinese National People's Congress (NPC) delegation led by Peng Chong and Bainqen Erdini Qoigyi Gyaincain, vice-chairmen of the NPC Standing Committee.

In a welcoming speech, Douglas McClelland, president of the Senate, said that Australia views its relationship with China as being very important. "We are delighted that you have accepted our invitation to visit Australia," McClelland said, adding, "I believe mutual understanding of the economic, social and political systems of our respective countries is greatly enhanced by visits of this nature."

Speaker of the House of Representatives Joan Child said the Chinese NPC delegation's visit further indicates the importance which China attaches to its relationship with Australia.

Australian Prime Minister Bob Hawke also made a welcoming speech. He said that parliamentary exchanges are a most important element in developing people-to-people contacts between the two countries. "I am looking forward to my visit to China in just under two weeks time, when I will be able to renew my valued friendships with senior Chinese leaders," Hawke said.

Opposition leader John Howard also warmly welcomed the Chinese delegation to visit Australia.

In his speech, Peng Chong said that China and Australia share the desire to safeguard world peace and develop their economies. He said that the delegation has come with the desire of seeking friendship, enhancing understanding and drawing on Australia's experience. Peng expressed the belief that the Australian prime minister's forthcoming visit to China will surely push the Sino-Australian relations to a new high.

The Chinese delegation flew in yesterday and was received by Australian Governor-General Sir Ninian Stephen and Lady Stephen at the Government House later.

SINGAPORE FINANCE MINISTER RECEIVES CHEN HUA

OW061723 Beijing XINHUA in English 1528 GMT 6 May 86

[Text] Singapore, May 6 (XINHUA) -- Singapore Finance Minister Richard Hu Tsu Tau held talks here today with Chen Muhua, Chinese state councilor, and president of the People's Bank of China (PBC). Hu briefed Chen on the role and management of Singapore's financial institutions and discussed with Chen cooperation between the two nations in finance and other fields. Lee Hisen Loong, acting minister of trade and industry, also met Chen today. Chen arrived here on May 3 for an official visit, the first by a PBC president

LANGE 'CONFIDENT' OF PACIFIC NUCLEAR FREE ZONE

OW061459 Beijing XINHUA in English 1129 GMT 6 May 86

[Text] Wellington, May 6 (XINHUA) -- New Zealand Prime Minister David Lange remains confident of the realization of a South Pacific nuclear free zone in spite of opposition from U.S. Defense Secretary Caspar Weinberger, the local press reported today.

"THE NATIONAL TIMES," an Australian journal, reported last week that Weinberger had "bluntly" told senior Australian Government members that the U.S. Government believed Australia's initiative to establish the zone would directly benefit the Soviet Union's global objectives. These views, which Weinberger expressed during talks in Canberra three weeks ago, were apparently reaffirmed during the visit of Australian Prime Minister Bob Hawke to Washington, the journal said.

Lange told reporters yesterday he was not at all surprised to read Weinberger's views about the zone. "Weinberger has been consistently opposed to anything which he sees could be a fetter on the United States capacity to respond to what he calls Soviet expansionism.

Australian Prime Minister Hawke supported the South Pacific nuclear free zone proposal at the South Pacific forum in Tuvalu in 1984. A treaty of the South Pacific nuclear free zone was adopted by leaders of 10 South Pacific countries in Rarotonga, capital of Cook Islands, in August last year.

SINO-PAKISTAN BORDER PASS OPENED TO THIRD COUNTRIES

OW031740 Beijing XINHUA in English 1452 GMT 3 May 86

[Text] Urumqi, May 3 (XINHUA) -- The Khunjerab Pass on the Sino-Pakistan border has been opened to personnel of third countries as from May 1, with the approval of the Chinese and Pakistan Governments. The pass, on the Pamirs, is along the ancient "silk road". China and Pakistan opened it to each other on August 1982. A ceremony was held at the pass on May 1 to mark its opening to third countries. Speaking at the ceremony, both Chinese and Pakistan officials expressed the belief that it will help the two countries expand their foreign contacts and trade. After the ceremony, over 100 foreign tourists entered the Xinjiang Uygur Autonomous Region via the pass.

INDIAN ASSOCIATION CALLS FOR UNITY WITH PRC

OW051014 Beijing XINHUA in English 0947 GMT 5 May 86

[Text] New Delhi, May 5 (XINHUA) -- India-China unity "is a key task" before India, the National Conference of India-China Association declared here yesterday at its concluding session. In a resolution adopted at the session, the association expressed its satisfaction over the fact that certain measures had been taken by the two governments towards the normalization of relations.

A report by the general secretaries of the association, which was also adopted at the session, stressed the need to improve relations between India and China "in the fields of trade, commerce, culture, science and technology. The report said that "the day is not far off when the old slogan of Hindi-China Bhai-Bhai (Indians and Chinese are brothers) will echo and re-echo in the length and breadth of both countries. B.B. Mandal was re-elected President of the association.

U.S. MINIMIZES IMPACT OF KARMAL RESIGNATION

OW050654 Beijing XINHUA in English 0627 GMT 5 May 86

[Text] Washington, May 4 (XINHUA) -- The U.S. State Department said in a statement today that the Reagan administration "will not attach undue importance to the changeover in the leadership" in Afghanistan. In reaction to the resignation of Babrak Karmal as head of the ruling People's Democratic Party of Afghanistan, the statement said, "The identities of those who hold leadership positions are of less significance than the continued presence of 120,000 Soviet troops in Afghanistan." The Soviet military presence, it said, "keeping the Afghan people from expressing their will through a government of their own choosing."

Afghan state radio reported that Karmal had resigned for health reasons and was replaced by the former head of the state secret service Mohammad Najibollah who is believed here as a staunch ally of Karmal.

The State Department noted in the statement that the change in the leadership in Afghanistan "may be connected with the next round" of the U.N.-sponsored negotiations on Afghanistan scheduled to be held in Geneva on May 5. "The important issue is what hard proposals regarding withdrawal of the Soviet forces from Afghanistan are put forward in Geneva," it stressed. The United States strongly supports "the U.N. efforts to find a negotiated settlement in accordance with the terms of the seven U.N. resolutions passed by overhwelming majorities in successive sessions of the U.N. General Assembly," the statement said.

HU QILI MEETS VISITORS FROM ARGENTINA 6 MAY

OW061408 Beijing XINHUA in English 1400 GMT 6 May 86

[Text] Beijing, May 6 (XINHUA) -- Hu Qili, member of the Political Bureau of the Chinese Communist Party Central Committee, met Sergio Montiel, secretary of the National Committée of the Argentine Radical Civic Union and governor of Entre Rios, and his party here this afternoon.

Hu, also member of the Secretariat of the CPC Central Committee, said the Chinese Communist Party and the Argentine Radical Civic Union established relations several years ago. "Our two parties have shared similar views on many important issues," he added. He expressed the hope that China, Argentina and other developing countries should undertake South-South cooperation for common development on the basis of equality and mutual benefit.

Montiel said the two parties have been working for state sovereignty and the dignity of mankind in accordance with their own countries' concrete conditions.

Since its founding more than 90 years ago, the Argentine Radical Civic Union has persevered in the policy of striving for and safeguarding peace, he said. The purpose of their visit to China is to seek for cooperation and explore into the possibilities of expanding bilateral trade. Hu said he hoped for the constant growth of bilateral cooperation in economic, trade and cultural fields.

MULRONEY ANSWERS QUESTIONS ON COMING PRC VISIT

OW060837 Beijing XINHUA in English 0737 GMT 6 May 86

["Canadian Prime Minister on His Visit to China (by Cai Shuqi)" -- XINHUA headline]

[Text] Vancouver, May 6 (XINHUA) -- Canadian Prime Minister Brian Mulroney says his visit to China will be "one step further in an already strong relationship" between the two countries. Mulroney will make a five-day official visit to China from May 8 to 12.

In a written response to questions from XINHUA released on the eve of his departure for the Tokyo economic summit, Mulroney said his first official visit to China will continue the process of political and economic exchanges between Canada and China and open new sectors of cooperation between the two nations.

"Canada-China relations are excellent," the Canadian leader said, "this model relationship will continue to develop even further because it has always been based on mutual respect and trust." He said the "Canada-China relationship is also based on a broad convergence of views on international affairs. We share common objectives for peace and security, arms control and stability throughout Asia."

Mulroney said both Canada and China wish to improve the quality of life for their citizens, and added that China's plan for economic modernization "brings to light another aspect of our relationship; our economic complementarity."

He noted "the Canadian International Development Agency (CIDA) has developed a major program in China since 1981. It concentrates on agriculture, forestry, energy and education. This program is working very well and we wish to increase our level of assistance in the near future." Mulroney said Candada's large Chinese community has made "a very positive contribution to Canada's cultural mosaic. Canada also welcomes over 1,000 students from China every year."

Mulroney praised Chinese President Li Xiannian's visit to Canada last July and Chinese Premier Zhao Ziyang's visit to the country in 1984. "My visit to the People's Repblic of China will bring us one step further in an already strong relationship between our two countries."

"I look forward to my visit and my discussions with Premier Zhao and other Chinese leaders. I hope to learn more about the results of the National People's Congress which took place in April and the directions of China's new Five-Year Plan."

The Canadian prime minister said China's leaders will be interested in hearing his views on the outcome of the Tokyo summit of seven industrialized nations. "People-to-people contact facilitates discussions and my visit to China will not only enable an important exchange of views on the world situation but also promote increased bilateral relations between our two countries."

Mulroney said Canada and China will sign several agreements during his visit, and cited the recent opening of a Canadian Consulate General in Shanghai and the future direct air link between Shanghai and Vancouver as examples of the expanding Canada-China relationship.

Asked about the role of the Pacific rim in the economic development of the world, Mulroney said that the Pacific has emerged as a leading force in the world economy. The newly industrializing countries of the Pacific and most of the developing countries, including China, continue to achieve higher growth rates than most industrialized countries, he noted.

He said his visit to Asia is a "most telling demonstration of the importance" he attaches to this region. "During my visit, I will be promoting increased economic, commercial cooperation and exchanging views on a variety of international issues with my Asian friends," he added.

The Canadian Government has launched important trade initiatives in Asia and the Pacific and has decided to increase its presence in Asia by opening new consulates and trade offices, he said. With the new Consulate General in Shanghai and an increase in the staff at its Embassy in Beijing, Canada will have doubled its trade personnel in China this year, he added. The Canadian Prime Minister stressed the Chinese people can count on Canada being a reliable partner in their "new long march" to modernization.

RENMIN RIBAO ON PROFESSOR PAVING WAY FOR OTHERS

HK061134 Beijing RENMIN RIBAO in Chinese 28 Apr 86 pp 1, 4

[Newsletter by reporter Gao Xinqing: "He Is Quiet But Attractive -- a Portrait of Professor Shen Shuyong, Who Is Little Known at Home"]

[Excerpts] I accepted the suggestion -- "You reporters should write more about intellectuals like this one!" -- and visited a little-known professor.

"I am an Ordinary Man"

"This is Professor Shen." I was introduced to Professor Shen, who reached out his hand and firmly shook hands with me. He was around 1.65 meters tall with one hollow eye, which was obviously blind, and a thin face. He was wearing an old Chinese-style unlined gray upper garment and looked like an accountant of the old days. I doubted in my heart: Is this Professor Shen Shuyong of the Beijing Post and Telecommunications Institute?

During his 30-year teaching career, Professor Shen has four times changed specialities: In the 1950's, he specialized in circuit theory and electronic survey technology; in the 1960's, he specialized in electronic technology and meters; in the 1970's, he specialized in digital communications and logical designing; and in the late 1970's and early 1980's, he specialized in computer science. Although his different specialities are very close to one another, each has its own research field, independent theoretical system, and knowledge structure. So each time, Professor Shen had to take great pains to shift from one speciality to the next. However, each time, Professor Shen quietly accepted the task according to the teaching requirement and organizational arrangement. Professor Shen studied assiduously and explored arduously. Each time Professor Shen shifted from one speciality to an other, he became proficient in the new speciality so that he gradually became the "authority" in it. Professor Shen told me: "I have changed specialities several times in my lifetime. I changed my speciality for the last time when I was nearly 60 years old. I studied computer science, which was then developing very fast. Both physically and mentally, I felt that it was a hard nut to crack. However, when thinking that the 1980's is characterized by fast upgrading of knowledge, and old specialities will surely be eliminated by rapid scientific and technological development if they are not replenished with new knowledge. I felt that it would not do to rest content with old specialities and old knowledge. I felt that I must do all I can to catch up and study hard!" With such a striving spirit, Professor Shen has overcome one difficulty after another in teaching and in scientific research and has made great achievements.

As far as computer science is concerned, within 2 to 3 years, Professor Shen wrote "Software Basic," "Computer-Aided Logical Design," "E -- 80 Collection of Program Designs," "P A S C A V Programming Language," and some other teaching materials. Professor Shen has also read many of his theses at the annual meetings of the Association of Computer Science and the digital systematic designing and automation group. During this period, "applied 32-head output combination for logical design software" and "combined and time-serial logical design programme," products of Professor Shen's study, won the second-class prize for scientific and technological achievements of Beijing City and the prize for scientific and technological progress of the Ministry of Posts and Telecommunications, respectively. People say that as long as Professor Shen continues to work and study hard, he will surely be able to make more scientific and technological achievements and win more prizes.

Professor Shen has compiled a lot of teaching materials, but none is a long monumental work. People felt extremely sorry for him and said that he should have written volumes of monumental works because he has a profound foundation of knowledge and a wide range of specialities.

In 1979, the Beijing Posts and Telecommunications Institute decided to buy a medium-sized general Romanian-made computer with plans to establish a computer center. The institute also decided to send abroad a group of people headed by Professor Shen to study and do research on the software and hardware technologies of the computer. Upon accepting the task, Professor Shen began to think: I have never been abroad. It is a good opportunity to head a team to go abroad to do research and studies, but I am the head of the computer center, and the work of capital construction and other preparatory work of the center have just begun. Is it good to leave the entire work to deputy head Xu Yizhen, a woman comrade? ... I should stay here! The next day, Professor Shen went to see the leader of the institute and suggested that Xu Yizhen lead the team abroad and he stay behind to take care of the work of capital construction and the preparatory work of the center. He had an argument with Xu over this, but finally, Xu agreed to replace Professor Shen as head of the team. Seeing that Professor Shen was so sincere, the leader of the institute agreed to Professor Shen's suggestion. Recently, the institute again decided to let him head a team to go to Japan to do research, but Professor Shen again declined and gave the opportunity to the "younger comrades." Professor Shen has still not gone abroad. However, he has written many recommendation letters for others who have gone abroad to study and do research.

In 1984, the Beijing Posts and Telecommunications Institute imported some minicomputers. Since the institute had only the English version of the relevant computer materials, it was impossible to widely popularize and use the computers. Professor Shen was worried. In the name of the computer faculty, Professor Shen put up a poster: The computer faculty is planning to hold a short-term training course on the use of minicomputers. All teachers and students are welcome to join the course. Immediately, over 200 people applied for the course. The minicomputers are something completely new for Professor Shen. However, he has a wide range of knowledge and a strong ability to acquire knowledge through practice. While translating and studying the materials, Professor Shen operated the minicomputers and learned their use by comparing with the original materials in English, and then compiled the relevant teaching materials. When Professor Shen gave his first lecture on the use of minicomputers, the lecture room was filled. He had to use the meeting hall of the institute in order to give his lecture. By operating the computer on the spot, Professor Shen explained the use of the minicomputers in great detail. All the comrades who listened to Professor Shen's lecture later praised him in great admiration for his vivid and lively explanation of the use of the minicomputers. In order to enable more people to attend, Professor Shen always gave lectures in the evenings. Every time, he spoke for 3 to 4 hours. When our teachers gave lectures in their spare time, they always charged various fees to the audience. However, when Professor Shen gave lectures in his spare time, he only collected fees for buying the teaching materials and paper. His colleagues asked him to charge more fees, and the institute also wanted to pay him for his lectures, but Professor Shen said: It is my duty to give lectures; how can I arbitrarily collect money from the audie ce?

While Professor Shen is very strict with his students, he also shows great concern for them.

For decades, Professor Shen has "paved the way" for one batch of students after another and made the qualified personnel.

Professor Shen has been paving the way for others in his ordinary teaching post. However, his spirit has attracted and moved many of his students and colleagues.

Commentator's Article

HK061154 Beijing RENMIN RIBAO in Chinese 28 Apr 86 p 1

[Commentator's article: "Write More About Intellectuals of This Kind!"]

[Text] In our newspaper today, we introduce Professor Shen Shuyong as a person who has immersed himself in hard work and is known by few people. Those close to him told the reporters: "Intellectuals like him should have been written about long ago!" There are advanced people who were first admired and praised by people who did not work with them, but there are also many advanced people who are admired and praised both the people they work with and those who they do not work with. In the past 30 years and more, Shen Shuyong has taken indefinite pains to teach and bring up young people. He has worked diligently with no thought of fame or gain. His noble spirit of "stepping stones" is indeed praiseworthy.

People admire eminent people, but they also respect those who work hard and are unknown to the public. Anyone who has made outstanding contributions to the motherland and the people is our example, irrespective of whether he is known to the public. Our cause needs famous people, but it needs people who work quietly for it all the more. The sports field, for example, needs people to win gold medals and cups and to become champions, but it needs even more people to act as "stepping stones" for those who are on their way to becoming champions. "Stepping stones" may not be glamorus, but they make concrete contributions.

Famous people are admired by others, by young people in particular. They can encourage others to press forward. The reason they have become famous is that they have made special contributions to society through arduous work. It is only natural that they are admired. Some people are afraid that others may become famous. They are jealous of those who have become famous and even oppress those who may become famous. Such thoughts and acts are wrong and harmful to our cause. We must understand that there are too few and not too many famous people in China. We must make efforts to create conditions for the emergence of more eminent people. People who work quietly and are unknown to the public should also be duly honored.

Of course, known heroes are the minority and unknown heroes the majority in the society as a whole. This is also true of the ranks of intellectuals. With the division of work in a society, there are many work posts at which people can obtain little or no fame and gain. However, such posts badly need to be filled. People work in different fields and have different opportunities. As a result, some will become famous while others remain unknown. Any intellectual with noble ideas should think first of the needs of the country and the people and not of personal fame and gain in doing his work. How can a person work wholeheartedly for the interests of the people if he hankers after personal fame and gain? Fame and gain are a test for each intellectual.

At present, spring for intellectuals has arrived. All heroes have places for displaying their prowess, and all patriots can well serve our motherland. History makes correct judgment and the people have feelings. Anyone who has made contributions to the society will be respected by the people no matter at which post he works. Professor Shen Shuyong is a representative of thousands upon thousands of those who work quietly for the society. We should give greater publicity to these unknown heroes!

JINGJI RIBAO URGES CADRES TO EXCHANGE IDEAS

HK301605 Beijing JINGJI RIBAO in Chinese 26 Apr 86 p 1

[Commentator's article: "An Important Method for Resolving Inner-Party Contradictions -- on Strengthening the Exchange of Ideas Among Comrades"]

[Text] It is one of the good traditions of our party to encourage comrades to exchange ideas and opinions among themselves, which is also an important condition for normalizing inner-party life.

Now, some contradictions which were originally easy to solve still exist in some party organizations and leading bodies and have not yet been solved. One of the reasons is that our comrades have not frankly exchanged ideas and opinions among themselves for the purpose of jointly carrying out the building of the four modernizations. When there is a misunderstanding among them, none of them takes the initiative to dispel the misunderstanding. And when there are disagreements in the work, none of them takes the initiative to exchange opinions with others. Instead, they are often swayed by personal feelings and prejudices and gossip about others behind their backs. Some comrades either irresponsibly speak ill of others by adding inflammatory details to what they say or complain to the higher authorities about others. Sometimes, at a meeting, they even cross verbal swords and stick to their respective positions to the end without reaching any agreement. If we do not resolutely change this situation, the unity within our party, the construction of the leading bodies, and the leading role of our party in the carrying out the construction of socialist modernization will all be damaged.

Contradictions within the party objectively exist, disagreements among party members and comrades are normal, and disagreements between superiors and inferiors are also normal. The question is how we should correctly look at and deal with these problems so as to strengthen unity within the party and strengthen the combat effectiveness of our party. Usually, the disagreements between comrades within the party are caused by their different understandings of and views on the same thing, and some are caused by misunderstandings between each other or left over from the history. No matter what has caused the disagreements between comrades within the party, we must advocate the exchange of ideas and opinions among our comrades, which is doubtlessly helpful to solving these problems.

When there are disagreements between leading members, between superiors and inferiors, or between ordinary comrades, the worst thing is to practice liberalism, speak ill of others behind their backs, or gossip about things after the meeting so as to counteract each other's efforts. A leading comrade of the CPC Central Committee once pointed out: "We must ban all kinds of practices of making comments outside the party organizations and most oppose liberalism." The reason we ban and oppose these practices is that these practices are not helpful in solving the problems, but instead, are detrimental to solving the problems, and detrimental to individual party members, to our cause, and our party, and to those comrades who engage in these practices. All just party members should be open-hearted and aboveboard, and should be disgusted with two-faced practices. So all just party members should take actions to eliminate these malpractices by starting with themselves.

So long as our comrades are frank and straightforward toward one another, openly and frankly discuss things, and exchange ideas and opinions with one another, and solve their contradictions in the spirit of "sticking to the truth and correcting mistakes" and according to the party's organizational principles and processes, our inner-party life will surely be further normalized.

The exchange of ideas must be aimed at distinguishing right from wrong, and must not become unprincipled disputes. We should continue to develop such a good style of "adhering to principle on major issues and being good at making concessions on minor matters." On major issues, we must stick to principle and urge our comrades to reach a unified and correct understanding. Some units have principled problems in appraising cadres because the comrades in those units do not speak frankly at the meetings. Instead, they gossip about others after the meetings. At meetings held within the party, the comrades only "look at one another and talk about something else." This practice violates our party's organizational discipline. On matters concerning the interests of the party and the people, every party member should have a clear-cut stand and resolutely defend principles, and should never make concessions to avoid trouble or barter away principles by yielding to wrong words and deeds. However, when defending principles, we should adopt an attitude of equality and consultation, present facts, and reason things out so as to convince others by reasoning. On minor matters, we should not demand that all comrades reach a unified understanding, but instead, we should develop the spirit of making concessions to one another. However, we must make sure that all sides make concessions, and not just one side makes concessions while the other side reaches out for a yard after taking an inch. Otherwise, it will cause endless disputes, which will run counter to our original purpose of letting our comrades exchange ideas and opinions.

In order to exchange ideas among comrades, we must stick to the principle of "unity -- criticism and self-criticism -- unity." This requires us to look at things fairly and completely. We should neither affirm nor negate everything. For example, when we criticize things, we should not think that "they are worth nothing," but instead, we should criticize them fairly and try to avoid doing things one-sidedly and doing things in absolute terms.

We must sincerely give advice to our comrades and criticize their mistakes in their presence with the intention of helping and taking good care of them. When criticizing our comrades, we must seek truth from facts and proceed from the facts. And our criticisms should not have subjective factors and should not proceed from any personal feelings of gratitude or resentment or personal prejudices. We must be kind to our comrades and try to convince them by reasoning. We must not sneer at, mock at, speak sarcastically of, or even hurt our comrades. When being criticized by our comrades, we should be good at absorbing the constructive aspects of their criticisms. We must not be afraid of being misunderstood by our comrades. In particular, we must not get excited at some irresponsible and incorrect opinions and remarks. If the misunderstandings can be cleared away at once, we should calmly explain to our comrades. As to some misunderstandings which cannot be cleared away at once, but which do not affect the overall situation, we should leave them for the future because we are confident that we will surely be able to clear away those misunderstandings some day in the future. We must not "set a pin against an awn" and simply "oppose" the ideas of others when others "oppose" our ideas.

Very often, when exchanging ideas, some comrades argue excitedly and finally part on bad terms. The reason is that they are not good at using the weapon of "criticism and self-criticism." It is also because both sides must "the other side to make concessions," and think that "the other side is wrong." This can only increase the antagonism between both sides.

Practice has shown that whether the comrades of a certain unit can frankly exchange ideas and opinions with one another depends on whether the unit can well implement the principle of democratic centralism or not. If all the members of the leading body of that unit can act according to the principle of democratic centralism, speak frankly and openheartedly at meetings, and then correctly centralize the opinions and finally make decisions for all members to carry out, many problems will certainly be solved. So, the exchange of ideas and opinions among comrades requires the joint efforts of all the comrades.

CENTRAL LEADERS GREET NATIONAL NURSING CONFERENCE

OW060333 Beijing XINHUA Domestic Service in Chinese 1314 GMT 5 May 86

[By reporter Xu Jiling]

[Excerpts] Nanjing, 5 May (XINHUA) -- With International Nurses' Day around the corner, Hu Yaobang, Zhao Ziyang, Li Xiannian, Chen Yun, and other leading comrades have written inscriptions or letters to the nation's nurses, hailing their noble work and encouraging them to provide good nursing services.

During the First National Nursing Conference, which opened in Nanjing today, the representatives were greatly moved on listening to the leaders' greeting messages read at the meeting.

Hu Yaobang's greeting message to the nurses reads: "Noble profession, beautiful souls."

Zhao Ziyang says in his greeting letter; "Nursing is a noble job, which should be respected by all society." He hopes that, "nursing, as a branch of learning, develops more quickly so that it can provide the people better health care."

Li Xiannian points out in his greeting letter: "Modern nursing science is an important and independent science serving human health. We must energically support its accelerated development and strive to improve and modernize nursing techniques so that they can catch up with advanced world level and meet future needs."

In his greeting message, Chen Yun encourages the vast number of nurses to "love nursing and provide good nursing services."

Peng Zhen, in his greeting message, acclaims "nursing as a science and a glorious job providing diligent, careful, and responsible services to the people."

Deng Yingchao in his greeting letter expresses the hope that "relevant departments have a deeper understanding of the importance of nursing. The vast number of nurses should love their work, respect their own profession, carry forward the revolutionary spirit of saving the dying, caring for the wounded, and serving patients wholeheartedly, strive to improve their political consciousness and professional proficiency, be determined to reform their operation and advance with an exploratory spirit, and strive to rejuvenate nursing and create a new situation for the development of nursing services.

Kang Keqing says sincerely and earnestly in her greeting message: "Nursing is most important, as the recovery of health depends 30 percent on treatment and 70 percent on nursing care."

Lu Dingyi greets the forthcoming Nurses' Day with this message: "Being a nurse is a noble profession, because a nurse serves the patients with the spirit of saving the dying and caring for the wounded."

Delivering a report entitled "Earnestly Summing Up Our Experiences, and Working Hard To Rejuvenate Nursing Services," Gu Yingqi, vice minister of public health, pointed out at the opening ceremony: The nation, which has now a contingent of 630,000 nurses, has made much headway and achieved remarkable successes in developing its nursing services since the founding of the country. However, owning to repeated frustrations in the development of nursing services and shortage of competent nurses, insufficient medical and nursing services are still a salient problem. He stressed that, instead of holding the job of being a nurse in contempt, people should understand the important nurses in various ways, and speed up the development of nursing services in China.

The 4-day conference will examine the development of the nation's nursing services since the founding of the country, and discuss a 5-year plan for training nurses and restructuring the services' management.

WANG MENG COMMENTS ON WRITERS' VIEWPOINTS

HK301331 Hong Kong AFP in English 1309 GMT 30 Apr 86

[Text] Beijing, April 30 (AFP) — Chinese writer Wang Meng, due to be officially named China's culture minister, said Wednesday that Chinese writers "cannot conceive of writing as a duty imposed by the government."

Mr Wang, speaking to foreign journalists in his capacity as vice-president of the Writers' Association, added that the state "should not force the writers to write what it thinks is necessary for the cause it is defending."

The 51-year-old writer, considered a supporter of China's top leader Deng Xiaoping, was dispatched to a northern Chinese province for 1958 to 1976 because of his "rightist behavior."

"It is evident that all Chinese writers do not share all the viewpoints of the government," he said, but added he would liken the differences to "light breezes, not true storms."

He said, however, that Chinese writers "must support" the policy of opening up to the outside world established by Mr Deng in 1978.

Mr Wang, who has been a member of the Chinese Communist Party since he was 14, maintained that the party "never stops encouraging the freedom of creation" and that "there are no censorship bodies in China."

When asked about certain books or films which had run into difficulties when it came to being published or screened, Mr Wang said that he had either not read them, not seen them or that "this deserves consideration."

His nomination as culture minister, known in official Chinese circles for over two weeks, is due to be made public shortly, sources in his entourage said.

CIRCULAR URGES STUDY OF CIVIL CODE PRINCIPLES

OW040503 Beijing XINHUA Domestic Service in Chinese 1244 GMT 2 May 86

[Text] Beijing, 2 May (XINHUA) -- The Central Propaganda Department and Ministry of Justice recently issued a joint circular on studying and publicizing the General Principles of Civil Code. The circular urges propaganda and justice departments in all localities to include the General Principles of Civil Code in their popularization of legal knowledge and to widely and thoroughly publicize it among the people.

The circular points out: "The General Principles of Civil Code of the People's Republic of China" has been examined and adopted by the Fourth Session of the Sixth NPC and promulgated by the president of the PRC. The Civil Code is an important basic law of our country. The enactment of the General Principles of civil code is an important event in the development of our country's legal system. Protecting the legitimate rights of the citizens and legal persons, meeting the needs of reform, opening to the outside and invigorating the economy, using legal means to manage the economy, ensuring and promoting a smooth procession of reform in the socialist economic structure and economic development, further harmonizing the relations among the people, and maintaining political stability and unity are of great significance.

The circular calls on all localities to organize the study of and publicity on the following main points in consideration of reality and difficult quarters' different requirements in the course of popularizing the General Principles of Civil Code: 1) the basic principles and the limits to the readjustment of China's civil code; 2) the qualifications for a legal person; 3) the norms for cvil legal conduct; 4) the civil rights and civil responsibilities of citizens and legal persons; and 5) the application of laws governing civil affairs between Chinese and foreigners.

STATE COUNCIL ISSUES CIRCULAR ON USING SEDANS

OW041149 Beijing XINHUA Domestic Service in Chinese 0230 GMT 3 May 86

[Text] Beijing, 3 May (XINHUA) -- The State Council pointed out that some departments and units overemphasized the special characteristics of their work and demanded allocation of sedans for their bureau or lower level units for operational use in disregard of the state's financial power and the people's living condition. The expenditures for automobiles were to be disbursed by the local financial departments. This practice is not right and must be corrected.

The General Office of the State Council recently issued a circular in this connection. It says: According to reports, in the past 2 years, some departments under the State Council dispatched documents to lower level units and asked those units to allocate sedans to organizations under the jurisdiction of those departments, and the expenditures for purchasing automobiles were in the main paid by the localities. Various localities have received a lot of complaints about this matter. They held that this practice not only created financial difficulties for the localities but also caused competition among various departments in a chain reaction. It also created contradictions among various departments and between departments and localities and was unfavorable to curtailing administrative expenditures and improving workstyle. They asked that this matter be solved.

In order to solve this problem, the General Office of the State Council has set the following rules:

1. In view of our country's current financial capability and situation of supply, with the exception of those departments which have been approved by the State Council to allocate automobiles to units under those departments for operational use, no other departments should allocate sedans to units of those departments at county bureau level without considering necessary conditions. Still less should units under county bureau level be allocated sedans for operational use.

2. A small number of departments may have to allocate automobiles to some county bureau level units under those departments for operational use due to the special characteristics of their work. However, this must be approved and handled according to the capability of financial and supply this in various localities. If units directly under those departments need automobiles, those concerned departments should ask the State Planning Commission, the Ministry of Finance, and the State Supply Bureau should examine those cases seriously and control them in a strict manner. If local units under the jurisdiction of various departments need automobiles, the local authorities are to take the overall situation into consideration and handle those cases. The departments having jurisdiction over those units must not dispatch documents to the local authorities and ask the latter to solve such problems for the units.

3. If individual departments have an actual need to obtain specialized automobiles equipped with special facilities, they should first obtain concurrence from the Ministry of Finance and other departments concerned. Concurrence must first be obtained from the localities if the expenditures are to be disbursed by local financial units when those departments want to allocate specialized automobiles to units under their jurisdiction in various provinces, autonomous regions, and municipalities.

MINISTRY TO ISSUE PERMITS FOR TV DRAMAS

OW300415 Beijing XINHUA Domestic Service in Chinese 1234 GMT 29 apr 86

[Text] Beijing, 29 Apr (XINHUA) -- The Ministry of Radio, Film, and Television recently issued a circular concerning the system of issuing permits for producing TV Dramas, which will come into effect on 1 June this year.

For the undertaking of TV dramas to flourish, to improve quality, and to strengthen the supervision over production, the ministry has decided to put into effect the "Provisional Regulations Regarding the System of Issuing Permits for Producing TV dramas" in China. According to the regulations, a production unit must obtain a permit when providing (selling, exchanging, or presenting) TV dramas to the Central Television Station or local TV Stations, otherwise the TV dramas may not be accepted and broadcast by the Central Television Station and local TV stations nor published and distributed by audiovisual tape publishing units. TV dramas coproduced with foreign countries should be reviewed and approved by the ministry. Currently preparations for issuing "permits for producing TV dramas" have been basically completed.

These provisional regulations are a statute for supervising the production of TV dramas. The circular called on all relevant units in the country to contact local government radio and television administrative departments and apply for the permit according to the regulation when the time comes. Propaganda and cultural units subordinated to the central authorities may directly contact the Central Television station's cinema and TV department and apply for the permit

CIRCULAR ON FOREIGN-FUNDED AGRICULTURAL PROJECT

OW300117 Beijing Domestic Service in Mandarin 1200 GMT 29 Apr 86

[Text] The State Economic Commission recently issued a circular on reviewing the performance of agricultural projects funded by foreign caital during the Sixth 5-Year Plan.

The use of foreign capital for agriculture has developed rapidly from nothing in recent years. Foreign capital that has been used or will soon be used exceeds $1.5 billion. This has greatly promoted the modernization of agriculture. To sum up the experience of utilizing foreign capital for agriculture and to promote broader and deeper econoic, trade, and technological exchanges with other countries with emphasis on enhancing our capacity to earn foreign exchange through exports, the State Economic Commission circular urged departments concerned to review the projects in the following four categories undertaken since 1980: bilateral cooperation, multilateral cooperation, direct use of foreign capital, and use of state capital. The major points of the review should include the necessity and rationality of the projects, the rate of progress, project management, and whether the projects have yielded the expected economic and social benefits. The review should be conducted mainly by the project partcipants themselves with the participation of the various competent units or departments concerned.

COLLECTED WORKS OF MARX, ENGELS PUBLISHED

OW060911 Beijing XINHUA in English 0626 GMT 6 May 86

[Text] Beijing, May 6 (XINHUA) -- The entire collected works of Karl Marx (1818-1883) and Friedrich Engels (1820-1895) have been published in Chinese over the last 30 years.

The 50 volumes were translated from the second Russian edition and the original German version by the Communist Party Central Committee's Translation Bureau and published by the People's Publishing House. The completion of their publication in a country with a population of well over one billion was "an important thing in the history of the dissemination of Marxism," said Zhu Houze, chief of the Propaganda Department of the Party Central Committee, at a meeting marking the event on Monday.

Zhu stressed the importance of combining Marxist theory with the realities of China. Since 1956, China has printed 4.3 million copies of works by Marx and Engels, according to the People's Publishing House.

ECONOMIC GROWTH, EXPORT RATES EXAMINED

Exports Rise in 1st Quarter

HK060755 Beijing CHINA DAILY in English 6 May 86 p 2

[By staff reporter Zhang Jianmin]

[Text] China's foreign trade started the year impressively with exports in the first quarter rising in value nearly 14 per cent and imports dropping less than 1 per cent.

According to Zheng Tuobin, minister of foreign economic relations and trade, exports in the first three months were valued at $5.87 billion. Imports came in at $6.3 billion.

Zheng, speaking on Sunday to delegates attending the first congress of members of the China Council for the Promotion of International Trade, called on foreign trade entities to work hard to fulfill the goal set by the Seventh Five-Year Plan (1986-1990).

He said every effort must be made to enhance China's foreign currency earnings through exports.

Zheng, quoting Premier Zhao's report on the Seventh Five-Year Plan, said that enhancing China's foreign currency earnings export is an important element in the nation's strategy to develop trade and tecnological relations with foreign countries.

It also affects the scale and course of domestic economic construction, he said.

The Seventh Five-Year Plan stipulates that by 1990 the country's export and import volume should reach $83 billion, an increase of 40 per cent over 1985.

Exports account for $39 billion of that figure, a 47.3 per cent increase over 1985.

China's own policy, he said, will ensure stable growth of the national economy and provide the country's foreign trade with a solid material base.

Zheng said the expansion of exports must start with production. It is urgent, he said, to establish production centres specially geared toward production of export goods.

Other measures he cited included: accelerating improvement of product quality, shifting the commodity structure from export of raw materials yo finished products and export of high quality finished machinery products.

He said the ministry will continue to grant large and medium-sized industries the power to deal directly in foreign trade.

Closer working relations between domestic foreign trade companies and between domestic companies and foreign producers must be strengthened, he said.

Meanwhile, Zheng said, overseas sales should be increased, with focus on Japan, Western Europe, North America, Hong Kong, Macao and Oceania.

He said foreign currency to be spent on technology imports will amount to 10 to 12 per cent of China's foreign currency expenditures in the 1986-1990 period.

Imports will concentrate on software, high technology and key production equipments.

The country will also continue to invite more foreign specialists to work in China, which Zheng called bringing in "living technology."

First Quarter Growth Noted

OW171312 Beijing XINHUA in English 1254 GMT 17 Apr 86

[Text] Beijing, April 17 (XINHUA) -- China maintained an all-round and coordinated growth during the first quarter of this year in industrial and agricultural production, capital construction, circulation and consumption, according to the State Statistical Bureau here today.

The bureau's spokesman Zhang Zhongji told reporters that China has seeded summer grain crops to 28.8 million hectares this year, 157,000 hectares more than the average of last year. He said that this ended the continuous shrinkage of the acerage under grain crops over the past few years. The crops are growing well in most places throughout the country, he added. At the same time, the acerage under peanuts, sesame and other oil-bearing crops, and sugarcanes has been enlarged by ten percent this year.

More materials, funds and technical assistance have been sent to the rural areas, and the peasants themselves have increased their input into land. He said that the first quarter of 1986 saw a 4.4 percent increase in total industrial production than the same 1985 period, itself a period of a quite high growth rate.

He said that marked growth was achieved in the production of energy, raw materials, those light industrial and textile commodities welcomed on the domestic market, and manufactured goods for export. The efficiency in transportation was also raised. Ports along China's coasts handled 9.1 percent more goods in the quarter.

He said that the total investment of the public sector in the transformation of the existing enterprises surpassed the growth in capital construction in the three months. Investments increased by 110 percent in projects to save energy, increase commodity varieties, raise quality and control pollution.

The domestic market was relatively stable and the consumers were more selective again. Official statistics showed that during the first quarter the prices of pork, eggs and vegetables maintained the December level of last year. The country's overall retail prices rose by 8 percent over the same 1985 period. With the expansion of production and circulation, the domestic state revenues rose fairly fast and the banks recovered more money during the quarter, the spokesman said.

'Appropriate' Growth Rate Urged

HK280946 Beijing CHINA DAILY in English 28 Apr 86 p 4

[By Huang Qing]

[Text] Central economic departments are calling on the nation's industries to aim for "an appropriate growth rate" in the second quarter of the year.

Chinese industry registered a 4.4 quarter, slower than the planned annual rate.

The central government is apparently expecting that rate to pick up slightly later this year.

But Tong Dalin, deputy minister in charge of the State Commission for Restructuring the Economic System, told CHINA DAILY: "The first quarter slowdown in the growth rate is not a big surprise. It is still possible to attain the planned average growth rate of 7.5 percent."

In Premier Zhao Ziyang's report to the National People's Congress on the Seventh Five-Year Plan (1986-1990) in March, the projected annual growth rate for industry was adjusted from 8 percent to 7.5 percent.

Deceleration in the growth rate in the first quarter, especially when compared to the 23.5 percent registered last year, has aroused some doubts that industry can attain the 7.5 percent target by year's end.

According to the Shanghai-based WORLD ECONOMIC HERALD, that city's output value increased 0.5 percent in January and 0.1 percent in February over the same two months a year earlier. The output of collectively owned business fell by 2.9 percent in the first month.

National output value in the first two months of 1986 went up by only 3.4 percent, and negative growth was recorded in some provinces and cities.

There are many reasons for this slowdown:

Last year's 23.5 percent first-quarter rise has made it difficult to achieve a much bigger leap.

Macro-economic control has curtailed galloping growth by cutting back on loans to industrial development.

Restrictions and defaults on loans has led to a "chain reaction" in capital supply, reducing the funds available for the expansion of production.

Rises in workers' salaries and the cost of raw materials has pushed up prices and reduced profits.

The annual Spring Festival holiday reduced industrial production.

The slowdown carries the omen of a continued downward spiral. The rise of industrial production in the second quarter must be promoted in a rational way by speeding up growth of stronger industrial sectors and exerting appropriate pressure on the weaker ones.

Authorities must also credit those major sectors, such as steel, non-ferrous metals and building materials industries, that performed well and maintained appropriate growth rates earlier this year.

One good side-effect of the current slowdown is stable prices. Supplied of raw materials remain normal, saving the country's foreign exchange spent to import goods from abroad.

Pressure from markets and government policies can be expected to work in tandem, spurring orderly growth throughout the rest of the year.

Foreign Deposits Increase

HK061240 Beijing ZHONGGUO XINWEN SHE in Chinese 0401 GMT 6 May 86

[Report: "The Amount of Foreign Currency Deposits by Individuals in China Totals Over U.S. $200 million"]

[Text] Beijing, 6 May (ZHONGGUO XINWEN SHE) -- A Bank of China official today told our reporters that since implementing the policy of letting people freely deposit and withdraw foreign currency in the country, the amount of foreign currency deposits by individuals in China has been increasing very fast. The amount of foreign currency deposits by individuals in China now totals over U.S. $200 million, an increase of over 20 percent over that at the end of last year.

The amount of foreign currency deposits by individuals in Guangdong Province now totals over U.S. $70 million, which ranks first in the whole country. Beijing, Shanghai, and Fujian rank second in the whole country, each with over U.S. $20 million in foreign currency deposits by individuals.

During the first 10 days of April this year, the rumor that circulated in some areas of Guangdong Province that China would soon change its regulations concerning foreign currency deposits led to a bank run in those areas. However, after the Bank of China news spokesman declared that no change would be made in the regulations concerning foreign currency deposits, the tumult soon subsided.

The Bank of China official believes that the Bank of China has great potential to attract foreign currency deposits by individuals. The bank has expanded its deposit service network. The Shenzhen Branch of the Bank of China has also provided computerized service, while the Zhuhai branch recently started the automatic currency withdrawal service and the credit card business.

SURVEY SHOWS GRAIN ACREAGE TO EXPAND IN 1986

OW280948 Beijing XINHUA in English 0722 GMT 28 Apr 86

[Text] Beijing, April 28 (XINHUA) -- This year's acreage sown to grain will be larger than that of last year, but still less than in 1984, according to a survey conducted among 745 of the more than 2,000 Chinese counties.

The survey made among 84,000 rural households shows that grain acreage will be increased by 1,860,000 hectares this year, compared to last year.

The areas of early rice and winter wheat increased by 0.2 to 0.6 percent while sorghum, corn, middle-season and late rice and soya bean will increase by 2.1 to 13.9 percent.

PROSPECTS FOR SPRING FARMING 'ENCOURAGING'

OW030514 Beijing XINHUA Domestic Service in Chinese 1225 GMT 2 May 86

[By reporter Zhou Yichang]

[Excerpts] Beijing, 2 May (XINHUA) -- Since right after the arrival of the first spring of the Seventh 5-Year Period, the nation's rural areas have been busily engaged in production. Distinctive characteristics of this year's spring production are that local as well as central authorities all have a clearer concept of agriculture as the foundation of the economy, the peasants have become more enthusiastic about producing food grain, and spring production as a whole is proceeding in an encouraging and coordinated manner.

At present, the nation's 28.8 million hectares of summer cereal crops are growing and ripening well. The wheat crop in such major grain-producing regions as Shanghai, Hebei, Henan, Shanxi, Sichuan, and Hubei is better than last year. Although the growth of the 4.7 million hectares of rapeseed is not as good as last year because of unsatisfactory conditions for sowing last winter, the sown acreage is over 400,000 hectares more than last year's acreage. It is expected that this year's total output of rapeseed will at least equal last year's.

This year, while planning the acreage of various crops, all localities have attached great importance to food-grain production. At the same time, they have also taken active steps to diversify their production according to the actual situation. To assure that the production of cash crops will not be affected, all localities have attended to raising the multiple crop index. While southern China has expanded the acreage of double-cropping rice, northern China has expanded the acreage of summer corn and sweet potatoes. It is estimated that 110 million hectares of cereal crops will be sown throughout the country this year, or some 2 million hectares more than last year. This year, the acreage of cotton and the acreage of other economic crops such as jute, ambari hemp, castor and peppermint, whose output has exceeded the demand, have been reduced. However, the acreage of peanuts, sesame, rapeseed, and cucurbit crops has increased by at least 10 percent, and the acreage of fruits, ramie, sugar-bearing crops, and tobacco has either increased somewhat or remained the same as last year.

Although the nation's output of food grain and cotton dropped last year because of natural disasters, compared with 1980, the total grain output nevertheless increased by more than 58 million metric tons, cotton output increased by 53.8 percent, the output of oil-bearing crops increased by 100 percent, and the peasants' per capita income doubled, reaching 397 yuan. This spring, except for a few economically undeveloped places which still suffer temporary food shortages, supply in the vast rural areas is generally abundant, and consumer food prices are stable. According to a survey of 196 country fairs, the average price of a jin of rice or wheat in early April was 4 to 6 fen higher than during the same period last year; and the prices of such nonstaple foods as pork, eggs, and vegetables during the first quarter were basically the same as those of late last year.

To consolidate the agricultural foundation and in addition to allocating more than 400 million yuan to support disaster-stricken areas, the state has also planned to invest an additional 900 million yuan in agriculture this year. The government is also ready to spend 120 million yuan in the next 3 years on setting up 113 bases in 27 provinces, autonomous regions, municipalities directly under the central government, and the 7 cities with provincial-level economic decision-making authority.

These bases will produce quality agricultural goods and other commodities and increase the output of 67 types of quality commodities, including rice, wheat, tangerines, lichi, longan, yangtao, famous teas, and flowers to satisfy the needs of exports to earn more foreign exchange as well as the needs of the people.

Ministries and departments under the State Council have also considered supporting agriculture and spring farming a major project. The Ministry of Water and Electric Power has instructed all power departments to ensure the electricity supply for spring irrigation and summer harvesting, sowing and plowing. The Ministry of Commerce has been actively ordering means of agricultural production from all sources to ensure production needs. The machine-building industry is actively producing farm machines and parts to ensure the needs in spring farming. The communications and railway departments have urged all localities to facilitate agricultural production by making timely delivery of fertilizers, pesticides, and other means of agricultural production to the rural areas. The Ministry of Agriculture, Animal Husbandry, and Fishery has considered leadership over spring farming its responsibility. Headed by the minister and vice ministers, one-third of the ministry's cadres have organized themselves into over 20 groups and have gone to various parts of the country to guide spring farming. All provinces, municipalities, and autonomous regions have also taken measures to intensify their leadership over agricultural production and have increased their agricultural investment.

AGRONOMISTS STRESS SCIENTIFIC CULTIVATION

OW040447 Beijing XINHUA Domestic Service in Chinese 0740 GMT 2 May 86

[By reporter Pu Liyi]

[Text] Beijing, 2 May (XINHUA) -- Agricultural experts called for close attention to the study and promotion of science and technology in crop cultivation in order to ensure that the goal of 900 billion jin in total grain output is reached during the "Seventh 5-Year Plan."

According to incomplete statistical data provided by the recently convened national academic meeting on crop cultivation and the founding meeting of the cultivation Research Committee of the China Crops Association, during the "Sixth 5-Year Plan" scientific and technical personnel engaged in crop cultivation undertook daring research closely connected with production in 112 projects commended by departments at provincial and higher level, of which 5 were awarded state level prizes. The experiences of those projects were applied to more than 600 million mu of farmland, playing a significant role in boosting grain output. For instance, the "index control method for wheat" has paved the way for using indices to manage wheat production. This was extended to a total of 45.5 million mu of farmland in 10 provinces and municipalities from 1980 to 1984 and received the state's second prize for technological progress. Besides, because of the key measures to improve cultivation technology the total acreage of hybrid rice was expanded from 70 million to 110 million mu and yield per mu rose from 500 jin in the 1970's, when hybridization was first extended in China, to more than 700 jin.

The 129 agricultural experts, professors, and scientific and technical workers from 28 provinces, municipalities, and autonomous regions attending the meeting held that the study of crop cultivation science has not been duly stressed in various localities. Some units have "problems in deciding subjects, obtaining funds, and evaluating results" in the study of crop cultivation and some units cannot find adequate success indicators for studying crop cultivation science and technology.

The participants hoped that the situation would be improved as quickly as possible in order to insure the fulfillment of the goal of increasing grain production by 30 million jin each year during the "Seventh 5-Year Plan."

TIAN JIYUN PLEDGES MORE AGRICULTURAL INVESTMENT

OW260934 Beijing XINHUA in English 0909 GMT 26 Apr 86

[Text] Beijing, April 26 (XINHUA) -- China must not treat grain production lightly but should keep increasing it steadily, said Vice-Premier Tian Jiyun.

From a long-term point of view, Tian said, grain is not overabundant in China but it is insufficient. China should continue to pay great attention to grain production and continue to promote the overall development of agriculture.

He said at a national work conference on the chemical industry that "it will be difficult for China to accomplish the modernization program if China, which has a one-billion population, does not lay solid foundations for agriculture and grain production, or solve eating and clothing problems first."

In the first four years of the Sixth Five-Year Plan (1981-1985) the annual increase rate for grain was 21 million tons.

In 1985, the total grain yield still reached 378.98 million tons despite severe natural calamities and reduction in grain acreage.

Tian Jiyun said China will invest more in agriculture in order to produce more. He pledged that China will increase investment in the production of chemical fertilizer and pesticide to ensure the steady growth of agricultural production. He urged the chemical industry to develop more weed killers and germicides, improve quality and guide peasants to use pesticide properly.

In order to accelerate the development of the chemical industry, the Chinese Government has put the raw materials industry -- which includes the chemical industry on the same plane as energy and transport in the Seventh Five-Year Plan period (1986-1990).

RURAL AGRICULTURAL CENTERS TO BE ESTABLISHED

OW040653 Beijing XINHUA in English 0602 GMT 4 May 86

[Text] Beijing, May 4 (XINHUA) -- Agricultural colleges operated by the Ministry of Agriculture, Animal Husbandry and Fisheries have offered to set up centers in poor areas to show local peasants how to develop agriculture.

According to the ministry, all the nine colleges under its administration have offered to undertake development and research in poverty-stricken areas. Although great changes have taken place in China's countryside in the past several years, some areas are still poor due to natural conditions and other reasons.

The aid-the-poor drive was started by the Hebei Agricultural College, whose teaching, research and agrotechnique popularization center in the poor Taihang Mountain area has proved to be very helpful among local peasants.

The ministry has decided to appropriate 200,000 yuan to support their development projects and promised to continue the financing over the next five years. The Beijing Agricultural University plans to set up a development demonstration center on the outskirts of Beijing.

The South China Agricultural University has already set up a development demonstration center in the mountainous area in Yingde County, Guangdong Province. Other demonstration centers will be set up in Jianping County and Jinxi County in Liaoning Province, around Huaiyin City in Jiangsu, the Dabie Mountains area in Anhui and Danfeng County in the Qinba Mountainous area in Shaanxi and Guangan County in Sichuan.

Four land reclamation schools and four aquatic product schools will also undertake some research and development projects in some land reclamation and fishing areas. Feasibility studies will be carried out in June and all the projects are expected to be put into execution in July or August, said the official from the Ministry of Agriculture, Animal Husbandry and Fisheries.

LAND RECLAMATION STRUCTURE TRANSFORMATION NOTED

HK270544 Beijing RENMIN RIBAO in Chinese 22 Apr 86 p 2

[Commentator's article: "Persist in Carrying out Reforms To Realize the Transformation of the Land Reclamation Economic Structure"]

[Text] The CPC Central Committee and the State Council recently issued a notice on approving the circulation of the report of the Ministry of Agriculture, Animal Husbandry, and Fishery on the issue of the reform on the land reclamation economic structures, demanding that the land reclamation department and its affiliated departments build a vigorous socialist land reclamation economy with Chinese characteristic in the reform. This notice, which points out the fundamental direction for the reform of the land reclamation department and its affiliated departments is a programmatic document guiding the overall reform of the land reclamation economy and opening up new prospects for the work of land reclamation.

Over the past few years, the land reclamation department and its affiliated departments have implemented the financial contract system, comprehensively carried out agricultural, industrial, and commercial operations, and established household farms so that the rigid operational structure has begun to be smashed, the vigor of enterprises has gradually been strengthened, and the reform has achieved marked success. Because the reform of the land reclamation economic structure was started much later than the reform of the rural economic structure and there are many problems in the land reclamation department and its affiliated departments which need to be solved, the reform of the land reclamation economic structure is much more difficult.

Since the transformation from the old economic structure to the new economic structure has just started, the state of "deadness and poverty" has not yet been fundamentally changed and the advantages and great potential of the enterprises of the land reclamation department and its affiliated departments have not yet been brought into full play. As far as the country as a whole is concerned, the land reclamation department and its affiliated departments have accomplished the task of large-scale land reclamation and farm construction and have entered the new historical period of transformation into specialization, commercialization, and modernization. In order to meet the needs of this new situation and bring into play the exemplary role of the land reclamation economy in the construction of the socialist agricultural modernization, our present task is to firmly grasp the reform of the economic structure to the new economic structure, and to further clear away the obstacles that hinder the development of farms.

In the past we changed the management structure of the land reclamation many times, including relaxing the control and then tightening the control again or tightening the control and then relaxing the control again. These changes, however, concentrated only on the administrative relations of the enterprises of the state farms built on reclaimed wasteland and did not change the economic structure in which the enterprises "eat from the same big pot of the state" and workers "eat from the same big pot of the enterprises." The basic orientation of the reform of the land reclamation economic structure is to greatly develop the diversified economy and horizontal economic cooperation and replace the old economic structure with the new one on the basis of giving more decision-making power to the farms. Separating the functions of the government from those of enterprises, simplifying administration, delegating more decision-making power to enterprises, and establishing household farms are all aimed at arousing the enthusiasm of enterprise operators by giving more management decision-making powers to the enterprises. More decision-making power should not only be delegated to the farms to enable the farms to become economic entities with independent accounting systems and with vigor and responsibility for their own profits and losses, but should also be delegated to the household farms to enable them to become economic entities which are linked with big farms and which are self-managed and responsible for their own profits and losses. While changing the internal economic relations, a diversified economy should also be developed in order to change the internal production structure. In a sense, the development of a diversified economy is the key to solving the issue of land reclamation. Without a diversified economy, it will be difficult for the land reclamation economy to develop greatly. In order to further carry out the reform of the land reclamation economic structure, we should also develop horizontal economic cooperation. Farms and household farms can also establish various kinds of economic contacts with local state-owned enterprises, collectively-owned enterprises, specialized households, and so on, so that they will be able to infiltrate into, depend on, and benefit from one another, develop together, and become economic combines with various levels and management methods. The above reforms in various aspects will link with one another and push one another forward. The core and basis of these reforms are to delegate more decision-making power to the farms and households farms and to arouse the enthusiasm of the enterprises and the workers. Only when the reforms in various aspects develop in a coordinated way and from top to bottom and when the internal relations and external contacts become vigorous can the land reclamation economy really be invigorated.

Some comrades are worried that dividing big farms into small ones (establishing household farms) and carrying out cooperation with various units will eventually break up the original state farms, thus making the state farms exist in name only. This worry is unnecessary. Dividing big farms into small ones conforms with the needs of economic development and will eventually expand the state farms and bring the role of the state farms into full play. We must not let the word "state-owned" bind our hands. The state farms, as the name suggests, are basically run by the state. However, in the state farms, the form of household management, collective economy, individual economy, and various types of ownership can also exist. The state farms can be big or small, state-run or privately-run, or jointly run by both the state and individuals so long as these methods can contribute to the development of the productive forces. Basically, the state farms should not be confined to the system of ownership by the whole people.

The reform of the land reclamation economic structure is a component part of the reform of the entire economic structure of our country, so the CPC committees and people's governments at various levels should strengthen their leadership over the reform. In particular the leaders at various levels of the land reclamation department and its affiliated departments who are facing the heavy arduous, and complicated tasks of carrying out the reform, implementing the policy of opening up and invigorating the economy, should strengthen their leadership over the reform, look at and guide the reform with a completely new outlook, and continue to explore and work in a down-to-earth manner so as to realize as quickly as possible the transformation of the land reclamation economic structure.

REEDUCATION WORK CAMP CONDITIONS EXPLORED

HK060635 Hong Kong AFP in English 0332 GMT 6 May 86

[By Pierre-Antoine Donnet]

[Text] Beijing, May 6 (AFP) -- The prisoner hesitates, embarrassed to state why he is here, then says "I am a pimp and I sold the services of four prostitutes between 15 and 20 years old for clients in Beijing before the police came and arrested me."

Zhang Chunxiao, 33, says he is happy to be where he has been for the past three years: The Tuanhe Re-Education Work Camp in a Beijing suburb. Since a national anti-crime drive began in 1983, pimping is often punished with a bullet in the back of the neck.

But the re-education camp solution may seem unjust for Liu Qinxi. Caught by police while trying to steal 120 yuan (37 dollars) from a Beijing bus, he is spending two years on this "model farm" where hard work is the route to pardon.

None of the prisoners here had a trial or benefit of an attorney. Their sentences were handed down by administrators of local police stations, said Liu Shili, who describes himself as the camp's "political commissar."

China's detention system is generally closed to foreign visitors, and the number of prisoners is not released. But Western legal experts here say up to 20 million are estimated to be in prisons, re-education camps and the more severe reform work camps.

For those considered delinquents and sent to camps for "re-education" through work, there's no need to embarrass oneself with a trial or pronouncement by a judge.

The police can pass sentences amounting to one year to three years, with up to an extra year for bad conduct.

A handful of journalists were able to visit re-education camps recently, including the Tuanhe facility, but none have been in the reform camps where the detainees, hardened criminals and an unknown number of political prisoners, can remain for life.

"Seventy-six percent of our residents, all men, are youths less than 25 years old, guilty of robbery, rape, indecent assault and hooliganism, said Mr. Liu, a Communist Party member since 1950. "Some are sons of cadres, the youngest are 16 and the oldest more than 50."

They sing patriotic songs or tunes they have composed to prepare for the day when they can leave, he said.

Fifty-one percent are workers; 28 percent are unemployed youth, eight percent secondary students, 1.6 percent university students and the others peasants and odd job holders, he said.

They are watched by 241 so-called "cadre-educators" in police uniform.

As in all the other camps and most of the prisons in the country, Tuanhe functions as an economic entity contributing to China's economic edification. As in civilian life, a responsibility system links revenue to production.

Prisoners are separated into work teams cultivating 3,000 hectares (7,410 acres) of grapes for a Sino-French firm producing white wine under the Dynasty label for sale in Chinese stores catering to foreign residents and tourists and for export to Asian countries.

The grapes reaped a 326,000 dollar profit for the camp in 1984, of which 60 percent went to the state; 80 percent of the rest was allocated to the guards and the remainder to the detainees.

The camp has a long sad history evidenced by the now unplugged electrified barbed wire, said the camp director, who has been there for 30 years.

Built in 1955, the camp harboured numerous arts personalities during the anti-rightists campaign launched in 1957 by Mao Zedong. Cong Weixi, vice president of the Writers Association of Beijing, was one of the inmates there along with several other leading writers.

During the Cultural Revolution and the ensuing radical period of 1966-1976, hundreds of cadres and leaders spent years here raising pigs.

The recent anti-crime campaign has added to the number of detainees: 2,400 in 1983 in 1984 and 2,700 last year. Eight percent of those who left Tuanhe went back to their old ways, despite 500 hours a year in political and "cultural" re-education, according to officials.

A poster near the front door at Tuanhe reads: "It is not permitted to enter or leave without the permission of the chief." When an AGENCE FRANCE-PRESSE correspondent finished interviewing one prisoner, a guard told the man, "now you go make a complete report in writing of what you told him."

RENMIN RIBAO URGES SUPPORT FOR PRC-BUILT PLANES

HK021249 Beijing RENMIN RIBAO in Chinese 29 Apr 86 p 2

[Article by Xu Bingxuan: "We Must Support the Production of Good Airplanes, the Prototypes for Which Have Been Accepted"]

[Text] The "Yun-8," a medium-range transport plane with a maximum average speed of 662 kilometers per hour and a maximum flight range of 5,612 kilometers, is produced by the Shaanxi Aircraft Corporation. The plane, with a cargo capacity of 20 tons, can fly north to south and from east to west of our country. The prototype of the plane was accepted in 1980, and the plane went into batch production in the same year.

The "Yun-8" is a good plane whose prototype has been accepted. The "Yun-8" has the following characteristics:

1. The "Yun-8" is safe and reliable. The planes produced over the past few years have flown to various cities and provinces all over our country. The plane has weathered high altitudes, high temperatures and extremely cold climates. Last year, on the eve of celebrating the 20th anniversary of the founding of the Xizang Autonomous Regional Government, two "Yun-8" planes undertook the task of transporting high-grade goods to Xizang. The planes flew to Xizang twice and successfully accomplished the task of transporting dozens of tons of goods and several hundred people to Xizang. The "Yun-8" planes have also undertaken tasks of transporting large quantities of military materials, providing disaster relief, rushing to deal with emergencies, and training paratroopers without a single accident.

2. No sophisticated technology is required to build runways for the "Yun-8". Since the "Yun-8" planes are equipped with the multiple-wheel and low-pressure-tire system, they can safely take off and land at our country's existing military and civil airports and even some simple airfields.

3. The price of the "Yun-8" is relatively low. Although the C-130, which is the same type of plane as the "Yun-8," is more advanced than the "Yun-8," its price is almost three times higher than the "Yun-8." What is more, we have to spend foreign exchange to buy C-130s and spare parts for them, and have to train the relevant personnel and so on.

4. The "Yun-8" can be used in multiple roles. The "Yun-8" can be used in both military and civilian role. The basic prototype of the "Yun-8" has been successfully reconfigured as a "maritime patrol airplane" and the "Black Eagle helicopter transport airplane." The development of the "Yun-8" has not only increased our country's types of military planes, but also saved a lot of foreign exchange for our country. The "Yun-8" can also be configured into an inflight refuelling plane and some other types of planes. After being successfully reequipped with pressurized cabins, the "Yun-8" can be used for a lot more purposes and can also be exported to the Third World countries.

The modernization of our country's national defense needs the "Yun-8." In the world today, the only planes which belong to the same type as the "Yun-8" are the C-130 produced by the United States and AN-12 produced by the Soviet Union.

The development of communications and transport undertakings needs the "Yun-8." As far as cargo is concerned, along with the development of the economic construction, more and more agricultural and industrial goods as well as domestic and foreign goods need to be transported by air so more transport planes are needed.

At present, some provinces, cities, and relevant departments are planning to establish air transport companies. The China Tenglong Air Transport Company has taken the first step by buying two ordinary "Yun-8" planes for transportation business. This shows the prospects for using the "Yun-8." As far as passenger transport is concerned, after being reequipped with pressurized cabins, the "Yun-8" will be able to carry 99 passengers.

The "Yun-8" is a good plane. After being reequipped with pressurized cabins and advanced avionics and after further increasing the "Yun-8's" durability, the "Yun-8" will certainly be used for a wide range of purposes and will have broader prospects. However, the development of the "Yun-8" must be properly protected by the state and strongly supported by the relevant departments.

1. Use tariffs to protect the "Yun-8."

2. Do not discriminate against Chinese-built planes and actively buy and use the Chinese-built "Yun-8."

3. The relevant departments should support the newly-established air transport companies. If more and more units use Chinese-built planes, the development of Chinese-built planes will surely be accelerated.

The China Tenglong Air Transport Company was established at the beginning of 1985. It has spent most of its time on going through the relevant procedures which have yet to be completed. The two "Yun-8" planes are still parked at the airport. The insurance premiums for the "Yun-8" are several times higher than for imported foreign-made planes.

Since the state and the people have paid a high price to manufacture the Chinese-built airplanes, and the Chinese-built planes are needed to build the four modernizations and to build a strong socialist country, all the relevant departments should show concern for the Chinese built airplanes and support their development. Only with the joint effort of all sides can Chinese-built airplanes continue to be developed.

BO YIBO ATTENDS HUNAN MAY DAY RALLY 29 APRIL

HK301215 Changsha Hunan Provincial Service in Mandarin 2300 GMT 29 Apr 86

[Recorded report on the May Day rally held at the Hunan Provincial CPC Committee Hall in Changsha on 29 April]

[Text] Attending the rally [at the Hunan Provincial CPC Committee Hall] are Bo Yibo, vice chairman of the Central Advisory Committee; Zhou Li, former member of the Central Advisory Committee; Wang Shitai, member of the Central Advisory Committee; as well as provincial party, government, and military leaders including Mao Zhiyong, Xiong Qingquan, Liu Zheng, Liu Fusheng, Wan Da, Jiao Linyi, (Chen Xinren), Shi Xinshan, and Jiang Jinliu. Liu Yue, chairman of the provincial federation of trade unions, is presiding over the meeting.

Amid warm applause, Comrade Bo Yibo, vice chairman of the Central Advisory Committee, makes a speech. Comrade Mao Zhiyong also delivers a speech. Following the conclusion of the rally, professional and part-time literary and art workers of Changsha will give a good performance.

Vice Chairman Bo Yibo stressed in his speech: We must uphold reforms, be good at studying, and struggle in a down-to-earth manner.

Bo Yibo said: The working class of Hunan has a glorious revolutionary tradition and has made profound contributions for the reunification of the motherland. Over the past 30-odd years since the founding of the state, the working class, together with the people of the whole country, has made great contributions to building socialism. Since the 3d Plenary Session of the 11th CPC Central Committee, the CPC Central Committee has formulated the principles and policies on opening up to the outside, stimulating the domestic economy, reforming the economic structure, and so on. The most important task for us at present is to carry out reforms which is another revolution that will affect China's future and destiny . The reforms will also play a decisive role in China's development for decades to come. Undoubtedly, the reforms are the prime task of the working class currently. They are also the cause of immediate concern for themselves and where their interests lie. In the course of carrying on the reforms, the working class should function as the major force. We should be ready at any time to meet and overcome problems that develop during them. At present, we live in a period in which the old system is gradually being replaced by the new one. It is inevitable that contradictions, frictions, and conflicts develop, but the major trend of the reforms must not be changed. Instead, we must resolutely uphold them. In order to achieve this, we must act in the spirit of innovating, and mut be good at probing for new ways. We should proceed with caution and summarize our experience so as to make constant progress. This will therefore require us to, first, uphold the reforms and be bold in innovating and, second, be good at studying and combining basic Marxist-Leninist theory with the actual conditions of China's reforms. We should study and support the study of the world's advanced technology and knowledge, as well as enterprise management skills. At the same time, we must always bear in mind studying methods which have proven to be effective for building socialism. Third, we must struggle in and carry forward the spirit of acting in a down-to-earth manner.

At the rally, Mao Zhiyong, secretary of the provincial CPC committee, in his speech urged all members of the working class and the working people of the province to actively devote themselves with political enthusiasm to the great practice of the reforms and economic construction so as to make new and greater contributions to invigorating the province.

Comrade Mao Zhiyong said: Under socialist conditions, the working class is the master of the enterprises, the state, and society. Therefore, we must take the undertakings of the enterprises, the state, and society as our own. We must give full play to our enthusiasm, initiative, and creative abilities. We should take the lead in mastering our own affairs. We must always bear in mind the lofty ideals of communism and uphold the communist attitude toward work.

Mao Zhiyong said: This year is the first year of the Seventh 5-Year Plan. Both the workers and all comrades of the province must resolutely give priority to reforms and strive to increase our gross industrial and agricultural output value to beyond 50 billion yuan. Under the prerequisite of improving economic results, the industrial front should strive to accomplish the goal of increasing the gross industrial output value to the level of 30 billion yuan. We must uphold the practice of grasping the two civilizations simultaneously, and ensure that there is a notable turn for the better this year in party style and the general mood of society.

Comrade Mao Zhiyong said: The provincial CPC Committee and the provincial government hope that all workers of the province will carry forward the glorious tradition of the working class, will strengthen their sense of undertaking an historical mission, of responsibility, and of honor. They should uphold the four basic principles and be united so as to contribute to accomplishing the Seventh 5-Year Plan and promoting a higher level of industrial production this year.

LI XIANNIAN, NI ZHIFU AT TIANJIN CONGRESS SESSION

SK290602 Tianjin City Service in Mandarin 0030 GMT 29 Apr 86

[Text] The 5th Session of the 10th Tianjin Municipal People's Congress successfully concluded on the afternoon of 28 April. During the 7-day session, deputies commonly discussed the major matters with regard to the municipality's Seventh 5-Year Plan, and satisfactorily accomplished all tasks of the session. Li Xiannian, Standing Committee member of the Political Bureau of the CPC Central Committee and president of the PRC, and Hao Jianxiu, member of the Secretariat of the CPC Central Committee, attended the closing ceremony of the 5th Session of the 10th Tianjin Municipal People's Congress, and cordially received all deputies to the Tianjin Municipal People's Congress and all Standing Committee members of the municipal CPPCC Committee. When Li Xiannian and Hao Jianxiu entered the meeting hall of the session in company with Ni Zhifu and Li Ruihuan, all participants in the session rose to give a warm applause. President Li Xiannian delivered an important speech at the session.

The executive chairman of the congress session included Tan Shaowen, Zhang Zaiwang, Bai Hua, Li Zhongyuan, Zhao Jun, Liu Zengkun, Yang Jianbai, Fan Quan, Han Tianyao, Yu Fujing, Shi Jian, Lu Fenyan, [words indistinct] and Yu Songting. The session was presided over by Zhang Zaiwang, executive chairman of the session.

Seated on the rostrum were responsible persons of the municipal CPC Committee, the municipal Advisory Commission, the municipal People's Government, the municipal CPPCC Committee, the municipal Higher People's Court, and the municipal People's Procuratorate, as well as some veteran comrades. They included Wu Zhen, Nie Bichu, Yan Dakai, Zhang Huaishan, Guo Chunyuan, Chen Bing, Yang Jingheng, Wang Xudong, Ji Zenghui, He Guomo, Chen Yiyi, Bai Hualing, Zhang Lichang, Hao Tianyi, Yao Jun, Liu Jinfeng, Li Lanqing, Lu Xuezheng, Li Changxing, Xiao Yuan, Zhou Ru, Huang Difei, Huang Yusheng, Yang Tianshou, He Zongqian, Kang Tiejun, Liao Canhui, Zheng Wantong, Huang Yanzhi, Wu Chengzong, Liang Guoqing, Wang Enhui, Lu Da, and Li Shusen.

At the session, participants unanimously adopted the resolution on the government work report, the resolution on the Tianjin's Seventh 5-Year Plan for the economic and social development, the resolution on the 1986 Tianjin economic and social development plan, the resolution on the implementation of the Tianjin's 1985 Financial Budget and the 1986 financial budget, the resolution on the work report of the Standing Committee of the Tianjin Municipal People's Congress, the resolution on the work report of the Tianjin Higher People's Court, the resolution on the work report of the municipal People's Procuratorate, the resolution on several stipulations concerning the drawing-up of the Tianjin's local rules and regulations, and the report on the examination of motions.

The congress session concluded amid the solemn playing of the national anthem.

HU QILI, OTHER LEADERS VISIT SICK PROFESSOR

OW042024 Beijing XINHUA Domestic Service in Chinese 1616 GMT 3 May 86

[Excerpts] Beijing, 3 May (XINHUA) -- Comrade Wang Li, a distinguished linguist, educator, poet, and translator as well as professor at the Beijing University, died of illness at 0930 today in Beijing at the age of 86. When Comrade Wang Li was in the hospital, Hu Qili, Deng Liqun, Wang Zhaoguo, Miao Yuntai, Yang Haibo, Li Gui, Li Ding, Li Ximing, Xu Weicheng, Chen Haosu, Wang Jialiu, and Li Bokang visited him; Zhou Shaozheng conveyed to him Comrade Deng Yingchao's cordial regards; Xi Zhongxu, Hu Qiaomu, and Li Peng asked their aides to call either the hospital or the school to express their concern; Ye Zhishen visited Comrade Wang Li on behalf of Ye Shengtao.

YAO YILIN ADDRESSES 3 MAY TRADE CONGRESS OPENING

OW031038 Beijing XINHUA in English 0935 GMT 3 May 86

[Text] Beijing, May 3 (XINHUA) -- Vice-Premier Yao Yilin extended congratulations on behalf of the State Council to the first member Congress of the China Council for the Promotion of the International Trade (CCPIT), which opened here today. Yao Yilin said at the opening ceremony, CCPIT had played a very important role in promoting China's foreign economic relations and trade since it was set up in 1952. He said, the general aim of the CCPIT work should through the non-governmental channel, develop the economic relations and contacts of friendship between the people of China and various countries and promote the foreign trade. It should become a capable assistant to the Chinese Government in its work of foreign affairs and foreign economic relations and trade, he added.

Present at the opening ceremony were also Vice-Premier Tian Jiyun and Minister of Foreign Economic Relations and Trade Zheng Tuobin.

As a non-governmental organization, CCPIT now has business contacts with more than 350 foreign organizations in over 160 countries and regions. After pursuing the membership system, CCPIT will provide services to China's economic entities as well as the governmental departments, localities and enterprises in their economic and trade activities with foreign countries, according to a CCPIT official. CCPIT now has 230 members, of them 102 are enterprises, including banks, insurance companies, foreign trade corporations, and coal, motor vehicle, iron and steel, and petro-chemical complexes, 42 organizations and 86 individuals. The programs of the two-day Congress include discussion and adoption of CCPIT constitution and election of its leading organ.

JINAN MILITARY HOLDS RALLY TO RELAY NPC GUIDELINES

SK012220 Jinan SHANDONG RIBAO in Chinese 20 Apr 86 p 1

[Text] On the morning of 19 April, the Jinan Military Region held a rally at Bayi Auditorium to relay the guidelines of the Fourth Session of the Sixth NPC. Leading comrades of the military region, including Li Jiulong, Gu Hui, Xu Chunyang, and Xu Sheng, some retired veteran comrades, and comrades who have retreated to the second line, as well as cadres and fighters of the PLA organs stationed in Jinan, totalling some 1,500 people, listened to the relay.

Rao Shoukun, NPC deputy and former commander of the Jinan Military Region, introduced the grand situation and the guidelines of the NPC, and relayed the main contents of Premier Zhao Ziyang's report on the "Seventh 5-Year" Plan. He said: The "Seventh 5-Year" Plan adopted at the NPC session reflects the desire of the people of various nationalities in our country. It is a programmatic document for China's socialist modernization construction in the coming 5 years.

Li Jiulong, commander of the Jinan Military Region, also spoke at the rally. He called on the PLA leaders at all levels to fully understand the great significance of this rally and to realistically relay and implement the NPC guidelines. He pointed out: In order to understand the NPC guidelines and to unify our thinking, we should particularly stress the importance of correctly understanding the situation, treating reforms, and firmly fostering the idea of subordinating to the overall situation of the country's ecnomic construction.

He said: Subordinating the building of the army to the overall situation of the country's economic construction is a strategic policy decision of the CPC Central Committee and the Central Military Commission. Through studying documents, we should further understand the relationship between building national defense and the country's economic construction. Only by doing a good job in the country's economic construction can we have a solid foundation for building up national defense. Our country's overall situation is to realize the "Seventh 5-Year" Plan. We should consciously submit ourselves to this overall situation. Our military region has done much in this regard and has scored very good achievements. In the future, we should make persistent efforts to actively participate in the construction of key state projects and to make greater contributions to safeguarding and building the motherland.

Gu Hui, deputy commander of the Jinan Military Region, presided over the rally.

JIANGXI GOVERNOR ATTENDS ECONOMIC REFORMS MEETING

OW301403 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 29 Apr 86

[Excerpts] The Jiangxi province-wide meeting on urban economic structural reform concluded today in Nanchang. The meeting had been called to implement the guidelines set by the National Conference on Urban Economic Structural Reform; analyze the situation in Jiangxi in conducting urban reforms, work out this year's tasks in this connection, and earnestly study the issue of strengthening lateral economic ties.

Jiang Zhuping, Standing Committee member of the provincial CPC Committee and vice governor of Jiangxi, presided. In his summing-up report, delivered at the meeting, Ni Xiance, deputy secretary of the provincial CPC Committee and Governor of Jiangxi, dwelled on the issue of persistently carrying out urban economic reforms and of further invigorating the provincial economy.

He said: To carry out urban reforms is new. Leading cadres at all levels must creatively implement the principle and policy, as well as various measures for reform set by the central authorities; give top priority to reform, and carry out their work in a creative manner.

Ni Xiance said: We must help various entrprises create necessary conditions, appropriately adapt to specific conditions, and boldly and reliably carry out reforms within their own authority. While meeting the general requirements of the state, we must allow various prefectures and cities to adopt more flexible economic policies.

On promoting lateral economic ties, Ni Xiance pointed out: It is urgent to tap the abundant natural resources in the province, further improve management in industrial and agricultural production, and develop a diversified economy and township industries. In old liberated areas, people must be helped to banish poverty and prosper as soon as possible. In achieving all this, we must vigorously promote lateral economic ties. We must adopt various measures to do this among various enterprises, and coordinate extensively between specialized departments to turn out more high-quality famous-brand products.

Ni Xiance also called on governments at all levels to strengthen their leadership over economic work, concentrate their efforts on carrying out production even more vigorously during the second quarter of this year, stir up the enthusiasm of people in all walks of life for production, increase production steadily, and ensure that all the semi-annual production targets are fulfilled by the end of June this year.

Liu Fangren, deputy secretary of the provincial CPC Committee, also delivered a speech. He discussed how to strengthen party leadership and triumphantly carry out reforms. Liu Fangren said: In order to carry out reforms effectively, leading cadres at all levels must thoroughly conduct investigation and study, profoundly understand the situation, and help solve problems whenever they are discovered. It is necessary to adhere to the principle of seeking truth from facts, and creatively carry out our work. We must vigorously support those engaged in reform, give them proper guidance and enthusiastically help them.

Liu Fangren said: To proceed from the actual situation in the province and develop lateral economic ties is of great importance in rejuvenating the economy in our province. We must foster mutual benefit to the extent of giving up our own benefits for others. As long as we can develop the economy in a whole area, we must do so even if we have to lose our benefits to others. We must act from the strategic point of view, and pay attention to long-term economic results. Otherwise, it is impossible to develop lateral economic ties.

On correcting party style and carrying out reforms, Liu Fangren said: A central leading comrade pointed out that it is impossible to carry out reforms without a correct party style. In correcting party style, all party organizations throughout the province must strengthen their education on party style, spirit, and discipline. The broad masses of party members must forever keep in mind the goal of wholeheartedly serving the people. Particularly, leading cadres at all levels must play their exemplary role. Leadership at all levels must dare to handle difficult, major, and important cases. At the same time, we must pay full attention to policy, distinguish the demarcation line between errors and unhealthy trends, and stir up the enthusiasm of the masses of cadres in promoting socialism. Liu Fangren said: With their emphasis on reform, the party organizations at all levels in the province must actively develop their ideological and political work, and vigorously propagate the general policy of the party Central Committee on reform. It is essential to educate people on fostering lofty ideals, moral integrity, education and a sense of discipline in the course of carrying out reforms. We must help people solve problems they may possibly encounter in the course of carrying out reforms with positive education and proper guidance.

At the same time, we must enthusiastically commend the advanced personages who have distinguished themselves in the course of carrying out reforms; encourage people to effect reforms; and build a mighty contingent of ideological and political workers. We must help political workers become more competent in doing their work, to fulfill our goal of carrying out reforms. Attending today's meeting were party, government and army leaders Jiang Zhuping, Wang Baotian, Zhu Zhihong, Liang Kaixuan, Qian Jiaming, (Sun Xiyue), (Chen Guideng), and Liu Jianhua.

RUI XINGWEN ATTENDS SHANGHAI MUNICIPAL CONGRESS

OW040825 Shanghai JIEFANG RIBAO in Chinese 30 Apr 86 p 2

[Excerpts] The Fifth Session of the Eighth Shanghai Municipal People's Congress held its third meeting yesterday afternoon. It was chaired by Pei Xianbai, executive chairman of the session. During the meeting yesterday, Wang Jian, vice chairman of the Standing Committee of the Shanghai Municipal People's Congress, delivered the report on the work of the Standing Committee of the Shanghai Municipal People's Congress. After reviewing the work over the past year, he said that when the meeting is over the Standing Committee of the Shanghai Municipal People's Congress will proceed with the following projects:

1) continue to strengthen the work of enacting legislation of local laws in a planned and selective manner; 2) continue to intensify its supervision over the implementation of laws and Shanghai's administrative, adjudicative and procuratorial work, and expedite the implementation of the decision on popularizing common legal knowledge, 3) make more thorough reserch of certain major issues regarding material and spiritual construction, especially issues concerning reforms and opening to the outside world; 4) do a good job in district, county, township and town reelections; and 5) continue to improve the operation of the Standing Committee itself and forge closer ties with the deputies.

The meeting yesterday also heard the report on the work of the Shanghai Higher People's Court delivered by Hua Liankui, president of the Shanghai Higher People's Court, and the report of the work of the Shanghai People's Procuratorate delivered by Wang Xing, procurator general of the Shanghai People's Procuratorate.

The executive chairmen of yesterday's meeting were Rui Xingwen, Chen Guodong, Hu Lijiao, Zhao Zukang, Wang Jian, Pei Xianbai, Wang Tao, Liu Jingji, Wu Ruoan (female), Tan Jiazhen, Liu Nianzhi, Zhu Wen, Cao Tianqin, Zuo Ying (female) (people in the following are in the order of the number of strokes in their surnames) Lu Su, Li Renjie, Li Boqiang, Wu Bochuan, Jiang Xiefu. Also those on the rostrum were Huang Ju, deputy secretary of the Shanghai Municipal Party Committee, and Vice Mayors of Shanghai Li Zhaoji, Liu Zhenyuan, and Xie Lijuan. Beginning today, the deputies of the Shanghai People's Congress will examine the three reports about the work of the Standing Committee of the Shanghai Municipal People's Congress, the Shanghai Higher People's Court, and the Shanghai Procuratorate.

RUI XINGWEN ADDRESSES SHANGHAI CPPCC SESSION

OW042057 Shanghai JIEFANG RIBAO in Chinese 30 Apr 86 p 1

[Text] The 8-day Fifth Session of the Sixth Shanghai Municipal CPPCC Committee successfully concluded on the afternoon of 29 April amid the majestic strains of the national anthem after completing all the items on the agenda.

The meeting, held in a lively atmosphere, gave full expression to democracy. All of the delegates spoke out freely, voicing their respective views and offering many good recommendations. The members were emotionally exuberant, thus imparting a truly harmonious and upbeat mood to the meeting. The closing session was ceremonially held at the Huxi Worker Theater at 1430 on 29 April. Seated at the rostrum were municipal CPPCC Committee Chairman Li Guohao and Vice Chairmen Mao Jingquan, Yang Shifa, Yang Kai, Zhao Chaogu, Xu Yifang, Ye Shuhua, Tang Junyuan, Dong Yinchu, Wu Wenqi, Zhou Bi, and Zhang Ruifang.

Also seated on the rostrum on invitation were National CPPCC Committee Vice Chairman Liu Jingji; leading municipal party, government, and military comrades Rui Xingwen, Jiang Zemin, Zhao Xingzhi, Liu Nianzhi, Shu Wen, Xie Lijuan, Wu Quangyu, and Pan Qihuai; and comrades Song Richang, Wang Zhizhong, and Yang Xuanwu. Officials of concerned departments, committees, offices, and bureaus were also present on invitation. Municipal CPPCC Vice Chairman Mao Jingquan presided over the meeting. With a show of hands, the members adopted a resolution approving Municipal CPPCC Committee Secretary General Fang Zhengfu's request for resignation, and elected a vice chairman, a new secretary general, and Standing Committee members to the Sixth Municipal CPPCC Committee. Thunderous applause greeted the newly elected Vice Chairman Yang You, secretary general, and Standing Committee members as they took their seats at the rostrum. Vice Chairman Yang You, aged 68, is a member of the Jiusan Society Central Standing Committee, the chairman of the society's Shanghai Municipal Committee, and a professor and the director of Jiaotong University's Shipping and Oceanography Research Institute. The meeting then adopted a political resolution of the Fifth Session of the Sixth Muncipal CPPCC Committee's Proposals Handling Panel on the proposals submitted during the session.

Speaking at the meeting, Rui Xingwen, secretary of the Shanghai Municipal CPC Committee, said: This meeting has been a great success. The members offered excellent opinions and proposals on Shanghai's material and spiritual civilizations and future tasks. In carrying out our future tasks, we will study and implement these opinions and proposals. Rui Xingwen gave the members a detailed explanation of the situation of and the tasks for transforming and invigorating Shanghai as well as building the material and spritual civilizations. He also discussed the current situation and future development trends, and voiced his hopes in connection with the people's political consultative work. Rui Xingwen hoped that the Shanghai Municipal CPPCC Committee will continue to carry forward the fine tradition of political consultation and democratic supervision, and make greater contributions to building Shanghai into a modern socialist city which is open, multifunctional, industrially sound, scientifically and tecnologically advanced, and highly civilized. On the matter of the great cause of national reulnification, he noted: The concept of "one country, two systems" is our basic national policy. In the course of enforcing this concept, the Shanghai CPPCC Committee has all the conditions for playing a more important role in reunifying the motherland and invigorating China.

Municipal CPPCC Committee Chairman Li Guohao also spoke at the meeting. He said: Shanghai's Seventh 5-Year Plan envisages a rosy prospect for a modern socialist Shanghai. New plans and tasks have provided the municipal CPPCC Committee with a new field of activity. We should expand our ties and cooperation with all quarters; intensify investigations and studies on special subjects; forge ties with compatriots from Taiwan, Hong Kong, and Macao, as well as Overseas Chinese; give full play to our role of political consultation and democratic supervision; fully exploit our comprehensive talent pool; and make fresh contributions to invigorating Shanghai and reunifying the motherland.

ZHEJIANG: TRANSFER OF PEOPLE'S ARMED FORCES PLANNED

OW021253 Hangzhou ZHEJIANG RIBAO in Chinese 25 Apr 86 p 1

[Dispatch by correspondent Zhao Renchun]

[Text] The provincial CPC Committee, the provincial People's Government, and the provincial Military District held a meeting from 23 to 24 April to make specific plans for transfering the People's Armed Forces departments over to the local authorities. The meeting urged military and local authorities to coordinate their efforts to ensure a smooth transfer.

Liu Xinzeng, member of the Standing Committee of the provincial CPC Committee and political commissar of the provincial Military District, and Wang Hungyi, deputy secretary general of the provincial People's Government, spoke at the meeting. Li Qing, commander of the provincial Military District, read the order of commendation for 89 cadres of the People's Armed Forces departments who had performed remarkably in facilitating the transfer.

So far the military and local authorities have been very concerned about the action and have made many preparations in this regard. Cadres of the Armed Forces departments in 89 counties and cities in the province have been assigned in the main. The newly assigned cadres of the Armed Forces departments look more spirited, and are younger, more professionally proficient and more knowledgeable. In dealing with the problems left over from history, the military and local authorities have followed the principle of yielding to and understanding each other. This has resulted in satisfactory solutions for problems that had remained unsolved for years and has laid a sound groundwork for the transfer of control of the armed forces departments.

The meeting noted that transfering the People's Armed Forces departments over to local authorities involves work in many aspects and demands a good understanding of the related policies. It is a complicated and systematic program that requires the military and local authorities to earnestly strengthen leadership. At present, the following work should be done successfully: 1) It is necessary to become reeducated by restudying the documents of the central authorities in light of the actual ideological situation and to make the transfer a process for strengthening the reserve forces for national defense; 2) It is necessary to stress unity and style, and strive to satisfy all parties involved in the transfer; 3) It is necessary to further straighten out the relationships in all aspects, and ensure a smooth channel of communications.

After their transfer over to the local authorities, the People's Armed Forces departments should sincerely follow the leadership of the county party committees and governments. Local party committees and governments should incorporate the work of People's Armed Forces departments into their normal scope of work. They should boldly exercise leadership over the People's Armed Forces while respecting their peculiar nature. The People's Armed Forces departments themselves should seek self-improvement, consciously maintain and display the fine traditions of the people's army, and firmly foster the idea of devoting themselves to strengthening the reserve forces for national defense. They should remember that although they are under the jurisdiction of the local althorities, their work is still military in nature and their workstyle should resemble that of a regular army.

GUANGXI'S WEI CHUNSHU STRESSES PROMOTING REFORMS

HK010309 Nanning Guangxi Regional Service in Mandarin 1100 GMT 30 Apr 86

[Excerpts] Chairman Wei Chunshu said in his report: The key to fulfilling the region's construction tasks for the Seventh 5-Year Plan lies in continuing to carry out deep going and systematic reform of the economic structure. During the period of the plan we should focus on the following items of work in our economic structural reform:

1. Continue to relax the policies. The leaders and departments at all levels must mentally establish the notion of the whole of Guangxi as a place practicing nationality autonomy. Apart from resolutely carrying out the central policies on economic reform, we must also implement the nationality regional autonomy law and the series of special regulations on economic and cultural development in nationality autonomous regions.

2. Streamline the administration and delegate powers, and further invigorate the enterprises.

3. Actively develop the socialist commodity market and gradually perfect the market setup. We must actively develop commodity circulation spanning different areas and departments.

4. Vigorously develop lateral economic ties and do still better in opening up to other parts of China and to the world. We must vigorously promote lateral economic ties spanning different areas and departments. The towns must dare to make market concessions and diffuse technology, capital, and information to the rural market areas. The rural areas must dare to make resource concessions and apply favored treatment policies to boldly attract capital, technology, and talent to help them develop. Guangxi must dare to make concessions on some of its interests to attract capital and technology from other provinces and regions and strive to obtain their help in helping the region to exploit its resources and develop its economy. We should continue to promote different sizes of open-style urban-rural cooperation zones, with the medium and small towns as their props, and do a good job in transferring technology, talent, and products.

5. Gradually change the government's management functions. We must change the previous practice of devoting our main energy to setting targets, approving projects, and distributing bonuses and materials, and gradually shift to focusing on making all-round plans, grasping the policies, organizing coordination, providing services, applying economic regulatory measures, and strengthening supervision and inspection. It is necessary to increase economic legislative and judicial work.

6. Get a good grasp of this year's reforms. This year the region must follow the unified arrangements of the central authorities, properly implement the principle of consolidation, digestion, replenishment, and improvement, and consolidate and develop the fruits of reform. We should also make preparations for a relatively big stride in reform next year.

HENAN SECRETARY ATTENDS MILITARY DISTRICT MEETING

HK301235 Zhengzhou Henan Provincial Service in Mandarin 1030 GMT 29 Apr 86

[Text] On 26 April, Yang Xizong, secretary of the Provincial CPC Committee and first secretary of the Henan Military District CPC Committee, spoke at the Sixth Plenary meeting of the Seventh Henan Military District CPPCC Committee, demanding that all PLA units throughout the military district make concerted efforts to forge ahead, strengthen the building of the PLA units and militia, and contribute to invigorating Henan's economy.

In his speech, Comrade Yang Xizong fully affirmed the achievements scored in all aspects of work since the Henan Military District carried out its streamlining and reorganization. He emphasized: The current tasks of building the PLA units and militia are very arduous. We must concentrate our energy, give prominence to the foci, and do well in grasping several aspects of the main work:

1. It is necessary to take the lead in realizing a fundamental turn for the better in party style. He said that in response to the central authorities' and Military Commission's call that the Army should be a vanguard example of straightening out party style, the comrades of our Henan Military District must take effective measures, work in a down-to-earth manner, realize a fundamental turn for the better in party style as soon as possible, and set a good example for the whole province.

2. It is essential to penetratingly carry out militia work reform and to seriously implement the CPC Central Committee's and Central Military Commission's principle on strengthening the building of the reserve forces for the new period. While adhering to all systems of militia work, we must vigorously organize and mobilize militiamen to participate in the reform of the economic structure, to develop commodity production, to complete the task of [words indistinct], to maintain the militia with productive labor, and to really build the militia into a powerful force which builds the two civilizations under party leadership.

3. It is imperative to seriously do a good job in changing the Armed Forces departments at the county level into local establishments. Proceeding from the overall situation and adhering to the spirit of mutual understanding and concessions, cooperation, and full consultation, the Army and localities must successfully complete the transition.

4. It is necessary to further strengthen the unity of the Army and localities and the unity of the Army and people. He demanded that the CPC committees and governments of the localities must carry forward the excellent tradition of the party commanding the Armed Forces, strengthen leadership over the People's Armed Forces work, and promptly help them solve problems. People's Armed Forces departments at all levels must conscientiously respect and obey the leadership of the CPC committees and governments of the localities, ask for instructions and make reports on their work on their own initiative, and act as assistants of the CPC committees and governments of the localities. They must vigorously take part in and support local reform activities and devote their energy to the development of the Henan's excellent situation.

FURTHER ON HENAN GOVERNOR 5-YEAR PLAN REPORT

HK030001 Zhengzhou Henan Provincial Service in Mandarin 1030 GMT 1 May 86

[Text] In his report on our province's Seventh 5-Year Plan, Governor He Zhukang pointed out: We must persist in relying on policies and science, and continuously strengthen agriculture -- the foundation. Governor He said: During the Seventh 5-Year Plan period, it is essential to continuously implement the principle of never relaxing grain production while vigorously carrying out diversification and to regard grain production as a major task. It is planned that total output of grain during the 5 years will be 24.1 million tons more than in the Sixth 5-Year Plan period. It is imperative to set up a large number of commodity production bases and to develop agriculture which can earn foreign exchange. In particular, we must increase the building of a large number of base counties for high-quality and high-yield commodity wheat. At the same time, we must take measures suited to local conditions to develop industrial crops. The province's output of cotton must be stabilized at 600,000 tons. Output of oil-bearing crops must reach 1.17 million tons by 1990. It is necessary to speed up the development of herbivorous livestock.

Gross output of meat by the end of 1990 must be 1 million tons, output of fresh eggs 600,000 tons, and output of aquatic products 120,000 tons. During the Seventh 5-Year Plan period, it is necessary to complete the task of afforesting the plain and to speed up afforesting the mountainous areas. The whole province's forest coverage rate must reach some 16 percent.

Governor He stressed: In agricultural development, we must rely on policies and science. In the aspect of science, we must lay stress on the development of new strains, new technology, and new machinery which suit our province's agriculture, make achievements in some advanced and practical scientific research as soon as possible, and raise economic results and labor productivity. In the aspect of policies, we must continue to carry out rural economic reform, further perfect the system of contracted responsibilities for agricultural production, lead and encourage the peasants to develop various forms of economic combines in accordance with the principle of voluntariness and mutual benefit, continue to protect the specialized households, maintain the peasants' enthusiasm for production and for selling grain, formulate regulations on encouragement and management as soon as possible, and strictly control capital construction and the building of houses on land in the rural areas.

It is necessary to rationally readjust the investment structure and to efficiently build a number of key projects of superior quality. This was emphatically pointed out by Governor He Zhukang in his report on the Seventh 5-Year Plan. Governor He said: The orientation for the readjustment of the investment structure in our province during the Seventh 5-Year Plan is:

1. We must continue to increase investment in energy resources, the raw material industry, and basic communications facilities and to suitably increase investment in agriculture, science, and education.

2. We must cut ordinary nonproductive projects so as to maintain a proper proportion of investment in both nonproductive and productive projects.

3. We must spend more funds on technological transformation, modification, and extension of existing enterprises.

Governor He pointed out: To meet the state's needs in gradually building central China into an important energy resources and raw material production base of our country, we must concentrate our forces to build a large number of key projects for energy resources, the raw material industry, communiations, and telecommunications. We must especially create conditions for starting as soon as possible key projects which have an important effect on our province's economic development.

On the present basis, it is essential to speed up technological transformation in enterprises, to develop the production of consumer goods, and to vigorously produce products of famous brands and superior quality. These are two aspects which Governor He Zhukang stressed in his report on the Seventh 5-Year Plan.

Governor He said: During the Seventh 5-Year Plan period, it is imperative to give priority to technological transformation. All trades and enterprises must work out measures for technological transformation and carry out these measures. The focus in technological transformation must be on the key sectors and products of the machine-building industry, the consumer goods industry, and the raw material industry and on large and medium-sized enterprises which have important effect on the overall situation. More than half of the large and medium-sized enterprises must carry out transformation within this year.

Governor He pointed out: To suit the change in urban and rural people's consumption structure, during the Seventh 5-Year Plan period, while continuously doing well in grasping the production of daily necessities, we must vigorously produce products of famous brands and superior quality, develop new varieties, and turn out new products. We must regard food, textiles, garments, leather, and consumer durables as the key points for bringing along the development of the whole consumer goods industry. At the same time, we must suitably develop the production of domestic electric appliances and small commodities.

HENAN SETS 'DEMARCATION LINES' FOR UNHEALTHY TRENDS

HK040241 Zhengzhou Henan Provincial Service in Mandarin 2200 GMT 3 May 86

[Text] According to HENAN RIBAO: The general offices of the Henan Provincial CPC Committee and People's Government have issued 10 policy demarcation lines regarding correcting unhealthy trends, in order to correctly and effectively straighten out unhealthy trends, ensure the smooth progress of reform, and promote economic development.

These demarcation lines, issued on 29 April, are as follows: 1) between certain mistakes in reform and unhealthy trends; 2) between the necessary social activities involved in business and spending public funds on feasting, drinking, extravagance and waste; 3) between paid services and improper income; 4) between reasonable remuneration and random payment of bonuses, subsidies, and goods in kind; 5) between diversified operations by state-owned enterprises and violations of law and discipline; 6) between price reform and random price hikes; 7) between correctly selecting and appointing cadres and abusing powers and appointing only acquaintances to posts; 8) between reasonable ways of raising capital and illegal financial activities; 10) between proper exposure of malpractices and making false accusations.

The general offices proposed: All prefectures, cities, departments, and systems can decide on specific regulations and criteria in light of the views of the two offices and in connection with their actual conditions, and gradually perfect them in the course of practice.

BRIEFS

GUANGXI SUGAR OUTPUT -- Nanning, April 26 (XINHUA) -- Sugar output of the Guangxi Zhuang Autonomous Region reached a record 850,000 tons during the 1985-1986 refining season, an increase of 40 percent over the last season. An official in charge of the region's sugar production attributed the record production to government support and the rising enthusiasm for sugarcane production of local peasants. From 1981 to 1985, 21 new large and middle-sized refining mills were built, while 41 old ones were renovated. The daily cane pressing capacity increased to 70,000 tons in 1985 from 36,600 tons 1979. At the same time, the raising of the purchase price of sugarcane stimulated cane production in the region's rural areas, which reported to have sold 7.5 million tons of cane this season -- 2.5 million tons more than last season.
[Text] [Beijing XINHUA in English 0701 GMT 26 Apr 86 OW]

REPORTS, COMMENTS ON TAIWAN PILOT'S DEFECTION

Tian Jiyun Meets Pilot

OW061417 Beijing XINHUA Domestic Service in Chinese 1133 GMT 6 May 86

[By reporters Yu Jiafu and Zou Aiguo]

[Text] Beijing, 6 May (XINHUA) -- Vice Premier Tian Jiyun this afternoon received Boeing-747 cargo jet pilot Wang Xijue, his father Wang Boxi, and his brothers Wang Mingan, Wang Pingan, and Wang Xishou. Tian Jiyun welcomed Wang Xijue on returning to the motherland and settling on the mainland. He said: "Mr Wang's action shows the common desire of the Chinese people to realize the peaceful reunification of the motherland and conforms to the historical trend. By returning to the motherland and settling on the mainland, Mr Wang reunited with members of his family whom he had not seen for many years. I wish to warmly congratulate the Wangs on their reunion."

Wang Xijue said: "It was my desire for many years to return to the mainland. When I was overseas, I always cherished the beautiful rivers and mountains of the motherland and its age-old culture. Many people in Taiwan miss the mainland like me." He said that since he is now back on the mainland, he would like to tour Sichuan and other localities. From now on, he will exert even greater efforts to serve the compatriots in the motherland and devote himself to the development of the mainland's civil aviation.

Tian Jiyun said: "Mr Wang has said that he wishes to continue to work in the civil aviation field. We welcome you to make contributions to the development of the motherland's civil aviation and to the four modernizations. Tremendous progress has been made in developing civil aviation domestically. From now on, even more impressive developments will be made. I believe that you can do much in this field."

Tian Jiyun continued: "I heard that Mr Dong Guangxing and Mr Qiu Mingzhi who flew to Guangzhou with you wish the return to Taiwan. Our policy is for exchange of trade, mail, air, and shipping services between both sides of the straits, and we affirm that people are free to come and leave of their own accord. We will fully respect their will. We mean what we say. Our deeds will be as good as our words. The way we handle this matter is aboveboard and reasonable. We believe that matters between Chinese should be resolved by Chinese. Since the aforementioned two crew members wish to return to Taiwan, and there are also business matters concerning how to deal with the plane and the cargo, the natural thing would be for China Airlines to have discussions with the Civil Aviation Administration of China."

Tian Jiyun concluded: "In line with the concept of 'one country, two systems,' it is in the interest of the Chinese nation to realize, first of all, the exchange of trade, mail, air, and shipping services and then the peaceful reunification of the country. We wish to use channels acceptable to both sides to actively promote exchange and cooperation in various fields between the two sides of the straits and to work with unremitting efforts for the peaceful reunification of the motherland."

Among those present on the occasion were Wang Shuming, deputy secretary general of the State Council; Hu Yizhou, director general of the Civil Aviation Administration of China; Chen Kaizhi, deputy secretary general of the Guangdong Provincial CPC Committe; Yang Qingshan, deputy head of the General Office of the Guangdong Provincial Government; and Fu Lixian, deputy head of the General Office of the Sichuan Provincial Government.

Beijing Press Conference

HK070828 Hong Kong HSIN WAN PAO in Chinese 7 May 86 p 1

[Special dispatch from Beijing: "Wang Hsi-chueh Gives Press Conference in Beijing"]

[Text] Beijing, 7 May -- Crew commander Wang Hsi-chueh, who flew a Taiwan China Airlines cargo plane to mainland China and asked to settle down there, gave a press conference in Beijing this morning at which he said that political affairs are rotten and corruption is serious in Taiwan. He also stressed that he made his own decision to return to the mainland of his motherland and this has nothing to do with anyone else.

This morning, Wang Hsi-chueh was still wearing the uniform of a crew commander of the China Airlines at the press conference. He read out a statement and said that although he is a KMT member and his official title is equivalent to a lieutenant colonel in the air force, he is discontented with the rotten political affairs and corruption in Taiwan and that the China Airlines system which he has served, is not sound either.

He stressed that it was his own decision to fly back to the mainland and he had not discussed it with his family in advance. He said, "What I have done is entirely my personal will and has nothing whatsoever to do with anyone else. I hope that the Taiwan authorities will act in the spirit of respecting human rights, freedom, and governing by law, and will not persecute my relatives, commanding officers, friends, and colleagues. They are all innocent." He also said that after returning to the mainland, he has not been rewarded but has only been given some pocket money.

Regarding crew members Tung Kuang-shin and Chiu Ming-chih who were in the same plane with him to China's mainland Wang Hsi-chueh hoped that the government would respect their wishes and let them return to Taiwan soon. Regarding how the cargo plane should be handled, he also hoped that the authorities can also return it to its owner as soon as possible.

Hu Yizhou, director-general of the Civil Aviation Administration of China, was also present at today's press conference.

Further on Press Conference

HK070906 Hong Kong AFP in English 0855 GMT 7 May 86

[Text] Beijing, May 7 (AFP) -- Wang Xinjue, the first Taiwan commercial pilot to defect to China, blasted the nationalist government on Wednesday, charging that corruption and crime are rampant on the island. The veteran China Airlines captain, explaining his decision to defect at a news conference in Beijing, said that the communist government in Beijing respects "freedom, human rights and law." Mr Wang, known in Taiwan as Wang Hsi-chueh, said that as a former member of the Kuomintang, Taiwan's ruling party, he was familiar with rampant corruption afflicting the Taipei regime.

"On the political level there are many corrupted officials," the 57-year-old pilot said, adding that there was also widespread corruption in China Airlines (CAL). "The situation of security and public order (in Taiwan) is very bad. There are a lot of crimes, thefts, murders and robbery," he said. "The secret police are everywhere." Mr Wang added that he believed "the law must be very strict" and said he favored executing people convicted of economic crimes.

The CAL pilot diverted a Boeing 747 cargo plane to an airport in southern China on Saturday. On Tuesday, after flying the plane to Beijing, Mr Wang was received by Chinese vice-premier Tian Jiyun in the great Hall of the People. He was assured by Mr Tian that Beijing would respect the wishes of the jumbo jet's other two crewmembers, co-pilot Dong Guangxin and technician Qiu Minzhi, if they wanted to return to Taiwan. Asked how the two crewmembers reacted when they realized the cargo plane was headed for China, Mr Wang said that no fighting broke out abroad the aircraft.

Mr Wang said that he decided to defect on his own and did not tell his wife or three children of his plan. He also appealed to Taiwan authorities not to "persecute" his family. Earlier, Mr Wang had said that his decision to defect was motivated by a desire to see his 82-year-old father, Wang Boxi. The CAL pilot, a native of Sichuan province in central China, left the mainland in 1949. He was reunited with his father and three of his brothers by Chinese authorities at Beijing airport on Tuesday.

Mr Wang also disclosed at the news conference that he had not received any type of reward from communist authorities for defecting, only pocket-money and clothes. Authorities in Beijing and Taiwan have offered rewards in the past to military pilots who defect.

Mr Wang expressed a desire to continue flying and "contribute to the development" of his adopted country, adding that he favored opening telephone, postal and air links between China and Taiwan. "I hope my arrival will represent the inaugural flight" between the Chinese mainland and the Nationalist island claimed by China, he quipped.

China has offered to turn the multi-million-dollar CAL jumbo jet over to a CAL crew, but the Taiwan flag carrier has been reluctant to enter into direct contact with authorities in Beijing. (Taiwan Government spokesman Chang King-yuh said in Taipei Wednesday that Taiwan would not negotiate with Beijing directly for the return of the jet. "The Chinese Communists are a rebellious group and our policy of 'no contact, no negotiations, no compromise' with the Peiping (Beijing) regime will never change," he told legislators. The handling of Captain Wang's plane would be no exception, he said.

CAL has asked Hong Kong based Cathay Pacific Airways to act as its representative in Beijing. Beijing authorities have not yet officially indicated whether they are prepared to accept this arrangement, saying that the affair is an "internal" one that should be worked out "between Chinese." The Kuomintang Party now ruling Taiwan fled there after they were defeated in China by the communists in 1949.

No Conclusions Reached on Incident

OW061656 Taipei CNA in English 1507 GMT 6 May 86

[Text] Taipei, May 6 (CNA) — China Airlines said it contacted the Hong Kong-based Cathay Pacific Airways Tuesday and learned that Cathay has not achieved any substantial success with the Peiping authorities in handling the case of the CAL cargo jet that was diverted to Canton on the China mainland last Saturday. No conclusions have been reached for the moment, CAL spokesman L. C. Lin said. CAL has engaged Cathay and given it full authority to negotiate with the Peiping regime for the return of the plane, crewmen and cargo. Cathay did not mention that the Peiping authorities have refused to accept its mediating role in the case as foreign wire services have reported, Lin said.

In Taipei the family of China Airlines pilot Wang Hsi-chueh, who flew a cargo jet to Canton last Saturday, asked the Peiping authorities Tuesday to allow the crewmen to meet the press in Hong Kong so that they can speak out their real wishes freely.

Meeting reporters at their house in Taipei Tuesday, the pilot's eldest son, in a statement, appealed to the international mass media to use their influence to push the Peiping authorities to release the three crewmen to Hong Kong. The junior Wang said he and his family absolutely did not believe that his father was willing to go to the mainland. He said he earnestly hopes that the Peiping authorities will let his father and the other two crewmen go to Hong Kong to tell the press their true intentions in a free atmosphere.

Meantime, Ku Cheng-han, secretary general of the Red Cross Society of China, said he has received formal requests from family members of the three stranded crew members asking the International Red Cross to help their husbands and fathers return home as soon as possible. Ku promised that he and all staffers at his society will do their best to accomplish the mission.

Communications Garbled Over Deal

HK070227 Hong Kong HONG KONG STANDARD in English 7 May 86 p 3

[Text] Is there a Beijing-Taipei standoff over the US$60 million jumbo jet which landed in Guangzhou on Saturday? A China Airlines official said yesterday it had conveyed a message to Chinese authorities through Hong Kong-based Cathay Pacific Airways (CPA). Sources in Beijing, however, say no such thing has happened. Cathay Pacific declined to comment. The same sources reiterated that any bid by CPA to mediate would be unacceptable.

In Taipei yesterday, a China Airlines official, Larry Lin, told the STANDARD that CPA sent them two reports in the morning and informed them that "action has been taken." But Mr Lin declined to elaborate while CPA officials in Hong Kong remained silent. Mr Lin also named two other possible mediators, the International Red Cross and the aircraft's insurance company. Chinese Government sources told the the STANDARD that CPA did not approach them.

The director of the Civil Aviation Administration of China [CAAC], Mr Hu Yizhou, said: "Our own affairs should be handled by our own selves" when he welcomed the defecting Taiwanese pilot. Earlier, the CAAC said it would appoint its Hong Kong office to start talks with China Airlines in Hong Kong. But the CAAC's Hong Kong office declined comment.

The STANDARD yesterday witnessed the arrival of three aviation officials from Guangzhou at the Hong Kong office, located at Gloucester Tower, Central. One of the officials said they were from Xiamen and had nothing to do with the affair. The local China Airlines office maintained that it would not deal directly with Chinese representatives, even if they were in Hong Kong.

ZHU HOUZE'S PROPAGANDA DEPARTMENT POLICIES ANALYZED

HK051500 Hong Kong MING PAO in Chinese 5 May 86 p 7

["Special dispatch" from Beijing by Keng Chun: "Zhu Houze's Speeches on Policies Have Evoked Strong Repercussions Among Intellectuals"]

[Text] Some Beijing University students who have always been active and very sensitive to trends in the ideological field recently called Zhu Houze, head of the CPC Central Committee Propaganda Department, expressing their agreement with and support for the main spirit of his speeches made on many occasions. Zhu Houze, now 55, was originally secretary of the Guizhou Provincial CPC Committee. He was appointed head of the CPC Central Committee Propaganda Department in August last year. His appointment as head of the Propaganda Department immediately drew the attention of intellectuals, who were expecting from him an early "notice to reassure the public." But unexpectedly, Zhu Houze rarely aired his views on ideological work, apart from making occasional public appearances at meetings and theaters.

Recently, however, Zhu Houze finally broke silence. From 18 April to 2 May, the Beijing press published four of his speeches, arousing strong repercussions among intellectuals. Some learned persons appraised his speeches on policies as having a "widespread impact." They said that Zhu Houze objectively and squarely answered some sensitive questions.

By the end of last year, some people on the mainland pointed out that following the implementation of the policy of opening to the world, there was a decline in social conduct and morality in spite of a rise in the economy and material production. Zhu Houze was very much dissatisfied with this comment, which was similar to the ultraleftist assertion during the Great Cultural Revolution that "although the satellite has gone up, the red banner has fallen down." He said: "I am included to this view; not only is our economic life full of vitality, an unprecedentedly lively situation has also emerged in the fields of theory, academy, literature, and art. Taken as a whole, literary creation is shaping much better than in any period in the past." He emphasized: "Opening to the world and introducing foreign technology will help promote not only China's economic construction, but also its ideology and culture. In the world today, no country or nation can monopolize the most excellent ideological, cultural, scientific, and technological achievements. Therefore, China must receive the fine historical and cultural heritage of other nations in the world as well as their advanced ideological, cultural, scientific, and technological achievements.

This newly-appointed head of the Propaganda Department described the storms that arose in the ideological sphere last year as "local" and of a "small-scale" nature. He said that some of these storms involved criticism in literature and art circles and discussions in the academic field and that others were arguments about the quality of literary works, in which inaccurate methods, wording, and reasoning were used. He suggested that to discard misgivings in intellectual circles, party and government departments in charge of cultural and artistic work as well as officials responsible for academic work should understand more the feelings of writers and artists for the people and make frequent contacts with people in intellectual circles so as to increase mutual understanding and trust. He pointed out that it was necessary to create a harmonious atmosphere, a lively and relaxed environment for airing views and launching competition among different styles and schools, and a climate for discussion and mutual criticism in the course of exploring and creating new things. He particularly stressed the necessity for independent thinking and for allowing different viewpoints to contend.

It was reported that Zhu Houze recently delivered a speech to all personnel of the Propaganda Department. He drew a parallel between work in the ideological sphere and Chinese medical treatment, saying that it was not appropriate to build up our health with "too much" ginseng and antler or to "release our bowels" with bezoar but that "mild nutritions" were recommendable. He pointed out that the method of making a radial turn should be encouraged, as a right-angled or abrupt turn was detrimental to the country and the people.

Zhu Houze keeps in touch with people who hold different views on the question of reforms. Wen Yuankai once told him that reformers had the feeling of being hit by arrow and falling from their horses. Zhu Houze encouraged him to carry out propagation on reforms among people who hesitate about and even oppose reforms, instead of disseminating reforms merely among those who favor reforms. It was reported that Zhu Houze recently invited Wen Yuankai to make a report in the Propaganda Department. The report was well received by department personnel. Some well-informed sources revealed that Zhu Houze made his speeches without a text or note. It was obvious that he was fully prepared for his speeches. It was not accidental for Zhu Houze to break silence under such circumstances, as his speeches represented the new views and trend of the CPC high-ranking leaders.

YANG SHANGKUN REPORTEDLY HEADS CPC HONG KONG SECTION

HK050850 Hong Kong HONG KONG STANDARD in English 5 May 86 p 7

[By Yau Shing-mu]

[Text] A top military expert and close aide to Chinese leader Deng Xiaoping is in charge of Hong Kong affairs in the Chinese Communist Party. He is 79-year-old Yang Shangkun, who leads a caucus called the Taiwan, Hong Kong and Macao Group. He is also a member of the Politburo which makes all the important party decisions. The party caucus is different from that of the state. The Director of the Hong Kong and Macao Affairs Office (HKMAO) under the State Council, Mr Ji Pengfei, is widely known to Hong Kong people as the man in charge. He is the highest ranking government official overseeing policies concerning Hong Kong. But within the party, Mr Ji is only a member of the caucus led by Mr Yang.

In China, the Communist Party is usually regarded as the supreme body above the state, and if views of the two bodies clash, it is the party caucus led by Mr Yang which will carry more weight than Mr Ji's one in deciding policies towards Hong Kong. Mr Yang is also the permanent vice-chairman and secretary-general of the Party's Central Military Commission which is headed by Mr Deng. He was the second party secretary of Guangdong Province when Hong Kong's party affairs were within the provincial domain. Mr Yang was recently seen with Mr Deng when the Chinese leader met Mr Fu Chao-chu, the president of CENTRAL DAILY NEWS, a Hong Kong based newspaper with a widely-read American edition.

Also a member of the party caucus is the Director of XINHUA news agency's Hong Kong branch, Mr Xu Jiatun. The agency's director is always the head of the party's organisation in Hong Kong, which is called the Hong Kong and Macao Working Group. Because Mr Ji and Mr Xu have equal status in the party, their operations are independent of each other, but they do co-ordinate. The caucus was formed when Beijing upgraded the status of the local XINHUA office and put Mr Xu in charge in 1983, just before the Sino-British negotiations on Hong Kong's future began. Another prominent figure in the caucus is Madam Deng Yingchao, the widow of late Premier Zhou Enlai, though she retired from the Politburo last September. The daily business of the caucus is looked after by Mr Yang Side whose background is unknown. But it is Mr Deng, who still sits on the Politiburo, who has a final say on all policies concerning Hong Kong.

PART II: WANG MENG DISCUSSES PRC LITERATURE, ART

HK050727 Hong Kong WEN WEI PO in Chinese 2 May 86 p 3

[Second and last installment of "Special Interview" by reporter Liu Min-yi from Beijing, 30 April: "Wang Meng on Reform Of Literature and Art"]

[Text] A reporter asked him whether works of an entertaining character should also be subjected to the requirements of socialism and the four modernizations. He indicated that in the course of his creation, as a serious-minded writer, based his works on his understanding of life and his pursuit of art and truth, rather than submitting himself to any orders imposed from outside. If he subordinated his literary creation to orders from outside, he would not be able to produce either serious work or work of an entertaining nature. He said: "Can we still amuse ourselves under orders? If you are assigned a task to laugh, can you really laugh? However, he also indicated that in our country's present conditions the Chinese writers have high hopes that the country's modernization could be achieved, the reforms could be successful, and the objective of building socialism with Chinese characteristics could be attained. He believed that all Chinese writers including Bai Hua and Liu Binyan also had such hopes.

Our Culture Has Vitality

Wang Meng did not agree with some people's appraisal that the level of modern Chinese literature and art was not high. He said: "Seen from historical traditions, China has an aged-old, rich, profound, and unique cultural tradition and, with the exception of the Han nationality, no other nationalities in the country can preserve their own integral and unique cultures at this time. This proves that our culture has vitality. However, it must be noted that a prolonged cultural stagnation has done damage to the country's various cultural undertakings including painting, music, and art. Our culture is in a difficult situation particularly because the cultural level of the whole population is not high and illiteracy can be found almost everywhere. The works of our writers, including Ba Jin and Ai Ging who are literarily most accomplished, have a limited readership among the peasants. If you go to the countryside, you will find that the peasants are still reading the libretto of "The Saga of the General Yang Family" and "The Eastern Expedition of Xie Rengui." After 1949, the writers were attacked and left in a secluded environment. This also contributed to a certain extent to the above-mentioned situation in the countryside.

As for the question of when higher-quality works will appear; Wang Meng held that more often than not, good works are not produced amid loud cries and profound works can be expected to appear when the people have calmed down. To put it briefly, he has great confidence in China — both in the Chinese culture and in the intelligence of the Chinese people. He said China has a strange character. It is said that China is tightly closed to international intercourse but sometimes, it is highly flexible in this regard. It sometimes rejects and sometimes accepts everything. It has managed to absorb India's Buddhism and Marxism well. It is also capable of receiving the newly-developed school of new art. This proves that our culture has the ability to meet any contingency and is well positioned to reach a higher level. As far as the cultural level is concerned, he thought that China's current level of poetry could not be considered low.

He Has Not Heard That the Central Authorities Have Ever Criticized the Novel "New Star"

Wang Meng has his own analysis about why no one in China has ever won the Nobel Prize for literature so far. He believes that impediments in language and ideology are the main causes of the state of affairs.

He said: Generally speaking, the Nobel Prize for literature is given to writers in the Orient exceptionally rarely. It can be said that together only two and a half prizes have ever been given to them. They were to India's Rabindranath Tagore, Japan's Yasunari Kawabata, and Israel's Shamuel Yosef Agnon. It is difficult to remove abstractions in language. After being translated into a second language, the works may become tasteless. If ancient Chinese poems are translated into free verses written in the vernacular, they may be changed or distorted beyond recognition. In addition, ideology also plays an important role in the appraisal of literary works by members of the selection committee, although they do not intentionally stress it.

Wang Meng indicated that he had not heard that any central leaders had criticized the novel "New Star" depicting the deeds of reformers, which attracted much notice and had some social effect after being adapted into a television drama and shown elsewhere. He said: The central authorities have never had any intention of criticizing "New Star." There have long been divergent views on the novel in the community. The proponents of the novel contend that the novel depicts the reforms, the struggle against bureaucratism, and the practices of adhering to conventions or old ways, which are existent in Chinese society. Those who are critical of the novel maintain that the novel oversimplifies life and art. The divergent views started when works were being selected for the Mao Dun Prize for Literature. "New Star" was among the nominated works and it was almost certain that it would win the prize. Finally it turned out that it failed, but the number of votes it got was second only to the prize-winning work. He said: This has never affected Ke Yunlu, the novel's author. He leaves for a visit to Los Angeles via Hong Kong tomorrow morning (1 May).

Liu Binyan Enjoys Considerable Popular Support

On the appraisal of Liu Binyan, he said that Liu is a highly popular writer. However, more often than not, he simplifies things into black and white. With regard to what he considers right, he will act as an eloquent defending attorney and with regard to what he considers bad and wrong, he will launch a destructive assault against it. However, he (Wang Meng) thought Liu Binyan lacked a sufficient, updated understanding of the world and life. For instance, in foreign countries, it takes at least several months to investigate and to begin court proceedings for sophisticated cases before any conclusions are reached about them. However, after making investigations and reaching his own conclusions on such cases, Liu Binyan publishes the cases in his articles with great confidence and in a clear-cut and quite affirmative manner. This causes the persons involved in such cases to take reaction, each having his own complaints. Crying and clamoring, some of them contend that he confuses the fact. Therefore, it is extremely difficult for the writers association to make any judgement in such circumstance and the only thing it can do in dealing with such cases is to make no judgement

On the Question of Jin Ping Mei [The Golden Lotus]

With regard to rumors circulating abroad and in Hong Kong in recent years, rumors skeptical that China has different ways in dealing with this work; that is, an expurgated edition for the people and the original edition for "high-ranking cadres" to read. Today Wang Meng formally clarified some facts and said that after liberation New China had never published the original edition of "Jin Ping Mei." By way of explanation, he said that under specific Chinese conditions, people believed widely that the description of sex in the work was extremely immoral and harmful. It is very difficult to explain this problem. He also admitted that the departments concerned criticized Zhang Xianliang in a comradely manner for his description of sex in his work "Half of a Man Is a Woman."

PRC TIES WITH JAPAN SECONDARY TO OVERALL POLICIES

HK300501 Hong Kong SOUTH CHINA MORNING POST in English 30 Apr 86 p 10

[By David Chen]

[Text] China's relations with Japan, which assumed a high priority for many years, are gradually taking a back seat as Beijing moves to establish a more balanced global diplomacy. This move, which comes belatedly, indicates a maturing of policies on the part of China's leadership and coincides with a perceptible cooling in Sino-Japanese relations. Long before the two countries established diplomatic ties in 1972, with the visit to Beijing by the then Japanese Prime Minister Mr Kakuei Tanaka, Beijing maintained a special relationship with Japan which few non-socialist countries could match. At the so-called people-to-people level, exchanges of visits with the Japanese were the most numerous and trade between the two countries proceeded at a steady pace, well ahead of that beween Beijing and countries of the West. The Tanaka visit brought bilateral ties to a new level and trade and other aspects of co-operation boomed as never before, though always much in Japan's favour. With the visit of Mr Deng Xiaoping to Tokyo in 1979 and later Mr Hu Yaobang's follow-up visit five years later, the "special relationship" that as the envy of many other nations apeared to be sealed for years to come. Nevertheless, the reawakening of sentiments reminiscent of the war years of more than four decades ago, first among the general populace and later voiced by the student population, has compelled the leadership to take a second look at Japan. One of the trigger points was the alternation of Japanese school textbooks which China and other nations in the region saw as an attempt to whitewash the history of Japanese military aggression in the 1930's and 1940's. The ensuring uproar resulted in the Japanese Education Ministry retracting some of its "amendments." Last year's official visit to the Shinto shrine by the Prime Minister, Mr Yasuhiro Nakasone, on the 40th anniversary of Japan's surrender, prompted yet another uproar on the mainland. While such sentiments were on the upswing, it became clear on the economic front that China's "special relations" with Japan had resulted in a trade imbalance heavily against China. Beijing was also disappointed at the sluggish rate of much-vaunted technology transfer. The debacle of the Boshan Iron and Steel Mills was a classic warning to China not to commit itself to major projects that look good on the surface but turn out to be white elephants. But it is the huge deficits China has chalked up in trade with Japan that forced the leadership to take steps to redress the issue. According to official statistics, China saw a deficit of 3.2 billion yuan (about HK$7.68 billion) in 1984, 5.22 billion yuan (about HK$12.53 billion) last year and for the first two months of this year, 845 million yuan (about HK$2.03 billion). At this rate, the trade imbalance with Tokyo for the year would amount to $5.26 billion yuan (about HK$12.62 billion).

It is small wonder that at the recent National People's Congress, the Government announced steps to curtail imports from Japan. At the same time, successive Chinese leaders have called on Japan to honour its promise of technology transfer. A week ago, a State Councillor, Mr Gu Mu, called on Japan to exchange views in order to reach a consensus for solving problems in their economic co-operation, trade, technology transfer and establishment of joint ventures. Such a call is timely if a slide in Sino-Japanese relations is to be halted. They have been dented by what China perceives as a series of slights or provocations. And if nothing is done, the ill-feeling that can be detected among the general population cannot be ignored by the leadership. The steps taken, then, by the Beijing authorities could be far more drastic than the cancellation of conracts a few years ago. And however friendly, many present leaders may feel towards Japan, they will be compelled to act now out of their own personal likes or dislikes but in what they consider to be the interest of the nation.

FBIS DAILY REPORT

China

CONTENTS

Vol I No 089 8 May 1986

PRC INTERNATIONAL AFFAIRS

GENERAL

Reagan Asks USSR To Fulfill Arms Talks Commitments A 1
U.S., Soviet Arms Negotiators Trade Criticism A 1

UNITED STATES

Further Reportage on Visit of PLA Chief Yang Dezhi B 1
Holds Talks With Weinberger B 1
Conversation With Bush B 1
Baker to Sino-U.S. Joint Economic Meeting B 1
AFP Views Visit B 1
Wang Bingqian Hosts Banquet B 3
Discussions Begin 8 May B 3

SOVIET UNION

Soviet Envoy Presents Credentials to Li Xiannian C 1
PRC To Continue Nuclear Power Development C 1
Washington-Moscow Hot Line Due for Upgrading C 1

SOUTHEAST ASIA & PACIFIC

NPC's Peng Chong Lauds Sino-Australian Ties E 1
Singapore Prime Minister Meets Chen Muhua E 1
Pacific Rim Symposium To Open in Australia E 1

MIDDLE EAST & AFRICA

Li Xiannian Meets Guinea-Bissau Parliamentarians I 1
Hu Yaobang Meets Zairian Official 7 May I 1
Zhang Jingfu to Kuwait for Investment Talks I 2
Delegation Arrives 3 May I 2
Gulf Representatives Attend I 2
Meets With Crown Prince I 3
Briefs Symposium I 3
Tian Jiyun Meets With YAR Trade Minister I 4
Tian Jiyun Meets Gabonese Commerce Minister I 4

PRC NATIONAL AFFAIRS

RENMIN RIBAO Urges Enforcement of Tax Law [3 May] K 1
Socialist Democracy in Modernization Stressed K 2
[RENMIN RIBAO 8 May]
State Council Regulations on Education Surcharge K 4
Railways Minister on Reform Efforts in Work K 5
Unhealthy Practices Criticized K 6
Communications Minister on Unhealthy Trends K 7
JINGJI CANKAO Discusses Price Reform, Trends [22 Apr] K 7
State Bureau Urges Vigilance on Vegetable Prices K 10
Song Ping Inspection Tour of Shandong Province K 11
Wan Li, Hu Qili View Shandong Troupe Performance K 12
Wan Li, Others Attend Painting Exhibition K 13
Yu Qiuli Addresses Political Work Meeting K 13

PRC REGIONAL AFFAIRS

EAST REGION

Ni Xiance Delivers Report at Jiangxi Congress O 1
Rui Xingwen Attends Shanghai Congress Closing O 2
Shanghai CPPCC Committee Political Resolution O 3
[JIEFANG RIBAO 30 Apr]
Zhejiang Armed Police Stage Antiriot Exercise O 4

SOUTHWEST REGION

Yunnan Leaders Attend May Day Gathering Q 1
Yunnan Governor on Seventh 5-Year Plan Targets Q 1
Yunnan Military Corrects 'Unhealthy Practices' Q 2
[YUNNAN RIBAO 19 Apr]

TAIWAN

Further Report on Defected Taiwanese Pilot V 1
Official on 'Peiping' Actions V 1
Red Cross Asked To Aid V 1
CAL Spokesman Statement V 1

HONG KONG MEDIA ON CHINA

CHENG MING on Background of Wang Meng Appointment [1 May] W 1
Ma Ding Case Sparks CPC Theoretical Dispute W 3
[CHENG MING 1 May]
Editorial Criticizes Taiwan Refusal To Contact PRC W 6
[SOUTH CHINA MORNING POST 8 May]

REAGAN ASKS USSR TO FULFILL ARMS TALKS COMMITMENTS

OW080730 Beijing XINHUA in English 0715 GMT 8 May 86

["Reagan Calls on Soviet Union To Implement Mutual Commitments" -- XINHUA headline]

[Text] Washington, May 7 (XINHUA) — U.S. President Ronald Reagan today called on the Soviet Union to "get down to business" at the next round of arms control talks to be started on May 8 in Geneva and fulfill its commitments made by Mikhail Gorbachev at the U.S. -Soviet summit last November. In a statement issued after his return from the economic summit of seven major Western industrial nations in Tokyo, Reagan said that during the last round of talks, "little progress" was made. He blamed that on the Soviet Union, which he said has failed to act on the pledges made to him by Gorbachev in Geneva last November. The Soviet Union has not provided "a constructive response" to U.S. proposals concerning strategic arms reductions and space weapons, Reagan said.

"It is high time now for the Soviet Union to get down to business by addressing seriously with us in Geneva the practical implementation of the mutual commitments which Mr. Gorbachev and I made at the summit," Reagan said. He added, "If the Soviets truly join us in this vital effort, real progress in nuclear arms reductions is clearly within our reach."

Meanwhile, a senior government official told reporters that the U.S. aim in the coming round of talks is three-fold: to press the Soviet Union for an agreement on verification measures, to move closer to an agreement on medium-range nuclear missiles in Europe and to "get the Soviets off the dime" [as received] on strategic weapons.

U.S., SOVIET ARMS NEGOTIATORS TRADE CRITICISM

OW071403 Beijing XINHUA in English 1347 GMT 7 May 86

[Text] Max Kampelman, the chief negotiator at the Geneva arms talks, today rejected the the criticism of his Soviet counterpart Victor Karpov of the recent U.S. raids against Libya. Both Kampelman and Karpov arrived here today for the fifth round of U.S.-Soviet nuclear and space arms negotiations which start on May 8. Upon his arrival, Karpov said that "indeed, most recently -- this time outside the negotiations -- the United States has taken actions openly aimed at escalating tensions and heightening the military threat."

Kampelman said the Soviet negotiators remarks were "an evident reference and direct criticism" of the U.S. air raids on Libyan cities on April 15. "A regime, with 120,000 of its troops invading and subjugating Afghanistan and its people, is in no moral or political position to feign outrage when we defend ourselves against Libya's undeclared war," he said. The U.S. negotiator said his delegation is always ready to go ahead with nuclear disarmament and he called on the Soviet side to proceed with serious negotiations.

FURTHER REPORTAGE ON VISIT OF PLA CHIEF YANG DEZHI

Holds Talks With Weinberger

OW070746 Beijing XINHUA in English 0736 GMT 7 May 86

[Text] Washington, May 6 (XINHUA) -- The U.S. Defense Department today said in a prepared statement that the meeting between visiting Chinese People's Liberation Army (PLA) Chief of Genreal Staff Yang Dezhi and U.S. Secretary of Defense Caspar Weinberger centered on the progress of "military technological cooperation programs." During the meeting at the Pentagon, Yang and Weinberger exchanged views on the current international situation and issues of common concern. The statement described the talks as "cordial and friendly."

Yang was accompanied by Han Huaizhi, deputy chief of general staff of the Chinese People's Liberation Army, Chinese Ambassador to the U.S. Han Xu, and Zhang Wutang, defense attache of the Chinese Embassy.

Richard Armitage, U.S. assistant secretary of defense for international security affairs, and Lieutenant General Richard Burpee, a U.S. Joint Chiefs of Staff director, joined Weinberger. Yang arrived here yesterday afternoon at the invitation of Admiral William Crowe, chairman of the U.S. Joint Chiefs of Staff. Crowe and Yang also met today.

Conversation With Bush

OW080731 Beijing XINHUA in English 0708 GMT 8 May 86

[Text] Washington, May 7 (XINHUA) -- U.S. Vice President George Bush met with visiting Chinese People's Liberation Army (PLA) Chief of General Staff Yang Dezhi at the White House today. They had a friendly conversation. Also present on the occasion were Han Huaizhi, deputy PLA chief of general staff, Han Xu, Chinese ambassador to the United States, and Zhang Wutang, defense attache of the Chinese Embassy. Among those on the U.S. side was Admiral William Crowe, chairman of the U.S. Joint Chiefs of Staff. Yang is here for a visit at the invitation of Admiral Crowe. He and his party had talks with John Whitehead, U.S. acting secretary of state, and General John Wickham, chief of staff of the U.S. Army, this afternoon on international issues.

This evening, Han Xun hosted a return dinner at the Chinese Embassy for the occasion of Yang's visit to the United States. At the dinner, Yang and Crowe toasted for a further development in the friendship between the two peoples and friendly contacts between the armed forces of the two countries. Yang will leave here tomorrow to tour other parts of the country where he will visit some military establishments.

BAKER TO SINO-U.S. JOINT ECONOMIC MEETING

AFP Views Visit

HK060620 Hong Kong AFP in English 1213 GMT 6 May 86

[By Lawrence Macdonald]

[Text] Beijing, May 6 (AFP) -- U.S. Treasury Secretary James Baker is to question Chinese officials about their tightening of foreign exchange restrictions and the effect on foreign businesses during economic discussions here this week, Western diplomats said.

In addition to meetings with Mr. Wang, Mr. Baker was expected to see Chinese Premier Zhao Ziyang, President Li Xiannian and other Chinese leaders, said the diplomats, who added that they did not know if top Chinese leader Deng Xiaoping would receive the treasury secretary.

Mr. Wang and other Chinese officials were expected to seek detailed information on U.S. macroeconomic management including the social security and the Federal Reserve systems, for reference in designing ongoing Chinese reforms, the sources added.

The United States is China's third largest trading partner after Japan and Hong Kong, with 1985 bilateral trade up 27 percent to eight billion dollars, and U.S. businesses are second only to Hong Kong in the size of their investments here, U.S. figures showed. But the Sino-U.S. economic relationship is dogged by Beijing's dissatisfaction with alleged U.S. protectionism and U.S. dissatisfaction with Chinese investment conditions, including foreign exchange restrictions and lack of access of domestic markets, analysts said.

Recent foreign currency restrictions have hurt some U.S. interests here, with one company, and American Motors Corporation joint venture, forced to curtail assembly of its jeeps for two months due to lack of foreign exchange for imported parts, analysts said. China moved to re-centralize foreign currency expenditures late last year after a flood of consumer imports pushed the country towards a record 14-billion-dollar annual trade deficit.

Diplomats said Mr. Baker would seek to learn how long the foreign currency squeeze would continue and what plans China had for resolving the problem, but cautioned that a breakthrough on this or any other issue was "non-imminent." Mr. Baker was also expected to raise the U.S. desire to expand a 1983 joint maritime agreement by granting the United States greater access to China's shipping market in exchange for expanded Chinese access to U.S. ports and a reduction in tonnage tarrifs, the diplomats said.

The two sides would in addition discuss multi-lateral economic issues including the upcoming General Agreement on Tariffs and Trade (GATT) talks, the diplomats added.

U.S. Embassy officials said the JEC meeting would be followed next week in Washington by the fourth session of the Sino-U.S. Joint Commission on Commerce and Trade (JCCT), a body formed by the U.S. Commerce Department and the Chinese Foreign Trade Ministry, which would further discuss questions raised during Mr. Bakers's visit.

(In Washington, THE WASHINGTON POST reported last week that Chinese Vice Premier Yao Yilin would represent the Chinese side at the opening and closing of the JCCT during an as-yet-unannounced visit to the United States.)

Both commissions were expected to reaffirm the desire of China and the United States to conclude a bilateral investment treaty but no significant progress was expected, Western diplomats said.

Differences over expropriation procedures, third party arbitration and "national treatment" have brought talks on the treaty, now in their third year, to an impasse, the diplomats said. "National treatment" would guarantee U.S. firms and joint ventures in China access to state-controlled material equal to or better than that enjoyed by domestic firms.

China has signed investment treaties with 15 developed trading partners and is unwilling to make special concessions to the United States, while Washington considers that extensive U.S. trade and investment interests here require further protection, analysts said.

Mr. Baker, who was to arrive here from Tokyo, was to hold two days of talks and meet members of the U.S. business community and reporters before returning to the United States on Saturday, U.S. Embassy officials said.

Wang Bingqian Hosts Banquet

OW071446 Beijing XINHUA in English 1442 GMT 7 may 86

[Text] Beijing, May 7 (XINHUA) — Chinese State Councillor and Minister of Finance Wang Bingqian gave a banquet here tonight in honor of a U.S. delegation here to attend the sixth meeting of the Sino-U.S. Joint Economic Commission. The delegation is headed by Treasury Secretary James A. Baker.

Speaking at the banquet, Wang said that at the meeting delegates from both sides will introduce the economic development and economic policies of their respective countries, exchange views, and discuss and seek solutions to problems existing in Sino-U.S. economic cooperation. He expressed his belief that through cooperation and joint efforts by the two delegations the meeting will surely achieve results.

Baker said that both sides share the responsibility for seeking ways to improve their economic and commercial relations. The U.S. delegation arrived here this afternoon to attend the 6th meeting of the commission, to be held in Beijing from May 8 to 10.

Discussions Begin 8 May

OW080956 Beijing XINHUA in English 0942 GMT 8 May 86

[Text] Beijing, May 8 (XINHUA) — The sixth meeting of the Sino-United States Joint Economic Committee opened in Beijing today. It will last for three days.

Finance Minister and State Councillor Wang Bingqian, who is head of the Chinese side on the committee, and U.S. Treasury Secretary James Baker, head of the American side, co-chaired today's opening session. In opening speeches they dealt with bilateral economic development in both countries.

Wang said trade between China and the U.S. had expanded last year. Quoting Chinese statistics, he said total bilateral trade had been worth 7.3 billion U.S. dollars — 20 percent more than in 1984. He said he was pleased the United States had taken some steps to relax restrictions on the transfer of technology to China over the past two years.

China and the U.S. had made new progress in investment over the past year. Bilateral co-operation was moving toward larger projects, and had expanded from tourism and light industry to many important industrial, scientific and technological areas, such as coal, oil, hydroelectric power, nonferrous metals, aviation and electronics. By the end of 1985, the negotiated value of direct U.S. investment in China had reached 2.1 billion dollars, and more than 130 Sino-U.S. joint ventures had been approved by the Chinese Government. This was 5.7 percent of all Sino-foreign joint ventures in China. Wang said this direct U.S. investment in China, although less than that of Hong Kong and Macao, was now greater than any other country's, both in terms of total value and number of projects.

Baker said that despite the great expansion of bilateral economic ties over the past few years, much more needed to be done to fully realize the potential. He noted that trade volume had grown again last year, and that the price and quality of Chinese goods had proven competitive compared with imports from other countries. Ever since the relaxation of controls on U.S. high-tech sales to China in 1983, the volume of U.S. high-tech exports to China had shown a marked increase, he said. Last year, U.S. investment in China had totalled more than one billion dollars.

He believed that China's recently-approved Seventh Five-Year Plan (1986-1990) and the continued economic restructuring offered great hope to the diligent Chinese. Later, the joint committee held group discussions on macroeconomic control, investment and trade.

SOVIET ENVOY PRESENTS CREDENTIALS TO LI XIANNIAN

OW061510 Beijing XINHUA in English 1458 GMT 6 May 86

[Text] Beijing, May 6 (XINHUA) -- Oleg Aleksandrovich Troyanovskiy, newly-appoint Soviet Ambassador to China, presented his credentials to Chinese President Li Xiannian here today. The Soviet ambassador arrived here April 29.

PRC TO CONTINUE NUCLEAR POWER DEVELOPMENT

OW080123 Beijing in Russian to the USSR 1800 GMT 6 May 86

[Text] Jiang Shengjie, director of the PRC Nuclear Safety Administration noted on the 3 May that the accident at the Chernobyl Nuclear Power Plant in the Soviet Union near Kiev will not influence the progress of nuclear power development the PRC has stated.

Jiang Shengjie remains head of the Science and Technology Commission the PRC Ministry of Nuclear Energy. He was the chief engineer of the largest nuclear plant in northwest China, and was in charge of building the largest nuclear reactor in China.

Jiang Shengjie noted that, in the design of nuclear power plant reactors, China has been helped by foreign experience and has adopted the safest design programs. At the Daya Wan and Taishan nuclear plants in our country, three solid protective screens have been constructed to ensure safety, preventing radioctive gases from escaping into the atmosphere, even in the event of a similar accident as that in the Soviet Union.

WASHINGTON-MOSCOW HOT LINE DUE FOR UPGRADING

OW011118 Beijing XINHUA in English 1050 GMT 1 May 86

[Text] Washington, April 30 (XINHUA) -- The crisis communication link between Washington and Moscow, or "hot line" as is commonly called would soon be upgraded, reported the ASSOCIATED PRESS (AP) here today.

Robert Ribera, U.S. assistant secretary of state for communications, told AP that the three-day talks (April 23-25) between U.S. and Soviet technical experts had decided to improve the hot line "sometime this year." Ribera was head of the U.S. delegation at the talks.

This happened at a time when U.S.-Soviet relations registered a slump because of the U.S. air attack on Libya in mid-April and the Soviet Union's cancelation of the meeting between U.S. Secretary of State George Shultz and Soviet Foreign Minister Shevardnadze for preparation of a second Reagan-Gorbachev summit.

A State Department official also told AP that despite the issue of Libya, the possibility of a second summit was being discussed in a tentative way through diplomatic channels, and that in late May or early June the rescheduling of the Shultz-Shevardnadze meeting would start.

NPC'S PENG CHONG LAUDS SINO-AUSTRALIAN TIES

OW071852 Beijing XINHUA in English 1825 GMT 7 May 86

[Text] Canberra, May 7 (XINHUA) -- Peng Chong, vice-chairman of China's National People's Congress (CNPC), said today that marked results have been achieved in economic cooperation, scientific, technological and cultural exchanges between China and Australia.

Peng, the leader of the visiting NPC delegation, made his remarks at a dinner held for Duglas McClelland, president of the Australian Senate, Speaker of the House Joan Child, and other members of Parliament.

Referring to the international situation, Peng said that both the Chinese and Australian Peoples "need peace and share the desire to develop our respective economies and build up our countries in an international environment free of the threat of war and particularly the threat of a nuclear war."

President McClelland replied that the delegation's visit "has demonstrated the importance of further stregthening the relationship between Australia and China."

In conclusion, Peng invited the Senate president and speaker of the house to visit China.

SINGAPORE PRIME MINISTER MEETS CHEN MUHUA

OW071347 Beijing XINHUA in English 1332 GMT 7 May 86

[Text] Singapore, May 7 (XINHUA) -- Singapore Prime Minister Lee Kuan Yew told President of the People's Bank of China Chen Muhua here this afternoon that he hoped the two countries could further strengthen exchange in financial circles. Lee said he encouraged financiers of Singapore and China to promote their cooperations through exchange of views and personal visits.

During the meeting, Chen Muhua, who is also Chinese state councilor, expressed her admiration for Singapore's economic developments in recent years. Chen will conclude her visit in Singapore tomorrow morning and fly to Kuala Lumpur for an official visit to Malaysia.

PACIFIC RIM SYMPOSIUM TO OPEN IN AUSTRALIA

OW072100 Beijing XINHUA in English 1517 GMT 7 May 86

[Excerpt] Hong Kong, May 7 (XINHUA) -- The emergence of China as a major economic power in the Asian-Pacific region will be a key topic for discussion at a coming international trade, finance and investment symposium in Perth, Western Australia, the symposium organizing committee chairman Gary Pearce announced here today.

He told a press conference that the symposium, which will be held from November 17 to 19, "is attracting strong interest from countries bordering the Pacific Basin." More than 200 requests have been received for priority registration from North America, Europe, Asia and Australia, he said.

The three-day symposium, he said, will devote a half-day session to China and its growing impact on the economy of the region. It is planned to have U.S. President Reagan and Australian Prime Minister Robert Hawke to open the symposium on November 16 in a satellite hook-up between Perth and Washington, Pearce added.

LI XIANNIAN MEETS GUINEA-BISSAU PARLIAMENTARIANS

OW061524 Beijing XINHUA in English 1508 GMT 6 May 86

[Text] Beijing, May 6 (XINHUA) -- President Li Xiannian said today that people all over the world, including those in the Soviet Union and United States, demanded peace and opposed war and hegemonism. Li was speaking at a meeting with a delegation from the National People's Assembly of Guinea-Bissau, led by Assembly President Carmen Pereira, at Beijing's Great Hall of the People.

Pereira said Guinea-Bissau and China, both developing countries, should strengthen their friendly co-operation and make joint efforts to safeguard world peace. She said she had been greatly impressed by the developments she had seen in cities and rural areas during her current visit to China.

Li said China had experienced some setbacks, mainly due to "leftist" concepts, but the country was now heading in the right direction, and the peasants were very happy with the introduction of the responsibility system which rewards effort. Some people were beginning to prosper before others, but there would not be a polarization of wealth because of the dominant position of public ownership in the economy.

Present at the meeting were Wang Hanbin, secretary-general of the National People's Congress Standing Committee, and Luo Qiong, a Standing Committee member. The Guinea-Bissau delegation left Beijing for home tonight.

HU YAOBANG MEETS ZAIRIAN OFFICIAL 7 MAY

OW071421 Beijing XINHUA in English 1353 GMT 7 May 86

[Text] Beijing, May 7 (XINHUA) -- Chinese Communist Party General Secretary Hu Yaobang said here today that the 20th century is, to a great extent, the history of the peoples of Asia, Africa and Latin America. Hu made this remark during a meeting with a delegation from the Zaire Popular Revolutionary Movement headed by Gambembo Fumu Wa Uladi, member of the Central Committee of the Zaire movement and general secretary for relations with friendly parties of the movement's Central Committee.

Hu noted that this century has witnessed the awakening of the peoples of most countries in Asia, Africa and Latin America as they have won their national independence. Hu said that these countries have succeeded in defending their independence and developing their economies, and play an important role in international affairs. The economic development of these countries, including China, is not very satisfactory because of the poor economic base resulting from exploitation by imperialism and colonialism, abnormal economic relations between developed and developing countries, he added. Hu said the newly independent countries need solid support from their peoples in their economic construction and national defense against external aggression and subversion.

Sharing Hu's view, Gambembo Fumu Wa Utadi said that Zaire holds that the economic construction of a country should serve its people. He said that Zaire is willing to strengthen its unity with other Third World countries so as to promote South-South cooperation.

Both sides held that the two countries should develop their friendship and that their economic cooperation has a bright future. Among those present was Zhu Liang, head of the International Liaison Department of the Chinese Communist Party Central Committee. The delegation arrived here April 28 at the invitation of the Chinese Communist Party.

ZHANG JINGFU TO KUWAIT FOR INVESTMENT TALKS

Delegation Arrives 3 May

OW031645 Beijing XINHUA in English 1446 GMT 3 May 86

[Text] Kuwait, May 3 (XINHUA) -- Chinese State Councillor Zhang Jingfu arrived in Kuwait today at the head of a Chinese economic delegation to take part in the China-Kuwait investment talks. Among members of the delegation are 28 Chinese business executives representing 70 Chinese firms. They will negotiate with representatives of 56 firms of Kuwait and other Gulf countries for foreign investment in China. Talking to reporters on arrival, Zhang Jinfu said that during his visit to Kuwait, he would discuss with Kuwaiti leaders ways to promote mutual understanding and friendship between the two countries.

During the investment talks, the Chinese delegation will brief the businessmen of the Gulf states on China's laws and regulations governing foreign investment in China and help those businessmen who are interested in making investment to contact the relevant Chinese enterprises, Zhang said. He hoped that the economic cooperation between China, Kuwait and other Gulf states can set an example for the South-South cooperation.

Kuwaiti Minister of Finance and Economy Jasim Muhammad al-Khurafi welcomed the Chinese delegation at the airport.

Gulf Representatives Attend

OW050050 Beijing XINHUA in English 0015 GMT 5 May 86

[Text] Kuwait, May 4 (XINHUA) -- A China-Kuwait symposium on investment opened at the headquarters of the Kuwait Fund for Economic Development here Sunday afternoon. Chinese State Councillor Zhang Jingfu, Kuwaiti Minister of Finance and Economy Jasim al-Khurafi, representatives from 70 Chinese companies and enterprises and 56 companies in Kuwait and other Gulf countries were present at the symposium.

Speaking at the opening ceremony, Al-Khurafi, who is also the head of the Kuwaiti delegation, said that relations between Kuwait and China have constantly developed over the past two decades and crystalized by the conclusion of the commercial agreement by the two countries in October 1980. The agreement signed between China and Kuwait in November 1985 to encourage and protect investments aims at creating frameworks and systems for encouraging Kuwaiti investors to operate in China, he noted.

The present symposium, Al-Khurafi said, is aimed at acquainting investors in Kuwait and other Gulf countries with the investment environment and chances in China and offering an opportunity to exchange views so that they can know better the economic situation and the possible investment fields in China.

Zhang Jingfu, head of the Chinese delegation, said that there exist great potentials for the economic cooperation between China and Gulf countries. The rich oil resources in the Gulf region have accumulated a tremendous amount of funds for the Gulf countries to make their investment abroad and the giant Chinese market provides a good opportunity for China to absorb foreign capital, he said.

The Chinese official stressed that both sides should integrate their respective advantages into a new and more formidable force in order to make contribution to the flourishing of our respective countries, the revitalization of the Third World, the promotion of the South-South cooperation and the boom of international economy. He proposed that more official or non-governmental channels be established by both sides to study the tasks and working methods of the would-be established coordination organizations.

At the three-day symposium, the representatives from 56 companies and enterprises in Kuwait, Saudi Arabia, Qatar, Bahrain and the United Arab Emirates will hold concrete discussions with the 28 Chinese representatives. The Chinese delegation will acquaint investors from Kuwait and other Gulf countries with the Chinese economic policies and the laws on foreign investment.

Meets With Crown Prince

OW051926 Beijing XINHUA in English 1830 GMT 5 May 86

[Text] Kuwait, May 5 (XINHUA) -- Kuwaiti head of state expressed the hope today that the friendly relations between Kuwait and China can reap more plentiful fruits. Receiving the visiting Chinese State Councillor Zhang Jingfu, who led a Chinese delegation to attend the China-Kuwait investment talks, Amir Jabir al-Ahmad al-Sabah said that the exchange of visits between leaders of the two countries would contribute to the development of the relations.

Zhang Jingfu told the amir that the cooperation between Kuwait and China in petrochemical industry would be an example of South-South cooperation. He also renewed Chinese Chairman Li Xiannian's invitation to the amir for a visit to China at a suitable time and Jabir express his wish to visit China again.

In his meeting with Zhang Jingfu, Kuwait Crown Prince and Premier Sa'd al-Abdallah al'Salim al-Sabah praised today the Chinese Government's stand for the support of the Arab cause, particularly the just cause of the Palestinian people.

Zhang Jingfu expressed his gratitude to the crown prince for his concern over the strengthening of economic cooperation between the two countries and help given to the convening of the investment talks.

Briefs Symposium

OW050030 Beijing XINHUA in English 0007 GMT 5 May 86

["Chinese Official on Foreign Investment in China (by Tong Jizhan)" -- XINHUA headline]

[Text] Kuwait, May 4 (XINHUA) -- China has utilized 21.6 bullion U.S. dollars of the foreign capital by the end of 1985 and more than 6,300 equity joint ventures, contractual joint ventures and enterprises with exclusive foreign investment have been established within the Chinese territory a senior Chinese official said here today. Visiting Chinese State Coundillor Zhang Jingfu said that more than 2,000 of 6,300 projects have gone into operation, 90 percent of which have gained profits, he added.

Zhang made the remarks here today at the opening ceremony of a three-day China-Kuwait investment symposium which was attended by representatives from 70 Chinese companies and enterprises and 56 companies in Kuwait and other Gulf countries.

Zhang said that during the Seventh Five-Year Plan period, China will encourage foreign businessmen to invest in the key lines of new technology-developing industries such as energy exploitation, transportation and communications, construction of harbour and wharf, metal materials, new type of building materials, post and telecommunication, high grade precision machinery, electronic parts, refined chemical industry, light industry, food industry, agriculture, animal-husbandry and fishery. "We especially encourage foreign investors to put their money on technology-intensive projects and those whose products can be exported and earn foreign exchange," Zhang emphasized.

The Chinese state councillor, who visited Kuwait in March last year, praised the friendly cooperation between China and Kuwait in the past years, and said that the cooperation between China and Kuwait is a new form of cooperative relation falling in the category of South-South cooperation based on "equality, mutual benefit, stress on practical results, diversity in form and achievement of common development."

Zhang said that the rich oil resources in the Gulf region have accumulated a tremendous amount of funds for Kuwait to make investment abroad and the giant Chinese market provides a good opportunity for China to absorb foreign capital. "We should integrate the advantages on both sides into a new, more formidable force in order to make contribution to the flourishing of our two countries, the revitalization of the Third World, the promotion of South-South cooperation and the boom of international economy," he pointed out.

Zhang the hope that the Chinese entrepreneurs and the financial and business circles from Gulf countries will work jointly to make the cooperation between them the model for the South-South cooperation and to promote the friendship between China, Kuwait and other Gulf region countries.

TIAN JIYUN MEETS WITH YAR TRADE MINISTER

OW031658 Beijing XINHUA in English 1519 GMT 3 May 86

[Text] Beijing, May 3 (XINHUA) -- Vice-Premier Tian Jiyun, met Fuad Qa'id Muhammad, minister of supply and trade from Yemen Arab Republic, here today. Tian said he was pleased to see the continued deepening of the friendship between the two peoples and the increasing development of the economic relations and trade between the two countries. Tian and Minister Fuad shared the desire to expand the cooperation in the fields of economy and trade based on equality and mutual benefit.

TIAN JIYUN MEETS GABONESE COMMERCE MINISTER

OW031654 Beijing XINHUA in English 1510 GMT 3 May 86

[Text] Beijing, May 3 (XINHUA) -- Chinese Vice-Premier Tian Jiyun met with a trade delegation from the government of Gabon led by Ntoutoume-Emane, minister of state in charge of commerce and consumption, here this afternoon.

Ntoutoume-Emane, a private advisor to Gabonese President El-Hadj Omar Bongo, visited China with the president on three occassions.

During the meeting Emane told Tian that he has brought letters from President Bongo to Chairman Deng Xiaoping and Premier Zhao Ziyang. This afternoon Zheng Tuobin, minister of foreign economic relations and trade, held talks with Ntoutoume-Emane on further growth of bilateral economic relations and trade at the State Guesthouse here.

RENMIN RIBAO URGES ENFORCEMENT OF TAX LAW

HK071533 Beijing RENMIN RIBAO in Chinese 3 May 86 p 1

[Commentator's article: "Safeguard the Solemnity of the Tax Law"]

[Text] Since the measure of substituting tax payment for profit delivery was adopted, most of the state revenue has come from taxes. Effective tax management and tax collection work will ensure replenishment of the state treasury. On the other hand, if there are loopholes in our tax management and collection work, the state will lose substantial tax income from various tax items and from various localities. Therefore, we must safeguard the solemnity of the tax law and readily strengthen our tax management and collection work. This is of great significance.

In recent years, although our tax management and collection work has been strengthened, tax evasion by collectives and individuals was still rather common. Some people used every possible means to evade taxes in violation of the tax law in order to seek extra gains for their small collectives or for themselves. Some people even openly refused to pay taxes and committed violence against tax collection personnel. A small number of localities and departments violated the tax mangement system by granting tax reductions or exemptions without authorization. Last year, the general tax and financial examination of the whole country found large amounts of taxes evaded by means of all descriptions, and the tax evasion cases involved many units and individuals in various fields. Apart from the weak sense of the legal system and the erroneous ideas of selfish departmentalism, a main reason for the occurrence of these tax evasion cases was that there were still many loopholes in our tax management work. In particular, the tax management and collection system was not sound enough, and the tax law was not enforced strictly enough. This gave many opportunities to people who tried to evade taxes and enabled them to escape legal punishment after breaking the law. This state of affairs not only affected state revenue, but also disturbed reform and corrupted our party style and public conduct.

Article 56 of the PRC Constitituion stipulates: "It is the duty of citizens of the People's Republic of China to pay taxes in accordance with the law." Our existing tax law also clearly specifies the tax items and tax rates for all kinds of units and individuals. The "tax management and collection regulations" recently promulgated by the State Council further stipulate the procedures, systems, and methods of tax payment. All taxpayers should strictly follow these tax laws and regulations. Thus, they will not pay more taxes than they should and can protect their legitimate economic benefit; at the same time, they will be prevented from evading taxes that they should pay so that the state's economic interests can also be ensured. A person may act against the interests of the state and the people and may also harm his own interests if he does not understand the tax laws and does not pay taxes according to these laws. Many enterprises and individual businessmen now lack sufficient knowledge of the tax law. Some even do not know that they are doing wrong as they violate the tax law, and some change the state tax policies and regulations at will and even regard this practice as "reform." They do not understand that the tax laws and regulations are laid down by the state authorities and must be strictly enforced throughout the country without exception. Henceforth, cadres at all levels and all taxpayers should often study the relevant tax policies and regulations laid down by the state so as to improve their legal knowledge, to better abide the law, and to ensure the healthy development of all undertakings within the limits prescribed by the law.

Strict enforcement of the tax management and collection regulations is the key to improving our tax management and collection work. Once a law is promulgated and comes into force, all organizations and individuals must absolutely abide by it, and those who violate it must be punished. The regulations clearly stipulate that people who have direct responsibility for cases of evading or refusing to pay taxes, and people who support, abet, and harbor other people who evade or refuse to pay taxes must be subject to economic sanctions, and if necessary, should be brought to court for trial. Overdue taxes must be paid and a fine shold be imposed on them. Those who offend the criminal law should also be sentenced to imprisonment.

The tax management and collection regulations also stipulate that no local authority, department, unit, or individual is allowed to make any decision that goes against the tax law and the tax management system. This is an important principle emphasized repeatedly by the state in recent years. Governments and departments concerned at all levels, as well as all tax-paying units and individuals, must act within the limits prescribed by the relevant tax laws and regulations laid down by the state, and must not adopt any private countermeasures against the state tax policies. They should all consciously safeguard the tax law, exemplarily enforce the tax law, and promote the smooth development of reform and construction.

SOCIALIST DEMOCRACY IN MODERNIZATION STRESSED

HK080505 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 8 May 86 p 2

[Commentator's article: "There Can Be No Socialist Modernization Without Socialist Democracy"]

[Text] At a forum recently held by this paper, a comrade engaged in grass-roots trade union work remarked that in the course of straightening out party style, it is essential to bring into full play the role of the masses as the masters of the house, perfect the relationship between the master and the public servants, and step up the masses' democratic supervision of the cadres. We hold that this view is correct and that it involves an extemely important issue: It is essential to strengthen the building of socialist democracy in the course of the socialist modernization drive.

More than 7 years ago, the 3d Plenary Session of the 11th CPC Central Committee, which was of great historic significance, assigned a very important place to bringing socialist democracy into full play and raised this to the plane of being related to the success or failure of socialist modernization. All the important party meetings held since then have repeatedly reiterated bringing socialist democracy into full play; and "a high degree of civilization and democracy" has been included in the goals of modernization. We have done a lot of work in the past 7 and more years in developing socialist democracy, including reforming the cadre system, putting democratic centralism on a sounder basis, developing economic democracy, consolidating and strengthening the powers of people's congresses, and gradually strengthening and improving the legal system. As Comrade Deng Xiaoping summarized when meeting foreign guests once last year: Of the series of new policies proposed by our party since and 3d Plenary Session of the 11th CPC Central Committee, "which are the most important in terms of domestic policies: One is developing political democracy, and the other is carrying out economic reform while simultaneously promoting reforms in other fields in society." Democracy and reform are precisely the two indispensable themes reflecting each other in the symphony of socialist modernization.

It is the party's unswerving guiding principle to develop socialist democracy and stimulatesocialist modernization. However, building socialist democracy is an extremely arduous historical task that cannot be accomplidhed in one move. In particular, the pernicious influence of a thousand years of feudalism and the rampant spread of feudal fascism during the 10-year catastrophe have left behind serious obstacles to building socialist democracy. It is essential to stress again today in the new situatuion of reform and in the process of strenghtening out the party style that there can be no socialist modernization without socialist democracy.

Socialist modernization is the cause of the millions of the masses and can only be accomplished if their initiative and creativity are brought into full play. Many of our comrades have a unanimous understanding on this point, but on the question of how to mobilize the masses' initiative and creativity, some comrades neglect an important principle: Bring socialist democracy into play and put democratic activities inside and outside the party on a sound basis. Only socialist democracy can release the latent initiative and creativity among the masses and turn them into the most fundamental motivation propelling the cause of modernization. The masses' initiative should first be expressed as an upsurge of their political fervor and a display of their spirit of initiative. This is an inexhaustible source of ever-increasing zeal in labor. The people are the masters of a socialist state, and their initiative can only be brought into play and ultimately turned into material force if they indeed play their role as masters of the house in political economic, and all social life. We must therefore diffuse democracy into all aspects of social life. Only through correct centralism on the basis of a high degree of democracy can we formulate and execute correct policies and exercise correct leadership.

Socialist democracy also confers on the masses the right to criticize and supervise, thus ensuring the flourishing vitality of the cause of socialist modernization. In every undertaking, we act according to the people's will; all our cadres must be responsible to the people. Only by relying on the people and seeking their judgement can we have the strength to overcome all difficulties on the way ahead, including internally produced defects and obstacles. Malpractices such as abusing power for private purposes, and persistent ailments such as bureaucratism must, in the final analysis, be solved through relying on political democratization. The most elementary thing here is to allow the masses to speak out and to listen to their views. Comrade Deng Xiaoping has pointed out many times: "A revolutionary ruling party fears being unable to hear the voice of the people, and the most fearful thing is that there is no sound there to hear." The practice of the past few years has proven that if we allow the masses to speak out and if we find out the true state of things, our policies will be correct, we will make fewer mistakes in work, such mistakes can be corrected sooner, and there will be an atmosphere of solidarity, concord, and mutual understanding and trust between our party and the masses; things cannot by run well in any unit or department that is afraid of the masses speaking out and where the true state of affairs cannot be reported to higher authority.

Anyone who cannot see or acknowledge this point, enthusiasticaly practices "one person alone having the say" and the "patriarchal work style," and cannot hear the views of the masses may come a cropper and cause losses in work. Our party has been in power for a long time and has so many cadres and su great powers. It is all the more particularly important for us to listen to the cries of the masses, ensure the people's democratic rights, and spontaneously accept supervision by the people.

The continual improvement of the masses' political, ideological, and cultural quality is a fundamental condition for the healthy development of socialist democracy. Without such improvement, democracy will either be empty talk or else a kind of tumult. In neither case can democracy attain its original lofty goal. This kind of internal constraint determines that building socialist democracy is a long-term task. It also demands that the whole body of the people strengthen their sense of responsibility as the masters, transform the subjective world while transforming the objective one, continually renew their concepts, improve their quality, learn how to correctly exercise their democratic rights in the practice of democracy, and properly integrate democracy with centralism, with discipline, and with the legal system. As the masses' quality continually improves and the socialist legal system is gradually put on sounder basis, it can be predicted that socialist democracy will be brought into increasingly fuller play and will thus promote the vigorous development of socialist modernization.

STATE COUNCIL REGULATIONS ON EDUCATION SURCHARGE

OW072353 Beijing XINHUA Domestic Service in Chinese 0718 GMT 7 May 86

[Text] Beijing, 7 May (XINHUA) — China will levy an educational surcharge beginning 1 July 1986. In this connection, the State Council recently issued "Interim Regulations Governing the Collection of Educational Surcharge."

The State Council's regulations said: The purposes of collecting an educational surcharge are to implement the "Decision of the CPC Central Committee on Reform of the Educational System," accelerate the development of local educational undertakings, and expand their financial sources. Units and individuals, paying product, appreciation, and business tax, will pay an educational surcharge, except for units who pay the rural educational surcharge according to the "State Council Circular Concerning the Raising off Funds for Running Rural Schools."

The "regulations" said: An educational surcharge shall be computed on the basis of product, appreciation, and business tax paid by all units and individuals. It shall be 1 percent of these taxes and paid along with them. The educational surcharge should be collected and supervised according to relevant regulations concerning product, appreciation, and business tax.

The "regulations" emphatically pointed out: Educational surcharges collected by local governments should be handled as special-purpose funds. Local educational departments should map out a comprehensive plan for distributing the funds and, after consulting with financial departments at the same level, use of funds to improve school buildings and teaching facilities in primary and middle schools. The funds should not be used for the welfare or bonuses of staff and workers.

Educational surcharges collected by local governments should be kept and used locally. Local educational departments at various levels should regularly submit annual reports on revenue and expenditure of the educational surcharge to local people's governments, educational departments at the next higher level, and financial departments.

The "regulations" said: A unit running a school for the children of its staff and workers should pay an educational surcharge, which may be returned by the local educational department, after reviewing the condition of the school, as a subsidy to that school. No unit should close or scale down the school under the pretext that it has to pay an educational surcharge.

The State Council's document also clearly stated: After the regulations come into effect, local educational departments and schools at various levels will not be allowed to collect funds from parents and units in any name, nor to turn down students under any pretext.

Educational departments at the next higher level should check any violation of the regulations and take disciplinary action against those directly responsible for the violation. Units and individuals have the right to refuse to pay an educational surcharge.

The Ministry of Finance will be responsible for interpreting the "Interim Regulations Governing the Collection of Educational Surcharge."

RAILWAYS MINISTER ON REFORM EFFORTS IN WORK

OW070458 Beijing XINHUA Domestic Service in Chinese 1410 GMT 6 May 86

[Text] Beijing, 6 May (XINHUA) -- Minister of Railways Ding Guangen said at a national conference of railway bureau directors today: In practicing the system of economic contracted responsibility to the state, railway departments should always keep firmly in mind the interests of the state and an overall point of view, give first consideration to social benefit, and contribute to accelerating railway construction and promoting the comprehensive reform of the economic structure.

Ding Guangen pointed out: In practicing the economic contract system, railway departments must not seek profits only for themselves. They must correctly handle the relaship between local interests and the interests of the whole and between immediate and long-term interests. To effectively reform this economic management system, all railway departments throughout the country should observe the following three rules: 1) It is necessary to adhere to the socialist orientation, to have the people's railways serve the people, to give first consideration to the interests of the state and social benefit, and not to do anything only beneficial to a department or locality but not beneficial to the state. 2) It is necessary to uphold the principles of "doing careful calculation and strict budgeting, cutting down investment funds, improving management, and increasing the transport volume," to broaden sources of income and reduce expenditures, to build railways through thrift and hard work, to realize returns on investments, and to check extravagance and waste. 3) It is necessary to strictly enforce discipline, to carry out orders, to observe bans, to be honest in performing ones's official duties, and to abide by the law and regulations; and it is strictly forbidden to arbitarily raise prices or collect fees, to use railways to seek personal gain, and to indiscriminately issue bonuses. Ding Guangen stressed: All railways workers and staff must observe these three rules, and whoever violates the rules will be punished.

Ding Guangen said: To successfully practice the economic contracted responsibility system, all railway workers and staff should bring about a change in their thinking, a change from the practice of eating from the same big pot to the practice of the economic contracted responsibility system. Work should be done by contract within railway departments, and tasks may be contracted out to various units, workshops, shifts, or teams. It is necessary to shoulder heavy loads, to take some risks, and to make contributions at each level. At the same time, efforts should be made to reform existing operating and managing methods, rules, regulations, and the organization and structure of railway departments.

Unhealthy Practices Criticized

OW070648 Beijing XINHUA Domestic Service in Chinese 1426 GMT 6 May 86

[By reporter Zhang Jinsheng]

[Text] Beijing, 6 May (XINHUA) -- Speaking to this reporter today, an official of the Ministry of Railways said that the nation's railway workers should learn a lesson from the incident concerning the "railway overlords" of Shaanxi's Lintong and Changan railway stations, and firmly combat the unhealthy practices in railway departments of "seeking personal gains with railway cars." With regard to society's criticism of the railway departments, he said, all leading railway organs should strive to improve the cargo and passenger transportation services by promptly handling all problems that have been discovered, without avoiding them or covering up the shortcomings.

The official pointed out: The railway departments' most noticeable unhealthy practices are the rough handling of cargo and passengers and their unwarranted surcharges. These problems are essentially misconducts in "seeking personal gains with railway cars." Since the railway transportation capacity cannot meet the increasing demand, the cargo owners are in need of the railway departments' help. Since railway cars have become "commodities" in short supply, some people within the railway departments have taken the advantage of the situation to seek personal gains at the expense of their clients and passengers. Such things as making unwarranted price increases or imposing surcharges still occur every now and then, especially when industrial and mining enterprises are in need of service. Although we have intensified the education in this regard and have handled some cases, some units and people still deliberately break the rules and continue to do things their way. Not long ago, for example, the Jinan Railway Bureau again found that the Shanjialin Railway Station was charging additional freight fees and demanding a profit-sharing percentage, service charge, and even "bribes," taking advantage of the opportunity of delivering the tailings from a coal mine. We will handle such incidents seriously as soon as they are discovered, and by no means will we be soft-hearted.

The official added: A new but common problem has recently occurred within the railway departments; namely, the theft of cargo by some railway workers. As the number of cases concerning railway cargo theft is increasing, railway workers have been caught involved in some major thefts. Under such circumstances, we have decided to take effective measures to stop this unhealthy trend of stealing railway cargo. In educating railway workers on stopping theft during the second and third quarters of the year, we will strike at major criminals, destroy their burglary rings, and pay special attention to the work of punishing the criminals, preventing crime, and educating the people, so that the problem can be dealt with in a comprehensive manner and so that the cargo owners' interests will be protected.

The official stressed: The State Council recently authorized the railway departments to accept economic contracts. To make this reform a success, we must emphasize the need to understand the overall situation, provide better service, and heighten our sense of discipline. Railway workers must have a proper concept of the interests of the state, the enterprises, and themselves, and must consciously resist the inroads of the extremely egoistic bourgeois thinking of putting money and personal interests above everything else, so as to destroy the ideological foundation of such unhealthy practices as the rough handling cargo and passengers, collecting unwarranted surcharges, and seeking personal gains with railway cars. They should foster civilized professional ethics, and promote a new order of providing passengers courteous, warm and attentive service and of handling cargo carefully, so that the people will be satisfied and have nothing to worry about.

COMMUNICATIONS MINISTER ON UNHEALTHY TENDENCIES

OW300141 Beijing XINHUA Domestic Service in Chinese 1143 GMT 29 Apr 86

[By reporter Zhang Jinsheng]

[Text] Beijing, 29 Apr (XINHUA) — In an interview with reporters today in connection with the "road lords" incidents, in which transportation supervisory personnel in Shaanxi's Lintong and Changan Counties abused their power in flagging down cars for personal rides, Minister of Communications Qian Yongchang urged communications departments throughout the country to draw lessons from the incidents and use them as reference in light of the actual situation in each department to resolutely check the unhealthy tendency of power abuse in the transportation service.

Qian Yongchang said: The erroneous behavior of the transportation supervisory personnel in Lintong and Changan has also occurred elsewhere. The acts of "road lords" are against the regulations of the Ministry of Communications and the professional ethics of transportation supervisory personnel; they have produced adverse effects. The Shaanxi Provincial Communications Department should duly handle this power abuse case after completing investigation and verifying facts. The Ministry of Communications will then circulate a notice on the case among all communications departments in the country. Communications departments at various levels should draw lessons from the incidents and hold discussions in the light of the actual situation in each department in order to thoroughly check unhealthy tendencies in the transportation service.

Analyzing some manifestations of power abuse for personal gain in communications departments, Qian Yongchang said: Besides the acts of "road lords," some individuals in communications departments have sullied the reputation of their departments by using vehicles and berths for selfish interests or scalping train and boat tickets for profit. Despite our efforts to tackle shortcomings in this regard over the last few years and the emergence of a number of civilized units and individuals, quite a few problems, some quite serious, still exist in communications departments throughout the country. As the department in charge of communications, the ministry will pay close attention to this incident, earnestly step up education, and take firm action to correct unhealthy tendencies in the transportation service. Results of investigations of serious cases will be made public.

Qian Yongchang said: The staff and workers of communications departments should eliminate the "special privilege" mentality, foster the idea that supervision means service, and serve the people wholeheartedly. Qian Yongchang also encouraged the mass media and various quarters of the community to offer constructive criticisms on unhealthy tendencies in communications and transportation departments and to keep the work of the departments under surveillance.

JINGJI CANKAO DISCUSSES PRICE REFORM, TRENDS

HK050311 Beijing JINGJI CANKAO in Chinese 22 Apr 86 pp 1, 2

[Reporter's commentary: "Last Year's Price Reforms and This Year's Price Trends"]

[Text] How were price reforms carried out in 1985? What will be the price trends in 1986? These are questions with which the people are generally concerned.

Last year, an important step was taken in accordance with the arrangements made by the CPC Central Committee and the State Council in the country's price reforms.

Regarding the prices of farm products, we put an end to the state monopoly for the purchase of major farm products and applied the system of ordering and purchasing goods by contracts. In addition, we also lifted restrictions on the prices of pork and some other fresh or raw non-staple foodstuffs and adjusted the buying and selling prices of grain in the rural areas.

Regarding the prices of industrial products, we lifted restrictions on the prices of the means of production for heavy industrial production uncalled for by the plans, enlarged regional and quality-based price differences for coal, and allowed enterprises to fix the prices of some light industrial products.

Regarding communications and transportation, we raised the charges for short-distance railroad freight and passenger transportation.

These changes have produced, and are producing, positive effects in the development of the national economy. Last year's price reforms highlighted the lifting of restrictions on the prices of pork, vegetables, and other fresh or raw non-staple foodstuffs. Last year, the State Council decided to readjust the policy regarding the purchase and price of pigs, to replace the monoply for the purchase of goods by the system of ordering and purchasing goods by contracts, and to make centrally fixed prices the guiding prices. Over the past year, initial success has been scored in quickening the slow pace of development in pig production and, thanks to the involvement of state-owned units, collective units, and individuals in this business, the circulation of pigs has been invigorated. In 1985, pork was sold freely in the urban and rural areas and retail sales of pork increased by 7.6 percent. Thanks to increases in the supply of fresh pork, many urban dwellers have been able to change their diets by eating less frozen meat. Because of the increase in expenditure by urban dwellers resulting from increases in meat prices, various localities have given them price subsidies depending on circumstances.

In recent years, price restrictions on beef, mutton, eggs, and aquatic products have been successively lifted. Last year, Beijing, Tianjin, Shanghai, and a few other large cities simultaneously lifted restrictions on the price of pork and the above foodstuffs. As a result, production of most products developed rapidly, supply improved, and the price of some products went down.

Last year, some large and medium cities also lifted restrictions on the price of vegetables. Generally speaking, the results were quite satisfactory. The increase in the price of vegetables has aroused the peasants' enthusiasm for growing vegetables and led to an increase in variety. The types of vegetables on sale in many cities increased from about a dozen to 20 or even 30. More high-grade vegetables were sold on the market, their quality improved, and more of them were edible. Thanks to all this the number of urban fair trade markets increased from more than 6,000 in 1984 to over 8,000 and the masses could buy things more easily. Of course, there were some problems. For example, the people complained bitterly about the enormous increase in the price of vegetables in some cities. In view of this, the State Council promptly ordered departments concerned to hold work meetings on the supply of vegetables and to adopt appropriate measures to stabilize vegetable prices.

Last year, the changes in the policy regarding the buying, selling, and pricing of grain in the rural areas highlighted the elimination of the state monopoly on the purchase of grain; the application of the system of ordering and purchasing grain by contracts; the delegation of greater decision-making power to the peasants and the replacement of state purchase prices and above-quota purchase prices of grain by a "3.7" plan, which means that 30 percent of the grain produced was purchased at the old state purchase price and the remaining 70 percent was purchased at a higher above-quota purchase price. The amount of grain purchased last year did not differ significantly from that in previous years. In addition to changing the way in which grain is purchased and the way in which prices are set, the state also raised the buying and selling prices of grain in the rural areas, so that they were on a par with the state purchase price, by continuing to give operation subsidies and thus tentatively changing the practice of buying grain at high prices and selling it at low prices in the rural areas.

Last year, by raising the charges for short-distance freight and passenger transportation, the state diverted traffic from the railroads to the highways and waterways, thus making the distribution of transportation facilities more rational. According to statistics compiled by the Ministry of Railways, in the 5 months following the adjustment of charges, the number of short-distance passengers transported by the railroads was down by 18.7 percent and the volume of short-distance freight transportation was about one third smaller than in the 5 months prior to the adjustment of charges. Thanks to all this, we could use the transportation capability thus made available for long-distance transportation, thus making the best use of our railroads.

Last year, we also fruitfully explored reforms regarding the price of the means of heavy industrial production.

Last year, the overall retail price index rose by 8.8 percent, with price reform a accounting for 5.4 percent and other factors accounting for 3.4 percent. The retail price index in the urban areas rose 12.2 percent, which is quite a large increase, and that in the rural areas rose 7 percent, which was slightly lower than the overall figure. Last year, it was mainly the prices of fresh or raw non-staple foodstuffs, which are very important to the masses, which caused the price increases. The average retail price ofnon-staple foodstuffs in the cities was 23 percent higher than in 1984. The price of meat, poultry, and eggs went up 23.5 percent; the price of vegetables was 34.5 percent; and the price of aquatic products 37.4 percent.

Last year, since retail prices on the market went up rather significantly, the increase in the masses' income was partly offset by price increases. According to a survey, in 1985, the peasants' per capita net income exceeded that in 1984 by 11.8 percent, or 8.4 percent if price increases were factored in, and the average income of urban dwellers exceeds that of 1984 by 23.8 percent, or 10.6 percent if the cost of living increase was factored in. The living standards of those whose income either increased very little or did not increase, were affected somewhat. Generally speaking, the increase in the people's income was greater than the increase in prices, and the livelihood of the majority of people improved to varying degrees.

We should be able to see that because of the accumulation of many irrationalities in the country's pricing system, the general price level naturally went up a little in the course of the reforms.

When one examines the state of the reforms, in addition to taking note of price increases, one must take the development of production into account and, in addition to taking note of the immediate effects of the reform measures, one must take into account their long-term effects on the harmonization of various economic relations. The prices of fresh or raw non-staple foodstuffs, such as meat, vegetables, eggs, and so on, and the prices of grain in the rural areas are sensitive and extremely knotty problems in the course of price reforms. We have been trying to solve them for many years without any success. Last year, we carried out these reforms smoothly. These are of great long-term significance as far as reform of the economic structure is concerned. They have begun producing desirable consequences.

In 1986, people are generally concerned about the principles underlying the country's pricing work and about measures for stabilizing prices. In his report on the Seventh 5-Year Plan to the Fourth Session of the Sixth NPC, Premier Zhao Ziyang points out that so far as reform of the country's economic structure is concerned, we must make a success of consolidating, digesting, replenishing, and improving the measures adopted, promote what is beneficial and eliminate what is harmful, and solve the problems resulting from the reforms. In addition, we must also make adequate preparations for the next important step during the next 2 years. This is the principle underlying this year's reform of the economic structure and pricing work.

Generally speaking, the present price situation in the country is quite satisfactory. On New Year's Day and during the Spring Festival, the supply of non-staple foodstuffs was plentiful in most parts of the country, with increased variety and improved quality, and the prices were about the same as those in the fourth quarter of last year or even lower. However, we should be able to see that the step we took last year was quite bold and that people have yet to adapt themselves to it. This year's price reforms will not be characterized by major price adjustments. Only unreasonable prices will be adjusted somewhat. In order to maintain basic price stability in the market, the state is making an effort to control overall price levels; to bring about an increase in grain output by applying the price lever; to keep the prices of non-staple foodstuffs and industrial products basically stable; and to strengthen price inspection.

Price reforms are the key to the success of economic structure reform. It is important party and state policy to maintain the basic stability of market prices in the course of reforms. It is also the common duty of all localities, departments, enterprises, and institutions to do this. The masses should enthusiastically support price reforms and consolidate and improve on the reform measures that have been adopted. It is hoped that departments concerned will make proper preparations for price reforms in the future and that they will continue to contribute to the healthy development of the national economy and to improving the people's livelihood.

STATE BUREAU URGES VIGILANCE ON VEGETABLE PRICES

OW070350 Beijing XINHUA Domestic Service in Chinese 1213 GMT 6 May 86

[Excerpts] Beijing, 6 May (XINHUA) -- The State Bureau of Commodity Prices recently transmitted the Liaoning Commodity Prices Inspection Department's "Opinions of Planning the Work of Launching Vegetable Price Inspection," and urged commodity price departments in all localities to take effective measures to stabilize vegetable prices on the market by consulting Liaoning's experiences.

The Liaoning Commodity Price Inspection Department's "opinions" consist mainly of the following five measures:

Checking the prices of the major types of seasonal vegetables -- We should attach special attention to controlling the intermediate transactions of major varieties. The checking should be made in planned manner and on a seasonal basis. The inspection of vegetable prices during the four major festivals should receive top priority. When abrupt changes occur on the market, such as sharp rises or steep falls of certain seasonal varieties, and when the local governments have set the price limits or the basic protective prices, the commodity price inspection departments in all localities should act immediately and go all out to check and control vegetable prices. If necessary, they may also intervene with administrative measures to maintain the integrity of price onctrol and make sure that the higher or lower price limits are observed.

Intensifying the control of vegetable prices charged by individual vegetable traders at country fairs -- Any trader who purchases his vegetables from a state-run wholesaler must resell according to prescribed prices. Those who purchase from retailers and resell at higher and higher prices at each transaction level must be strictly handled. The commodity price inspection departments should also work in coordination with the business administrative departments in striking at such unlawful conduct as bullying other traders, coercive buying or selling, cornering the market, adulterating the merchandise, and driving up vegetable prices.

Enforcing the price regulations -- Any state, collective, individual operator, and any unit operated by an enterprise or institution, must follow the guiding prices or price limits set by the state, as well as the local regulations governing profit rates and profit differentials for import, wholesale, and retail. Anyone violating the guiding principles, guiding prices, price limits, and profit differentials may be punished for violating price policies.

Intensifying publicity work and education -- We should attach special attention to giving positive guidance to all operators, especially the individual operators, in order to help them voluntarily observe the party's policies on commodity prices.

Effectively strengthening the organizational leadership over the inspection of vegetable prices -- Each city should designate a leading member to form a full-time inspection group composed of full-time staff to carry out year-round inspection. It should work in coordination with the business administration, taxation, public security, urban construction, and communications department to do the work. Special attention should be attached to full mobilizing the workers' commodity price monitoring stations and volunteer inspectors to work together and share the responsibility of controlling vegetable prices under the leadership of local governments at all levels.

SONG PING INSPECTION TOUR OF SHANDONG PROVINCE

SK260759 Jinan Shandong Provincial Service in Mandarin 2300 GMT 23 Apr 86

[Text] Song Ping, state councillor and concurrently chairman of the State Planning Commission, made an inspection tour of Shandong Province from 17 to 23 April. He emphatically inspected the construction of coal, electricity, port, and other energy and transport projects.

During his inspection tour of Qingdao, he was accompanied by Li Changan, deputy secretary of the Shandong Provincial CPC Committee and governor of the province, who made a special trip from Jinan to Qingdao.

While inspecting the Xinglongzhuang Coal Mine, the Zouxian Power Plant, the Shijiu Harbor, the Lanshantou Harbor, and the Qingdao Qianwan Harbor, Comrade Song Ping highly appraised the province's energy and transport construction.

He said: During the Sixth 5-Year Plan period, Shandong Province scored great achievements in building energy and transport projects, which played an important role in promoting economic development. During the Seventh 5-Year Plan period, the energy and transport projects remain the priorities in development. Because Shandong has favorable conditions for developing energy and transport industries, the state has arranged the construction of many key projects in the province. The province should economize on investment, shorten the construction period, and accelerate the construction pace in an effort to further promote the sustained, steady, and coordinated development of the national economy.

Comrade Song Ping stressed: The Qianwan Harbor of Qingdao is a key project covered by the state's Seventh 5-Year Plan. We must complete the construction of this harbor by 1990. He called on the province and Qingdao City to vigorously support the construction of this harbor from various fields in order to create conditions for its smooth construction.

While inspecting Qingdao and Rizhao cities, Comrade Song Ping offered many important suggestions for developing these two port cities. He said: As a port city, both Qingdao and Rizhao cities should regard the port areas as their greatest superiority, and should consider the harbor construction as a basic condition and foundation for accelerating the urban economic development. Therefore, they should define the guiding ideology of serving the port construction, should define the urban development plans in line with the port construction, should develop economic relations with foreign countries, should expand foreign trade and export, and should attend to the tourist trade. He said: If we actually achieve success in these fields, we will be able to promote the development of the urban economy as a whole.

During his inspection tour, Comrade Song Ping repeatedly stressed the necessity of treasuring the land. Both the urban and rural areas should map out plans for making good use of land. In addition, Comrade Song Ping inspected the Huang He flood-control project, the Qingdao Economic and Technical Development Zone, and some plants and enterprises; held discussions with responsible comrades of the province and the pertinent cities, prefectures and counties; and put forward many important opinions on the provincial economic construction and the work in other fields.

Also accompanying Comrade Song Ping on his inspection tour were Huang Yicheng, vice chairman of the State Planning Commission; Liu Peng, vice governor of Shandong Province and secretary of the Qingdao City CPC Committee; and Liu Yong, secretary general of the Shandong Provincial People's Government.

WAN LI, HU QILI VIEW SHANDONG TROUPE PERFORMANCE

SK260951 Jinan Provincial Service in Mandarin 2300 GMT 25 Apr 86

[Excerpts] On the evening of 25 April, the Shandong Song and Dance Troupe staged its first performance in Beijing, performing a symphonic music concert at the Beijing Music Hall.

Viewing the performance were leading comrades of the CPC Central Committee and the State Council, including Wan Li, Hu Qili, Wang Zhaoguo, Gu Mu, and Song Ping. Also viewing the performance were Zhu Houze, head of the Propaganda Department of the CPC Central Committee; Li Changan, deputy secretary of the Shandong Provincial CPC Committee and provincial governor; and Zheng Weimin, Standing Committee member of the provincial CPC Committee and director of the Propaganda Department of the Shandong Provincial CPC Committee.

After the performance, the central leading comrades went up to the stage to receive all performers and posed for a photograph with them.

WAN LI, OTHERS ATTEND PAINTING EXHIBITION

OW281250 Beijing XINHUA Domestic Service in Chinese 0920 GMT 28 Apr 86

[By reporter Yin Hongzhu]

[Excerpts] Beijing, 28 Apr (XINHUA) -- Li Keran, China's outstanding painter and educator of arts who has worked hard in China's world of paintings for more than half a century, today offered more than 200 of his paintings to the public at the Chinese Art Gallery in Beijing. Nearly 1,000 people, including Wan Li, Fang Yi, Deng Liqun, Wang Zhen, Huang Zhen, Qian Changzhao, Yang Zhengwu, Burhan Shahidi, and other leading comrades as well as responsible persons of the Propaganda Department of the CPC Central Committee, Ministry of Culture, China Federation of Literary and Art Circles, and the Chinese Artists Association, including He Jingzhi, Zhu Muzhi, Wang Meng, Gao Zhanxiang, Wu Zuoren, Zhao Xun, Hua Junwu, and Liu Kaiqu, and other personages from the field of literature and art in Beijing came to the gallery to warmly congratulate this 79-year old veteran painter. Wan Li cut the ribbon for the exhibition.

This exhibition is jointly sponsored by the China Federation of Literary and Art Circles, Chinese Artists Association, Central Institute of Fine Arts, and Research Institute of Chinese Paintings. It will end on 11 May.

YU QIULI ADDRESSES POLITICAL WORK MEETING

OW210330 Beijing Domestic Service in Mandarin 1200 GMT 19 Apr 86

[Text] In his speech at a political work conference of the National Defense University this morning, Yu Qiuli, deputy secretary general of the Central Military Commission and director of the General Political Department, pointed out: Political cadres should strive to improve their quality in order to adapt themselves to the new situation.

Yu Qiuli stressed: Political cadres should firmly foster the idea of serving education and scientific research, study hard to improve themselves, and increase their abilities by working in basic units and involving themselves in education and scientific research. In addition, they should also set an example with their own conduct and play an exemplary role.

In his speech, Yu Qiuli also dealt with the role of political work in ensuring and serving the fulfillment of other work.

NI XIANCE DELIVERS REPORT AT JIANGXI CONGRESS

OW061301 Nanchang Jiangxi Provincial Service in Mandarin 1000 GMT 5 May 86

[Text] Discussing Jiangxi's implementation of the Sixth 5-Year Plan in his report to the Fourth Session of the Sixth Jiangxi Provincial People's Congress, Governor Ni Xiance said: During the Sixth 5-Year Plan, the major tasks and targets specified under it as approved by the First Session of the Sixth Jiangxi Provincial People's Congress were either fulfilled or overfulfilled 1 or 2 years ahead of schedule, and encouraging results were achieved in economic and social development as well as in other areas. These achievements were manifested in the following six aspects:

1. The economic structure improved significantly, with the ratios among major economic activities becoming more reasonable. Economic strength further improved. The two short legs of diversified agricultural production and village and town enterprises became longer, expediting the industrial production of consumer goods and promoting the fairly rapid development of the tertiary industry. The ratio between accumulation and consumption became more rational. During those 5 years, the installed power capacity increased by 610,000 kw, an equivalent of half of the total installed power capacity in the preceding 31 years, while coal-mining capacity rose by 2.71 million metric tons. The Anhui-Jiangxi railway was built, as were 2,110 kilometers of highways. A total of 1,455 kilometers of highways were rebuilt. Production capacities of sugar and cement rose by 120,000 and 1.59 million metric tons respectively. A 70,000-metric ton copper production capacity covering the entire process from mining to smelting was attained. Compared with 1980, 1985 saw a onefold increase in steel output, a 1.1-fold rise in chemical fiber output, a 1.7-fold gain in plastics production, a 65-percent increase in the output of chemicals and medicines, and a 93-percent growth in the output value of machine-building and electronic industries.

2. Economic work took the path of emphasizing better economic results. Accordingly, economic efficiency rose steadily and local financial revenues increased substantially. Jiangxi led the nation with a score of 90 in the 1984-85 national assessment of overall industrial and economic performance. Many economic indicators in construction and circulation chalked up varying degrees of increase. Jiangxi's financial revenues climbed by 100 million yuan in 1983, 200 million yuan in 1984, and 430 million yuan in 1985 to reach 1.95 billion yuan. Nonbudgetary funds amounted to about 2 billion yuan or so in 1985.

3. The rural economy transformed itself from self-sufficiency or partial self-sufficiency to a commodity economy while agricultural production developed rapidly in an unprecedented way. The average annual increase in agricultural production from 1981 to 1985 was 8.7 percent, a much higher figure compared with the preceding 28 years. During the Sixth 5-Year Plan, grain output rose by an average 4.3 percent annually, and considerable increases were registered for other agricultural and sideline products. The massive increase of specialized households and villages promoted the vigorous growth of the rural commodity economy. The rate of agricultural commodity production rose from 41 percent in 1980 to some 50 percent in 1985.

4. With major breakthroughs in opening to the outside world, Jiangxi's economy changed from a closed to an open one. During the Sixth 5-Year Plan, Jiangxi established friendly and cooperative ties with Yugoslavia's Macedonian Republic, Federal Germany's Hesse Land, and the U.S. State of Kentucky. It also initialed agreements on establishing friendly and cooperative ties with the U.S. State of Utah and Japan's Gifu Prefecture, and signed economic cooperation contracts with Australian and Canadian states. Last year, Jiangxi held its first trade fair on economic and technological cooperation and sales exhibition of export goods in Hong Kong, and set up a window for dealings with the outside world. The total export volume of commodities during the 5-year period was $1.066 billion, 2.2 times that of the Fifth 5-Year Plan.

In 1985 alone, 121 technological imports involving $64.88 million were effected. Forty-eight Sino-foreign joint or cooperative enterprises and compensation trade establishments were set up, bringing in more than $32 million in foreign capital. Lateral economic ties with fraternal provinces and municipalities were further expanded. More than 1,700 projects were launched with other provinces as part of such lateral economic ties. New progress was also made in forging cooperation among various districts, trades, and enterprises within the province.

5. Considerable headway was made in scientific and technological development and in tapping intellectual resources, and a thriving prospect has emerged in various social programs. The strategic viewpoint of attaching importance to scientific and technological progress and intellectual development was fostered throughout the province. Emphasis was laid on integrating economic, scientific and technological, cultural educational, and other social developments, and funds for science education were increased.

6. With coordinated progress in production, construction, and the improvement of people's livelihood, the consumption level of people in cities and towns rose swiftly. The average net per capita income of peasants in Jiangxi was 377 yuan in 1985, up some 200 yuan form 1980, and the average per capita incone of city dwellers was 558 yuan, up 53 percent from 1980. With increases in the people's income, the people's consumption level and pattern underwent marked changes. During the Sixth 5-Year Plan, the living conditions of urban and rural residents improved substantially, and their bank savings increased significantly. Improvements were also made in municipal construction and the living environment in cities and towns.

Ni Xiance noted: With our endeavors during the Sixth 5-Year Plan, we have initially discovered a new way of economic development suitable for Jiangxi. In summing up our work in economic and social development during the Sixth 5-Year Plan, we can elicit the following five fundamental principles:

1. steadfastly implementing the central authorities' principles of carrying out reform, opening to the outside world, and enlivening the domestic economy; and concentrating efforts on carrying out reform and the open policy;

2. persisting in seeking truth from facts and working out policies suitable for Jiangxi;

3. switching our focus from blindly increasing output value and volume to improving economic results;

4. giving full play to our initiative and learning from our brothers with an open mind; and

5. making solid efforts to fulfill all these tasks.

RUI XINGWEN ATTENDS SHANGHAI CONGRESS CLOSING

OW052355 Shanghai City Service in Mandarin 0000 GMT 4 May 86

[Text] The Fifth Session of the Eighth Shanghai Municipal People's Congress successfully closed to the grand strains of the National Anthem yesterday afternoon. The session successfully completed all items on the agenda.

The executive chairmen of the session were: Rui Xingwen, Chen Guodong, Hu Lijiao, Zhao Zukang, Wang Jian, Peo Xianbai, Wang Tao, Liu Jingji, Wu Ruoan, Tan Jiazhen, Liu Nianzhi, Shu Wen, Cao Tianqin, Zuo Ying, (Fen Quanfu), (Ling Jinglin), Wu Guangyu, (Chen Liang), and (Huan Qingshan). Wang Jian, vice chairman of the municipal People's Congress Standing Committee, presided.

The session additionally elected comrades (Yan Qi), Wu Minhua -- Female, (Wu Zhenliang), (Chen Tianchi), and (Lin Wenjin) as members of the municipal People's Congress Standing Committee.

The session adopted a resolution on the Seventh 5-Year Plan and on the report on that plan, and decided to approve Mayor Jiang Zemin's report, delivered on behalf of the Municipal People's Government, on the Seventh 5-Year Plan for Shanghai's national economic and social development, and approved in principle that drawn up by the municipal People's Government. The session also adopted a resolution on Shanghai's national economic and social development plan for 1986, a resolution on Shanghai's final accounts for 1985 and budget for 1986, as well as one approving the work reports by the municipal People's Congress Standing Committee, the municipal Higher People's Court, and the municipal People's Procuratorate.

It is also reported that the Fifth Session of the Eighth Municipal People's Congress held its fourth meeting on the morning of 3 May. The meeting adopted a resolution accepting the resignations of Wang Tao, vice chairman of the eighth municipal People's Congress Standing Committee, and by (Wan Jingliang), Hou Yizhai, Li Jiaqi, Zhang Wentao, Zhou Bi, Meng Bo, Jiang Chao, and Zhou Ke, members of the Standing Committee.

SHANGHAI CPPCC COMMITTEE POLITICAL RESOLUTION

OW050221 Shanghai JIEFANG RIBAO in Chinese 30 Apr 86 p 2

[Political resolution adopted by the Fifth Session of the Sixth Shanghai Municipal CPPCC Committee on 29 April 1986]

[Excerpts] The Fifth Session of the Sixth Shanghai Municipal CPPCC Committee was convened not long after the closing of Fourth Sessions of the Sixth NPC and the Sixth CPPCC National Committee and under the favorable situation in which all the people throughout the city are implementing the guidelines set by the two sessions and uniting as one and working hard to fulfill the Seventh 5-Year Plan with full confidence. On the basis of the principle of "treating each other with all sincerity and sharing weal and woe," the CPPCC members shared all their thoughts without reserve, freely airing their views. An atmosphere of democracy, unity, and vigorous reform prevailed at the session.

The session heard and examined Vice Chairman Ye Shuhua's report on the work of the Standing Committee of the municipal CPPCC Committee and Vice Chairman Yang Kei's report on how motions have been handled since the Third Session of the Sixth Municipal CPPCC Committee. The session endorsed the two reports and made proposals on how to further develop CPPCC work. The session also heard and discussed the report delivered by Vice Chairman Zhang Ruifang on publicizing the guidelines of the Fourth Session of the Sixth CPPCC National Committee. The session was greatly inspired by the tremendous achievements China achieved in all fields over the past year.

The CPPCC members attended the Fifth Session of the Eighth Shanghai Municipal People's Congress as observers and heard the "Report on Shanghai's Seventh 5-Year Plan for Economic and Social Development (Draft)" by Mayor Jiang Zemin, the "Report on Shanghai's Draft Plan for Economic and Social Development in 1986" by Vice Mayor Li Zhaoji, and the "Report on Shanghai's Final Municipal Accounts for 1985 and the Draft Municipal Budget for 1986" by Vice Mayor Ye Gongqi. After earnest discussions, the CPPCC members unanimously endorsed and supported the three reports and made many unique proposals on carrying out structural reforms in the fields of economy, science and technology, and education; implementing the policy of opening to the outside world and invigorating the demestic economy; strengthening urban infrastructure; improving the environment for investments and living; making full use of foreign investments and promoting exports; expanding economic and technical exchanges with foreign countries; quickening the pace to promote technical progress and train more qualified people; bringing about economic rejuvenation and new developments in various undertakings; and strengthening socialist spiritual civilization in Shanghai.

The session held that as an organization of the patriotic united front, the People's Political Consultative Conference constitutes an important organizational form which gives full play to socialist democracy in China's political life and an important force for building socialism. Under the leadership of the Shanghai Municipal CPC Committee, the current CPPCC session must center on the basic requirements for fulfilling the "Seventh 5-Year Plan"; play its role well in holding political consultations and providing democratic supervision; supply the nation with more qualified personnel; carry out various CPPCC activities in a down-to-earth manner; and offer advice on reforming and rejuvenating Shanghai and opening the municipality to the outside world. While developing socialist material civilization, we must also vigorously promote socialist spiritual civilization and conduct education on fostering lofty ideals, moral integrity, higher education, and a sense of discipline; we must also strengthen the legal system. We must study even harder united front theories and the current situation and policies and make contributions toward correcting party style and bringing about a fundamental change for the better in social ethics. We must make full use of the favorable conditions created by CPPCC members and people of all walks of life in strengthening ties with Taiwan, Hong Kong, and Macao compatriots and Overseas Chinese; make more friends and develop friendship; expand the patriotic united front in the new period; and realize the concept of "one country, two systems" to reunify the motherland and rejuvenate China.

In order to fulfill the glorious but arduous tasks, the current session must continue to bring into full play the fine traditions and work style of the People's Political Consultative Conference; maintain close ties with the relevant government departments; strengthen cooperation with various democratic parties and mass organizations; stir up the enthusiasm of CPPCC members and people of all walks of life; display the spirit of "the foolish old man who moved the mountain"; work hard with one heart and one mind; and unite as one to realize the "Seventh 5-Year Plan" and build Shanghai into an open, multifunctional, and highly developed socialist modern city!

ZHEJIANG ARMED POLICE STAGE ANTIRIOT EXERCISE

OW051301 Hangzhou Zhejiang Provincial Service in Mandarin 0900 GMT 4 May 86

[Text] Armed police units of Zhejiang Province staged a large-scale antiriot exercise at Jianqiao Airport in Hangzhou this afternoon. The scale of the exercise was the largest ever held in the province. Antiriot exercises are also termed antiterrorist activities abroad. These exercise deal mainly with countermeasures against hijacking of aircraft and ships, sabotage of communications installations, or infliction of injuries on people by ruffians using violent means. In the absence of special antiriot units, armed police units of the province successfully staged the antiriot exercise after overcoming all sorts of problems.

YUNNAN LEADERS ATTEND MAY DAY GATHERING

HK010159 Kunming Yunnan Provincial Service in Mandarin 2300 GMT 30 Apr 86

[Excerpts] The provincial and city federations of trade unions held a soiree in the National Defense Gymnasium in Kunming on 30 April to mark the centenary of May Day. Present were responsible comrades of the party and government in Yunnan Pu Chaozhu, He Zhiqiang, Zhu Zhihui, Li Shuji, Liu Shusheng, Zhao Shymin, Qiu Chuangjiao, Wang Jintian, Yin Jun, Li Guiying, Qi Shan, Chen Liying, and (Pan Yingsheng); Liang Jia, chairman of the provincial CPPCC; (Wang Zuixin), commander of Yunnan Military District; Liu Minghui, Zhang Zhixiu, and Xie Zhenhua, members of the Central Advisory Commission; (Meng Jinxi) and Xu Youming), responsible persons of a certain group army; and veteran comrades including Gao Zhiguo.

YUNNAN GOVERNOR ON SEVENTH 5-YEAR PLAN TARGETS

HK300117 Kunming Yunnan Provincial Service in Mandarin 1100 GMT 29 Apr 86

[Excerpts] The general demand on Yunnan's economic and social development during the Seventh 5-Year Plan is to persevere in all-round reform, harmonize the economic relationships, improve economic results, maintain the growth rate, strengthen the agricultural foundation, establish township enterprises, exploit various resources and form them into strong-point pillars of the economy, get a good grasp of key construction projects, step up the development of reserve strength, vigorously grasp the training of talented people, spur the progress of science and technology, speed up the pace of opening up to the world, expand foreign exchange earnings from exports, build the two civilizations, and speed up the work of enriching the people and building up the border regions. Governor He Zhiqiang said this in his government work report delivered at the fourth session of the sixth provincial People's Congress.

He Zhiqiang said: Yunnan should and can maintain a certain growth rate during the Seventh 5-Year Plan in light of its weak foundation, low base figures, great resources potentials, and relatively good energy conditions. The province's main targets of endeavor have therefore been set as follows: Under the premise of continually improving economic results and social benefit, the province's total industrial and agricultural output value should exceed 30 billion yuan by 1990, rising at an annual average of 8 percent; gross domestic product should reach 23 billion yuan, rising at an annual average of 8.7 percent; financial revenue should reach 4 billion yuan; grain output should reach 23.5 billion jin; total income of the township enterprises should reach 6 billion yuan; some 230,000 specialized technical personnel of all categories should be trained; natural population growth rate should be kept below 15 per 1,000; and the consumption level of urban and rural inhabitants should rise at an annual average of about 5 percent.

Governor He Zhiqiang stressed in his report: It is almost impossible to solve the food and clothing problem in poor areas unless grain production is improved. Moreover, there will be great constraints on the readjustment of the rural production structure, and the economy of the whole province will find it hard to take off. We must attach great importance to grain production during the Seventh 5-Year Plan and strive to attain basic self-sufficiency in grain.

On the question of taking advantage of resource strong points, He Zhiqiang said that during the Seventh 5-Year Plan, while taking further advantage of its strong points in tobacco, sugar, and tea, Yunnan should speed up the development of its eight major sectors: mining and mineral processing, with the focus on non-ferrous metals; tropical crops and their processing, with the focus on rubber, spices, medicinal herbs, and fruit; the chemical industry, with the focus on the province's phosphate resources; the food inustry; forestry and the forestry chemical industry; construction and the building materials industry; tourism; and tertiary industries such as commerce, transport, telecommunications, and finance. He Zhiqiang said: We must make still greater effort

during the Seventh 5-Year Plan and be resolved to solve the food and clothing problem for the masses in poor areas.

YUNNAN MILITARY CORRECTS 'UNHEALTHY PRACTICES'

HK051041 Kunming YUNNAN RIBAO in Chinese 19 Apr 86 p 1

[Report by Wu Jinhua and Hu Jinghua: "The Party Committee of the Provincial Military District Takes the Lead in Rectifying Unhealthy Practices"]

[Text] The party committee of the Yunnan Provincial Military District is bold in acknowledging its own problems and rectifying the unhealthy practices of buying sedans at will, promoting cadres in violation of regulations, and cadres doing business. The party committee has taken the lead in correcting party conduct, thus bringing about a rapid change for the better in the party style of military district organs and solving some long-standing problems.

In the course of carrying out the central authorities' instructions on rectifying party style, the military district party committee conscientiously examined its own unhealthy practices which had emerged in the previous period. Members of the party committee maintained that, to rectify party conduct, the party committee should set a good example for others, should be bold in acknowledging its own problems, should not be afraid of losing prestige, should encourage units at the lower levels and the masses to make suggestions, and should be resolute in giving up individual and small-group interests. After sizing up the situation, the party committee decided to hold an enlarged meeting of its Standing Committee in mid-February. Leaders of various subordinate army units and military subdistricts as well as cadres at the sectional levels and above were invited to the meeting to help the party committee rectify unhealthy practices. At the meeting, Zhao Kun, secretary of the party committee and political commissar, took the initiative in exposing the party committee's problems such as buying sedans at will, promoting cadres in violation of regulations, cadres going into business, and leading cadres enjoying excessive hospitality when carrying out inspection in units at the lower levels. He put forward detailed measures for solving these problems and demanded that the participants help discover problems relevant to its party conduct and boldly make criticisms and suggestions on correcting its problems. Secretary Zhao Kun and Deputy Secretary Wang Zuxun called about 10 leading cadres at the departmental and sectional levels to a discussion for the purpose of soliciting their opinions. Aware of its honesty and resolution in exposing its problems, the participants boldly aired their views and made dozens of suggestions to the party committee. The Standing Committee of the party committee convened a special meeting to further study and analyze its problems. The meeting worked out specific measures for solving the party committee's problems, and demanded that units at the lower levels supervise the party committee.

After listening to the opinions of the participants, the Standing Committee of the party committee decided to give away to the reception house the sedans which had been bought, to stop delivery of the four sedans which had been ordered, to abolish the instructions for promoting cadres in violation of regulations, to dissolve all business offices and their subordinate companies, and to terminate economic contracts signed with the localities. Inspired by the party committee, organs under the headquarters, the political department, and the logistics department immediately started straightening out their problems, thus bringing about a turn for the better in the party conduct of the military district organs.

FURTHER REPORT ON DEFECTED TAIWANESE PILOT

Official on 'Peiping' Actions

OW071445 Taipei CNA in English 1412 GMT 7 May 86

[Text] Taipei, May 7 (CNA) -- Chang King-yuh, director general of the Government Information Office, said Wednesday that the Peiping regime should send back the three crewmen and cargo aboard the China Airlines [CAL] along with the plane to the Republic of China [ROC] according to international practices. The CAL cargo jet was diverted to Canton on the China mainland last Saturday on its way from Bangkok to Hong Kong. Up to now, the three crewmen have not been able to appear in public, showing there are some things which cannot be revealed to the public, said Chang.

Chang made the statement in reponse to interpellations by legislators Liao Fu-pen and Hung Chao-nan at a joint meeting of the Legislative Yuan committees on education, internal and foreign affairs. Chang also said both the government and people here are very concerned about the case, and the ROC Government will adopt any possible measures to gain the return of the plane, cargo, and crewmen. The ROC will still uphold the consistent principles of no talks, no contacts, an no compromise in dealing with the Peiping regime on this case, Chang said, because the Chinese Communists are a rebellious group against the Republic of China.

Red Cross Asked to Aid

OW071417 Taipei CNA in English 1354 GMT 7 May 86

[Text] Taipei, May 7 (CNA) -- The Red Cross Society of China has asked the Geneva-based Red Cross International to help the China Airlines Boeing 747 cargo plane and its crew members that were diverted to an airport on the mainland to return to the Republic of China.

In an urgent cable to Jean de Courten, delegate general for Asia and Pacific to the Red Cross International Wednesday, the Red Cross Society said that since the aircraft landed at a Canton airport May 3, all the family members of Wang Hsi-chueh and Tung Kuang-hsing, pilot and co-pilot of the plane and its flight engineer, Chiu Ming-chih, have been very concerned about the welfare of the three. The society, on behalf of the family members of the crew, asked Red Cross International to "kindly render assistance in this matter" and help the crew members and the aircraft return as soon as possible.

CAL Spokesman Statement

OW071524 Taipei CNA in English 1501 GMT 7 May 86

[Text] Taipei, May 7 (CNA) -- China Airlines had not yet heard any news from Cathay Pacific Airways about its handling of the stranded CAL cargo jetliner and crew members as of 6 p.m. Wednesday, CAL spokesman Lin Liang-chih said Wednesday evening. He said the ROC flag carrier is currently trying to retrive its Boeing 747 B198 cargo jetliner, three crew members and cargo on board through three different channels. The plane, on its way from Bangkok to Hong Kong, landed at the Paiyun Airport in Canton, Kwangtung Province, May 3.

Besides entrusting Hong Kong-based Cathay Pacific, Lin said CAL has entrusted the British Lloyd's Insurance Corp with the negotiations with the Peiping regime for the release of the cargo jetliner. Families of the three stranded crew members Wednesday formally requested the Red Cross Society of China to help the ill-fated crew return home at an early date, he added.

CHENG MING ON BACKGROUND OF WANG MENG APPOINTMENT

HK060531 Hong Kong CHENG MING in Chinese No 103, 1 May 86 pp 12-13

["Word From the Capital" by special correspondent Chang Chuan: "Deng Xiaoping and Hu Yaobang Forced Wang Meng To Become a Minister"]

[Text] During the recent NPC session, the fact that Wang Meng would be put in charge of the Ministry of Culture became front-page news in overseas newspapers and magazines. This was very unusual.

From the spreading of the rumors to the official announcement, the news that Wang Meng would become a minister was very dizzying and confusing. Reporters from Hong Kong covering the NPC session in Beijing became very busy trying to prove it but still failed to grasp the main points.

First, Deng Youmei, CPC secretary of the Writers' Association, acted in a slick way by making some equivocal and superficial remarks. Feeling unsatisfied, several Hong Kong reporters went to Wang Meng's home; in answering, Wang Meng said that he was at the moment writing a serial novel. Only two other writers, Zhang Xianliang and Feng Jicai, disclosed some information.

Willing To Be in Charge of the Ministry of Culture, Gao Di Can Only Be a Deputy

What is so mysterious and unfathomable about Wang Meng's appointment as the minister of culture? What exactly went on behind the scene?

It is really unbelievable that "Wang Meng did not want to be an official." Nevertheless, it is true that Wang Meng did not want to be the minister of culture. A friend of mine in Beijing told me that there we two main reasons for Wang Meng's unwillingness to be the minister of culture. First, politically, it is not an easy job to occupy this post. Second, too many things fall under the jurisdiction of this department. Notwithstanding that the awful mess of the cinema is now under the administration of the Ministry of Radio and Television (headed by Minister Ai Zhisheng), there are still too many problems and things to mind, which will surely and seriously affect his writing.

However, of these two reasons, the former is the most important, as the Ministry of Culture not only takes care of cultural issues but also is very sensitive politically. Therefore, if the work is not handled well, he might be dismissed from office and blamed. Moreover, the second reason is still important. That is why Deng Youmei said that "if this job was given to me, I would never be able to write in my whole life." This also accounts for why Tianjin's Jiang Zilong recently asked determinedly not to be "an official" in the Writers' Association in Tianjin.

"Notes on a Northern Journey" in this January's issue of CHENG MING reported that Wang Meng was among the list of "candidates" for the post of minister of culture. Higher levels once prefered Xu Huaizhong, a middle-aged writer and author of "A Ruthless Lover," but Xu did not take the job. Another name on the list was Gao Di, secretary of the CPC Committee of Jilin Province. Moreover, Gao Di accepted the appointment with pleasure around the time of this year's Spring Festival. Therefore, Wang Meng once said that he absolutely would not be the minister of culture.

However, there were some changes afterwards. Important officials at higher levels maintained that it would be more correct to let Gao Di be a deputy minister of culture and Wang Meng be the minister. Here Wang Meng's troubles began.

Hu Qili Was Convinced by Wang Meng

The CPC Central Secretariat decided to appoint Wang Meng as minister of culture. When the CPC Central Organization Department solicited Wang Meng's opinion, he raised his objections and said he would be unable to accept this appointment. In order to shirk this thankless task, Wang Meng even personally went to the CPC Central Secretariat to persuade Hu Qili to find someone better.

As Hu Qili had been ordered to pass on the central authorities' intentions to Wang Meng and bring him around, a small "argument" arose at the meeting between Hu Qili and Wang Meng. Wang Meng upheld that he had to write and would not give up his advantage, as he could play a greater role than a minister could in the literature and art circles by making use of this advantage. Wang Meng spoke rationally and convincingly, and Hu Qili was convinced in the end.

This is exactly Wang Meng's forte. Although having a glib tongue, even Hu Qili lost the upper hand to Wang Meng and could not force him to become the minister of culture. Therefore, Hu Qili had to report his failure to General Secretary Hu Yaobang.

Xi Zhongxun Gave the Order on Behalf of Deng Xiaoping and Hu Yaobang

After all, being a member of the second echelon, Hu Yaobang was very experienced, quite unlike Hu Qili who, like Wang Meng, belongs to the third echelon and could do nothing about this "young man from the Organization Department." It was once widely rumored in the literature and art circles in Beijing that he sent for Wang Meng and asked at the very start of the meeting: "Are you a member of the Communist Party?"

Wang Meng replied: "Yes."

Hu Yaobang asked: "Shoud a communist member obey the orders of the organization?"

Before Wang Meng could answer the question, Hu Yaobang said that "members of the Communist Party should even sacrifice their lives. Should they fear being a minister of culture? You should accept the appointment first."

Upon checking, we found this version of the story to be incorrect. It was Xi Zhongxun who spoke to Wang Meng. As soon as he met Wang Meng, his first sentence was "on behalf of Deng Xiaoping and Hu Yaobang, I am calling on you and am passing on their opinion to you." In the face of the order from Deng Xiaoping and Hu Yaobang, Wang Meng could argue no more.

Wang Meng Belonged to the Communist Youth League System

Therefore, Wang Meng had to wait for the official NPC appointment and take up the job. In this period, writers in Beijing and representative writers attending the NPC session specially held a "farewell" tea party in celebration of his promotion. Before taking his "farewell," it is said that Wang Meng was still not optimistc about this high post and did not resign his position as the editor in chief of RENMIN WENXUE which, in fact, he can no longer occupy, thus leaving himself some leeway.

Some people in Beijing said that the reason Hu Yaobang forced Wang Meng to take charge of the Ministry of Culture is that Wang Meng has a background of work in the Communist Youth League system. Before becoming a "rightist" in the 1950's, Wang Meng was once a CYL cadre in a district in Beijing.

However, my friend in Beijing said that this was only one of the reasons. More importantly, he is the most ideal person to adjust the relationship between the party and the writers. It is said that this point is also generally acknowledged by the contingent of writers. Personages in the literature and art circles in Beijing hope that with the direct backing of Hu Yaobang, Wang Meng will adopt a more open attitude toward literature and art issues and do more work in truly realizing the freedom of creation.

MA DING CASE SPARKS CPC THEORETICAL DISPUTE

HK061055 Hong Kong CHENG MING in Chinese No 103, 1 May 86 pp 14-15

[Article by special correspondent Hsiao Chung: "The 'Ma Ding Case,' Which Shocks CPC Theorists"]

[Text] In recent months, the CPC theorists have been very active in discussing economic theories. Some young theorists are eager to express their ideas and viewpoints, and this has brought about clashes of opinion with the orthodox theorists.

In the past few years, orthodox theorists were always on the defensive to guard their authoritative interests in the theoretical field. They rigidly stuck to all the dogmas of Marx and Lenin, holding that nothing in the theory of Marxism-Leninism is debatable. However, they could not launch an effective counterattack against the challengers. Recently, they have taken the opportunity to stage a major offensive and this has heated up the split in the theoretical circles to a red-hot degree. It was the "Ma Ding incident" which shocked the entire theoretical circles.

The Real Facts of the "Ma Ding Incident"

The so-called "Ma Ding incident" was a theoretical storm caused by an article written by "Ma Ding." This lengthy signed article was published by GONGREN RIBHO on 2 November 1985, and was later relayed by the English version of BEIJING REVIEW. This article commented on the 10 major changes in economic studies in China in recent years and pointed out the development orientation for future economic studies.

The theoretical circles reacted favorably to the publication of this article. A dispatch issued by the Japanese JIJI News Agency on 11 December reported this news and the Japanese newspaper ASAHI SHIMBUN also reported on this article. On 19 December, CHUNG PAO in New York in the United States published an editorial entitled "Eliminating Utilitarianism -- on the Correct Attitude in China's Economic Research," criticizing the academic utilitarianist tendency and the practice of swallowing foreign theories without digesting them in China's present economic studies.

In this "optical and electonics" era, the information was relayed back to mainland China over the next 2 and 1/2 months. It became a "powerful weapon" for the orthodox theorists to counterattack the reformist theorists, saying: Even overseas scholars have made these criticisms, so how can you explain it?

On 4 March 1986, the daily JINGJI CANKAO compiled and published by the XINHUA NEWS AGENCY carried excerpts of the New York CHUNG PAO editorial. Then, some journals controlled by the orthodox faction and some authoritative people came out to kick up a big fuss. They criticized some theorists in China for "swallowing foreign things without digesting them" and denounced Ma Ding's article as a demonstration of "spiritual pollution of a high level." They even organized a number of critical articles. As is known, however, these authoritative people had not really read Ma Ding's article and did not know the truth when they kicked up a fuss. They just believed the editorial of the New York CHUNG PAO, which itself was a foreign article that they swallowed without digesting, and reached a reckless conclusion.

The Japanese Report Misled CHUNG PAO

The New York CHUNG PAO said in its editorial on 19 December 1985: Some economists in Mainland China now think that "Das Kapital" cannot provide "ready answers" for present questions, so the book's theory has "become invalid." Therefore, their attitude in economic studies has turned to utilitarianism, and they cannot treat the conclusions of the Marxist theory from a viewpoint of development. The newspaper also criticized some Chinese economists for only being keen on introducing Western economic theories but neglecting the influence of Marxism on Western economics, and called this a tendency to "swallow foreign things without digesting them." In fact, the criticism made by CHUNG PAO was untenable, because it drew an erroneous conclusion from some misrepresented materials.

Among the 10 issues in Ma Ding's article, the first, third, and fourth issues were controversial. Their topics were: "Ready answers cannot be found in 'Das Kapital'"; "From rejecting to analyzing and applying modern economics in the West"; and "Western theoretical schools should not be neglected." However, the article did not say that "Das Kapital" has lost its validity, as the CHUNG PAO editorial claimed. CHUNG PAO's charge was based on a news report dispatched by the Japanese. Ma Ding's article said: The political economy of Marxism has different tasks in different historical periods. In the 19th century, its task was to criticize the old capitalist world, while its present task is to promote the building of a new socialist world. Therefore, for many present economic issues, no ready answers can be found in the classical works of Marxism-Leninism. But the article still emphasized that China's economists should make use of Marx's stand, viewpoints, and methods to develop economic science in line with China's practice in building socialism. Then it drew a conclusion from this point for the third issue: As Marx, Engels, and Lenin critically absorbed the useful essence of classical economics and fully affirmed the reasonable part of vulgar economics, we should also criticize, analyze, and apply the achievements of various Western modern economic theories to enrich the economic theory of Marxism and to build socialism with Chinese characteristics.

In Ma Ding's article, there are no remarks about such a concept as Marxism "has lost its 'validity.'" It did not give people the impression of "swallowing foreign things without digesting them." As some scholars in Beijing, Shanghai, and Anhui pointed out, it is an important article which the authorities should allow to be published. Although it has shortcomings, it is still a good article.

In the battle, the orthodox conservative theorists in the CPC have picked the wrong target and introduced the wrong weapon from abroad. Their action has backfired on them.

The Central Propaganda Department's Role

Ma Ding is the pen name of Song Lonxiang, a young lecturer in the Nanjing University philosophy department. This time, he was not submerged in the storm. In 1983, when some people stirred up a storm of "eliminating spiritual pollution," Zhou Yang's articles about humanism and alienation were criticized for spreading "spiritual pollution" carried a terrible label of "at the high level," but Ma Ding, as a nobody in China's power structure, passed safe and sound....some gratifying changes have occurred in the balance of strength between the two factions in the CPC theoretical circles. The voice calling for "academic freedom" has been surging up.

The CPC Central Propaganda Department, when it was headed by Wang Renzhong or Deng Liqun, was always playing the role of containing ideology. After Zhu Houze took office, the Central Propaganda Department for the first time acted in line with public feelings, and it took popular measures to handle the "Ma Ding incident."

For the first time, the Central Propaganda Department made a good impression on the people. The "Ma Ding incident" was warmly discussed by people in the theoretical and cultural circles in Beijing. Some theoretical workers even said: "The 'Ma Ding incident' marks an exciting point for theoretical workers."

RENMIN RIBAO's Counterattack

In this incident, the reformist theoretical workers took the initiative in their hands rather than waiting passively for the Central Propaganda Department to pass judgment and allow free discussion. This time, they counterattacked promptly.

On 4 March, JINGJI CANKAO reprinted excerpts of CHUNG PAO's editorial. On 14 March, or 10 days later, RENMIN RIBAO published Deng Zhiwei's article entitled "The 'Breakthroughs' in the Study of Marxism," which was bolder than Ma Ding's article in pointing out the existence of some "outmoded' points in Marxist theory and saying that only by acknowledging this can one be regarded as having a Marxist attitude. Deng point out that Marx's viewpoint that commodity production should not exist in socialist society is not realistic, but this fact was not faced squarely until the 3d Plenary Session of the 12th CPC Central Committee decided to open the door of commodity production.

The article said: Marxism is developing continuously. If theory in the new stage is merely the simple continuation or extension of theory in the old stage and there is no breakthrough and negation, how can the doctrine be developed? The author called for making greater breathroughs in the theory of Marxism. He said: If breakthroughs are made even on some minor points, then this idea will be accepted even by the dogmatists. Breakthroughs cannot be made at will. If time, place, and conditions do not change or do not change substantially, the essence of the theory which reflects such specific conditions will not become outmoded; but if time, place, and conditions change greatly, then the theory, no matter how great and sacred it might be, will certainly become out moded. It is incorrect to regard something which still holds as outmoded; and it is also incorrect to deny the fact that something is indeed outmoded. Neither is a Marxist attitude.

What the "Ma Ding Incident" Exposes

What a wonderful counterattack it was. It was indeed a "major change" in China. Many people in the West are called "Martin," including a Sinologist in West Germany. So the "Ma Ding incident" may easily be misunderstood and be regarded as an incident related to some foreigners. After BEIJING REVIEW published Ma Ding's article, SHIJIE JINGJI DAOBAO carried the excerpts of the translation of 3 March (maybe, the editor did not know that the Chines orginal of the article was published in GONGREN RIBAO). Then WENZHAI BAO, a newspaper jointly published by GUANGMING RIBAO and the National Association of Journalists, quoted some remarks from the article and added that the remarks were uttered by a "foreign scholar." All of a sudden, Nanjing's Song Lonxiang, a Chinese "Ma Ding," was changed into a "foreign scholar. In fact, Ma Ding's article repeatedly used such terms as "our country" and "we" when talking about things in China. From these terms, editors could tell that Ma Ding was not a foreigner. This shows that editing work is not good enough and China's media organs are not well-informed and lack background information.

As a matter of fact, China's reporters and scholars will never suffer the disease of "swallowing foreign things without digesting them," because they cannot easily get access to foreign things. A few years ago, Shanghai's WEN HUI BAO published an article entitled "Information and the Development of Human Resources," which said: "Many scholars in China cannot find the books and data they need and have no opportunity to visit foreign countries to carry out academic exchanges. Under these circumstances, it is very difficult to conduct research and develop theories.

Everyone is leading a kind of "lonely" life. There is no competition, no information, no exchange, like a solitary boat in the sea on which there is no food, no fresh water, and no oar with which to row ashore. This is a good description of the situation in China's academic circles. Deng Weizhi, who published an article in RENMIN RIBAO to counterattack the CHUNG PAO editorial, is an active scholar. In recent years, he was published many good articles advocating the emancipation of people's minds in ZHONGGUO QINGNIAN BAO and WEN HUI BAO. In the title of one of these articles, he asked: "Why Are There So Few Schools of Thought in China?" He called for developing new theoretical schools and called for the media organs to be more courageous in paving the way for the development of new theoretical schools. It is to be hoped that through the "Ma Ding incident," the light of dawn will really appear in China's theoretical circles.

EDITORIAL CRITICIZES TAIWAN REFUSAL TO CONTACT PRC

HK080331 Hong Kong SOUTH CHINA MORNING POST in English 8 May 86 p 12

[Editorial: "Towards Jumbo Diplomacy?"]

[Text] There seems to be no early end in sight to the incident which has erupted over Saturday's defection to the mainland of a veteran Taiwan pilot, complete with a China Airlines cargo plane and two reluctant crewmen. Both the Communist Chinese Government and the Kuomintang authorities in Taiwan have stood their ground firmly, waiting for the other to budge. Beijing has insisted that the matter can be resolved easily if Taiwan sends a representative to the mainland. While this is not an unreasonable demand, it is obvious Beijing is exploiting the incident as an opportunity to push Taiwan into a dialogue. The jumbo and its crew have therefore taken on a role greater than their intrinsic importance. They are now figuring in the equation of China's historical search for a solution to the country's reunification. It is with this in mind that China has explicitly declined offers of third party mediation.

Any delay in resolving the issue will certainly add to the agony of the hapless crew members who steadfastly refuse to follow Mr Wang Xijue in his political leap across the Taiwan Strait. And while China may consider the two crew valuable bait to get Taiwan to talk, their enforced stay on the mainland could become a political liability for Beijing if it drags on in the face of the communists' promises to respect their wishes to return home.

On the other hand, Taiwan's stubborn refusal to enter into direct discussions for the return of the jumbo [jet] and crew leaves many people puzzled, especially when the other side made it plan they would return all that belongs to the KMT Government, except the defector. By sticking to their 1950's policy of "no talk, no communication and no contact" with the mainland, the KMT authorities have raised doubts about their ability to cope with contingencies that arise in the 1980's. The question now is whether changing circumstances call for a review of the "three no's" policy -- and whether this particular incident should be the catalyst.

It is no secret in Taiwan that communications between the island the mainland through third territories such as Hong Kong have been going on for years. Visits by Taiwan residents to the mainland have been on the increase, again through third territories. The KMT Government has acted humanely by not prosecuting all cases drawn to its attention. But it cannot always expect its political face to be salvaged by the existence of buffer zones such as Hong Kong, and certainly not Hong Kong after it reverts to China in 1997. At some stage Taiwan and its ageing leadership must bite the bullet and accept that more contacts with China are a fact, as Mr Wang's dramatic defection has highlighted. Not even the bitter memories of the civil war can wipe out the desire of families to be reunited.

DAILY REPORT

China

CONTENTS

Vol I No 090 9 May 1986

PRC INTERNATIONAL AFFAIRS

GENERAL

Spokesman on CAL Pilot, Afghanistan Issue A 1
PRC 'Working Paper' Urges Disarmament Talks A 1
Foreign Experts Discuss Asian Issues A 2
U.S.-Soviet Arms Talks Resume in Geneva A 2
RENMIN RIBAO on Current U.S.-Soviet Relations [6 May] A 3

UNITED STATES

Li Xiannian Meets U.S. Treasury Secretary B 1
Yang Dezhi Predicts Success for U.S. Visit B 1
U.S. Adviser on Arms Control Talks With USSR B 1
LIAOWANG on U.S. 'World Hegemony' Objective [5 May] B 2
'U.S. Aim Was To Get Rid of Al-Qadhdhafi' [LIAOWANG 28 Apr] B 5
Roundup Views U.S. Maneuvers in Central America B 8

SOUTHEAST ASIA & PACIFIC

Ji Pengfei Reaffirms Hong Kong Employment Policy E 1
LIAOWANG OVERSEAS EDITION on Cambodia Issue [5 May] E 1

EASTERN EUROPE

CPC Congratulates Romanian Party on Anniversary H 1
Romania's Dinca in Beijing for Exhibition H 1
Meets Zhao Ziyang H 1
LIAOWANG Views Development of Sino-Yugoslav Ties [21 Apr] H 2

WESTERN HEMISPHERE

Canada's Prime Minister Arrives in Beijing J 1
Holds Talks With Zhao Ziyang J 1
Bolivian Foreign Minister Concludes Visit J 1
Nicaraguan Vice President Meets CPC Delegation J 2
China Firm, Canadian Transporter Sign Pact J 2
Rong Yiren Talks With Canadian Visitors J 2

PRC NATIONAL AFFAIRS

Zhao Ziyang, Li Peng Inspect Hubei, Sichuan K 1
SHIJIE JINGJI DAOBAO Interviews Ma Ding [21 Apr] K 1
Provincial Petitioners Interviewed in Beijing [AFP] K 3
RENMIN RIBAO on Enterprise Self-Determination [2 May] K 4

LIAOWANG on PRC Census Results, Application [28 Apr] K 6
Symposium To Be Held on Classical Chinese Novel K 8
Wan Li Addresses Geological Work Session K 9
LIAOWANG on Commodity Grain Base Counties [21 Apr] K 13
Liao Hansheng on Legal System, Public Health K 15
Conference Views Cadres Running Enterprises K 16
Tighter Tax Regulations To Be Introduced 1 July K 16
[CHINA DAILY 6 May]
Meeting Discusses Labor, Wage System Reform K 17
Hao Jianxiu Inspects Tianjin Textile Industry K 18
Lauds Domestic Industry K 19
Yao Yilin, Wang Zhaoguo at Folksong Festival K 20
Ni Zhifu Unveils Zhou Enlai Statue in Tianjin K 20
Chen Pixian Addresses Shanghai Education Meeting K 20
Gu Mu Attends CCPIT Closing Meeting 4 May K 21
Fang Yi Attends Opening of Science Exhibit K 21
Xi Zhongxun, Others Attend Musical Performance K 22
Song Jian Urges Growth of Scientific Research K 22

PRC REGIONAL AFFAIRS

EAST REGION

Han Peixin Addresses Jiangsu Personnel Meeting O 1
Jiangsu's Han Peixin on Transferring Militia O 1
Jiangxi Leaders Discuss Report on 5-Year Plan O 1
Jiangxi: Militia Unit Handed Over to Local Command O 2
Wang Fang Attends Zhejiang CPPCC Session O 2

SOUTHWEST REGION

Guizhou Policy on Promoting Lateral Economic Ties Q 1
Sichuan Governor Views Seventh 5-Year Plan Goals Q 1
Yunnan Governor Outlines Economic Tasks for 1986 Q 2
Briefs: Yunnan Hydropower Station Q 3

NORTH REGION

Xie Feng Elected New Governor of Hebei Province R 1
Nei Monggol Secretary Attends Youth Day Fetes R 1
Zhang Shuguang Views Nei Monggol Military Drill R 1
Nei Monggol's Bu He Outlines 1986 Economic Tasks R 2
Tianjin Takes Measures Against Illegal Publications R 3
[TIANJIN RIBAO 20 Apr]

NORTHWEST REGION

Gansu's Li Ziqi Attends May Day Centenary Rally T 1
Shaanxi Convenes Party Rectification Meeting T 1
Shaanxi: Xian Officials Hamper Lateral Economic Ties T 2

TAIWAN

Implications of PLA Chief of Staff U.S. Visit Analyzed V 1
Papers Caution U.S. on Arms Sales to Mainland V 1
CHINA POST Lauds Resumption of U.S. Arms Sales [30 Apr] V 2
Commentary Views Development of Advanced Jet Fighter V 3
KMT Workers Urged To Promote Political Harmony V 4

SPOKESMAN ON CAL PILOT, AFGHANISTAN ISSUE

HK071038 Beijing ZHONGGUO XINWEN SHE in Chinese 1007 GMT 7 May 86

[Report: "China and Portugal Are Discussing Time and Place for Talks on Macao Issue" -- ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 7 May (ZHONGGUO XINWEN SHE) -- China and Portugal are discussing the time and place for the talks on the Macao issue. Ma Yuzhen, a Foreign Minister spokesman, said the above in reply to the question raised by a reporter at this afternoon's news briefing.

At today's news briefing, three reporters asked about Captain Wang Xijue, who flew a CAL Boeing 747 cargo plane to the motherland. Ma Yuzhen did not give them a direct reply. He said: The Civil Aviation Administration is responsible for handling this issue. Please ask the Civil Aviation Administration.

A reporter asked what China comment had on the change of the head of the Afghan Government. This spokesman said: We have only one remark to make. That is, the key to the political settlement of the Afghan issue lies in the withdrawal of Soviet troops from the country.

PRC 'WORKING PAPER' URGES DISARMAMENT TALKS

OW090554 Beijing XINHUA in English 0539 GMT 9 May 86

[Text] United Nations, May 8 (XINHUA) -- China today said that arms reduction talks should not be "monopolized" by a few big countries, and multilateral deliberations and negotiations should take a "central role" in disarmament. "As the question of disarmament concerns the security of all countries, it should not be monopolized by a few big powers. Disarmament agreements between them must not jeopardize the interests of other countries," said a working paper China submitted to the U.N. Disarmament Commission today. The paper stressed that "all countries, big or small, militarily strong or weak, should enjoy equal rights to participate in the discussions and settlement of problems related to disarmament."

The working paper was addressed to Ambassador Henning Wegener of Federal Germany, chairman of the 1986 session of the commission, by Fan Guoxiang, Chinese ambassador for disarmament affairs and head of the Chinese delegation to the commission. The paper pointed out that multilateral disarmament deliberations and negotiations and bilateral, small-scaled or regional disarmament negotiations should be complementary and promote each other. But, "as compared with the latter, the former has the central role and primary responsibility," it emphasized.

The document urged the participants in bilateral negotiations to take an active and constructive part in the U.N. disarmament deliberations and multilateral negotiations. Negotiators in bilateral talks "should not overlook or hinder multilateral negotiations on the pretext that similar disarmament issues are being tackled in the bilateral negotiations," it added.

The participants in bilateral, small-scaled or regional disarmamaent negotiations, it said, "should constantly keep the United Nations and the multilateral negotiating body informed of the developments in their negotiations. It should be more so when the subject matter of their negotiations concerns the wider interests of other countries beyond those of the participants." The document urged all states to strictly abide by the provisions of the U.N. Charter, refrain from actions which might adversely affect the disarmament efforts, and display a constructive approach towards arms talks and the political will to reach agreement.

It is noted that the United Nations has a central role and primary responsibility in disarmament, and should encourage all disarmament measures and be kept informed of all disarmament efforts and developments, whether unilateral, bilateral, regional or multilateral, without prejudice to the progress of negotiations.

The United Nations is entitled to consider all international disarmament issues and the implementation of its rights should not be limited or obstructed, it added. It said that the United Nations should constantly oversee the implementation and observance of international disarmament agreements and take prompt and necessary actions against non-compliance. The U.N. Disarmament Commission began a closed-door session on Monday that will continue until the end of this month.

FOREIGN EXPERTS DISCUSS ASIAN ISSUES

OW081721 Beijing XINHUA in English 1540 GMT 8 May 86

[Text] Beijing, May 8 (XINHUA) - Scholars from 13 Asian countries and regions gathered here to discuss the area's development experiences and perspectives at a conference which opened today. Topics to be discussed during the four-day conference, which is sponsored by the Chinese Academy of Social Sciences (CASS) and the United Nations University, include the forming of social and economic development strategies which are suitable to a country's concrete conditions and present international environment, the solution to agricultural development issues, and the role of the state, and science and technology in development. Also to be discussed are the potential and perspectives for regional cooperation.

Chinese representatives have presented five papers to the conference, dealing with such topics as rudimentary experiences and existing problems in China's agricultural development, and the advancement and experiences of the current reforms of China's economic structure.

In his opening speech, Li Shenzhi, vice-president of CASS, said that Asia has great potential for economic development and regional cooperation. "Asian countries have obtained many valuable experiences in the issues to be touched on at the conference. I am sure that the conference will contribute to further progress in economic development and regional cooperation among the Asian countries." he said. Also speaking at the opening ceremony was Kinhide Mushakoji, vice-president of the United Nations University.

U.S. SOVIET ARMS TALKS RESUME IN GENEVA

OW082016 Beijing XINHUA in English 1740 GMT 8 May 86

[Text] Geneva, May 8 (XINHUA) — The fifth round of U.S.-Soviet talks on reducing nuclear and space weapons opened at the Soviet mission here today with both sides sticking to their previous divergent positions. Speaking to reporters just minutes before the first plenum of the negotiations, Viktor Karpov, head of the Soviet delegation, said that the U.S. "star wars is the stumbling block" in the arms negotiations and he envisaged that the negotiations here would be difficult. The Soviet chief negotiator also dismissed Western press claims that the accident at the Soviet Chernobyl nuclear power plant cast doubt over the verification of Soviet nuclear disarmament. "I do not see any connection between the decisions we can reach in Geneva and Chernobyl." he said.

Karpov announced some personnel shuffle in the Soviet delegation. Karpov, who has been responsible for strategic arms talk, will take charge of the space weapons talk and will negotiate directly with U.S. chief delegate Max Kampelman.

Taking over for Karpov is Alesksey A. Obukhov, who had headed the talks on medium-range missiles and will be replaced by his former deputy, Lem A. Masterkov.

Since negotiations on the nuclear and space weapons started on March 12, 1985, no substantial progress has been achieved. The two superpowers are as far apart as ever, despite agreement to accelerate the talks reached by U.S. President Ronald Reagan and Soviet leader Mikhail Gorbachev last November. Since the end of the fourth round of negotiations in January, Moscow has called for the elimination of all nuclear weapons by the end of this century, while Washington has suggested the abolishment of all medium-range missiles by 1990. But neither has accepted the others proposal. On the space weapons issue, the Soviet Union has been vehemently opposing the U.S. "star wars" programs ever since it was revealed. So, the talks resumed in an atmosphere clouded by mutual accusations of blocking progress in separate statements issued by Kampelman and Karpov on their return to Geneva Tuesday.

Karpov charged the United States with doing "virtually nothing" to break the stalemate. There "has been no real progress" since the talks first started, he said.

Kampelman said Washington is still waiting for the Soviets to get down to "serious negotiation" and to respond to U.S. proposals.

Observers said that the present round of negotiations, scheduled to last seven or eight weeks, are unlikely to make any breakthrough, although both sides might provide new arms reduction suggestions.

RENMIN RIBAO ON CURRENT U.S. -SOVIET RELATIONS

HK080903 Beijing RENMIN RIBAO in Chinese 6 May 86 p 6

["Commentary" by Zhang Liang: "The Disquiet U.S. -Soviet Relations"]

[Text] In the past few months of this year, U.S. -Soviet relations have been very irregular, one wave rising after another. The U.S. -Soviet summit in November last year has improved the political atmosphere in the relations between the two countries, their economic relations and trade have begun to ease up, and the two sides have maintained the momentum of holding dialogue. However, the two countries differ greatly on many issues and have endless disputes over them. Moreover, unexpected incidents have occurred from time to time, causing confrontation and markedly dispersing the atmosphere of relaxation.

The U.S. -Soviet relations have recently become strained. This is manifested first in the serious opposite stands of the two countries on disarmament. No progress was made at the fourth round of U.S. -Soviet talks on limitations of weapons in Geneva this year. The leaders of the two countries put forward one after the other new proposals on disarmament in January and February this year, but they stressed different things. Gorbachev proposed that by the end of this century, all nuclear weapons should be eliminated from the world. He particularly stressed that neither side should develop space weapons for attacks and that both sides should stop nuclear tests. On the other hand, Reagan proposed that the two sides should first reach agreement on medium-range missiles and stressed that the United States and the USSR should eliminate all medium-range nuclear missiles within the coming 3 years. Since these two proposals on disarmament differ greatly in many specific aspects, they have been the major topics of dispute between the two sides. The question of stopping nuclear tests in particular has caused fierce struggle between the two sides. On 6 August last year, the USSR unilaterally declared that it would temporarily stop nuclear tests and asked the United States to do the same, but the United States rejected this proposal. On 15 January and 31 March this year, the USSR against expressed that it would extend the period for temporary stoppage of nuclear tests so that the United States might respond.

However, the United States not only ignored the Soviet proposal, but acted in a diametrically opposite manner and carried out three underground nuclear tests in March and April.

The USSR has regarded stopping nuclear tests as "the most realistic way to stop the arms race," and that the current deadlock on nuclear disarmament may be broken if an agreement on stopping nuclear tests can be reached. However, the United States held that since the USSR has gained the upper hand in some aspects of nuclear arms, temporary stoppage of nuclear tests "does not tally with the security and interests of the United States, its friends, and allied countries" and that "appropriately conducting nuclear tests is indispensable for maintaining the reliability of our nuclear deterrent strength." As a matter of fact, the reason the United States and the USSR dispute over the question of stopping nuclear tests is because this question involves an important aspect of the contention for military superiority between the two sides. As pointed out by Western newspapers and magazines, the reason the USSR demands stoppage of nuclear tests is to prevent the United States from improving its nuclear weapons and developing space weapons, and the reason the United Sates does not want to stop nuclear tests is that it wants to strengthen its nuclear deterrent strength and promote its strategic defensive research. Therefore, faced with the uncompromising U.S. stand, the USSR announced on 11 [April] that it would no longer commit itself to temporary stoppage of all nuclear tests. Western diplomats in Moscow remarked that confrontation between the United States and the USSR on the question of nuclear tests has caused a new atmosphere of tension in U.S.-Soviet relations.

Second, the United States and the USSR have not yet agreed on a definite date for the second summit. Originally, both sides agreed in principle during the summit in November last year that Gorbachev would visit the United States to attend the second summit this year. However, because of differences between the two sides on disarmament and other issues, the date for the summit has not yet been fixed. In the beginning, Gorbachev proposed at the 27th CPSU Congress in February that concrete results must be obtained at the new summit in the most important aspects of arms restriction and reduction, and that at least understanding must be reached on stopping nuclear tests and eliminating U.S. and Soviet medium-range missiles in Europe. Public opinion in the West holds that the USSR in fact regards disarmament as the prerequisite for the summit. In this way, the date for the meeting may be postponed a long time. If the meeting cannot be held in June and July this year, it cannot be held when the United States is busy with the mid-term election either. Whether the meeting can be held in November after the election remains uncertain. The United States expressed that "it is impossible" to link the U.S.-Soviet summit with disarmament talks. It even held that it is precisely because there are differences between the two sides that a new summit is all the more necessary. Through negotiations, the United States and the USSR decided to hold a meeting of the foreign ministers of the two countries to prepare for the summit. However, a storm may arise from a clear sky. Not long ago, after the United States attacked Libya on the grounds of opposing terrorism, the USSR declared canceled the planned meeting of the foreign ministers of the two countries. Gorbachev expressed: "If the United States continues to act in this way to poison the atmosphere, it will cast a shadow over the meeting in the future." This again added difficulty to the summit. As some U.S. analysts thought, although to date the plan for holding the summit this year has not been officially canceled, ill omens have shown that the atmosphere in U.S.-Soviet relations has cooled.

Third, the strain in U.S.-Soviet relations is also manifested in bilateral relations and regional conflicts. A conspicuous instance is that on 7 March this year, the U.S. Department of State demanded that the USSR reduce its permanent personnel to the United Nations from 275 to 170. In its statement, the U.S. Department of State said that the enormous Soviet diplomatic mission to the United Nations has "constituted a threat to U.S. national security" and that the United STates has made this decision because the Soviets have engaged in activities that have nothing to do with the affairs of the United Nations, including espionage. The USSR held that the United States took "an imperious and groundless move" and expressed its "resolute protest." It also pointed out that such acts "cannot but most seriously affect" U.S. -Soviet relations. Besides, on 13 March, two U.S. warships purposely entered the territorial waters south of the Soviet Crimea peninsula to "probe the defensive strength of the USSR." The USSR lodged a protest saying that this U.S. act is "of the nature of putting on a show of force" and has a "clear provocative purpose." As far as regional conflicts are concerned, U.S. -Soviet confrontation has also apparently been intensified. Old problems remain and new ones have emerged. On 15 April, the United States launched an air raid against Libya and attacked the Soviet missile base in Libya. This made the dispute between the United States and the USSR become fierce once more. The USSR not only "resolutely denounced" the U.S. aggresive banditry, "but also demanded that the United States immediately stop such acts, else the USSR "be compelled to draw a conclusion with more far-reaching significance." Besides, this year, the United States will for the first time provide Angolan and Afghan guerrillas with several hundred advanced Stinger missiles and will continue to provide military aid to the Nicaraguan antigovernment armed forces. The U.S. WASHINGTON POST held that all this indicates "an important change in U.S. policy" to strengthen its offensive in regional conflicts.

Regarding U.S. -Soviet relations at present, a large number of commentaries in Western newspapers and magazines hold that while bothsides continue to stress the necessity of holding dialogue, the coloring of confrontation has increased. Some say that since the beginning of this year, the USSR has stressed a peace offensive and has put forward a series of proposals on disarmament. In view of West European countries' worries and anxiety about the balance of military forces in Europe, the USSR has also put forward the proposal of reducing conventional forces and dissolving both the Warsaw Treaty Organization and NATO. The purpose is to gain the initiative in the public opinion, to try to reach some disarmament agreements with the United States, and to compel the United States to give up the "star wars" program. Many Western diplomats also held that the reason the USSR is acting in this way also because it wants to gain time to implement its "accelerated development strategy" in order to invigorate its national strength. Therefore, it has to maintain the momentum of holding dialogue with the United States. On the other hand, the United States wants to make use of the present opportunity to compel the USSR to make some concessions in disarmament and to strengthen its offensive in regional conflicts.

In short, as viewed from the recent U.S. -Soviet relations, U.S. -Soviet relations will continue to be sometimes relaxed and sometimes strained while following the general pattern of contention and confrontation.

LI XIANNIAN MEETS U.S. TREASURY SECRETARY

OW081223 Beijing XINHUA in English 1157 GMT 8 May 86

[Text] Beijing, May 8 (XINHUA) -- President Li Xiannian said today that the policy of opening to the outside world will be implemented persistently in China, and this policy will not be changed by this generation or the next. He made the remarks while meeting visiting U.S. Secretary of the Treasury James Baker and his party. They had a friendly talk.

He said China has achieved remarkable progress in various aspects since the open policy was implemented in 1979 and is summing up its experiences in order to overcome shortcomings and solve existing problems. Speaking on the relationship between China and the United States, Li held that, though progress has been made over the past few years, there are still issues to be solved. He hoped for a further development of the bilateral relations.

Baker said the U.S. and China have attained substantial progress in improving their bilateral relations over the past four or five years, adding that the two countries have much work to do in this field. He hoped to see more investment in China by U.S. entrepreneurs. "This will not only benefit the Chinese people but also the American people," he said.

Among those present were Wang Bingqian, state councillor and minister of finance, and Winston Lord, U.S. ambassador to China. Wu Xueqian, state councillor and foreign minister, had earlier met the U.S. visitors.

YANG DEZHI PREDICTS SUCCESS FOR U.S. VISIT

OW081824 Beijing XINHUA in English 1816 GMT 8 May 86

[Text] Washington, May 8 (XINHUA) -- Yang Dezhi, visiting chief of the general staff of the Chinese People's Liberation Army, said here Wednesday evening that his current 16-day visit to the United States will be successful. At a dinner hosted by Chinese Ambassador to the United States Han Xu, General Yang expressed his hope that the friendship between the Chinese and American peoples and the friendly contacts between the armed forces of the two countries will continue to develop.

Yang's visit is at the invitation of Chairman of the U.S. Joint Chiefs of Staff Admiral William Crowe. The visit is in reciprocation of a visit to China by former Chairman of the U.S. Joint Chiefs of Staff Admiral John Vessey last year.

Yang and his party left here this morning for New River, North Carolina, at the end of their three-day visit to Washington. During his stay in Washington, Yang met with U.S. Vice President George Bush, U.S. Secretary of Defense Caspar Weinberger and Acting Secretary of State John Whitehead. He also held talks with Admiral Crowe and other members of the Joint Chiefs of Staff on issues of common concern. Yang and his party will visit several U.S. military installations during their tour, which will also take them to Florida, Utah, San Francisco, Los Angeles and Hawaii.

U.S. ADVISER ON ARMS CONTROL TALKS WITH USSR

OW90214 Beijing XINHUA in English 0055 GMT 9 May 86

[Text] Washington, May 8 (XINHUA) -- A top U.S. arms control official said today that the United States does not want the ongoing U.S.-Soviet arms control talks in Geneva to be disturbed by events like the U.S.-Libya conflicts and the Chernobyl nuclear plant accident.

Appearing on CBS's Morning News program, special arms control adviser, Paul Nitze said, "We try to make these negotiations as serious as we possibly can. We want to have an agreement. We want therefore to isolate, to the extent that is possible, the serious negotiations from outside things that might disturb them."

Asked whether there is some room for real progress, Nitze replied, "If the Soviets were to come to the conclusion that they really seriously want to make progress toward an outcome, I think it would be possible to move rapidly and positively toward a useful, concrete result." He pointed out, "It remains to be seen whether or not the Soviets really want to do that. At the moment, the indications are that they are more interested in the public opinion aspects, the pressure they can put upon us to make unwarranted concessions through their propaganda campaign." Nitze said that the United States would not lose patience. Rather, it is going "to continue the effort."

LIAOWANG ON U.S. 'WORLD HEGEMONY' OBJECTIVE

HK061524 Hong Kong LIAOWNAG OVERSEAS EDITION in Chinese No 18, 5 May 86 pp 28, 29

[Article by Wan Guang: "The U.S. Comeback Strategy"]

[Text] All from its determination to carry out the "star wars" plan to its recent actions to pursue "Reaganism" to step up regional contention shows that the long-term strategic objective of the U.S. authorities is to regain world hegemony. What is the historical background of this U.S. strategy? What is the essential content of this strategy? What difficulties will this strategy encounter? People are interested in these questions.

In the first few years following World War II, the world hegemony of the United States, reached its peak. However, the Soviet Union also developed rapidly in the postwar period, and some allies of the United States also recovered from the destructive effects of the war. In particular, the rise of the Third World caused a series of setbacks for the United States. After the failure in its aggression against Korea and the failure in the war of invading Vietnam from the 1960's to 1970's, coupled with the disastrous effects of economic crises, the United States declined sharply.

In 1971, then U.S. President Nixon said: "Compared with our status in the days immediately following World War II, the United States is now facing challenges we have never before imagined." Nixon's doctrine was to seek a balance of strength between the United States and the Soviet Union to prevent the Soviet Union from gaining superiority. Nixon began the "era of restoring talks" with the Soviet Union. He tried to use "detente" to contain the expansion of Soviet influence and gain time for his country to rebuild strength. From Nixon to the early period of the Carter administration, the United States made strategic retreat from some Asian areas. Under the influence of the "sequel of the Vietnam war," Carter said he would "use water to fight fire" and would avoid "using fire to fight fire." That is, he concentrated on using economic means to contend for the sphere of influence with the Soviet Union and tried to avoid taking military action in overseas areas.

On the other hand, the Soviet Union took advantage of the decline of the United States and adopted an "offensive strategy" in the 1970's under the "detente" environment to expand its sphere of influence. In particular, the Soviets sent troops to occupy Afghanistan in 1979 and extended their sphere of influence close to the Persian Gulf. This forced Carter to announce that he would carry out armed interference in the Gulf region in order to check the Soviet Union's southward offensive.

Reagan won two terms of the presidency by raising the slogan of "making America strong again." In his first term of office, Reagan rebuilt his country's military strength; intensified military deployment in Europe, the Middle East, and the Asia-Pacific region; and conducted direct military intervention in the Middle East and Central America. In the early 1980's, after passing a serious economic crisis in the West, the U.S. economy recovered rapidly, greatly strengthening its economic position in the capitalist world.

At that time, Washington changed its assessment of the balance of strength in the world. Its new viewpoint can be found in the remarks uttered by Secretary of State Shultz in 1985. He said: "In the past 4 years, the basic things in U.S.-Soviet relations have obviously changed." "The United States is restoring its military and economic strength and at the same time restoring its self-confidence." "On the contrary, the Soviets are facing profound structural economic difficulties and a turbulent situation regarding its allies and its diplomatic activities.... they are now on the defensive in many areas of the world. So, we have every reason to believe that the balance of strength is to our advantage."

The U.S. authorities formulate policy according to this assessment of the situation. In Shultz' words, the current President of the United States will have to reassume "an active leading role."

In his 1984 State of the Union message, Reagan said: The United States will "demonstrate its leading position in the field of technology" and will develop "our next border: outer space."

In his 1985 State of the Union message, he said: "We have reassumed our historical role of being the leader of the free world," and we will usher in "the second revolution, which will bring hope and changes to the United States, a revolution which will advance the boundary of knowledge and space and will raise our progress to a new high." This year, he said in his State of the Union message: "Now it is time for the United States to give full play to its capabilities." The United States will "enlarge the big family of the free world."

The long-term strategic objective that Reagan will pursue in his second term of office is to make full use of the country's technological and economic advantages, especially the country's leading position in the new technological revolution, to rebuild its world hegemony. It will not only seize the military strategic superiority over the Soviet Union, but will also develop its superiority over other developed countries and developing countries.

The "star wars" plan pursued by the Reagan administration serves this precise strategic purpose. Execution of this plan will break through the current basic equilibrium of military strength between the United States and the Soviet Union. By developing space weapons -- to be deployed by the end of this century or in the next -- the United States will gain military strategic superiority. This plan will also promote the country's technological development and consolidate its leading position in the technological revolution, and will stimulate economic growth in the United States. Therefore, it is a plan to seize comprehensive hegemony and to win military, technological, and economic advantages.

The strategic purpose of the United States is also reflected in "Reaganism," a doctrine that the Reagan administration is pursuing. On 14 March, Reagan said in his State of the Union message: The United States has "duties and security interests" in all parts of the world outside its own boundary, so it will exercise "powerful and effective leadership." His message emphasized that regional conflicts form "a key link in U.S.-Soviet relations," because "the Soviet Union cannot continue to pursue its policy of the 1970's."

He said that the Soviet advance in the past is not irreversible. The United States is now changing tactics to consolidate its current positions and will take more offensive actions in the Third World to expand its positions. The State of the Union message also said: Because of its limited strength, the United States will use various means to assist and support local military forces. Reagan recently set up a secret "208 commission" to coordinate affairs in this regard. The United States will strengthen its ability to participate in "low-intensity" conflicts so as to conduct armed threats, attacks, and interference against Third World conutries.

In February this year, Reagan and the U.S. naval authorities announced that the United States will hold control of 16 straits and waterways that are the key passages linking various major seas and oceans in the world.

Obviously, the U.S. strategic objective of regaining world hegemony will not be realized within Reagan's tenure of office. So Reagan said in this year's State of the Union message: At present, we will "determine the line for the remaining years of the 1980's, or in fact, for the remaining time of this century." So, the strategy formulated by the Reagan administration is aimed at a future period extending into the next century. From the angle of U.S. history, this stragegy represents its efforts to stage a comeback to regain world hegemony, which was once shaken.

However, the development of the world situation in the decades since World War II and the development of various factor -- including the Third World, the Soviet Union, the allies of the United States, and the domestic situation of the United States -- have made it impossible for the United States to regain the absolute world hegemony it enjoyed in the early postwar years. Indeed, the United States has improved things in some aspects in recent years, but the overall conditions show that it has not fundamentally reversed the decling tendency of its ability to control and infulence the world.

The United States is now faced with many difficulties. First of all, the foundation of the U.S. economy is not solid enough. In redent years, the United States relied on the policies of high budget deficits, high interest rates, and high exchange rates of the U.S. dollar to support its economy, but these policies have brought about adverse consequences. In 1985, the growth rate of the U.S. economy slowed down, and it is likely that a new economic crisis may occur in the comming years. In 1985, the country's foreign trade deficit reached nearly $150 billion, and foreign funds flowing into the country totalled some $1,000 billion. For the first time since 1914, the United States has become a net debtor country. In fiscal year 1985, its financial deficit reached $212.3 billion. By 1 April 1986, the total amount of national debt had topped $2,000 billion. Its economic eapacity will seriously affect the pace of its arms expansion.

Since Reagan come to power, the extensive peace movement which involves all social strata has been surging in the United States. The domestic peace movement in the United States and the mass antinuclear and peace movements in other parts of the world echo each other and form strong pressure on the U.S. authorities. Its "Reaganist" policy of assisting the Nicaraguan antigovernment armed forces and its Central American policy have also encountered opposition at home.

The tendency of independence is growing among West European countries, which not only have political and military strategic differences with the United States, but also compete intensely with the United States in the economic and technological fields.

The United States is trying to collapse the Soviet economy through a new round of comprehensive arms race, and is also trying to force the Soviets to make concessions in arms negotiations by relying on its strength. However, the U.S. authorities have also admitted that the Soviet Union under the leadership of Gorbachev is a tough rival.

The development of the tendency of independent and self-determination among Third World countries and their strong opposition to the U.S. policies toward the Middle East, southern Africa, and Central America pose the hardest difficulties for the United States as it tries to launch offensives in the Third World. The recent incidents in Haiti and the Philippines show that many pillars on which the United States is relying are not at all reliable.

All this shows why Reagan said he had to adopt a policy of combining "restrained containment" with "restrained detente" in his second term of office. The United States still needs time to put its home in order and to consolidate and expand its overseas positions so as to gain advantages.

This is the background situation in the new period in which the United States has to continue the confrontation and the dialogue with the Soviet Union at the same time.

'U.S. AIM WAS TO GET RID OF AL-QADHDHAFI'

HK021015 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 17, 28 Apr 86 pp 24-25

[Article by contributing LIAOWANG reporter Mu Guangren: "U.S. Air Raid on Libya -- The Biggest U.S. Military Operation Since the War in Vietnam"]

[Text] On 15 April, the U.S. air raid on Libya shocked the whole world. It was the biggest irony of 1986, designated the "International Peace Year" bu the United Nations.

According to the Pentagon spokesman, more than 100 military planes were sent out in this action. They included 18 FB-111 bombers which took off from a base in Britain, 28 KC-10 and KC-135 tankers which refueled the bombers en route, and 5 EF-111 electronic warfare planes which were responsible for jamming the Libyan radars. In addition, 26 A-6, A-7, and A-18 [as published] fighters and at least 24 support planes took off from the two carriers which were in the Mediterranean. There were a total of 160 warplanes on the two carriers -- the Coral Sea and the America and some of these planes took part in the air strike. Another 18 warships were on the alert nearby.

The U.S. Defense Department acknowledged that the air strike on Libya was the largest military action of the United States since the end of the Vietnam war.

What was the aim of this large-scale action which involved such a large force? Washington is still trying hard to describe this air strike as a "major operation" to remove the malignant tumor of terrorism. In order to justify this action, Washington showed intelligence it had collected through advanced technical means about the bombing of a discotheque in West Berlin and abut plans which the terrorists might soon carry out. However, Al-Qadhdhafi flatly denied any connection with these things.

The U.S. decision was much more important than the intelligence. As a matter of fact, the United States was bent on dealing a blow at Al-Qadhdhafi, no matter whether it could find some excuse or collect some reliable intelligence, as in its invasion of the Gulf of Sidra in March, when the United States had decided to do something no matter whether or not Libya fired at the invading American warships and warplanes. The U.S. decision was to make Al-Qadhdhafi the first target of attack. Collecting intelligence about terrorists and provoking Libya to open fire were merely the means that could create the condition, or give it some pretext, to execute the decision.

"The drinker's heart is not in the cup." Obviously, Washington had ulterior motives. Getting drunk would be a good excuse for creating a disturbance to realize one's scheme. Therefore, "antiterrorism" was a good wine for Washington to drink.

The U.S. aim was to get rid of Al-Qadhdhafi, and the Americans did not conceal their intention. The air raid was made just 3 weeks after the U.S. Navy's invasion of the Gulf of Sidra on 24 March, or merely 102 days after the Coral Sea was ordered to sail close to Libya on 3 January. So the air raid was just part of the serial play aimed at getting rid of Al-Qadhdhafi lives were one of the five targets of this air strike. In the raid was just part of the serial play aimed at getting rid of Al-Qadhdafi by armed force. The Al-Aziziyah barracks where Al-Qadhdhafi lives were one of the five targets of this air strike. In the raid, Al-Qadhdhafi's 15-month-old adopted daughter was killed, and two of his sons were wounded. Al-Qadhdhafi himself narrowly escaped death.

It was rumored that a few days after the air raid, armed conflicts occurred inside some barracks in Tripoli, and Washington did not conceal its delight at this rumor by hailing "well done." It even openly claimed that the U.S. military action also served the purpose of supporting the anti-Al-Qadhdhafi forces in Libya. This may be regarded as a move to "stir up a munity through military interference."

Cairo's AL-AHRAM reported that the United States three times asked Egypt to send its ground forces to fight against Libya in coordination with the U.S. military action, but Egypt turned down these requests. The United States was trying to "murder with a borrowed knife."

In January this year, the United States called for its West European allies to join hands in applying economic sanctions against Libya encountered difficulties caused by the fall in oil prices so as to bring down Al-Qadhdhafi. This was an attempt to "drop stones on someone who has fallen into a well." However, the West European allies also turned down the U.S. proposal. All these stratagems served one single purpose, that is, to get rid of Al-Qadhdhafi.

The Americans who decided to get rid of Al-Qadhdhafi have their reasons: They regard Libya as the "headquarters" for all the world's terrorist activities. However, more American people think that the use of violence in retaliation will just stimulate an escalation of terrorist activities. Most of the European allies also hold the second viewpoint.

The United States is trying to get rid of Al-Qadhdhafi not only because it hates him. It has another logic, the logic of a superpower. When the crisis in U.S.-Libyan relations appeared, Libya invited the Soviet Union to install seven SAM-5 missile bases. Washington holds that the existence of the Al-Qadhdhafi regime gives the Soviet Union a chance to increase its influence in the southern Mediterranean region

Because the United States is contending for dominance over the Mediterranean Sea with the other superpower, the Pentagon's combat schemes for attacking Libya included many strategic considerations.

On 18 April, the Pentagon's spokesman Sims described the air strike as a "nearly perfect military action" which was "unprecedented in U.S. military history". He said that it was a deep night operation far from base under extremely difficult conditions.

His words may include the following meanings:

-- The United States for the first time used its advanced weapons of the 1970's and 1980's in a real battle. These weapons included the improved model of F8-111 fighter-bomber which has the capacity to fly a long distance, the EF-111 electronic warfare plane which can jam the enemy's radar, and HARM missiles which are used to destroy the enemy's radar. In the battle of the Gulf of Sidra, the United States also used the Harpoon antiship missile. These are all weapons used in coordinated battles in modern warfare.

-- The United States for the first time successfully employed the tactics of using the FB-111 long-distance bomber. The FB-111S were put into service in the late 1960's. The planes were used in the Vietnam war, but their operations were not quite successful. Afterward, the planes' properties were improved. This time, the FB-111S took off from an air base in Britain and flew along the eastern coast of the Atlantic Ocean, because France and Spain did not allow the planes to fly through their territorial airspace. They passed through the Strait of Gibraltar and flew at a very low altitude. According to Sims, the planes flew only 150 meters above the sea surface en route to raid Tripoli. This showed that the Pentagon intended to test its post-Vietnam war long-distance bombing capacity.

-- The United States for the first time fought a large-scale sea and air battle against a distant Mediterranean country completely on its own. After World War II, in the Korea war, the Vietnam war, and other minors the United States mainly helped its proxies to fight, but this time it fought all by itself.

I am not a military expert, and the accuracy of my argument is not certain. However, these things all show the U.S. strategic considerations, and this obviously goes behond the limits of coping with terrorism.

A related question is: Will the United States follow the old disastrous road? After drawing a lesson from the painful experience of the Vietnam war, isolationism rose again in the United States. Nixon and other people sadly admitted that the United States had passed the peak in the postwar period. So in the past more than 10 years, the Americans did not recklessly involve themselves in military conflicts in any part of the world. However, since Reagan came to power, the United States has restored its strength. Its rival -- the Soviet Union -- is busy dealing with economic difficulties and power transfers. Under these circumstances, President Reagan seems bolder in taking military action overseas.

The White House does not fear the Third World. In its eyes, the air raid on Libya would just evoke some protests, which would not do any actual harm to the United States.

The West European allies were all seeking better relations with the Middle East countries, and they all had interests in Libya. So they did not want to see the escalation of the U.S.-Libyan conflict. Then, the United States decided to go its own way and fight the battle on its own.

It seems that the drinker has indeed gotten drunk. Washington is somewhat intoxicated with its successes in the few rounds of fighting, with the cheers of thousands of Americans who called the White House after the air raid, and with the dream of the "revival of the American century."

Such intoxication will give rise to a latent crisis. It may prevent the White House from soberly realizing that not every American agrees with its military adventure, because this adventure will eventually endanger the security and fundamental interests of the American people. It may also prevent the White House from seeing the centrifugal tendency among its allies developing along with its adventures and from seeing the mainstream of the world's people who demand peace. It is possible that some people may become tipsy and lose their bearings, and finally backtrack to the old road of pursuing a new gunboat policy to seek hegemony in the world. However, will the American people allow them to repeat the painful historical experience?

ROUNDUP VIEWS U.S. MANEUVERS IN CENTRAL AMERICA

OW072032 Beijing XINHUA in English 1748 GMT 7 May 86

["Roundup: U.S. Conducts Series of Military Maneuvers in Central America (by Hu Tairan)" -- XINHUA headline]

[Text] Beijing, May 7 (XINHUA) -- The United States has held a series of large-scale military maneuvers in the Caribbean and Central America since the beginning of this year, which were apparently directed against Nicaragua.

Since February, four joint exercises have been staged by U.S. and Honduran forces in six of the ten provinces of Honduras, one of which was carried out only 25 kilometers from the border of Nicaragua.

The newly-concluded maneuver, codenamed "Cabanas-86," was conducted in the country's Gracias a Dios Province, which borders on Nicaragua. In addition to the 2,000 soldiers involved in the exercises, the United States also sent 96 engineers and 450 tons of materials there to build a military airport for the Hercules airfreighters 20 kilometers from Nicaragua. Meanwhile, two U.S. warships cruised on the sea near the country, and 50 engineers were dispatched to Costa Rica to construct a runway for the Hercules 30 kilometers from Nicaragua.

The United States participated in the 4,000-soldier "General Tosta" military maneuvers in Honduras late in March. It mobilized 18 helicopters to send 600 Honduran troops to the border to resist the "aggressors" on the pretext that Nicaraguan forces had invaded Honduras. This increased the tension along the border of the two countries and was thought to be the "first U.S. combat exercise" near Nicaragua and an "escalation of its military action" in Central America. It has also sent a large number of military adivsers to Honduras to train the anti-government forces of Nicaragua there, according to the Nicaraguan government.

To the serious concern of the world, however, the United States started a series of large-scale amphibious military excercises late last month. The war game involved nearly 10,000 U.S. marines, one aircraft carrier and more than ten other warships as well as about 170 paramilitary personnel from Jamaica, Antigua, Dominica, Grenada, St. Kitts-Nevis and St. Lucia, six English-speaking island nations in the Caribbean.

The manouvers, codenamed "Ocean Venture '86," began with a mock landing on Puerto Rico's island of Vieques and will end up with another on Grenada on May 11. The United States claimed the game would strengthen their ability of offering emergency "military aid" to the Caribbean in case some of the island countries should fall into the hands of "radicals."

The Latin American peace-loving forces, represented by the Contadora Group, are seeking to sign the draft of Central American peace treaty to solve the crisis in the area, and the countries concerned there have all expressed their wish for peaceful resolution.

But the U.S. Government, while urging the Congress to approve the bill of 100 million dollars aid to Nicaraguan anti-government forces, have subsequently carried out military exercises in the Caribbean, which apparently runs counter to the efforts by the Contadora Group and the will of the Central American people. The attempt of U.S. actions and their possible consequences cannot but cause great concern in Central America as well as the rest of the world.

JI PENGFEI REAFFIRMS HONG KONG EMPLOYMENT POLICY

OW081233 Beijing XINHUA in English 1153 GMT 8 May 86

[Text] Beijing, May 8 (XINHUA) -- State Councillor Ji Pengfei today expressed the hope that expatriate civil servants working in Hong Kong will remain at their posts after 1997. Ji, who is also director of the Hong Kong and Macao Affairs Office under the State Council, was speaking during a meeting with Wation Masters, president of the Hong Kong Overseas Civil Servants Association, and his delegation.

Ji said that the policy of the Chinese Government toward expatriate civil servants working in Hong Kong will not change. Ji said that all the foreigners working in Hong Kong, if they wish, may retain their posts, which, Ji said, has been specified in the Sino-British Joint Declaration on Hong Kong and will be included in the Basic Law of the Hong Kong Special Administrative Region. Ji hoped that overseas civil servants in Hong Kong will feel at ease and continue to make their contributions to Hong Kong's development and prosperity. There are more than 2,900 overseas civil servants in Hong Kong, including 1,300 who are members of the Hong Kong Overseas Civil Servants Association.

Masters said that many of the overseas civil servants in Hong Kong from Britain and other countries welcomed the signing of the Sino-British Declaration on Hong Kong and the younger among them are willing to work in the Hong Kong Special Administrative Region after 1997. The Hong Kong visitors arrived here May 6 as guests of the All-China Federation of Trade Unions.

LIAOWANG OVERSEAS EDITION ON CAMBODIA ISSUE

HK081103 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 18, 5 May 86 p 30

[Article by Tang Tianri: "Obstacles to Resolution of the Cambodia Issue"]

[Text] The 8-point proposal of the CGDK [Coalition Government of Democratic Kampuchea] on politically resolving the Cambodia issue is justifiable, reasonable, and feasible. It is welcomed and supported by the international community as a whole. However, the Vietnamese authorities took the unreasonable stand of rejection and developed obstacles to peaceful resolution of the Cambodia issue.

Over the past month and more, the Vietnamese authorities put forward this and that reason through their propaganda and diplomatic offensive to defend their position of opposing this proposal. Two typical reasons were put forward by Vietnamese Foreign Affairs Minister Nguyen Co Thach in a press interview held in Bangkok on 20 April.

Nguyen Co Thach said: One of the reasons Vietnam rejects the 8-point proposal is because it does not recognize the Heng Samrin regime as the legitimate government but asks Vietnam to recognize the CGDK. It is widely known that the CGDK is not only the legitimate government supported by the Cambodian people, but is also the legitimate government of Cambodia recognized by most countries in the world. It is the mainstay in the fight against the Vietnamese invaders. It and Vietnam are the two directly belligerent parties. The key to resolving the Cambodia issue politically lies in complete withdrawal of Vietnamese forces from Cambodia. This issue can only be resolved through negotiations between the two belligerent parties -- that is, between the CGDK and Vietnam.

It is proceeding from just this fact that the CGDK made the 8-point proposal and called for holding talks with Vietnam on the process of withdrawing the Vietnamese forces from Cambodia. Moreover, it allows them to complete the withdrawal in two stages within a specified time. This is justifiable and reasonable. However, the response of the Vietnamese authorities of refusing to hold talks with the CGDK and opposing the 8-point proposal can only show that it has no intention of withdrawing its forces from Cambodia.

The other reason of the Vietnamese authorities is that the Heng Samrin regime "has put the whole of Cambodia under its rule," but the 8-point proposal calls for the formation of a coalition government comprising four parties and gives only one-fourth of the power to Heng Samrin. Nguyen Co Thach said: Cambodia can be likened to a piece of cake, of which only a quarter is given to Heng Samrin. But this whole piece of cake is in Heng Samrin's pocket. Therefore, this CGDK proposal is meaningless, and so forth. As a matter of fact, over the years, this Cambodian "cake" has been trampled upon by the 200,000-strong invading Vietnamese Army. The Heng Samrin regime is a puppet made by Vietnamese bayonets and is a political plaything in Vietnam's pocket. Without the support of the invading Vietnamese forces, the regime would collapse in a month. Thus, how could the regime "put the whole of Cambodia under its rule"?

Acting in the spirit of great national unity and national liberation, the 8-point CGDK proposal suggests that following the completion of the first stage of Vietnamese troop withdrawal, Heng Samrin and his group attend the CGDK talks on forming a 4-party coalition government led by Prince Sihanouk which would appoint Son Sann as prime minister. The four forces would have the right of being the political forces of Cambodian society. This reflects the CGDK's breadth of vision. Obviously, the Vietnamese authorities are not satisified with the suggestion of including the Heng Samrin group as one of the four political forces of Cambodian society. Rather, they want it to become "the only legitimate representative" of the Cambodian people and force the people to accept it. Thus, they could eliminate the patriotic force of Democratic Kampuchea. Vietnam has attempted to put Cambodia under its long-term control and occupation in the name of the Heng Samrin regime, which was created by Vietnam itself.

The Vietnamese authorities have repeatedly claimed that the "strategic alliance" of the three Indochinese countries "is of vital importance to the life-and-death strategic goals of the three countries" and "is not negotiable." What the Vietnamese authorities pursue is to make Cambodia is an independent country which is united within its integral territory, free, democratic, peaceful, neutral, and does not enter alliance with other countries. It is also a country in which no foreign forces are present. This is of course not the point that interests Vietnam.

Judging from the recent propaganda and diplomatic activities of the Vietnamese authorities, we can see that Vietnam did not change its position and goal of invasion, though it constantly changes its methods and strategies. Vietnam chants the slogan of "loving peace" and "being willing to resolve the Cambodia issue politically." In fact, it still stubbornly clings to the practice of long-term occupation of Cambodia through military means. In the Vietnamese authorities' own words, "We resolve the crucial points of issues by fighting, and we negotiate in order to work against time, to make the opposite side slacken its vigilance, and to magnify the internal contradictions of the opposite side." Therein lies the crux of the problem that Vietnam uses this and that reason to reject the CGDK's 8-point proposal.

CPC CONGRATULATES ROMANIAN PARTY ON ANNIVERSARY

OW080556 Beijing XINHUA in English 0547 GMT 8 May 86

[Text] Beijing, May 7 (XINHUA) -- The Chinese Communist Party Central Committee today warmly congratulated the Romanian Communist Party on its 65th founding anniversary. In a message to its Romanian counterpart, the CPC Central Committee praised the Romanian party as the country's staunch political leading force, which has carried forward the revolutionary traditions of social and national liberation and faithfully defended national independence, state sovereignty and people's interests.

The message said, the Romanian Communist Party, under the leadership of its Central Committee headed by General Secretary Nicolai Ceausescu, has led the Romanian people to great achievements in the country's socialist construction by applying consistently the fundamental principles of scientific socialism to the concrete conditions of Romania, formulating and carrying out the strategy and policies which tally with the actual situation of the country. The Romanian party and people are now striving to implement the resolutions of the party's 13th congress, to fulfill the 1968-1990 economic plan and the development program through the year 2000. The attainment of these goals will surely bring the country greater prosperity, the message noted.

The message also paid high tribute to the unremitting struggle waged by the Romanian Communist Party for easing the international tension, safeguarding world peace and supporting the just cause of world peoples, in line with the principle that relations between states must be established on the basis of respect for national independence and state sovereignty, full equality of rights, mutual benefits, restraint from interference in others' internal affairs, from the use or threat of force.

The Romanian party's principled stand and actions in dealing with relations between parties have been a valuable contribution to the smooth advance of the current international communist movement, the message said.

The CCP Central Committee expressed satisfaction with the growth of its traditional friendship with the Romanian party. It believes, the message said, that the friendly cooperation developed between the two countries on a long-term, stable and all-around basis, will be further strengthened and consolidated.

ROMANIA'S DINCA IN BEIJING FOR EXHIBITION

Meets Zhao Ziyang

OW071417 Beijing XINHUA in English 1406 GMT 7 May 86

[Text] Beijing, May 7 (XINHUA) -- Premier Zhao Ziyang met Ion Dinca, first vice-premier of Romania, and his party here today. Dinca is in China to attend the opening ceremony of the Romanian industrial exhibition which was held in Beijing yesterday.

Zhao said the exhibition shows the tremendous achievements made by the Romanian people in their socialist construction under the leadership of President Nicolae Ceausescu. He considered that the exhibition will give the Chinese people a chance to become more familiar with and to learn from Romania.

Dinca expressed his thanks to Zhao for China's hospitality in hosting the exhibition.

Zhao told him that China is working hard for implementation of the Sino-Romanian trade agreement signed during President Ceausescu's visit to China in 1985. He expressed his belief that the agreement will be reached by the joint efforts of the two countries in an energetic, frank and down-to-earth spirit.

Dinca noted that the implementation of the agreement will be assisted by the opening of new channels for cooperation. He also gave Zhao a brief account of Romanian economic construction. State Councillor Song Ping met and feted the Romanian friends here this evening.

LIAOWANG VIEWS DEVELOPMENT OF SINO-YUGOSLAV TIES

HK061235 Beijing LIAOWANG in Chinese No 16, 21 Apr 86 pp 11-13

[Article by Zhu Minzhi "Push Sino-Yugoslav Friendly Relations to a Higher Level -- President Vlajkovic's Visit to China"]

[Text] Radovan Vlajkovic is the first president of the Presidency of the Socialist Federal Republic of Yugoslavia to have visited China since Sino-Yugoslav relations entered a period of overall and steady development. China and Yugoslavia are both in the process of reform. Both parties are exploring and opening up the path of construction and development in light of their own national conditions and are continuously advancing along this path. This visit is an event of great importance in the history of Sino-Yugoslav relations. It has made a new contribution to pushing the steady, friendly, and cooperative relations in all fields between China and Yugoslavia to a higher level.

Invaluable Friendship

In recent years, political relations between the two countries have developed smoothly and there have been frequent high-level exchanges. President Vlajkovic's visit to China amply shows that many new features have developed in Sino-Yugoslav relations, namely, that both parties have a common language and a unanimous view on a series of major issues at home and abroad and that a friendly and cooperative relationship of mutual respect, trust, and study and joint exploration in all fields has developed between the two countries. In their conversations with President Vlajkovic, the Chinese leaders, including Hu Yaobang, Deng Xiaoping, Zhao Ziyang, and Li Xiannian, spoke highly of the Sino-Yugoslav relations, saying that the friendly and cooperative relationship in all fields between China and Yugoslavia is invaluable in the world today and that it is not an ordinary relationship. The Chinese party and government highly cherish this relationship and, as always, will strive for the long-standing, stable, and all-round development of Sino-Yugoslav friendly relations. Vlajkovic also sincerely indicated that Yugoslavia has consistently made great efforts to constantly improve Yugoslav-Chinese friendly relations.

Yugoslavia initiated a reform over 3 decades ago. After effecting numerous reforms, it has accumulated rich experience and can be regarded as the forerunner of reforms among socialist countries. China has always paid close attention to, studied, and used Yugoslav experience. During Vlajkovic's visit to China, both parties exchanged experiences in smashing fixed patterns and following their own paths of socialist construction in light of their own national conditions.

Vlajkovic explained to the Chinese comrades that Yugoslav leaders have consistently adhered to the strategic policy of development, i.e., the socialist system of self-government, which they jointly laid down with Comrade Tito. Three years ago Yugoslavia approved a long-term plan for stabilizing the economy and last year it approved a 5-year development plan and a 20-year long-term plan for social and economic development.

The League of Communists of Yugoslavia will hold its 13th Congress next June. The meeting will define Yugoslavia's major policy for stabilizing the economy and developing self-government in light of the current problems in the country.

Mutually passing on experiences in reforms constitutes an important component of the all-round cooperation between the two countries. Their reforms have an outstanding feature in common, that is, they face up to reality and the existing problems. The Yugoslav comrades told the Chinese comrades that Yugoslavia has many good points, as well as many weak points. Yugoslav leaders have never covered up their problems and the Yugoslav people are determined to spare no efforts in firmly safeguarding Yugoslavia's socialist self-government. In their briefings, the Chinese comrades said: China has implemented the policy of opening up to the outside world and invigorating the domestic economy for 7 years in light of its own conditions. We have basically achieved many successes but there are also a few problems. The national economy is now developing steadily and proportionately.

The Chinese side fully praised the Yugoslav comrades for passing on their experiences to the Chinese side sincerely and without reserve, calling Yugoslavia China's comrade-in-arms cherishing the same ideals and following the same path. President Vlajkovic cited China as a great country which is bold in making new breakthroughs for its vigorous development.

President Vlajkovic is very much interested in the progress of China's economic structural reform. He toured Xian, Guangzhou, and the Shenzhen Special Economic Zone, visited some construction projects, and noted the reform achievements. After visiting Shenzhen, he said: A reform conducted by such a great country as China will exert a very important influence on all countries and the development of human society.

For a Common Objective

During President Vlajkovic's visit to China, both parties expressed a jointly pursued objective, that is, striving for peace and development. This will enable each country to become prosperous more rapidly in a peaceful environment and, at the same time, give impetus to the enconomic development of developing countries. Peace and development are the two outstanding issues in the current international situation. The contention for hegemony between the two superpowers has strained East-West relations. The irrational international economic order has seriously undermined the economic rights and interests of developing countries and affected world stability.

In their conversations with the Yugoslav comrades, the Chinese leaders stressed: China is now concerned with how to carry out construction at home and pursue peace abroad. As far as China is concerned, it will be impossible to attain development and to realize the grand objective of the four modernizations without a peaceful international environment. China hopes to be strong and regards itself as a force for safeguarding peace. During his talks with President Vlajkovic, President Li Xiannian reaffirmed China's determination to devote itself to the cause of safeguarding world peace and development. He stressed: China supports whatever is beneficial to peace and construction. We shall develop state relations so long as they are in keeping with the five principles of peaceful coexistence, including developing our relations with the United States and the Soviet Union. Vlajkovic indicated Yugoslavia's desire to adhere to its nonaligned foreign policy, to vigorously seek world peace and development, and to build itself into a rich and powerful country. He said: The irrational economic relationships in today's world have stalled the development of various countries and made it impossible for many countries to give scope to their creative ability in their own interests and those of the world.

These countries have the right to ask the developed countries to further open their markets and to use appropriate capital in development in order to promote the economic growth of developing countries.

As an important political force on the current international stage, the Nonaligned Movement has made an important contribution to the peace and development process of the people of the world. And Yugoslavia is indeed a founder of the Nonaligned Movement. It steadfastly adheres to the nonaligned policy and strives to ease international tensions, to work for world peace and stability, and to set up an equitable and rational new international economic order. President Li Xiannian said to the Yugoslav comrades: With China pursuing an independent foreign policy and Yugoslavia pursuing a nonaligned policy, our objectives are identical.

The Steadily Developing Economic Cooperation

President Vlajkovic's visit has not only strengthened cooperation in international affairs between the two countries and stimulated the development of their friendly relations but will also promote the steady development of their cooperation in the economic field.

On this occasion, the parties especially held talks on economic cooperation. The results of the talks showed that both parties attach great importance to, and are interested in, developing economic and trade relations and that there is potential for developing economic cooperation.

The economic and trade relations between the two countries have constantly developed since 1983 and reached their highest level last year. The two countries also signed a 5-year long-term trade agreement and order. The two countries have also achieved many new results in production cooperation in recent years. They have signed many contracts, most of which have been signed in the last 3 years. Since the regular meeting of the Sixth Sino-Yugoslav Mixed Committee on Industrial Cooperation last October, both parties have signed new contracts. The local authorities of the two countries have also energetically developed economic and trade relations by signing many agreements. Relations between six pairs of friendly provinces or cities have been established since 1980.

Both parties indicated that they will try by every possible means to tap potentials in order to speed up the economic and trade development of the two countries. To date, they have adopted a series of measures. Both parties held that, in order to fully tap the potential for economic cooperation between the two countries, it is feasible to adopt numerous flexible methods, including barter trade and cooperation in production, science, and technology. To promote the development of economic and trade relations between the two countries, Yugoslavia will also hold a Yugoslav-Chinese trade week activity and so on.

Both parties held that, although the Chinese and Yugoslav economies have attained new developments, they still leave something to be desired. Both parties indicated that they will continue to adopt positive measures to stimulate the further development of their economic and trade relations in line with the principles of equality, mutual benefit, and each supplying what the other needs. Looking into the future, the prospects for Sino-Yugoslav economic cooperation are very bright.

After winding up his 7-day visit, President Vlajkovic bade farewell to the Chinese comrades at Guangzhou airport. Before his departure he told Chinese reporters: We attach great importance to this visit to China. We wish the Chinese people greater successes in economic construction and social development.

CANADA'S PRIME MINISTER ARRIVES IN BEIJING

OW081551 Beijing XINHUA in English 1526 GMT 8 May 86

[Text] Beijing, May 8 (XINHUA) -- Canadian Prime Minister Brian Mulroney and Mrs. Mulroney arrived here tonight by special flight for a five-day official visit at the invitation of Chinese Premier Zhao Ziyang. Among his entourage are Richard V. Gorham, Canadian ambassador to China, Bernard Roy, principal secretary to the prime minister, J.A. Doucet, senior advisor to the prime minister, and Derek Burney, associate under-secretary for external affairs. The Canadian guests were greeted at the airport by Mo Wenxiang, Chinese minister of aviation and industry.

Holds Talks With Zhao Ziyang

OW090733 Beijing XINHUA in English 0647 GMT 9 May 86

[Text] Beijing, May 9 (XINHUA) -- Chinese Premier Zhao Ziyang and Canadian Prime Minister Brian Mulroney today expressed the desire to further develop cooperation between the two countries. The two prime ministers held talks this morning in the Great Hall of the People.

Zhao Ziyang said Sino-Canadian relations in terms of politics, econmoics, and trade and technology have been satisfactory ever since the two countries established diplomatic relations. Recent years have witnessed new developments in their economic and technological cooperation, which has great potential, he said. China is ready to explore new ways to expand cooperation with Canada in agriculture, animal husbandry, energy, aviation industry, communications and light industry, he said. The Chinese premier thanked the Canadian Government and Mulroney for the importance they attach to Sino-Canadian friendship and their support for China's modernization program.

Mulroney assured Zhao of Canada's support for China's economic restructuring and opening to the outside world, and its full cooperation. Developed countries should give more aid to the developing countries and open their domestic markets to provide them with more opportunities to export, the Canadian prime minister said.

Zhao praised Canada's policy in this regard as "far-sighted and wise." Mulroney briefed Zhao on the just-ended Tokyo summit. Zhao explained China's positions on major international issues. Canadian Ambassador to China Richard V. Gorham and Chinese aviation industry minister Mo Wenxiang attended the talks.

Earlier this morning, the Canadian prime minister was accorded a warm welcome at a formal ceremony presided over by Zhao Ziyang in Tiananmen Square. After a 19-gun salute, Mulroney, in Zhao's company, inspected a guard of honor formed by men from the three services of the Chinese People's Liberation Army. Some 300 youngsters greeted the Canadian guests, waving streamers and bouquets. Present on that occasion were Ji Pengfei, Chinese state councillor, Rong Yiren, vice-chairman of the Standing Committee of the National People's Congress.

BOLIVIAN FOREIGN MINISTER CONCLUDES VISIT

OW081441 Beijing XINHUA in English 1340 GMT 8 May 86

[Text] Guangzhou, May 8 (XINHUA) -- A Bolivian Government political and economic delegation led by Minister of Foreign Affairs and Worship Guillermo Bedregal Gutierrez wound up its week-long visit to China, and left here this evening. Upon his departure, the Bolivian minister told XINHUA his China visit was fruitful as expected, adding that it would help enhance bilateral economic, technological and cultural cooperation. The Bolivian delegation arrived here May 6 after visiting Beijing and Shanghai.

NICARAGUAN VICE PRESIDENT MEETS CPC DELEGATION

OW071350 Beijing XINHUA in English 1150 GMT 7 May 86

[Text] Managua, May 6 (XINHUA) -- Nicaraguan Vice President Sergio Ramirez met today at the government palace with a delegation of the International Liaison Department of the Central Committee of the Communist Party of China (CPC) headed by Li Beihai. Nicaraguan Vice Foreign Minister Xavier Chamorro and Xu Yicong, charge d'affaires ad interim of China in Nicaragua, attended the meeting. The delegation of the International Liaison Department of the CPC Central Committee arrived in Managua on May 2 for a seven-day visit at the invitation of Nicaragua's Ministry of Foreign Affairs. The delegation met separately with Nicaraguan Minister of Internal Commerce Ramon Cabrales, Vice Minister of External Cooperation Jose Angel Buitrago and Vice Foreign Minister Chamorro. It also visited textile factories and a geothermal power station in Managua.

PRC FIRM, CANADIAN TRANSPORTER SIGN PACT

OW081422 Beijing XINHUA in English 1405 GMT 8 May 86

[Text] Beijing, May 8 (XINHUA) -- A business cooperation agreement was signed here today between CITIC (China International Trust and Investment Corporation) and CSL (Canada Steamship Lines Inc.) Under the agreement, CITI will provide various support and assistance services for CSL in connection with its developing business interests in China, particularly in the area of dry bulk commodities transportation.

The agreement was signed by CITIC President Xu Zhaolong and CSL Chariman Paul E. Martin. After the signing, Martin told XINHUA that CSL is interested in transfering technology connected with self-unloading bulk vessels. The transfer would include technical assistance to Chinese shipyards related to the design and construction of self-unloading carriers. CSL is also interested to invest in joint ventures in China in the area of water transportation of dry bulk commodities.

RONG YIREN TALKS WITH CANADIAN VISITORS

OW081803 Beijing XINHUA in English 1438 GMT 8 May 86

[Text] Beijing, May 8 (XINHUA) -- Rong Yiren, vice-chairman of the National People's Congress Standing Committee, met here today a delegation from the Canadian-China Trade Council of Canada led by Chairman Paul Desmarais. Desmarais and his party has come to attend the 7th annual meeting of the Canada-China Trade Council, which is to open May 10.

Rong, also chairman of the China International Trust and Investment Corporation (CITIC), hoped that both sides would strengthen their cooperation in view of their respective conditions.

Before the meeting, Rong and Desmarais attended a signing ceremony for an agreement between CITIC and the Power Corporation of Canada on establishing joint ventures in pulp, paper and packaging projects in China and North America.

ZHAO ZIYANG, LI PENG INSPECT HUBEI, SICHUAN

OW081528 Beijing XINHUA in English 1447 GMT 8 May 86

[Text] Beijing, May 8 (XINHUA) -- The key to making mountainous areas become better off is to develop transportation and thereby promote circulation of commodities so as to enliven the economy.

Premier Zhao Ziyang said this upon his return from a ten-day trip inspecting a dozen mountainous counties and cities in Hubei and Sichuan provinces. He was accompanied by Vice Premier Li Peng, vice chairman of th National People's Congress Standing Committee Wang Renzhong, and other officials.

Though the people's living standard has improved considerably in the past few years, the premier said, the rich resources in those areas have not been made the best use of, and the rural per-capita income there is still below the national average. The areas are rich in water resources, minerals, medicinal materials, citrus fruits and pastures. To enliven the economy, further efforts must be made to develop industry and commercial production by tapping these resources, the premier pointed out.

He asked local officials to develop small cement plants, build small hydraulic power stations and open small mines -- all projects which need little investment and can produce quick economic results. The central government will also aid these areas in their development by providing special loans, he said.

As many of the mountainous counties are located near the Yangtze River, the longest in China, the premier instructed that factories and commercial centers should be constructed along the river banks to make good use of this "golden waterway" to ship their goods.

Attention should also be given to speed the circulation of commodities through various channels, including seeking new ways of trade, tightening the connections between agriculture, industry and commerce, and linking production and sales directly.

Inter-regional cooperation with coastal industrial cities like Shanghai, and large and medium-sized cities nearby should be further expanded to absorb their technology, which is needed in the development of these backward mountainous areas, he added.

SHIJIE JINGJI DAOBAO INTERVIEWS MA DING

HK081438 Shanghai SHIJIE JINGJI DAOBAO in Chinese 21 Apr 86 pp 1, 2

[Article by staff reporter Chen Hongbin, edited by Qin Jianxun: "An Interview With Ma Ding" -- first paragraph is SHIJIE JINGJI DAOBAO introduction]

[Text] His special article on economic study has aroused quite a storm in theoretical and press circles in Beijing and Shanghai. But he has not flinched because of this but has said that he will be bolder and more careful in making economic explorations. He welcomes criticism of his article for the purpose of going deeper in his study, but hopes that this criticsm will be realistic and based on facts.

A merely casual pen name, "Ma Ding" has become a topic of discussion. Now there are few people in theoretical and press circles in Beijing and Shanghai who do not know this name.

Having learned that Ma Ding teaches in Nanjing University, I happily went to visit him. As I pushed open the door of a room on the quiet campus of the university, a gentle young man ushered me in. This was not what I had expected. Foreign commentators call him a "mainland economist." People in the country mistook him for a foreign academic." But what I saw was just a young intellectual. I could not help laughing.

Nanjing University is a good place to study. The philosophy department, in particular, has turned out many good graduates. Ma Ding's article has aroused repercussions in society, but Ma Ding himself does not have any trouble. He is engaged in his study in a quiet environment.

He enrolled in Nanjing University in 1977 and began to study for a master's degree in philosophy in 1981. Now he is teaching in the university. The reporter noticed that in his room, which is also his study, there were more economics books than philosophical writings. So the reporter directly asked him why he engaged in economic study. Laughing, Ma Ding began to talk about his career.

He said that his interest in the study arose when he was still a student. At that time, he felt that philosophy should not be confined to ideological analysis and concepts but should sum up the studies of the present state and development trend of various scientific branches. Philosophy does not give birth to natural science and social sciences but serves as theoretical soil for their growth and development. Without combining with natural science and social sciences, philosophy will find it impossible to extricate itself from theoretical impoverishment or to change people's feeling of philosophical "crisis" and their distrust of philosophy. Based on this idea, Ma Ding tries to free himself from the confinement of philosophy and to carry forward the study of Marxist philosophy by making economic study and explorations. Marx' "Das Kapital" serves as a teacher in his economic study, guiding him in taking the first step in the field of the economic science. He finished many of his research courses in the economics department of the university. These courses include three volumes of "Das Kapital," the history of economics, modern Western economics, and comparative economics. He passed his graduation test with a treatise entitled "Young Marxist Economic Ideology and its Relationship With Philosophy." His article "Ten Great Changes in the Study of Modern Chinese Economics" was completed last year. Reform is China's second revolution. In this great social change, the swift-developing economic life has put innumerable new questions and sphinx-like riddles before us. It is natural for theoretical workers to consider and explore these questions. During summer vacation last year, Ma Ding began to collect material for his article. He also had discussions with his friends. In the long hot September in Nanjing, he wrote the article, which was sent to Beijing after completion. Not long afterward, GONGREN RIBAO devoted half a page to this article. The writer did not dream that his article would bring about the "Ma Ding incident" and draw the attention of people in theoretical and press circles in Beijing, Shanghai, and abroad. Nor had he thought that his name would be on everyone's lips.

This article is Ma Ding's first work dealing with economic study. Naturally, there are some shortcomings in it. Ma Ding warmly welcomes economists of the older generation, people in the same field, and readers to criticize this article so as to carry forward economic study. But he sincerely hopes that their criticism will be realistic and based on facts. Ma Ding is deeply gratified with the response from people in theoretical and press circles to the storm which has arisen. Chinese intellectuals' courage in adhering to truth and their scientific spirit of exploration keep encouraging this young academic. It does not seem that he will shrink back. Instead, he will be bolder and more careful in concentrating his mind on economic study and explorations. When the reporter bade him farewell, Ma Ding said he hoped that the reporter would convey his sincere thanks to his readers through the press.

PROVINCIAL PETITIONERS INTERVIEWED IN BEIJING

HK080846 Hong Kong AFP in English 0816 GMT 8 May 86

[By Pierre-Antoine Donnet]

[Text] Beijing, May 8 (AFP) -- They have come by the thousands, braving reprisals and brushing aside attempts to dismiss them -- petitioners who hope that the top echelons of China's leadership will help them when local officials won't.

The supplicants arrive from all over the country, many clothed in rags and reduced to begging for food as they cling to the chance that their grievances will be heard by the Communist Party Central Committee.

They tell tales of nightmare marriages, or a son wrongly jailed, or even families murdered by local cadres. The most destitute live on the streets and in the railway station of the capital's poor southern suburb of Yongdingmen.

The right to take your case directly to the Central Committee when you feel local authorities have treated you unfairly is enshrined in the Chinese Constitution.

The central government has even set up a reception office in Yongdingmen where the grievances are recorded, but the petitioners say that more often than not their complaints draw little sympathy there.

So the arrival of a foreign correspondent in Yongdingmen attracted an enormous crowd of people delighted to finally find someone prepared to listen to their tales of personal tragedy.

"I brought my protest to Beijing because a cadre in my area tried to poison my whole family. Two died afterwards. But because of his connections with the local court, the cadre was never tried and leads a perfectly normal life," said a peasant from Anhui, one of China's poorest provinces.

A woman from the eastern province of Jiangsu said she was forced to marry someone 20 years her senior whom she detested. She told of being beaten and several times thrown into jail by local authorities after she asked for a divorce.

A worker from northeast China had been labeled a "counter-revolutionary" at the beginning of the Cultural Revolution of 1966-1976. He said that when he later sought rehabilitation, he was completely ruined having to grease the palms of local officials.

But generally there is no point in taking your case to Beijing, petitioners said. Beatings by police using electric truncheons are frequent and people sent back to their home provinces have often met with severe punishment for "having no confidence in the authorities," they said.

"There are more than 20,000 of us here. Some of us have been here for more than six years and have nothing left. Women are here with babies just a few months old.

"An old man of 85 has been asking for more than two years for the release of his son who was wrongly imprisoned. The sidewalk has been his home ever since," one petitioner said.

According to contemporary accounts, more than 70,000 petitioners demonstrated in Beijing in January 1979 seeking redress of injustices suffered during the chaotic years of the Cultural Revolution and preceding political movements. They clamored for "democracy, bread and work."

One night in August that year, top leader Deng Xiaoping appeared before demonstrators laying siege to the Communist Party headquarters to show his support.

Today the aggrieved do not dare demonstrate in the streets or unfurl their banners as they did then. They fear heavy reprisals.

Instead, they have been reduced to beging in Yongdingmen, several kilometers from the city center and beyond the gaze of foreign tourists.

"I am a peasant from the Pingchuan district (Hebei Province). In 1979, a cadre in my district killed my two children, aged nine and six. The culprit feared nothing because he had connections and money.

"In four years I've met more than 30 times with the secretary of the reception office. My file was never sent. Our leaders are being kept in ignorance about what happens to us," one man said.

Petitioners who still have a little money live in an austere building down an alley in Yongdingmen where a dormitory bed costs five Mao (17 cents).

The building is guarded by members of the Public Security Bureau who strictly prohibit access to foreign journalists.

Officials at the government reception office have refused to respond to a correspondents' questions and denied a request for an interview.

RENMIN RIBAO ON ENTERPRISE SELF-DETERMINATION

HK080827 Beijing RENMIN RIBAO in Chinese 2 May 86 p 1

[Editorial: " An Important Thing Is To Safeguard the Decision-making Power of Enterprises — Third Talk on the Great Significance of Developing Horizontal Economic Ties"]

[Text] In the course of developing horizontal economic associations, it is necessary to safeguard the decision-making power of enterprises. This is an important issue which directly concerns whether horizontal economic associations can healthily develop or not.

Enterprises must have decision-making power in operating their own business. This is an important precondition for developing horizontal economic associations. Only by having decision-making power can enterprises act in a dynamic way and can all factors in production be able to freely move and associate with each other according to actual needs so as to achieve the best economic results. If an enterprise has no decision-making power or does not have adequate decision-making power, it will act just like a person whith his hands and feet being bound up and it will not be able to stand on its own feet and stretch its own arms. Under these circumstances, how can they enter into economic associations across regional and departmental boundaries?

In recent years, with the development of the economic strucutral reform, enterprises, have increased their decision making power to a certain extent, but they still do not have adequate decision making power. In some aspects, the power which should be delegated to enterprises has not really been handed to them. In particular, enterprises are not yet free enough to decide their participation in horizontal economic associations. They cannot take the initiative in deciding their cooperation partners, items, time, and forms. In the matter of entering into horizontal economic associations, many enterprises are subjected to the arrangements made by their upper management departments through the administrative channel. At present it is necessary to take effective measures to consolidate, replenish, and implement the measures of expanding enterprise decion making power in the previous period so as to further invigorate the enterprises, especially the large and medium-sized state-owned enterprises. This will lay a solid foundation for the development of horizontal economic associations. Otherwise it is hard to advance horizontal economic associations any further.

Under the conditions of economic ties between various localities and between various departments being severed by their administrative relations and enterprises being directly managed by government departments, some government departments and local governments have organized some cooperation projects between enterprises within thier administrative jurisdiciton. This has played a certain role in coordinating the economic cooperation. However, relations betwen enterprises were still governed by vertical administrative relations and enterprises could not take the initiative in forming horizontal economic associations on the basis of voluntary participation and mutual benefit in light of the objective needs of the commodity economy in a wider scope beyond the administrative limits of their departments or localities. Therefore, such vertical "association" bound by administrative relations has an essential difference from the horizontal economic associations between enterprises in different departments and localities as we advocate now. We cannot regard the economic association "arranged arbitrarily" by administrative institutions as horizontal economic association, because that will deprive enterprises of their decision making power and will enable the adminstrative companies and government departments in charge to meddle in their routine operations and business. Enterprises should be allowed to form economic associations beyond the limits of their localities and departments so long as their economic association is in line with the needs of the commodity economy.

According to the complaints aired by some enterprises, at present obstacles to the development of horizontal economic association between enterprises mainly come from the higher administrative institutions in charge of these enterprises. In recent years we have emphasized the need to "streamline administration and hand over power to enterprises, " which has achieved certain results in changing the state in which economic ties between enterprises in different localities and departments are severed. However, the problem of enterprises being directly managed and controlled by government departments has not been solved yet. For example, some government departments issued administrative orders to set up administrative "companies" which seize the decison making power from enterprises. In some localities and departments, power is more highly centralized than when reform was started. Some central cities tightly bind enterprises within their administrative jurisdiciton under the excuse of giving play to their "central" role, thus forming some new "blocs" which are separated from each other. Facts show that contradictions over the issue of ensuring enterprise decsion making power remain outstanding. The obstacles mentioned above must be removed in order to promote horizontal economic association between enterprises.

Enterprises may encounter varous obstacles in the process of maintaining and strengthening their decision-making power and developing horizontal economic ties. This is not surprising in the period when the old system is superseded by the new system. They must be resolved to advance in spite of the difficulties and must not give up their efforts halfway and backtrack to the old road. Problems encountered in the course of reform can be solved only through further reform. If enterprise self-determination in business operations encounters problems or obstacles in a specific field, then reform should be carried out in that field until enterprise decision-making power is ensured. Recently, the State Council issued a 30-point regulation on developing horizontal economic associations, which emphasizes the need to ensure enterprise self-determination in the matter of horizontal economic associations. That is, enterprises should be allowed to decide whether to enter into a certain economic association on their own and should be allowed to withdraw from the economic association freely. This should be conducted naturally, as things in nature may be "fusion" or "fission." This important principle will safeguard the self-determination position of the enterprises and will effectively and powerfully pound the old management system which formed barriers between localities and departments and lumped enterprise and government functions.

In short, only by firmly safeguarding and consolidating enterprise decision-making power can we really turn all enterprises into fully vigorous and dynamic socialist commodity producers and handlers which operate independently and bear sole responsibility for their profits and losses, and only thus can they develop horizontal economic associations on the basis of voluntary participation and mutual benefit and promote the development of the socialist commodity economy and the social productive forces.

LIAOWANG ON PRC CENSUS RESULTS, APPLICATION

HK081535 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 17, 28 Apr 86 pp 13, 14

[Article by Ren Pu: "China's Census Results and Their Application"]

[Excerpts] An Unprecedented Scale and Outstanding Results

The large-scale third national census of 6 years ended in the spring of this year. All computer-handled data is being gradually made public.

This census is of a scale unprecedented in the world, involving the mobilization of 5.18 million census workers, 1.09 million census supervisors, 130,000 code workers, 4,000 registration workers, and more than 1,000 computer operators. Given the mobilization of so many people and the completion of the counting of a population of 1 billion in a harmonous manner in line with a unified time schedule and unified work arrangements, the magnitude of the task can be imagined.

Important Data Provided for the Formulation of the National Economic Plan

The third national census shows that the whole of China has a total population of 1.03189 billion. The population in the 29 provinces, autonomous regions, and municipalities directly under the central government of the mainland and the number of militarymen on active duty total 1.00818 billion. With an area accounting for only 7 percent of the world, China is supporting a population representing 22 percent of the total world population. The average density of China's population is 105 people per square kilometer and is about 3 times the average density of the world population of 34 people per square kilometer.

China has a large rural population and a small area of cultivated land. In 1982, the rural population on the mainland stood at 797.6 million, accounting for 79.4 percent of the country's total population. Of the country's 521.5 million people at work, 384.4 million people are in agriculture, forestry, animal husbandry, sideline occupations, and fishery, representing 73.66 percent. According to data obtained on 2,664 small cities and towns of the whole country, of 32.58 million people of these cities and towns at work, those devoted to tertiary industry accounted for 37.47 percent. The percentage is not only higher than that of 5.13 percent in the countryside but also that of 26.51 percent in major cities. This shows that small cities and towns that act as economic links between urban and rural areas play an important role in absorbing agricultural laborers and developing industries serving urban and rural areas. The Chinese Government has proceeded with the solution of the problem of the flow of China's agricultural population by developing a diversified economy, building more small cities and towns, developing tertiary industry, and so forth. Meanwhile, it is taking note of the need to avoid carrying urbanization too far.

China is also a country with the richest source of labor in the world. Based on the labor age limits (16-59 for men and 16-54 for women) set for China's laborers, the population in the working age bracket stands at 550.87 million, or 54.87 percent of the total population. China now has a population of 521.5 million at work, 188.93 million more than the combined total of the United States, the Soviet Union, Japan, Britain, West Germany, France, Italy, and Canada.

China is the most populus country in the world. Industrial population accounts for 51.95 percent of the total population, or more than half of the total population. This percentage is 8.2 percent higher than that in the United States 4.5 percent than that in Japan, 13 percent higher than that in France, 19.6 percent higher than that in Britain, 4.6 percent higher than that in the Soviet Union, and around 20 percent higher than that in such developing countries as Egypt and Mexico.

Data obtained shows that of China's people at work, those in tertiary industry now account for a small proportion, or only 10.35 percent of the population at work. Compared with various countries in the world, China's percentage of tertiary industry workers in the population at work is lower than not only that of the economically developed countries but also that of other developing countries. China is gradually using such features of tertiary industry as its being various in nature, labor-intensive, knowledge-intensive, highly capable of absorbing large numbers of workers, and so forth to energetically develop tertiary industry and make the most of rich source of labor.

The Basis for China's Population Policy

The growth of China's future population is a problem of universal concern to people. Judging from the accurate data obtained from the current census, in the 10 years from 1963 to 1973, for various historical reasons, China's population rate growth reached a peak. The number of people born per year was 28.23 million at its highest and 22.75 million at its lowest. This meant 4 to 10 million more than in the normal year 1957, or 150 percent more than in the year 1961 with a relatively small number of people born. Given the inertial effect of population reproduction, it is estimated that from 1986 to 1996, the whole country will witness a peak of births. Therefore, given the still not well developed economy of China, it is highly necessary to introduce family planning and bring the population under proper control.

Relative to the matter of fewer births is the problem of the aging population. Population aging is a phenomenon of old people (those age 65 and over) accounting for an ever larger percentage of the population. In such case, the percentage of old people is generally believed to exceed 7 percent. The population is in the category of the old, or is beginning to age. In 1982, China had 49.27 million people age 65 and over, who accounted for 4.9 percent of the total population. The population was in a category undergoing transition from the young to the mature. But in a number of areas, chiefly major cities such as Shanghai, the number of old people 65 and over exceeded 7 percent. The birth rate in these cities was lower than in other areas, while population aging was quicker than elsewhere. A relatively serious problem has been posed. As far as conditions of the country as a whole are concerned, it is predicted that by the year 2000, China's proportion of people age 65 and over will reach 7.07 percent, [with the population] beginning to fall into the cateagory of the old. This matter has received proper attention from the relevant department of the Chinese Govetnment.

Average Life Expectancy of the Population Twice as Long

Data from the third national census also shows that the so-called "sick people of East Asia" of former days have now considerably improved in physique. For the first time in the history of China, the census has brought overall acurate data about the death of people in different age brackets. On this basis, it was calculated that the average life expectancy of China's population in 1981 would be 67.88 -- 66.43 for men and 69.35 for women.

In old China, the people led a miserable life, and were physically weak and liable to disease. They had a short lifespan. According to calculations based on data compiled by the Jinling University in 1936, on about 5,499 deceased men and women in 17 provinces, the then average life expectancy for men was 38.45 and for women 34.63, the average life expectancy for both men and women being 34.74. A comparison between these figures and those of the average life expectancy in 1981 shows that since the founding of the new China, the average life expectancy has doubled, with an average annual increase of a little more than 1 year. This is something rarely witnessed in the history of the development of the world population. The label "sick people of East Asia" can no longer be applied to the Chinese.

SYMPOSIUM TO BE HELD ON CLASSICAL CHINESE NOVEL

OW070807 Beijing XINHUA in English 0631 GMT 7 May 86

[Text] Harbin, May 6 (XINHUA) -- An international symposium on the famous classical Chinese novel, "A Dream of Red Mansions", will be held in this Heilongjiang Provincial capital from June 13 to 18. More than 120 scholars from the Chinese mainland, Australia, France, Japan, Singapore, the Soviet Union, the United States and Hong Kong will attend the symposium, which is being sponsored by Harbin Normal College and the United States University of Wisconsin. Invitations have also been sent to Chinese literary experts in Taiwan.

During the symposium, relics from the Qing Dynasty (1644-1911) will be displayed along with a model of "the grand garden" described in the novel. The book, written by Cao Xueqin in the mid-18th century, epitomizes society in the Qing Dynasty, the last feudal regime in China, by tracing the decline of a noble family. The author weaves together a literary tapestry of Chinese poetry, prose, painting, sculpture, music and architecture. "A Dream of Red Mansions" has become a popular subject of study in recent years, with hundreds of works being published about it.

WAN LI ADDRESSES GEOLOGICAL WORK SESSION

OW280437 Beijing XINHUA Domestic Service in Chinese 1424 GMT 26 Apr 86

["Excerpts" of speech by Vice Premier Wan Li at the National Conference of Directors of Bureaus of Geology and Mineral Resources on 25 April 1986]

[Text] Beijing, 26 Apr (XINHUA) — I would like to discuss four issues today.

First, the hard work done by geological workers should be respected by all people in society. The development of mineral resources is an extremely important pillar of China's modernization drive. Most of the resources needed for material construction and for the production and accumulation of social wealth come from the development of mineral resources. Today and in the forseeable future, over 95 percent of the energy and over 99 percent of the materials we need will come from beneath the surface of the earth. This situation will remain unchanged for several decades. Although subsurface resources are natural gifts, we need scientific and technological knowhow, especially the hard work and dedication of geological workers, before we can locate them and develop them.

Geological surveying is a highly intensive and complicated work combining mental work and physical labor. It is a glorious job, one to be proud of. Since the founding of the Republic, a contingent of hardworking geological workers who have lofty ideals have been trained and tempered under difficult circumstances. Most of them have worked for long years in high mountains, ravines and jungles. Some have worked against all odds in the Gobi Desert and at sea. Defying untold hardships, tens of thousands -- and even hundreds of thousands -- of geological workers have been devoted to their duties for as long as several decades. They are people who have served the people wholeheartedly, and who are dedicated to the revolution. Following geological surveys over the past 36 years, more than 200 mining towns, including Daqing and Jinchang, and an even greater number of large construction projects have been built throughout the country. The growing output of petroleum, nonferrous metals, gold, electricity, steel, coal, cement, and other major products has substantiated the merits and accomplishments of the nation's geological workers. We can also say that the outstanding achievements of thousands upon thousands of unknown heroes on the geological front can be found in every mine, every major project, and every large or medium-size city in the country. These hereos' exploratory spirit of defying wind and rain and breaking through brambles and thorns certainly deserved the respect of the entire society. The party and the state are thankful for their toil and sweat in national construction, and the people will never forget them. I hope party and government authorities at all levels, all financial and economic departments, and people in the nation's ideological, theoretical literary and art, journalistic, and publishing circles will show concern for our geological workers. As materialists, we should not consider an issue apart from its historical context. Thus, we should not simply see the results of our projects and forget our pioneers' exploratory work.

Geological achievements cannot be separated from the support rendered by leading party and government organs in all localities. Since many geological workers have to work long years in the field, they have more problems and worries than people working in other areas. For this reason, local party and government authorities should care for their hardships, help them solve their problems, and create better working and living conditions for them.

Second, we should expand geological services and further develop their composite effectiveness.

According to the Seventh 5-Year Plan for National Economic and Social Development examined and approved by the Fourth Session of the Sixth NPC, we should accelerate the search for and assessment of mineral resources, promote work in hydrogeology and engineering geology, and properly carry out basic geological work and geological research. While this shows the characteristics of geological work as a basic task of an early or nascent stage, it also requires geological work to expand its services and develop their composite effectiveness. This is a major change of far-reaching significance in the strategy for the development of China's geological work.

People often look upon geological workers as mountain climbers or drillers searching for mineral resources. This is a valid, but not complete, observation. The activities and functions of modern day geological work are far more than this. In terms of the scope of geological exploration, geological workers not only have to climb mountains, they must also work in the sky or at the bottom of the sea. China has accomplished a great deal of work in aerial geophysical study, remote sensing survey, and general seabed geological survey.

In terms of the targets or substance of geological work, the search for subsurface resources -- including energy, metallic and nonmetallic mineral resources, and subterranean water — is the primary target. Although China is one of the few countries in the world endowed with rich mineral resources of all kinds, the verified resources still cannot fully satisfy the country's needs in socialist construction in terms of variety, quantity, quality, distribution, and feasibility for development. As such, intensifying our search for mineral resources and ascertaining our underground resources will be a task that will go on for generations. Meanwhile, we must exert our efforts in areas where the best results can be achieved and develop what is most urgently needed. To make the best use of everything, we must, in addition to searching for natural resources, also actively carry out research on processing of resources and on their various uses. This important project for national and local production and construction must be firmly handled without fail.

The environment is the second target of our geological work. The work in this area is both enormous and diverse, and it will be increasingly so as seen from the trend of development at home and abroad. China is a mountainous country, and it faces many natural disasters. Of all the natural disasters, earthquakes and other geological calamities are the most frequent. Sometimes they occur along with meteorological disasters, and the destruction they cause is shocking. Many endemic diseases are also related to geological conditions. Having realized this, an important aspect of China's geological study should be the systematic study and monitoring of the disaster-prone areas, so that we can make early assessments and forecasts and upgrade our scientific level in preventing natural disasters. Since China has a large population and many cities, its ecological problems are serious. These problems include soil erosion and proliferation of deserts caused by large-scale reclamation or logging; cave-ins caused by underground mining; precarious hillsides caused by construction of railways, highways, and open pit mines; the subsiding of urban surfaces caused by excessive tapping of subterranean water; pollution of subterranean water in urban and industrial and mining areas; and so forth. Artificial geological disasters are not any less serious than natural geological disasters. China's environmental problems are for the most part geological problems. To protect the environment effectively, we must attach great importance to improving the environment.

The Ministry of Urban and Rural Construction and Environmental Protection and the Ministry of Geology and Mineral Resources should therefore deal with the problems together by working in close coordination with one another. Furthermore, geological study of construction and tourist sites should also be part of the study of environmental geology.

Geological work in the urban areas is closely related to urban construction and development. Thus, it is obvious that industrial development in the cities must be based on their energy and raw and semifinished material resources. The planning of urban construction, and a city's population capacity have everything to do with the geological conditions and water resources of its location. The reconstruction of an old city will encounter even more problems. We can say that geological work is essential for the construction or expansion of a modern city and the quality of its residents, including clothing, food supply, housing, and transportation services.

Fundamental geological work -- including regional geological surveys, regional geophysical studies, regional geochemical studies, and basic geological studies -- is the third aspect of geological work. The results obtained from fundamental geological work, which indicate the level of a country's geological study, are indispensable information for the country's long-range economic planning, and land development and consolidation. Since the founding of the Republic, China has achieved significant successes and attained a fairly high level in carrying out its fundamental geological work. We must, however, continue to work hard for a long time in order to achieve even greater successes.

In a word, it is necessary to vigorously step up geological prospecting, introduce modern technology, study new knowledge, recruit more capable personnel, and improve the quality of the ranks of geological workers. It is also necessary to expand the scope of geological exploration and service, develop the diversified social functions of geological work, and perfect the multilevel service system in order to meet the growing demands on geological work by the central and local governments.

Third, we should explore a new geological work system suited to the actual situation in China.

In order to fire the enthusiasm of the hundreds of geological prospecting units and hundreds of thousands of geological staff and workers and raise the multiple functions and comprehensive effectiveness of geological work, it is imperative to reform the outdated system of geological work, characterized by two maladies, the practice of "everybody eating from the same big pot" and the barriers between departments or regions. These problems should be largely resolved during the Seventh and the Eighth 5-Year Plans. We should learn from the strong points of other countries while avoiding their weaknesses and proceed from China's basic conditions of a large population and backward technology, while summing up our own experience in order to gradually set up a new socialist geological work system suited to the actual situation in the country and develop the commodity economy in a planned manner.

The basic direction of reform should be toward gradually changing some geological units, mainly those engaged in exploitative geological work that can be sold as commodities, into community-oriented enterprises whose fruits of prospecting work should receive compensation instead of being used free of charge. Such geological prospecting units, which should be separated from government administration, should maintain economic ties and develop lateral cooperation among themselves, and go all out to investigate themselves under macroeconomic control.

Other geological units, mainly those engaged in basic geological work and management work that cannot be sold as commodities, should orient their work even more to meeting the needs of the long-term development of the whole country and society. Based on the operational mechanism of reform, geology and mineral resources departments should get a firm grip on major aspects by gradually changing their managerial functions and setting up effective service and management systems. The geology and mineral resources departments have taken the lead in carrying out reform. They should continue to deepen the structural reform and use it to give impetus to reform in geological work as a whole. The establishment of a geological market is a major reform measure for the transition to "developing large-scale commodity production and setting up community-oriented enterprises." The experience of 1985 has proven that by so doing, we were able to make up, to some extent, insufficient state expenditures for geological undertakings, raise the social and economic effectiveness of geological work, find employment for surplus labor forces, increase revenues for geological prospecting units, and build up their ability to upgrade their technology and expand production. Such experience with multiple advantages should be encouraged and supported. Fees charged by geological prospecting units for performing services and transferring fruits of their work should be reasonable. They should not be blinded by the lust for gain and demand exorbitant remuneration. It is necessary to put service, quality, and reputation above anything else. Preferential treatment should be given regarding the standard and method of collecting fees from projects to assist the poor in old revolutionary bases, regions inhabited by minority nationalities, and frontier and impoverished areas. Entering the geological market on an equal footing, geological prospecting units from all departments should compete with each other while developing cooperation among themselves. It is necessary to clearly define the uniformity and openness of the socialist geological market, which should not be divided by departments through protective administrative means.

It is commendable that the geology and mineral resources departments have taken the lead in the structural reform and explored the road for reform of geological work as a whole. However, the reform should not permanently remain at the department level. All relevant industrial departments should lose no time in carrying out the structural reform in their own departments in order to jointly prepare for the reform in geological work as a whole. Last March, Comrades Zhu Xun and Wang Tao discussed the strengthening of lateral cooperation between the Ministry of Geology and Mineral Resources and the Ministry of Petroleum Industry in a general survey and in prospecting for natural gas, and worked out a preliminary 10-point plan for cooperation between ministries. We hope that they will use the plan as a basis for further developing cooperation.

Fourth, we should earnestly implement the "Mineral Resources Law."

With the promulgation of the "Mineral Resources Law," geology and mineral resources departments at various levels shoulder a heavier responsibility in supervising the exploitation of mineral resources. Through extensive geological prospecting work over the years, a total of 220,000 mineral points have been discovered throughout the country. Most of them are scattered small mines suitable for exploration by the masses. There is a great deal of merit in adopting a policy to help the masses operate mines.

For example, it will be conducive to accelerating mineral exploitation and developing the benefits of resources, seeking realistic economic advantages through combining rich manpower resources with mineral resources, invigorating the rural economy, improving the structure of agricultural production, and in particular, assisting the people in old revolutionary bases, regions inhabited by minority nationalities, and frontier and impoverished areas to eliminate poverty and become well off. However, we must realize that underground treasures are not regenerative resources, and that although China has, generally speaking, rich mineral resources, they are limited. Therefore, while relaxing control, it is also necessary to intensify supervision to guard against damage and waste of resources and prevent accidents in multiple exploitation and environmental pollution. The CPC Central Committee's proposal for formulating the Seventh 5-Year Plan stressed the necessity of paying keen attention to protecting and conserving mineral resources, regarding it as a basic national policy to be pursued for a long time. We must bear in mind this basic national policy.

The "Mineral Resources Law" is a major law among economic statutes. Effective implementation of the "Mineral Resources Law" calls, first of all, for the close attention to obey leaders of all levels. In places with mining activities, the local governments should extensively publicize and hold lectures on the "Mineral Resources Law" through various means so that it will be known to all. Second, a complete set of rules and regulations regarding the "Mineral Resources Law" should be adopted. Third, it is necessary to institute and perfect a system for enforcing and supervising the "Mineral Resources Law." Fourth, it is necessary to clearly define responsibilities and duties in the course of implementing the "Mineral Resources Law."

In short, with scientific leadership and management and a guiding principle of mobilizing the state, collectives, and individuals simultaneously, we should be able to achieve a great advance in China's mining activities in order to contribute more to the country and the people.

LIAOWANG ON COMMODITY GRAIN BASE COUNTIES

HK071145 Beijing LIAOWANG in Chinese No 16, 21 Apr 86 p 5

[Article by Zhou Yichang: "Enlightenment Gained from the Building of Commodity Grain Base Counties"]

[Text] On my desk are some data on China's grain development: It took 14 years to increase the country's total grain output from 300 billion to 400 billion jin; 6 years to top the 500 billion jin mark; 5 years, the 600 billion mark; 4 years, the 700 billion mark; and only 2 years, the 800 mark. However, due to various reasons such as the adjustment of grain-crop-sown area and natural disasters, China's grain output dropped below 800 billion jin in 1985, reaching only 758 billion jin. In the Seventh 5-Year Plan period, China's grain output should reach 900 billion jin in order to meet the basic needs due to population growth and the people's growing consumption. That is to say, our grain output should not only return to the 800 billion jin mark, but also top the 900 billion level in the next 5 years. This is a very strenuous task.

How can we maintain the good momentum of grain production and ensure that the state controls more commodity grain in the Seventh 5-Year Plan period and even beyond? It will do us good to sum up the experience gained in building commodity grain base counties during the Sixth 5-Year Plan period.

In 1983, the relevant state departments and the 50 [illegible] in 8 provinces -- namely Heilongjing, Jilin, Henan, Hubei, Hunan, Jiangsu, Anhui, and Jiangxi -- started to jointly build commodity grain base counties. The state and the local authorities invest at the ratio of one to one and, for every yuan the state invests, the base counties should turn over to the state another 5 jin of commodity grain for 6 successive years.

The results of the joint efforts have been satisfactory. Over the past 3 years, these counties have produced a total of 166.7 billion jin, an increase of 34 percent over the previous 3 years, or 15 percent higher than the country's growth rate over the corresponding period; their per mu grain output has increased by 120 jin, 38 jin more than the country's growth figure over the corresponding period. They have also sold 70 billion jin of commodity grain to the state, an increase of nearly 100 percent over the previous 3 years; the commodity rate has risen from 28 to 42 percent, more than 20 percent higher than the country's growth of commodity rate over the corresponding period. Their grain contribution on a per capita basis has increased from 830 to 1,648 jin, an increase of nearly 100 percent. The gross value of their industrial and agricultural production reached 27.8 billion juan in 1985, an increase of 50 percent over 1982, or 40 percent higher than the country's growth rate over the corresponding period.

There are 3 points in the experience of the 50 counties that we can make use of:

1. We should choose a number of counties with great potentials to increase grain output and grain delivery to the state and build them into commodity grain bases. This is an important way to maintain the steady growth of grain production and to ensure that the state can control more commodity grain. The 50 counties account for only 3 percent of the country in terms of population and only 4 percent in terms of cultivated land, but their output accounts for 7 percent of the total national output and they supply about 12.5 percent of commodity grain. It will not do to have a low output; nor will it do to have a high output but a low commodity rate. For this reason, it is necessary to concentrate on building a number of commodity grain bases. There is also no lack of examples abroad. The United States concentrates on growing more than 80 percent of its corn in five states lying between 40 and 60 degrees north latitude. Although the acreage under corn accounts for only slightly more than 25 percent of the world's total, its output accounts for some 50 percent of the world's total corn output. Corn has become a major U.S. export grain. If the state can put together some capital and build more commodity grain bases during the Seventh 5-Year Plan period, we will certainly be able to attain better results.

2. Arousing the initiative of both the central and local authorities, in particular that of the local authorities, is an important guarantee for speeding up the development of agricultural production. In the past, with the state taking care of everything, the state agricultural investments were actually a "supply system." Not only was it impossible for the state to directly control more commodity grain, the investments also led to dependent mentality on the part of some localities. In building the 50 commodity grain base counties, both the central and local authorities made investments and the latter delivered more commodity grain to the former, thus arousing their initiative. In the course of building the commodity grain bases, the 50 counties raised by themselves 330 million juan of necessary capital, which exceeded the total amount of state investments. During the Seventh 5-Year Plan period, the state will increase its investment in agriculture.

However, due to its limited financial capability, it will be impossible for the state to take care of everything in agricultural construction. We should still rely on the local authorities to build a large number of small and medium-sized agricultural projects. This has been proved by our experience, both positive and negative.

3. We should concentrate our capital and develop in a down-to-earth manner some crucial projects that will greatly boost agricultural development in the localities. The 50 counties concentrated their limited funds on the agricultural technology popularization system, the good strains breeding system, and the construction of small water conservancy works. After 3 years of hard work, they have initially established fairly comprehensive systems for spreading agricultural technology and good strains. They have set up an agricultural technology popularization center and a seed company at the county level, a popularization station and a seed branch company or supply station at the district or township level, and a science and technology demonstration household and a good strains breeding household at the village level. In water conservancy work, irrigation and drainage networks have initially been completed. Over the past 3 years, these counties have trained more than 9.6 million agrotechnical cadres on various occasions, popularized more than 2,700 new technical items, expanded the area with better irrigation or waterlongging-prevention facilities to more than 39 million mu, and popularized 940 million jin of improved strains. All these have rapidly developed into new production capacity in agricultural production. Hit by natural disasters last year, production dropped in some provinces but it slightly dropped, remained the same, or even increased in the base counties. Grain output in Hunan province dropped by 2 percent last year, but, given a 3 percent drop in the sown areas of the six base counties, their total output still increased by 2.3 percent.

To sum up, by popularizing and applying the experience in building commodity grain base counties, the agricultural departments can fully arouse the initiative of both the central and local authorities and ensure the steady growth of grain production.

LIAO HANSHENG ON LEGAL SYSTEM, PUBLIC HEALTH

HK090251 Zhengzhou Henan Provincial Service in Mandarin 2200 GMT 7 May 86

[Text] From 21 April to 5 May, Comrade Liao Hansheng, vice chairman of the NPC Standing Committee and chairman of the Central Patriotic Public Health Campaign Committee, successively inspected various Henan cities, including Xinxiang, Luoyang, Zhangzhou, and Kaifeng. He spoke about the building of the legal system and about patriotic public health work.

Regarding the building of the legal system, Comarde Liao Hansheng said: The state's legislative work has yet to be further strengthened and perfected. However, the most important problem now is to solve the problem of not acting in accordance with the law if there is such a law, not strictly enforcing the law, and not investigating and holding accountable those who violate the law. Therefore, in accordance with what Comrade Deng Xiaoping said, we must grasp construction on the one hand and grasp the legal system on the other. He emphasized: Whoever they may be, the whole party must act within the framework of the Constitution and the law. Leading cadres and cadres of the law enforcement departments must especially do this because they have a certain degree of power in their hands.

If they do not study and know the law and fail to work in accordance with the law and regulations, this may have serious consequences. They must especially study and know the law and study more and better.

As for public health work, Comrade Liao Hansheng pointed out: This is a content of the Seventh 5-Year Plan. Whether or not to lay stress on public health is one of the hallmarks of civilization. Henan is situated on the central plains and has many tourism spots. Whether its public health work is good or bad not only has a bearing on the health of the people of Henan but also has a great impact on all places throughout our country. He hoped that in connection with the implementation of the Seventh 5-Year Plan, Henan Province will do several practical things every year in this aspect.

CONFERENCE VIEWS CADRES RUNNING ENTERPRISES

OW081729 Beijing XINHUA in English 1545 GMT 8 May 86

[Text] Beijing, May 8 (XINHUA) -- Party and government departments and their cadres are barred from running enterprises or going in for commercial activities by taking advantage of their power and positions to further their personal interests, a senior Chinese official said here today.

This is aimed at bringing about a fundamental change for the better in the party's work style and social acceptance, and ensuring the implementation of the policy of enlivening the home economy and opening to the outside world, he added.

Ren Zhonglin, director of the State Administration for Industry and Commerce, said this at a national conference which closed here today.

He communicated Vice-Premier Tian Jiyun's instructions to the conference, overhauling and consolidating the corporations should be regarded as an important task. It is necessary to ban those corporations run by the party or government departments and their cadres with the objective of seeking small group or individual interests, or doing illegal activities by decking themselves out as legal units. Those who are allowed to continue their operations must be overhauled. The administrative departments examined in 1985 more than 200,000 corporations set up in the past few years.

The licences of over 8,700 enterprises run by the party and government departments were revoked, and over 15,000 party- and government-run enterprises were separated from their original units to be operated independently.

However, Ren said, this policy will be more flexibile for enterprises run by Overseas Chinese federations or by former industrialists.

TIGHTER TAX REGULATIONS TO BE INTRODUCED 1 JULY

HK060807 Beijing CHINA DAILY in English 6 May 86 p 3

[By staff reporter]

[Text] A new set of rules aimed at improving the State tax-collection system and tightening control on tax evasions will go into effect on July 1, according to a State Council notice released over the weekend.

The Tentative Rules on Tax Collection apply to all taxes in China except customs duties, agricultural taxes and also income taxes payable by foreign enterprises, joint ventures or individuals.

The detailed rules, consisting of 44 articles in nine chapters, cover all aspects of the tax-collection system from registration of taxpayers to control of books and documents, tax inspection and penalties for tax evasions.

All taxpayers must register with the local tax authorities within 30 days after receiving their business licences and become "certified taxpayers," according to the rules. The rules require that all taxpayers "must keep a complete accounting system with all necessary books, documents and bills in good order."

The tax authorities should compile a "tax-collection file" for each of its taxpayers, to be kept "securely and in strict confidence" according to the rules.

The tax authorities should make regular inspections of the taxpayers' books, documents and other related data. Temporary tax-inspection stations may be set up at railway terminals, harbours, airports or traffic junctions with the help of other departments, the rules said.

Taxpayers who have failed to register or be certified, who have not complied with the rules to declare their taxes, keep the necessary books, or who have avoided tax inspections, will be liable to fines ranging up to 5,000 yuan.

According to the rules, those, who have "unintentionally" evaded tax payment, will be fined at a daily rate of 0.5 percent of the amount of taxes overdue; those who are in arrears with payments will be fined at a daily rate of 5 percent of the amount overdue; and those who have "deliberately evaded tax payments" will be fined up to five times the taxes evaded. Individuals responsible for such tax evasion will be liable for fines up to 1,000 yuan.

The tax authorities may collect the overdue taxes directly from the taxpayer's bank account in case the taxpayer fails to comply with the collection orders for taxes overdue, the rules said. In more serious cases, legal action may be taken against violators through judicial authorities, the rules said.

MEETING DISCUSSES LABOR, WAGE SYSTEM REFORM

OW081133 Beijing XINHUA Domestic Service in Chinese 1321 GMT 7 May 86

[Text] Beijing, 7 May (XINHUA) -- The national meeting of labor and personnel bureau directors, which ended today in Beijing, announced: During the Seventh 5-Year Plan period, the focus of reform of China's labor, wage, and personnel systems should be placed on the reform of enterprise wage and hiring systems and state organizational structure. At the same time, we should pay keen attention to reform in other fields in order to lay the foundation for establishing a set of socialist labor, wage, and personnel systems that meet the needs of a planned commodity economy.

The meeting reviewed the progress of reform of the labor, wage, and personnel systems during the Sixth 5-year Plan period: State organs and institutions adopted a structural wage system featuring the idea of wages based on positions; the majority of enterprises based their bonus funds on economic results during the second stage of replacing profit deliveries with tax payments; and all state enterprises simplified their wage scales. The employment system changed from single-channel employment by state enterprises to multichannel employment by state and collective enterprises and individual economic units while the contract labor hiring system was enforced on a trial basis. Structural reform was carried out in accordance with the decision of the CPC Central Committee and the State Council and, regarding the personnel system, exploratory reforms were made in the cadre employment and management systems.

The meeting held: The reform of our country's labor, wage, and personnel systems is only in the beginning stage and still not sufficient to meet the needs of our economic restructuring. Labor and personnel departments at all levels must give top priority to reform of the three systems so that their labor and personnel work will improve in the course of reform.

The meeting put forth the following principles for conducting reform of the three systems during the Seventh 5-Year Plan period:

Reform of the enterprise wage system: Establish a basic formula for wage distribution relations between the state and enterprises; a basic intra-enterprise wage distribution system; wage relations between enterprises, between regions, and between enterprises and various categories of personnel; and methods for overall state control and adjustment of wage funds.

Reform of the labor system: make further efforts to amend the defects of centralized control and adjustment of wage funds.

Reform of the labor system: Make further efforts to amend the defects of centralized control and distribution in labor management and of the "iron rice bowl"; gradually establish a new labor system covering job placement, vocational training, and enterprise hiring that is closely tied to social regulation and adjustment; promote rational flow and use of the labor force; and gradually socialize management of the labor force.

Reform of the personnel system: Under the leadership of the party Central Committee and the State Council, perform well the tasks related to structural reform; reform the cadre employment system and gradually adopt an appointment system, hiring system, and tenure system; enforce the exchange and rational flow of cadres; and strengthen overall control of the contingents of cadres so as to properly cope with developments in the economic, cultural and other fields.

HAO JIANXIU INSPECTS TIANJIN TEXTILE INDUSTRY

OW060255 Beijing XINHUA Domestic Service in Chinese 0748 GMT 5 May 86

[By reporter Yu Xigui]

[Text] Tianjin, 5 May (XINHUA) -- Hao Jianxiu, member of the Secretariat of the CPC Central Committee inspected 13 industrial enterprises in Tianjin Municipality from 21 April to 3 May, during which she held discussions with leading cadres of relevant bureaus, companies, and plants, exchanged views with shop workers, and inspected the design capacity and technological level of the plants. She stressed the importance for the light and textile industries of using their advantages to achieve a breakthrough in increasing exports and earning more foreign exchange during the Seventh 5-Year Plan.

At the Tianjin Municipal Zhenhou Woolen Textile Plant, a newly built woolen mill with the country's largest production capacity, Hao Jianxiu discussed with the plant's leading cadres, engineers, and technicians questions concerning imports of foreign equipment. She affirmed the experience of some departments concerned in importing advanced technological equipment and making economical and rational use of such equipment. She called on enterprises to step up the assimilation of imported technological equipment and their domestic developoment, while raising the managemenet level, intensifying workers' basic training, and improving their professional competence.

During her inspection of the Tianjin Municipal First Woolen Mill and the Tianjin Municipal Woolen Mill, she spoke highly of the efforts by their engineers, technicians, and workers to upgrade their outdated equipment technologically and produce a large variety of quality export commodities. She said: Despite their remarkable achievements, these old enterprises still have great potential for increasing exports and earning more foreign exchange. She urged the enterprises' workers and staff to redouble their efforts to make greater contributions.

At the Tianjin Weaving Mill, the Ornamental Textile Weaving Mill, the No 5 Sheet Factory, and the Scarves Factory, Hao Jianxiu viewed textile ornaments and other auxiliary products turned out by these factories in recent years. She said that our ornamental textile trade is entirely capable of developing and manufacturing auxiliary products needed by guesthouses and hotels, and gradually meeting the needs of domestic and foreign markets for such products in order to conserve and earn foreign exchange for the government. She called on textile departments to study international market information, promote the development of new products, turn out a small batch of products at a time and constantly change their designs, improve product quality, and increase export commodities.

During her discussions with leading cadres of the Tianjin Municipal Textile Industry Bureau and its subordinated companies concerning combination of industry with foreign trade, Hao Jianxiu said that such combinations must be conducive to firing the enthusiasm of both sides, and that they should make joint efforts to promote foreign trade.

Lauds Domestic Industry

OW061441 Beijing XINHUA Domestic Service in Mandarin 2130 GMT 4 May 86

[Text] Hao Jianxiu, member of the Secretariat of the CPC Central Committee, recently wrote an article for JIXIE BAO [MACHINERY JOURNAL] entitled: "Successful Experience in Developing a Whole Set of Equipment With an Annual Capacity of 15,000 Tons of Polyster Fiber." The article summarizes China's success in designing and developing by itself an entire set of equipment capable of producing 15,000 tons of short polyester fiber annually. It said that this experience is of great significance in the manufacture of large production equipment in China. On the policy of self-reliance, the article pointed out: We must not try to see the policy of self-reliance in terms of small-scale production. We must realize the need to expand our industry to the whole country and meet the needs of the whole society with our 30-odd years of industrial experience. In this way, we will be able to further expand our industry by relying on our own efforts. Our success in developing a whole set of equipment capable of producing 15,000 tons of polyester fiber annually has been achieved by making full use of the advanced technology and the favorable conditions in China and effecting socialist mass cooperation covering may trades, factories, and areas.

The article said: This kind of practice of relying on our own efforts and coordinating with one another in tacking key problems in a well-guided and planned manner fully demonstrates the superiority of the socialist system.

Comrade Hao Jianxiu's article also pointed out: The key to success in the development of important technical equipment is the establishment of a relationship of mutual trust and mutual support between the unit that uses the equipment and the units that design and manufacture the equipment.

The article hailed Polyester Factory No 2 of the Shanghai Petrochemical Complex as a wise user. It pointed out: This factory does not blindly worship products manufactured by foreign countries. It actively uses equipment made in China, fully trusts the units that design and manufacture the equipment, and takes the initiative in coordinating with these units. At the same time, it carefully checks the equipment, making the development of the equipment with an annual capacity of 15,000 tons of polyester fiber a tremendous success.

YAO YILIN, WANG ZHAOGUO AT FOLKSONG FESTIVAL

OW262148 Beijing XINHUA Domestic Service in Chinese 0250 GMT 26 Apr 86

[By reporter Qu Zhihong]

[Excerpts] Beijing, 26 Apr (XINHUA) -- As the audience warmly applauded "The Water of Hong Hu and Its Breakers," "On the Songhua Jiang," and a number of popular songs, the stage of the capital again witnessed the artistic charm of music.

Excitement has reigned both inside and outside a special concert, the "Chinese Folksong Festival," which has been performed at the Tianqiao Theater over the past few days.

Five performances have been given since the concert premiered on 21 April. Yao Yilin, Wang Zhaoguo, and Zhu Muzhi, as well as officials from the Propaganda Department of the CPC Central Committee, the Ministry of Culture, and the Beijing Municipal CPC Committee, and cultural attaches from foreign embasies in Beijing attended the performance.

NI ZHIFU UNVEILS ZHOU ENLAI STATUE IN TIANJIN

OW041434 Beijing XINHUA in English 1356 GMT 4 May 86

[Text] Tianjin, May 4 (XINHUA) -- Zhon Enlai's full-length bronze statue, the first for the late premier in the world, has been unveiled at a middle school here today. The three-meter high statue is erected on a two-meter granite pedestal in the Nankai Middle School where Zhou once studied.

"Model of Youth", an inscription of Hu Yaobang, general secretary of the Chinese Communist Party Central Committee, was carved on the left end of the granite screen wall, which is also carved with the text of a letter to the school written by the late premier in 1957.

The bronze statue was casted according to the plaster figure created by Fu Tianchou, professor of the Central Academy of Fine Arts. Ni Zhifu, member of the Political Bureau of the CPC Central Committee, unveiled the statue. Local leaders and students attended today's unveiling ceremony.

CHEN PIXIAN ADDRESSES SHANGHAI EDUCATION MEETING

OW060535 Shanghai City Service in Mandarin 0000 GMT 5 May 86

[Text] Chen Pixian, member of the CPC Central Committee Secretariat and vice chairman of the NPC Standing Committee, called a discussion meeting of the Shanghai Municipal People's Congress Standing Committee yesterday afternoon to hear reports on implementation of the Compulsory Education Law in Shanghai. Comrade Chen Pixian meticulously inquired about the popularization of 9-year compulsory education in Shanghai and about problems encountered in implementing the law.

He stressed the necessity of publicizing the Compulsory Education Law in order to make everyone understand that popularization of 9-year compulsory education is very important to training of qualified personnel for China's socialist modernization and that the law must be strictly observed and enforced. Comrade Chen Pixian also suggested that the municipal People's Congress Standing Committee and the minicipal People's Government organize inspection groups to further investigate the popularization of compulsory education throughout the municipality so as to ensure the implementation of this important law.

Attending the discussion meeting were Hu Lijiao, chairman of the municipal People's Congress Standing Committee; Chen Tieli, member of the Standing Committee of the municipal CPC Committee; Wang Jian and Shu Wen, vice chairman of the municipal People's Congress Standing Committee; Shanghai Vice Mayor Xie Lijuan; and other comrades of departments concerned.

GU MU ATTENDS CCPIT CLOSING MEETING 4 MAY

OW041249 Beijing XINHUA in English 1226 GMT 4 May 86

[Text] Beijing, May 4 (XINHUA) -- The council members of the China Council for the Promotion of International Trade (CCPIT) chose Bo Yibo as its honorary chairman and elected Jia Shi as chairman at its first meeting held here today.

Zheng Hongye, Guo Dongpo, Liu Shaoshan and Xu Dayou were elected CCPIT vice-chairman at the 167-member council meeting. According to a CCPIT official, Zheng Hongye was a commercial councillor of the Chinese Embassy in Japan, and Xu Dayou also a commercial councillor of the Chinese Embassy in an Arab country.

Vice-Chairman of the Central Advisory Commission Bo Yibo and State Councillor Gu Mu attended the first CCPIT member congress, which closed here today. Bo Yibo encouraged CCPIT to play a still greater role as a bridge in expanding economic relations and trade as well exchanges of friendship between the people of China and other countries.

FANG YI ATTENDS OPENING OF SCIENCE EXHIBIT

OW041433 Beijing XINHUA Domestic Service in Chinese 1325 GMT 3 May 86

[By reporters Wu Ming and Zhang Jimin]

[Excerpts] Beijing, 3 May (XINHUA) -- An exhibition of the achievements made in tackling key scientific and technological projects during the Sixth 5-Year Plan was opened at the Beijing Exhibition Center today. State Councillors Fang Yi, Song Ping, and Song Jian; CPPCC Vice Chairman Qian Xuesen; and other leading comrades attended the opening.

Speaking at the opening, Song Jian said: The tremendous achievements made in tackling 38 of the key projects have given a great impetus to the development of national economic construction and to progress in science and technology. He said: more than 2,000 of the 3,000 plus achievements are on display at the exhibition for the party and the people of the whole country.

It is learned that the exhibition will be closed on 18 May.

XI ZHONGXUN, OTHERS ATTEND MUSICAL PERFORMANCE

OW302306 Beijing XINHUA Domestic Service in Chinese 1638 GMT 30 Apr 86

[Excerpts] Beijing, 30 Apr (XINHUA) -- To celebrate the 1 May International Labor Day, Winners of the second national contest of young TV singers (amateur group) performed at the Huairentan Hall in Zhongnanhai this evening. They received thunderous applause from the audience.

Leading comrades Xi Zhongxun, Deng Liqun, Wang Zhen, Wu Xiuquan, Li Desheng, Gu Mu, Rong Gaotang, Zhu Houze, and Ai Zhisheng watched the performance together with an audience of 1,000 at the capital.

SONG JIAN URGES GROWTH OF SCIENTIFIC RESEARCH

OW290512 Beijing XINHUA in English 0227 GMT 29 Apr 86

[Text] Beijing, April 29 (XINHUA) -- It is necessary for China to readjust its strategy for the development of science and technology, according to OUTLOOK weekly published here today.

Song Jian, state councillor and minister in charge of the State Science and Technology Commission, said in an interview that the country must speed up the pace of research into new technology from now on and aid the development of new industries.

"We should do our best to follow international development of high technology and strive for breakthroughs.

"In this way, we will be able to meet the target of quadrupling output value by the turn of the century and lay a solid base for technical progress in the next century," Song said.

On the other hand, he said, "We should assist the medium-size and small enterprises and rural factories technically, while tackling key scientific and technological problems for updating large enterprises."

As for the reform of scientific and technological setups, he said this year the country will widely introduce the contract system to replace the old practice of state allocation of funds according to fixed proportions and position appointment system among scientists and technicians.

The reform over the past years has accelerated the pace of application of scientific findings, he said. Now thousands of scientists and technicians have left their institutes to propagate knowledge in medium-size and small enterprises, and the countryside.

HAN PEIXIN ADDRESSES JIANGSU PERSONNEL MEETING

OW081003 Nanjing Jiangsu Provincial Service in Mandarin 2200 GMT 7 86

[Excerpts] The 5-day first Jiangsu provincial symposium on the theory of organizational and personnel work closed in Nanjing on 7 may. Some 120 comrades from organizational and personnel departments of all levels and from some economic, cultural, and scientific research organizations in the province attended the meeting.

Comrade Han Peixin, secretary of the Jiangsu Provincial CPC Committee, attended and addressed the meeting. He emphasized: We must increase the study and research of the theory of organizational and personnel work in order to more effectively promote the four modernizations and ensure their accomplishment. We should carry forward the fine tradition of integrating theory with practice, and strive to solve new problems and meet new requirements in organizational and personnel work in the course of carrying out reform and opening to the outside world.

Comrade Luo Yanlai and Gu Hao also spoke at the meeting.

JIANGSU'S HAN PEIXIN ON TRANSFERRING MILITIA

OW071231 Nanjing Jiangsu Provincial Service in Mandarin 2200 GMT 6 May 86

[Text] All preparations for transferring Jiangsu's people's armed forces departments to local administrations have been completed. All people's armed forces departments in the province must be transferred to local administrations by 20 June.

The Jiangsu Provincial CPC Committee, the provincial government, and the provincial military district held a meeting in Nanjing on 6 May on the work of transferring all people's armed forces departments in the province to local administrations. Zhen Shen, commander of the provincial military district, made a speech, calling on all military subdistricts to strengthen their leadership in this regard, respect the local party committees and governments, and coordinate with them in tackling problems that may crop up in the course of transferring the people's armed forces departments.

Han Peixin, secretary of the Jiangsu Provincial CPC Committee, also made a speech. He hoped that after their transfer to local administrations, the various people's armed forces departments in the province would continue to display the fine traditions of the people's armed forces and carry out their work even better.

JIANGXI LEADERS DISCUSS REPORT ON 5-YEAR PLAN

OW081131 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 6 May 86

[Excerpt] Deputies attending the Fourth Session of the Sixth Jiangxi Provincial People's Congress continued their panel discussions of governor Ni Xiance's report on our province's Seventh 5-Year Plan yesterday and today and unanimously stressed the need to unite as one and work hard to contribute to the early implementation of the plan. Comrades Ni Xiance, Bai Dongcai, Wang Shufeng, Wang Zeming, Zheng Xiaoxian, Peng Shengxi, Huang Xiandu, and Liu Bin separately attended panel discussions of the Ganzhou, Yichun, Yian, Jiujiang, Jingdezhen, and Shangrao delegations.

JIANGXI: MILITIA UNIT HANDED OVER TO LOCAL COMMAND

OW080216 Nanchang Jiangxi Provincial Service in Mandarin 1000 GMT 6 May 86

[Text] The Jian Municipal People's Armed Forces Department, Jiangxi, successfully handed over its command in a ceremony held on 4 May, becoming the first people's armed forces department in the province to transfer its command to local government. Liu Zimin, chief of staff of the Jiangxi Provincial Military District, was present at the ceremony.

The Jian Municipal People's Armed Forces Department was one of the units chosen to experiment with transferring command to local government. Before the transfer of command the unit firmly educated its cadres and fighters on proper thinking, conduct, and discipline and put all fiscal matters in order. Thus, during the transfer it was able to turn a contingent of good personnel, as well substantial resources, over to the local government.

Attaching great importance to the transfer of command, the local party committee and government provided the people's armed forces department all the assistance it needed to solve its problems so that its transfer of command could proceed without a hitch.

WANG FANG ATTENDS ZHEJIANG CPPCC SESSION

OW060543 Hangzhou Zhejiang Provincial Service in Mandarin 1000 GMT 3 May 86

[Excerpts] The Fourth Session of the Fifth Zhejiang Provincial CPPCC Committee ceremoniously opened in Hangzhou this afternoon. More than 530 members of the provincial CPPCC Committee from various circles attended to discuss how to carry out the Seventh 5-Year plan and bring about prosperity in the province.

Seated on the rostrum were Chairman Wang Jiayang; Vice Chairmen Tang Yuanbing, Wu Youxin, Zhu Zhiquang, Jiang Ximing, He Zhibin, Zhou Chunhui, Jiang Cisheng, Qiu Qinghua, Zhan Shaowen, Wang Chengxu, and Ding Deyun; and Secretary-General Gao Feng of the provincial CPPCC Committee. Wang Fang, Xue Ju, Chen Fawen, Shen Zulun, Li Dexin, Tie Ying, Cui Jiang, Li Fengping, Chen Anyu, Li Qing, and Gao Chengyu, leading comrades of party, government, and army organizations in the province, attended the ceremony to extend congratulations on the opening of the session, and they were also seated on the rostrum. Also present were Mao Qihua, (Yu Jiyi), and Zhang Renzhi, as well as Wu Yaomin, director of the united front work department of the provincial party committee.

The opening session was jointly chaired by Wang Jiayang and Wu Xouxin. Main items on the session agenda were: hearing and discussing a report on the work of the Standing Committee of the Fifth Provincial CPPCC Committee; a report by the motions examination committee on its work since the third session of the Fifth Provincial CPPCC Committee; attending the fourth session of the Sixth Provincial people's Congress as observers by members of the provincial CPPCC Committee; electing additional vice chairmen of the fifth provincial CPPCC Committee and additional members of its Standing Committee; and adopting resolutions.

GUIZHOU POLICY ON PROMOTING LATERAL ECONOMIC TIES

HK090245 Guiyang Guizhou Provincial Service in Mandarin 2200 GMT 6 May 86

[Text] The provincial people's government on 3 May promulgated some regulations on promoting lateral economic ties, calling for a good job in developing lateral economic ties to promote resource exploitation, technological advance, and urban and rural economic invigoration in the province, to speed up economic development and to attain the strategic target of making the people wealthy as soon as possible.

The regulations pointed out that enterprises should develop lateral economic ties on the basis of voluntary participation and in accordance with the principle exercising one's strong points while avoiding weak ones, adopting various forms, benefiting each other, and developing jointly and in disregard of the barriers between areas, departments, trades, and ownership systems. It is necessary to vigorously develop ties between enterprises producing raw materials and enterprises processing raw materials; between production enterprises and scientific research units, including colleges and universities; between civilian and military industrial enterprises; between industrial, agricultural, commercial and trade enterprises; and between railway, highway, water transportation, and civil aviation enterprises. Developing lateral economic ties should focus on the target of the province's Seventh 5-Year Plan and the orientation and essential points in the plans formulated by all sectors. It is necessary to encourage developing economic ties with minority nationality and poor areas, and to accelerate economic and social development in these areas through lateral economic ties.

The regulations pointed out that governments and relevant departments at all levels must further emancipate their minds, respect the decisionmaking power of enterprises, make more efforts to plan, organize, coordinate, and guide service work, and safeguard the decisionmaking powers and legitimate rights and interests of enterprises in developing lateral economic ties.

SICHUAN GOVERNOR VIEWS SEVENTH 5-YEAR PLAN GOALS

HK300243 Chengdu Sichuan Provincial Service in Mandarin 0030 GMT 30 Apr 86

[Excerpts] Governor Jiang Minkuan said in his government work report at the fourth session of the sixth provincial People's Congress: To vigorously increase the building of socialist spiritual civilization while increasing the building of material civilization is the strategic principle we must adhere to throughout the entire historical stage of socialism. The province's Seventh 5-Year Plan, drawn up according to this strategic principle, is a plan for simultaneously building socialist material and spiritual civilization. We must uphold the four basic principles, bring socialist democracy into further play, put the socialist legal system on a firm basis, and uphold the people's democratic dictatorship. We must strengthen and improve ideological and political work and bring about a fundamental turn for the better in social mood as soon as possible, to ensure the healthy development of economic work.

Jiang Minkuan proposed in his report the following six targets in the draft of the province's Seventh 5-Year Plan:

1. Strive for a sound growth rate centered on improving economic results. By 1990 the province's total industrial and agricultural output value should reach 107.5 billion yuan, rising at an annual average of 7.2 percent. Gross domestic product should reach 82.7 billion, rising at an annual average of 8.2 percent. Financial revenue should reach 9 billion yuan, rising at an annual average of 7.2 percent.

2. Decide on an appropriate size of investment and improve the investment structure. Investment in local fixed assets during the 5 years is set at 14.56 billion yuan, an increase of 75 percent over the figure actually completed during the Sixth 5-Year Plan. The focus must be on agriculture, basic industries, science, education, culture, and public health.

3. Accelerate the exploitation of brain-power and stimulate the development of education and the progress of science and technology. During the 5 years, 320,000 students should graduate from ordinary teritiary institutes, 760,000 from secondary vocational schools, 760,000 from ordinary senior secondary schools, 4.94 million from oridnary junior secondary schools, and 11 million from primary schools. We should also work hard to eliminate illiteracy.

4. Open up new fields in consumption and develop foreign trade. By 1990 retail commodity sales volume should reach 34 billion yuan, rising at an annual average of 7.9 percent. Total export volume in 1990 should reach 800 million, rising at an annual average of 18 percent.

5 Continue to strengthen planned parenthood work and prevent the population from growing too fast. During the 5 years the average natural population growth rate should be kept below 11 per 1,000. The province's population in 1990 should not exceed 107.2 million.

6. Further improve urban and rural living standards and promote environmental protection. The level of per capita consumption should rise at an annual average of 6 percent during the 5 years. Peasant's net income should rise by 8 percent. Workers' wages in local enterprises owned by the whole people should rise at an annual average of 6.7 percent.

Governor Jiang Minkuan proposed the following 10 major guidelines for attaining the Seventh 5-Year Plan targets in the province: 1) Persevere in taking agriculture as the foundation and achieve all-round development of the rural commodity economy. 2) Vigorously develop consumer goods industries to continually satisy the needs of society and people's daily life. 3) Speed up the development of basic industries to ensure reserve strength for economic development. 4) Readjust the structure of investment in fiexed assets and strive to improve the economic results of investment. 5) Further reform the circulation setup and gradually establish and perfect a socialist market system. 6) Do a good job in financial and fiscal reforms, and strengthen the functions of the banks and the fiscal departments in macroeconomic control. 7) Persistently open up to the world and earn more foreign exchange through exports. 8) Speed up the development of education, science, and technology, and train talented people for invigorating the economy. 9) Develop lateral economic ties and further invigorate the enterprises. 10) Change the government management functions and deepen the reforms in the superstructure.

YUNNAN GOVERNOR OUTLINES ECONOMIC TASKS FOR 1986

HK010227 Kunming Yunnan Provincial Service in Mandarin 2300 GMT 30 Apr 86

[Excerpts] Governor He Zhiqiang stressed in his government work report to the fourth session of the sixth provincial People's Congress that it is essential to overcome difficulties and work hard to fulfill the tasks for 1986. He said: The main economic goals for this year are: total industrial and agricultural output value 22.2 billion yuan, a rise of 8 percent over 1985; total grain output to exceed 20 billion yuan; income of township enterprises 3.7 billion yuan; financial revenue to exceed 3 billion yuan; and export volume 250 million.

On fulfilling these tasks, Governor He Zhiqiang first stressed that in agriculture efforts must be based on fighting natural disasters to reap bumper harvests. Since last year, three successive harvests have been reduced due to natural disasters. We must brace our spirits and mobilize the cadres and masses to take further action and establish firm confidence in recouping the spring harvest losses in autumn. More methods should be devised to help the masses, especially those in disaster areas, to increase income. We must follow the principle of promoting diversified undertaking without any slackening of grain production, continue to do a good job in readjusting the production structure, take advantage of local conditions, and strive to create a new situation in comprehensive operations and all-round development. We should strive for a 50 yuan per capital increase in peasant's net income.

While continuing to invigorate the small and collective enterprises, the province must focus its work on improving the large and medium enterprises in its industrial production this year. One-third of the large and medium enterprises should be basically invigorated this year. This was proposed by He Zhiqiang in his report. In the future, we must vigorously promote lateral economic ties between enterprises, help them to eliminate obstacles, and develop a variety of combines and groupings under the principle of voluntariness and mutual benefit. We must guide the enterprises to turn their vision inwards and deepen their internal reforms.

We must do everything possible to reverse the low growth rate situation in the first quarter. Under the premise of improving economic results, we should strive to bring the growth rate back to over 10 percent in the remaining quarters of the year. We must maintain synchronous growth in output value, income from sales, and profit and tax delivery.

Governor He Zhiqiang said: We must continue to tap Yunnan's potentials in resources and strive to increase income and earn foreign exchange. We must first tap the potentials in tobacco, sugar, and tea. We must also take new strides this year in exploiting our resources in mining, tropical crops, and the mountain areas.

Yunnan must speed up construction of key energy and communications projects this year. There is a relatively large number of key projects and single projects in this field to be completed this year. The size of year's investment in certain projects is rather large. We must relentlessly grasp the key issues affecting the completion of projects and seriously do a good job in dovetailing, coordinating, supervising, and inspecting the projects.

BRIEFS

YUNNAN HYDROPOWER STATION -- Kunming, 1 May (XINHUA) -- Construction of the largest hydropower station in southwestern China started today in Yunnan Province. The Manwan Station, with an installed capacity of 1.5 million kw, is on the middle reaches of the Lancang River. It will have six 250,000 kw generating units. A project is jointly invested by the Ministry of Water Resources and Electric Power and the Yunnan Provincial Government. The first generating unit is scheduled to go into operation in 1991. This is the first of the 15 cascade power stations planned on the 2,266 km long Lancang River. When all are completed, the total generating capacity will reach 20.73 million kw. Yunnan has 6 major water systems, with an estimated water power reserves of 71.16 million kw. The province plans to build power stations with a total generating capacity of 5 million kw during the next 2 decades, quadrupling the present generating capacity. Now under construction are three other big power stations. They are the 600,000 kw Lubuge Power Station, the 600,000 kw Xiaolongtan Power Station, and a 200,000 kw thermal power station on the outskirts of Kunming. [Text] [Beijing XINHUA in English 0746 GMT 1 May 86 OW]

XIE FENG ELECTED NEW GOVERNOR OF HEBEI PROVINCE

OW042320 Beijing XINHUA Domestic Service in Chinese 1333 GMT 4 May 86

[Text] Shijiazhuang, 4 May (XINHUA) -- In a by-election held by the Fourth Session of the Sixth Hebei Provincial People's Congress, Xie Feng, deputy secretary of the Hebei Provincial CPC Committee, was elected governor of the Hebei Provincial People's Government and Song Shuhua [1345 0647 5478], chairman of the Hebei Provincial Planning and Economic Committee, was elected vice governor of the province.

[In a similar report, Beijing XINHUA in English at 0606 GMT on 5 May adds that Xie Feng is 63 years old.]

NEI MONGGOL SECRETARY ATTENDS YOUTH DAY FETES

SK040337 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 3 May 86

[Excerpts] On the morning of 3 May, more than 1,200 young people of all nationalities from different circles in Hohhot joyfully gathered at the railway workers' cultural palace to attend the rally marking the 67th anniversary of the 4 May Movement jointly sponsored by the regional CYL Committee, the regional youth federation, and the regional student federation. All participants pledged to follow the line of proceeding from practices and to make contributions to the four modernizations.

Attending the rally were leading comrades of the regional CPC Committee, government, military district, and CPPCC Committee, including Zhang Shuguang, Bu He, Tian Congming, Cai Ying, Lin Weiran, Zhao Zhihong, and Bayanbatu. The CYL members and young people participating in the rally were very glad that the leading comrades joined the celebrations.

The rally opened amid the magnificent national anthem. (Ba Ke), deputy secretary of the regional CYL Committee and chairman of the regional youth federation, delivered a speech. Tian Congming, deputy secretary of the regional CPC Committee, made a speech at the rally. Also attending the rally were the secretary of the Hohhot City CPC Committee and responsible comrades of the regional Trade Union Council, the regional women's federation, and the regional scientific and technological association.

ZHANG SHUGUANG VIEWS NEI MONGGOL MILITARY DRILL

SK070137 Hohhot Nie Monggol Regional Service in Mandarin 2200 GMT 6 May 86

[Text] On the morning of 5 May, leading comrades from the regional party and government organs, including Zhang Zhuguang, Bu He, Tian Congming, [words indistinct], Ma Zhenduo, Liu Zuohui, Bai Junqing, and Zhao Zhihong, accompanied by Cai Ying, commander of the regional military district, and [words indistinct], viewed the military technical demonstration drill presented by a certain regiment under the regional military district. Following the demonstration drill, leading comrades, including Zhang Shuguang, and Bu He, went to the cadres and fighters to cordially shake hands with them and had a group photo taken to mark the occasion.

After viewing the demonstration drill, Comrade Zhang Shuguang went by car to the artillery regiment of the garrison division and the training group under the regional military district to inspect their afforestation achievments, personnel dormitories, classrooms, and mess halls, and to inquire about the living conditions of the cadres and fighters.

Answering his questions, cadres and fighters in these PLA units expressed that they will never let the regional leadership down and will certainly make new contributions to modernizing or regularizing PLA units.

NEI MONGGOL'S BU HE OUTLINES 1986 ECONOMIC TASKS

SK040539 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 2 May 86

[Text] In his report on the draft Seventh 5-Year Plan, chairman Bu He said: The region's major work for 1986 should be developed in line with the arrangements of the regional CPC Committee and government. In the latter 8 months of this year, we should pay attention to the following practical tasks:

In line with the principle of consolidation, consumption, supplementing, and improvement, we should attend to the economic structural reform focusing on the urban economy. In particular, we should make a breakthrough in allowing flexibility and invigorating the state-run large and medium-sized enterprises. All powers which should be delegated to enterprises must be delegated. Various reform measures should be carried out in a coordinated and comprehensive manner. We should attach importance to enterprise management, strive to improve the quality of products and economic efficiency, and make great efforts to eliminate all losses caused by poor management within this year. At the same time, we should conduct conscientious investigations and studies in order to prepare for making an important step in the next stage of reform.

The rural and pastoral areas should further consolidate and develop the achievements in the second stage of reform. First, they should stabilize the acreage of grain fields, establish small-scale agro-economic zones in line with local conditions, raise the level of intensive farming, strive to harvest more grain this year than in last year, and vigorously develop diversified occupations. Second, they should ensure a sustained and steady development of animal husbandry, and should basically contract all grasslands to households for management by the end of this year. They should organize and guide the masses to grasp the construction of the foundation for animal husbandry, the construction of grassland in particular, should follow the road of combining construction with livestock breeding, should establish a number of specialized branches for making the land fertile, and should attend to the experiments of combining the rural areas with the pastoral ones. Third, they should actively and steadily develop town and township enterprises in order to effect a new development in this regard.

We should understand and address traffic and transportation work. We should make good preparations for the first phase of the Jining-Tongliao and the Baotou-Dongsheng railways. Actual progress should be made in making plans and preparations for the development of Huang He navigation line. Prominence should be given to highway construction. Construction of several main highways which are already under construction should be accelerated. Meanwhile, we should depend on and mobilize the masses to build more roads in rural areas.

Attention should be paid to the pricing work which the masses are concerned with and sensitive to. We should mainly consolidate and digest the reform measures which have already been initiated, and resolutely maintain the basic stability of the general level of prices. At the same time, we should strenghten the supervision and inspection of market prices, and pay attention to stabilizing market prices and controlling the price hikes of production means not covered by the state plans. Special attention should be paid to stabilizing the prices of the people's daily necessities, as well as vegetables, meat, and eggs.

GANSU'S LI ZIQI ATTENDS MAY DAY CENTENARY RALLY

HK021003 Lanzhou Gansu Provincial Service in Mandarin 1100 GMT 30 Apr 86

[Excerpts] This morning, the provincial CPC Committee Propaganda Department and the provincial Federation of Trade Unions held a provincial rally marking the centenary of May Day at the provincial Government Hall. Some 1,200 people attended the rally. They included model workers and advanced people from various fronts in Lanzhou, winners of May Day medals, as well as trade unions workers representatives. The rally was presided over by (Dong Henggong), chairman of the provincial Federation of Trade Unions. After the rally opening ceremony, (Wang Xinzhong), vice chairman of the provincial Federation of Trade Unions, announced the Gansu namelist national May Day medal winners.

Amid warm applause, Jia Zhijie, deputy secretary of the provincial CPC Committee, made a speech. In his speech, Comrade Jia Zhijie pointed out: The recently concluded 4th session of the 6th NPC is another milestone in the course of building Chinese socialism and carrying out reform. The Seventh 5-Year Plan as well as Premier Zhao Ziyang's report on the Seventh 5-Year which were adopted by the session, have projected for us the grand blueprint and bright prospects of China's economic and social development during the next 5 years. They are the guiding principles for the peoples of various nationalities in China.

He said: [Begin Jia recording] In connection with the state's Seventh 5-Year Plan and under the correct leadership and plans of the CPC Central Committee, Gansu must strive to expedite the pace of attaining prosperity. We must promote reforms, base our work on transformation, open our door wide, and become wealthy through development.

We must constantly promote the development of science and technology, constantly improve the economic results, and expedite economic construction as well as the development of various undertakings. We must greatly strengthen the building of socialist spiritual civilization, and constantly promote a turn for the better in party style and the general mood of society. We must strive to double the province's gross industrial and agricultural output value which was proposed by the 12th CPC Congress. The provincial CPC Committe and the provincial government hope that all workers will enthusiastically respond to the recent call by the National Federation of Trade Unions. They should carry forward the spirit of being masters of their own affairs, give play to their role of being the main force of the working class, and will propose suggestions make contributions toward achieving the lofty goals of the Seventh 5-Year Plan. [end recording]

The rally was also attended by leaders of the provincial party, government and military. They included Li Ziqi, Zhao Xianshun, Li Xuanhun, Huang Luobin, Wang Bingxiang, Jia Zhijie, Lu Kejian, Hou Zongbin, Wang Zhanchang, (Yang Julin), (Jie Keru), Ma Jilin, Wang Jintang, Ge Shiying, Liu Lanting, (Zhang Wule), Zhao Yuechi, (Wen Jingyi) and (Wang Zhengqing).

SHAANXI CONVENES PARTY RECTIFICATION MEETING

HK021155 Xian Shaanxi Provincial Service in Mandarin 0030 GMT 1 May 86

[Text] On 29 April, the provincial CPC Committee held a meeting on reporting results of inspection of second-stage party rectification among organs directly under the provincial authorities. Responsible people of leading party groups and party organizations of the provincial Building Materials Bureau, Shaanxi Diesel Engine Factory and the (618) Research Institute introduced their experiences of party rectification at the meeting.

Li Xipu, leader of the provincial CPC Committee party rectification guiding group, made a speech. After affirming the achievements of the second-stage party rectification, he pointed out the existing problems. These are that: Some units set demands too low and treat the work leniently when carrying out party member registration; some carry it out in a rush and do not take measures to ensure quality. Some make mistakes during or after carrying out party rectification; some carry out the work perfunctorily so that many problems are left behind; and some do not implement measures for consolidating the achievements of party rectification.

Li Xipu stressed: We must act by proceeding from the requirements of improving party rectification, and voluntarily uphold the principle of strictly enforcing the party discipline, to really promote a remarkable turn for the better in party style. We must assign responsibilities to the people taking care of problems discovered in party rectification. All units that carry out party rectification must implement the responsibility system in which the leading cadres are reponsible for the key units, dealing with major problems, helping units that lag behind in the work, and handling major cases. Therefore, the units can do well in the work in an all-round way, including leadership, measures, time and staff. We must uphold the standards and ensure the quality of the work. We must ensure the quality when examining results of the work of party member registration, handling matters of organizations, and results of party rectification.

We must work hard in studying documents of the fourth session of the sixth NPC, and strive to ensure to promote reforms. Through party rectification, we should promote our understanding of reforms and overcome ideological obstacles concerning reforms. We must strengthen our leadership over the work of party rectification. We must not slacken our efforts or take a relaxed attitude toward the work. The people in charge of the work should be relatively stable and the power of the authorities should not be weakened.

In his conclusion, Li Xipu said: We must keep to the stand of loving the masses and acting on behalf of the interests of the people. We must examine our leadership over the work of party rectification, examine our work of party rectification, and do well in a down-to-earth manner in the second-stage of party rectification among organ the provincial authorities.

SHAANXI: XIAN OFFICIALS HAMPER LATERAL ECONOMIC TIES

HK090255 Xian Shaanxi Provincial Service in Mandarin 0100 GMT 8 May 86

[Text] According to SHAANXI RIBAO, at a Xian City work meeting on economic structural reform which concluded recently, Comrade Dong Jichang critiicized some Xian functional departments for their poor work style in hampering lateral economic ties.

By citing facts gained from his own investigation, Comrade Dong Jichang disclosed that higher learning institutes, scientific research units, central and provincial enterprises, and city-run and township enterprises have a strong desire for developing lateral economic ties. However, city finance, tax, price, industrial and commercial administration, and banking departments have failed to carry out correspondidng reforms to meet this desire. They have shifted responsibilities onto each other and made things difficult. In the 10 months since the city CPC Committee and government promulgated 10 policies on promoting lateral economic ties last year, the relevant departments have not adopted corresponding meassures and methods.

IMPLICATIONS OF PLA CHIEF OF STAFF U.S. VISIT ANALYZED

OW080525 Taipei International Service in English 0200 GMT 7 May 86

[Station commentary]

[Text] Yang Teh-chih, chief of staff of Red China's Armed Forces, has begun a 2-week visit in the United States as Congress is taking up the question of the proposed $550 million sale of avionics to upgrade Peking's fighter jets. Yang, who fought U.S. forces during the Korean war as deputy commander of Red China's volunteers, is not just making a return call to the 1985 visit by General John Vessey, the chairman of the Joint Chiefs of Staff. The composition of Yang's party indicates the real nature of his visit. It includes the PLA's service chief. He even brought his wife along to show his friendliness. Yang is expected to talk with Admiral William Crowe, Vessey's successor, on issues of common concern and meet other Pentagon officials. The issues of common concern are presumably the alarming Soviet military buildup in the Far East.

It goes without saying that the question of arms sale and transfer of American military technology will be discussed. In addition to the proposed sale of aircraft electronics, the U.S. has also agreed to sell Peking ship turbines, sonar equipment, and other items Peking needs to modernize the Red Navy. However, Peking is unlikely to make very large military purchases for two reasons. First, it does not have the cash to pay for the purchases. Second, it does not want to alarm the Soviets with whom the Chinese communist leadership has been busy building a bridge of friendship. Red China has stated that it is pursuing an independent foreign policy and that its military exchanges with the United States do not constitute any form of alliance. In other words, the once talked about parallel strategic interests with the United States no longer exist.

Even so, Peking will try to get access to U.S. military technology which is essential to the modernization of the PLA. But a modernized PLA will not be able to contribute to the U.S. efforts to checkmate the Soviets. Red China has its own ambitions. Its equidistance diplomacy is designed to further its own goal of eventually contending with both superpowers for world hegemony. So, American eagerness to help beef up the PLA will not in the least serve U.S. interests. On the contrary, it will lead to greater threat to the security of Red China's neighbors, the Republic of China in particular, and will finally give the U.S. itself a powerful adversary aside from the Soviet Union.

The WALL STREET JOURNAL noted that Red China jointed with Moscow in condemning the recent U.S. raid on Libya and described the military action as an act of terrorism. So, the paper raised an interesting question about U.S. foreign policy. It asked, rhetorically, how did the U.S. ever get the idea that its tilt toward Red China and away from Taiwan would be generously rewarded by Peking. It is a good question. We hope Yang Teh-chih's hosts in Washington will try to answer that question before they tilt further to Peking.

PAPERS CAUTION U.S. ON ARMS SALES TO MAINLAND

OW030455 Taipei CNA in English 0352 GMT 3 May 86

[Text] Taipei, May 2 (CNA) -- Two sister newspapers in the Republic of China [ROC] lauded several U.S. senators Friday for cautioning the Reagan administration to be wary of the serious consequences of selling arms to Red China and for their support of this nation.

The Taipei-based TAIWAN SHIN SHENG DAILY NEWS and the Kaosiung-based TAIWAN SHIN WEN PAO said in an identical editorial that U.S. Senator Jesse Helms, R-North Carolina, has recently introduced a resolution with Senator Barry Goldwater, R-Arizona, urging the Reagan administration to stop proposed sales of U.S. dollars 550 million worth of weapons to Red China.

The other two senators, Frank Murkowski, R-Alaska, and Malcolm Wallop, R-Wyoming, on the other hand, proposed that the Reagan administration sell F-20 fighters to the ROC to help maintain a military balance in the Taiwan Strait if it insists on selling sophisticated weapons to Red China, the papers said.

The two newspapers said that the United States, as a advocate of justice and a leader of the free world, should draw a clear demarcation line between its allies and enemies. The U.S. should never try to counterbalance the threats from the Soviet Union by beefing up the Peiping regime's military strength, nor should it comply with Peiping's demands by sacrificing the security of the ROC and other Asian nations, the editorial said. The editorial said it believes that the U.S. also knows very well that Red China, while trying to take advantage of the confrontation between the U.S. and the Soviet Union, has never stopped assisting rebels in the Third World countries to topple their governments.

This is why many people in the world feel puzzled over the U.S. motive for selling weapons to Red China, the papers said, expressing the hope that those voices of justice uttered by American senators will be able to convince the executive branch to drop its plan to assist Red China militarily.

CHINA POST LAUDS RESUMPTION OF U.S. ARMS SALES

OW051135 Taipei CHINA POST in English 30 Apr 86 p 4

[Editorial: "U.S. Resumption of Arms Sales to ROC"]

[Text] The United States State Department's recent announcement that the U.S. will continue to sell defensive arms to the Republic of China [ROC] in accordance with the Taiwan Relations Act to enable it to defend itself is a step in the right direction. At the same time, the State Department statement denied Chinese Communist cadre Hu Yao-pang's allegation that the Chinese Communists were not satisfied with U.S. compliance with the 1982 August 17 joint communique. The statement also denied that Washington was violating an agreement with Red China by supplying the ROC on Taiwan with the technology for developing an advanced jet fighter plane.

The Chinese Communist complaints are unfounded as the United States has been extremely cautious in handling the arms sales program with the ROC. As a matter of fact, the resumption of the arms sales program for the ROC has been demanded by many U.S. congressional leaders who visited the ROC recently. They include Senator Barry Goldwater (Rep-Ariz), Senator Alan Cranston (Dem-Calif), Senator Malcolm Wallop (R-Wyo) and 19 other congressmen who have sent a letter of protest to President Ronald Reagan on his decision to sell U.S. $550 million worth of U.S. avionics equipment to Peking. At the same time, 52 U.S. conservative politicians and scholars have also recently appealed to President Reagan to sell the ROC advanced fighters to offset a proposed sale of avionics to Peking.

The appeals and protests must have drawn the Reagan administration's attention, and the recent State Department news release on the arms sales issue provided an initial answer to those appeals.

It is hoped that the American people will not be misled by the administration's responses to popular appeals and protests and urge those responsible for the arms sales to follow up with concrete authorization for the ROC in the form of advanced fighter planes and weapons for its self-defense needs. They should not limit the sales to a reduced value of previous sales but allow a factual estimate of what the ROC needs in bringing up its defense to a new and up-to-date level. The United States should not be limited in its action by the August 17 joint communique as it is in contradiction with the Taiwan Relations Act [TRA] and should not be permitted to stand.

A recent statement by Senator Cranston after his visit to the Republic of China shows his firm belief that the ROC should be supplied with all necessary defensive weapons in accordance with the TRA. Other U.S. congressional leaders should step up their appeals in this regard. At the same time, the U.S. Congress should reject the U.S. Administration's proposal to sell Peking U.S. avionics equipment which will in the end not only threaten the ROC but also other Asian-Pacific nations.

As the Chinese Communists have never renounced their intention of using force to settle the so-called "Taiwan issue" but have reiterated their desire to do so, tension in the Taiwan Strait remains high. Freedom and peace in the Asian-Pacific region remain unstable and require the constant vigilance and attention of all freedom-loving nations.

Chinese communist united front tactics in this regard should not be permitted to succeed. Peking is trying to deny all sales of U.S. arms to the ROC while it attempts to get U.S. arms sales.

We are glad that the United States has not fallen prey to Peking's traps and resolutely announced its readiness to resume its arms sales to the ROC. We only hope that concrete moves will follow the recent announcement.

COMMENTARY VIEWS DEVELOPMENT OF ADVANCED JET FIGHTER

OW021115 Taipei International Service in English 0200 GMT 1 May 86

[Station commentary]

[Text] The U.S. State Department last Friday denied an allegation by Peking's party chief Hu Yao-pang that the United States has violated an agreement with Red China by supporting Taipei with technology for developing an advanced fighter plane.

State Department Deputy Spokesman Charles Redman said the U.S. continued to adhere to the 1982 communique. He said, quote, we consider the sales of defense arms to Taiwan to be a routine matter consistent with U.S. policy since normalization, and the 1982 communique, unquote. Regarding the Republic of China's stand to build an advanced jet fighter, Redman noted that Taipei started the project many years ago, and that it is entirely Free China's domestic project. Published reports that the U.S. is providing technical advice to the ROC in developing such a fighter may be speculated. Even if they were true, it involved only private American companies. Furthermore, the Taiwan Relations Act, which is an American law, stipulates that Washington should provide the Republic of China with weapons sufficient for its self-defense.

In view of the importance of air supremacy and defense of Taiwan, the Republic of China has assigned top priority to the development of sophisticated jet fighters besides requesting the U.S. for the sale of more sophisticaed jets to replace the nation's obsolescent F-5E and F-104 starfighters.

The Republic of China started the indigenous jet fighters project many years ago. According to offficial reports, the plane will not become operational until the early 1990's. The length of the research and development period seems to discredit the reported transfer of U.S. technology in the project. As a matter of fact, the ROC's defense industry has become increasingly sophisticated as evidenced in the recent successful test-firing of the locally-developed ground-to-air missile by the ROC Armed Forces.

In the aeronautics industry, the ROC has been manufacturing its own trainers for over 2 decades. The locally-developed jet trainer, designated as (AT-3), is as advanced as any other of its kind in the world. Besides, the ROC has been cooperating with Northrop for the production of F-5E's in Taiwan for over a decade. Some aspects of the plane-making technology invariably rub off on Chinese engineers and technicians since then. All these are irrelevant [as heard].

What right does Peking have in interfering with the American transaction with the Republic of China? Furthermore, Peking itself has been speeding or buying weapons technology in its own defense research and development, not counting the fact that its main-line jet fighters are all built on Soviet models. What's the fuss even if the ROC has selected the American technology in developing its own jet fighters.

KMT WORKERS URGED TO PROMOTE POLITICAL HARMONY

OW071359 Taipei CNA in English 1346 GMT 7 May 86

[Text] Taipei, May 7 (CNA) -- President Chiang Ching-kuo, in his capacity as chairman of the ruling Kuomintang, Wednesday called on party workers to communicate often with civic leaders with sincerity and open mind in an effort to promote political harmony and well-being of the people. Chaing officiated at a central Standing Committee meeting Wednesday to hear reports from party officials on KMT's major work for the year. While giving directives, Chiang specifically asked the policy coordination committee to review some existing social problems.

To lay a more solid foundation for the long-term national development, it is the basic national policy to promote political harmony, maintain social order, protect people's interests and raise their life quality, he pointed out. "They are also the goals that we have strived for over the years," he added.

He stressed that "our determination to carry out the constitutional democracy in this country will never change." However, he said moves which could damage national unity and harmony, threaten national security, and hurt the interest of the people will not be allowed by the law.

DAILY REPORT

China

CONTENTS

Vol I No 091 12 May 1986

PRC INTERNATIONAL AFFAIRS

UNITED STATES

Further Reportage on Treasury Secretary's Visit B 1
Meets With Zhao Ziyang B 1
Wang Bingqian Attends Reception B 1
Trade Talks 'Successful' B 1
Yao Yilin Leaves for Visit to U.S. B 2
Yeng Dezhi Visits Kennedy Space Center B 2
Chai Zemin Attends Sino-U.S. Forum in Washington B 2
PRC Rockets To Launch Two U.S. Satellites B 3
[CHINA DAILY 12 May]

SOVIET UNION

LIAOWANG on 'Dual Challenge' to Gorbachev C 1
[LIAOWANG OVERSEAS EDITION 5 May]
Chernobyl Mishap Not To Affect Nuclear Plans C 4

WESTERN HEMISPHERE

Further Reportage on Visit of Canada's Mulroney J 1
Deng Xiaoping, Li on Health [AFP] J 1
Deng on Domestic Policy J 2
Mulroney on Increasing Trade J 2
Funding for High-Tech Equipment [AFP] J 3
Zhao Ziyang Gives Banquet J 4
Speaks With Hu Yaobang J 5
Meets With Li Xiannian J 5
Mulroney Gives Return Banquet J 6
Raises Human Rights Issues [AFP] J 7

PRC NATIONAL AFFAIRS

Zhao Ziyang Inspects Sichuan, Hebei Poor Areas K 1
Seventh 5-Year Plan Shows Early Promise K 4
Hu Qili on Rectification, CPC National Congress K 4
[LIAOWANG OVERSEAS EDITION 5 May]
Hu Qili Talks With MING PAO President Cha K 8
Yu Guangyuan Views Reaction to Ma Ding Article K 8
[SHIJIE JINGJI DAOBAO 21 Apr]
Wang Meng on Normalization of Literary Criticism K 10
RENMIN RIBAO Urges Protecting Rural Enterprises [10 May] K 13
Article Urges Publicizing Party Style Problems K 14
[WEN ZHAI BAO 4 May]
XINHUA Commentator on Correcting Irregularities K 15
Hu Yaobang Urges Developing Offshore Islands K 15
Yu Qiuli on Improving Political Cadres' Qualities K 16

PRC REGIONAL AFFAIRS

EAST REGION

Wan Shaofen Attends Jiangxi People's Congress O 1
Liang Buting Attends Shandong CPPCC Opening Session O 1

CENTRAL-SOUTH REGION

Guangdong: Tornado Strikes Doumen County 11 May P 1
Henan Radio Comments on People's Congress Session P 1
Hubei: Tornado, Hail Hit Mianyang County 11 May P 1

PRC MEDIA ON TAIWAN AFFAIRS

Taiwan Developing High-Performance Weapons System U 1'
Economic, Political Future of Taiwan, Mainland Viewed U 1

TAIWAN

Further Reports on Negotiations for CAL Plane, Crew V 1
MP's Urge Private Contact With PRC [AFP] V 1
Red Cross To Negotiate Directly V 1
Crewmen 'Interrogated' in PRC V 1
CAL Urged To Send Representative V 2
Plane Not Political Issue V 2
Commentary Views Defection V 3
Mainland Specialist Comments on Hu Qili Interview V 4
Merits, Shortcomings of 4th Nuclear Plant Considered V 4

HONG KONG MEDIA ON CHINA

PAI HSING Comments on Arrest of Hu Qiaomu's Son [1 May] W 1
Criticism of 'Ma Ding' Economic Article Analyzed [CHENG MING 1 May] W 3
TA KUNG PAO Details Wang Ruoshui's Recent Activities [8-14 May] W 7

FURTHER REPORTAGE ON TREASURY SECRETARY'S VISIT

Meets With Zhao Ziyang

OW091803 Beijing XINHUA in English 1742 GMT 9 May 86

[Text] Beijing, May 9 (XINHUA) -- China and the United States should make further joint efforts to promote bilateral trade, Chinese Premier Zhao Ziyang said here today. Addressing a meeting with U.S. Treasury Secretary James Baker and other U.S. visitors, he said Sino-U.S. trade had increased remarkably, but there remained great potential for its further development. He noted that Sino-U.S. trade represented only a small proportion of total U.S. foreign trade, and hoped that the U.S. would import more from China. Zhao hoped that the Sino-U.S. agreement concerning the avoidance of double taxation will be implemented and an agreement on investment protection between them signed at an earlier date. This was important to the development of bilateral economic and trade relations.

Baker, who is here attending the sixth meeting of the Sino-U.S. Joint Economic Commission, described the sixth meeting as a great success, and Zhao said the meeting was of great importance to bilateral relations -- economic and trade relations in particular.

Turning to China's economic reforms, Zhao said they were crucial to China's Seventh Five-Year Plan. He described the plan as a combination of development and reform. China was making preparations for bigger steps in economic reform over the next two years. An important goal in the next two years was to create equal opportunities and conditions for enterprises to compete in. In view of the developments of the past few years, China could avoid major setbacks in its progress, and achieve its goals.

Baker said he believed China's reform had a bright future. The United States welcomed China's opening to the rest of the world, because it was beneficial not only to China, but also to the United States.

Wang Bingqian Attends Reception

OW091435 Beijing XINHUA in English 1420 GMT 9 May 86

[Text] Beijing, May 9 (XINHUA) -- U.S. Ambassador to China Winston Lord and his wife gave a reception at the embassy here for the U.S. Secretary of the Treasury James Baker and his party this evening. Baker and his party are here attending the sixth meeting of the China-U.S. Joint Economic Committee held between May 8 to 10. Among the guests at the reception was Wang Bingqian, Chinese state councillor, minister of finance and head of the Chinese delegation to the meeting. Yesterday evening, Baker gave a return banquet in the Great Wall Hotel.

'Trade Talks Successful'

OW100955 Beijing XINHUA in English 0936 GMT 10 May 86

[Text] Beijing, May 10 (XINHUA) -- Chinese Minister of Finance Wang Bingqian and U.S. Treasury Secretary James Baker declared the sixth meeting of the China-U.S. Joint Economic Commission, which closed today, a very successful and fruitful one. Wang and Baker were speaking at the closing ceremony of the meeting at the Great Hall of the people here this morning. Wang, who is also a state councillor, said the meeting would contribute to further development of Sino-U.S. economic relations and will also be conducive to solving some specific problems in bilateral economic relations.

As in previous meetings, he noted, the atmosphere of the meeting was very earnest and friendly. The content of the discussions were quite comprehensive. Both the Chinese and American delegations gave thorough and detailed introductions and explanations about the recent economic developments and macroeconomic policies of their countries. He held that, through the meeting, the two sides have deepened their mutual understanding and thus created good conditions for further cooperation. He said that he and Baker, as well as the two working groups, had also frankly exchanged views on some specific problems in Sino-U.S. economic relations. "That is very conducive to the promotion of economic cooperation between the two countries," Wang said.

Baker said that the economic and information exchanges between the two sides would help promote Sino-U.S. economic relations. China is learning from other countries their methods and experience in developing their economies, and the United States will contribute to that, he said. Through his meetings with Chinese President Li Xiannian, Premier Zhao Ziyang, Foreign Minister Wu Xueqian and Wang Bingqian, he added, he had obtained a new understanding of China's economy that will be beneficial to the two countries' cooperation and development.

According to sources at the Chinese Ministry of Finance, in order to make sure that the Sino-U.S. agreement concerning the avoidance of double taxation will be implemented as soon as possible. Wang and Baker discussed the concrete interpretation of some paragraphs and reached agreement. The two ministers signed a protocol concerning the interpretation at this morning's closing ceremony. The U.S. delegation led by Baker left Beijing for home at noon today.

YAO YILIN LEAVES FOR VISIT TO U.S.

OW121212 Beijing XINHUA in English 1203 GMT 12 May 86

[Text] Beijing, May 12 (XINHUA) -- Chinese Vice-Premier Yao Yilin today left here on an official visit to the United States at the invitation of Vice-President George H. Bush. Yao will attend the 1986 world transportation and telecommunications fair to be held in Vancouver, Canada, following the visit to the U.S.A. Yao was seen off at the airport by State Councillor Zhang Jingfu.

YANG DEZHI VISITS KENNEDY SPACE CENTER

OW111451 Beijing XINHUA in English 1442 GMT 11 May 86

[Text] Washington, May 10 (XINHUA) -- Yang Dezhi, China's Army chief of general staff, today visited Cape Canaveral's rocket-launching base and the Kennedy Space Center in Florida. Yang was briefed on U.S. space industry developments and toured launch areas and the Apollo spaceship. He also viewed instruments and equipment that were returned to earth by astronauts from a 1969 moon landing. On May 8, Yang toured New River Naval Base in North Carolina and watched a military maneuver conducted by U.S. Marines. Yesterday, Yang visited the "Saratoga" aircraft carrier and missile frigates and aircraft at Mayport Naval Base in Florida. After leaving Florida May 11, Yang will go to Hill Air Force Base in Utah for a visit.

CHAI ZEMIN ATTENDS SINO-U.S. FORUM IN WASHINGTON

OW120241 Beijing XINHUA Domestic Service in Chinese 1215 GMT 10 May 86

[Text] Washington, 9 May (XINHUA) -- An academic forum, "China's Modernization and Its Meaning to the World" jointly sponsored by the Chinese People's Institute of Foreign Affairs and the U.S. Aspen Institute for Humanistic Studies was held from 5 to 7 May at the headquarters of the Aspen Institute in Suburban Washington.

Attending the forum were Chai Zemin, vice president of the Chinese People's Institute of Foreign Affairs; and Bu Min, chairman of the board of directors of the Bank of China. The forum, sponsored by the two institutes to explore the impact of China's modernization program on the world, is aimed at enhancing mutual understanding by the peoples of the two countries and at promoting economic, trade, and technical cooperation between the two countries. The first forum was held in Beijing in November last year.

At the forum, Chai Zemin and other Chinese attendees at the forum introduced the situation in China's economic construction and its structural reforms in recent years, and elucidated China's independent foreign policy. Also attending the forum were Robert Anderson, president of the Aspen Institute for Humanistic Studies, former U.S. Secretary of State Vance; former President of the World Bank McNamara; and others. Chai Zemin and his entourage arrived in Washington on 4 May. They will leave Washington to tour other localities on 10 May.

PRC ROCKETS TO LAUNCH TWO U.S. SATELLITES

HK120336 Beijing CHINA DAILY in English 12 May 86 p 1

[By correspondent Kathleen Connors]

[Text] New York -- Teresat, Inc, a Houston, Texas-based joint venture and the China Great Wall Industry Corp (CGWIC), a division of China's Ministry of Astronautics, have signed a memorandum of agreement to use China's long March-3 rockets to launch two American communications satellites. China's space programme has a "great track record" and since 1972 has launched 16 satellites successfully," said Henry A. Schwartz, president and chief executive officer of Teresat, Inc, in an interview with CHINA DAILY. "All the American experts are convined that the Chinese have the capability to integrate our satellites and launch them properly," said Schwartz.

The two satellites scheduled to be launched are the Palapa B and Westar Vi, both of which were recovered from faulty orbits by the U.S. space shuttle Discovery in 1984 and are currently owned by the insurance consortium Lloyd's of London. "We anticipate the first satellite will be launched using China's Long March rockets no later than December 1987," said Schwartz. A group of 40-50 engineers from the three groups, Great Wall Industry, Hughes, and a division of Teresat, Star Technology and Science Corporation, a space consulting firm composed of former NASA officials, will work together on the "launch campaign."

The "launch campaign," the period of time from delivering the satellite, setting it onto the rocket and getting it up, takes about three months, said Schwartz. Star Technology will handle all space aspects of the venture, providing technical support and payload integration and the Chinese engineers will integrate the satellite into their rocket. China's launch centre is located in Xichang, Sichuan Province.

China will earn "a considerable amount of foreign exchange" for launching each of the communications satellites, said Schwartz. Teresat will own the satellites and intends to have one satellite placed in orbit for service over the U.S. to provide office buildings with "share tenant communications" via satellite. This will allow participating office complexes and industrial parks across the U.S. to have access to high quality voice and video communication, a digital PBX switch, teleconferencing and local area networking. The other satellite will be positioned over the Pacific Ocean and used for a communications link for airlines traffic, said Schwartz.

LIAOWANG ON 'DUAL CHALLENGE' TO GORBACHEV

HK110418 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 18, 5 May 86 pp 29-30

[Special dispatch from Moscow by Tang Xiushan "Gorbachev Faces a Dual Challenge"]

[Text] Soviet leader Mikhail Gorbachev said in a speech that the Soviet Union is now facing a "dual challenge." He also said that it is now most difficult but also most necessary for every CPSU member and the whole party to understand this challenge fully and respond appropriately. The "dual challenge" refers to, on the one hand, vitalization of the domestic economy and, on the other hand, preparation for an arms race at a higher level.

I

Over the last 2 decades, despite many of its developmental achievements, the Soviet Union also made some serious mistakes. First, the mistake of "subjectivism" and "voluntarism" made in the period of Khrushchev. As a result, the "adventurous attempt" to "impatiently transit from socialism to communism" in contradiction with "the objective law of social development" failed. Afterwards, in the period of Brezhev, because of "failing to make timely political assessment of the changes in the economic situation and understand all the keenness and urgency for the economy to turn to intensive development methods and the achievements in scientific and technological progress to be actively adopted in the national economy," "many economic and social difficulties came up." Therefore, economic growth rates and targets of labor productivity all greatly dropped, several 5-year plans remained unmet, production facilities in the whole country became seriously outdated, most departments did not make rapid progress in science and technology, and product quality failed to meet the standard of the times. The existing production relations, first of all economic relations, can no longer suit the needs of production development, and the phenomena of slack discipline and disorder in production can be found everywhere. As agricultural production has been backward for a long time and grain production has been failing for years running, large amounts of foreign exchange must be spent to import grain from foreign countries. Although the living standard of the people has improved somewhat year by year, this improvement has been slower than in many other countries. Because manufactured goods for daily use and food are in short supply and of low quality, the masses keep complaining.

Meanwhile, internationally, the Soviet Union has also come up with some troubles. In the first half of the 1980's, relations between the Soviet Union and the United States and the East and the West sharply deteriorated, and the military confrontations and arms race between the superpowers constantly escalated. Gorbachev believed that the arms race is one of the "biggest difficulties" confronting the Soviet Union. In particular, he worries that there "might be an irreversible danger" for the arms race to expand to outer space. The nuclear and space arms races are not only very costly but also will affect the smooth implementation of the Soviet Union's economic development plans. Moreover, if the United States forestalls deployment of its space defense system, the Soviet Union will be put in a position to be blackmailed both politically and militarily.

Vitalization of the economy and preparation for the arms race at a higher level are a pair of interrelated and mutually repellent challenges. On the one hand, strengthening arms, in particular space arms, needs a solid economic basis; on the other hand, expenditures on the arms race will surely unfavorably affect the plans to vitalize the economy. Therefore, the task to take up this dual challenge is very arduous.

II

Over the year and more as CPSU Central Committee general secretary, Gorbachev has made great efforts to tackle the domestic as well as the international tasks confronting the Soviet Union. He maintains that it is necessary to "draw the most serious lesson" from the previous mistakes and unhealthy tendencies and take a "turn" in the domestic situation. He pointed out: At present, "the most important task before the Soviet Union is to determinedly reverse the unfavorable trends in economic development so as to make the economy gain the necessary vitality" and "accelerating national and social economic development is a key to resolving all the issues."

In order to realize the turn in the domestic situation, the 27th CPU congress called not long ago approved the strategy of accelerating national and social economic development put forth by the CPSU Central Committee. The principle of this strategy is "to realize a highly organized and efficient economic transition in which the productive forces will be developed overall, socialist production relations will be mature, and the economic mechanisms will be harmonious." The CPSU programs adopted by the congress and the main targets of economic and social development specified by the basic principles are that by the year 2000 industrial output will double, national income will increase by nearly 100 percent, and labor productivity will grow up by 130 to 150 percent. The main means for attaining this strategy is to advance science and technology and carry out a fundamental transformation of the social productive forces. Therefore, the congress put forward a series of specific economic policies and measures.

In the light of the domestic economy and the fundamental tasks of social deveopment as well as the current world situation, the 27th CPSU Congress also decided the international strategy of CPSU. In a political report, Gorbachev pointed out that the main targets of this strategy are "to ensure the people in the Soviet Union are able to work under the conditions of sustained peace and freedom" and that "opposing nuclear danger and the arms race and maintaining and strengthening universal peace remain the main directions for the international activities of the CPSU."

Based on this strategy, the CPSU will continue the diplomatic effort it has made for nearly a year, namely, to continue to hold the banners of "peace" and "disarmament;" extensively hold political talks; strive to improve relations with all countries, work for improvement in Soviet-U.S. relations, East-West relations, and the international climate as a whole; actively promote various disarmament talks; and strive to lower the level of the arms race and in particular prevent the United States from breaking the strategic balance through outer space to establish military superiority. During a period of time in the future, the struggle between the Soviet Union and the United States will center around the issue of arms, and the most important aim of the Soviet Union will be still the prevention of the realization of the U.S. "star wars" plans.

The Soviet Union must now turn those paper and verbal things into actual actions. The Soviet Union has possessed some favorable conditions to realize its strategic economic aims: The Soviet leaders have realistically noticed the existing problems and deeply felt the necessity for reform; the masses expect an improvement in the domestic economic situation; it possesses enormous productive forces, a solid economic and technological basis, abundant natural resources, large scientific and technological contingents, and relatively high scientific and technological levels; and it can make use of the East European countries to make division of labor and carry out cooperation. Meanwhile, the Soviet Union must also overcome many difficulties and unfavorable conditions: As things are carried out on too large a scale, it will be difficult to ensure both funds and resources; as the initiatives of the people have not been mobilized, the prevalent phenomena of being indifferent to social benefits, irresponsible for work, slack in work, and so on will not be readily eliminated; the reform has come across some resistance, as a considerable part of cadres "have lost interest" in reform and the new measures; bureaucracy and inertia have become the "serious obstructions" to economic development and reform; the technological blockade imposed by the Western countries; and the immense military expenditure.

In enforcing the domestic economic strategy, although there is a problem of integrating the subjective desire with the objective feasibility, it is after all easier to gain the initiative to make use of the favorable conditions and overcome the unfavorable conditions. However, in carrying out the planned international strategies, one single country cannot decide everything. On the one hand, the United States expresses willingness to reduce the strategic nuclear arms; but on the other hand, it refuses to give up its "star wars plan" and stop its nuclear tests. Moreover, it has linked the reduction of nuclear arms with the solution of regional conflicts as well as the reduction of the Soviet Union's conventional arms. The United States has also proposed a countersuggestion that both the United States and the Soviet Union dismantle all the medium- and long-range missiles deployed in Europe and Asia. Meanwhile, it refuses to freeze the nuclear arms in Britain and France at the current level.

Judged by the present situation, the positions of the Soviet Union and the United States on arms control are still greatly different and it is not very easy to reach an agreement. It is feared that the aim of the Soviet Union to thwart the space arms plan of the United States cannot be achieved as it wishes. In a period of time in the future, as far as nuclear and space arms are concerned, the Soviet Union and the United States will be in a situation of holding talks while continuing the race the two countries are constantly scrambling for military superiority and exacerbating their regional conflicts, the contradictions between them just cannot be reconciled and the relations between them cannot be fundamentally improved.

CHERNOBYL MISHAP NOT TO AFFECT NUCLEAR PLANS

OW091359 Beijing XINHUA in English 1342 GMT 9 May 86

["Foreign Mishaps Will Not Mar China's Plans for Developing Nuclear Power" -- XINHUA headline]

[Text] Beijing, May 9 (XINHUA) -- China will not change its program for developing the nuclear power industry because of the accident at a Soviet nuclear power plant last month, today's CHINA SCIENCE AND TECHNOLOGY REVIEW reported.

Jiang Shengjie, director of the state bureau of nuclear safety told the newsaper that the accident which occurred at the Chernobyl plant north of Kiev, in the Soviet Union, would not affect China's nuclear-power development plans. The main part of China's first nuclear power station, in Zhejiang Province, is expected to be completed this year and the country is planning to set up more nuclear plants in Guangdong and Jiangsu Provinces in the near future.

Jiang said the safety measures at the Soviet station were "not ideal", because its graphite-moderated reactor was not adequately housed, considering its size.

Chinese scientists have been closely obvserving the development of foreign nuclear power stations, according to Jiang, a noted nuclear physicist in China.

China will use cold water instead of graphite to slow down radiation and cool the reactors of its nuclear power stations. This is acknowledged as a much safer cooling system by scientists, he said.

This system will be applied at the Daya Bay station in Guangdong. Water will be pumped into the reactor core under great pressure. The reactor core of plant will be housed in three covers designed to prevent the release of radioactive gas. The inner covers will consist of zirconium alloy cladding and the outer one will be a 0.9-meter thick, concrete-walled containment building.

Such protective structures have proved safe at the 42 nuclear generators built by France over the past 25 years, he said.

FURTHER REPORTAGE ON VISIT OF CANADA'S MULRONEY

Deng Xiaoping, Li on Health

HK100726 Hong Kong AFP in English 0708 GMT 10 May 86

[Text] Beijing, May 10 (AFP) -- Chinese leader Deng Xiaoping said Saturday that while his advanced age prevented him from meeting regularly with foreign guests, his colleagues were taking good care of him. "Since I am rather advanced in years, I do not meet foreign guests very frequently. My colleagues have taken very good care of me. However, you have come to visit China so I have to meet you," Mr Deng, 81, told Canadian Prime Minister Brian Mulroney.

His hand trembling slightly as he lit a cigarette, Mr Deng said: "Like your predecessors, you devote yourself to the further development of friendly relations between China and Canada. You are a friend of China's people." He told the 47-year-old Canadian leader: "Recently there are some young leaders in the world and you are one of them. In comparison with us, you have an advantage."

Mr Deng has said several times that he is too old to handle the day-to-day business of running the country and that he can no longer concentrate on work for more than two hours a day. "When I am in Ottawa, I feel older every day," Mr Mulroney replied. "The longer I stay away from the House of Commons, the younger I feel. So I may stay here for an extended period of time."

Chinese President Li Xiannian, 80, also made reference to his advanced age in a meeting Friday with the Canadian leader: "People like us are almost useless."

Mr. Mulroney, who arrived here Thursday from Tokyo for a five-day visit, met Friday with his Chinese counterpart Zhao Ziyang and Chinese Communist Party chief Hu Yaobang. Canadian diplomatic sources here said that members of the Canadian delegation had raised the issue of human rights with Chinese officials, but that they had received no response to inquiries about Christian priests held in Chinese jails. Despite relaxation of religious policies since 1979, more than 10 elderly priests are still held in Shanghai jails. A handful of dissidents involved in the "Beijing spring" democracy movement of 1978-79 are also serving long prison terms.

In a toast proposed at a welcoming banquet for Mr Mulroney Friday, the Chinese Prime Minister accused the United States and Soviet Union of continuing their escalation of the arms race. "In the face of the grim reality, it is incumbent upon the people of the world to redouble their efforts for realizing the lofty goal of peace and development," Mr Zhao said. "We're demonstrating that countries with differet political philosophies and social systems can work together at building a better world," Mr Mulroney said in reply.

The Canadian leader was due to spend part of Saturday as a tourist, with a visit scheduled to the Great Wall.

Canada offered an interest-free loan of 252 million U.S. dollars Friday to allow China to purchase high-technology Canadian equipment. Ottawa also decided to double over the next five years its economic assistance to China, which Canadian officials said should not total 144 million U.S. dollars. Mr Mulroney is to leave China for South Korea Monday after a final meeting with Mr Zhao.

Deng on Domestic Policy

OW100840 Beijing XINHUA in English 0806 GMT 10 May 86

[Text] Beijing, May 10 (XINHUA) -- There are bright prospects for Sino-Canadian cooperation, senior Chinese leader Deng Xiaoping said here today. At a meeting this morning with visiting Canadian Prime Minister Brian Mulroney, Deng, chairman of the Chinese Communist Party Central Advisory Commission, expressed his satisfaction over relations between the two countries. Deng called Mulroney a friend of China, praising him for being enthusiastic about promoting Sino-Canadian friendship like his predecessors.

Mulroney extended his congratulations on China's achievements in recent years. Briefing his guest on China's domestic situation, Deng said China has made some progress. But it is only a beginning, he said. Greater and more remarkable changes are expected in another five years. Deng stressed the importance of adopting a down-to-earth attitude and avoiding any tendency to boast about or exaggerate China's modernization program. China's total industrial and agricultural output value in 1988 could probably double that in 1980, laying a foundation for quadrupling it by the end of this century. He attributed this to the policy of opening to the outside world, invigorating the domestic economy and the rural reform. The realization of the goal set for the end of this century, he continued, will depend on the success of the ongoing all-round urban reform, which also involves education and science.

The main objective of China's Seventh Five-Year Plan is the realization of the urban reform rather than an excessively high prodution increase rate, Deng added. China needs to find further impetus for its development from its economic restructuring.

On China's position on foreign investment, Deng said, China has recently issued a law on enterprises operated exclusively with foreign capital aimed at inviting foreign investment. He emphasized that this is China's long-term policy and that the interests of foreign investors will be protected.

Mulroney on Increasing Trade

OW101431 Beijing XINHUA in English 1400 GMT 10 May 86

[Text] Beijing, May 10 (XINHUA) -- Visiting Canadian Prime Minister Brian Mulroney said here today that it is an opportune time for Sino-Canadian trade and his country is ready to buy more products from China. Speaking at the seventh annual general meeting of the Canada-China Trade Council, Mulroney said China with its one billion people is embarking upon a unique experiment, an effort to blend Chinese vigour, socialist planning and Western technology, which he described as "a second long march".

Canada is ready as never before to expand its economic and trade relations with China, he said. Noting that Canada is re-defining its priorities and re-allocating its resources, he said that it is "focussing attention on the Asia and Pacific region, and that "within this region, China is a special priority." The prime minister pointed out many of its competitors are providing concessional financing to China and Canada intends to "meet that competition directly". He disclosed that his government has decided to establish a concessional financing facility with China for 350 million Canadian dollars. "Over the next five years, we will double our development assistance to 200 million Canadian dollars," he said. "I have assured my Chinese hosts that we are ready to help them sell more products in Canada," he said. "We all know that healthy two-way trade provides stability to a commercial relationship." "And stable commercial relations contribute to good political relations," he stressed.

Presided over by Chairman Paul Desmarais of the Canada-China Trade Council, today's meeting was attended by over 100 delegates. They were tradesmen, manufacturers, bankers and consultants. There were also guests from Chinese departments and organizations.

Rong Yiren, chairman of the China International Trust and Investment Corporation, was also present. In his address to the meeting, Rong assured that under the conditions that its sovereignty and laws are respected, "China ensures the lawful rights and interests of foreign investors in this country, and gives preferential treatments to them in taxes and their lawful profits can be remitted out." "China also pays great attention to stepping up its work on economic legislations and protecting the rights and interests of foreign investors according to law," he added.

This afternoon, Mulroney attended the inauguration of a new domestic satellite network on the outskirts of Beijing. Part of its main equipment was procured from Spar Ltd. Co. of Canada. Mulroney and Yang Taifang, Chinese minister of posts and telecommunications, cut the ribbon to open the Beijing earth station for domestic satellite communications. As the country's central earth station, it is now operating through the Intelsat leased transponders in Indian Ocean region satellite to provde daily television transmissions of central television programs throughout the country and the domestic trunk communication circuits between Beijing and the remote areas such as Lhasa, Urumqi and Hohhot.

Funding for High-Tech Equipment

HK091304 Hong Kong AFP in English 1150 GMT 9 May 86

[Text] Beijing, May 9 (AFP) -- Canada has offered China a total of 252 million dollars in interest-free loans to allow Beijing to purchase high-technology Canadian equipment, Canadian officials said Friday. The officials said that the loans, discussed during talks between visiting Canadian Premier Brian Mulroney and his Chinese counterpart Zhao Ziyang, will allow Beijing to purchase Canadian telecommunicatins, hydroelectric, agricultural and aviation equipment.

Ottawa has also decided to double its economic assistance to China during the next five years, the officials said, adding that Canadian economic aid to China should total some 144 million dollars between 1986 and 1990.

Mr. Mulroney gave Chinese Prime Minister Zhao a detailed briefing on the results of the just-ended Western econoimic summit in Tokyo, the officials said. Chinese officials were reported to be particularly interested in hearing about the discussions on international terrorism and the causes of the accident at a Soviet nuclear power station in the Ukraine.

Mr. Mulroney is the first of the seven Western leaders who attended the Tokyo summit to visit Beijing. He was given a 19-gun salute during an official welcoming ceremony on Friday. Following his talks with the Chinese Premier, Mr. Mulroney met with Chinese President Li Xiannian and Communist Party Secretary General Hu Yaobang.

Before their closed-door talks began, the Chinese president introduced Mr. Mulroney to Vice Premier Yao Yilin, telling his Canadian visitor that he 69-year-old Chinese official was responsible for running the day-to-day affairs of the country. "People like us are almost useless," the 80-year-old Chinese chief of state joked, referring to his own advanced age and that of China's top leader Deng Xiaoping, who is 81.

Canadian officials said that Beijing planned to use some of the interest-free loan to purchase an unspecificed number of De Havilland aircraft. The loan, the officials said, is an addition to a 1.44-billion-dollar line of credit offered to Beijing by Ottawa several years ago to spur Chinese exports to Canada. Canada enjoyed a 600-million-dollar trade surplus with China in 1985.

The officials said the Chinese Government has also assured Ottawa that Beijing will not reduce the Canadian share of its grain imports, despite a recent rise in domestic production. Canada's chief export to China is grain, but China cut its imports of Canadian grain in half between 1983 and 1985. Textile products make up 40 percent of Chinese exports to Canada.

Mr. Mulroney arrived in Beijing Thursday evening from Tokyo. He is scheduled to meet China's top leader Deng Xiaoping on Saturday before leaving for Seoul. He is expected to sign two agreements during his stay in Beijing -- a pact eliminating double taxation and another which lays down quarantines for agricultural exports. Canada is China's sixth-largest trading partner, with the countries doing about 1.34 billion dollars worth of business in 1985, a jump from 976 million dollars in 1984.

Zhao Ziyang Gives Banquet

OW091532 Beijing XINHUA in English 1513 GMT 9 May 86

[Text] Beijing, May 9 (XINHUA) -- Chinese Premier Zhao Ziyang said here tonight that the Chinese Government and people are ready to contribute to the cause of world peace and human progress together with all the peace-loving countries and peoples in the world. Speaking at a welcoming banquet for Canadian Prime Minister Mulroney, Zhao said China and Canada share a lot in common, among which the most important is that we all long for peace and are working for the well-being of our respective peoples through economic development. However, he said, it is disturbing that the international situation confronting us remains turbulent. The spiralling escalation of the arms race between the superpowers is still going on and all the problems of "hot spots" remain unsolved. The just desire of the large number of developing countries to change the inequitable international economic order is still neglected.

"In face of the grim reality, it is incumbent upon the people of the world to redouble their efforts for realizing the lofty goal of peace and development," he stressed.

[Beijing XINHUA Domestic Service in Chinese at 1525 GMT on 9 May in a similar report adds the following: He said: The Chinese people, who suffered untold tribulations, are deeply aware of the great importance of peace, knowing that to realize the magnificent goal of modernizing the country, we need a peaceful international environment over a protracted period of time. Pursuing an independent and peaceful foreign policy, China regards opposition against hegemonism, safeguarding of world peace, development of friendly cooperation with other countries, and efforts to promote common prosperity as the fundamental objectives of its work on foreign affairs. As Mr. Prime Minister once said at the United Nations forum, there is nothing more important and pressing than the pursuit of peace.]

Zhao said he fully agrees with Mulroney's view that to better the human condition and to achieve international peace and security, nations acting together could always do much more than nations acting apart. He expressed the belief that "through the joint efforts of the people of the world and the various forces for peace, it is possible to avoid a new world war and maintain world peace and that the future of mankind is full of promise."

Speaking of Sino Canadian relations, Premier Zhao noted that comprehensive and rapid progress have been made since their diplomatic ties were established nearly 16 years ago. Following the setting up of Chinese Consulates-General in Vancouver and Toronto, the Canadian Consulate-General in Shanghai will be formally opened soon, he said. Multi-channel and multi-level economic and technological cooperation has been going on between China and Canada in an ever widening field with more substantial content. Facts have borne out that the development of Sino-Canadian relations promises great potentials and a broad vista, he added.

Mulroney said, since recognition in 1970, the increase in cooperation between Canada and China in all areas of activities has been nothing short of phenomenal. There is a remarkable convergence of views between the two countries on many issues, both international and bilateral. He acknowledged that China's policy of modernization and expanding international contacts presents excellent opportunities for increasing cooperation between Canada and China.

"We're demonstrating that countries with different political philosophies and social systems can work together at building a better world," he said. The two countries shared common objectives: peace and security; arms control; stability in a still-troubled Asian continent; and, above all, improving the welfare of their citizens. Mulroney described the relationship between Canada and China as "excellent," adding that "of course, we can do better."

Among those attending the dinner were Mrs. Mulroney and other members of the prime minister's entourage, as well as Chinese State Councillor Ji Pengfei, and Rong Yiren, vice chairman of the Standing Committee of China's National People's Congress.

Speaks with Hu Yaobang

OW091545 Beijing XINHUA in English 1533 GMT 9 May 86

[Text] Beijing, May 9 (XINHUA) -- Chinese Communist Party General Secretary Hu Yaobang said here today that he hoped that Sino-Canadian friendship will grow year by year. During his meeting with Canadian Prime Minister Brian Mulroney, Hu said that the Chinese Government's independent foreign policy of peace is by no means an expedient measure, but a firm, long-standing and unchangeable basic policy. Hu noted that China is willing to develop political friendly relations and economic cooperation with all countries throughout the world. Hu said that China and Canada have no fundamental contradictions but many common languages and hoped that Sino-Canadian friendship will develop further.

Noting that Canada attaches great importance to its relations with China, Mulroney said that as Canadian prime minister he will guarantee the continued deepening, development and enrichment of friendship between the two countries. Among those present on the occasion were Canadian Ambassador to China Richard V. Garham and Chinese Minister of Aviation Industry Mo Wenxiang.

Meets With Li Xiannian

OW091600 Beijing XINHUA in English 1545 GMT 9 May 86

[Text] Beijing, May 9 (XINHUA) -- President Li Xiannian met with Canadian Prime Minister Brian Mulroney and Mrs. Mulroney at the Great Hall of the people here this afternoon. Mulroney said that Canada attaches great importance to its cooperation with China in such fields as economy, science, technology and energy. This was beneficial to both sides. Li Xiannian expressed his satisfaction with the continued growth of friendship and cooperation between the two countries. Li described Canada as an old

friendly trading partner of China, adding that both sides should make further joint efforts to expand China's export to Canada so as to promote Sino-Canadian trade relations.

Sharing Li's view, Mulroney said that Canada would make further consideration of importing more from China. The two leaders exchanged views that peoples of both countries want peace and should strive to safeguard world peace. Present on the occasion were Li's wife Lin Jiamei, Vice-Premier Yao Yilin and Minister of Aviation Industry Mo Wenxiang.

Mulroney Gives Return Banquet

OW101538 Beijing XINHUA in English 1525 GMT 10 May 86

[Text] Beijing, May 10 (XINHUA) -- Both Canadian Prime Minister Brian Mulroney and Chinese Premier Zhao Ziyang said here tonight that they will make further efforts to develop friendship and cooperation between the two countries. Speaking at a return banquet he gave, Prime Minister Mulroney said that the Canadians and Chinese have worked together for about a century and this cooperation will continue and will produce great benefit for both peoples. "I assure you that my government is determined to promote our friendship and cooperation with China in all fields possible," he said. "We are already active and have taken concrete steps to work closely together in regard to your modernization program."

"We share common objectives on the world stage: peace among nations, a halt to the arms race, food, clothing, health and education for all people." "Not only can we work well together but we can learn from each other and exchange ideas and experience to our mutual benefit and we can teach the world that peoples of different races, and countries of different social and political systems can overcome those differences and work together for the common good," he added.

Zhao Ziyang said that Mulroney's visit to China is fruitful although it was a short one. Zhao noted that today Prime Minister Mulroney cut the ribbon at the opening ceremony of China's domestic satellite communications network. This network, built with equipment manufactured by both Canada and China, stands as a symbol of Sino-Canadian cooperation, he added.

"The CP Air has formally made the inaugural flight of its regular service to Shanghai, and the CAAC will open its air service to Canada in due course," he said. "Our two sides have also reached agreement on such documents as the agreement on avoidance of double taxation, the memorandum of understanding on plant quarantine cooperation and the memorandum of understanding on Sino-Canadian scientific and technological cooperation, which will be signed soon."

"I want to take this opportunity to express our thanks to the Canadian Government for the positive measures it has taken for the purpose of expanding Sino-Canadian economic and trade relations," the Chinese premier said. Acknowledging that "there exist no obstacles in the way of developing our bilateral relations, he said that to expand friendly cooperation between our two sides and promote prosperity and progress in our two countries serve the interests of not only the two peoples but also the people the world over.

"I am convinced that with the passage of time, the friendly relations and cooperation we have enjoyed will grow even stronger. Let us work together in a fresh effort towards this end," he said. Present also were Vice-Premier Li Peng, State Councillor Ji Pengfei and Vice-Chairman of the National People's Congress Standing Committee Rong Yiren.

Raises Human Rights Issues

HK120749 Hong Kong AFP in English 0742 GMT 12 May 86

[By Pierre-Antoine Donnet]

[Text] Beijing, May 12 (AFP) — Canadian Premier Brian Mulroney said he raised the question of human rights in China in talks with Premier Zhao Ziyang, focusing on the fate of Roman Catholic clergy held in Chinese jails. During a press conference before his departure for South Korea, Mr. Mulroney said that he would also raise the issue of human rights during his stay in Seoul, even though the situations in China and South Korea were "entirely different." Mr. Mulroney said he had raised "a number of specific points" with Mr. Zhao, including the cases of imprisoned Chinese clergy, becaue "this is the kind of subject that can be discussed between friends." The Canadian prime minister — who is a practising Catholic — said he felt it would be "abnormal" for the representative of a democratic country to visit a foreign country without raising the issue of repression. "Our hope is that there will be progress" on this problem, he said, adding that he expected the two governments would have further discussions on the subject.

Asked to comment on Mr. Mulroney's statements, the Chinese Foreign Ministry simply took note of the question. Mr. Mulroney said he also expected to discuss human rights issues when he meets with South Korean leaders, while noting that "I don't draw any parallels between the situation here of course and the one in South Korea."

A report issued in late 1984 by the London-based human rights group Amnesty International said that at least 10 Catholic priests, most of them more than 70 years old, were languishing in Shanghai jails. China severed ties with the Vatican in 1957 and set up a "patriotic church" independent of Rome for China's three million Catholics. A handful of dissidents from the "Beijing spring" democracy movement of 1978-79 are also serving long prison terms for "counter-revolutionary crimes." China regards human rights' issues as internal matters and visiting foreign leaders rarely comment publicly in such detail on the question, observers said. The Canadian prime minister also indicated that a broad convergence of views on Afghanistan and Cambodia had emerged during his talks with Chinese leaders. The Chinese Government raised the issue of "Soviet interference in the region," Mr. Mulroney said, adding that "Cambodia is a classic example." Mr. Mulroney said that, like China, Canada calls for the withdrawal of the estimated 150,000 Vietnamese troops from Cambodia. He said that Chinese leaders nourish "strong apprehensions about Soviet intentions" in Cambodia, Afghanistan and North Korea, adding that the 50 divisions of the Soviet Army lined up along the Sino-Soviet border were "not there on holiday."

On other matters, the Canadian leader said that China had registered concern about its trade deficit with Canada which amounted to about 600 million U.S. dollars last year. During his visit which began Thursday, Canada and China signed draft agreements on scientific and technological cooperation and on the avoidance of double taxation. In another development, a Canadian consulate is to open soon in Shanghai. Canada has also offered an interest-free loan of 252 million U.S. dollars to allow China to buy Canadian high-technology equipment. Ottawa has also decided to double its economic assistance to China which now is to total 144 million U.S. dollars over the next five years. Mr. Mulroney met with top leader Deng Xiaoping, Communist Party General Secretary Hu Yaobang and President Li Xiannian during his stay. He is to travel to Seoul Monday for a four-day visit.

ZHAO ZIYANG INSPECTS SICHUAN, HUBEI POOR AREAS

OW090159 Beijing XINHUA Domestic Service in Chinese 1318 GMT 8 May 86

[By reporters Xie Bangmin and Huang Changlu]

[Text] Beijing, 8 May (XINHUA) -- Premier Zhao Ziyang, during an inspection tour of impoverished mountainous areas in Sichuan and Hubei, said the key to making mountainous areas better off is to develop transportation and thereby promote circulation of commodities so as to enliven the economy and exploit resources.

From 19 to 28 April, Premier Zhao Ziyang, Vice Premier Li Peng, Vice Chairman of the NPC Standing Committee Wang Renzhong, and some responsible comrades of central departments inspected a dozen mountainous counties and cities in northwestern and western Hubei and eastern Sichuan, covering some 2,000 km. During the trip, they were briefed by prefectural, city and county officials; investigated first-hand forest resources and grassland; inspected a number of village and town enterprises and factories; visited Farm households and roadside vendors; and chatted with gass-roots cadres, workers, peasants, and other people of all walks of life on a wide range of subjects.

It was in late spring, the third month of lunar calendar, when Zhao Ziyang and his party set off from Xianfan and headed for the remote mountainous areas. On the journey, they saw beautiful scenes of luxurious vegetation and blooming rhododendrons on the mountain ridges and smelled the fragrance of rape and wheat flowers. Zhao Ziyang and others noted with satisfaction the remarkable changes in these previously inaccessible and underdeveloped mountainous areas over recent years, with the people having enough to wear, sufficient market supply, and stable commodity prices. Zhao Ziyang said that his impressions throughout the journey were in general better than anticipated. First of all, the production and construction of these areas have developed rapidly, and the people's living standards have considerably improved. Second, the cadres are full of confidence and have a healthy mental outlook. However, the rich resources in these areas have not been fully utilized; most counties are still unable to cover their expenditures with their own financial revenues and have to rely on state subsidies; rural per capita net income is still below the national average; and people in a few mountainous areas still live in poverty and have difficulties in their daily life.

Everywhere they went, Zhao Ziyang and other leaders asked local cadres and people about the development of resources, county financial revenues, and people's livelihood; together they discussed ways to become better off. Zhao Ziyang pointed out: The mountainous areas are rich in resources both under and above ground, including hydroelectric power, minerals, citrus fruits, and medicinal materials, and pastures. Moreover, many counties are located near the Chang Jiang and can use water transportation to develop industry, which is essential for resolving local financial difficulties. Only when a county has beefed up its economic strength, can it help its impoverished peasants become better off. Although assistance given to individual households is important, the key to making them better off is to generally enliven the economy of the county.

Zhao Ziyang told local cadres: In developing industry in the mountainous areas, it is necessary to study their strong points in selecting a project for development and make the best use of the strong points to off set weaknesses instead of blindly following other localities in developing industry.

For example, counties in the Exi Tujia-Miao Autonomous Prefecture and Wanxian Prefecture, which are rich in coal and limestone and located on the Chang Jiang, might develop small cement plants or plants for prefabricated products, and ship them via the waterway. Counties that are rich in water resources might build small hydroelectric power stations and use the electricity generated during the peak water season to develop seasonal high energy consumption industry, such as exploitation of yellow phosphorus, calcium carbide, and ferroalloy, thereby transforming the water resources into something that can be used to harness electricity. The mountainous areas may develop processing industries with their resources. For example, countries rich in fruits might build juice factories, but they should not process all their raw materials. With poor market information and a remote location, the mountainous areas cannot turn out good and competitive products from their factories because of the long transportation distance. Therefore, they should cooperate with coastal cities like Shanghai and large and medium-sized cities nearby such as Wuhan and Shashi in order to benefit each other and achieve better economic results. He said: In developing industry, the mountainous areas should build small plants and mines that require little investment, have short construction periods, and can product quick economic results. In this way, they can accumulate funds to build up their ability to develop themselves. Nevertheless, external assistance is also needed to help these areas start their development. He told Qian Zhengying, minister of water resources and electric power who accompanied him on the tour, that the ministry should select a number of impoverished counties with rich water resources as targets for assistance and appropriate special funds for loans with discount interest rates to help the counties build small hydroelectric power stations. This should be an important measure to assist the poor.

During the inspection tour, Zhao Ziyang was briefed by local cadres on the emergence of commodity production in the mountainous areas. He praised it as a great achievement of the cadres. Zhao Ziyang said: In order to make the best use of resources in these areas and promote commodity production, it is necessary to develop transportation and improve commodity circulation. Without a good transportation system, it is impossible to develop commodity economy. To enliven the economy, these areas should explore the quickest ways to collect and distribute commodities. He told cadres of the Exi Tujia-Miao Autonomous Prefecture that they should not go against economic trends in arbitrarily making the prefectural capital the commodity trading center. From now on, special attention should be given to separating the political center from the economic center in the mountainous areas. In mapping out industry, comrades should strive to shorten transportation distance. It is necessary to set up a number of commodity trading areas on the Chang Jiang with factories and commercial organizations located along the banks. Without utilizing the Chang Jiang and its main tributuaries, it is impossible to develop the mountainous areas. In developing transportation, priority should be given to highway, not railway, construction. It is necessary to make good use of the "golden waterway" of the Chang Jiang.

In Yesanguan, a small mountainous town in Badong County, Zhao Ziyang saw with delight clear streets as well as thriving stores and vendors. He urged Guan Guangfu, secretary of the Hubei Provincial CPC Committee, to study Yesanguan's experience. Transportation and circulation are related but do not equal each other. Some localities that have good transportation lack an effective circulation system. Therefore, it is necessary to devote special attention to improving commerce in these areas. State-run commerce should undergo reform to enliven its management.

Grass-roots supply and marketing cooperatives should become real economic entities with independent management, and individual traders should be allowed to make up for deficiencies of rural commerce. It is also necessary to explore new forms of commerce, such as commercial undertakings with independent management jointly set up by counties, districts, or townships. State-run commercial enterprises, supply and marketing cooperatives, specialized households, and peasants should be allowed to become stockholders of such joint commercial undertakings that combine production with marketing, agriculture with commerce, and agriculture with industry, and that directly link with cities and factories, thereby enabling procedures to have direct contacts with consumers, reducing transaction levels, and speeding up circulation. In short, it is necessary to coordinate all quarters through various channels so as to enliven the economy of the mountainous areas.

In Enxi and Lichuan in western Hubei, Zhao Ziyang and his party visited, with great interest, the Dashanding ranch and the Qiyaoshan pasture, both located 1,000 meters above sea level. In eastern Sichuan, he inquired about the artificial seeding in Wanxian County and Peiling Prefecture. He said: We should set up a small demonstration ranch or experimental center in these areas that can be developed into ranches. This center should establish ties with the nearby peasants and households engaged in specialized production, provide them grass seed, give them technical guidance in seeding and breeding, and serve them by processing and marketing their livestock products. With these services, it should organize large numbers of households into a big association in which everyone works together to achieve common growth and the specialized production center works together with the vast number of specialized households. Such a project requires little investment but will yield quick results. Experiences in these places show that the development of animal husbandry will be successful if it starts by developing pastures. There seems to be a great future for developing animal husbandry in the vast areas in northwest Hubei, northwest Hunan, Guizhou, and eastern and northern Sichuan. As long as our measures are proper, not only can we arouse the nearby peasants' enthusiasm, we can also train for the state a large number of experts in management, processing, and other technical aspects of animal husbandry, and they will become a big asset of the mountainous areas.

Owing to their climate and soil texture, some mountainous counties in eastern Sichuan and western Hubei are suitable for tangerine production, and the peasants there also know how to grow tangerines. Zhao Ziyang pointed out that a tangerine production belt is being developed between Sichuan's Jingjin and the Chang Jiang in Jiangxi. He stressed: In addition to output, attention should also be directed to studying cultivation of new tangerine varieties that mature early, late, or somewhere in between, so that the fruit season can be lengthened; efforts should also be made to improve tangerine quality and solve such problems as storage, processing, and so forth. Zhao Ziyang urged the Ministry of Agriculture, Animal Husbandry, and Fishery and other relevant departments to study the cultivation of tangerine varieties and tangerine storage, processing, transportation, and marketing as a system engineering project, and help the tangerine producing areas plan their development and guide the peasants there to develop their economy through tangerine production.

Zhao Ziyang, Wang Renzhong, and others spent 10 days visiting the expansive mountainous areas of Sichuan and Hubei. Comrade Li Peng also made a study tour of the Daxian area in northern Sichuan and of Liangping and Zhongxian Counties in eastern Sichuan's Waqnxian Prefecture. They then travelled east along the Chang Jiang and inspected the Gezhouba water conservancy project, the Jingjiang Dam, and Yichang, Shashi, and Wuhan municipalities.

While in Wuhan, they were briefed on the work in Hubei, had discussions with officials of Wuhan and the Wuhan Iron and Steel Company, and inspected the vegetable wholesale market on Hankou's Jiaotong Road and the trade fair in Qiaokou. Zhao Ziyang and his party returned to Beijing on 6 May.

SEVENTH 5-YEAR PLAN SHOWS EARLY PROMISE

OW091357 Beijing XINHUA in English 1347 GMT 9 May 86

[Text] Beijing, May 9 (XINHUA) -- China's Seventh Five-Year Plan period (1986-90), considered crucial by its framers for the country's development, has gotten off to a good start, especially in the coal, railroad, metallurgical industries and in light industry.

Coal output of mines under central government administration rose 3.55 million tons during the first four months of this year over the same period in 1985, Yu Hongen, the Coal Industry minister told XINHUA today. According to the Five-Year Plan, China's annual coal output will reach one billion tons by 1990, 150 million tons more than in 1985. "This is vital to China's modernization program," Yu said. "Coal accounts for 73 percent of the country's non-renewable energy."

Railroad Minister Ding Guangen told XINHUA the volume of rail freight during the first four months of the year rose 4.4 percent over last year. The increase is important, he said, "but that's not enough to meet the growing economy's increasing demand for rail transportation." China plans to increase its annual freight capacity to 1.6 billion tons by 1990, 2.5 percent more than in 1985. The country also expects to extend its railroad routes by 3,600 kilometers and to electrify 4,000 kilometers over the next five years. Ding said the railroads would also improve service and increase production of locomotives and rolling stock.

Minister of Metallurgical Industry Li Yuanjing told XINHUA iron and steel output increased by more than 10 percent during the first four months of the year over 1985. The Five-Year Plan calls for annual iron production to reach 55 million to 58 million tons by the year 1990, eight to 11 million tons more than in 1985, said Li. "Our focus over the next five years is on production high-quality iron materials," he said. "These are needed by the energy, transportation, engineering, building, and electronics industries."

Yang Bo, minister of light industry, told XINHUA first-quarter production of refrigerators and electric fans, recently in great demand in China's stores, increased by 66.5 and 31.2 percent respectively over 1985. First-quarter output of sugar, everyday glassware, dairy products, synthetic detergents, and beer also rose by more than 10 percent over last year, he said. The Five-Year Plan calls for production of consumer goods and other light industry products to increase at an average annual rate of eight percent through 1990.

HU QILI ON RECTIFICATION, CPC NATIONAL CONGRESS

HK090340 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 18, 5 May 86 pp 3-4

[Article by reporter Gu Wenfu: "Hu Qili on the 13th National Congress of the CPC and Rectification of Party Style"]

[Text] Hu Qili, member of the Political Bureau of the CPC Central Committee and secretary of its Secretariat, was interviewed at Qinzheng Hall of Zhongnanhai on 10 April by Helene Cheung, a report accredited to Beijing by the Australian Broadcasting Corporation. Qinzheng Hall is the office of the CPC Central Committee Secretariat.

In the 40 minute-long interview, Hu Gili said: According to the CPC Constitution, the 13th CPC National Congress will be convened next year (1987). The central leading organ of the CPC will be reelected at the congress and a number of old revolutionaries who have rich experience and enjoy high prestige will remain at the helm.

He continued: Continuous efforts will be made to investigate and punish those who violate party discipline and state law. The principle is that each case will be handled realistically and in light of the law without exaggerating the problems or involving the innocent, but no evildoers will be let off.

Hu Qili also said: Some decadent phenomena in China's current society are related to, but are not the inevitable result of, the policy of opening up to the world and invigorating the domestic economy. So long as we strengthen and improve our political and ideological work, develop a democratic work style, and improve the legal system, we will certainly be able to reduce the negative influences to the minimum. We will not refrain from doing something necessary for fear of a slight risk. Continuously opening up to the outside world is our unshakable, basic national policy. The central leaders working on the first front deal with a vast amount of work every day, but they still keep in contact with the masses through different channels. The strategy for economic and social development during the Seventh 5-Year Plan period was drafted by our experts in line with a fact-finding survey made by the central leaders throughout the country and was finally worked out on the basis of suggestions and proposals offered by people of various circles.

THE 13TH CPC NATIONAL CONGRESS WILL ELECT A NEW CENTRAL LEADING ORGAN

In answering whether a party congress will be held next year and whether there will be any major readjustments, Hu Gili said: Founded on the principle of democratic centralism, the CPC practices a high degree of centralism on the basis of a high degree of democracy. Decisions on major issues within the party are always made by party congresses. As prescribed by the party Constitution, the 13th CPC National Congress is to be held next year. The party's central leading organ will also be reelected in accordance with the party Constitution. The exact date for the convention of the 13th CPC National Congress will be fixed through discussions during the 6th Plenary Session of the 12th CPC Central Committee to be held in the second half of this year.

In order to cope with the arduous tasks of modernization, our party has made great efforts over the past few years to reorganize its ranks of cadres so that leading cadres at various levels will be more revolutionary, younger in average age, better educated, and more professionally competent. This is a major and fruitful effort that our party's central leading organ has undergone two major readjustments -- the one that took place at the 12th CPC Congress and the other at last year's National Conference of Party Delegates. Both readjustments were carried out smoothly. A number of old comrades voluntarily stepped down from the central leading organ and thus made valuable contributions to the abrogation of the life tenure of leading posts which was then a reality, as well as to the rejuvenation of the central leading organ. Meanwhile, a number of younger cadres have taken up new leading posts and plunged themselves into work with full vigor. Now our new and old cadres respect each other, work in close cooperation, and unite as one. This is an important indication of our party's prosperity. In order to ensure that our party's central leading organ will better meet the needs of the four modernizations and to guarantee the continuity and stability of our party's line, principles, and policies, the 13th CPC National Congress will take a step forward in enhancement of cooperation between old and new cadres and replacement of the former by the latter.

Early last year, some ideologically unsound tabloids and pornographic videotapes appeared in some localities. Through investigation and corrective measures, this unhealthy tendency has been basically curbed. Prostitution is illegal in China. There are such instances, but they are rare. Such evil has profound social and historical roots. It is related to, but is not the inevitable result of, the new objective conditions that have arisen since the introduction of the policy of opening to the outside world and invigorating the domestic economy. The appearance of unhealthy tendencies reults somewhat from the influences of capitalism, but we should not ignore the pernicious influence of longstanding feudalism. Some special phenomena appear because of the slow development of the commodity economy. To combat such negative phenomena is a long, drawn-out task. Although there are quite a few problems in our society, our public order and the general standards of our social conduct at the present time are still much better than those in many other countries in the world.

The world of today is opening up and information is up-to-the-minute. When engaging in a modernization drive, a country cannot but derive nourishment from the material and spiritual wealth jointly created by mankind. Blind opposition to everything foreign can only lead the modernization drive to empty talk. The change from closing our country to international intercourse to opening it to the ouside world is historical progress. In opening up to the outside world, we not only can absorb foreign investment funds and learn advanced scientific, cultural, and technological knowledge and managerial skills from foreign countries, but we can also instill new vitality in our national spirit and effect profound changes in people's spiritual life. Naturally, just as flies enter our house when we open the windows, some decandent ideas and lifestyles of capitalist society also take advantage of the opportunity to enter our country when we are opening up to the outside world. Moreover, the pernicious influence of the remant feudal ideas left over from old China cannot be thoroughly eliminated in a short time. As soon as there is a suitable climate, these dregs of society will come to the surface. For this reason, it is entirely unnecessary to be alarmed if some decadent phenomena increase to some extent. So long as we promote cultural and ideological progress, step up education, and improve the legal system, we will certainly be able to reduce the negative influences to the minimum. We will not "give up eating for fear of choking." Continuously opening up to the outside world is our unshakable, basic national policy.

Chinese Leaders Currently in Office Often Go Into the Midst of the Common People To Make Investigations and Studies.

Speaking of the work style of Chinese leaders, Hu Qili pointed out: The central leaders working on the first front handle a host of things every day in regard to domestic and international affairs, but they still keep in contact with the broad masses of the people through different channels. Our leaders do not have spare time and a day off is, of course, out of the question. Moreover, in order to read documents and letters from the people, they often have to work late into the night. During the 6 years between 1980 and 1985, General Secretary Hu Yaobang read and commented on at least 2,000 letters from the people. Every year, the central leaders try and find time to go down to factories and the countryside in order to make investigations and studies. There are more than 2,200 counties throughout the country. General Secretary Hu Yaobang has been to at least 1,500. In 1985 alone, he visited over 60 counties and cities. Most places that he has been to over the past few years are underdeveloped in China, such as Yunnan, Guizhou, Guangxi, and Xinjiang. Last year, Premier Zhao Ziyang made an inspection visit to different areas every month, except in May and June. During the Spring Festival of this year, Premier Zhao, Vice Premier Tian Jiyun, and I made an inspection of Hainan Island.

The strategy for economic and social development during the Seventh 5-Year Plan period was put forth in the light of vast investigations and studies conducted by the central leaders throughout the country and on the basis of suggestions and proposals offered by more than 1,000 experts, scholars, and people of various circles.

Making investigations and studies from actual conditions, doing everything for the people, and doing everything by relying on the people are cherished traditions of our party. Since the 3d Plenary Session of the 11th Central Committee, these cherished traditions have sparkeled with brilliance again. This is quite obvious to everybody.

HU QILI TALKS WITH MING PAO PRESIDENT CHA

OW231918 Beijing XINHUA in English 1854 GMT 23 Apr 86

[Text] Beijing, April 23 (XINHUA) -- Hu Qili, member of the Political Bureau of the Communist Party Central Committee, met here today Louis Cha Leung Yung, chairman and president of the Hong Kong newspaper MING PAO.

Hu discussed with Cha a wide range of topics, which include China's political and economic situation, its economic performance over the past five years and its economic and social development over the next five years. Xu Jiatun, head of the XINHUA Hong Kong office, was present.

YU GUANGYUAN VIEWS REACTION TO MA DING ARTICLE

HK120100 Shanghai SHIJIE JINGJI DAOBAO in Chinese 21 Apr 86 p 14

[Article by Yu Guangyuan: "Discussion of Ma Ding's Article Should be Taken as an Opportunity To Gain Experience in Implementing the 'Double Hundred' Policy"]

[Text] On 7 April, SHIJIE JINGJI DAOABO republished the full text of Ma Ding's article. The headline added by an editor of the newspaper says it is "a good article well worth reading." Before I express my views, please let me rethink whether I agree with this judgment. What I want to say now is that I hope that after reading Ma Ding's article, more people can express their own views free from the restraints of the headline given by the editorial department of SHIJIE JINGJI DAOBAO. The department will certainly welcome the airing of various views, including those that disagree with the newly added headline.

I would now like to tell the readers that at an academic meeting held in Beijing on the 24th of last month on the question of Ma Ding's article, I said: This is a relatively important article, an article that has been published by permission and an article that must attract the attention and discussion of economists and theoreticians. I did say so. (In addition, I also said that I could not agree with some ideas expressed in the article.)

Why did I say so? By saying that it is a relatively important article, I mean that although it is an academic thesis, the article describes in an overall manner China's current study of economics, involving the orientation of China's study of economics. Therefore, it must be of great significance.

By saying that it is an article that has been published by permission, I mean that I heard an argument that criticized GONGREN RIBAO, BEIJING REVIEW, AND SHIJIE JINGJI DAOBAO, which carried Ma Ding's article, saying that they "must not publish any article opposed to Marxism."

Of course, this argument is connected with the coverage carried by JINGJI CANKAO. It is only natural for people to raise such an argument (of course, a bit too rashly) after reading the coverage, as they did not have the opportunity to look up the articles of Ma Ding and CHUNG PAO. It is common for a news report that is distorted and inconsistent with the facts to have such a consequence. Moreover, the argument will strike blows not only at Ma Ding himself and the publications that carried his article, but also at many "certain economists." Before discussing whether Ma Ding's article is good or not, we must first make a clear and unequivocal judgment on whether such an article should be allowed to be published in the newspapers.

By saying that it is an article that must attract the attention and discussion of economists and theoreticians, I mean that now that Ma Ding's article is relatively important and moreover, has been published, the economic community should discuss whether the article's views are correct and comprehensive, whether it is a good article, and where its significance lies. As I see it, Ma Ding's article deals with the guiding ideology for China's economic work. Holding discussions on his article will have a great impact not only on our theoretical study but also on our practical economic work. Only through discussions can we gain a clear understanding of haw to state appropriately the article's errors or shortcomings, if any. I favor discussing some matters of principle and not diverting people's attention by spending too mcuh time discussing side issues. In this remark, I also touched on the question of the theoreticians, because it has been reported that Ma Ding himself is a young philosophy teacher. For this reason, in my opinion, it is necessary for theoreticians to concern themselves with and make an analysis of Ma Ding's article and the debate triggered by CHING PAO's criticism of Ma Ding's article.

With the third remark, I also mean that this year marks the 30th anniversary of the promulgation of the "double hundred" principle of the CPC Central Committee. On 26 May 1956, Comrade Lu Dingyi made the famous speech of "let a hundred flowers bloom and a hundred schools of thought contend" in Zhongnanhai's Huiren Hall in Beijing, conveying the party Central Committee's major principle to promote the flowering of the sciences and the arts. However, the principle has since not been implemented for a long time. Since the 3d Plenary Session of the 11th CPC Central Committee, things have greatly changed. Nevertheless, many problems remain in carrying out the "double hundred" principle. Therefore, I hope that the implementation of the principle will be embodied in practice in the future. Since Ma Ding's article has attracted people's wide attention, I think we must set an example in handling the matter. I hope that on this matter, we will manage to reason out things dispassionately and in real accordance with the facts and the original. I also hope that through the current discussion, we can show people what is meant by a strict scientific approach. Recently, the Commercial Publishing House published a book entitled "Let a Hundred Schools of Thought Contend -- The Only Way Out of Scientific Development." It is the "White Book" of the meeting on genetics held in Qingdao in the summer of 1956. It provided the academic community with valuable experience in implementing the "double hundred" principle. However, the experience gained 30 years ago is far from enough for us now. Therefore it is necessary for us to create new experience. I think it advisable to take the discussion of Ma Ding's article as an opportunity to gain experience in implementing the "double hundred" principle.

Of course, what I have said is to strive to create experience in this field of endeavor.

With this remark, I also mean that first, we must have a clear and definite idea to create experience and be clear about this objective; second, we must use our brains to seek ways of creating the experience; and third, we must always study what we have done and learn where we have achieved desired results and where we have made mistakes. Since the principle of letting a hundred schools of thought contend has not been satisfactorily implemented for many years, everybody lacks experience in it. Therefore, it is difficult to avoid shortcomings. Taking shortcomings as the object of study is always an important method for summing up experience.

In discussing Ma Ding's article, I want to bring the attention of the discussion participants to the fact that it was published twice -- first in GONGREN RIBAO on 2 November 1985 and then in BEIJING REVIEW on 9 December, in both the English and Japanese editions. The latter is the revised version of the article carried by GONGREN RIBAO rather than its simple reprint, in which the author and the editorial department made some deletions and additions. Some of the alterations are important because they have corrected some major oversights and flaws of the article's first-published version. Therefore, when clarifying some facts about the criticism by New York's CHUNG PAO version of Ma Ding's article, we must base ourselves completely on the article published in BEIJING REVIEW, because the Japanese news agency's coverage was based on that article. We must affirm the revisions made by the author on his article since the article was published subsequently.

WANG MENG ON NORMALIZATION OF LITERARY CRITICISM

HK110742 Beijing ZHONGGUO XINWEN SHE in Chinese 1235 GMT 7 May 86

[Article by Wei Liming, selected from HUA SHENG BAO [5478 5116 1032] of 6 May: "Looking Forward to Normalization of Literary Criticism" -- ZHONGGUO XINWEN SHE headline]

[Text] "We Are Now in the Best Period Since the Founding of the PRC, but There Are Still Many Difficulties."

I recently interviewed Wang Meng on a series of questions, such as the prospect of art and literature in China, the policy of "double hundred" (letting a hundred flowers bloom and a hundred schools of thought contend), and so on.

I saw him in his small office. Dressed simply in an old dark blue uniform, he looked just like a secondary school teacher. Smiling, he told me: "I moved into this office only 2 days ago. You are the first reporter to interview me here."

Our conversation began with China's cultural cause. I asked him what period he thought China's cultural cause was in at present. He answered without hesitation: "We are now in the best period since the founding of the PRC."

He said that cultural cause is now flourishing in China and the scale is much larger than before. Various cultural branches, such as literature, art, opera, cinema, acrobatics, music, archaeology, and so on, are very prosperous. Libraries are also developing rapidly -- it is not only the most prosperous period since the founding of the PRC but also the best period he has ever seen in his life. He said: Libraries are always full of readers, old and young.

These phenomena show that as the country becomes more and more stable and the economy keeps developing, people have a greater need for and set higher demands on the cultural cause. At the same time, many problems have been exposed.

As the living standards have been raised, many people now have their own television sets, and they can watch ordinary literary and art programs on television. People will not go to the opera house or cinema if the performing quality is not high enough. How can we make opera well received among the young audience? This is an essential issue. "Therefore, in my opinion, our cultural cause is now in a period of rapid development, but we will also face many new problems or even great difficulties."

"I Like the Policy of 'Double Hundred' Very Much"

By May this year, 30 years will have passed since the policy of "double hundred" was first put forth. The drastic rise and decline of a large number of young writers who emerged in the 1950's were closely related to the implementation of the policy of "double hundred." Therefore, in speaking of the policy of "double hundred," Wang Meng said with deep feeling: "I like the policy of 'double hundred' very much." In English, he added: "I enjoy the policy."

Wang Meng emphasized that the policy of "double hundred" is a policy that can bring the positive role of literature and the initiative of literature and art workers into play, encourage them to display their personal character and help to practice democracy in the artistic field.

Reviewing history, he said: The policy of "double hundred" scored instant results as soon as it was put forth in 1956. Soon after that, all kinds of new works emerged and new efforts of artistic exploration were made. For example, some novelists produced new works, and some operas were created, such as the plays "Yang Naiwu and Xiao Bai Cai" (which was adapted from the story of an unjust verdict in the Qing Dynasty) and "The Happy and Tragic Love Story of an Actor" (which reflected the life of urban residents in the early period of the Republic of China).

"It was due to the inspiration of the policy of 'double hundred' that I wrote the novel 'The Newly Arrived Young People in the Organization Department' (a novel describing a group of young people fighting against bureaucracy)." Wang said: "I owed my courage to the policy of 'double hundred' because it created a relaxed atmosphere for writers and artists and encouraged people to criticize."

"And soon after that I was consigned to the inferno. I was banned from writing for nearly 20 years and the policy of 'double hundred' was completely forsaken during the Great Cutural Revolution.

Wang Meng said: The state has redressed the "leftist" guiding principle in varous fields in the new historical period. With regard to art and literature, the policy of "double hundred" has been adopted again and enriched. Wang Meng himself has recovered the right of creation. He told me proudly that due to the inspiration of the policy of "double hundred," he had published in only 7 years between 1979 and 1986 many novels, prose pieces, and critiques which ran to over 2.5 million characters.

For this reason, Wang Meng said: "The 'policy of double hundred' is a matter of vital importance. It makes me a writer and enables me to carry on my artistic creation and exploration."

"Do Not Be Oversensitive in Regard to Literary Criticism"

Literary criticism has always been a sensitive issue. Wang Meng held that implementing the policy of letting a hundred flowers blossom will inevitably encourage criticism, nd literary criticism is definitely a normal practice.

No writer or artist in the world, Chinese or foreign, modern or ancient, has the right to be exempt from criticism. Wang Meng said: "Do we not have to point out the dross in the works of Balzac and Cao Xueqin in studying the works today? Cao Xueqin died long, long ago, and we cannot locate even his tomb today. However, he still cananot be exempt from very abnormal criticism." But, Wang Meng pointed out that "China had suffered from very abnormal criticism." To cite an example, he told me, the novel "The Newly-Arrived Young People in the Organization Department," which he published in 1956, aroused different kinds of criticism in the following year. He was happy to hear criticism at the very beginning, thinking that it was a matter for rejoicing. However, as a result of the criticism, he was labeled a "rightist," expelled from the party, and prohibited from publishing any more novels.

Smiling, Wang Meng said: "Our writers do not like such criticism. They do not welcome criticism of any writer in the form of administrative penalty unless he has violated the law."

Wang held that putting literary criticism onto the normal, healthy, and democratic track is a hallmark of the correct implementation of the policy of "double hundred" in China.

Of course, China is also facing another problem. According to Wang Meng, due to the pernicious effect of the long-standing abnormal way of criticism, some writers and artists have become very delicate -- they cannot stand even very slight criticism. They absolutely must not be so sensitive, Wang said.

Meanwhile, some friends abroad are also particularly sensitive to literary criticism in China. They always think of something disastrous at the mere rustle of leaves in the wind.

Wang Meng cited Zhang Xianliang's case as an example. Zhang Xianliang has become a focus of attention as he described for the first time sexual depression in his new work -- "Half of a Man Is a Woman." During Zhang's recent visit to the United States, BEIJING RIBAO carried a 500-character letter from a reader criticizing Zhang's works. Some foreign news agencies, newspapers published by Overseas Chinese, and Tiawan newspapers prominently reprinted this article without delay, and some people immediately advised Zhang Xianliang as a visitor in the United States not to return to China, warning him that he would possibly be sent back to a reform-through-labor camp as soon as he returned home (Zhang underwent reform through labor in Ningxia, western China, for nearly 20 years, as he was wrongly classified as rightist).

Of course Zhang Xianliang turned down the advice. He found nothing had happened when he returned home. Instead of being sent to the reform-through-labor camp, he was greeted by his wife, who was waiting for him at a first class hotel in Guangzhou. When he returned to Yinchuan City, Ningxia region, where he worked, the director of the provincial Cultural Department and other leaders gave him a warm welcome at the railway station.

Wang Meng held that such a view expressed by some foreign friends could hardly be avoided because our country had indeed undergone a period in which some people were attacked due to their literature and art works.

Therefore, Wang Meng told me seriously: "First, I hope that literary criticism will be normalized. Second, I hope that Chinese writers and artists will adopt a normal attitude toward criticism. And third, I hope that our foreign friends and foreign reporters will also follow normal procedure in reporting literary criticism in China and not be oversensitive."

RENMIN RIBAO URGES PROTECTING RURAL ENTERPRISES

OW091247 Beijing RENMIN RIBAO in Chinese 10 May 86 p 1

[Commentator's article" "Exterminate 'Termites' To Protect the 'Pillar'"]

[Text] This paper today published a report on the People's Procuratorate of Shazhaou County, Jiangsu, which, in the course of dealing blows at economic crimes, made clear distinctions according to the party's policy and differentiated between merit and dismerit and between right and wrong, thereby protecting and promoting the healthy development of town and township enterprises. The Shazhou County People's Procuratorate's experience is very good and deserves to be taken as a good referenmce by comrades in all other places.

Since the beginning of last year, newspapers successively exposed unlawful activities of individual town and township enterprises to make counterfeit medicines and other commodities. Quite a few evil practices and law violations exposed in the course of party rectification and dealing blows at economic crimes in the countryside involve town and township enterprises. Correct understanding and handling of these problems is of extremely vital significance to the healthy development of town and township enterprises.

Like other economic crimes, those committed within town and township enterprises' activities do tremendous harm to the state, the people, and the enterprises themselves. If not dealt with according to law and allowed to go on uncurbed, they would certainly jeopardize reform and the policy of opening to the outside world and stimulating the domestic economy, and would undermine the building of the socialist material and spiritual civilization. Judicial organs must take an absolutely clear-cut stand, strictly enforce the law, disregard any personal relationships or considerations, and conduct serious investigation of, and mete out severe punishment to, the small number of lawless persons who commit embezzlement, larceny, or bribery, or swindle, smuggle, or handle smuggled goods. The People's Procuratorate of Shazhou County considered the town and township enterprises as the important economic pillar in the countryside, and economic criminals as the "termites" in the pillar. Maintaining a high degree of alertness at all times, it eliminated every termite it had discovered. This is absolutely correct. This is one aspect.

On the other hand, cautious and concrete analyses must be conducted of a number of problems cropping up in town and township enterprises, activities. By no means should all problems be considered as economic crimes and be dealt with as such. Developing from scratch, and from small to large, town and township enterprises have more and greater difficulty than urban enterprises in such fields as funds, technical know-how, energy, facilities, raw and semifinished materials, and product marketing. They have to try all possible ways and endure innumerable trials and tribulations in their struggle for survival and development. As the town and township enterprise law has not yet been formulated, the related policy and law stipulations have yet to be perfected, and the management system of town and township enterprises are hard to avoid.

These should of course be criticized, stopped and, in some cases, punished. However, a clear distinction must be drawn according to the party's policy and the law. Clear differentiation must be made between which are legitimate economic activities the party's policy permits, which are the evil tendencies that must be halted, which are mistakes committed due to lack of clear distinctions, and which are obvious offenses against the criminal law. More investigations should be conducted and no hasty decision should be made as to the nature of a case if things about that case are not clearly known for the time being. The Shazhou People's Procuratorate's experience is good in that it made concrete analyses of problems and conducted propaganda in the legal system by using typical cases, thereby enabling the people to understand what could be done and what should not be done in their economic activities. In so doing, it stopped economic offenses, helped stimulate the economy, and promoted the development of town and township enterprises.

The vigorous mushrooming of town and township enterprises were the product of the extensive rural restructuring conducted since the 3d Plenum of the 11th Party Central Committee, and a great creation of the 800 million peasants. By 1985, town and township enterprises nationwide employed over 60 million from the rural labor force and their total outut value accounted for over 40 percent of the total social output value of the countryside, or which the town and township industrial output value accounted for 20 percent of the nation's total industrial output value. Town and township enterprises have made tremendous contributions to changing the backward outlook of the countryside and to the motherland's modernization cause. They have demonstrated their great vitality. They have become an inseparable component of socialism with Chinese characteristics. Comrades of all departments and units concerned must, as the Shazhou People's Procuratorate did, upholeheartedly take goood care of, and support, town and township enterprises, "eliminate termites" for then, promote what is beneficial and abolish what is harmful and make positive contributions to their sound development.

ARTICLE URGES PUBLICIZING PARTY STYLE PROBLEMS

HK100826 Beijing WEN ZHAI BAO in Chinese No 309, 4 May 86 p 1

[Article by WEN ZHAI BAO Data Office: "Correctly Understand and Publicize Problems in Party Style"]

[Text] At present in the new situation there have emerged some unhealthy practices such as abusing power to seek personal gains in the economic sphere, developing the "special privilege" mentality in political affairs, and not acting according to principles in making proper use of personnel. They are also manifested in gossiping about people behind their back or by spreading information by the grapevine. This will not help matters of people, but instead will damage the party. Any problems must be placed on the table and solved. If they are not matters of principle, we must take an attitude of magnanimity and seek common ground while reserving differences. The problems which are not worth putting on the table for solution should not be discussed in private. Second, they are manifested in taking a one-sided approach toward matters and people. Now that people have worked for several decades, they must have both strong points and successions as well as weak points and deficiencies. We must neither arbitrarily raise their weak points and deficiencies to the higher plane of principle, nor stick labels on them. For example, if a comrade makes some inappropriate or even erroneous statements, we must not lightly say that he is going in for liberalization. The suffix "-lization" refers to something which is thorough and complete in nature. We must make an appropriate analysis and judgement of a person.

XINHUA COMMENTATOR ON CORRECTING IRREGULARITIES

OW091109 Beijing XINHUA Domestic Service in Chinese 0732 GMT 9 May 86

[Article by XINHUA commentator: "Start With the Leadership To Correct Occupational Irregularities"]

[Text] Beijing, 9 May (XINHUA) -- The correction of occupational irregularities has drawn the attention of many leading organs. This is a good phenomenon. In order to do this job properly, it is indeed necessary to start with the leading organs and cadres.

Both recent and past cases show that those who perpetrate occupational irregularities are usually a small number of ordinary workers and staff members. However, most cases also have something to do, either directly or indirectly, with the leadership of the organizations where the perpetrators work. Some leading cadres are themselves perpetrating irregularities. Some leading cadres tolerate, or even support, a small number of persons in their organizations practicing irregularities, because they either want to protect their departmental interests, or simply do not see the danger of such irregularities. Other leading cadres have slackened ideological education among the personnel of their organizations and departments, causing occupational irregularities to become rampant. Therefore, in order to correct these, it is most important for the leading cadres concerned to raise their awareness and strenthen ideological education among the personnel of their organizations and departments. For some organizations, it is also necessary to improve relevant rules and regulations. Otherwise, it will be very difficult to stop occupational irregularities, or prevent their recurrence, even if they are stopped.

Recently, the responsible persons of the Shaanxi Provincial CPC Committee, the Ministry of Communications, the Ministry of Water Conservancy and Electric Power, the Ministry of Railways, and the State Bureau of Materials and Equipment have successively issued statement pledging to strengthen their leadership and adopt some measures to correct the occupational irregularities perpetrated by a small number of organizations within their region or department. The leading cadres of the department of communications in Shanxi Province have pledged to draw lessons from the case of the "highway despots," involving transport administrative personnel, strengthen ideological education among transport administrative personnel, and seriously enforce discipline and a good work style. We are convinced that general occupational practice, with which the masses are concerned, will surely improve fundamentally, if the leading organs attach importance to it and the leading cadres set a good example.

HU YAOBANG URGES DEVELOPING OFFSHORE ISLANDS

OW090245 Beijing Domestic Service in Mandarin 0900 GMT 7 May 86

[Text] A national forum on the development of offshore islands opened in Beijing on 6 May. Comrade Hu Yaobang's recent important instructions on the sibject were relayed at the forum: Many of our country's offshore islands must be further developed. The State Economic Commission and the Ministry of Agriculture, Animal Husbandry, and Fishery should make a systematic study and investigation of the offshore islands and come up with feasible plans for their development.

He also called on various central departments to study and investigate special subjects in a planned way and with a well-defined objective in mind in order to avoid acting blindly and giving only vague, general directions.

Those attending the forum will sum up the situation and exchange experiences in the development and construction of offshore islands and discuss related questions.

YU QIULI ON IMPROVING POLITICAL CADRES' QUALITIES

OW111046 Beijing XINHUA Domestic Service in Chinese 1325 GMT 10 May 86

[Text] Beijing, 10 May (XINHUA) -- Addressing a meeting attended by cadres of organs and units under the General Political Department on 8 May, Yu Qiuli, deputy secretary general of the Central Military Commission and director of its general political Department, urged all party committees and political organs of the Armed Forces to work hard to improve political cadres' qualities in order to keep up with the need of intensifying ideological work in the armed forces during the new period.

What qualities should a qualified political cadre in the Armed Forces have? According to Yu, he should meet requirements in the following nine respects:

He must be knowledgeable in the basic theories of Marxism-Leninism-Mao Zedong Thought, be proficient with the party's basic principles and policies, and consciously and firmly maintain ideological and political unity with the party Central Committee.

He must have a strong party spirit and a strong sense of organizational discipline. He must uphold principles, be fair and upright, and be willing to place party interests above his own. No matter what he does, he proceeds from the party's interests. He seeks no personal gains, nor will he practice favoritism. This is the most important requirement in order to reinstate political organs' credibility.

He must treat people equally and sincerely, regardless of their ranks, or whether or not they are still in office. His political work organ is operated like a "home of cadres."

He must be highly enterprising and has a strong sense of responsibility. He works earnestly, responsibly, and scrupulously. He is capable of discovering problems and has the courage and capability of solving problems.

He is approachable, having forged close ties with the masses and the vast number of cadres. Since he always knows the ideological trend of cadres and fighters, his political work is pertinent and effective.

No matter what he does, he sets an example for others. Not only can he convince people with reason, more importantly, he can inspire and influence people with his exemplary deeds.

He must be fairly well educated and knowledgeable in science. As today's officers and men are better educated than in the past and political work is work among people, a political cadre must be better educated and more knowledgeable.

He must be broadminded, modest, cautious, and good at listening to different opinions. He respects his superiors as well as people of the same rank, cherishes people of lower rank, and earnestly upholds the principles of democratic centralism. He makes criticism and self-criticism seriously and sincerely.

He must be knowledgeable in military affairs. Only when he knows military affairs can be combine military work with ideological education, and can his political work be able to facilitate military training and logistics services and ensure the accomplishment of all campaigns and other missions.

WAN SHAOFEN ATTENDS JIANGXI PEOPLE'S CONGRESS

OW091421 Nanchang Jiangxi Provincial Service in Mandarin 1000 GMT 8 May 86

[Excerpt] The third meeting of the Fourth Session of th Sixth Jiangxi Provincial People's Congress was held this morning at the 1 August Auditorium in Nanchang. The executive chairman at today's meeting were Wan Shaofen, Wang Shufeng, Liang Kaixuan, Peng Shengxi, Liu Bin, (Wu Changgeng), (Wang Chengzhu), (Cuo Shaoulong), (Shan Qikun), Li Yanling, and (Cao Xihu). Liang Kaixuan presided.

The meeting heard the report on the work of the Standing Committee of the Jiangxi Provincial People's Congress by Wang Zemin, vice chairman of the Standing Committee; the report on the work of the Jiangxi Provincial People's Higher Court by Li Ning, president of the provincial people's Higher Court; and the report on the work of the Jiangxi Provincial People's Procuratorate by Wang Shuheng, chief procurator of the provincial People's Procuratorate. In his report, Wang Zemin gave an account of the work of the Standing Committee since the Third Session of the Sixth Jiangxi provincial People's Congress, held in June 1985.

LIANG BUTING ATTENDS SHANDONG CPPCC OPENING SESSION

SK100449 Jinan Shandong Provincial Service in Mandarin 2200 GMT 8 May 86

[Excerpts] The Fourth Session of the Fifth Shandong provincial CPPCC Committee ceremoniously opened at the assembly hall of Jinan's Dongjiao Hotel on 8 May.

Attending the opening ceremony of the session were Liang Buting, secretary of the provincial CPC Committee; Li Changan, deputy secretary of the provincial CPC Committee and governor of the provincial government; Su Yiran, chairman of the provincial Advisory Commission; Li Farong, secretary of the provincial Discipline Inspection Commission; Li Zhen, chairman of the provincial People's Congress Standing Committee; Liang Deshan, president of the provincial High People's Court; and Li Huimin, chief procurator of the provincial people's procuratorate.

Li Zichao, chairman of the provincial CPPCC Committee, presided over the opening ceremony. Guo Yichen, vice chairman of the provincial CPPCC Committee, delivered a report on the work of the Fifth Shandong Provincial CPPCC Committee Standing Committee.

Also attending the opening ceremony were some vice chairmen of the provincial CPPCC Committee, including Zhou Xingfu, Xu Meisheng, Zhang Weichen, Xu Wenyuan, Kong Linren, Cai Qiangkang, and Ding Fangming. Attending the opening ceremony as observers were chairmen of the CPPCC committees of the cities directly under the jurisdiction of the province, directors of the united front work departments of the prefectural CPC Committees, the head and counsellor of the counsellors' office of the provincial government, directors of the united front work departments of the CPC committees of the institutions of higher learning in Jinan, and responsible comrades of the provincial-level departments concerned. Group discussion meetings will be held on the afternoon of 9 May.

GUANDONG: TORNADO STRIKES DOUMEN COUNTY 11 MAY

HK121221 Guangdong Provincial Service in Mandarin 0900 GMT 12 May 86

[Text] Yesterday at about 1100, a tornado suddenly occurred at Hongqi fishpond in Doumen County. The tornado was cylindrical in shape and its range was about 200 square meters. It swept from the north to south, 200 to 500 meters above ground. The wind force at the center of the tornado was powerful and lasted for 2 to 3 minutes. A cement board, some 200 jin in weight, at (Baijiuhu) Farm was swept up 2 meters in the air. The tornado damaged 91 buildings in Doumen County, 175 mu of bananas, 155 mu of crops, broke 102 telephone lines and 255 electricity-supply wires, and injured 9 persons. According to another report from (Qianshan) District, Zhuhai City, this district was hit by the same tornado and some 43 persons were injured and 1 person was killed by a collapsed house.

HENAN RADIO COMMENTS ON PEOPLE'S CONGRESS SESSION

HK100603 Zhengzhou Henan Provincial Service in Mandarin 2200 GMT 9 May 86

[Station commentary: "A Milestone in Invigorating Henan -- Hailing the Close of the Fourth Session of the Sixth Provincial People's Congress"]

[Excerpts] The Fourth Session of the Sixth Henan Provincial People's Congress, the focus of attention of the people of the whole province, has victoriously concluded after completing all its agenda. As commissioned by the 77 million people of Henan, the deputies gathered to discuss ways and means of invigorating the province, and to examine and approve the province's Seventh 5 Year Plan.

The Seventh 5-Year Plan calls for an increase of 40.9 percent in industrial and agricultural output value and an increase of 43.8 percent in gross domestic product in 1990 compared with 1985. There will also be relatively significant development of science and technology, education, and culture. Urban and rural living standards will show quite a big improvement. This is a vast scheme for building Henan and a great program for reform and opening up.

Henan has a large population and a thin foundation. Its economy is rather weak. We will have to work unstintingly in the spirit of endurance in order to join the ranks of the advanced and make our proper contribution to the state's modernization drive. The four modernizatons is an arduous struggle. We must fill the Central Plain with the spirit of the foolish old man as we execute the Seventh 5-Year Plan.

HUBEI: TORNADO, HAIL HIT MIANYANG COUNTY 11 MAY

HK121342 Wuhan Hubei Provincial Service in Mandarin 1000 GMT 12 May 86

[Text] Yesterday, a powerful tornado occurred in (Shuangfutan) District, Mianyang County. Hailstones fell at the same time. Four townships and one street office in the district were hit by the tornado and hailstones to different degrees. According to preliminary statistics, in the whole district, some 1,200 houses collapsed, 1 person was killed, 41 persons were injured, and crops on some 42,000 mu were damaged.

TAIWAN DEVELOPING HIGH-PERFORMANCE WEAPONS SYSTEM

HK010436 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1337 GMT 30 Apr 86

[Text] Hong Kong, 30 Apr (ZHONGGUO TONGXUN SHE) -- According to reports from Taipei, Taiwan has started developing high-performance weapons systems in order to facilitate the "plan for developing science and technology for national defense." In a written answer to an inquiry by "Legislative Yuan" mem er Wu Shih-peng a few days ago, Taiwan's "Executive Yuan" pointed out that in order to effectively develop "science and technology for national defense," while actively seeking cooperation with well-known foreign firms and importing high technology, departments concerned in Taiwan should endeavor to invite Taiwan scholars residing abroad to return to participate in work in this area. In the meantime, the authorities have assisted more than 10 colleges on the island to carry out 66 projects of basic research and have transferred the results of 111 technological research projects to civilian enterprises for production in order to promote the development of various high-performance weapons systems.

ECONOMIC, POLITICAL FUTURE OF TAIWAN, MAINLAND VIEWED

OW080056 Beijing XINHUA in English 0015 GMT 8 May 86

[Text] Beijing, May 8 (XINHUA) -- Taiwan has reached an economic "turning point" where its future economic and poliical health depends upon reestablishing ties with the mainland, a Beijing social scientist said today. He Fang, at the Chinese Academy of Social Sciences, told XINHUA that it is in the interests of residents of Taiwan and the mainland for reunification to take place.

In an analysis in Monday's overseas edition of PEOPLE's DAILY, he argued that following decades of rapid economic growth, Taiwan's economy faces a lack of material resources and limited domestic markets in a world of intensified economic competition. At the same time, he wrote in the Communist Party newspaper, declining economic possibilities could threaten Taiwan's political stability in the decades to come.

Claiming that theirs was the true government of all of China, Kuomintang leaders have prohibited travel, mail and telecommunications as well as direct trade with the mainland as long as it was not under their rule. But, he said, Taiwan leaders should give up their fictions and begin "acting on the basis of social realities" -- including the desires of the people on Taiwan -- by working for renewed ties. Such ties would promote the national interest -- including Taiwain's, according to him.

Hong Kong has benefited from trade with the mainland, and Taiwan from indirect exchanges of goods, he said. And China's mainland, with its "stable political situation and economic growth" is "sure to become a major economic power by the turn of the century." Since Taiwan could only benefit from hitching its star to the rising mainland economy, he said, "what's needed now is to begin talking and to expand contacts."

He reviewed the "one country, two systems" reunification proposal, which he said would not threaten Kuominatang rule on Taiwan. The social system practiced on the mainland will not be imposed on Taiwan, he said. "What is wanted is talks on an equal basis with neither side trying to devour the other." He said Chinese on the mainland hope for peaceful reunification as soon as possible, and he invited Taiwan compatriots to come to the mainland to see if for themselves.

FURTHER REPORTS ON NEGOTIATIONS FOR CAL PLANE, CREW

MP's Urge Private Contact With PRC

HK091428 Hong Kong AFP in English 0917 GMT 9 May 86

[Text] Taipei, May 9 (AFP) -- Two opposition MP's urged the government on Friday to allow civilian groups to negotiate with Chinese authorities for the return of a China Airlines (CAL) jumbo jet and the plane's crew. The two MP's Huang Ho-ching and Chiang Peng-chien, suggested that Taipei break the impasse over the return of the plane and crew by allowing private citizens and the international Red Cross to talk with the Chinese. The two MP's said that Taipei could bypass its policy of not recognizing the Communist Chinese government by allowing private citizens to visit China for negotiations instead of making contact on the official level.

The Boeing 747 cargo plane was diverted to China on Saturday by the plane's pilot, Wang Hsi-chueu. China has agreed to Mr Wang's request to remain on the mainland, but two other crew members, co-pilot Tung Kuang-hsing, 57, and flight engineer Chiu Ming-chiu, 39, have indicated they wished to return home. The return of the plane and the two crew members has been stymied for the past week by Taipei's refusal to deal directly with Chinese authorities and Beijing's insistence that Taipei enter into negotiations. Chang King-yuh, a Taiwan government spokesman, said earlier this week that Taipei would never change its policy of "no contact, no talk, no compromise" with Beijing. The defection of Captain Wang was no exception, he added.

Red Cross To Negotiate Directly

OW100353 Taipei CNA in English 0253 GMT 10 May 86

[Text] Taipei, May 9 (CNA) -- Geneva-based Red Cross International [RCI], at the request of the Red Cross Society of China [RCSC], will directly negotiate with the Peiping authorities for the release of a China Airlines' Boeing 747 cargo jet plane and its crew memebers standed in the China mainland since May 3, Ku Cheng-hang, secretary general of the RCSC, said Friday. Ku contacted Paul Mettler, head of the regional delegation of the International Committee of the Red Cross stationed in Manila, the Philippines, by overseas telephone call Friday afternoon and was informed that Mettler has been instructed to keep contact with the Taipei-based RCSC and monitor the development of the incident.

According to the RCSC offial, Mettler said during the call that Red Cross International told him in a cable that the Geneva-based headquarters will be the one to negotiate for the release of the CAL plane and crew. Mettler's regional delegation is in charge of the Red Cross activities in the Republic of China, Hong Kong, Macao and the Philippines. Ku added that thte RCSC will try its best to provide RCI with all necessary information and data so as to make the RCI negotiations with the Chinese Communists more smooth.

Crewmen 'Interrogated' in PRC

OW101423 Taipei CNA in English 1412 GMT 10 May 86

[Text] Hong Kong, May 10 (CNA) -- The three crewmen of the China Airlines [CAL] Boeing 747 cargo plane landed in Canton on May 3 are being interrogated by a team of Chinese Communist cadres from the "Public Security Department," United Front Department" and "People's Liberation Army," several local newspapers reported Saturday from the China mainland.

They reported that pilot Wang Hsi-chueh is being interrogated in Peiping while co-pilot Tung Kuang-hsing and flight engineer Chiu Ming-Chih are being questioned in Canton. The reports pointed out that such "talks" are believed to take at least two weeks. Contents of the interrogations included the personnel of the units to which the three crewmen originally belonged, the military and air defence establishments of the Republic of China [ROC] and details of ROC's civil aviation, the reports said.

CAL Urged To Send Representative

OW121138 Beijing XINHUA Domestic Service in Chinese 1031 GMT 11 May 86

[Text] Beijing, 11 May (XINHUA) -- The Civil Aviation Administration of China (CAAC] today sent another cable to Taiwan's China Airlines urging the company to send a representative as soon as possible to take back its 747 cargo plane and two crew members. The full text of the cable reads.

Taipei, China Airlines: In a cable to your company on 3 May, we asked you to send a representative to Beijing as soon as possible to discuss the handling of the 747 cargo plane, but so far we have received no reply, much to the anxiety of the people on both sides of the Strait.

Mr. Wang Xijue, pilot of the plane of our company, has expressed his desire to settle on the mainland, while Messrs Dong Guangxing and Qiu Mingzhi said they want to return to Taiwan. Our attitude is explicit: The plane, cargo, and Dong Guangxing and Qiu Mingzhi, who want to return to Taiwan, will be returned to Taiwan. Please send a representative to discuss and handle the handing-over details.

We have stated before that this is totally a business discussion between two civil aviation companies with no political issues involved. Since it is only a matter of handing over, it should be dealt with directly and responsibly by the two parties concerned to ensure the safe return of the plane and personnel who wish to return to Taiwan. Such being the case, it is better if you send a representative to negotiate instead of going through a third party. Should you feel Beijing inconvenient, then you can suggest any other place of your preference.

Our proposal is reasonable. It is made with full consideration of your company's predicament. If your company still does not want to take up the handing-over issue, then it is you, not us, who should be held responsible for any delay in the return of the plane and crew to Taiwan. It is hoped that you will think this over. Once again we hope you will make a quick decision and give us a reply as soon as possible.

The Civil Aviation Administration of China, 11 May 1986

Plane Not Political Issue

OW121101 Taipei CNA in English 1045 GMT 12 May 86

[Text] Taipei, May 12 (CNA) __ The Civil Aeronautics Administration [CAA] will assist the China Airlines in seeking the return of its cargo jet and crewmen now stranded on the Chinese Mainland, CAA Director General Liu Teh-ming said Monday.

Speaking at a press conference, Liu said that the ROC [Republic of China] national flag carrier has entrusted the Hong Kong-based Cathay Pacific Airways and the British insurance company Lloyd's of London to negotiate with Peiping for the return of the plane, cargo and crewmen.

The family members of the crewmen also have asked the International Red Cross to help urge the Chinese Communists to release the crewmen. Liu said that the three approaches are proper and that his agency will render all feasible assistance to CAL to seek an early solution to the problem.

He stressed that this is essentially a civil aviation case with no political issues involved and should not be used as a theme for political propaganda. "If the Chinese Communists try to exploit the case for political purposes," Liu asserted, "they are certain to ignite public indignation in the world community."

He continued that the ROC Government did not delay in returning a British Airways passenger plane which was forced by a Hong Kong youth, Liang Wei-chang, to land at the Chiang Kai-shek [CKS] International Airport during a routine flight from Hong Kong to Peiping a few years ago, although several Communist Chinese "officials" were on board.

Liu also revealed that an aircraft of British Caledonian Airways Ltd. also landed at the CKS Airport on March 20 because the Hong Kong airport was closed. All of its crew and passengers, including 10-odd Chinese Communist Party cadres, left Taipei safely aboard the airliner after an overnight stay at the CKS Airport Hotel, he said.

Li added that nine days have passed since CAL started seeking a return of its jet, cargo and crewmen through the afore-said three channels. But the airline has so far failed to get any positive reply from the communist regime. He urged Peiping to soon return the plan and crewmen based on the principle of humanitarianism.

Commentary Views Defection

OW120155 Taipei International Service in English 0200 GMT 11 May 86

[Station commentary]

[Text] The wife of the China Airlines pilot who landed his jumbo jet in Canton on his way from Bangkok to Hong Kong on May 3 has appealed to the International Red Cross to help her husband back home. As Mrs. Wang Hsi-chueh pointed out: There are a lot of questions to be answered about the alleged defection. Peking's behavior since the incident occurred has only reinforced her doubt. The pilot did not have the slightest reason to defect. Even journalists in Hong Kong were puzzled by his act which really defies explanation.

First, Wang has a happy family in Taipei. He and his wife of 30 years have three grown-up children and about to become a grandparent. As a civilian pilot, he drew a monthly pay of over U.S. $5,000 which amounts to a lifetime's earning of an average worker on the Chinese mainland. Second, the pilot has been highly trusted by his superiors. Before he left the airforce, he was one of the few Chinese military pilots chosen to fly the U-2 reconnaissance missions over the mainland. He was much decorated and was received personally by the late President Chiang Kai-shek. Third, Wang has no known bad habits and has led a normal life. He had no enemies and got along well with his colleagues. In a word, Want is kind of man who has much to thank for the life he had in Taiwan, because even his prosperous fellow countrymen in free China would consider his lot the best one can hope for.

According to reports from Canton, Wang flew his plan to Canton merely for the purpose to be reunited with his aging father and an elder brother. The explanation is hardly convincing. If he really missed them that much, he would have arranged a meeting with them in Hong Kong or somewhere else. He could even take his father to Taiwan. Such family reunions are permitted by the ROC [Republic of China] Government.

However, the fact is that Wang did land a CAL cargo jet in Canton. There must be a reason for that. That reason can be given only by the pilot himself or by the two other crew members, but the Communist authorities have shielded the other two crew members from the public. Requests by Hong Kong reporters to meet them have been rejected.

The only thing now for certain is that the co-pilot and the flight engineer had expressed the wish to return to Taiwan. The chance of the their safe return to Taiwan remains uncertain as reports from Canton were contradictory. One Communist cadre was quoted as saying that no decision has been made regarding their fate. China Airlines has requested the Cathay Pacific Airways to negotiate on its behalf with the Communist authorities for the return of the plane and the crew. Peking has reportedly rejected approach and instead wanted the ROC flag carrier to send a representative to the mainland to talk over the matter. Now, it is too early to predict what Red China will eventually do with the CAL cargo plane and its crew members. One thing is sure. It will make the utmost propaganda mileage out of the incident in trying to force the ROC to cave in to its terms.

MAINLAND SPECIALIST COMMENTS ON HU QILI INTERVIEW

OW100537 Taipei CNA in English 0244 GMT 10 May 86

[Text] Taipei, May 9 (CNA) -- Almost all of the top officials of the Chinese Communists, although they are in old age, have refused to retire so as to make room for the "younger generation" as Peiping has sloganized, according to a China mainland affairs expert here Friday. Hu Chi-li, a member of the Peiping's politburo, made the disclosure in an interview with a unidentified Australian report recently, according to the expert, quoting a recent report on the foreign edition of Peiping's OUTLOOK weekly. Hu said that the 13th party congress of the Chinese Communists, which is scheduled to be held next year, will elect new members to the CPC's Central Committee to make the top party organization "more youthful." However, Hu stressed, "several veteran revolutionaries will remain at the helm".

This, the expert said, is referring to the situation in which Teng Hsiao-ping, Peiping's top leader, and Chen Yun, whom Western experts regard as a conservative and who is opposed to Teng's market-opening policy, will still hold the reins of the Peiping regime. There have been speculations that Teng and Chen will retire next year.

MERITS, SHORTCOMINGS OF 4TH NUCLEAR PLANT CONSIDERED

OW050425 Taipei CNA in English 0230 GMT 5 May 86

[Text] Taipei, May 4 (CNA) -- Economics Ministry has promised that it will carefully consider all merits and shortcomings before deciding if it should build the fourth nuclear power plant. Vice Economics Minister Li Mo said over the weekend the nation's power consumption is expected to increase in the next new years with the economy turning to the better day by day. The government's basic stand is that the nation must not face a shortage of power, he said.

Li said some people have suggested the government build more thermal power plants to replace nuclear power plants. Even if the government were to build the proposed thermal power plant in central Taiwan within this year, it would take four years before the plant began to generate electricity. And if the government does not build the fourth nuclear power plant now, it will have to plan to build another thermal power plant in four years, he said. Thermal power plants are not always safe because scientists have proved that they can also cause some pollution problems, such as acid rains, he said.

PAI HSING COMMENTS ON ARREST OF HU QIAOMU'S SON

HK091113 Hong Kong PAI HSING in Chinese No 119, 1 May 86 pp 6, 7

[Report filed from Beijing by PAI HSING special correspondent: "Having Committed Serious Crimes, Hu Shiying Finds Himself in Qincheng Prison; Unable to Shelter His Son, Hu Qiaomu Hides in Hanzhou" -- first paragraph is PAI HSING introduction]

[Text] Deng Xiaoping dissolved Hu Qiaomu's "ideology committee" and condemned him, saying that he always wrote articles to teach other people but was unable even to teach his own son to be a good man. Hu Yaobang condemned him, saying that he learned from Mao Zedong only his shortcomings and specialized in playing tricks.

Hu Qiaomu's son Hu Shiying [0013 5391] (alias Hu Shiying [4258 5391]) was formally arrested for the crime of "embezzling education funds" on 7 March this year. He is now the criminal of a major case in Qincheng Prison.

According to sources informed on the case, Hu Shiying obtained a total of 17 million yuan (16 million yuan, according to other sources) through fraud and embezzlement. There is relatively conclusive evidence that when he helped a sugar refinery in Nei Monggol import some equipment, he asked it to pay him 200 metric tons of sugar. Moreover, the companies set up by him have seriously evaded taxes. In the name of his "study-aid center," he has set up more than 10 companies, among which a Flowers and Trees Advisory and Development Company evaded 15 percent of its taxes. He embezzled 4 million yuan from a law correspondence college he set up. The study-aid center that Hu Shiying is in charge of was organized similarly to that of Deng Pufang's China Welfare Fund for the Handicapped. Hu Qiaomu and Bo Yibo are honorary directors in chief of the center.

Hu Shiying's private life has always given people the impression that he is "morally corrupt." He has four apartments for four mistresses. The first is a teacher in Nanjing, the second is an office worker in the Fourth Branch of the People's Bank of China in eastern Beijing, the third is a RENMIN RIBAO reporter, and the fourth is a "third-rate" movie actress. After living with her for 1 month, he recommended the actress to work for a certain film studio, and had her photograph published in a certain pictorial.

A friend told this reporter that one day, Hu Shiying took his bank worker mistress to a certain Air Force hostel to watch pornographic videotapes. They were arrested on the spot. Later, when those who arrested them learned that he was Hu Qiaomu's son, they dared not take further action and asked Hu Qiaomu for instructions. In addition to telling Hu Shiying to confess, Hu Qiaomu phoned the Department of Public Security, hinting at what it should do. As a result, his son was released without prosecution.

Hu Shiying's first wife's name is Zhu Rongmei, who has given birth to a son and a daughter for him. Later, when they were divorced, Zhu Rongmei kept the daughter while Hu kept the son. His second wife is now the accountant of the study-aid center. The couple colluded in making a mess of the center's accounts.

There was an episode concerning his first wife, Zhu Rongmei. Before they were divorced, Zhu Rongmei one day unexpectedly went home and found Hu Shiying making love with the above mentioned actress. The actress ran into the toilet in fear and Zhu pulled her out, twice slapping her face, and turned her out into the street. Zhu quarreled with Hu many times because Hu kept mistresses in apartments outside his home.

The apartments in which Hu Shiying kept his mistresses were provided by Li, director of the Beijing Municipal Housing Administration. Hu Shiying met Li for the first time at Yanjing Restaurant and asked Li to help him find apartments. Li "generously" promised to immediately allocate two apartments to Hu.

Those who know Hu well told this reporter: At first, Hu Shiying worked for RENMIN RIBAO and published most of his articles in the name of "Hu Shiying" [4258 5391]. Then he was transferred to the Academy of Sciences of China (where his mother Gu Yu, Hu Qiaomu's wife, was a member of the party committee). Later, he was transferred to the Postgraduate Institute of the Academy of Social Sciences of China and then he was finally transferred back to the Academy of Sciences of China. However, Hu Shiying joined the CPC when he worked at the Postgraduate Institute of the Academy of Social Sciences of China, where Wen Jize was the president. When Hu was arrested and sent to jail, the relevant workers asked Wen how Hu was recruited by the party. Wen Jize said: "Comrade Hu Qiaomu told me to take care of this matter."

Specialized in Playing Tricks

After Hu Qiaomu's son Hu Shiying was arrested, the "Ideological Committee" headed by him, was dissolved upon Deng Xiaoping's order. He thus lost his base as an "authority on theory." In addition, since his son was arrested, he has not been able to intercede for him; therefore, he could not help but retreat to Hangzhou to "recuperate" and pretend to ignore it.

A senior CPC official has made some very pertinent remarks about Hu Qiaomu: "Comrade Hu Qiaomu was chairman Mao's secretary for a long time, but he did not learn from Chairman Mao's strengths, but learned from all his shortcomings and has become specialized in playing tricks." (It has been alleged that these were Hu Yaobang's words.)

Another story is now spreading among senior officials in Beijing. When Hu Qiaomu's son was arrested, some people asked Deng Xiaoping what had to be done. Deng Xiaoping said very angrily that it should be handled in the proper way. A thorough investigation should be made for any major and important case, no matter whether officials at any level, however high, are involved. After Deng Xiaoping ordered the "ideology committee" to dissolve, he lectured Hu Qiaomu, saying: Do not always write things to teach other people. How can you teach other people when you cannot even satisfactorily teach your own son?

Hu Shiying's Arrest Affords General Satisfaction

The circumstaces of Hu Shiying's arrest are also worth narrating. According to informed sources, General Secretary Hu Yaobang personally gave the order and appointed Wang Zhaoguo to carry out the order and Wang appointed Yang Dezhong to actually make the arrest. However, they were worried that there would be difficulties if they arrested Hu Qiaomu's son in his presence. Therefore, they played the trick of "luring the tiger out of the mountains." They told Han Tianshou of the CPC Commission for Discipline Inspection to invite Hu Qiaomu to his office for an appointment and then sent Yang Dezhong to arrest Hu Shiying. Reportedly, Hu Qiaom was very angry over this, called the general secretary names, and said that the general secretary did not follow legal procedures in arresting people. As he was not unjustified in saying so, Qiao Shi apologized to him on behalf of the secretary. Hu Shiying was arrested on 7 March. The next day, on 8 March, Women's Day, Hu Qiaomu purposely appeared in public to attend the festival activities to show that he was "all right." At thay time, he looked as if he "was protesting against the arrest.

The sources also said that just after his son was arrested, Hu Qiaomu adopted a tough attitude and said that all his life he hated two men most bitterly: One was Chiang Kai-shek and the other was his son. Later, when he saw that his son's case was serious, he personally went to the responsible persons concerned at the CPC Central Commission for Discipline Inspection to intercede for his son, saying that he did not believe that his son was so bad. He pleaded for mercy for his son.

Ordinary people in Beijing were very pleased by Hu Shiying's arrest and said that it was retribution for Hu Qiaomu, who has made too many people suffer.

As for how Hu's son's case will be handled, there are two possible scenarios: One of the possibilities is that Hu Qiaomu will regain an upper hand and succeed in turning big problems into small problems and small problems into no problem at all and thus have his son released. But it now seems that this possibility is unlikely. The other possibility is that his son will be sentenced to prison, but if the term of imprisonment is very long, Hu Qiaomu will be very embarrassed.

CRITICISM OF 'MA DING' ECONOMIC ARTICLE ANALYZED

HK070729 Hong Kong CHENG MING in Chinese No 103, 1 May 86 pp 6-8

["Notes on a Northern Journey" by Luo Ping: "A Counterattack on the Conservatives Criticizing Zhao" -- first paragraph published in boldface]

[Text] In an article on economic research published by Song Longxiang, a young teacher at Nanjiang University under the pseudonym of Ma Ding, he points out that owing to the ultraleftist political line, Chinese economists took a one-sided approach to different Western economic theories. They just criticized the vulgar, apologetic, and reactionary features of Western economics and neglected the fact that it is practical, reasonable, and scientific. As a countermeasure, the conservatives advocated combating "the spiritual pollution at the higher echelons of power," directing their spearhead at Zhao Ziyang.

Hu Qiaomu Obstinately Demanded He Jingzhi Remain in Office as a Deputy Director in the Propaganda Department of the CPC Central Committee

Around February of this year, Hu Qiaomu frequently made public appearances and delivered various speeches on Marxism everywhere. Moreover, he went everywhere to call on celebrities in the cultural, academic, and art circles, including Xu Ting, a young female poet in Fujian Province. In addition, he continued writing letters to female writers and poets and almost no female writer has not received a letter from him. Moreover, he has also done several unpopular things. One of them is that he retained Jingzhi as a deputy director despite the thorough reshuffling of the Propaganda Department.

He Jingzhi, who has leftist ideological deviations, played a shameful role as the hatchet man for Hu Qiaomu in the previous "movements" to "combat spiritual pollution" and to ban literature and art as well as academic democracy. Therefore he has a bad reputation in the literature and art community. However, at the beginning of this year, He Jingzhi resigned, citing old age. Unwilling to see a further decline in their strength on the ideological front, Hu Qiaomu and Deng Liqun did their utmost to persuade He Jingzhi to keep his post as a deputy director of the Central Propaganda Department. In defiance of a thorough reshuffle of the department -- with Zhu Houze as its director and Wang Daming (former director of the Propaganda Department of the Beijing Municipal CPC Committee), Teng Teng (former deputy director of the State Science Commission), and Li Yan (former cadre of the Central Propaganda Department) as its deputy directors -- Hu Qiaomu obstinately demanded he remain in office as a deputy director.

This was a tactical expression of the conservatives' unwillingness to abandon any stronghold in the struggle against the reformers.

Hu Qiaomu Participated in Stirring Up the "Ma Ding Storm"

Hu Qiaomu was also unpopular for participating in stirring up the "Ma Ding storm", because it was an offensive against reformers. Ma Ding is the pseudonym of the Song Longxiang, a young teacher at Nanjiang University. On 2 November last year, in GONGREN RIBAO he published an article entitled "Ten Major Changes in the Contemporary Study of Economics in China" under the pseudonym of Ma Ding. The article points out: "In the 20th century, after socialism changed from a scientific theory into reality, the main task confronting the Marxist political economy is no longer to criticize the old capitalist world but to facilitate the more strenuous historical task of building a new socialist world. And study, therefore, we must be focused on how to develop the social productive forces and increase the national wealth, maintain steady economic growth, and make the socialist economy operate smoothly. For these questions, no ready answers can be found in 'Das Kapital.' Therefore, Chinese economists should free themselves from the restrictions of Marxist books.

While studying the problems of the socialist economy, they should proceed from present-day facts rather than from books and dogma and develop a science of economics for building socialism." The article's subhead entitled "From Rejecting and Negating Contemporary Western Economics to Analyzing and Using It for Reference" points out that "for a long time, however, owing to the ultraleftist political line and traditional conservative ideas, Chinese economists took a one-sided attitude to different Western economic theories. They stressed criticizing the vulgar, apologetic, and reactionary features of contemporary bourgeois economics and completely neglected its other important aspect -- it is still practical, reasonable, and scientific." The writer held that in the days ahead, we should "criticize, analyze, and refer to the results of the study of the above-mentioned Western economic theories scientifically."

CHUNG PAO's Article Shelling Zhao and Hu

From the above-quoted passages, we can see that first, Ma Ding has not departed from Marxist conventions when discussing problems and second, Ma Ding did not put forth any completely new ideas on economic theories. Overall, Ma Ding has never "gone too far." It can even be said that some of his ideas are quite conservative. However, in the eyes of those people who take a 1-sided attitude to Western economic theories, Ma Ding's ideas are actually a revolt against Marxism.

The New York-based CHUNG PAO, which has connections with the CPC, was the first to launch an attack. On 19 December last year, the newspaper published an editorial entitled "Negate Academic Utilitarianism." The article erroneously accuses Ma Ding, believing that in his article Marxist political economy "has lost validity" and "we should boldly introduce the results of contemporary Western economics, including Keynes' theories." On the other hand, the article also criticizes the studies carried out by economic circles on the mainland.

Acting in coordination with each other, the CPC conservatives regarded CHUNG PAO's article as a spearhead and directed it at Zhao Ziyang.

XINHUA NEWS AGENCY's Publication and Others Responded To Hu Qiaomu's "Call"

This is because the economic views of Zhao Ziyang, in particular his think tank, are similar to those of Ma Ding. It was just because of this that Ma Ding's article could be published in GONGREN RIBAO.

Bombarding Ma Ding is, in reality, bombarding Zhao Ziyang. Moreover, the conservatives have long attacked Zhao Ziyang.

After reading CHUNG PAO's article, Hu Qiaomu, the "theoretical master" of the conservatives, filled with joy, proposed criticizing Ma Ding's article and bourgeois liberalization and sent a report to Hu Yaobang and Zhao Ziyang together with CHUNG PAO's article "for reference." His intention was obvious. Hearing Hu Qiaomu's call to "launch criticism," his subordinates energetically wrote critical articles.

JINGJI CANKAO (Economic Reference), compiled and printed by the XINHUA NEWS AGENCY (General Office) was the first to respond to the call. On 4 March, it headlined CHUNG PAO's editorial under the title of "Marxist Economics Has Great Vitality," which does not appear in CHUNG PAO's editorial. This means they accused Ma Ding of regarding Marxist economics as "lacking great vitality." In its subhead, it quoted a remark from CHUNG PAO's editorial for its own purpose. The remark says: "Some Chinese economists are suffering from indigestion of things foreign."

Deng Liqun Clamored There Was 'Spiritual Pollution in the Higher Echelons of Power'

From then on, some publications and an "authoritative person' stampeded to censure liberal-minded theoretical workers and put the labels of "indigestion of things foreign" and "spiritual pollution in the higher echelons of power" on theoreticians and Ma Ding. In addition, some effective writers upheld the "revolutionary mass criticism" banner under orders and were ready to denounce the reformers.

The so-called "authoritative person" is an obscure expression used by newspapers in Beijing. Who actually is he? Who is the maker of the idea of "spiritual pollution in he higher echelons of power?" Through many efforts to gather news and to study discoveries without any subjective intention, I came to know that the "authroitative person" was Deng Liqun. The notion of "spiritual pollution in the higher echelons of power" is the irresponsible masterpiece of Deng Liqun, who only read CHUNG PAO's editorial and never read Ma Ding's article carried in GONGREN RIBAO. Another performance of Deng Liqun! What a good performance of his!

It Was Decided To 'Criticize Zhao' on the Eve of the NPC Session

Why did the conservatives launch a "public opinion" offensive 2 months or longer after CHUNG PAO's article was published? A friend with inside information told me that "the timing was clever. First, it took time for Hu Qiaomu and his followers to form public opinion -- including organizing some effective writers to write critical articles. Second (more important), an NPC session at which Zhao Ziyang would deliver a report was to be held in March. Launching an attack against Zhao at that time would have greater impact and better results." What a carefully calculated plot it was!

At that time, dark clouds were gathering over the academic forum and it seemed that a movement to combat "spiritual pollution in the higher echelons of power" was pressing up to the theoretical community.

The politically sensitive theoretical community in Beijing sensed that the "Ma Ding storm" and the new activity to "combat [spiritual] pollution" were carefully calculated antireform and anti-opening-up policy plots. Some people doubted that the "inspiration" for writing CHUNG PAO's editorial stemmed from New York.

Many theoreticians have taken vigorous exception to CHUNG PAO's editorial and the coverage by JINGJI CANKAO of the editorial and to the formulation of "spiritual pollution in the higher echelons of power" in particular. However, in a situation where there is a lack of academic freedom, they dare not speak out or are forced to keep their resentment to themselves.

Counterattacks by Zhao Ziyang and Hu Yaobang

Just at this moment, the reformers in Zhongnanhai made known their positions. Zhao Ziyang and Hu Yaobang did not give an opening to the conservatives in the face of the latter's new offensive. First, Zhao Ziyang wrote comments on the report submitted by Hu Qiaomu. The comments say that it is necessary to be prudent in criticizing economic theories (general idea).

Then, Hu Yaobang added some comments on the same report. The comments say that it is necessary to be prudent in criticizing theoretical liberalization (general idea). This serves as a head-on blow to Hu Qiaomu and his followers who intended to launch "mass criticism" in the theoretical circles.

There is a change in the situation at which the vast numbers of theoretical workers all rejoiced. The "Ma Ding incident" became a boost to theoreticians' spirits. They all thought that Ma Ding's article was a good one. At the forum held on 22 March by the China Federation of Economics Societies on the development strategy for social sciences, the participating experts and scholars spent almost half their time excitingly discussing the "Ma Ding incident." Zhu Shaowen, researcher at the Economics Institute under the Academy of Social Sciences of China, said that Ma Ding's article was "exceptionally well-written." Yu Guangyuan also spoke in defense of Ma Ding. He also agreed that "Marx cannot solve many problems existing in China at present." Several newspapers in Beijing and Shanghai gave the "Ma Ding storm" wide coverage, criticizing CHUNG PAO, JINGJI CANKAO, and other "criticize Zhao" statements or articles.

What is surprising and interesting is that Zhu Houze, director of the Central Propaganda Department, also wrote comments on the report submitted to Hu Qiaomu. The comments say tht it is necessary to be prudent in criticizing theories. This attitude is also applicable to the criticism of literature and art works (general idea). These remarks by Zhu Houze were not only an encouragement to the theoretical community but they also made writers and artists happy.

The Conservatives, Hu Qiaomu Lost the Battle

A theoretician and a writer said to me almost at the same time: There have been some changes in the image of the Central Propaganda Department, the first change seen for many years.

The Central Propaganda Department's theoretical bureau specially held a meeting in the last 10 days of March, distributing domestic and foreign comments on Ma Ding's article (foreign comments were mainly made by Japanese newspapers and CHUNG PAO) and invited experts and scholars for public discussion. After the meeting, some people expressed appreciation for the novel practice of the Central Propaganda Department. Later, quite a few newspapers transmitted the strong demand for academic freedom. On 3 April, Shanghai's WEN HUI BAO carried Deng Weizhi's article. The title is quite similar to the comments by Hu and Zhao, namely, "we must be prudent in criticizing theoretical liberalization." Prior to this, Deng Weizhi published an article with similar views in RENMIN RIBAO.

The conservatives and Hu Qiaomu have lost the battle.

Many people in the cultural circles heaved a sigh and believed that any attempt to launch any movement to "combat [spiritual] pollution" in the academic circles was doomed to fail, although the fierce struggle was not yet over. Of course, no one knows when the conservatives will launch another new offensive against the reformers.

TA KUNG PAO DETAILS WANG RUOSHUI'S RECENT ACTIVITIES

HK081404 Hong Kong TA KUNG PAO in English 8-14 May 86 p 14

[By Xu Shu]

[Text] Spring came early to Beijing this year turning the city green shortly after Qingming Festival. Wang Ruoshui, who in 1984 lost his post as deputy editor of the PEOPLE'S DAILY when his views on humanism came under attack during the anti-spiritual pollution movement, began to turn up on various occasions. 'My health is better than last year,' Wang said. As if he had never been under any pressure whatever, 'I feel just fine,' he said.

Although quite a number of newspapers and magazines asked Wang to write for them, last year Wang only published 5 articles. Last autumn, when invited to Nanchang to give a speech, a varied audience crowded the auditorium and many of them lingered on after Wang's speech on Marx's Philosophy of Man which lasted nearly 7 hours. Wang gave a speech on the same topic in Shenzhen at the beginning of this year.

Even today Wang still holds to his opinions on humanism although criticism of such opinions caused his dismissal two years ago. When asked recently about the communist ideal, Wang answered, 'to let each person develop fully and freely; and to make every individual master of the world, the society, and of himself as well."

Although still holding no post as yet, Wang is not lonely. Many people expres concern for him and he is frequently visited by young people seeking advice.

At present, it is the modernization and reforms in China that concern Wang most. he has a philosphical view on the problems caused by reforms. 'We have to pay a price for modernization, this is inevitable,' Wang said. 'Seeking a way without any side-effects is Utopian. Retreating to the former path exacts an even heavier toll: everyone stays poor. According to Engels, the desire for wealth has been an impetus since the birth of civilization. Promoting the economy will naturally stimulate people's desire for wealth and comsumption. Getting rich in a proper way benefits the people and increases wealth in society. But a minority of people get rich by evil means. To tackle the problem we need a sound legal system which allows no fuedal injustice. Capitalist legal rights are more progressive than feudal privileges.'

Wang shows the same sort of optimism in his evaluation of present Chinese theoretical circles which many abroad see critically as silent and conservative. 'It is not a pool of stagnant water,' he said. 'A careful observer will find that there is a continuous flow of new ideas and theories published in all sorts of articles and magazines. Such a spirit of exploration is praiseworthy, although not all the ideas put forward are correct. Young and middle-aged theorists are particularly open-minded and vigorous. To me, this indicates that a new breakthrough is being bred.'

Although Wang Ruoshui has put down his pen for some time, many believe that a new breakthrough is being born from his silent research and observations too.

DAILY REPORT

CONTENTS

China

Vol I No 092 13 May 1986

PRC INTERNATIONAL AFFAIRS

GENERAL

World Bank, IDA To Provide Financial Assistance A 1
WFC Asia-Africa Workshop Opens in Guangzhou A 1
He Kang on Grain Policy A 1
Food Policies Discussed A 1
Huang Hua Comments on Asian Development A 2
Chen Muhua Meets, Fetes ADB President 12 May A 2
Journal Says China Promotes Labor Service Abroad A 2

NORTHEAST ASIA

Zhao Ziyang Talks on Trade Issue With Japan D 1
Wu Xueqian Meets Japan's Health, Welfare Minister D 1
Vice-Premier Li Peng Meets JAL Delegation D 2
PRC, Japan Establish New Joint Venture D 2
Ni Zhifu-Led Trade Union Delegation Visits DPRK D 2
Meets With Kim Il-song D 3
Rally Welcomes Delegation D 3
Yi Tae-ho Condemns Sinking of DPRK Boat D 4
Tian Jiyun Receives DPRK Youth Delegation D 4
South Korean Students Demonstrate in Inchon D 4
Massive Signature Campaign Rally in South Korea D 5

SOUTHEAST ASIA & PACIFIC

NPC Delegation Continues Visit to Australia E 1
Leaves for Home E 1
Australia's Hawke Views China's Future E 1
Guangzhou Mayor in Sydney for 'China Week' E 2
PRC Insurance Firms in Hong Kong Increase Capital E 2

WESTERN EUROPE

Wu Xueqian Begins 9-Nation European Tour G 1
Arrives in Finland G 1
Meets With Finnish President G 1
Wu, Vayrynen View Disarmament G 1
Speech Reviews Foreign Policy G 2
Views Cooperation With Europe G 3
Sign Taxation Agreement G 4
Feted at Banquet G 4
Li Peng Meets FRG Party Delegation 7 May G 5
PRC Becomes FRG's Largest Third World Trade Partner G 5
Zheng Tuobin, Delegation Depart for West Europe G 5

PRC NATIONAL AFFAIRS

Ministers Explain 5-Year Plan Goals, Problems K 1
RENMIN RIBAO on Questions of Circulating Capital [28 Apr] K 3
RENMIN RIBAO Urges Emulating Political Cadre [5 May] K 8
General Offices Issue Circular on Heroes, Models K 9
Article Views Obstacles to Study of Economics K 10
[SHIJIE JINGJI DAOBAO 21 Apr]
Su Shaozhi Article Calls for Academic Freedom K 11
[SHIJIE JINGJI DAOBAO 21 Apr]
Zhu Houze Attends Shanghai Cultural Forum K 13
Import of Automobiles To Be Strictly Controlled K 14
State Control Over Material Resources Relaxed K 14
'Nationwide Network' Set Up To Supervise Prices K 15
Workers' Supervision Stressed K 16
Regulations on Research Units' Work Relaxed K 16

PRC REGIONAL AFFAIRS

EAST REGION

Anhui Discusses 'Serious' Smuggling Problem O 1
Commentary on Antismuggling Efforts O 1
Jiangsu's Han Peixin Inspects Martyrs Cemetery O 2
Wan Shaofen Attends Closing of People's Congress O 2

CENTRAL-SOUTH REGION

Hubei: Guo Zhenqian on Seventh 5-Year Plan Tasks P 1
Briefs: Hubei Cotton Sowing P 1

NORTH REGION

Hebei's Xing Chongzhi on Spiritual Civilization R 1
Shanxi Leaders Attend Youth Day Celebration R 1
Shanxi Secretary Inspects Urban Construction Sites R 1

PRC MEDIA ON TAIWAN AFFAIRS

PRC Foreign Ministry Sets Up Taiwan Affairs Office U 1
ZHONGGUO TONGXUN SHE Comments on CAAC Message to CAL U 1

TAIWAN

Taiwan Agrees To Discuss Plane Issue With PRC . [AFP] V 1
CENTRAL DAILY NEWS Claims CAL Plane 'Forced' To PRC V 2
Commentary Assesses New PRC Taiwan Affairs Office V 2
Premier Yu Urges Safety Precautions on Nuclear Plants V 3
[CHINA POST 9 May]
Radiation Increases; Well Below Danger Level V 4
Yuan Says 75 Percent of Population Support Regime V 4

HONG KONG MEDIA ON CHINA

MING PAO: HONGQI Criticizes Liu Zaifu's Theories [7 May] W 1
PRC Scientist Discusses Nuclear, Weapons Development W 3
[TA KUNG PAO 10 May]
Wang Guangmei Describes Her Present Life W 4
[HONG KONG STANDARD 12 May]
PRC Increases Contacts With Taiwan Dissidents W 5
[HONG KONG STANDARD 12 May]

WORLD BANK, IDA TO PROVIDE FINANCIAL ASSISTANCE

OW090747 Beijing XINHUA in English 0703 GMT 9 May 86

[Text] Washington, May 8 (XINHUA) -- The World Bank and the International Development Association (IDA), will provide financial assistance totaling 190 million U.S. dollars to China to expand one of its major ports and to develop fisheries operations near urban centers, according to a World Bank news release today. A loan of 130 million dollars form the World Bank is to support the construction of a new pier in the eastern port of Tianjin, south of Beijing. The pier will have 11 deepwater berths that will increase the port's efficiency in handling general cargo as well as timber and construction materials.

A credit of 60 million dollars from IDA, a World Bank affiliate, will help finance the development of freshwater fish ponds near eight of China's major urban centers including Beijing, Shanghai, Chongqing and Shenyang. When complete, the project is expected to produce annually about 85,000 tons of freshwater fish and 75,000 tons of fish feed. It will create more than 7,000 full-time jobs.

WFC ASIA-AFRICA WORKSHOP OPENS IN GUANGZHOU

He Kang on Grain Policy

OW121617 Beijing XINHUA in English 1523 GMT 12 May 86

["China Won't Rely on World Grain Market" -- XINHUA headline]

[Text] Guangzhou, May 12 (XINHUA) -- China will stick to the policy of solving its food problem by itself, said China's minister of agriculture, animal husbandry and fishery today. Speaking at the opening session of the World Food Council's Asia-Africa workshop on food policy, He Kang said China, with a population of well over one billion, cannot pin its hope for food on the world grain market. He said that China has always tried to feed its population by itself. Its limited grain import is for a change in varieties and foreign trade.

He noted since 1978, new policies have been adopted, including allowing farmland to be worked on a household basis, developing diversifed economy, encouraging peasant markets, abolishing the state monopoly of grain purchase and raising the purchasing prices of agricultural products. He Kang said China now can basically feed its people through hard work over the past decades. Its 1985 grain output was 378,980,000 tons, averaging 378 kg for each person. He expressed the hope that China will further develop agriculture as far as its capacity allows.

Food Policies Discussed

OW122304 Beijing XINHUA In English 1446 GMT 12 May 86

[Text] Guangzhou, May 12 (XINHUA) -- China's experience in grain production is of significance for drought-stricken Africa, said an official of United Nations World Food Council (WFC) here today. Gilles Laubhaouet-Valley, vice-president of the WFC, made his address at "WFC Asia-Africa Workshop on Food Policy," a six-day seminar which opened here today. He said the drought and unfavourable international economic situation make it a greater necessity than ever for African countries to make appropriate food policies.

In this respect, he said, they may share China's experience in developing its agriculture by enlarging irrigated areas, adopting improved grain varieties, and applying more chemical fertilizers.

The seminar is meant to introduce to African countries the food policies practised in Asian countries, especially those performed in China. Attending the meeting include experts from China, Botswana, Burkina Faso, Central Africa Republic, Ivory Coast, Ethiopia, Gambia, Ghana, Guinea, India, Kenya, Mali, Mauritania, Niger, Senegal, and Zambia.

HUANG HUA COMMENTS ON ASIAN DEVELOPMENT

OW122322 Beijing XINHUA in English 1435 GMT 12 May 86

[Text] Beijing, May 12 (XINHUA) -- Huang Hua, vice-chairman of the National People's Congress Standing Committee, today met foreign participants in an international conference here on Asian development. Huang told them he thought the five-day conference, which ended today, had helped to strengthen understanding between developing Asian countries. He briefed the participants on China's continuing economic reforms and open policy, and exchanged views with them on co-operation between developing countries and world peace. The conference was organized by the Chinese Academy of Social Sciences and the United Nations University. Participants from 14 Asian countries took part.

CHEN MUHUA MEETS, FETES ADB PRESIDENT 12 MAY

OW121342 Beijing XINHUA in English 1333 GMT 12 May 86

[Text] Beijing, May 12 (XINHUA) -- Chen Muhua, state councillor and governor of the People's Bank of China, met with Masao Fujioka, president of the Asian Development Bank (ADB). She told Fujioka that she was satisfied with the session. Both Chen and Fujioka exchanged views on business cooperation between China and the ADB. Later, Chen gave a dinner for the visitors, who arrived here earlier today at the invitation of Chen Muhua.

JOURNAL SAYS CHINA PROMOTES LABOR SERVICE ABROAD

OW121346 Beijing XINHUA in English 1334 GMT 12 May 86

[Text] Beijing, May 12 (XINHUA) -- China has extended its labor service to 90 countries and regions, today's "INTERNATIONAL BUSINESS" Journal reported. By the end of last year, it had sent more than 170,000 people abroad on contracted engineering and labor projects. They include engineers, workers, cooks, sailors, doctors and craftsmen, mainly working in Middle-Eastern and north African countries. They are engaged in the construction of highways, bridges, harbors and buildings, as well as the machine-building, metallurgical, chemical, textile, power and light industries. China's labor service abroad is also being expanded to include service trades, the paper said. The country has so far established 65 companies handling labor services for foreign countries.

ZHAO ZIYANG TALKS ON TRADE ISSUE WITH JAPAN

OW071248 Beijing XINHUA in English 1232 GMT 7 May 86

[Text] Beijing, May 7 (XINHUA) -- Chinese Premier Zhao Ziyang today expressed his hope that the Chinese and Japanese Governments and peoples would make joint efforts to eliminate the trade imbalance between the two countries under the principle of equality and mutual benefit. During a meeting with a delegation from the Japanese Research Institute for National Policy headed by by its president, Shinsaku Hogen, Zhao praised the Japanese institute for its contributions to Sino-Japanese friendship.

Noting that Sino-Japanese friendly relations are based on their economic relations, Zhao said that economic relations between the two countries have developed well over the past few years and their financial cooperation has made fresh progress since the beginning of last year.

Zhao hoped that China's Japanese friends would make further efforts to help promote investment by Japanese entrepreneurs in China and Japanese technological transfer to China. Referring to problems in Sino-Japanese trade, Zhao said China's deficit in bilateral trade should be eliminated through joint efforts by both sides so as to guarantee the sound development of their trade. Zhao noted that China should improve the quality of its exports to meet market demands in Japan, while Japan should open its markets and reduce trade restrictions so as to import more Chinese commodities.

Shinsaku Hogen said that friendship between Japan and China is conducive to peace in Asia and the world as a whole. He told Zhao that his institute is willing to make continued efforts to promote economic and trade cooperation between the two countries.

Zhao briefed the guests on China's economic situation. He said that the on-going economic reform in China features stability with the adoption of proper principles and policies. Things have been going better than expected, he added. The Japanese delegation arrived here yesterday at the invitation of the Chinese People's Institute of Foreign Affairs. President of the institute Han Nianlong was present at today's meeting.

WU XUEQIAN MEETS JAPAN'S HEALTH, WELFARE MINISTER

OW091817 Beijing XINHUA in English 1810 GMT 9 May 86

[Text] Beijing, May 9 (XINHUA) -- Chinese State Councillor and Foreign Minister Wu Xueqian met here today Japanese Minister for Health and Welfare Isamu Imai, who is on a special China trip for settling the issue on Japanese orphans raised in China. Wu said Japanese orphans in China began to go to Japan to look for their parents and other relatives back in 1981. Since then, the Chinese side has been working positively in view of Sino-Japanese friendship and humanitarianism. Wu also expressed satisfaction with the positive cooperation from the Japanese side. The issue, left over from the history, is a very important one that should be settled through consultation, he said. In accordance with the agreement of the two sides, he said, 700 more Japanese orphans will go to Japan this year to look for their original parents or relatives. "I hope they will become a bridge for the Sino-Japanese friendship from generation to generation."

Isamu Imai expressed his gratitude to the Chinese Government and people, as well as the Chinese parents who had brought up the Japanese orphans. He said he hoped for an earlier settlement of the orphan issue.

According to sources disclosed, 842 Japanese orphans raised in China went to Japan between March 1981 and March 1986, and more than 300 of them have reunited with their parents and relatives. China and Japan have, through friendly discussions, reached agreement on the orphans issue, and Isamu Imai arrived here today to complete the note-exchanging procedures. During their stay here, Isamu Imai and his party are going to call on officials of the departments concerned and visit the China-Japan friendship hospital before returning home May 11. The Japanese visitors were honored at a banquet given by Chinese Vice Foreign Minister Qian Qichen here tonight.

VICE-PREMIER LI PENG MEETS JAL DELEGATION

OW092023 Beijing XINHUA in English 1524 GMT 9 May 86

[Text] Beijing, May 9 (XINHUA) -- Vice-Premier Li Peng met a Japan Airlines delegation led by company President Susumu Yamaji here today. Li said that since Japan Airlines and the Civil Aviation Administration of China (CAAC) had wide connections, aviation had become an important political, economic and cultural link between the two countries. He hoped there would be more close bilateral co-operation in aviation.

Yamaji said that a measure of how their links had grown could be seen in the fact that the number of Japanese and Chinese air passengers had increased from 50,000 in 1975 to 800,000 last year, while the volume of airfreight had risen from 1,400 to 24,000 tons. The Japanese delegation arrived here on Thursday at the invitation of CAAC Director General Hu Yizhou. Earlier today, the two sides held talks on the development of Sino-Japanese aviation co-operation.

PRC, JAPAN ESTABLISH NEW JOINT VENTURE

OW091410 Beijing XINHUA in English 1402 GMT 9 May 86

[Text] Tokyo, May 9 (XINHUA) -- Japan and China today established a new jointly-operated enterprise, Chuwa Trading Company, aimed at strengthening economic and technical cooperation between the two nations. The new company is founded by Japan's Wakoboeki Company and China's Harbour Engineering Company.

Naruo Fujisato, president of Wakoboeki Company, said at a reception hosted by Chuwa Trading Company in Tokyo Hotel this afternoon that establishment of the new company will strengthen economic and technological cooperation between the two nations. The new company will be responsible for the import and export of machinery, equipment, materials and technology needed for construction of harbours and other projects in and outside China. The company is headquartered in Tokyo and has an office in Beijing.

NI ZHIFU-LED TRADE UNION DELEGATION VISITS DRPK

OW091943 Beijing XINHUA in English 1740 GMT 9 May 86

[Text] Pyongyang, May 9 (XINHUA) -- Ni Zhifu, president of the All China Federation of Trade Unions (CFTU), today expressed firm support for the Korean Government's position for a peaceful settlement to the Korean issue. He made the pledge at a banquet hosted by the Central Committee of the General Federation of Trade Unions of Korea (CCGFT) in honour of the CFTU delegation in the People's Palace of Culture here. Ni, who is a member of the Political Bureau of the Central Committee of the Communist Party of China and leader of the delegation, said the purpose of the delegation's visit is to strengthen friendship between the two peoples.

Kim Pong-chu, chairman of the CCGFT, said the Chinese delegation's visit will contribute to the development of friendly relations between the working classes and trade unions of the two countries. The delegation arrived in Pyongyang this morning. This is the second visit of this kind led by Ni to Korea.

Meets With Kim Il-song

OW121421 Beijing XINHUA in English 1410 GMT 12 May 86

[Text] Pyongyang, May 12 (XINHUA) -- Korean President Kim Il-song today met with a Chinese trade union delegation led by Ni Zhifu, chairman of the All-China Federation of Trade Unions. During their talks, Kim, also secretary general of the Central Committee of the Korean Workers' Party, said that the Korean people were glad to see China's great achievements in modern socialist construction, and expressed the belief that China's four modernizations would be realized. Today the Korean General Federation of Trade Unions held a meeting in the workers auditorium to welcome the visiting delegation. The Chinese delegation arrived here May 9 and will visit some places in the country.

Rally Welcomes Delegation

OW122140 Beijing XINHUA Domestic Service in Chinese 1454 GMT 12 May 86

[By reporter Gao Haorong]

[Text] Pyongyang, 12 May (XINHUA) -- Today the General Federation of Trade Unions of Korea held a mass rally at Pyongyang's Workers Guild Hall to warmly welcome the Chinese trade union delegation led by Ni Zhifu, member of the Political Bureau of the CPC Central Committee and chairman of the All-China Federation of Trade Unions. Kim Pong-chu, chairman of the Central Committee of the General Federation of Trade Unions of Korea and Ni Zhifu made speeches at the rally.

Kim Pong-chu said: A profound social economic change unprecedented in its several thousand-year history is now taking place in China. This change of historic proportions is a major event promoting the development of the history of mankind. He continued: The Korean people believe that the socialist modernization program of the CPC is based on the actual situation in China. Kim expressed his belief that under the leadership of the CPC, the Chinese working class and people will definitely fulfill the tasks set by the 12th National CPC Congress and score fresh victories in all fields in developing the socialist modernization program.

Ni Zhifu praised the Korean working class and people for their firm determination and spirit of selflessness in building a poor and backward Korea into a prosperous socialist nation. He said: The Chinese workers feel highly elated over and wholeheartedly admire the achievements attained by the Korean workers and people in building socialism. Ni Zhifu expressed his firm determination to support the just struggle of the Korean workers and people for independence and peaceful reunification of the motherland and to endorse the plan put forward by the party and government of Korea for the realization of peaceful reunification.

In their speeches, both Kim Pong-chu and Ni Zhifu pledged to cherish the friendship between the workers and peoples of the two countries and pass it on from generation to generation. At the rally, both sides presented banners to each other. Attending the rally were So Yun-sok, member of the Central Committee Political Bureau of the Korean Workers' Party, and Zong Kewen, Chinese ambassador to Korea.

YI TAE-HO CONDEMNS SINKING OF DPRK BOAT

OW061325 Beijing XINHUA in English 1120 GMT 6 May 86

[Text] Panmunjom, May 6 (XINHUA) -- A high-ranking officer of the Democratic People's Republic of Korea today condemned South side for sinking a North side's fishing boat, calling the action "a piracy." Major General Yi Tae-ho, senior member of the Korean-Chinese side of the Korean Military Armistice Commission, made his accusation at the 435th meeting of the Korean Military Armistice Commission held here.

On April 24, a South Korean warship attacked and sank a North side's trawler no. 1390 that was sailing back for its base, killing two crew members and injuring four others, Li said. Showing pictures and a press conference video tape, the general denied te U.S. side's allegation that the "suspicous" trawler "went beyond the military demarcation line." Yi described South Korea's naval attrack as "an illegal action" that defied international law and the Korean Armistice Agreement."

Thanks to restraint of the North side for the sake of relaxing tension on the Korean peninsula, he said, the incident has not been escalated to an armed conflict between the two sides. But he warned the U.S. and South Korean representatives that the restraint should not be regarded as weakness. He demanded that the U.S. and South Korean authorities apologize, punish the chief plotter and assailants in the incident, and take measures to avoid occurence of similar incidents.

TIAN JIYUN RECEIVES DPRK YOUTH DELEGATION

OW101217 Beijing XINHUA in English 1200 GMT 10 May 86

[Text] Beijing, May 10 (XINHUA) — Tian Jiyun, member of the Political Bureau of the Chinese Communist Party Central Committee and vice-premier, met a delegation from the Socialist Working Youth League of Korea here today. Tian noted that the delegation's visit will enhance the profound friendship between China and Korea, and between their people and youths. The Chinese Communist Party and the Chinese people will make consistent and untiring efforts to defend the Sino-Korean friendship, he said.

Kim Chang-ryong, head of the delegation and vice-chairman of the Central Committee of the Socialist Working Youth League of Korea, said this friendship has been founded by the older generation of revolutionaries of the two countries and the Korean Youth League will carry it forward from generation to generation. Present was Song Defu, first secretary of the Chinese Communist Youth League Central Committee. The Korean youth delegation arrived in Beijing May 9 at the invitation of the Chinese youth league.

SOUTH KOREAN STUDENTS DEMONSTRATE IN INCHON

OW040735 Beijing XINHUA in English 0556 GMT 3 May 86

[Text] Pyongyang, May 3 (XINHUA) -- Tens of thousands of South Korean students and workers today demonstrated in Inchon, 25 miles west of Seoul, to denounce the South Koran authorities for forcing a cancellation of a big opposition rally, according to reports reaching here.

The rally sponsored by the opposition, New Korea Democratic Party (NKDP), is aimed at promoting an NKDP campaign to collect 10 million signatures on a petition to urge "President" Chon Tu-hwan to permit direct presidential polls next year.

The KOREAN CENTRAL NEWS AGENCY quoted the reports as saying that hours prior to the scheduled opposition gathering, more than 15,000 masses staged a peaceful protest inside and around a public hall in the western port city, chanting "go away U.S. imperialists" and "down with dictatorship." However, city authorities forced the party to cancel the meeting and a police cordon was set up around the hall and all routes to the site were cut off. Police threw tear gas at the masses coming to the meeting. NKDP leaders, including party President Yi Min-wu and leading dissident Kim Yong-sam, were prevented from getting into the hall. The meeting had to be postponed indefinitely. a massive demonstration followed immediately in protest. The demonstrators threw stones and petrol bombs at police and set fire to local offices of Chon's Democratic Justice Party as well as a police van and a civilian car.

On April 30, "President" Chon had talks with Yi, declaring that he would keep the current constitution until 1989, but claiming that if the ruling and opposition parties reach an agreement on the matter he will revise the constitution before his term expires. The KCNA report said that the South Korean authorities' acts of suppresion proved that what Chon said was nothing but "a fraud."

MASSIVE SIGNATURE CAMPAIGN RALLY IN SOUTH KOREA

OW111004 Beijing XINHUA in English 0935 GMT 11 May 86

[Text] Pyongyang, May 11 (XINHUA) -- More than 25,000 citizens in Masan city, South Korea, yesterday attended a rally in support of the signature campaign for constitutional revisions. The rally was sponsored by the leading opposition new Korea Democratic Party (NKDP), KOREAN CENTRAL NEWS AGENCY (KCNA) reported today. This is the eight such rally held in different South Korean cities organized by opposition forces.

In separate speechs, Kim Yong-sam and Kim Tae-chung, standing advisors to the NKDP, accused the United States for supporting the South Korean authorities during a recent visit to South Korea of U.S. Secretary of State George Shultz. They described South Korean "President" Chon Tu-hwan's claims as "a fraud resulting from strong nation-wide pressure" Chon Tu-hwan said on April 30 that "if an agreement on constitution revision could be reached in parliament between the ruling and opposition parties, the constitution revisions would be conducted before his term expires."

Following the rally, about 1,000 students launched a protesting demonstration. It was reported that more than 17,000 policement deployed in the area fired tear gas to disperse the protesters. Under the signature campaign plan, the New Korea Democratic party will hold a similar rally in Chonju city on May 17. The campaign's objective is to force the ruling authorities to accept a "three-stage political agenda", namely, a constitutional revision this year, a direct presidential election next year and a transference of power in 1988.

NPC DELEGATION CONTINUES VISIT TO AUSTRALIA

OW100652 Beijing XINHUA in English 0639 GMT 10 May 86

[Text] Melbourne, May 10 (XINHUA) -- Australia is sincere in wishing to build a mutually beneficial broadly-based relationship with China, said Tom Edmunds, speaker of the legislative assembly of the Australian southern state of Victoria, here this afternoon. Edmunds made these remarks at a luncheon given by the Victorian Parliament in honor of the Chinese National People's Congress (NPC) delegation led by Peng Chong, deputy chairman of the Chinese NPC Standing Committee. Edmunds said the Victoria state particularly cherishes its relationship with China's Jiangsu Province, which has established sister ties with the state of Victoria.

Peng said he was confident that with the steady growth of the Sino-Australian relations, bilateral economic cooperation and cultural exchanges would continue to increase. Bainqen Erdini Qoigyi Gyaincain, deputy leader of the NPC delegation and vice chairman of the NPC Standing Committee, was also present on the occasion. It is his first visit abroad since the 1960's. Apart from scheduled activities, he also met with Tibetans here this evening. It is estimated that some 30 Tibetans now reside in Australia.

China and Australia established diplomatic relations in 1972. The current visit of the Chinese NPC delegation is the third of its kind since 1978. The leaders of the two countries have exchanged visits many times over the last several years. Australian Prime Minister Robert Hawke will make a goodwill visit to China on May 18. The Chinese delegation, who arrived in Australia on April 29 at the invitation of the Australian Federal Parliament, will leave here for home tomorrow.

Leaves for Home

OW101243 Beijing XINHUA in English 1221 GMT 10 May 86

[Text] Melbourne: May 10 (XINHUA) -- The National People's Congress (NPC) delegation from China left David Hamer airport here for home this afternoon after a 12-day visit to Australia. During its stay in Australia the delegation held talks with Ninian Steppen, governor-general of Australia, and Prime Minister Robert Hawke, federal and state parliamentary leaders, federal and state government ministers on promotion of friendship and cooperation between the two countries.

Bainqen Erdini Qoigyi Gyaincain, vice chairman of the NPC Standing Committee and deputy leader of the delegation, discussed his perception of religious freedom in China today, which was praised by religion officials. The Chinese delegation, led by Peng Chong, vice chairman of the NPC Standing Committee, arrived April 29 at the invitation of the Australian Federal Parliament. NPC delegations previously visited Australia in 1978 and 1982.

AUSTRALIA'S HAWKE VIEWS CHINA'S FUTURE

OW121839 Beijing XINHUA in English 1810 GMT 12 May 86

[Text] Canberra, May 12 (XINHUA) -- South Africa stood out like an island of reaction in a sea of change, Australian Prime Minister Robert Hawke told the Duke of Edinburgh's Commonwealth Study Conference in Melbourne today. Hawke said while the process of decolonization has been substantially completed, the great majority of the people in South Africa have still to achieve sovereignty and control of their own destiny. "Today," he said, "The recently independent nations bring a totally new dimension to international affairs."

He went on to say that the Commonwealth, now representing a quarter of the world's population and a third of the sovereign and independent nations, have developed a particular capacity to recognize in time the need for change. The Australian prime minister noted that "a particular feature of the period has been the growing importance of north Asia -- of China and Japan especially -- and the economic dynamism of the Western Pacific Basin." He said, "I would venture two observations in this respect. First, the revolution which is occurring in China is the single most significant event of our time. Second, the pattern of dynamic economic growth in this region will continue to characterize the period to the end of this century." The conference, chaired by the duke of Edinburgh, is being attended by delegates from all Commonwealth countries.

GUANGZHOU MAYOR IN SYDNEY FOR 'CHINA WEEK'

OW122300 Beijing XINHUA in English 1527 GMT 12 May 86

[Text] Sydney, May 12 (XINHUA) -- The traditional Chinese dragon and lion dances marked the beginning of "China Week" here today -- the first of its kind in Australia since the establishment of diplomatic relations between China and Australia in December 1972. Hundreds of cheerful people carrying aloft panda banners and multi-color flags paraded through Sydney's main streets, from Chinatown to downtown's City Hall. The parades were welcomed at the Sydney Town hall by Mayor of Sydney Douglas Sutherland and Mayor of Guangzhou Zhu Senlin, who earlier today signed a proclamation announcing that Sydney and Guangzhou have become friendship cities. Guangzhou is the capital of China's southern province of Guangdong while Sydney is the capital of Australia's southeastern state of New South Wales. "China Week," which lasts from May 12 to 18, will present a variety of Chinese programs, including circus shows, painting, print and photo exhibitions, a film festival, the Guangdong trade fair and a trade seminar. The activities will take place in the Sydney Entertainment Center, the art gallery of New South Wales state, the Sydney Town Hall, the suburbs, parks, shopping centers and Chinatown.

PRC INSURANCE FIRMS IN HONG KONG INCREASE CAPITAL

OW122113 Beijing XINHUA in English 1506 GMT 12 May 86

[Text] Beijing, May 12 (XINHUA) -- Two Hong Kong-based Chinese insurance companies have increased their capital and two others will follow suit this year in efforts to expand business and provide more solid security for policy holders, according to the People's Insurance Company of China. The business of the Chinese insurance companies in Hong Kong scored a 10 percent increase in 1985, with goods transportation insurance achieving the highest growth, and growth of reinsurance exceeding 20 percent. In order to further boost its business, the China Life Insurance Company raised its capital to 20 million yuan renminbi from five million yuan renminbi in 1985. The China Reinsurance Company also extended its authorized capital to 100 million H.K. dollars from 50 million H.K. dollars; and its actual capital to 80 million H.K. dollars from 30 million H.K. dollars. This year, the Hong Kong Mingan Insurance Co. Ltd. plans to increase its actual capital to 100 million H.K. dollars from 50 million H.K. dollars and the China Baolian Investment Co. Ltd. has decided to raise its actual capital to 10 million H.K. dollars from 100,000 H.K. dollars. China has established in Hong Kong a fairly complete insurance system with various specialized companies dealing in property insurance, life insurance, reinsurance, investment and securities. There are now more than 280 insurance companies in Hong Kong and the competition is acute.

WU XUEQIAN BEGINS 9-NATION EUROPEAN TOUR

Arrives in Finland

OW111755 Beijing XINHUA in English 1746 GMT 11 May 86

[Text] Helsinki, May 11 (XINHUA) -- Chinese Foreign Minister Wu Xueqian arrived here today for a three-day official visit to Finland on the first leg of his nine-nation European tour. Wu, who was met at the airport by his Finnish counterpart Paavo Vayrynen, told reporters upon his arrival that he hoped that his visit would enhance understanding, develop friendship, strengthen cooperation and help maintain peace. This is the first visit by a Chinese foreign minister to Finland since the two countries established diplomatic ties in 1950.

Wu, also Chinese state councillor, expressed satisfaction over the development of bilateral relations in the past years and said the visit will further promote such relations. During the visit, which also will take him to Sweden, Norway, Denmark, Belgium, Luxembourg, Ireland, Democratic Germany and Hungary, Wu is expected to meet with Finnish President Mauno Koivisto and Premier Kalevi Sorsa and hold talks with Vayrynen on bilateral and international issues.

Meets With Finnish President

OW121550 Beijing XINHUA in English 1544 GMT 12 May 86

[Text] Helsinki, May 12 (XINHUA) -- Finnish President Mauno Koivisto today met visiting Chinese State Councillor and Foreign Minister Wu Xueqian and the two exchanged views on international issues of mutual concern. During the meeting the Chinese foreign minister also briefed the Finnish president on the economic situation in China and the economic reforms underway there. Later, President Koivisto gave a luncheon in honor of Wu attended by Finnish Prime Minister Kalevi Sorsa and other government ministers. Chinese Ambassador to Finland Lin Aili and other embassy officials were also on hand.

Wu, Vayrynen View Disarmament

OW121530 Beijing XINHUA in English 1510 GMT 12 May 86

[Text] Helsinki, May 12 (XINHUA) -- Visiting Chinese Foreign Minister Wu Xueqian held official talks with Finnish Foreign Minister Paavo Vayrynen this morning on East-West relations, disarmament, other pressing international issues and Sino-Finnish relations. The two ministers shared identical or similar views on a series of international questions during the meeting that lasted for more than two hours.

On disarmament, Wu expressed the hope that the United States and the Soviet Union will negotiate seriously to achieve large-scale arms reduction and reach an agreement which would not infringe upon other nations' interests. Vayrynan, while stressing that big powers bear major responsibilities for disarmament, hoped they will reach an agreement on an overall nuclear test ban.

On medium-range missiles, Wu said China demands a simultaneous and balanced reduction and destruction of missiles based in Europe and Asia. Vayrynen expressed his concern over the danger posed by cruise missiles to the neutral nations, saying that the use of such missiles should be banned.

During the cordial and friendly talks, they also briefed each other on the foreign policies of their own countries and the situation in Asia and northern Europe.

Wu, also a Chinese state councillor, reaffirmed that China appreciates and supports Finland's foreign policy of positive neutrality and peace and its efforts to promote detente and disarmament. The two agreed that Sino-Finnish relations have developed vigorously in recent years, as is evidenced by active political contacts, a developing trade and more exchanges in culture, science and technology. Both of them foresaw a bright prospect for bilateral cooperation and believed that the friendly relations between the two countries will further grow.

Present at the talks were Klaus Torlund, deputy state secretary of the Finnish Ministry of Foreign Affairs, and other Finnish high-ranking officials as well as Chinese Ambassador to the country Lin Aili.

Speech Reviews Foreign Policy

OW121924 Beijing XINHUA in English 1903 GMT 12 May 86

[Text] Helsinki, May 12 (XINHUA) -- Chinese Foreign Minister Wu Xueqian today said the fundamental objective of China's foreign policy is to oppose hegemony, safeguard world peace, develop international cooperation and promote common prosperity. Wu, in a speech at the Paasikivi Society here, said that China has put forward an independent and peace-oriented foreign policy as a long-term national policy in recent years. In pursuing the policy, he said, "China both fulfills the condition required by its own modernization program and makes a positive contribution to world peace and human progress." "China will never attach itself to any superpower, nor will it enter into alliance or establish strategic relations with either of them," said the Chinese minister, who arrived here on Sunday to start a nine-nation European tour that will also take him to Sweden, Norway, Denmark, Belgium, Luxembourg, Ireland, Democratic Germany and Hungary.

Wu said that China welcomes the resumption of U.S.-Soviet arms controls talks and hopes they will reach an agreement favorable to peace through serious negotiations. "We believe that so long as both China and the United States strictly adhere to the principles established in the joint communiques between the two countries, Sino-U.S. relations can develop steadily, and that if concrete actions are taken to remove the existing obstacles, a true improvement in Sino-Soviet relations is possible," he said.

Touching on the disarmament issue, Wu emphasized that China stands against arms race and its extension to outer space. China stands for the complete prohibition and thorough destruction of nuclear weapons, he continued. "The two big nuclear powers, which possess over 95 percent of the world's total nuclear arsenal, should take the lead by reducing their nuclear armaments. This is a prerequisite for bringing about universal nuclear disarmament." "The forces making for peace in the world have now outgrown the factors of war," he said, adding that "world peace can be maintained so long as the people of all countries and various forces for peace enhance their unity, cooperate closely and work unremittingly for peace."

With regard to international relations, the Chinese minister stressed that China opposes the use or threat of force in international relations. China opposes terrorism of all descriptions, and believes that the correct way to solve the problem is to wipe out the social and political root causes of terrorism, he said.

China supports the European nations in their efforts to relax tension in that region and welcomes the increased contacts and cooperation between East and West European countries aimed at relaxing the confrontations between the two military blocs in Europe.

In his speech, Wu renewed China's call for the pullout of all foreign troops from Kampuchea and Afghanistan so that the peoples there could choose their own social and political systems without outside interference. "This is the prerequisite for political settlement of the Kampuchean and Afghan questions through negotiations," he said.

He noted that such major world issues as peace, disarmament and development should not be monopolized by the superpowers, and all countries, the medium-sized and small ones in particular, should have an equal say. He stressed that China firmly supports the Third World countries in their struggle to oppose any forms of imperialism, colonialism and racism and to win and safeguard national independence and state sovereignty. China also supports North-South dialogue and enhanced South-South cooperation and the establishment of a new international economic order.

On Sino-Finnish relations, the Chinese minister said that China fully respects and understands Finland's stance in world affairs, and appreciates the useful role it plays in easing the tension in Europe and promoting the East-West contacts and cooperation. "In the lofty cause of world peace and international cooperation, China and Finland are friends and partners who can work closely together and trust each other," he said.

Also present at today's meeting were Paasikivi Society Chairman Jaakko Iloniemi, people from the country's political, business and journalistic circles and other public figures. Paasikivi Society, established in 1958 in memory of Finland's outstanding statesman and late President J.K. Paasikivi, is one of the most important institutions studying the country's foreign policy and international issues.

VIEWS COOPERATION WITH EUROPE

OW130638 Beijing XINHUA IN English 0628 GMT 13 May 86

[Text] Helsinki, May 12 (XINHUA) -- China attaches special importance to economic and technological cooperation with European countries, Chinese Foreign Minister Wu Xueqian said here today. Replying to questions from audience after addressing a meeting of the Paasikivi Society, Wu said China will not only promote trade and economic relations with the Asian-Pacific region but also with countries in Europe and the rest of the world. He expressed China's support for the Eureka program raised by France last year and supported by other West European countries, saying it is conducive to the continuous development of European economy and technology.

The Chinese Minister, who is on a nine-nation European tour that will also take him to Sweden, Norway, Denmark, Belgium, Luxembourg, Ireland, Democratic Germany and Hungary, said a united and strong Europe will be a major force in safeguarding world peace. Referring to regional development, Wu said the economic development in the Asian-Pacific region has been growing faster and has attracted much attention from the world community. The region's economy should develop under the principle of equality and mutual benefit and no superpower should be allowed to control the development of the region, he added.

Meanwhile, in an interview with Finish Tv, the foreign minister said China supports the Finnish foreign policy of peace and neutrality. The relationship between Finland and China is good and the perspective of cooperation between the two countries is broad, he pointed out, adding Finnish Prime Minister Kalevi Sorsa's visit to China in September will further promote the existing relations and cooperation between the two countries.

Sign Taxation Agreement

OW130244 Beijing XINHUA in English 0154 GMT 13 May 86

[Text] Helsinki, May 12 (XINHUA) -- China and Finland today signed an agreement to avoid double taxation and prevent evading fiscal responsibility. Wu Xueqian, Chinese state counsellor and foreign minister, and Paavo Vayrynen, Finnish Foreign minister, signed the agreement. The agreement, which will promote Finnish investment in China, follows an investment protection agreement signed between the two countries in September 1984.

Wu, whose three-day visit to Finland is the first stop of a nine-nation European tour, met with Finnish Prime Minister Kalevi Sorsa today and discussed bilateral trade and economic and technological cooperation. At the meeting, Wu conveyed to Sorsa cordial greetings from Chinese Premier Zhao Ziyang. Sorsa said that he is looking forward to his visit to China in September. Sorsa noted that Finland attaches much importance to promoting relations with China.

Feted at Banquet

OW130630 Beijing XINHUA in English 0615 GMT 13 May 86

[Text] Helsinki, May 12 (XINHUA) --- Chinese Foreign Minister Wu Xueqian said here tonight that northwest European countries are an active force in striving for detente and disarmament in Europe, and China respects their foreign policies worked out in the light of their own conditions. Speaking at a banquet hosted by his Finnish counterpart Paavo Vayrynen, Wu said his country supports a more active role for these countries in international affairs.

He pointed out that Finland, pursuing the foreign policy of "active and peaceful neutrality," has made unremitting efforts in and positive contribution to strengthening cooperation between Eastern and Western Europe and promoting detente and disarmament. He also said that China pursues an independent peaceful foreign policy and hopes to develop friendly relations with other countries on the basis of the five principles of peaceful coexistence. The foreign minister stressed the significance for China to develop long-term and stable friendly relations and cooperation with Western Europe. China values relations not only with major countries in Western Europe but also with medium and small nations in northwestern Europe, he declared. The important role of northwest European countries in promoting European cooperation and South-North dialogue and safeguarding world peace should be highly appraised, he added.

On bilateral relations, Wu said that Finland is among the earliest Western countries that established diplomatic relations with China, and the two countries have made great progress in their relations in the political, economic, cultural and other fields. He noted that enhancement of these ties is a good example of cooperation of mutual respect between countries with different social and economic systems.

Vayrynen in his speech described the first visit by a Chinese foreign minister to Finland as a historic event. On international affairs, he said that the stockpiling of nuclear armaments by major powers does not help increase world security, which hinges on the premise that these powers will never use these weapons. He stressed that Finland supports all efforts to limit nuclear weapons and halt the arms race. Vayrynen also said that Finland is making efforts to increase security inside and outside Europe and improve the international atmosphere. It believes that the proposal for a nuclear-free zone in northern Europe is of practical significance, he added.

He said that Finland and China have steadily developed their ties since the establishment of their diplomatic relations, and visits to each other have increased. He noted that the policy of opening to the outside world pursued by both countries makes it possible for the two countries to cooperate more closely in various fields. He hoped the relationship between the two countries will be further developed. Attending the banquet were Finnish officials and noted figures and diplomats of the Chinese Embassy here.

LI PENG MEETS FRG PARTY DELEGATION 7 MAY

OW071347 Beijing XINHUA in English 1338 GMT 7 May 86

[Text] Beijing, May 7 (XINHUA) -- Vice-Premier Li Peng and Walther L. Kiep, member of the Presidium of the Christian Democratic Union of the Federal Republic of Germany (FRG), discussed cooperation in automobile production between the two countries at a meeting here today. Li said the Chinese Government attaches great importance to the cooperation being conducted by a Shanghai automobile factory and Volkswagen of Federal Germany. Kiep considered this a symbol of Sino-FRG Economic and technological cooperation and said he would do his best to aid such cooperation. Both sides held that Volkswagen should help the Shanghai joint venture to produce spare automobile parts itself as quickly as possible. The Federal German side is also asked to import more of China's spare parts and other automobile products in order to enable the company to enjoy a foreign exchange balance. Kiep and his party arrived in Beijing May 5 at the invitation of the State Economic Commission.

PRC BECOMES FRG'S LARGEST THIRD WORLD TRADE PARTNER

OW080628 Beijing XINHUA in English 0535 GMT 8 May 86

[Text] Bonn, May 7 (XINHUA) -- Federal Germany's exports to China totalled 6.4 billion deutschmarks last year, making China its biggest third world trade partner. According to the Berlin (West) Economics Institute's report released today, Federal Germany's export volume with China was 1.2 billion marks more than with Saudi Arabia, Germany's second largest third-world exporting partner. In 1985, Federal Germany exported 4.8 billion marks worth of goods to Iraq, 4.2 billion to Turkey, 3.4 billion to India, 3.2 billion to Egypt and 2.9 billion to Algeria. The report predicted that this year Federal Germany's exports to China will not reach last year's record high level and its total exporting volume with the Third World countries will be reduced to about 69 billion marks. The country's total exporting volume with the Third World nations last year was 78 billion marks, 53 percent of which was with the oil producing countries. But with the oil price decline these nations' importing capacity will likely decline.

ZHENG TUOBIN, DELEGATION DEPART FOR WEST EUROPE

OW061729 Beijing XINHUA in English 1525 GMT 6 May 86

[Text] Beijing, May 6 (XINHUA) -- A Chinese Government economic and trade delegation led by Minister of Foreign Economic Relations and Trade Zheng Tuobin left here today for Ireland, France and Britain. Zheng will exchange views with his counterparts in the three countries respectively on the expansion of bilateral trade and economic cooperation. Zheng, on behalf of the Chinese Government, is going to sign an agreement on cooperation in economy, industry and sciences and technology between China and Ireland, a document on investment protection and loans between China and Britain. He will preside over the sixth session of the Sino-French mixed committees on economy and trade and sign a loan document between China and France.

MINISTERS EXPLAIN 5-YEAR PLAN GOALS, PROBLEMS

OW101009 Beijing XINHUA Domestic Service in Chinese 0632 GMT 9 May 86

["Conscientiously Carry Out the Seventh 5-Year Plan To Promote Socialist Modernization" — XINHUA headline]

[Excerpts] Beijing, 9 May (XINHUA) — XINHUA editor's note: The people of all nationalities throughout the country are conscientiously studying and carrying out the Seventh 5-Year Plan for economic and social development since it was approved by the Fourth Session of the Sixth National People's Congress. XINHUA today has transmitted a number of articles by responsible persons of the Ministries of Coal Industry, Railways, Metallurgical Industry, and Light Industry, and will transmit statements made in interviews with a few leaders of provinces, cities, and autonomous regions. These articles and talks have revealed from different angles how the ministries and the various areas are implementing the 5-Year Plan; moreover, they have also introduced their future plans for implementing the plan. As the Seventh 5-Year Plan is China's action program for reforms and construction in the next 5 years, we hope that the cadres and masses in all localities and in all trades and professions, while implementing the 5-Year Plan, will continue to display an unyielding spirit in carrying out reforms and working hard, and to do their utmost for the motherland's socialist modernization. [end editor's note]

Reform Should Be the Priority for the Coal Industry During the Seventh 5-Year Plan

By Minister of Coal Industry Yu Hongen

The 5 million workers and staff members of the coal industry have created a good situation for the industry with their diligence at a time when the Seventh 5-Year Plan has just started: Coal output of mines under central government administration rose 3.55 million tons during the first 5 months of this year over the same period in 1985. During the first 4 months, there were fewer accidents than in the same period last year, and new progress was made in capital construction.

According to the 5-Year Plan, China's annual coal output will reach 1 billion tons by 1990. In the next 5 years, the coal industry plans to build projects with a total capacity of 180 million tons, but projects with a total capacity of 167 million tons are expected to be completed.

During the Seventh 5-Year Plan, we shall continue our efforts to modernize our coal industry by giving it distinctive Chinese characteristics. First, we shall concentrate on the technical transformation, renovation, and expansion of the existing mines. The objective is to get quick and effective returns with less investment. Meanwhile, we shall step up construction of key projects in order to lay a sound foundation for the development of the coal industry in the next 10 years after the Seventh 5-Year Plan.

The Railroad Industry Should Strive To Effect a Significant Change Before Ushering in the 1990's

By Railways Minister Ding Guangen

The railways occupy a key position in China's whole transportation system. However, the transport capacity of the railways still cannot meet the increasing demand, and the quality of service is not good enough to satisfy the people's demand.

We know that we had important tasks to do in the first year of the Seventh 5-Year Plan, so we have worked hard from the outset and thus have gotten off to a good start: In the first 4 months of this year, in addition to fulfilling the passenger transport plan, we fulfilled the freight transport plan fairly well. The volume rose 4.4 percent over the same period of last year.

To improve railway transport services during the Seventh 5-Year Plan, we must emphasize railway management and operations in the next 5 years. We plan to build 2,500 kilometers of double-track lines and 4,000 kilometers of electrified lines, renovate and expand 7 marshalling yards, build 2 new ones, and build and renovate 10 passenger stations in order to raise the railway system's transport capacity.

The Iron and Steel Industry Should Advance to a New Level During the Seventh 5-Year Plan

By Minister of Metallurgical Industry Qi Yuanjing

The Seventh 5-Year Plan calls for annual steel production to reach 55 million to 58 million tons and for annual output of steel products to reach 44 million to 46.5 million tons by the year 1990, an increase of 8 million to 11 million tons and 7 million to 9.5 million tons respectively over 1985. The Seventh 5-Year Plan also sets fairly high demands on the iron and steel industry regarding variety, quality, and consumption.

In the first 4 months of this year, our production maintained a steady increase. Output of iron and steel rose more than 11 percent over the same period last year, while that of steel products increased by 8.9 percent. Good economic results were also reported.

In raising steel output in the next 5 years, three-fourths of the increase should be undertaken by existing enterprises. Iron smelting is a weak link in our effort to boost the output of steel to the level set by the Seventh 5-Year Plan and to break the 60-million-ton mark. Therefore, we must concentrate on increasing iron output, which is needed for the increase in steel production, in the next 5 years.

Currently, there is not only a shortage of steel, pig iron, and steel products in China, but, more importantly, a problem of poor variety, quality, and economic results. Although we have made some progress in these areas in the past few years, we are still far behind the international level and cannot meet the needs of national construction. Henceforth, we should pay attention, not only to raising output, but also to raising quality and producing marketable products. In the next 5 years, we shall try to make a breakthrough in developing high-quality steel products, with focus on low-alloy structural steel, which are urgently needed by the energy, transporation, machine-building, building, and electronics industries. Efforts will be made to increase China's output of low-alloy structural steel from 6.19 million tons in 1985 to over 9 million tons in 1990, and output of alloy steel from 2.92 million tons in 1985 to 4 million tons in 1990. Our efforts are to fulfill or overfulfill the targets set by the Seventh 5-Year Plan.

It Is Necessary To Raise Quality and Increase Varieties of Light Industry During the "Seventh 5-Year Plan"

By Light Industry Minister Yang Bo

During the first spring of the "Seventh 5-Year Plan," the broad masses of cadres, staff members, and workers on the light industry front worked hard and created a very good situation.

In the first quarter of this year, compared with the same period last year, the production of refrigerators and electric fans, which are in great demand in China's stores, increased by 66.5 percent and 31.2 percent respectively. The production of sugar, everyday glassware, dairy products, synthetic detergents and beer also rose by more than 10 percent over last year and satisifed the demand of the masses of people in urban and rural areas. However, we must also clearly see that the people are setting a higher demand on consumer goods and have become highly selective in buying those products. As a result, the problem of low quality and lack of variety is even more imporant than that of inadequacy. Therefore, in the next 5 years, we must use the reform of the economic structure as a motivation, constantly adjust production structure, and make great efforts to raise quality and increase variety of products to satisfy the needs of the people of the whole country.

In order to achieve a relatively big development in light industry during the "Seventh 5-Year Plan," especially significant progress in raising quality and increasing variety, we must further promote reform, and strive to turn various enterprises into socialist producers and commodity operators, with full vitality and full responsibility for operations and financial gains and losses. We should also eliminate obstacles between departments and regions, and among enterprises with different systems of ownership and use famous and fine products as leading forces to promote lateral economic and technological cooperation.

RENMIN RIBAO ON QUESTIONS OF CIRCULATING CAPITAL

HK120751 Beijing RENMIN RIBAO in Chinese 28 Apr 86 p 5

[Article by Zhu Tianshun: "The Problem of Circulating Capital Should Be Tackled in a Comprehensive Way"]

[Text] Why Has the Problem of Circulating Capital Become so Acute?

Circulating capital includes capital needed by enterprises in the course of production, and the capital needed in the circulation stage which is interdependent and interrelated with production stage. Every process of reproduction, which includes circulation, is an active cycle of circulating capital. To ensure production and circulation, we need sufficient circulating capital. However, due to the fact that most of the addition financial allocation of circulating capital has been turned into loans, after the tightening of money supply last year, the amount of circulating capital needed has exceeded the supply of loans which can be used as capital. This has made the contradiction in this aspect more acute. At present, the problem of circulating capital has become a striking problem in the national economy. If we fail to tackle it in a comprehensive way and solve it, it will adversely affect production and the normal cycle of circulation.

What are the factors contributing to the acute contradiction between the supply and demand of circulating funds?

1. The scale of capital construction was too broad, andthe number of newly opened enterprises was too great. Over the past 2 years, excessive scale of capital construction as adversely influenced the supply and demand of circulating capital basically in the following three aspects: 1) A large amount of capital was used because of the excessive scale of capital construction. This not only squeezed out some of the circulating capital needed by production and circulation and affected the full operation of production capability, but also squeezed out profits reserved by enterprises and their funds for renewing their equipment. Whether an enterprise is assigned a task of raising funds to carry out capital construction, or expands the scale of its own capital construction would affect its capability for technical reform by aiming at reducing the proportion of circulating capital.

2) Since there were many newly-opened enterprises, a large amount of circulating capital was needed. At present, while carrying out capital construction, generally speaking we do not arrange any basic circulating capital which is linked up with fixed assets. Therefore, the newly-opened enterprises lack circulating capital from the start. People describe this as "giving birth to a baby, but not breast-feeding it." However, since the "baby" has been born, some "milk" is needed. Therefore, loans provided by banks as circulating capital are not enough to go round — "gruel for three is shared by five." Over the past 2 years, some 20 percent of loans provided by banks as circulating capital went to the newly-opened enterprises. 3) There was a strain on the supply of means of production because of excessive scale of capital construction. This stimulated price hikes of means of production, and more circulating capital was used. According to statistics issued by some localities, about 30 percent of the newly-increased circulating capital was spent because of the rising price of means of production.

2. Some enterprises went in for excessively high speed and slackened their management. Apart from excessive scale of capital construction, seeking ultrahigh speed on the part of the existing enterprises also increased the demand on circulating capital in the following three aspects: 1) Almost all enterprises, including large and medium-scaled enterprises and town and township enterprises, sought to increase growth rate of output value, and they competed with each other in this respect. We learned that an increase per 100 yuan in output value needed circulating capital of 30 yuan or so on the average. 2) Since enterprises lacked power to improve their business management, the quality of their products declined. There was overstocking of products. In 1985, the capital which enterprises spent on industrial products and end products accounted for 21 percent of their fixed circulating capital, an increase of 31 percent over 1984. 3) Due to the strain on the supply of raw and processed materials, enterprises vied with each other to store more raw and processed materials, or blindly imported them regardless of cost. This increased the amount of capital earmarked for reserving materials.

3. Although commodity circulation was expanded, the means of financial circulation was insufficient. The national econmy was enlivened, commodity circulation expanded, and commerical credit increased. However, due to the insufficiency of the means of financial circulation, more circulating capital was used in the folowing three aspects: 1) Enterprises engaged in production increased the proportion of their own self-production and self-marketing, whereas industrial enterprises did more supplying and marketing business. All this increased the use of circulating capital. 2) Enterprises were in arrears with the payment of goods. The amount of payments receivable and the money paid in advance increased. This affected capital turnover. In 1983, the proportion of such payments receivable and money paid in advance, which were not fixed circulating capital, was 14 percent of the fixed circulating capital. It increased to 18 percent in 1984. The amount of clearing capital of commercial enterprises also markedly increased. 3) There was a large amount of capital held in transit. According to figures issued by joint trades and professions concerned throughout the country, the average amount of capital held in transit was more than 6 billion yuan every day (the figure was based on holding the capital for 5 days on average).

4. Due to the implementation of the supply system of circulating capital, a fairly large amount of circulating capital was not active enough. The supply system of circulation capital was an old problem. Although there was an acute contradiction between supply and demand of circulating capital, the supply system had not yet been shattered. There were still many circulating "pitfalls." 1) The percentage of reserve capital for products was still very large.

This was mainly due to the fact that a fairly large quantity of agricultural and sideline products, which had been purchased, and mineral products, which had been produced, were kept in stock. Some of the reserve capital for products belonged to the state reserve capital, and some belonged to circulating capital which got stuck. 2) The state financial departments allocated circulating capital for enterprises gratuitously. Enterprises concerned can still use it without any compensation. This gives rise to uneven distribution of capital. With regard to circulating capital, new and old enterprises cannot compete with each other from the same starting line. 3) To maintain their "profits," or "take off" the label of losing money in business, some enterprises resorted to deceit by hook or by crook. With regard to some "goods which should be considered as losses in stocktaking" and some other unsalable goods which should be discarded as useless, some enterprises were not willing to handle them financially in accordance with the formalities stipuilated by the state. They would rather keep them on the books. Although this caused "false profits and true losses," "less actual profits than reported," the current wage and bonus level of enterprises could be maintained. All this is called "inflated content" [shui fen 3055 0433] of circulating capital. In the past, the state helped enterprises free themselves from such dire straits several times. Now some enterprises still hope that the state will again help them remove the burden and take the risk for them. The problem of the so-called"inflated content" in circulating capital has become a long-standing, big and difficult problem which people describe as "grass that even a praire fire cannot destroy; it grows again when the spring breezes blow." In some enterprises, the percentage of "inflated content" in circulating capital is as high as about 10 percent. 4) Enterprises stretched out their hands to ask for circulating capital boldly at low interest whether their business was good or bad. Some banks failed to examine applications strictly.

The problems occurring in the four aspects mentioned above are major problems in circulating capital at present and we can see that they are quite serious. Our enterprises' circulating capital has not yet solved the old problems of "large spending, slow turnover, and poor results." On average, circulating capital in advanced capitalist countries passes through 7 to 10 cycles every year. However, there are only 3.5 cycles in our country.

Strengthening and Improving Macroscopic Control Over Circulating Capital

Circulating capital is connected with various fields such as production, distribution, exchange and consumption. Its operation reflects whether social and economic effect is good or bad. Every year, the loans newly allocated by banks as circulating capital account for about 70 percent of the total amount ofloans. Only by doing well in macroscopically grasping the key link of circulating capital can we exercise effective control over credit funds.

1. We should take the normal requirement of circulating capital as a means for controlling the scale of capital construction, and the speed of economic development. While organizing capital construction projects, we should consider fixed assets and circulating capital in a unified way. Only by linking fixed assets with circulating capital to form a whole can we carry out production and gain an income. While assessing feasibility of the scale of capital construction, we should consider not only the conditions of energy, communications, materials and funds for capital construction, but also conditions of basic circulating capital. Whether the state, localities, enterprises, towns and townships carry out their capital construction, they should have their own basic circulating capital. This should also be regarded as a means for controlling the scale of capital construction. Capital construction should make way for the circulating capital regularly needed.

Consideration of the needs of circulating capital should likewise be regarded as a means for controlling excessively high speed. The speed of economic development should be based on the feasability of energy, communications, and materials. Besides, the feasability of circulating capital should also be taken into consideration.

2. We should continue to deepen economic reform, develop lateral economic ties, and expand commodity circulation of agricultural and sideline products and mineral products. It is only after entering the market that products become commodities, and are circulated. Only thus can products have their own value, and can capital circulation be ensured. Town and township enterprises should place their emphasis on the commercialization of agricultural and sideline products. In the process of developing lateral economic ties, we should turn products into commodities through various forms of economic and technical cooperation. We should also turn unsalable commodities into commodities which sell well. In a word, through developing socialist commodity economy, we should wake up and enliven circulating capital which is "slumbering."

3. We should enhance technical and management level of enterprises, cut down the consumption of raw and processed materials, enhance product quality, spend less funds and speed up capital turnover. In the present fixed circulating capital of the industry, material reserve capital accounts for about 60 percent, and capital for products and finished products accounts for about 20 percent. A situation of the "clumsy fish finding it difficult to swim" has occurred. To change this situation, we should devote our efforts to technology and management, reduce the consumption of materials, and enhance product quality. To do so, we should macroscopically consider the sources of technical reform and funds. We would rather carry out less capital construction than give up technical reform. We would rather let enterprises retain more profits than abandon modernization of enterprises (including modernization of technology and management). In particular, we should support the efforts to upgrade and renew products for export in order to enhance the competitiveness of our products on the international market.

4. We should change the supply system of circulating capital. 1) The state should levy a charge on the circulating capital provided in the past in order to support key enterprises and enterprises manufacturing products for export with circulation capital. 2) We should establish an examination and auditing system for the circulating capital of enterprises, and let enterprises use their own methods to solve stage by stage and group by group the problem of "inflated content" in circulating capital, and prevent the occurrence of new "inflated content." The idea of enterprises fearing to cast off their burdens and not daring to carry out investigation and auditing should be overcome. The more we know about the situation of circulating capital of enterprises, and the "clearer the water in which the number of fish can be fully counted," the better we know about whether these enterprises have done well in carrying out their management and administration, and in observing financial and economic discipline.

In the course of carrying out examination and auditing, we should criticize the specious argument that shifting circulating capital to capital construction, or raising funds for this purpose means "interchanging between circulating capital and fixed assets." These two kinds of things can interchange only through production, circulation, and the intensification of administration and management. The method of promoting direct "interchange" through releasing regular circulating capital will not work. 3) We should follow a system of different interest rates, or floating rates, and make use of interest rates to reward the best and restrict the worst. 4) We should follow a system of letting enterprises replenish their own circulating capital, and enhance their capability of taking risks.

Leaders of enterprises should have a financial concept, and rationally arrange circulating capital of enterprises. They should regard the management of circulating capital as their own concern, rather than an added burden.

Leaders of enterprises should have a financial concept, and rationally arrange circulating capital of enterprises. They should regard the management of circulating capital as their own concern, rather than an added burden.

Enlivening Circulating Capital Microscopically

The problem of the amount of use of circulating capital and its importance to production and circulation are major issues of macroeconomics which should be handled well.

It is also an important aspect of microeconomics which should be enlivened. In the course of promoting their production, enterprises should correct the practice of excessive speed and satisfy the demand of circulating capital to develop production at normal speed.

1. We should exercise a flexible control over the total amount of annual loans earmarked for circulating capital. The amount of circulating capital might be different every month, or every quarter. Basic-level banks should be allowed to flexibly adjust the figures in accordance with the situation in production. The amount of annual loans earmarked for circulating capital is not compulsorily fixed. If basic-level banks receive more deposits, they are allowed to provide more loans for circulating capital. Thus, we will be able to arouse the enthusiasm of local government in paying attention to savings deposits of local banks.

2. We should reform the system of settling accounts and speed up the work. With the development of commodity economy, we should reform the previous system of settling accounts based on planned purchase and marketing by the state. We should vigorously develop the system of using more commercial bills of credit, discount bills and clearing checks. We should speed up the process of computerization of banks. First, we should establish microcomputerized remote data processing networks to speed up capital turnover and minimize the default in payment of cash in transit.

3. We should deal with each case on its merits and avoid demanding conformity in everything. With regard to enterprises which are engaged in manufacturing famous-brand products, new and marketable products, high-quality and cheap products, products which earn foreign exchange for the state, products connected with energy and communications, and products or small commodities in short supply, priority for loans should be given to them. The terms of loans for them should be softened. If something has happened with regard to the business management of an enterprise, we should not give it all-out support. However, if one kind of its products is salable, we should support production of such products. With regard to new, integrated enterprises which develop in the course of promoting lateral economic ties, we should let them open bank accounts, and supply them with loans earmarked for circulating capital. With regard to enterprises which manufacture products in a rough and slipshod way, or produce low-quality, expensive and unmarketable goods, we should not provide them with "benevolent credits."

4. We should tap the potential of circulating capital, and handle the problem of "inflated content" in capital. They key to solving the problem of circulating capital lies in tapping the potentials of enterprises in circulating capital. We should recall loans and promote the sale of products and materials which should be sold at reduced prices (those enterprises which wait for higher price to sell, or keep goods in stock intentionally should pay higher interest rates). We should reduce the amount of materials which are overstocked. Dealing with the problem of "inflated content" might influence financial revenue of some localities. To arouse the enthusiasm of localities, we should appropriately increase the amount of loans for local enterprises, which are earmarked for circulating capital, after recalling loans as a result of the settlement of the problem of "inflated content."

RENMIN RIBAO URGES EMULATING POLITICAL CADRE

HK110539 Beijing RENMIN RIBAO in Chinese 5 May 86 p 1

[Commentator's article: "Thousands of People Like Xiong Yuanqi Are Needed During Our Times"]

[Text] The new historical period makes new demands on ideological and political work. Fine political work cadre Comrade Xiong Yuanqi was one of the exemplary persons who emerged on the ideological front in the new situation of reform and opening to the outside world. His spirit of "self-confidence, self-strengthening, and self-respect "is worth learning earnestly by all political work cadres.

In order to create a new situation in ideological and political work, centering on the central task of energetically developing the productive forces and keeping abreast of the needs of building a highly advanced socialist material civilization and spiritual civilization, we must strive to increase the ideological consciousness and raise the ethical level of the masses of people so that they can develop their enthusiasm, initiative, and spirit of blazing new trails. In the course of reform and opening to the outside world, we must try hard to learn advanced science and technology and managerial experience from foreign countries, and to develop the socialist commodity economy. At the same time, we must resolutely resist the influence of various decadent ideas and overcome erroneous ideas which hamper the progress of reform. Reform and opening to the outside world have put forward new and more arduous tasks for ideological and political work. This has made some comrades think that it is difficult to do ideological and political work and that they do not know how to do ideological and political work. They are unwilling to do, or have neglected and relaxed, work in this respect. Comrade Xiong Yuanqi was also aware that the work had become more difficult and the demands higher. However, he never wavered in his confidence in doing a good job in ideological and political work. He regarded meeting the needs of the party and the people as his sacred task and bounden duty. He advanced amid difficulties and devoted all his energy and gave a brilliant performance at an ordinary post.

Ideological and political work is a science for sculpting human souls. People who only have enthusiasm are not qualified to engage in this branch of science. We have often come across comrades who are "enthusiastic" in doing ideological work but who only indulge in aimless preaching and frequently put on a stern expression and critcize others. Consequently, those who are criticized express their disagreement and those who are educated stay at a respectful distance from them. Why was Comrade Xiong Yuanqi's ideological and political work full of vitality and attractive? An important reason is that Comrade Xiong Yuanqi was not satisfied with doing his work in an ordinary way and constantly improved himself politically and professionally in the spirit of self-strengthening. While carrying forward the fine tradition of the past, he endeavored to explore the characteristics and laws in ideological and political work in the new period; and on the basis of studying Marxist theories, he paid attention to psychology, law, and the science of management. Therefore, he did ideological and political work in a fair and reasonable manner and attained outstanding achievements.

The party and the people need ideological and political workers like Comrade Xiong Yuanqi not simply because he actively publicized the party's principles and policies but also because he did solid work and set an example for others.

There is an old saying: "If a person is an eloquent speaker and earnestly practices what he advocates, he is a valuable asset to the country." Since political work cadres educate others, they should first of all have self-respect and self-esteem and should lay greater stress on setting a personal example than on verbal instructions. As long as a political work cadre can match his deeds with his thoughts and words, and follows what is true, good, and beautiful, he will win the respect and trust of the people and be able to inspire and encourage millions upon millions of people to forge ahead together.

The party and the people are anticipating the emergence of tens of millions of Xiong Yuanqi's. If large numbers of people like Xiong Yuanqi have matured, we shall then have a mighty contingent of ideological workers who are full of combat power and are able to convince and attract others, carry out our ideological and political work with excellent results, and continuously open up new situations in promoting the building of the two civilizations.

GENERAL OFFICES ISSUE CIRCULAR ON HEROES, MODELS

OW112000 Beijing Domestic Service in Mandarin 1100 GMT 10 May 86

[Text] The General Offices of the CPC Central Committee and the Central Military Commission recently approved and conveyed the report made by the Central Propaganda Department and the PLA General Political Department on the results of the PLA Heroes and Models Reporting Group's reporting activities throughout the country.

In the circular approving and conveying this report, the two general offices pointed out: The reporting activities of these heroes and models and the publicity campaign on advanced persons launched on all fronts offer an extremely valuable experience in how to do ideological and political work well in the new period.

In their report to the CPC Central Committee and the Central Military Commission, the Central Propaganda Department and the PLA General Political Department summed up the following experiences by which the PLA Heroes and Models Reporting Group had attained their success:

1. To give widespread publicity to and enthusiastically learn from the advanced deeds of heroes and models is an effective way in extensively carrying out education on Communist ideas.

2. The Communist ideas and lofty ethics of the heroes and models have set a good example for the broad masses of young people to foster their correct world outlook.

3. Workers in the field of ideology and politics must ensure that their own thinking and workstyle are able to pass the stiffest test.

4. Ideological education and propaganda work must be carried out in close connection with the actual situation. They must be realistic and reasonable.

The report made by the Central Propaganda Department and the PLA General Political Department stressed: Propaganda and cultural departments must make it their bounden duty to wholeheartedly publicize typical advanced examples so as to promote a fine general mood of society by means of strong public opinion.

A. the same time, the report also pointed out: Right now, many departments and areas have already organized or are beginning to organize the advanced characters in all fields of endeavor to make speeches to the masses.

In doing this type of work, we must carefully select the advanced characters. We must avoid sponsoring too many speeches in one area. It is necessary to make full use of up-to-date propaganda media such as television and audio and video recorders so that activities to give widespread publicity to and learn from heroes and models will be carried out even more extensively and over an even longer period of time.

ARTICLE VIEWS OBSTACLES TO STUDY OF ECONOMICS

HK100746 Shanghai SHIJIE JINGJI DAOBAO in Chinese 21 Apr 86 p 14

[Article by Chen Lebo: "Three Major Obstacles to the Development of Economics Study in Our Country"]

[Text] Our country's theoretical workers have made tremendous efforts to develop the study of socialist economics. However, the level of theoretical research is considerably low. A careful analysis shows that there are three obstacles to the development of the study of socialist economics in our country.

First Obstacle: The Socialist Economic Mechanism Has Not Yet Developed to Maturity

The summary of theoretical law cannot go beyond the development of matter. At present we are arduously exploring ways to reform the socialist economic system. Our country's economic mechanism is now in an unstable state in which the new and old patterns are being applied side by side. Under this situation, we should recognize the historical obstacles to the development of the socialist economic theories and boldly conduct theoretical exploration in light of practice. However, owing to historical reasons, we always used to take the socialist pattern of the Soviet Union as the model. This has severely restricted our thinking. The historical obstacles are holding us back and hindering our progress.

Second Obstacle: Shifting Events Are Coped With by Sticking to a Fundamental Principle

The classical Marxist works, especially Marx' "Das Kapital" which has a perfect structure and contains incisive analyses, have exerted tremendous influence on our country's economists. This is quite natural. However, a matter which goes too far will become the opposite of what was meant. As a result of the influence by the "left" line over the past years, we also have adopted an attitude of unswervingly following only the instructions given in "Das Kapital." That is, only what is said in "Das Kapital" counts, and things which are not mentioned in "Das Kapital" are unorthodox. We just coped with the shifting events by sticking to a fundamental principle, that is, by applying the instructions in the classic example. Applying the instructions in a century-old book in appraising the varied realities of a greatly changed society will invariably result in the ossification of thinking and the separation of theories from social practice. Theoretical work means comparing and analyzing various kinds of different ideas, and truth has to go through a course of setbacks before it can be grasped by the people. This is the normal process of scientific work and a prerequisite to scientific development. However, due to the lack of an absolute demarcation line between a political problem and an academic problem, and as a result of the influence by the "left" ideas of "putting politics in command" as in the past, a deviation in expressing and understanding a problem might even stir up an unimaginable political storm so that the development of our studies of socialist economics meet huge obstacles as far as theoretical research and work style are concerned, the analyses and studies of the traditional Marxist economics are often labeled as anti-Marxist, and the use of the Western economic theories for reference is sometimes regarded as "wholesale Westernization."

There is also the question of an all-round, complete understanding of "Das Kapital." For a long time in the past, instead of proceeding from the process of operations and the internal contradictions of the socialist economy, the study of the socialist society mechanically analyzed and applied the standards and categories of the capitalist society.... As a result, the quintessence of the Marxist economic theories was not duly developed under the new conditions.

Third Obstacle: Academic Problems Are Mixed With Political Problems

In the course of academic research, some patterns which have long been publicly acknowledged as correct have often aroused doubts, and some of the things which have been fully proved to be wrong have often attracted close attention and been elaborated on. For this reason, a great deal of economic information is passed on through internal channels and the research on economic theories is "suffocated." Once learning is equated with politics, political leadership naturally becomes academic authority. In this situation, the most important task of theoretical work is neither to serve policymaking nor to open up new domains, but merely to serve the policy.

No one will deny that the above-mentioned situation has greatly changed over the past few years as a result of the urgent social demand for economic restructuring. However, we must also see that because of the low level of our social economic theories, we are lagging rather far behind in the planning of reforms, the making of ideological preparations, and the training of cadres. For this reason, it is necessary for us to reexamine the obstacles we have met in developing the socialist economic theories, to reconsider the status of the socialist economic theories as a subject of study and the conditions for its continuous development, and to make clear what kind of studies are "unhealth trends" in the study of economic theories.

SU SHAOZHI ARTICLE CALLS FOR ACADEMIC FREEDOM

HK120430 Shanghai SHIJIE JINGJI DAOBAO in Chinese 21 Apr 86 p 2

[Article by contributing commentator Su Shaozhi: "Now There Is Greater Need To Make Bold Explorations"]

[Text] The ongoing economic structural reform is the second major change following the socialist transformation of the private ownership system of the means of production after the victory of our proletarian revolution. It is a change, reform, and innovation, and an experiment, so no ready-made solution for it can be found in the classical works of Marxism.

Marx and Engels mainly analyzed capitalism, they did not have practical experience in building socialism. Lenin used much of his energy to deal with the civil war after the October Revolution, and then he put forth the new economic policy after the victory of the civil war. I think that Lenin's new economic policy was the first trial to reform the economic system. However, because Lenin's health failed and he died too early, his economic policy was soon replaced by Stalin's theory and practice and was not seriously and fully implemented. It can be said that the economic structural reform is still in the stage of practice, and the theoretical foundation has yet to be established.

Therefore, when carrying out reform, we should not be afraid of running some risks. Stalin's economic model has existed in China for more than 30 years, and has not been thoroughly changed although we have found various defects in this economic system. The main reason is that we are still afraid of running risks and committing mistakes. In fact, maintaining an old system that is not suited to the development of the productive forces and the times is itself a big mistake.

Of course, we should do our best to advance reform prudently and steadily. However, it is impossible to avoid all risks. Reform without any risk is not reform at all. It is unavoidable that errors may appear in the course of reform. In fact, the prolonged existence of the old system itself has caused many errors, but as people are accustomed to the old system they do not deeply realize these. However, they are very sensitive to minor errors and changes in the course of reform, because they are not used to the new things. Therefore, when observing and assessing the situation of reform, we should soberly distinguish the mainstream from nonessential phenomena and believe that transient and nonessential problems can be resolved through further reform.

To carry out reform, we should dare to break through some dogma in the traditional textbooks, as well as some major conclusions in the classical works of Marxism. For example, when reform is carried out in a socialist country, it is inevitable that theoretical studies will first be made on the relationship between plans and markets. The biggest problem in the old system is the viewpoint that holds that plans and markets are contradictory and repulsive to each other and that the socialist planned economy must be based on a product economy rather than a commodity economy. So, our reform must first break through this dogma and raise the viewpoint that the socialist planned economy should still be placed on the basis of a commodity economy. The resolution adopted by the 3d Plenary Session of the 12th CPC Central Committee put forth a new concept of a planned comodity economy, and this represents a major breakthrough in Marxist theory. Following this major theoretical breakthrough, we still have to continue our explorations in both theory and practice. We should consider things in light of the regularity of the socialist commodity economy; discard all old concepts, ideas, practices, conventions, and systems that are no longer suited to the socialist commodity economy; and adapt all aspects of our social and economic life through reforms to the requirements of the development of the socialist commodity economy. To carry on reform successfully, we still have to make a series of breakthroughs. Reform itself is a breakthrough. Negating the need to make breakthroughs is equal to negating reform.

Since reform will break through some major Marxist conclusions, it will certainly bring about new phenomena, new questions, and new opinions. It is certain that our political economic textbooks and some concepts, categories, and viewpoints in the classical works of Marxism will not be able to satisfy the needs and need to be updated. The new questions include the increase in the number of white-collar workers in developed capitalist countries; the increasing role of science and technology in creating value; the increasing proportion of tertiary industry in the economy; the extensive use of computers and robots; the appearance of systems engineering, cybernetics, informatics, depletion structure theory, and other research methodologies; and the consolidation of the ruling part in a socialist country, the socialist commodity economy and the market mechanisms in a socialist country, and employment and fund-raising under the socialist system... along with the appearance of the new phenomena and new questions, there must be new concepts. Through sublation, we can also assimilate some new concepts developed by contemporary scholars in developed capitalist countries. Marxism itself is an open doctrine. When writing "Das Kapital," Marx quoted many works by bourgeois economists and made use of their concepts. As we all know, the three sources of Marxism summarized by Lenin are not proletarian theories at all. If Marx were alive today, he would not turn a blind eye to all sorts of new ideas and concepts. In order to carry out reform, we must asimilate new ideas and put forth new concepts. Of course, we should assimilate other people's things in a critical way.

In view of the current situation in our country, I think that a major obstacle to our ongoing reform is the lack of theoretical explanation of our reform. This is partly because we have not given full scope to free academic discussion. We tend to recklessly attach the label of "bourgeois liberalism" to some new opinions, and this makes our minds too tightly bound by the traditional ideas and discourages us from developing theory from our real life. As a result, our theory lags behind our practice. Our theorists are used to writing stereotypes or repeating empty talk that seems correct at any time and in any circumstances. This style will certainly obstruct our reform.

Modernization and democratization is the objective of our struggle. Reform of the economic and political systems is a way to reach this objective. In order to advance the reform, we should seriously carry out the principle of letting "a hundred flowers bloom and a hundred schools of thought contend," and should encourage free academic discussions. We should oppose the practice of recklessly denouncing some academic theories as "liberalism." Historical experience tells us that attaching a political label to an academic issue will never lead to a good result. What we need now are bold explorations.

ZHU HOUZE ATTENDS SHANGHAI CULTURAL FORUM

OW102055 Beijing XINHUA Domestic Service in Chinese 1545 GMT 10 May 86

[By reporter Zhao Lanying]

[Text] Shanghai, 10 May (XINHUA) -- Over 300 experts, scholars, and scientfic research personnel from Beijing and Shanghai gathered together here today to discuss and study the "Draft Proposal on Strategy for Shanghai's Cultural Development" as well as the some 100 relevant papers and investigation reports, and to suggest ways and means for forming a strategy to promote culture in Shanghai.

The activities in studying the strategy to promote culture in Shanghai constitute an important step adopted by the Shanghai Municipal CPC Committee in implementing the policy of the central authorities to simultaneously develop the "two types of civilizations." These activities have aroused widespread attention from people of all walks of life since they began to develop in March last year. Over 400 professors, experts, scholars, and scientific research personnel in Shanghai have written more than 100 papers and investigation reports on Shaghai's cultural development. These investigation and research activities have delved, in a preliminary way, into the history and the current situation in promoting cultural development in Shanghai, pointed out the way to deal with the situation, and provided a solid basis to bring about a balanced development between Shanghai's culture and economy and among the various cultural departments in the city.

The forum which opened today is the continuation and extension of the aforementioned study activities. At the forum, Rui Xingwen, secretary of the Shanghai Municipal CPC Committee, said: The aim in forming a strategy to promote cultural development in Shanghai is to foster a new style of work and bring up one generation of "new Shanghai landers" after another. Rui Xingwen said: Shanghai already has two strategic plans -- the "Shanghai Economic Development Strategy" and the "General Plan for Shanghai's Urban Development." The "Strategy for Promoting Cultural Development in Shanghai" now being studied is the third plan. With these three plans, Shanghai will be able to do a good job implementing the "Seventh 5-Year" Plan and make even greater contributions for the whole country.

Zhu Houze, head of the Propaganda Department under the CPC Central Committee; Xia Yan, vice chairman of the China Federation of Literary and Art Circles; Gao Zhanxiang, vice minister of culture; and many scholars and responsible persons of various departments in Beijing made special trips to Shanghai to attend this forum. Also attending today's inaugural ceremony were principal responsible persons and some celebrities in Shanghai.

IMPORT OF AUTOMOBILES TO BE STRICTLY CONTROLLED

HK100710 Beijing ZHONGGUO XINWEN SHE in Chinese 1343 GMT 8 May 86

[Text] Beijing, 8 May (ZHONGGUO XINWEN SHE) -- Our reporters have learned from the China Automobile Marketing Service Company that the recession in the automobile market in China which arose in the latter half of last year has not been alleviated yet. This year, the output of automobiles will be maintained at the same level as last year, and the import of automobiles will be kept under strict control.

The prices of most China-made automobiles have dropped by 20 to 40 percent on average. The price of a Jiefang brand truck has dropped by 9,000 yuan, that of a Dongfeng brand truck by 6,000 yuan, that of a Huang He brand truck by 20,000 yuan, and that of a Yuejin brand truck by more than 10,000 yuan.

According to a source concerned, there are many contributing factors for the recession in the automobile market. Now that the government is exerting strict control over credit extension, some car purchasers who intend to buy do not have enough money. Meanwhile, many automobiles are lying idle due to a domestic shortage of gasoline. In addition, the domestic automobile market had a strong impact from the large number of cars imported in 1984 and 1985. A series of preferential policies such as the lifting of restrictions on the purchase of cars by non-individual consumers, lowering of prices, and the method of hire purchase were adopted.

The same source pointed out that the Chinese automobile market is now fluctuating and is about to recover.

STATE CONTROL OVER MATERIAL RESOURCES RELAXED

OW111407 Beijing XINHUA Domestic Service in Chinese 0729 GMT 11 May 86

[By reporter Wu Jincai]

[Text] Beijing, 11 May (XINHUA) -- To relax the control over the goods and materials market gradually, China has established social balanced planning system for a number of important means of production.

According to information provided by the State Bureau of Materials and Equipment, in the past, the various kinds of means of production were mainly distributed by the state according to unified planning. However, following the progress of the reform in recent years, the number of goods and materials under unified state planning and distribution has reduced from 256 kinds in the past to last year's 2 kinds. At the same time, the kinds and quantity of goods and materials under the control and disposal by the various enterprises and localities have increased, and the state materials and equipment departments are undergoing a gradual transition from direct to indirect control over goods and materials.

To maintain a balanced situation between the demand and production of goods and materials of the whole society, China has established some systems for balanced social planning.

At the beginning of each year, the State Bureau of Materials and Equipment will conduct an investigation of goods, materials, and resources of the entire society with attention focused on the total availability of steel prducts, lumber, cement, and coal; prepare a plan for social demands according to the results of the investigation; and apportion resources, goods, and materials according to the needs under state unified planning, the needs of local and department distribution, and of the market. At the same time, the various areas, cities, departments, and even the enterprises will work out their own balanced plans according to their own needs.

The new system adapted to the new market situation has provided the basic data for making macroeconomic decisions in production and construction. In preparing annual plans over the past several years, the state planning departments were able to make prompt readjustments or production and construction based on the availability of material resources as reflected in the balanced planning for goods and materials. Thanks to balanced regional planning, many localities have been able to analyze their advantages and disadvantages in material resources; make adjustments according to these advantages and disadvantages; and promote stable and healthy economic growth.

Thanks to the new balanced planning of materials, a number of steel mills in Wuhan City were able to exchange their surplus steel products for nonferrous metals with neighboring Hunan Province and galvanized iron and thin steel plates with Guangzhou City, thereby solving a difficult problem of material shortage in production. Thanks to increased production over the past several years, many goods and much equipment in short supply in the past have become plentiful. This tendency can also be promptly reflected in social balanced plans for material resources. When coal supply became relatively plentiful, Hunan Province made a macroeconomic adjustment to coal production according to the balanced planning. it limited the production of coal mines with low output which produce poor quality coal but continued to give support to small coal mines that had shown good economic results, thereby adapting coal production to market changes.

It is reported that the state materials and equipment departments have decided to furthr perfect social balanced planning for materials. This year, eight kinds of materials, namely heavy oil, copper, aluminum, lead, zinc, tin, sodium carbonate, and caustic soda will be included under balanced planning.

'NATIONWIDE NETWORK' SET UP TO SUPERVISE PRICES

OW110143 Beijing XINHUA in English 0137 GMT 11 May 86

[Text] Beijing, May 11 (XINHUA) -- The All-China Federation of Trade Unions and the State Administration of Commodity Prices have recently issued a joint circular on setting up a nation-wide network in the urban areas to supervise prices to protect the consumers' interests.

The circular says that this is an effective form for the people to directly participate in the state economic adminstration.

According to the circular the network will be empowered to fine and confiscate illicit income up to a certain amount and help departments of commodity prices deal with illegal acitivities concerning prices.

Workers' Supervision Stressed

OW092059 Beijing XINHUA Domestic Service in Chinese 1218 GMT 9 May 86

[Text] Beijing, 9 May (XINHUA) — The All-China Federation of Trade Unions and the State Administration of Commodity Prices recently issued a joint "Circular Concerning Strengthening of Commodity Price Supervision and Inspection by Workers and Staff," calling on all localities to adopt effective measures to place workers' supervision and inspection of commodity prices on the agenda and to strive to institute and perfect a commodity price supervision and inspection network that combines full-time personnel and the masses of people.

The "circular" said: Workers' supervision of commodity prices is an effective way for the masses to take part in managing national economic affairs, as well as an important component of the economic supervision of the market. The current nationwide workers' price supervision and inspection has contributed to safeguarding the interests of the state and consomers, stabilizing market prices, and ensuring the smooth progress of pricing reform, and it has been well received by party committees and people's governments at various levels, as well as by the broad masses of people.

The "circular" urged all cities to set up workers' price supervision organizations. Those that have already set up such organizations should further consolidate and improve them. All cities should establish a workers' price supervision general station to take charge of the planning and guidance of local workers' price supervision activities. Trade unions, price administration departments, and other departments concerned in all localities should take concerted action and share responsibility in carrying out the work. All city and county trade unions and price administration departments should assign competent cadres to ensure success in the work.

The"circular" also urged local price administration departments to delegate powers to and outline procedures for imposing a fine and confiscating illegal income by workers' price supervision organizations and price inspectors on the basis of their experience and ability. However, they should report cases involving violations of regulations not covered under their jurisdiction to price administration departments, and assist them in investigating the cases.

REGULATIONS ON RESEARCH UNITS' WORK RELAXED

OW090745 Beijing XINHUA in English 0658 GMT 9 May 86

[Text] Beijing, May 9 (XINHUA) -- A new government regulation made public today allows China's 5,000 research institutes to accept research projects from non-governmental institutions.

Under the new rule, research institutes will be able to work with Chinese enterprises, design units and universities and arrange for personnel and manage their own financial affairs without checking with central government authorities. However, the projects must still accord with the general tasks set for the institutes by central government officials, according to a provisional regulation of the State Council, China's highest governing body.

The regulation also allows the institutes to earn tax-free income from new technology they develop as well as from other services they provide. "The goal is to stimulate the institutes to boost the country's scientific and technological development," according to a State Council statement.

ANHUI DISCUSSES 'SERIOUS' SMUGGLING PROBLEM

OW090511 Hefei Anhui Provincial Service in Mandarin 1000 GMT 8 May 86

[Text] The second Anhui provincial antismuggling conference cosponsored by the provincial public security department, the provincial communications department, the provincial taxation bureau, and the Wuhu Municipal Customs House concluded today. Under the guidelines set forth by the fourth conference sponsored by the State Council on deterring smuggling activities in three coastal provinces in southeast China, the participants discussed measures to intensify Anhui's antismuggling operations, examined the current situation, pledged closer cooperation among themselves, and studied the relevant policies.

In view of the smuggling activities and antismuggling force in Anhui the conference discussed the issue of trading in smuggled automobiles in Anhui. The conference maintained that the situation of smuggling and trading in smuggled goods is quite serious today and that smuggling and trading in smuggled goods by state-operated and collective units are the most blatant.

As shown by some major cases that have been cracked, there are many ways to smuggle goods into Anhui, and most of the great variety of smuggled goods are commodities that can yield a windfall or at least a handsome profit. The meeting urged the public security, communications, taxation, and business administration departments as well as the customs house to work in close coordination to investigate the trading in smuggled automobiles and handle the cases according to law.

Ye Rongyun, chief of the Wuhu Municipal Customs House, briefed the participants on the situation. He also made an important speech about certain specific policies. Shi Jiyu, [words indistinct] of the Anhui Provincial People's Government, addressed the meeting. Also present at the meeting were comrades of the public security, taxation, and communications departments of Hefei, Bangbu, Wuhu, Anqing, Tongling, Huainan, Huaibei, and Maanshan Municipalities.

Commentary on Antismuggling Efforts

OW090537 Hefei Anhui Provincial Service in Mandarin 1000 GMT 8 May 86

["Short commentary": "Firmly Rebuff Smuggling and Trading in Smuggled Goods"]

[Text] Currently, China is enjoying political stability and unity and economic prosperity. Reforms and the policy of opening to the outside world and enlivening the domestic economy have accelerated the nation's modernization process and brought profound changes in our country's economic and social outlook. However, under this gratifying situation there are certain problems. One of them is the rampant smuggling activities and the trading in smuggled goods.

On smuggling and trading in smuggled goods, some comrades in our province have treated the matter lightly, thinking that the problem is not serious in an inland province like Anhui. (?They cannot be more wrong.)

We must realize that following the implementation of the policy of opening to the outside world and enlivening the domestic economy, as well as the development of lateral economic ties among various regions, the relations between interior areas and coastal ports have become much closer; and large quantities of smuggled goods have been brought into the inland areas through the many joint ventures and various other channels from the coastal areas in southeast China.

We must clearly realize that certain state-operated and collective enterprises and institutions, to benefit a small number of people in their region or department, have resorted to all kinds of tricks to evade taxes and engage in smuggling and trading in smuggled goods, disregarding party discipline and state laws and taking advantage of loopholes in state policies and regulations. Since the antismuggling struggle that we have launched is meant to safeguard our national sovereignty and our socialist system, it is a serious political as well as economic struggle. Our customs houses, public security, taxation, and business administration departments, which have the responsibility to deter smuggling activities, must realize the seriousness of this issue and work closely to carry out the antismuggling struggle through to the end.

JIANGSU'S HAN PEIXIN INSPECTS MARTYRS CEMETERY

OW111150 Nanjing Jiangsu Provincial Service in Mandarin 1000 GMT 9 May 86

[Excerpts] The Yuhuatai Martyrs Cemetery construction committee held its fourth meeting today. Leading comrades of Jiangsu Province and Nanjing City were invited to attend. The leading comrades examined the overall construction plan and detailed construction plans, heard a report on the progress of construction, and inspected the construction site. The attending comrades approved the construction plans for the martyrs monument, the memorial pavilion, and the East and South Gates. They offered many valuable views on the sculptures on the monument. Han Peixin, Sun Jianzheng, and other leading comrades inspected the construction sites of the Yuhuatai martyrs monument and the memorial ring.

WAN SHAOFEN ATTENDS CLOSING OF PEOPLE'S CONGRESS

OW111140 Nanchang Jiangxi Provincial Service in Mandarin 1000 GMT 10 May 86

[Excerpts] The Fourth Session of the Sixth Jiangxi Provincial People's Congress came to a successful close. A closing meeting was held at 3 pm today at the Bayi Auditorium in Nanchang. Some executive chairmen of the presidium of the fourth session served as the executive chairmen of the 10 May closing meeting. They were Wan Shaofen, Xu Qin, Wang Shufeng, Wang Zemin, Zheng Xiaoxian, Liang Kaixuan, Huang Xiandu, Peng Shengxi, and Liu Bin.

Seated on the rostrum were members of the presidium of the session, and the leading comrades of the provincial CPC Committee, the provincial Advisory Commission, the provincial Discipline Inspection Commission, the provincial government, the Jiangxi Military District, the provincial Higher People's Court, the provincial People's Procuratorate, and the provincial CPPCC Committee, who were attending the meeting on invitation. They included Liu Fangren, Ni Xiance, Bai Dongcai, Wang Zhaorong, (Lu Xiuzhen), (Wang Zhihua), Zhao Zhijian, Zhao Zengyi, Di Sheng, Zhu Zhihong, Qian Jiaming, (Sun Xiyue), (Chen Guisun), Li Yanling, (Li Ying), Wang Shuheng, Wu Ping, Yang Yongfeng, Liu Jianhua, Li Shanyuan, Jin Liqiang, and Wu Yunzhong. Three veteran comrades were also attending the meeting on invitation and sitting on the rostrum. They were Zhang Yuqing, Li Fangyuan, and Xie Xianghuang.

The closing meeting was presided over by Wang Zemin, an executive chairman of the session. First, by a show of hands, it adopted the Seventh 5-Year Plan of Jiangxi Province and a resolution on the report on the Seventh 5-Year Plan. It also unanimously adopted the resolutions on the 1986 economic and social development plan of Jiangxi Province, the final provincial accounts for 1985, the provincial budget for 1986, the report on the work of the provincial People's Congress Standing Committee, the report on the work of the provincial Higher People's Court, and the report on the work of the provincial People's Procuratorate.

HUBEI: GUO ZHENQIAN ON SEVENTH 5-YEAR PLAN TASKS

HK090147 Wuhan Hubei Provincial Service in Mandarin 1000 GMT 8 May 86

[Excerpts] Acting Governor Guo Zhenqian stressed in his report on the draft Seventh 5-Year Plan for Hubei that to ensure the successful fulfillment of the plan, it is essential to carry out economic structural reforms in depth, harmonize the various economic relationships, and promote sustained, steady, and coordinated development of the national economy. At present the focus should be on consolidating, digesting, replenishing, and perfecting the fruits and measures of reform and on creating conditions and laying the foundation for taking new strides in reform next year and the year after.

In rural reforms, we should uphold and perfect the contract responsibility system with payment linked to output based on the household, actively develop cooperative economy in various forms, further perfect the contract system for purchasing agricultural and sideline products, and also continue to rationally readjust the rural production structure and stimulate the development of commodity production.

In urban reforms, we must continue to do a good job in grasping the cardinal link — invigorating the enterprises, especially the large and medium enterprises, vigorously promote lateral economic ties, and lead forward reforms in other fields.

Acting Governor Guo Zhenqian said in his report that the province must strictly control investment in fixed assets during the Seventh 5-Year Plan, readjust the investment structure, and concentrate finance and material for key construction projects so as to strengthen the reserve capacity for economic development.

He said: The general principle of the investment structure in the next 5 years is to focus on productive construction, on construction for raw materials, energy, and communications, on technological progress, and on transformation through applying internal factors. According to this principle, we must resolutely cut nonproductive construction. Except for essential tourism facilities, we must cancel projects for constructing high buildings, halls, and centers. Investment in residential housing must also be controlled to a certain proportion. We must increase investment in agriculture, primary industries, and infrastructure, cut investment in general processing industries, appropriately increase investment in science and technology and education, and increase the proportion of investment in technological transformation.

Guo Zhenqian said: We must continue to strengthen the agricultural foundation during the Seventh 5-Year Plan and rely on the policies and on science to develop our strong point in grain and stabilize our strong point in cotton. We must vigorously develop township enterprises, give free rein to diversification, and promote the healthy development of the rural economy.

Grain and cotton are two strong points in Hubei's agriculture. In readjusting the rural production structure, we must ensure steady growth of grain and cotton production. At the same time we must give free rein to diversification in light of market needs and natural conditions.

BRIEFS

HUBEI COTTON SOWING — The province has basically completed cotton sowing. By the end of April, the province had sown cotton on 6.92 million mu, about the same level as last year. The provincial government has allocated some 88 million yuan to help cotton production. [Summary] [Wuhan Hubei Provincial Service in Mandarin 1000 GMT 7 May 86 HK]

HEBEI'S XING CHONGZHI ON SPIRITUAL CIVILIZATION

SK070948 Shijiazhuang HEBEI RIBAO in Chinese 23 Apr 86 p 1

[Text] On the morning of 22 April, at the meeting to exchange experiences in the publicity of the spiritual civilization held by the national journalist association and the provincial journalist association, Xing Chongzhi, secretary of the provincial CPC Committee, said that it is necessary to adhere to the principle of grasping the two civilizations simultaneously in a conscientious and persistent manner, and with correct methods and forms.

On the same morning, Comrade Xing Chongzhi visited the delegates to the meeting at the Baoding Hotel, and also attended the meeting. After listening to reports on the building of the spiritual civilization given by responsible comrades of the PLA units stationed in Baoding, and the Baoding Prefectural and City CPC Committees, Comrade Xing Chongzhi pointed out: Our province's activities to build the socialist spiritual civilization cooperatively by armymen and civilians were initiated by the PLA with the guidance of the correct principles of the CPC Central Committee, and were popularized with the concern of the central leading comrades. However, we should pay attention to refraining from an overestimation of the results of the activites, and should be realistic. We should overcome the habit of regarding the work of pilot units as that of a large area, which has been established for many years, and make a success of both qualitiative analysis and quantitative analysis. We should carry out the work in a down-to-earth manner, encourage or comment the units which have done a good job by conferring honorary titles on them, and cancel the honarary titles of those which are not up to the standard. He said: When coming to Baoding of our Hebei Province, you comrades should visit both the advanced and the backward units, and should both sum up experiences and discover and study problems. Journalists are fairly keen in thinking. We hope that you will offer more valuable opinions on the work of our province in order for us to implement the directives of the CPC Central Committee, and carry out our work more successfully.

SHANXI LEADERS ATTEND YOUTH DAY CELEBRATION

HK050237 Taiyuan Shanxi Provincial Service in Mandarin 2200 GMT 4 May 86

[Excerpt] Some 7,000 Taiyuan youths and juveniles gathered in the sports stadium on 4 May to celebrate the 67th anniversary of the 4 May movement and the opening of the city youth arts festival. Present were Li Ligong, Wang Senhao, Wang Jiangong, Lu Gongxun, Zhang Changshen, Wang Maolin, and other leading comrades of the province and city.

SHANXI SECRETARY INSPECTS URBAN CONSTRUCTION SITES

HK100133 Taiyuan Shanxi Provincial Service in Mandarin 2200 GMT 9 May 86

[Exerpts] On 8 and 9 May, Shanxi Provincial CPC Committee Secretary Li Ligong listened to reports given by leading comrades of the Yuncheng City CPC Committee and government on urban construction and carefully inspected the blueprints for construction work. He also viewed four road sections where construction is being speeded up. He said: In the construction work, the departments should adopt the method of putting projects up to tender and sign contracts with the construction units to ensure the quality of the projects. It is essential to solve properly the problems of supplying (?water) and heat. This city should be built into a clean and civilized city.

PRC FOREIGN MINISTRY SETS UP TAIWAN AFFAIRS OFFICE

OW101328 Beijing in Mandarin to Taiwan 1500 GMT 9 May 86

[Text] In answering reporter's questions here on the afternoon of 7 May, Ma Yuzhen, press spokesman of the Foreign Ministry, confirmed that his ministry had set up a Taiwan Affairs Office. He said: The mission of this office is to implement the Chinese Government's policy and principles of peacefully reunifying the motherland, handle international affairs involving Taiwan, and defend China's sovereignty.

ZHONGGUO TONGXUN SHE COMMENTS ON CAAC MESSAGE TO CAL

HK121510 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1410 GMT 12 May 86

[Commentary by Tian Ye: "It Is a Good Thing That Taiwan Confirms the Receipt of the Telegram" — ZHONGGUO TONGXUN SHE headline]

[Text] The "China Airlines [CAL] issue" has remained unsettled for about 10 days. The Civil Aviation Administration of China [CAAC] sent its first telegram to CAL, calling on the latter to send representatives to discuss the problem of receiving its airplane and crew. However, nothing has been achieved so far. On 11 May, CAAC sent its second telegram to CAL, calling on it to begin discussion without delay.

In its second telegram, the CAAC unambiguously says that the problem of returning the airplane and the crew is "purely a business matter without any political implications between two civil airlines," that the purpose of the talks is to "ensure the safe return of the airplane and of the crew to Taiwan," and that the CAL can propose a place for holding the consultation talks. By stressing that only business, not politics, will be discussed and, in particular, by clearly stating that the place for the talks is negotiable, the CAAC has created favorable conditions for the talks.

However, the relevant Taiwan officials still insist on negotiations through a third party. Is this not too stubborn and too unreasonable? Both the CAL and the CAAC are civil airlines. Why, when a business problem arises between them, can they not focus on the problem and handle it without involving a third party? Sportsmen from both sides of the Strait can participate in the same international tournaments, including the Olympic Games. Then why can the civil aviation personnel on both sides of the Strait not sit down and discuss the problem of returning an airplane and its crew? Since the CAAC has indicated that "political issues will not be involved," CAL should take advantage of this and focus on solving the problem of getting back its airplane and crew.

Things are a little different this time from when the CAAC sent its first telegram. Liu Te-min, chief of the Civil Aviation Administration under Taiwan's Ministry of Transportation, and Lin Liang-chih, have publicly confirmed the receipt of the second telegram sent by the CAAC. This is a praiseworthy realistic attitude. It is hoped that this realistic attitude can help CAL to settle the CAL issue.

TAIWAN AGREES TO DISCUSS PLANE ISSUE WITH PRC

HK130320 Hong Kong AFP in English 0802 GMT 13 May 86

[Text] Taipei, May 13 (AFP) — Taiwan Tuesday said it had offered to talk with China for the return of a jet freighter, two crew members and the cargo, in what would be the first official contact between the two rivals since 1949.

In desperate efforts to save the crew on humanitarian grounds, we have asked Cathay Pacific Airways to inform our decision to Communist China's aviation authorities," said Lin Liang-chih, spokesman for Taiwan's flag carrier China Airlines (CAL).

(A Civil Aviation Administration of China (CAAC) spokesman in Beijing Tuesday said he had not heard of the CAL announcement, and Foreign Ministry representative declined comment.)

CAL earlier had asked Cathay Pacific, based in Hong Kong, to act as its representative in talks in Beijing, after the Boeing 747 carrying 214,000 pounds (96,525 kilograms) of general cargo was diverted to Guangzhou in southern China May 3 by Captain Wang Hsi-chueh.

The 56-year-old pilot, who left a wife and children in Taiwan, asked to be able to live in China and unite with his father, 82, and brothers. The two other crew, co-pilot Tung Kuang-hsing, 57, and engineer Chiu Ming-chih, 39, have said they wanted to return to Taiwan.

Mr Lin said CAL would assign its Hong Kong representatives to discuss the matter in the British colony with CAAC officials. He added: "The landing of the aircraft in Guangzhou is a pure aviation incident and negotiations on the return of the plane, the crew and cargo should be considered only as business.
A high-ranking official said talks would not be the beginning of further official contacts which could eventually lead to peace negotiations.

Earlier, CAAC had asked CAL in two telegrams to send representatives to China for direct talks to settle the issue, but CAL had refused.

Taiwan is ruled by Nationalists who moved here after losing to the Communists in a civil war.

"It would be naive to speculate that the aviation discussions would open dialogue between the two sides since we don't consider it has anything to do with politics," said the official who declined to be identified. "Our policy of 'no contact, no talk, no compromise' with the communists remains unchanged except in this event when the lives of our two people are involved," he added. If there was any political significance it was that Taipei was not so rigid when a matter concerned the safety of its people, he added.

(In Beijing, diplomats said the talks offered today by CAL on the cargo jet would signify a major victory for Beijing which had taken a most determined stand in recent days over the hijacked aircraft. But it was too early to say if Taipei's move indicated a change in its policy toward the mainland, the diplomats added. They noted that such talks would be the first official contact between Taipei and Beijing since 1949.)

(In Hong Kong earlier Tuesday a pro-Beijing newspaper said China had disposed of the cargo and was prepared to pay compensation for the goods. The TA KUNG PAO newspaper, quoting an unnamed senior Chinese official, said some of the cargo such as durian fruit had been sold, while rotten garoupa fish had been destroyed in Guangzhou. The official said China would compensate the traders concerned when talks proposed by Beijing were held between the CAAC and CAL. The official said the two crew members who requested to return to Taiwan were in good condition and lodged at a comfortable guesthouse in an undisclosed place, the paper added. In Hong Kong, Cathay Pacific spolesman D.J.T. Bell decline to comment. A ranking official with the firm who asked not to be named confirmed to AGENCE FRANCE-PRESSE that Cathay had "played a role" in the matter.)

CENTRAL DAILY NEWS CLAIMS CAL PLANE 'FORCED' TO PRC

OW101037 Taipei CNA in English 1009 GMT 10 May 86

[Text] Taipei, May 10 (CNA) -- A major Taipei newspaper said Saturday that the pilot of the China Airlines B-198 all-cargo jetliner was very likely to have been forced by Communist Chinese secret agents stationed in Bangkok to divert to the China mainland. The CENTRAL DAILY NEWS said in an editorial that the CAL plane's cockpit links with its cargo compartment. "Let's suppose that communist agents had sneaked into the plane before it took off from the Bangkok airport," the paper said, "they could easily reach the cockpit and force the CAL pilot to switch to Canton during its flight to Hong Kong."

The paper said that the supposition is not irrational because the Chinese Communists have often used depraved means to attain its purposes. The paper said that the cargo jet landed at the Canton airport at 3:10 p.m., but its pilot Wang Hsi-chuh didn't leave the plane until 4 p.m. During that 50 minutes, the Communist Chinese security agents apparently made some arrangements, the paper said. It continued that under Communist arrangement, Wang met his father in Peiping. But both of them were not particularly excited. Moreover, Wang's statement made at the press conference in Peiping was not an expression of his own free will. "The script was apparently prepared by Communist cadres because it was full of communist cliches," the paper said. The reasons that Wang gave for his "defection" were not convincing. His complaints about CAL were also ridiculous and groundless, the paper noted.

It further pointed out although the Communist authority claimed that co-pilot Tung Kuang-hsing once telephoned his wife in the United States from Canton, he and Chiu Ming-chih, flight engineer, has not yet been allowed to meet foreign journalists. The paper suspected that Tung and Chiu might have been injured in a fight with Communist agents during the deverted flight to Canton. "They, therefore, cannot appear in public," the paper said. The CENTRAL DAILY also stressed that the government should stand firm and not talk directly with the Chinese Communists for the release of the plane and its crew members. "We should entrust a third party to negotiate with Peiping," the paper asserted.

COMMENTARY ASSESSES NEW PRC TAIWAN AFFAIRS OFFICE

OW110311 Taipei International Service in English 0200 GMT 6 May 86

[Station commentary]

[Text] The Chinese Communists' Ministry of Foreign Affairs announced last week that it had established a Taiwan Affairs Office to handle international problems related to the Republic of China.

In recent years the Chinese Communist authorities have set up several types of Taiwan offices in their governmental and party organizations from the state level downward. These so-called Taiwan offices operate with a single objective, that is, lowering the vigilance of free China by continuously making sweet promises and telling beautiful lies. Last year Peking reportedly spent 58 million dollars to finance the operation. However, Peking's efforts in this regard have come to nothing because the people in Taiwan understand the Chinese Communists too well to be deceived. Furthermore, economic and social disparity between Taiwan and the mainland is so great that Peking's offering of the Trojan horse has often boomeranged. As a result, Red China is shifting the emphasis overseas. It has put out an overseas edition of the PEOPLE'S DAILY in an effort to swing the viewpoint of the large Overseas Chinese community, hoping to turn the tables this way.

At the same time, Peking is trying to persuade other countries to believe that the Republic of China or Taiwan is merely a renegade province. The Office of Taiwan Affairs under Peking's Foreign Ministry was created for this very purpose. This is reflected in the fact that the new setup is supposed to be similar to the Hong Kong and Macao Affairs Office, set up in the same ministry last May to liaise with Britain and other countries (?on) foreign relations aspect of Hong Kong's 1997 transfer to Peking. In other words, Peking is attempting to persuade other countries to believe that Taiwan is not different from Hong Kong and Macao and eventually will return to its control. However, wishful thinking is one thing; reality is another. The differences between Taiwan and the two foreign colonies are so glaring that no country can possibly be taken in by Peking's sleight of hand.

Hong Kong and Macao are Chinese territory ceded to foreign powers under unequal treaties forced upon China by the colonial power of the past, whereas Taiwan was restored to Chinese sovereignty and the end of the last war after half a century of Japanese rule and has been the seat of the Republic of China since 1949. The Republic of China [ROC] is a sovereign nation in fact as well as in name. Although the country has only 23 embassies abroad, it has maintained official and semi-official ties with practically every country in the noncommunist world. Even though the ROC is no longer a member of the United Nations, few of its members countries, if any, consider Taiwan as part of Communist China. Equally important is the fact that the vast majority of the 24 million Overseas Chinese have consistently refused to accept the Peking regime as the legitimate government of China and have continued to regard the government in Taipei as China's true representative. Last but not least is the fact that the Republic of China has the ability to defend itself against Peking's attempts at military subjugation. Even if Peking were able to isolate the ROC internationally, it could not change the reality that Free China is here to stay.

PREMIER YU URGES SAFETY PRECAUTIONS ON NUCLEAR PLANTS

OW121117 Taipei CHINA POST in English 9 May 86 p 12

[Text] Premier Yu Kuo-hwa yesterday urged the Atomic Energy Council (AEC) to take all necessary precautions to ensure the safety of domestic nuclear power plants as the problem has concerned the people. Many foreign countries have used nuclear energy to generate electricity, he said. To prevent and defend against possible safety problems which might occur in neighboring countries, the AEC should also work out concrete measures soon, he said. Yu asked the AEC to collect more information concerning the accident at the Soviet Union's Chernobyl nuclear power plant and compile a complete report.

Premier Yu gave the directives at the Executive Yuan meeting after hearing a report from the AEC on the accident in the Soviet Union. The AEC, in its report, pointed out that the facilities at the Chernobyl plant lack containment and safety devices the nuclear power plants in Western countries and Japan have, so no similar accidents will occur in those countries. The AEC said it has notified personnel at domestic nuclear power plants to observe all operational rules and dispatch specialists to supervise.

RADIATION INCREASES; WELL BELOW DANGER LEVEL

OW130311 Taipei CNA in English 0230 GMT 13 May 86

[Text] Taipei, May 12 (CNA) -- The Atomic Energy Council said Monday that although the radiation levels in the Taiwan area have increased slightly over the past few days as a result of the accident of a nuclear power plant in the Soviet Union, they are still far from the dangerous level.

An official with the council said that according to its latest test reports around the island, the radiation levels in Taipei, Taichung, Kaohsiung and Hengchun have all increased slightly as compared with the figures of the same period of last year. Such low radiation levels will have no influence on the human body or plants, it said, calling on the people not to worry.

Meantime, Yu Yu-hsien, director of the provincial department of agriculture and forestry, said the radioactive fallout from the Soviet Union will not affect the agricultural products in this nation. Domestically-produced farm products are absolutely safe, and the people need not worry about eating them, he said.

In response to interpellations by provincial assemblymen Chen Chin-pin, Lin Kuo-lung and Lin Ming-cheng, Yu promised that the government will handle the issue with care and will not try to conceal any facts if the foods here are contaminated.

YUAN SAYS 75 PERCENT OF POPULATION SUPPORTS REGIME

OW051405 Taipei CNA in English 1017 GMT 5 May 86

[Text] Taipei, May 5 (CNA) -- A great majority of more than 70 percent of the people in the Republic of China are satisfactory with the government, said Dr Wei Yung, chairman of the Research, Development and Evaluation Commission under the Executive Yuan, Monday. The central government, among governments of all levels, enjoys the greatest popularity from 75.8 percent of the people surveyed, Wei said.

Quoting findings in a series of six surveys made between 1978 and December, 1985 to 6,000 civilians of all walks of life, Wei said that 78.7 percent of the surveyed are satisfactory the most with the living standards and ways of life in free China. Among other concerns, Wei said, the environmental protection made by the government has been the least approved by the people; only 30.7 percent of the respondents said its ok. The satisfaction with government employees' services to the people is also slightly declining, the poll indicated.

The poll, Wei said, also revealed that population in urban areas, especially women, youths, laborers and people of free careers, are posing increasing influence on political development as potential constituents. As constituents, people are now paying less attention to the natives of candidates in political elections, Wei said. [sentence as received]

MING PAO: HONGQI CRITICIZES LIU ZAIFU'S THEORIES

HK110524 Hong Kong MING PAO in Chinese 7 May 86 p 11

[Article by Lin Mei: HONGQI Carries Article Critricizing Liu Zaifu's Theories on Literature and Art"]

[Text] Paying a little attention to newspapers and journals, we can clearly find that there is something unusual in the atmosphere in Beijing academic and theoretical circles. Although, for the time being, people are not yet clear what is the matter and what it means, they obviously feel that it is a serious and important matter.

After the "Ma Ding incident" in the economic theoretical circles, the recent issue No 8 of HONGQI, China's authoritative theoretical journal, carries Chen Yong's long article of over 15,000 characters criticizing by name Liu Zaifu, a promising young man in China's literature and art circles and director of the Institute of Literature of the Academy of Social Sciences of China, for his views on literary and art theory.

In mid April, Zhu Houze, director of the Propaganda Department of the CPC Central Committee, published a speech that said there was an unprecedented brisk situation in the literature and art circles on the Chinese mainland, but there were also a small number of "billows" and a little "aftershock." Now, the "repercussion of them has not yet subsided," and there is still "lingering fear." Of course, Zhu said this with clear objects in view. However, this situation has emerged not only in the literature and art circles.

Over the past few days, important CPC officials one after another gave speeches or instructions calling people to create a harmonized and relaxed atmosphere in the theoretical and ideological fields in order to remove the nervousness in the minds of the intellectuals and in order to encourage people bravely to blaze new trails. In his speech at the meeting to mark the 1 May Labor Day, Hu Qili, member of the Secretariat of the CPC Central Committee, said: "We should have the courage to break away from some outdated and not entirely correct conclusions of Marxism." A few days ago, Hu Sheng, president of the Academy of Social Sciences of China, also wrote an article to point out: "There is no forbidden area in scientific research, and we should not regard academic mistakes as political mistakes of principle. It seems that the matter is very complicated and makes people feel confused. I am going to discuss what I know about Liu Zaifu the person and Chen Yong's criticism of him.

Liu Zaifu, a native of Fujian, is 45 this year. His father died when he was 4 years old and he was brought up by his mother alone. He finished higher education on stipend. As he was diligent and eager to make progress, when he graduated from the Chinese Language Department of Xiamen University, he was employed as an editor for ZHONGGUO JIANSHE. At the end of the "Cultural Revolution," he published some articles on research about Lu Xun and was appreciated by poet and critic He Qifang. Later, he was transferred to a job in Lu Xun Research Institute in Beijing, where he cooperated with Lu Xun research experts Lin Fei and others in editing the journal LU XUN YANJIU [Lu Xun research] He and Lin Fei jointly wrote "Biography of Lu Xun."

Over the past few years, in addition to time and again publishing works on literature and art theory, Li Zaifu has also written some prose and prose poems and published his collections of prose and prose poems such as "Search in Deep Sea" and "Sun, Land, and Man." In the former collection, the writer expresses his deep love for the motherland, people, and homeland and his persistent pursuit of truth in his unique, fine, and smooth style. In the latter collection, the writer thinks things over "in front of the Great Wall and Tiananmen" and sings praise of the sun, land, and man with warm reason, deep philosophy, and poetic beauty. Not long ago, his collection of prose "Clean and White Rush" was published in Hong Kong.

Liu Zaifu has concentrated on carrying out research into Lu Xun and literature and art theory, been brave in carrying out expoloration, and had quite a few creative opinions. In the wave of rejuvenating CPC cadres in 1984, Li Zaifu was promoted to the post of director of the Institute of Literature of the Academy of Social Sciences of China. However, Liu is keen in academic research and is not interested in official posts; therefore, he is not interested in "gaining power" as many cadres on the mainland do. He delayed taking office after he was appointed director of the Institute of Literature and hid at home for 3 months to concentrate on his theoretical research. Recently, he was often invited by Beijing University and other institutes of higher education to give academic lectures, which were well received with the lecture halls packed with people who even filled the hallways.

After Liu Zaifu was appointed director of the Institute of Literature of the Academy of Social Sciences of China, he clearly put forth his principle in doing his job, which is also the theoretical principle to which he has always adhered. This principle is: "Academic freedom, dignity, virtues, and personality." This principle has brought a free, fresh, and brisk atmosphere of research to the institute, but it was condemned by some dogmatists and some people with rigid minds.

Not long ago, some people recommended Liu Zaifu for the post of vice director of the Propaganda Department of the CPC Central Committee, sources said. But this was not merely a simple matter of "appointing younger and better educated cadres." On the other hand, Liu himself had little interest in the job and he wishes to do academic research work, therefore, this has not become a fact.

Liu Zaifu has not only personally made new probes into literature and art theory and put forth some new opinions, but he has also continued to put forward proposals and opinions on the principles, policies, and methods of cultural and theoretical research. At the fourth session of the Sixth CPPCC National Committee last month, he put forward an "8-point proposal on cultural matters," in which he vigorously advocates creating a cultural atmosphere and environment that is in harmony with the modernization and holds that leaders should not be satisfied with acting merely as "sentries" or referees," but should also act as "builders."

Important CPC official Hu Qili appreciated his opinions. A few days after the CPPCC session closed, Hu Qili pointed out at a get-together of cultural circles in Shanghai that it was necessary to create a united and harmonious atmosphere of mutual trust and understanding in our academic circles.

However, this is a very complicated issue. Obviously, Liu Zaifu had his object in view in putting forth his opinions, which were aimed at countering some "unhealthy practice" in the cultural circles and also hurt the feeling of some senior cultural officials who had not yet cleared "leftist" poison from their minds. This could not help but give rise to some trouble.

This being the case, the publication of Chen Yong's long article by HONGQI to criticize Liu Zaifu has afforded much food for thought.

Originally, academic debates and theoretical discussions are natural and normal. Furthermore, there are still forbidden areas today in the academic circles on the mainland. Therefore, Liu Zaifu's courage in carrying out research and blazing new trails is indeed rare and commendable and should not be condemned. Although Chen Yong suffered from criticism and repudiation in the early 1950's, he does not have much fame in the cultural circles on the mainland. However, this does not hinder him from writing things that criticize others. What is worth noting is:

As a responsible person of the Policy Research Office of the secretariat of the CPC Central Committee, he should be very clear about the CPC's policies on academic research. Therefore, in his article, he should not use force to compel people to submit, brand people with labels; or easily regard Liu Zaifu's viewpooints as negating Marxist viewpoints and methods and being incompatible with dialectical and historical materialism, saying..."This matter is vital to the destiny of Marxism in China and to the destiny of socialist literature and art in China." How can such a threatening conclusion convince people? No wonder, when Chen's article was published, some people in Beijing and Hong Kong who were concerned with China issues thought there was a flavor in this article of the articles carried by the "two newspapers and one journal" during the "Cultural Revolution."

What is even more difficult to understand is that according to reliable sources, after Chen Yong's article was published, some important officials of the literture and art circles specially arranged a "get-together" in order to rouse people to criticize Liu, but few people spoke at the get-together.

Judging by the above alone, we can see some of the "implications." When we link this with the fact that some people advocate the reform and some oppose it, we will realize that there is some reason for this. Let future development prove this.

PRC SCIENTISTS DISCUSSES NUCLEAR, WEAPONS DEVELOPMENT

HK100616 Hong Kong TA KUNG PAO in Chinese 10 May 86 p 1

[Special dispatch from corresponent Kung Shuangyin: "Qian Xuesen Talks on Developing Nuclear Power"]

[Text] Newly elected CPPCC Vice Chairman and well-known scientist Qian Xuesen said today that the accident at the Chernobyl nuclear power plant in the Soviet Union would not affect China's development of nuclear power. He said that the development of nuclear energy is a firm principle of China. Qian Xuesen made these statements this afternoon when answering questions raised by foreign correspondents assigned to Beijing at a meeting held by the All-China Journalists' Association.

When asked how China was affected by the accident at the Chernobyl nuclear power plant in the Soviet Union, Qian Xuesen said: People all over the world are very concerned about nuclear power plants. Whenever there is an accident, people are inclined to add some emotional factors into their consideration. We shall develop nuclear power with caution and we shall carefully incorporate the experiences of all countries in the world in this respect. In other words, we must collect the data on different situations for scientific analysis before making our decisions.

On the acitivites of protests against nuclear tests in Xinjiang, which took place in Beijing several months ago, Qian Xuesen said: China pays close attention to the impact of nuclear tests on people living in surrounding areas. As far as I know, in the development of our nuclear industry in the past 30 years, th casualties caused by the tests have been very, very minimal. The people understand when we tell them this fact.

On the visit of Chief of Staff Yang Dezhi to the United States and his aim of buying advanced military technology from the West, Qian Xuesen said: In the area of national defense, China first relies on its strength. Under no circumstances should China arm its forces by depending on imported weapons. However, China is now implementing the policy of opening up to the outside, and we have to learn from the people of the world. We have to use the advanced technology that we have learned so we can produce things of our own.

As for the import of military technology, it is not a matter of wishful thinking. This is a very painstaking issue for Chief of Staff Yang. It depends on the other country. He also said: The most arduous task is that we must accomplish the modernization of national defense. On this issue, we must always bear in mind that we still have a relatively strong technological force. In the late 1950's, our country decided to develop and master the technology of atomic bombs, hydrogen bombs, missiles, and satellites. All these were high technology at that time and who helped us? Nobody! We just started from scratch. It was just by starting from that zero base that China's technological personnel mastered these types of high technology. Therefore, China's technological personnel are full of confidence. They can fulfill all tasks no matter how arduous they are. He added: I do not mean that we should not import advanced technology. what I mean is that if you do not sell, we shall work on our own. This is called acting independently and taking initiative in one's own hands, as well as self-reliance.

WANG GUANGMEI DESCRIBES HER PRESENT LIFE

HK120917 Hong Kong HONG KONG STANDARD in English 12 May 86 p 7

["People's Diary" column: "Madam Wang Comes Out of Hiding"]

[Text] After a long absence, Madam Wang Guangmei made an impressive public appearance at the fourth meeting of the Sixth National People's Congress. Better known to the outside world as the wife of the late Chairman of State, Liu Shaoqi, Madam Wang is a permanent member of the Chinese People's Political Consultative Conference.

Neither time nor sorrow has left many marks on the 64-year-old widow. her figure remains trim, well-proportioned -- as it was 30 years ago. Tall, graceful, she cut a charming figure in a deep blue western suit. She remained high spirited, pealing with laughter as members of the conference gathered round to greet her.

In her seclusion, she has been working on the memoirs of her husband, pouring over records and notes left by him. It is in part reliving the pains of the decade-long cultural revolution during which he became a "non-person" and the whole family suffered great tribulations. But this is far outweighted by the greater happiness from her children's devotion and achievements today. Madam Wang's three daughters are now studying abroad, two working on their Masters, the third on her doctorate. One has already collected two Masters degrees and plans to return home soon to work. Her son, a university graduate, too, is working in a village, in another part of the country. Madam Wang is regularly visited by her eldest daugher who works in Beijing, a daughter-in-law and a grandson who is at a university in the capital. Madam Wang has been living with an aunt who she says has been like a sister to her. Said Madam Wang: "I have a nice family. Some of my children have set their minds on working for the people; others are studying hard, preparing themselves for the tasks of our four modernizations. They tell me they are doing it for the motherland and living up to my expectations. And that pushes me on to improving myself, too."

Four year ago, Madam Wang resigned from her job with the Chinese Academy of Social Science to give more time to welfare work. This keeps her busy writing letters, making phone calls, interviewing people and espousing the causes of old comrades. These old comrades need assistance, advice and simply need someone to talk to when in trouble. And they have been very impressed by her. Of this, she said: "I like talking to them. They leave me a feeling of affection. Living with the masses makes me feel the deep concern they have shown to Shaoqi and the sincere encourgement they have given me."

But now and again she has to leave welfare work aside to continue with her work on the memoirs.

Most days, Madam Wang thumbs through notes and records. Or sketching the biography. Her life is busy, but fruitful and colourful. She retains an interest in music and exercises without fail. Every night she takes a stroll and listens to music before going to bed. She is an avid swimmer. Even the cold winter does not stop her swimming — indoors, of course. With a twinkle in her eye, she says: "I've swum the Yangtze River, too."

PRC INCREASES CONTACTS WITH TAIWAN DISSIDENTS

HK120905 Hong Kong HONG KONG STANDARD in English 12 May 86 p 7

["China Horizons" column by Yau Shing-mu: "Contacts With Dissidents Established -- Reunification Moves"]

[Text] China has adopted a new strategy towards reunification with Taiwan, working hard to win over those opposed to the ruling Kuomintang on the fortress island. The Vice President of the All-China Federation of Taiwan Compatriots, Mr Zheng Jian, recently told THE STANDARD in Beijing that the Chinese government is now soliciting support from Taiwanese dissidents. Mr Zheng, who is also a deputy to the Chinese People's Political Consultative Conference, said their contacts with the dissidents are mainly made overseas, in the United States and other places where mainlanders and Taiwanese mix freely.

This is a departure from the past practice when all appeals for reunification were directed at the ruling party. Beijing used to view these dissidents with scepticism. Sometimes opposition to the KMT was regarded as people fighting for independence which Beijing does not tolerate. "We realise the independence advocates are only a minority. Not every member of the political opposition identifies with an independent Taiwan. Besides, a large number of people, especially workers and farmers, long to see a unified China," Mr Zheng said. Last month, a Taiwanese, Mr Zhang Chunlan, a former representative of Kuomintang's party Congress, who defected to settle on the mainland, criticised the Chinese government for its misconceptions of conditions in Taiwan. He said many Taiwanese would not want the dictatorail KMT rule to continue after re-union.

Meanwhile, Beijing's new appeal is to guarantee Taiwanese, after reunification under the banner of "one country, two systems," more democratic rights than ever, Mr Zheng Jian said. The idea was put out early this year when XINHUA NEWS AGENCY, in its new year commentary, suggested that Taiwan's efforts towards "democarcy and prosperity" were compatible with re-unification. It urged all Taiwanese to work hard towards this "great cause." Mr Zhang also pointed out that a highly autonomous Special Administrative Region to be installed in Hong Kong after 1997 would set the example for Taiwan. If the experiment of "one country, two systems" worked in Hong Kong, it believed the internal pressure on the island would mount up, forcing the KMT to deal with the Communists, especially now when the United States was more relaxed about China. Mr Zhang said Beijing was now desperate about re-unification as it was one of the three national objectives to be accomplished by the end of the 1980s.

Taiwan's current economic slowdown was an opportune time for this appeal to gain ground, he said. He said that in the past the KMT had used its economic achievements to convince its people of its superiority. But now economic reforms are changing the mainland and offering an attractive market to Taiwan's businessmen. Beijing is also strengthening its diplomatic ties with other countries and securing its international position. This also meant that Taiwan's links with the rest of the world were being stripped. With these new developments, a new unit has been set up in the Beijing Foreign Ministry to deal exclusively with Taiwan affairs.

DAILY REPORT

China

CONTENTS

Vol I No 093 14 May 1986

PRC INTERNATIONAL AFFAIRS

GENERAL

Foreign Ministry Spokesman Holds Weekly Briefing A 1
No Weapons to Nicaragua A 1
Indian Protest 'Unjustifiable' A 1
Delegation to UNGA on Africa A 1
Cape Verdian Premier To Visit A 2
Zhao Ziyang Asks ADB To Add China to Board A 2
Developing Countries View of Tokyo Summit Noted A 2
[RENMIN RIBAO 8 May]
Soviet-American Relations Again Deteriorate A 3
BEIJING REVIEW on U.S.-Soviet Rivalry in Pacific [5 May] A 5
RENMIN RIBAO: U.S. Counters USSR in Asia, Pacific [11 May] A 6
'Only Modest' U.S.-USSR Chemical Ban Progress Seen A 8

UNITED STATES

Yang Dezhi Visits Air Force Base, San Francisco B 1
Tian Jiyun Meets U.S. Business Executive B 1
Deng Liqun Meets U.S. Broadcasting Executive B 1
Deng Liqun Thanks American Expert for Help B 1
Rong Yiren Meets U.S. Businessmen 12 May B 2
U.S. Declines to Halt Nuclear Testing B 2

SOVIET UNION

Zhao Ziyang Meets New Soviet Ambassador 14 May C 1
Heilongjiang Promotes PRC-Soviet Border Trade C 1
Soviet Nuclear Power Policy After Chernobyl Viewed C 2

SOUTHEAST ASIA & PACIFIC

Continuation of Guerrilla War in Cambodia Viewed E 1
XINHUA on Vietnamese View of Ho Chi Minh E 2

SOUTH ASIA

XINHUA Reviews Sino-Indian Border Issue F 1
Li Peng Meets Pakistan Good-Will Delegation F 2

PRC NATIONAL AFFAIRS

Zhao Ziyang, Peng Zhen Visit S & T Exhibition K 1
Zhao Greeted by 'Baby Robot' K 1
Zhao Ziyang Urges Support for Reform in Gezhouba K 2

Zhang Aiping Inspects Nuclear Power Station K 2
Li Xiannian Meets With Tianjin Workers 30 Apr K 3
[TIANJIN RIBAO 1 May]
Theorists Urged To Tackle 'Forbidden Zones' K 4
[SHIJIE JINGJI DAOBAO 21 Apr]
Local Leaders Interviewed on Seventh 5-Year Plan K 5
GUANGMING RIBAO Urges 'Hundred Schools of Thought' K 10
RENMIN RIBAO Views Literature, Art Exploration [12 May] K 11
Zhu House Makes Contact With Writers, Artists K 13
[LIAOWANG OVERSEAS EDITION 5 May]
Sha Yexin Discusses Meaning of New Play K 17
[LIAOWANG OVERSEAS EDITION 5 May]
JIEFANGJUN BAO Reports Deeds of Laoshan Heroes [2 May] K 18

PRC REGIONAL AFFAIRS

EAST REGION

Huang Huang Attends Anhui CPPCC Closing Session O 1
[ANHUI RIBAO 28 Apr]
Zhejiang CPPCC Session Ends; Wang Fang Present O 1

CENTRAL-SOUTH REGION

Guangdong: Suixi County Curbs Unhealthy Trends P 1
Commentary Outlines Prospects for Fangcheng Port P 1
Henan's He Zhukang Stresses Persevering in Reform P 3

SOUTHWEST REGION

Sichuan Radio Hails People's Congress Session Q 1
Sichuan Military Leaders Meet Long March Writers Q 1

NORTHEAST REGION

Heilongjiang's Sun Weiben Writes on Party Building S 1
[HEILONGJIANG RIBAO 21 Apr]
Liaoning Holds Meeting on Army Transfer Work S 2
Emperor's Niece Becomes Shenyang CPPCC Member S 2

TAIWAN

Taiwan No Contacts Policy With PRC Unchanged V 1
More Communists Seeking Freedom in Taiwan V 1
Commentary Condemns Communist Media News Blackouts V 2
Late Report: Meeting With PRC on CAL in Hong Kong 19 May [AFP] V 3

HONG KONG MEDIA ON CHINA

CHENG MING Details Crimes of CPC Cadre Families [1 May] W 1
PRC Ponders Launching Spaceship by Year 2000 W 7
[TA KUNG PAO 10 May]
Editorial Advocates Freedom Across Taiwan Straits W 7
[HONG KONG STANDARD 8 May]

FOREIGN MINISTRY SPOKESMAN HOLDS WEEKLY BRIEFING

OW140936 Beijing XINHUA in English 0933 GMT 14 May 86

[Text] Beijing, May 14 (XINHUA) -- A Chinese Foreign Ministry spokesman today said the allegation about China providing weapons to the Nicaraguan anti-government forces "is a sheer fabrication." The spokesman made this comment at the weekly news briefing here this afternoon.

In response to a question about Chinese Foreign Minister Wu Xueqian's visit to Eastern European countries, the spokesman said that Wu's visit to the Democratic Republic of Germany and Hungary is aimed at further developing friendly relations between China and the two countries and enhancing friendship between these peoples. Wu now is on a tour of nine European countries of Belgium, Denmark, Democratic Germany, Finland, Hungary, Ireland, Luxembourg, Norway and Sweden.

Indian Protest 'Unjustifiable'

OW140756 Beijing XINHUA in English 0750 GMT 14 May 86

["China Refutes India's Protest" -- XINHUA headline]

[Text] Beijing, May 14 (XINHUA) -- India's protest against China on the opening of the Khunjerab Pass to the personnel of the third countries by China and Pakistan is utterly unjustifiable and has been resolutely rejected by the Chinese side. The Foreign Ministry spokesman made this statement when asked to confirm the matter at a weekly press briefing here this afternoon. He noted that the Chinese and the Pakistan Governments have decided to formally open the Khunjerab Pass to the nationals of the third countries beginning from May 1. "It is entirely the normal affairs between China and Pakistan, the two sovereign states with common borders, in which no other country has the right to interfere," he said. The Chinese side, he added, has stated time and again that this does not concern the ownership of the disputed Kashmir between India and Pakistan.

Delegation to WNGA on Africa

OW140824 Beijing XINHUA in English 0814 GMT 14 May 86

[Text] Beijing, May 14 (XINHUA) -- A Chinese delegation will attend the special session of the General Assembly of the United Nations on the critical economic situation in Africa to be convened in New York from May 27 to 31. This was announced by a Foreign Ministry spokesman at a weekly news briefing here this afternoon. The spokesman said that Minister of Agriculture, Animal Husbandry and Fisheries He Kang will head the delegation with Vice-Foreign Minister Qi Huaiyuan as his deputy.

The special session is to be convened in accordance with the resolution adopted by the 40th session of the U.N. General Assembly. It will be the first U.N. special session devoted to the economic issue of one continent. This session will make an overall review of the questions confronted by Africa in its economic recovery and its long and mid-term development, the spokesman said.

Cape Verdian Premier To Visit

OW140800 Beijing XINHUA in English 0757 GMT 14 May 86

[Text] Beijing, May 14 (XINHUA) -- Pedro Pires, prime minister of the Republic of Cape Verde, and his wife will pay an official visit to China from May 27 to June 3 as guests of Chinese Premier Zhao Ziyang. This was announced by a Chinese Foreign Ministry spokesman at the weekly briefing here this afternoon. This is Prime Minister Pires's first visit to China since he assumed office in 1975.

ZHAO ZIYANG ASKS ADB TO ADD CHINA TO BOARD

OW131428 Beijing XINHUA in English 1418 GMT 13 May 86

[Text] Beijing, May 13 (XINHUA) -- Premier Zhao Ziyang today expressed the hope that the Asian Development Bank would add China to its board in view of its size and role in the Asia-Pacific region. He told a visiting ADB delegation, led by its president, Masao Fujioka that China wished this issue to be soived as early as possible. Fujioka said he would strive to win a seat for China on the bank's board.

Zhao thanked him and his colleagues for their effort to make China a member of ADB. He said: "China is boosting its economic development by introducing foreign funds and technology. Our participation in the ADB has opened a new channel for achieving our objectives." China attended the ADB annual meeting in Manila last month for the first time. Today, Zhao invited the ADB to hold its annual meeting in China in the near future. Zhao told the delegation that there was great potential for economic development in the region. As members of the ADB included both developing and developed countries from inside and outside the region, the bank could play a strong role in promoting South-South and South-North co-operation. He said China was keen to contribute to the aim of ADB and economic development and prosperity of the Asia-Pacific region. The ADB president said he had agreed with Chen Muhua, state councillor and governor of the People's Bank of China, that a senior ABD delegation would be sent to China this year to discuss concrete matters concerning cooperation between the two sides.

DEVELOPING COUNTRIES' VIEW OF TOKYO SUMMIT NOTED

HK091240 Beijing RENMIN RIBAO in Chinese 8 May 86 p 6

["Jottings" by Jiao Ri: "Hollow 'Magnificent Future'"]

[Text] The Tokyo 7-nation summit has issued a political statement called "Looking Forward to a More Magnificent Future." The statement pointed out: In the increasingly mutually-dependent world of today, without the stability and prosperity of developing countries "it would be impossible for these countries of ours to enjoy lasting stability and prosperity." The statement also pledged to let developing countries play their role in realizing a "magnificent future." This remark sounds perfectly reasonable.

Meanwhile, attended by the representatives of 32 countries, the South-South conference was held in Kuala Lumpur. According to the YOMIRUI SHIMBUN of Japan, some representatives' "dissatisfaction over the Tokyo summit of developed countries exploded simultaneously" at the meeting. People called on the Tokyo summit not only to think about the developed countries but also to "take into consideration the (economic) demands of developing countries."

For example, the developed countries should help solve various problems, such as the falling prices and sluggish sales of primary products, the export slump of developing countries, and their heavy foreign debts.

Indeed, the developing countries are confronted with various difficulties. The difficult problems mentioned above weigh on them so heavily that they are gasping for breath. And this state of affairs has also been brought about by certain policies of developed countries. The slightly better days that some developed countries are economically enjoying now are, to a considerable extent, built on the hardships of developing countries. The Tokyo 7-nation summit did not adopt practical measures to solve these specific problems but merely uttered hollow, nice words. What is the use of this? No wonder that the developing countries simultaneously expressed their dissatisfaction.

The statement of the Tokyo summit put it correctly: Today, the world's countries are increasingly dependent on one another. If the developing countries get poorer, not only will it be impossible for them to have a "more magnificent future" but the "magnificent future" of the developed countries will perhaps be problematic.

SOVIET-AMERICAN RELATIONS AGAIN DETERIORATE

OW070053 Beijing XINHUA Domestic Service in Chinese 0821 GMT 2 May 86

[Roundup by XINHUA reporter Cheng Shouheng: "Soviet-American Relations Cool Down Again"]

[Text] Beijing, 2 May (XINHUA) -- Following a series of setbacks to improvements in Soviet-American relations since this spring, tension has been on the rise once more. This is an inauspicious signal for the "International Peace Year" in 1986.

Bilateral relations had relaxed somewhat following the Soviet-American summit meeting in Geneva last November. People were looking forward to some practical deeds by the two superpowers in the New Year to further improve their bilateral relations and ameliorate the entire international situation. However, people have become increasingly disheartened as events have unfolded over the past 4 months, particularly over the past month and more.

Soviet leader Gorbachev issued a statement on 15 January this year, proposing a total destruction of all nuclear weapons. He also announced that the Soviet Union would unilaterally extend its moratorium on nuclear testing to the end of March, hoping for a positive response by the United States. The United States only gave an official reply 2 days prior to the opening of the 17th CPSU National Congress, after a lapse of more than a month. Gorbachev remark: Judging from the letter from President Reagan, "we can hardly see that the American leader is seriously preparing to solve the fundamental issue of eliminating nuclear threat." That is to say, the United States has turned down the Soviet proposal.

By mid-March, Gorbachev again announced that the Soviet Union would continue to stick to its moratorium on nuclear testing should no new nuclear detonations be conducted by the United States, after the Soviet moratorium expired at the end of March. He also proposed to immediately set about probing for a nuclear test ban treaty in the form of international law. By the end of March, he again expressed his willingness to hold talks immediately with Reagan in any European capital on banning nuclear testing. All these proposals were swiftly rejected by the U.S. side. What is more, the United States held three nuclear tests successively in March and April. The United States officially maintained that further U.S. nuclear tests are "necessary" in view of the "rapid progress gained by the Soviet Union." Under such circumstances, the Soviet Union asserted in April that it would not be obliged to halt nuclear testing unilaterally, and that nuclear tests would resume at any time.

About the same time, the U.S. Administration officially demanded that the Soviet Union cut its UN staff by 40 percent. Intrusion into the Black Sea waters off Soviet Crimea by U.S. warships evoked Soviet protests.

A spate of U.S. raids on Libya has generated serious adverse effects on American-Soviet relations. Libya has maintained close, friendly relations with the Soviet Union. With assistance from Soviet advisers, it has deployed Soviet air defense missiles. Notwithstanding the presence of Soviet advisers, the U.S. air raids were mostly targeted at the missile bases. Consequently, the Soviet Union no only strongly protested the U.S. raid, but also took corresponding countermeasures. It called off the Soviet-American foreign ministerial meeting originally scheduled for the coming May. It opened an "air corridor" to Libya. Three Soviet high-speed corvettes were also found cruising off Libya at this time. All this has brought about renewed tension in Soviet- American relations. In a speech on 15 April, Gorbachev pointed out that the U.S. encroachment in Libya "is a deliberate attempt by the United States to aggravate Soviet-American relations."

In the wake of the aforementioned series of events, the Soviet-American summit scheduled for this year also ran into trouble. Gorbachev told reporters on 20 April: "If the U.S. goes on acting as it is today, trying to poison the atmosphere, this will throw a shadow over any future meeting." U.S. Secretary of State Schultz said: The Soviet Union's cancellation of the foreign ministerial meeting planned for May "has undoubtedly cast a shadow on this year's American-Soviet summit talks." Reagan alleged that if Gorbachev does not come to meet him in the United States this year, he is not going to Moscow next year. Moreover, the Soviet Union has consistently insisted that any future summit talks should aim at reaching concrete agreements on the reduction of nuclear weapons and on banning nuclear testing. The United States, on the other hand, insisted that summit talks must be linked to the issue of regional conflicts. At the same time, both sides oppose each other's stance.

The prospects for Soviet-American relations are highly unpredictable. Rivalries and contention between the two countries will not only continue, but are likely to be further intensified. Nevertheless, neither side is yet willing to break off dialogue outright. Conflict of interests in many areas notwithstanding, both the Soviet Union and the United States have retained bargaining room, and are making every effort to avoid a head-on collision. In his reply to the Algerian weekly REVOLUTION AFRICAINE, Gorbachev remarked that the current Soviet-American relations "are at a stage of unease. However, we have not lost hope for relations...."

BEIJING REVIEW ON U.S.-SOVIET RIVALRY IN PACIFIC

OW050855 Beijing BEIJING REVIEW in English 5 May 86 pp 10, 11

[By Xie Wenqing]

[Text] Now that their European military stalemate is a fact, the Soviet Union and the United States are both determined to create a new military hegemony in the Asia-Pacific region.

Taking the United States as its chief antagonist, the Soviet Union seeks to expand its influence in the region by building up its military strength. It aims at breaking up U.S. containment of the area in order to assure its sea traffic through the Pacific Ocean to the Indian Ocean. The Soviets hope to improve their status in the rivalry by stepping up communications between their eastern and western wings.

The United States has designated the Far East, Western Europe and the Middle East as its three major strategic regions. Believing the Pacific to be the best region from which to confront the Soviet Union, the Reagan administration is reconsidering its military designs in the West Pacific. It is stepping up plans to further its military co-operation with Japan and South Korea in an effort to retain its military advantages in the region and contain the Soviets to their own waters. For years, the two countries have continued to set up new command facilities, increased military forces, consolidated overseas military bases and furthered co-operation with allies in the Pacific region.

The Soviet Union has accomplished a Far East Theatre command in Ulan-Ude, which takes charges of controlling and coordinating its military operations of the Far East, Trans-Baykal region (including troops staged in Mongolia), western Siberia and the central Asian military regions as well as the Pacific Fleet.

The United States established a command centre in Japan in 1985 which has greatly improved the control and command of U.S. troops in Japan and their coordination with the Japanese troops.

The Soviet Far East theatre command controls some 50 divisions, plus one staged on the four islands north of Japan. The equipment for those troops has been improved remarkably, having brought in T-72 tanks, updated armoured vehicles and guns. A third generation of fighter planes, including MiG-23, MiG-25, MiG-27 and Su-15, Su-17 and Su-24, have been put into service. MiG-31 fighters were also deployed. Even more significant is the expansion of Soviet naval forces in the region. Its Pacific Fleet has grown to include 600 vessels. With two aircraft carriers, it has a total tonnage of 1.6 million.

A closer look at U.S. military forces in the region reveals that they have been increased by 7,000 troops since 1984, standing at 195,500 today, or 33.1 percent of its total overseas forces. The ground forces are being equipped with the most modern weapons of the 1980s, including M-1 tanks, M-2 and M-3 armoured vehicles, multi-pipe rocket guns, "Apache" helicopters and "Patriot" anti-air missiles. The tactical air forces are now bringing in new F-15, F-16 and A-10 fighters, and two F-16 fighter groups are scheduled to be deployed in Japan by July 1987.

Nuclear forces of the two superpowers have been skyrocketing in the region. Since 1977, the Soviet Union has deployed 171 SS-20 medium-range missiles and more than 100 "Backfire" bombers. The United States continues to renovate its fighters based along the western Pacific front and on aircraft carriers capable of supporting nuclear arms.

It has also equipped all its nuclear powered-submarines and warships with "Hatchet" cruise missiles. In addition, all the B-52 bombers have been transformed to carry short-range, air-to-earth missiles.

Meanwhile, the Soviet Union continues to expand its military facilities in Cam Ranh Bay and Danang in Vietnam and Kompong Som of Kampuchea. A permanent special detachment of the Soviets has been staged in Cam Ranh Bay, together with some long-range reconnaissance and patrol planes, as well as Tu-16 medium-range bombers and MIG-23 fighters. All these greatly improved the Soviets' control of the West Pacific and over the Strait of Malacca and Bashi Channel. At the same time, the United States is perfecting and expanding its overseas bases. Apart from consolidating the old bases, it has renovated and developed large-scale naval and air facilities in Japan, South Korea, Thailand, Saipan and Tinian islands.

In their Asia-Pacific competition, the Soviet Union is somewhat handicapped by its geographic conditions, particularly its seamouth is vulnerable to U.S. competitors based in the area. The United States, on the other hand, is too far from the Asian mainland. Therefore, both countries are scrambling for their allies' support and never stop at attempting to undermine each other's alliances. The Soviets have gripped Vietnam, handing over large amounts of military and economic aids and supporting its war against Kampuchea in return for the right of long-term use of air and naval bases in Indochina. At the moment, the Soviet Union has been engaged in active propaganda for peace to soften U.S. military cooperation with Japan, South Korea, Australia and New Zealand. The United States is working hard to build a multinational strategic alliance, further its defence partnership with Japan and South Korea, and give greater attention to developing cooperation with the Association of Southeast Asian Nations and the South Pacific Nations. It is seeking a multitiered defence to contain the Soviets' southward strategy.

RENMIN RIBAO: U.S. COUNTERS USSR IN ASIA, PACIFIC

HK110802 Beijing RENMIN RIBAO in Chinese 11 May 86 p 6

["Roundup" by correspondent Gui Tongchang: "Superpower Rivalry Intensifies in Asia-Pacific Region; United States Takes Positive Action To Counter Soviet Penetration"]

[Text] On the eve of his trip to Tokyo for the 7-nation Western summit, U.S. President Reagan paid a special visit to Indonesia from 29 April to 5 May, during which he met Indonesian leaders and ASEAN [Association of Southeast Asian Nations] foreign ministers. This was the first visit to Southeast Asia by an American president in more than a decade; moreover, Secretary of State Shultz also visited South Korea and the Philippines after the 7-nation summit. Apart from these two visits, Defense Secretary Weinberger visited South Korea, Japan, the Philippines, Thailand, and Australia from 1 to 12 April. He also stopped off in Indonesia on the way. These frequent trips to Asia-Pacific countries by top U.S. officials within a month or so illustrate the importance the United States attaches to this region.

The dramatic changes in the Asia-Pacific situation in recent years have aroused U.S. concern for its political, economic, and strategic interests in the region. The Soviet Union has boosted its military strength in the Far East and increased the number of SS-20 medium-range missles deployed there. Since gaining the right to use the Cam Ranh Bay base in Vietnam, the Soviet Union has continually boosted its military strength in Southeast Asia. Its naval forces have even penetrated into the South Pacific.

To counter this Soviet military expansion, the Reagan administration has formulated afresh its policy toward the Asia-Pacific region and strengthened its cooperative relationship in the political, economic, and military fields with its Asia-Pacific allies, to facilitate coordinated action to check the momentum of Soviet expansion in the region, consolidate the "security line" running from Japan to Australia via the Philippines, and develop and readjust U.S. economic and trade ties with the Asia-Pacific region.

Last year the United States gave South Korea 230 million woth of military aid, provided economic and military aid for the Philippines totalling 275 million, and gave 132 million worth of aid to Thailand, 110 million of which was for military aid. In addition, since 1980 the Asia-Pacific region has consistently been America's chief trading partner; almost one-third of U.S. trade is conducted with the region. At the same time, the growth in U.S. investment in the region has been faster than in any other region of the world. In the past 5 years, U.S. investment in the region has grown by 65 percent. In recent years, however, economic and trade contradictions and friction have intensified between the United States and the Asia-Pacific region due to the U.S. practice of trade protectionism. The main purpose of President Reagan's talks with the ASEAN foreign ministers was to explore economic issues. In reiterating that "the United States is determined to practice its concept of free markets and free trade," President Reagan was aiming precisely at easing the contradictions in economic relations between the United States and the ASEAN countries.

The Reagan administration has also paid attention to stepping up bilateral consultations with its Asia-Pacific allies in order to stabilize the situation in the region. The lack of a solution to the Cambodian problem after all this time, the political turmoil in South Korea and the Philippines, and the refusal of New Zealand to allow U.S. warships to enter its ports have caused difficulties for U.S. military deployments in the Asia-Pacific region. For this reason, the United States is vigorously seeking to coordinate its steps with ASEAN. It has expressed support for ASEAN'S stand on the Cambodia question and has worked with it in putting pressure on Vietnam to force that country to withdraw its troops from Cambodia. During his visit to South Korea, Weinberger repeatedly state that there was no similarity at all between the situation there and the Philippines during the Marcos period. In this he was seeking to calm the struggle of the South Korean masses and to stabilize the political situation there. During his visit to the Philippines, he declared that the United States would continute to support the government of Corazon Aquino and guaranteed that it would increase its economic and military aid for the country. During his Asian trip, President Reagan too reiterated the U.S. stand of support for the new Philippine Government. When he went to Australia, Weinberger talked with Australian leaders about Soviet penetration into the South Pacific and the U.S.-Australian use of advanced Australian technology for the joint production of low-level radar. All these activities will play a certain role in consolidating the U.S. strategic position in the Asia-Pacific region.

Another important step taken by the Reagan administration is to step up its military deployments in the Asia-Pacific region and strengthen military cooperation with its allies. U.S. nuclear and conventional deployments in the region have been beefed up since last year, and the number of troops stationed in the region has now reached 195,500, an increase of 7,000 over the 1984 figure. The United States has also stepped up its deployment of nuclear submarines at the Yokosuka base in Japan and has stationed a squadron of F-16's, capable of carrying nuclear weapons, at Misawa. The 7th Fleet has been equipped with Battleaxe cruise missiles. The United States has also expanded its Guam base, strengthened the installations at its Philippine bases, and hastened the construction of military bases on Saipan and Tinian in the Marianas.

In addition to this, in order to step up military cooperation with its allies, the United States has set up a "warship communciations center" at Yokosuka, making this not only the forward U.S. base in countering the Soviet Far East strategic missile bases and nuclear submarines but also the U.S. Navy's command, control, and communications pivot in the Far East. Last year, the United States supplied South Korea with a number of Tow missiles plus 133 Sting missiles equipped with advanced infrared systems. Weinberger signed a military cooperation agreement with South Korea when he visited there in April. In Southeast Asia, the United States has supplied Thailand with 40 M-48 tanks and 20 advanced F-16 fighters. The two countries have also carried out the largest military maneuvers since the end of the Vietnam war. Moreover, last August the United States decided to sell eight F-16's to Singapore. According to foreign press dispatches, the strengthening of U.S. aid in new weaponry for Thailand and Singapore shows that the United States attached still greater strategic importance to the ASEAN countries.

U.S. policy trends in the Asia-Pacific region show that the United States is now exerting itself to counter Soviet penetration in the region and preserve its strategic interests there. As U.S. and Soviet military strength in the Asia-Pacific region increases, the rivalry between them in the region will become more and more complex and sharp.

'ONLY MODEST' U.S.-USSR CHEMICAL BAN PROGRESS SEEN

OW121846 Beijing XINHUA in English 1744 GMT 12 May 86

[Text] Washington, May 12 (XINHUA) -- The United States and the Soviet Union have made only modest progress toward a chemical-weapons ban treaty and the Reagan administration is still preparing to resume chemical-arms production as planned, THE CHRISTIAN SCIENCE MONITOR reported today. The newspaper, quoting a senior U.S. arms control official, said that although the Soviet negotiators "came forward a little bit in a couple of areas" during the latest round of chemical-arms control talks which ended in Geneva three weeks ago, many issues remain unsolved.

One of the areas where progress was reported was commercial chemicals. The two sides reached tentative agreement on a list of some commercially available chemicals that can also be used in weapons production. Small gains were also made on the issue of dismantling chemical weapons plants. But on the question of how such destruction could be verified, the two countries remain on opposite sides of the fence, and there is very little likelihood of quick agreement when talks resume in June, the paper said.

The latest effort on the superpowers' chemical-arms control dates back to 1980 when U.S. President Ronald Reagan proposed a draft treaty. Since then talks have proceeded in the forum of the United Nations Committee on Disarmament, a body with 40 member nations that meets in Geneva. Last November, at their summit meeting in Geneva, Reagan and Soviet leader Mikhail Gorbachev pledged to accelerate work on the issue.

The Reagan administration has argued for years that unless there is an agreement with the Soviets on banning chemical arms, the United States should modernize its aging stockpile of chemical bombs and artillery shells to counter Soviet advantage. The U.S. congress last year approved its plan to resume chemical-weapons production beginning October 1 this year. The Reagan administration also plans to ask, at a late May meeting of NATO defense ministers, the West European countries to endorse its chemical-arms plan, the report said.

YANG DEZHI VISITS AIR FORCE BASE, SAN FRANCISCO

OW130608 Beijing XINHUA in English 0602 GMT 13 May 86

[Text] Washington, May 12 (XINHUA) -- Yang Dezhi, chief of general staff of the Chinese People's Liberation Army (PLA) and his party arrived in San Francisco, California, this afternoon to continue his tour of the United States. Yang, accompanied by his wife Shen Dejun and PLA Deputy Chief of General Staff Han Huaizhi, today visited Hill Air Force Base in the state of Utah, including a U.S. Air Force officers' club, an Air Force maintenance facility, and watched a F-16 flight demonstration before he left there for San Francisco aboard a U.S. Air Force airplane. Yesterday afternoon, Yang and his party visited a famous Mormon Temple and adjacent historical sites in Salt Lake City, Utah.

TIAN JIYUN MEETS U.S. BUSINESS EXECUTIVE

OW131239 Beijing XINHUA in English 1224 GMT 13 May 86

[Text] Beijing, May 13 (XINHUA) -- Vice-Premier Tian Jiyun met here today Richard C. Holbrooke, managing director of Shearson Lehman Brothers Inc. of the United States and his party. Tian briefed the visitors on China's economic development. He welcomed U.S. entrepreneurs to invest in China and carry out various kinds of cooperation. The U.S visitors arrived here yesterday at the invitation of the China State Construction Engineering Corporation.

DENG LIQUN MEETS U.S. BROADCASTING EXECUTIVE

OW131135 Beijing XINHUA in English 1118 GMT 13 May 86

[Text] Beijing, May 13 (XINHUA) -- Deng Liqun, member of the Secretariat of the Chinese Communist Party Central Committee, met here today T.M. Chang, president of the Hua Sheng Broadcasting Company in San Francisco, the United States, his wife and their son. The visitors arrived here Sunday at the invitation of the Chinese Ministry of Radio, Film and Television.

DENG LIQUN THANKS AMERICAN EXPERT FOR HELP

OW121420 Beijing XINHUA in English 1401 GMT 12 May 86

[Text] Beijing, May 12 (XINHUA) -- Eleanor Bidien, and American expert who has been working in China for the past 35 years, was honored at a reception here this evening to celebrate her 65th birthday and the 35th anniversary of her coming to work in China. She has been working in XINHUA NEWS AGENCY as an English language polisher since 1951.

Deng Liqun, member of the Secretariat of the Chinese Communist Party Central Committee, met her before the reception began. During the meeting, Deng thanked her for her contributions to the Chinese people's socialist revolution and construction. Deng Yingchao, chairman of the National Committee of the Chinese People's Political Consultative Conference, sent a basket of flowers to Eleanor Bidien on the occasion.

Guo Chaoren, deputy director-general of XINHUA, read a message of congratulations on behalf of the news agency at the reception. "Your wide range of knowledge and understanding of the situation both inside and outside China have helped our Chinese comrades understand the needs of foreign readers and improve their work accordingly," he said.

"The role you have played has far exceeded that of a foreign expert and polisher. What we have achieved toward the goal of turning XINHUA into a world news agency is inseparable from your hard work," he added.

Eleanor Bidien said in her speech that she and her Chinese colleagues had worked together in harmony because of their common goal. She said that news of China's efforts to reform the economy, to modernize, to improve the life of the people is gaining mounting attention and respect abroad. "This is the challenge of the times for all journalists in China. I hope to be with you for many years more in this important work," she added. Among those present at the party were Sol Adler and Israel Epstein, two old friends of Bidien's.

RONG YIREN MEETS U.S. BUSINESSMEN 12 MAY

OW121353 Beijing XINHUA in English 1336 GMT 12 May 86

[Text] Beijing, May 12 [XINHUA) -- Rong Yiren, vice-chairman of the National People's Congress Standing Committee, met a delegation from the United Technologies Corporation (UTC) here this evening in the Great Hall of the People. The 42-member delegation led by Harry J. Gray, chairman of UTC, and Alexander M. Haig, Jr., former U.S. secretary of state and conultant of UTC, arrived here yesterday. Rong, also chairman of the board of directors of the China International Trust and Investment Corporation, and Gray discussed areas of possible technical cooperation. After the meeting, Rong hosted a banquet in honor of the delegation. UTC, a comprehensive technological corporation, began to trade with China in 1973 in a varied form of co-production, joint ventures and technology transfer.

U.S. DECLINES TO HALT NUCLEAR TESTING

OW100330 Beijing XINHUA in English 0048 GMT 10 May 86

[Text] Washington, May 9 (XINHUA) -- The United States Thursday made it clear once again that it will not join the Soviet Union in banning nuclear tests, which Soviet leader Mikhail Gorbachev has called for repeatedly. "We are persuaded it would be irresponsible and unwise to enter into such an agreement at this time," said Richard Perle, assistant secretary of defense for international security policy and senior official in the Pentagon on nuclear arms policy.

Testifying before the Senate Foreign Relations Committee, Perle said, "Our top priority at the nuclear and space talks in Geneva has been and will continue to be to seek deep, equitable, and effectively verifiable reductions in the offensive nuclear forces of both sides." A freeze on nuclear testing, he asserted, "would derail -- not facilitate -- any prospect for real arms reductions."

Furthermore, he said, if the United States were to shift its attention to negotiating a testing freeze, "the dangers posed by Soviet force advantages and their non-compliance with existing arms control agreements would be left untouched."

"As long as the United States and our allies and friends must rely upon nuclear weapons to deter aggression, nuclear testing will continue to be required," Perle said. Therefore, he stressed, "It would be unwise for us to even discuss with the Soviets at this point a comprehensive ban on nuclear testing." Otherwise, he claimed, "We would be betraying the safety and security and survivability" of the American nuclear deterrent.

ZHAO ZIYANG MEETS NEW SOVIET AMBASSADOR 14 MAY

OW141028 Beijing XINHUA in English 1020 GMT 14 May 86

[Text] Beijing, May 14 (XINHUA) -- Chinese Premier Zhao Ziyang met new Soviet Ambassador to China Oleg Aleksandrovich Troyanovskiy here today.

HEILONGJIANG PROMOTES PRC-SOVIET BORDER TRADE

OW120951 Beijing in Russian to the USSR 1800 GMT 11 May 86

[Text] In Heilongjiang Province there is the small picturesque border town of Suifen He, one of the major centers of Chinese-Soviet trade. In this town, two major railway lines converge, the Harbin-Suifen He and the great Trans Siberian line. Everyday, thousands of tons of cargo pass through this town in both directions. We arrived in this small mountain town early in spring. Even while still on the platform we noticed the fast tempo of life. Both Chinese and Soviet rolling stock stops at the huge loading dock, which is capable of taking 200 carriages at a time. Here the goods are received and examined. A series of gigantic cranes unload the goods from Soviet into Chinese carriages.

Opposite Suifen He, on the Soviet side, is the town of (Grabekov). Only 15 kilometers separate these towns. In Heilongjiang Province the Soviet-Chinese border stretches for over 1,000 kilometers, but only between these two towns was a wide and narrow guage laid.

The Chinese official responsible for border trade told us that 1985 was a year of comparatively rapid growth of Chinese-Soviet border trade. Suifen He cargo traffic exceeded 18,000 carriages, or more than 940,000 tons. This equals the traffic recorded in 1985, a peak year for Chinese-Soviet trade. Moreover, the share of intergovernmental trade totaled 810,000 tons, approximately 60 percent more than in 1984.

China and the Soviet Union have good conditions for developing trade. Heilongjiang Province and the Soviet far east can make use of the railway system for import as well as export. Border trade between the two countries began a long time ago. Both countries' exports are essential to them, and therefore the broadening of trade contacts at the border is consistent with their interests. Currently the Soviet Union and China rely only on barter in their border trade. The volume of imports and exports for both countries in terms of value is generally the same. China, in the main, sells grain and oil to the Soviet Union. Specifically soybean and corn account for five-sixths of the total Chinese exports.

In the Soviet Union, the cheap and good cotton and manufactured goods from China are in great demand. In the Soviet far east Chinese thermos flasks and pocket flashlights are considered to be good presents.

China imports from the Soviet Union primarily timber and cement. Last year more than 8,900 carriages passed through Suifen He from the Soviet Union. Of these, more than 8,200 carried timber and cement. Besides, China imports from the Soviet Union washing machines, motorcycles, refigerators, electrical appliances, and fish products.

The industrial reforms carried out in China in the past years have helped make Chinese-Soviet border trade prosper. The Chinese government has gradually given provinces and towns the right to independently broaden foreign trade. At present, local trade is playing an increasingly important role in trade with the Soviet Union. Since 1983, when Heilongjiang renewed its border trade with the Soviet Union, the volume of trade has grown from year to year. In 1985 it reached 30 million Swiss francs, that is, 66.11 percent more than in 1983 and 1984.

Currently Heilongjiang is getting ready to open two more border control points, in the town of Aihui and in (Mudanjiang) Prefecture. Several other Chinese provinces and towns are also interested in trading with the Soviet Union through Heilongjiang Province. Last year Heilongjiang Province held talks with Jilin, Liaoning, and Shanghai Provinces. Hou Jie, governor of the Heilongjiang Provincial People's Government, told us that the Chinese Government had already granted permission to Heilongjiang to independently broaden trade with East European countries. Last year he signed contracts with Poland and Czechoslovakia.

SOVIET NUCLEAR POWER POLICY AFTER CHERNOBYL VIEWED

OW131540 Beijing XINHUA in English 1517 GMT 13 May 86

["News Analysis: Chernobyl Accident Casts Shadow Over Soviet Nuclear Industry (by Wang Xianju)" -- XINHUA headline]

[Text] Beijing, May 13 (XINHUA) -- The accident at the Soviet Union's Chernobyl nuclear power station, believed to be one of the world's most serious nuclear disasters in three decades, has seriously cut Soviet energy production and is also expected to slow down the development of its nuclear industry.

Construction of the Chernobyl station, 130 kilometers north of the Ukrainian capital of Kiev, began in 1972. Its four graphite-moderated reactors were completed in 1977, 1979, 1982 and 1983, achieving a generating capacity of 4,000 megawatts by the end of 1985.

According to Soviet reports, the Chernobyl accident began with a chemical explosion in the early morning of April 26, which triggered a massive fire and damaged one of the four reactors at the station. The other three reactors were immediately shut down as a safety precaution.

The electricity generated by the Chernobyl station accounted for about half of the power produced in the Ukraine, which is now relying on neighboring republics to covee its power shortage after the accident.

Foreign experts estimate that the shutdown of the crippled Chernobyl station is costing the Soviet Union about four million U.S. dollars a day.

Unconfirmed Western reports say the Soviets have closed all the nation's 15 graphite-moderated reactors in the wake of the Chernobyl mishap. If these reports are true, losses to the country would be much greater than the four-million-dollar figure.

The nuclear industry has grown rapidly in the Soviet Union since it built the world's first experimental, 5,000-kilowatt nuclear reactor in Obninsk, southwest of Moscow, in June 1954. The country had 41 nuclear power-generating units in operation with a total capacity of 25,000 megawatts by the end of 1985. They produced about 155 billion kilowatt-hours last year, accounting for one-tenth of the country's total electricity output, and the Soviet Union was the world's third largest atomic energy producer last year after the United States and France.

It has plans to double its nuclear energy output by 1990 and triple it by the year 2000, which means that nuclear-generated electricity will make up 20 percent of the country's total power output in 1990. This ambitious plan has been set back by the Chernobyl accident, which experts say will at least slow down the progress of the Soviet nuclear industry for several years.

Two new graphite-moderated reactors were under construction at Chernobyl at the time of the accident. Their completion will raise the station's generating capacity to 6,000 megawatts, a one third increase over its present level. Now the plan has to be reviewed. The Soviet Government newspaper IZVESTIYA reported that construction of the fifth reactor at the station has stopped "for understandable reasons".

Most of the existing graphite-moderate reactors in the Soviet Union, for reasons of economy, have no containment buildings which can prevent radioactive substances from spreading in case of accidents. The Chernobyl disaster will force the Soviets to reconsider the need of building containment structures for reactors, and they will also have to improve the emergency core cooling systems at nuclear power stations. While upgrading its graphite-moderated reactors, the country will probably give greater attention to the more advanced light-water reactors.

All this demands an increase of investment in the nuclear industry and better nuclear technology, which means an additional burden on the country's sluggish economy and changes in the Kremlin's nuclear energy development plan.

However, one must not think that the Chernobyl disaster will make the Soviet leadership abandon their nuclear power program, which is a major part of Moscow's long-term strategy to meet the rising domestic demands for energy and match the West in nuclear technology.

CONTINUATION OF GUERRILLA WAR IN CAMBODIA VIEWED

OW130820 Beijing XINHUA in English 0750 GMT 13 May 86

["News Analysis: "Hit-And-Run" Guerrilla War Continues in Kampuchea (by Ma Shengrong)" -- XINHUA headline]

[Text] Bangkok, May 13 (XINHUA) -- Now even cynical political analysts here believes that the Kampuchean resistance forces have not been crushed but made progress in their war against the Vietnamese aggressors in the interior of Kampuchea during the past dry-season. Well-informed sources here said that a salient feature in the Kampuchean war in this year's dry-season is the changing pattern of troop deployment by both the resistance forces and Vietnam. Vietnam has moved a large number of troops to the Kampuchean border areas following last year's dry season offensive, during which it had taken all the border bases of the resistance forces. Meanwhile, the three factions of the resistance forces under the coalition government have gone deep into the interior to carry out a hit-and-run guerrilla war against the Vietnamese aggressors.

A source of the resistance forces told this correspondent that the loss of the bases along the border has forced them to shift the battlefield from western Kampuchea to the central areas. "We have no choice but to continue our fight deep inside Kampuchea. It is more difficult but we enjoy the support of the Kampuchean people," he said. Military leaders of the Coalition Government of Democratic Kampuchea (CGDK) disclosed that the resistance forces had attacked six provincial cities including Siem Reap, Battambang, Kompong Thom, Kompong Speu, Takeo and Pursat. The guerrillas even moved into areas around Phnom Penh and attacked the city's international airport on two occasions, they said.

On the part of the Vietnamese, they planned to carry out several major mopping-up operations but had to abandon them later because of the widespread attacks by the resistance forces. Prince Norodom Ranarith, commander-in-chief of the Sihanoukian Nationalist Army told this correspondent that "the Vietnamese couldn't find us. When they concentrated their troops in an area we had already moved to the other places." Vietnam also tried to seal off the Kampuchean-Thai border in an attempt to cut off the supply of the resistance forces. Under its K-5 plan, barbed wire would be set up, and trenches and other fortifications would be dug along the entire border. But resistance sources believe that the Vietnamese plan would not succeed. "We are able to break through their lines even if they do succeed in sealing off the border," one of them said. Observers here note that to seal off the border was one of Vietnam's major strategies to eliminate the resistance forces. One diplomatic source said, "to station troops along the over 800-kilometer-long mountainous boundary will be a tremendous burden to the Vietnamese." "Furthermore, how about their supply of ammunition and provisions to the troops. The long distance transportation is vulnerable to guerrilla attacks by the resistance forces," he said. However, resistance sources admitted that they had a very difficult time when the border bases had been taken by the Vietnamese invaders. "We have to open new areas for our resistance war. We have to tell the local people who we are and what we are fighting for," one source of CGDK Prime Minister Son Sann's faction said. "The people are with us, we have already sent several thousand soldiers into the interior," he added.

No clashes between the CGDK factions have been reported in the past few months. When talking to reporters at the Foreign Correspondent Club in Bangkok, Khieu Samphan and representatives of the other two factions were of the opinion that unity is of paramount importance in their war against the Vietnamese aggressors. "We want to be frank that there were rifts among ourselves. But now everything goes on well," Prince Ranartith told XINHUA in a recent interview.

With the changed pattern in the Kampuchean battlefields, it is believed that the guerrilla war waged by the resistance forces is going on in wider areas in Kampuchea. The Vietnamese troops are bound to face multi-pronged attacks both at the border areas and in the interior, while the resistance forces are able to resort to more flexible tactics in the fighting. Thai military sources predict that the resistance forces would continue their hit-and-run operations in the upcoming rainy-season and the Vietnamese troops armed with heavy weaponry would have to move back to their bases. In this way, resistance forces could have more contacts with the local people and get prepared for the fighting in the next dry season, they said.

XINHUA ON VIETNAMESE VIEW OF HO CHI MINH

OW111540 Beijing XINHUA in English 1518 GMT 11 May 86

["Ho Chi Minh: A Brilliant Image of Vietnam's Past" -- XINHUA headline]

[Text] Vinh, Vietnam, May 11 (XINHUA) -- People here still call him Uncle Ho, a popular name that best symbolizes their past leader, father of the socialist republic. In today's Vietnam, Ho Chi Minh remains the most celebrated name. Leader of the Vietnamese national movement for nearly three decades and president of the Democratic Republic of Vietnam from 1954 to 1969, Ho was one of the prime movers of the post-war anticolonial movement in Asia and one of the most influential communist leaders of the 20th century.

As revolutionary leader, Ho Chi Minh waged one of the longest and most costly battles against the colonial powers. As a person, he showed the greatest love to his people who, he believed, had their own inalienable rights to be free and independent. Never in his life did Ho think that he would become his country's most respected figure for many years to come. His portraits are still enshrined throughout the country and his quotations cited in many publications. Each year, tens of thousands of people come to Hanoi, the capital, to visit his mausoleum. The Ba Dinh Square, where Ho Chi Minh proclaimed the resurgence of the state of Vietnam in 1955 and lay in state 14 years later, has not seen any celebrations without mentioning his name.

In his home town of Kim Lien in Nghe Tinh Province, 290 kilometers south of Hanoi, his townsmen are expecting a bumper rice harvest to commemorate their beloved former president's 96th birthday, which is next Monday.

Nguyen Hong Hoa, people's committee chairman of Kim Lien, told XINHUA he will never forget the president's 1961 home visit. President Ho, Nguyen recalled, said he did not want to preserve his house here. What Ho wanted were a united Vietnam and the success of the anti-U.S. war, the 44-year-old Nguyen added.

A museum in Kim Lien, built after Ho's death in 1969, houses many of the president's personal belongings. One can have an overall view of this revolutionary leader who had devoted his whole life to Vietnam's independence and unification. A guide said more than 200,000 people have visited the Museum since it was completed in 1970. Items on display, from Ho's well-known "anti-imperialist shoes" to his worn-out clothes, have left profound impressions on the visitors.

To his countrymen, Ho is a brilliant image of the past. His plain life, his skill of leadership, his determination to remain single until the end of foreign occupation, all combine to make him an unforgettable figure in Vietnam's history.

XINHUA REVIEWS SINO-INDIAN BOUNDARY ISSUES

OW081548 Beijing XINHUA in English 1507 GMT 8 May 86

[Text] Beijing, May 9 (XINHUA) -- Following is the full text of an introduction of the Sino-Indian border issue broadcast by the Chinese News Service on May 8:

During the recent deliberations by the Indian Parliament on the 1985-1986 national defense report and the budgetary appropriations for national defense of the next fiscal year, an Indian leader asserted in a reply that Indian territory was "definitely occupied by China. A member of the Indian Parliament went so far as to call for "the liberation of the territories occuped by China." Quite a few readers who are concerned about the Sino-Indian boundary question have asked by letter: What is the Sino-Indian boundary question all about? After all who has occupied whose territories? Here we would like to give our readers a brief account of the Sino-Indian boundary question.

The Sino-Indian boundary which is about 2,000 kilometers divided into the eastern, middle and western sectors has never been formally delimited. In the long history of peaceful and friendly coexistence between the Chinese and Indian peoples, a traditional customary boundary respected by the two peoples had long taken shape on the basis of the extent of each sides' jurisdiction. Tranquillity had always prevailed in the border areas. At the turn of the last century, the Western colonialists then ruling India gradually occupied a small portion of Chinese territory across the traditional boundary in their pursuance of the "forward" policy of coveting China's Tibet. After India's independence in 1947, the Indian authorities continued with the "forward" policy and occupied large tracts of Chinese territory. As a result, an actual line of control between the two sides has taken shape on the Chinese side of the boundary.

At present, there are disputes over all the eastern, middle and western sectors of the Sino-Indian border, the eastern sector being the most disputed area. The eastern sector refers to the section of the Sino-Indian border between the tri-junction of China, India and Bhutan and the tri-junction of China, India and Burma. The disputed are comprises three parts, Monyul, Loyul and lower Tsayul. located north of the traditional customary boundary and south of the so-called "McMahon line," covering a total area of approximately 90,000 square kilometers. The inhabitants who have lived for generations in this area are either Tibetans or other nationalities closely akin to them. It is from the Monyul area that the 6th Dalai Lama of Tibet, Tsanyun Gyaltso, hailed. Since the Ming Dynasty, the Tibet local authorities of China had maintinaed administrative organs, appointed officials and exercised jurisdiction over the above three places. These areas have been part of Chinese territory since ancient times. The so-called "McMahon line" contrived single-handedly by the colonialists in 1914 is absolutely illegal and null and void, and has never been recognized by any of the successive central governments of China. For a considerable period of time after 1914, the Tibet local authorities of China had never ceased their administrative jurisdiction over Monyul, Loyul and lower Tsayul. It was towards the end of the World War II that the then colonialists began to press northwards beyond the traditional customary boundary. After its independence, Indian pushed further north until it brought under its control in 1953 all the areas along the illegal "McMahon line," in addition to taking over those parts of Chinese territory illegally occupied by the colonialists.

The middle sector refers to the section of Sino-Indian boundary west of Nepal, bordering on the Ari district of China's Tibet and the Himachal Pradesh and Uttar Pradesh of India. The disputed area covers about 2,000 square kilometers. Almost all the inhabitants in this area are Tibetans who used to live under the jurisdiction of the Tibet local authorites. The greatest part of this area was gradually occupied by India after 1954.

The western sector refers to the section of Sino-Indian boundary beginning from the Karakoram Pass in the north down to the tri-junction in the south of the Ari district of China's Tibet, Ladakh of the Indian controlled Kashmir and Himachal Pradesh of India. There should be no problem whatsoever on this sector of the boundary. However, towards the end of the 1950's, India all of a sudden made the territorial claims to China. The Aksai Chin and other areas referred to by India, totalling over 30,000 square kilometers, has always been Chinese territory under the jurisdiction of China's Xinjiang and Tibet respectively. The name Aksai Chin is the Uygur term for "China's desert of white stones." With the exception of Parigas occupied by Indian since 1956, the whole region has up to date been under China's jurisdiction and control.

The above-mentioned historical facts show that China has never occupied a single inch of Indian territory. On the contrary, over 90,000 square kilometers of Chinese territory have to this day been under India's occupation.

In spite of all this, the Chinese side, proceeding from the overall interests of peace and friendship and setting store by the traditional friendship between the Chinese and Indian peoples, has continued its efforts to bring about a peaceful settlement of this question left over from history. Since 1981, six rounds of talks have been held between Chinese and Indian officials at the vice foreign ministerial level. It is learned from reliable sources that the Chinese side has put forward a number of rational and reasonable proposals, holding that in seeking a settlement of the Sino-Indian boundary question the two sides should respect history and give consideration to the realities while taking into account the national feelings of the two peoples, and the two sides should, in a spirit of seeking truth from facts and of mutual understanding and mutual accommodation, strive for a comprehensive settlement fair and reasonable to both sides through friendly consultations. Here the key lies in the implementation of the principle of mutual understanding and mutual accommodation. Historical experience shows that a fair solution to territorial disputes can be achieved only through friendly consultations and mutual understanding and accommodation, to which there is no other alternative.

LI PENG MEETS PAKISTAN GOOD-WILL DELEGATION

OW111404 Beijing XINHUA in English 1350 GMT 11 May 86

[Text] Beijing, May 11 (XINHUA) -- Chinese Vice-Premier Li Peng met a Pakistan good-will delegation headed by Syed Qasim Shah, minister for states and frontier regions and Kashmir affairs and northern affairs here this afternoon at Zhongnanhai. The guests arrived at Khunjerab Pass on the Sino-Pakistan border on May 1st at the invitation of the Xinjiang Uygur Autonomous Regional People's Government to attend a ceremony to mark its opening to personnel of third countries.

Li Peng and Syed Qasim Shah shared the view that the event was important for boosting the economic and trade development as well as the exchange of visits in the border areas of the two countries. The Pakistan guests, who arrived here last night after visiting Guangzhou and Shenzhen, were honored at a banquet here this evening hosted by Ismail Amat, minister in charge of the State Nationalities Affairs Commission.

ZHAO ZIYANG, PENG ZHEN VISIT S&T EXHIBITION

OW132059 Beijing XINHUA Domestic Service in Chinese 1430 GMT 13 May 86

[By reporter Wu Ming]

[Text] Beijing, 13 May (XINHUA) -- Zhao Ziyang, Peng Zhen, and other party and state leaders arrived at the Beijing Exhibition Hall tonight to see a display of China's scientific and technical achievements during the "Sixth 5-Year Plan" period.

Zhao Ziyang, Peng Zhen, and others carefully examined the pictures, charts, captions and material objects, and listened to briefings by the attendants. They paid particular attention to application of the scientific and technical achievements. During their tour they frequently asked questions about the practical value of the scientific and technical achievements and how they had been used in practice.

In an area where food products were on display, Zhao Ziyang saw instant meals, milk powder that could be used to replace breast feeding, and other new products. He inquired as to whether these products had entered the market. At a counter where leather products were on display, Zhao Ziyang carefully examined a piece of leather made with a new technology, and touched the leather to test its smoothness. As he was leaving the counter, he cheerfully said: It is necessary to popularize this new product.

In an area where communication equipment with the use of optical fibers was on display. Zhao Ziyang took a magnifier from an attendant to carefully examine the optical fiber cable. He asked the attendant if raw materials are available in China for production of the optical fiber cable and whether or not such cable can be manufactured in large quantities.

Comrade Peng Zhen also expressed great interest in how the scientific achievements were being applied. When he reviewed the achievements in the field of color TV video signal amplification, he asked the attendant what television owners thought about this improvement. While reviewing the large strip-mining machinery, he asked: Where is such machinery being used? In an area where achievements in the field of public health were on display, Peng Zhen also asked questions on the prevention and treatment of hepatitis and cancer in China, and the effects of some medications in the treatment of such diseases.

Also attending tonight's review were Li Peng, Hao Jianxiu, Gu Mu, Zhang Jingfu, Mang Bingqian and other comrades.

Zhao Greeted by 'Baby Robot'

OW131653 Beijing XINHUA in English 1535 GMT 13 May 86

[Text] Beijing, May 13 (XINHUA) -- Premier Zhao Ziyang was greeted at a review of scientific achievements here tonight by a true offspring of the high-tech era -- a baby robot.

"I am a robot of the Number 36 Institute of the Ministry of Electronics. Welcome to the review," said the little robot as it nodded and waved flowers. Zhao and other state leaders toured the display at Beijing Exhibition Hall of more than 3,800 scientific research achievements accomplished in China over the past five years.

After thanking the baby robot, the premier inspected China's first paint-spraying robot. But tonight it sprayed only water onto flowers and trees.

Also attending the review were Peng Zhen, chairman of the National People's Congress Standing Committee, Vice-Premier Li Peng and other state leaders. They visited displays of achievements in agriculture, energy, communications, transport, building materials, electrical machinery and equipment, consumer goods, new technology and social development.

ZHAO ZIYANG URGES SUPPORT FOR REFORM IN GEZHOUBA

HK020900 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 1 May 86

[Excerpt] Zhao Ziyang, Standing Committee member of the CPC Central Committee Political Bureau and Premier of the State Council; Li Peng, member of the CPC Central Committee Political Bureau and vice premier of the State Council; and Wang Renzhong, vice chairman of the NPC Standing Committee, warmly celebrated May Day together with model workers, workers, cadres, and the people in Yichang City. Premier Zhao said in sincere words and earnest wishes that the success of the Seventh 5-Year Plan depends on reforms.

Zhao Ziyang and other central leading comrades have just arrived in Yichang after their inspection of mountain areas on the borders of Sichuan and Hubei Provinces. Shortly after their arrival in Yichang on the eve of May Day, regardless of travel fatigue, they visited the Gezhouba project and met with workers there.

On the evening of 30 April, accompanied by Hubei Provincial CPC Committee Secretary Guan Guangfu, Premier Zhao, Vice Premier Li, and Vice Chairman Wang delightedly met with 50 model laborers, advanced workers, and representatives of technicians and teachers from Yichang prefecture, Yichang City, the Gezhouba project bureau, the Gezhouba power plant, and the Gezhouba lock gate. Premier Zhao said enthusiastically:

[Begin recording] We have fulfilled the Sixth 5-Year Plan. On the whole, the Sixth 5-Year Plan has been executed successfully. There are many reasons for its successful execution, the main one being economic reforms. Will the Seventh 5-Year Plan be executed equally or more successfully? The key lies in reforms. The success or failure of reforms will have a bearing not only on the Seventh 5-Year Plan, but also in the Eighth 5-Year Plan, the Ninth 5-Year Plan and the next century. That is why we say the Seventh 5-year Plan is an essential period in our reforms. Reforms will make the economy flourish and the workers, peasants, intellectuals, and all other people in the country more prosperous. However, reforms are fairly complicated, and we must be ready to meet with difficulties, temporary difficulties of course. Only with the support from the workers, peasants and the broad masses, will our reforms achieve success. In extending holiday greetings to you, I hope that you will support the reforms. [end recording]

Vice Premier Li Peng and Vice Chairman Wang Renzhong also spoke at the meeting.

ZHANG AIPING INSPECTS NUCLEAR POWER STATION

HK140510 Beijing ZHONGGUO XINWEN SHE in Chinese 1421 GMT 13 May 86

[Text] Beijing, 13 May (ZHONGGUO XINWEN SHE) -- Since the leakage accident at the Soviet Chernobyl nuclear power station, China has paid even closer attention to safety and quality in building its nuclear power stations.

According to a report by the central television station here, Zhang Aiping, a PRC State Councillor and deputy secretary-general to the CPC Central Military Commission, made a special inspection tour of Zhejiang's Qinshan nuclear power station on the 9th and 10th.

The Qinshan station is the first nuclear power station that China has designed and built on its own.

Zhang Aiping emphatically pointed out that in building the Qinshan nuclear power station, we must adhere to the principle of putting safety and quality first and grasp the work related to safety and quality in an all-round manner in all links including the design, equipment manufacture, the construction, the debugging, and the trial operation and thus ensure that the station is completed smoothly and is of benefit to the human race.

Relevant officials of the Commission of Science, Technology and Industry for National Defense, the Ministry of Nuclear Industry, and the State Nuclear Safety Administration accompanied Zhang Aiping in inspecting the station, the sources said.

LI XIANNIAN MEETS WITH TIANJIN WORKERS 30 APR

SK140510 Tianjin TIANJIN RIBAO in Chinese 1 May 86 p 1

[Excerpt] Li Xiannian, Standing Committee member of the Political Bureau of the CPC Central Committee and president of the PRC; Hao Jianxiu, member of the Secretariat of the CPC Central Committee; Lu Zhengcao, vice chairman of the National CPPCC Committee; and some representatives of the working people from all circles throughout Tianjin Municipality happily gathered under the same roof to celebrate the "1 May" International Labor Day on the evening of 30 April.

The cadres' club was decorated with lanterns, colored ribbons, and red flags of the municipal CPC committee and the municipal government. Central leading comrades, including Li Xiannian, Hao Jianxiu, and Lu Zhengcao, came to the reception hall of the cadres' club, and cordially met with the representatives of model workers of different levels, advanced figures, and working people from all circles throughout the municipality. Central leading comrades, including Li Xiannian, shook hands with the model workers one after another, and extended festive greetings to them. President Li said: Thank you for your contributions, and I wish all of you smooth progress in your work and hope that you make contributions to the four modernizations.

While Mayor Li Ruihuan introduced Gao Chunling, a cleaning worker of the public rest rooms under the Hebei District Environmental Sanitation Bureau, to President Li, President Li gladly had a photo taken with her by holding her hand.

Also attending the meeting were leaders of the municipality and responsible persons of the Tianjin Garrison District, including Nie Bichu, Zhang Zaiwang, Guo Chunyuan, Chen Bing, Zheng Guozhong, and Lan Baojing.

After the meeting, central leading comrades, including Li Xiannian, attended the municipal soiree to celebrate the 100th anniversary of the "1 May" International Labor Day. Together with the representatives of the working people from all circles of the municipality, the central leading comrades watched the literary and art performances given by the Tianjin municipal opera troupe, the Tianjin municipal youth opera troupe, and the Baihua opera troupe of Tianjin Municipality's Hebei Opera Institution.

THEORISTS URGED TO TACKLE 'FORBIDDEN ZONES'

HK131301 Shanghai SHIJIE JINGJI DAOBAO in Chinese 21 Apr 86

[Commentary: "An Important Addition"]

[Text] Before the "Report on the Seventh 5-Year Plan" was finally approved at the Fourth Session of the Sixth NPC, the deputies made eight major amendments after hot debate during the panel discussions. The major amendments were released to the press. One of them reads: "In carrying out research in philosophy and social sciences, particularly in economic theories, it is imperative to integrate theory with practice and to apply the basic theories of Marxism in exploring and solving major problems that have cropped up in the reforms and in construction, so as to enrich and develop Marxism."

This is a very important addition to the report. It points out precisely the drawbacks in our current theoretical research and reflects the anxious wishes of all our theoretical workers.

Everybody agrees with the principle of integrating theory with practice and no one opposes the principle that theory should anticipate objective reality so as to guide it. However, the present state of affairs in theoretical work is not satisfactory. Our theoretical workers are not good at, nor bold in, summarizing new problems that have cropped up in the reforms and in construction. Nor they can display their creative spirit to make breakthroughs in theoretical work.

One of the reasons attributed to such a situation is that our theoretical workers dare not come up with solutions to new problems that have not been expounded by classical works and explore new possibilities in theoretial aspects according to actual conditions. At present our economic reform and construction has anticipated our theoretical research. It is imperative for our theoretial workers to boldly explore and study a number of questions, such as the question of the socialist commodity economy; the question concerning the existence of various forms of ownership and management in socialist society; the question concerning the nature of an enterprise after it has become a relatively independent economic entity and a socialist commodity producer which has the power of operation and is responsible for its own profit and loss; and in particular, the important issue of our current economic reform which is seen as the second revolution in our country. Furthermore, there are too many fetters and forbidden zones for our theoretical workers. They must be allowed to discuss and analyze the concepts of freedom, equality, universal love, human rights and humanitarianism without hesitation. We should not think that socialist society does not need these things just because they are "patents" of capitalist society. If so, does not socialist society have nothing but dictatorship and struggle? This is not the fact in any way, nor is it the original idea of socialism. Why do we not dare to talk about them? Why do we not dare to make a study of them in a realistic way? As a matter of fact, we must display the undaunted spirit of thoroughgoing materialists and pluck up courage to blaze new trails in theoretical work. Otherwise, we will not be able to break through the fetters and forbidden zones to enrich and develop Marxism.

Another reason is that there is no airy freedom in academic research. Just as the economic reform we are now conducting is a great undertaking never before achieved by our predecessors. In carrying it out, we have no ready-made formula to follow. It is therefore impossible for us to work out a perfect plan, so we have to gradually improve it in the course of exploration. This is also the case in theoretical research.

It is impossible for us to devise a perfect once for all theoretical system. It is impossible for an article or a book to be all-embracing, and it is impossible that every sentence is correct and that every article is the pinnacle of perfection. Therefore, there is a need of to make concerted efforts to explore new possibilities. However, discussion should be made on an unbiased basis and on an equal footing, and they should not be made in a way that garbles statements but should be made realistically and in an all-round way. This is very important. Only when there is adequate freedom and there is a lively climate of unity and harmony for academic research, will a new, flourishing situation full of vitality appear in theoretical research. Of course, it is not easy to create such a situation. Some people who are used to longstanding practices cannot get used to discussions on the questions of freedom and equality. They can hardly accept new theses which go beyond "theoretical confinement" or their conventional ideas, so much so that they blur the clear distinction between "freedom" and "liberalization," and object to boldly exploring new possibilities in the theoretical sphere. Some people are not magnanimous and tolerant enough. They cannot exchange views calmly with those having different viewpoints but make unwarranted charges against them because of their narrow-mindedness. This is unavoidable and it will take time to change such a situation.

The discussions held 8 years ago on the principle that practice is the sole criterion of truth, entailed emancipation of minds and the task of setting wrongs right, and played what may be called a historical role. If this is so, then the theoretical circles of our country are now facing a new historical task. Our current reform must be coordinated with the theoretical research of the social sciences. Otherwise, the reform can hardly make further progress and the results we have achieved in this respect will not be lasting. Theoretical research must break with the regulations and restrictions of scholasticism and embark on studies of major practical problems from the high plane of theory. In particular, we must theoretically expound that the line principles and policies adopted by the party since the 3rd Plenary Session of its 11th Central Committee conform to the basic tenets of Marxism and the laws of social development, and, at the same time, we must explain the reform measures we are going to adopt so that people of all circles can be mentally prepared. To sum up, we must emancipate our minds more and apply the basic tenets of Marxism to devise solutions to major issues arising in practice, so as to enrich and develop marxism.

Deputies to the Fourth Session of the Sixth NPC made a number of valuable suggestions for the improvement of theoretical research and finally amendments were made to the "report." This is a vivid reflection of socialist democracy. The "report" is regarded as a decree. If it can be carried out resolutely, then our theoretical circles will be full of promise. A climate of boldly exploring new possibilities and plunging into academic discussion without hesitation will certainly appear as this is the trend of the times. Marxism will surely be enriched and developed, this is the inevitable trend of history. Our duty is to promote the progress of the trend of the times and to illustrate the inevitable trend of history.

LOCAL LEADERS INTERVIEWED ON SEVENTH 5-YEAR PLAN

OW121314 Beijing XINHUA Domestic Service in Chinese 0638 GMT 10 May 86

[Text] Beijing, 10 May (XINHUA) -- Since the Seventh 5-Year Plan for national economic and social development was approved by fourth meeting of the Sixth National People's Congress (NPC), all provinces, autonomous regions, and municipalities have taken their respective local situations into consideration and made specific plans for local development, taken measures to carry out these plans, and decided to mobilize the entire population to strive to materialize China's blueprint for 1990.

The following concern the major plans and efforts to be carried out in the Seventh 5-Year Plan as revealed by party and government officials of Shanghai Municipality, Jiangsu Province, Shanxi Province, and Xinjiang Autonomous Region in recent interviews with our XINHUA reporter.

Shanghai: An Old Base Will Radiate New Vitality

As the largest industrial city in the country, how will Shanghai develop in the Seventh 5-Year Plan? In answering XINHUA reporter Wu Fumin's question, Rui Xingwen, secretary of the Shanghai Municipal CPC Committee, said: "We will work extensively to promote our great undertakings of reforming and invigorating Shanghai, give full play to the role of Shanghai as a central multifunctional city, and enable the old base to radiate new vitality and serve as a pioneer in promoting the four modernizations program of the nation."

Rui Xingwen gave a blueprint of Shanghai's development in specific terms: Along with the process of reforming and revitalizing the light, textile, handicraft, shipbuilding and other conventional industries in the Seventh 5-Year Plan, Shanghai will at the same time devote major efforts to the development of six specific industries as pillars of its industrial development. These six industries are the iron and steel industry to be based on the Shanghai Baoshan Iron and Steel Complex, the modern material industry using the petrochemical industry as a foundation, the automobile industry, the aircraft manufacturing industry, the electronics industry, and the power plant equipment manufacturng industry, which includes the manufacturing of thermal and nuclear power plant equipment. In addition, we will strive to achieve breakthroughs in optical fiber communications, laser technology and bioengineering, as well as find new energy sources, and advance in other modern technological fields. Shanghai's total economic output value will increase by an average of 7.5 percent annually in the Seventh 5-Year Plan. Its total economic output value in 1990 will be double that of 1980.

Rui Xingwen said: In order to materialize these goals, Shanghai will ensure the success of three major tasks in promoting material civilization in the Seventh 5-Year Plan: the acceleration of infrastructural construction; the active utilization of foreign capital and increasing exports to obtain more foreign exchange; and the acceleration of technological development and education of specialized people.

Rui Xingwen, who was once the minister of urban and rural construction and environmental protection, was particularly concerned about accelerating the pace of urban infrastructural construction. He told our reporter that, with respect to the Seventh 5-Year Plan, Shanghai has expressed its determination to carry out a number of major infrastructural projects in different stages, with major efforts devoted to improving urban traffic conditions and speeding up housing development. It will also integrate the work in rejuvenating old city areas with the work in developing new ones, and take steps to improve the investment environment and living conditions.

Rui Xingwen said: The purpose of importing is to enable us to export more, and exporting is a fundamental precondition for importing. Shanghai should strive to make greater strides forward both in importing and exporting. Our export growth should increase by 8.4 percent annually in the Seventh 5-Year Plan, and we should make every effort to enable the major industries and products of Shanghai to reach by 1990 the same level attained by developed nations in the early 1980's. Shanghai is a place with an abundance of talented and specialized people, and therefore we should give top priority to developing science and technology, and to educating talented people.

By 1990, the number of specialized people in Shanghai should increase by 65 percent, and we should be able to turn out a large number of first rate people specializing in various fields by international and domestic standards.

"The successful accomplishment of the development tasks of the Seventh 5-Year Plan hinges on our efforts to continue reform of the economic system," Rui Xingwen continued. He said: "To Shanghai, developing lateral economic cooperation is a key to carrying out an extensive economic reform. Without lateral economic cooperation Shanghai will not be able to sustain its prosperity." He added: Shanghai has many advantages. On the whole, however, Shanghai is a city largely based on processing-type industry. The raw materials, fuel, and agricultural and sideline products it needs have to be supplied by other provinces and autonomous regions. Therefore, Shanghai can only speed up its economic development by strengthening lateral economic cooperation with other localities, that is, by integrating Shanghai's industrial processing ability with the raw material resources of the inland areas.

Rui Xingwen stressed: In developing lateral economic cooperation with other localities, Shanghai should deepen its understanding of these areas, eliminate any haughty tendencies, open its door wide, and resolutely eliminate the practice of creating obstacles for people from other localities, of showing a long face to others, and of deliberately creating difficulties for others. The municipal government is taking concrete measures and drawing up appropriate policies to pave the way for enterprises in establishing lateral economic cooperation in various forms with other localities. This may be referred to as an approach of the government opening the way for enterprises. Following this approach, it is completely possible that lateral economic cooperation between Shanghai and other provinces and autonomous regions will reach a new level, enabling Shanghai to make greater contributions to the state.

Jiangsu: Work for Lateral Cooperation and Advance Reform of the Economic System.

Jiangsu Province has achieved rapid economic development in recent years, which has won widespread attention. How does the province intend to continue its forward progress during the Seventh 5-Year Plan? In an interview with XINHUA reporter Wei Fuzheng, Jiangsu Provincial Governor Gu Xiulian said: The key to accomplishing Jiangsu Province's goals in the Seventh 5-Year Plan is to continue to carry out reform of the economic system. We should work to promote lateral economic association and invigorate medium and small-sized enterprises on the one hand, and endeavor to promote lateral economic cooperation and speed up material circulation on the other.

Gu Xiulian gave an account of Jiangsu Province's new goals laid down for the Seventh 5-Year Plan: By 1990, the total industrial and agricultural output value, the total economic output value, the people's income, and the average actual consumption level of the province will respectively reach 187 billion yuan, 100.1 billion yuan, 85.2 billion yuan, and 620 yuan, with an annual growth rate of about 8 percent.

The governess said: Jiangsu Province has many favorable conditions and, at the same time, many difficulties in materializing these major goals. The province has a relatively developed and advanced light textile industry, and yet it is seriously short of raw materials, particularly energy.

Objective conditions have compelled the province to expand its economic ties and cooperation with other localities, and, at the same time, required it -- according to modern production requirements -- to better organize its industrial production activities, develop lateral economic associations, improve the structure of various industries, and raise the level of production techniques.

Gu Xiulian told our reporter: In promoting lateral economic associations and cooperation in the Seventh 5-Year Plan, Jiangsu Province will establish various forms of open and diversified lateral economic association networks, with emphasis on developing economic associations among enterprises and giving full play to the advantages enjoyed by large, medium, and small-sized enterprises. This is intended to gradually establish the structure of modern enterprises linking urban and rural areas; to allow large, medium, and small-sized enterprises to develop harmonically; to gear production, scientific research, and commodity circulation to support one another; and to rationally arrange our productive forces. By doing so, we can expect to drive the province's economic development in a direction of specialization and modernization. In addition, we should make vigorous efforts to promote regional economic association within the province, and prompt the four economic cooperation zones -- Nanjing, Zhenjiang and Yangzhou; Suzhou, Wuxi, and Changzhou; Nantong, Yangzhou, and Yancheng; and Xuzhou, Huaiyin, Yancheng, and Lianyungang -- to develop relatively long-term and stable economic and technological cooperation and association. We should also actively promote regional lateral economic association and cooperation between the province and other localities; give full play to the role of the economic coordination committee made up of Nanjing, Shanghai, Wuhan, and Chongqing, all central cities along the Chang Jiang, in order to jointly develop and make up of the Chang Jiang golden waterway; help speed up the development of the Huai He Economic Zone with Xuzhou as its center in order to invigorate the communications and commodity circulation in the area bordering Jiangsu, Shandong, Henan, and Anhui; assist the seven provinces and autonomous regions along the Longhai railway to jointly develop and make use of Lianyungang port, and establish the Longhai Economic Zone in order to bring prosperity to the areas along the Longhai railway.

She said: This year the provincial government will take four measures to strengthen the work in this field: 1) mobilize the governments at all levels to sum up experiences, enhance their understanding, discover good typical cases, strengthen leadership over administrative work, and strive to provide proper inducements and encourage cooperation; 2) implement the "Regulations on Some Questions Regarding Further Promoting Horizontal Economic Association" promulgated by the State Council, and, accordingly, formulate detailed regulations that conform to the situation in Jiangsu; 3) enact the corresponding economic laws to guarantee and safeguard the interests and decision-making power of integrated economic entities and economic zones; and 4) in view of the fact that at present "when it comes to soliciting status reports, everyone seems to be the 'mother-in-law' but when it comes to solving problems, there are no 'mothers-in-law' around," governments at all levels are required to assign leading comrades to take charge of the work, let the comprehensive department take the lead, and divide the work among the departments concerned so that each will assume its own responsibilities. Together, they should study the new situation and solve new problems that arise in the course of establishing associations.

Shanxi: Building the Largest Energy Base in China

In his interview with XINHUA reporters Jin Jiasheng and Shang Daijiang, Shanxi Provincial Governor Wang Senhao said: the grand Seventh 5-Year Plan presents a good prospect for Shanxi as the largest energy base in China. Shanxi will further speed up its construction and contribute more to invigorating China's economy in the 1990's.

Wang Senhao excitedly talked about how the party Central Committee and the State Council had shown concern for and attached great importance to the development and construction of the energy base with Shanxi as its center. The state has planned to build in Shanxi in the next 5 years more than 50 large and medium-sized construction projects which are directly affiliated to and provided resources directly by the central authorities. The planned investment is 17 billion yuan, 75 percent more than the 9.7 billion yuan in the Sixth 5-Year Plan. More than four-fifths of this investment will be used on construction of coal, power, and railway projects. After the completion of these projects, Shanxi will be able to make greater contributions to the whole nation. According to preliminary estimates, in the Seventh 5-Year Plan, Shanxi will ship 980 million metric tons of coal to other parts of China, topping the Sixth 5-Year Plan by 80 percent. By the end of the Seventh 5-Year Plan, Shanxi will supply more than 10 billion kwh of electricity, more than 5 times the figure at the end of the Sixth 5-Year Plan By 1990, Shanxi Province's annual coal output will reach 270 million metric tons, accounting for 27 and 46 percent of the totals of the nation and the central region respectively. Freight shipped out of Shanxi by rail will exceed 300 million metric tons. More than 30 billion kwh of electricity will be generated each year. By that time, Shanxi's position in China's national economic development will have undergone greater changes.

Wang Senhao said: Shanxi belongs to the whole nation and plays a decisive role in China's economic construction. In the Seventh 5-Year Plan, the nation is still experiencing an energy shortage. Therefore, we should keep in mind China's overall situation, and do our best to build the key state projects in Shanxi, complete them and place them into operation in good time according to their qualitative and quantitative requirements. Experience in the Sixth 5-Year Plan shows that the key state projects are the "pivotal" projects capable of invigorating local economic development. We should lay emphasis on the development and utilization of coal as an energy resource, vigorously promote lateral economic associations inside and outside the energy base, reasonably readjust the production structure and the product mix, and constantly increase the capacity to locally process coal and transform it into energy, so as to promote the development of the industry in the three materials, namely, the nonferrous and ferrous metals, chemicals, and building materials.

Xinjiang: Economic Strength To Reach or Surpass the Nation's Intermediate Level

What will be the new features of the Xinjiang Uygur Autonomous Region in the northwest border in the Seventh 5-Year Plan? Tomur Dawamat, chairman of the autonomous region, told XINHUA reporter Wang Youfu that in the Seventh 5-Year Plan, Xinjiang will take account of its own characteristics, make full use of its local resources, build a single economic zone with Xinjiang's characteristics, strive to reach or surpass the nation's intermediate level of economic development by the end of this century, and build Xinjiang into an important base for carrying out China's economic construction into the 21st century.

He said: Xinjiang, home of many nationalities, is vast and rich in resources. It plays a pivotal role in the great undertaking of developing and building the great northwest. The autonomous region's economy has entered a stage of very vigorous growth. It fulfilled the Sixth 5-Year Plan 1 year ahead of schedule, which paved the way for further economic development in the Seventh 5-Year Plan.

Turning to the specific objectives of Xinjiang's economic development in the Seventh 5-Year Plan, Tomur Dawamat said: proceeding from its objective realities, in the Seventh 5-Year Plan, the autonomous region will place emphasis on building up the Urumqi-Karamay region, which is better qualified for further development so as to gradually turn it into an pivotal industrial region in Xinjiang. From that point on, efforts will be made to gradually develop the southern and western parts of Xinjiang. By 1990 the autonomous region's total industrial and agricultural output value will reach 18.1 billion yuan, 2.4 times the 1980 figure. The total industrial output value will reach 11.7 billion yuan, 2.5 times the 1980 figure. Animal husbandry, growing of melons and fruits, and planting of grain, cotton, and oil-bearing crops will become the three pillars of Xinjiang's rural economy. Meanwhile, we will speed up the prospecting of resources -- petroleum, coal, gold, limestone, and nonferrous metals in particular -- in order to maximize their uses. Efforts will be concentrated on conducting a comprehensive prospecting of petroleum in the Junggar Pendi and the Tarim Pendi. By 1990 Xinjiang will be producing 7.2 to 8 million metric tons of crude oil. He said: An important task in the Seventh 5-Year Plan is to vigorously open up the markets at home and abroad, and expand the channels of commodity circulation. It is necessary to make use of the open commercial ports like Huro-er-guo-si, Turguart, and Kunjirap to expand foreign trade, and strive for a 60-percent increase in import-export trade volume in 1990 over 1985.

Tomur Dawamat excitedly told the reporter tha the Seventh 5-Year Plan approved by the Fourth Session of the Sixth NPC devotes special attention to economic development in Xinjiang, one of the "old, minority, and border" regions. In recent years, Shanghai, Tianjin, Jiangsu, Sichauan, and other economically-developed provinces and municipalities hve established long-term solid cooperative relations with Xinjiang. Xinjiang appreciates the concern and assistance of the state and the fraternal provicnes and municipalities. It will further strengthen and develop lateral economic ties with the fraternal provinces and municipalities in order to speed up its construction.

GUANGMING RIBAO URGES 'HUNDRED SCHOOLS OF THOUGHT'

HK010712 Beijing ZHONGGUO XINWEN SHE in Chinese 0706 GMT 30 Apr 86

[Text] Beijing, 30 Apr (ZHONGGUO XINWEN SHE) -- GUANGMING RIBAO today carries a signed article which holds that academic contention in a socialist society usually does not have the character of a class struggle, that differences in academic viewpoints can only be solved according to the principle of "letting a hundred schools of thought contend" and by the method of conducting criticism, countercriticism, and self-criticism, and that academic issues should not be willfully raised to the level of political issues and still less should academic criticism be conducted. Only in this way is it possible to create a relaxed and harmonious situation in which people are bold in making experiments.

The author of this article is Su Shuangbi, deputy director of the GUANGMING RIBAO Theoretical Department.

The year 1986 marks the 30th anniversary of the promulgation of the principle of "letting a hundred schools of thought contend." In this article the author expresses his views on some questions in carrying out the principle of "letting a hundred schools of thought contend."

The article points out: In implementing the principle of "letting a hundred schools of thought contend," China's academic field has undergone a bumpy, zigzag, and exploratory process. Since the 3d Plenary Session of the 11th CPC Central Committee, great changes have taken place in the implementation of this principle. However, the principle has not been implemnted in a sufficiently natural and smooth way. Recently, a relevant leader of the CPC Central Committee reportedly pointed out the need to conscientiously implement the principle of "letting a hundred schools of thought contend" and to create a relaxed and harmonious environment.

The article also sets forth the following viewpoints:

— Academic viewpoints should not be mixed up with political concepts. We should not regard different academic points of view as "liberalism." We should advocate free discussions of academic issues and not rashly draw conclusions;

— We should adhere to the principle that all people are equal before the law. In the course of academic contention, the academic view expressed by an expert, an authoritative person, or a leading cadre is only one of the various different views and individually his view is only one of the "hundred schools of thought." Whether his view is right or wrong, he should submit himself to the truth;

— Given the new situation of opening up to the outside world and invigorating the domestic economy, we should dialectically and analytically approach the Western science and culture that have spread into our country. We should not regard Western science and culture as decadent and negative, nor should we totally and uncritically accept them. We should adopt them with a discriminating attitude.

RENMIN RIBAO VIEWS LITERATURE, ART EXPLORATION

HK131328 Beijing RENMIN RIBAO in Chinese 12 May 86 p 7

[Commentator's article: "Support Exploration, Encourage Blazing New Trails"]

[Text] Over the past 2 years or so, an unprecedentedly animated situation has appeared on China's literature and art front. As on the ideological and other fronts, various kinds of practical exploration are being carried out in literary creation and theoretical research in literature and art. There have been great breakthroughs in the pattern of creation and the means of artistic expression. Many writers and artiests have taken great pains to widen their field of vision, expand the range of subjects, and seek new ways of expression. Some have even adopted certain means of artistic expression which are popular in the contemporary Western world (such as stream of consciousness, symbolism, imagery, exaggeration, deformation, and mysticism), so as to introduce more techniques of expression. There has appeared a trend of variation in our literary creation. In theoretical research, some people have absorbed certain new achievements of modern scientific research and new viewpoints of foreign literature and art theoretical research, providing our theoretical research in this field with many new subjects and rich flavor. This is a gratifying phenomenon.

In order to achieve development and prosperity in our literature and art, it is necessary to make explorations and blaze new trails. After putting an end to the practice of closing the country to international intercourse, a trend of exploration has appeared in the practice of creation and theoretical research in China's literature and art circles. This is completely understandable and normal. In the new period of construction of the four modernizations, the CPC Central Committee has proposed building socialism with distinctive Chinese characteristics. As there is no fixed pattern for building this kind of socialism, it is necessary to make explorations. For literature and art, which are part of an ideology with specific charactersitics, it is even more necessary for us to make explorations. We may regard the current explorations in literary creation and theoretical research as a component part of our explorations as a whole in building socialism with distinctive Chinese characteristics. Our purpose is to establish new socialist literature and art of the Chinese nation, which embody the spirit of our times and is loved by the Chinese people. Therefore, generally speaking, we should welcome and support exploration and blazing new trails and encourage literature and art workers to engage in this practice.

The general target of exploration and blazing new trails in literature and art in the new period is to establish new socialist literature and art with distinctive Chinese characteristics. Under this general target, we must allow all kinds of experiments. Literary creation is a kind of complex mental labor which requires development of the wisdom and talent of writers and artists. We must not restrict this kind of activity, which requires strong individuality, with fixed patterns. As to the subjects, forms, styles, means of expression, and schools of thought in literature and art, we must not make concrete stipulations too early to decide whether they should be allowed or not, should be affirmed or negated, or should be forbidden or encouraged. Since the 3d Plenary Session of the 11th CPC Central Committee, the CPC Central Committee has adhered to the principle of practice being the sole criterion of truth. It has listened attentively to the voice of the broad masses of people and, in line with the demand of practice, given them a free hand in exploring and building roads for their new life.

Regarding literature and art in the new era, the party adopts a principle of emancipating the mind and seeking truth from facts. In light of the characteristics and development law of literature and art, it fully brings into play the individual creative spirit of writers and artists, shuns interfering with what and how to write, advocates the free development of various schools and styles, and encourages making bold explorations and blazing new trails, thus bringing about an unprecedented development and prosperity in the literature and art in our country. A colorful and flourishing situation has arisen in the flowering garden of literature and art in our country. It has proved that under the guidance of the party's literary and art principles, we should allow varied explorations and creations and uphold the principle of "letting a hundred flowers bloom and a hundred schools of thought contend" and the principle of "making the past serve the present and foreign things serve China." It is necessary to create a good atmosphere and environment and allow literary and art creation and academic research to enjoy full freedom under the guidance of the four cardinal principles, so as to encourage bold exploration and creation. While making explorations, through the practice of art and the deepening of theoretical research, we should make socialist literature and art attain a more rapid development and greater prosperity.

Any exploration, and creation itself, embraces two futures and possibilities. It might succeed, go astray, or even fail. No one can guarantee that explorations will all be successful. We should learn to correctly handle success and failure in the process of exploration and creation. Regarding the problems cropping up in exploration or even failures, we should prudently and conscientiusly handle them, apply considerate and well-planned methods to repeatedly make differentiations and hold discussions, and earnestly analyze and sum up experiences. Meanwhile, on the literature and art front, some comrades might go astray in the exploration of literary and art creation and theoretical research and make mistakes. We should make conscientious and scientific analysis, clarify the facts, and distinguish the good things from the bad. We should practically and kindly help them sum up experiences and enthusiastically encourage them to boldly begin new explorations and trials.

With the development of the economic structural reform and the country as a whole, the task confronting literary and art workers is both glorious and arduous. In the building of the "two civilizations," if we want to achieve greater prosperity in the cause of socialist literature and art, we must rely on the efforts of the literary and art workers. It is necessary to dare to practice and blaze new trails. Our literature and art must be geared to the masses, the future, and the world. With this aim, as long as we have our feet planted on solid ground and carry out arduous and earnest creation, research, and exploration, the literature and art in this new era in our country will surely attain a new realm which is more varied and colorful and at a higher level.

ZHU HOUZE MAKES CONTACT WITH WRITERS, ARTISTS

HK110441 Hcng Kong LIAOWANG OVERSEAS EDITION in Chinese No 18, 5 May 86 pp 4-6

[Article by Yin Jindi: "Zhu Houze's Contacts With Literature and Art Circles"]

[Text] Since his appointment as head of the CPC Central Committee Propaganda Department 6 months ago, Zhu Houze has made extensive contacts and had frank exchange of views with people in literature and art circles. He is concerned about their difficulties in creative work. More and more people in literature and art circles regard Zhu Houze as their intimate friend.

Noble and dignified, Zhu Houze, now 55, is full of vigor. Prior to his new appointment, he was the first secretary of the Guizhou Provincial CPC Committee. After he assumed the office of head of the Propaganda Department in August 1985, people in literature and art circles wanted to listen to his program and learn about his behavior. At the same time, they were most concerned about his appraisal of and views on the situation in literature and art circles.

During the New Year holidays, Zhu Houze went to Shanghai to see Ba Jin, a famous veteran writer; He Luding, a noted musician; and his colleagues working in JIEFANG RIBAO, XINMIN WANBAO, and WhEN HUI BAO. He also attened a film creation meeting, a forum sponsored by publication organizations, and a cadre gathering to greet the Spring Festival. His speech at the feature film creation meeting held by the Shanghai Film Studio attracted wide attention.

Zhu Houze said: "Although I am old, I am still a new recruit on the propaganda front." His cordial and modest remark immediately enlivened the atmosphere. People in literature and art circles asked him about the relationship between freedom of creation and adherence to the four basic principles and about important and sensitive questions such as whether it is necessary to oppose bourgeois liberalization in literature and art circles.

Believing that this indicated their trust in him, Zhu Houze said: Only in such a situation can we have a frank exchange of views. Your straightforward remarks indicate your trust in me. We are seeking mutual understanding and mutual trust. Mutual understanding is a prerequisite for mutual trust.

On the question of opposing bourgeois liberalization, Zhu Houze's view was: When our country is behind the most developed countries in many aspects, it is inevitable for the people to cast doubts on socialism and communism and to ask whether we can solve our social, economic, and political problems better than the capitalist countries. Owing to the fact that some of our problems have not undergone the final test of practice, we cannot give up the slogan of upholding the four basic principles an opposing bourgeois liberalization which is a strategic policy. However, adhering to the four basic principles is a political concept, a politcal aim, and a political road to be chosen. It does not hinder freedom of creation or independent explorations.

This new propaganda head, who endured endless sufferings during the anti-rightists struggle and the Great Cultural Revolution, said that the methods of exerting heavy pressure and making abrupt turns should be discouraged and that study and explorations should be conducted on questions concerning policies. He suggested that theoretical work should be strengthened and the people should be taught to understand the inner aspect of things. It is necessary to enhance literature and art work so that it exerts an imperceptible influence on people's minds. We should use these two factors to enrich our socialist culture and carry forward the building of material and spiritual civilizations. While promoting the overall reform of the economic structure, we should lift our national spirit to a new height, enable people throughout society to have a better mental outlook, and encourage them to have lofty ideals and values as well as zeal and drive for practical work.

Zhu Houze's frank speech drew him closer to the literature and art circles.

The second enlarged meeting of the board of directors of the Fourth Chinese Musicians Association took place in Beijing in early March. When Zhu Houze was informed that noted musicians of the nation were gathered in Beijing, he said that he would manage to find time to meet them. On the afternoon of 8 March, Zhu Houze, dressed in a blue Zhongshan suit, came among the musicians with a smile. When the chairman of the Chinese Musicians Association asked him to deliver a speech, Zhu Houze gave an impromptu talk on questions of interest to literature and art circles. He said: since our country forsook the "leftist" error of "taking class struggle as the key link" and unswervingly shifted the focus of the work onto socialist modernization, we have simultaneously grasped the building of material and spritual civilizations. Not only is economic life full of vitality, but the situation in theoretical and academic circles and in literature and art is also more vigorous than ever before. Taken as a whole, our literature and art creation is much better now than any previous period. Everyone feels much happier now. Writers and artists have better chances to extensively develop and to give full scope to, their talents. This is a very favorable condition for blazing new trails and the prosperity of literature and art. However, in this environment there are also partial or little waves and there are still some aftershocks. This state of affairs has emerged partly because of the normal literature and art criticisms and academic, circles. Naturally, normal discussions of this kind may also stir old recollections. It is also partly due to the debates on the nature and assessment of certain literature and art works or to the inaccuracy and inappropriateness of the mode of debate, choice of words, or reasoning. These matters become extremely sensitive when they are reflected in literature and art circles and may easily upset some comrades.

In his view, it is quite natural for them to be sensitive. They would not have become writers and artists had they not been sensitive. As for the fact that some people are easily upset, this can hardly be regarded as a strong point. It is no good to harbor suspicions and worry about a sudden change when you get wind of something. Viewed from another angle, however, it shows that there are still "repercussions" and "lingering fear." For this reason, he encouraged the comrades of the party and government departments in charge in cultural, art, and academic work to frequently get in touch and exchange views with people in literature, art, and academic circles in order to promote mutual understanding and trust.

At the meeting, Zhu Houze put forward an essential condition for the development and prosperity of socialist literature and art, that is, "our literature and art circles should have a harmonious atmosphere, a lively, spacious environment for public opinion, and a fine mood that encourages artistic exploration, criticism in these explorations, and emulation among different schools of thought." "It is the bounden duty of our party comrades in charge of literature and art work to create such an atmosphere and environment." Like a warm breeze and spring rain refreshing the mind, his remarks nourished the people of literature and art circles.

On the relationship between literature and art on the one hand and politics on the other, Zhu Houze said: Literature and art is most distinctively characterized by personal character and, therfore, it is absolutely impossible to engage in literature and art production according to an order form or a pattern. For this reason, the steadfastness in implementing party principles and line should be realized through a high degree of creativity on the part of writers and artists. The unity of political objectives precisely finds expression in the diversification of literature and art. A strong sense of adhering to principles in work should be reflected through flexibitility. A serious theme can be easily accepted by the masses only when it is expressed in a vivid, artistic form. A profound philosophical theory can be comprehensible to readers only when it is readable and readily understandable.

The ideological departments at various levels have a great influence on the masses, Zhu Houze stressed, and this influence is exerted in a variety of ways. Theory convinces people through concepts and, like a scalpel, directly gets to the essence of a matter through numerous and complicated phenomena, thus achieving an enduring and enlightening effect. Literature and art, however, affect people through images. They exert a gradual, uplifting influence on people, enlightening them and containing education in recreation. So long as we adhere to the socialist road, objective, and orientation and dialectically integrate them with the principles for developing academic and literature and art undertakings, such as "letting a hundred flowers bloom and a hundred schools of thought contend" and "making the past serve the present and foreign things serve China and weeding through the old to bring forth the new,: there will be bright prospect for the development of literature and art.

Zhu Houze's remarks struck a sympathetic chord in the hearts of the musicians. His speech was followed by prolonged, warm applause. After the meeting, people in the music and literature and art circles said that Zhu Houze had voiced their aspirations.

Those who had personal contacts with Zhu House unanimously held that he is "amiable and easy to approach."

On the evening of 24 February, it was still very cold in Beijing though Spring Festival had just passed. The door bell of Li Gang's residence rang. Li Gang was director of the art bureau under the Ministry of Culture. When he opened the door, he found that the unexpected guest was Zhu Houze, head of the Propaganda Department. Li Gang felt a bit ill at ease as this was the first time he had entertained the head at his residence. However, the atmosphere immediately became easy after an exchange of conventional greetings.

Actually, Li Gang was to lead a central ballet troupe to the United States the following day. The purpose of Zhu Houze's visit was to see Li Gang off and send his regards to two dancers who wrote him a letter and held talks with him after their return from the United States. On that evening, Zhu Houze talked intimately with Li Gang for more than 2 hours concerning the situation and problems of China's ballet. When Li Gang conveyed Zhu Houze's enthusiastic greetings to the whole troupe the next day, popular feeling ran high. Many members of the ballet troupe expressed their determination to perform China's ballet well on the other side of the ocean.

After Zhu assumed office as head of the Propaganda Department, an old friend of his said: Zhu Houze set the rules of promoting understanding with more people and making more friends for himself. Indeed, he has done as he promised. When he can extricate himself from pressing affairs, he goes to the grass-roots levels to conduct studies and investigations and make friends. One Saturday evening, he took a train to Tianjin to spend the Sunday holiday. Apart from holding talks with the people of the Tianjin Municipal CPC Committee, he also met with young and middle aged writers and critics such as Jiang Zialong, Feng Jicai, Hang Ying, and Xia Kangda, and listened to their opinions and proposals on how to properly exercise party leadership over literature and art work.

Quite a few people come to Beijing very often to look for Zhu Houze. A few days ago the works of a young composer Qu Xiaosong were performed in the Beijing concert hall. Some people told Zhu Houze that there were disputes in the music circles over the work of some young composers and hoped that he could afford time to go to the concert. Zhu Houze attended the concert as an ordinary spectator. At the intermission, Qu Xiaosong, who was born in Quiyang, was expecially excited when he saw the head of the Propaganda Department who came from Guizhou. It was really like "fellow townsmen whose eyes brimmed with tears when they met each other." In great delight, Zhu Houze asked about Qu Xiaosong's birthplace in Guiyang, his school, and the countryside where he worked. When Qu Xiaosong asked for Zhu Houze's comments after the concert, Zhu said: A composer wishes to be understood by his audience and the audience wish to be understood by the composer. His words were simple, but they left Qu Xiaosong much food for deep thought. People in music circles especially appreciated Zhu Houze's remarks: "We should let a hundred flowers blossom; why should a peony be superior to a herbaceous peony?"

"Mr. Zhu, I have a complaint for you. I want you to watch my film. Otherwise, it will be shelved." A famous film actress Liu Xiaoqing rushed to Zhu Houze's office and came straight to the point.

"Really? If this is true, I must see the film," Zhu Houze replied sincerely. Actually, Liu Xiaoqing and the Hong Kong Nanfang Film Studio jointly shot a film entitled "Heartless Lover," in which Liu Xiaoqing was the producer as well as actress. The film was a stage version of hu Huaizhong's novel, which depicted the problems within the tribes in old Xizang through the disputes between two young lovers.

Some people have called the story China's Romeo and Juliet. While describing the life and customs of the Zang compatriots, the film exposed too many backward aspects which were not all true. The film gave rise to much controversy when it was shown among a restricted number of people. As Liu Xiaoqing made the request, Zhu Houze went to the projection room of the film bureau the next day to see the film. Zhu Houze said: I hope that you will deliberate over the the film calmly and make constructive suggestions since the film contains a lot of hard work and cost a great deal. As the Hong Kong Nanfang Film Studio is the main investor, the film can first be distributed in Hong Kong and abroad. Regarding its distribution in the mainland, Zhu Houze asked that the producer respect the views of the Zang compatriots and make some amendments so that the film can truly reflect the life and customs of the Zang people as well as their sufferings and struggles in the old society. It is necessary to explain to people who have complaints that literary and artistic creation is different from news reporting and that there is a question of artistic concentration and creation.

While watching the film, he also laid down a principle for examining films: leading cadres should guard the pass and check the films that are politically reactionary and in vulgar taste. We must never allow these films to poison the masses. As to those films that have shortcomings and defects, they can be solved through literary criticisms. Zhu Houze said that the current reform work as a whole is undergoing a process of exploration, constant development, and constant perfection. Similarly, the literature and art works that reflect the great reform should also undergo a process of exploration and constant development. Therefore, we should not demand perfection. Since the spring of 1986, the films shot last year that gave rise to much controversy such as "Black Cannon," "The Last Empress," "Insidious Temptation," and "The Girl on the Run" have all been solved in light of Zhu Houze's proposal.

We should create a harmonious atmosphere so that our leading cadres and friends in literature and art circles will trust and understand each other and promote the development of socialist literature and art. Friends in literature and art circles all say that Zhu Houze, new head of the Propaganda Department, has set a good example.

SHA YEXIN DISCUSSES MEANING OF NEW PLAY

HK131152 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 18, 5 May 86, p 39

[Article by Wang Liwen: "Sha Yexin on the Recent Play 'Looking for a Real Man'"]

[Text] The play "Looking for a Real Man" has played to capacity audiences since it opened in Shanghai in mid-February. It has been awarded the Creation and Performance Prize at the third Shanghai Drama Festival.

Not long ago, when speaking of this new work, its author, Sha Yexin, said: The drama "Looking for a Real Man," in terms of its plot, seems to be a love story describing an "old maid" in search of a boyfriend. However, the aim of this play is not merely to reflect the superficial phenomena of life but to show the audience, by means of the superficial plot of the play, the heroine's pursuit of an ideal. Shu Huan, the heroine in the play, a 28-year-old "old maid," is different from other girls in that she is not looking for an ordinary man but a "real man" who exhibits true "manhood." In the realities of life, however, she has found instead some men whose "souls have become deformed."

Thus she feels regret and is depressed. But she keeps on looking for a real man, without losing her confidence. At last she meets a plant manager called Jiang Yi who shows an enterprising and pioneering spirit. Sha Yexin said: "The 'manhood' that Shu Huan is looking for is the very spirit that our nation should carry forward in bravely blazing new trails." This is the profound inner idea that the play wants to express. "What Shu Huan is looking for is exactly what I am in pursuit of."

"In the play, I have placed those ugly things in front of a distorting mirror and satirized them by means of exaggeration and enlargement so that my works may play a role in enlightening the benighted," Sha Yexin added. Among those men Shu Huan has met, some are "mama's boys" who cannot survive without their mothers' support; some are imbeciles who yield to those who are in power; and some are "worshippers of the West" who have lost their human dignity. All these characters are certainly ugly and absurd. The purpose of the play in presenting these characters is to criticize and negate them. No man should lead such a vulgar life!

The 48 year-old Sha Yexin is the director of the Shanghai People's Artistic Opera House. He told me this play is a one-act satire. Both the time and space in the play are uncertain and keep "leaping forward," and the background is also "indefinite." The set of the play looks like an abstract scene of a large city, with an S-shaped main street symbolizing the "road of life." This play shows the playwright's attempt to make a breakthrough in the traditional structure of drama. With the heroine Shu Huan's search for a "real man" as its main topic, the play has combined reality with absurdity and natural description with exaggerated performance, thus producing a strong contrast, attracting audiences and pushing them to ponder the realities of life, and increasing the comedic effects of the performance.

Sha Yexin regards modern drama as a kind of regrettable art [as published]. He felt that the latter half of the play was not profound enough and that the profiles of some characters, such as the plant manager Jiang Yi, are not sharp enough. All these have reduced the artistic appeal of the work. Therefore, Sha Yexin is planning to further polish the play.

JIEFANGJUN BAO REPORTS DEEDS OF LAOSHAN HEROES

OW020527 Beijing Domestic Service in Mandarin 2230 GMT 1 May 86

[Text] JIEFANGJUN BAO frontpages a newsletter on 2 May introducing the deeds of unsung heroes on the Laoshan front. Among those unsung heroes, those cadres and fighters, some lost their sight and others lost their legs. Some even risked their lives to save their comrades-in-arms. These unsung heroes let their comrades-in-arms take credit instead of claiming credit for themselves. Commanders in charge of appraising merits in Laoshan all agreed that it was a tough job to ascertain credit, saying it was more difficult to persuade someone to rightfully claim credit than fight the war. The fighters responded by saying that the people's recognition is the highest honor and award they could receive.

HUANG HUANG ATTENDS ANHUI CPPCC CLOSING SESSION

OW121053 Hefei ANHUI RIBAO in Chinese 28 Apr 86 p 1

[Excerpts] The Fourth Session of the Fifth Anhui Provincial CPPCC Committee accomplished its tasks and closed on the morning of 27 April at Hefei's Jianghuai Theater. The closing ceremony was presided over by Vice Chairman of the Committee Li Qingquan, Zhu Nong, Wang Zenong, and Sun Yougiao. Seated at the rostrum were Committee Vice Chairmen Sun Zongrang, Hong Pei, Pan Ezhang, Zheng, Jiaqi, Cao Zhenqui, Ma Tingle, Ding Jizhe, Guang Renhong, and Teng Maotong; and Zhang Binglun, secretary general of the Anhui Provincial CPPCC Committee; and members of the Standing Committee of the Anhui Provincial CPPCC Committee.

Leading comrades of the Anhui Provincial CPC Committee, the provincial Advisory Commission, the Standing Committee of the provincial People's Congress, the provincial government, the provincial Discipline Inspection Commission, the provincial Military District, the PLA units statoned in Anhui, and the provincial People's Armed Police Corps including Huang Huang, Wang Yuzhao, Yuan Zhen, Wang Guangyu, Shi Junjie, Lu Rongjing, Xi Leyi, Meng Fulin, Yang Yongliang, Liu Guangcai, Zhao Baoxing, Wang Xhengjun, Su Hua, Zhang Zuoyin, Zheng Rui, Zhao Minxue, Ying Yiquan, Kang Zhijie, Jang Jike, Li Yuanxi, Zhou Fang [0719 2397], Zhou Aiyi, and Gong Zaixian attended the ceremony and offered congratulations on the conclusion of the Fourth Session of the Fifth Anhui Provincial CPPCC Committee.

The meeting began at 0830 in the morning. It first consented to the resignation of Comrades Sun Zongrong and Hong Pei as vice chairmen of the Anhui Provincial CPPCC Committee. The meeting supplementally elected Shi Junjie chairman of the Anhui Provincial CPPCC Committee, and Li Jixiang [2721 4949 4382] and Meng Yiqi [1322 0076 1142] its vice chairmen.

ZHEJIANG CPPCC SESSION ENDS; WANG FANG PRESENT

OW130141 Hangzhou Zhejiang Provincial Service in Mandarin 0900 GMT 12 May 86

[Excerpts] The Fourth Session of the Fifth Zhejiang Provincial CPPCC Committee concluded in Hangzhou this afternoon after successfully discussing all of the items on its agenda. Seated on the rostrum were Chairman Wang Jiayang; Vice Chairmen Tang Yuanbing, Wu Youxin, Zhu Zhiguang, Jiang Ximing, He Zhibin, Zhou Chunhui, Jiang Cisheng, Qiu Qinghua, Zhan Shaowen and Wang Chengwu; and members of the Standing Committee of the provincial CPPCC Committee.

Leading comrades of the party, government, and Army organizations in the province, including Wang Fang, Chen Fawen, Wu Minda, Shen Zulun, Luo Dong, Shen Guifang, Liu Qingsheng, Tie Ying, Cui Jian, Li Fengping, Xu Qichao, Li Qing, and Gao Chengyu, were invited to the closing session and seated on the rostrum. Also present were Wu Yaomin, director of the United Front Work Department of the provincial party committee, as well as Mao Qihua, Yu Jiyi, and Zhang Renzhi. Tang Yuanbing and Zhan Shaowe, vice chairmen of the provincial CPPCC Committee, presided over the session.

Voting by a show of hands, the session elected Yang Shilin an additional vice chairman of the fifth provincial CPPCC Committee. In his closing speech, Chairman Wang Jiayang of the provincial CPPCC Committee, said: This is the first year for implementing the Seventh 5-year Plan in our province. CPPCC organizations should give further play to its role in political consultation and democratic supervision and to its function as a think tank to offer advice and suggestions on the implementation of the Seventh 5-Year Plan and the reform of the economic structure.

GUANGDONG: SUIXI COUNTY CURBS UNHEALTHY TRENDS

HK090259 Guangzhou Guangdong Provincial Service in Mandarin 0300 GMT 7 May 86

[Text] In the course of party rectification, the Suixi County CPC Committee resolutely curbed the unhealthy trends of taking advantage of functions and powers to build houses exceeding the limits in three respects and to indiscriminately issue and privately share money and goods. It has scored relatively good achievements and has been praised by the cadres and the masses.

Some time in the past, the organs of Suixi County party and government built quarters which exceed the stipulated cost, floorspace, and standard. They were investigated and dealt with on many occasions. However, due to the fact that some individuals of the county leadership groups were softhearted through tough in appearance, these unhealthy trends could not be curbed.

This time, the principal leading members of the county CPC Committee organized the members of the leadership groups of four county departments to study relevant central documents and to conduct an on-the-spot investigation of the quarters newly built by the Industry and Commerce Bureau, Tax Bureau, and Finance Office to make them understand the seriousness of the problem. The county CPC Committee promptly decided that the 85 quarters built by the 3 units, contrary to regulations, should not be used, and instruction on handling these quarters should be awaited. Regarding the other units' quarters under construction, which exceed the standard, they have been instructed to make a profund self-criticism and the discipline inspection commission, construction bank, and party rectification office must jointly investigate and deal with them.

The Suixi County CPC Committee has also dealt strictly with party and government cadres who had taken advantage of their functions, powers, and working conditions to seek personal gain and to privately share money and goods, in order to conduct profound education in the legal system for the cadres.

COMMENTARY OUTLINES PROSPECTS FOR FANGCHENG PORT

HK110544 Nanning Guangxi Regional Service in Mandarin 1000 GMT 7 May 86

[Station reporter's commentary: "Fangcheng Port Has Bright Prospects"]

[Excerpts] On 15 February, Hu Yaobang, secretary general of the CPC Central Committee, inspected the district of Fangcheng Port. After listening to reports by the district' responsible comrades, he said: Fangcheng Port has bright prospects. He fully affirmed the roles and prospects of the port.

Fangcheng Port has bright prospects because it has favorable natural conditions. In addition to the seven berths for 10,000-tonners, in the Seventh 5-Year Plan the port plans to extend the seventh berth and build a coal wharf for 50,000-tonners, an oil wharf for 50,000-tonners, and other special wharves. Moreover, it plans to build 50-odd deepwater wharves at the mouth of (Anbu) River, which is near the port. The development prospects of Fangcheng Port are very bright. After visiting the port, some U.S. specialists held that Fangcheng Port has the conditions for becoming an international trade port.

Fangcheng Port has bright prospects also because it has a vast economic hinterland and an abundant supply of raw materials and resources.

Places near the port, such as Beibu Wan, are favorable places for breeding fish and exporting aquatic products. Also, the nearby Qinzhou and Nanning Prefectures are economically developed areas. They are the major production bases of grain and economic crops. Such famous native products and specialities as fruits, cassia bark, aniseed, rosin, and ramie products are exported overseas in large quantities. Moreover, both Fangcheng and Qinzhou are among the native hometowns of the region's Overseas Chinese. This is also favorable for developing foreign trade. The mineral deposits of northwestern Guangxi are abundant. The major export minerals include manganese ore, heavy metals, and bauxite. The vast hinterland of Fangcheng Port includes Yunnan, Guizhou, Sichuan, and Hunan Provinces, which are rich in resources. They can supply abundant amounts of goods to the port. If Dalian Port is taken as the port of northeast China for importing and exporting goods, Fangcheng Port can be taken as the major port of southwest China for importing and exporting goods.

Fangcheng Port has bright prospects also because it has convenient water transport. The Nanning-Fangcheng railway, which will soon be put into operation, links the port to Qinzhou, Nanning, Baise, Liuzhou, Hechi, and Guilin. Thus, products made by these places can be exported overseas through Fangcheng Port. In particular, compared to the export route through Zhanjiang Port, goods that are made in places to the west of the port can be exported more conveniently if they go through this port. The situation is also true for importing goods. The port will also ease the tense demand for railway cargo services if it handles goods. On the other hand, the Nanaing-Fangcheng railway is linked to the branch Guizhou-Guangxi and Hunan-Guangxi railways. Therefore, goods of Yunnan, Guizhou, Sichuan, and Hunan Provinces can be imported and exported through the port. Following the completion of Nanning-Kunming railway construction in the near future, materials and goods of various provinces in southwestern China that are imported and exported through Fangcheng Port can reduce their route distance by 650 to 800 kilometers as compared to that through Zhanjiang Port.

These favorable conditions for land and water transport will not only save the port from the pressure of tense transport demand and backlog of cargo, but will also improve China's overall arrangement of export ports and ease the pressure on other ports. It will become the distribution center of import and export goods as well as the most economic and fastest sea link of the region and southwestern China.

The fact that Fangcheng Port has bright prospects has already been shown through the achieved economic results ever since its inauguration.

Last year, its gross turnover volume totalled 394,000 tons and its profits totalled 1.87 million yuan. It also earned more than $300,000. As it carries out various preferential treatments, the development of production and building in surrounding areas has been quite good. Their gross industrial and agricultural output value totalled 8.72 million yuan, an increase of more than two times compared to the previous year. Their work of finance and tax collection were also very good. The port has formed various organizations for administration and foreign affairs. These organizations actively import goods from outside and link up with the hinterland. They have now signed 9 contracts and made agreements on 10 import projects, involving a total investment sum of $119.35 billion. This shows that the development and trade operations of Fangcheng Port have taken off to a good start and that it has great potential and bright prospects.

Judging from the port's favorable location, good facilities, the economic results it has achieved in the course of development, and so on, we can see that its prospects are very bright. It also brings bright prospects to the region's work pf invigorating the economy as well as the development of various provinces in southwestern China. However, when the port turns the prospects into concrete results, it still faces many problems.

Chiefly speaking, it has a poor foundation, insufficient funds, lacks qualified personnel, and is not surrounded by cities. Also, its structure and some policies are not carried out well enough. This requires the continuous great support and help from the relevant departments of the cnetral authorities and the region. This also requires support and cooperation among the region's localities and various provinces in southwestern China. We believe that the cadres and the masses of Fangcheng Port district will not let the CPC Central Committee down. They will use their wisdom and industrious work to build the port into a window for opening up to the outside, and will develop it into a civilized, developed, and modern port city.

HENAN'S HE ZHUKANG STRESSES PERSEVERING IN REFORM

HK040215 Zhengzhou Henan Provincial Service in Mandarin 2200 GMT 3 May 86

[Excerpts] Governor He Zhukang stressed in his report on the Seventh 5-Year Plan that it is essential to unswervingly put reform of the economic structure in first place. Following are the focal points for this work during the period of the plan:

1. Grasp invigoration of the enterprises, especially the large and medium enterprises, as the cardinal link, and further streamline the administration and delegate powers, so that the great majority of enterprises can gradually run their own operations, be responsible for their own profits and losses, and possess self-transformation and development capability.

2. Further develop the socialist commodity market and gradually perfect the market setup. We must gradually expand the production materials market, and promote rational mobility of the labor force.

3. We must further reform the planning structure by appropriately reducing the scope of mandatory planning and expanding that of guidance planning and regulation by the market mechanism. We must be skilled in applying economic policies and the law of value, and exercise all-round macroeconomic management and regulation. In carrying out reform of the economic structure, we must pay particular attention to correctly handling the following relationships:

1. Between reform and construction. Launching projects at all levels, organizing speed contests, and blindly expanding the size of investment, thus causing tensions in economic life, hamper the progress of reform.

2. Between reform and living standards we cannot harbor the notion that today's reforms will bring great advantage to everyone tomorrow. We must correctly handle the relationship between present and long-term interests and between partial and overall interests. We cannot distribute all the profit retained by the enterprises, and still less can we depend on tapping the state from bonuses. We must avoid too rapid a growth in consumption funds.

Governor He Zhukang said: We must further break down the boundaries between areas, departments, sectors, and ownership systems, and vigorously promote and develop all types of lateral economic ties.

We must pay special attention to ties with coastal areas and neighbors, and focus on developing resources and products and increase technological transformation of enterprises. We must eliminate the fear of getting the worst of it, get rid of conservatism, take full advantage of the province's strong points in resources, and strive to attract capital, technology, talent, and advanced management experiences from the coastal areas. The province's backbone enterprises must stretch out feelers to the coastal areas to open up windows and collect information there, so as to improve their technology and train their talented people.

SICHUAN RADIO HAILS PEOPLE'S CONGRESS SESSION

HK121442 Chengdu Sichuan Provincial Service in Mandarin 0930 GMT 8 May 86

[Station commentary: "Stand at a New Starting Point; Create a New Situation"]

[Excerpts] The fourth session of the sixth provincial People's Congress and the fourth session of the fifth provincial CPPCC Committee concluded in Chengdu today. These two sessions were a success. We warmly congratulate the success of the two sessions. These two sessions were meetings for carrying forward the old cause and forging ahead into the future, for summing up experiences to push on in the flush of victory, and for enhancing our vigor to attain higher targets.

The Seventh 5-Year Plan is a grand blueprint for building Sichuan, a grand program for carrying our reforms, and a grand plan for building both the material and spiritual civilizations. To fulfill all tasks put forth by the Seventh 5-Year Plan and attain all targets set by the plan is a great historical mission endowed on people of the province. The fulfillment of the Seventh 5-Year Plan will have a bearing not only on the present 5 years, but also on the attainment of the quadruplication target by the end of the century. At present, the main task confronting the people of the whole province is to stand at a new starting point, to persevere in reforms, and to create a new situation.

To fulfill the Seventh 5-Year Plan, we must closely integrate a pioneering spirit with the scientific approach of seeking truth from facts. Leaders at all levels in the province must firmly establish the idea that exercising leadership means providing service. They must go out of offices and administrative organs, deep into the masses, and seriously help grass-roots units solve some practical problems. We must, under the leadership of the CPC Central Committee and the State Council, unite more closely, carry forward the spirit of the foolish old man who removed the mountain, work hard, forge ahead, and fight for new achievements in reforms and construction in 1986 and for the fulfillment of the Seventh 5-Year Plan.

SICHUAN MILITARY LEADERS MEET LONG MARCH WRITERS

HK120940 Chengdu Sichuan Provincial Service in Mandarin 0930 GMT 9 May 86

[Excerpt] This morning in Chengdu Military Region, leading comrades of the provincial CPC Committee, Chengdu Military Region, and Sichuan Military District, including Yang Rudai, Fu Quanyou, Wan Haifeng, Zhang Taiheng, Li Shuo, Kang Zhenhuang, Shao Nong, (Zhang Changshun), and (Gao Shuchun), met the four writers of the book "The Long March Experience".

The writers were (Liu Fangwei) of the PLA literature and art magazine; (Qiao Liang), an Air Force writer for the Central Military Commission; (Zhang Qitao), a writer for the Nanjing Military Region; and (Cheng Dong), a writer for the Beijing Military Region.

In order to mark the 50th anniversary of the successful Long March of China's worker-peasant Red Army, the PLA literature and art magazine organized this activity.

Leading comrades including Yang Rudai, Fu Quanyou, Wan Haifeng, and Kang Zhenhuang delivered speeches. Comrade Yang Rudai said: The fact that you comrades reported on the route of the Long March and on the heroic deeds of that time and the changes in the situation is of great significance in terms of inspiring the people to start a new Long March. I hope that you will write more and better works.

HEILONGJIANG'S SUN WEIBEN WRITES ON PARTY BUILDING

SK090331 Harbin HEILONGJIANG RIBAO in Chinese 21 Apr 86 p 3

[Preface written by Sun Weiben, secretary of the Heilongjiang Provincial CPC Committee, for the book "Questions and Answers on Party Building" compiled and published by the "LILUN YU SHIJIAN" [THEORY AND PRACTICE] journal of Liaoning Province: "Party Building Is the Capital Construction of Various Constructions"]

[Text] The book "Questions and Answers on Party Building" has been published. Comrades in charge of the editorial work hoped that I could take this opportunity to air some opinions on this book. As a cadre engaged in party affairs for a long time, I feel that the publication of this book will not only satisfy the urgent needs of the masses of party members and grassroots cadres but also play a positive role in strengthening the party building in the new period.

Party building is one of the three magic weapons which makes it possible to win a victory in the Chinese revolution, and is also the capital construction of various constructions. This is a simple but extremely important truth that everyone knows. During the past prolonged practice of revolution and construction, countless facts proved that whatever our fronts are, and whatever conditions and tasks we are facing, the combat strength of our ranks as a whole will be greatly enhanced, we will be able to conquer and overcome any strong obstacles ad difficulties, and there will be a reliable guarantee for the development of various undertakings as long as we grasp party building well, strengthen party leadership, and include to the role of grass-roots party organizations as fighting bastions, and the role of party members as vanguards and exemplars.

Then, in the new historical period when the work focus of the party has been shifted, and the economic structural reform has been carried out in a comprehensive manner, will party building still be the capital construction of various constructions? Some comrades are not very clear about this. There are some muddled ideas, that the present party leadership does not hold economic construction as important as before because we stress the practice of acting according to the economic law when we develop the planned socialist commodity economy. When plants and enterprises enforce the system of having directors (managers) assume the full responsibility, the will of directors (managers) will be turned into the voluntary acts of all the workers of the plants and enterprises, as long as the directors' (managers') authority for directing production and administrative work is safeguarded. All the tasks will certainly be fulfilled without giving plan to the role of party organizations and party members, after the household output-related contract responsibility system is implemented in the rural areas, "party branches become useless when contracts are signed with households," and "party members become useless when the responsibility plots are will cultivated." Such ideas are, evidently, wrong. Due to the influence of such wrong ideas, some departments and units neglected party building for a certain period of time, the phenomenon of party organizations taking no charge of party affairs arose in many areas. and the party's ideological and political work became not so powerful among the masses.

We should say that following the in-depth development of the overall economic structural reform, extremely profound changes have taken place in our country's political and economic activities, and other fields, and many new questions on party building have arisen. For instance, what are the fundamental tasks for party building in the new period? What influence have modern science and technology had on party building? What are the major problems in rural party building when a new rural economic system is replacing an old one? How should we exercise correct party leadership in line with the scientific meaning of party leadership when we are building socialism with Chinese characteristics? And so on.

There is no doubt that we should clearly answer these questions by combining theory with practice so that our ideological understanding, state of leadership, and work methods can suit the rapidly developing and changing new situation. However, the principle that party building is the capital construction of various constructions remains unchanged in these numerous and complicated changes. The ruling party should always prioritize on its agenda that the party should take charge of party affairs and should spare no efforts to strengthen party building.

The book "Questions and Answers on Party Building" has selected a wide range of questions, including all the questions mentioned above, and has presented accurate arguments and new views. It will be welcomed by the masses of party members and grass-roots cadres. It is also hoped that this book will play its due role in strengthening party building in the new period.

LIAONING HOLDS MEETING ON ARMY TRANSFER WORK

SK090853 Shenyang Liaoning Provincial Service in Mandarin 0930 GMT 8 May 86

[Text] The work of transferring county and district people's armed forces departments to the local organizational system should be finished by 20 June. This decision was made at the recent provincial meeting on the work of transferring county and district people's armed forces departments to the local organizational system. Liu Dongfan, Standing Committee member of the provincial CPC Committee, deputy head of the leading group in charge of the transfer work, and political commissar of the provincial military district, made a plan for how to achieve the transfer work at the meeting. On behalf of the provincial CPC Committee and the provincial government, Zuo Kun, vice governor of the provincial government, set forth four requirements for achieving the transfer work.

First, leaders of both army units and localities should conscientiously grasp the transfer work through implementing the decision of the central authorities and by taking the whole situation into consideration. Second, leaders of both army units and localities should strengthen their leadership over the transfer work. Third, efforts should be made to handle and solve various specific problems. Fourth, we should regard the transfer work as a new starting point of strengthening the construction of reserve forces.

Sun Qi, deputy secretary of the provincial CPC Committee and head of the leading group in charge of the transfer work, attended the meeting and held discussions with the participants. (Wang Youhan), commander of the provincial military district, called on all military subdistricts to rely on and respect the leadership of the local CPC committees and governments over the transfer work, to strictly abide by the discipline, and to resolutely stop and straighten out various unhealthy practices in order to ensure the transfer of good leading bodies and army ranks to the localities.

EMPEROR'S NIECE BECOMES SHENYANG CPPCC MEMBER

OW091019 Beijing XINHUA in English 0942 GMT 9 May 86

[Text] Shenyang, May 7 (XINHUA) --A niece of China's last emperor was elected a member of the Shenyang City committee of the Chinese People's Political Consultative Conference (CPPCC) at a recent committee session. Wan Shuying, 44, is the daughter of the sister of China's last emperor, Puyi. She has worked as an engineer in the Shenyang pump plant since graduating from Harbin Industrial University in 1964. A model worker, she has won national awards for technical research.

TAIWAN NO CONTACTS POLICY WITH PRC UNCHANGED

OW131425 Taipei CNA in English 1408 GMT 13 May 86

[Text] Taipei, May 13 (CNA) -- The basic stand and national policy of the Government of the Republic of China not to contact the Chinese Communists remains unchanged, Dr. Chang King-yuh, director general of the Government Information Office [GIO], reiterated Tuesday. He said the Peiping regime would arouse public indignation in the world community if it attempted to blackmail the Republic of China politcally using the China Airlines' Boeing 747 cargo jet and crew members stranded in the mainland as hostages. The GIO chief noted that the diversion of the CAL cargo jet to the China mainland May 3 is a simple, individual flight incident. "Communist China should release the CAL jet and its crew and cargo immediately without any conditions," he added.

MORE COMMUNISTS SEEKING FREEDOM IN TAIWAN

OW030511 Taipei International Service in English 0200 GMT 3 May 86

[Station commentary]

[Text] Free China on Taiwan has opened its arms to another freedom seeker from the Chinese mainland. The arrival in Taipei on Wednesday of Chen Pao-chung, a former MiG-19 pilot, from the Republic of Korea after a sojourn of 69 days also proved that Seoul upholds international law and the principles of humanitarianism despite its efforts to mend fences with Peiping.

The 26-year-old Chen, who flew his reconnaissance plane to a South Korean military base last February 21, is the fifth military pilot who rejected communism to seek freedom in the Republic of China over a period of less than five years. Six civilians also chose South Korea as a midway station in their dash to freedom in 1982 when they commandeered a Trident jetliner on its way from Shenyang to Shanghai in a bid to reach Taiwan.

Two years ago, a Chinese Communist naval torpedo boat also made its way to Korean waters after two of the crew members tried to flee to Taiwan. Unfortunately, the Korean authorities sent them back to Red China and their death. There have been many other failed attempts by the mainland people to reach free China by air or sea. Some of these incidents have been reported.

Besides the highly publicized defections from Red China, a large number of Chinese intellectuals have come to the Republic of China from the mainland by way of foreign countries. The freedom seekers include musicians, writers, engineers, scientists and other elites of the Chinese mainland. They are the ones Peiping needs most badly for its modernization scheme.

The number of other less-known freedm seekers are too numerous to be counted. The Free China Relief Association reported recently that it has helped some 170,000 refugees to resettle in Taiwan. The figure does not include the 14,000 Chinese communist prisoners of war in the Korean war who came to the Republic of China en bloc.

Dr Chang King-yuh, director general of the Republic of China's Goverment Information Office, interpreted the defection of Chinese Communist pilots as a sign that the Chinese Communist Armed Forces are sorely beset with problems. He also took note of the fact that the people on the mainland, if given the chance, would seek freedom by air, sea, or land. They reject Marxism-Leninism and the Chinese Communist system.

Quoting President Chiang Ching-kuo that the attraction of the Taiwan experience will become the motivating force of the mainland people to overthrow the communist tyranny, Chang said Chen Pao-chung's flight to freedom has demonstrated that the Republic of China's call for national reunification under democracy is, in his words, a course dictated by consensus of the Chinese people, the logical outcome of historical events and the actual trends in national and international development. The facts are here for everybody to see. Chen Pao-chung's dash to freedom is one of the latest examples of the Chinese people's choice.

COMMENTARY CONDEMNS COMMUNIST MEDIA NEWS BLACKOUTS

OW140613 Taipei International Service in English 0200 GMT 14 May 86

[Station commentary: "Downplaying Disaster"]

[Text] News blackout is the first instinctive response of a dictator when that news is negative. Only after the Scandinavians proclaimed the rise in radiation levels and looked in the upwind direction and demanded information from the USSR did the Soviets admit to a problem. The United States Secretary of State George Shultz obviously has access to U.S. satellite information. He made a comment to the effect that Americans know more than the Soviets have told.

Rather surprisingly, a UPI lead paragraph, from Moscow, says, and we quote: The Soviet Union, inexperienced in disasters like the Chernobyl nuclear accident, has responded with an information blackout that could hurt Mikhail Gorbachev's standing abroad. But Gorbachev is the USSR. The USSR's response is Gorbachev's response. Who would dare either to speak or remain silent without the express approval of Gorbachev? When did you ever read a TASS or PRAVDA Press release anything like the following? Aeroflot flight 123 crashed at 3 pm, killing all 350 Soviet citizens aboard. Never. No Soviet air disasters are ever publicized unless foreigners are on board -- people about whom some embassies will be making official inquires.

As a matter of fact, no communist regime, from Red China to Albania, ever publicized airplane crashes unless foreigners are aboard. The International Airline Pilots' Association has complained for years about the communists refusal to share detailed safety information, all to no avail. Achievements, they boast of, of course, problems, they deny. It is the nature of the beast.

Remember the worst Chinese earthquake disaster within living memory? Red China first tried to hide it, consistently refused any outside aid, and published no hard data for 6 months, finally admitting on 4 January 1977, to 650,000 killed, but later raised to 750,000. Almost 3 years later, the party news agency revised that drastically downward to 242,000. With sadness for our unfree mainland compatriots, we naturally prefer the lowest number of casualities -- but with routine blackouts and obfuscation, when will anyone ever know the truth of the matter?

Russian or Chinese Communist, Yugoslavian or Albanian, the communist presentation of news must always serve the dictatorship of what they called the people. The attempt at secrecy is the direct result of TASS and PRAVDA functioning not to inform the people -- but to serve the party.

LATE REPORT: MEETING WITH PRC ON CAL IN HONG KONG 19 MAY

HK141123 Hong Kong AFP in English 1120 GMT 14 May 86

[Excerpts] Taipei, May 14 (AFP) -- China Airlines (CAL) Wednesday said it would meet Chinese officials Monday in Hong Kong to discuss a cargo jet and its crew diverted to China in a defection May 3, CAL spokesman Lin Liang-chih said. Taiwan's flag carrier Tuesday had said it would have face-to-face discussions with CAAC [Civil Aviation Administration of China] officials over the return of a Boeing 747 cargo jet, two crew members and its cargo in what would be the first official contact between Taipei and Beijing since 1949. CAL set the meeting for Monday after the Civil Aviation Administration of China [CAAC] requested that CAL's suggestion to meet on Friday this week be delayed, he said. He said CAAC officials believed they had too short a notice to meet on Friday.

The Hong Kong-based Cathay Pacific Airways relayed CAL's decision to the CAAC, he said. (In Hong Kong, Cathay Pacific has declined comments on the matter).

"Out of deep concerns over the safety of the crew and eagerness to save them, we agreed to postpone the negotiations until May 19," Mr Lin said.

Taiwan maintains a no contact policy regarding Beijing, which is trying to get Taiwan to reunite under a "one country, two systems" policy it is planning to use on Hong Kong when Britain relinquishes sovereignty in 1997.

(In Beijing Wednesday, China remained silent on the issue. A CAAC spokesman when asked about the offer said that nothing had been received from Taiwan and that "we have nothing to say on the matter." Foreign correspondents at a weekly Foreign Ministry press briefing also ran into a wall of silence over the affair.

(Spokesman Li Zhaoxing refused to answer questions on the Taiwan offer and said that it was the responsibility of the CAAC. The Chinese press also generally ignored the offer. The only mention of the proposal came briefly in the English-language CHINA DAILY, which is mainly read by foreigners.)

Taiwan after the defection reported that China had sent two telegrams to CAL asking it to send representatives to Beijing to discuss the return of the plane and two crew.

(In Hong Kong Wednesday, CAAC's Hong Kong General Manager Xue Jingwu said China had insisted that any negotiations between China and Taiwan on the aircraft should involve only representatives of the two countries. He told Radio-Television Hong Kong that Cathay Pacific should not be involved as an intermediary. He said China had indicated to Taiwan that negotiation could be held in areas outside China but that his office had not received any instructions from Beijing on the matter.)

CHENG MING DETAILS CRIMES OF CPC CADRE FAMILIES

HK091035 Hong Kong CHENG MING in Chinese No 103, 1 May 86 pp 8-12

["Notes on a Northern Journey" by Luo Ping: "Doubts as to Whether Tigers Are Butchered To Cover Up Things" -- first paragraph is CHENG MING introduction]

[Text] Taking advantage of the tiger hunt, the leaders of the two factions in the CPC are trying to expose the mistakes of their adversaries. More and more problems are being exposed each day; neither side can benefit from this. This not only shows how dirty and mean these people really are but has also led to the worsening of the CPC confidence crisis. It looks as if the campaign will come to an end very soon.

A Game Played by Pulling Others' Pigtails

Not long ago, the leaders of the reformists and conservatives in the CPC played a game of pulling each other's pigtails. They tried to find out and expose each other's mistakes. The game was very exciting.

What are the pigtails? The pigtail that has so far drawn the most attention is that of the involvement of "cadre children" in commercial activities. They have also exposed criminal and economic offenses committed by the children of their adversaries. Professing to be upholders of orthodox Marxism-Leninism and honest and decent people, some conservative leaders are extremely critical of the reformists and their reforms, and they made the first attempt to expose the reformists' mistakes. Seeing that there was no need to show restraint, the reformists mounted a counterattack and dealt the conservatives a heavy blow by letting Hu Xiaoyang, the rapist son of Hu Lijiao (formerly the second secretary of the Shanghai Municipal CPC Committee and currently chairman of the Standing Committee of the Shanghai Municipal People's Congress and a follower of Chen Yun), publicly disgrace his family. The playboy and another two rapists were sentenced to death. Shortly after this, the children of some conservative, non-reformist cadres, including Hu Qiaomu's son Hu Shiying, Peng Zhen's daughter, Fu Yan, and Ye Fei's daughter Ye Zhifeng, were arrested, tried, and sentenced for suspected or proven economic crimes.

Public Security Men Seized an Opportunity To Arrest Hu Qiaomu's Son

The family of Hu Qiaomu, the old Marxist-Leninist preacher, is also involved in a scandal. Beijing citizens must have "heard this with great pleasure."

On the evening of 7 March, when Hu Qiaomu and his wife Gu Yu were enjoying themselves at a cinema, public security men entered their residence and arrested their son Hu Shiying, who happened to be at home. On his return, Hu Qiaomu realized that the public security men had seized the opportunity to arrest his son. Although he was very angry, he could do nothing about it.

Unaware that something had happened to Hu Qiao, a young reporter from FUMU BIDU [PARENTS MUST READ] called on Hu Qiaomu, asking him how he taught his own son. In addition, the reporter also asked him his opinion of FUMU BIDU. Hu Qiaomu thought the reporter was teasing him, so he sullenly said: "I am not the right person to comment on this." The reporter was at a loss to hear that. If Hu is not the right person to comment on that, who is? Hu Qiaomu did not realize that he reporter was ill-informed.

"I Hate Two Persons Most. They are Chiang Kai-Shek and..."

However, the news that Hu Shiying has been arrested is gaining momentum in the cultural circles.

Although Hu Qiaomu is embarrassed, as the CPC's number one theorist, he is, however, also quick-witted. He keeps telling people everywhere: "I have hated two persons most in my life. They are Chiang Kai-shek and my son." This son naturally refers to Hu Shiying, who is in prison. Hu Shiying, about 40, is a cofounder of RENCAI magazine and was once a RENMIN RIBAO reporter. He has also worked with some other magazines. It would be unfair to say that this playboy is not enterprising. However, it is obvious that his desire for wealth and fame got the better of him. After working with the Postgraduate Institute of the Academy of Social Sciences of China for some time, he established a "Center for Legal Studies by Correspondence" and publicized it everywhere. More than 100,000 people applied for admission. The tuition fee was 70 yuan for each person. Thus, he made a fortune of several million yuan. He considered this money has private property and he freely spent it without entering it in an account. Later, the center was not allowed to be established. Hu Shiying returned the tuition fees to some. However, some 40,000 people did not receive a refund and they reported this to the judicial authorities.

Hu Shiying was summoned to a procuratorate, where he was questioned. Among the people responsibile for handling the case, there was a young man who was enrolled by Hu's center for legal studies by correspondence. Following is the interesting conversation between them:

"Why did you establish a center for legal studies by correspondence?'

"I wanted to popularize legal knowledge...."

"In that case, you must have sound legal knowledge."

"Now, there is no need to teach us by correspondence. Just teach us face-to-face."

Although Hu Shiying had embezzled a large sum of tuition fees, he could not give the people a refund. He ended up in a prison [as published], where he was tried.

A Family Beset With Tragedies

The family of Hu Qiaomu, an old preacher of Marxism-Leninism, has been very unlucky. Hu's eldest son was persecuted and killed during the Cultural Revolution. His youngest daughter is a mental patient at Beijing's Anding Hospital. And now, Hu Shiying, another son of Hu Qiaomu, is in jail. In addition, it is alleged that Gu Yu, Hu Qiaomu's wife, who works on the party committee of the Academy of Social Sciences of China, used as large sum of the academy's experiment funds to finance a Zhonghua (or China) New Technology Development Corporation. Some people say that the great loss incurred in the business "jointly started" by Cu Yu and Wang Chun has aroused the attention of the relevant authorities. It seems that Hu Qiaomu's family is beset with tragedies. Of course, the most tragic thing is that with his rigid mind, the old man will persistently continue to "fight for the communist cause for the rest of his life."

The Daughters of Peng Zhen and Xiao Jingguang Have Committee Offenses, and Xiao Kai Has Been Sentenced to 6 Years' Imprisonment.

In the "Notes on a Northern Journey" in the March issue of CHENG MING, I touched on the economic crimes committed by Xiao Jingguang's daughter. Xiao Kai, Xiao Jingguang's daughter, was the first daughter born to the general and his ex-wife. When she was a section head in the China Film Distribution Corporation, she received bribes and commissions. She was arrested and sentenced to 6 years' imprisonment in February this year.

When the news that something had happened to Xiao Jingguang's family became known to the public, some thought that his son Xiao Zhoneng had committed an economic offense. In the "Notes on a Northern Journey" in the March issue of CHENG MING, I said: "The arrested person is certainly not Xiao Zhuoneng." Xiao Zhuoneng's wife is a famous singer named Li Guyi.

A fellow journalist told me that his friend had learned about Xiao Zhuoneng's death not long ago and that "Li Guyi is now a widow."' This news must first be verified because not long ago, some Beijing newpaper reported on Li Guyi's happy family life.

At the news briefing on 24 March, reporters embarrassed Zeng Tao, the responsible person at the news briefing, by pinpointing the economic cases involving Peng Zhen's son and daughter. Zeng's answers to the reporters' questions were a classic example of evasive tactics. However, to evade something is to admit that something is true. It seems that with the approval of CPC authorities, verdicts will be made very soon.

Wan Chun Approves the Use of $2 Million by His Son To Start His Business

As reported in the March issue of CHENG MING, the problems with Peng Zhen's son and daughter are connected with the Wang Chun case. Wang Chun, formerly vice mayor of Beijing, was once a vice chairman of the Beijing Municipal Advisory Committee. His is suspected of being involved in a case of receiving a bribe of $300,000 in exporting 300,00 tons of coal at lower than the official price. Peng Zhen's son and daughter are also suspected of being involved in this case and they have been questioned. In fact, at the end of last year, the central authorities issued and official document to suspend Wang Chun from his duties for investigation. In adddition to his involvement in the coal export case, it is also alleged than when he was vice mayor of Beijing and responsible for Beijing's industry and introduction of foreign capital, he approved the use of $2 million by his son to start his own business.

(The "Notes on a Northern Journey" in the March issue of CHENG MING reported that Fu Yan, Peng Zhen's daughter, who is suspected of having committed an economic crime, was called Fu Yan when she was a small child, and that before the end of last year, Peng Zhen went with her to Xi Shan to plant trees. In the March issue, Fu Yan was misprinted as Fu Ping. It is corrected here.)

Ye Fei's Daughter Has Another Backstage Boss

Many Beijing citizens may have heard the "hearsay" about Peng Zhen's children. However, people more frequently gossip about the case involving the daughter of Ye Fei (ex-minister of navy) [as published], vice chairman of the NPC Standing Committee, than the case about the family of the chairman of the NPC Standing Committee.

One of Ye Fei's daughters is named Ye Zhifeng (another of his daughters is named Ye Xiaolan, who is the secretary general of the Xiamen City People's Government). Another of her backstage bosses is her maternal grandfather Jian Hua, ex-president of the Supreme Peoples Court (according to another source, her maternal grandfather is Chen Pixian). Between October 1984 and April 1985 -- about the time when people ran wild reselling motor vehicles -- backed by her backstage bosses and taking advantage of her office as deputy director of the Import and Export Bureau under the State Economic Commission, she divulged, through Zheng Changsheng, an employee of the Minority Nationality Economic and Cultural Development Corporation, the country's confidential information about auto imports to foreign and Hong Kong businessmen on several occasions. In addition, when some Chinese companies were negotiating with some foreign businessmen on the import of motor vehicles, she put pressure on the companies and told them to accept the prices offered by the foreign businessmen.

Meanwhile, Zhang Changsheng gave advice to these foreign businessmen. In the course of the talks between a Hong Kong businessman and some Chinese companies, Ye Zhifeng learned that the state was about to make some changes in connection with the signing of import contracts, and she and Zhang Changsheng prompted this Hong Kong businessman to deceive the state department in charge by changing the date of the contract and by other means. In the course of these illegal activities, Ye and Zhang received bribes. In the course of other illegal activities (such as the case in which she applied for approval for the import of motor vehicles by Shenzhen's Zhonghua bus company and Chongqing's Changan machine-tool plant), she also received much ill-gotten money.

Disturbances Within the Outside Zhongnanhai

Informed by a French automobile company of the crimes committed by Ye Zhifeng (refer to "Notes on a Northern Journey," CHENG MING, March issue), Beijing's public security organs obtained evidence of the crimes of Ye and Zhang through investigations. Consequently, Ye and Zhang were arrested and prosecuted. The court tried the case secretly.

During this period, a disturbance involving the Ye and Zhang case was stirred up in Zhongnanhai. The relevant CPC departments had already decided to execute Zhang Changsheng and sentence Ye Zhifeng to 6 years' imprisonment. The case evoked strong repercussions among senior cadres because the fates of the two differed though they were involved in the same crime. They were against the decision though they were involved in the same crime. They were against the decision on sentencing Ye Zhifeng to 6 years imprisonment, which was too lenient. Some said that it ran counter to the principle "all people are equal before law." At this moment, Deng Xiaoping had something to declare. He preferred prolonging the term of Ye Zhifeng's imprisonment. As a result, the Beijing Intermediate People's Court sentenced Zhang Changsheng to death and Ye Zhifeng to 17 years imprisonment on 27 March. The appeal lodged by Zhang and Ye was rejected. Zhang was executed on 14 April.

Zhang Changsheng is a son of a senior army cadre (deputy director of the Foreign Affairs Bureau of the PLA General Staff Headquarters), so his execution can be regarded as killing a tiger.

A friend from the political and legal circles told me that Ye Zhifeng deserved capital punishment. She was treated leniently because during the trial she declared that if she were sentenced to death, at the court she would make public a list of several hundred senior cadres and their children involved in economic crime. As this was no trivial matter, the public security organs, the procuratorial organs, and the people's courts and the leaders of the CPC proposed mitigating her term of punishment. They first proposed 6 years' imprisonment and later changed it to 17 years. It can thus be seen that "all people are equal before law" is just an empty promise!

Some People Believed That Zhang Was Executed To Do Away With the Witness

Following the final court decision on the Ye and Zhang case, there was a public outcry in Beijing. People talked about the matter when they learned about the Ye and Zhang case and Ye's background from hearsay and the XINHUA reports carried in newspapers. They looked at the matter in the following ways:

First, viewed from the XINHUA reporters, Ye Zhifeng is the principal offender in the case. It was Ye who had access to state classified information, who disclosed classified information to foreign and Hong Kong businessmen, who forced the relevant departments on the Chinese side to accept the prices offered by foreign businessmen, and who instructed the Hong Kong businessmen to backdate the signing of the contracts so as to make double profits. In these illegal activities, Zhang Changsheng was only Ye's assistant and follower.

Second, in addition to leakage of state secrets and abuse of power to import cars, Ye Zhifeng also committed other crimes. This shows that Ye Zhifeng is sinful and has gone even farther than Zhang Changsheng.

Third, according to the news reports, Zhang Changsheng received bribes totaling HK$1,908,000 and gave only HK$25,000 to Ye Zhifeng. But this cannot prove that Zhang Changsheng is guiltier than Ye Zhifeng. If the reports are true, it merely indicates that Zhang cheated Ye, which should be "a case within the case" and have nothing to do with the case of disclosing classified information to Hong Kong businessmen and accepting bribes.

Moreover, people in Beijing really doubted the amount of HK$25,000 and 7,000 yuan Ye Zhifeng shared. It has been reported that the officers and men of the public security organs, the procuratoral organs, and the people's courts searched Ye Zhifeng's house and found over $100,000 in cash, which is 40 to 50 times the amount of HK$25,000. People asked where the U.S. dollars came from. Because the XINHUA reports revealed a series of questionable points, the people believed that Zhang Changsheng's capital punishment, which he did not deserve, was "a conspiracy of killing the man to do away with the witness." By so doing, they can protect Ye Zhifeng as well as a large number of people involved.

During this period, the general offices of the State Council, the CPC Central Committee, the Secretariat of the CPC Central Committee, and the offices of Deng Xiaoping and Hu Yaobang received large numbers of letters from the masses complaining about the unfairness and questionable points of the Ye and Zheng case. The matter really shocked Deng Xiaoping and Hu Yaobang.

XINHUA's Special Report Failed To Assuage Public Indignation

In order to assuage public indignation, the Propaganda Department of the CPC Central Committee received instructions to explain the case to the people. With the arrangements made by the Propaganda Department, XINHUA released a report on 19 April entitled "Zhang Xu, Vice President of the Standing Committee of the Beijing Law Society, Answers Questions Raised by a BEIJING RIBAO Reporter on the Case of Zhang Changsheng and Ye Zhifeng Divulging State Secrets and Accepting Bribes Decided by the Beijing Intermediate People's Court." The central idea of the report was to explain why Zhang Changsheng should suffer punishment more severe than Ye Zhifeng. However, the report was a foolish attempt at an explanation. As the explanations made were not convincing, it became a matter of much discussion among the people. They asked indignantly:

Who says that a prince is punished nowadays as a common person when he commits a crime?
Who says that all people are now equal before law?
What is the system prevailing in China now, rule by man or rule by law?
Should officials be superior to law or law be superior to officials?

It seems that the disturbance has created a terrific shock. Now the people have profoundly realized that it would be impossible to attain the anticipated results of party rectification if the privileges of the CPC and the practices of bureaucrats shielding one another are not changed.

The Propaganda Department of the CPC Central Committee Criticizes Hong Kong's TA KUNG PAO.

As a matter of fact, party rectification is going through the motions and the tiger has encountered numerous difficulties and obstructions. Please look at the following story:

On 14 February, Hong Kong's TA KUNG PAO carried an item dispatched from Beijing that accurately reported the story of former Beijing Vice Mayor Wang Chun being tried for economic problems and the children of a number of senior cadres involved being examined by the judicial organs. They included the children of Generals Ye Fei and Xiao Jingguang and Hu Qiaomu's son. It is said that the exclusive report of strict accuracy has attracted wide attention in Hong Kong and abroad.

Hong Kong's WEN WEI PO did not carry the news that day. As a result, people in Hong Kong said that TA KUNG PAO was well-informed. Later, WEN WEI PO competed fiercely with TA KUNG PAO in reporting the crimes committed by children of influential families. However, TA KUNG PAO got into trouble because it was the first to report the economic crimes committed by children of senior cadres. The leader of the Propaganda Department was alarmed when he was informed of the matter. He immediately asked for the TA KUNG PAO reporter who dispatched the news (the reporter was probably busy gathering news so he went to the Propaganda Department a bit late) and gave him a good dressing down. TA KUNG PAO actually had a certain extent of "decisionmaking power" in reporting news.

Following the incident, it seems that the Propaganda Department has regained the "decisionmaking power." When Beijing's court sentenced Ye Fei's daughter to 17 years' imprisonment and Zhang Changsheng to death on 13 April, TA KUNG PAO dared not report the news that day. However, WEN WEI PO took advantage of "the loopholes in law" and ingeniously reported the news. But the move also evoked repercussions in Beijing.

This story gives much food for deep thought.

The Tiger Hunt is Drawing to an End

The game played in Zhongnanhai in which each side tried to seize on the mistakes and shortcomings of the other lasted for a short period and cooled down because there were to many people on both sides involved in economic problems. If the struggle continues, it will further expose the dark aspect of the CPC and will benefit no one. Although the tiger hunt began with tremendous force, we believe it will wind up very soon. Naturally, the major cases will still be examined, tried, and handled. It is estimated that the "7 major cases" and the "10 major cases" will be decided and made public one after another, which will give people the impression that the tiger hunt is going on and that the highest authorities are trying to change the image of the CPC through the seemingly true-and-false "movement."

Shen Tu Cuckholds His Son and Attempts To Escape

Meanwhile, hearsay of senior cadres and their children committing crimes spread far and wide.

— Bo Yibo's son, secretary of Liaoning's Jinxian County, had a considerable amount of bank savings abroad.

— Ye Yuanping's younger brother was involved in economic problems, but the people of the relevant departments could not "find" him because he lived in the "marshal's residence."

— Ye Ting's son who worked in the 7th Ministry of Machine Building was questionable in money matters. However, he avoided trouble because he was Zhou Enlai's adopted son and Deng Yingchao said: "He is not a bad boy!"

— Chen Muhua's son resold instruments of ratification for cars in Zhuhai.

Some of these reports are probably rumors. Nevertheless, it shows that the struggle has not ended yet, though the prospect will be "a pact shielding each other and peaceful coexistence." The story of Shen Tu's return after his visit abroad is very interesting. We have a report on Shen Tu in the "Notes on a Northern Journey" in the March issue of CHENG MING. Shen Tu was suspected of accepting bribes while purchasing Boeing airplanes and having a savings account of U.S. $2 to 3 million in the United States. As a result, he was examined and investigated by the political and legal organs. It has been reported that his problem is related to his 29-year-old daughter-in-law Chen. Shen Tu, who has sexual relations with Chen, is referred to as one of "Beijing's four scandalous adulterers." Chen intended to leave the "wolf's den" so she disclosed the story of Shen Tu receiving bribes. According to another source, Shen Tu's big problems are being turned into small ones. This report needs to be further verified.

The crisis in the people's confidence in the party further intensified instead of being eased through the tiger hunt. This is a hard nut for the reformers to crack. This question once again reminds the reformers: While carrying out the reform of the economic structure, it is necessary to reform the political structure. Otherwise, it will be impossible to achieve the anticipated results.

PRC PONDERS LAUNCHING SPACESHIP BY YEAR 2000

HK100618 Hong Kong TA KUNG PAO in Chinese 10 May 86 p 1

[Special dispatch: "China Now Having Lively Discussions on Launching a Spaceship"]

[Text] When meeting foreign correspondents stationed in Beijing this afternoon, China's well-known scientist Qian Xuesen revealed that China had not made a decision yet on the issue of launching a spaceship by the turn of this century. He said: China is now having lively discussions on this issue, but the technological personnel do not share a common viewpoint. When asked if he agreed, Qian Xuesen said: I advocate the development of spaceflight industry. This is because judging from human history, spaceflight reflects an advancement of mankind. Proceeding from a long-term viewpoint, we must develop it. When asked what psychological impact the space shuttle accident in the United States made on the people of China, Qian Xuesen said: Our technological personnel did not decide on matters with their emotions. In history, many people lost their lives when transporation developed from land to sea travel. Also, many people lost their lives when air flight travel was developed. Now we are going to outer space. It is inevitable that some people will lose their lives. But history is advancing.

EDITORIAL ADVOCATES FREEDOM ACROSS TAIWAN STRAITS

HK080329 Hong Kong HONG KONG STANDARD in English 8 May 86 p 6

[Editorial: "Freer Movement Across the Taiwan Straits"]

[Text] China laid on the works. By plane, train and limousine the Chinese rushed an old man and his three sons to Beijing airport for a reunion with Taiwan's defecting pilot, Wang Xijue. To see his aging father again was, after all, Wang's reason for giving up home, family and the comforts of a "model military hero" for the uncertainties of life on the mainland. Chinese officials went out of the way to expedite reunion for sheer propaganda reasons. China is unashamedly milking the incident for all it is worth. Not a crime in that; all countries do such things.

But it serves to underscore the human tragedy that is now buried in the mass of speculative stories about what China and Taiwan will do about the future of that jumbo jet and the two crewmen who want to go home.

It is the tragedy of families kept apart in time, space and ideology. It is now 37 years since Chiang Kai-shek took the remnants of his defeated Nationalist Army across the Taiwan Straits to build their last redoubt on the island. In the end, the blood ties remain. Never severed, but throbbing with pain and anguish. Deep down the leaders on both sides know this. There is no other reason why, despite the laws making it a crime, there is such a big movement of people back and forth across the Taiwan Straits. The movement is not acknowledged, but the people are not punished. [sentence as published] In private discussions this is freely admitted. The reason, of course, is that to a man these people do not matter. They are common folk whose passage across the Straits does not embarrass governments or policies on either side of the great divide. Besides, the movement across the Straits leaves the greater majority of the divided families untouched. High officials remain unyielding. They are made of sterner stuff. Or expected to be. Now Mr Wang has punctured this belief. He is human after all.

There have been many defections from the mainland to Taiwan, the United States and elsewhere. But the underlying motivation has usually been ideological or material. Like China today, all these other countries have played those defections for all their propaganda worth. But Mr Wang's defection exposes the basic weakness of the Taiwan regime now that China has opened her doors. Long billed as a bulwark against communism and a staunch member of the so-called "free world," Taiwanese leaders have never really been all that confident about her own people. Hence the legal deterrence against visits to China.

The time has perhaps come for Taiwan to re-examine this basic tenet of its China policy. It may be a long while yet before both sides of the Straits will come to terms. But 37 years of divided families is a long time. A more humane approach is called for.

The Guangzhou director of the Civil Aviation Administration of China, Mr Yu Yanen, was of course speaking rhetorically when he said: "Laws can be changed," when told that Taiwan official cannot go to China to negotiate the return of the plane. But there is a lot of truth to that statement. Changing the law would be a test of Taiwan's faith in its own system and in its achievements. It is far better that its own people can see things for themselves and to make their own choice.

Some of the younger leaders of today's Taiwan concede in private that a modus vivendi of sorts with the mainland is inevitable after the departure from the scene of President Chiang Ching-kuo. A change in the law to allow a freer movement of people across the Taiwan Straits will make it easier for that modus vivendi to come about. Without that change Mr Wang can no longer return to Taiwan to see his family. For how many generations should this great divide be perpetuated.

The China and Taiwan division is not the only one that has separated families. There's the two Germanies, the two Koreas. They are as stubborn as China and Taiwan about their ideological differences. Yet both Germanies and Koreas have arranged for family reunions. China and Taiwan can do the same.

It is well to remember that not all who fled China in the early 1950's went to Taiwan. Many settled elsewhere. And a lot of them have since returned to the mainland for family reunions without being bothered by Chinese officials. Taiwan cannot be unaware of this. They have people here in Hong Kong. And Hong Kong people travel back and forth across the border every day.

DAILY REPORT

China

Vol I No 094 15 May 1986

Today's edition of the Soviet Union DAILY REPORT supplement "Chernobyl Incident" will be the last of the special series that began on 7 May. Further reportage and comment on this nuclear accident will be published in the relevant regular volumes of the DAILY REPORT.

PRC INTERNATIONAL AFFAIRS

GENERAL

PRC UN Envoy Calls for Halt to Naval Arms Race A 1

UNITED STATES

PRC To Launch U.S. Communications Satellites B 1
Zhao Calls on U.S. To Ease Technology Transfers B 1
Yao Yilin Welcomed by Shultz in Washington B 2
Addresses Banquet in His Honor B 2
Yang Dezhi Visits Various Sites in California B 2
U.S. Aerospace Exhibit Opens in Beijing B 3
No Date Set for Shultz-Shevardnadze Talks B 3

NORTHEAST ASIA

Hu Yaobang Meets DPRK Chemists' Delegation D 1
Gu Mu Speaks to Japanese Newsmen on Trade Deficit D 1

WESTERN EUROPE

Further Reportage on Wu Xueqian's European Visit G 1
Meets Finnish Parliamentarian G 1
Addresses Trade Luncheon G 1
'Successful and Fruitful' Visit G 2
Arrives in Sweden G 2
Welcomed at Stockholm Banquet G 2
Zhao, Thatcher Greet CHINA ECONOMIC WEEKLY G 3
Zheng Tuobin Signs Financial Protocol in France G 3
State Councillor Gu Mu Meets Italian Visitors G 4
Xu Xin Fetes Netherlands Army Leader 13 May G 4
Discussions With Britain Over Rail Bond Issue [AFP] G 4
Beijing-Rome Direct Flight To Begin 30 June G 5
CPC Delegation Meets Danish Party Leaders 6 May G 5

EASTERN EUROPE

Qiao Shi Meets GDR Culture Minister, Delegation H 1
Song Jian Delegation Leaves for Eastern Europe H 1
Meets Polish Deputy Premier H 1
Departs for Romania, Turkey H 1

PRC Helping Modernize Czechoslovak Shipping H 1
Sino-Polish Economic Committee Ends Meeting H 2
XINHUA Delegation Ends Visit to Yugoslavia H 2

MIDDLE EAST & AFRICA

PRC Pledges Active Participation in ADB I 1
Li Peng Meets Niger Planning Minister Soumalia I 1
Ji Pengfei Meets Cameroonian Assembly Delegation I 1
Zhang Jingfu Ends Kuwaiti Visit, Leaves for Home I 2
Mugabe Praises PRC-Zimbabwe Friendship I 2
New Sudanese Premier on Relations With PRC I 2

WESTERN HEMISPHERE

Canada's Mulroney Ends 5-Day Visit J 1
Signs Tax Agreement J 1
Departs Beijing J 1
Wan Li Meets Canadian Trade Delegation J 1

PRC NATIONAL AFFAIRS

Academic Circles Set 'Abuzz' by Reform Measures K 1
[CHINA DAILY 15 May]
RENMIN RIBAO on 'Hundred Schools of Thought' Idea [2 May] K 2
Commentary on Development of Talented People K 8
Support for Reformers in Enterprises Urged K 9
Economist Xu Dixin Interviewed on Reforms K 10
[KAIFANG 8 Apr]
RENMIN RIBAO on Improving Cooperative System [12 May] K 15
CHINA DAILY Cites Official on Economic Crisis [15 May] K 17
Fishing Malpractices, Environmental Damage Cited K 18
State Council Appoints New Consuls General K 19
RENMIN RIBAO Urges Outdoor Activities Safety [6 May] K 19
Lin Biao, Jiang Qing Cited To Define Subversion K 20
JIEFANGJUN BAO on Self-Criticism in Army K 21

PRC REGIONAL AFFAIRS

EAST REGION

Shanghai Leader at Cultural Development Meeting O 1
Shanghai Militia Transferred to Local Government O 1
Briefs: Zhejiang Satellite Ground Stations O 1

NORTH REGION

Beijing: Mayor on Reforms To Remedy Service Problems R 1
Xing Chongzhi Attends Hebei CPPCC Closing Session R 1
[HEBEI RIBAO 30 Apr]
Xing Chongzhi Attends Hebei Democratic Party Forum R 2
[HEBEI RIBAO 29 Apr]
Ni Zhifu Attends Tianjin People's Congress Session R 2
[TIANJIN RIBAO 27 Apr]

Tianjin: Ni Zhifu Examines Exports Exhibition R 2
[TIANJIN RIBAO 28 Apr]
Tianjin Leniency Rally Held for Criminals R 3
[TIANJIN RIBAO 1 May]

NORTHWEST REGION

Gansu Regulations Define Speculative Activities T 1
Shaanxi Commentary on Power Abuse for Private Gains T 1
Shaanxi: Development of Lateral Economic Ties Urged T 2
Xingjiang Commentary Promotes Nationality Solidarity T 3

PRC MEDIA ON TAIWAN AFFAIRS

Commentary Examines Pilot's Defection, 'Veteran Syndrome' U 1
ZHONGGUO TONGXUN SHE on Taiwan Nuclear Plant Fire U 2

TAIWAN

CAAC Officials in Hong Kong for Talks on CAL Plane V 1
Yuan Examines Government Arms Sales Policy V 1
No Radioactive Contamination Found in Imported Food V 1

HONG KONG MEDIA ON CHINA

Fujian Officials Hope Talks Lead to PRC-Taiwan Contacts W 1
[SOUTH CHINA MORNING POST 15 May]
HSIN WAN PAO Assesses Sino-U.S. Economic Relations [9 May] W 1
Abolition of Foreign Exchange Certificates Analyzed W 2
[TA KUNG PAO 11 May]
PRC Members of Macao Talks Delegation Named W 4
[WEN WEI PO 14 May]

PRC UN ENVOY CALLS FOR HALT TO NAVAL ARMS RACE

OW150214 Beijing XINHUA in English 0157 GMT 15 May 86

[Text] United Nations, May 14 (XINHUA) -- China today called on the two superpowers to stop their naval arms race and take the lead in drastically reducing their nuclear and conventional naval forces. The appeal was made by Fan Guoxiang, the newly-appointed Chinese ambassador to the United Nations on disarmament affairs, at the annual meeting of the U.N. Disarmament Commission devoted to the question of "naval arms race and disarmament."

Fan said, "The United States and the Soviet Union are now the only two countries possessing world-wide navies." They possess not only "the absolute majority of the world's total submarine-launched ballistic missiles," but also a conventional naval force "far exceeding that of any other country." "The possibility of their using nuclear weapons and their capacity for intervention against other countries have caused anxiety among many small and medium-sized coastal countries," he added.

He also pointed out that for years the two superpowers have been fiercely competing with each other for combat effectiveness and survivability of their naval forces. The rivalry "not only contributes to the tension in their bilateral relations, but also seriously jeopardizes international security, freedom on the high seas, international shipping routes and the exploitation of marine resources."

The Chinese ambassador said that in face of the global-scale naval arms race between the United States and the Soviet Union and its wide-spread threat to international security, "It is totally justified" for the other coastal countries, particularly the developing countries, to strive to develop their own naval forces in order to guard against outside aggression and protect their maritime rights and interests.

He stressed that the Soviet Union and the United States, the two biggest naval powers in the world, should take the lead in limiting and drastically reducing their nuclear and conventional naval forces, particularly their ocean-going nuclear forces and conventional offensive weapons. With these goals being achieved, other nuclear-weapon states and major naval powers should then participate in the nuclear and conventional disarmament, he added.

Fan also said that "should coastal conventional naval forces exceed the reasonable need of defense, their reduction also has to be effected." But, "as this question does not have a global significance, its solution should be sought in a smaller scope within the region concerned or among the countries concerned."

Ambassador Fan also expressed his appreciation of the initiatives to establish peace zones in the Indian Ocean, the Mediterranean and other sea areas. "The establishment of peace zones with oceans as primary constituents is an effective way to control the naval arms race and avert the use of naval forces for intervention and aggression," he declared. He called on all nuclear-weapon states, particularly those with huge nuclear arsenals, to "fully respect the already established nuclear weapon-free zones, including the waters within these zones."

The 1986 annual meeting of the U.N. Disarmament Commission began on May 5 and will conclude at the end of this month.

PRC TO LAUNCH U.S. COMMUNICATIONS SATELLITES

OW150146 Beijing XINHUA in English 0315 GMT 15 May 86

[Text] Beijing, May 15 (XINHUA) -- China will use its "Long March-3" rockets to launch two American communications satellites, the Astronautics Industry Ministry confirmed here today. A memorandum of agreement to launch the satellites was signed between China's Great Wall Industry Corporation and the U.S. Teresat Inc. in New York April 20, said Chen Shouchun, chief engineer of the scientific research and production bureau under the ministry. Chen, who had just returned to Beijing after attending the signing ceremony, said that the first American Satellite will be put into its geostationary orbit in December 1987 and the second will be launched some time in 1988.

This will be the second time for China to launch satellites for a foreign customer since it announced last October that its launching vehicles would be offered for international service. Earlier this year, the Swedish space company asked China to launch a Mailstar satellite. The "Long March-3" carrier rockets have been used to launch China's two earth-synchronous satellites.

ZHAO CALLS ON U.S. TO EASE TECHNOLOGY TRANSFERS

OW141236 Beijing XINHUA in English 1222 GMT 14 May 86

[Text] Beijing, May 14 (XINHUA) -- Chinese Premier Zhao Ziyang today called on the government of the United States to open its doors wider and reduce restrictions on technology transfers to China. He suggested that the two countries combine technology transfers with cooperative production and the establishment of joint-venture enterprises. The Chinese premier made these remarks at a meeting with a delegation from the United Technologies Corporation (UTC), led by former U.S. Secretary of State Alexander Haig and UTC Chairman Harry J. Gray, here this afternoon.

Zhao said that it is more suitable for China to conduct cooperative production and run joint-venture enterprises in the interests of both China and the U.S. He expressed the hope to further Sino-U.S. trade and see more Chinese products enter the U.S. market. "If that happens, China's ability to buy U.S. products will be heightened," he added.

He pointed out that Sino-U.S. trade amounts to a very small portion of the U.S. external trade. "We'd like to see people of various circles in the U.S. make efforts to further promote Sino-U.S. trade", he said. Zhao told the visitors that UTC has had very fruitful cooperation with China, which should be further expanded.

Haig replied that he would work for the promotion of Sino-U.S. relations, especially trade and cooperation in economic fields. He also expressed his opposition to protectionism. Gray told the Chinese premier that UTC is willing to cooperate with China in technology transfers and personnel training. The Otis Elevator Co., a UTC subcompany, has carried out sound cooperation with China in this regard. Although many of the UTC subcompanies have opened offices in China, he said, UTC itself is prepared to open an office in Beijing to further its contacts with various Chinese departments and enterprises. Zhao also exchanged views with Haig on international issues.

YAO YILIN WELCOMED BY SHULTZ IN WASHINGTON

OW150112 Beijing XINHUA in English 0101 GMT 15 May 86

[Text] Washington, May 14 (XINHUA) -- Chinese Vice-Premier Yao Yilin arrived here today on a 10-day official visit to the United States at the invitation of U.S. Vice-President George Bush. U.S. Secretary of State George Shultz welcomed the Chinese vice premier at the Madison Hotel where Yao stays during his stay in Washington. On hand at Andrews Air Force Base to greet Yao Yilin and his party were Gaston Sigur, U.S. assistant secretary of state; Winston Lord, U.S. ambassador to China; Brigadier General Edward N. Gidding, commander of Air Force, district of Washington. Zhang Zai, minister of the Chinese Embassy in Washington, was present on the occasion. During his visit, Yao will co-chair the fourth session of the China-U.S. Joint Commission on Commerce and Trade. Yao Yilin and his party arrived in San Francisco from Beijing on May 12. While in San Francisco, Yao Yilin attended a banquet given in his honor by Dianne Feinstein, mayor of the city, and met with noted businessmen.

Addresses Banquet in His Honor

OW150956 Beijing XINHUA in English 0934 GMT 15 May 86

[Text] Washington, May 14 (XINHUA) -- Sino-U.S. economic and trade relations must be based on equality, mutual trust and benefits to ensure an overall, stable and sustained development, Yao Yilin, Chinese vice premier of the State Council, said tonight. Yao, speaking at a dinner in his honor, is on a 10-day official visit to the United States at the invitation of U.S. Vice President George Bush. He is also going to head the fourth session of the the China-U.S. Joint Commission on Commerce and Trade (JCCT) during his visit.

U.S. Secretary of Commerce Malcolm Baldrige said economic and trade relations between the United States and China have been promoted as a result of efforts by both sides. The joint commission's history is not long, Baldrige said, but it is inspiring so far. He said he believes that this session will equal and surpass achievements of previous sessions.

Yao replied, saying with the rapid developments of Sino-U.S. trade in recent years, the United States has now become the third largest partner in China's foreign trade. According to Yao, besides trade, great potential in economic and technological cooperation between the two countries remains to be tapped. He stressed that China offers numerous opportunities for Sino-U.S. cooperation. Attending the dinner were members of Yao's party, the Chinese delegation for the commission sessions, and diplomats from the Chinese Embassy in Washington. U.S. Deputy Secretary of State John Whitehead, Assistant Secretary of State Gaston Sigur, U.S. Ambassador to China Winston Lord, under Secretary for International Trade Bruce Smart and members of the American delegation attending the fourth session of the JCCT. Yao, who arrived today, met with Clayton Yeutter, U.S. special trade representative, this afternoon.

YANG DEZHI VISITS VARIOUS SITES IN CALIFORNIA

OW150754 Beijing XINHUA in English 0740 GMT 15 May 86

[Text] Washington, May 14, (XINHUA) -- Yang Dezhi, chief of the general staff of the Chinese People's Liberation Army, and his party visited the McDonnell Douglas Helicopter Corporation in Culver City, near Los Angeles, California this afternoon.

Yang, accompanied by the executive President of the Douglas Helicopter Division Al Haggerty, viewed 500e model helicopter flight demonstration. Yang arrived in Los Angeles yesterday evening. This morning he toured Universal Studios in Unversal City, California. Yesterday they visited the Pradley fighting vehicle assembly plant in San Jose and the Moffett Field Navel Air Station, California.

U.S. AEROSPACE EXHIBIT OPENS IN BEIJING

OW150640 Beijing XINHUA in English 0628 GMT 15 May 86

[Text] Beijing, May 15 (XINHUA) -- A U.S. aerospace industrial exhibition opened here today at the China International Exhibition Center. The exhibition, the first of its kind ever held by the United States in China, was jointly sponsored by the U.S. Ministry of Commerce and the Chinese Aviation Industry Ministry. Over 70 manufacturers are displaying engines, electronic equipment and other sophisticated equipment and components, covering more than 5,000 square meters of floor space. A senior official from the U.S. exhibition group told XINHUA, the exports of aviation industrial products to China came to 668 million U.S. dollars in 1985, accounting for about 16 percent of the total U.S. exports to China during the year. An official from the Civil Aviation Administration of China (CAAC), China's national flag-carrier, said that China has ordered eight jumbo Boeing aircraft and two A310 type airbuses from the United States this year. China will then have 51 Boeing aircraft, he added.

Jia Shi, president of the host organization for the exhibition -- the China Council for the Promotion of International Trade, said that the participating companies will brief their Chinese counterparts on the present conditions and development trends in the U.S. aviation industry, as well as on their products during the exhibition. This will give an impetus to the development of technical cooperation and trade in the aviation industry between the two countries, he added. Aviation Industry Minister Mo Wenxiang cut the ribbon to open the exhibition. The exhibition will last through May 21.

NO DATE SET FOR SHULTZ-SHEVARDNADZE TALKS

OW130148 Beijing XINHUA in English 0046 GMT 13 May 86

[Text] Washington, May 12 (XINHUA) -- The U.S. State Department said today the United States and Soviet Union still have not agreed on a date for a meeting between Secretary of State George Shultz and Soviet Foreign Minister Eduard Shevardnadze. The meeting, originally planned for May, was cancelled by the Soviet Union after the U.S. air raid on Libya.

State Department spokesman Charles Redman confirmed that a Soviet deputy foreign minister had met with U.S. Assistant Secretary of State Rozanne Ridgway last Friday in Washington. Asked whether they discussed the date for a Shultz-Shevardnadze meeting, Redman replied, "I would not lead you to believe that that meeting advanced that particular question at all." Redman also disclosed that the two countries have not decided when and where bilateral talks on the Middle East and Afghanistan will be resumed. News reports indicate that the Soviet Union has proposed Stockholm and Moscow for the talks in June on the Middle East and Afghanistan, respectively. "It's simply a question of pinning the dates down and getting the go-ahead," Redman said. The State Department last week announced that the two superpowers will resume talks on Central America in Moscow on May 20.

HU YAOBANG MEETS DPRK CHEMISTS' DELEGATION

OW141340 Beijing XINHUA in English 1334 GMT 14 May 86

[Text] Beijing, May 14 (XINHUA) -- Hu Yaobang, general secretary of the Chinese Communist Party Central Committee, met the leading Korean Chemist Yi Sung-ki and a delegation of chemists he leads from the Korean Academy of Sciences here today in Zhongnanhai. Professor Yi, also director of the academy's Hamhung branch, successfully heat-treated vinylon in 1939 in collaboration with a Japanese chemist, thus putting it to practical use.

Hu, who met the professor in Hamhung in May 1984, praised the 82-year-old professor's contribution to the technological development of the vinylon production.

Yi, who last visited China in 1963, told Hu that he was impressed by the depth of research now China was doing after visiting some research establishments this time. Lu Jiaxi, president of the Chinese Academy of Sciences, took part in the meeting. The Korean guests arrived here last week at the invitation of the Chinese Academy of Sciences.

GU MU SPEAKS TO JAPANESE NEWSMEN ON TRADE DEFICIT

OW131722 Beijing XINHUA in English 1552 GMT 13 May 86

[Text] Beijing, May 13 (XINHUA) -- State Councillor Gu Mu said here today that a solution to the Sino-Japanese trade deficit was of strategic importance in boosting economic and friendly relations between the two countries. Gu was speaking at a meeting with economic editors from the Japanese newspapers, "YOMIURI NEWS", "ASAHI SHIMBUN", "KYODO TSUSHINSHA", "SANGYO KEIZAI SHIMBUN", "CHUNICHI SHIMBUN" and "NIHON KEIZAI SHIMBUN".

He said he hoped both China and Japan would make painstaking efforts to find positive ways to balance the trade deficit, which is currently in Japan's favor. While China needed to upgrade the quality of its exports and open new fields of co-operation, it hoped Japan would adopt more open and preferential policies to allow more Chinese products to enter Japanese markets.

Responding to a question about whether China would open more special economic zones and cities, Gu said that so far China had not considered the matter. China was concentrating its attention on running the existing ones well, he added. On relations between Hong Kong and Shenzhen, he said that policies now being carried out in Shenzhen would not be applied to Hong Kong, but that the close co-operation and mutual support between the two cities would further develop after 1997. "That will be good for both Hong Kong and Shenzhen," he added.

[Beijing XINHUA Domestic Service in Chinese at 1343 GMT on 13 May, in a similar report adds the following: "Gu Mu pointed out: The Shenzhen Special Economic Zone will always adhere to the four basic principles, but economically it will implement a fairly special policy. On the other hand, the existing system in Hong Kong will remain unchanged for 50 years after 1997."]

Asked whether China's participation in the Asian Development Bank would affect other Asian countries as China needed large amounts of funds, he said that China would respect the ADB's rules and regulations, and act in accordance with the rights and obligations ADB stipulated in its rules for all members. "China will never do anything against ADB's regulations to benefit itself at another country's expense," he added. Fan Jingyi, editor-in-chief of China's "ECONOMIC DAILY", attended the meeting.

FURTHER REPORTAGE ON WU XUEQIAN"S EUROPEAN VISIT

Meets Finnish Parliamentarian

OW141400 Beijing XINHUA in English 1338 GMT 14 May 86

[Text] Helsinki, May 14 (XINHUA) -- Finnish Parliament Speaker Erkki Pystynen received Chinese Foreign Minister Wu Xueqian at the Parliament House this morning. During the meeting, Pystynen recalled the visit he paid to China early last year at the head of a parliamentary delegation, saying the cordial welcome accorded him and China's rapid economic growth had left a deep impression on him. He inquired about the economic situation in China in the past year since his visit, after being briefed by Wu about the economic construction and reforms now being carried out in China. He expressed the desire for more contacts between the two countries in the political, economic and other fields. They also had an exchange of views on issues of mutual interest. After the meeting, Foreign Minister Wu and members of the delegation he led were shown around the Parliament House in the company of Pystynen. Also present on the occasion were other Finnish parliament leaders as well as Chinese ambassador here Lin Aili.

Addresses Trade Luncheon

OW141444 Beijing XINHUA in English 1435 GMT 14 May 86

[Text] Helsinki, May 14 (XINHUA) — Visiting Chinese Foreign Minister Wu Xueqian said here today that China sets great store by its economic exchange and cooperation with not only West but also north European countries. Speaking at a luncheon given for him by the Finland-China Trade Association, Wu added that the exchange and cooperation referred not only to big enterprises, but also to small and medium-sized companies. Dealing with China's economic growth, Wu said that from 1981-85, China's gross national product registered an average yearly increase of 10 percent, and its industrial and agricultural output an increase of 11 percent. The reforms being carried out in its economic structure are progressing steadfastly and healthily, he said.

On China's policy of opening to the outside world, Wu said that China will depend on its own efforts to reactivate its economy, but it will also strengthen exchange and cooperation with other countries. China's foreign trade has doubled in the past three years compared with the previous five years, Wu added. The past years have witnessed a jump in Finnish-Chinese trade, and there exist broad prospects for greater cooperation on the basis of mutual benefit, Wu said.

Wu's words struck the right note among Finnish businessmen attending the luncheon who responded with promises to work for greater cooperation between the two countries. In recent years, greater trade and cooperation between China and Finland have gone hand in hand with increasing political exchanges between the two countries. Trade between China and Finland last year was about 800 million markkas (146 million U.S. dollars), a big jump over the previous year. The Finland-China Trade Association was set up last year and is made up of more than 100 enterprises covering industry, commerce banking and tourism.

'Successful and Fruitful' Visit

OW141528 Beijing XINHUA in English 1519 GMT 14 May 86

[Text] Helsinki, May 14 (XINHUA) -- Chinese State Councillor and Foreign Minister Wu Xueqian left for Sweden today after a "successful and fruitful" three-day visit here, the first by a Chinese foreign minister to the Nordic country. During his stay here, Wu held talks with his Finnish counterpart Paavo Vayrynen on bilateral relations and a wide range of international issues of common concern. The two sides stressed in the talks that Wu's visit will promote the friendly relations between the two countries and their cooperation in economy, trade, science and technology.

Finnish President Mauno Henrik Koivisto, Prime Minister Kalevi Sorsa and Parliament Speaker Erkki Pystynen also met and exchanged views with the Chinese minister on bilateral and international issues. Wu's visit is one of a series of high-level contacts between the two countries over the past two years. Vayrynen and Pystynen visited China in 1984 and early 1985 respectively. Sorsa will visit China in September.

During his stay, the Chinese foreign minister visited Helsinki and some other cities in north Finland. Wu delivered a speech Monday on China's independent and peace-oriented foreign policy at Finland's Paasikivi Society, one of the most important institutions studying the country's foreign policy and international issues. The Chinese minister gave a farewell buffet yesterday evening in the Chinese Embassy. Vayrynen and many other well-known persons attended the reception. Wu arrived here Sunday on the first leg of a nine-nation Europe tour that will also take him to Sweden, Norway, Denmark, Belgium, Luxembourg, Ireland, Democratic Germany and Hungary.

Arrives in Sweden

OW141812 Beijing XINHUA in English 1803 GMT 14 May 86

[Text] Stockholm, May 14 (XINHUA) -- Chinese Foreign Minister Wu Xueqian said here today that mankind should not abandon the use of nuclear energy and they can build more secured nuclear stations by learning from the Soviet Chernobyl accident. Wu said that nuclear energy should serve the peace of mankind and economic development instead of being abandoned. He expressed the belief that after the accident, there will be more and better security measures to prevent such mishaps from occurring.

Wu made these remarks in response to reporters' questions upon his arrival here for an official visit to Sweden on the second leg of his nine-nation European tour. Wu, also Chinese state councillor, flew in from Finland after a three-day visit. He was met at the airport by Swedish Foreign Secretary Sten Andersson and other officials. The Chinese foreign minister told reporters at the airport that there are broad trade prospects between China and Sweden, China's number one trading partner in northern Europe. He said that efforts are being made to solve inbalance between the two countries.

Welcomed at Stockholm Banquet

OW150664 Beijing XINHUA in English 0633 GMt 15 May 86

[Text] Stockholm, May 14 (XINHUA) -- Swedish Foreign Minister Sten Andersson tonight praised China's economic reforms and its open door policy and called for enhanced Sino-Swedish relations.

He made the remarks in a welcoming speech at a banquet in honor of his Chinese counterpart Wu Xueqian who arrived here today for a four-day official visit. He said a more prosperous society both in Sweden and in China depends on world peace. He expressed satisfaction at the state of relations between the two countries, which, he said, not only benefit Sweden and China but also world peace and stability.

In his response, Chinese Foreign Minister Wu Xueqian said China places a high value on Sweden's economic and scientific achievements. He specially praised Sweden's neutral and nonaligned policy in defence affairs and the unremitting efforts it has made against power politics and for easing international tensions and improving South-North relations. He reviewed the development of Sino-Swedish relations and stressed that "our friendly cooperative relationship will be strengthened" through joint efforts by the two countries. On the international situation, he said that it is the common aspiration of the peoples of all countries to safeguard world peace. "We are opposed to arms race of all kinds and advocate effective disarmament," he said. He stressed that all the countries, big or small, strong or weak, should enjoy equal rights in discussing disarmament, a question that concerns human future and destiny.

ZHAO, THATCHER GREET CHINA ECONOMIC WEEKLY

OW110828 Beijing XINHUA in English 0849 GMT 11 May 86

[Text] Beijing, May 11 (XINHUA) -- Chinese Premier Zhao Ziyang and British Prime Minister Margaret Thatcher have sent messages to congratulate the publication of the CHINA ECONOMIC WEEKLY. Started publication on May 1. the English language weekly is being edited in Beijing, and printed and distributed in Britain. It is sponsored by the Chinese ECONOMIC DAILY.

In his message, Premier Zhao Ziyang said that the publication of the CHINA ECONOMIC WEEKLY will be of significance in promoting the economic, technical and cultural cooperation between China and European countries and enhancing the friendship between the peoples of China and Europe. "Europe is an important trade partner of China," he said. There has been a considerable progress in the bilateral economic and technical cooperation and exchanges in recent years. "However, there is still great potential that requires the efforts of the two sides to tap." The premier hoped the weekly would play an active role in this respect and contribute to the prosperity of China and that of the European countries.

In her message, Prime Minister Margaret Thatcher said, "I know from my visits to China that many British businessmen have not been slow to see the great potential for trade that exists between our two countries. But if this potential is to be realised it is very important that more British businessmen be made aware of the latest developments in China's expanding economy. I am very pleased therefore that the first newspaper devoted exclusively to the Chinese economy published in English should be the result of Anglo-Chinese co-operation. I am sure that with the publication of the CHINA ECONOMIC WEEKLY, businessmen will be better informed and therefore better placed to take advantage of the opportunities for trade and investment that exist."

ZHENG TUOBIN SIGNS FINANCIAL PROTOCOL IN FRANCE

OW141458 Beijing XINHUA in English 1430 GMT 14 May 86

[Text] Paris, May 14 (XINHUA) -- French Prime Minister Jacques Chirac met with Zheng Tuobin, Chinese minister of foreign economic relations and trade, here today.

Also present at the meeting were Michel Noir, a ministerial-level delegate in charge of France's foreign trade, and Chinese Ambassador Cao Keqiang. Two days ago, the visiting Chinese minister and Eduard Balladur, French minister of state in charge of economy, finance and privatization, signed a financial protocol, according to which a credit of 1.3 billion francs (about 193 million U.S. dollars) will be granted to China to modernize a thermal power plant and a cement plant. Zheng, who started the France trip on May 10, will leave Paris later today for London.

STATE COUNCILLOR GU MU MEETS ITALIAN VISITORS

OW141036 Beijing XINHUA in English 1009 GMT 14 May 86

[Text] Beijing, May 14 (XINHUA) — State Councillor Gu Mu expressed hope for trade increase between China and Italy at a meeting with G. Ratti, president of the Italian Institute of Foreign Trade, and his party here today. Cooperation between China and Italy has been going on well, Gu said. Italy is now China's second largest trade partner in Europe. Ratti said the trade increase is a result of years of friendly cooperation between the two countries. He also hoped for greater economic cooperation.

XU XIN FETES NETHERLANDS ARMY LEADER 13 MAY

OW1311437 Beijing XINHUA in English 1432 GMT 13 May 86

[Text] Beijing, May 13 (XINHUA) — Xu Xin, deputy chief of general staff of the Chinese People's Liberation Army, gave a banquet here tonight in honor of Peter Jan Graaff, commander-in-chief and chief of staff of the Royal Netherlands Army, and his wife and party. He is the first Dutch commander-in-chief to visit China. This morning a ceremony was held for the visiting commander-in-chief at the plaza in front of the military museum of the Chinese People's Revolution. In the company of Xu Xin, Graaff reviewed a guard of honor of the PLA ground forces. Graaff and his party arrived here yesterday.

DISCUSSIONS WITH BRITAIN OVER RAIL BOND ISSUE

HK100928 Hong Kong AFP in English 0905 GMT 10 May 86

[Text] Beijing, May 10 (AFP) — China and Britain completed Saturday a first round of talks of properties which, analysts said, covered a dispute over pre-revolutionary Chinese rail bonds that has blocked Beijing's access to London financial markets. A British Embassy spokesman said Chinese and British teams had completed a first round of "property negotiations" started here Monday. He said the discussions were held in a "friendly and frank atmosphere." A second round of talks will be held in the near future, he said, but decided to give further details on either the talks or the assets under discussion. Informed analysts said the talks were believed to have covered a collection of properties including the pre-revolutionary rail bonds and some British assets damaged in China after the communists came to power in 1949. It was not known that the post-1949 assets included damage to the British Chancery in Beijing, which has burned by Red Guards during the Cultural Revolution in 1967.

Legal snags over Beijing's refusal to honour six million pounds sterling of Huguang railway bonds issued by the crumbling Qing Dynasty in 1911 to British, French, German and U.S. investors have prevented China from borrowing on London and New York financial markets, bankers said.

China, which had a record 14.1 billion dollar trade deficit in 1984 and is hard pressed for foreign currency to finance ambitious modernization plans, has shown increased willingness to borrow during the past year, analysts said. Resolving the issue could help open the way for China to float bonds in London and eventually in New York, the analysts said. Previous Chinese bond issues have been limited to Tokyo, Hong Kong, and a small 1985 issue in West Germany.

China considers the Huguang bonds as "odious debt" unpayable under international law, since they were incurred by China's imperial government "to maintain its reactionary rule and suppress the revolutionary struggle of the Chinese people with imperialism." Huguang bond holders say the debt, which was honoured by the nationalist government from 1911 until the 1930's, is valid. They argue that the railway built with the funds still exists.

BEIJING-ROME DIRECT FLIGHT TO BEGIN 30 JUN

OW140852 Beijing XINHUA in English 0639 GMT 14 May 86

[Text] Beijing, May 14 (XINHUA) -- The Civil Aviation Administration of China (CAAC) will open a new direct international air route between Beijing and Rome on June 30, CAAC announced here today. It will be CAAC's 26th international route, and will be extended to Frankfurt in the Federal Republic of Germany, an administration official said. Boeing 747 jumbo jet airliners will be used for the weekly service. They will leave Beijing every Monday, and take off again from Rome every Tuesday. The official said the opening of the new route would help promote economic, cultural and technological exchanges between China and Italy, and would benefit China's tourism industry.

CPC DELEGATION MEETS DANISH PARTY LEADERS 6 MAY

OW071239 Beijing XINHUA in English 1132 GMT 7 May 86

[Text] Stockholm, May 6 (XINHUA) -- The delegation of the Communist Party of China (CPC) and Danish Socialist People's Party leaders expressed satisfaction with their present relations in their discussion this morning according to a report from Copenhagen. The CPC delegation led by Wei Jianxing, head of the organization department of the CPC Central Committee, arrived in Copenhagen from Norway yesterday for a five-day visit at the invitation of the Danish Socialist People's Party.

During the meeting, Eba Strange, chairman of the parliamentary group of the Socialist People's Party, briefed the Chinese guests on the party's recent congress as well as its domestic and foreign policies. Wei introduced to the hosts the building of the CPC, the ongoing reform of the economic system in China and the country's foreign policy. Both sides expressed the wish to further develop relations between the two parties.

The Danish Socialist people's party resume its relations with the CPC in 1983, and chairman of the party Gert Petersen visited China twice in the past two years. Anker Joergensen, chairman of the Danish Social-Democratic Party, met and had a cordial talk with the CPC delegation this afternoon. Joergensen said that both Denmark and his party are willing to develop their relations with China. Chinese Ambassador to Denmark Chen Luzhi attended the two meetings. The CPC delegation will end its visit on May 10.

QIAO SHI MEETS GDR CULTURE MINISTER, DELEGATION

OW091159 Beijing XINHUA in English 1142 GMT 9 May 86

[Text] Beijing, May 9 (XINHUA) -- Vice-Premier Qiao Shi met a government cultural delegation from the German Democratic Republic led by Minister of Culture Hans Joachim Hoffmann here today. The delegation arrived here May 6 for a friendly visit as guests of the Chinese Ministry of Culture.

SONG JIAN DELEGATION LEAVES FOR EASTERN EUROPE

OW110816 Beijing XINHUA in English 0757 GMT 11 May 86

[Text] Beijing, May 11 (XINHUA) -- A Chinese Government scientific and technological delegation headed by Song Jian, state councillor and minister in charge of state science and technology commission, left here today for a friendly visit to Poland, German Democratic Republic, Czechoslovakia and Hungary at the invitation of the governments of these countries. Among those seeing the delegation off at the airport were Chinese Vice-Minister of State Science and Technology Commission Zeng Xianlin and diplomatic envoys in Beijing from these countries.

Meets Polish Deputy Premier

OW130618 Beijing XINHUA in English 0555 GMT 13 May 86

[Text] Warsaw, May 12 (XINHUA) -- Polish Deputy Premier Zbigniew Szalajda met here today with Song Jian, state councillor and minister in charge of the Chinese state science and technology commission who is heading a Chinese delegation on a visit to this country. Expressing his hope that Sino-Polish scientific and technological cooperation should be further strengthened, Szalajda said there is a huge potential for further development between the two countries. Song expressed agreement with his host. The Chinese delegation arrived here yesterday and held a plenary session with Polish officials this morning.

Departs for Romania, Turkey

OW150630 Beijing XINHUA in English 0622 GMT 15 May 86

[Text] Beijing, May 15 (XINHUA) -- Song Ping, state councillor and minister in charge of the State Planning Commission, and his party left here today for a visit to the Socialist Republic of Romania and the Republic of Turkey. Seeing them off at the airport were Liu Suinian, vice-minister of the State Planning Commission, and Romanian Ambassador to China Angelo Miculescu and Turkish Ambassador to China Behic Hazar.

PRC HELPING MODERNIZE CZECHOSLOVAK SHIPPING

OW131635 Beijing XINHUA in English 1452 GMT 13 May 86

[Text] Prague, May 13 (XINHUA) -- Eight ships of the land-locked Czechoslovakia's merchant fleet will be replaced by new ones in the next five years, the country's official news agency CTK said. The new ships, among which four from China, two from Yugoslavia and two from Poland, will be highly automated and computerized, making possible round-the-clock operation with an eight-hour duty in the engine room and highly rationalized running, maintenance, fuel consumption, loading and unloading.

While ocean shipping in the world is now in its worst crisis since the war, Czechoslovakia as a land-locked country keeps his ocean shipping effective -- from operation up to the sale of old ships, though it does not have very favorable conditions for the development of its merchant fleet. It has to buy the ships, most of the materials and services necessary to operate them abroad and have its crews trained in the Soviet Union, Democratic Germany and Poland.

CTK said in the 1981-1985 period, earnings of the country's ocean-going ships rose by 40 per cent over the previous five years. Its ocean-going ships carried a record 1,879,000 tonnes of goods last year, exceeding the average of the past 27 years by almost 90 per cent. In the last 10 years, they visited 252 ports in 62 countries, CTK said. The bulk of their operations is transport of goods between ports in Poland, Yugoslavia, Cuba and India. The Czechoslovak Ocean Shipping Company, founded 27 years ago, now owns 14 ocean-going ships with a total capacity of 264,000 dwt, making it the second largest fleet of a land-locked country.

SINO-POLISH ECONOMIC COMMITTEE ENDS MEETING

OW110722 Beijing XINHUA in English 0708 GMT 11 May 86

[Text] Warsaw, May 10 (XINHUA) -- China and Poland today expressed satisfaction with expanded trade between the two countries and urged further developoment of economic and scientific cooperation. The statement was issued after the second session of the Sino-Polish committee for economic, trade and scientific and technological cooperation ended. New industrial projects involving the two countries were also discussed. The statement was signed by Czeslaw Piotrowski, Polish minister of mining and power industry, and Yu Hongen, Chinese coal minister who arrived here on May 3 to attend the session. The Sino-Polish committee was set up in July 1984 and its first meeting was held in Beijing last Spring. At the invitation of the Polish Government, Yu Hongen will remain in Warsaw for an official visit.

XINHUA DELEGATION ENDS VISIT TO YUGOSLAVIA

OW141558 Beijing XINHUA in English 1543 GMT 14 May 86

[Text] Belgrade, May 14 (XINHUA) -- A delegation of China's XINHUA NEWS AGENCY led by its Director-General Mu Qing left here today for Romania after concluding a week-long visit to Yugoslavia. Marko Lolic, executive secretary of the presidency of the Yugoslav Communist League, met the delegation this morning and gave them an account of the preparations for the upcoming congress of the league scheduled for next month. He appreciated the effective cooperation between the official Yugoslav news agency TANJUG and XINHUA and expressed the hope that such cooperation will be expanded. During their stay in the country, the XINHUA delegation toured Belgrade and other cities.

PRC PLEDGES ACTIVE PARTICIPATION IN ADB

OW081914 Beijing XINHUA in English 1847 GMT 8 May 86

[Text] Harare, May 7 (XINHUA) -- China will actively participate in the work of the African Development Bank (ADB) to contribute to African economic and social development, a Chinese delegate told the annual meeting of the ADB and the African Development Fund (ADF) today. Addressing the closing session of the three-day meeting, Shang Ming, one of the governors of the ADB/ADF, pledge that China will pursue the four principles of"equality and mutual benefit, stress on practical result, diversity in form, and common progress" put forward by Chinese Premier Zhao Zhiyang during his African trip in 1982.

Shang, who is the first Chinese representative to attend an ADB/ADF meeting, said that as a developing country, "China deeply sympathizes with the African people in their difficulties and has made its due contributions to their development on the basis of the established healthy cooperative relations." Although African countries have made efforts in adjusting their economies, they still face shortages of financial resources, indebtedness, falling prices of their primary products, trade protectionism and the impact of successive years of drought. He urged industrialized countries to take positive and practical actions to increase aid to Africa. The Chinese delegate also appealed to the bank group to enlarge its agricultural lending programs and to focus on medium-sized and small projects.

LI PENG MEETS NIGER PLANNING MINISTER SOUMALIA

OW131137 Beijing XINHUA in English 1119 GMT 13 May 86

[Text] Beijing, May 13 (XINHUA) -- Vice-Premier Li Peng met here today Almoustapha Soumaila, minister of planning of Niger, and his party. Li briefed the visitors on China's farmland and water conservancy construction and growth of rural enterprises. He also expresed the wish to strengthen exchanges between the two countries in various fields.

JI PENGFEI METS CAMEROONIAN ASSEMBLY DELEGATION

OW131351 Beijing XINHUA in English 1333 GMT 13 May 86

[Text] Beijing, May 13 (XINHUA) -- Ji Pengfei, member of the Standing Committee of the Central Advisory Commission of the Chinese Communist Party of China (CPC), met a delegation from the Cameroon National People's Democratic Assembly headed by its Vice-President Andre Ngongang Ouandji here tonight. During the meeting which took place in the Great Hall of the People, Ji Pengfei, also state councillor, and Andre Ngongang Ouandji expressed satisfaction with the expansion of friendly cooperation between the two parties and hoped such relations would further develop. After the meeting, Ji gave a banquet in honor of the Cameroon guests. Zhu Liang, head of the International Liaison Department ofthe CPC Central Committee, was present on both occasions. The delegation arrived here earlier today at the invitation of the CPC.

ZHANG JINGFU ENDS KUWAITI VISIT, LEAVES FOR HOME

OW091155 Beijing XINHUA in English 1116 GMT 9 May 86

[Text] Kuwait, May 9 (XINHUA) -- Chinese State Councillor Zhang Jingfu and his delegation left here this morning after concluding a week-long visit to Kuwait. During its stay in Kuwait, the Chinese delegation took part in a three-day China-Kuwait sumposium on investment, and signed letters of intention with investors of Kuwait and other Gulf countries on continuing consultations for investment in 18 projects of common interest. Zhang Jingfu and members of the delegation were receieved by Kuwaiti Amir Jabir al-Sabah and Crown Prince and Prime Minister Sa'd al-'Abdallah during the visit. They also talked with Kuwaiti Finance and Economy Minister al-Khurafi, oil and industry minister 'Ali al-Khalifah al-Adhbi and prominent figures of Kuwaiti enterprises and consortiums on further strengthening economic cooperation between China and Kuwait.

MUGABE PRAISES PRC-ZIMBABWE FRIENDSHIP

OW150120 Beijing XINHUA in English 0106 GMT 15 May 86

[Text] Harare, May 14 (XINHUA) -- Zimbabwean Prime Minister Robert Mugabe said today that the friendship between his country and China is important and he wants to work to strengthen the relations. Mugabe made the remarks while receiving He Ying, member of the Standing Committee of the National People's Congress of China. He Ying is paying a friendly visit and is attending as an observer at the five-day, All-Africa Parliamentary Conference on Population and Development, which opened here May 12. Mugabe warmly welcomed He Ying and said that China'a participation in the conference on the population problem is of significance.

He Ying told Mugabe that the Chinese Government and people highly appreciated policies of independence and non-alignment adopted by the Zimbabwean Government. He Ying believed that the forthcoming non-aligned summit conference to be held in Harare, which Mugabe will chair, would contribute to the cause of world peace and progress. China will seek new ways to promote cooperation with Zimbabwe in the fields of economy, technology and trade, He Ying said. Yesterday, he met with N. Makombe, president of the Senate and D. Mutasa, speaker of the House of Assembly of Zimbabwe. He Ying also held talks with E. Mashingaidze, permanent secretary of the Ministry of Foreign Affairs. They exchanged views on the situation in southern Africa. He Ying arrived Sunday, May 11 and leaves for Zambia on Friday May 16.

NEW SUDANESE PREMIER ON RELATIONS WITH PRC

OW141919 Beijing XINHUA in English 1908 GMT 14 May 86

[Text] Khartoum, May 14 (XINHUA) -- The Sudan's newly elected Premier al-Sadiq al-Mahdi said here today his government would exert all efforts to develop friendly relations with China which, he said, the Sudan regards as its friend indeed. He made the remarks during a meeting with Chinese ambassador to the Sudan Liu Hua. The Chinese ambassador told the Sudanese premier that China hopes the friendly relations between the two countries would be further strengthened through their common efforts.

CANADA'S MULRONEY ENDS 5-DAY VISIT

Signs Tax Agreement

OW120738 XINHUA in English 0650 GMT 12 May 86

[Text] Beijing, May 12 (XINHUA) -- China and Canada signed here today an agreement for the avoidance of double taxation and the prevention of fiscal evasion with reference to taxes on income. The agreement was undersigned by Chinese Premier Zhao Ziyang and Canadian Prime Minister Brian Mulroney on behalf of their respective governments.

The two countries also signed a memorandum of understanding on plant quarantine cooperation. In addition, a memorandum of understanding on scientific and technological cooperation was initialed today between China's State Science and Technology Commission and Canada's Ministry of State for Science and Technology.

Departs Beijing

OW121146 Beijing XINHUA in English 1121 GMT 12 May 86

[Text] Beijing, May 12 (XINHUA) -- Canadian Prime Minister Brian Mulroney and Mrs. Mulroney left here this afternoon by special plane after a five-day official visit to China. This morning, Premier Zhao Ziyang bid them farewell at their residence in Diaoyutai State Guesthouse. At a press conference before his departure, Mr. Mulroney said his China visit had been "very rewarding." He said he had been impressed with China's progress made since his last visit to the country in 1979. The stable relations between Canada and China were "excellent", the prime minister said.

WAN LI MEETS CANADIAN TRADE DELEGATION

OW101203 Beijing XINHUA in English 1148 GMT 10 May 86

[Text] Beijing, May 10 (XINHUA) -- Vice-Premier Wan Li met a Canadian delegation from the Canada-China Trade Council headed by Chairman Paul Desmarais at the Great Hall of the People today. Wan Li said since the establishment of diplomatic relations between China and Canada great progress has been made in bilateral cooperation in political, economic and cultural fields, but there remain great potentials for their cooperation. He hoped for an increase in bilateral scientific and technological cooperation and personnel exchanges, and that the Canadian side will do more through the channel of the China International Trust and Investment Corporation(CITIC).

Desmarais said that Canada is willing to make further efforts to develop bilateral trade and increase personnel exchanges between the two countries. Among those present on the occasion was Rong Yiren, vice-chairman of the Standing Committee of the National People's Congress and chairman of the board of directors of the CITIC.

ACADEMIC CIRCLES SET 'ABUZZ' BY REFORM MEASURES

HK150450 Beijing CHINA DAILY in English 15 May 86 p 4

[Article by Zhang Xiaogang: "State Reforms Set Academics Abuzz"]

[Text] Chinese academic and artistic circles are buzzing these days with discussions and arguments on topics ranging from economics, such as how to improve on concepts of socialism and literary criticism.

The leadership of the Chinese Communist Party has stressed time and again, especially since the beginning of this year, the need for theoretical review of the reforms' accomplishments to date.

Deng Xiaoping said earlier this year that the reforms would involve more than economics, including politics, science, and education.

Hu Qili, a prominent younger leader of the party, met with quite a few artists, social scientists and scientists during his inspection tour to Shanghai in mid-April. He advised artists to prize the harmonious atmosphere recently developed in the artistic circle.

He also emphasized the need to organize systematic research on major theoretical issues and policies, in which the party and government would give full play to the talent of social scientists.

Soon after, he told a May Day meeting that "a series of reforms" in such fields as economics, politics, and culture would be necessary in the process of modernization.

The current surge of academic discussion has also been stimulated by the commemoration of Marx's birthday on May 5.

It has been 30 years since the policy of "let a hundred flowers bloom and a hundred schools of thought contend" was proposed.

The policy was adopted while a few academicians were trying to convince their colleagues that the Soviet research methods were the only ideologically correct ones in some scientific fields.

But the good policy was "practically suspended" when the anti-rightist campaign went out of control in 1957, Lu Dingyi, former director of the Communist Party's Propaganda Department, recalled regretfully.

When every academic debate was believed to have serious political implications, the policy was reduced to lip service, particularly during the "Cultural Revolution."

Writing from his sick bed, Lu argued that it was counterproductive as well as contrary to academic freedom to attach political labels at will to scholastic and artistic schools of thought.

Without academic and artistic freedom, China would eventually run into disasters, he said.

Zhu Houze, the newly appointed director of the Propaganda Department, expressed a similar opinion to his predecessors when he met with editors of 86 literary magazines earlier this month.

The historian Hu Sheng has also published an article saying citizens have the right to engage in any artistic and academic activity that benefits the people, whether or not they have studied Marxism.

He suggested that serious research in social science and Marxism were not opposed to each other, saying although he believed social science research should be guided by Marxism, he was against forcing academicians to take Marxism as doctrines.

He regretted, too, that "academic discussion based on mutual understanding and pregnant with valuable insight is far too rare" in present-day China.

Chinese economists bear the brunt of the task of enriching their theories for roughly three reasons. First, Marx's theory of political economics was a critique of capitalism rather than detailed discussion of socialism.

Secondly, China, now having state-run enterprises, collective businesses, private firms, individual operations, joint ventures with foreign capital, and industries with 100 percent foreign investment, is actually a very complicated economic system. The research of economic must be compatible with the Chinese realities.

Thirdly, by opening its door to the rest of the world, China is at the same time faced with the challenge of the world market.

A series of articles in the newspaper ECONOMIC INFORMATION, written by Liao Xun, director of the Institute of Quantitative Economics, said today's Marxists had two alternatives, to "introduce concepts like commodity, money, and market into studies of the socialist system," or "retreat to utopian communism," in fact a dead end.

The writer noted that creative Marxist thinkers all choose the first alternative, that is, to move towards what Marx called "free men's association" or, in his words, a socialist system with high level of democracy.

In literary criticism, Liu Zaifu, director of the Institute of Literature under the Chinese academy of Social Sciences, has become the center of an argument.

Liu believes literary criticism should focus on what he calls "aesthetic characteristics" rather than mere politics. His opponents say, however, that the essence of literature and art would be "incomprehensible" if they are not related to politics and major events.

RENMIN RIBAO ON 'HUNDRED SCHOOLS OF THOUGHT' IDEA

HK150231 Beijing RENMIN RIBAO in Chinese 2 May 86 p 5

[Article by Li Peishan and Huang Shune: "Contention Among a Hundred Schools of Thought is the Only Road to Scientific Development -- A Talk Commencing With the Qingdao Forum on Genetics Held 30 Years Ago" -- capitalized passages published in boldface]

[Text] It is fully 30 years since the CPC Central Committee put forth the principle of "letting a hundred flowers bloom and a hundred schools of thought contend."

The Qingdao forum on genetics in August 1956 was regarded by academic circles as an example of implementing the principle of "letting a hundred schools of thought contend." Reviewing today the 30 years of twists and turns that our country's genetics has undergone, in light of which the principle of "letting a hundred schools of thought contend" was formulated, will enable us to more clearly realize the tremendous influence of the principle of "letting a hundred schools of thought contend" on our scientific development and academic prosperity and also to clarify the great difficulty in implementing this principle.

In the early 1950's, in our country's genetic circles, Ivan V. Michurin's position on genetics represented by Trofim Lusenko was accepted while modern genetics represented by Gregor Mendal and Thomas H. Morgan which had been accepted for half a century in the world was criticized and entirely negated. This was a typical case of copying Soviet errors in implementing in an all-round manner the principle of learning from the Soviet Union in the initial period after the founding of the PRC. In the mid 1930's, Lusenko began to criticize the Morgan school in the Soviet Union and gradually gained ascendency in Soviet agricultural science circles. In August 1948 at a meeting of the Soviet Union's Lenin Academy of Agriculture Science, the CPSU Central Committee and Stalin came out to give political conclusions respectively to the two schools and thus brought the criticism to a "climax." The Morgan school was formally branded with political labels such as "bourgeois," "reactionary," "idealist," "metaphysical," and "fake science" and was publicly criticized in the press and journals. Lectures, study, and publication of Morgan's genetic theories were forbidden and the genetic and other experts who held the views of the Morgan school were dismissed from administrative and academic leading posts. The Lusenko school was defined as a "proletariat," "progressive," "dialectical materialist," and "reality-linked" school and was supported by diverse administrative means. Thus, after the 1948 August meeting ended, the Lusenko school's monopoly in Soviet gentic circles was established. In the early 1950's, the viewpoints of the Lusenko school and the Soviet practice soon spread to our country. In the ideological remolding campaign that was carried out among intellectuals in 1952, in many areas in our country, the Soviet practice was followed and mass criticism was carried out against the scholars who held the views of the Morgan school, who were then branded with various political labels. We prohibited the lectures, experiments, and publication of works about Morgan's genetic theories and the branches of science related to it and organized and a nation-wide study of the Lusenko school's Michurinism. We continued that practice until 1956.

In 1956, there were tremendous changes in Soviet genetics circles. In February 1956, Nikita S. Khrushchev gave a secret speech against Stalin's personality cult and Lusenko was forced to resign from his post as president of the Lenin Academy of Agriculture Science of the Soviet Union. This provided the politcal support for criticism against Lusenko's academic views, his attitude toward science, and his despotic work style, a criticism which began in 1952. After this, for a time, there was a lively situation in Soviet biological circles.

In the spring of 1956, Comrade Mao Zedong gave his speech entitled "On the Ten Major Relationships" about the readjustment of our country's various policies. At the same time, he put forth the fundamental principle for the development of art and science -- the principle of "letting a hundred flowers bloom and a hundred schools of thought contend." Soon afterward, Comrade Zhou Enlai relayed to the departments concerned Comrade Mao Zedong's speech on "letting a hundred flowers bloom and a hunred schools of thought contend." On 26 May, Lu Dingyi, director of the CPC Central Committee propaganda Department, gave a speech on "letting a hundred flowers bloom and a hundred schools of thought contend."

All the above-mentioned speeches pointed out some problems that had cropped up in the course of our country's learning from the Soviet Union and also pointed out Soviet mistakes in dealing with the Lusenko incident. They spoke highly of the academic prosperity in our country's Spring and Autumn and Warring States Periods and in Western Europe's Renaissance. They all opposed the practice of branding people with political labels in academic debate and the despotic work style of one school suppressing all other schools. The speeches of Central leaders covered far more issues than those related to genetics, inclulding the issues concerning the relationship between Chinese traditional medical science and Western medical science, and issues related to philosophy and social sciences.

At that time, the science office of the CPC Central Committee Propaganda Department, the Chinese Acadamy of Sciences, and the Ministry of Higher Educaton followed the instructions of central leading comrades and started to study problems related to the teaching of and research into genetics and the steps to actually implement the principle of "letting a hundred schools of thought contend" in our country's genetic circles. They decided that in August 1956, the Chinese Academy of Sciences and the Ministry of Higher Education would jointly hold a forum on genetics in Qingdao. At the opening session of the Qingdao forum, Yu Guanyuan, who was then chief of the Science Office of the CPC Central Committee Propaganda Department, relayed to the forum the policies of the committee. All the major scholars of the two schools of genetics and the science branches related to it in our country attended the forum. They all cited facts, presented arguments, aired their views freely, and thus broke the previous monopoly held by one school. The forum made on conclusion on academic issues. It only affirmed the opinion that equal opportunities should be given to all the various schools concerning their work of teaching and research and the publiciation of their works, and requested the departments concerned to make corresponding arrangements.

From the spring of 1956 to that of 1957, there was prosperity and vitality in all academic spheres in our country. Quite a few scholars began to publish articles to expound on their own academic views not only on genetics, but also on various branches of natural sciences and even some branches of social sciences such as philosophy, history, economics, and sociology. The principle of "letting a hundred schools of thought contend" began to display its power. The initiative of the vast number of scientific workers was brought into play and they dared to adhere to scientific truth and think independently, and a situation of free research began to emerge.

However, the implementation of the principle of "letting a hundred schools of thought contend" was by no means plain sailing. After 1956, political movements that "criticized the bourgeisie" emerged one after another in our country. They naturally also had their impact in the sphere of genetics. However, we soon overcame the relapses that emerged for a time, under the influence of the Qingdao forum. In our social sciences sectors, because of the direct influence of the principle of "regarding class struggle as the key link," during the 10 years before 1966, a lively situation like that of 1956 never emerged. During the 10 years of turmoil after 1966, scientific work was mainly at a standstill. It was not until 1978 after the fall of the "gang of four" that we put an end to that situation of confusion once and for all.

In about 20 of the past 30 years, there was serious interference by the "leftist" mistakes in the fields of both our natural and social sciences and there was great resistance to the implementation of the principle of "letting a hundred schools of thought contend." A review of the history of that period starting from summing up the experience of the Qingdao forun on genetics will enable us to get the following understanding of the nature of objective laws.

WE SHOULD PROPERLY AND SATISFACTORILY HANDLE THE RELATIONSHIP BETWEEN POLITICS AND SCIENCE AND RESOLUTELY OPPOSE THE PRACTICE OF USING POLITICAL FORCE AND ADMINISTRATIVE MEANS TO INTERFERE WITH THE DEBATES OF THE ACADEMIC VIEWS OF DIFFERENT SCHOOLS, SUCH AS THE PRACTICE OF FORCING PEOPLE TO ACCEPT A CERTAIN SCHOOL'S VIEWPOINTS, OF BRANDING PEOPLE HOLDING DIFFERENT ACADEMIC VIEWS WITH POLITICAL LABELS, AND OF DEPPRIVING PEOPLE OF THE RIGHTS TO TEACH, CARRY OUT RESEARCH AND PUBLISH THEIR WORKS. This is the fundamental experience of the Qingdao forum on genetics. The results of using political force and administrative means should of course be removed by political force and administrative means, but academic rights and wrongs themselves involve large spheres of knowledge; therefore, they can only be solved by the academic circles themselves through their research, practice, and academic discussion as the Qingdao forum did. In other words, they should be solved through the implementation of the principle of "letting a hundred schools of though contend" and our party and government organizations cannot and should not give conclusions on academic matters. Even if the party or government leader himself is a scientist (this will become increasingly common in the future), his academic views should only be regarded as the views of a scientist in academic discussion and we should not judge a scientist's views by his political position or his fame. It is necessary for some technological achievements to be checked by the state, but the government mainly plays the role of organizing specialists to evaluate the technology according to scientific procedures and the conclusions remain to be made by scientific and technological experts themselves.

In the world at present, science and technology is crucial in developing the economy, strengthening national defense and improving the people's material, cultural, and spiritual living standards; therefore, the leaders of various countries, in particular developed countries, attach unprecedentedly great importance to science and technology. Politics and science and technology have become increasingly closely related and "relying on science and technology" has already become one of the foundations of our country's economic policies. Our government departments have increasingly intensified their administration over scientific work. The quality of this administration is vital to the question of whether our science and technology will be able to develop smoothly. The experience of many countries has proved that in formulating policies on science and technology and adopting administrative measures, it is necessary to adopt a prudent attitude, fully solicit all kinds of different opinons from scientists, carefully consider whether these policies and measures are conducive to the accumulation of knowledge and prosperity of science and thus enable them to facilitate social and economic development and human progress.

THERE MUST BE ACADEMIC FREEDOM IN ORDER TO IMPLEMENT THE PRINCIPLE OF "LETTING A HUNDRED SCHOOLS OF THOUGHT CONTEND." This is a law that the experience of the Qingdao forum on genetics has fully proved. In the speech "letting a hundred flowers bloom and a hundred schools of thought contend" that Comrade Lu Dingyi made in 1956, he clearly pointed out: "The principle of 'letting a hundred flowers bloom and a hundred schools of thought contend' that we upheld means that we advocate freedom of independent thinking in our literary and art and scientific research work, freedom to debate and freedom of literary and art creation and criticism." These pertinent words have been laid aside for over 20 years and we feel very moved when we read them again today. Precisely because the Qiangdao forum on genetics actually implemented this principle of "letting a hundred schools of thought contend," it achieved substantial results. In fact, the passage cited above was precisely put forth in the light of the characteristics of our scientific work itself. If we fail to do so, we will not be able to develop our science.

As scientific research is a kind of creative labor, only in an environment where people can consider and probe things freely and carry out free discussion can it be easier to continue to score achievements and push forward the development of science and then promote the development of the whole society. Whenever people's minds were fettered, both science and society bogged down. It is a pity that we have as yet failed to really understand the historical experience and lessons gained from our work in handling the problems related to genetics. During the 10 years of turmoil, the above words of Comrade Lu Dingyi's were criticized as advocation of "bourgeois liberalization."

WE SHOULD ADOPT A CORRECT ATTITUDE TOWARD FOREIGN SCIENCE AND TECHNOLOGY AND SHOULD NOT BLINDLY ACCEPT OR REPUDIATE THE SCIENCE AND TECHNOLOGY OF ANY FOREIGN COUNTRY. This is a fundamental principle that the Qingdao forum on genetics has clarified. Science is international in nature and is the common wealth of the whole human race. If it is not restricted by different natural conditions and as long as the level of economic and cultural development allows, all science and technology can be developed in all countries, capitalist or socialist, or having white, yellow, or black people, through the independent efforts of the scientific and technological workers of the countries or through international exchange. The history of the development of science proves that the development of any branch of sciences is the result of the continuous joint efforts of the scholars of many countries and nations. Although some developed countries have adopted some measures to keep their technology secret, these measures can play their role for a limited time only. Generally speaking, the advanced technology of one country will sooner or later be mastered by other countries. For an underdeveloped country or region, selecting and importing the technology applicable for it is an effective way to speed up its own development.

IN ORDER TO ATTAIN THE GOAL OF DEVELOPING OUR SCIENCE THROUGH THE IMPLEMENTATION OF THE PRINCIPLE OF "LETTING A HUNDRED SCHOOLS OF THOUGHT CONTEND," WE MUST CARRY OUT ACADEMIC DISCUSSIONS AMONG VARIOUS SCHOOLS ON THE BASIS OF ADEQUATE SCIENTIFIC RESEARCH. From their debate, the scientists who attended the Qingdao forum fully realized this. This is an important realization. For only genuine scientific research achievements have the convincing force to make other people tell what is true from what is false. Often, it takes several years, decades, or even a century to get a correct conclusion on one of the many questions on which there is contention the history of science. At the beginning, our limited data or materials were favorable to a certain theory, but a few years later, the new data or materials discovered along with the development of science favored another theory. Through a period of further research, it was possible for the two theories to supplement each other and thus develop into a more refined theory. This was the case in the establishment of the theory on the dual nature of light being both a wave and particles in the field of physics. At the beginning of some contentions, people only saw some superficial phenomena, but failed to grasp the essence; therefore, they put forth some erroneous theories. Through repeated discussions, it was finally possible to refute erroneous theories with undeniable scientific facts and thus establish correct theories. For example, in the field of biology, there have been several contentions centered on the erroneous theory of spontaneous generation. Therefore, when no consensus can be reached after the contention between different academic views or theories, we should allow people to reserve their views and continue their research. When our research work has made new progress, there will be an improvement in our contention and people will gradually hold identical views.

In short, in our scientific research, it is necessary to allow a hundred schools of though to contend; while the contention between a hundred schools of thought must be based on scientific research. Only when the two supplement each other can they push forward the development of science.

THE DEVELOPMENT OF PHILOSOPHY NEEDS SCIENCE AND THE DEVELOPMENT OF SCIENCE NEEDS PHILOSOPHY. WE SHOULD NOT REGARD THE CATEGORIES IN PHILOSOPHY AS LABELS AND ALLOW PHILOSOPHY TO ERRONEOUSLY INTERFERE IN OUR SCIENCE. Science and philosophy are closely related. This has been fully proved by the history of science and philosophy. The history of the development of the Marxist philosophy has also fully proved this. The development of philosophy needs science. Many great philosophers attached very great importance to studying science and understanding new achievements in science, and paid attention to having contacts with scientists and discussing with them phiolosphical issues in science and the philosophical significance of major achievements in science. Engels' "Natural Dialectics" sets an example in this sphere. The development of science also needs philosophy. Some great scientists attached great importance to improving their knowledge about philosophy, and discussed with them the scientific and philosophical issues that both the scientists and philosophers were interested in. Albert Einstein was a typical example of such scientists. Exchanges between scientists and philosophers have not only promoted the development of both science and philosphy, but have also given rise to an interlapping science -- natural dialectics, which is called "a philosophy for science" in the West. A Marxist philosophical worker should learn from the experience of his predecessors, prticularly Engels' experience, in order to develop Marxist natural dialectics. The setbacks that our genetic circles experienced were precisely the consequence of our deviation from these requirements. For example, we regarded categories in philosophy as labels and branded each scientific issue with one, or some, of these labels. As a result, we gave the genetic theory of the Morgan school the labels of "idealism" and "metaphysics," while giving the Michurinist genetics of the Lusenko school the label of "dialectic materialism." As the Lusenko incident took place in the Soviet Union, it misled quite a few Marxists, in particular the Marxists in socialist countries, and made them follow this mistaken line for a certain period. As a result, it hindered the development of science and also harmed the reputation of Marxist philosophy in the scientific circles. At the same time, it also hindred the development of Marxist philosophy itself. The Qingdao forum on gentics opposed the practice of branding philosophical labels and also criticized the erroneous philosophical proposition that "fortunity is the enemy of science." By so doing, it enable genetics to be free from the interference from philosophy, started genuine free discussion, and began to establish normal relationships between genetics and philosophy. All these were entirely necessary. We now think that this understanding is of universal significance.

WE MUST CORRECTLY UNDERSTAND THE RELATIONSHIPS BETWEEN THE IMPLEMENTATION OF THE PRINCIPLE OF "LETTING A HUNDRED SCHOOLS OF THOUGHT CONTEND" AND ADHERENCE TO THE PARTY'S LEADERSHIP, AND ABANDON THE ERRONEOUS VIEW THAT REGARDS THE IMPLEMENTATION OF THE PRINCIPLE AS ABANDONING THE PARTY'S LEADERSHIP. Both the Qingdao forum on genetics 30 years ago and the experience that we have gained in scientific fields in the 30 years since fully prove that in order to really implement the principle of "letting a hundred schools of thought contend," and in order to keep this path we must follow in developing our science clear, it is particularly necessary to clarify an erroneous view that the implementation of the principle of "letting a hundred schools of thought contend" means abandoning and even eliminating the party's leadership. In fact, this principle itself is a principle and policy of the party.

Like any other principle or policy of the party, it can only be implemented through the hard efforts of the whole party. Implementing the principle of "letting a hundred schools of though contend" is precisely adhering to the party's leadership while failing to conscientiously implement this principle precisely means abandoning the party's leadership. In order to ensure that academic contention is carried out normally, in order to draw a clear demarcation line between political and academic matters, and in order to avoid repetition of the simplistic mistakes of acting as chief judges on academic issues and applying political labels indiscriminately, our party organizations at various levels should do lots of work. All this work, including making investigation and study, publicizing policies, having heart-to-heart talks with and doing ideological work among scientists, and formulating the specific measures for the implementation of the policies, embodies the party's leadership role. The situation at and after the Qingdao forum clearly proved that without the correct leadership of the CPC Central Committee and without all of the arduous and painstaking work done by the party organizations at various levels, it was impossible to smoothly implement the principle of "letting a hundred schools of though contend."

Today, our country has entered an new period of building a highly civilized and highly democratic modern socialist country; therefore, we will never allow any repetition of the erroneous practice that we allowed in the past in conducting political criticism against the genetics of the Morgan school. However, in all sciences, including genetics, there will always be differences in academic views. This is a normal phenomenon in our academic circles. Therefore, reviewing the twists and turns that our country's genetic circles have gone through since the 1950's and summing up the experience of the Qingdao forum on genetics, in particular the positive and negative experience and lessons gained in the 30 years since the principle of "letting a hundred schools of thought contend," in order to clarify some understanding of the laws is not only valuable for the research into China's modern history of science, but also of great practical significance in promoting the continuous implementation of this principle and facilitating the continous and healthy development of science in our country.

Editor's note: The book "Letting a Hundred Schools of Though Contend — the Only Road to Scientific Development (Minutes of the Qingdao Forum on Genetics in August 1956)" has already been published by Commercial Press.)

COMMENTARY ON DEVELOPMENT OF TALENTED PEOPLE

HK100706 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1128 GMT 7 May 86

[Commentary by Hao Si: "China Should Attach Greater Importance to Its Own Talented People]

[Text] Hong Kong, 7 May (ZHONGGUO TONGXUN SHE) — Yesterday, while speaking to Goh Keng Swee, economic adviser on China's coastal development and former Singapore deputy prime minister, CPC leader Hu Yaobang remarked that China would introduce talented people from abroad and stressed that this was China's strategic policy.

China deeply feels that professional personnel have been in great demand since it started the modernization drive and began to implement the policy of opening up to the outside world. Therefore, China has opened its door wide to welcome foreign and Overseas Chinese experts to give lectures and make exchanges, or to engage foreign economic experts as managers for or advisers in some enterprises. Goh keng Swee is one of them.

In fact, China also has quite a number of talented people. But as Hu Yaobang said, China's own talented people have a limited understanding of the present world; therefore China has to introduce talented people from abroad and to learn from foreign experts and economists. Goh Keng Swee added that Cina's economic managerial personnel should have a good knowledge of both the domestic economic development law, economic development in foreign countries, and the international market. Therefore, China can compensate for the shortage of talented people by introducing talented people from abroad. This will enable domestic talented people to get information about foreign countries and to improve their professional knowledge and level. This is undoubtedly a correct policy.

The scope of introducing foreig talented people is, after all, limited. In such a vast expanse of territory, China cannot hire foreign experts and advisers for every province, city, and enterprise. Efforts should be concentrated on turning out more talented people of its own. Hu Yaobang said: Over the past few years, we have promoted some capable people who are better educated to leadership positions. In the course of training and using its own talented people, China introduces talented people from abroad.

Since Deng Xiaoping came to power, China has attached greater importance to the use of knowledge and talented people. However, the habit of looking down upon intellectuals and experts still exists. Now very few people dare openly reproach intellectuals, but sometimes we still hear that some people squeeze out intellectuals. Not long ago, a factory directory in a province who concentrated on reforms and made some achievements was fired. This is probably not an isolated case.

In addition, some leading cadres "prefer the opinions of foreign experts to those of domestic experts." Sometimes they ignore the suggestions repeatedly made by domestic experts but bow to the words of foreign experts. The practice of underestimating our own capabilities is really not good for developing the initiative of domestic experts.

Therefore, while introducing foreign talented people, China must pay attention to training and using its own talented people. The latter is more important than the former. While learning from foreign experts, it is necessary to listen to the opinions of domestic experts. On the question of how to treat talented people, we should neither belittle them nor have too high an opinion of them. Examination and correction must be made with regard to the errors in the course of implementing the policy on intellectuals, so as to provide an excellent working environment and conditions for intellectuals.

SUPPORT FOR REFORMERS IN ENTERPRISES URGED

HK141524 [Editorial Report] Beijing Domestic Television Service in Mandarin on 13 May, during its 1000 GMT newscast, broadcasts Liaoning Television Station's 1-minute film clip of the party committee of the Shenyang City Metallurgical Industry Corporation "enthusiastically" helping its Shenyang Steel Sheet Factory director solve "last year's" reform problems. This is followed by a 1-minute announcer-read China Central Television Station "editor's note," which praises the Shenyang corporation, gives a general picture of enterprise reformers' problems "in some localities," and calls for helping such reformers solve problems.

The Liaoning Television Station's undated filmed report, filed by station reporter (Shi Lianwen), depicts "some people blaming" the Shenyang factory director's reforms in the leadership and personnel systems for causing "the fall in the factory's economic returns since the beginning of last year." The reporter states that according to a "thorough investigation" conducted by the Metallurgical Industry Corporation, the "main cause" of the fall was due to the increase in the prices of raw and processed materials. The report does not give details of any other causes. The filmed report then depicts the corporation helping its steel sheet factory produce "new products." As a result, "the factory netted a profit of more than 1.7 million yuan at the end of last year."

After the film clip, the announcer reads the following China Central Television Station "editor's note" calling for helping enterprise reformers solve problems:

"The Shenyang City Metallurgical [Industry] Corporation's support for the advanced reformers is praiseworthy. Some localities have for a period of time seized on advanced reformers' shortcomings in work, wantonly exaggerated such shortcomings, and described reformers as being devoid of any merit. As a result, some advanced reformers cannot work and are unable to stop working even though they want to [yu ba bu neng]; and some enterprises, which once were prosperous, are now in the red. Why is it that advanced reformers have been attacked? The basic reason is that reforms have expanded the power of enterprises. Some people just cannot get used to this and always want to regain the power. The other reason is that some are jealous of other people's talent. No gold is pure, and no man is perfect. Shortcomings and errors are unavoidable when progressives carry out work. The question is: How are we to approach shortcomings and errors? The Shenyang City Metallurgical Industry Corporation has affirmed the reformers' achievements and has pointed out their shortcomings. The corporation has also helped them solve problems. This truly is the correct approach. And only by so doing can we successfully carry out our country's reforms."

ECONOMIST XU DIXIN INTERVIEWED ON REFORMS

HK140401 Guangzhou KAIFANG in Chinese No 4, 8 Apr 86 pp 5-8

[Article by special correspondent Zhang Shengyou: "Persevere in Opening Up, Stimulate Reforms -- Interview With Well-Known Economist Xu Dixin"]

[Text] Early this spring, this reporter interviewed Xu Dixin, the well-known economist at his residence in Nansagou, Xijiao, Beijing. The revered Xu was in his eighties, his sideburns all gone white. But still he looked very healthy, and his broad and bulging brow indicated a very learned man. True, devoting his whole life to the study of economics, the revered Xu has written a long list of books in this field. Entrusted by the magazine KAIFANG, this reporter made a special trip to Beijing, soliciting his views on "opening up and reforms."

Starting From the Overall and Long-term Interests of Socialism, Opening Up to the Outside World Is Inevitable

"It won't do to close the country to international intercourse if China is to go in for socialist modernization. Because in every period, the world's industrial indexes are always rising, and the world-conscious economic market is always changing. China is such a big country, if it should conduct construction with its door closed, it would certainly become backward."

When this reporter told him about his aim of the interview, the revered Xu instantly became excited, and said: "A few years back, when the Central Committee proposed the implementation of the economic principles "opening up to the outside world, making the domestic economy lively," many people failed to have a good grasp of the principle, and had different views on the opening-up policy. But why should they have failed to figure out the need of the principle? On two grounds: first, after the founding of the PRC, we confiscated bureaucrat capital in the 1950s; later, we implemented socialist transformation of capitalist industrial and commercial enterprises, when enterprises of foreign capital were also gradually dealt with. We can say that all things capitalist were swept out of China. But now, we are to invite foreign capital in, and some people have failed to recognize the need for it. For the revolution, we communists feared no bloodshed and death. Many comrades sacrificed their lives to the cause of overthrowing the three big mountains that weighed down on the Chinese people. Now after all those efforts and sacrifices, foreign capital is again invited in. It's just natural that some old comrades in particular cannot figure out the need. And second, some comrades are worrying that once the policy is implemented with the doors wide opened, foreign capitalist ideas will swarm in, having an effect on the social atmosphere, ideology and moral concepts. I believe it's just that, and nothing else!"

How should we regard those differences in understanding? According to the revered Xu, even if this is making one step backward, it aims to make two steps forward. Because, if all things capitalist are swept out, with the door shut tight, you'll find it difficult to get by without those things you lack. Moreover, we lag behind other nations, with a poorer foundation. China has not much of a foundation to speak of, being a semi-colonial and semi-feudal society in the past. If we should start from scratch in everything, we would lose much time. As to the erosion and effects of bourgeois ideology, do they exist? Well, yes, this we must admit. In fact, opening up aims to make use of foreign advanced technologies and funds, and to develop those comparatively backward and weak departments in our special economic zones and open cities. Starting from the overall and long-term interests of socialism, and making the four modernizations faster and better, opening up to the outside world is inevitable.

Import Is Bilateral; To Make Foreign Technologies Ours, We Must Upgrade Our Own technological Level as Quickly as Possible

Opening-up is inspecting and learning knowledge on a worldwide scale. Through opening up, foreign advanced technologies can be imported to China. But how? Revered Xu made the following remark: "Import is bilateral. To capitalist countries, China is one big market; China has a population of 1 billion, and it is the largest consumer market in the world. They want to market huge volumes of their commodities in China. However, our aim is not for them to market their commodities, but to allow the import of their technologies and funds. Of course, those commodities which we need and lack may be imported." According to the revered Xu, those foreign businessmen who have come to do business with China are trying their best to sell more of their commodities to China, which is the greatest contradiction in importing foreign funds and technologies. We can't say that this contradiction is beyond solution. Many projects under negotiation have been rather successful.

Xu continued, there is a question that concerns us ourselves in opening up and importing technologies; namely, the question of digesting, transforming and upgrading in order to make foreign technologies our own. And the first problem arising is whether we have knowledge of the technology concerned and whether we are capable of using it.

The technical level of our workers, technicians and engineers, not referring to all of them, is not so high. For example, in some factories, those machines imported have been lying idle. People do not know how to handle them, and the machines broke down the moment they were put to use because they were wrongly handled. In the end, in importing technology and foreign capital, we often have to invite foreign engineers to China with the technology, and even the capitalists to help in management. Under such circumstances, we can come under their control, be easily tied down, and land in a passive position.

The revered Xu said: "To do a good job in opening up and importing technologies, China's self-reliance as well as the ever-strengthening of the socialist national economy must be ensured in the course of import. Otherwise, we'll end in relying on others."

The Key Lies in Upgrading Quality if SEZ [special economic zone] Products Are To Occupy a Place in the Overseas Market; It Is Most Essential To Place Cadres Who Know the Ropes at Leading Posts of Enterprises

The revered Xu attaches great importance to investigation and research. In recent years, he has been to some open cities and the several SEZs such as Guangzhou, Shenzhen, Zhuhai, Shantou and Xiamen, and has been to some of those places on several occasions. He said: "Some of the SEZs seem to be quite busy on the outside. The roads are made very beautiful as well as the buildings. This is quite good, and necessary. But why have they built all those roads and houses? It is to turn the SEZs into the 'four windows,' to turn out more export products so as to earn more foreign exchange." In his opinion, Shekou has done a rather good job in this respect. The factories are not so large in scale, but have provided more products for export.

According to Xu, we will bring in greater tax revenue and earn more foreign exchange for the state through export. Regarding the whole country, nothing can be done without foreign exchange if economy is to be developed. You'll have to import technologies, and to purchase foreign blueprints and new equipment for our use in blazing new trails. No foreign exchange, no go! Therefore, export is imperative, and it must be expanded. However, most of our exports at present are primary products. They are either raw materials or semi-finished products, but not finished products. They are not competitive, and are largely cheap stuff. This has much to do with the production level. A low production level always lags behind others.

Citing an example, Xu says: "I have been to the United States on several occasions. And I made a special trip to their department stores. I just could not find any of our China-made commodities. This is because our exports are mostly primary products. With some processing, our primary products have become their finished products. Take garments, they should be counted as finished products. But they, too, are very backward, in very poor fashion. So they were placed in some inconspicuous corner. And I felt badly seeing them lying there!"

Why is it that when a large number of the leading members and technicians of our factories and enterprises have been sent abroad with huge sums of money spent, the result has not been very satisfactory, with some ordinary, low-level technical problems remaining unsolved? The revered Xu pointed out sharply: "This concerns the level of those who have been sent abroad. It seems that going abroad has become some kind of political treatment.

"If someone belongs to the leadership and has a long standing, he has to be sent abroad. This is catastrophic. What's the good of it if he went, knowing nothing about what he saw abroad, doing nothing beneficial to production when he returns. It doesn't mean that we want the door closed, and to stop sending people abroad, but appropriate people should be picked and sent, and they should do something helpful to production when they return. We are not sending people abroad on a sightseeing tour. To inspect and study foreign advanced technologies and others' advantages, one must first possess certain background in science and technology."

"On the other hand, some of our comrades attach importance to output, and output value only, but not technical transformation and product quality. Some factories in China beieve their products are "princesses, who know no worry about marriages." True, China has a large population as well as a large consumer market; and the domestic marketability of their products has never been a problem. But when their products are sent to the overseas market, they stop being 'princesses.' This is chiefly because the leading members of some factories are laymen themselves, the have a low level in management, knowing practically nothing about blueprints and the use of advanced machines. Therefore, the replacement of cadres under way is very important. Those cadres who are laymen should be replaced by some qualified specialized people who are educated and know the ropes!"

The revered Xu continued, three capitalist countries stand out rather conspicuously in the world today. The United States is one, it was the victorious nation in World War II, out of which it made a fortune. This is universally known. However, West Germany and Japan were vanquished nations in the war. Their factories were reduced to ruins in bombardment, and their machines were taken away. A great grandson of Engels's visited China in 1983, and I asked him: "How were things in Germany in 1945?" And he said: "Disastrous enough! Both our oil resources and coalmines were taken over. Factories were ruined. There was no steamheat that winter, and people shivered in cold. They had to live on what little relief provided by the U.S. Army. However, we still had two things left: first, a large number of engineers and technicians who knew the ropes about technology; and second, a large number of people who had a good knowledge of economics and management. Relying on these two things, we got by that winter. then, factories were reopened on the ruins; but soon production came up." As a result, the German economy revived after 5 years of hard work. And what about Japan? When we were children, we know Japanese goods were of inferior quality. And people would speak of them in contempt: "Japanese goods are good to look at, but they do not work." After Japan's defeat in the war, the Japanese worked hard with a will. In the 1960s in particular, they gave priority to product quality, with the government taking a good grasp of it. Emulation in product quality was held on an annual basis, and made a system. Japanese economy has taken off on the basis of quality upgrading.

The Key to the Success of Opening Up Lies in Strengthening Foreign Affairs Discipline and Enforcing the Law.

On the evaluation of the practice of opening up to the outside world in recent years, the revered Xu says: "The policy of opening up has been carried out for several years, and the following aspects have been successful: closer foreign relations, and a better understanding of the economic situation of various nations and the world market. We have done some business and imported some technologies.

"However, in the course of implementing the policy of opening up, many problems exist in the import of technologies and funds, enterprise management, our relations with foreigners as well as our ideological style, of which, the most important one is our being laymen, not knowing the ropes; and we have been hooked in some cases."

The revered Xu pointed out, in foreign relations and conducting talks involving foreign economic relations, we must first focus on the position and interest of the state. If those people involved in negotiation should commit corruption and graft, injure the national interests, and make the state lose face, I believe, they should be severely dealt with according to the law. Those who should violate the law economically, including smuggling and speculating in foreign exchange, should all be severaly dealt with; otherwise it would become a capitalist economy, and not a socialist economy. That is the crux of being successful in opening up.

Here, the revered Xu became very angry: "If those cadres who negotiate in foreign economic relations should fatten their own pockets at the expense of the state, selling out national interests, they would become compradors; and they should not be regarded as Chinese nationals, not to mention communists! This is a political problem as well as an economic one. The problem of style, the problem of special privilege is terrible! Whether the national interests or the individual interests the long-term interests or the immediate interests are more important is the basic difference between socialist economy and capitalist economy. Therefore, doing a good job of the opening-up policy is by no means isolated, politcal and ideological work, economic measures, the legal system and laws and decrees should start working together to make a success of opening up."

Two Problems That Should Never Be Neglected in the Reform of the Economic Structure: Population and Ecological Economics

Steady progress has been made in China's reform of the economic structure. According to the revered Xu, there are two conspicuous problems that must call for complete attention by the relevant leading departments.

One is the population problem. Xu says: "The difficulty facing us is that production growth has failed to keep abreast with population growth. Although we have implemented planned parenthood in controlling the population, more than 10 million are given birth on an annual basis. Because a population of 1 billion is quite a base, a birth rate of 12 per thousand can create some problems. Problems such as food, clothing, schooling and employment all stem from too fast a population growth. I am doing some study on the population. The pressure on social consumption will remain great if the population should continue to grow at a fast rate; and social accumulation will be greatly limited with consumption fund staying high. China is facing the pressure from three aspects: first, a large population; second, a soaring consumption fund, which is also a pressure on the market, with demand far exceeding supply; and third, too long a line of capital construction, with capital construction outside the plan also expanding."

And second, the problem of ecological economics. The revered Xu says: "Reform of the economic structure in cities is a very complicated question. It involves not only some areas, but all respects, with the economic base and ideology both affected.

In the reform of the economic structure in cities, production must be developed, but by-products such as waste gas, waste water, and industrial residue are often neglected, which is another aspect of environmental pollution."

Xu cited the following example. When coal is burned in a factory, huge volumes of sulfer dixoide and carbon dioxide are emitted from the chimney and rise up into the sky. When meeting vapor in the sky, they turn into acid rain, which is terrible. Today, the water from Shanghai to the middle reaches of the Chang Jiang river valleys, the Dadu He, and Guilin, Guangxi is polluted. The acid rain erodes such metals as iron, and has very bad effects on people and livestock. Farms crops and trees will stop bearing fruit once caught in the acid rain. Sulfer dioxide causes cancer too, it's terrible.

Xu went on to say: "The positive side of material production is yielding material wealth such as cloth, iron and steel, television sets and refrigerators; and its negative side is the simultaneous yielding of waste gas, waste water and industrial residue. This is the law of nature and natural science, independent of man's will. I don't think we have attached enough attention to the graveness of the problem. We pay attention to production only, seeking output and output value, going all out, but disregarding product quality, not to speak of ecological environment. What does it mean by economic results? The implication of economic results is allround.

A high output, a high output value, with more foreign exchange earned, a greater profit made, and more profit and taxes handed over to the state, which is certainly a good thing. But what about the product quality, and the treatment of the ecological environment? The question of ecological environment is a vital issue that concerns the future generations. I told the leading comrades of departments concerned: I think the aim of quadrupling the gross industrial and agricultural annual output value by the year 2000 will certainly be fulfilled. There's no problem to quadruple the output value of cotton yarn, iron and steel, and oil. But what if soil erosion, acid rain, and the acreage of desert quadruple, too, by the year 2000, and waste gas, waste water and industrial reesidue will also quadruple? That will be disastrous! I have just written a book, entitled 'Ecological Economics," which will be soon published and circulated. I want to appeal to the society: When we are carrying out allround economic reform in te cities, we must attach great importance to the ecology and guard against environmental pollution. You reporters should help in the appeal."

In conclusion, the revered Xu says: "There are all kinds of gossip and even censure about opening up and reform in the society at present. These people have only seen some superficial phenomena. Dialectics tells us, nothing is absolutely good or absolutely bad in the world. Everything has two sides, and the key is how you deal with it. Things will be all right if you bring forward the positive side and keep the negative side under control. The wish to eliminate all side effects wil never come true in our world. The Central Committee is bent on opening up and reform; there's no way out for out country otherwise, and the four modernizations won't come up!"

RENMIN RIBAO ON IMPROVING COOPERATIVE SYSTEM

HK150551 Beijing RENMIN RIBAO in Chinese 12 May 86 p 1

[Commentator's article: "The Demand for Perfecting and Developing the Cooperative System Should Be Made by the Peasants"]

[Text] By saying that where water flows a channel is formed, we mean that success will come only when conditions are ripe. This is a law.

In rural economic reform, putting the household-run economy into the orbit of the cooperative economy by establishing a new double management system characterized by the combination of centralized and separate operation is a process of flowing water forming a channel. Similarly, the improvement of the double management system and the development of economic cooperation and integration should follow the objective law of economic development and comply with the demands of the peasants. In this respect, it is necessary to implement the policy of allowing the peasants to make an independent choice.

The need to develop the commodity economy and productive forces necessitates the improvement and development of the cooperative system. Commodity production has freed millions upon millions of peasants from household and land confinement and has enabled them to build closer economic ties with people in other areas. Various forms of cooperation among the peasants in production and sales become more necessary following the development of commodity production, the specialization and socialization of the household-run economy, and the deepening of the peasants' economic ties with people in other areas. Economic cooperation and integration have helped produce better economic results than exclusive operation on a household basis. This is the basic factor for rural economic cooperation.

The development of China's commodity economy and productive forces in different regions and industries have different demands for developing economic cooperation and perfecting the cooperative system. Therefore, it is really necessary to respect the peasants' autonomy and choices. Economic cooperation in various forms and channels is a complicated development process. Deviation from the needs of producers will make it impossible to bring their initiative into play and to achieve excellent results. How to perfect the double management system, in what fields to cooperate, whom to cooperate with, when to cooperate, in what way to cooperate, and how large the scope and scale of cooperation will be -- these should be decided by the peasants themselves; on no account should cadres or other people decide for them.

In the past, we had such a lesson in selecting economic modes suited to the rural areas. One of the reasons was laying undue stress on leaders' choice and forcing on the masses the mode designated by leaders. Apart from this, political movements were introduced to guarantee implementation of the mode designated. This seriously dampened the initiative of the peasants in production and delayed the development of the commodity economy and productive forces. The peasants play a principal role in rural economic activities. Choices without their approval are lifeless. The correct way is to make the best use of the peasants' choices and to follow the principle of voluntary selection and mutual benefit.

In the past, many peasants endured untold sufferings as a result of being forced to mix with each other. As this still remains fresh in their memories, they are perturbed at the mention of the word "cooperation." To dispel the peasants' misgivings, it is necessary to apply a correct policy apart from just carrying out propaganda work. The basic purpose of perfecting the cooperative system and developing rural economic cooperation is to create a more favorable economic environment for the peasants to go in for commodity production and to improve the results of the household-run economy. In perfecting the cooperative system, we should proceed from the service trade. As the peasants have different demands for service trade, different forms of cooperation and integration will simultaneously exist.

We should not find a single solution for diverse problems, still less should we introduce political movements to popularize a method. Viewed from the present situation, an important reason why the peasants in some localities still have complaints and misgivings about rural economic cooperation is that the cadres in these localities are overanxious about the results of economic cooperation. This has, to a certain extent, run counter to the objective needs for economic development and to the wishes of the peasants. This matter is of major importance, and it is necessary to remind rural cadres that they should not take it lightly.

CHINA DAILY CITES OFFICIAL ON ECONOMIC CRIMES

HK150516 Beijing CHINA DAILY in English 15 May 86 p 1

[By staff reporter Liu Dizhong]

[Text] In the first three months of this year, procuratorates throughout the country investigated 11,000 economic crimes, 130 per cent more than in the same period last year. Of these, more than 3,800 were serious, an increase of 630 per cent.

The figures were released to CHINA DAILY in an interview yesterday with a senior official of the economic department under the Supreme People's Procuratorate.

The official said the crimes included embezzlement, bribery, smuggling, profiteering, swindling, evading taxes, trademark imitation and misappropriation of relief funds. Major economic crimes usually involved more than 10,000 yuan.

During the first quarter, the official said, the procuratorates ordered the arrest of 7,441 persons on charges of economic crime, an increase of 230 per cent.

More than 5,900 cases were completed, an increase of 85 per cent. Of them, 1,400 were serious cases, a 570 per cent increase.

As a result, the official added, more than 126 million yuan was retrieved, 1,000 per cent increase.

China's crackdown on economic crime, which began in July last year, has contributed to the smooth progress of economic construction and economic reform, the official said.

He noted that economic crimes, particularly major ones, have been increasing over the past two years and the number of party members, officials and children of high-ranking officials involved also has increased. They collaborate and take advantage of their positions, he said, noting that their crimes cause the most serious loss for the country.

Some economic crimes have also harmed the interests and health of consumers. Several persons reaped more than 300,000 yuan by selling fraudulent cooking oil in Anhui Province. The sale of fake tung oil resulted in the sinking of 19 fishing boats with a death toll of 33 persons in Zhejiang Province, the official said.

Although fighting economic crime is a long, arduous and complicated task, the official said the Supreme People's Procuratorate is determined "to smash the arrogance of economic criminals this year."

While prosecuting economic criminals remains the major task of the procuratorates this year, great efforts will also be made in ideological and economic fields to eliminate the causes of crime, he said.

This year, all the procuratorates should try to wind up all major economic crime cases uncovered in 1984 and in the first half of 1985. Meanwhile, stricter measures will be taken to uncover tax evasion and sale of fraudulent goods, both of which have tended to increase recently.

Special attention will also be paid to smuggling, embezzlement and the revealing of state economic secrets by government employees engaged in foreign trade, and to profiteering and swindling by a handful of lawless businessmen from Hong Kong and some foreign countries, he said.

FISHING MALPRACTICES, ENVIRONMENTAL DAMAGE CITED

HKi21426 [Editorial Report] Beijing Domestic Television Service in Mandarin on 10 May, during its regular 1000 GMT newscast, broadcasts a Hubei Television Station's 1.5-minute film clip on Hubei Province's "aquatic resources and ecological equilibrium being seriously destroyed" by the province's fishing malpractices adopted "over the past few years." This is followed by an announcer-read China Central Television Station "editor's note" criticizing fishing malpractices in Hubei Province and "in other areas."

The Hubei Televison Station's undated filmed report, filed by station report (Du Shaohua), depicts the following fishing malpractices "adopted by the great majority of the fishermen" in Hubei Province: "killing fish by electric shock, using mesh nets to catch fish, poisoning fish," and "using explosives to catch fish." After describing the malpractices as "killing the hen to get all its eggs," the reporter states: "Comrades of the Hubei Provincial Aquatic Products Department told this reporter that in the 1960's, the catch of fish from Hubei Province's rivers and lakes averaged 170 million jin (a year). However, last year's catch of fish only reached 60 million jin. They said that if things continue this way, Hubei, known as the province of 1,000 lakes, will have no fish to catch in a few years."

After the film clip, the announcer reads the following China Central Television Station "editor's note" criticizing fishing malpractices:

"Dear viewers, Hubei Province's reckless fishing practices, its reckless use of explosives to catch fish, and the damage it had done to fishery resources are phenomena that also occur in other areas. These practices violate the State Council's regulations regarding the protection of aquatic resources and aquatic breeding. The regulations strictly forbid using explosives to catch fish, poisoning fish, and indiscriminately killing fish by electric shock. However, over the past few years, some units' leaders have not paid great attention to such phenomena and have been weak in the administration. Some people have been entirely absorbed in making money and have not paid any attention to other things. As a result, the phenomena such as poisoning fish, using explosives to catch fish, and killing fish by electric shock tend to worsen with each passing day. If things go on like this, fish will be in short supply, our ecological equilibrium will be destroyed, and there will be no end of troubles for the future. The PRC fishery law will be put into effect on 1 July this year. The departments concerned must connect the implementation of the fishery law with publicizing the legal system and with conducting education in the legal system, and must adopt effective measures to resolutely check those phenomena such as reckless fishing practices, reckless use of explosives to catch fish, and poisoning fishery resources."

STATE COUNCIL APPOINTS NEW CONSULS GENERAL

OW141554 Beijing XINHUA Domestic Service in Chinese 1310 GMT 14 May 86

[Text] Beijing, 14 May (XINHUA) -- The State Council recently announced the appointments and dismissals of several Chinese envoys abroad.

Zhang Zhen [1728 7201] has been appointed consul general in Leningrad; Weng Fupei [5040 4395 1014] has been appointed consul general in Manchester; Ni Yaoli [0242 5069 4409] has been appointed consul general in Houston; and Tang Xingbo [3282 5281 0130] has been appointed consul general in New York.

Tang Xingbo [3282 5281 0130] has been relieved from his post as consul general in Houston, and Ji Linde [4764 4539 1795] has been relieved from his post as consul general in New York.

RENMIN RIBAO URGES OUTDOOR ACTIVITIES SAFETY

HK121002 Beijing RENMIN RIBAO in Chinese 6 May 86 p 1

[Commentator's article: "Spring Warning"]

[Text] People are usually bustling about during the Spring Festival when temple fairs are held, during the Lantern Festival, in March when it is most suitable for a walk in the country, and during the Double Ninth Festival. In the past few years we have maintained a political situation of stability and unity and our economy has become more prosperous every day. Consequently, recreational activities of the masses which are rich in national characteristics are also increasing. This is indeed gratifying.

What is worth noting is that these activities must be properly organized. Otherwise, tragedies may occur. During the Lantern Festival this year, for example, two painful accidents occurred: On 21 February, the Lantern Festival was celebrated in Jiangsu's Jiangdu County. Since the place was extremely crowded and people pushed and crowded each other, more than 20 people were killed or injured when they were trampled by others. Two days later, on 23 February, the Lantern Festival was celebrated at Zhejiang's Jinhua City, but the celebrations were not properly organized. Some 35 people were trampled to death and 33 were badly injured when a crowd rushed into the park.

Similar accidents also occurred in other localities. In addition, vehicles and vessels for these recreational activities are often overloaded. As a result, they may overturn or capsize, causing death or injuries to many people. Accidents of this kind have occurred one after another. It goes without saying that they bring damage and misery to the families of the victims.

What lessons should we draw from these unfortunate accidents? In organizing collective activities, large-scale mass activities in particular, all localities and departments must first of all pay attention to the safety of the masses. They should, for example, take into consideration the capacities of the sites, roads, vehicles, and vessels. They should also take into consideration unforeseen accidents and should make appropriate arrangements in advance for evacuating and rescuing people in case such accidents occur. They should postpone such activities if no appropriate safety precautions can be taken. This is the correct attitude we cadres should take and the duty we cadres should fulfill.

However, some comrades only think about how to organize recreational activities for the masses and overlook how to ensure the safety of the masses. A few localities and departments even care nothing about safety but only try to earn more money by selling more tickets. How then can accidents be avoided? When an accident occurs, some people say that this is because there was a "lack of experience." This may be one of the causes, but what they said is not completely true. We cannot and need not have personal experience in everything. It would be ridiculous to say that "experience" in accidents caused by a capsized vessel can be gained only after a vessel has capsized in our own locality. We have good reasons to ask this question: Do organizers of these recreational activities have a great sense of responsibility for the safety of the lives of the people? Should those who neglected their duties and were chiefly responsible for an accident be punished according to law and discipline?

Sima Xiangru, a man of letters of the Han Dynasty, said: "Those who have foresight can see approaching trouble, and those who are wise can avoid hidden danger. Troubles cannot be easily seen and we fall into them once we are careless." As a matter of fact, accidents like those mentioned above are by no means hidden or difficult to foresee. If leaders concerned really attach great importance to the safety of the lives of the people, it will not be difficult for them to "see approaching troubles" or to "avoid hidden danger" like "wise" people. Not long ago, another scenic spot, "Mutianyu Great Wall section," was opened to tourists, the Beijing Public Security Communications Administrative Bureau has told the public in good time: People who go to visit the place by car must apply for tourist permits. We should advocate the bureau's work style and work method of thinking of problems and taking preventive measures.

It is now the end of spring and the beginning of summer and the weather is fine. There are numerous people in scenic spots in various localities. In arranging and organizing sightseeing activities, leaders of departments and organizations concerned must give full consideration to safety. Bear in mind that anything involving human life is to be treated with utmost care and no negligence is permitted!

LIN BIAO, JIANG QING CITED TO DEFINE SUBVERSION

OW141329 Beijing Domestic Service in Mandarin 0245 GMT 13 May 86

[From the "legal system" program: "Common Knowledge on Criminal Law, No 50: What Is the 'Crime of Plotting To Subvert the Government?'"]

[Excerpts] On 20 November 1980, the 10 major felons of the case of the Lin Biao and Jiang Qing counterrevolutionary cliques were brought to the historical tribunal and tried by the people. After examining the cases of the felons, and on the basis of Article 92 of China's Criminal Law, the special tribunal of the Supreme People's Court concluded that, with the exception of a few, all other felons in the case were guilty of the crime of plotting to subvert the government

The crime of plotting to subvert the government refers to plotting to overthrow the people's government and usurp state leadership.

The term people's government here refers to the central people's government, which is the state's highest administrative organ, whose safety has a close bearing on the future and destiny of our country and the success or failure of our socialist cause. Plotting to subvert the people's government and usurp state leadership refers to subverting the people's government and usurping state leadership by means of counterrevolutionary violence. It also refers to plotting to use peaceful evolution to cause the people's government to degenerate, making it a tool of the dictatorship of landlords and the bourgeoisie, after part of the state leadership has been usurped.

The Lin Biao counterrevolutionary clique's plan for carrying out a counterrevolutionary armed coup d'etat aimed at taking over national political power. However, it also did not forget the overthrow of the local people's governments, knowing that it was not easy to overthrow the central people's government. To achieve its ultimate goal of overthrowing the government, which exercised the dictatorship of the proletariat, as well as the socialist system, and to achieve its counterrevolutionary restoration plot throughout the country, in many cases the clique began by setting up counterrevolutionary separatist strongholds, overthrowing the local people's governments and usurping their political power.

Actual results in subverting the government are not needed to substantiate the crime of plotting to subvert the government. The felon will be found guilty of this crime as long as it has been ascertained that he has conspired secretly to subvert the government.

The crime of plotting to subvert the government is primarily a crime committed by careerists and schemers who occupy relatively high positions in party and state organs, and who have relatively great social influence. The crime of plotting to subvert the government is even more deceptive and destructive than the subversion carried out by other class enemies. According to Article 92 and Article 103 of the Criminal Law, whoever is found guilty of plotting to subvert the government is to be sentenced to life imprisonment, and may be sentenced to death when the harm to the state and the people is especially serious and the circumstances especially odious.

JIEFANGJUN BAO ON SELF-CRITICISM IN ARMY

OW080606 Beijing Domestic Service in Mandarin 2130 GMT 7 May 86

[Text] JIEFANGJUN BAO carried a commentator's article on the first page reiterating that the effort to create a good atmosphere is one of the fundamental goals of party rectification in the Army. The article holds that one of the important means to reach that goal is to conduct frequent and active criticism and self-criticism in the Army, since criticism and self-criticism is tantamount to good atmosphere and the only and efficient path leading to all good atmosphere.

SHANGHAI LEADER AT CULTURAL DEVELOPMENT MEETING

OW141128 Shanghai City Service in Mandarin 0000 GMT 14 May 86

[Excerpt] The Shanghai symposium on strategy for Shanghai's cultural development held a plenary session yesterday to hear some speeches. Xie Lijuan, vice mayor of Shanghai, and Shu Wen, vice chairman of the Shanghai Municipal People's Congress Standing Committee, chaired the morning and afternoon sessions. Gao Zhanxiang, vice minister of culture, and Rui Xingwen and Huang Ju, respectively secretary and deputy secretary of the Shanghai municpal party committee, attended yesterday's session.

Speaking at the session, Xia Yan, vice chairman of the China Federation of Literary and Art Circles, pointed out: The strategy for Shanghai's cultural development must be compatible with the strategy for Shanghai's economic development approved by the State Council; it must also be compatible with the nation's objective of quadrupling gross industrial and agricultural output value by the year 2000. Proceeding from its actual situation, Shanghai must oppose conservatism, but it must also guard against rashness. After analyzing Shanghai, past and present situation, Xia Yan urged Shanghai to give full scope to its advantages so that Shanghai can lead other parts of the country in cultural development.

SHANGHAI MILITIA TRANSFERRED TO LOCAL GOVERNMENT

OW060949 Shanghai City Service in Mandarin 0000 GMT 6 May 86

[Text] On the morning of 5 May, the Shanghai Municipal CPC Committee, the Municipal People's Government, and the Shanghai Garrison held a signing ceremony on transferring the Nanshi District People's Armed Forces Department, the first pilot unit to be transferred in Shanghai, to local administration. Attending the signing ceremony were: Ba Zhongtran, commander, and (Xiang Shourong), chief of staff, of the Shanghai Garrison; Qian Zuezhong, vice chairman of the Armed Forces Committee of the municipal CPC Committee and secretary general of the municipal People's Government; as well as party and government leaders of Nanshi District.

Formerly under the command of the military adminstratively, the Nanshi District People's Armed Forces Department has now been put under the command of the district party committe and the district government. After transfer, the district armed forces department will become an independent military organ under the dual leadership of the local authorities and the military.

BRIEFS

ZHEJIANG SATELLITE GROUND STATIONS — The cities, prefectures and counties in Zhejiang will successively build a network of satellite ground receiving stations to receive and relay educational and other programs transmitted by the Central Television Station via satellite, according to a provincial meeting on public health and education which ended in Tonglu County on 29 April. This year, China has obtained, by renting and buying, a total of three satellite transmitters. They will be used by the Central Television Station to open education and economic information channels in addition to its current programs. The educational television programs will start on a trial basis on 1 July this year and remain on the air for 17 hours each day. A satellite ground receiving station has just been completed in Tonglu County. Participants of the meeting wanted to build one in their respective localities as soon as possible. [Summary] [Hangzhou Zhejiang Provincial Service in Mandarin 1000 GMT 29 Apr 86 OW]

BEIJING: MAYOR ON REFORMS TO REMEDY SERVICE PROBLEMS

OW141849 Beijing XINHUA in English 1514 GMT 14 May 86

[Text] Beijing, May 14 (XINHUA) -- Beijing Mayor Chen Xitong said here today the remedy to the problems in Beijing's services sector is the continuation of reforms. Chen noted that the poor services here are mainly due to "inadequate implementation of the responsibility system," the main feature of the reforms carried out in China in recent years. To tackle the problems, he said, there is the need for the service trades to resume pursuing the system, which boosts staff enthusiasm for work by relating their income directly to the management oftheir enterprises.

The mayor was making an address in response to criticism of Beijing's services by a group of delegates to last month's National People's Congress here. This news agency released a story in Chinese and English about the complaints of Beijing residents. The Chinese version was published in full in the BEIJING DAILY today.

The mayor added that Beijing's increasing population, especially those pouring into the city from other regions, has made "intolerable" demands on Beijing's commerce and services network. The city now has a population of more than nine million, with a transient population of about one million every day, he said. According to Chen, other factors responsible for poor services include inadequate consideration for the problems of service workers, unreasonable prices for some commodities, and inadequate training for those who have entered service trades in recent years.

XING CHONGZHI ATTENDS HEBEI CPPCC CLOSING SESSION

SK140725 Shijiazhuang HEBEI RIBAO in Chinese 30 Apr 86 p 1

[Excerpts] After successfully accomplishing all items on the agenda, the Fourth Session of the Fifth Hebei Provincial CPPCC Committee concluded on the afternoon of 29 April.

Present at the closing ceremony to congratulate the successful conclusion of the session were some leading comrades of the party, government, and army, including Xing Chongzhi, Xie Feng, Li Wenshan, Yang Zejiang, Zhang Chao, Ye Liansong, Lu Chanzan, Chen Yujie, Du Benjie, Wang Youhui, and Dong Xuelin.

Among those invited to attend the closing ceremony were Liu Zhenhua, Han Shufan, Liu Kedong, and Jiang Shougui, members of the National CPPCC Committee; and Jia Qiyun and Lu Zhiguo, former vice chairmen of the provincial CPPCC Committee.

Seated at the rostrum were Yin Zhe, chairman of the provincial CPPCC Committee; Zhang Ruolin, Bai Tieshi, Chen Lintang, Ma Zhouzhou, Wang Enduo, May Xinyun, Liu Zongyao, and Du Jingyi, vice chairmen of the provincial CPPCC Committee; and Wang Shusen, secretary general of the provincial CPPCC Committee.

Xu Chunxing, vice chairman of the provincial CPPCC Committee, presided over the closing ceremony. Voting, by a show of hands, the session unanimously elected Wang Shusen as Standing Committee member and secretary general of the provincial CPPCC Committee. Amid warm applause, Wang Shusen stood up from his seat to greet all CPPCC members. Before the election, Xu Chunxing, vice chairman of the provincial CPPCC Committee, explained to the CPPCC members participating in the session the fact that Shi Xizhi had voluntarily requested that he be allowed to resign from the post of secretary general of the provincial CPPCC Committee in order to implement the instruction of the central authorities on ensuring that the ranks of cadres become more revolutionary, younger in average age, better educated, and more professionally competent.

When undertaking the post of secretary general of the provincial CPPCC Committee, Shi Xizhi enjoyed the respect of the people for working hard and making notable achievements. At that time, the CPPCC members warmly applauded to extend their heartfelt respect for him.

After that, the session adopted a resolution on the political work made by the fourth session of the fifth provincial CPPCC Committee, a resolution on the report on the work of the provincial CPPCC Committee Standing Committee, and a report on the situation in examining the motions of the fourth session of the fifth provincial CPPCC Committee.

After accomplishing all the items on the agenda, Li Wenshan, deputy secretary of the provincial CPC Committee, delivered a speech at the session. Yin Zhe, chairman of the provincial CPPCC Committee, was the last to make a speech.

XING CHONGZHI ATTENDS HEBEI DEMOCRATIC PARTY FORUM

SK140858 Shijiazhuang HEBEI RIBAO in Chinese 29 Apr 86 p 1

[Text] On the morning of 27 April, the provincial CPC Committee held a forum of responsible persons of various democratic parties and mass organizations to discuss the issue of choosing candidates for the governor and vice governors of the provincial people's government through supplementary elections at the fourth session of the sixth provincial People's Congress. The forum was presided over by Xing Chongzhi, secretary of provincial CPC Committee. The forum participants freely aired their views, unanimously agreed with the provincial CPC Committee's proposed candidates for the governor and vice governors, and put forward many demands and suggestions on the work of the provincial CPC Committee and government.

NI ZHIFU ATTENDS TIANJIN PEOPLE'S CONGRESS SESSION

SK140742 Tianjin TIANJIN RIBAO in Chinese 27 Apr 86 p 1

[Excerpt] The 5th Session of the 10th municipal People's Congress held a meeting on the afternoon of 26 April. Ni Zhifu, Wu Zhen, and Zhang Zaiwang attended the meeting. Executive chairmen of the meeting were Zhang Huaisan, Chen Bing, Yang Jianbai, Zhu Liangcheng, Sun Zhiqiang, Liu Qiurong (female), Yang Tianshou, Yang Xiaopeng, Zhang Chung, Zhang Delin, Zhou Xinghua, Ge Tonghuan, Dong Jianhua, Xie Jinsheng, Teng Weizao, and Yan Tingzhen. The meeting was presided over by Yang Jianbai, an executive chairman of the meeting.

Bai Hua, vice chairman of the municipal People's Congress Standing Committee, delivered a work report of the municipal People's Congress Standing Committee. Entrusted by Wang Yongchen, president of the municipal Higher People's Court, Song Xinchung, vice president of the municipal Higher People's Court. Liang Guoqing, chief procurator of the muncipal People's Procuratorate, delivered a work report of the municipal People's Procuratorate.

TIANJIN: NI ZHIFU EXAMINES EXPORTS EXHIBITION

SK140900 Tianjin TIANJIN RIBAO in Chinese 28 Apr 86 p 1

[Excerpts] "There is a galaxy of brand-name and quality products on display and the designs of the exhibits are quite new." This was an evaluation of the people for the export commodities displayed at the 2-day municipal preliminary exhibition.

These commodities will soon be displayed at the Hong Kong export commodities sales exhibition. On 26 and 27 April, Ni Zhifu, Li Ruihuan, Wu Zhen, Nie Bichu, and other leading comrades of the municipal CPC Committee, the municipal Advisory Commission, the municipal People's Congress, the municipal government and the municipal CPPCC Committee examined the exhibits at the preliminary exhibition.

With the approval of the Ministry of Foreign Economic Relations and Trade, our municipality will sponsor its first export commodities sales exhibition in Hong Kong from 22 to 28 July. The sales exhibition will enable foreign friends and the broad masses of traders to further understand Tianjin's achievements and the new level which the export commodities have attained under the new situation in which the policy of vitalizing the domestic economy and opening to the outside world is being implemented; deepen the production departments' understanding of the foreign market situation; further expand the municipality's production of export products; and enhance the competitiveness of export products on international markets.

More than 108 municipal industrial companies will participate in this sales exhibition. After 5 months of tense preparations, we have provided nearly 2,800 varieties of products for the sales exhibition. The preliminary exhibition for the sales exhibition came to an end yesterday.

TIANJIN LENIENCY RALLY HELD FOR CRIMINALS

SK140902 Tianjin TIANJIN RIBAO in Chinese 1 May 86 p 1

[Excerpts] On the morning of 30 April, the municipality held a rally at first palace to give leniency to those criminals who surrendered to the police during the anti-stealing campaign. At the rally, the branch of the municipal People's Procuratorate announced the decision to give leniency to four thieves who voluntarily surrendered to the police and grant them immunity from prosecution.

Vice Mayor Lu Xuezheng spoke at the rally. He said: The party and the government mean what they say. All those who have committed thefts and other crimes, no matter how serious their crimes are, will be treated leniently in accordance with the spirit of "giving leniency to those who confess their crimes," so long as they surrender to the public security authorities and confess their crimes within the time limits set by the government.'

"He said: Since 1 April when the "notice" of the municipal Public Security Bureau was promulgated, the municipality's anti-stealing campaign has developed strong momentum and achieved marked results. Under the deterrent of the people's democratic dictatorship and the influence of the party's policies, more than 5,000 law breakers have surrendered to the police. The large number of the masses have supported and coordinated with the public security departments to seize and hand over a total of 1,076 criminals to the police. During the anti-stealing campaign, the public security organs have cracked 1,939 stealing cases, recovered large amounts of illicit money and property, and retrieved more than 4.947 million yuan of economic losses. Responsible persons of the municipal CPC Committee, the municipal People's Congress Standing Committee and the municipal People's Government attended the rally.

GANSU REGULATIONS DEFINE SPECULATIVE ACTIVITIES

HK080325 Lanzhou Gansu Provincial Service in Mandarin 2200 GMT 7 May 86

[Text] To curb illegal speculative activities, protect legitimate dealings, and uphold socialist economic order, the provincial industry and commerce administrative bureau recently issued provisional regulations on investigating and dealing with illegal economic activities. The regulations list in detail 12 kinds of activities that come under the category of speculation, together with the methods of dealing with them including fines, confiscation, enterprise consolidation, and so on.

The circular points out: Reselling material allocated under mandatory state plans for profit; reselling materials whose unrestricted purchase and sale is forbidden by the state, such as banned goods, contraband, illegal medicines, and reactionary and pornographic material including literature and pictures for profit; buying commodities in bulk from the state retail shops in extremely short supply and reselling them for profit; reselling bank certificates, foreign currency and exchange, and Overseas Chinese and foreign certificates for profit; reselling and dealing in cultural relics at profit; and diverting commodities earmarked for export to the domestic market -- all these activities come under the category of speculation, and we must resolutely crack down on them and deal with them severely.

SHAANXI COMMENTARY ON POWER ABUSE FOR PRIVATE GAINS

HK090253 Xian Shaanxi Provincial Service in Mandarin 2330 GMT 7 May 86

[Station commentary: "Abuse of Power for Private Interests Is the Core of Sectoral Malpractices"]

[Excerpts] Curbing sectoral malpractices is an important hallmark of straightening out party style and checking the ongoing development of unhealthy trends. In the wake of checking the development of unhealthy trends, the problems disclosed in all aspects bear sectoral characteristics to a very great extent. The situation in the work of the different sectors varies greatly and their work style is also different. If we want to correct the unhealthy trends of all fronts, trades, and professions, we cannot use a single standard, set a unified demand, and apply a single method. In the light of the realities of the different trades and professions, we must grasp the unhealthy trends which bear sectoral characteristics. We can then penetratingly carry out the work of correcting such trends.

To eliminate sectoral malpractices, we must stress curbing the unhealthy trends of taking advantage of functions and powers, practicing fraud, extortion, entrapping the masses, and pursuing private ends. In our socialist country, people engage in thousands of trades and professions. The aim of the thousands of trades and professions is to serve the masses' production and livelihood. The workers of all trades and professions are to serve the people. Those who are faithful to their duties, perform their duties, and seek the interests of the people are welcomed by the masses. This can promote close ties between the party and the masses. The great majority of the workers of all trades and professions act in this way.

However, due to historical reasons and under the influence of capitalist ideology, some trades and professions have one problem or another.

For instance, those who control water close sluice-gates stop water supply at will; those who control electricity pull the plug at will to stop electricity supply; those who control the market confiscate goods and impose fines at will, and so on. The core of this overbearing work style which has sectoral characteristics is to take advantage of the power vested by the people to pursue private ends and to act wildly in defiance of the law or public opinion. The work of serving the people is turned into measures for entrapping the masses. This ideology, work style, and behavior are not allowed by the party discipline and state law and are opposed by the great majority of the workers of all trades and professions.

To get rid of sectoral malpractices, leaders must take the lead. In places and units which have serious sectoral malpractices, the problem is often something to do with their leaders who are contaminated by bad work style. Some people do not consider a problem or work from the standpoint of the party and state but only take the partial interests of their units into consideration. Some people regard the system and unit under their leadership as their individual kingdom and act like a tyrant or overlord. They accept gifts, take commissions, and even extort and accept bribes and reap ill-gotten gains. Regarding the problems of these people who hold leadership posts, if we do not strictly investigate and deal with them, the unhealthy trends which have sectoral characteristics can hardly be corrected. Therefore, we must strictly investigate and deal with the problems of sectoral malpractices occurring among leaders. We must investigate and deal with those who take advantage of power to seek personal gain, whoever they may be. We must deal with them in the way they deserve. We must conduct education in discipline, in professional ethics, and in serving the people for the great majority of workers.

To eliminate sectoral malpractices, we must take action and work in a down-to-earth manner. Only by eliminating sectoral malpractices can we promote the basic improvement of party style and general mood of society and the development of all undertakings.

SHAANXI: DEVELOPMENT OF LATERAL ECONOMIC TIES URGED

HK050621 Xian Shaanxi Provincial Service in Mandarin 2330 GMT 4 May 86

[Radio talk: "Study and Popularize Experiences of Baoji, Promote Development of Lateral Economic Ties and Integration of Urban and Rural Areas"]

[Text] Facing the new situation of economic reform in both the urban and rural areas, the party and government leaders of Baoji City made the best use of the situation and promoted the practice of transferring industry, science and technology to the rural areas which delivered agricultural and sideline products, as well as peasants' labor and funds into cities. They advocated the slogan of two downs, two ups and one construction, which aims at building small towns. This is an effective measure for continuing to develop lateral economic ties, promoting exchanges between the urban and rural areas, and promoting economic development of the urban and rural areas. Once this measure was taken, both the urban and rural areas were integrated. This has achieved the aim of putting counties under the jurisdiction of cities and giving full play to the cities' role of being the center, as well as the counties' role of being the grass roots. Therefore, the provincial CPC Committee and the provincial government believe that Baoji's experiences are very significant in connection with the present situation, and should be greatly popularized throughout the province.

In order to learn from Baoji's experiences we must first study ways of boldly breaking away from the outmoded concepts of restricting the work to regions and departments when handling matters. Also, we must study innovative ways of implementing the central principles and policies.

Second, we must master the skill of judging from the overall situation and grasping the focal point. We must take the development of lateral economic ties and the promotion of integration of the urban and rural areas as an important task concerning the overall situation. That is, we must grasp this focal point.

Third, we must study their ideology and work style in which leadership means service. The leading comrades of the city CPC Committee and city government took the lead in offering services at the grass roots, in enterprises and at the forefront of production. They solved problems for comrades at the grass roots in a down-to-earth manner. They helped comrades find the best solutions and made on-the-spot decisions. This is an important part of promoting the leader's work.

Judging from the province as a whole, the work of popularizing Baoji's experiences also gives us a great deal of enlightenment. That is, we must attach great importance to the work of medium-sized cities. Generally speaking, the province's medium-sized cities must have a number of large and medium-sized industrial enterprises, have rather strong technological and educational forces, and be easily accessed. They should be the commercial and trading centers of nearby areas, and occupy an important position in the province's national economy. Compared to the large cities, they should have room for management development, and use it to advantage. Therefore, strengthening the building of medium-sized cities, and promoting reforms and the economic construction of these cities will inevitably bring good results in the development of the whole national economy. We expect that more good examples will be developed in the course implementing reforms.

XINJIANG COMMENTARY PROMOTES NATIONALITY SOLIDARITY

HK040448 Urumqi Xinjiang Regional Service in Mandarin 0000 GMT 4 May 86

[Station commentary: "Learn the Experiences of Zepu and Raise Nationality Solidarity to a New Level"]

[Excerpts] Learning Zepu's experiences and launching a regionwide drive to create model units in nationality solidarity is bound to play a tremendous role and have a far-reaching influence in developing the excellent situation in nationality solidarity in the region and in promoting the great business of developing and building Xinjiang.

The effort to create model units in nationality solidarity can make nationality solidarity work a regular and systematic affair. Xinjiang has scored tremendous achievements in this work since the 3d Plenary Session of the 11th CPC Central Committee, and especially in recent years. However, we should also realize that some places and units have not yet assigned this work a regular and important place on their agenda. The work is sometimes grasped tightly and sometimes slackened. The practice of Zepu proves that launching an extensive drive to create model units in nationality solidarity can change this state of affairs and ensure that nationality work can proceed in an organized, thorough and sustained way under leadership.

The fundamental interest of the people of all nationalities lies in strengthening nationality unity. It is the common cause of all nationalities. Only if all levels and sectors are mobilized can we form a situation in which everyone thinks of nationality solidarity and work to promote it through good deeds. A social atmosphere can be created in which the people of all nationalities trust, respect, support, learn from, and make allowances for each other.

COMMENTARY EXAMINES PILOT'S DEFECTION, 'VETERAN SYNDROME'

HK131014 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1224 GMT 11 May 86

[Commentary by He Shan: "Wang Hsi-chueh and the 'Veteran Syndrome'"]

[Text] Hong Kong, 11 May (ZHONGGUO TONGXUN SHE) -- In order to visit his aged father after a separation of over 40 years, Wang Hsi-chueh, a China Airlines pilot, flew a jet to Mainland China, causing quite a shock in Taiwan. Some public opinion holds that this kind of "homesickness" is not an individual phenomenon but a demonstration of the "veteran syndrome" which is now epidemic in Taiwan.

A few days ago, while addressing an urgent inquiry to the "Executive Yuan," Hsieh Hsueh-hsien, a "legislator" in Taiwan, pointed out that longing to visit relatives in Mainland China is a popular sentiment among people in Taiwan who are from various provinces in Mainland China. Since some of them had already visited their relatives on the mainland using other channels and the majority of these people have returned to Taiwan after the visit, he suggested that based on humanitarian grounds the authorities should allow people from various provinces in Mainland China to visit relatives in their hometowns and appropriately open person-to-person relations. Otherwise, the losses will outweigh the gains when popular discontent is stirred up, or "illegal acts" similar to the China Airlines incident will happen again.

Wang Hsi-chueh is a senior China Airlines pilot. According to newspapers in Taiwan, he once studied in the air force's junior training school and military academy and was an Air Force officer for several decades. He flew a U2 spy plane to penetrate into the mainland to carry out high-altitude reconnaissance flights on many occasions. Due to his outstanding performance, he was once summoned by Chiang Kai-shek and "had a photo taken together with him." After he joined China Airlines, he got a monthly salary of as much as 150,000 new Taiwan currency. He also enjoyed quite a happy family life. Since he had a situation envied by most of his colleagues, it is really incomprehensible that he determinedly returned to the mainland where conditions are relatively poor and asked to settle there. Nevertheless, this incomprehensible thing did happen. Maybe it was because he missed his hometown and relatives on the mainland too much, as he said at a press conference in Guangzhou. This is quite natural and normal in human relationships.

At present, there are still thousands upon thousands of veteran soldiers originating from various provinces in Taiwan. Like Wang Hsi-chueh, they left their hometowns at a very young age and came to Taiwan with the army. They have not seen their relatives on the mainland for over 30 years and still do not have any hope of being together with them. In addition to having no way to visit their hometowns, they are also prevented from corresponding with their relatives. Some of them who have some means can make use of their trips to foreign countries to meet their relatives abroad or directly visit their hometown at the risk of being punished after returning to Taiwan. However, those who do not have the means to make a trip to a foreign country, either resign themselves to their fate and die in grief or commit suicide after contracting diseases do to homesickness. Nevertheless, some of them take the plunge in desperation and risk their lives to find various means to fulfill their wishes.

Since the beginning of this year, press circles in Taiwan have made many appeals to the authorities to work our feasible methods to let relatives on both sides of the Taiwan Strait meet. Not long ago, the Gaoxiong City Board submitted a motion to the "Judicial Ministry" in Taiwan asking the authorities to allow residents in Taiwan "to correspond with their relatives on the mainland to pacify homesick feelings."

It should not be difficult to satisfy these humanitarian and ethical demands. Moreover, the authorities on the mainland have announced on many occasions that Taiwan compatriots are welcome to visit relatives and friends and travel on the mainland, and are free to go or stay. It seems that the best solution for the Taiwan authorities is to comply with the popular feeling and adopt measures to correctly handle the "veteran syndrome" as soon as possible.

ZHONGGUO TONGXUN SHE ON TAIWAN NUCLEAR PLANT FIRE

HK150537 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1031 GMT 14 May 86

[Report; Taiwan's No 3 Nuclear Power Plant Incident Proved To Be the Result of Design Errors"]

[Text] Hong Kong, 14 May (ZHONGGUO TONGXUN SHE) — A source from Taipei indicates that the main cause of the fire at the No 1 machine of Taiwan's No 3 nuclear power plant on 7 July last year was major design errors in the gas turbine made by the U.S. Giyi [1142 8381] Company.

According to what the specialists of the Atomic Energy Committee of the Executive Yuan revealed the design errors were that the frequency of the mechanic natural vibration of the generating system was not up to design standard and that the frequency of the natural vibration of the low pressure gas turbine was too lose to that of other machines. As a result, resonance occurred and the main axis, the vanes of the low pressure gas turbine, and the hydrogen seal ring were damaged, causing hydrogen explosions which led to a big fire. In the course of investigation, they also discovered something wrong with the manufacture of the vanes of the low pressure gas turbine.

The specialists remarked that the No 2 machine of the plant has the same problems in spite of the recent adjustment of the frequency of the natural vibration of the low pressure gas turbine of the machine. The Taiwan Electric Power Company pointed out that it will take at least half a year to thoroughly correct the design errors. Therefore, the Taiwan Electric Power Company decided that before the generating vanes of the Nos 1 and 2 machines were thoroughly replaced, it would take an expedient measure of dismantling the last vane, and reduce the load and generating volume of the plant to ensure safety in electric generating.

CAAC OFFICIALS IN HONG KONG FOR TALKS ON CAL PLANE

HK150836 Beijing XINHUA Hong Kong Service in Chinese 0741 GMT 15 May 86

[Handwritten report]

[Text] Hong Kong, 15 May (XINHUA) — Our reporter has learned from Zhang Ruipu, manager of the Hong Kong office of the Civil Aviation Administration of China [CAAC], that the representatives commissioned by the CAAC are currently in Hong Kong and ready to open talks with the representatives of the China Airlines [CAL] on the handing over of the Boeing 747 cargo plane, the two crew members, and the cargo aboard. The CAAC representatives are now waiting for the CAL's official reply to the CAAC's telegraph dated 11 May.

YUAN EXAMINES GOVERNMENT ARMS SALES POLICY

OW090255 Taipei CNA in English 0238 GMT 9 May 86

[Text] Taipei, May 8 (CNA) — The nation's exports of military hardware is not aimed at earning money, but to boost the national interest as a whole, the Executive Yuan said Thursday. It is different from the arms sales of many other countries, it added. As arms sale is a sensitive international issue, the government has handled it with a special care to avoid affecting the nation's image and causing possible embarrassment in national diplomacy, the executive body said in a written reply to an interpellation of legislator Wu Chun-hsiung on the development of the national military industry and supply of accessories to military hardware.

It is the set national defense policy to combine public and private enterprises to jointly advance the national defense industry and raise standards of national defence technology, the Yuan said. The government has assisted to establish more than 390 satellite factories for the national arsenal. They have contributed greatly to boosting domestic industrial technology and economic development, the Yuan said. To assure supply of accessories to military hardware, the Yuan said the Defense Ministry has created a computer system to maintain control of stocks, and has often reviewed supply practices to improve the supply system.

NO RADIOACTIVE CONTAMINATION FOUND IN IMPORTED FOOD

OW141443 Taipei CNA in English 1402 GMT 14 May 86

[Text] Taipei, May 14 (CNA) -- An examination report shows that no sign of radioactive contamination so far has been found on the foodstuffs the Republic of China imports, says T.P. Wang, director general of the Bureau of Commodity Inspection and Quarantine. Examined food grains included barley, wheat, oat, maize, sesame, and cassava which are imported from Australia, New Zealand, the United States, Thailand, Sweden, Indonesia, India, Canada, Portugal, Hong Kong, South Africa, Japan, Nigeria, Sri Lanka, the United Kingdom, Uruguay, Paraguay, and Singapore.

Since 1973, Wang said, his bureau has cooperated with the nation's Tsing Hua University to engage in inspections for radioactive contamination on imported foodstuffs. During the period of Jan. 1985 till May 1986, all 84 examined cases have been found safe and with no sign of radioactive contamination. Wang made the statement in reply to legislator Hwa Ai's interpellation at a Legislative Yuan's Economic Committee meeting Wednesday.

FUJIAN OFFICIALS HOPE TALKS LEAD TO PRC-TAIWAN CONTACTS

HK150513 Hong Kong SOUTH CHINA MORNING POST in English 15 May 68 p 13

[By Ophelia Suen in Fuzhou]

[Text] A provincial official has forecast that the negotiations between CAL [China Airlines] and CAAC [Civil Aviation Administration of China] will encourage further co-operation between Taiwan and China.

The Fujian provincial head [as published] Mr Hu Ping, said of the airline talks: "This is a pleasing sign. We hope that via this matter, Taiwan can (in future) communicate with us." However, he added: "This is not a political issue, it is just an issue between two airline companies." He hoped that a solution satisfactory to both sides could be reached and that this would in turn "motivate cooperation across the Straits." Mr Hu was speaking with Hong Kong and Macao reporters after the opening of the Fifth Session of the Sixth Fujian Provincial People's Congress. About 480 congress members were present for the gathering, which was also attended by more than 600 officials from throughout the province. It is only the second time Hong Kong reporters have been invited to attend the congress. The current session, which is reviewing the Sixth Five-Year Plan (1980 to 1985) and discussing details of the Seventh 5-Year Plan, is due to end on May 22.

Referring to the historical differences between China and Taiwan, Mr Hu said he had visited an island close to Jinmen and found that the atmosphere there was "comparatively friendly." He noted that about 10,900 people from Taiwan visited Fujian last year through various channels. And there were daily contacts between fishermen from both states along the coast. Fujian has eight reception centres for fishermen from Taiwan, which have greatly boosted trade between the two areas.

HSIN WAN PAO ASSESSES SINO-U.S. ECONOMIC RELATIONS

HK130841 Hong Kong HSIN WAN PAO in Chinese 9 May 86 p 1

["New Talk" column: "There Will Be Further Development in Sino-U.S. Economic Relations"]

[Text] The sixth conference of the Sino-U.S. Joint Economic Committee was convened in Beijing yesterday. U.S. Treasury Secretary Baker led a delegation to the conference. Chinese President Li Xiannian met Baker before the opening of the conference. Li Xiannian said that China is resolute in implementing the policy of opening up to the world and that this policy will remain unchanged in this generation as well as in the next generation. He hoped that more U.S. industrialists will make investments in China.

The Sino-U.S. Joint Economic Committee Conference will discuss problems existing in economic cooperation between the two countries. The heads of the Chinese and U.S. delegations at the fifth conference in Washington last year had also been Wang Bingqian and Baker, the former being Chinese finance minister and the latter U.S. treasury secretary. At the conference last year, both sides exchanged views on macroeconomic management, investments, and credit, as well as problems concerning banking and finance.

Although there are some obstacles to Sino-U.S. economic cooperation, there has been gradual improvement year by year.

At the current conference of the Joint Economic Committee, the two finance ministers reviewed the following situations: 1) Bilateral trade amounted to $7.3 billion last year, about a 20 percent increase over the previous year. 2) By the end of last year, agreements already signed for U.S. merchants' direct investments in China total $2.1 billion and actual investments made exceed $1 billion, a 50 percent increase in 2 years. 3) There has been a marked rise in the sales of high technology products since the United States relaxed its limitations on the export of these products to China, and in addition the United States has taken a step forward in relaxing its limitations on technology transfers to China. 4) Sino-U.S. cooperation in the investment sphere has expanded from tourism and the production of light industrial products to the exploitation of coal, hydropower, offshore and onshore oil, and nonferrous metals as well as the development of aviation and the electronics industry.

The Sino-U.S. Joint Economic Committee holds a conference once a year, and so does the Sino-U.S. Joint Commerical and Trade Committee. The two committees are aimed at developing bilateral trade and strengthening economic cooperation between the two countries. As the two countries are different in terms of social systems, politics, history, culture, and economics, there are certainly difficulties in the course of promoting their cooperation. Imbalance in bilateral trade, imperfectness of China's law on foreign-related economy, and outmoded U.S. economic legislation and measures constitute obstacles to Sino-U.S. economic cooperation. It is necessary for both sides to take proper measures to remove these obstacles.

The expansion of Sino-U.S. trade and the development of Sino-U.S. economic cooperation is definitely beneficial to both sides. Their abnormal relations in the past decades have rapidly turned for the better over the last 3 to 5 years. AS for China's policy of opening up to the world, it is doubtless that the next generation will inherit it from the present generation. Li Xiannian's reiteration of this policy provides a major guarantee for China to carry out economic cooperation with various countries in the world, including the United States.

ABOLITION OF FOREIGN EXCHANGE CERTIFICATES ANALYZED

HK121118 Hong Kong TA KUNG PAO in Chinese 11 May 86 p 1

["Special feature" by Kan Wei: "Rumors in Guangzhou That Use of Foreign Exchange Certificates Will Cease at the End of the Year"]

[Text] What will be the fate of the foreign exchange certificates, which have been in circulation in China for 6 years? It seems that there will be an answer to this question soon. Not long ago, it was alleged in Guangzhou that the foreign exchange certificates would cease to be in use by the end of this year. This news is known to almost all and is consistent with the news in Beijing that the State Council is increasing preparations for the abolition of the foreign exchange certificates.

As far as the country is concerned, Guangdong and Fujian should be the two provinces with the greatest amounts of foreign exchange certificates in circulations. Most Overseas Chinese are from these two provinces and many of these Overseas Chinese still have family members there. Many Hong Kong and Macao compatriots also have relatives in these two provinces. In addition, because of their geographical proximity to Hong Kong and Macao, many tourists from Hong Kong and Macao visit or leave these two provinces each day. These people are users of foreign exchange certificates. The relatives of many Hong Kong and Macao compatriots and the families of many Overseas Chinese likely possess a very large amount of foreign exchange certificates. Will these people be effected by the abolition of the foreign exchange certificates? This is a question with which all holders of foreign exchange certificates are concerned.

The latest news from Beijing is that according to some authorities the state will protect the interests of holders of foreign exchange certificates when it announces their abolition and that the new measure adopted will not make things inconvenient for foreign visitors, Chinese naturalized in foreign countries, Overseas Chinese visiting the country and their relatives, or Hong Kong, Macao, and Taiwan compatriots.

This is something like a "notice to reassure the public." In principle, the value of the foreign exchange certificates is equal to that of renminbi notes. Macroeconomically, the purpose of the abolition of the foreign exchange certificates is to put an end to he abnormal phenomenon of the simultaneous circulation of more than one currency in the country and to eradicate the maladies resulting from it. Microeconomicallly, once the foreign exchange certificates are abolished, there will be the problem of clinging to the long-enforced policy that gives preferential treatment to holders of foreign exchange or, in other words, the problem of clinging to the preferential policy regarding overseas remittance.

The foreign exhcange certificates were issued several years ago to facilitate the enforcement of the opening up policy. It was assumed that on the one hand, the use of foreign exchange certificates could prevent the circulation of foreign currencies on the domestic market, the practice of fraudulently buying foreign exchange, and the buying and selling of foreign exchange on the black market and, on the other hand, given the foreign exchange certificates, the preferential policy regarding overseas remittance would remain unchanged, thus continuing to encourage the influx of foreign exchange. The effects of the circulation of foreign exchange certificates have been most significant in Guangdong and Fujian.

In the past, in Guangdong, Fujian, and many other parts of the country, there were shops selling special commodities and giving preferential treatment to Overseas Chinese and their families. Since foreign exchange certificates were put into circulation, similar shops have been established in various parts of the country. These shops give preferential treatment to customers using foreign currencies to buy commodities. For example, only foreign exchange certificates are accepted at the "friendship stores" in Guangzhou and other parts of the country, which sell expensive quality goods and which are frequented by families of Overseas Chinese and Hong Kong and Macao compatriots.

The goods sold there, such as household refrigerators, color televison sets, and other domestic electrical appliances, motorcycles, bicycles, high-quality furniture, and so on, are cheaper than those sold at ordinary shops. This is an effective way to encourage the flow of foreign exchange from the people to the government. So long as the local banks properly implement the measures for controlling the retention of foreign exchange by the enterprises, this is always an effective way to help the state earn more foreign exchange income.

In addition, the circulation of foreign exchange income can also help some Chinese-foreign joint ventures, such as hotels jointly run by Chinese and foreigners, recover their foreign exchange. For example, the hotels jointly run by Chinese and foreigners in Beijing, Guangzhou, and Shanghai mainly accept foreign exchange certificates. This can help foreign investors gradually recover their capital and make a profit. What will the "new measure be to replace the use of foreign exchange certificates" which is said to be under consideration?

Nothing is perfect. Since April 1980, when foreign exchange certificates were issued, undreamed-of adverse effects have indeed been observed throughout the country. Since people with foreign exchange certificates can buy high-quality consumer goods and since enterprises with foreign exchange certificates are allowed to withddraw their foreign exchange from the banks, foreign exchange certificates have become something much sought after and the illegal business of buying and selling foreign exchange certificates flourishes. This practice has spread all the way from the coastal cities to the inland cities and such far-off places as Xinjiang and Xizang. In the streets in Urumqi and Lhasa, there are always people ready to pay dearly for foreign exchange certificates. This practice, if unchecked, can disrupt the financial market and indirectly affect the people's livelihood.

Over the past few years, during the NPC and CPPCC sessions, many NPC deputies and CPPCC members, particularly those who are experienced economists, have focused their criticisms on the maladies resulting from the circulation of more than one currency in the country. In 1983, after listening to the opinions of various parties, the State Council began preparations for the abolition of foreign exchange certificates. However, according to some, because of various considerations and of the State Council's worry that the change may lead to some undesirable consequences, the plan has been shelved. In April this year, at the NPC and CPPCC sessions, the issue was mentioned again and critical views were aired by NPC deputies and CPPCC members. All this has prompted the central authorities to make up their minds.

On 3 April, at a press conference attended by Chinese and foreign reporters, Vice Premier Yao Yilin formally announced that the foreign exchange certificates would be abolished. However, he suggested that the preparations for the abolition of the foreign exchange certificates would be quite time-consuming. He said: "The abolition of the foreign exchange certificates would be beneficial to the development of China's foreign trade and tourism and to the intercourse and exchanges between China and other countries." "We have not decided when to abolish the foreign exchange certificates, but preparations are under way."

The abolition of the foreign exchange certificates, which have been in circulation for 6 years, will inevitably lead to some problems. This requires the specialists to carefully study the issue and to find something to replace them in order to avoid new problems. The hearsay in Guangzhou about the abolition of the foreign exchange certificates at the end of this year has yet to be verified or disproved by an official statement issued by the Bank of China.

PRC MEMBERS OF MACAO TALKS DELEGATION NAMED

HK141158 Hong Kong WEN WEI PO in Chinese 14 May 86 p 1

[Special dispatch from Beijing: "The First Round of Sino-Portugese Talks Will Be Held in Beijing"]

[Text] According to reliable sources, negotiations between China and Portugal on the question of Macao's future will begin either later this month or in early June. The first round of talks will be held in Beijing and subsequent sessions will be hold once every month. Head of the Chinese delegation is Zhou Nan, deputy minister of foreign affairs. The delegation will be composed of some four to five persons, and among those whose names are expected to figure in the list are: Ke Zhengping (NPC deputy and general manager of the Macao Nanguang Corporation, Shao Tianren (legal adviser at the Ministry of Foreign Affairs), Ke Zaishuo (director of the Hong Kong and Macao Affairs Office of the Ministry of Foreign Affars), Zhu Hua (director of the Third Department at the State Council's Hong Kong and Macao Affairs Office) and Zhao Jihua (deputy director of the Hong Kong and Macao Affairs Office at the Ministry of Foreign Affairs).

DAILY REPORT

CONTENTS

China

Vol I. No 095 16 May 1986

PRC INTERNATIONAL AFFAIRS

GENERAL

PRC Spokesman on Wu Xueqian's East Europe Visit A 1
PRC, USSR, Other Experts Discuss Nuclear Safety A 1
U.S. Says Soviet Arms Proposal Not New A 2
IAEA Welcomes Gorbachev Nuclear Cooperation Call A 2
PRC Representative Speaks to UNESCO Session A 3
CAAC Announces Plans To Buy 10 Jumbo Jets A 3
Cui Yueli on 'Health for All' Strategy A 3
IISS Reviews East-West Relations Prospects A 4

UNITED STATES

Further Reportage on Yao Yilin's Visit to U.S. B 1
Meets Reagan in Washington B 1
Hosts Official Dinner B 1
Co-chairs Trade Meeting B 2
Zhang Aiping Meets Haig Delegation 15 May B 2

SOVIET UNION

Gorbachev Calls for Cooperation on Nuclear Power C 1
Gorbachev Says USSR To Extend Nuclear Test Ban C 1
Gorbachev Agrees To Meet With Reagan Again C 2
Japan Reacts 'Cooly' to U.S.-USSR Hiroshima Talks C 2

NORTHEAST ASIA

Ni Zhifu-led Delegation Attends Banquet in DPRK D 1
Gu Mu Meets Japanese Group on Cooperation D 1

SOUTHEAST ASIA & PACIFIC

Deng Signs Order Honoring Soldiers on SRV Border E 1
Australia's Hawke Off to Japan, PRC, Philippines E 1
Hawke Interview on Upcoming PRC Visit E 2
Ji Pengfei Meets Visitors From Philippines E 2

WESTERN EUROPE

PRC, UK Sign Two Economic Agreements 16 May G 1
Ni Zhifu Meets French TU Delegation G 1

EASTERN EUROPE

RENMIN RIBAO on Bulgarian Economic Reform Measures [9 May] H 1
CSSR To Continue Nuclear Power Construction H 2

MIDDLE EAST & AFRICA

Libyan Special Envoy From Al-Qadhdhafi Visits PRC I 1
Meets Zhao Ziyang I 1
Holds Press Conference I 1
PRC Envoy in Togo Meets PLO's Yasir 'Arafat I 1
Hu Qili Meets Cameroon Assembly Delegation I 2
PRC Official Views Population Policy at Conference I 2

PRC NATIONAL AFFAIRS

Sophisticated Weapons Win Top State Awards K 1
Zhao Ziyang Attends Scientific Awards Meeting K 1
Space Expert on Planning for Space Stations K 3
World's Most Advanced Laser Developed in Tianjin K 4
LIAOWANG on Technological Import Practices K 5
[LIAOWANG OVERSEAS EDITION 5 May]
Research, Foreign S & T Imports To Continue K 9
Progress in Nuclear, Other Energy Fields Noted K 10
[LIAOWANG OVERSEAS EDITION 5 May]
Agricultural Production on 'Right Track' K 14
Article Comments on 1st Quarter Price Situation K 15
[LIAOWANG OVERSEAS EDITION 5 May]
Official Explains Drop in Department Store Sales K 17
Urban Residents' Savings at All-Time High K 17
State Council To Promulgate 162 New Laws in 1986 K 18
Labor, Wage, Job Assignment Reform To Continue K 18
Jia Shi Interviewed on Trade Promotion Council K 19
[RENMIN RIBAO 5 May]
Beijing Shelves 400 City Construction Projects K 21
'Huge Investment' in Port Facilities Planned K 21
[CHINA DAILY 9 May]
Agricultural Banks Carry Out Cooperation Programs K 22
Bo Yibo Visits Tibetan Students in Hunan School K 23
Li Peng Urges School Graduates To Become Teachers K 23
Zhu Houze, Rui Xingwen at Shanghai Ballet K 24
Xi Zhongxun at Beijing Calligraphy Exhibition K 25
Zhang Guangnian Meets Jiangxi Leaders K 25
Leaders Meet Badminton Cup Winners in Beijing K 25

PRC REGIONAL AFFAIRS

EAST REGION

Shandong: Six Zones Designated for Economic Development O 1
Briefs: Anhui Resources Development O 1

CENTRAL-SOUTH REGION

Guangdong Party Rectification Forum Held P 1
Guangxi's Chen Huiguang Outlines Journalists' Duty P 1
Hebei Elects New CPPCC Officials 14 May P 2
Hunan Fights Forced Sales of Unmarketable Goods P 2

SOUTHWEST REGION

Guizhou Commentary Urges Cadres To Study Marxism Q 1
Guizhou To Undertake 13 Major Projects in 5-Year Plan Q 1
Guizhou Secretary Attends Industrial Work Meeting Q 2
Sichuan Holds Meeting on Correcting Malpractices Q 2

PRC MEDIA ON TAIWAN AFFAIRS

Prospects for Taiwan-Mainland Relations Assessed U 1
[RENMIN RIBAO 5 May]

TAIWAN

CAAC, CAL To Negotiate on Plane, Crew 17 May V 1
Talks Representative Named V 1
CAL To Hold Mock Preparatory Talks V 1
CAL Official Queried V 1
Commentary Views 'Business Talks' V 2
AFP Analyzes Attitudes to Talks V 3
Editorial Advises Position for CAL V 4
[CHUNG-YANG JIH-PAO 16 May]

HONG KONG MEDIA ON CHINA

Deng Xiaoping Urges Rectification in Party Style W 1
[TA KUNG PAO 16 May]
PRC Culture Ministry Leadership, Policy Analyzed W 1
[CHING PAO 10 May]
Ji Pengfei Welcomes 'Different Views' on Hong Kong W 4
[SOUTH CHINA MORNING POST 16 May]

PRC SPOKESMAN ON WU XUEQIAN'S EAST EUROPE VISIT

OW141414 Beijing XINHUA Domestic Service in Chinese 1307 GMT 14 May 86

[Text] Beijing, 14 May (XINHUA) -- A Chinese delegation with He Kang, minister of agriculture, animal husbandry, and fishery, as leader, and Qi Huaiyuan, vice minister of foreign affairs, as deputy leader will attend a UN General Assembly special meeting is scheduled to take place in New York 27-31 May. This was announced by a spokesman of the Ministry of Foreign Affairs at a news briefing this afternoon. According to the spokesman, the meeting, the first special UN meeting to discuss Africa's economic problems, is being held in accordance with a resolution adopted by the 40th UN General Assembly. He added that the meeting will make an overall examination of the problems confronting Africa in its economic recovery and intermediate and long-term development.

Answering a reporter's question on whether or not Foreign Affairs Minister Wu Xueqian's East European tour indicates the thawing of Sino-Soviet relations, the spokesman said that Foreign Minister Wu Xueqian was invited to visit the Democratic Republic of Germany and Hungary, and the trip is to further promote the friendly ties between China and these two countries and to promote friendship between their people.

PRC, USSR, OTHER EXPERTS DISCUSS NUCLEAR SAFETY

OW151603 Beijing XINHUA in English 1552 GMT 15 May 86

[Text] Beijing, May 15 (XINHUA) -- Chinese and foreign experts attending an international meeting called today for further strengthening of nuclear instrumentation standardization to ensure nuclear safety. The appeal was made at the current Beijing meeting of the Technology Committee 45 of the International Electrotechnical Commission (IEC/TC 45) which opened here today. Nearly 100 delegates from all over the world, including six from the Soviet Union, will discuss and adopt in 19 working groups more than 50 draft standards concerning nuclear instrumentation, reactor instrumentation and radiation protection instrumentation. All the draft standards to be discussed are closely linked with the designing and building of nuclear power plants and will help promote safety in nuclear power plant operation.

The meeting will also discuss issues concerning radiation protection by nuclear power stations and dose monitoring. The discussion and adoption of draft standards on radiation protection instrumentation will help reduce environmental pollution, safeguarding health of workers as well as safety of nuclear power plants. A non-governmental international standardization organization, the International Electrotechnical Commission was founded in 1906, the earliest of its kind. The commission now boasts of 203 technology committees and subcommittees with more than 600 working groups and has issued 98 standards on nuclear instrumentation.

China joined the IEC in 1957.

Delegates attending the nine-day meeting are from the United States, France, Federal Germany, United Kingdom, Italy, Sweden, Switzerland, the Soviet Union and Japan. Fifty-three Chinese experts are also attending the meeting.

U.S. SAYS SOVIET ARMS PROPOSAL NOT NEW

OW151910 Beijing XINHUA in English 1903 GMT 15 May 86

[Text] Washington, May 15 (XINHUA) -- The United States today termed the latest Soviet arms control initiative as containing "no new, startling approaches" but a restatement of its past proposals. The Soviet Union this morning tabled a draft treaty on limiting medium-range nuclear weapons at a special session of the arms control talks in Geneva. Details, however, were not yet disclosed. White House spokesman Larry Speakes said, "Our initial scan and advice from our delegation indicate there are not any new and startling approaches in the Soviet proposal." "It appears at first glance to be a more formal modification of previous Soviet statements, but we will certainly analyze the proposal to see whether this constitutes constructive movement toward seeking common ground," Speakes said. He added, "We hope this would indicate that the Soviets are becoming serious about the arms control talks."

The issue of reducing medium-range nuclear missiles is one of the three areas at the Geneva arms reduction and space weapons talks between the United States and the Soviet Union, which entered the fifth round last week. The Soviet Union in the past called for a sharp reduction of U.S. and Soviet medium-range missiles in Europe without touching its mobile SS-20 missiles deployed in Asia. The United States, however, demanded global limits that would prevent the Soviet Union from shifting to Asia those SS-20s now targeted at Europe. Washington also rejected Soviet demands to cut British and French nuclear forces.

IAEA WELCOMES GORBACHEV NUCLEAR COOPERATION CALL

OW151437 Beijing XINHUA in English 1431 GMT 15 May 86

[Text] Vienna, May 15 (XINHUA) -- The International Atomic Energy Agency (IAEA) welcomes Soviet leader Mikhail Gorbachev's proposal for closer cooperation among all nations in exchanging information on nuclear power, an agency spokesman said today. Gorbachev, in a televised speech last night, suggested the creation of "a system of prompt warning and supply of information in the event of accidents and faults at nuclear power stations." In his first public assessment of the Chernobyl accident, Gorbvachev also called for an international conference in Vienna under the auspices of the IAEA to discuss safe development of nuclear power. The Soviets are providing radiation data daily to the IAEA under an agreement worked out during a visit to Moscow by Director-General Hans Blix of the 112-nation IAEA, a U.N. agency set up to promote the peaceful use of atomic energy. The agency spokesman said that a direct reaction to Gorbachev's initiative will be made after a board meeting next week.

In another development, Federal German Foreign Minister Hans-Dietrich Genscher has hailed Gorbachev's call for an international conference on nuclear power issues as "fundamentally positive." Genscher said in a radio speech today that the Soviet Union should be taken at its word and a conference on nuclear safety topics be set up as quickly as possible. He stressed that cooperation should extend to all areas of nuclear safety, including the offer of aid after accidents. Genscher's call echoed a proposal made by Chancellor Helmut Kohl last week for an international conference to stipulate unified safety standards for nuclear plants and procedures for exchanging information.

PRC REPRESENTATIVE SPEAKS TO UNESCO SESSION

OW140550 Beijing XINHUA in English 0539 GMT 14 May 86

[Text] Paris, May 13 (XINHA) -- International multilateral cooperation is indispensible for the maintenance of peace and the promotion of development, China's Permanent Representative to UNESCO, Lai Hanxuan, said today at the body's 124th session. Lai told the session of the United Nations Educational, Scientific and Cultural Organization (UNESCO) that China has always believed that it is in the interest of all countries to develop multilateral cooperation based on equality, dialogue and mutual understanding.

No international organization is perfect, Lai said, adding that UNESCO is undergoing internal reform not only because external pressures have forced it to do so, but because reform is necessary in order to revitalize and make relevant UNESCO's work. The Chinese representative said he regretted Britain's and Singapore's withdrawal from UNESCO, which worsened the difficult situation created by the resignation of the United States. But Lai said he believed the future of UNESCO is promising.

The 124th session opened May 7 at UNESCO's headquarters in Paris and is due to end May 23. The main topic is the difficulty caused by the withdrawal of Britain and Singapore, particularly the readjustment of the 1986-87 budget and further reduction of UNESCO's staff.

CAAC ANNOUNCES PLANS TO BUY 10 JUMBO JETS

OW141419 Beijing XINHUA in English 1401 GMT 14 May 86

[Text] Beijing, May 14 (XINHUA) -- The Civil Aviation Administration of China (CAAC), China's national flag carrier, has ordered 10 jumbo jets -- four Boeing 747s, four Boeing 767s and two airbus A310s -- this year, it was announced here today. A CAAC official said," This is part of the program to update and expand the fleet during the Seventh Five-Year Plan period (1986-1990)." He said the airline would continue to buy more jetliners and advanced navigation facilities to meet the growing needs of the domestic and international air services.

In March, CAAC concluded a contract worth 750 million U.S. dollars with the Boeing company of the United States. It signed a 100-million U.S. dollar contract with Airbus Industries last week. According to CAAC, eight Boeing aircraft are scheduled to be delivered from February 1987 to March 1990. They will go into service on international air routes from China to the United States, Singapore, European countries and some domestic cities as well. Two airbus A310s will be delivered in the third quarter of 1987, and will serve on international air routes from Shanghai to far-eastern regions, European countries and large cities in China. In addition to the big jetliners, CAAC has also imported 18 British-made airplanes -- 10 BAE-146s and eight short 360s to serve China's coastal open cities. It was learned that negotiations for aircraft deals are still under way between CAAC and manufacturers in Britain, Canada, France, the Netherlands and other countries.

CUI YUELI ON 'HEALTH FOR ALL' STRATEGY

OW072107 Beijing XINHUA in English 1550 GMT 7 May 86

[Text] Geneva, May 7 (XINHUA) -- Chinese Health Minister Cui Yueli today told the 39th World Health Assembly that the Chinese Government has reinforced measures to speed up attaining "health for all by the year 2000" in China.

Cui indicated that the "health for all" strategy, formulated by the World Health Organization (WHO), is a brilliant one and its implementation will be fruitful. "China is the world's most populous developing country, and its road to this strategic goal is an arduous one. However, we have carried out effective work toward this end and are continuing to do so," the health minister said.

Cui said from 1949 to 1985, the incidence of acute infectious diseases dropped from 20,000 to 800 per 100,000 people, a 96 percent decrease. Incidence and morbidity for other infectious or endemic diseases also have been reduced sharply to one-tenth or less of the levels prevailing in the early 1950s. The five major hygiene areas -- environmental, radiation, school, labor and food -- are now controlled by legislation, he added. "As a consequence of better disease control and hygiene conditions, people's health has improved," Cui told the assembly. He cited statistics showing the overall mortality rate has diminished from 25 per 1,000 in the 1950s to 6.7 per 1,000, and the infant mortality rate has gone from 200 per 1,000 to 34.7 per 1,000. Life expectancy has risen from 35 to 67.9 years. Cui attributed these achievements to the conscientious implementation of the "prevention first" policy, combining health work with mass movement, formulation of feasible plans and concrete measures for disease prevention and health care development, and heeding the development of manpower resources.

The Chinese minister detailed the following six measures that China will adopt to assure health prevention patterns continue in the future:

-- To complete and improve the nationwide urban and rural health network, reinforce dual county and village health care institutions, ensure sound management of funds, manpower and organization at the grassroot level.

-- To undertake the general immunization program in two stages, i.e. by 1988, the immunization coverage rate is to reach 85 percent throughout each province, and the same percentage by 1990 at the county level. In this way, measles, poliomyelitis, diptheria, pertussis and tetanus can be basically eradicated, while other diseases such as rabies, brucellosis, filariasis, malaria, endemic goiter and leprosy can be brought under control or wiped out.

-- To encourage health sectors to collaborate with agricultural and water conservancy departments to supply 80 percent of China's 800 million peasants with safe drinking water by 1990.

-- To strengthen health legislation and enforcement, implement supervision and management of environmental sanitation, occupational health, food hygiene, radiation protection and sanitation of public places. The country will enforce stricter regulations to license pharmaceutical production, to ban all false and inferior quality drugs and to strengthen drug administration.

-- To pay close attention to the 100 medical research projects on malignant tumors, viral hepatitis, epidemic hemorrhagic fever, cardio-cerebral-pulmonary-vascular disease, occupational diseases and birth control techniques, as well as research on new drugs. This will bring into full play the role of traditional medicine and pharmacology, as well as their integration with Western medicine.

-- To strengthen health education programs through intensive health campaigns centered on pest elimination and disease control, sanitation, afforestation, and environment beautification.

IISS REVIEWS EAST-WEST RELATIONS PROSPECTS

OW140052 Beijing in English 0032 GMT 14 May 86

[Text] London, May 14 (XINHUA) -- "Essentially the choice of East-West relations over the next two or three years would seem to lie between states of medium and high tension,'' -- this is one of the major conclusions drawn by the world-famous International Institute for Strategic Studies (IISS) in its latest review of the East-West relations. In its annual report "Strategic Survey 1985-1986" published here today, the London-based IISS says that "above all, 1985 was a year of expectations, many of them unfortunately still unrealized."

IISS Director Robert O'Neil told a London press conference on Monday that the accession of Mikhail Gorbachev to the Soviet leadership had brought "greater promise both internally and internationally. Yet the record of his first year shows that he is essentially a moderniser, not a reformer." He called attention to what the "strategic survey" says about the new Soviet leader: He "sees little wrong with the basic aims of his predecessors, but he believes strongly that they were clumsy, unimaginative and ineffective in the way they pursued their goals." "If the expectation of a positive change in Soviet attitudes under Gorbachev has been dimmed by the experience of the past year," says the survey, however, "the realisation should have dawned on the West that it now has to face a far more sophisticated and effective opponent that it has been for many years."

"The USSR's return to the arms-control negotiations in Geneva and the agreement by the leaders of the two superpowers to meet had fuelled expectations that a real improvement in East-West relations was imminent." Yet, as O'Neil noted, "though the summit meeting did not go badly, the glow faded quickly, the atmosphere has soured, and U.S.-Soviet controversy was high during the year."

Despite the summit meeting, there was no lack of confrontation between the U.S. and the U.S.S.R. in 1985 and early 1986, and "much of it centered around regional conflicts and which side was to blame for the various apparent impasses in Central America, Southern Africa, Ethiopia, the Middle East, Afghanistan and South-East Asia," says the strategic survey.

Commenting on the "grand design" of both Gorbachev and U.S. President Ronald Reagan on eliminating nuclear weapons, the IISS says, "To the extent that both leaders know that this goal is unrealizable, they merit the criticism of informed observers for peddling humbug to a gullible and hopeful public." And the basic incompatibility of the two proposed routes for achieving the goal -- banning nuclear weapons or deploying completely effective strategic defences -- "puts an end to any thought of rapid progress in this direction." Although many of the more optimistic expectations of 1985 have not been realized, the very fact, the IISS stresses, that "the two superpowers were once again engaged in serious negotiations showed that they both realized that there is no other way to manage East-West relations."

Another interesting conclusion the IISS reached on East-West relations is that "the balance between the two blocks has inclined in the latter's (West's) favour by what the U.S.S.R. calls 'objective reality'. The Soviet Union has found no new way to translate its military might into political gains" while the West has managed, in the IISS's view, to benefit from some radical changes, like those in Haiti and the Philippines.

FURTHER REPORTAGE ON YAO YILIN'S VISIT TO U.S.

Meets Reagan in Washington

OW160042 Beijing XINHUA in English 0025 GMT 16 May 86

[Text] Washington, May 15 (XINHUA) -- Expressing warm welcome to the visiting Chinese Vice Premier Yao Yilin, U.S. President Ronald Reagan told the Chinese guest that his visit is the continuation of a series of high-level mutual visits between the United States and China and is a symbol of the strength of the relations between them. Reagan met with Yao at the White House at 11 a.m. (local time) this morning. Yao arrived in Washington Wednesday to begin his 10-day official visit in the U.S. at the invitation of U.S. Vice President George Bush. It was learned that during the half hour conversation, both the host and the guest expressed the willingness and intention to further deepen mutual understanding to promote the stable and lasting development of the relations between the two countries.

Presidenbt Reagan briefed Vice Premier Yao on his recent meeting with the foreign ministers of the ASEAN countries at Bali, Indonesia, and the Tokyo economic summit.

Yao acquainted the U.S. President with the economic situation in China and its Seventh Five-Year Plan and its position on the question of Taiwan.

Among those present at the meeting from the U.S. side were: Vice President George Bush, Secretary of State George Shultz, Secretary of Commerce Malcolm Baldrige, White House Chief of Staff Donald Regan, Assistant Secretary of State Gaston Sigur, Ambassador to China Winston Lord.

Among those present from the Chinese side were Ambassador to the U.S. Han Xu and chief of the department of Americas and Oceania of the Foreign Ministry Zhang Wenpu.

Later, Yao called on Shultz at the State Department. It was learned that they exchanged views and explained their positions on a series of international problems, including a number of regional issues. Schultz gave a luncheon in honor of Yao and his party at which U.S. Secretary of Commerce Baldrige and Secretary of Labor William E. Brock III were also present.

Hosts Official Dinner

OW160712 Beijing XINHUA in English 0641 GMT 16 May 86

[Text] Washington, May 15, (XINHUA) -- Vice Premier of the Chinese State Council, Yao Yilin, who is on an official visit here, held a dinner tonight in the Chinese Embassy in honor of U.S. Secretary of Commerce Malcolm Baldrige. Chines and U.S. Government officials present at the dinner expressed good wishes over frequent toasts for the further development of economic relations.

Attending the dinner were high ranking officials from the U.S. departments of state and commerce. Chinese Ambassador Han Xu and Vice Minister of the Chinese State Planning Commission Gan Ziyu were also present. Earlier today Yao met U.S. congressional committee leaders. They discussed economic and trade relations and issues of mutual concern.

Co-chairs Trade Meeting

OW160220 Beijing XINHUA in English 0159 GMT 16 May 86

[Text] Washington, May 15 (XINHUA) -- The fourth meeting of the Sino-U.S. Joint Commission on Commerce and Trade opened here this morning with both sides expressing satisfaction over the steady development in their trade and economic cooperation. Chinese Vice-Premier Yao Yilin, who is now on an official visit here, and Malcolm Baldrige, U.S. secretary of commerce, co-chaired the opening session. In their opening speeches, the two chairmen, while reviewing progress in bilateral trade and economic and technological cooperation in the past year, examined the obstacles that should be removed, and discussed the prospects for further development of trade and cooperation in the coming year.

In his speech, Baldrige said that in the past year the United States and China witnessed a remarkable expansion of their bilateral economic ties. Trade and investment reached record levels. Many American and Chinese firms signed long-term agreements. However, he continued, in the United States, the free trade policy was fiercely challenged by protectionist sentiments in some segments of the private sector and in the Congress. In China, the economic reform program was tested by excessive demand for domestic capital and by a foreign trade deficit. Despite these challenges, the economies of the two countries remain on course, he added. In the year ahead, Baldrige said, "most importantly, we must oppose protectionism." He hoped that the two countries will try to work out a comprehensive and predictable legal framework for their bilateral commercial activities, and ensure that their bilateral economic agreements are carried out effectively.

Yao Yilin noted in his speech that the two-way Sino-U.S. trade volume totalled 7.3 billion U.S. dollars in 1985, an increase of 20 percent over 1984. With the bless [as received] of the agreement on Sino-U.S. industrial and technological cooperation, the four "work programs' signed by the two governments have been implemented successfully. By the end of 1985, direct American investment in China as shown in contracts reached 2.1 billion dollars and there are now more than 130 Sino-U.S. joint ventures in China. The Chinese vice premier expressed appreciation of the positive actions taken by the United States to improve its economic relations and trade with China, including the decision to simplify the procedure for approving transfer of technology to China, a lift of the embargo on assistance to China in the U.S. foreign aid act, and President Reagan's veto of the protectionist bill limiting imports of textiles.

Yao Yilin said that during the Seventh Five-Year Plan period (1986-1990), China will further develop its foreign, economic, trade and technical exchanges and will appropriately use more foreign funds in different forms. Referring to China's economic restructuring, Yao said, "China is undergoing great changes." He promised that China will steadily increase its economic ties and cooperation with other countries. After the opening session, the commission will hold group discussions on bilateral trade, investment, technology transfer, and industrial and technological cooperation.

ZHANG AIPING MEETS HAIG DELEGATION 15 May

OW151424 Beijing XINHUA in English 1416 GMT 15 May 86

[Excerpt] Beijing, May 15 (XINHUA) -- Zhang Aiping, state councillor and minister of national defence, met a delegation from the United Technologies Corporation (UTC), led by former U.S. Secretary of State Alexander Haig, and UTC Chairman Harry J. Gray, here this afternoon.

GORBACHEV CALLS FOR COOPERATION ON NUCLEAR POWER

OW141958 Beijing XINHUA in English 1923 GMT 14 May 86

[Text] Moscow, May 14 (XINHUA) -- Soviet leader Mikhail Gorbachev today said the Chernobyl nuclear accident has left nine people dead and 299 hospitalized, while calling for an international conference to discuss safe development of nuclear power. In his TV address tonight, Gorbachev revealed that a sudden burst of power during maintenance work on the fourth reactor caused the Chernobyl accident on April 26.

Gorbachev suggested the creation of an international regime of safe development of nuclear power on the basis of close cooperation of all nations dealing with nuclear power engineering, according to the official Soviet news agency TASS. "A system of prompt warning and supply of information in the event of accidents and faults at nuclear power stations ... should be established in the framework of the regime," the Soviet leader said. Gorbachev said, "Likewise it is necessary to adjust an international mechanism, both on a bilateral and new multilateral basis, for the speediest rendering of mutual assistance when dangerous situations emerge." "For the discussion of the entire range of matters it would be justifiable to convene a highly authoritative specialized international conference in Vienna under the auspices of the International Atomic Energy Agency," he said.

While saying it was too early to pass judgment on the causes of the Chernobyl disaster, Gorbachev added that the apparent cause was an unexpected power surge during a scheduled shutdown of the reactor before a hydrogen explosion.

GORBACHEV SAYS USSR TO EXTEND NUCLEAR TEST BAN

OW141857 Beijing XINHUA in English 1844 GMT 14 May 86

["Gorbachev Announces New Moratorium on Nuclear Testing" -- XINHUA headline]

[Text] Moscow, May 14 (XINHUA) -- Soviet leader Mikhail Gorbachev announced today he is extending a unilateral moratorium on nuclear testing until August 6 and renewed a call to U.S. President Reagan to meet him in a European city or Hiroshima to discuss a permanent test ban. He said in a nationally televised address, "The accident at Chernobyl showed again what an abyss will open if nuclear war befalls mankind," assessing the Chernobyl nuclear power plant disaster which occurred on April 26. "In conditions when the attention to nuclear matters increased, the Soviet Government ... has decided to extend its unilateral moratorium on nuclear tests till August 6 of this year," Gorbavchev said.

The announcement appeared to be a major Soviet diplomatic move since April 11 when Moscow announced it had ended its eight-month-old self-imposed ban on nuclear testing following one of Washington's detonations. The Soviet moratorium began on August 6, 1985, the day when the United States dropped its first atomic bomb on the Japanese city of Hiroshima 40 years ago. The moratorium, originally due to expire at the end of last year, was extended until March 31. Gorbachev then offered not to conduct any tests if the United States followed suit. Despite the scraping of the ban, Gorbachev said on May 2 that his country was "in no hurry to resume" nuclear tests and still wants an accord with the United States to end atomic explosions. The Soviet leader has repeatedly called upon President Reagan to hold a special summit in a European capital to discuss ways to ban nuclear testing.

GORBACHEV AGREES TO MEET WITH REAGAN AGAIN

OW160016 Beijing XINHUA in English 0051 GMT 16 May 86

[Text] Moscow, May 15 (XINHUA) -- Soviet leader Mikhail Gorbachev today agreed in principle to hold another meeting with U.S. President Ronald Reagan, stressing that the meeting should "bring a tangible practical result if only in one or two matters agitating the whole world." Gorbachev said that the meeting should also bring "an appropriate political atmosphere" in the international situation. He made the remarks during a meeting with American industrialist Armand Hammer and Doctor Robert Gale, a bone marrow specialist, the official news agency TASS reported. Hammer arrived here earlier this week with relief supplies for the victims of the April 26 Chernobyl nuclear accident, while Gale has been treating people injured by the accident. Gorbachev said his meeting with Reagan would be held neither on an American script nor a Soviet one. "A common platform with the orientation at a concrete result must be sought," he said. The Soviet leader said Soviet-U.S. relations have worsened as a result of the anti-Soviet campaign launched by Washington following the accident in Chernobyl. Gorbachev and Reagan agreed at last November's Geneva summit to meet again in Washington this year. After the U.S. air raid against Libya last month, Gorbachev said he would reconsider the meeting if the United States continued its military actions against Libya. In a nationally televised speech last night, Gorbachev proposed a special summit with Reagan in an European capital to discuss a permanent nuclear test ban. Reagan has rejected the proposal.

JAPAN REACTS 'COOLY' TO U.S.-USSR HIROSHIMA TALKS

OW151632 Beijing XINHUA in English 1523 GMT 15 May 86

[Excerpt] Tokyo, May 15 (XINHUA) -- Japan has reacted cooly to a Soviet proposal to hold summit talks with the United States in Hiroshima on a nuclear test ban, the KYODO NEWS SERVICE said Thursday. Japanese Prime Minister Yasuhiro Nakasone told reporters that it is more important for the two superpowers to negotiate for "a 50 percent reduction (intercontinental ballistic missiles), inspections for the nuclear testing ban and a concrete efficient way of achieving a nuclear arms ban." "It is necessary first to proceed with the Geneva arms control negotiations," the prime minister added.

Soviet Leader Mikhail Gorbachev Wednesday urged U.S. President Ronald Reagan to meet him "without delay" in Hiroshima or any European capital to discuss a nuclear test ban. "I confirm my proposal to President Reagan to meet without delay in the capital of any European state that will be pepared to accept us or, say, in Hiroshima, and to agree on a ban on nuclear testing," Gorbachev said in a televised address.

The Japanese Government, so far, has made no official comment on the Soviet proposal. Foreign Minister Shintaro Abe, who has been low-key on the issue, told a Diet foreign committee meeting Thursday that he does not believe President Reagan will simply accept Gorbachev's proposal. Meanwhile, Hiroshima and Nagasaki, the two Japanese cities that suffered nuclear attacks at the end of World War II, announced that they welcome Gorbachev's proposal.

NI ZHIFU-LED DELEGATION ATTENDS BANQUET IN DPRK

OW142322 Beijing XINHUA Domestic Service in Chinese 1350 GMT 13 May 86

[By reporter Gao Yaorong]

[Text] Pyongyang, 13 May (XINHUA) -- Zong Kewen, Chinese ambassador to Korea, gave a banquet at the Chinese Embassy tonight for the Chinese trade union delegation's visit to Korea and thanked the Korean comrades for the warm hospitality they had offered to the Chinese delegation.

Ni Zhifu, member of the Political Bureau of the CPC Central Committee, president of the All-China Federation of Trade Unions, and head of the Chinese trade union delegation; and Kim Pong-chu, chairman of the General Federation of Trade Unions of Korea Central Committee, both spoke at the banquet. Ni Zhifu said: Through its visit, the Chinese trade union delegation has further understood the tremendous achievements scored by the Korean working class and people in building socialism. These achievements are a mighty inspiration to the Chinese workers and people as well as a positive contribution to safeguarding peace in Asia and in the world.

Kim Pong-chu said: The Chinese trade union delegation's visit to Korea is a tremendous success. In a comradely atmosphere, They expressed their determination to fight shoulder to shoulder from now on. This visit has contributed a great deal to strengthening the relations of friendship and cooperation between the working classes and the trade union organizations of the two countries. He said that he would make strenuous efforts to further develop these relations of friendship.

Attending the banquet were So Yun-sok, member of the Workers Party of Korea [WPRK] Central Committee's Political Bureau and responsible secretary of the Pyongyang Municipal Party Committee; Hyon Chun-kuk; director of the WPRK International Department, and others.

After its arrival in Korea on 9 May, the Chinese trade union delegation was received by President Kim Il-song. The delegation visited some factories and construction sites in Pyongyang and Hamhung. The delegation also placed a wreath on Preimier Zhou's bronze statue at the Hungnam Chemical Fertilizer Plant in Hamhung. The delegation is scheduled to leave Korea for home tomorrow.

GU MU MEETS JAPANESE GROUP ON COOPERATION

OW151154 Beijing XINHUA in English 1127 GMT 15 May 86

[Text] Beijing, May 15 (XINHUA) -- State Councillor Gu Mu met a group of Japanese investigators [as received], led by Kazuhiko Honjo here today. The group is here to cooperate with China in drafting a plan for comprehensive development of Hainan Island. Hainan Island has many natural advantages, Gu said. China hopes that the island will develop its economy, culture and education at a faster pace.

Besides financial and material support, the central government will also give the island more decision-making power and help it strengthen its contacts with other parts of the country. Foreigners are also welcome to invest there, he added.

DENG SIGNS ORDER HONORING SOLDIERS ON SRV BORDER

OW151515 Beijing XINHUA in English 1500 GMT 15 May 86

["Central Military Commission Honors Battle Heroes" -- XINHUA headline]

[Text] Beijing, May 15 (XINHUA) -- Two army units and five individual soldiers were commended in a latest order of the Central Military Commission for their heroism in defensive battles in the Laoshan area on the Sino-Vietnamese border in Yunnan Province. In his capacity of chairman of the commission, Deng Xiaoping signed the order yesterday honoring them for defeating Vietnamese troops' assaults and harassment attacks to defend the safety of the people and their property in this border area. The commission designated the two units as "heroic companies" and the five soldiers, including one who died in battle, "heroes." The commission called upon all commanders and soldiers of the Chinese People's Liberation Army to learn from them.

AUSTRALIA'S HAWKE OFF TO JAPAN, PRC, PHILIPPINES

OW141016 Beijing XINHUA in English 0807 GMT 14 May 86

[Text] Canberra, May 14 (XINHUA) -- Australian Prime Minister Robert Hawke left here this morning on a 13-day trip to Japan, China and the Philippines. Although there is no press release about the tour, the aim of the trip is believed to consolidate Australia's good relations with those countries. Hawke is expected to talk with Japanese Prime Minister Yasuhiro Nakasone on the outcome of the Tokyo summit held early this month by seven leading industrialized nations. Their discussions will also include nuclear disarmament, East-West relations, the strategic situation in northern Asia and the Philippines, international cooperation and investment, tourism and financial services. It is reported that Hawke is seeking Japan's support of the South Pacific Nuclear Free Treaty Protocols, which were initiated by Australia and are to be finalized at the South Pacific forum in Fiji in August. The United States and Britain have expressed opposition to the treaty.

During his trip to China in 1984, Hawke had announced an initiative to sell iron ore from Kwinana, western Australia, to China. But, government sources have made it clear that world prices now made the Kwinana sales unlikely. Besides, negotiations have been going on over Chinese investment in an iron ore mine at Mt. Channar in western Australia. In 1985, Australian exports to China stood at some 960 million U.S. dollars while its imports from China were only 190 million U.S. dollars.

The coming visit to the Philippines, Hawke's first trip to that country, will further indicate the Australian Government's support for Mrs. Aquino's government.

Australian Foreign Minister Bill Hayden was the first foreign minister to visit Manila after the fall of the Marcos regime in late February. Hayden promised a 50-percent boost in Australia's aid to the Philippines under the new government.

HAWKE INTERVIEW ON UPCOMING PRC VISIT

OW160342 Beijing XINHUA in English 0111 GMT 16 May 86

[Text] Canberra, May 16 (XINHUA) -- Australia and China "must have a broad relationship that goes beyond bilateral economic matters to include foreign policy consultation and people-to-people contacts," said Australian Prime Minister Robert Hawke recently. Hawke made these remarks in an exclusive interview with XINHUA and the Chinese Newspaper, GUANGMING DAILY, before he left here for Japan and China on May 14. Hawke will arrive in Beijing on May 18 for an official visit to China, where he will discuss with Chinese leaders bilateral trade and regional and international issues of common concern.

"It is more than usually important to strengthen our relations at this period," he said. China's four modernizations project and open door policy, he said, "mean not only that China's economy will grow, and that it will grow with the involvement of foreign partners like Australia, but that, partly as a consequence, China will have an even more important role in the political issues of our region and the world.

The prime minister expressed the hope that the two countries should broaden economic cooperation on the basis of complementarity. "Australia produces raw materials needed for China's modernization and we also have expertise useful to China's efforts. At the same time we can provide a market for the products of Chinese industry." "During this visit, I want to give further impetus to our cooperative initiatives in iron and steel, non-ferrous metals, wool, transport and so on," he said.

On Australia's economic relations with other Asian and Pacific nations, Hawke said "We emphasize Asia-Pacific cooperation" "because if stability and prosperity become the hallmarks of our region, we can become a center of world growth and an even stronger voice -- perhaps at times a united voice -- in important international affairs."

JI PENGFEI MEETS VISITORS FROM PHILIPPINES

OW141034 Beijing XINHUA in English 1019 GMT 14 May 86

[Text] Beijing, May 14 (XINHUA) -- Chinese State Councillor Ji Pengfei met with Emil L. Ong, Philippine deputy minister of agriculture and food and adminstrator of national food authority, and his party here today. Ji welcomed Emil L. Ong as the first official of the newly-established Philippine Government to visit China. They conferred on the expansion of friendship between the two countries and their cooperation in agriculture and trade. The visitors arrived here May 11 as guests of the Ministry of Foreign Economic Relations and Trade.

PRC, UK SIGN TWO ECONOMIC AGREEMENTS 16 MAY

OW160612 Beijing XINHUA in English 0549 GMT 16 May 86

[Text] London, May 15 (XINHUA) -- British and Chinese officials today praised two agreements that will promote and protect investments and financial arrangements, saying the accords will contribute to new economic and trade cooperation between the two countries. The agreements were signed by Sir Geoffrey Howe, Britain's foreign secretary, and Zheng Tuobin, China's minister of foreign economic relations and trade.

At today's signing, Howe said he is satisfied with Sino-British relations. "We'd like to see trade between both countries expanding faster than before." The development of economic relations and trade must be mutually beneficial, he added. "We hope these documents represent a foundation for a greater expansion of mutual prosperity," Howe declared.

In his speech, Zheng said, "Sino-British relations in recent years have never been better. The political, cultural, economic and trade relations, as well as technical cooperation have been greatly enhanced." Since agreeing on Hong Kong's future, China and Britain have entered a new era and the two countries "have a bright prospect for economic and trade cooperation,' Zheng added. "The agreements will promote the two-way investments and the cooperation in different forms. It will undoubtedly lead to new development of our economic and trade relations," he said. Zheng said that June's visit to Britain by General Secretary of China's Communist Party Hu Yaobang and Queen Elizabeth's trip to China in October will "open a new page in the history of the bilateral relations between our two countries."

One of the agreements signed today calls for Britiain to supply goods and services for Chinese development projects. This loan is worth 300 million pounds sterling. Projects the loan will cover include a coal-fired power station in Hunan Province, a telecommunications center for the Shanghai area, a seamless steel tube mill at Daye, Hubei Province, and renovation of Luoyang No. 1 tractor factory.

The other agreement is an investment promotion and protection accord, which provides safeguards for investors and is designed to encourage business confidence and the flow of investments. British Prime Minister Margaret Thatcher met with Zheng at 10 Downing Street yesterday shortly after Zheng's arrival in London. Mrs. Thatcher told Zheng she is pleased with bilateral relations and the development of British and Chinese trade and economic cooperation. She particularly noted the achievements of China's economic construction. Zheng and the 10-member delegation he is leading also will visit Edinburgh, Scotland.

NI ZHIFU MEETS FRENCH TU DELEGATION

OW151034 Beijing XINHUA in English 1017 GMT 15 May 86

[Text] Beijing, May 15 (XINHUA) -- Ni Zhifu, president of the All-China Federation of Trade Unions, met a delegation from the General Confederation of Labor of France headed by General Secretary Henri Krasuchi here today. Ni briefed the French visitors on the current political and economic situation in China and exchanged views with them on trade union's work. The guests arrived here this morning as guests of the All-China Federation of Trade Unions.

RENMIN RIBAO ON BULGARIAN ECONOMIC REFORM MEASURES

HK141313 Beijing RENMIN RIBAO in Chinese 9 May 86 p 7

[Article by Guo Chunxiao "Bulgaria Makes Further Efforts To Reform Its Economy"]

[Text] At its 13th congress held in early April, the Bulgarian Communist Party [BCP] concentrated on discussing questions on economic reform and scientific and technological revolution. The documents and reports approved by the congress and the series of speeches delivered by Bulgarian leaders prior to the meeting showed that Bulgaria is taking new steps to promote the in-depth development of economic reform.

Bulgaria started its economic reform in 1978. It has scored some successes, but there has been no big headway. With increasingly exhausted potential for extensive operations, the rate of Bulgaria's economic development has gradually dropped. The exceptionally serious drought last year has added to Bulgaria's economic difficulties. In his opening address at the 13th BCP Congress, general secretary of the BCP Todor Zhivkov, pointed out: "The factors stimulating our country's economic development have practically been exhausted and, as a party and a state, we face a new reality." At the plenary sessions of the BCP Central Committee in February last year and January this year, the BCP further defined the focus and orientation of the economic reform, while the 13th BCP Congress held last month issued a general mobilization order to the whole country and the whole party: "We must hack our way through difficulties and carry the reform through to the end."

In light of the development in the contemporary era and the problems in the country's economic structure, Bulgaria has decided to further transfer power to a lower level, to implement a material reward system, and to adopt advanced science and technology in order to achieve economic modernization by the year 2000.

To enable enterprises to enjoy greater freedom and independence in operation and management, production activities, the sales of products, and the distribution of profits, Bulgaria will institute a system of self-government toward the enterprises, defining self-governing economic organizations as the dealers of the means of production and the state as the owner of the means of production. The latter cannot directly deal in the means of production. It only wields macroeconomic decisionmaking power by drawing up plans and promulgating laws and economic standards, but it does not interfere in the trivial activities of the dealers. The principle of departments being put in charge of the work, which has played a positive role in the past, has lost its role under the present conditions. The methods of management which are still used today are no longer suited to the demands of economic development in the era of scientific and technological revolution. It is necessary to institute economic organizational self-government in order to overcome bureacratism in economic leadership work and to make a transition to new methods of management. Toward this end, Bulgaria has abolished eight ministries in charge of economic work and set up three commissions directly under the Councils of Ministers: the Economic organizations and enterprises may establish direct relations with the commissions.

In the field of distribution, the existing Bulgarian wage and reward systems cannot fully reflect the socialist principle of distribution according to work characterized by "more pay for more work and less pay for less work." For this reason, Bulgaria has decided to adopt a flexible form of wages. It has extensively instituted a performance surplus wage system and a collective contracted wage system, which have been tried out in a number of labor organizations, in order to link the individual income of workers with the ultimate production results of the collective. In this way, the initiative of the workers will be aroused and all members of the collective will pay attention to adopting new technologies, reducing material consumption, improving product quality, and manufacturing readily marketable and competitive products.

In an effort to make its products more competitive on the international market, to increase exports, and to earn more foreign exchange, Bulgaria will encourage enterprises to engage in foreign trade and to compete on the international market and the state will adopt economic levers to facilitate competition. In line with the principle of each taking care of foreign exchange itself, the enterprises are allowed to use the foreign exchange they earn through competition on the international market and the state will adopt economic levers to facilitate competition. In line with the principle of each taking care of foreign exchange itself, the enterprises are allowed to use the foreign exchange they earn through competition on the international market to purchase advanced equipment from abroad and to import advanced technology.

At the plenary session of the BCP Central Committee last January, Zhivkov pointed out: "It is necessarsy to conduct a fundamental reform on both the economic base and the superstructure." Accordingly, Bulgaria had decided to institute a system of economic accounting among scientific research organizations, to contract for scientific research projects, and to reward those undertaking research projects not listed in the plans in order to link the material interests of the scientific research workers closely with the achievements in scientific research.

To ensure the smooth progress of economic reform, since the beginning of this year Bulgaria has carried out large-scale personnel readjustments among high-level party and government departments. More than 30 cadres at and above the ministerial level, including the chairman of the Council of Ministers, have been replaced and a number of new people who are in the prime of life, understand professional skills, and have practical work ability have been promoted to leading posts in the party and government.

The Bulgarian economic reform has entered a new stage. Naturally, the progress of the reform is not smooth sailing. As Zhivkov put it: "Out reform is complicated and difficult and the success or failure of our reform depends to a large extent on the correct and unswerving implementation of our new concepts and new methods." However, economic reform is undoubtedly the road Bulgaria must follow for its continuous economic development.

CSSR TO CONTINUE NUCLEAR POWER CONSTRUCTION

OW150252 Beijing XINHUA in English 0152 GMT 15 May 86

[Text] Prague, May 14 (XINHUA)-- Stanislav Havel, chairman of Czechoslovak Atomic Energy Commission, said today that the Soviet Union's Chernobyl accident will not affect Czechoslovak plans to build nuclear power stations. By 1985, Czechoslovakia had completed three nuclear power stations. Four others are planned, according to the Czechoslovak news agency CTK. Energy generated from the nuclear power stations makes up 15 percent of the country's total. Officials predict it will reach 30 percent by 1990, and 60 percent by the year 2000. Havel said radioactive levels have risen throughout the country since last month's Chernobyl accident. But, he added the levels are not considered harmful to people's health.

LIBYAN SPECIAL ENVOY FROM AL-QADHDHAFI VISITS PRC

Meets Zhao Ziyang

OW160952 Beijing XINHUA in English 0933 GMT 16 May 86

[Text] Beijing, May 16 (XINHUA) -- Premier Zhao Ziyang told a special envoy of Libyan leader Mu'Ammar al-Qadhdhafi here today that China supported the Libyan people in their struggle for safeguarding national sovereignty. The premier also said China was opposed to all kinds of terrorism, and that the country was concerned about the tension in the Mediterranean. He urged all parties concerned to exercise restraint. China condemned the United States bombing raids on Tripoli and Benghazi on April 15. Today, Zhao told special envoy 'Abd-al-Ati 'al-Libaydi that China believed that international disputes should be settled through dialog and consultations instead of force or threat of force.

Modern history had proved that relations between countries should be based on the five principles of peaceful co-existence rather than on ideological agreements or differences. Relations between countries on the basis of the five principles -- good-neighborly relations between adjacent countries in particular -- were in the best interests of the countries concerned, and strengthened regional and world peace. Zhao said China had noted Libya's repeated declarations of its opposition to terrorism. China had been consistently opposed to all kinds of terrorism and the use of terrorism as a form of political struggle because its victims were often innocent people. Libaydi expressed Libya's thanks for China's support. Zhao thanked Ubaydi for an oral message conveyed by him from Al-Qadhafi to Chinese leaders, and for the introduction on Libyan-U.S. relations and the situation around Libya.

Holds Press Conference

OW160812 Beijing XINHUA in English 0752 GMT 16 May 86

[Text] Beijing, May 16 (XINHUA) -- Special envoy of Libyan leader Mu'ammar al-Qadhdhafi, 'Abd-al-Ati al-Ubaydi, said Libya, too, opposes terrorism, while speaking on international terrorism at a press conference here today. Terrorism can not be of much help to national liberation, nor can it win the sympathy of the people, he said. Libya is willing to cooperate with other countries in the struggle against terrorism, and has proposed to the United Nations the convening of a meeting against terrorism. The special envoy gave a brief account of the U.S.-Libyan clashes over the past months. Concerning his current mission to China, he said he was satisfied with it, adding that he was grateful for the support of the Chinese Government and people for the Libyan people's struggle to safeguard their national independence and sovereignty.

PRC ENVOY IN TOGO MEETS PLO'S YASIR 'ARAFAT

OW110205 Beijing XINHUA in English 0145 GMT 11 May 86

[Text] Lome, May 10 (XINHUA) -- The President of the Palestine Liberation Organisation (PLO) Yasir 'Arafat met Chinese Ambassador in Togo Li Peiyi Saturday during his official visit here. The two parties had a friendly and cordial meeting. 'Arafat said the Palestine people cherished deep sentiment towards the Chinese Government and people which firmly supported the Palestinian cause. The Chinese ambassador reiterated China's consistent policy of support for the Palestine and Arab people.

HU QILI MEETS CAMEROON ASSEMBLY DELEGATION

OW151207 Beijing XINHUA in English 1152 GMT 15 May 86

[Text] Beijing, May 15 (XINHUA) -- Hu Qili, member of the Political Bureau of the Central Committee of the Communist Party of China (CPC), met here today a delegation from the Cameroon National People's Democratic Assembly headed by its Vice-President Andre Ngongang Ouandji. Hu told the visitors that the coming of the delegation shows the importance the Cameroon Assembly attaches to the friendship between the two parties and two countries. He said that China and Cameroon are both developing countries with many similarities. They are also facing the same task of developing their national economies. In international affairs, they both stand for peace and independence, and oppose arms race and power politics. He also spoke highly of the national rehabilitation policies formulated by Paul Biya, president of the Cameroom assembly.

Ngongang Ouandji said that President Paul Biya, his assembly and the Cameroon people attach great importance to developing their friendly cooperation with China. He said that the achievements of China-Cameroon cooperation fully demonstrate the soundness of such a cooperation, and expressed the hope that cooperation between the two countries will become more diversified.

Hu Qili asked Ngongang Ouandji to convey greetings from Hu Yaobang, general secretary of the CPC Central Committe, to President Paul Biya. Hu hosted a dinner for the visitors after the meeting. The visitors will leave here for other parts of the country tomorrow.

PRC OFFICIAL VIEWS POPULATION POLICY AT CONFERENCE

OW152031 Beijing XINHUA in English 1741 GMT 15 May 86

[Text] Harare, May 15 (XINHUA) -- African countries should formulate their population and development strategies independently depending on their own conditions, says He Ying, member of the Standing Committee of the Chinese National People's Congress (NPC). He made the statement here today in a speech at the All-Africa parliamentary conference on population and development, which opened Tuesday and is aimed at providing opportunities for African parliamentarians to exchange views on the population problem on the continent. He, who is also an expert on African affairs, is attending the conference as an observer. He said the population policy of a certain country is a matter that should be decided by that country alone in line with its own national conditions. "This by no means rules out the efforts to learn from each other and share experience with other countries," he added.

China welcomes the opportunity to carry out cooperation and exchange views on the population question with the African countries, he said.

"In view of our large population and growth momentum, we advocate 'one couple, one child' practice for a period of time in order to slow down the excessively rapid increase of population," he said, explaining China's population control policy to the African parliamentarians. "But this does not mean each couple is not allowed to have more than one child," he said. He said China also seeks to improve population quality while exercising control on population growth. China's family planning program has been worked out in the vital interests of the Chinese people and is aimed at achieving prosperity at a faster pace, he said.

SOPHISTICATED WEAPONS WIN TOP STATE AWARDS

OW151503 Beijing XINHUA in English 1413 GMT 15 May 86

[Text] Beijing, May 15 (XINHUA) -- Technological breakthroughs involving underwater submarine launching of a surface missile, and development of surface-to-surface long-range missiles and carrier rockets have won China's highest national award this year, government officials said today.

The announcement of the awards marked the first time China has disclosed that work on sophisticated weapons had been honored.

In civilian research, the 23 special class award winners included a water-injection technique that will enable Daqing, China's largest oilfield, to sustain a stable and high output. Also honored was new technology used to build Nanjing's Yangtze River bridge and the giant Gezhouba power project and related hydroelectric generating units along the Yangtze.

Other military winners included improved methods for treating wartime wounds caused by recently developed weapons, atomic and hydrogen bomb research and refinements of high altitude, high speed interceptor aircraft, recoverable satellites and tracking, and observation equipment used in national defense.

ZHAO ZIYANG ATTENDS SCIENTIFIC AWARDS MEETING

OW160136 Beijing XINHUA Domestic Service in Chinese 1603 GMT 15 May 86

[By reporters Wu Ming and Zhang Jimin]

[Text] Beijing, 15 May (XINHUA) -- A national meeting to award achievements in science and technology was held ceremoniously today in the Great Hall of the People. Zhao Ziyang, premier of the State Council, addressed the meeting, calling on all scientific and technical personnel in the country to work hard for comprehensive fulfillment of the Seventh 5-Year Plan.

The awards meeting was presided over by Fang Yi. Also present were Wan Li, Xi Zhongxun, Li Peng, Yang Shangkun, Hu Qili, Hao Jianxiu, Liu Lantao, Song Shilun, Zhou Gucheng, Zhang Jingfu, Zhang Aiping, Wang Bingqian, Hong Xuezhi, Zhou Peiyuan, Mao Yisheng, and Qian Xuesen. Nie Rongzhen wrote a message of greetings to the meeting.

The meeting gave awards to 1,761 projects that won the state science and technology progress prizes, 185 projects that won the 1985 state invention prizes, and 115 projects and 37 individuals that won prizes for achievements in solving key problems in science and technology during the Sixth 5-Year Plan. Apart from this, the meeting commended the scientific and technical personnel who were prize winners at the international invention expositions held in Geneva and Yugoslavia and the World Young Inventors' Achievements Exhibition in Bulgaria. China won more than 40 medals at these three exhibitions.

To the tune of cheerful music, representatives of the winners mounted the rostrum and happily received cups, medals, and citations from the hands of the central leading comrades. Warm applause burst out from the nearly 7,000 participants in the meeting. Then, amid the beating of drums, a young pioneer of the capital delivered a message to extend warm congratulations to the scientific and technical personnel on behalf of more than 310 million children in the country.

Zhao ziyang began his speech by expressing appreciation andextending greetings on behalf of the party Central Committee and the State Council to those scientific and technical personnel who had performed meritorious deedsfor the motherland and the people.

He said: The projects winning awards this time are all capable of providing significant economic or social benefit. Many of them can provide an annual benefit of over 1 million yuan, quite a few can yield an annual benefit of more than 10 million yuan, and the benefit from some projects is over 1000 million yuan or even over 1 billion yuan. This is a result of your continued efforts to make further explorations on the basis of your predecessors' achievements and the joint efforts made by you and the broad masses of physical laborers. As a principal force in accomplishing the projects, you have no doubt played a special key role in creating and applying these achievements in science and technology.

He said: Very good work was done in completing the key scientific and technological projects contained in the Sixth 5-Year Plan. Of these projects, 98 percent met the time schedule and other requirements called for by the contracts, while 80 percent were put into use. This shows that we should not underestimate our capabilities. Even though we had a relatively poor foundation to start with and our present conditions are still unsound, the Chinese scientific and technical personnel have aspirations and are capable. We should be proud of our contingent of scientists and technicians.

Zhao Ziyang said: The tasks currently faced by the people of the entire country are to strive to accomplish the Seventh 5-Year Plan. The tasks laid down in the Seventh 5-Year Plan are more arduous than those of the Sixth 5-Year Plan. But accomplishing the Seventh 5-Year Plan will definitely bring greater benefits to the people, and therefore it is greater and more glorious than the Sixth 5-Year Plan. The Seventh 5-Year Plan presented a series of new and more challenging tasks to our scientists and technical workers. Key development projects listed in the Seventh 5-Year Plan cannot be copied from what we already have. The technological level of the great majority of these projects should reach that attained by developed nations in the late 1970's and early 1970's and early 1980's and many technological problems remain to be solved. He stressed: While actively developing modern industries, we should step up our efforts in modernizing our conventional industries. All kinds of advanced and applicable technologies should be widely employed as early as possible by large, medium, and small enterprises, including village and township enterprises. Agricultural, forestry, animal husbandry, and fishery industries should study new technologies and species that will possibly bring breakthroughs to production. In order to raise our scietific and technological level, to develop new technologies, and to gain a better knowledge of our natural environment and resources, we should also devote greater effort to the study of relevant basic and applied sciences and employ modern sciences and technologies on management of economic affairs. To achieve the goal of quadrupling the total industrial and agricultural output value by the end of the century, and to strive to improve the quality and living conditions of 1 billion people is a task involving all sectors of our society, and is the major battlefield for our science and technology front. He said: In addition, we should organize some of our most capable scientists and technological workers to keep us in step with international progress in some of the most important high technological fields to make us technologically prepared for further domestic economic development early in the next century.

Zhao Ziyang said: We have quite a few difficulties in the Sixth 5-Year Plan. In retrospect, we find that difficulties did not surmount us, but instead we overcame all of them.

In the coming 5 years, it can be expected that extensive reform of the economic and science and technology systems, and amending and perfection of policies on various issues will provide a new impetus for closely integrating scientific and technical work with economic development. The party Central Committee and State Council believe that with the joint efforts of the veteran, middle-aged, and young scientists and technical workers who are known for their glorious traditions and hard working spirit, our scientific and technological work will progress year after year.

Yang Jun, chairman of the State Committee for Evaluating Scientific and Technological Progress, and Zhang Shou, head of the leading group for preparations for the meeting to commend outstanding scientific and technological achievements in the Sixth 5-Year Plan, briefed the meeting on the evaluation of scientific and technological progress and on summing up scientific and technological accomplishments in the Sixth 5-Year Plan.

Before the meeting, party and government leaders had a photo taken with the representatives of the recipients of the scientific and technological achievement awards and the representatives attending the meeting to commend outstanding scientific and technological achievements in the Sixth 5-Year Plan.

SPACE EXPERT ON PLANNING FOR SPACE STATIONS

HK140629 Hong Kong ZHONGGUO XINWEN SHE in Chinese 0243 GMT 13 May 86

[Report by ZHONGGUO XINWEN SHE reporter Dai Yaping: "Focusing Our Eyes Upon Space Stations -- A Visit to Noted Chinese Aerospace Expert Ren Xinmin"]

[Text] Beijing, 13 May (ZHONGGUO XINWEN SHE) -- In 30 years of time, China's aeronautics [as received] industry has succeeded in making three breakthroughs: to fly in space, to return to earth, and to launch synchronous telecommunications satellites which are harder to launch and of more complicated technology.

What is planned for the next step in the development of China's astronautics industry? This question concerns people at home and abroad.

Recently, this reporter interviewed Ren Xinmin, chairman of the Science and Technology Committee of the Ministry of Astronautics Industry and asked this No 1 technological authority in China's astronautics industry.

Ren Xinmin said that in the past 30 years, China formulated its medium-term plan for the development of its astronautics industry and fulfilled, in the light of the targets of that plan, the tasks of researching manufacturing and launching Changzhen 1 and Changzhen 2 rockets and various types of satellites and telecommunications satellites. At the same time, it established an integrated astronautics industry with design, research, manufacture, launch, tracking, measuring and control systems. Since 1975, we have succeeded seven consecutive times in recovering the recoverable satellites launched by Changzhen 2 carrier rockets and succeeded in launching synchronous telecommunications satellites with Changzhen 3 carrier rockets twice in a row. Following the United States, the Soviet Union, and France, China has become a country with a developed space technology.

China's modernization program has raised urgent demands for its astronautics technology.

For example, it wants the technology to relay its television broadcasting to its vast land area, to satisfy the urgent demands for improving its backward post and telecommunications technology, to ease the thirst of our agriculture and other sectors for accurate weather forecasts, and to live up to the great hopes that its education, mineral resources, measuring and mapping, communications, seismologic, archeological, and other departments have placed on the development and application of China's astronautics technology.

Ren Xinmin said that in order to maintain the rate of continuous development of China's astronautics technology, in order to provide more advanced research means for modern science and technology, and in order to apply advanced astronautics technology to its national economic construction, China's next goal should be to establish its own space station by the end of this century.

He said that the space station being planned would be a kind of modular structure to be assembled in space. Therefore, China must first develop and manufacture space shuttles, which should be medium-sized. In addition to sending astronauts to work on the space station, these space shuttles could also be used to carry out tasks such as launching, repairing and recovering industrial experiements and processing in space. From now on, China will begin to carry out the theoretical and preparatory research into these two projects and spend small amounts of funds to carry out necessary investment and preparatory work.

Ren Xinmin told this reporter that in Premier Zhao Ziyang's report on the Seventh 5-Year Plan, he clearly raised the tasks of striving to score relatively great achievements in researching and developing new and higher technology and making great efforts to achieve new developments in astronautics and other technology in order to create conditions for putting our national economy on a new technological foundation. In the Seventh 5-Year Plan period, China will launch a number of satellites for practical purposes.

When we parted, Ren Xinmin said that as the development of the astronautics undertakings were closely related to the prosperity and progress of the whole nation, it was necessary to set up a unified national organ to coordinate and direct the development of astronautics technology in the whole country. He called on all the people in the country to show concern for the development of China's astronautics industry.

WORLD'S MOST ADVANCED LASER DEVELOPED IN TIANJIN

OW140850 Beijing XINHUA in English 0634 GMT 14 May 86

[Text] Tianjin, May 14 (XINHUA) -- Scientists at Tianjin University in north China said today they have developed the world's most advanced laser for the study of microscopic electronic, chemical and biological processes.

Called a "collision mode-locked laser," it can sense light differences occurring in as little as 0.03 trillionths of a second, according to Wang Qingyue, one of the seven inventors at the university.

The next most sensitive laser, developed in 1981 in the United States, can sense differences occurring in 0.1 trillionths of a second, Wang said.

LIAOWANG ON TECHNOLOGICAL IMPORT PRACTICES

HK140657 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 18, 5 May 86 pp 14-15

[Article by Cao Jiarui: "The Present Condition of, and Problems in China's Technological Imports (Part 1)"]

[Text] Abstract: Importing foreign advanced technology is an important component of opening the country to the outside world. In recent years, a planeless, chaotic situation has emerged in the import of technology. The article holds that the drawbacks of the sociliast economic structure characterized by planned management and a comprehensive balance have led to a planeless, chaotic situation in technological imports originally placed under unified planning. The author pointed out that the problem does not lie in whether or not the plan is unified but in whether or not the planning structure is rational and the planning method is correct. The article penetratingly analyzes the limitations of the current practice of relying on departments in charge of comprehensive management to coordinate imported items and the lack of a scientific approach in the practice of relying on administrative means to examine and approve imported items.

How can we solve these problems? The author will continue to explore them in the follow-up parts of this artcile. Part 2 will concentrate on discussing, from a microeconomic point of view, the internal motive force lying behind the import of technology by enterprises and part 3 will explore, from a macroeconomic point of view, the state's strategy for technological imports and the management measures that should be taken. [end abstract]

Three Great Changes

By and large, three great changes have taken place in China's technological imports since 1978.

1. Before 1978, China imported technology primarily through the import of "complete sets of equipment" and the building of new factories. This played a positive and useful role in laying a foundation for China's industrialization, filling in the gaps, and meeting the urgent needs of national economic development. However, it also led to a certain "polarization" in industrial production -- a small number of new plants equipped with advanced machinery and a large number of obsolete and backward enterprises. With the readjustment of the national economy, the transformation of existing enterprises as stressed by the central authorities, and the implementation of a policy of opening up to the outside world, numerous forms of technological imports based on the "licenced trade" have rapidly developed since 1979 but the number of "complete sets of equipment" imported into the country has dropped considerably. This shows that the work of importing technology has rapidly been reoriented to the technological transformation and progress of the existing enterprises.

2. Before 1978, the import of technology was primarily arranged by the central authorities under unified planning and the local authorities at various levels had little role in the matter. In recent years, with the implementation of the policy of opening up to the outside world and invigorating the domestic economy, all provinces, autonomous regions, and municipalities directly under the central authorities, as well as many large and medium-sized cities, after passing through the stage of "three forms of import processing, and compensation trade" (processing with supplied materials, designs, and samples, and compensation trade) in the initial period, have energetically planned, arranged, and participated in the work of importing technology for the localities. In the past 3 years, technological imports have become routine work throughout the country.

3. With the promulgation and implementation of the "Law Governing Chinese-Foreign Joint Ventures" in 1979, technological imports have been integrated with the work of attracting direct foreign investments. The proportion of industrial production in Chinese-foreign joint ventures is growing year by year.

Over the past 7 years and more, hundreds of imported technological projects have yielded notable results. These results can generally be summed up in the following aspects:

1. We have speeded up the development and production of new products. Generally speaking, a relatively successful project can narrow a 20-30 year gap in output level in about 2 years...

2. We have learned new ideas on product designing and operational and managerial skills, which have not only improved the competence of the enterprise technical force but also, with the improvement of operations and management, increased the economic and financial profits of the enterprises.

3. The import of technology has stimulated the development of some relevant technologies, prompting the development of their results in a lateral direction.

However, many problems still exist in the work of importing technology. These problems are hindering the further development of technological imports.

Problems and Drawbacks of the Existing Structure

Comments on problems in the work of importing technology largely center on duplicate imports, decentralization in dealing with foreign firms, and the digestion and assimilation of imported technology. In fact, the problems in technological imports are much more than the three points mentioned above. Why are the macroeconomic results of technological imports? How have the import substitutes and expansion of exports been handled? Why has the assembling of parts been on the increase? Why is it difficult to raise the quality of our own products? What is it that technological imports have been "suddenly checked" particularly since the spring of last year? Under such circumstances, it is of far-reaching practical significance to raise the question of studying and solving the management of technological imports on the macro level. This is a difficult problem. Our historical experience shows that, when it comes to such problems as management, we have always failed to break away from the framework of "control leads to rigidity and decentralization causes disorder." To break away from this framework, we have to concentrate on analyzing the drawbacks of the existing structure.

China is a country practicing planned economy. All technological import projects are listed in the plans of either the central or local authorities and all imports are conducted according to a legal procedure. As a matter of fact, however, a planless, chaotic situation has emerged. For example, we have imported over 100 color television assembly lines. If all of them go into operation, the output will be many times larger than the calculated market capacity. However due to our failure to solve the problem of producing the parts in the country, the assembly lines have consumed a lot of foreign exchange. The situation in refrigerators, washing machines, and so on is also similar. Floppy disks, which are used in computers for storing memory, should preferably be mass produced. But, with almost all provinces and municipalities wanting to produce floppy disks themselves, the production scales are very small and the management is decentralized.

Some people say that so long as we strengthen unified planning, the problem can be readily solved. In appearance, this is a fairly reasonable argument. Since we only have one plan, we shall be able to avoid duplication, decentralization, and lack of coordination. In truth, the fact is not so simple. Some years ago, when all civil engineering and installation work for the four imported projects of the Wuhan iron and steel complex was completed and everything was ready, the plant could not operate properly because of the lack of electricity. This is a problem occurring under highly unified planning. A high tide of imports centering on 32 "complete sets of equipment" emerged in 1978. In one year we signed contracts with a total value doubling that of the contracts signed in the previous 5 years. This was followed by an "emergency brake" in early 1979 and the revocation, termination, or cancellation of contracts. There are many similar examples. We can thus see that the problem does not lie in whether the plan is unified or concerted but in whether China's planning system is rational and our planning method is correct. Or, speaking in more concrete terms, where does the demand for, and the motive force behind, technological imports come from? What are the purpose and objective of technological imports? Who are the genuine policymakers and what are the bases for making policy decision?

The Limitations of the Departments in Charge of Comprehensive Management in Coordinating Work

The crucial point of our existing system is the division of departments and regions, which develops into a series of complicated contradictions between different departments, between department and region, and between different regions. Duplicate imports and decentralization in dealing with foreign firms are related to the above-mentioned contradictions because everyone wants to have a system of his own. Therefore, some people expect the department in charge of comprehensive management to do the coordination and balancing work. This method may be effective but practice in the past several decades has proved that the departments in charge of comprehensive management also have limitations in coordinating work and, therefore, it is obviously unrealistic to rely on the departments in charge of comprehensive management to coordinate everything.

Two different departments imported basically the same technology for producing a fireproof material used in glass smelting furnaces. For this reason, some people said that was a case of duplicate imports. However, the two projects were approved by the same commission one after another at short intervals and were undertaken by two different bureaus of the commission.

Optical waveguide telecommunications are a new technology that China should urgently develop. Because the telecommunications undertaking is characterized by its relatively high concentration, some people suggest that, if we can make use of, and give scope to, the achievements and advantages of the departments concerned in the study of optical waveguide in coordination with technological imports and use this as a starting point to develop a comprehensive system in China, for the designing and construction of a project to the supplies of equipment and materials, as well as the production of fibers, cables, optical parts, and necessary accessories, we shall be able to attain immediate results in the development and application of China's optical waveguide telecommunications technology. This will plan a positive role in putting an end to the backwardness of China's telecommunications undertaking. However, who will organize and solve this problems?

The present conditions are such that, for the production of optical waveguide fiber and optical waveguide cable alone, one unit is holding talks with the (Commins) [kang nin 1660 1337] Company of the United States, another with the Philips Company of the Netherlands, a third with the (Furukawa) [gu he 0657 3109] Company of Japan, and there may be possibly a fourth and a fifth company. If each of them strikes a bargain, the production capacity will again exceed the demand by several times. Two departments at the central level have been appointed to coordinate the work of importing optical waveguide telecommunications technology. However, since they do not stand above, but are involved in, the contradiction, whether their coordination efforts are effective will still be judged through practice.

Can We Ensure Soundness by Relying on the Examination and Approval Procedure?

There are also people who hold that duplicate imports and decentralization in dealing with foreign firms are caused by inadequate information facilities. But information exchange does not necessarily solve the problems of duplicate imports and decentralization. Others hold that we should rely on the examination and approval procedure to ensure soundness. However, that is the basis of our doing so?

In 1980 China imported from the FRG a technology for manufacturing small square base [fang pi 2455 0999] continuous casting machines under cooperative production. We manufactured a few sets, which were used in several steel plants with satisfactory results. This news has been reported in the newspapers, this machine has been on display in exhibition halls, and this project has been cited as a successful example on numerous occasions. Considering the circumstances and judging by common sense, if steel plants in our country need this type of continuous casting machines in their technological transformation, they should first choose the products manufactured in our country with foreign technology. The State Council stipulated this guideline in explicit terms in its circular as early as in 1981. However, a certain plant wanted to import a small square base continuous casting machine from abroad in 1985. The provincial branch of a certain bank made an "assessment report" similar to a feasibility study. The report pointed out that because of the lack of necessary accessories and insufficient production capacity, the imported manufacturing technology could met the needs of this project. As far as we know, the unit making the "assessment" neither contacted nor consulted the plant which had imported the technology and was manufacturing and supplying the small square base continuous casting machines. Nor did it contact the higher authorities in charge of the plant. It can be said, therefore, that its conclusion was not drawn from realistic investigation and study but was drawn with the aim of catering to a certain intention. Since there was an "assessment report," the economic commission of the province, which is responsible for examining and approving import projects, granted the plant permission to hold talks with foreign firms and to sign a contract for the import of the machine. By "approving" the import, it has ignored the stipulations of the State Council and the spirit of seeking truth from facts. We can thus see that it may not be enough to rely on the examination and approval procedure to ensure soundness.

This example has given rises to two questions:

First, what is the function of feasibility study? Second, is it necessary to protect the fruit of technological imports?

Usually, feasibility study is a process of scientific investigation, studies, analyses, forecasts, and demonstrations and is aimed at verifying the feasibility of the original plan and providing policymakers with the basis for making policy decisions. In China, however, a feasibility study seldom draws a different conclusion. This is because these "feasibility studies" are in most cases a mere formality in the examination and approval procedure. First, there must be an intention; then, investigation and study are carried out with a certain prejudice to prove the feasibility or correctness of the intention; and lastly, the policymakers (who are probably the ones having the intention) make policy decisions according to the results of the feasibility study. and its function are forfeited.

Importing foreign technology is aimed at increasing China's capability to be self-reliant. However, if we still import what we can produce and supply following the imports of foreign technology, how can we reflect our "original intention" of importing advanced technology? This example is not confined to the import of small square base continous casting machines alone. This practice will also adversely affect the initiative of the foreign firms supplying advanced technology. Senior personnel of several American companies indicated that, if China does not take some protective measures to protect the fruit of technological imports, they will no longer be interested in transferring technology to China.

There are so many problems that it is impossible to exhaust them in this article. We should not be afraid of problems. What we should be afraid of is to attempt to conceal the problems and the roots of the problems. To sum up, great changes have occurred in our technological imports since 1979. However, one thing has never changed, namely, technological imports are still placed within the framework of government administrative command based on the power structure and the emergence and existence of numerous problems today are closely related to this reality. If we merely make provisions as the problems stand or adjust the division of power among various government organs, it will be difficult to solve these problems. The administrative system of technological imports based on effective control over major issues while allowing flexibility on minor ones can only be gradually established by reforming the economic structure. The questions of adopting macroeconomic control measures toward technological imports, as well as the motive force lying behind the technological imports, will be further discussed in the ensuring parts of the article. (to be continued)

RESEARCH, FOREIGN S&T IMPORTS TO CONTINUE

OW131558 Beijing XINHUA in English 1547 GMT 13 May 86

["China To Push Ahead With Scientific Research" -- XINHUA headline]

[Text] Beijing, May 13 (XINHUA) -- China will continue pursuing its own scientific and technological research over the next five years while introducing more foreign technology, a national meeting here was told today.

The country will conduct 76 major scientific and technological research projects during its Seventh Five-Year Plan (1986-1990), twice the number carried out in the past five years, said Song Ping, state councillor and minister in charge of the State Planning Commission.

He was speaking at today's opening session of a three-day meeting on scientific and technological achievements of the past five years.

Song said that the new projects, some of which were already under way, covered both agriculture and industry.

The agricultural projects would help improve major varieties of grain, cotton, and oil-bearing crops, as well as provide the public with more meat, eggs, poultry and fish. The industrial projects were intended to enable China to catch up with advanced world technology of the late 1970s and early 1980s.

Meanwhile, minister in charge of the State Economic Commission Lu Dong told the meeting that China would continue introducing foreign technology and "key equipment", which the country "cannot produce in the short term, but is currently capable of importing". However, Lu said that China must quickly digest this advanced technology. Such introduction and digestion would provide "a short cut" for China in its bid to catch up with developed countries.

PROGRESS IN NUCLEAR, OTHER ENERGY FIELDS NOTED

HK150631 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 18, 5 May 86 pp 16-17

[Article by Yi Xiao and Zhang Yaoliang: "Chinas Energy Policy and the Daya Bay Nuclear Power Station"]

[Text] Recently, the Guangdong Nuclear Power Joint Ventures Company, jointly run by the Guangdong Nuclear Investment Company and Hong Kong Nuclear Investment Company, signed a letter of intent with British and French manufacturers on equipment supply and engineering services for Shenzhen's Daya Bay nuclear power station. According to this letter of intent, the Daya Bay nuclear power station will purchase two 900,000 kw-class pressurized water reactors (nuclear island) [he dao 2702 1497] from Framatome of France and a complete turbogenerator (conventional island) [Chang gui dao 1603 6016 1497] from Britain's [General Electric Corporation] GEC. Electricite de France will offer engineering services.

Six years has passed since both sides began to discuss the construction of this project. In the first 4 years, they carried out feasibility studies, surveyed the area where the power station will be located, and established a joint company. At the same time, some basic projects were started. In the following 2 years, talks were held on some major technical, commercial, and price problems concerning ordering of equipment and engineering services. The signing of the letter of intent shows that satisfactory results have been achieved. Now the construction of the nuclear power station can be advanced. It is estimated that the formal contract will be signed in September this year.

New Development of China's Energy Policy

The achievement symbolizes a new development of China's energy policy, showing that nuclear power has become a part of China's entire energy strategy.

The shortage of electric power, which is a kind of reproduced energy, is a key problem in China's construction of the four modernizations. The nationwide shortage of electric power has already lasted more than 10 years, and there has been an increasing contradiction between supply and demand. To satisfy the needs of economic development, China's total energy consumption will be doubled in the next few decades, and there will be a particularly urgent need for electric power.

Although China has a vast territory with rich hydropower, geothermal, coal, oil, and other primary energy resources, when shared by the 1 billion people, these resources are still very few. Take coal resources for an example -- China's per capita reserve is only about half of that of the world's average figure.

Moreover, its distribution is also uneven. The coastal areas in south-eastern China from the Changjiang Delta to the Zhujiang Delta are the most developed areas in China. However, they are also the areas seriously lacking electric power and most deficient in energy resources. For this reason, priority has been given to them, and the first two nuclear power stations are to be built in Zhejiang and Guangdong.

The construction of nuclear power station requires a large investment. But since fuel consumption is small, the energy used for transporting coal can be saved. Besides, pollution caused by burning coal be be reduced. Along with the development of science, nuclear power has become a safe, clean, and economic type of energy resource. Moreover, the development of nuclear energy can also promote the development of the most advanced branches of science and technology. It will also be conducive to improving the electric network in eastern and southern China. It may be appropriate to say that by developing nuclear power, which is a supplement to China's energy structure, in the coastal areas, China is actually using the best steel to make the knife's edge.

China's energy policy has been worked out after repeated deliberations, consultations, and practice over a rather long period. On nuclear power alone, it has taken many years to repeatedly discuss matters concerning technological and economic as well as macro and micro problems. For example, on technological problems, what kind of reactor should be adopted, a light-water reactor, heavy-water reactor, pressurized-water reactor, or boiling-water reactor? On economic problems, since China is a large country with rich water, coal, and oil resources, is it reasonable to develop high-priced nuclear power stations? On the question concerning the energy structure, in what position should it be placed? Furthermore, since China is already a nuclear power having a comparatively perfect nuclear industrial system and considerable nuclear fuel reserves as well as the ability to build 600,000 kw-class nuclear power installations with its own efforts, although it started later than other countries in using nuclear energy for peaceful purposes, should it mainly rely on its own efforts or mainly rely on foreign equipment purchased from abroad in developing nuclear power?

More than 10 years have passed since Premier Zhou Enlai proposed in the early 1970's that China should organize forces to build nuclear power stations. Now, after several setbacks, China has already worked out a comparatively perfect and realistic energy policy. According to this policy, energy construction will be carried out concentrating on electric power. In developing the power industry, all power plants, big or small, hydropower, thermal power, or nuclear power plants, whether owned by the central or local authorities, by the state or the collective, with Chinese or foreign investment, will be developed simultaneously. In developing nuclear power, while layng stress on self-reliance, it is also necessary to do all we can to seek the support and cooperation of foreign technology. We can introduce foreign technology in diverse ways, such as introducing complete sets of equipment and technology as we are doing for Daya Bay, or introducing single-item technology when necessary during construction. Only by bringing all factors into play can we ensure that the increase of our electric power will satisfy the needs for attaining our strategic goal of "quadrupling" the total industrial and agricultural output value by the year 2000.

According to calculations by the Energy Research Institute of the State Economic Commission, the total generated energy should reach at least 1,200 billion kilowatt-hours a year by that time even though measures are taken to economize on energy. For this reason, during the Seventh 5-Year Plan, the investment in power construction will constitute more than 50 percent of the total investment in energy development. Compared with hydro and thermal power, nuclear power is but a supplement to the former in China's recent power development plan. But recently, the State Council decided that developing nuclear power should be taken as the main task of the Ministry of Nuclear Industry. Now the ministry is drafting a plan for developing nuclear energy on a considerable scale in order to fulfill the state's Seventh 5-Year Plan. At the beginning of this year, the Daya Bay nuclear power station was formally put under the administration of the Ministry of Nuclear Industry. From all this we can see that there are vast vistas for the development of nuclear power in China.

New Progress in the Policy of Opening Up

What should be pointed out is the Daya Bay nuclear power station is not only an achievement of China's policy of opening up to the outside world, but also shows that China will firmly and unswervingly carry on this policy. The total cost of building the Daya Bay nuclear power station is about $3.7 billion, second only to that of the Baoshan Iron and Steel Complex among all the imported projects. Being a Chinese-foreign joint venture, the scope is also unprecedented. The safety shell for the 300,000 kilowatt-class generator at the Qinshan nuclear power station, which is located at Haiyan, Zhejiang Province, is now under construction. In addition, two 600,000 kilowatt-class generators will also be built. Although this power station is being build in accordance with the policy of self-reliance and is designed by China itself, it does not exclude cooperation with other countries on technical items and purchase of necessary equipment from abroad at reasonable prices. This shows that under the guidance of the policy of opening up to the outside world, China no longer sets introducing technology, equipment, and funds against the policy of self-reliance, but has ingeniously linked up the two.

Expression of Resolution and Confidence in Hong Kong's Economic Prosperity and Stability.

The responsible person of the Guangdong Nuclear Power Joint Venture Company told reporters that the construction of the Daya Bay nuclear power station is not merely aimed at solving the problem of the lack of electric power in this province, it is also an investment by China to maintain the prosperity and stability of Hong Kong. According to the agreement, after the power station is completed, some 70 percent of the generated energy will be supplied to Hong Kong. Two generators will be put into operation in 1992 and 1993 and will be linked with the electric network of Guangdong and Hong Kong. At present, Hong Kong's electric supply is more than sufficient. The plan for transmitting nuclear power to Hong Kong is based on the general estimation of Hong Kong's steady economic growth, that is, an estimation of an annual increase o 6 percent in electric power consusmption. Obviously, this shows that China has full determination and confidence in the development and prosperity of Hong Kong during the transitional period and after the year 1997. This responsible person also pointed out that since this is a large project, it will certainly benefit Hong Kong's economy even during the construction period, because it may bring about a great deal of business activity. Now, on the busy Daya Bay worksite, construction teams from Hong Kong are already engaged in constructing the first-phase project. Some Hong Kong contractors have joined hands with China's engineering teams in bidding for certain civil engineering projects.

Moreover, Guangdong and Hong Kong are preparing to build an energy storage power station in Guangdong so as to increase the economic returns of the nuclear power station and change Hong Kong's current unitary thermal power strucure into a more reasonable one of simultaneous development of hydropower, thermal-power, and nuclear-power. Now both sides have already completed feasibility studies for this plan.

New Development of Friendly Relations Between China and Britain, France

The Daya Bay nuclear power station, China's largest cooperative project with West European countries so far in terms of investment, reflects a new development of Sino-British and Sino-French friendly relations.

France was the first to propose nuclear cooperation with China. As early as in 1975, former President D'Estaing said that France could provide China with nuclear reactors. In the same year, both governments signed an agreement on nuclear cooperation. Since then, this matter has been given serious attention by the top leaders of both countries. Chairman Deng Xiaoping. Premier Zhao Ziyang, and French leaders, including former President D'Estaing, former Prime Minister Barre, and President Mitterrand, have all taken part in relevant talks. When Fabius, former French Prime Minister, was minister of industry, he signed a memorandum with the Chinese Government on providing China with nuclear power equipment. After that, groups of Chinese nuclear power engineers and technicians were trained in France. Many of them are now working at the Daya Bay worksite. During his vist to France in 1979, Chairman Deng Xiaoping said that, conditions being equal, China would give first consideration to the purchase of French equipment.

Similarly, both Chinese and British leaders have also given serious consideration to the question of purchasing turbogenerators from England, when Premier Zhao Ziyang met with Mrs Thatcher last September, both sides expressed their common desire to facilitate this business.

As a result of the friendly cooperation of the three governments, China, France, and Britain finally reached uanimity in their talks over equipment prices last year, which had had some troubles in the past. In the first round of talks, there was a great disparity between the prices quoted by the British and French manufacturers and what was expected by the buyer. The opening bid made by the Guangdong Nuclear Power Joint Venture Company was based on a thorough investigation of the international market of nuclear power equipment. They knew very well about the prices of more than 100 sets of nuclear power equipment throughout the world, especially the actual selling prices of some of those made in France. Moreover, in expending large sums of foreing exchange, questions such as the ability to repay debts and the time limit for loans had also be taken into consideration. It was also necessary to calculate the production cost so that the users would not be overburdened with heavy charges. For this reason, the Chinese side had to act with caution in the talks, striving for more reasonable prices. On the other hand, since this was to be the first time that the British GEC had contracted to build this type of 900,000 kilowatt-class generator (the conventional island), and since the conventional island and the nuclear island would be separately made by Britain and France, the British and French manufacturers had overestimated and raised the coefficient of risk, for fear that there might be some unforeseen difficulties. After the first round of talks, the British manufacturer reduced the quoted price by 4 percent, while the French manufacturer offered 10 percent less. But the latter required that half of this reduction should be subsidized by the government, otherwise it could not make the offer.

Encouraged by the French Government, during the second round of talks, Framatome of France reduced its price several times. In consideration of the possible development of China's nuclear industry, Guangdong Nuclear Power Joint Venture Company cut down on some service items which could be done by China itself so that differences between the two sides might be diminished. After the Chinese side put forth a package proposal on the prices of technological equipment and loans, the French manufacturer once again reduced its price. However, it was still unacceptable by the buyer. Thus, during his visit to Eastern Europe, Vice Premier Li Peng made a detour to Paris and had a friendly exchange of views with Mrs Cresson, former French industrial minister. Then the two governments reached an understanding on sharing this price difference.

During the second round of talks, due to the difference between both sides on the question of prices, on one occasion the British GEC quit the talks. This soon aroused serious attention from the government as well as the public. Some 33 Conservative Party Members of Parliament jointly put forward a motion, demanding that the government facilitate this "most valuable contract in British modern history." Then through the common efforts of both sides, an agreement on the purchase of the turbogenerator was finally signed.

What should be particularly pointed out is that in order to promote this cooperation, the British and French Governments have also made great efforts to make the terms of loans favorable to China. It is not at all exaggeration if we say that the Daya Bay nuclear power station is an outcome of Sino-British and Sino-French friendly relations. It will certainly promote the further development of these relations.

AGRICULTURAL PRODUCTION ON 'RIGHT TRACK'

OW130924 Beijing XINHUA in English 0641 GMT 13 May 86

[Text] Beijing, May 13 (XINHUA) -- Officials who have just completed a month-long investigation in 26 provinces and autonomous regions, say that Chinese agricultural production is on the right track according to the polices laid down by the central government.

Led by minister He Kang, about 300 officials of the Ministry of Agriculture, Animal Husbandry and Fisheries have conducted rural surveys in more than 300 counties since March. Measures have been taken to reduce the prices of chemical fertilizer and supply of electricity, and to stabilize cotton production following the investigation.

The State Council has stipulated that investment in agriculture must increase steadily to meet the needs of the developing economy, espcially by introducing modern technology to the farms. During their visits to 1,000 households, the officials found local peasants were enthusiastic about signing more contracts for grain production. The total grain-producing areas of the country have been expanded by 1.4 million hectares and investment in fertilizer and building irrigation systems has also been increased.

Summer grain fields have been enlarged by 600,000 hectares compared with last year. One official estimated that the 1986 grain output will surpass that of last year if there are no serious natural disasters.

The provinces of Guizhou, Hubei, Guangdong, Sichuan, Guangxi and Shaanxi have invested 450 million yuan in the capital construction on farmland. Jiangsu, Anhui, Hubei, Hebei and Henan plan to raise capital investment in agriculture to the highest level yet in the next three to five years. Economic crops, except cotton, have shown good signs of growth, especially fruits.

Services have been improved in irrigation, fine-seed multiplication, and supply of farm tools and machinery, an official said. According to a survey of 14 provinces and municipalities, the total industrial output value of rural enterprises was 13 percent up compared to the same period of 1985.

Meat, poultry, eggs and milk are being supplied to markets in sufficient quantitites thanks to the development of animal husbandry and specialized production. However, officials called for more attention to be paid to existing problems in the price system of chemical fertilizer, sales of farm products and spread of agrotechnology.

ARTICLE COMMENTS ON 1ST QUARTER PRICE SITUATION

HK120812 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 18, 5 May 86 pp 21-22

[Article by Chang Qing: "Comments on China's Price Situation in the 1st Quarter of This Year"]

[Excerpts] China's State Council has made the policy decision of "consolidation, digestion, supplementation, and perfection" on price reform this year. This decision was very effective in the 1st quarter of this year: The overall market situation was stable and prices were on the whole stable while tending to drop.

Market Prices of Capital Goods Weakened

What is most spectacular is that the market prices of capital goods weakened, slightly lower than the level of the 4th quarter of last year. On the whole, they dropped by 1 to 2 percent. In March, the price of wire rods dropped by 3 percent compared with that in December last year. The price of hot-rolled steel sheets dropped by 4 percent. The price of soda ash remained basically the same and those of coal, automobiles, and China fir logs dropped by double-digit percent. Only those of cement, caustic soda, aluminum, and pig iron increased.

Market Prices of Consumer Goods Remained Stable

In January and February, the retail sale volume of social commodities reached 72.59 billion yuan, 7.8 percent over that in the same period last year, of which the retail sale volume of consumer goods increased by 8.6 percent. Consumers were confident in the stability of prices and did not rush to purchase daily necessities because they could buy what they wanted at any time. The bank savings of residents increased by a big margen. In the 1st quarter of the year, the total volume of bank savings throughout the country reached 178.8 billion yuan; bank savings in urban and rural areas increased by 16.6 billion yuan. Last year, we issued more currency without withdrawing any, but this year we withdrew currency in circulation without issuing any. It is expected that the index of retail prices would be lower than the average level year. If the factor that restrictions on the prices of nonstaple food were not removed in the 1st quarter of last year is also taken into consideration, the price index would be relatively low.

The Prices of Nonstaple Food Tended To Drop

According to statistics made by price information newspapers and magazines in various localities, the prices of nonstaple food tended to drop. In February, the price of pork dropped by 1 percent compared with that in the same period last year; in January, the price of hens' eggs dropped by 1.5 percent compared with that in the same period last year; and in February, the prices of vegetables increased by 28 percent, which was less than the average of 34.5 percent for the whole year of 1985. In cities in which restrictions on prices were first removed last year such as Guangzhou and Wuhan, the index of prices of fresh vegetables dropped by double-digit percent. Prices during the Spring Festival in Hebei Province were much lower than those during the Spring Festival last year, and there the price of fresh eggs dropped 3 jiao per catty after the Spring Festival. In Harbin and Shanghai, the supply of fresh eggs exceeded demand and their price dropped.

Tendency Forecast

Viewed from the trends of development, no major changes will take place in the 2d and 3d quarters and market prices will not rise or drop abruptly.

Existing Problems and How To Solve Them

The general price situation in the 1st quarter of this year was quite satisfactory. However, some problems remained unsolved, and we should provide for rainy days.

First, the total demand may increase and the market prices of capital goods may rise again. The prices of capital goods in the 1st quarter remained at a high level, but the prices of a few items rose in March. This is an important signal demanding that we should tighten various measures instead of relaxing them. On the basis of strictly controlling the total demand, we must exercise structural management and treat specific cases on their merits. We must resolutely stop excessive demand for investment.

Second, remnants of unstable factors still remain in the consumer goods market. The increase in bank savings indicates that the people have delayed their consumption, but does not mean they have stopped consumption. At present, changes in consumption in China are not quite normal. There is a tendency of blindly comparing our consumption with that in developed countries, thus shortening the life cycle of products. The shift from 1-door refrigerators to 2-door refrigerators, for example, took 10 years to complete in foreign countries, but in China, it took only 1 year. Much of the consumption is borne by the state and personal income has increased too rapidly, thus turning consumption into a concentrated impact-type consumption, constituting a latent threat to market prices. Therefore, we must constantly widen the range of consumer goods and guide people to consume in a reasonable manner. To be specific: 1) Make use of price levers. Set higher prices for better goods. Encourage production of high-quality products. Restrict the demand for high-grade durable consumer goods. 2) Publicize reasonable consumption and eliminate the influence of propaganda on high consumpton in the past period. 3) Provide objective information about ways, contents, and history of consumption in foreign countries.

Third, the supply structure needs further improvement. At present, products that are easily marketable are still not quite sufficient, but their resources are being used by some small enterprises that produce many products of inferior quality sold at high prices.

Distribution of resources between regions and problems related to scale and economic results remain unsolved. There, we must widen the circulation channels, strengthening lateral economic association, and carry out price reform.

Fourth, we must further improve price management. The cycle of abrupt rise and fall of agricultural and sideline product has already attracted the attention of the academic circles in China and relevant government departments have also worked out ways to solve problems in daily life and in production caused by abrupt fluctuations. In this respect, prices of a guiding nature is a promising form of price management.

OFFICIAL EXPLAINS DROP IN DEPARTMENT STORE SALES

OW091403 Beijing XINHUA in English 1337 GMT 9 May 86

[Text] Beijing, May 9 (XINHUA) -- Total first quarter sales of China's 12 largest department stores dropped 21.57 percent this year to 718.38 million yuan, but a high government official today called the decline "natural and reasonable."

Qi Zhuomao, operations chief at the Ministry of Commerce, told XINHUA today sales should soon pick up in the state-owned stores as summer goods become available. He attributed the first quarter drop in sales to "stable consumer psychology" after last year's frenetic buying and to current state restrictions on work unit purchases.

"Last year's buying explosion was ignited by fears of future price increases," he said. "Now most consumers believe prices will remain stable."

This "stable consumer psychology" has led to increased bank deposits, said Qi, an increase confirmed by the People's Bank of China.

The bank has reported that the country's savings deposits totaled 178.9 billion yuan, up 10.3 percent from the end of 1985.

Economic analysts here say the sales drop could pressure manufacturers to produce more marketable goods and state-owned department stores to improve their mangement to increase sales.

MARKET NEWS, a Beijing weekly specializing in information about commercial enterprises, reported earlier this month that many Chinese want to upgrade their family electronic appliances and other household goods, but balk at doing so when confronted with goods "with an old face," a Chinese expression referring to out-of-date styles and features.

Another Beijing Newspaper, THE ECONOMIC DAILY, recently accused some state-owned department stores of catering to purchasers of expensive, high-profit items such as color television sets and refrigerators at the expense of those wanting such small items as buttons and shoelaces.

URBAN RESIDENTS' SAVINGS AT ALL-TIME HIGH

HK140542 Beijing ZHONGGUO XINWEN SHE in Chinese 0803 GMT 10 May 86

[Text] Beijing, 10 May (ZHONGGUO XINWEN SHE) -- The Industrial and Commercial Bank of China recently announced that savings deposited by urban residents in this bank had exceeded the major mark of 100 billion yuan and created an all-time record.

By the end of April 1986, the total amount of saving deposited by urban residents in the Industrial and Commercial Bank was 101,288 billion yuan, or 11.73 billion yuan more than the figure at the end of 1985.

The saving deposited by urban residents in the Industrial and Commercial Bank account for 80 percent of the total savings in the whole country. The main reason for the rapid increase in savings is that the wage reforms in state institutions late last year led to a 24 percent increase in people's wage incomes. Meanwhile, the wage readjustments in enterprises also increased worker's incomes, and more and more individual traders and peasants also deposited their savings in cities. In addition, in the first 4 months of this year, the import of some high-class durable consumer goods decreased, and this left more money in the consumers hands.

In order to attract more savings deposits, Industrial and Commercial Bank branches in many provinces and municipalities have adopted the method of giving awards by drawing lots to lucky holders of savings accounts and have offered the services of optional accounts which may be taken as both time deposits and current deposits. These measures have aroused people's enthusiasm for depositing their savings in the bank.

STATE COUNCIL TO PROMULGATE 162 NEW LAWS IN 1986

OW151555 Beijing XINHUA in English 1548 GMT 15 May 86

[Text] Beijing, May 15 (XINHUA) -- The State Council will examine, promulgate and draft 162 new laws and regulations this year, more than the figure for the past two years, a State Council official said here today.

At a meeting of ministerial officials in charge of legislation work, Wang Shirong, deputy director of the Legislation Bureau of the State Council, said that of the 162 laws and regulations, 65 will be examined and promulgated this year, 53 will be examined and issued if conditions permit and another 44 will be drafted.

He said the 65 laws and regulations include the land law, bankruptcy law, law governing Sino-foreign co-production enterprises, customs law as well as regulations on self-employed traders, individual income tax and the land utilization tax, in additon to the fishery law, law on mineral resources, the law governing foreign-owned enterprises in China and law on compulsory education which were promulgated earlier this year.

The other 53 laws and regulations include the law on state-owned industrial enterprises, law on post and communications, law on air pollution control and regulations concerning sino-foreign cooperative exploration of China's land oil resources and vocational-technical education.

Wang's bureau was set up last month. It is responsible for and coordinates the legislative work of all the ministries and commissions.

LABOR, WAGE, JOB ASSIGNMENT REFORM TO CONTINUE

OW071027 Beijing XINHUA in English 1002 GMT 7 May 86

[Text] Beijing, May 7 (XINHUA) -- China will continue to reform its labor, wage and job assignment systems over the next five years, participants at a national conference agreed here today.

Top priorities for reform, they said, would be the wage system in state and collective enterprises, the job assignment and transfer system, and the streamlining of government institutions.

A new wage system linking pay to job responsibilities — rather than seniority — has already been established within the central government, a senior official from the Ministry of Labor and Personnel told the more than 500 personnel officials attending the conference.

Ten million workers in state enterprises, or 15 percent of the total, are already being paid according to a responsibility system that ties income to output, he said.

As a result, "earnings in government and state enterprises have gone way up," the official said.

Since 1982, according to the official, the government has been hiring people for fixed terms and the tradition of lifetime tenure for officials has been abolished. Some enterprises have been experimenting with the fixed-term system as well, he said.

Several conference participants called for an overall management system to make sure officials do their jobs in productive ways.

JIA SHI INTERVIEWED ON TRADE PROMOTION COUNCIL

HK140427 Beijing RENMIN RIBAO in Chinese 5 May 86 p 2

[Report: "Jia Shi, chairman of China Council for Promotion of International Trade, Interviewed on Domestic Economic Service of the Council"]

[Text] Before the end of the first congress of the members of China Council for Promotion of International Trade (hereinafter simply called Trade Promotion Council of China), Jia Shi, chairman of the council answered questions of our reporters.

Question: What kind of organization is the Trade Promotion Council of China?

Answer: The Trade Promotion Council of China is a national nongovernmental organization which promotes and pushes forward China's economic and trade relations with other countries. It was founded in May, 1952, and organized by the well-known personages of the trade and economic circles. As we all know, during the first few years after the founding of the People's Republic of China, only few foreign countries had diplomatic relations with our country and imperialism imposed an economic blockade and trade embargo against our country. Under such circumstances, our country could only develop trade relations with the western world through nongovernmental channels. The Trade Promotion Council of China played an important role in this regard. Since 1970's along with the development of the international situation and our country's implementation of the policy of opening up to the world, the Trade Promotion Council of China has begun to shift the focus of its work to external trade and external economic and technological cooperation which stresses earning foreign exchange through export. The council has continued to further develop business relations with the relevant organizations, entrepreneurial circles and financial circles through nongovernmental channels ever since.

In order to adapt itself to the new situation of opening up and invigorating the domestic economy and better develop its role as an external chamber of commerce, the Trade Promotion Council of China decided to implement the membership system after consulting its branches in various areas of the country. The membership system symbolizes that our council's work has entered a new historical period. While facing the whole world, the Trade Promotion Council of China will also face the broad masses of domestic economic entities, coordinate the external economic activities of all the members, act as go-between and pave ways for all the members so as to enable our country's external economic and trade relations to develop in greater depth and width.

Question: What are the main tasks of The Trade Promotion Council of China in the future and how will the council carry out these tasks?

Answer: Our main task at present and for a period in the future is to facilitate the development of business, economic and technological relations between China and all the countries in the world through various forms and promote mutual understanding and friendship between the Chinese people and the people of all the countries in the world and between the economic and trade circles of China and the economic and trade circles of all the countries in the world.

At present, there is such a view which seems to play down the importance of nongovernmental exchanges. This is a misunderstanding. The nongovernmental exchanges between different countries in the world were necessary in the part, are necessary at present and will continue to be necessary in the future.

Question: How will the Trade Promotion Council of China face the domestic economic entities and how will it serve the broad masses of members of the council?

Answer: To face the domestic economic entities is a fundamental reform in the work of the Trade Promotion Council of China. As far as I know, in implementing the policy of opening up and developing external economic and trade relations, many departments, localities and units, especially factories, mines and enterprises, urgently need to know about the situation of the international market, trade opportunities, products and technology, and need to open up channels and find trade partners, and need to know about the economic laws and regulations and business measures of foreign countries. Since our council carries out many exchanges with foreign countries and has numerous channels, our council can provide the broad masses of members of the council with all forms of consultancy services.

Question: What are the new business fields of the Trade Promotion Council of China?

Answer: To hold exhibitions and trade fairs and expand external trade are the common practices in the world. Between 1950's and 19670's, we paid attention to holding exhibitions abroad. However, this is not enough. What is more important is to sell our products on the international market, open up international markets, facilitate export and earn more foreign exchange. In order to do this, over the past few years, we have carried out a series of reforms on our way of holding exhibitions, the structure of exhibits, and the composition of as well as expenditure of exhibition delegations to be sent abroad. The Trade Promotion Council of China has adopted the methods of holding exhibitions by itself, sponsoring exhibitions, jointly holding exhibitions with the units concerned or organizing the relevant units to hold exhibitions by themselves so as to enable more foreign trade companies, industrial trade companies and local trade companies to have a chance to hold exhibitions abroad and expand their export trade.

We have also carried out a series of reforms regarding the exhibitions held by foreign countries in China so as to closely link foreign exhibitions with our country's import trade.

Last year, the Trade Promotion Council of China started to act as an agent dealing in foreign-related patent business. Our council's work concerning legal affairs has also experienced some development. Apart from continuing to act as a trade-mark agent and be responsible for the external economic and trade aribtration, marine arbitration, testimony and attestation, average adjustment and some other business, the council also provides lawyers for both the foreign and domestic interested parties.

As far as consultancy service is concerned, last year, the council received 36 technology-exchange delegations, organized 179 domestic units to attend symposiums on technology, sent 10 tons of technological materials to the relevant units in the whole country and transmit over 500 items of information concerning technological products.

BEIJING SHELVES 400 CITY CONSTRUCTION PROJECTS

OW110315 Beijing Domestic Service in Mandarin 1100 GMT 9 May 86

[Excerpts] Our station reporter learned from the meeting of the Beijing Planning and Construction Committee today that in order to strictly control the scale of capital construction projects in the capital, the Beijing Planning and Construction Committee has decided to shelve some construction projects this year. The State Planning Commission, the Beijing Municipal Planning Commission, the Beijing Municipal Construction Committee, and other departments in charge of urban construction are strictly screening all the construction projects.

The Beijing Planning and Construction Committee has decided to shelve more than 400 construction projects this year with the exception of key projects. As for the building of offices for government organs, those who attended the meeting endorsed the plan put forward by the Beijing Municipal Construction Committee to build large office buildings for rental or sale. The meeting also decided to attach great importance to building living quarters.

Chen Xitong, director of the Beijing Planning and Construction Committee, hoped that party, government, and Army organizations and all the people in the capital would take the whole situation into account and make even greater contributions to developing the capital's modernization program.

'HUGE INVESTMENT' IN PORT FACILITIES PLANNED

HK090505 Beijing CHINA DAILY in English 9 May 86 p 1

[By staff reporter]

[Text] Shanghai -- China is planning a huge investment to upgrade and build new port facilities and install modern cargo handling equipment, Li Jisan, secretary general of the China Ports and Harbours Association, told CHINA DAILY.

During the Seventh Five-Year Plan (1986-90), 120 deep water berths and 80 medium- and small-size berths will be constructed in China, raising the country's present cargo handling capacity to 550 million tons a year, an increase of 67 percent over 1985, Li said.

The number of off-shore berths will increase to 1,200 with 300-320 deep-water berths and the handling capacity for cargos such as coal, crude oil, ore, grain and timber will be greatly increased to meet demand, Li said.

In some suitable off-shore harbours, capacity could be increased by adding extra anchorage and berthing facilities.

Prospects for China's ports look good, but problems still remain. To help facilitate the modernization of the country's exhibition will be held in Shanghai in March next year. Shanghai is one of the 10 largest harbours in the world and the largest in China.

During the exhibition, academic exchanges between international harbours will be organized on new technology and new equipment, Li said.

By the end of last year, cargo transported by the main harbours reached 350 million tons with an annual 10.1 percent increase, while 54 deep-water berths of the 10,000-ton-class or more have been constructed, 46 percent more than the previous five-year plan.

In another development, construction work has begun on new anchorage facilities at Nanjiang district, a key project for Tianjin port during the Seventh Five-Year Plan. The project, which involves a total investment of 49.7 million yuan ($16 million), will greatly ease the transport jam in the port.

Seven berths of 10,000-ton-grade or more will be built on the district's waterfront, which will increase the cargo handling capacity of Tianjin port by 1.1 million tons when in operation, according to TIANJIN DAILY. At present, the port has 24 berths for 10,000-ton ships. Tianjin is an international port with trade links to 150 countries.

AGRICULTURAL BANKS CARRY OUT COOPERATION PROGRAMS

OW111216 Beijing XINHUA Domestic Service in Chinese 1518 GMT 9 May 86

[By reporter Yuan Guanghou]

[Text] Chongqing, 9 May (XINHUA) -- During a meeting here today, agricultural banks of Guangzhou, Wuhan, Shenyang, Chongqing and Changzhou -- five cities designated to experiment with restructuring the banking system -- decided to set up lateral financial cooperation among themselves.

According to officials of these five cities' agricultural banks, their cooperation is necessitated by the need to expedite the restructuring of the banking system and support lateral economic ties. They have agreed on the following;

1. Providing each other the need circulating funds: Beginning in June 1986, they will inform each other every 10 days of the availability or needs of capital. The relevant parties will consult with each other about borrowing or lending, as well as the amounts of loans and their terms, interest rates, and other relevant matters. Each quarter, these banks will inform each other on their credit situation.

2. Exchanging information: On a regular basis the banks will exchange journals about the progress of experiementing with banking reform and other information.

3. Operating as credit agents: The service, which is provided either free of charge or for a fee, shall be decided by the relevant parties. The commissioned bank shall be responsible for assessing the feasibility of providing the various credit services. It shall also be responsible for the supervision and management of how the loans have been used after they are extended. Should there be any problem after the extension, it should immediately notify its principal.

4. Remitting money by telegram: This service will be provided among operating branches under the agricultural banks of the five cities.

5. Endorsing credits: Services of endorsing credits will be provided among agricultural banks of the five cities.

The agricultural banks have also decided in their agreement that more cooperative projects will be introduced following the development of the experiment in restructuring the banking system and the development of the commodity economy.

BO YIBO VISITS TIBETAN STUDENTS IN HUNAN SCHOOL

HK151402 Lhasa Xizang Regional Service in Mandarin 1130 GMT 14 May 86

[Excerpts] ON 13 April, despite the rain, leading comrades of the central authorities, including Bo Yibo, vice chairman of the Central Advisory Commission, accomanied by Mao Zhiyong, secretary of the Hunan Provincial CPC Committee; and (Chu Bo), secretary of the Yueyang City CPC Committee, went to visit 50 Tibetan students and 2 Tibetan teachers on a Xizang course in Yueyang City First Middle School. The leading comrades of the central authorities, Hunan Province, and Yueyang City first inspected students' classrooms, bedrooms, and cultural and recreation rooms.

Children presented white hats to leaders and performed literature and art programs with nationality characteristics.

Prior to departure, the children had a group photo taken with the leading comrades of the central authorities, Hunan Province, and Yueyang City to mark the occasion.

LI PENG URGES SCHOOL GRADUATES TO BECOME TEACHERS

OW111114 Beijing XINHUA Domestic Service in Chinese 1448 GMT 10 May 86

[Text] Beijing, 10 May (XINHUA) -- A meeting to mobilize the 1986 middle school graduates to apply for entrance into teachers schools and universities was held this afternoon at the Great Hall of the People. Li Peng, vice premier of the State Council and minister in charge of the State Educational Commission, attended and addressed the meeting. He expressed the hope that graduates of senior and junior middle schools of Beijing and the whole country, in particular, outstanding ones, step forward and accept the people's selection when the nation needs teachers most.

Li Peng stressed: In order that the four-modernization drive progresses smoothly to build our country into a modern socialist power with a high degree of civilization and democracy, we need hundreds of millions of specialists in all fields to generally enhance our nation's scientific and cultural quality. To attain this objective, we have to develop education, especially to better our elementary education. Comrade Deng Xiaoping has said: Ours is a big country of 1 billion people. If education is well developed in our country, our tremendous superiority in the resource of talented people can be matched by no other country. With this superiority plus the advanced socialist system, we will be assured of achieving our goal.

Li Peng said: Many things have to be done to perfect our elementary education. The most important and fundamental one is to build up a contingent of teachers of a sufficient number and fine ideological and professional quality. Without such a contingent, to enforce the 9-year compulsory education system would be an empty talk and to enhance the nation's quality and produce more and fine qualified personnel, an impossibilty.

Li Peng pointed out: At present we have such problems about our middle and primary school teachers as numerical insufficiency, unfit specifilization, and, partly, inferior professional standard. To solve these problems, we have to train incumbent teachers for their betterment on the one hand and run teachers schools well at all levels to cultivate large numbers of qualified new teachers to continuously supply new blood to the contingent of teachers on the other hand.

He said: To run teachers schools at all levels successfully and cultivate qualified teachers of the people, the people's governments at all levels must show tremendous concern and take effective measures to improve the conditions for running teachers schools as soon as possible. In addition, we have to enlist fine graduates of junior and senior middle schools into teachers schols to heighten the quality of freshmen. This is a key measure to improve the quality of normal education and cultivate qualified new teachers.

Li Peng said: We need large numbers of scientists, engineers, medical doctors, men of letters, artists, lawyers, and political workers for our four-modernization drive. Of course, it is a high ideal to become any of them and their work is an enviable occupation, indeed. However, without middle and primary school teachers assiduous labor of top quality, it is impossible to have men of best quality in all specializations. We now can see how important a contingent of teachers of a sufficient number and high quality is to the cultivation of qualified personnel of all categories.

Li Peng finally said: All parents hope that their children get good education and be taught by good teachers. So all parents should support their children in applying for admission to teachers schools. This not only conforms to the interests of the state and society but also of all members of the society.

Xu Weicheng, deputy secretary of the Beijing Municipal CPC Committee, said at the meeting: By the year 2000, Beijing will lack 39,000 each of middle and primary school teachers. Without a large number of qualified teachers, Beijing can hardly play its due role as the country's political and cultural center. He expressed the hope that middle school graduates consider it their duty to devote themselves to the cause of the people's education and enthusiastically apply for admission to teachers schools.

Wang Biling, teacher, special grade, of Beijing No 11 Middle School, Ruan Guojie, young teacher of Beijing Teachers University's Second Affiliated Middle School, and Liu Hong, 1986 graduate of the Senior Middle School of Beijing University's affiliated Middle School, also spoke at the meeting.

He Dongchang, responsible comrades of departments concerned, and some 8,000 of Beijing's 1986 middle school graduates attended the meeting.

ZHU HOUZE, RUI XINGWEN AT SHANGHAI BALLET

OW141118 Shanghai City Service in Mandarin 0000 GMT 14 May 86

[Text] Gao Zhanxiang, vice minister of culture, watched the mythological ballet "Ta Yu" in Shanghai last evening. After the performance, he said: It is very sensational to stage the story of Ta Yu [Founder of the Xia Dynasty]. The story and the dance were both beautiful. I hope you will continue to revise and improve it according to popular opinion so that it will become even better.

Zhu Houze, head of the Propaganda Department of the CPC Central Committee, and Rui Xingwen, secretary of the Shanghai municipal party committee, also watched the show. After the show, they went up to the stage to greet the performers on their success.

XI ZHONGXUN AT BEIJING CALLIGRAPHY EXHIBITION

OW110830 Beijing XINHUA Domestic Service in Chinese 1120 GMT 10 May 86

[By reporter He Ping]

[Excerpts] Beijing, 10 May (XINHUA) -- An exhibition of calligraphy by later Mr Yu Youren, a senior Kuomintang statesman and famous calligrapher, opened at the Museum of Chinese Revolution in Beijing today. Xi Zhongxun, member of the Political Bureau of the CPC Central Committee, cut ribbon at the open ceremony.

Some 500 persons visited the exhibition today. They included Liu Lantao, Cheng Zihua, Qian Changzhao, Qu Wu and Ma Wenrui, vice chairmen of the CPPCC National Committee; and some calligraphers in Beijing.

ZHANG GUANGNIAN MEETS JIANGXI LEADERS

OW101209 Nanchang Jiangxi Provincial Service in Mandarin 1000 GMT 8 May 86

[Text] This morning, Zhang Guangnian, member of the Central Advisory Commission, vice chairman of the Chinese Writers' Association, and famous poet and theoretician, gave a report on literature and art at the Hall of the Provincial Federation of Literary and Art Circles, attended by 600 literary and art workers and college students of the province and Nanchang City.

In his 3-hour report, Zhang Guangnian analyzed and introduced the current state of literary and art creation in China, and expounded the ways to correctly implement the principle of letting a hundred flowers bloom in literary and art creation.

Wan Shaofen, secretary of the provincial CPC committee, and Bai Dongcai, member of the Central Advisory Commission, have met with Zhang Guangnian.

LEADERS MEET BADMINTON CUP WINNERS IN BEIJING

OW100610 Beijing XINHUA in English 0559 GMT 10 May 86

[Text] Beijing, May 10 (XINHUA) -- Chinese shuttlers were warmly greeted here this morning for their triumphs at the recently-concluded Thomas and Uber Cup tournaments in Jakarta.

Chinese leaders Wan Li, Xi Zhongxun and Hu Qili shook hands with the players and coaches at the meeting and took a look at the Thomas and Uber Cups, symbolic of world supremacy in team badminton, with keen interests. At the meeting, the Chinese players were called on to sum up experience for still greater success at future tournaments.

Among those present on the occasion was Li Menghua, minister of the Chinese State Physical Culture and Sports Commission. The Chinese shuttlers returned home on May 8.

SHANDONG: SIX ZONES DESIGNATED FOR ECONOMIC DEVELOPMENT

HK140821 Beijing ZHONGGUO XINWEN SHE in Chinese 0244 GMT 13 May 86

[Report by Yuan Chonghe: "Shandong Designates Six Major Economic Zones"]

[Text] Jinan, 13 May (ZHONGGUO XINWEN SHE) -- Shandong, China's second richest province, has made strategic arrangements for its economic deveopment. In line with the favorable conditions in various localities, it has designated six major economic zones in the hope of shifting its advanced technology from the Yantai-Jinan ad Tianjin-Pukou railways to both sides of each the railways.

The Jiaodong peninsula economic zone includes the three cities of Qingdao, Yantai, and Weifang, which will play the radiating role of key cities in building Shandong Province into the most advanced, outward-oriented economic zone.

The central Shandong economic zone, mainly dealing in the petrochemical industry, includes Zibo, Dongying, and Huimin. The Shengli oil field, China's second largest, is situated in the central Shandong economic zone.

The southwestern Shandong economic zone, rich in coal resources, is famous for its coal production in Yanzhou, Jining, Zaozhuang, and Tengxian. This zone will be built into an energy base focusing on coal and electric power production.

The Jinan-Taian economic zone will concentrate on the development of tourism, science, technology, education, and culture. It will become a comprehensive and multifunctional economic zone.

The southern Shandong economic zone, which is a little backward, will engage mainly in mineral production, forestry, and the building material industry. The northeastern Shandong economic zone will develop industry, forestry, animal husbandry, and the processing of agricultural and sideline products.

Shandong's gross industrial and agricultural output value amounted to 89.4 billion yuan in 1985, ranking second in the country. However, economic development in various localities in Shandong is unbalanced. To bring into full play the superior conditions of various localities, Shandong Province, basing itself on macroeconomic arrangements, has designated six major economic zones, aiming to strengthen dialogue between its "eastern, western, southern, and northern" regions and to take a larger step forward in economic construction.

BRIEFS

ANHUI RESOURCES DEVELOPMENT -- Hefei, 6 May (XINHUA) -- Through comprehensive efforts to develop the resources of Anhui Province, the Shanghai Economic Zone has turned a unitary, local advantage into an overall advantage for the entire economic zone. By the end of April this year, Anhui Province had signed agreements for more than 100 joint development projects with Shanghai, Jiangsu, and Zhejiang, thereby raising some 300 million yuan of capital. When completed, these projects will increase the Shanghai Economic zone's output of coal, pig iron, cement, and iron sulphide by 1.8 million, 400,000, 2.5 million, and 600,000 metric tons respectively. They will play an important role in easing the long-term shortages of energy, and raw and semifinished materials in areas south of the Chang Jiang. [Summary] [Beijing XINHUA Domestic Service in Chinese 0103 GMT 6 May 86 OW]

GUANGDONG PARTY RECTIFICATION FORUM HELD

HK150832 Guangzhou Guangdong Provincial Service in Mandarin 0300 GMT 14 May 86

[Text] Yesterday afternoon, at the provincial forum on party rectification work at the district level in the rural areas held by the provincial CPC Committee, Guo Rongchang, deputy secretary of the provincial CPC Committee and deputy head of the provincial CPC Committee's group for guiding party rectification, emphasized: It is necessary to further and penetratingly carry out party rectification at the district level in the rural areas. This forum was held in Guangzhou from 9 to 13 May. The forum exchange and summed up the previous experiences in party rectification and made arrangements for party rectification work at the next step. At yesterday afternoon's closing ceremony, while Comrade Guo Rongchang was talking about how to further and penetratingly carry out party rectification work at the district level in the rural areas, he pointed out:

1. The key lies in the fact that the city, prefectural, and county CPC committees, particularly the county CPC committees, must continuously strengthen guidance to party rectification at the district level, overcome their slack and complacent mood, find out the weak links, and continue to grasp this work to the end.

2. It is essential to do a good job in comparison and examination.

3. It is imperative to do well in grasping party rectification work in the units under the dual leadership of a county and a district and to prevent doing things perfunctorily and superficially.

4. It is necessary to simultaneously carry out rectification and correction and to develop party rectification in depth in the course of rectification and correction.

5. We must really do well in building the leadership groups.

GUANGXI'S CHEN HUIGUANG OUTLINES JOURNALISTS' DUTY

HK150744 Nanning Guangxi Regional Service in Mandarin 1000 GMT 14 May 86

[Excerpts] At the second congress of the Guangxi Journalists Association and the Guangxi Press Association, regional CPC Committee Secretary Chen Huiguang said that journalists must make contributions in building the two civilizations. Newspapers, radio, and television must give much publicity to the excellent situation in Guangxi. They must do well in reporting the work of helping the poor, and must inspire the poor first in helping them. Comrade Chen Huiguang said: To fulfill Guangxi's Seventh 5-Year Plan, we must rely on the efforts of journalists, properly carry out propaganda work, and conduct education so as to enchance our vigor to unite the fight for the fulfillment of the Seventh 5-Year Plan. (Zhong Jiazuo), Standing Committee member and secretary general of the regional CPC Committee, also delivered a speech at the congress. At the congress, 56 members were elected directors of the boards of the Guangxi Journalists Association and the Guangxi press Association. After discussions, the directors elected (Zhong Jiming) honorary president of the two associations, and (Dong Puihua) president of the two associations. The congress was held from 11 to 13 May in Nanning. (Zhang Yang) and (Li Shoufa), deputy directors of the Propaganda Department of the regional CPC Committee, attended and spoke.

HUBEI ELECTS NEW CPPCC OFFICIALS 14 MAY

OW142120 Beijing XINHUA Domestic Service in Chinese 1340 GMT 14 May 86

[Text] Wuhan, 14 May (XINHUA) -- On the basis of the resignations of Shi Zirong, Xue Wei, Zhou Jifang, Xu Jinbiao, Tao Yang and Yang Rui because of their advanced age, the Fourth Meeting of the Fifth Hubei Provincial CPPCC Committee which closed today agreed that they be relieved of their posts as vice chairmen of the provincial CPPCC Committee. At the same time, the CPPCC elected, afOer full consultations, Mu Changsheng [4476 1603 3932], Hu Hengshan [5170 1854 1472], Dong Yusen [5516 3768 2773], Mao Gensu [3029 2577 3936], Tang Zhensheng [0781 2182 3932], and Han Wenquing [7281 2429 0615] as vice chairmen of the provincial CPPCC Committee. The meeting also elected 15 additional Standing Committee members of the provincial CPPCC Committee.

HUNAN FIGHTS FORCED SALES OF UNMARKETABLE GOODS

HK070909 Changsha Hunan Provincial Service in Mandarin 2200 GMT 5 May 86

[Text] Some state-run wholesale and retail commercial units in the province have recently engaged in the malpractice of selling goods together with unmarketable goods to customers.

The provincial commerce department issued a circular on 4 May to all commercial departments of all prefectures, cities, and counties, calling on them to resolutely curb the malpractice of selling goods together with unmarketable goods to customers. The circular reads: The problem of selling goods together with unmarketable goods has appeared time and again in wholesale and retail commercial units and has become increasingly serious recently. This malpractice infringes upon consumers' interests, gives protection to backward products, results in waste, and defames state-run commerce.

The circular demands that all wholesale and retail enterprises earnestly implement the regulations recently issued by the State Council on quality responsibility of industrial products and previous circulars issued by the Ministry of Commerce on prohibiting the malpractice of selling goods together with inferior and unmarketable goods to customers. It is absolutely impermissible to sell fine-quality products together with inferior products, to sell famous-brand products together with ordinary products, and to sell marketable products together with unmarketable products. Efforts should be made to fight the malpractice regularly.

The circular demands that commercial departments in all localities actively guide and promote production units to produce fine-quality and famous-brand products in accordance with market needs. They must also ensure the quality of goods they purchase so that the goods are marketable. It is necessary to oppose the malpractice of forcibly selling goods together with inferior and unmarketable goods.

The circular demands that responsible commercial departments at all levels strengthen supervision and examination of the operation style of enterprises under their administration, promptly curb the malpractice if it is discovered, and affix the responsibility of wholesale and retail units. In serious cases, units and persons involved should be fined economically and punished administratively. It is necessary to deal severely with a handful of people who offer and take bribes to purchase unmarketable goods and then forcibly sell the unmarketable goods together with other goods to customers.

GUIZHOU COMMENTARY URGES CADRES TO STUDY MARXISM

HK140606 Guiyang Guizhou Provincial Service in Mandarin 2200 GMT 9 May 86

[Station commentary: "New and Old Cadres Alike Must Seriously Study Marxism"]

[Text] Recently, the central leaders repeatedly urged that new and old cadres alike must strenghten their study of basic theory of Marxism, and strive to heighten their theoretical standards. The provincial CPC Committee has conveyed the suggestions of the provincial CPC Committee propaganda Department on strengthening the study of theory among cadres. The department urged all cadres to seriously study Marxist theory. In the course of building socialism with Chinese charactersitics, it is very significant that new and old cadres alike do well in studying basic Marxist theory as well as mastering the basic principles and basic methods of Marxism.

The new and old cadres are leaders of departments and units in all localities. The line, principles, and policies formulated by the CPC Central Committee are mainly implemented by them. How well the new and old cadres can master the theory of Marxism plays an important role in the implementation of the party's line, principles, and policies, as well as in the achievements of their local departments and units. In building socialism with Chinese characteristics, new situations and new problems develop one after another. Only when we seriously study the theory of Marxism and master its stand, viewpoint, and methods can we analyze the new situation in a scientific way and correctly solve new problems. Then, we can promote our undertakings in various areas in an innovate way. Without the guidance of the theory of Marxism, there is a risk of getting lost.

Marxism is a complete and scientific system. When studying Marxism, we must also take a scientific method and a scientific attitude. First, we must act industriously and systematically and seriously read several books, so as to master Marxism as a complete system. Second, we must correctly understand the relations between the practice of upholding Marxism and that of developing Marxism. Marxism is not a rigid dogma, but a guide to action. Its growth follow in the wake of the development of the times. We should follow its basic principles and basic methods and, by integrating them with the ever-changing situation, solve new problems. We should not simply focus on each of its specific conclusions. Thus, we not only study Marxism but also augment and develop Marxism.

GUIZHOU TO UNDERTAKE 13 MAJOR PROJECTS IN 5-YEAR PLAN

HK150729 Guiyang Guizhou Provincial Service in Mandarin 2200 GMT 13 May 86

[Text] Our reporter has learned from the relevant departments that this year the state has initially arranged 13 major projects for the Seventh 5-Year Plan in the province. The total investment will be 2.06 billion yuan. Most of the projects relate to energy, communications, and raw material construction projects. According to initial estimates, after these projects are completed and put into operation, the province will increase it is annual coal output by 1.95 million tons, generated energy output by 910,000 kilowatts, alumina output by 180,000 tons, ferromanganese and coking iron output by 80,000 tons, cement output by 280,000 tons, and phosphorus output by 500,000 tons. During the Sixth 5-Year Plan, the state invested some 1.35 billion yuan in the province to build 16 major projects and put them into operation. They included the production line of [words indistinct]. The province can now increase annual synthetic ammonia output by 300,000 tons, hydropower installed capacity by 869,000 kilowatts, and raw coal output by 1.5 million tons.

GUIZHOU SECRETARY ATTENDS INDUSTRIAL WORK MEETING

HK150755 Guiyang Guizhou Provincial Service in Mandarin 2200 GMT 14 May 86

[Excerpt] Yesterday morning the Guiyang City CPC Committee and People's Government held a meeting of cadres from industrial departments in the city, demanding that all cadres, staff, and workers on the industrial front of the city have a correct understanding of the current situation, enhance their vigor, persevere in reforms, do their utmost to overcome difficulties, and fight to fulfill this year's industrial production targets. Provincial and Guiyang city leaders Hu Jintao, Wang Chaowen, Ding Tingmo, Zhang Shukui, (Li Maolu) and (Wang Shouting) attended the meeting. Hu Jintao, Zhang Shukui, and (Wang Shouting) spoke.

SICHUAN HOLDS MEETING ON CORRECTING MALPRACTICES

HK150745 Chengdu Sichuan Provincial Service in Mandarin 0930 GMT 13 May 86

[Excerpts] On 11 May the provincial CPC Committee held a meeting on straightening out sectoral malpractices to develop party rectification in depth. Provincial CPC Committee Secretary Yuang Rudai and other leading comrades listened to reports given by responsible comrades from some units and delivered important speeches.

The meeting held that to straighten out malpractices, first, we must have a correct ideological understanding. In the preceding stage, the province corrected the malpractices of party and government organs doing business and running enterprises, seriously straightened out party style, and dealt with important and major cases. All this has made a good start for straightening out malpractices with sectoral characteristics. But we need to continue these efforts.

Straightening out sectoral malpractices is a requirement for straightening out party style, an urgent demand of the people, and a requirement for building material and spritual civilization. It is also the concrete manifestation of correcting the guiding thought on our work. Second, leading cadres at all levels must be familiar with the malpractices in various sectors and must seriously deal with those malpractices in their own sectors about which the masses have a lot of complaints. They must mainly deal with such malpractices as taking advantage of one's power and position to practice fraud, to blackmail and extort from others, and to seriously violate the interests of the state and people.

The meeting also pointed out that to straighten out sectoral malpractices, it is necessary to uphold the principle of seeking truth from facts, to pay attention to implementing policies, and to take into account the situation when the malpractices actually emerged. As for general mistakes, so long as the persons involved have corrected their mistakes, it will be all right. It is not necessary to check people one by one. It is however necessary to severely punish a handful of people who have made serious mistakes, made a bad impression on the masses, and violated criminal law.

In conclusion the meeting stressed that we must, in connection with characteristics in all sectors and on all front, straighten out malpractices in all sectors in a planned way and, step by step, and treat the straightening out of malpractices as an important part of straightening out party style. We must straighten out party style to bring about the improvement of the general social mood and to further improve party style.

PROSPECTS FOR TAIWAN-MAINLAND RELATIONS ASSESSED

HK090456 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 5 May 86 p 2

[Article by He Fang of the Chinese Academy of Social Sciences: "The Future Relations Between Taiwan and the Mainland" -- based on a speech at the "Taiwan in the Coming 10 Years" subcommittee meeting at the 38th Annual Conference of the U.S. Asian Society]

[Text] Over the past few years, the future of Taiwan has become a favorite topic of the domestic and overseas press and there have been more and more academic discussions about it. This suggests that the Taiwan issue has become an increasing urgent topic on the agenda. The question of what course Taiwan will follow is not only a matter of great concern for the 1 billion compatriots on both sides of the strait, Overseas Chinese, and foreign citizens of Chinese origin, but has also drawn international attention. Naturally, the Taiwan issue is an internal affair of China, the settlement of which should only be negotiated by the Chinese on both sides of the strait. However, it also has its international aspect, which mainly refers to U.S. involvement. In addition, the Taiwan issue also concerns the stability of the situation in Asia, the Far East in particular. Therefore, it is understandable for foreign academics to objectively make an academic study and investigation into the Taiwan issue. Their studies and research should be welcome.

In the final analysis, the future of Taiwan we are now talking about refers to its relations with the mainland. Therefore, in this article I will air my personal views on the future relations between Taiwan and the mainland in terms of economic, political, and international environments, in the hope of soliciting advice from fellow participants.

I

This conference is entitled "Taiwan in the Coming 10 Years." In view of the fact that any economy is the basis of politics, in the world today it is difficult to imagine that economic confusion can result in political stability. I will therefore first talk about economic problems, which, I think, will not digress from the subject.

Over the past 20 to 30 years, Taiwan's economy has rapidly developed owing to the relaxation of the situation in the Taiwan Strait, which has been advantageous to the international situation, and as a result of the hard work of the Taiwan people. The people on the mainland have always been deeply gratified at the achievements made by their compatriots. The present economic situation in Taiwan can be said to be stable, and there is certain potential for future development. But we should also understand that Taiwan's economy is at a turning point. We should not be too optimstic about its development. Taiwan's authorities and the press have talked much about Taiwan's economic difficulties. This is well-known, so I will not deal with it in detail. What I would like to talk about is that the weak points of Taiwan's economy lie in the shortage of material resources and the narrowness of its internal market. Its economic development relies to a large extent on foreign trade. The world economy is now in a period of slow development, and many countries are carrying out economic structural adjustment. Such a rapid growth rate as in the past will probably not be seen again by the end of this century. It is hard to witness great development in world trade. Competition will become sharper and sharper. Trade protectionism will continously increase.

Under such circumstances, Taiwan will be faced with more and more economic difficulties. For example, its traditional industry is declining, its technology-intensive industry has not developed, and it is losing its original superiority. It is good that the prices of raw materials and fuels have dropped, but the loss of the competiveness of its products will make it difficult for its exports to increase. As its internal market is small and comsumption has dropped, Taiwan finds it difficult to sell its export commodities on the internal market. In particular, people do not have much condience in their future, so a "troubled mental state" has arisen, bringing about a capital outflow and a decline in people's desire to make long-term investments. This situation markedly sharpened in 1985. Things will continue to deteriorate if no effective measures are taken, and it wil be very difficult to maintain economic stability.

There is no need to deny the fact that for a period of time in the past, that is, in the 1960's and the 1970's, economic development was slower on the mainland than in Taiwan. This was because China could not find an economic development mode suited to its specific conditions and made some big mistakes in its work, in addition to the problems of a vast expanse of land, a large population, a poor foundation to start with, and boycotts by foreign countries. In particular, it lost a lot of time during the 10 years of turmoil. Nevertheless, not only was its economic development rate in the first 30 years unprecedented in Chinese history, it was also fast among the Third World countries.

This can be seen in comparison with India, which has conditions similar to those of China. A fundamental change has taken place in the situation since the beginning of the 1980's. Over the last 5 years, the economic development rates of Taiwan and the mainland have turned the other way. This trend will probably continue to develop with the implementation of economic structural reform on the mainland. The mainland is still far behind Taiwan in terms of per capita output value, but for a large country, it is inevitable for economic imbalance to occur from region to region. Not only is there a gap beteen the mainland and Taiwan, but a big difference can be found between Shanghai and Qinghai or between Jiangsu and Gansu. Of course, the mainland still has many problems with its economy, such as inadequate capital, backward technology, a low managerial level, and uneven economic reform, but the main thing is that the mainland has taken the correct road of development. The people throughout the country are energetic and full of confidence. The prospects are bright. This is known to the whole world.

The mainland and Taiwan have their own difficulties with their economies, but the nature of these difficulties is entirely different. The mainland's difficulties are related to the course of progress. The orientation has been ascertained and the route has been opened. With this, various problems can be settled one-by-one. Taiwain's economic difficulties involve the question of seeking a way out. It will be hard for Taiwan to go forward without looking for a new path. Last year, when world trade was depresssed, the situation in Taiwain's foreign trade worsened, with a drop of 8.4 percent in imports. Exports, however, witnessed a slight increase of 0.9 percent as a result of a rapid rise in indirect trade with the mainland (a 250 percent rise in its indirect trade with the mainland through Hong Kong in the first 7 months). Otherwise, its foreign trade would have continued to drop. Hong Kong is an example: It has strengthened its economic ties with the mainland following the smooth settlement of the Hong Kong question. Last year its commodity exports to the United States, Europe, and Japan dropped by a large margin. However, Hong Kong still witnessed a 6.2 percent rise in the total volume of its exports and re-exports as a result of a 35 percent increase in its exports to the mainland and a 64 percent increase in its re-exports to the mainland. These are facts, and it is not difficult for people to draw their own conclusions.

II.

At first glance, the present political solution in Taiwan is stable, but people are very concerned over how long it will last. Although the wind is not likely to blow in the political situation in Taiwan, factors affecting the stability of the political situation keep increasing and are becoming more prominent. First, economic difficulties inevitably affect political stability. As I have dealt with this point in the passages above, I will not go into further details here. Second, Taiwan is faced with the problem of taking over and inheriting political power.

Some people believe that after Mr Chiang Ching-kuo, Taiwan will possibly shift to collective leadership to maintain political stability. It is true that we should not thoroughly reject this possibility, but judging from the KMT's history and traditions as well as the present situation in Taiwan, it seems that the problem of shifting to collecting leadership is not so simple. As there are many factions in the KMT, it will be hard to realize collective leadership, what is more, to realize it smoothly. Third, the contradiction between the KMT and "other parties" has long been a hidden worry of the Taiwan authorities. The Taiwan people's demand for democratic reform and the abolition of the so-called "martial law" is becoming stronger. This has made their problems more complicated. If the Taiwan authorities carry out suppression, stronger dissatisfaction will arise among the Taiwan people; if they relax their control, they are afraid that the momentum of democratic movements will run higher. They are in a dilemma, walking on thin ice.

Fourth, the "three no's" policy of "no contact, no negotiation, and no reconciliation" is meeting with stronger opposition and is therefore difficult to continue. Although many people in Taiwan do not understand much about the situation on the mainland and the CPC's policies, due to long estrangement and anticommunist propaganda, the vast number of Taiwan compatriots want to have more ties and exchanges with the mainland, to remove estrangement, and to solve relations with the mainland through equal negotiations. Their desires are breaking through all barricades and converging into a mighty, irresistible current. As contradictions in Taiwan are complicated and are becoming increasingly acute, if they do not judge the hour, size up the situation, and change their course, but continue to go against the trend and the people's will and to persist in their rigid stand, then "what Ji Xun has to worry about is not Zhuan Yu, but trouble from within." In such a case, how can we say that the situation is stable?

Mainland compatriots and the CPC leaders do not wish to see a turbulent situation in Taiwan, as a turbulent situation will endanger the peaceful life of Taiwan compatriots. In addition, some separatists and foreign powers will use it to hamper the peaceful reunification of the motherland. This will also be detrimental to the smooth carrying out of economic construction on the mainland. On the mainland, not everything is as good as everyone expects. However, the present excellent situation of harmony, stability, and unity has rarely been seen in Chinese history. The mainland also had the problem of taking over and inheriting political power, but it was solved at the national conference of party delegates held last year. Now the whole nation is repudiating bureaucratism, unhealthy practices, and corruption. If this is continued for a long time, a fundamental change for the better will certainly be realized.

Although there will be problems and difficulties in the course of our advance, the stability of the political situation on the mainland and long-term adherence to the basic principles are ensured. Some people do not trust the CPC's policy on peaceful reunification and even say that the CPC wants to create disturbances in Taiwan so that it can have the opportunity to use force against Taiwan.

This is, at least, a misunderstanding or prejudice. But one point is certain, the Chinese people and government will never allow foreign power to use disturbances in Taiwan to interfere, or separatists to engage in the so-called "Taiwan independence" or "self-determination" movement. We also hope and are deeply convinced that the great cause of peacefuully reunifying the motherland will soon be realized. The situation in recent years has developed toward this end. Insofar as Taiwan politics is concerned, there are two possible alternatives: One is confusion as a result of long delay and the other is "unification as a result of being resolute."

III.

The international situation undoubtedly has a certain impact on relations between Tawian and the mainland. Looking to the future, U.S.-Soviet confrontation and contention will continue for a long time to come, but its influence on international affairs will consistently be reduced. The world is going forward toward multipolarization, and this trend is unalterable. The development, growth, and mutual cooperation of the Third World are drawing more and more attention. The danger of war still exists, but the factors for preserving peace have outstripped this danger. Therefore, it is not easy for a large-scale war to break out. In a peaceful international environment, the Chinese Mainland will witness rapid development in construction in various fields, and its national strength will certainly thrive. There will be brighter prospects for its foreign relations. The development of the international situation has become more favorable to the peaceful reunification of the motherland. This is as bright as a blazing fire.

It is undeniable that some foreign powers would not like to see China's peaceful reunification. Some people in the United States still insist on the policy of "one China, one Taiwan." but more and more people in the world understand and support China's peaceful reunification. This is the general trend. The adverse current which hinders China's peaceful reunification cannot last long. Some sensible persons in the United States understand that the peaceful settlement of the dispute between Taiwan and the mainland will be good for all. As the development of Sino-U.S. relations is stable, the major obstacle to the relations between the two countries will certainly be removed. This is independent of man's will. Even during the 10 years of turmoil, the United States attached importance to developing relations with China, and this will continue in the future, as China will grow stronger. The further development of Sino-U.S. relations will be beneficial not only to the interests of both sides, but also to safeguarding peace in Asia and the rest of the world.

Taiwan's foreign relations are known to all. There is no need to give a detailed explanation. The so-called practical foreign relations mainly refer to foreign economies and trade. As I have said above, this road is becoming narrower. It is hard to even maintain the present state of affairs, let alone develop it. The Taiwan authorities have all along persisted in the concept of "one China" and opposed separatism. But they refuse the offer of peaceful reunification and are content to exercise sovereignty over a part of the country. They are, in fact, contradicting themselves. Those who try to separate Taiwan from the mainland forever or to make "Taiwan independent" place their hope on foreign powers. This is national betrayal and is very unreliable. Viewed from Chinese history, no separatist regime living on foreign support lasted long, let alone at present, as the situation is greatly different from the past.

In the final analysis, the future of Taiwan is determined by its relations with the mainland. The question of solving Taiwan-mainland relations is an internal affair of the Chinese nation. Since people on both sides of the Strait maintain that we are Chinese, it should not be difficult to solve problems of our family.

The old saying goes: "There will be reunion after long separation." This is a good description of the relations between Taiwan and the mainland. As to how to "unify," this can be discussed. The CPC has suggested the realization of the peaceful reunification of the motherland on the basis of the concept of "one country, two systems" through bilateral negotiations. The CPC will not force its existing system on Taiwan, but stands for the principle that neither side will take over the other.

But it is unrealistic for Taiwan to unify with the mainland under its present system. We should admit that over the past 2 years, Taiwan has relaxed its relations a little with the mainland. But it still persists in the "three no's" policy and is determined to pursue this policy for a long time. This is very unsensible. It is not workable to tackle the changing situation with an unchanged stand. What is the way out? It seems that both sides should solve their relations through equal negotiations by taking account of the national interests of both sides and realities on both sides of the strait, including the wishes of the Taiwan people. All problems and misgivings can be discussed, with the exception of the sacred principle of "one China" and the "reunification of the motherland" (this is the great common wish of both sides). Therefore, our task of top priority is to strengthen our contracts. Once negotiations start, problems are easy to solve.

It is well-known that the political situation on the Chinese mainland is stable, that its economic construction is developing by leaps and bounds, and that its international position is becoming increasing important. It is estimated that by the end of this century, China's GNP will exceed that of Italy, Britain, or even France, and will rank fifth in the world. Although its per capita output value is comparatively low and its science and technology are below world levels, it is doubtless that it will become a country with a powerful economy. If the peaceful reunification of Taiwan and the mainland can be realized during this period, the international position of the entire Chinese nation will be greatly enhanced. In the coming 40 to 50 years, it is possible for China to approach the levels of developed countries in terms of economy, science, and technology and to realize the wishes of Mr Sun Yat-sen and the desires all noble-minded Chinese have cherished over past century, thereby making greater contributions to preserving long-lasting peace in the world and to the progress of mankind.

In conclusion, Taiwan compatriots, Overseas Chinese, foreign citizens of Chinese origin, and foreign friends who are concerned with China and the study of the China problem are welcome to visit the mainland for the purpose of strengthening contacts and increasing mutual understanding. I hope that I will see you in Beijing.

CAAC, CAL TO NEGOTIATE ON PLANE, CREW 17 May

OW151355 Beijing XINHUA in English 1347 GMT 15 May 86

[Text] Hong Kong, May 15 (XINHUA) -- The Civil Aviation Administration of China (CAAC) and Taiwan's China Airlines (CAL) agreed to open discussions on the hand-over of a Boeing 747 cargo plane and two crew members and the cargo on May 17th. This was disclosed here this afternoon by Zhang Ruipu, manager of the CAAC Hong Kong office. Zhang said the agreement was reached on CAAC's proposal. To participate in the discussions are, for CAAC, Zhang Ruipu, Lu Ruiling and Liu Yuanfan, and for CAL, Zhong Zanrong, Li Zhenyang and Chen Enjin.

Talks Representatives Named

HK151128 Beijing XINHUA Hong Kong Service in Chinese 1102 GMT 15 May 86

[Text] Hong Kong, 15 May (XINHUA) -- This afternoon, a XINHUA reporter learned from manager Zhang Ruipu [1728 3843 2528] of the Hong Kong office of the CAAC [Civil Aviation Administration of China] that at the suggestion of CAAC, the CAAC and CAL had agreed to begin their talks on 17 May on the return of the 747 cargo plane, its aircrew, and it cargo load. Zhang Ruipu, Lu Ruiling [4151 38943 7881] and Liu Yanfan [0491 6678 5672] will represent CAAC and Chung Tsan-jung [6988 6363 2837], Li Chen-yang [2621 2182 2254], and Chen En-chin [7115 1869 6930] will represent CAL at the talks.

CAL To Hold Mock Preparatory Talks

HK151136 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1008 GMT 15 May 86

[Report: "CAL To Hold Mock Talks Prior to CAAC-CAL Talks" -- ZHONGGUO TONGXUN SHE headline]

[Text] Hong Kong, 15 May (ZHONGGUO TONGXUN SHE) -- According to Taipei sources: In anticipation of the existence of unexpected circumstances, the revelant CAL [China Airlines] employees have begun making preparations and will conduct mock talks to practice in advance. It is reported that those taking part in the mock talks could be sent to Hong Kong to help the employees of the Hong Kong CAL office taking part in the talks.

Lin Liang-chi, the CAL spokesman, indicated that those particpating in the talks will not be confined to employees of the Hong Kong office. As for the list of CAL representatives, Lin Liang-chih said that the list would be decided on after the PRC has finalized its list of representatives.

CAL Official Queried

HK160140 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0907 GMT 15 May 86

[Report: "Assistant Manager of Hong Kong Office of China Airlines Answers Reporter's Questions" -- ZHONGGUO TONGXUN SHE headline]

[Text] Hong Kong, 15 May (ZHONGGUO TONGXUN SHE) -- Li Chen-Yang, assistant manager of China Airlines' Hong Kong office, was interviewed this afternoon by a ZHONGGUO TONGXUN SHE reporter.

He reiterated China Airlines' position on the direct talks that China Airlines' Taipei headquarters has agreed to hold with the Civil Aviation Administration of China (CAAC), saying that China Airlines will demand the return of the crew, the cargo plane, and the cargo aboard.

The reporter asked: Does this include Wang Hsi-chueh? Li Chen-yang said: Yes.

The reporter asked: Is this different from China's position that the three crew members are free to decide whether to stay or leave? Li answered: That is their (refering to the mainland) attitude.

Through what channel did Taipei tell China its willingness to hold the talks? Li said: Taipei passed this message to China through Cathay Pacific Airways. How did Cathay Pacific Airways pass this message? Li said: I do not know.

Commentary Views 'Business Talks'

OW151229 Taipei Domestic Service in Mandarin 2300 GMT 13 May 86

[Station commentary]

[Text] For humanitarian reasons and after careful deliberations, China Airlines [CAL], in order to reduce the crew of its cargo plane No 198 which is now in the custody of the Chinese Communists, decided yesterday to ask Cathay Pacific to relay a message to the Chinese Communists' Civil Aviation Administration [CAAC] that CAL will dispatch representatives of its Hong Kong branch to negotiate with CAAC in Hong Kong on the return of the 747, its crew, and cargo.

CAL also stressed that the landing of its cargo plane in Canton's Pai Yun Airport was nothing more than an aviation incident. Thus, the negotiations on the return of the plane and its crew and cargo are nothing more than business talks between two civil aviation companies.

Ever since Wang Hsi-chueh, pilot of the CAL 747 cargo plane, landed his plane on the China mainland, the other crew members, Tung Kuang-hsing and Chiu Ming-chih, have clearly expressed their wishes to return to Taiwan. However, the Chinese Communists have not allowed these two to publicly meet the press. On the other hand, the Chinese Communists took Wang Hsi-chueh to Peiping to hold a press conference and ask CAL to send a representative to Peiping to negotiate the return of the plane and its crew. Moreover, they have rejected demands for the return of the plane and crew presented by third parties including the Interntional Red Cross, a foreign insurance company, as well as Cathay Pacific, acting as CAL's agent.

Their intention to use the plane and crew as tools for a united front offensive against us is very clear. Such conduct has also revealed the Chinese Communists' true features of not respecting international organizations and disregarding norms governing international civil aviation. Following the incident, CAL, on the other hand, has communicated with the Chinese Communists through various channels seeking the return of the plane and crew.

Plotting a united front offensive against us, the Chinese Communists have in recent years continued to harp on the tune of establishing with us commercial, postal, and shipping services as well as economic, scientific and technological, sports, and cultural exchange. Internationally, they have also tried to create an image that they are peace-loving and friendly. But our government has ignored these tricks, knowing the Chinese Communists' intentions behind them, and kept to the stand of having no negotiations, no contacts, and no compromises with the Chinese Communists.

After the CAL plane landed on the China mainland, the civil aviation authorities have always expressed their concern for the plane and the safety of the crew and have fully supported CAL in taking all possible measures to rescue the crew and recover the plane and its cargo. Eleven days after the incident, CAL, after careful deliberation, has now decided to authorize representatives of its Hong kong branch to discuss related matters with the Chinese Communists' CAAC in Hong Kong.

Although CAL is the nation's flag carrier providing transworld services, it is basically a nongovernmental company. Thus, having business talks with the Chinese Communists' CAAC for the purpose of rescuing its personnel, CAL does not violate the government's stand of having no negotiations, no contacts, and no compromises with the Chinese Communists. We believe that this sensible decision will have the nation's support.

Here, we also urge CAL to be fully prepared for the talks, take a firm stand, and make every effort to deal with the other side. We also think that the meeting should be held publicly under [words indistinct] so that the Chinese Communists will have no chance whatsoever to exploit the situation and carry out their blackmail. It is our hope that Tung Kuang-hsing and Chiu Ming-chih will regain their freedom and that the plane and its cargo will be returned soon.

AFP Analyzes Attitudes to Talks

HK161005 Hong Kong AFP in English 0911 GMT 16 May 86

[By ierre-Antoine Donnet]

[Excerpts] Beijing, May 16 (AFP) -- Chinese and Taiwan negotiators are to meet on neutral ground in Hong Kong Saturday for their first direct talks in almost 40 years, but China is not expected to make any great fanfare of the event, analysts say here.

The talks were sparked by the defection to the mainland of a commercial pilot and his cargo plane May 3, a real windfall for China, but the defection must be treated with utmost care by Beijing in order to lay the groundwork for an eventual dialogue between the two sides, the analysts said.

(Three Civil Aviation Administration of China (CAAC) officials and three from Taiwan's China Airlines (CAL) will meet in the British colony to discuss the return of a cargo plane and two crew members flown to China by a defecting pilot May 3, a CAL official said in taipei Friday. China's NEW CHINA NEWS AGENCY (NCNA) said Friday that two three-member delegations would be involved in the Hong Kong talks. The talks are to start at 10 am (0200 GMT), in the Hong Kong offices of Cathay Pacific Airways (CPA), which has acted as mediator over the incident, CAL's lin Liang-chin told AGENCE FRANCE-PRESSE.)

But analysts in Beijing said that China was unlikely to gloat over Taiwan's agreement to hold the talks, although Beijing has long sought to establish direct contact with the taipei government as part of its efforts towards reunification. It is rather expected to adopt a "low profile" and a modest stance, avoiding any moves which might jeopardize the success of this first contact since the Communist victory over the Nationalists in 1949, they said.

China initially took a firm line when pilot Wu Xijue landed his China Airlines (CAL) Boeing 747 at Guangzhou on may 3, indicating that only direct talks on the mainland with Taipei officials would permit the return of the aircraft, its co-pilot Dong Wangxing and technician Qiu Mingzhi.

Then on Sunday, Beijing softened its stance, stressing that there would be "no political issues involved" in the talks and agreeing to let Taipei name a venue outside mainland China.

It was this concession in particular which two days later enabled Taiwan's ruling Nationalists to agree to meet with Beijing and still "save face" with an assertion that the talks would not mean a change in their official policy of "no contact, no talk, no compromise," with the communists, the analysts said.

(Mr Lin in Taipei Friday reiterated that "in principle, we still insist on the three no's policy," and that the Taiwan Government's attitude was that the issue was commercial, not political. He added that the delegation would request not only the return of the plane and two crew but also the "release" of Captain Wang, adding that the pilot did not land in China of his own free will.)

However, a conciliatory approach from Beijing at the talks is still unlikely to mean much hope for Taiwan of securing the return of the plane's pilot, observers in Beijing said. Western diplomats in Beijing said the communist authorities were quite aware of the implications for the future which will be at stake at this historic meeting. Even if they hold the trump cards at Saturday's talks, the Chinese must also prove their moderation and restraint, particularly by keeping to their promise not to raise any political issues, the diplomats added.

Editorial Advises Position for CAL

HK161140 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1051 GMT 16 May 86

[Text] Hong Kong, 16 May (ZHONGGUO TONGXUN SHE) -- According to Taipei sources, today, CHUNG-YANG JIH-PAO published an editorial on the cargo plane case to be handled by the two airlines to elaborate on the "position to be adhered to by China Airlines" in the course of the talks.

This editorial, which is entitled "China Airlines Must Be Steadfast and Persevering in Order To Attain the Goal of Bringing Back the Aircrew and the Airplane," says: "China Airlines finds itself in a special situation by holding talks with a "CPC airline" as a civil airline." Thus, in the course of the talks, "China Airlines must stick to its own position and must be very careful in order to avoid playing into CPC hands."

It is suggested in the editorial that in order to avoid unnecessary complications, "China Airlines must insist that the two airlines should be empowered only to discuss the return of the airplane and its crew and try its best to make the negotiations proceedings direct and the things discussed simple." "In particular, it should make adequate preparations in advance, adhere to the proper position, and be thoroughly prepared for relevant technical problems."

DENG XIAOPING URGES RECTIFICATION IN PARTY STYLE

HK160208 Hong Kong TA KUNG PAO in Chinese 16 May 86 p 1

[Special dispatch by correspondent Kung Shuang-yin: "Deng Xiaoping Again Urges Rectifying Party Style; Time for Rectification May Be Extended 1 Year"]

[Text] CPC Central Advisory Commission Chairman Deng Xiaoping recently demanded that the whole party vigorously grasp the question of party style without relaxing it for a single day. Vigorous efforts should be made for 2 years to transform the party style.

Deng Xiaoping put forward this demand in an important speech at a recent meeting of the CPC Central Committee Political Bureau Standing Committee. Bo Yibo conveyed Deng Xiaoping's instructions at a meeting to report on the work of party rectification inspectors.

Deng Xiaoping said: We proposed at the 12th party congress that a fundamental turn for the better in party style and social mood be accomplished in 5 years. There is now only 1 year left. We must get a vigorous grasp on this work without relaxing it for a single day. If this 1 year is not enough, then we should add 1 more year, and make vigorous efforts for 2 years to transform the party style. It would even have taken 10 years to restore the party style and social mood of the 1950's, when they were at their best.

Bo Yibo demanded that the party rectification inspectors uphold party principles and dare to tackle tough problems. Speaking on the question of the "network of relationships" in the CPC at the present, he said that it is not principles but human feelings that are stressed in party life in many places and units. The moment the time comes to handle specific problems, all kinds of personal relationships appear, with people talking about old subordinates, sons, daughters, relatives, and comrades with whom they have been through thick and thin! This and similar things in fact constitute networks of relationships of various kinds. If you fall into that net, you cannot get out of it. This "net" is not as simple as a spider's web; it is like sugarcoated candy on a stick, strung together; it has an impact and plays a role all round. Some people depend on such a "network of relationships" for their livelihood.

On the question of daring to tackle tough problems, Bo Yibo said that "tough" refers to those things that are not easy to touch and involve some risk in touching; for instance, things like "networks of relationships," factionalism, powerholders who violate law and discipline, and major and important criminal cases in which certain figures holding considerable power act as the bosses behind the scenes. However, it is not right to adopt a laissez-faire approach and lack boldness for tackling these things just because they are a bit "tough" and might affect one's interests or even one's safety.

PRC CULTURE MINISTRY LEADERSHIP, POLICY ANALYZED

HK150525 Hong Kong CHING PAO in Chinese No 106, 10 May 86 pp 56-57

[Article by Yi Sha: "Rong Gaotang Handles 'Difficult and Complicated Cases'"]

[Text] What Happened Before Wang Meng Assumed Office
At least 8 months have elapsed since Zhu Houze, an official from Guizhou Province (53 years old), replaced the 72-year-old former head of the CPC Central Committee Propaganda Department who was known for "opposing pollution."

However, the leading body of the Ministry of Culture remained unchanged. Some people misunderstood that Zhu Muzhi was a "roly-poly." Actually, this is not true. It is only because no suitable successor could be chosen to take charge of the Ministry of Culture, which is generally regarded as the most troublesome department.

After New Year's Day this year, it was said that a certain senior official recommended Gao Ji [7559 7162], a secretary of the Jilin Provincial CPC Committee in charge of agriculture (please note he is not veteran journalist Gao Ji), to succeed Minister Zhu in taking charge of the nation's cultural work. However, the hearsay soon vanished like mist and smoke.

Not long after the spring festival, Gao Zhanxiang, a secretary of the Hebei Provincial CPC Committee in charge of cultural and educational work, was appointed first vice minister of culture (namely, standing vice minister). He comes from a worker's family. He was originally an amateur writer of prose and occasionally wrote commentary on literature and art. During his tenure of office in Hebei, he was enlightened and openminded. However, it is impossible for a standing vice minister to have the final say in all matters relating to the State Ministry of Culture. Thus, hearsay was spared that Xu Huaizhong [1776 2037 0022], a well-known writer in the army, would take up the post of minister of culture (he is now deputy director of the Cultural Department of the General Political Department of the CPC Central Military Commission the film "Heartless Lover" starring the actress Liu Xiaoqing, is a stage version of his novel). But it was soon said that Xu flatly refused the post. Since then there has been no news about the new appointment whatsoever.

In the second half of March this year, it was said in Beijing that the Organization department of the CPC Central Committee decided to ask Wang Meng (vice chairman of the Chinese Writers' Association and secretary of its secretariat) to take up the post of minister of culture. He first politely refused but failed, so he had to assume office on 3 april. With the help of three vice ministers, Gao Zhanxiang, Liu Deyou, and another, Wang Meng is now in charge of the Ministry of Culture.

The outcome is a foregone conclusion. The third vice minister is described as "very young" and is said to be a son of the late General Xu Haidong, who worked as general secretary of the State Publishing Bureau but now works as head of the Ministry of Culture Personnel Department. Actually, he has already taken part in the leadership work of the "ministry's leading party group." At the same time, the CPC Central Committee Propaganda Department headed by Zhu Houze officially announced that poet He Jingzhi remains in office as deputy head and takes charge of the nation's literary and artistic work. It seems that there will be no drastic personnel changes in the next 2 or 3 years in the cultural, art, press, and publishing circles.

Two Arguments on the New Leading Bodies of the Ministry of Culture and the CPC Central Committee Propaganda Department

Informed sources said that Wang Meng really did not want to be appointed minister of culture for fear that as long as he occupied this highest but thankless post, his "enlightened image" as a writer would be marred for the sake of "party spirit." However, he had no choice but to "serve the needs of the party organization" under the pressure of repeated persuasion by senior officials. There is good reason for the statement widely rumored outside China that "from now on, China has one more bureaucrat in charge of the cultural activities but has lost an outstanding writer." Wang Meng has been described as "a cultural official of the CPC" in Europe and the United States for a long time. However, in any case, he is a writer who was once labeled as a "rightist" and exiled to Xinjiang for more than 20 years. Probably, this "laurel" is much more beautiful and important than the minister's throne to him.

Since the leading bodies of the CPC Central Committee Propaganda Department and the Ministry of Culture were reorganized, there have been two arguments on the new leading bodies. One argument holds that Zhou Houze's prestige is not high because he assumed power not long ago and must become familiarized with his profession. Wang Meng, a writer with the title of CPC Central Committee membership, of course dares not pay less attention to the "four basic principles," but he also highly treasures his background as a "rightist" writer.

For this reason, neither is likely to adopt a "leftist" pose in handling problems relating to culture and literature and art. The two new leading bodies will most likely take on a moderate look and will be patient in launching any "repression" or "cricicism." The other argument, which is entirely different from the first, holds that the CPC senior officials in charge of social ideology probably chose Zhu Houze, whose ability and qualifications are mediocre and who does no enjoy high prestige, to act as head of the CPC Central Committee Propaganda Department because he is easy to control. Among senior policymakers, there is no lack of such people who still take the failure of "eliminating pollution" to heart, so it is hard to say that they will not stage a comeback in the future and they will most likely use Wang Meng's good reputation to "strengthen political and ideological work."

However, some people pointed out that not long after he was rehabilitated upon the smashing of the "gang of four," Minister Wang indeed wrote some good books lashing the "anti-rightist campaign" and the "Cultural Revolution," and made a breakthrough in ideological content. But in his work "Bolshevik Salute" (an autobiographic novel of Wang Meng), he proved his loyalty to Zhongnanhai. (It is by no means the loyalty as described in the novel "The Second Loyality"). Not long after the publication of the book, he was elected candidate member of the CPC Central Committee. Since then, noticeable changes have occurred in Wang Meng's works.

In particular, he has pulled in his horns and "refrained from going beyond the limits" in ideological content, but he has made breakthroughs in writing technique and form of expression and spared no effort to make use of technique of expression and writing displayed in literary and artistic works of Western countries. For this reason, is it possible that cultural work and work in the literay and artistic fields, under the leadership of Wang Meng, will follow the style of his works, namely, to remain orthodox in content (or even more conservative) but open and creative in form?

The Central Advisory Commission Handles "Difficult and Complicated Cases"

However, this reporter has heard a piece of very interesting good news in Beijing, that under the leadership of the "Central Advisory Commission," its general secretary Rong Gaotang has set up "a group that is specially aimed at handling difficult and complicated cases." This is how it happened: When the propaganda media of the CPC and the Central Film Art Bureau (it was not then incorporated into the Ministry of Radio and Television) found that some top leaders admired the film "An Enchanting Band," they immediately decided to give it a boost, but finally things went contrary to their wishes. The failure also gave these top leaders much food for thought.

This was why they decided to entrust Rong Gaotang, who is believed to have built good relations with literary and artistic circles long ago, to set up a "group that specially handles difficult and complicated cases". (It is not known whether this is an official title). The group immediately rehabilitated two new films -- "The Heipao Incident" and "Heartless Lover" -- which had been shelved. It also unfroze the two films and gave permission to release them at home and abroad. Of course, it is unavoidable that some minor amendments were made to the two films before they were shown publicly. Rong Gaotang won in the very first battle.

This has also kindled a gleam of hope in the hearts of writers and artists. Some people describe "difficult and complicatec cases" as ideological deadlocks. It is really not easy for the group headed by Rong Gaotang to produce a cushioning effect and to work as a "peacemaker" in ironing out shart differences of views. It is not strange at all that people place great hopes on General Secretary Rong because he is experienced, knowledgeable, quick thinking, and one of the policymakers for the amazing "pingpong diplomacy." It is hoped that the group will be able to "cure" more knotty problems, not only those relating to films and television.

However, some people are pessimistic regarding this group. They say that it is under the "Central Advisory Commission" and the most it can do is only "grind out sime advice." If authorities do not empower him, does Rong Gaotang dare to willfully handle any "difficult and complicated cases"? In addition, differences in the ideological sphere are now claimed to be very grave. For example, there has been a heated dispute over the "grand mixed performance" (a hodgepodge-like performance which includes both traditional opera and popular songs, and both recitation and ballad singing and serious artistic songs, and both traditional Beijing opera and "model revolutionary theoretical productions," which were very popular during the "Cultural Revolution") and over the programs prepared by the two televison stations for the lunar new year. Some big shots point out: at the time of mistakenly launching the "Cultural Revolution" for 20 years and at the time of terminating the "Cultural Revolution" for 10 years, it is absolutely intolerable to perform "model revolutionary theoretical productions." This means nothing but "turning back" and "retrogression."

However, some people did not agree with the view, arguing that "Red Red Lantern," Shajiabang," and "Taking Tiger Mountain by Strategy" are good literary and artistic works which have been highly finished and loved by the people. The beautiful music for these operas is unforgettable. These operas themselves have no problems, it is only because Jiang Qing usurped the creation resuls of these operas that problems existed.

Regardless of being pessimistic or optimistic, it is devoutly hoped that the group headed by General Security Rong will write more prescriptions and cure more chronic and stubborn diseases.

JI PENGFEI WELCOMES 'DIFFERENT VIEWS' ON HONG KONG

HK160530 Hong Kong SOUTH CHINA MORNING POST in English 16 May 86 p 16

[Text] Since the concept of "one country, two systems" is new, it is necessary for people to pool their wisdom to correctly put it into practice. Although different views will arise kin the drafting of the Basic Law, they only reflect different perspectives and China welcomes different views in discussions, according to the director of the Hong Kong and Maca Affairs Office, Mr Ji Pengfei. Mr Ji was speaking to a 22-member delegation of the Chinese Manufacturers' Association [CMA] during a recent 15-day visit to China. A CMA press release yesterday said Mr Ji told the delegation China and Hong Kong shared a common goal -- to maintain stability and prosperity in Hong Kong -- and with this in mind, people should feel free to offer their opinions.

On the canvassing of views on the Basic Law, CMA's vice-president, Mr Leung Nai-wing, told Mr Ji Hong Kong industrialists were cautious in expressing their views publicly to avoid controversy on certain issues. Mr Leung suggested the balance of interests between employers and employees should be emphasized in the drafting of the Basic Law and the legislative review on labour laws should not hamper the industrial development of Hong Kong. On external trade, Mr Ji said Hong Kong would remain a centre of free international trade with its products catering mainly for international markets rather than China.

FBIS DAILY REPORT China

CONTENTS

Vol I No 096 19 May 1986

PRC INTERNATIONAL AFFAIRS

GENERAL

Satellite Launching Service Attracts Inquiries [CHINA DAILY 16 May] A 1

UNITED STATES

Further Reportage on Yao Yilin's Activities in U.S. B 1
Meets Bush, Baker B 1
Trade Commission Session Ends B 1
Urges Support for Reunification B 2
PLA Chief of Staff Concludes U.S. Visit B 2
Meets U.S. Commander in Hawaii B 2
Departs for Home B 3
Fang Yi Meets U.S. Science Academy President B 3

SOVIET UNION

Arkhipov in IZVESTIYA on Improving Ties C 1

SOUTHEAST ASIA & PACIFIC

Australia's Hawke Views PRC, Japan, ANZUS Policy E 1
Australia's Hawke Begins Week-Long Visit to PRC E 1
Arrives in Beijing E 1
Holds Talks With Zhao Ziyang E 2
Hawke's Wife Meets Kang Keqing E 3
Meeting With Li Cancelled [AFP] E 3
Meets With Zhao E 4
Premier of Australian State in Nanjing E 4
Talks With Jiangsu Governor E 5
Australia Rounds Off First 'China Week' E 5

WESTERN EUROPE

Further Reportage on Wu Xueqian's European Visit G 1
Visits Factories in Sweden G 1
Visits Palme's Tomb G 1
Swedish King, Speaker Receive Wu G 1
Meets Swedish Industrialists G 2
Gives Press Interviews G 2
Holds Reception, Meets Press G 3
Departs Sweden for Norway G 4
Begins 3-Day Visit to Norway G 4
Interviewed by Norwegian Paper G 4
PRC, UK To Increase Cultural Cooperation G 5

PRC NATIONAL AFFAIRS

Xinjiang Protesters Urge Nuclear Arms Be Removed [KYODO] K 1
Bo Yibo Chairs Rural Party Rectification Forum K 1
GUANGMING RIBAO on Hundred Schools of Thought [30 Apr] K 4
Problems in Distribution of Contraceptives Noted K 12
[CHINA DAILY 17 May]
NONGMIN RIBAO Urges Continuing Economic Reform [10 May] K 14
'Crisis' Seen in Novels on Military Themes K 15
[WENZHAI BAO 8 May]
RENMIN RIBAO on Regional Economic Development [9 May] K 16
JINGJI RIBAO Urges Promoting Grain Production [26 Apr] K 18
Tables of Contents of State Council Bulletins K 22
[ZHONGHUA RENMIN GONGHEGUO GUOWUYUAN GONGBAO]
Bulletin No 35 [30 Dec] K 22
Bulletin No 36 [10 Jan] K 23
Bulletin No 1 [30 Jan] K 25
Bulletin No 2 [10 Feb] K 25
Bulletin No 3 [20 Feb] K 26
Bulletin No 5 [10 Mar] K 27
Bulletin No 7 [31 Mar] K 28

PRC REGIONAL AFFAIRS

EAST REGION

Jiangxi's Wan Shaofen Visits News Correspondents O 1
Shanghai Leaders Stress Economic Reform, Lateral Ties O 1

TAIWAN

PRC, Taiwan Meet in Hong Kong To Discuss CAL 747, Crew V 1
Taiwan Policy on PRC Unaffected V 1
CAL Talks Concern Only Jet, Crew V 1
CAL-CAAC Talks Begin 17 May [AFP] V 1
Talks Adjourn; Agreed To Meet Later [AFP] V 2
CAL Seeks Release of Pilot V 2
'Friendly Atmosphere' Noted V 3
Talks Participants Disclosed V 3
CAL Issues Statement on Progress V 3
Talks To Stretch Into Third Day [AFP] V 4
Site of Plane's Return Snags Talks [Hong Kong] V 4
CAAC Representative on Talks V 5
'No Progress' in Second Round V 5
'Break Off' of Talks Denied [Hong Kong] V 6
CAAC To Deliver Plane to Hong Kong V 6
Taipei Comments on Negotiations V 7
CHINA POST Editorial [17 May] V 8
ZHONGGUO TONGXUN SHE Commentary V 9
Taiwan Successfully Tests Air-to-Air Missile [AFP] V 10

HONG KONG MEDIA ON CHINA

Liu Zaifu Interviewed on PRC 'Cultural Atmosphere' W 1
[TA KUNG PAO 16 May]
WEN WEI PO Details Guangdong Family Planning Measures [19 May] W 2

SATELLITE LAUNCHING SERVICE ATTRACTS INQUIRIES

HK160842 Beijing CHINA DAILY in English 16 May 86 p 1

[By staff reporter Xu Yuanchao]

[Text] The country's satellite launching service is attracting numerous inquiries from overseas as American officials began to discuss insurance coverage from a U.S. satellite to be launched by a Long March carrier rocket next year.

Uker, vice-general manager and senior engineer of the Great Wall Industry Corporation under the Astronautics Ministry, told CHINA DAILY yesterday that China's satellite-launching technology using Long March carrier rockets had proved itself. But, he said China was not willing to co-operate with foreign countries on military projects.

The Great Wall Corporation signed a memorandum with Teresat Inc of the U.S. last month to launch a communications satellite. Uker said China expected to sign the contract with the Texas-based company before September, and launch the satellite in October next year. He said that Chinese experts were discussing the satellite's insurance with U.S. officials. "China will not undertake the whole insurance of the American satellite unless the U.S. manufacturer lets us know the entire procedure for manufacturing the satellite. But the U.S. Government has not yet expressed its willingness to let us know the technology," he said.

The American satellite will be carried by a Long March-3 rocket to a certain height in outer space and then it will be released into geostationary orbit.

Chinese experts suggested that a combined insurance policy be provided by both Chinese and American insurance companies. Uker said: "China can undertake insurance of the launch. Once the satellite is positioned in its orbit it could be insured by American companies." The U.S. satellite manufacturer was persuading its customers to discuss the idea with American insurance companies, the official said.

Uker said since 1970, China has launched 18 satellites using the Long March carrier rockets, with only one total failure. He said that his company was contacting Western Union of the U.S. to sign a second memorandum and another satellite was expected to be launched in December next year or some time 1988.

In the last few months, he said, nearly 10 countries including some in Western Europe has expressed interest in using the Chinese rockets for launching satellites. A delegation from a French company are in Beijing at the moment discussing the possibility of using the Long March rocket to launch a French satellite.

FURTHER REPORTAGE ON YAO YILIN'S ACTIVITIES IN U.S.

Meets Bush, Baker

OW170140 Beijing XINHUA in English 0127 GMT 17 May 86

[Text] Washington, May 16 (XINHUA) -- U.S. Vice President George Bush today met with visiting Chinese Vice Premier Yao Yilin at his residence and gave a luncheon later in Yao's honor. During the meeting and at the luncheon, they exchanged views on a number of international and bilateral issues.

Yao came to the U.S. for an official visit at the invitation of Bush.

Earlier, in the morning, the Chinese vice premier met with James Baker, U.S. treasury secretary, who came back a few days ago from a visit in China where he co-chaired with Chinese Finance Minister Wang Bingqian the sixth meeting of the China-U.S. Joint Economic Commission.

Yao also met today with A.W. Clausen, president of the World Bank, in the Madison Hotel where Yao lodges. The Chinese vice premier expressed his thanks and appreciation to the role played by Clausen in promoting cooperation between the World Bank and China.

Trade Commission Session Ends

OW170222 Beijing XINHUA in English 0200 GMT 17 May 86

[Text] Washington, May 16 (XINHUA) -- Chinese Vice-Premier Yao Yilin and U.S. Secretary of Commerce Malcolm Baldrige described the fourth session of the China-U.S. Joint Commission on Commerce and Trade which closed here this afternoon as "constructive" and "fruitful."

Yao Yilin and Baldrige were speaking at the closing session of the China-U.S. Joint Commission.

The current session, Yao Yilin said, "has enabled us to have a deeper understanding of the present level, potential and prospects of development of our bilateral economic and trade relations as well as the outstanding problems yet to be solved through our further efforts."

He noted that the latent potential in Sino-U.S. economic and trade cooperation has been gradually tapped. So long as both sides, in the interest of the long-term cooperation, act according to the principles embodied in the agreements concluded, reasonable solutions can be found to all difficulties and problems through friendly and sincere consultations.

The Chinese vice-premier stressed China appreciates the position of the U.S. Administration in opposing trade protectionism. He expressed the belief that as long as the two sides work hard to open up new vistas for cooperation in keeping with the principle of equality and mutual benefit and overcome difficulties, the prospect of having a prolonged, stable, healthy and all-round development of the Sino-U.S. economic relations and trade will certainly come around.

Baldrige said, the United States values its friendship and cooperation with China, and is fully prepared to assist China's efforts to modernize the economy and raise the living standards of the Chinese people. He noted, "we are pleased to know that your Seventh Five-Year Plan reaffirms China's commitment to an open economic policy."

He said he firmly believed that there exists a tremendous potential for growth in U.S.-China trade and investment relations. "Together, we can bring our trade and investment to substantially higher levels," he added.

"Our long-term goals should guide us to new initiatives, which will resolve problems, reduce commercial barriers, and lead to an open and equitable system of trade between our countries," the U.S. commerce secretary concluded.

Immediately following the closing session, a ceremony was held at which four documents were signed. Chinese Ambassador to the U.S. Han Xu and U.S. Commerce Secretary Baldrige signed a protocol on China-U.S. cooperation in the field of telecommunications. Under the China-U.S. accord on industrial and technological cooperation, the two sides signed a work program for industrial and technological cooperation in the machine building industry. In addition, the two sides also signed two agreements on U.S. provision of funds for two feasibility study projects in China involving the treatment of toxic waste and conversion from oil to coal for boilers of power stations.

Urges Support for Reunification

OW180720 Beijing XINHUA in English 0635 GMT 18 May 86

[Text] New York, May 17 (XINHUA) -- Peaceful unification of China accords with the desire of the people on both sides of the Taiwan Strait and the "one country, two systems" policy constitutes the best solution to the Taiwan issue, visiting Chinese Vice-Premier Yao Yilin said here today.

Speaking at a reception given in his honor by Ruan Keshan, China's acting consul-general in New York, the vice premier called on the Chinese residents in the United States and Chinese-Americans present at the occasion to make joint efforts to help unify China peacefully.

On behalf of the State Council, he thanked the Overseas Chinese and Chinese-Americans organizations in the New York area for their contribution to the promotion of Sino-U.S. relations.

The Chinese vice premier also told the guests that the life of the Chinese people has been steadily improving with the development of the economy, and that China's Seventh Five-Year-Plan period (1986-1990) is vital to its all-around economic reforms. China will continue to vigorously develop its economy and persist in its policy of opening to the outside world, he added.

Among those attending the reception were Han Xu, China's ambassador to the United States, and Liang Yufan, deputy representative of China's permanent mission to the United Nations.

Before leaving Washington for New York this morning, Yao was seen off by U.S. Under Secretary of State Michael Armacost at Hotel Madison, where Yao was staying. Yao will pay a three-day visit to New York.

PLA CHIEF OF STAFF CONCLUDES U.S. VISIT

Meets U.S. Commander in Hawaii

OW170727 Beijing XINHUA in English 0702 GMT 17 May 86

[Text] Washington, May 16 (XINHUA) -- Yang Dezhi, visiting chief of General Staff of the Chinese People's Liberation Army, today met with Commander in Chief of the U.S. Pacific Command Admiral Ronald Hays at Camp H.M. Smith, Hawaii, and was briefed on the current situation in the Pacific area.

Earlier today, Yang and his party flew aboard a U.S. Army helicopter to Schofield barracks for a visit to the U.S. 25th Infantry Division there.

Yang and his party arrived Thursday evening at the Hickam Air Force Base, Hawaii, where they are scheduled to stay for three days. Hawaii is the last stop of Yang's trip to this country.

They also toured the national training center in Fort Irwin, California and watched live shot practice there Thursday.

Departs for Home

OW190646 Beijing XINHUA in English 0610 GMT 19 May 86

[Text] Washington, May 18 (XINHUA) -- Yang Dezhi, chief of the General Staff of the Chinese People's Liberation Army (PLA), today left Hawaii, the last stop of his 16-day trip to the United States, for home.

According to a report from Honolulu, Yang, accompanied by Vice Admiral Huntington Hardisty, deputy commander in chief and chief of staff of the U.S. Pacific Fleet, visited the Arizona memorial and a U.S. Navy warship on the island Saturday. The Chinese guests toured the Polynesian cultural center where they were entertained with a movie show.

Yang visited the United States at the invitation of Admiral William Crowe, chairman of the U.S. Joint Chiefs of Staff. His trip was actually in reciprocation of a visit to China by General John Vessey, former chairman of the U.S. Joint Chiefs of Staff, last year. He was accompanied by his wife Shen Gejun and Deputy Chief of the General Staff Han Huaizhi.

FANG YI MEETS U.S. SCIENCE ACADEMY PRESIDENT

OW161308 Beijing XINHUA in English 1149 GMT 16 May 86

[Text] Beijing, May 16 (XINHUA) -- State Councillor Fang Yi met a delegation of the American National Academy of Sciences led by Frank Press, president of the academy, here today.

The 12-member delegation arrived here May 14 for a high-level meeting with the Chinese Academy of Sciences. Subjects discussed at the meeting include interrelationship among natural laboratories, universities and industries and their role in national economy.

After the meeting, the state councillor attended a banquet given by Lu Jiaxi, president of the Chinese Academy of Sciences in honor of the guests.

ARKHIPOV IN IZVESTIYA ON IMPROVING TIES

OW151337 Beijing in Russian to the USSR 1800 GMT 14 May 86

["China Through the Eyes of Foreigners" program]

[Text] Ivan Arkhipov, first deputy chairman of the USSR Council of Ministers, visited China from 15 to 21 March at the head of a Soviet delegation to the first meeting of the Sino-Soviet Commission of Economic, Trade, and Scientific and Technical Cooperation. After the meeting, he visited the southern towns of Wuxi and Nanjing. Back in the fifties, Ivan Arkhipov worked in China for a long period; he visited China again in December 1984.

Recently, in an interview with IZVESTIYA, he dwelled on his impressions of China and noted: My impressions are vivid. China is in the process of energetic activity. There is industrial construction, and the construction tempo in some regions is high.

Arkhipov told IZVESTIYA: I worked for a long time in China during the fifties; therefore, my visit to China was twice as interesting. On the outskirts of Beijing, the delegation visited a metallurgical combine. This enterprise is economically independent. Owing to high profits, the combine is reconstructing and broadening its shops and solving social problems without state budget financing. We visited a reconstructed sintering shop. The reconstruction was done at a high technical level. We also visited a rolling mill which was built in the fifties and fitted with Soviet equipment. The head of the mill told us that the equipment works well and is reliable. Many years ago, the mill exceeded its planned capacity. The quality of the products is consistent with high technical expectations.

Beside visiting enterprises near Beijing, the delegation also visited the large industrial centers of Nanjing and Wuxi and visited two subsidiary enterprises [words indistinct].

Arkhipov further told IZVESTIYA: In Beijing, Nanjing, and Wuxi, we met Chinese specialists who received their education in the Soviet Union and who worked with Soviet specialists in the fifties. We spoke to them in Russian. I would like to say that after meeting members of the Chinese delegation, workers at enterprises, and leading Chinese activists, it is possible to reach the conclusion that they are well informed about the work of the 27th CPSU Congress and its decisions. They showed great interest in the documents of the congress and the social and economic programs of the Soviet Union. The head of the Chinese Government announced that the course of accelerating economic and social development and the attainment of econmic reforms in the Soviet Union is of great interest.

Arkhipov said that the delegation was certain that the progress in trade, economic, science, and technology cooperation will help improve relations in other spheres as well. This is consistent with the long-standing and basic interests of the peoples of the Soviet Union and China.

AUSTRALIA'S HAWKE VIEWS PRC, JAPAN, ANZUS POLICY

OW162006 Beijing XINHUA in English 1509 GMT 16 May 86

[Text] Tokyo, May 16 (XINHUA) -- Australian Prime Minister Bob Hawke said Friday that his country will maintain defense relations with the United States even if Washington decides to cut its military ties with New Zealand. Speaking at the Japan National Press Club in Tokyo, Hawke said defense relations between Australia and the United States will remain unchanged despite New Zealand's anti-nuclear policy. Hawke described as "logical" the current U.S. policy toward New Zealand. Australia will maintain the ANZUS treaty even if New Zealand abrogates it, he said, adding, however, that Canberra will alalso maintain its defense with Wellington. New Zealand's ban on port calls for U.S. nuclear-armed or nuclear-powered ships has strained relations between those two nations and raised questions about the future of ANZUS, the three-way defense pact between Australia, New Zealand and the United States.

The prime minister, who arrived here Wednesday for a five-day visit, has also called on Japan to import more beef from Australia. Australia hopes that Japan will soon enter into talks on imports of Australian beef before the present bilateral agreement on the beef import quota expires in 1988, he said.

On relations with China--where Hawke heads next--the prime minister said his government supports the open-door policies that China has adopted. These policies, he said are not only in the interests of Australia, but also of great importance to the region and the world. Hawke said that Australia's increased trade with China will in no way affect its trade with Japan. To Canberra, relations between Australia and China and between Australia and Japan are equally important, he added.

The prime minister also criticized the growing Soviet presence in the South Pacific. Australia does not welcome these developments, he said, adding he hopes that fishery agreements can be reached between island countries in the region to limit the activities of the Soviet fishing fleet.

Hawke is scheduled to leave for China on Sunday to continue his three-nation Asian trip that will also take him to the Philippines.

AUSTRALIA'S HAWKE BEGINS WEEK-LONG VISIT TO PRC

Arrives in Beijing 18 May

OW180856 Beijing XINHUA in English 0842 GMT 18 May 86

[Text] Beijing, May 18 (XINHUA) -- Australian Prime Minister Robert Hawke arrived here by special plane this afternoon for a six-day official visit to China as guest of Chinese Prime Minister Zhao Ziyang. This is his second visit to China after he became Australian prime minister in 1983. During the visit he will confer with Chinese leaders on international issues of common interest and the growth of bilateral relations, economic relations and trade in particular.

Accompanying the prime minister on the visit are Mrs. Hawke and their daughter, as well as more than 20 high-ranking officials including Mike Codd, secretary general of the department of the prime minister and cabinet.

Hawke and his party were greeted at the airport by He Kang, chairman of the Chinese Government Reception Committee and minister of agriculture, animal husbandry and fisheries, Zhu Qizhen, vice minister of foreign affairs and Australian Ambassador to China Ross Garnaut.

Holds Talks With Zhao Ziyang

OW190821 Beijing XINHUA in English 0737 GMT 19 May 86

[Text] Beijing May 19 (XINHUA) -- Chinese Premier Zhao Ziyang and visiting Australian Prime Minister Robert Hawke held talks in the Great Hall of the People here today. Sources attending the talks said that they covered international affairs, disarmament, Kampuchea and Korea, and that both men shared similar views on these issues. Zhao noted that no essential changes had occurred in the recent international situation.

The atmosphere for some time following last year's Soviet-United States summit in Geneva had been somewhat relaxed. But the fundamental positions of the two sies remained the same. He believed the posture of both confrontation and dialog would continue.

On disarmament, Zhao said that both the Soviet Union and the United States had proposed cutting half of their nuclear arsenals, but their differences remained very wide.

On the Kampuchean issue, Zhao said that the eight-point proposal put forward by Democratic Kampuchea was reasonable and realistic, and should serve as the basis for a political settlement. Both premiers believed that following the withdrawal of Vietnamese troops from Kampuchea, the country should become an independent, neutral and non-aligned country. Zhao said that if Vietnam withdrew its troops from Kampuchea, this goal could be achieved through the joint efforts of the South-East Asian nations, Australia, China and other countries concerned.

Hawke, after explaining Australia's position on Kampuchea, said Australia found the eight-point proposal, rejected by Vietnam, to contain positive elements. Zhao called for continued pressure from the international community to compel Vietnam to accept the proposal.

With regard to the situation on the Korean peninsula, Zhao said that in recent years, there had been positive changes moving towards the stabilization and relaxation of tension there. But the U.S. and South Korean decision to go ahead with mass military exercises had led to the suspension of dialog between the North and South of Korea. It was now important for the United States to show flexibility and sincerity. "We hope that the United States and South Korea will agree to a tripartite dialog with the Democratic People's Republic of Korea," he said. Hawke said that despite the fact that no major progress had yet been achieved in the dialog, Australia had a certain degree of optimism about it.

He stressed that Australia attached great importance to the disarmament issue, saying that his country wished to discuss the issue more regularly with China. He welcomed China's recent announcement that it had decided to halt nuclear tests in the atmosphere. He also welcomed China's efforts to develop its relations with South Pacific nations, and promised to support China's initiative in this respect.

Zhao repeated China's support for the proposal to make the South Pacific a nuclear-free zone. He stated that in the event of the approval of the three additional protocols to the nuclear-free treaty, China would take positive steps to support this just aspiration of the South Pacific nations.

The two leaders also reviewed with satisfaction the developments in Sino-Australian relations. Zhao said that China hoped to put such relations on a long-term stable basis, and Hawke said economic co-operation between the two countries in various fields was progressing well. They discussed specific issues, such as trade and bilateral co-opertion on iron and steel and technology.

Earlier today, Zhao presided over a formal ceremony to welcome the Australian Prime Minister in the Plaza East of the Great Hall of the People. He then met Hawke, Mrs. Hazel Hawke, their daughter, Rosslyn Dillon, and members of the accompanying Australian delegation in the Great Hall of the People before the talks began.

Attending the ceremony and the meeting were State Councillor Ji Pengfei, his wife, Xu Hanbing, and Agriculture Minister He Kang, who is chairman of the reception committee. [Beijing Domestic Service in Mandarin at 0300 GMT on 19 May carries a similar report with the following additional information: "Kang Keqing, vice chairman of the CPPCC National Committee, and chairman of the All-China Women's Federation had a meeting at the Great Hall of the People this morning with Mrs Hazel Hawke, wife of Prime Minister Hawke, and their daughter Rosslyn Dillon. They had coridal and friendly conversation."]

Hawke's Wife Meets Kang Keqing

OW190636 Beijing XINHUA in English 0618 GMT 19 May 86

[Text] Beijing, May 19 (XINHUA) -- Kang Keqing, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference, met with Hazel Hawke, wife of Australian Prime Minister Robert Hawke, and their daughter here this morning. Mrs. Hawke, who is on her third visit to China, told Kang Keqing, also chairman of the All-China Women's Federation, that she was impressed by the great changes that have taken place in China as compared with 1978, when she first visited. Kang Keqing, gave an account of the role of the Chinese women during the Seventh Five-Year Plan period and children's welfare work. After the meeting Mrs. Hawke visited the Central Conservatory of Music where she enjoyed instruments solos performed by students there.

Meeting With Li Canceled

HK190256 Hong Kong AFP in English 0251 GMT 19 May 86

[Excerpt] Beijing, May 19 (AFP) -- Chinese President Li Xiannian has been hospitalized "with a cold" and is therefore unable to receive a visiting head of government as scheduled, a Chinese Foreign Ministry spokesman said Monday. "He has a cold and is in the hospital, we're not very clear about the details," the spokesman said.

Mr Li was scheduled to receive Australian Prime Minister Bob Hawke on Monday afternoon, but a Chinese official accompanying the delegation said Monday morning that the meeting had been cancelled because Mr Li was in the hospital with a cold.

Meets With Zhao

HK190532 Hong Kong AFP in English 0522 GMT 19 May 86

[Text] Beijing, May 19 (AFP) -- Australian Prime Minister Bob Hawke Monday told one of the main architects of China's economic reforms about a near-legendary Australian who had radical ideas on the redistribution of income, highwayman Ned Kelly.

The bushranger, who led a gang of highwaymen in the state of Victoria late last century, figured in exchanges Mr Hawke had with Chinese Primer Zhao Ziyang in the Great Hall of the People.

Mr Hawke, who arrived Sunday from Japan, was welcomed by Mr Zhao in a 19-gun salute ceremony in front of [the] hall where the two reviewed an honour guard and a group of children who sang, danced and waved silk ribbons.

Sitting down to formal talks, Mr Zhao observed that "about 40 percent" of the Australians in Mr Hawke's delegation wore beards and compared them with Liang Ruchang, a famous general of China's eastern Han Dynasty more than 2,000 years ago.

Mr Hawke said Australians also had a famous bearded folk hero, Ned Kelly.

"He believed in the fundamental redistribution of income," said Mr Hawke. "He adopted very direct means."

Ned Kelly is often hailed as a working-class victim of the ruling class, who fought for justice. He was hanged for the murder of two policmen.

Mr Zhao noted that Karl Marx and Frederick Engels also had been bearded "so many people may think that those with beards are Marxists."

Plan for Mr Hawke to meet with Chinese President Li Xinnian in the afternoon were cancelled in the morning because Mr Li was in hospital with a cold, a Chinese offical said.

The Australian leader was to meet Chinese Vice Prêmier Wan Li on the tennis courts in the late afternoon in a re-match of a game played between the two during Mr Hawke's first visit here in 1984.

Mr. Hawke was to meet Tuesday with top Chinese leader Deng Xiaoping before travelling to the provinces with stop in southwestern Chengdu where he is to meet Communist Party General Secretary Hu Yaobang, and Nanjing, east China, where he will meet Hu Qili, a fast-rising member of China's so--called third tier leadership.

PREMIER OF AUSTRALIAN STATE IN NANJING

OW181921 Nanjing Jiangsu Provincial Service in Mandarin 2200 GMT 16 May 86

[Excerpts] Cain, Premier of the State of Victoria, Australia, his wife, and their party arrived in Nanjing for visit by train from Wuxi at noon on 16 May. Cu Xiulian, governor of Jiangsu Province, gave a warm welcome to the distinguished Australian guests at the railway station.

In the evening, Governor Gu Xiulian hosted a banquet in honor of the guests at the Jinling Hotel. Han Peixin, honorary president of the Jiangsu Chapter of the Chinese People's Association for Friendship with Foreign Countries, who had visited Victoria, Australia, was among those attending the banquet.

At the banquet Governor Gu said: We attach great importance to and treasure highly the development of friendly relations between our province and your state. We will do our best to promote our cooperation and exchange in the economic, trade, science and technology, and cultural fields.

On the afternoon of 16 May, Premier Cain and his party visited (Chengqianju) Primary School and were given a rousing welcome by the hundreds of teachers and students there.

Talks With Jiangsu Governor

OW190615 Nanjing Jiangsu Provincial Service in Mandarin 1000 GMT 17 May 86

[Excerpts] Gu Xiulian, governor of Jiangsu, and Cain, premier of the state of Victoria, Australia, held talks at Jinling Hotel in Nanjing this morning. Both Governor Gu and Premier Cain expressed satisfaction with the growing cooperation between Jiangsu and Victoria in the past 6 years since the establishment of friendship ties between the province and the state. Owing to the support and kind concern of the governments of the two countries and the province and the state and the solid work done by both sides, gratifying achievements have been made in personnel exchange, technical cooperation, bilateral trade, and holding of exhibitions in each other's countires.

After the talks, officials of departments concerned from the two sides discussed the expansion of personnel exchange. In the afternoon, Premier Cain, his wife, and their party visited the Nanjing Physical Culture College in the company of Governor Gu Xiulian. They were given a warm welcome by Zhou Weigao, chairman of the provincial Physical Culture and Sports Commission, and the faculty and students of the college.

AUSTRALIA ROUNDS OFF FIRST 'CHINA WEEK'

OW181404 Beijing XINHUA in English 1343 GMT 18 May 86

[Text] Sydney, May 18 (XINHUA) -- The first "China Week" in Australia, preluded by the establishment of friendship-city relations between China's southern metropolis of Guangzhou and Sydney on May 12, was rounded off here today.

During the past week, this largest industrial and financial center of Australia has seen a rich variety of Chinese cultural and artistic programs, including four acrobatic and martial art shows, a painting and woodcut exhibition, a photo exhibition, a film festival, a trade fair and a trade seminar.

The programs were highly appreciated by local audiences, particularly the Overseas Chinese. Some said that the exhibited photos, which depicted the majesty of the Chinese capital and the beautiful landscapes and daily life of China, had inspired their desire to visit China. The 6,000-seat entertainment center was packed to capacity at every show of the acrobatics and martial art.

A 10-man friendship delegation of Guangdong Province, of which Guangzhou is the capital, led by Vice-Governor Yang Deyuan attended the week-long activities.

FURTHER REPORTAGE ON WU XUEQIAN'S EUROPEAN VISIT

Visits Factories in Sweden

OW161130 Beijing XINHUA in English 1113 GMT 16 May 86

[Text] Stockholm, May 15 (XINHUA) -- Chinese State Councillor and Foreign Minister Wu Xueqian today watched lantern slides taken by Hasselblad equipment of an American moon landing when he toured a plant of this famous Swedish camera corporation in Goteborg (Gothenburg), Sweden's second largest city on the western coast. Wu paid a one-day visit to Goteborg, capital of Bohus County, where he was warmly received by County Governor Ake Norling, Major Soren Mannheimer and city council chairman Jorgen Linder. The Hasselblad management used 15 projectors at the same time to show Wu how wonderful their products can work in photography.

Another enterprise Wu toured in the city was the well-known Volvo car maker, where the Chinese foreign minister saw the assembling of vehicles. Major Soren Mannheimer hosted a lunch part for Wu, at which he acquainted the guest with the characteristics of the city's industry and the cooperative projects his city plans to undertake with Shanghai. The Chinese foreign minister expressed appreciation of the pioneering role which Goteborg had played in fostering trade and cultural ties between Sweden and China. The Chinese foreign minister left Goteborg for Stockholm in the evening after attending a reception given in his honor by Bohus Governor and Mrs Norling.

Visits Palme's Tomb

OW161424 Beijing XINHUA in English 1345 GMT 16 May 86

[Text] Stockholm, May 16 (XINHUA) -- Visiting Chinese Foreign Minister Wu Xueqian laid a wreath this morning at the tomb of the late Swedish Prime Minister Olof Palme in Stockholm's Adolf Fredrik church cemetary. Wu, joined by Lars Bergquist, Swedish Ambassador to China, and Chinese Ambassador Wu Jiagan, stood in silent tribute to Palme who devoted his life to world peace. Palme was assassinated during the night of February 28 by an unidentified gunman who is still at large.

Swedish King, Speaker Receive Wu

OW161436 Beijing XINHUA in English 1427 GMT 16 May 86

[Text] Stockholm, May 16 (XINHUA) -- Swedish King Carl XVI Gustaf received Chinese Foreign Minister Wu Xueqian here today. Wu, also a state councillor, conveyed the regards of Chinese President Li Xiannian and Premier Zhao Ziyang to the king, who also asked his guest to give his best wishes to the two Chinese leaders.

In his talks with Ingemund Bengtsson, Swedish Parliament speaker, the Chinese minister passed on to Bengtsson the regards of Peng Zhen, chairman of the Standing Committee of the Chinese National People's Congress. Bengtsson gave his best wishes to his Chinese counterpart through Wu. Bengtsson and Wu briefed each other on the organs, functions and work of both the Swedish Parliament and the Chinese National People's Congress. Bengtsson invited a Chinese National People's Congress delegation to visit Sweden at a convenient time.

Meets Swedish Industrialists

OW161552 Beijing XINHUA in English 1521 GMT 16 May 86

[Text] Stockholm, May 16 (XINHUA) -- Visiting Chinese Foreign Minister Wu Xueqian, during a meeting with Swedish industrialists today, expressed the hope for greater economic cooperation with countries in western and northern Europe. All countries and industrial enterprises in the region, regardless of size, will have a chance to assert themselves in economic cooperation with China, Wu added. The Chinese foreign minister is here for a four-day visit on the second leg of a nine-country European tour.

Wu opened the forum attended by some 100 industrialists with an account of China's ongoing economic reforms. He said China's reforms -- launched at the start of the 1980's -- have proven to be a good step. He added that last year, China fulfilled ahead of schedule the production targets set in its Sixth Five-Year Plan. The reforms have boosted economic development which, in turn, has cleared the way for more reforms, he said. China is invigorating its economy and opening to the outside world, Wu said, and added that in recent years China has been striving to expand its foreign trade by pursuing a preferential policy for investment and the introduction of new technologies, equipment and personnel. All this is aimed at creating a favorable climate for foreign investments and ensuring rational returns for foreign investors, Wu said.

After speaking about economic relations with Sweden and other west and north European countries, Wu expressed the hope for greater cooperation and promised a greater share for these countries in China's external trade. Lennert Petri, [name as received] president of the Sweden-China Friendship Association, reviewed trade between the two countries and expressed pleasure at China's economic growth. He indicated his country's readiness to export expertise and modern machines to help with China's industrial management, and welcomed more joint ventures with China.

Gives Press Interviews

OW170800 Beijing XINHUA in English 0734 GMT 17 May 86

[Text] Stockholm, May 16 (XINHUA) -- Chinese Foreign Minister Wu Xueqian told the press here today that the Chinese Government hopes the Soviet Union cease to dodge removing the three obstacles to better Sino-Soviet relations. Wu, on the third day of his first and six-day visit to Sweden, granted interviews to Swedish television, newspaper and wire service reporters in the Haga Palace where he lives. Sino-Soviet relations was one of the questions of interest they shared in common. Wu said thus far there has been no progress in overcoming the three barriers -- the Soviet occupation of Afghanistan, the Soviet-aided Vietnamese occupation of Kampuchea and the presence of massive Soviet troops along China's borders -- as the Soviet Union has all along refused to address the issue. "We hope the Soviet Union change this attitude so that Sino-Soviet relations will improve substantively," he said.

Answering questions about the Afghanistan issue, Wu said that China always maintains that the Soviet Union should pull out its troops in Afghanistan. As for what type of government should be established there following the Soviet military withdrawal, it is a matter of internal affairs that should be treated by the Afghan people themselves, Wu declared.

On the Kampuchean issue, the Chinese foreign minister expressed support for the eight-point proposal put forward recently by the three resistance forces. China believes the proposal to be a reasonable one, Wu said. He added that the tensions on the border between China and Vietnam have resulted from Hanoi's military provocations.

In his replies to reporters interested in China's economic reforms, Wu said these reforms are not the decision of Deng Xiaoping alone, but one made collectively and one enjoying the support of the overwhelming majority of the people. The reforms have proved to be a great success in the countryside where they have been underway for a number of years. Now the cities have become the main scene for such reforms, which will be fundamentally completed in five years. Wu told the press that the special economic zones in China give foreign investors preferential treatment and make China open wider to the outside world, but the public sector remains the backbone of the economy there.

When asked about China's position on terrorism, Wu said China is always opposed to terrorism of all descriptions and holds that to eliminate terrorism one must remove its root cause. The Middle East issue should be solved before the tensions there can be relaxed, he added. The large scale U.S. air raid on Tripoli, he said, violated Libya's sovereignty. Actions as such to counter terrorism will only result in a vicious circle.

Wu told Swedish reporters that China seeks to solve the Taiwan issue peacefully under the formula of "two social systems in one nation", whereby Taiwan can retain its troops and ruling party. As the first step towards a peaceful reunification of the fatherland, the government has proposed communication between the mainland and Taiwan in three ways, in commerce, post and travel, Wu said. He expressed the regret that the Kuomintang on Taiwan has kept people in the dark, and the belief that China will surely be reunified in peace some day.

Holds Reception, Meets Press

OW180805 Beijing XINHUA Domestic Service in Chinese 1310 GMT 17 May 86

[Excerpt] Stockholm, 16 May (XINHUA) -- Chinese State Councillor and Foreign Minister Wu Xueqian held a return reception at the Chinese Embassy here this evening to thank the Swedish Government for the lavish hospitality accorded him during his current visit. Nearly 100 government functionaries -- including Minister of Foreign Affairs Sten Anderson, Minister of Education Lennart Bodstrom, and Minister of Trade Mats Hellstrom -- and people of various circles in Sweden attended the reception. Both hosts and guests toasted the further development of Sino-Swedish relations. This afternoon Prime Minister Ingvar Carlsson and Foreign Minister Anderson separately met with Wu Xueqian. The two foreign ministers also held talks and signed an agreement on avoiding double taxation and preventing tax evasion between the governments of the People's Republic of China and the Kingdom of Sweden.

This afternoon, in answering a question put by a reporter, Wu Xueqian said that when he met with Prime Minister Carlsson, both sides expressed satisfaction with the development of relations between the two countries since the establishment of diplomatic relations and held that there are bright prospects for economic and trade cooperation between China and Sweden in the future. Discussing his talks with Foreign Minister Anderson, Wu Xueqian said that they exchanged views on matters of common concern, including on the international situation, China's foreign policy, the current world disarmament issue, and regional conflicts. Both sides held identical or similar views on many issues.

In addition, Wu Xueqian talked about China's stand on the question of nuclear energy. He said that, learning a lesson from the Chernobyl nuclear power station accident, China has taken steps to strengthen safety measures for its first batch of nuclear power stations.

Departs Sweden for Norway

OW181210 Beijing XINHUA in English 1131 GMT 18 May 86

[Text] Stockholm, May 18 (XINHUA) -- Chinese State Councillor and Foreign Minister Wu Xueqian left here for Norway today after a four-day visit to Sweden. During his stay here, Wu had separate meetings with King Carl XVI Gustaf, Prime Minister Ingvar Carlsson, Foreign Minister Sten Andersson, and Swedish Parliamentary leaders. Wu and Andersson signed an agreement on the avoidance of dual taxation and the prevention of tax evasion on behalf of their respective governments. The Chinese foreign minister, who arrived here Wednesday on the second leg of a nine-nation European tour, visited Uppsala Agricultural University and the University of Uppsala yesterday. He also visited the home of the great Swedish botanist Carl Von Linne.

Begins 3-Day Visit to Norway

OW181512 Beijing XINHUA in English 1456 GMT 18 May 86

[Text] Bergen, Norway, May 18 (XINHUA) — Chinese Foreign Minister Wu Xueqian arrived in Norway's second biggest city of Bergen today to begin a three-day visit to this Nordic country, the third stop of Wu's nine-nation European tour. He was greeted at the airport by Norwegian Oil and Energy Minister Arne Oien and Mayor of Bergen Henrik Lisaeth as well as Chinese Ambassador Zhang Yougkuan. Wu is scheduled to visit the world's largest drilling platform in the North Sea tomorrow. Bergen, the commercial and cultural center in Western Norway, has become a supply base for Norway's booming offshore oil industry. The Chinese foreign minister will leave for Oslo tomorrow where he is to meet with King Olav V and Prime Minister Harlem Brundtland and have talks with Foreign Minister Knut Frydenlund.

Interviewed by Norwegian Paper

OW190608 Beijing XINHUA in English 0548 GMT 19 May 86

[Text] Bergen, Norway, May 18 (XINHUA) — Chinese State Councillor and Foreign Minister Wu Xueqian told BERGENS TIDENDE, Norway's third largest paper, here today there were no fundamental differences, but common goals, between China and Norway. Wu gave a wide-ranging interview, primarily on Sino-Norwegian relations, to the paper while cruising in the picturesque Bay of Bergen.

Wu Xueqian, who arrived here this afternoon from Sweden on his first visit to Norway, said he hoped his visit would further increase mutual understanding and cooperation between the two countries, although much had already been achieved in this respect. He noted specifically that China and Norway had been actively helping each other as oil producers. As energy was most crucial to China's economic modernization, China, apart from developing its oil industry, would also try to produce more coal and set up more hydro and nuclear power stations, Wu said.

However, the foreign minister stressed, China would learn from the lessons of the Soviet nuclear reactor accident at Chernobyl, which had resulted in great losses to the Soviet Union and caused radioactive contamination of other European countries.

On the resumption of American-Soviet disarmament talks in Geneva, Wu said that China welcomed it as it was better than continuing to have the negotiations suspended and had somewhat eased the tense international atmosphere. But, Wu said, a real lessening of tension would require the two nuclear giants to negotiate seriously and reach some form of agreement on nuclear disarmament not to the detriment of the interests of other nations. Wu went on to say although both sides had advanced not a few proposals, it was unlikely that agreements would be reached in the near future. The Chinese foreign minister expressed the hope that small and medium-sized countries in northern Europe would play their due role in bringing the United States and the Soviet Union into agreement on nuclear disarmament.

Wu Xueqian is in Norway on the third lap of his current tour of seven north and west European countries which has already taken him to Finland and Sweden. After the sightseeing of the Bay of Bergen, Henrik Lisaeth, Mayor of Bergen, gave a banquet in honor of Wu in the evening.

PRC, UK TO INCREASE CULTURAL COOPERATION

OW161901 Beijing XINHUA in English 1846 GMT 16 May 86

[Text] London, May 16 (XINHUA) -- Britain and China have agreed to increase cultural exchanges by scientists, artists and scholars for the next two years. The two countries will specially encourage cooperation between learned societies, universities and other academic institutions under a program signed here today. China and Britain are to reciprocate more art exhibitions and performances during the period.

The April 1986-March 1988 program was signed by Timothy Gee, director of Cultural Section of the British Foreign Office, and Zhang Jinshu, deputy director of the External Cultural Relations Bureau of the Chinese Culture Ministry, who is on a week-long visit to Britain.

"We are very glad that we are able to sign a new program on Chinese-British cultural exchanges," Gee said after the signing ceremony. Zhang said the past few years have been fruitful for Chinese-British cultural exchanges. The visits to China by the BBC Philharmonic Orchestra, the Royal Ballet and the Festival Ballet and the visits to Britian by China's exhibition and performing art groups have helped greatly the development of cultural exchanges between the two countries.

XINJIANG PROTESTERS URGE NUCLEAR ARMS BE REMOVED

OW190822 Tokyo KYODO in English 0814 GMT 19 May 86

[Text] Beijing, May 19 KYODO -- A group of residents in Xinjiang Uygur Autonomous Region has called for an end to nuclear tests and removal of nuclear weapons from the western frontier province, according to informed sources here. The sources said the group, calling itself the "Committee of Uygurs for Nuclear-Free Zone Movement in Xinjiang," has sent an antinuclear declaration to foreign organizations based in the capital. Details of the group are not known.

China has a nuclear test station near Lop Nur, a lake about 600 kilometers southeast of Urumqi, the provincial capital. The base has been reportedly used since the mid-1960s. The group also supported street demonstrations held by Uygur students in Beijing, Shanghai and Urumqi last December seeking a nuclear test ban and improvement of the political status of the province, a vast land of rocks and deserts, which borders the Soviet Union. The action indicated the strength of local residents' complaints about the central government's policy on nuclear arms development and minority groups.

But later reports said the dispute had been settled through talks between authorities in the province and students. In the declaration, the committee also demanded abrogation of an agreement which allows other countries to dump or store radioactive materials in the province. The committee added, however, it has no intention of separating the province from other parts of China as an independent state, according to the sources.

BO YIBO CHAIRS RURAL PARTY RECTIFICATION FORUM

OW180400 Beijing XINHUA Domestic Service in Chinese 0743 GMT 17 May 86

[Text] Zhengzhou, 17 May (XINHUA) -- In order to strengthen leadership and press on without letup to conduct party rectification successfully from start to finish, the CPC Central Committee has agreed to let the Central Commission for Guiding Party Rectification convene party rectification work forums to be attended by secretaries of provincial, regional, and municipal party committees in charge of this work. The purpose of such forums is to discuss both how to further strengthen the guidance for rural party rectification, and to study the important problems to be resolved in this regard and grasp the question of consolidating and developing the fruitful results of party rectification in units at and above the county level. In view of the varying local conditions, separate forums will be held for different areas. The forum attended by party committee secretaries from 11 provinces and municipalities in the north was held from 8 to 16 May in Zhengzhou. Bo Yibo, permanent vice chairman of the Central Commission for Guiding Party Rectification, presided over this northern forum. He talked and held discussions with the secretaries of the provincial and municipal party committees and delivered a speech at the forum. There will be three other forums to be attended by party committee secretaries from the other provinces, autonomous regions, and municipalities.

In accordance with the plan made by the Central Commission for Guiding Party Rectification, full-scale party rectification has begun at district and township levels in all rural areas.

Based on information from Beijing, Hebei, Shanxi, Liaoning, Jilin, Heilongjiang, Shandong, Anhui, Henan, Shaanxi, and Gansu, as revealed at the northern forum, the work of rural party rectification over the past few months has helped implement the policy of promoting and ensuring the progress of reform and economic development, and, in general, met the requirement of "solving problems while maintaining order." The work has developed healthily and the trend is good. The party committee leadership at the provincial, prefectural, and country levels has attached importance to this work, and the measures they have taken are effective. Dynamic education has been conducted to promote party spirit. The broad masses of party members have received an education in the fundamental purpose of the party -- that is, serving the people wholeheartedly -- and have thus raised their ideological awareness. Some cadres with party membership who had made severe mistakes in abusing their power for selfish ends and violating law or discipline have been subjected to investigation and dealt with seriously, resulting in a turn for the better in party style and in the standard of conduct in rural areas. After conducting party rectification, most grass-roots party organizations have improved the party members' democratic activities and reinforced their fighting strength. A few leading bodies at the grass-roots level that had numerous problems have now been consolidated or readjusted, thus purifying the organization. In addition, rural party rectification has given a powerful impetus to building up the party and promoting socialist spiritual civilization in rural areas for the new period and has brought about the ensured the development of rural reform in depth and in breadth. Seeing the new changes resulting from party rectification, the masses have said joyfully that "the party is now what it should be, and it is controlling itself." They have praised the current party rectification as "little said but much done" and as a task that has resolved problems rather thoroughly.

At the forum, the comrades have seriously analyzed the problems existing in rural party rectification. The main problem, they said, is uneven development. In some localities and units, the force of leadership is not as strong as required, and it is not of a high standard. It has failed to set forth strict demands and cannot resolve as many problems as it should, and what it has done is to give vague and general directions for the work of party rectification. In a few localities and units, party rectification has been carried out even in a perfunctory manner.

Comrades from the provinces and municipalities in the north unanimously held that the forum is another important meeting in the course of party rectification, which will certainly give a strong impetus to the in-depth development of party rectification, especially at the village level. After comparing notes on the situation of party rectification work in the countryside, they contended that party rectification at the village level is indeed relatively difficult. However, we can fully achieve the expected goals provided there are correct guiding principles, strong leadership, solid work, and effective policy, measures, and methods. They aired their views fully and conducted a heated discussion on the two topics of the forum. They presented facts and analysis at the forum and offered some very good opinions and suggestions.

On the afternoon of 15 May, Bo Yibo delivered an important long speech by summing up the opinions of forum participants. He pointed out first: We must fully and realistically affirm the achievements of party rectification. The party has made progress in consolidating ideological unity, rectifying the party's work style, strengthening discipline, and purifying the party organization. High-level leading organs which underwent the first stage of party rectification have achieved rather notable progress in straightening out operating guidelines, thoroughly negating the "Great Cultural Revolution," and eliminating "leftist" ideology.

They have further emancipated their minds, become clear about the orientation of reform, and genuinely shifted the focus of work to serving socialist modernization. In implementing party rectification, units at the prefectural and county levels have paid attention to educating party members in party spirit and scored some progress in this regard. They have developed a number of grass-roots organs armed with strong party spirit and designated a great number of party members as models. At the same time, they have also dealt with big, major cases. Party rectification at the district and township levels has been carried out rather steadily, and the situation looks good. Practice has shown that this party rectification is of great significance and the effects of its profound impact must not be underestimated.

On behalf of General Secretary Hu Yaobang and the Central Commission for Guiding Party Rectification, Bo Yibo extended warm greetings to the leading comrades of party committees at all levels as well as the personnel of party rectification offices, liaison men, inspectors, and publicists who have worked diligently and conscientiously in the forefront of party rectification in the past 2 years or so. He expressed the ardent hope that they will continue to work hard and do not slacken off so as to carry out party rectification successfully from start to finish.

Bo Yibo made some important suggestions with regard to party rectification at rural grass-roots units, the consolidation and enchancement of party rectification results, and exercising more effective leadership over party rectification work. He pointed out: Rural areas must further define the guiding principle for party rectification, uphold the policy of promoting and guaranteeing reform and economic development, and resolutely carry out the party's policy in rural areas. All party rectification tasks must be conducive to rural reforms, to the further development of rural productive forces, to the enlivening of the rural economy, and to the enhancement of peasants, enthusaism for production. Besides a clearly defined guiding princple, the key to implementing this policy is that we must take a very cautious approach in dealing with major problems and in deciding on a policy to solve the problems. The general requirements for party rectification at the village level are to uphold the policy of education and guidance, stress education by positive example, achieve ideological unity, pay attention to enhancing the political consciousness of the vase number of party members, and ensure the promote reforms.

He said: "Solving problems while maintaining order" is a very important experience we gained from this party rectification. The relation between solving problems and maintaining order represents a dialectical unity, with solving problems as the prerequisite. We must carry out rectification steadily under this prerequisite and avoid deviations. If we do not base ourselves on solving problems but exclusively stress maintaining order alone and turn a blind eye to the problems that should and can be solved, party rectification will become a mere formality, and nothing will be accomplished.

He pointed out: The stress in rural party rectification should be placed on solving conspicuous problems existing among the district, township, and village leading cadres with CPC membership, particularly such problems as serious abuse of power in seeking private interests and serious law and discipline violators among them.

On how to consolidate and enhance party rectification results, Bo Yibo pointed out: To consolidate and enhance party rectification results is a deepening and continuation of party rectification and an important phase of linking the past with the future, in which the party members after a period of party rectification will gradually bring the party back to normal in ideology, organization, work style, and discipline.

He said: To consolidate and enhance party rectification results means that the achievements made during party rectification should be truly consolidated and that problems exposed and problems reported by grass-roots units during party rectification should be solved without delay, if they have not yet been solved, thus closely integrating consolidation of party rectification results with solving problems. He said the results of this work hinge to a great extent on how major cases are investigated. He pointed out: To ensure a sound system of democratic life is an important measure to consolidate and enhance party rectification results. In our party life, we should stress the importance of correct ideology and principles and political awareness. Whether or not an organization can arouse the party members' enthusiasm for reform, innovation, and the four modernizations, create a vigorous political situation, and correctly and promptly solve new problems in the course of party rectification is to a great extent decided by whether or not it has a sound system of inner-party democratic life. He said: The consolidation and enhancement of party rectification results must not become a mere formality. The secretaries in charge of party rectification should personally take a hand in the work. The party rectification offices, the groups of improving party style, and the discipline inspection, organization, propaganda, judicial, and public security departments should cooperate with one another.

On how to further strengthen leadership over party rectification, Bo Yibo said: To strengthen party leadership is a key to completing the two aforesaid arduous tasks. To strengthen the leadership calls for three things. First, the principle leading comrades of party committees at all levels should in their minds truly attach importance to party rectification and fully understand the extreme importance of improving the ruling party to accomplishing the party's great tasks during the new period. Second, the leadership must be effectively exercised. Third, we must have concrete measures and solve problems. He called on the leading cadres, particularly those in charge of party rectification, in provincial, prefectural, and county party committees to go deep into the realities of life, analyze typical cases, discover the situation, and give concrete guidance for party rectification. He urged them to integrate organically the efforts to rectify grass-roots party organizations with efforts to consolidate and enhance the party rectification results of leading organs at and above the county level and of enterprises and institutions, make the two kinds of efforts promote each other, and ensure a successful completion of party rectification.

GUANGMING RIBAO ON HUNDRED SCHOOLS OF THOUGHT

HK190408 Beijing GUANGMING RIBAO in Chinese 30 Apr 86 p 3

[Article by Su Shuangbi: "Several Questions Concerning the Promoting of the 'Contention of a Hundred Schools of Thought'"]

[Text] Abstract: "Letting a hundred schools of thought contend" is a resolute principle of our party and state for science development. China's academic circles have experienced a bumpy zigzag in implementing the principle in question over the past 3 decades. Generally, academic debates do not have the nature of a class struggle in socialist society. The differences in academic views can only be solved by "letting a hundred schools of thought contend," as well as the method of criticism, counter-criticism and self-criticism. We should not arbitrarily escalate academic problems to political ones, and even more so should we refrain from academic refutation. Only then, will it be possible to create a situation of ease and harmony, in which people boldly conduct more experiments.

"Free discussion should be advocated, and no conclusion should be rashly drawn" concerning academic issues. We must adhere to the principle that all people are equal before the truth. The academic understanding of an expert, an authoritative person, or a leading cadre made public in academic debates is but one of the diversified views; and individually, his view is only one of the "hundred schools of thought," and he should submit to truth whether he is right or wrong concerning the issue in debate. Under the new situation of opening up to the world and invigorating the domestic economy, it is necessary to deal with Western science and culture introduced to China with analysis in a dialectical approach. Western science and culture should not be regarded as synonymous with decadence and negative factors, neither should they be given total and uncritical acceptance. They should be critically accepted in a down-to-earth way, and those rational elements should be actively absorbed in order to enrich China's science and culture. In implementing the principle of "letting a hundred schools of thought contend," socialist academic workers should work hard, full of confidence in exploring for the truth, develop Marxism, and make socialist science and culture thrive under the new situation. [end abstract]

The Central Committee and Comrade Mao Zedong formally proposed the principle of "letting a hundred schools of thought contend" first in 1956. The principle has been a resolute one for our party and state to develop, and to make academic activities thrive. "Letting a hundred schools of thought contend" does not have a class nature in itself; and any class may adopt it. The proletariat advocated this principle in order to make socialist science and culture thrive. Determined by the nature of the socialist state, this principle is inevitably guided by Marxism. However, in implementing this principle over the past 3 decades, China's academic circles have experienced heartbreaking lessons. The principle of "letting a hundred schools of thought contend" has gone through the same bumpy zigzag in its implementation and development with the historical process of China's socialist society. Whenever the principle was well implemented, academic and cultural activities would thrive. However, academic and cultural development could also be affected and injured. That has been the basic situation over the past 3 decades. Since the 3d Plenary Session of the 11th CPC Central Committee, the situation has been greatly changed in the implementation of the principle of "letting a hundred schools of thought contend." However, some traditional practices and conventional concepts still hold sway because the long standing "leftist" influences in academic circles have not been entirely eliminated. The unfolding of the principle does not seem to be a natural and comfortable process. Of late, the relevant leading comrade in the Central Committee has on several occasions proposed the need to implement the principles of "letting a hundred schools of thought contend" in a down-to-earth way, in order to create a situation of ease and harmony in which people will be bold at making experiments. This is necessary for the development of the new situation amidst the waves of reform in China. The theoretical, ideological and academic circles must promptly explore the new problems surfacing in the reform. However, reform is an entirely new and complicated work; it will fail to make healthy progress without correct theoretical explanations, and science will fail to make development without in-depth academic explanations. This requires the academic and theoretical circles to implement the principle of "letting a hundred schools of thought contend" in a down-to-earth way. Objective factors such as "leftist" influences account for the failure in appropriately implementing the principle in question over the past 3 decades or more, but it has not been made explicit enough in the law, principle and policies of "letting a hundred schools of thought contend" itself, which needs further exploration and explanation.

Here, I should like to make some analysis on some problems that may emerge in implementing the principle of "letting a hundred schools of thought contend," and I should like to invite the readers' criticism.

1. Academic Contention in Socialist Society Generally Does Not Take on the Nature of Class Struggle

Since the founding of the PRC, the completion of the socialist transformation of the private ownership of production means in particular, class contradictions have tended to relax because of the conclusion of large-scale class struggle, particularly since the 3d Plenary Session of the 11th CPC Central Committee, the practice of artifically intensifying class contradictions has been gotten rid of, and the intellectuals in socialist society, who support the party and socialism, belong to the proletariat. Therefore, disputes between different academic views are often because of such factors as differences in understanding, the access to data, and the level of Marxist application, which do not have the marked nature of a class struggle. Such examples are many. Take for instance, the theory on the periodic division of the ancient history of China. We have such different concepts as the feudalism of the Western Zhou Dynasty, the feudalism of the Spring and Autumn period, the feudalism of the Qin Dynasty in unifying China, the feudalism of the western Han, the feudalism of the eastern Han, and the feudalism of the Wei and Jin dynasties. Take for another instance. Opinions are diametrically opposed on the evaluation of such historical personalities as Confucius, the first emperor of the Qin Gynasty, Wu Zetian, Zhang Xianzhong, and Li Xiucheng. The concepts of evaluation on the westernization movements in modern Chinese history also differ; for example, the 1898 institutional reform and the 1911 revolution. But those with different concepts on whether the periodic division of history or the evaluation of historical personalities mentioned above have based themselves on certain historical data.

As to which concept is materialistic, which idealistic, which is Marxist and which non-Marxist, it should be gradually grasped by further mastering more historical data, carrying out in-depth research, and conducting down-to-earth academic discussion. We should not oversimplify and label one academic concept as Marxist, and another as bourgeois. Despite the differences in concepts in academic discussion in socialist society, the overwhelming majority of the discussants have started from making academic activities thrive in seeking truth. The differences in academic concepts can be solved by in-depth research and the contention of a hundred schools of thought. We should also see that the correctness or errors that emerge in academic views, whether it is materialistic or idealistic, does not necessarily have any connection with the political attitude and position of certain academic workers. Those who have an erroneous academic concept and idealistic view can be supportive of the party and socialism politically. Some people do not like the term non-Marxist view in academic discussion, regarding it as quite serious a label. A non-Marxist view in academic discussion is nothing reactionary, and it should not be confused with an anti-Marxist view; it is, in fact, a matter of one's world outlook and theory of cognition. Moreover, concerning academic concepts themselves, not all non-Marxist concepts are wrong. Marxism itself came into being by inheriting the most precious ideology and historical heritage of mankind. Regarding many academic workers in socialist society, their academic concepts may include both Marxist and non-Marxist views at the same time.

In the multiple and diversified academic concepts, the majority of those of some discussants conform to Marxism, but some of their individual views may not. On the contrary, with some academic workers, the majority of their academic concepts may not conform to Marxism, but some do. Therefore, among the erroneous concepts in academic disputes, idealist and non-Marxist views are not infrequent, and they are nothing to be suprised at, neither should they be dealt with roughly by such oversimplified methods as suppression or refutation. Moreover, the right or wrong of an academic concept is not so easily discerned. Sometimes, truth is in the hands of the minority, when the conventional understanding of the majority may not be truth. If some people should try to pass judgment on the right or wrong concerning some academic disputes by the arbitration or suppression, it would be a thankless undertaking. History has proved that forced refutation could not solve academic disputes. The practice of academic refutation could not solve academic disputes. The practice of academic refutation would fail to solve ideological problems, and the academic concept would remain intact with the people involved overthrown and the result that academic workers are injured, and academic activities brought to a stalemate. Therefore, academic problems should by no means be solved by mass criticism. The differences in academic views can only be solved the the contention of a hundred schools of thought, reasoning with facts, and the method of criticism, counter-criticism and self-criticism, in order to overcome the erroneous, idealistic and non-Marxist views one has gradually come to see. If one has not come to see that one's own academic concept is really wrong, one should not submit oneself to the opinions of the majority or the criticism from some authoratative people against one's own will. Because such submission against one's own will may lead to two consequences: first, not being really convinced, even if one's concept is wrong, it is not possible for one to correct it; and second, the concept one is compelled to give up against one's own will may eventually be truth, or contain some rational elements. Therefore, in the contention of a hundred schools of thought, we should adhere to the principle of adhering to truth, revising mistakes, absorbing rational elements in contention, when revising or giving up the irrational elements in one's own academic concept.

Only then will it be possible for correct academic concepts, materialistic and Marxist academic views to develop in contention. Moreover, we should believe that different academic views can be gradually converted through discussion, and erroneous, and non-Marxist views can also be converted into correct and Marxist views by absorbing new nutrients and learning from others' strong points to offset one's weaknesses through discussion and contention. So we can see that in socialist society, the practice of treating different academic concepts as different positions and classes is an over-simplified method of thinking, which often fails to explain things clearly in practice.

Then, can we say that the academic disputes in socialist society do not involve the question of right or wrong in politics? Of course not. Although the exploiting as classes no longer exist in socialist society, the ideology of the exploiting classes and the habitual forces of the old society continue to exist for a rather long period because of the relative independence of ideology, With the changes in the international and domestic situation, the effects of the ideologies of the exploiting classes and the old habitual forces are at times rather conspicuous. However, the economic base generating such ideologies of the exploiting classes no longer exist in our socialist society. This is the reflection of a specific kind of class struggle in ideology under a specific historical condition.

So long as the proletariat overcomes such effects in a tit-for-tat and down-to-earth way with its own advanced ideology through criticism and self-criticism, and overcomes some incorrect views in academic discussions, such effects will be gradually reduced. However, we do not exclude the possibility of individual people being affected deeply by the exploiting classes in ideology, who not only spread some erroneous views but take some fallacies as truth and spread them. If we should fail to see the existence of these effects, thinking that the question of right and wrong, correctness and mistakes no longer exist in the realm of ideology, and let the ideologies of the exploiting classes exert their influence and the old habitual forces develop themselves freely without restricting and overcoming them with the proletarian ideology, it would mean that the proletariat is making an announcement to lay down its arms, and let the ideologies of the exploiting classes flood unchecked. Such effects will gradually lead to very grave consequences.

2. Academic Concepts and Political Views Should Not Be Confused

Regarding social sciences, it is sometimes not easy to distinguish academic problems from political ones. However, academic and political problems belong to different categories, and the overwhelming majority of academic problems can be differentiated from political ones. How then to strictly differentiate academic from political problems when possible? In my opinion, the most basic point is to refrain from arbitrarily escalating academic problems into political problems. Some academic problems related with current policies are really not so easy to differentiate from political issues. Before any decisions are adopted, the Central Committee will conduct discussions in order to encourage the free airing of views, to distinguish right from wrong, and to weigh the gain and loss. Despite the fact that different concepts are related with politics, they still fall into the category of academic problems. For instance, the discussion on whether to adopt the contracted responsibility system in the rural areas a few years back. There were different views at the beginning, but those views were not escalated to political problems. Through discussion, people's understanding came together, and the effect has been remarkable since its implementation. The course of discussion is one of reasoning with facts. Not only the masses are educated but they also enabled to differentiate right from wrong, and to decide on which side to take in discussion. The advantages are manifold.

Refraining from applying political views to whatever academic concepts in academic contention should and can be achieved regarding the differentiation of academic problems from political problems. For example, some discussants are just fond of classifying different academic concepts as being "leftist" or rightist, and referring to one academic concept as too "leftist" and another as too rightist. This is not the right thing to do. At present, the concepts of being "leftist" or rightist are chiefly political ones, but not academic. Generally speaking, academic concepts should not be classified as being "leftist" or rightist, in which there are only the differences between correctness and errors, between idealism or materialism. We should make concrete analysis of the concrete question, and classify a concrete question as it stands. Demonstrating an academic concept in simple political terms will easily confuse the relation between academic and political concepts. However, when we say academic concepts should not be classified as being "leftist" or rightist, it does not mean that the question of being "leftist" or rightist does not exist in formulating a policy of academic contention, and its handling.

For example, going in for academic refutation in academic contention, arbitrary escalation of academic problems to political problems during the 10 years of turmoil, labelling, attacking with big sticks, seizing on mistakes, all this is an expression of "leftism," and unfavorable to academic contention. The expression of such "leftist" effects can still be found today, and it must be overcome in a down-to-earth way.

Academic contention itself is a kind of experiment. Diversified opinions are inevitable, and the emergence of some strange concepts is possible. All this is advantageous to enlivening the atmosphere of contention. We should refrain from calling different academic concepts "liberalization," which is a political problem and should be dealt with meticulously. With the exception of marked political heresy, the practice of arbitrarily labelling a certain academic concept as "liberalization" should be refrained from. Neither should we call those people who adhere to traditional concepts as "ossified." Mutual labelling will make it very difficult for the discussion to be relaxed and to naturally unfold. However, concerning the academic circles, the spirit of being bold in making experiments should be promoted at present, in order to create an atmosphere for truth-seeking and harmonious discussion. To achieve this, it is necessary to take into consideration the 10 years of turmoil. Many scholars are not entirely rid of their lingering fear. So we should refrain from arbitrary political labelling. We should see that most of the discussants have made some explorations and gone through serious pondering before putting forth their views in a debate; even with erroneous views, they may provide a new angle for their opponents in thinking. The free airing of views in contention will enlighten each other and broaden the path of thinking. Among them, some new ideological concepts may not be complete and perfect, but new sparkling academic understanding may emerge through intensifying and upgrading in the course of debate. Only truth-seeking and free exploration and discussion will allow academic issues to blaze new trails and reach a higher level.

The reason why it is necessary to promote the spirit of being bold at making experiments also lies in the fact that under the new circumstances of reform, many new problems have been put forth in political and economic theories, as well as the academic concepts and approaches in research involving all branches of social sciences, which need to be given fresh explanation and study. Marxism itself continues to develop in practice, so the academic and theoretical problems that have emerged cannot be easily given a clear explanation with conventional concepts. Here are two possible situations: First, the student has failed to have a good grasp of the basic tenets of Marxism, mechanically copying them in disregard of a specific condition. And when he tries to explain theoretical and academic problems with Marxist views, he lacks the ability to demonstrate new problems in a dialectical approach, and futilely attempts to explain them with points he himself has not grasped. This does not help in formulating new theories to explain new problems that have emerged but injures theoretical and academic development. Second, with the development of the times, individual Marxist principles and approaches are no longer suitable; and a clear demonstration of many problems will be impossible if they are not given fresh explanation according to Marxist tenets.

Only by being bold at making experiments and conducting free discussion will it be possible to make progress and achieve development in academic problems. The free discussion and study of problems and new developments in academic issues are possible only in a relaxed and happy atmosphere.

3. Everyone in the "Hundred Schools of Thought" in "Contention" Is Equal

Because the principle of "letting a hundred schools of thought contend" aims at developing academic activities and exploring truth, the quality of the "hundred schools of thought" in "contention" should be advocated. The debate between different views should subject to truth only, and not the maneuvering of experts, authoritative people or power. History is characteristic of continuity, so are academic discussion and concepts. The shaping of every academic concept has gone through a process of summing up and absorbing the accomplishments of predecessors, and new problems are discovered and new opinions proposed on this basis with serious and in-depth research. It is the same with those experts and authoritative people who have acquired their present status with some originality and breakthroughs in the realm of social sciences on the basis of summing up, absorbing, and criticizing the accomplishments of their predecessors. Therefore, in the contention of a hundred schools of thought, we advocate that young academic workers should attach great importance to, and prize the results of research by social scientists of the older generation, and seriously absorb the rational elements in them. But it does not mean to copy or follow closely the outmoded doctrines of experts and authoritative people, regarding them as the criteria for differentiating right from wrong. Such practice has no future, and there will be nothing original in one's research, nor will it upgrade one's academic level. Only by modestly absorbing the results of our predecessors, when being bold at making a breakthrough of their accomplishments, seriously exploring new topics in new realms, and drawing new scientific conclusion, will new accomplishments be possible.

In fact, with the continuous development of society and the continuous advance of history, people's understanding level will continue to make itself complete and perfect. Therefore, new concepts often emerge in the contention of a hundred schools of thought. To those experts and authoritative people, these new concepts are likewise unfamiliar; and they, too, have the problem of absorbing new results. It was precisely by absorbing the most rational parts in Hegel's dialectics and Feuerbach's materialist ideological system through critical inheritance that Marx founded dialectical materialism and historical materialism. In writing "The Origin of the Family, Private Property, and the State," Engels chiefly utilized the materials in Lewis H. Morgan's "Ancient Society." Regarding their academic concepts, both Mark and Engels had absorbed the finest scientific results of their predecessors before reaching the peak of science.

Subjective assertion should be avoided in academic contention. This is because the question of right and wrong in academic issues is not to be told promptly, and nobody should act the wise judge in academic contention. Comrade Mao Zedong pointed out: "It is necessary to be careful about questions of right and wrong in the arts and sciences, to encourage free discussion and avoid hasty conclusions." ("Correct Handling of Contradictions Among the People.") Then, here is the question, namely, should the academic opinions made known in public by leading cadres of the party and government at all levels be regarded as a kind of conclusion? Because diversified academic views are aired in academic contention, and any discussant belongs to one of the "hundred schools of thought," his view is just one of the many diversified views. So how could the views of leading cadres in such contention be regarded as conclusions? But many of our leading cadres are lovers or experts of some branches of social sciences.

They have a higher theoretical level and their opinions on certain academic problems are often helpful in enlightening people. Therefore, the academic circles should welcome them in contention, and give attention to their opinions. At the same time, different views and criticism of their academic concepts by other discussants should be allowed. when leading cadres take the lead in participating in contention, and regard themselves as one of the "hundred schools of thought," the atmosphere of contention will be all the more harmonious, which is favorable to the development of academic contention.

4. Dealing With the New Problems Brought About By Opening Up to the World in Academic Contention in a Dialectical Approach

With the implmentation of the principle of opening up to the world and invigorating the domestic economy, it is inevitable that some academic concepts of the capitalist world will affect China's academic circles through various channels. However, those practical effects brought about by the principle of opening up to the world must be regarded in a dialectical approach. First, opening up to the world inevitably provides chances for the capitalist world to introduce science, culture and other ideolgoies (including academic concepts, to China, which are likely to bring about some changes in our ideology. But not all Western science, culture and other ideologies are synonymous with mistakes and decadence. There must be something fine and rational in them worthy of our critical inheritance in order to enrich the science and culture of socialist society with those rational elements. Second, the wide exchanges in science and culture with the West can widen the vision of Chinese scholars at home, and break down the narrow mindedness of some people, which is generated from the basis of long-term feudal autocracy and small-scale production. This is helpful to enlighten the scholars in thinking things out from a wider angle in academic contention. And third, capitalist ideology, including its academic concepts will affect us, and infiltrate our minds. For instance, some bourgeois metaphysical and idealistic academic concepts are faked as scientific ones to counter Marxist academic concepts, and some out-and-out imperialist and colonialist concepts are peddeled by some bourgeois scholars. But some of us have accepted these academic concepts, which are adopted and spread in our academic contention, either because they are not quite familiar with Marxism or have more remnants of those bourgeois concepts in their ideology. Then, as outsiders of our socialist country, some bourgeois scholars abroad with ill intentions against Marxism have made arbitrary round ups and distortions of the different views emerging in our academic discussion. Based on their subjective will, they have lauded some academic concepts which they regard as countering to Marxism-Leninism and Mao Zedong Thought. We must be particularly careful about such phenomena, and soberly examine their movements. If they laud some views with marked mistakes, we should be vigilant. Determined by their class interests, some bourgeois scholars may comment at will on whatever academic and theoretical concepts emerge in our debates. Sometimes, they may take some correct views as anti-Marxist, and spread them in distortion. Under such circumstances, we should be particularly sober in distinguishing and analyzing them. We should by no means interject our normal academic discussions with some of their views.

In short, we have our own criteria for right and wrong in our contention of a hundred schools of thought, and by no means should we be swayed by some of their speeches. On the other hand, we should see that the majority of foreign scholars are friendly and good-intentioned. Their participation in our academic contention is helpful to making China's science and culture flourish. They should be welcomed. Besides, many of their academic concepts are valuable, and we should attach attention to absorbing their helpful academic concepts. Even so, any foreign expert or scholar belongs to one of the hundred schools of thought in our academic contention. He is on an equal footing with the Chinese scholars; likewise, his academic concept may be subject to the agreement or criticism of the discussants. All this is normal.

Invigorating the domestic economy, opening up, and reform share the common aim of adhering to the socialist road. It is a positive policy of the party to strengthen the cultural and academic exchanges and ties with the capitalist world. So long as we give active guidance and deal with it seriously, some helpful concepts can be absorbed by the method of critical inheritance, and turned into part of the culture and science of the proletariat. This is helpful to the building of both socialist spiritual and material civilizations. If capitalist science and culture are indiscriminately regarded as erroneous, criticized and rejected, that would be an expression of narrowmindedness. But regarding some markedly harmful views, such as the demonstration of the inferiority of socialist society, or whether China's present stage is socialism, and even slandering communism in the form of academic discussion, these must be rejected. We must adopt the Marxist position, viewpoints and approaches to explain our academic concepts, and reject and criticize some harmful concepts. In the course of these academic debates, our own contingent will be trained and strengthened, its qualities upgraded, and China's science and culture will further develop and flourish.

PROBLEMS IN DISTRIBUTION OF CONTRACEPTIVES NOTED

HK170754 Beijing CHINA DAILY in English 17 May 86 p 1

[By staff reporter Hu Sigang and Su Zhen]

[Text] Many couples find it hard to believe that contraceptives are so hard to find when they hear that birth-control products are piling up in factory warehouses.

The authorities concerned say they are trying to co-ordinate production and supply better to ease the problem.

The issue came to the public's attention after an official in charge of family planning at Nanjing Aeronautical Engineering Institute wrote a letter to PEOPLE's DAILY.

The official complained that many married couples could hardly find contraceptives in Nanjing. Only one type seemed to be available and even that in only a few chemists. "This has been the case here for two years," the official said.

A young government employee in Beijing also complained to CHINA DAILY that when he got married last year he and his wife were refused contraceptives at a premarital health examination centre, because, they were told, all the centre's contraceptives had passed their "use by" date. Neither could they get what they wanted after searching several pharmacies.

An official of the State Family Planning Commission acknowledged that the problem does exist in some areas. "However, China is not short of family planning products. In fact, supply exceeds demand," said Wang Yongfa.

Take condoms for example, he said, the country had 600 million in stock by the end of last year. However distribution is poor and a condom factory in Dalian, Liaoning Province, is facing backruptcy as supplies pile up in their warehouses, Wang said.

The central government has spent around 100 million yuan a year in the past few years on contraceptive research and production, according to Wang Fengshu, an official of the State Pharmaceutical Administration.

China started research and trial production of contraceptives in 1962. Since mass production started in 1967, more than 19 varieties have been devised. The products include long, short-term and quick-acting pills, long-term injectable contraceptives, diaphragm, spermicide, vaginal ring, IUD (intrauterine device) and Vas blocking agents (for male sterilization), according to Li Xuzhen, director of the technical department under the China Pharmaceutical Industry Corporation.

"Party and state leaders are very concerned about contraceptive development," she said. "Party General Secretary Hu Yaobang has said several times that the best materials should be used in making contraceptives. And he once said that if the supply of the necessary materials could not be guaranteed domestically, they should be imported from other countries.

"The problem of 'shortage' of family planning products does not lie in production but in distribution and the service sector," she said.

Contraceptives are distributed free through two channels: chemists run by pharmaceutical companies or neighbourhood family planning committees and those in people's workplaces.

Wang Fengshu said: "Since the contract responsibility system was introduced in drug stores in some areas, many of these goods that don't earn any profit have been taken off the shelves and put in some inconspicuous place. People who are shy to ask cannot find them." Formerly most chemists displayed contraceptives openly so that people could help themselves.

Though "shortages" exist in cities such as Beijing, Nanjing, Suzhou, Wuxi, Chengdu and Wuhan, an official of the Shanghai Family Planning Commission, said they never had any complaints as people could easily get contraceptives.

The State Family Planning Commission, State Pharmaceutical Administration, China Pharmaceutical Industry Corporation and some other parties are coordinating to make birth-control products readily available everywhere in the country, which has a population of bearing-aged women of around 240 million.

NONGMIN RIBAO URGES CONTINUING ECONOMIC REFORM

HK190210 Beijing NONGMIN RIBAO in Chinese 10 May 86 p 1

[Commentator's article: "Should Reform Encounter Difficulties, We Must Advance Rather Than Retreat"]

[Text] In restructuring our economy in the rural areas, invigorating the economy in different areas, and improving the people's living standard, we have confronted numerous vexatious problems such as: Imperfections in economic contracts; disputes between two parties over a contract; not planting trees on contracted barren hills; slow selling farm and sideline produce; carrying out predatory business operations only for immediate interests; and so on and so forth. Our economic restructuring is newly emerged and none of us have experience in doing this, so the emergence of some problems is not unusual, Compared with the successes achieved in the development of production and the improvement of living standards, these problems are nonessentials and can certainly be resolved. The crux of the matter is whether we press forward or beat a retreat in the face of difficulties.

What does "pressing forward" mean? And what does "beating a retreat" mean? On these two questions there are two different ways of understanding. We are of the opinion that transferring from the practice of "eating from one big pot" to the system of contracting responsibilities with payment linked to output, transferring from single productive activities to diversified productive activities, and developing agricultural production into the circulation sphere are all great progressions made in improving the rural production system under socialist conditions. However, there are different views on this question. Some comrades believe that the higher the degree of public ownership of the means of production is, the more progressive our society will be. In their opinion, the fixing of output quotas based on individual households is regarded as a "retrogression" and allowing peasants to enter the circulation area strikes a "compromise." Now that difficult problems have appeared, of course, it is better to restore the status quo. Comrades having such a view are very few, but they misconceive that the vigorous and progressive principles and policies formulated since the 3d Plenary Session of the 11th CPC Central Committee are an expedient measure for a passive retreat. The influence of such a view hampers the smooth progress of reform.

The ownership of the means of production is an important factor in production relation but is not the unique factor. Ours is a socialist country and the economy of public ownership is predominant in our country. In terms of a certain area or a certain unit, whether production relations are progressive or not cannot be determined by the degree of public ownership of the means of production, but should be determined by the development of the productive forces. When talking with foreign guests in early 1985, Comrade Deng Xiaoping pointed out: "If we do not develop the productive forces and if we do not improve the people's living standards, it cannot be said that we can meet the needs of socialism." A high degree of public ownership cannot be regarded as progressive if it is out of step with the level of consciousness of the people, if it dampens their enthusiasm, and if it hinders the development of the productive forces. We must firmly bear in mind historical lessons. In developing the planned socialist commodity economy, production relations which can arouse the enthusiasm of the people should be regarded progressive even if the degree of public ownership is not high and big collectives are changed into small collectives, or even if it contains an individual economic sector.

Of course, in the course of promoting commodity production and circulation, some individual dealers combine together in order to stimulate competition and achieve greater economic results. Such combinations are also progressive. There is no need for reticence because at present there are diverse forms of economy and various forms of ownership of the means of production in rural areas. The experience of Sunjiatuan village is highly commendable because leaders there do not sidestep the "forbidden zone" of reforming ownership of the means of production and solve problems realistically. Therefore, production there has been expanded and they have won support from the people and the admiration of the central leaders.

In this year's Document No 1 the central authorities pointed out: All vexatious problems emerging in the execution of the reform should be solved by carrying out the reform in depth. There is no way out by retreating. Carrying out the reform in depth means that we should make use of all complex production relations, including public ownership of the means of production, to promote the development of productive forces to the maximum. What has been done in Sunjiatuan village conforms to this principle, so we must encourage and support it.

'CRISIS' SEEN IN NOVELS ON MILITARY THEMES

HK160800 Beijing WENZHAI BAO in Chinese No 310, 8 May 86 p 5

[Report: "The Current Crisis in Novels on Military Themes"]

[Text] In an article written for the third issue of DANGDAI WENYI SICHAO, Zhou Zhengbao points out: The creation of novels on military themes is now confronted with crisis and the range of subject matter is quite narrow. Especially young and middle-aged Army writers limit their subject matter to description of barracks life of peacetime and depictions of battles in the southern theater. However, some of our novels on military themes published in the past depicted and reflected the great national wars and civil revolutionary war. In selecting subject matter, our writers pay too much attention to the present and ignore the past and are eager for quick success and instant benefit. This practice is not good. They must make self-examination. Otherwise, it will be unfair to history. At the same time, our writers also go to extremes in exploring new subject matter. For example, in describing human feelings and the human nature of our soldiers in battle, there is a tendency of a certain blindness and lack of aesthetic standards. In order to describe human feelings and human nature, they blindly fabricate fantastic plots for their novels. This tendency shows that they have neglected observing and learning from real life. However, some writers now more often like to link such fabrications with the idea of contemporary novels. The crisis occurs in the fact that our writers lack experience of life and, in particular, they have become estranged from and even apathetic toward the current life of our soldiers. Most of our professional writers, and even young and middle-aged writers, who are productive in literary and art creation, have drifted apart from grass-roots companies for more than a decade or even 20 years and more. However, the political integrity and cultural level of our PLA men are entirely different from those of 20 years ago.

RENMIN RIBAO ON REGIONAL ECONOMIC DEVELOPMENT

HK151321 Beijing RENMIN RIBAO in Chinese 9 May 86 p 5

[Article by Sun Xiaoliang: "How To Use Favorable Conditions -- an Important Question in Drawing Economic Development Plans"]

[Text] Many localities have recently been studying economic development strategies for their regions in an effort to work out development plans. Judging from what I observed, the noteworthy question is how to use favorable conditions. Here are my personal views:

1. Regional development plans focusing on cities and the development plans of every province and autonomous region all belong to the category of regional development plans. In studying regional economic development strategies, the most important question is not just how to develop various industrial departments in a coordinated way but what favorable conditions to be brought into plan and what strong points to be formed. Therefore, in planning regional economic development, we should mainly stress bringing favorable conditions into play.

2. Favorable conditions embrace priority industries and products. What priority industry to develop is a high-level question on the content of industrial structures, while what priority products to develop is a low-level question on the content of product structure. In terms of the needs of working out regional economic development plans, we should primarily study what priority products to develop, as it can be seen touched and is relatively specific and easier to fulfill.

3. There is only one criterion for deciding what products will be priority products, namely, the market shares. The products with a larger market share in the province, the country, and the world should be the priority products of the province, the country, and the world. Thereby, we can turn this abstract concept of priority products into something to be quantitatively analyzed and make it easier to measure while drafting plans. As for the size of market share to determine a priority product, there should not be a fixed standard. For example, if the market share of a product produced in a city is 5 percent for the whole country, this means that 20 factories of equal size can meet all the demand. I think that such a product could be regarded as a priority product. Of course, market share should follow the idea of "the larger, the better," as a larger market share means more favorable conditions.

4. A product with a larger market share must at least be supported by two conditions: First, both the quality and standard must be the best; and second, the cost must be small but the return must be big. With either one of the two, a product can constantly expand its market share and become a priority product. Of course, it is better to have both. A clear understanding of this point will be very useful for studying how to bring into play the favorable conditions, as it has pointed out the main direction of attack in our work.

5. Priority products are of two kinds: real priority products and potential products. Regarding the real priority products, while working out plans, we should consider how to support their development or how to expand their market share. As for the potential priority products, we must take note of turning them into real priority products.

Neither should be overemphasized at the expense of the other. If we do not plan to make potential products become real priority products, economic development will come to a standstill. The reason I raise this issue is because this tendency occurs in many localities when drawing up development plans. In a sense, the future of a region's economic development hinges on whether or not it can unceasingly discover potential priority products and turn them into real priority products.

6. To develop real priority products, it is necessary to do two things: First, we must increase output according to market demands; and second, we must constantly raise quality and standards. In comparison, the latter is more difficult and important, because a priority product must go through the test of market competition to maintain its priority position. If it cannot constantly raise its quality and standard, a priority product of today may become an inferior product of tommorrow.

7. To turn potential priority products into real priority products, it is also necessary to do two things: First, discover; and second, promote. These two tasks are difficult and unfamiliar to us.

A potential priority product can only be decided by various innate and acquired conditions, not by the people at will. The innate conditions include natural resources, climate, soil, geographical position, and so on. Of these, the condition of natural resources is the most important, as the distribution of natural resources is a natural basis for the regional division of labor. The acquired conditions include the levels of production technology and management, transportation conditions, coordination environment, and so on, which were shaped in the development of history. Both the innate and acquired conditions are objective.

The work of discovering potential priority products means making a specific investigation and analysis of various innate and acquired conditions so as to decide which products can become priority products in the region and which cannot. Divorced from the analysis of objective conditions in "discovering" priority products, we would be doomed to failure.

Making an analysis of the objective conditions, it is often found that a certain natural resource is abundant in contrast to the relevant processing technology. How to make a choice under this condition is a trial for decision makers. There are two general rules: First, regional development strategies should be subordinate to the national development strategy; and second, economic returns should be held as the ultimate criterion.

In addition to discovering potential priority products, we should also support their transformation into real priority products so as to "create favorable conditions." The aim of "discovering potential products" is to "create favorable conditions." The creation of favorable conditions is something in which people can bring into play their roles through subjective efforts.

8. We are required to develop the real priority products and discover the potential priority products and facilitate their transformation into real priority products. First, we must make plans. Second, we must work out policies. How do we make specific plans? What kind of policy do we need? This is something which local governments and relevant departments should investigate and study. However, the general principle is to develop priority products and abandon non-priority products.

The essential distinction between an economic region and a natural economic zone lies in bringing into play favorable conditions. This includes developing one's own priority products, meeting the demands of other economic regions through exchange, abandoning one's own inferiority products, and getting supplies from other economic regions through exchange.

9. There is a main difference between national economic development plans and regional economic development plans. The former stresses that every industrial department should

develop in a coordinated way according to the proportion of the whole it occupies, with proportion determining the development scale, development scale determining the development speed, development speed determining the investment distribution, and investment distribution determining the construction projects. However, the latter stresses bringing favorable conditions into play and focuses on developing favorable conditions in drafting development plans.

10. The actual contents and drafting methods of regional economic development plans focusing on bringing into play favorable conditions are quite different from the traditional concepts and methods. The following procedures are suggested for consideration:

-- Based on market shares, we must analyze and determine the real priority products so as to weed out the target of increase for the market share of every priority product.

-- By analyzing the objective conditions, we must determine the potential priority products and the time schedule and requirements for every potential priority product to become a real priority product.

-- We must determine the enterprises that will produce the priority products.

-- We must formulate economic policies on developing or promoting priority products, including the promotional policies on the transformation and introduction of technology, the exploitation of products, the forming of production, and so on.

-- By summing up the development plans for various priority products, we must work out a general regional economic development plan.

-- While drafting economic and social development plans, efforts should also be made to include the plans for the social conditions and the construction of infrastructures necessary to creating and bringing into play the favorable conditions.

As the above is only a general idea, there are still many problems to be resolved and studied in practice. Nevertheless, a change in idea is of decisive significance. Only new ideas can provoke new specific methods. If old ideas are not discarded, "new methods" will just be variations of old methods.

JINGJI RIBAO URGES PROMOTING GRAIN PRODUCTION

HK081149 Beijing JINGJI RIBAO in Chinese 26 Apr 86 p 3

[Article by Ding Shengjun: "Promoting Stable Increases in Grain Output Is China's Long-Term Policy"]

[Text] Generally speaking, after China's total grain output reached more than 800 billion jin, the basic problem concerning the people's food and clothing was solved, putting an end to the long history of grain supply falling short of demand and beginning the change from "having enough to eat and wear" to "being comparatively well off." This is undoubtedly a great achievement of the government since the founding of the state. However, in China, which is a country with a large population, little cultivated land, and poor foundation, the main contradiction in this respect remains that we must make efforts to prevent shortage in grain supply rather than being afraid of oversupply. Therefore, in the new situation, China must continue to take promoting stable increases in grain output as its long-term policy.

Objective economic law shows that either in the general system of the national economy or in the branch system of the rural economy, agriculture remains a foundation, and grain remains the foundation of this foundation. A mere analysis of the status quo and the development trend of grain consumption will easily convince the people of this. The so-called grain consumption refers to the consumption of edible grain, industrial grain, fodder grain, and seed grain as well as other natural consumption. At present, due to various reasons, the scope of grain consumption in our country is expanding and the quality of grain consumed is increasing. First, since China has a very large population, even if the birthrate is strictly controlled, there will also be an increase of 12 million in the national population each year, which will reach 1.2 to 1.25 billion by the end of this century. Thus, consumption of edible grain will also increase. Second, large numbers of peasants have changed from agricultural production to nonagricultural production and from grain producers to grain consumers. Third, with the development of food processing and the change in the food structure, grain consumption will naturally increase. Without exception, countries with developed food processing industry and animal husbandry and taking animal food as their main food are high grain consuming countries. Now, in Beijing, Tianjin, and Shanghai, which are consuming comparatively more animal food in our country, the per capita annual consumption of grain has already reached 900 to 1,000 jin. From this we can see that the more the food structure is improved, the more the food industry and animal husbandry are developed, the greater the demand for grain will be.

It is calculated that by the end of this century, in order to satisfy the needs of the Chinese people to become comparatively well off, the total grain output should reach 1,020 and 1,062.5 billion jin a year, if the per capita annual consumption is 850 jin. In other words, in the year 2,000, the annual grain output should increase by 220 to 262.5 billion jin, or at an average of 14.66 to 17.5 billion jin a year. If this strategic target is not attained, it will be difficult to satisfy grain consumption needs. Animal husbandry, which consumes a large quantity of grain, will be the first to be affected, reform of the economic structure mainly carried out in the cities will be damaged, and the readjustment of the rural production structure and the development of the national economy will also be restrained.

Both the objective law governing the development of the rural economy and the trend of constant increase in grain consumption require that grain production should be grasped firmly rather than relaxed, so as to ensure its steady growth. Stable increase in grain output, though entirely contrary to "restricting and reducing production," does not mean, "the more the better." It requires that the total grain output of our country be steadily increased year by year so that sharp rising and falling may be avoided. The targets set for the increase in grain output should be stable and reliable and the measures should be effective and applicable, so that they may suit the increasing demand for grain by the national economy and the peoples's livelihood.

Since this increase is based on a higher starting point, there will be more difficulties. Therefore, it is necessary to effectively and firmly grasp production, promote circulation, and enhance the reserve strength.

1. It is necessary to protect agricultural resources and increase substantial investment.

First, we must treasure the cultivated land and strictly forbid illegal and indiscriminate use and occupation of land, so that we can have sufficient land for grain production. According to the experience of some provinces, it is better to maintain the proportion of grain production area at about 75 to 80 percent of the total plant growing area. Second, we must firmly grasp irrigation works, which is the lifeblood of agriculture. Over the past few years, due to improper maintenance and the ageing of equipment, the irrigated area has reduced by more than 7.5 million mu. This should arouse our attention. Both the state and the localities must make overall plans and organize necessary human, material, and financial resources to build water conservancy projects, strengthen the construction of basic facilities, and improve productive conditions so as to ensure steady growth in grain production and constantly enhance our reserve strength.

2. It is necessary to protect and evoke the initiative of grain producers. There are now more than 100 million peasant households engaging in grain production. They form the main force in this field and their initiative has a sensitive bearing on the increase or decrease in grain output. Protecting and evoking the initiative of grain producers means protecting and strengthening grain production capability. The key to mobilizing their initiative lies in the correct policies and the correct handling of relations among various sectors. In view of the current situation, it is particularly necessary to correctly handle the relations between the state and the peasants, between grain-supplying areas and grain-dependent areas, between grain production and the development of a diversified economy, between the main channel of state marketing of grain and multi-channel marketing, between grain production and grain consumption, and between grain production in China and the production in other countries. According to a calculation in certain areas of Jiansu Province, there is a great disparity in the net annual income between various plant growing businesses. The per mu income of grain fields is 80 yuan, that of cotton fields is 120 yuan, that of mulberry fields is 200 to 220 yuan, and that of seedbeds is more than 500 yuan. There is a still greater disparity between agricultural and industrial production. The disparity in income has become a negative factor obstructing the increase in grain output. It is necessary to adopt some new policies and measures as soon as possible to get rid of the hidden danger. First, it is necessary to adopt a price policy favorable to the harmonious development of both grain and industrial crops. Second, it is necessary to continue to supplement agriculture with industry, especially in areas in which town and township enterprises are comparatively more developed. In this way, the income from low-profit grain production may be increased and the problem of equal labor but unequal remuneration may be solved. It is conducive to both the steady development of agricultural and grain production and the strengthening of the material basis of industrial and sideline production. So, it is necessary to carry it out for a long period to come. Third, it is necessary to adopt an allocation policy that is conducive to grain production and circulation. In the past, grain-supplying provinces and regions had to bear the necessary expenses while provinces, municipalities, and regions that were allotted grain did not have to bear any expenses. The latter were able to rely on low-priced grain to develop high-profit industrial and sideline production and a diversified economy. Therefore, it is necessary to take the following two steps to change this phenomenon, which is obviously unfair: The first step, to enable the grain-supplying areas not to sustain losses; and the second, to make the grain-demanding areas bear the necessary expenses other than those paid by the state so that the grain-supplying areas may benefit from this and that nobody may "eat from the big pot" again. When these new economic policies are adopted and the interests of various sectors become more reasonable through readjustment, the income of the peasants engaging in grain production will certainly be increased and their initiative mobilized. This will become a powerful motive force for stable increases in grain output.

3. It is necessary to promote specialized and commercialized grain production. At present, the degree of intensive farming in China's grain production is still very low, and the commodity rate is only a bit higher than 30 percent. Grain production is chiefly characterized by self-sufficiency of the peasants, who work to satisfy their needs for grain, fodder, and seeds. Since it can neither satisfy the increasing needs of society for commodity grain nor suit the needs for increasing the economic returns of grain production, this situation should also be changed.

An important road we must follow in order to change the situation is to raise the level of specialization and commercialization. To this end, we must first raise the economic returns of production in a suitable scope. Since conditions vary from place to place, it is impossible to set a fixed standard for the scope of grain production. The experience of some household farms shows that it is most suitable to limit the scope of production within 20 to 30 mu of land under ordinary conditions. Thus, both operation and economic returns may be effectively improved, and labor productivity and the commodity rate may be markedly raised. The peasants will be able to become rich through growing rice. This will inject enduring motive force and vitality into grain production.

Second, we must give play to the initiative of the central and local authorities as well as the broad masses of peasants, and must build more commodity grain production bases. This will be conducive to bringing into full play the natural and technological advantages of the areas suitable for grain production and to raising the commodity rate of grain. During the Sixth 5-Year Plan period, we established 60 commodity grain production bases in relevant counties (or cities) through joint ventures by the national and local authorities. Very good economic results have been achieved in 50 such bases, and construction of the other 10 continues. From 1983 to 1985, the grand total of grain produced by the 50 counties (or cities) was 166 billion jin; the quantity of grain sold was 70 billion jin. Thus, the commodity rate was over 40 percent, more than 10 percent higher than the national average in the same period. At present, while consolidating and improving the existing commodity grain production bases in both north and south China, it is necessary to build up a number of new bases. For example, we can build some large-scale grain production bases for the state in central and southern Jiangxi, where conditions are comparatively better and where there are greater potentialities. All provinces and autonomous regions can also establish some medium-sized and small bases in the areas suitable for grain production through their own efforts. It is necessary to pay attention to the rational distribution of grain production and raising the grain production ability of the grain-demanding provinces and autonomous regions step by step and in a planned way. For example, we can establish some new commodity grain production bases in Gansu's Hexi corridor, in the irrigated Hetao area in Ningxia and Nei Monggol, in Qinghai's Qaidam Basin, and in the areas suitable for agricultural production in Xinjiang, Yunnan, and Guizhou, so as to raise the degree of self-sufficiency of these provinces and regions in grain supply and to harmonize relations among various grain production areas of our country. This strategic deployment will be of far-reaching significance to reducing the pressure and financial burden caused by long-distance allocation and transportation of grain, to readjusting the rural production structure, and to ensuring steady development of grain production.

Third, it is necessary to support enthusiastically households specializing in grain production. Households specializing in grain production, which have appeared in large numbers as relatively independent commodity producers, are all good hands at farming. By making full use of idle funds in the countryside and giving play to their special technological skill, they have expanded the scope of production. Their labor productivity and the commodity rate of the grain they produce are usually higher than ordinary peasant households. Therefore, they are really a vital new force in grain production.

The state must give priority to them in the supply of productive means and offer them necessary social services. Besides, under the principle of voluntariness and mutual benefit, it is also suitable to develop cooperation and association of these households in order to promote grain production. In this way, grain production may be gradually concentrated on the land suitable for grain production and be conducted chiefly by skillful farmers.

A necessary condition for developing specialized and commercialized grain production is to perfect and improve the social services system. The more grain production is specialized and commercialized, the more it demands that various services be separated from the process of production and become relatively independent and socialized services, such as information, consultation, credit, breeding of improved varieties, chemical fertilizer supply, the prevention and control of plant diseases and pests, technological exchange, irrigation works, and the purchase and marketing as well as the storage and transportation of products. What is most important is to promote circulation. As to the orientation of development, it is necessary to extend the range of market regulation under the guidance of state planning, to make prices more reasonable for purchase and marketing, to find new circulation channels and new commercial forms, and to establish gradually a system of planned market. In 1985, the system of state monopoly for purchase and marketing of grain was abolished and was replaced by the system of purchase by contract. This was an important reform of the grain purchase system. The system of purchase by contract is a new form of state purchase of grain in a planned way. It is a bridge that has brought grain production of tens of thousands of peasant households into line with the state plan and a lever that is effectively regulating and guiding grain production. For this reason, implementing and perfecting this system is of great significance to stimulating circulation and promoting production. At present, in order to perfect this system, we must follow the following principles: First, we must adhere to the principle of equality, mutual benefit, and reaching unanimity through consultation and must respect each other's economic benefit and perform our obligations well. The state may give priority to those who sell more grain in supplying the means of production and granting agricultural loans. Second, the quantity of grain purchased by contract must be limited within a certain range and be gradually reduced in light of the development of the situation so as to extend the range of market regulation. Third, the varieties for purchase by contract should chiefly be rice, wheat, corn, and soybeans in the main production areas, while allowing other varieties of products to be purchased and sold freely. Fourth, the task for purchase by contract must be set chiefly for the main grain production areas, commodity grain bases, and peasant households specializing in grain production so as to promote the production of commodity grain. Fifth, the contract on purchase of grain should be signed before the sowing season so that it can more effectively play the role in guiding production.

Since the 3d Plenary Session of the 11th CPC Central Committee, by adhering to the policy of "never slacken grain production, actively develop a diversified economy," we have created a new situation in the rural economy. At present, we must consolidate the achievements we have already made and make further efforts to promote stable increases in grain output and the overall development of the rural economy.

TABLES OF CONTENTS OF STATE COUNCIL BULLETINS

Bulletin No 35

HK051011 Beijing ZHONGHUA RENMIN GONGHEGUO GUOWUYUAN GONGBAO in Chinese No 35, 30 Dec 85

1. State Council Circular on the Approval and Circulation of a Report of the State Planning Commission and Other Units on Stepping up Macroeconomic Management To Promote the Healthy Development of the Automotive Industry (10 December 1985)

2. Report of the State Planning Commission, the State Economic Commission, the Ministry of Machine-Building Industry, and the China Automotive Industry Company on Stepping Up Ma oeconomic Management To Promote the Healthy Development of the Automotive Industry (7 September 1985)

3. Circular of the State Council General Office on the Approval and Circulation of a Request for Instructions by the Ministry of Justice Concerning the Strengthening of Unified Control Over Legal Service Organizations (10 December 1985)

4. Justice Ministry Request for Instructions Concerning the Strengthening of Unified Control Over Organizations of Legal Service (21 October 1985)

5. Circular of the State Council General Office on Renaming the Committee for Reforming the Chinese Written Language as the State Language Work Committee (16 December 1985)

6. Circular of the State Council General Office on the Circulation of a Report of the Shandong Provincial People's Government on the Inspection and Handling of the Conflagration at the Heze City No 3 Cotton Processing Plant (10 December 1985)

7. Report of the Shandong Provincial People's Government on the Inspection and Handling of the Conflagration at the Heze City No 3 Cotton Processing Plant (19 September 1985)

8. President Li Xiannian's Condolence Message to the Deputy Governor General of Mauritius on the Death of Governor General Ramgoolam (16 December 1985)

9. Premier Zhao Ziyang's Message to the Commemorative Meeting for the International Day of Solidarity with the Palestinian People (29 November 1985)

10. Joint Communique of the PRC and the Republic of Nicaragua on the Establishment of Diplomatic Relations (7 December 1985)

11. Circular of the Ministry of Culture, the Ministry of Finance, and the State Administration for Industry and Commerce on the Approval and Circulation of the "Request for Instructions of the Ministry of Culture Concerning the Strengthening of Control Over Publication Activities with Economic Sanction" (15 November 1985)

12. Request for Instructions of the Ministry of Culture Concerning the Strengthening of Control Over Publication Activities With Economic Sanction (29 August 1985)

13. Circular of the State Planning Commission, the State Economic Commission, and the State Statistical Bureau on Stepping Up Statistical Work on Transport, Posts, and Telecommunications (19 November 1985)

14. Circular of the Ministry of Commerce and the State Administration of Commodity Prices on the Price of Non-Contract Cotton (26 November 1985)

Bulletin No 36

HK060749 Beijing ZHONGHUA RENMIN GONGHEGUO GUOWUYUAN GONGBAO in Chinese No 36, 10 Jan 86

1. Circular of the CPC Central Committee and the State Council on the Circulation of the "5-Year Plan for the Popularization of Legal Knowledge Among All Citizens" (5 November 1985)

2. Five-Year Plan for the Popularization of Legal Knowledge Among All Citizens of the Propaganda Department of the CPC Central Committee and the Ministry of Justice (June 1985)

3. State Council Circular on the Approval and Circulation of a Report of the Ministry of Water Resources and Electric Power on Doing a Good Job in the Removal of Obstructions in Rivers and Repair of Water Conservancy Projects (12 December 1985)

4. Report of the Ministry of Water Resources and Electric Power on Doing a Good Job in the Removal of Obstructions in Rivers and Repair of Water Conservancy Projects (16 November 1985)

5. Circular of the State Council General Office on the Approval and Circulation of the "Regulations on Environmental Protection for Standard Meteorological Stations" of the State Meteorological Bureau (18 December 1985)

6. Regulations on Environmental Protection for Standard Meteorological Stations (18 December 1985)

7. Statement by Foreign Ministry Spokesman on the South African Army's Invasion of Angola and Lesotho and the South African Authorities' Arrest of the Wife of South African Black Leader Mandela (23 December 1985)

8. Circular of the State Education Commission on the Establishment of Ordinary Institutes of Higher Learning (25 November 1985)

9. Circular of the State Education Commission on the Banning of Unauthorized Unified Examinations for Qualifications Recognized by the State (17 December 1985)

10. Circular of the State Education Commission on Intermediate-Level Professional Examination for Self-Taught Students (17 December 1985)

11. Circular of the Ministry of Civil Affairs and the General Political Department of the PLA on the Unfolding of Activities of Supporting the Army, Rendering Preferential Treatment to Military Dependents, Supporting the Government, and Loving the People During the New Year and Spring Festival of 1986 (20 December 1985)

12. Circular of the Ministry of Finance on the Unified Amendment of the "Regulations on Travel Per Diem for the Personnel of State Organs and Enterprises" (19 November 1985)

13. Regulations of the Ministry of Finance on Travel Per Diem for the Personnel of State Organs and Enterprises (19 November 1985)

14. Rules of the Auditing Administration on Internal Auditing (Promulgated on 5 December 1985)

15. Joint Circular of the Auditing Administration, the Ministry of Finance, and the People's Bank of China on the Implementation of the Decisions by Auditing Organs Concerning Payment of Funds, Deduction of Funds, Suspension of Financial Appropriations, and Bank Loans (11 December 1985)

16. Circular of the Statistical Bureau on the Inspection of the Implementation of the "Law of Statistics" (28 November 1985)

17. State Council Approval of a Request by the Xinjiang Uygur Autonomous Regional People's Government to Rename Tulugeerte Shankou and Tudyun Kouan (5 November 1985)

18. State Council Approval of a Request by the Jilin Provincial People's Government to Change the Administrative System in Gongzhuling City and Meihe City (19 November 1985)

19. State Council Approval of a Request by the Fujian Provincial People's Government to Establish a District in Quanzhou City (23 December 1985)

20. State Council Appointments and Removals (11 November 1985)

Bulletin No 1

HK060753 Beijing ZHONGHUA RENMIN GONGHEGUO GUOWUYUAN GONGBAO in Chinese No 1, 30 Jan 86

1. Interrim Regulations on Bank Management of the PRC (Promulgated by the State Council on 7 January 1986)

2. State Council Circular on the Promulgation of the "PRC Treasury Bond Regulations, 1986" (22 November 1985)

3. PRC Treasury Bond Regulations, 1986

4. Circular of the State Council General Office on the Circulation of a Report of the State Commission for Restructuring the Economic System and the State Planning Commission on the Continued Implementation and Perfection of the Province-Level Economic Decision-Making Authority of Seven Cities (17 December 1985)

5. Report of the State Commission for Restructuring the Economic System and the State Planning Commission on the Continued Implementation and Perfection of the Province-Level Economic Decision-Making Authority of Seven Cities (18 November 1985)

6. State Council Congratulatory Message to No 2 Motor Vehicle Plant and the Technicians, Workers, and Cadres Who Took Part in its Construction (January 1986)

7. PRC Foreign Ministry Spokesman Statement (7 January 1986)

8. PRC Foreign Ministry Spokesman Statement (12 January 1986)

9. Proposal on Employment Policy (Adopted by the 70th International Labor Congress, 1984)

10. Premier Zhao Ziyang's Congratulatory Message to the Conference of Heads of State and Government Leaders on Drought Fighting in Eastern Africa (15 January 1986)

11. Provisional Rules on the Control of Trade Mark Printing (Promulgated by the State Administration for Industry and Commerce on 21 December 1985)

12. State Council Appointments and Removals (11 Nov 85, 10 Dec 85, 14 Dec 85, 20 Dec 85, and 5 Jan 86)

Bulletin No 2

HK071156 Beijing ZHONGHUA RENMIN GONGHEGUO GUOWUYUAN GONGBAO in Chinese No 2, 10 Feb 86

1. PRC Presidential Decree No 34 (20 January 1986)

2. Fisheries Law of the PRC (20 January 1986)

3. State Council Request for the Deliberation of the "Fisheries Law of the PRC (Draft)" (4 June 1985)

4. NPC Standing Committee Resolution Approving the Opening of the Port of Nanjing to Foreign Ships (Adopted on 20 January 1986)

5. Request by the State Council and the Central Military Commission for the Approval of the Opening of the Port of Nanjing to Foreign Ships (6 January 1986)

6. NPC Standing Committee Resolution To Rename the Ministry of Radio and Television as the Ministry of Radio, Cinema, and Television (Adopted on 20 January 1986)

7. State Council Request for Renaming the Ministry of Radio and Television as the Ministry of Radio, Cinema, and Television (9 January 1986)

8. PRC Presidential Decree No 35 (20 January 1986)

9. State Council Circular on the Promulgation of the "Provisional Regulations on the Supervision of Energy Conservation" (12 January 1986)

10. Provisional Regulations on the Supervision of Energy Conservation (Promulgated by the State Council on 12 January 1986)

11. Provisional Regulations of the PRC on Income Tax for Individual Industrial and Commercial Households in Urban and Rural Areas (Promulgated by the State Council on 7 January 1986)

12. Provisional Regulations of the State Council on General Aviation Control (Promulgated by the State Council on 8 January 1986)

13. State Council Circular on the Approval and Circulation of the "Provisional Rules on Barge Operations in Ports" of the Ministry of Communications (11 January 1986)

14. Provisional Rules on Barge Operations in Ports

15. State Council General Office Circular on Strictly Banning Extravagance, Waste, Receptions, and Gifts During the Spring Festival (28 January 1986)

16. State Council Congratulatory Message to the Cadres, Technical Personnel, and Workers of Daqing City People's Government and the Daqing Petroleum Administrative Bureau (25 January 1986)

17. State Council Approval of a Request by the Henan Provincial People's Government To Establish an Urban District in Puyang City (30 December 1985)

18. State Council Approval of a Request by the Guangdong Provincial People's Government To Move the Site of the Gaoyao County People's Government to the Town of Nanan (8 January 1986)

19. State Council Approval of a Request by the Henan Provincial People's Government To Expand the Leadership of Cities Over the Counties (18 January 1986)

20. PRC Presidential Appointments and Removals (19 January 1986)

Bulletin No 3

HK080534 Beijing ZHONGHUA RENMIN GONGHEGUO GUOWUYUAN GONGBAO in Chinese No 3, 20 Feb 86

1. State Council Regulations on the Question of Foreign Exchange Balance of Sino-Foreign Joint Ventures (Promulgated by the State Council on 15 January 1986)

2. Amendment of Article 100 of "Rules of Implementation of the Law of Sino-Foreign Joint Venture of the PRC" (Amended by the State Council on 15 January 1986)

3. State Council Circular on the Promulgation of "Regulations on the Control of Place Names" (23 January 1986)

4. Regulations on the Control of Place Names (Promulgated by the State Council on 23 January 1986)

5. State Council Circular on the Approval and Circulation of a Report of the State Pharmaceutical Administration on Further Stepping Up Control Over Traditional Chinese Herbal Medicines (15 January 1986)

6. Report of the State Pharmaceutical Administration on Further Stepping Up the Control Over Traditional Chinese Herbal Medicines (19 December 1985)

7. State Council Approval of a Request by the Hunan Provincial People's Government To Abolish Yueyang and Shaoyang Prefectures and Put the Counties Under the Jurisdiction of the Respective Cities (27 January 1986)

Bulletin No 5

HK090911 Beijing ZHONGHUA RENMIN GONGHEGUO GUOWUYUAN GONGBAO in Chinese No 5, 10 Mar 86

1. Rural Work Plan for 1986 of The CPC Central Committee and the State Council (1 January 1986)

2. Congratulatory Message of the CPC Central Committee, the State Council, and the Central Military Commission, to Comrades Having Taken Part in Research and Manufacture, Launching, Tracking and Control, Application, and Safety of the Communications and Broadcasting Satellite and Carrier Rocker on the Successful Positioning of China's Second Communications and Broadcasting Satellite For Practical Use (20 February 1986)

3. State Council Circular on the Approval and Circulation of a Report by the Leadership Group of the "Three-North" Shelter-Forest Project on the Experience Gained From the First Phase and the Arrangements for the Second Phase (1 February 1986)

4. Report of the Leadership Group of the "Three-North" Shelter-Forest Project on the Experience Gained From the First Phase and the Arrangements for the Second Phase (30 December 1985)

5. State Council Circular on the Approval and Circulation of a Report by the Ministry of Urban and Rural Construction and Environmental Protection, and the State Planning Commission on Improving the Management of Central Heating in Urban Housing (6 February 1986)

6. Report by the Ministry of Urban and Rural Construction and Environmental Protection, and the State Planning Commission on Improving the Management of Central Heating in Urban Housing (18 December 1985)

7. President Li Xiannian's Congratulatory Message To Corazon Aquino on Her Assuming Office as President of the Philippines (27 February 1986)

8. Premier Zhao Ziyang's Congratultory Message to Salvador Laurel on His Assuming Office as Vice President and Prime Minister of the Philippines (27 February 1986)

9. Circular by the State Education Commission and the Ministry of Finance on the Circulation of "Regulations on the Enrollment of Adult Students by Various Institutes of Higher Learning, 1986" (5 February 1986)

10. Regulations on the Enrollment of Adult Students by Various Institutions of Higher Learning, 1986" (5 February 1986)

11. Circular by the Ministry of Radio, Cinema, and Television, the Ministry of Commerce, and the State Administration for Industry and Commerce on Control Over the Market of Audio and Video Recordings and on the Banning of Illegal Recordings and Sale of Such Materials (4 February 1986)

12. PRC Presidential Appointments and Removals (19 February 1986)

Bulletin No 7

HK091108 Beijing ZHONGHUA RENMIN GONGHEGUO GUOWUYUAN GONGBAO in Chinese No 7, 31 Mar 86

1. Premier Zhao Ziyang's Radio Speech to Listeners Throughout the World on the "International Year of Peace" (17 March 1986)

2. State Council Circular on the Establishment of the State Natural Science Fund (14 February 1986)

3. Circular of the State Council General Office on the Circulation of the "Program for Developing the Packaging Industry in the Whole Country for 1986-2000" (24 February 1986)

4. Program for Developing the Packaging Industry in the Whole Country for 1986-2000 (6 March 86)

5. Circular of the State Council General Office on the Establishment of the State Council Tourism Coordination Group (1 March 1986)

6. Agreement Between the Governments of the PRC and the Republic of Singapore on Investment Promotion and Protection (21 November 1985)

7. Regulations on Marriage Registration (Promulgated by the Ministry of Civil Affairs on 15 March 1986)

8. Provincial Regulations on Quality Permits for Mechanical and Electrical Products for Export (Promulgated on 20 February 1986)

9. State Council Approval of a Request by the Qinghai Provincial People's Government To Adjust the Administrative Divisions of Xining City (5 March 1986)

10. State Council Approval of a Request by the Hebei Provincial People's Government To Establish the Cities of Dingzhou, Xinji, Nangong, and Renqiu (5 March 1986)

11. State Council Approval of a Request by the Anhui Provincial People's Government To Abolish Hao County and Establish Haozhou City (11 March 1986)

JIANGXI'S WAN SHAOFEN VISITS NEWS CORRESPONDENTS

OW170631 Nanchang Jiangxi Provincial Service in Mandarin 1000 GMT 14 May 86

[Text] A meeting of speical correspondents of ZHONGGUO GUANGBO BAO [CHINA BROADCASTING NEWS] -- opened in Nanchang on 13 May. Some 30 special correspondents from various provinces, municipalities, and autonomous regions attended the meeting. At the meeting, the responsible person of ZHONGGUO GUANGBO BAO conveyed to the participants the opinion of Ai Zhisheng, minister of Radio, Cinema and Television, on how to turn the ZHONGGUO GUANGBO BAO even better. The responsible person also discussed the paper's reform plan.

Wan Shaofen, secretary of the Jiangxi Provincial CPC Committee visited the correspondents at the meeting on 14 May. She encouraged them to do good propaganda and mass media work and serve as the party's mouthpiece in a still better way to promote the four modernizations and the reforms.

SHANGHAI LEADERS STRESS ECONOMIC REFORM, LATERAL TIES

OW141136 Shanghai City Service in Mandarin 0000 GMT 14 May 86

[Excerpts] A meeting on restructuring Shanghai's economic system successfully concluded yesterday afternoon. The main topic of discussion was the development of lateral economic ties between Shanghai and other areas. After opening on 16 April, the meeting, in plenary sessions and in group discussions, examined Shanghai's progress in restructuring its economic system. In a practical manner, it also analyzed the problems caused by replacing an old system with a new and set forth this year's reform projects as well as measures to promote lateral economic ties.

Rui Xingwen, secretary of the Shanghai Municipal Party Committee, and Jiang Zemin, mayor of Shanghai, attended and addressed yesterday's meeting, which was chaired by Vice Mayor Li Zhaoji. Also attending yesterday's meeting were Huang Ju, Ni Tianzeng, Wang Daohan, and other leading comrades.

In his speech, Mayor Jiang Zemin pointed out: The significance of establishing lateral economic ties between Shanghai and other areas should by no means lie in sustaining Shanghai's industrial production with materials from other provinces and cities. It is more important that Shanghai achieve its development strategy by promoting lateral economic ties with other areas. When Shanghai is developed, it can support other parts of the country and serve the four modernizations more successfully.

At yesterday's meeting, Comrade Rui Xingwen spoke on the relationship between lateral economic ties and economic reform and on reform trends. He also urged cadres at all levels to take a positive approach toward reform. He said: Cadres at all levels must do a good job in carrying out reform to promote lateral economic ties with other areas. In the course of reform, they should strive to make themselves more proficient. At the same time, they should study the new situation and new problems. Under the premise of achieving better economic returns, they should take positive measures to boost production.

PRC, TAIWAN MEET IN HONG KONG TO DISCUSS CAL 747, CREW

Taiwan Policy on PRC Unaffected

OW161443 Taipei CNA in English 1435 GMT 16 May 86

[Text] Taipei, May 16 (CNA) -- The Republic of China's [ROC] basic stand and national policy of "no compromise, no contact and no negotiation" with the Peiping regime remains unchanged, Dr. Chang King-yuh, director general of the Government Information office, said Friday. Commenting on the Saturday's talks in Hong Kong between China Airlines [CAL] and Peiping's Civil Aviation Administration of China [CAAC] on the release of the CAL cargo jet and its three crew members stranded on the mainland, Chang said that this is "a single and special case."

Chang said that CAL is a private company, it has agreed to hold such talks with Peiping's CAAC simply based on humanitarian grounds, seeking the return to the ROC of the Boeing 747 cargo plane which diverted to a Canton airport May 3 and the three crew aboard as soon as possible. "The CAL-CAAC talks will not hold any political portents and have nothing to do with the set policy of the ROC," he stressed.

CAL Talks Concern Only Jet, Crew

OW161533 Taipei CNA in English 1447 GMT 16 May 86

[Text] Taipei, May 16 (CNA) -- China Airlines [CAL] reiterated Friday that its representatives will hold talks with their Communist Chinese counterparts in Hong Kong for the return of the CAL Boeing 747 jet plane, crew and cargo stranded in the China mainland since May 3, and no other topics will be touched.

Ranking CAL officials who preferred anonymity said the CAL representatives would immediately turn down any suggestion by representatives of Peiping's Civil Aviation Administration of China [CAAC] that discussions touch on matters other than the return of the CAL jet, crew and cargo in the talks to be held in Hong Kong Saturday. They added that if the talks could not continue because CAAC raised other issues than the return of the CAL, jet and crew, then CAAC would be held responsible for it.

According to the officials, CAL's instructions to its representatives in the scheduled talks are:

-- The talks are purely business-oriented between the two airlines; and

-- The talks will concentrate on the procedures for the return of the CAL B198 jet, three-man crew and cargo only and no other topics will be touched.

CAL-CAAC Talks Begin 17 May

HK170337 Hong Kong AFP in English 0334 GMT 17 May 86

[Text] Hong Kong, May 17 (AFP) -- Officials from Taiwan and China met for the first time in almost 40 years here Saturday to negotiate the return from the mainland of a cargo plane and its crew, airline officials said.

Cathay Pacific Airways (CPA) spokesman David Bell said he understood the talks had started on time at 10 a.m. (0200 GMT), but said he did not know where in Hong Kong they were being held. "I can confirm that the meeting has already started," Mr Bell said.

CPA, Hong Kong's main airline, has acted as go-between in the cargo jet affair since Captain Wang Hsi-chueh landed the CAL Boeing 747 and two other crew members at the southern Chinese city of Canton on May 3 and said he wanted to defect.

Talks Adjourn; Agreed To Meet Later

HK170418 Hong Kong AFP in English 0417 GMT 17 May 86

[Excerpts] Hong Kong, May 17 (AFP) -- Officials of Taiwan and China held their first direct talks in nearly 40 years here Saturday but failed to agree on how to sort out the aftermath of a defection to the mainland, a spokesman for the discussions said.

A statement issued by Cathay Pacific Airways, which served as an intermediary in arranging the sensitive negotiations, said the two parties adjourned their talks and agreed to meet at a later date.

Cathay later issued a statement, which it said was based on a phone call from one of the parties. It would not say which. The statement read:

"Representatives of China Airlines of Taiwan and the Civil Aviation Administration of China, Beijing, met in Hong Kong this morning to discuss the return of the CAL B747 cargo jet and crew members. The talks concluded with differences still to be resolved on the method of delivering the aircraft and the parties have agreed to meet again at a later date."

Cathay spokesman David Bell told journalists that the meeting ended about 11:15 a.m. (0315 GMT). He did not give any details on the contents or atmosphere of the talks and could not say when they would resume. A spokesman for CAL said that the airline would make an announcement in the early afternoon.

CAL Seeks Release of Pilot

OW171455 Taipei CNA in English 1436 GMT 17 May 86

[Text] Taipei, May 17 (CNA) -- China Airlines, [CAL] is trying its best to rescue all three crew members of its Boeing 747 cargo jet stranded on the China mainland since May 3, CAL spokesman Larry Lin reiterated Saturday. He noted that representatives of Peiping's Civil Aviation Administration of China [CAAC] agreed to release only two of the three-man crew, co-pilot Tung Kuang-hsing and flight engineer Chiu Ming-chih, in the 80-minute talks held at the Hong Kong Country Club in the British colony Saturday morning. Lin stressed that the CAL representatives are instructed to rescue all the three stranded crew members, the B198 jumbo jet and its cargo.

When asked if Peiping's CAAC refused to release the captain of the cargo jet, Wang Hsi-chueh, Lin said, "we would, of course, agree to rescue Tung Kuang-hsing and Chiu Ming-chih and bring them home first. But we will never give up our efforts in trying to rescue Wang Hsi-chueh." Wang's family members also requested China Airlines Saturday to try every possible means to bring the captain back home after learning of CAAC's intention to release only Tung and Chiu.

'Friendly Atmosphere' Noted

HK170542 Beijing XINHUA Hong Kong Service in Chinese 0530 GMT 17 May 86

[Excerpt] Hong Kong, 17 May (XINHUA) -- Representatives of the Civil Aviation Administration of China and of China Airlines [CAL] met in the country club, Hong Kong, this morning to begin talks on the question of handing back to CAL Boeing freighter 747 No B-198 and two crew members. XINHUA has learned that the representatives of the two sides discussed the time, place, and procedure for handing back the aircraft and crew members. Each side stated its position. The talks proceeded in a friendly atmosphere. The two sides will continue the talks.

Talks Participants Disclosed

OW170947 Beijing XINHUA Domestic Service in Chinese at 1103 GMT 17 May 86

[Text] Hong Kong, May 17 (XINHUA) -- Discussion opened at the Shenshuiwan Country Club this morning between the Civil Aviation Administration of China (CAAC) and Taiwan's China Airlines (CAL) on the return to CAL of a Boeing 747 cargo plane, two crew members and the cargo. The discussion covered the time, place and procedures of the hand-over, it was learned. The representatives from CAAC and CAL stated their views in a friendly atmosphere. They will meet for further talks.

Taking part on the CAAC side were Zhang Ruipu (manager of CAAC Hong Kong office), Lu Ruiling (a CAAC deputy departmental director) and Liu Yuanfan (chief engineer of the CAAC Beijing bureau).

On the CAL side were Zhong Zanrong and Chen Xunwei, manager and deputy manager of the CAL Hong Kong office, and Chen Enjin (special assistant to the CAL general manager and chief of planning section).

CAL Issues Statement on Progress

OW171009 Taipei CNA in English 0941 GMT 17 May 86

[Text] Taipei, May 17 (CNA) -- The first round of talks between China Airlines [CAL] and Peiping's Civil Aviation Administration of China [CAAC] over the return of a CAL jumbo jet and its crew and cargo concluded at 11:20 a.m. Saturday at the country club in Hong Kong, according to a CAL press statement.

The statement said that representatives of the two civil airlines will meet again Sunday morning to discuss the handing over of the Boeing 747 stranded on the Chinese mainland since May 3. But the statement did not mention the exact venue for the second-round talks.

During Saturday's meeting, the statement said, CAAC representatives suggested that CAL send its personnel to the southern mainland city of Canton to get back its plane, cargo and crew members. But the ROC [Republic of China] national flag carrier rejected the proposal in consideration of safety. CAL instead recommended either that the handing over be held in Hong Kong or that CAL entrust a third party to go to Canton to take delivery of its aircraft, cargo and crew. The CAAC delegates said they will "study" the proposals, the statement said.

During the talks, CAL asked the Chinese Communists to release all the three crew members on board, namely, pilot Wang Hsi-chueh, copilot Tung Kwang-hsing and flight engineer Chiu Ming-chih. But CAAC only agreed to return the latter two, according to the CAL statement.

Talks To Stretch Into Third Day

HK180448 Hong Kong AFP in English 0446 GMT 18 May 86

[Excerpt] Hong Kong, May 18 (AFP) -- Historic talks between Taiwan and China over the return from the mainland of a cargo jet and its crew will stretch into a third day, Chinese officials said after a second meeting here Sunday. The two sides met Sunday for two hours according to informed sources in the exclusive Hong Kong Club in the business centre of the British territory. The meeting ended around 12 noon with the three member Chinese delegation emerging first from the first floor conference room in the 21-storey building. Before being driven away in a mercedes car, one of the Chinese team, Liu Yuanfang told reporters: "The meeting will start again tomorrow at 10 am." He did not say where the talks would be held.

Asked how the talks had gone, Mr Liu, a Civil Aviation Administration of China (CAAC) [official] from Beijing said: "CAAC insisted that the handover (of the cargo jet and crew) should be in Guangzhou." He did not say whether CAAC was also insisting to stick by the proposal it put to the first round of talks here Saturday that Taiwan send representatives to Guangzhou to receive the aircraft and crew. Nor did he say what China had replied to three counter proposals from Taiwan.

Taiwan rejected the Chinese proposal for the handover at Saturday's meeting in a luxury country club on the south side of the island. Instead they gave three alternatives: The plane and crew be flown to Hong Kong, be picked up by a third party in Quangzhou or sent back directly.

The Chinese side at the talks, all officials of CAAC, said Saturday they would reply to the Taiwan proposals at their next meeting.

The venue for Sunday's talks was again kept secret in an apparent bid by both sides to keep the meeting low-key.

Saturday's meeting was originally scheduled for the offices of Hong Kong's Cathay Pacific Airways (CPA) which has acted as an intermediary in the affair, but was switched to the plush Hong Kong Country Club on the south side of the island in an apparent bid to keep the talks low key.

Site of Plane's Return Snags Talks

HK180600 Hong Kong Commercial Radio in English 0530 GMT 18 May 86

[Text] Talks between China and Taiwan failed because of China Airlines [CAL] refusal to send a crew to Guangzhou to receive the aircraft. At a news conference after a 2-hour meeting with China Airlines representatives the chief Chinese negotiator said Beijing is insisting that it is an internal matter and won't allow a third party to pick up the plane. Fanny Fung has been covering the story.

[Begin recording] Airline officials from both sides held two hours of talks at the Hong Kong Club building in Central. Afterwards CAAC [Civil Aviation Administration of China] chief representative Zhang Ruipu gave a news conference at the NEW CHINA NEWS AGENCY [NCNA] office in Happy Valley. Mr Zhang said both sides have again failed to reach an agreement and further talks need to be held. He said Taiwan had already agreed to get back the plane in Guangzhou but through a third party.

Mr Zhang said CAAC rejected this, because this is an internal matter which should only be solved by both sides. He added China's principle is to return two crew members, the aircraft, and its cargo altogether but stressed CAL must sent someone to Guangzhou to do the deal. Mr Zhang said both sides did not touch on the number of crewmen to be returned, but he reiterated China would respect the will of the pilot Wang Xijue to allow him to stay in the mainland. This is Fanny Fung at the NCNA for Commercial Radio news. [end recording]

Another round of talks has been arranged for tomorrow but the venue has not been disclosed.

CAAC Representative on Talks

OW180714 Beijing XINHUA in English 0656 GMT 18 May 86

[Text] Hong Kong, May 18 (XINHUA) -- Discussion continued here this morning between the Civil Aviation Administration of China (CAAC) and Taiwan's China Airlines (CAL) on the hand-over to CAL of a Boeing 747 cargo plane, two crew members and the cargo. The two sides were reported to have exchanged views in a warm and friendly atmosphere. A representative of CAAC said that it was natural to have differences of opinion on some details and expressed the belief that "there is no problem that cannot be solved between brothers." The two sides agreed to continue the discussion tomorrow.

'No Progress' in Second Round

OW181501 Taipei CNA in English 1450 GMT 18 May 86

[Text] Taipei, May 18 (CNA) -- China Airlines Taipei headquarters said Sunday that the second-round meeting between China Airlines and Peiping's Civil Aviation Administration of China held in Hong Kong Sunday resulted in no progress at all on the return of the CAL cargo jet and crew stranded on the China Mainland since May 3.

CAL Spokesman Lin Liang-chih said that the Chinese Communist side still insisted that CAL send representatives to Canton to receive the jet, crew and cargo and that no "third person" will be allowed to act on behalf of CAL. Lin reiterated CAL's stand of not sending people to the mainland but affirmed that CAL will never give up its decision to rescue the plane and its crew members.

He said CAL decided not to send people to Canton for security reasons. Who should be responsible for problems that might arise on his way [words indistinct] pilot to Canton to fly back the plane, Lin asked. He pointed out that the cargo jet has been moved to Peiping and any evil intention could cause unimaginable results.

Lin said CAL's representatives asked in the meeting to talk by phone with the jet crew member Tung Kuang-hsing and Chiu Ming-chih who have expressed their wishes to return to the Republic of China. CAAC didn't accept the proposal but agreed to study it.

CAL and CAAC will meet in a third round Monday, Lin said.

Break Off of Talks Denied

HK190510 Hong Kong Commercial Radio in English 0430 GMT 19 May 86

[Text] Taiwan has dismissed reports that it will break off talks with China on the China Airlines [CAL] plane and crew members if the Chinese maintain their present stubborn stand. CAL spokesman Larry Lin rejected the report on the phone a short while ago to our reporter Fanny Fund.

[Begin recording] [Lin] Thats not true. In order to rescue our crew members from the mainland to Taiwan we will make all the efforts to do so. We will continue to talk with the Civil Aviation Administration of China [CAAC] people this afternoon in Hong Kong to solve this problem. We hope an agreement to be accepted by both parties to be reached this afternoon during the talks. I think there should be something that both parties can accept.

[Fung] You mean today?

[Lin] Well, if not today, maybe tomorrow. I don't know how many times the talks will be coninued. But, since they agreed to release the crew and aircraft, and want to receive the crew members and aircraft, there's only a matter of procedure, so I think agreement should be reached [sentence as heard]. [end recording]

The third round of talks is scheduled to start at 4 o'clock [0800 GMT]. There have been several reports of different venues for the meeting but the latest is that it will be at the Jockey Club in Happy Valley. The previous two rounds have been deadlocked over the method of returning the cargo plane and its crew members. China wants Taiwan to send a team to Guangzhou to fly the plane and crew out, but Taiwan wants a third party to do this.

CAAC To Deliver Plane to Hong Kong

HK191036 Beijing XINHUA Hong Kong Service in Chinese 0947 GMT 19 May 86

[Text] Hong Kong, 19 May (XINHUA) -- Today, at their third round of talks, the representatives of the Civil Aviation Administration of China. [CAAC] and China Airlines [CAL] agreed to respectively hand over and receive the CAL's B198 Boeing 747 cargo plane, its two crew members, and its cargo load in Hong Kong.

During the talks over the past 2 days, they disagreed on the place to deliver and receive the plane. The CAAC representatives suggested that direct delivery in Guangzhou was reasonable. On the other hand, although the CAL representatives agreed to go to Guangzhou, they wanted to ask a third party to receive them. Otherwise, they preferred to receive them in Hong Kong.

Today, Zhang Ruipu, a CAAC representative, described the talks over the past 2 days as fruitful. He said: We always think that all problems can be solved between brothers after holding sincere, cordial talks. As far as the question of where to hand over the plane is concerned, we have repeatedly suggested that the best plan would be to hand over it in Guangzhou and have promised not to play any tricks.

In order to convey our greatest sincerity and to make an early reunion possible between Mr Tung Kuang-hsing and Mr Chiu Ming-chih and their families, and having taken into consideration the difficulties indicated by our CAL counterparts, we have agreed to hand over the plane in Hong Kong.

Zhang Ruipu immediately added: However, we must, out of necessity first, reach an agreement on the problem of handing over the plane in Hong Kong and on such things as security, handover formalities, methods, and other technical problems in order to make delivery safe, fast, and smooth.

The representatives of both sides are glad that an agreement has been reached and they have agreed to continue with the talks tomorrow afternoon.

Taipei Comments on Negotiations

OW171254 Taipei Domestic Service in Mandarin 2300 GMT 16 May 86

[Station commentary: "Display Wisdom and Courage To Win the Negotiations"]

[Text] Dear listeners: CAL representatives are scheduled to hold negotiations with the Chinese Communist CAAC in Hong Kong today to resolve problems regarding the incident of the CAL B-198 cargo plane's landing at the Canton airport. According to international practice, it is not necessary to hold negotiations on incidents similar to this, which have occurred frequently in international affairs. Last March a British Golden Lion Airlines passenger plane was diverted to our country's Chiang Kai-shek Airport because of closure of the Hong Kong airport. Mechanical problems prevented the plane from continuing its flight. Acting according to international practice, we took proper care of the plane and its passengers, and did not try to find fault with the dozen Chinese Communists personnel among the passengers, who, after the plan was repaired the next day, left with other passengers.

Based on this example, in handling the incident of the CAL cargo plane, the Chinese Communists should have released the plane and its crew on the same day. Harboring a sinister scheme, the Chinese Communists have played all sorts of tricks to retain the plane and its crew since its landing at Canton's Paiyun Airport, and so far have not brought the two crewmembers before the press. Their behavior shows that they are deliberately trying to create contradictions and utilize the incident to carry out their united front conspiracy and force us to break away with our policy of no negotiations with the communists, thereby creating an illusion of a beginning a dialogue.

As a result of our careful arrangements, steadfast stand, and negotiations through the third party, Cathay Pacific Airways, and based on the humantarian stand to recover the plane and its crew, the Chinese Communists were compelled to accept a decision that the civilian-run CAL will hold negotiations with the Chinese Communist CAAC in Hong Kong and that the scope of negotiations will be limited to business between the two airline companies.

The Chinese Communists' unreasonable and unlawful retention of the plane and its crew has already exceeded the time limit. Their conspracy is now (?seen through) by international public opinion, which doubts and criticizes the Chinese Communists for using the incident to carry out political blackmail. Thus they are placed in an increasingly awkward position and under growing pressure. We can deal with the Chinese Communists' deceitful tricks only with an open aboveboard attitude, and use the rightful humanitarian stand and international practice to make them give up their unjustifiable retention of plane and crew and their political blackmail [words indistinct].

Our reasonable stand has already won broad (?sympathy) abroad, while the Chinese Communists are caught in a quagmire, as if having been handed a hot potato. However, known for their deceptive negotiating skills, the Chinese Communists will undoubtedly resort to all sorts of crafy tricks. Hence, our CAL representatives should be well prepared at every stage of negotiations and grasp [words indistinct].

First, negotiations for (recovering CAL's plane and crew) should be based on international practice and relevant civil aviation rules and regulations. Other conditions and demands that unexpectedly crop up but are irrelevant to the negotiations should be rejected.

Second, it is necessary to insist upon the immediate return of both the plane and crew at the same time. If the Chinese Communists persistently demand to keep Wang Hsi-chueh as a defector to the communist side, he should be given an opportunity to publicly state his intent without any pressure. As for Tung Kuang-hsing and Chiu Ming-chih, whom the Chinese Communists have already declared as wanting to return to Taiwan, they should not only be returned to Taiwan right away but also [words indistinct].

Third, as the Chinese Communists have demanded that their negotiations with CAL representatives should be closed-door, it is necessary to avoid erroneous reports and outside interference in the course of negotiations. However, after the negotiations are concluded, their results should be published immediately so that the Chinese Communists cannot make up their own story.

We deem it a most difficult task to negotiate with the communist bandits, and a slight negligence could lead to [words indistinct]. We hope that, backed by the rightful stand, CAL representatives will display their greatest wisdom and courage, adhere to the principles and stand, and assume neither an overbearing nor servile attitude in carefully conducting the negotiations in order to smash their opponents' tricks and successfully complete the mission.

CHINA POST Editorial

OW190644 Taipei CHINA POST in English 17 May 86 p 4

[Editorial: "The CAL, CAAC Talks"]

[Text] The final agreement on the CAL and CAAC talks in Hong Kong beginning at 10 a.m. today will pave the way for an eventual settlement for the return of the CAL jumbo cargo jet which landed at Canton under mysterious circumstances.

China Airlines has demonstrated great patience in handling this incident. It demanded the return of the jumbo cargo jet with its cargo and crew from the very beginning without any political implications or considerations. It has treated this incident as a pure and simple aviation matter just as CAL handled a similar plane incident involving Chinese Communist personnel on board. In that case -- the forced landing of a British civil flight carrying many Chinese Communist personnel on board -- the CAL took good care of the passengers by permitting them to spend a comfortable night at the airport hotel and allowing them to leave the next day without any fuss.

The final agreement by the CAAC authorities to talk to CAL representatives in Hong Kong Saturday instead of next Monday shows their awakening to the fact that there is not much they can gain by playing this incident up to gain political advantage internationally. Even the parading of Captain Wang Hsi-chueh with his jumbo jet in Peking to meet his 82-year-old father had failed to win a favorable impression for the Chinese Communists. Wang, with a stone-cold expression upon meeting his father, belied the Chinese Communist claim that he "defected" because he was homesick for his father and other family members.

CAAC director Hu Yi-chou's claim that other crew members, co-pilot Tung Huang-hsing and flight engineer Chiu Ming-chih, were free to leave the Chinese Mainland in a few days was also found to be a lie as they disappeared from public view for many days and were certainly not "free to come and go" as foreign wire dispatchers reported.

CAL's insistence on not going to the Chinese Mainland to negotiate except through the third party of the Cathay Pacific Airways (CPA) has certainly born fruit. It is hoped that the CAAC representative will not drag the talks on for days with irrelevant issues other than returning the jumbo jet, its crew members and compensation for the spoiled cargo.

If the CAAC representatives should bring up any irrelevant issues, the CAL representatives should resolutely reject such introductions and stick to the demands of returning the plane, crew members and compensation for the cargo. CAL has handled this situation well and all the people should support the representatives in Hong Kong to win a victory in this fight.

ZHONGOUO TONGXUN SHE Commentary

HK190230 Hong Kong ZHONGOUO TONGXUN SHE in Chinese 1022 GMT 18 May 86

["Short commentary" by Kuo Feng: "Favorable Atmosphere at CAAC-CAL Talks"]

[Text] Hong Kong, 18 May (ZHONGGUO TONGXUN SHE) -- The talks between the Civil Aviation Administration of China (CAAC) and China Airlines (CAL), which have attracted worldwide attention, were resumed today. Due to differences of view, the meeting was again adjourned. However, it was held in a favourable atmosphere and there was some progress.

The question regarding the number of crew members to be returned has been basically settled at today's talks. The CAAC will return Tung Kuang-hsing and Chiu Ming-chih. The site for handing over the crew members, aircraft, and cargo has also been settled. CAL has agreed to receive them at Guangzhou. However, there is still a divergence of views on the methods of receiving them. CAL wants to entrust a third party with the work but the CAAC disagrees. Judging from this, the meeting today is "one floor higher" than it was yesterday. Although the talks were adjourned on two occasions owing to differences of view, they have not reached an impasse.

The reasonable attitude of the CAL has come as a surprise. Prior to the talks, the CAL had repeatedly stressed that the CAAC should return three crew members, including Wang Hsi-chueh. The question of Wang Hsi-chueh is most likely to lead the talks to an impasse because the CAAC, in line with the principle of "one's own free will," will surely categorically reject the demand. Hence, there will be nothing to be negotiated. However, CAL did not engage in endless quibbling over the Wang Hsi-chueh issue so that the talks could come to substantive issues in a little over an hour.

CAAC refrained from giving this matter wide publicity before the talks. This can be regarded as great sincerity on the part of CAAC. For example, it proposed that the venue be kept secret, it maintained silence toward the media, and it refrained from exerting pressure through public opinion. Its proposal to return the crew members, aircraft, and cargo in Guangzhou does not make things difficult for the other party in the least. (CAAC cited the reasons for this as easy, convenient, and time-saving.) It is fair and reasonable that the aircraft should fly from where it landed.

CAAC and CAL did not make the venues for the two talks public. From this act, people sensed that there seemed to be a tacit understanding between both parties. For example, before the first meeting was held yesterday, CAAC had kept silent about the venue, while CAL had repeatedly stressed that it would be held at the Swire Building. There seemed to be a great divergence of views. However, at the appointed time, both parties immediately went to the Country Club in Clearwater Bay and thus prevented themselves from being tracked down by hundreds of Chinese and foreign reporters. It would have been difficult to achieve this without prior tacit understanding. The two rounds of talks did not involve political issues and were held in a good atmosphere. The atmosphere at the talks today was even more harmonious, showing the tacit understanding between both parties.

The good sense on the part of CAL, the sincerity on the part of CAAC, and the tacit understanding between both parties have presented people with a hope that the talks will be successful.

TAIWAN SUCCESSFULLY TESTS AIR-TO-AIR MISSILE

HK180938 Hong Kong AFP in English 0935 GMT 18 May 86

[Text] Taipei, May 18 (AFP) -- Taiwan has successfully test-fired its first self-developed air-to-air missile, military spokesman Major General Chang Huei-yuan announced Sunday.

Maj. Gen. Chang told a press conference the infrared "Tien Chien" (Sky Sword) missile successfully made a pursuit attack on a supersonic Hawk missile in a test April 17 at an unspecified military base.

Two videotapes showing the test firing and the development process at the Chungshan Institute of Science and Technology (CIST) in northern Taiwan were also shown to reporters.

The announcement of the successful test firing, described by Maj Gen Chang as a breakthrough in advanced national defence technology, came as Taiwan and Chinese airline officials held a second day of talks over the return of a Taiwan cargo plane flown to the mainland by a defecting pilot May 3.

The talks are the first between the rival governments in almost 40 years.

The development of Taiwan's first air-to-air missile was the result of joint efforts by science and technology experts in military, state and private enterprise coordinated by the CIST, a weapons research center under the supervision of the defense ministry, Maj. Gen. Chang said.

"It marks a big step forward in the development of our country's highly sophisticated weapons," he added.

Taiwan made a successful test-firing of its first ground-to-air short-and-medium range, all-purpose missile "Tien Kung (Sky Bow)" March 27.

LIU ZAIFU INTERVIEWED ON PRC 'CULTURAL ATMOSPHERE'

HK161236 Hong Kong TA KUNG PAO in Chinese 16 May 86 p 2

[Special article by reporter Kung Shuang-yin: "Liu Zaifu Discusses the Cultural Atmosphere"]

[Text] "Double Hundred" Policy Causes Strong Repercussions

In an interview with newspaper reporters, Liu Zaifu, director of the Institute of Literature under the Chinese Academy of Social Sciences, said that the present economic reform must be given a complete and systematic exposition in the area of historical rationality, in order to really strike a note in the hearts of the people.

The 45-year-old literary theory specialist Liu Zaifu delivered his inaugural speech in 1984, when he assumed the post of director of the Institute of Literature, on implementing the "double hundred" (Let a hundred flowers blossom and a hundred schools of thought contend) policy and creating an academically free and culturally healthy atmosphere. The speech caused strong repercussions at home and abroad. He always insists on the theory and principle that there are "academic freedom, academic dignity, academic virtue and academic characteristics." Over the years, he has proposed a series of new viewpoints concerning literary theory, such as the "dual combination of human nature" and the "stereoscopic nature of literature." These viewpoints have caused strong repercussions and discussions in literary circles. Not long ago, HONGQI magazine published a 15,000-character long article by literary theorist Chen Yong, which totally negates Liu Zaifu's viewpoints concerning literary theory. This article has received much attention from academic circles.

The critical article by Chen Yong did not change Liu Zaifu's practice of expressing his views.

We Must Carry Out Reforms in Our Soul

Li Zaifu held that reforms will end in failure if there is no strong ideological and theoretical foundation. He said: In the modern history of Asia, there have been two major reforms, namely the Meiji Revolution in Japan, which was a successful one; and the revolution in Iran, which was an unsuccessful one. Though the two revolutions were carried out voluntarily from top to bottom and conformed to the historical development trend, the former was supported by a strong ideological theory which stimulated the Japanese nation's enthusiasm for revolution, while the latter lacked the corresponding ideological conditions and it thus failed.

On China's present reforms, Liu Zaifu contends that the work of propaganda still focuses on the situation, principles and policies, and it has not reached the higher plane. We must also give theoretical exposition to our reforms so that the people will accept reforms by basing it on a deeper structure, the soul. Thus, the people will strengthen their psychological endurance in reforms. For this reason, we must advocate the spirit of pioneering, developing and exploring within the nation. And for the sake of this great and arduous exploration, we must create a corresponding cultural and pyschological environment. He said that our cultural propaganda must become the motivating force for reforming and modernizing the culture, and avoid the situation in which the open economy and the closed, conservative culture conflict with each other.

We Must Not Simply Classify Things Into Two Opposing Extremes

He also believes that in order to cause people to strengthen their psychological endurance in reforms, we should discuss some crucial theories. For example, we must get a clear idea about the relationship between the doctrine of history and that of ethics. Many things that are classified evil by the standards of the doctrine of ethics are good when we judge them by the standards of the doctrine of history. For instance, "breaking the egalitarian practice of eating from the same big pot" violates China's several centuries old ethical concept of not worrying about the number of people but worrying about uneven distribution. Judged from the doctrine of history, however, it is necessary to give full play to one's potential ability. Reforms are a historical process which offer people opportunities to compete rather than providing them with instant benefits. Otherwise, there would only be tens of millions of sluggards.

Liu Zaifu also believes that to create an atmosphere marked by academic freedom, academic characteristics, academic dignity, academic virtue, and a healthy culture is the ideological and cultural condition for scoring successes in reforms. He advocated that we must not hastily or simply classify the value of things into set categories. Instead, we should provide ample time and conditions for testing a new theory and viewpoint. When judging the rights and wrongs of a case, we should not act in a bookish way and take a statement from a certain text as the criterion for measuring the value of the case. Instead, we should judge whether or not the case conforms to the historical facts and can stand the test of practice. He said that in the academic study of ideological theory, we must advocate positive and active ideology and must not simply focus on criticism and negation. If a new idea, which has been developed after years of hard work, is simply and completely discarded with a single stroke, we shall never develop the normal cultural and academic atmosphere of stressing facts and reasoning. The people's mode of thinking will also become simplified, one-sided and influenced by thinking in terms of absolutes.

Cherish Outstanding Thinkers

In order to create a cultural atmosphere and psychological environment that corresponds to reforms, and in order to ease the psychological burden on reformists, Liu Zaifu called for cherishing those thinkers and theorists who support the 3d Plenary Session of the 11th CPC Central Committee, support reforms and are outstanding. These theorists have a good foundation in terms of Marxist theoretical training, are far-sighted and are extraordinary people. It is completely correct that we should gradually restore their right to speak. It is hoped that we shall listen to their speeches more.

WEN WEI PO DETAILS GUANGDONG FAMILY PLANNING MEASURES

HK190249 Hong Kong WEN WEI PO in Chinese 19 May 86 p 3

[Special Dispatch: "Slight Relaxation in Guangdong Family Planning"]

[Text] Guangzhou, 18 May -- Yesterday (17 May), the 20th meeting of the 7th Guangdong Provincial People's Congress Standing Committee approved a resolution on a number of regulations on revising the "Guangdong Provincial Family Planning Rules."

According to the revised rules, an urban couple (referring to state cadres, workers, and urban residents) should have only one child. Those who are covered by one of the following five special cases may arrange to have a second child in accordance with the population plan target and the proper interval between births, after gaining the approval of the family planning departments of the county (city) or of a district subordinate to a country-level city:

1. If it has been verified by a family planning technical group at county-level and above that the first child is crippled as the result of a non-hereditary disease, and cannot grow into a normal laborer;

2. if one party to a remarriage has had only one child and the other party is childless; or if, before this marriage, both parties had had a child but these had been allotted by law to their former spouses, leaving the new couple childless;

3. if a woman who has been legally pronounced sterile becomes pregnant after adopting a child;

4. if the only child of a couple has already married;

5. if a person has been working in a mine or at sea for more than 5 successive years and is still engaged in such work.

For the rural population, it is advocated that each couple have only one child. If a couple wants a second child, this must be dealt with and rational arrangements made by the township government in accordance with the population plan target and the interval between births. Priority consideration can be given to those who meet the stipulations of the first four special cases listed above for an urban couple to have a second child, and also to a couple who has only had a daughter. The interval between births for those having a second child must be at least 4 years; the specific interval is to be laid down by the city or county people's government. It is strictly forbidden to have a third child, or a second child that is not covered by the plan.

The draft also sets out explicit regulations regarding family planning for minority nationalities. Minority-nationality couples dwelling in minority-nationality areas can have two children and, in special cases, three. They are strictly forbidden to have a fourth child, or a third child that is not covered by the plan. The autonomous prefectural and autonomous county people's governments will issue specific regulations in light of the local conditions and report them to the provincial people's government for approval.

The regulations also point out that cadres and workers who are marrying late (late marriage is reckoned as 3 years after the legal age of marriage) may have an extra 10 days holiday on their marriage. Those practicing late child-bearing (a woman's late child-bearing is reckoned as having a first child at the age of 24) will have an extra 15 days vacation when the child is born. Urban individual laborers, persons awaiting employment, and peasants who practice late marriage and child-bearing will be commended and suitably rewarded by their local people's government.

The revised regulations add three more rules to the family planning policy;

1. If one of the parties in the marriage is a state cadre, a worker, or an urban resident, and the spouse is a peasant, the arrangements for them should follow those in force in the wife's place of household registration.

2. Family planning for returned Overseas Chinese and dependents of Chinese living abroad will be carried out in accordance with the regulations of the state departments concerned; Hong Kong and Macao compatriots' spouses who are living in the interior will follow the interior family planning regulations.

3. It is advocated that people practice good child-care and resolutely follow the "Marriage Law" regulations banning marriage to close relatives. People who have been confirmed by hospitals at and above county-level to be suffering from serious hereditary diseases may not have children; pregnancies among such women must be terminated.

FBIS DAILY REPORT

China

CONTENTS

Vol I No 097 20 May 86

PRC INTERNATIONAL AFFAIRS

GENERAL

Sino-Portuguese Talks on Macao To Begin in June A 1
PRC Position on World Peace Outlined at UN A 1
PRC Elected to WHO Executive Committee A 2
PRC To Expand Agricultural Assistance to Africa A 2
WFC To Consider Proposal A 3
LIAOWANG on Sino-U.S. Survey of Western Pacific A 4
[LIAOWANG OVERSEAS EDITION 5 May]
Plan by West To Stabilize Currency Rates Assessed A 6
[RENMIN RIBAO 3 May]

UNITED STATES

Yao Yilin on Economic, Trade Relations With U.S. B 1
Meets Businessmen in New York B 2
Sino-U.S. Economic Commission Meeting Viewed B 2
[LIAOWANG OVERSEAS EDITION 19 May]
U.S. Defends Position on Nuclear Arms Reduction B 4
Fang Yi Meets Scientific Exchange Guests From U.S. B 4

SOUTHEAST ASIA & PACIFIC

Further Reportage on Visit of Australia's Hawke E 1
Deng Forecasts Development E 1
Zhao Ziyang Hosts Banquet E 1
Tennis Match With Wan Li E 2
Briefs: Sydney "China Today" Exhibition; E 3
Travel Service Sydney Branch

WESTERN EUROPE

Further Reportage on Wu Xueqian's European Trip G 1
Visits Norwegian Oilfields G 1
Fet d by Norwegian Counterpart G 1

PRC NATIONAL AFFAIRS

RENMIN RIBAO Article on Economic Contention [19 May] K 1
JIEFANG RIBAO Urges Exchange of Opinions [14 May] K 5
Article Assesses Deng Tuo's Commentaries K 6
[RENMIN RIBAO 11 May]
Ideological-Political Work for Students Stressed K 8
Beijing Urges New Ideological, Political Work K 9
Beijing Radio Comments on Ideological Work K 10
Propaganda Department Stresses News Reporting K 11
GUANGMING RIBAO Stresses Making Breakthroughs [4 May] K 12

Forum Held on Analyzing Western Literature K 15
[GUANGMING RIBAO 6 May]
Song Ping on Tackling Technological Problems K 16

PRC REGIONAL AFFAIRS

EAST REGION

Chen Guangyi Attends Fujian People's Congress O 1
Jiangsu Governor on Opening New Revenue Sources O 1
Nanjing PLA Regiment Rectifies Party Style O 2
Liang Buting Opens Shandong Cultural Building O 2
Zhejiang's Wang Fang Addresses CPPCC Forum O 3

NORTHWEST REGION

Jia Zhijie Elected New Governor of Gansu 17 May T 1
Shaanxi's Bai Jinian Receives Hoang Van Hoan T 1
Xinjiang Leaders Discuss Overseas Chinese Policy T 1

TAIWAN

CAAC, CAL Reach Agreement on Handover of Plane V 1
Statement Issued on Transfer V 1
CAAC 'Concession' Not Victory for CAL V 3
Negotiations To Conclude 20 May [AFP] V 3
Defecting PRC Pilot Awarded 1.68 Million in Gold [AFP] V 3
Policy of Rewarding PRC Defectors To Continue V 4
Taiwan Struck by Two Earthquakes 20 May [AFP] V 5
Police Attempt To Block Protest March in Taipei [AFP] V 5

HONG KONG MEDIA ON CHINA

CHING PAO Assesses Xiang Nan's Merits, Failings [10 May] W 1
PRC Foreign Exchange Reserves Figures Distorted W 2
[SOUTH CHINA MORNING POST 19 May]
Shenzhen To Take Strict Measures To Curb Inflation W 4
[SOUTH CHINA MORNING POST 19 May]
Guangzhou Sources Cited on Proposed FEC Abolishment W 5
[TA KUNG PAO 15-21 May]

SINO-PORTUGUESE TALKS ON MACAO TO BEGIN IN JUNE

OW200834 Beijing XINHUA in English 0800 GMT 20 May 86

[Text] Beijing, May 20 (XINHUA) -- Talks between the Chinese Government and the Government of Portugal on the settlement of the question of Macao will begin in Beijing in the last week of June, according to a press communique issued here today. The decision has been made by the two governments through friendly consultations, the press communique said.

The full text of the press communique reads:

"The Government of the People's Republic of China and the Government of the Republic of Portugal have decided through friendly consultations to begin talks in the last week of June 1986 in Beijing on the settlement of the question of Macao, which is a question left over from history. The head of the delegation of Chinese Government is Zhou Nan, vice-minister of foreign affairs, and the head of the delegation of the Portuguese Government is Ambassador Ruy Barbosa Medina."

PRC POSITION ON WORLD PEACE OUTLINED AT UN

OW171120 Beijing XINHUA in English 0939 GMT 17 May 86

[Text] United Nations, May 16 (XINHUA) -- Chinese Ambassador to the United Nations Liang Yufan stated today that maintaining world peace and international security are major objectives of China's foreign policy. The Chinese Government supports all efforts contributing to realizing these objectives, he said. In a letter to U.N. Secretary-General Javier Perez de Cuellar, Liang detailed China's position on world peace and security in response to a resolution adopted by the 40th session of the U.N. General Assembly.

Liang noted that today's world is in a turbulent situation and the danger of a world war still exists. However, "So long as the peoples of all countries in the world make a joint and unremitting effort, peace and security in the world can be maintained." Liang stressed the priority is "to halt the arms race and rivalry between the superpowers...and to ease tensions in the world." On how world security and national security are interrelated, Liang said China believes that "violation of a nation's independence and sovereignty jeopardizes world peace."

The ambassador said, "The strict adherence of the principle of peaceful coexistence in international relations is one of the effective ways to strengthen international security." He also urged countries to follow the guidelines for peaceful coexistence advocated by a group of governmental experts appointed by Perez de Cuellar. These experts declared in a report that "the concept of peaceful coexistence is applicable not only between countries with different social systems, but between countries sharing the same social system. When this concept is violated, even nations of similar social system may find themselves in sharp conflict."

Liang stressed that "peace is a necessary condition for development, and economic growth of developing countries and better relations between the north and the south are the important constituents for maintaining peace." China, he said, supports the developing countries' demand for a new international economic order. Liang also emphasized that dialogue and cooperation between the north and the south can promote economic development throughout the world, which in turn will contribute to world peace and security.

PRC ELECTED TO WHO EXECUTIVE COMMITTEE

OW170844 Beijing XINHUA in English 0610 GMT 17 May 86

[Text] Geneva, May 16 (XINHUA) -- The World health Organization (WHO) ended its 39th conference here Friday with the adoption of several resolutions and reports aimed at providing health facilities for everyone by the year of 2000. In one resolution, WHO appealed to its members to strengthen sanitary systems, focusing on primary sanitary needs, and urged support to developing countries' needs in this field. The conference condemned Israel's policy to annex Arab territories and reiterated that Palestinians should have the right to establish their own sanitary and medical systems. During the conference, which began May 5, China and 10 other members were elected to WHO's Executive Committee.

PRC TO EXPAND AGRICULTURAL ASSISTANCE TO AFRICA

OW171907 Beijing XINHUA in English 1357 GMT 17 May 86

[Text] Guangzhou, May 17 (XINHUA) -- China will expand, to the best of its ability, its agricultural assistance to African countries confronting serious food problems, according to a six-day Asia-Africa workshop on food policy, which closed here today. The assistance will first aim at food production projects and small- to medium-scale rural industries. It will also aim at intellectual cooperation by expanding training, research and management opportunities both in Africa and in China. The workshop was organized by the United Nations World Food Council, with the purpose of introducing Asian countries', especially China's, experience in food production to African countries. African food policy makers and experts said that since China is now self-sufficient in feeding its billion population, its food production experience is of great significance to Africa.

They identified the following seven areas where more specific cooperation and exchange of experience could be useful in helping solve African food problems:

-- Water management and small-scale irrigation technology;
-- Dry-land farming and anti-desertification measures;
-- Rural energy production, such as through bio-gas technology;
-- Institution building, notably in the area of farm cooperatives;
-- Training in agricultural support services, including extension, animal husbandry and veterinary services;
-- Exchange of seed germplasm and assistance in seed production technology;
-- Small-scale rural industrial development.

Considering the limited financial resources of both Africa and China, African and Chinese participants called for "triangular cooperation", which consists of Chinese experience and technology and African resources and manpower, coupled with financial assistance from international organizations and developed countries.

A document entitled "Conclusions and Recommendations" was distributed at the closing ceremony of the workshop toady. It will be presented to the 12th ministerial session of the World Food Council to be held in Rome from June 16 to 19. World Food Council officials said the ministerial session will focus its attention on concrete follow-up actions by Asian and African governments, as well as by bilerateral and multilateral agencies assisting African countries in solving their food problems.

WFC To Consider Proposal

OW171823 Beijing XINHUA in English 1517 GMT 17 May 86

[Text] Guangzhou, May 17 (XINHUA) -- Maurice J. Williams, executive director of the United Nations World Food Council [WFC], called China's proposal for agricultural assistance to Africa "an excellent suggestion." China proposed to help African countries to develop agricultral production by using funds from international organizations and developed countries, China's experience and technology and Africa's manpower and resources at the six-day Asia-Africa workshop on food policy, which ended here today.

Speaking at a press conference, Williams said the World Food Council would convene a ministeral session next month to study China's "triangular co-operation" proposal and try to win support from the international community. He said the World Food Council considered China's experience and technology in agriculture "feasible." China has solved th problem of feeding its billion people and so far has signed 75 projects of assistance in 4 African countries.

If China could gain funds from the international community, he said, its cooperation with African countries in food and agricultural fields would surely expand and work better. He said he would raise more funds for China's aid projects in Africa. Since the Organization of African Unity decided last July to give priority to agricultural development and double the investment in agriculture in the next five years, China's experience would be of greater significance to Africa, he noted.

PRC JOINS 96 WORLD SCIENTIFIC, TECHNOLOGY BODIES

OW171221 Beijing XINHUA in English 1109 GMT 17 May 86

[Text] Beijing, May 17 (XINHUA) -- China is a member of 96 international science and technology organizations, it was announced here today. Speaking to a group of Chinese reporters, Chen Shengwu, member of the secretariat of the China Association for Science and Technology, said that in the past five years Chinese scientific societies have joined their international counterparts as China's sole legitimate representatives. Over 200 well-known Chinese scientists,such as Zhou Peiyuan, Qian Sanqiang, Cao Tianqin, Zhang Wei and Wu Jieping, now hold leading posts in international science and technology organizations, he added. Chinese Academic Institutions of Science and Technology have established ties with their counterparts in 40 countries and regions, Chen said.

Chinese scientists and technicians will continue to pursue scientific and technological exchanges with their foreign counterparts in a bid to promote the progress of the cause of mankind," he said. Statistics show that the China Association for Science and Technology and Chinese academic societies sponsored more than 300 international academic seminars, and nearly 1,000 lectures in China in the past six years; they were attended by some 10,000 foreign specialists. Meanwhile, China has also sent abroad more than 1,000 scientists and technicians to study and lecture so that they may acquaint themselves with the latest developments in their fields. Speaking on the scientific and technological exchanges between both sides of the Taiwan Straits, Chen Shengwu said that international exchanges help scientists from both the Chinese mainland and Taiwan start exchanges among themselves.

LIAOWANG ON SINO-U.S. SURVEY OF WESTERN PACIFIC

HK150247 Hong Kong LIAOWANG OVERSEAS EDITION No 18, 5 May 86 pp 32-34

[Article by Chen Ming: "Chronicle of the First Sino-U.S. Cooperation in the Survey of the Tropical Western Pacific"]

[Excerpts] From last winter to this spring, the China-made Xiangyanghong No 140 scientific survey ship traveled across the Eastern and Western Hemispheres and the equator, covering 15,500 nautical miles in 75 days and successfully completing the task of surveying the sea-atmospheric mutual reaction in the western Pacific as set in the first Sino-U.S. cooperation.

This was the first activity of the Sino-U.S. cooperation in the 4-year survey of the tropical western Pacific, which is the main component of the plan on the study of the international sea atmosphere and the global atmosphere. It has been listed as one of China's scientific and technological projects during the Seventh 5-Year Plan period. Therefore, this voyage has drawn the attention of the countries on the Pacific coast as well as the rest of the world.

A Severe Challenge

Through over 80 years of analysis and study, scientists have discovered that the tropical western Pacific area has the highest temperature of the world's large oceans. Not only is this where typhoons that attack China originate, but it is also a key area that causes abnormal weather throughout the world. Therefore, the study of the reaction on each other of this sea area and atmosphere has become a major subject of common interest among the world's oceanologists. In July 1984, China's State Oceanography Bureau and the U.S. National Oceanic and Atmospheric Administration signed a "Sino-U.S. plan for cooperation in the study of the mutual reaction of the sea atmosphere in the tropical western Pacific."

Sailing Across the Eastern and Western Hemispheres

On 12 December 1985, this ocean going scientific survey ship left the Huangpu harbor for the vast Pacific, carrying 119 Chinese scientists, surveyors, and crew members.

At 0230 on 14 December, the survey ship was sailing into the Pacific after passing the Balintang Channel north of the Philippines.

At 0346 on 24 December Beijing time, the Xiangyanghong No 14 was crossing the international time change line and entering the Western Hemisphere.

Hawaiian Garlands Expressing Deep Feelings

After sailing 6,300 nautical miles, the Xiangyanghong No 14 scientific survey ship arrived at its first stop on the morning of 27 December -- Honolulu, capital of the Hawaiian Islands. This was China's second ship to visit Honolulu since the establishment of Sino-U.S. diplomatic relations, but was the first visit by a Chinese scientific survey ship. The local press and telecast gave much publicity to the arrival of the ship, and Overseas Chinese, citizens of Chinese origin, and Chinese students studying there came to see the ship.

Exploring the Mysteries of Oceans

In Hawaii, nine American scientists boarded the ship to take part in explorations. By way of Johnston Island southwest of Honolulu, the Xiangyanghong No 14 arrived at its first comprehensive survey station in the second section of its voyage on 9 January. The Chinese and American scientists on board the ship held fast to their posts in spite of the bad weather.

The "Native Place of Winds and Storms"

The sea area near the equator was the main area to be surveyed by the Chinese and American scientists. This is where the highest sea temperature lies. It is a key area affecting the atmosphere throughout the world. People call it the "native place of winds and storms" and the "heart of warm currents."

American scientist Richard Baber is a famous professor of zoology and botany. He has made a profound study of oceanic organisms and elementary productive forces and engaged in on-the-spot surveys of the Indian Ocean, the Atlantic, and the eastern Pacific. He was very happy and excited in his first survey of the western Pacific with the Chinese scientists. He said: "20 years ago, the Soviet Union surveyed a large area of the western Pacific. But the methods were very backward at that time, so little was achieved. Today, we are in the era of computer automation. With advanced implements, it is possible for us to obtain richer and more complete material and to make greater progress. In this way, we will be able to make contributions to solving the problem of abnormal weather in the world." Professor Baber was friendly to the Chinese scientists. He gave them a lecture on the atmospheres in tropical oceans and the world and patiently answered their questions. During the survey, the Chinese and American scientists closely cooperated with each other, discussed problems, and made suggestions on improving work.

Coordinated Cooperation

On 19 January, the Xiangyanghong No 14 survey ship arrived at a point 165 degrees east longitude which intersects with the equator, where the scientists were ready to place a moored buoy that could automatically observe the sea environment. This would be the first sea observation station to be built by China and the United States on the equator in the western Pacific. With it, they would be able to transmit to a satellite information concerning sea meteorology and sea environments, no matter how bad weather conditions would be. Therefore, placing the anchored buoy would be one of the major projects in Sino-U.S. cooperation in the survey of the western Pacific.

Many Good Results Achieved

In their survey from the Eastern Hemisphere to the Western Hemisphere, the Chinese and American scientists conducted observation work in 4 sections at 251 stations. They obtained first-hand data and material concerning marine physics, marine chemistry, marine biology, marine meteorology, sea currents, sea temperatures, and salinity. In addition, they obtained for the first time material concerning the atmosphere 27,000 meters above this sea area and sent meteorological material to their satellite on 220 occasions.

The joint survey by the Chinese and American scientists on both sides of the Pacific suggests that scientists of the two countries are taking the lead in exploring the atmospheric changes throughout the world.

The Chinese scientists also made prominent achievements during this voyage. Of all the items probed during the survey, 78 percent were carried out by China for the first time. For the first time, too, China succeeded in carrying out a survey in and obtaining samples from a depth of 4,500 meters. The material concerning the structure of tropical salt, nutritious salt, chlorophyll, and carbon-14 was obtained by China for the first time in the western Pacific. All this will provide evidence on sea-atmospheric mutual reaction and bases for estimating the fishery situation in the western Pacific area. The material concerning carbon dioxide in the air, soil, and rain samples is very important to the study of weather changes. The Xiangyanghong No 14 survey ship returned to Guangzhou safe and sound on 24 February. The motherland extended both of its arms to welcome its triumphant sons and daughters. At a welcoming ceremony, Chen Dehong, deputy director of the State Oceanography Bureau, said excitedly that the success of the first voyage served as a good beginning in the 4-year Sino-U.S. joint survey. China will further expand its international cooperation and, together with scientists of other countries, make greater contributions to mankind!

PLAN BY WEST TO STABILIZE CURRENCY RATES ASSESSED

HK200346 Beijing RENMIN RIBAO in Chinese 13 May 86 p 7

["New Analysis" by Zhang Liang: "Drop of U.S. Dollar and Backer's Currency Program"]

[Excerpts] The currency exchange rate is the focal point in the discussions on economic questions at the Tokyo summit of seven nations. The summit finally adopted the "backer's currency program" proposed by the United States, which stressed stabilizing the currency exchange rate through strengthening the coordination of economic policies. Public opinion in the foreign countries believe that the "program" will turn the present system under which currency exchange rates fluctuate "freely" into a system under which currency exchange rates fluctuate in a "controlled" way.

According to "Tokyo Economic Manifesto," the basic points of the program are to install the so-called "Conference of Ministers of Finance of the Group of Seven Countries," including Italy and Canada, and to enable the ministers of finance of the seven countries to cooperate more often and more closely and jointly supervise the economic policies together with the International Monetary Fund.

The summit admitted that the "uncertainty about the trend of currency exchange rates" is a serious challenge faced by the world economy today, and believed that efforts must be made to stabilize the currency exchange rates. As a result, the summit finally adopted the program proposed by U.S. Treasury Secretary James A. Baker. In fact, the program is only an agreement in principle and does not provide any specific regulations on how to stabilize the currency exchange rates, thus leaving the disagreements and contradictions on the question of currency exchange rates between Europe, Japan and the United States basically unsolved. Some Western papers commented that owing to the different situations and conflict of interest among the countries concerned, the countries concerned will eventually have different interpretations of the agreement and act in their respective ways. U.S. Treasury Secretary Baker also said that the agreement "should not be viewed as a mechanism which interferes in the currency market," and the actual effect of the agreement will mostly be decided by the concrete implementation of the agreement by the countries concerned. So the implementation of the program will probably become a hard nut for all the member countries of the summit to crack, and the exchange rate between the U.S. dollar and the Japanese yen will probably continue to be the focal point in the future disputes.

YAO YILIN ON ECONOMIC, TRADE RELATIONS WITH U.S.

OW200850 Beijing XINHUA in English 0811 GMT 20 May 86

[Text] New York, May 19 (XINHUA) -- China looks forward to the furtherance of Sino-U.S. economic and trade relations through joint efforts by both sides, said visiting Chinese Vice Premier Yao Yilin today. Speaking at a luncheon given in his honour by the Asia Society, the Foreign Policy Association and the National Committee on U.S.-China relations, Yao said, to reinvigorate the domestic economy while opening to the outside world is China's longterm basic state policy.

Yao said during the 6th Five-Year Plan period (1981-1985), China had achieved great successes in its modernization drive. The annual growth rate of the gross value of its industrial and agricultural production averaged 11 percent and the people's living standards improved markedly. In future development, Yao noted, the Chinese economy will turn from a closed or semi-closed mode to an open one characterized by active engagement in international exchanges and from a unitary planned economy to a planned commodity economy coupled with market regulations. China's foreign trade has grown considerably in the last five years, Yao said. The volume of China's foreign trade reached 69.62 billion U.S. dollars in 1985. China has obtained in various ways 10.3 billion U.S. dollars of external loans, absorbed 5.4 billion dollars of direct foreign investment and established a number of joint ventures and ventures with exclusive foreign investment. During these five years, China imported more than 10,000 items of advanced technology, he added.

The vice-premier said, taking the entire Sixth Five-Year Plan period as a whole, China's import and export are in the main balanced with moderate surplus. The decline of China's foreign exchange reserve from the end of 1984 to 1985 was soon brought under control. Despite the confusion caused by oil price plunge in world market, China's export in the first quarter of 1986 was higher than the same period in 1985. Yao yilin said, in the 7th Five-Year Plan period (1986-1990) there will be an even greater development in China's foreign economic relations and trade. But China is a developing country. The expansion of its export is the key to the further growth of its foreign trade. And therefore, the scope and scale of its foreign economic relations and trade and technological exchanges with foreign countries will depend on its export abilities for foreign exchange.

Vice-Premier Yao Yilin said, China-U.S. "bilateral trade and economic and technogical cooperation have already scored encouraging achievements." Now the United States has become China's third largest trading partner. In 1985, the volume of China-U.S. trade reached a record 7.3 billion U.S. dollars. By the end of 1985, contracted direct investment by American businessmen in China exceeded 2.1 billion dollars and China-U.S. joint venture enterprises reached 130. He said, as China is now engaged in large-scale economic reconstruction and needs to import advanced technology, equipment and necessary materials, as a result, China is a practical market.

Yao stressed, "The Chinese Government attaches great importance to the progress of Sino-U.S. economic and trade relations." Although China-U.S. economic and trade relations have developed rapidly in recent year, he continued, they still fall far short of a desired level. One of the main reasons is that China's traditional exports still face various restrictions in the U.S. market. "We wish together with our American friends to make concerted efforts to help more Chinese products enter the U.S. market and correspondingly, more American products into the Chinese market," he said, adding that China welcomes American industrialists and business executives to cooperate with their Chinese counterparts in the production and marketing of Chinese export products.

Earlier today, the Chinese vice premier had breakfast with Edward Irving Koch, Mayor of New York City, at Koch's residence and visited the New York Stock Exchange later.

Meets Businessmen in New York

OW191126 Beijing XINHUA in English 1110 GMT 19 May 86

[Text] New York, May 18 (XINHUA) -- Chinese Vice-Premier Yao Yilin met U.S. business executives during his stay in New York. Yao met Charles I. Brown, chairman of the board of American Telephone and Telegraph (A.T. and T.), yesterday afternoon after the vice-premier's arrival from Washington. Yao attended a breakfast hosted by Maurice R. Greenberg, president of the American International Group, Inc., at its headquarters this morning. Yao attended a reception and dinner given in his honor by Martin S. Davis, chairman of the board and chief executive officer of Gulf and Western Industries Inc., later this evening. During their talks, both sides exchanged views on developing Sino-U.S. economic relations and technological cooperation. Yao and his party also visited the headquarters of the United Nations and the World Trade Center and made a helicopter tour of New York City, Manhattan district and Liberty Island.

SINO-U.S. ECONOMIC COMMISSION MEETING VIEWED

HK200750 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 20, 19 May 86 pp 32-33

[Article by Feng Xiuju and Jiang Lurong: "Increase Understanding, Promote Cooperation -- on the Sixth Meeting of the Sino-U.S. Joint Economic Commission"]

[Text] The U.S. Government delegation led by U.S. Treasury Secretary James Baker took part in the sixth meeting of the China-U.S. Joint Economic Commission in Beijing from 8 to 10 May. The China-U.S. Joint Economic Commission is one of the first joint commissions established between China and the United States. Since 1981, the commission has held meetings every year in Washington and Beijing in turn. The sixth meeting of the commission was presided over jointly by State Councillor and Financial Minister Wang Bingqian and Treasury Secretary Baker. During the meeting, both sides exchanged views on their respective economic development, macroeconomic policies, and investment work as well as bilateral economic cooperation and international economic issues of common interest.

The Chinese and U.S. delegates unanimously held that the current meeting, like all previous ones, has been successful and fruitful. The meeting has deepened mutual understanding and will be conducive to resolving some specific problems in Sino-U.S. economic cooperation. As Premier Zhao Ziyang said: The meeting "will be of great significance to further developing relations between the two countries, particularly economic and trade relations."

Secretary Baker visited China twice with Bush and President Reagan. He was very happy to have the honor to visit China the third time on 7 May. He said: "I have brought hope for increasing mutual understanding between the two governments and peoples. It will be conducive to further improving the economic and trade relations between the two countries." During the short period of only 3 days, Wang Bingqian and Baker held two rounds of talks. Amid the friendly, invigorating atmosphere, the Chinese delegation comprising 43 members and the responsible persons of the Department of Commerce and the Export-Import Bank, the special assistant to the President, and other senior officials on the U.S. side totaling more than 30 members held 6 rounds of serious and frank panel discussions.

While gaining a better understanding of the economic situation of each side, the parties also reviewed the development of trade and economic cooperation between the two countries and held that there are bright prospects for such cooperation. According to statistics, the total volume of Sino-U.S. trade in 1985 reached $7.3 billion, an increase of around 20 percent over 1984, setting a new record. However, the volume of Sino-U.S. trade now accounts for only 1 percent of U.S. foreign trade. During a meeting with Baker, Premier Zhao Ziyang said there is great potential for the development of trade between China and the United States. It is necessary to take note of maintaining a balance of trade between the two countries. Hence, while further expanding bilateral trade, we hope that the United States will import more goods from China.

Over the past 2 years, the United States has taken some measures in lifting the restrictions on technology transfer to China. The cooperation between the two countries is now focused on large and medium sized projects. The spheres of cooperation have expanded from tourism and light industry to coal, hydropower, offshore and terrestrial oil, exploitation of nonferrous metals, aviation, electronics, and other major industrial, scientific, and technological sectors.

During this meeting, both sides noted the new progress obtained in the development of cooperation between the two countries in the area of investment. Up to the end of 1985, of U.S. businessmen's direct investment in China, the value of contracts already signed reached $2.1 billion. There were more than 130 Sino-U.S. joint venture enterprises accounting for 57.5 percent of the total of Chinese-foreign joint venture enterprises. According to statistics, the total amount of U.S. businessmen's direct investment in China, or the number of projects involved, was after only that of the Hong Kong-Macao region ranking first among other countries. The total number of Sino-U.S. joint venture enterprises established in 1985 and the amount of investment involved all exceeded the total 5 years ago. The area of U.S. businessmen's investment covered 13 sectors, including the chemical industry, coal exploration, the automobile industry, and so forth, distributed over 12 provinces and municipalities including Beijing, Shanghai, Jiangsu, and so forth. Some of the relevant enterprises achieved splendid economic results.

Both sides considered that as things now stand, despite great progress scored in Sino-U.S. economic cooperation, there is still a big gap between the two countries' scale of economic cooperation and their respective economic strength. There should be more development in the relations of economic cooperation between the two countries. Both the Chinese and U.S. sides hope that more U.S. enterprises will come to invest in China. Baker said: This is compatible with not only the interests of the Chinese people but also those of the American people. He also expressed the hope that the Chinese side would create a more favorable environment for foreign investors. Wang Bingqian expressed the hope that both the Chinese and U.S. sides would continue making joint efforts in the spirit of friendly cooperation and mutual understanding, so that an agreement to protect investments by both countries could be signed at an early date.

During the meeting, Wang Bingqian and Baker, and also the two work groups, frankly exchanged views on certain concrete problems remaining in the relations of economic cooperation between China and the United States. The Chinese side expressed the hope that the U.S. side would complete legislative procedures as quickly as possible to give early effect to the agreement on the prevention of double taxation and tax evasion that President Reagan signed during his visit to China in 1984. During the current meeting of the joint Economic Commission, both sides had friendly talks on the problem of concrete interpretation of particular stipulations in the protocol and reached unanimity in their views. On this, Wang Bingqian and Baker signed a protocol.

During the meeting, both sides also exchanged views on the problem of debt, the supply of official aid by developed countries to developing countries for development, and the matter of fighting trade protectionism. At the end of the meeting, Baker invited Minister Wang Bingqian to Washington next year for the seventh meeting of the Sino-U.S. Joint Economic Commission.

U.S. DEFENDS POSITION ON NUCLEAR ARMS REDUCTION

OW150953 Beijing XINHUA in English 0722 GMT 15 May 86

[Text] Washington, May 14 (XINHUA) -- The White House today defended the U.S. position on nuclear arms reduction and nuclear testing, accusing Soviet leader Mikhail Gorbachev of being misinformed on both issues. In response to Gorbachev's televised address to the Soviet people, White House spokesman Larry Speakes said the United States "is eager to speed up negotiations (with the Soviet Union) to achieve a 50 percent reduction of strategic nuclear weapons as soon as possible." He said the United States and its allies support "balanced, substantial and verifiable reductions" in arms. In this respect, "the United States has made concrete proposals and is waiting for a constructive Soviet reply." Speakes said the Soviet Union has not responded to a U.S. proposal that experts from the two countries meet to initiate a dialogue concerning nuclear testing.

Referring to a Soviet proposal that leaders of the two superpowers meet in Europe to discuss a nuclear testing ban, Speakes said the "rationale" of such a meeting is "difficult to understand. The Soviet Union has up to now been unwilling to authorize a discussion at the expert level." Speakes said there has been no reply from Gorbachev on setting a date for a second summit meeting with U.S. President Ronald Reagan. The spokesman said, "The President has invited Mr. Gorbachev to visit the United States in late June to discuss the entire range of issues. Gorbachev has not yet responded to this invitation." "Nevertheless, it is clear that a meeting between the two leaders is possible this year if Mr. Gorbachev desires," Speakes added.

Speakes also denied Gorbachev's charges that the United States and some other Western countries tried to exploit the Chernobyl nuclear accident by telling "a veritable mountain of lies." "There has been no effort by this government, or its partners at the Tokyo economic summit, to make political capital out of the Chernobyl tragedy," Speakes declared.

FANG YI MEETS SCIENTIFIC EXCHANGE GUESTS FROM U.S.

OW161306 Beijing XINHUA in English 1142 GMT 16 May 86

[Text] Beijing, May 16 (XINHUA) -- State Councillor Fang Yi met Robert Everett, chairman of the U.S.-China Scientific Exchanges Incorporation [as received], and Leonard Woodcock, senior advisor to the incorporation and former U.S. Ambassador to China, and their wives here today. They exchanged views on strengthening the scientific and technological exchanges between the people of the two countries. The guests arrived here this week as guests of the China Science and Technology Exchange Center.

FURTHER REPORTAGE ON VISIT OF AUSTRALIA'S HAWKE

Deng Forecasts Development

OW200701 Beijing XINHUA in English 0647 GMT 20 May 86

[Text] Beijing, May 20 (XINHUA) --Chinese leader Deng Xiaoping today gave a footnote to China's development target for the first half of next century, a subject he often discussed with visiting foreign government heads. According to Deng, China will come close to the level of economically developed countries by year 2050.

Today, in his meeting with Robert Hawke, Australian prime minister, Deng expounded his idea further when he explained that after China meets the target of Quadrupling the 1980 per-capita national income in the 20-year period ending year 2000, China will proceed further to quadruple its per-capita national income again, as he put it, in "30 to 50 years, to be more exact, 50 years". This means the per-capita national income then will amount to 4,000 U.S. dollars," Deng stated, taking into consideration China's population growth in the years to come. China's per-capita national income in 1980, according to Deng, was 250 U.S. dollars.

In working out our development goals, he added, "We follow a realistic approach. We do not hope to catch up with or surpass the developed countries. In fact, we will then be up to the medium level of development." Deng Xiaping said that the means to achieve these objectives was the economic restructuring which China was presently engaged in. He invited all friendly countries to get involved in China's program for restructuring its economy.

Hawke commented that China was confident of itself in its economic reforms and said he believed China would succeed. He told the host that Australia was willing to do whatever it could to assist China and develop cooperation with China to the mutual benefit of both countries.

Deng Xiaoping told Hawke that China faced numerous tasks, but the two overriding, co-related tasks were to develop its economy and work for world peace. When China and other peace-loving countries become more developed economically, this would benefit the cause of defending world peace. His meeting with Hawke lasted for one hour. At the beginning of the meeting, the two leaders agreed that China and Australia had extensive contacts at the leadership level. Hawke said that this was a clear indication of the close relationship between the two countries. Deng said, in addition to the personal friendship between the leadership of China and Australia, the two countries should also become good friends. "There is a wide range of areas in which our two countries can cooperate", Deng said.

Zhao Ziyang Hosts Banquet

OW191432 Beijing XINHUA in English 1416 GMT 19 May 86

[Text] Beijing May 19 (XINHUA) --Chinese Premier Zhao Ziyang stressed today that the development of Sino-Australian friendly relations will not only benefit the two peoples, but also contribute to the stability and development of the Asian-Pacific region. Zhao was speaking at a banquet to welcome Australian Prime Minister Robert Hawke, Mrs Hawke and their party here this evening at the Great Hall of the People.

Australia is now the sixth major trading partner of China, Zhao noted, adding that progress has been and is being made in cooperation between the two sides in the areas of iron and steel, wool, communications and transporation and non-ferrous metals. He said Sino-Australian friendly relations of cooperation on the basis of equality and mutual benefit have made healthy development. The Chinese premier declared that there is no major conflict of interests whatsoever between China and Australia and the prospects of bilateral friendly relations and cooperation are very bright. Zhao announced that the Chinese Government will send a delegation to attend the celebrations marking the Australian Bicentenary in January 1988 and also take part in the 1988 World Exposition on Leisure in the age of technology to be held in Brisbane.

Referring to the international situation, Zhao said China pursues an independent foreign policy of peace and will not enter into alliance with any big power nor take part in the big-power arms race although the level of China's military expenditure and armament is far below that of other big countries, China has resolutely cut back on its military expenditure and reduced the size of its troops. China, he said, has explicitly undertaken not to be the first to use nuclear weapons under any circumstances and recently declared that it will conduct no more atmospheric nuclear tests. These facts, he continued, testify to China's sincerity in actively promoting he cause of peace and disarmament. China is ready to work with Australia and all other peace-loving countries and continue to make contributions to world peace and social progress.

Responding, Hawke said it is now 13 years since the establishment of diplomatic relations between Australia and China. The relationship between them has been close and is growing, and their economic relations have grown in line with the development of the political relations. Hawke noted that the volume and value of trade with each other has grown enormously since the two prime ministers met in 1983. "We are conscius of the fact that the growth has been more prounounced in Australia's export trade with China than in our import trade." After giving an account of what Australia has done to increase imports from China, Hawke said the two countries have signed a number of contracts on joint ventures, and more agreements are under discussion.

China has shown active interest in large-scale investment in the Australian resources sector and educational, scientific, cultural and sports exchanges have lent additional substance to the relationship, he said. The Australian prime minister announced that the Australian Government has appointed former Prime Minister Gough Whitlam the new chairman of the Australia-China Council. Whitlam's contribution to Australia-China relations was vitally important, he noted. Hawke went on to say that it is regrettable that tensions still exist in the Asian-Pacific region, most notably in Indochina, Afghanistan and the Korean Peninsula. It is the common hope of the two countries that juste and peaceful settlements may soon be found in these areas of potential danger, he added.

Tennis Match With Wan Li

OW191232 Beijing XINHUA in English 1202 GMT 19 May 86

[Text] Beijing, May 19 (XINHUA) -- Visiting Australian Prime Minister Robert Hawke played against Chinese Vice-Premier Wan Li in a tennis match here today. This was the third international match between the 70-year-old Chinese vice-premier, who received a Gold Olympic Order last month for his efforts to promote sports, and visiting foreign dignitaries. Wan played Hawke during the latter's visit to China in 1984 and U.S. Vice-President George Bush last year.

The 57-year-old Australian prime minister, paired by the secretary of the Department of the Prime Minister and Cabinet Mike Codd, took on Wan and his partner, Li Furong, three times world table tennis runner-up, in a doubles match at an indoor tennis court in the International Club here this afternoon. Wan, who is also honorary chairman of the Chinese Tennis Association, and his much younger partner overwhelmed the Australian pair with their clever placements and fast volleys in two straight sets 6:3 and 6:2.

With Mrs Hawke looking on, and Australian and Chinese diplomats and journalists cheering, Hawke and his partner fought tenaciously with powerful drives, drives, though lagging behind in the score. When the match finished, Hawke and Wan agreed to play another set. The Australian pair beat Wan and his partner, Zhao Jingxin, a 67-year-old professor at the Beijing Foreign Trade University, -- 6:2. Wan and Zhao won a recent tournament for aged tennis players in Beijing.

Hawke announced at the end of the game that his country has agreed with China in principle to hold annual tennis tournaments in turn in each country. Australia is now preparing for the first tournament to be held in Melbourne in December. He poroposed that the two countries cooperate in training their young players. Wan thanked Hawke for Australia's efforts in helping China raise its level in tennis. He said he believed that the exchanges between tennis players of Australia, "a superpower i tennis", and China will not only help promote tennis in China, but also strengthen the friendship between the two countries.

BRIEFS

SYDNEY "CHINA TODAY" EXHIBITION -- Sydney, 14 May (XINHUA) -- The photo exhibition "China Today" opened at Sydney Town Hall here today with more than 200 people attending the opening ceremony. John Brown, federal minister for sport, recration and tourism officially declared the exhibition open. The exhibition is the first of its kind arranged by the XINHUA NEWS AGENCY of China and the Australian Foreign Affiars Department under the China-Australia Cultural Agreement. It was also sponsored by the Cathay Pacific and other organizations. Douglas Sutherland, lord mayor of Sydney, said in his opening speech, "This exhibition gives us a unique chance to gain an insight into Chinese culture and tradition. It's beauty and diversity offer us a rare vision of the Chinese landscape and people." "I take this opportunity to encourage all Sydney residents to come and enjoy it," he said. Among the 210 photos, there are also pictures presented by the Hong Kong China Travel Service and the Sino Studio (International) Ltd. of Hong Kong. Many visitors were deeply impressed by the fantastic Chinese scenery. The 2-month long picture exhibition will also be displayed in 4 other major cities -- Melbourne, Adelaide, Perth, and Canberra. [Exerpts] [Beijing XINHUA in English 1205 GMT 14 May 86 OW]

TRAVEL SERVICE SYDNEY BRANCH -- Sydney, 14 May (XINHUA) -- China Travel Service opened its branch office, China travel Service, Australia, here today. The newly opened branch is a subsidiary of China Travel Service (Hong Kong) Ltd which started business in 1928 and has recently developed and expanded its business to become a highly diversified international group of companies. At a grand reception held here to mark the opening of the company, both "Chinese Consul-General in Sydney Li Xiling and Australian Minister for Sport, Recreation and Tourism John Brown expressed the hope that the opening of the new office will contribute to promoting tourism in Australia and China. [Text] [Beijing XINHUA in English 1200 GMT 14 May 86 OW]

FURTHER REPORTAGE ON WU XUEQIAN'S EUROPEAN TRIP

Visits Norwegian Oilfields

OW200208 Beijing XINHUA in English 0158 GMT 20 May 86

[Text] Oslo, May 20 (XINHUA) -- Chinese Foreign Minister Wu Xueqian today visted the world's largest cement-structured offshore platform -- platform B in Norway's north sea "statefjord" oil field. Accompanied by Minister of Oil and Energy Arne Qien, Wu was shown well drilling, oil extraction methods as well as workers' living conditions. He was also briefed on the construction of the platform and its oil production.

Two hundred and seventy one meters in height and 816,000 tons in weight, platform B began operating in 1981. Total cost of construction was 14 billion kroner (2 billion U.S. dollars), totally invested by Norwegian companies.

At the end of the tour, Wu said that he had been deeply impressed with what he had seen. Since Norway's oil extraction is very developed and China is expanding its oil production, cooperation between the two countries has great prospects, he pointed out. China's ambassador to Norway Zhang Yongkuan accompanied Wu on the oil-drilling platform

The Chinese foreign minister arrived this afternoon in Oslo from Bergen, the second biggest city in Norway. He was met at the airport by his Norwegian counterpart Knut Frydenlund. Afterwards they visited Vigeland Park, famous for its sculptures. Wu will leave for Denmark tomorrow afternoon.

Feted by Norwegian Counterpart

OW200648 Beijing XINHUA in English 0535 GMT 20 May 86

[Text] Oslo, May 19 (XINHUA) -- Norwegian Foreign Minister Knut Frydenlund said tonight that his country is willing to strengthen cooperation with China in energy, transportation and other fields. At a dinner honoring Chinese Foreign Minister Wu Xueqian, Frydenlund said Norway and China "held similar views on many things." Economic cooperation is an important factor in the countries's relations, he stressed.

Frydenlund said he had been watching closely China's modernization efforts in its ambitious economic reform and new policy of opening to the outside world. Chinese and Norwegians have had long and good relations, Frydenlund said, who observed there has been an increase in exchange visits of leaders and in the signing of bilateral agreements. Norway, Frydenlund said, while aware of the strategic and economic importance of Southeast Asia and the entire Pacific region, welcomes China's increasing interest in Europe.

Wu said China admires Norway's stand in maintaining stability and security in Western Europe, opposing the arms race, advocating disarmament and easing international tension. China has long cherished its friendship with Norway, Wu said, adding that through common efforts, relations between the two peoples would be further developed.

Wu, who arrived in Norway's capital this afternoon from Bergen is on the third leg of his European trip. He already has been to Finland and Sweden. Chinese ambassador to Norway Zhang Yongkuan also attended the dinner.

RENMIN RIBAO ARTICLE ON ECONOMIC CONTENTION

HK200643 Beijing RENMIN RIBAO in Chinese 19 May 86 p 5

[Article by Li Yining: "Contention in Economics and Flourishing Economics"]

[Text] Both Developing Marxist Economic Theory and Propagating Developed Marxist Economic Theory Require Courage

Like all other scientific branches, the life of economics lies in constantly bringing forth new ideas. In the research of socialist economics, this means integrating the universal truth of Marxism with the concrete realities of the socialist countries, studying the new situation, resolving new problems, and setting forth new theses. Marxist economic theory is a scientific theory constantly developing in the course of combining with the new reality. Taking a scholastic approach toward classical works and regarding several formulas and conclusions of Marxist classics as doctrines that can never be changed of even allowing no doubt, no supplement, and no revision is not a practice that will safeguard Marxism but one to distort it.

The socialist economic theory of Marxism emerged in socialist practice. It is enlivened and examined by practice. Since real life is constantly developing forward, only when we study new problems in the economic field under the guidance of Marxism and in accordance with the principle of combining theory with practice can we promote the development of the socialist economic theory. We cannot imagine that we can separate ourselves from the reality of our economic field to a new level.

We must study and research the Marxist classics, but we must never think that only giving notes and explanations for the Marxist classics are the subject of study for researchers of Marxist economic theory. In order to develop Marxist economic theory, researchers must face reality, go deep into the realities of life, and discover and study the problems in real life. They must take this as their main task.

Actuated by the sense of responsibility toward socialist revolution and construction, toward science, and toward marxist economic theory, we can set forth and discuss problems that have not been expounded by the Marxist classics and set forth our own views; we can also set forth our views on problems that have been expounded by the Marxist classics but that we feel need to be restudied in light of the new situation. Similarly, we can also use some new terms and new categories and adopt some new methods and metrological techniques that have never appeared in or adopted by the Marxist classics. All this is entirely normal, because we should not restrict ourselves in scholastic research and we do not wish to become such researchers.

Both developing Marxist economic theory and propagating developed Marxist economic theory require courage. In the process of doing so, we may be misunderstood by some people. However, if we had a strong sense of responsibility toward the society, if we understand that Marxist economic theory can have great vitality only when it is further developed and that China's pratical problems in building socialism can be resolved only by developed Marxist economic theory, we will have such courage. In the current overall reform of the economic structure, we need still more courage of boldly blazing new trials.

To a theoretical worker in the economic field, could there by anything more important than developing Marxist economic theory and resolving the practical problems in socialist construction?

Blazing New Trials in Economics is Linked With Contention in Economics. The Former Is the Outcome of Collective Wisdom and Is an Endless Process

In the field of socialist economic research, blazing new trials is not the task of a small number of people, nor can this task be fulfilled by a small number of people. As a scientific theory closely related to practice and as an applied science, socialist economics must rely on the accumulation of collective wisdom for its continuous development. No research work of an individual economist can be divorced from the research work and achievements of his predecessors or from the direct and indirect enlightenment, influence, and help that his contemporaries give him in various respects. of course, we do not deny that some specialists have made prominent contributions in blazing new trails in economics.

Blazing new trails in economics needs a fine academic environment. It cannot be separated from contention. Only in an academic environment of contention can collective wisdom be brought into a full play. The discussion on a series of economic issues since the 3rd Plenary Session of the 11th CPC Central Committee most clearly proves this. None of us should look down upon the academic discussions and contention among our economic theoretical circles in the past few years centered on the goal of socialist construction, socialist ownership, socialist commodity economy and law of value, the relationships between socialist planning and market, and other issues. These discussions and contentions have played a useful role in blazing new trails in economics. The source of a river 10,000 li long like the Chang Jiang perhaps consists of countless small streams. From its source to where it pours into the sea, it takes in the water of many big rivers and each of these big rivers is the convergence of countless small tributaries, the source of each of which is small streams. Is it not precisely the same for the process of blazing new trails in economics?

A review of the situation in the past few years reveals that in our economic theoretical circles, there have to be the convergence of many discussions, many articles, many suggestions and opinions, and much critcism and self-criticism before we can gradually and finally sort out some accepted theses on certain economic issues. Only by so doing can people gain some new understanding on some economic issues. This process of blazing new trails cannot be divorced from contention, from the debates between different academic viewpoints, or from criticism and self-criticism. However, the process of blazing new trails in economics differs from that of rivers flowing into the sea. The flow of a river comes to an end when it reaches the sea, but the blazing of new trails in economics is endless. Since it is endless, it requires that the academic environment of contentiontion exist forever.

Have all of us not published long or short articles in newspapers and magazines in the past few years? Have all of us not taken part in the study and discussion of the Sixth and Seventh 5-Year Plans? Have all of us not taken part in rural and urban social economic investigation or written work reports, investigation materials, and policy proposals? What is even more universal -- have all of us not spoken about what we learned from current economic issues and our understanding and opinions on these issues in the departments and units where we work?

In short, the necessary and useful discussions on major economic issues that our economic theoretical circles have carried out over the past few years have played a very satisfactory role in pushing forward our economic construction. However, from the point of view of the academic theoretical cirlces as a whole, these discusssions are far from enough. Only the better implementation of the double-hundred principle and the removal of all resistance and interference can faciliate the prosperity of and the blazing of new trails in our economics.

Different Schools Emerging in the Study of Socialist Economics Will Help Promote the Further Development of Economics

Following the profound development of economic strucutral reform and the socialist economy, it s necessary to boldly expore several major theoretical problems in socialist economics and to study the application of socialist economics. In the course of this study, different schools of socialist economics under the guidance of Marxist theory will emerge, each maintaining it own academic views. The division of schools results mainly from the difference of analytical methods. The division of schools is based on the difference of theories and views. The difference of theories and views leads to the differenece of analytical methods, and the difference of analytical methods results in the difference of policies. These three are interrelated to each other, with the difference of theories and views forming the most important factor.

It should be pointed out that the difference of theories and views of different schools involves their attitude toward the socialist system and Marxist economics. They do not hold different views on the socialist system and Marxist economics. The difference of theories and views refers to their different explanations of the operation of the socialist economy, to their different views on the role of different socialist economic factors, and to their different interpretations on the cause of the emergence of economic phenomena and economic problems as well as their trend of development.

The difference of analytical methods refers to their emphasis on which analytical methods to use in the study of the operation and development of the socialist economy. For example, they should decide on the use of the following analytical methods: the quantitative analytical method, the econonic quantitative mode, sociopsychoanalysis, historical analysis, or economic theoretical analaysis.

The difference of policies they propose refers to the difference of regulatory measures for the government to take while regulating the socialist economy and society, as well as to what development strategy to apply while developing the socialist economy and society. For example, which is more imporant: The financial regulatory measure or the monetary regulatory measure? Should we speed up or slow down price system reform? To what extent should the capital market be opened? To what extent should the labor force be transferred? In a given economic situation, is it necessary to adopt a deflation policy?

Therefore, the arguments between different schools in the study of socialist economics are not arguments between teh "proletarian and bourgeois sides" or between the "Marxist and anti-Marxist blocs." These different schools devote their common efforts to the socialist cause. Contention in economics is the only way to the prosperity of economics.

Different schools emerging in the study of socialist economics will exchange their views and learn from each other. This academic atmosphere will make its proper contributions to the development of socialist economics and to socialist construction.

Efforts Should Be Made by Departments in Charge of Ideological Work To Create a Good Environment for Academic Discussion, so as to Enhance the Confidence of Economists

Economists should neither forget their missions entrusted by the socialist construction causes nor cast away their sense of social responsibility. Therefore, when some of their works and viewpoints are criticized by others and when their errors that cannot stand the test of practice are pointed out by others, they should have the courage to admit and correct their errors. During discussion, economists should take a correct attitude towards unavoidable criticism that is not based on facts. Neither discouragement nor complaint is conducive to carrying out further studies.

Departments in charge of ideological work should necessarily create environements for academic discussion and conditions for economic contention. If leaders of relevant departments attend the discussions and contentions in the capacity of academic researchers and on an equal footing, it will be helpful to deepening the academic discussions and creating good conditions for the discussions. This should be welcomed and encouraged. If they adopte the administrative means to interfere flagrantly with the academic contention or even level rude criticism at it, it will bring about very bad influence on the academic research and discussion. Who is the most qualified to judge the issues of socialist economics under discussion? In the final analysis, it should be judged by neither a certain authority nor explanations made in any previous works but by the practice of socialist economic construction. The test of practice will make a fair judgment. Nevertheless, it often needs a period of time for testing the economic contention in practice. This is called "the delayed verification for economic theories." It will do no good for economic construction and the development of economics itself if people just treat themselves as authorities and tend to pass hasty conclusions but fail to understand "the delayed verification for economic theories." Event these wrong viewpoints, which have already been proved wrong in practice, should also be resolved through academic discussion and criticsms and self-criticism.

We should have notice that in work, some persons who can neither do nor suggest anything often become the best qualified persons to blame others in case they think something goes wrong. Of course, this is very abnormal. In economic research, the same phenomenon might arise: some persons who usually neither study realistic issues nor air opinions on realistic issues can often become "representatives of the correct viewpoints" who are the best qualified to criticize those who study realistic issues. Isn't this normal? We just cannot let this phenomenon reappear.

JIEFANG RIBAO URGES EXCHANGE OF OPINIONS

OW180134 Shanghai JIEFANG RIBAO in Chinese 14 May 86 p 1

[Commentary: "Reform Needs a Relayed Environment for Public Opinion"]

[Text] Over the past few days, newspaper, radio, and television in Shanghai have devoted extensive coverage to a Shanghai seminar on strategies for cultural development and published a host of articles and speeches by leaders, scholars, and experts of the capital and the municipality, arousing keen interests and concern among readers. This has undoubtedly created a favorable environment and atmosphere for airing public opinion to stimulate reform and exploration in the ideological and cultural fields and develop Shanghai's cultural establishments.

The ongoing comprehensive reform in the economic, political, ideological, and cultural fields is an unprecedently gigantic undertaking. Its aim is to build socialism with Chinese characteristics. The practical experience in reform over the last few years has proven that in order to carry out the reform in a penetrating, extensive, and sustained manner, we urgently need a favorable environment not only in the political, economic, and social fields, but in the mass media.

Our party has always attached great importance to the role of public opinion in revolution and construction and given due attention to bringing into full play the enthusiasm, initiative, and creativity of mass media as the mouthpiece of the party and the people in mobilizing, encouraging, and inspiring hundreds of millions of cadres and people in their struggle to realize the party's general line and objective. The ongoing comprehensive reform represents a penetrating, extensive, and sustained revolution. It is necessary for us to do a meticulous job in order to enable the broad masses of cadres and people to adapt themselves to the transformation from an old system to a new one and to be better prepared ideologically and mentally for the changes in economic benefits, human relations, lifestyle, modes of thinking, and traditional concepts that come along with the new system's establishment. To bring into full play the role of mass media is indispensable fo promoting reform with the cooperation and support of public opinion.

There are no ready models on the road of reform, and we have to take one step at a time and totally rely on ourselves in exploring new trails. Reform should be preceded by an ideological breakthough, which necessitates an exploratory process which risks treading on "forbidden zones." Since it is a process of exploring and blazing new trails, we will inevitably encounter mistakes and have relapses and have to compare different models and test experimental theories. This urgently requires that we create an environment for encouraging the broad masses of cadres and people, ideological and cultural workers in particular, to bravely explore and blaze new trails. It should be a relaxed, harmonious, united, and lively environment for airing public opinion characterized by mutual understanding, trust, and support in an atmosphere of free and equal debate.

To create such an environment, of course, is not only the responsibility of the mass media, but also that of all poublic opinion (including discussions under all circumstances).

Currently, a considerable number of ideologial and cultural workers still have a lingering fear of the mass media. This is nothing unusual. In the heyday of "taking class struggle as the key link" as previous political campaigns escalated, almost invariably the mass media always fired the "first shot," the "signal," against ideological and cultural workers on most occasions. Since the 3d Plenary Session of the 11th CPC Central Committee, the mass media have eliminated chaos, restored order, and undergone a fundamental change. Gone is the tempestuous environment in mass media. However, occasional "light rain showers" have aroused all sorts of speculation among the ideological and cultural workers, making them worry constantly about the "changeable weather" and guard against "electric shocks." This shows that our environment for public opinion needs to be further improved and adapted to the comprehensive reform.

In order to create a relaxed environment for public opinion to facilitate the reform, the mass media shoulders a heavy responsibility. We should never carry out tempestuous campaigns again nor let the clouds of "great criticism" linger over our heads. We should, however, as a leading comrade has said, bring in a drizzle and gentle breeze, i.e., the spring breeze and rain that educate people in silence, to enable the reform to sprout froim the soil and grow steadily in spring. Of course, it is necessary to distinguish between right and wrong concerning problems and contradictions cropping up in the course of reform. However, in order to convince people by reasoning, it is also necessary to conduct factual and effective analyses in an earnest spirit and under proper guidance. In this way, we will be able to cultivate a relaxed and harmonious environment for public opinion to promote reform and encourage people to bravely explore and blaze new trails, thus unfolding contention among a hundred schools of thought in searching for new ways for reform. This is precisely what awaits all our journalists!

ARTICLE ASSESSES DENG TUO'S NEWS COMMENTARIES

HK200420 Beijing RENMIN RIBAO in Chinese 11 May 86 p 5

[Article by Zhou Xiuqiang: "Features of Deng Tuo's News Commentaries and Their Contributing Factors" -- capitalized passages published in boldface]

[Excerpts] Comrade Deng Tuo was a learned man who was gifted in many ways. Comrade Deng Tuo also made a lot of important contributions in many aspects. He was not only an experienced newspoaper editor and a celebrated historian but also a gifted writer, poet, calligrapher and a man who had a strong ability to appreciate cultural relics. However, as far as his whole life is concerned, Deng Tuo mainly devoted himself to the proletarian journalistic cause.

Deng Tuo believed that editorials were the banners of newspapers, and the official party newspaper must always have its own voice so as to relay the party's line, general and specific policies, and requirements, so he paid particular attention to commentaries.

For over 20 years, he paid special attention to commentary work, organized, examined and revised numerous commentaries, and wrote a large number of commentaries himself. This article will try to carry out a preliminary exploration of the characteristics of Deng Two's news commentaries and their contributions and offer a few basic remarks by way of introduction so that others may come up with valuable opinions, and further research in this regard can be carried out in order to commemorate Comrade Deng Tuo, a faithful proletarian journalistic fighter.

The Characteristics of Deng Tuo's Commentaries

In his career as an editorial writer and commentator, Deng Tuo summed up a relatively complete set of theories regarding the writing of newspaper editorials. These theories guided his practice. So Deng Tuo's editorials and his own style and features. From Deng Tuo's commentaries, we can see the following features:

1. DENG TUO'S COMMENTARIES POSSESSED A HIGH THEORETICAL STANDARD AND POLITICAL FORESIGHT.

2. DENG TUO 'S COMMENTARIES PROVIDED AUTHENTIC ARGUEMENT AND CONVINCING CONDENSATION.

3. DENG TUO'S COMMENTARIES WERE SHARP-POINTED, PUNGENT AND STRONGLY REALISTIC.

4. DENG TUO's COMMENTARIES CONTAINED A WIDE RANGE OF KNOWLEDGE AND READ SMOOTHLY.

5. THE LANGUAGE IN DENG TUO'S COMMENTARIES WAS SIMPLE, VIVID AND PUNGENT.

The Contributing Factors of Deng Tuo's Commentaries

How could Deng Tuo become so successful as an editorial writer? How could Deng Tuo's commentaries have their own characterisitics?

We should try to find the answers in Deng Tuo's ideology, life, work and study.

FIRST OF ALL, DENG TWO WAS DEVOTED TO THE PARTY, THE PEOPLE, MARXISM, LENINISM AND MAO ZEDONG THOUGHT, AND SELFLESSLY DEVOTED ALL HIS LIFE TO THE CHINESE PROLETARIAN JOURNALISTIC CAUSE. During his stay in the Jinchaji border areas, Comrade Deng Tuo braved the enemy's gunfire and "ran the newspaper on eight mules" by overcoming numerous difficulties in the cruel war environment. He was not only the commander but also the chief editor. Some comrades said that Deng Tuo "ran the newspaper by running a risk of being killed under a hail of bullets," and that was true. After entering the cities, he was ordered to take charge of RENMIN RIBAO when he was still ill. However, he not only worked hard to develop the official newspaper of teh CPC Central Committee and organized propaganda for he various major policies and questions put forward by the CPC Central Committee but also wrote editorials day and night. Not only during the years of the revolutionary war but also after the founding of the People's Republic of China, Deng Tuo never posed as a journalistic bureaucrat.

While leading and organizing all of the newspaper work, Deng Tuo stuck to writing, especially to writing editorials day and night, and sometimes even forgot food and sleep. He was absolutely devoted to the party and was honest, and dared to speak the truth. Although later he suffered misfortune because of these, he was still devoted to the party as much as he had been before. "The style is the man." Only with Deng Tuo's devotion could there be Deng Tuo's commentaries.

SECONDLY, DENG TUO KEPT ON LEARNING DILIGENTLY, ALWAYS HAD A BOOK IN HIS HAND, AND READ NUMEROUS BOOKS. Deng Tuo came from a "literary family" and received good education when he was young. All these things exerted an imperceptible influence on him and helped him lay a solid literary foundation. Later, he accepted Marxism while taking part in the struggle and studies. After joining the revolutioin, Deng Tuo still always had a book in his hand and took reading books as a kind of rest. A comrade who had been Deng Tuo's secretary for many years said that his main duty as a secretary is to buy, borrow and copy books. Deng Tuo marked the books he wanted in the new-book list with a circle and then asked him to buy them; Deng Tuo asked him to borrow the books he needed: Deng Tuo make marks in the books and asked him to make copies. Deng Tuo often told his comrades that when reading books, it was of great importance to grasp the basic principles of Marxism. No matter what happened, all the comrades must think about the basic principles of Marxism. Deng Tuo conscientiously read the works of Marx, Engles, Lenin, Stalin and Comrade Mao Zedong and made systematic notes.

THIRDLY, DENG TUO THOUGHT A LOT, WROTE A LOT AND REVISED A LOT. Deng Tuo's works have not yet been collected, arranged and examined, so no one can tell how many works he had written. Some comrades said that Deng Tuo had written several million characters. That was only an estimate, and the meaning of the word "several" is not so clear. However, it is true that Deng Tuo had written a lot. Deng Tuo believed that all the reporters and editors, no matter what position they were in, should continue writing. He himself set a good example in this regard "write as long as one has a breath in one's body."

The theories on editorials and a large number of editorials written by Deng Tuo are the precious wealth of the proletarian journalistic cause, which should be studied and carried on by the comrades engaged in the work of the official party newspaper. What is more important is to study the basic points which had enabled Deng Tuo to become an outstanding commentator.

IDEOLOGICAL-POOLITICAL WORK FOR STUDENTS STRESSED

OW161440 Beijing XINHUA Domestic Service in Chinese 1228 GMT 15 May 86

[XINHUA commentator: "Pay Attention to Improving Ideological and Political Work in Institutes of Higher Learning"]

[Text] Beijing, 15 May (XINHUA) -- Institutes of higher learning have the mission to cultivate a new generation of people both morally and intellectually outstanding. Their graduates should be knowledgeable persons who ardently love the socialist motherland, support the party's leadership, adhere to the socialist road, endorse reforms, have the spirit of devoting their lives to serving the people, master scientific and general knowledge, and are healthy and sound. It is impossible to meet these requirements without forceful ideological and political work.

Our party has a fine tradition of carrying out ideological and political work. However, while conducting ideological and political work today, we must adapt ourselves to the new situation, constantly explore new contents and methods, and sum up fresh experience.

We are in the new period of conducting reforms, opening to the world, and stimulating domestic economy at present. In this new period, the social contradictions generated by the transition from the old system to the new one and the various trends of thoughts prevalent at home and abroad are unavoidably spreading to campuses and they affect the students. The principal exploration and improvement we must make in ideological and political work in institutes of higher learning is how to eliminate obstructions and guide students to conscientiously study and correctly understand the policies pursued ever since the 3d Plenary Session of the 11th CPC Central Committee and to support the building of China into a socialist power with Chinese characteristics. For this reason, we should conduct education in the history of social development; in Chinese history, particularly its modern and contemporary history; in the party's present policies; and in policies on current events among students in whatever forms to their liking.

Past experience and lessons tell us that in our ideological and political work, we must integrate the promotion of democracy with strict enforcement of discipline. On the one hand, we should promote democracy and encourage students to emancipate their minds, deliberate on problems, practice self-education and self-control in order to create a vivid and vigorous political atmosphere and an academic climate of democratic discussion. On the other hand, we should set strict campus regulations and school discipline to maintain a good campus and academic style and cultivate the students' good character of abiding by the discipline and law. Both are very important.

Under the unified leadership of the party and in addition to full-time political workers, the ideological and political work in institutes of higher learning should also rely on the masses including the students taking up the work themselves and, more importantly, on teachers bringing their role into full play.

BEIJING URGES NEW IDEOLOGICAL, POLITICAL WORK

OW161107 Beijing Domestic Service in Mandarin 2130 GMT 15 May 86

[Station commentary: "Adapt to the New Situation, Improve and Strengthen Ideological and Political Work"]

[Text] Attaching importance to ideological and political work is a basic experience of our party in leading revolution and development. The entire history of our party has shown that development and success of our undertakings have been based on correct leadership and the consciousness of the masses and that the consciousness of the masses must be inspired by effective and lively ideological and political work.

Economic work is currently a central tasks. After invigorating the economy and opening to the outside world, people have broadened their vision, improved their abilities, and enriched themselves with new knowledge and concepts generated by modern civilization. At the same time, this new situation has brought about some negative and unhealthy elements. This requires that we resolutely resist the trend toward capitalist decadent thought and lifestyle and oppose the ideas and practice of putting money above everything else and seeking personal gain at the expense of the public.

As we continue to carry forward democracy and encourage the people to emancipate their minds, we must also adhere to centralism, enhance discipline, and persist in carrying forward the four cardinal principles. All this requires much ideological and political work.

Ideological and political work is a daily work of our party, and it should be carried out everywhere all the time. We should not have the idea that ideological and political work means putting on a long fact to lecture others and not allowing others to express their opinions. The key to conducting ideological and political work among the people is reasoning. The purpose of conducting ideological and political work is to publicize and lecture party members and the masses on the party's theories, lines, and policies on revolution and development; to inspire their awakening, and to make them willingly follow the party's leadership and accept correct view points. Thus, we can struggle with one heart and one mind to accomplish our revolutionary and development tasks.

Experience hs shown that sheer rudeness and high-handed attitudes are not scientific ways to conduct ideological and political work. Ideological and political work should be a force to create a relaxed environment, active thinking, and a united and harmonious work force.

Ideological and political work in the new period should adapt to the new situation and meet the new requirements emerging from reform and opening to the outside world. We should create new forms of ideological and politcal work in the new period, adopt new methods to carry it out, and enable it to play a greater role. In addition, we should have different forms and contents of ideological and political work to suit people of different strata and ages.

We should encourage the young to emancipate their minds and express their views; we should help them educate themselves. We should also give them necessary guidance and incentives, provide them with persuasive materials, offer them convincing viewpoints, and provide them with some basic knowledge, such as the history of mankind's social development, the histroy of Chinese social development, particularly Chinese modern and contemporary history; the party's current lines, principles, and policies; and major current events of the world. We should help peasant adapt to the changes in rural areas and grasp the key points of ideological and political work. Peasants in most areas have become better off, and therefore, current ideological and political work in rural areas should be aimed at encouraging peasants to lead a life of socialist spiritual civilization, to resist capitalist and feudalistic ideas and to change their traditional, backward ways of thinking. Cadres and educated comrades in rural areas should persuade peasants to trust science, pay more attention to civility, transform social traditions, and foster new ways of thinking. They should also extensively launch healthy and colorful cultural and sports activities so that peasants, who have become better off, can enjoy a rich cultural life.

BEIJING RADIO COMMENTS ON IDEOLOGICAL WORK

OW200526 Beijing Domestic Service in Mandarin 1100 GMT 19 May 86

[Commentary by station reporters (Tang Yulong) and (Zhou Yuchun): "There Are Great Prospects for Ideological and Political Work"]

[Text] This station recently broadcast Comrade (Liu Jie's) three-part lecture on his experiences in ideological and political work.

He served as secretary of the (Xiexing) Woolen Mill party committee in Wuxi for several years, during which he and other members of the committee sought effective ways to carry out ideological and political work in the new period, and achieved remarkable results in this regard. They summed up the following basic viewpoints of such practice: The masses should be respected as masters of the country, the Marxist principle on material benefits should be implemented while doing ideological and political work, people should be viewed from a dialectical standpoint, stress should be put on actual results, and ideological and political work should be done in connection with the modernization drive.

They hold that ideological and political work is basically aimed at arousing everyone's enthusiasm for the four modernizations, making advanced elements more advanced, middle ones catch up with the advanced, and the less advanced become advanced. It is most difficult to do ideological work among the less-advanced elements. They made painstaking efforts to work among such people.

They have gradually realized, through practical work: Ideological work cannot be effectively done among the less advanced elements in a leftist way, nor by resorting to coercion. Thus, people cannot be coerced into consenting, nor can one be over-anxious for quick results in doing ideological and political work; people can only be brought around through persuasion. In other words, people should be touched by having feelings for them and persuaded by reason. Therefore, political workers should enthusiastically do their persuading and guiding work among people by placing themselves on an equal footing with the latter. Only thus will people be ready to accept their opinions.

Ideological and political work is a science as well as an art, and it cannot be effectively done only with zeal and without a scientific approach. The scientific approach here means grasping the change in the people's way of thinking in the new period, and then doing ideological and political work among people to convince them of a definite purpose. The result will be just the opposite if one uses only old methods to do this work.

Our country is carrying out reforms and opening to the outside world, while people are changing their thinking. There are new questions to study and solve in this regard. The practice of (Liu Jie) and other comrades in this respect shows that there are great prospects for ideological and political work. Large numbers of political workers can certainly achieve gratifying results in ideological and political work, provided that they, with a new attitude, strengthen their spirit, learn from the experiences of (Xiong Yuanqi), (Liu Jie), and other comrades, and seek new, effective, and vigorous ways characteristic of the new period to do this work.

PROPAGANDA DEPARTMENT STRESSES NEWS REPORTING

OW170619 Beijing XINHUA Domestic Service in Chinese 1431 GMT 16 May 86

[By reporter Yu Youhai]

[Text] Beijing, 16 May (XINHUA) --A responsible person of the CPC Central Committee's Propaganda Department pointed out today that all news reporting units must give priority to publicizing economic structural reform and economic construction and strive to improve the quality of economic reports in order to contribute to mobilizing the people of the whole country to wrest new victories during the period of the Seventh 5-Year Plan.

The responsible person of the Propaganda Department met with more than 100 representatives of the press yesterday morning and this morning to discuss questions of how to implement the Seventh 5-Year Plan and improve economic reporting. Comrades of the State Economic Commission briefed them on the current situation in economic reform and development in China, while comrades of the Chinese Academy of Social Sciences gave the meeting participants economists' views on these questions.

Addressing the discussion meeting, the comrades said that the period of the Seventh 5-Year Plan is crucial for China, as the old strategy of economic development and the old economic system are being replaced. Therefore, it is a glorious task for journalists to widely publicize the state of current economic reform and development, and to mobilize the people of all nationalities throughout the country to fulfill the Seventh 5-Year Plan under the leadership of the Communist Party of China. According to information released by the meeting, various news reporting units in Beijing have done a great deal of work to this end. In particular, they have given wide publicity to the burgeoning lateral economic cooperation among enterprises and institutions. Some news reporting units have also kept the public interest in mind by commending the advanced and reporting realistic problems. However, it must be noted that many new items, situations, and problems have cropped up in the current structural reform of the economy and economic development, and that the press still lacks breath and depth, mass character, and vividness in news reporting. Therefore, it should take the initiative in exploring and advancing boldly, to keep abreast of the times.

Addressing the discussion meeting, the responsible person of the CPPCC Propaganda Department said: We are in the midst of an era of reform. News reporting units should have a clear-cut idea that news reporting should center on economic structural reform and development. Meanwhile, they should introduce new ideas in news reporting and try to reform it. All quarters concerned should also create favorable environment for the accomplishment of this goal, by permitting and encouraging bold discussion and study of problems arising in the course of the reform to restructure the economy. Of course, as the mouthpiece of the party, the press must release reports and statements conducive to, not detrimental to, the implementation of the party's line, principles, and policies. I hope that all news reporting units, in publicizing the party's line, principles, and policies, do their work creatively, enliven and improve economic news reporting, and do their utmost for the accomplishment of the Seventh 5-Year Plan.

GUANGMING RIBAO STRESSES MAKING BREAKTHROUGHS

HK161027 Beijing GUANGMING RIBAO in Chinese 4 May 86 p 3

[Article by Dong Jingquan: "The Vitality of Marxism Lies in Continuously Making Breakthoughs and Innovations"]

[Excerpts] Continously Making Breakthroughs and Innovations Is in Line With the Spirit of Marxism and Is the Way To Maintain the Vitality of This Doctrine

The entire developmental history of Marxism is a process of continuously making breakthroughs and innovations on the basis of adhering to basic principles.

Since the founding of Marxism, many major breakthroughs have been made: The combination of Marxism with the concrete practice in Russia's revolution and construction gave rise to Leninism; the combination of Marxism with the concrete practice in China's revolution and construction gave rise to Mao Zedong Thought; and proletarian parties and their leaders in other countries have established their own scientific theoretical systems by combining Marxism with the concrete practice in their countries' revolution and construction. They are all the result of breaking through some old conclusions of Marxism on the premise of adhering to the doctrine's basic principles.

Marxism is a thorough and integrated world outlook and a huge, inclusive system of thought. It is different from Hegel's close and fixed system of absolute truth. It is an open system of scientific theory which is continuously developing along with the advance of the times. It is facing mankind's material production, social political struggle, scientific practice, and all activities in the cultural and ideological fields, and is continuously summing up all historical experiences of mankind. Marxism will not substitute for and cannot be separated from other branches of science. It is closely linked with the development of all natural and social scinces and thus can reach new conclusions and summaries for its world outlook and methodology. Marxism is a science that deals with the struggle for the emancipation of the proletariat and the working people and a science that deals with the construction of socialist and communist societies. As the process of the struggle and construction is very complicated and things in this process are continuously changing and developing, Marxism must also make new breakthoughs in order to adapt itself to the changing situation, to reveal the regularity of the objective movements, and to chart out the course of advance in good time. It must not stay on the same level and stick to some conclusions. The living soul of Marxism is its dialectic methodology, which is a comprehensive and profound doctrine about the development of things. The most important point of dialectics is to negate all closed and ossified things and to oppose a dogmatic attitude.

There are two meanings in making breakthroughs: First, it is necessary to break through a small number of theories and conclusions which have been proved outmoded or not completely correct by practice; second, it is necessary to break through the form of expression and the developmental level of the basic principles of Marxism and the whole of scientific doctrine. Breaking through some theories and the previous forms of expression and developmental level, replacing them with new theories and new forms of expression, and adding to Marxism the theories summarized from the practical experience in the new historical conditions, so as to raise Marxism to a new level, are all innovation.

One of our basic principles is to adhere to Marxism. However, if we do not break through a small number of conclusions which have been proved outmoded or not completely correct by practice and do not break through the doctrine's form of expression, which is too old and not very scientific, we will not be able to really uphold the basic principles of Marxism. Social practice is always advancing and will never stop at any time, and all conscious practice must be subject to the guidance of certain theories.

If Lenin had not broken through the viewpoint that socialism must win victory in a number of countries at the same time and had not replaced it with the new idea of winning victory first in one country, would it have been possible to adhere to basic Marxist principles on the proletarian revolution in Russia? If Comrade Mao Zedong had not broken through the old formula of staging a revolution in central cities to seize political power, and had not replaced this with China's new formula of using the rural revolutionary bases to surround the cities, would it have been possible to adhere to basic Marxist principles on the proletarian revolution in China? Similarly, our party's scientific thesis that the socialist economy is a planned commodity economy built on the basis of public ownership is also a major breakthrough in the old conclusion of Marxism and the old economic system, and this breakthrough is the best way to adhere to the basic Marxist principles on socialist economic constructon. Without making breakthroughs and innovations and without finding new answers and conclusions in the scope of new and important practice, the upholding of basic Marxist principles will merely be empty talk.

Adhering to the Basic Principles of Marxism Is the Premise and Foundation for Making Breakthroughs and Innovations

However, the breakthroughs in some individual theses of Marxism must be subject to the premise and foundation of adhering to the basic principles of Marxism. The basic stand of a proletarian party lies in upholding the basic principles of Marxism. By adhering to Marxism, we mean that we must adhere to the scientific world outlook and methodology of Marxism and adhere to the correct orientation of the historical development which represents the fundamental interests of the proletariat and the people. Without adhering to Marxism, we may lose our bearings when making breakthroughs and may deviate from our main course, and then we will not be able to judge whether the things we have done are real innovations and developments of Marxism or not.

The Key to Making Breakthroughs and Innovations in Marxism Lies in Closely Linking the Theoretical Studies With the Reality of Our Reform and Construction

To make breakthroughs and innovations, we must not sidestep the major issues in our reform and socialist modernization construction, but should direct our main efforts and attention to these issues. In the handling of these issues, modern Marxism will be brought into full play and can be further developed and enriched. In addition, we should pay close attention to the new achievements of the contemporary technological revolution and their far-reaching influence on the world's political and economic situation. We should carefully study the characteristics, ties, and developmental regularity of different economies, cultures, and political systems in the world so as to correctly reveal and scientifically predict the concrete course and prospects for social historical development under the new historical conditions and to study the concrete strategies and tactics for the contemporary proletariat to destroy the old world and to build the new world. Moreover, as the formation and development of Marxism have never been divorced from the development of the world's civilization, we should also assimilate all positive research achievements in foreign ideologies. As Marxism has always been developed in the course of struggle, we should not dodge any non-Marxist or anti-Marxist ideas and viewpoints; instead we should display the combative and critical style of Marxism in meeting the challenges of these ideas and viewpoints. We should first study them and then criticize them. At the same time, we should also assimilate their reasonable elements, valuable research subjects, and useful explorations in a critical way.

In the course of making breakthroughs and innovation, we should firmly implement the principle of "letting a hundred flowers bloom and a hundred schools of thought contend" so that our opinion environment and policies will encourage people to make bold explorations in theory and practice, because this principle embodies the objective regularity of the development of science and art and reflects the requirements of socialist spiritual civilization development. When implementing this principle and making explorations and innovations, we should also emphasize the guiding role of Marxism. Without the guidance of Marxism, bold explorations may deviate from the correct course and will not really lead to the opening of a new situation. It is a serious misunderstanding to think that Marxism is a straightjacket or a set of shackles which impede our exploratory efforts, and this idea itself represents a dogmatist attitude toward Marxism. Marxism is never a rigid dogma. It is just a guide to our efforts to understand and transform the world. It will never block the way to discover the truth, but will open a broad road for us to discover and develop the truth.

FORUM HELD ON ANALYZING WESTERN LITERATURE

HK170348 Beijing GUANGMING RIBAO in Chinese 6 May 86 p 1

[Report from WENYI BAO: "HONGQI Editorial Department Invites Literature and Art Theory Workers in Beijing to a Forun on How To Correctly Analyze and Appraise Western Modernist Literature by Applying a Marxist Stand, Viewpoint, and Method"]

[Text] How to correctly analyze and appraise Western modernist literature by applying a Marxist stand, viewpoint, and method is a very important task facing the literary and art front in our country. Recently, the HONGQI Editorial Department invited some literature and art theory workers to a forum on this question. Among the participants, Cheng Daxi, Chen Shen, Li Zhun, Wu Yuanmai, Shao Dazhen, Ye Tingfang, Lu Tongliu, Yuan Kejia, and others took the floor in turn, while Dong Xuewen made a written speech. During the forum, the participants spoke freely and aired their views, fully exchanging opinions on Western modernist literature and raising many constructive suggestions on how to start discussions on this issue.

The participants pointed out that Western modernism is a very complex phenomenon in literature and has engendered varied schools in various countries in the West from the end of the 19th century until today. It embraces several dozen influential schools and several hundred representative writers. Their political inclinations, philosophical bases, literary and art viewpoints, the contents and styles of their works, and so on are all extremely complicated.

After the 4 May Movement of 1919, Western modernist literature was introduced into our country and has exercised some influence upon literary creation and theory. Generally speaking, however, our understanding of it is still relatively superficial. It is unrealistic to indiscriminately totally repudiate and thoroughly criticize it due to the influence of "leftist" thinking. Over the last 10 years, various schools of literary and art thought surged into China and have played an active role in broadening our mental horizons. Nevertheless, it has also produced some side effects and brought about some negative influences. This state of affairs merits attention.

The participants stressed that as Western modernism is a very complex phenomenon in literature, we should by no means try to reach unanimity of opinion and conclusion through adopting some simplified methods, writing one or two articles, or calling one or two forums. To gain understanding of it, people must proceed from the easy to the difficult and from a one-sided to an all-sided view. Therefore, it is necessary to create an atmosphere of discussing the issue on equal footing in the literary and art circles, advocate letting a hundred schools of thought contend, allow freedom of airing different views whether in newspapers or at discussion meetings, and encourage different opinions to contend freely. We should allow criticism as well as countercriticism and also having reservations. While arousing discussions, we should encourage people to seek truth on a common ground but not proceed from personal feelings or prejudices. People should dare to uphold the right things as well as correct the wrong things.

Editor in chief of the HONGQI journal Xiong Fu and deputy editor in chief Wang Renzhi attended the forum and took the floor. They also expressed gratitude for the support of the participants.

SONG PING ON TACKLING TECHNOLOGICAL PROBLEMS

OW140425 Beijing XINHUA Domestic Service in Chinese 1246 GMT 13 May 86

[By reporter Zhang Jimin]

[Excerpts] Beijing, 13 May (XINHUA) -- A national meeting on summing up and commending the achievements in tackling scientific and technological problems during the Sixth 5-Year Plan opened today. The meeting's main task is to sum up and review our country's major achievements in tackling scientific and technological problems during the Sixth 5-Year Plan and mobilize scientists and technicians to continue doing a good job during the Seventh 5-Year Plan.

Zhang Shou, vice minister of the State Planning Commission, made a summing-up report at the meeting on behalf of the meeting's preparatory and leading group. He pointed out in the report that during the Sixth 5-Year Plan, we made a great success in diverting a portion of the main strength of our scientific and technological force to working for economic construction.

Song Ping, state councillor and minister of the State Planning Commission, also spoke. He analyzed the following favorable conditions for ensuring success in tackling scientific and technological problems during the Seventh 5-Year Plan: First, we have a huge contingent of scientists and technicians. In addition to having the experience of developing "nuclear bombs and artificial satellites," they have also tempered themselves in the course of tackling problems during the Sixth 5-Year Plan. They have a high degree of sense of reponsibility, commensurate knowledge, and the proven ability to tackle tough problems. Second, we have had a talisman for tackling problems; that is cooperation. Facts during the Sixth 5-Year Plan have told us that divided strength or single-handed work is ineffective, particularly in the case of solving comprehensive scientific and technological problems. We must break the barriers among branches of science and departments, cooperate, and turn individual strengths into the strength of the whole. Third, we have had the experience of managing scientific and technological research. Under certain conditions, management experience is even more important than technology. Lu Dong, minister of the State Economic Commission, also addressed the meeting.

CHEN GUANGYI ATTENDS FUJIAN PEOPLE'S CONGRESS

OW181058 Fuzhou Fujian Provincial Service in Mandarin 1030 GMT 14 May 86

[Excerpt] The Fifth Session of the Sixth Fujian Provincial People's Congress opened in Fuzhou this morning. The executive chairmen of today's meeting were Cheng Xu, Wang Yan, Guo Ruiren, Kang Beisheng, Wang Zhi, Fang Ming, Liu Yongye, and Cai Liangcheng.

In addition to Chen Guangyi and other members of the presidium of the session, leaders of the provincial CPC Committee Gao Hu, Zhang Kehui, Yuan Qitong, He Shaochuan, and Zhang Zhongde were seated at the rostrum. Among these attending the session were members of the provincial Advisory Commission, the Central Advisory Commission, and the Central Discipline Inspection Commission; veteran comrades of the provincial government, the provincial CPPCC Committee, the provincial Military District, the provincial Higher People's Court, and the provincial People's Procuratorate; and CPPCC members from Hong Kong and Macao (in the order of the number of strokes of their surnames Wang Yishi, Ni Songmao, Zuo Fengmei, (Tong Lizhi), Lu Haoran, Xu Xianshi, Xu Jimei, (Li Wenren), He Ruoren, Zhang Quandong, Zhang Gexin, Chen Yourong, (Chen Yangsong), Chen Mingyi, Chen Binfan, Chen Xinxiu, Hu Ping, Hu Hong, Zhao Xiufu, Yuan Gai, (Xu Shilin), (Huang Chaoxi), Huang Yaguang, (Huang Keli), Zhang Ji, Liang Piyun, Jiang Xuedao, (Fu Baicui), You Dexin, Cai Ninglin, Yan Hong, and (Wei Xianshui). A total of 477 representatives attended the opening ceremony. At 0830 Chena Xu, executive chairman of the session and chairman of the provincial People's Congress Standing Committee, declared the session open.

Governor Hu Ping delivered a report entitled: Summing Up Experiences, Advancing Forward, and Striving To Accomplish the Seventh 5-year Plan in an All-Round Way. The report was divided into the following three parts: 1) review of the Sixth 5-Year Plan; 2) the basic tasks and development policies of the Seventh 5-Year Plan; and 3) the key to accomplishing the Seventh 5-Year Plan lies in reform.

JIANGSU GOVERNOR ON OPENING NEW REVENUE SOURCES

OW190038 Nanjing Jiangsu Provincial Service in Mandarin 1000 GMT 15 May 86

[Text] A provincial meeting to exchange experiences of those counties whose annual revenue has exceeded 100 million yuan concluded today in Nantong County. Summing up their basic experience, Governor Gu Xiulian pointed out that developing the commodity economy is the only way to open new revenue sources and keep our revenue rising.

Last year 11 counties in our province registered revenue exceeding 100 million yuan, 3 more counties than in the preceding year. Of these 11 counties, 4 earned a revenue of more than 200 million yuan. For the first time, a county north of the Chang Jiang, Nantong County in northern Jiangsu has become the first county to exceed 100 million yuan in annual revenue. In the meantime, 19 townships in the province have registered an annual revenue of more than 10 million yuan. These counties and townships have contributed to balancing the state revenue and expenditure and the development of the economy and social undertakings in the province. For this reason, the provincial government has awarded them citations to commend their achievements.

The meeting urged the financial and taxation departments in the province to fulfill their functions in developing production, boosting revenue, and providing funds needed for various purposes while carrying out the Seventh 5-Year Plan. At present, they should concentrate their efforts on helping to promote lateral economic association and improve ecnomic efficiency.

At the meeting representatives from 14 units in Nantong County gave briefings on their experience in developing production, enlivening the economy, and increasing revenue.

NANJING PLA REGIMENT RECTIFIES PARTY STYLE

OW181829 Beijing Domestic Service in Mandarin 1500 GMT 18 May 86

[Text] A regiment of the Nanjing Military Region, which was awarded an order of collective merit, first class, for its oustanding military exploit at the Laoshan front, hs taken a correct attitude toward this honor and has insisted on meeting high standards and demands in conducting party rectification. People have praised the cadres and fighters of this regiment with these words: They are heroes in battles and models for party rectification.

Before the commencement of party rectification, some cadres and fighters thought that after undergoing life-and-death tests in the battlefield, they had a pure party spirit and a correct party style, and nothing would have to be rectified. However, the regimental party committee remained sober-minded and was bold in exposing the problems existing in its units. In particular, it was not indulgent to the problems appearing from meritorious units and heroic models. It properly dealt with the problems of violation of discipline by two units and five individuals that had been cited as heroic models. Under its guidance, all companies conducted education in combating arrogance and complancency, rectified their style, and strengthened discipline.

In the rectification of party style, the party committee of this regiment not only paid attention to what the subordinate units were doing but also insisted that it should set an example in its own conduct. The regiment has a small factory, which earned a rather handsome profit last year, thanks to the support and solicitude given by the regimental party committee. The factory leadership gave a 100-yuan subsidy to each Standing Committee member of the regimental party committee. The Standing Committee members seriously criticized the factory leaders concerned for giving this subsidy and sent all the money back to the factory.

The anniversary of the receipt of a citation from the Central Military Commission fell on 15 January this year. Many comrades suggested that celebrations be held on this day, but the regimental party committee decided that there should be neither a meeting nor a party to celebrate the occasion. Instead, it organized all units to earnestly study the Central Military Commission's circular on the award of the citation and urged all commanders and fighters in the regiment to treasure the honor they had recieved and to make fresh contributions.

LIANG BUTING OPENS SHANDONG CULTURAL BUILDING

SK162312 Jinan Shandong Provincial Service in Mandarin 2200 GMT 15 May 86

[Excerpts] On the morning of 15 May, the new building of the Shandong provincial cultural relics general store opened for business amid an enthusiastic atmosphere. Liang Buting, secretary of the privincial CPC Committee, cut the ribbbon for the opening of the building. He said cheerfully: Shandong is a cultural site; therefore, it should better inherit and carry forward the outstanding cultural traditions. The new business building of the Shandong privincial cultural relics general store was constructed under the concern of the provincial CPC Committee and government and the great support of the Cultural Relics Bureau under the ministry of Culture and the relevant departments of the province and Jinan City.

Liang Buting, secretary of the provincial CPC Committee, wrote an inscription for the provincial cultural relics general store, reading: Strengthen management over the scattered cultural relics and serve the building of the two civilizations. After visiting the business hall with a superb collection of beautiful items, Su Yiran, chairman of the provincial Advisory Comission, said excitedly: The provincial cultural relics general store houses a collection of the outstanding ancient and traditional cultural relics of Shandong Province. The opening of the new business building is a new happy event in the cultural lives of the people throughout the province.

Also attending the opening ceremony were other leading comrades, including Jiang Chunyun, deputy secretary of the provincial CPC Committee; (Miao Fenglin), Standing Committee member of the provincial CPC Committee and director of the Propaganda Department; Wang Chengwang, Liu Zhongqian, Li Yu, Standing Committee members of the provincial Advisory Commission; Xu Leijian and Cao Fengwu, vice chairmen of the provincial People's Congress Standing Committee; Ma Shizhong, vice governor; Zhu Qimin, adviser to the provincial government; Li Zichao, chairman of the provincial CPPCC Committee; Zhao Lin, member of the Central Advisory Commission; and Wang Zhongyin, member of the Central Discipline Inspection Commission, who are staying in Jinan, as well as Gao Keting, Qin Hezhen, Gao Giyun, Wu Kaizhang, and Chen Lei, veteran comrades of the province.

Also attending the opening ceremony were representatives from the Cultural Relics Bureau under the Ministry of Culture, the China cultural relics general store, and the Beijing municipal cultural relics stores, as well as noted personages from the provincial calligraphic and painting circles and some representatives from the provincial People's Congress and the provincial CPPCC Committee.

ZHEJIANG'S WANG FANG ADDRESSES CPPCC FORUM

OW190631 Hangzhou Zhejiang Provincial Service in Mandarin 0900 GMT 15 May 86

[Text] A provincial forum on CPPCC work was held in Hangzhou from 13 to 15 May. Responsible of city and country CPPCC committees and the provincial CPPCC Committee's liaison officers stationed in various prefectures attended the forum. They exchanged their experiences in carrying out various activities to contribute to the four modernizations and the great cause of reunifying the motherland.

Addressing the forum, Comrade Wang Fang, secretary of the Zhejiang Provincial CPC Committee, said: The CPPCC, a patriotic united front organization, is full of vitality and is doing its work more vigorously than ever before. CPPCC organizations have done a lot of work and made tremendous achievements in building a material and spiritual civilization. Comrade Wang Fang called on party committees at various levels to strengthen their leadership over united front and CPPCC work, to pass information to CPPCC organizations in a timely manner, and to regularize and institutionalize political consultation and democratic supervision by these organizations.

Comrade Wang Fang pointed out: CPPCC organizations are now faced with new situations and new tasks. With the reunification of the motherland and the revitalization of China as their general objective, the CPPCC organizations should do their work toward compatriots in Taiwan, Hong Kong, and Macao and Overseas Chinese in various ways and fields, at various levels, and through various channels. They should implement the guidelines laid down by the fourth session of the sixth provincial People's Congress and the fourth session of the fifth provincial CPPCC Committee and make concerted efforts to carry out the province's Seventh 5-Year Plan.

Wang Jiayang, chairman of the provincial CPPCC Committee, presided over and addressed the forum.

JIA ZHIJIE ELECTED NEW GOVERNOR OF GANSU 17 MAY

OW171208 Beijing XINHUA in English 1203 GMT 17 May 86

[Text] Lanzhou, May 17 (XINHUA) -- Gansu Province in northwest China got four new leaders today. At the 4th Session of the 6th Provincial People's Congress, Jia Zhijie was elected provincial governor. Jia, 50, graduated from a Soviet college in 1960 and later worked in a local machine-building factory for 20 years. His predecessor, Chen Guangyi, has already been appointed party secretary of Fujian Province in east China. The other three new leaders are Liu Bing, Wang Daoyi and Li Fusheng. Liu was elected chairman, and Wang and Li vice-chairmen, of the Standing Committee of the Provincial People's Congress.

SHAANXI'S BAI JINIAN RECEIVES HOANG VAN HOAN

HK191020 Xian Shaanxi Provincial Service in Mandarin 2330 GMT 18 May 86

[Excerpts] Accompanied by Huang Shu, a bureau director of the International Liaison Department of the CPC Central Committee, Comrade Hoang Van Hoan visited the province from 16 to 18 May. When Comrade Hoang Van Hoan arrived in Xian from Beijing by train on the morning of 16 May, he was greeted at the railway station by Zhou Yaguang, deputy secretary of the provincial CPC Committee, and Chen Xingliang, director of the provincial Foreign Affairs Office. Yesterday afternoon, Bai Jinian, secretary of the provincial CPC Committee; Zhang Ze, chairman of the provincial Advisory Commission; and Zhou Yaguang, deputy secretary of th provincial CPC Committee, met with Comrade Hoang Van Hoan at the Shaanxi Guesthouse.

During their cordial conversation, Bai Jinian briefed Comrade Hoang Van Hoan on famous cultural relics and historic sites in Shaanxi. After the meeting, Bai Jinian gave a banquet in honor of Comrade Hoang Van Hoan. The main purpose of Comrade Hoang Van Hoan's trip to Xian was to visit places of historic interest and scenic spots. Over the past few days, he visited the provincial museum, the museum of the Qinshihuang emperor's tomb warrior figures, and the Huaqing pool. He also made a special trip to Fengxiang County to visit the grand tomb No 1 of the Qin Dynasty which is being excavated. He also watched excavation of cultural relics. After visiting the museum of the Qinshihuang emperor's tomb warrior figures, Comrade Hoang Van Hoan wrote in the visitor's book: "This wonder of the world is worthy of its title." Comrade Hoang Van Hoan left Xian on the morning of 19 May.

XINJIANG LEADERS DISCUSS OVERSEAS CHINESE POLICY

OW181408 Beijing International Service in Mandarin 0900 GMT 18 May 86

[Text] A work meeting on implementing the policy toward Overseas Chinese in Xinjiang Uygur Autonomous Region was recently held in Urumqi. Tomur Dawamat, chairman, and Huang Baozhang, vice chairman of the Xinjiang Uygur Autonomous Region, spoke at the meeting. They stressed that the main task in implementing the policy toward Overseas Chinese is to deal with the houses left by those who departed Xinjiang for the Soviet Union in the 1960's. Since they are treated as Overseas Chinese or foreign nationals of Chinese origin, their houses left in Xinjiang must be dealt with in accordance with the policy of private ownership of houses by Overseas Chinese. Furthermore, houses of the Overseas Chinese that were wrongly confiscated during the period of socialist transformation should all be returned to the owners. Leaders of the various prefectures, autonomous prefectures, cities, and counties must put work as regards Overseas Chinese on their agenda and regularly supervise and inspect the work of departments in charge of Overseas Chinese affairs.

CAAC, CAL REACH AGREEMENT ON HANDOVER OF PLANE

OW131348 Beijing XINHUA in English 1338 GMT 19 May 86

[Text] Hong Kong, May 19 (XINHUA) -- The Boeing 747 cargo plane, two crew members and cargo belonging to Taiwan's China Airlines (CAL) will be handed over to CAL in Hong Kong, according to an agreement reached at the third round of discussions between representatives of the Civil Aviation Administration of China (CAAC) and CAL today.

The plane landed at Guangzhou's Baiyun Airport May 3, and the discussion began on May 17. CAAC held that it was reasonable for the plane, the two crew members and cargo to be handed over in Guangzhou. While agreeing to CAAC's choice of place, the CAL representatives proposed that the hand-over be handled by a third party other than CAL, and that otherwise, it take place in Hong Kong.

Zhang Ruipu, CAAC representative, described the discussion over the past two days as "fruitful" at today's meeting. "We always maintain that there is no problem which cannot be solved between fellow countrymen through friendly and sincere discussions," he said. "We have repeatedly explained why Guangzhou is the best place for the hand-over," he said. "At the same time, we made this clear: we will not play this up."

CAAC agreed to hold the hand-over in Hong Kong in order to express CAAC's sincerity of letting Dong Guangxing and Qiu Minzhi, the two crew members wishing to return to Taiwan, be reuntied with their families eariler, Zhang said, adding that it also took into consideration CAL's difficulties. Nevertheless, Zhang noted, there was the need to reach an agreement on the hand-over in Hong Kong in advance. This includes safety specifications, hand-over formalities and methods and technical details to ensure that the hand-over is completed safely, quickly and smoothly.

The two sides expressed their gratification when agreement was reached on the place of the hand-over, and decided to continue their discussions tomorrow afternoon.

Issued Statement on Transfer

HK191602 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1412 GMT 19 May 86

[Report: "The Two Airlines Reach Agreement on Handover of the Plane" -- ZHONGGUO TONGXUN SHE headline]

[Text] Hong Kong, 19 May (ZHONGGUO TONGXUN SHE) -- Today, progress tantamount to a breakthough was made in the negotiations between the Civil Aviation Administration of China [CAAC] and China Airlines [CAL] on "where to hand over the CAL cargo plane." With the greatest sincerity, CAAC conceded by agreeing to hand over the plane in Hong Kong. This indicates that the issue has been basically settled.

The two airlines held their third round of talks at 1600 this afternoon. When it was over, they held separate press conferences. At the CAAC press conference, Zhang Ruipu, the chief CAAC representative, made the following statements:

"During the talks in the previous 2 days, we cordially exchanged views and discussed the problem of handing over the CAL Boeing 747 cargo plane which landed in Guangzhou, the two crew members who want to return to Taiwan, the cargo, the question of where to hand them over, and the transfer formailities.

Both sides indicated a common desire for an early handover. All problems except that of the place were solved. We did not want this problem to delay the handover, and this has always been our attitude. We think that all problems between Chinese brothers can be resolved through sincere, cordial talks.

As far as the question of where to hand over the plane is concerned, we have repeatedly suggested that the best plan would be to hand it over in Guangzhou after taking all circumstances into consideration and studying its practical desirability. Since the plane landed in Guangzhou, delivery in Guangzhou is reasonable. By handing it over in Guangzhou, we can most satisfactorily ensure that the plane will be handed over safely, smoothly, and without delay. We still consider Guangzhou to be the best place to hand over the plane because we sincerely desire an early reunion between Mr Tung and Mr Chiu, the two crew members who want to return to Taiwan, and their families. We also sincerely hope that we can return the plane and its cargo load to CAL as soon as possible. We have repeatedly stated that with the exception of this, we have no other problems. We have also indicated that if the handover takes place in Guangzhou, we will guarantee the absolute safety of the people going to Guangzhou to receive the plane, make things convenient for them, and simplify the formalities. We do not intend to create trouble for our counterparts. We did expect our counterparts to fully understand our plan, our desires, and our suggestion. We are highly sincere and our intentions are honest and honorable. Today, we held our third round of talks to discuss the question of where to hand over the plane. Our counterparts said that they would have difficulties if the plane had to be handed over in Guangzhou, and they still did not accept my suggestion that the plane be handed over in Guangzhou.

What must be done then? We must not bring the talks to a deadlock just because of this problem, nor can we allow this problem to stand in the way of an early handover. The compatriots on both sides of the Strait. I think, would not like such an outcome. In order to convey our greatest sincerity and to make an early reunion possible between Mr Tung Kuang-hsing and Mr Chiu Ming-chih and their families, and having taken into consideration the difficulties of our counterparts, we have agreed to hand over the plane in Hong Kong. Both sides have agreed in principle to hand over and receive the plane in Hong Kong. However, we have yet to discuss the date and the necessary formalities.

At another press conference, Chung Tsan-jung, a CAL representative, made the following three-point statement:

1. At 1600 this afternoon, we and the CAAC representatives spent 50 minutes holding our third round of talks in the conference room on the 9th floor of the Jockey Club building.

2. At this round of talks, the CAAC representatives continued to ask us to send people to Guangzhou to go through the handover formalities and rejected our proposal to ask a "third party" to recover the plane in Guangzhou on our behalf. We insisted that CAAC should send its own people to fly the plane, its crew, and its cargo load to Hong Kong to hand them over to us. Finally, the CAAC complied with our demand and agreed to fly the plane, its crew, and its cargo load to Hong Kong's Kai Tak Airport for handover formalities.

3. As for the handover date and other details, we will make detailed arrangements at the next round of talks.

The representatives of the two airlines also answered reporters' questions at the press conferences. They are glad that an agreement has been reached and they have agreed to continue with the talks tomorrow afternoon.

CAAC 'Concession' Not Victory for CAL

HK191500 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1414 GMT 19 May 86

["Chung Tsan-jung of CAL Says That Results of the Talks Do Not Mean Either of the Two Sides Has Won" -- ZHONGGUO TONGXUN SHE headline]

[Text] Hong Kong, 19 May (ZHONGGUO TONGXUN SHE) -- At 1830 today, Chung Tsan-jung, chief representative of China Airlines [CAL] to the talks, held a press conference after agreement between the Civil Aviation Administration of China [CAAC] and CAL on the delivery of the CAL plane was reached. he said that the CAL required that things related to the delivery had to be satisfactorily done in 2 or 3 days. Some reporters asked whether the results of the talks meant a concession by CAAC and a victory for the CAL. Chung Tsan-jung replied: "This is neither a concession nor a victory. What is ours must be returned to us."

To the question of whether CAL will give up its demand for the return of crew commander Wang Hsi-chueh, Chung Tsan-jung said: "We reserve the right to demand that the other side send him back to us." Chung Tsan-jung also said today that they had not telephoned the two crew members Tund Kuang-hsing and Chiu Ming-chih. He said: "We do not know which number to dial. Moreover, CAAC said that since it had promised to release the crew members and plane, there was no need to make a telephone call."

Negotiation To Conclude 20 May

HK200444 Hong Kong AFP in English 0430 GMT 20 May 86

[Text] Hong Kong, May 20 (AFP) -- Tuesday's talks between Chinese and Taiwan airlines officials are to concern the handing over the China Airlines (CAL) cargo jet and two crew members, but not the plane's pilot, a CAL spokesman said here.

"If the procedure is worked out in the meeting, the talks between Taiwan and China will be rounded up today," CAL assistant manager Lee Chun-yeung told reporters here Tuesday. Mr Lee refused to disclose the venue of this fourth landmark meeting between the two longtime rivals, saying simply that it would begin at 4 p.m. (0800 GMT).

However, a spokesman for the Civil Aviation Administration of China (CAAC) said this round would be held again at the Hong Kong Jockey club.

China agreed Monday to Taiwan's demand that the CAL jet and two crew members flown to Canton May 3 by a defecting pilot be returned through Hong Kong. The issue of the return of the plane's pilot, captain Wang Hsi-chueh, would definitely not be discussed in Tuesday's meeting, Mr Lee said, but he added that Taiwan reserved the right to ask for Mr Wang's return. Mr Lee he expected the jet would be returned in the next two days but that the handover would not take place Tuesday.

DEFECTING PRC PILOT AWARDED 1.68 MILLION IN GOLD

HK170548 Hong Kong AFP in English 0541 GMT 17 May 86

[Names as received]

[Excerpts] Taipei, May 17 (AFP) -- Former Chinese Air Force pilot Chen Pao-chung became an instant millionaire here Saturday as a reward for his defection, officials said.

Mr. Chen, 26, renounced his membership in the Chinese Communist Party at a ceremony at the Armed Forces activity center witnessed by more than 600 Armed Forces personnel, including other defecting Chinese pilots, the officials said. He was given a certificate for 5,000 taels (6,650 ounces) of gold by General Hau Pei-Tsun, who also commissioned him as a major in Taiwan's Air Force, the officials added. The gold is worth 65.8 million Taiwan dollars (1.68 million U.S. dollars) at the current market price.

Mr. Chen flew a MiG-19 fighter to Seoul on February 21. He was sent to Taiwan on April 30 at his request. Mr. Chen had served in a reconnaissance squadron of China's First Air Division based in Shengyang, northeast China. Like 11 other Chinese Air Force pilots who have defected to Taiwan, he will serve in Taiwan's Air Force but not be allowed to fly.

Major-General Chang Huei-yuan, a Taiwan military spokesman, said Saturday that Taiwan would continue to reward defecting Chinese pilots with gold.

POLICY OF REWARDING PRC DEFECTORS TO CONTINUE

OW171526 Taipei CNA in English 1500 GMT 17 May 86

[Text] Taipei, May 17 (CNA) -- The flow of freedom seekers from the Communist Chinese Armed Forces has helped discourage the Peiping regime from launching military attacks against the Republic of China on Taiwan, Defense Ministry Spokesman Gen. Chang Hui-Yuan said Saturday.

As a result, Gen. Chang said, the rash of the communist soldiers' freedom-seeking actions has virtually reduced the country's spending in combat preparedness as well as human casualties and property losses. "The value of such actions are thus incomparable with that of the reward we have given to those freedom fighters," the military spokesman noted.

He said that although nearly all pilot-turned freedom seekers from the mainland stressed they came to free China not for prize, the government still rewarded them for their brave actions in accordance with existing regulations. "And the rules will remain in force in the future," Chang said. He made the above remarks while replying to a press inquiry about the implications of such rewards during the commissioning ceremony for former MiG pilot Chen Pao-chung.

Chang analyzed that the major cause that has prompted one after another communist air force officer to escape to freedom is that they had seen through the evil nature of communism and become fed up with communist tricks.

He continued that communist pilots' dash to freedom often open much publicity in the world press. The incidents would arouse world attention to the low morale in the communist armed forces and the widespread discontent throughout the mainland. The first-hand information provided by these freedom seekers about poverty, backwardness, disaster and power struggles on the mainland would help the free world better understand the real face of the Chinese Communists.

Moreover, the flow of freedom seekers would scare Peiping's power holders and discourage them from invading free China, hence helping enhance security of Taiwan, Penghu, the frontline islands of Kinmen and Matsu, Chang pointed out. In addition, the arrival of freedom seekers in Taiwan would call world attention to the strong and prosperous free China. "The glare of this publicity would in turn contribute much to the development of substantive relations with more foreign countries," Chang said.

He stressed that the freedom seekers have risked their lives to come to the free world. Their determination, bravery, wisdom and courage are highly respectable. "They deserve to be rewarded spiritually and materially for their brave actions," Chang asserted.

TAIWAN STRUCK BY TWO EARTHQUAKES 20 MAY

HK200738 Hong Kong AFP in English 0657 GMT 20 May 86

[Text] Taipei, May 20 (AFP) -- Back-to-back earthquakes measuring 5.8 and 5.7 on the Richter scale struck Taiwan Tuesday, the central weather bureau said. No casualties or damages were reported.

The bureau pinpointed the epicenter of the first quake at a depth of 32.9 kilometers (19.8 miles) 10 kilometers (six miles) north of Hualien on the eastern coast.

The first one measured 5.8 on the open-ended scale and shook all of Taiwan at 1:25 p.m. (0525), and the second one measuring 5.7 followed 12 minutes later. A series of minor tremors came in the next 20 minutes.

An earthquake measuring five can cause considerable damage, and those measuring six can cause severe damage.

POLICE ATTEMPT TO BLOCK PROTEST MARCH IN TAIPEI

HK191342 Hong Kong AFP in English 1326 GMT 19 May 86

[Text] Taipei, May 19 (AFP) -- Police formed a human barricade around a temple here Monday to prevent a planned protest march to mark the 37th anniversary of martial law in Taiwan, eyewitnesses said. Some 70 people wearing green sashes and armbands with the words "Protest martial law, honor human rights," gathered inside the Lung Shan (Dragon Mountain) Temple, planning to walk the three kilometers (2 miles) to the presidential building.

But policemen were drafted in to form a human barricade to prevent them leaving or some 200 people who gathered outside from joining them. And some 1,200 police were deployed to guard against demonstrators and keep traffic moving in the city, eyewitnesses said.

The protest, dubbed "May 19 Green Action" had been planned to mark the 37th anniversary of martial law and defy an official ban on marches and demonstrations. The protesters refused to disperse and leave the temple throughout the day, and were still there after nightfall, although 200 opposition supporters gathered outside left at nightfall.

Yen Shih-hsi, director of the Bureau of Criminal Investigation, had earlier visited the temple three times but had failed to disperse the protesters.

The Taiwan opposition is divided in its approach to achieve a greater share in political power with the ruling Kuomintang (KMT). In addition to those advocating protests like the "May 19 Green Action," there is the Tangwai Research Association of Public Policies (TRAPP) which prefers to use more political channels.

The KMT, which has banned the formation of new political parties, on May 10 agreed to allow the TRAPP to open branches in Taiwan cities in a decision which surprised many analysts here. The TRAPP was started two years ago by 53 opposition members in Taiwan's congress and has opened two branches in Taipei since the May 10 decision.

CHING PAO ASSESSES XIANG NAN'S MERITS, FAILINGS

HK200443 Hong Kong CHIN PAO in Chinese No 106, 10 May 86 pp 38-40

[Article by Lu Yi-ta: "How to Assess Xiang Nan's Contributions and Failings?"]

[Excerpts] Xiang Nan was replaced by Chen Guangyi. When he left his job, he said to the people around him: I have worked for 5 years in Fujian and I leave it to posterity to assess my contributions and failings.

Xiang Nan's contributions were that he spared no effort in implementing the CPC's reform and policy of opening up. We cannot deny Xiang Nan's contributions in making Fujian's economic situation increasingly prosperous. But what were Xiang Nan's "failings?" According to this writer's limited information, the Jianjiang "fake medicine case" which created a furor, was his failing.

How Did "A Flower at Chendai" Emerge

However people differ in their views concerning the "fake medicine" case. Those who were against him said: Xiang Nan said that the township and town enterprises in Jinjiang were "a flower," but the fake medicine case has proved that they are a patch of weeds. Those who defended him said that what Xiang Nan called "a flower" was the township and town enterprises as a whole in Jinjiang. The fake medicine case was only one weed among a clump of flowers. Therefore, we should not negate the merit of the whole because of the shortcomings of a part. We should refrain even less from doing what is necessary for fear of a slight risk or vilify our township and town enterprises because of one evil case.

Xiang Nan often said to people that one did not regret reading enough books until one needed to apply that knowledge and that one did not know how difficult it was to do the work until one encountered the difficulties. He vigorously developed township and town enterprises not because he was suddenly seized by a whim or because he willfully wanted to start something new in order to be different. He did so because through actual, on-the-spot investigations, he found that the key to solving the difficult problems of shortage of land for China's huge population, providing jobs for rural surplus labor, and promoting the transition from an agricultural to industrial society was to develop township and town enterprises.

Foundation Laid by 5 Years of Practice

Fujian's township and town enterprises faced the danger of collapse, but amid the adverse situation, it displayed its indominable vitality increasingly prominently. Facts speak louder than words. Xiang Nan found it heartening that in 1985, the township and town enterprises in the whole province increased their total output value sharply to 7 billion yuan, which meant an annual net increase of 3 billion yuan. This realized his previous forecast that during the Sixth 5-Year Plan period the total income would quadruple and the rate of increase in total income would rank the third in the whole country. The township and town enterprises earned over $113 million in foreign exchange for the state in one year, paid taxes and delivered profits totaling 245 million yuan, and thus became one of the main sources for Fujian's foreign exchange and financial and tax revenue.

At the time Xiang Nan left, he still definitely believed that developing township and town enterprises and then enlarging introductions from abroad and cooperation and coordination at home on the basis of small industry groups, and by relying on specialized markets in order to give play to Fujian's role and influence as the door to areas abroad and in the hinterland, is indispensable in promoting rural economic structural reform and reinvigorating Fujian's economy. Furthermore, he believed that rousing millions of the masses to pool funds and set up enterprises was an even more indispensable path that we had to follow. We should never cut this path.

He was filled with enthusiasm when he came and he was still uncorrupt when he left. The 5 years of Xiang Nan's practice has already laid foundations and opened up the path for the development of Fujian's township and town enterprises. This path is still quite bumpy and filled with twists and turns, but the peasants in Fujian who are good at learning from both positive and negative experiences, are quite sure that they will be able to forge ahead.

On 22 March, RENMIN RIBAO OVERSEAS EDITION published an article entitled "Watch a Flower at Jinjiang," which said that Jinjiang's township and town enterprises were indeed a flower which had to be protected in order to enable it to blossom even more beautifully. These words are self-evident.

PRC FOREIGN EXCHANGE RESERVES FIGURES DISTORTED

HK190758 Hong Kong SOUTH CHINA MORNING POST in English 19 May 86 BUSINESS NEWS p 1

[By Olivia Sin]

[Text] China's foreign exchange reserve picture is not as good as it appears, banking sources said. They said the reserve figure is distorted by the inclusion of the Bank of China's [BOC] reserves, some of which could also be considered liabilities. The sources said this means China's spending power may be less than the reserves figure indicates and the country may be forced to take more stringent measures to control imports later this year.

China's foreign reserves consist of the Treasury and BOC's net foreign exchange reserves. The sources said BOC's net foreign exchange reserves equal its total domestic and foreign deposits, less loans and investments, which actually could be viewed as its net liabilities. The above method of calculating the foreign reserves was confirmed by a BOC official, Mr Wu Lianlu, in an article published in a recent issue of the authoritative ZHONGGUO JIN RONG (CHINA FINANCE) magazine.

Banking sources said there were indications the BOC had increased its short-term borrowings dramatically last year to prop up the country's reserves which had dwindled as a result of runaway imports. This may explain why BOC's reserves represented the bulk of the country's total foreign exchange reserves in September last year.

In September 1984, China's total foreign exchange reserves hit a peak of U.S. $16.674 billion, of which the Treasury's share was 73 percent ($12.184 billion) and BOC's 27 percent ($4.49 billion). Following last year's import craze, the country's reserves fell to $12.592 billion by September. This time, BOC's share represented more than 70 percent of the country's total reserves ($9.215 billion) and the Treasury's only $3.377 billion. It is obvious the Treasury suffered the biggest drop because of the country's uncontrolled spending on consumerables. [word as published]

Mr Wu Nianlu, general manager of BOC's Institute of International Finance, agreed that the bank's reserves are partly made up of its debt.

"Although BOC's foreign reserves are made up of its liability, it has enjoyed a steady growth in foreign exchange deposits from domestic enterprises and from its overseas network and they (the deposits) are available to us for long-term use," he said in the article. Nevertheless, Mr Wu stressed that China has rich reserves of gold, totalling about 400 tons, to back the country's spending. He said China could live comfortably with a comparatively low level of foreign exchange reserves of about $10 billion. At that level, he said China will have enough money to pay for the country's imports for two to three months, which is in line with Western economists' thinking.

According to banking sources, China counts BOC's liabilities in its foreign exchange reserves because the bank is regarded as an official government agency. Nevertheless, a Chinese official close to the People's Bank of China, the country's central bank, told BUSINESS NEWS, BOC has recently increased its capital base to boost its assets. He said by doing so BOC will be able to reduce the proportion of its liability in its net foreign exchange reserves.

Some Western analysts who maintain close contacts with Chinese officials said the country's foreign reserves are made up of a "mixed basket of currencies," the exact composition of which is not disclosed. They said because of the depreciation of the greenback, China has recently made some "windfall" gains in its foreign reserves.

Meanwhile, at a China Insight seminar organised by the American Chamber of Commerce here last week, a China finance expert, Mr Fong Chi, said there is a serious drawback in China's foreign exchange management system. Mr Fong, managing director of Consortium Leasing Corp, said China does not have a central unit coordinating the country's foreign exchange regulations, policies and strategies.

"The management of foreign exchange reserves has too many hands involved in the approval and allocation process and, many times, the same dollar of foreign exchange was spent several times by different authorities," he told the seminar. "No one knowns how much was approved and allocated, how and when the foreign exchanges are used until the kitty runs dry... Then the problem is recognised."

BUSINESS NEWS learned that the chief of People's Bank, Ms Chen Muhua, was forced to adopt drastic measures in March last year to halt the use of money because the Treasury had almost run out of funds.

Mr Fong said the problems of foreign exchange management stem from China's system of assigning foreign currency quotas to local authorities. But the quotas do not mean the local authorities are actually allocated foreign exchange. In practice they can use renminbi to buy the foreign exchange from BOC under their quota.

"In the meantime, the State Economic Commission may have allocated the same foreign exchange (as allocated to the local authorities) to another project" Mr Fong said.

Mr Fong said China should set up a centrally controlled unit to keep an updated account on the usage of foreign exchange quota by the local authorities. Another method is to change all quotas into cash.

"The moment foreign exchange is allocated to local authorities, they should have the cash under their name in the BOC accounts and others should not touch it," he said.

SHENZHEN TO TAKE STRICT MEASURES TO CURB INFLATION

HK190846 Hong Kong SOUTH CHINA MORNING POST in English 19 May 86 p 9

[By Albert Chan, Ophelia Suen, and Julina Chan]

[Text] Strict measures will be taken this year to keep inflation in Shenzhen below 6.5 percent after a year of dramatic price fluctuations. Shenzhen's price reforms last year ended up by unleashing a record 23.2 percent inflation rate and the city has reputedly become the most expensive place in China to live.

But a senior official with the Shenzhen Commodity Price Bureau argued that the inflation last year was "deliberate" and "carefully engineered." "Otherwise, such a high inflation rate would bring chaos to the economy," said the official, who asked not to be named.

In order to control inflation, the Shenzhen city government has decided to freeze electricity and water charges as well as rents for the whole of this year. State-owned enterprises must also ask permission before they raise prices.

"When we receive applications, we will see if it is possible for the enterprise to balance its accounts by items that are profitable," said the Shenzhen official. "We will not approve a price increase for an item merely because it has cost more to produce."

Under the new reforms, instead of unified prices all over the country, three types of markets have been created:

-- The free market where there is no control whatsoever on commodity prices. Ge ti hu, private dealers, are allowed to set their prices freely according to supply and demand.

-- The "floating" market where the Government sets an upper limit on commodities and sellers can vary their prices according to supply and demand as long as the fluctuations do not go above the ceilings.

-- The state-owned market which is owned and run by the Government with prices fixed by government. Here, price fluctuations are kept to a minimum.

Certain commodities such as oil, rice and pork -- which are considered basic daily necessities -- are available in the state-owned market. Prices for such items are kept at a low level determined by the Government to ensure that prices are within the public's reach. Better-quality and fresher food -- including higher-grade rice, oil and pork -- is available in the free market and floating market at a higher price.

The Shenzhen official said the aim of the system is to use the state-owned market to influence prices in the free and floating markets. "The ge ti hu cannot raise their prices too drastically because goods of similar quality or slightly inferior quality are available in state-owned market," the official explained.

All basic commodities used to be centrally controlled both in quantity and price, and the public had to use food tickets distributed by the Government.

The official explained the high inflation rate was partly attributable to the fact that most of the food Shenzhen consumes is "imported" from other parts of the mainland. The only exception is fish and a few other aquatic products from Shenzhen. Prices for these may be lower than in other provinces.

GUANGZHOU SOURCES CITED ON PROPOSED FEC ABOLISHMENT

HK150558 Hong Kong TA KUNG PAO in English 15-21 May 86 p 4

[By Gan Wei]

[Text] While it is certain that the foreign exchange certificate (FEC) will eventually be abolished, no one can say for sure when the abolishment will take place.

In Guangzhou recently, however, everybody seems to be certain that the time will be around the end of this year. Official sources so far have neither denied nor confirmed such a belief.

What Beijing did say recently, though, is that ample safeguards will be provided for FEC holders when the time comes. It was also disclosed that 'the new measures to be adopted in lieu of the FEC' will cause no inconvenience for its owners.

Introduced six years ago in April 1980, the FEC came under the State Council's scrutiny three years later -- in 1983. This followed criticisms and complaints raised by NPC deputies and economists. It was pointed out that the controversial currency was responsible for black market trading and illicit profiteering especially in the SEZs [special economic zones] and some coastal provinces. The effects of such tradings were felt as far as the remote autonomous regions of Tibet and Xinjiang.

Originally intended as a means to stop the circulation of foreign currencies in China and to encourage overseas remittance, the FEC soon came to be prized by countless Chinese consumers wishing to purchase imported goods.

Available only in FECs, such consumers goods were sold at Friendship Stores found in many Chinese cities at prices considerably lower than the going market rates.

The FEC was also coveted by state enterprises in their quest for foreign exchange.

It was evident from these developments that the FEC had soon outlived its original purpose.

On 3 April this year, Vice-Premier Yao Yilin told Hong Kong reporters covering the recent NPC that the Chinese government had decided to abolish the FEC and that preparations for its withdrawal were already under way. The vice-premier cautioned, however, that it would take some time to finally abolish the FEC.

It was felt that the most difficult aspect of the abolishment was to make sure that it would have no adverse effect on trade, the country's growing tourist industry and other fields of Sino-foreign relations.

As for Guangzhou's guess that the abolishment will take place at the end of this year, it can only be said that nothing is final pending an official announcement by the Bank of China.